Airbus SE is a European public company (Societas Europaea), with its seat in Amsterdam, the Netherlands, which is listed in France, Germany and Spain.

In this Universal Registration Document, the term “the Company” refers to Airbus SE together with its subsidiaries, and the commercial aircraft segment is referred to as “Airbus”. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – 2.1.1.2 Reportable Business Segments”.

In addition to historical information, this Universal Registration Document includes forward-looking statements. The forward-looking statements are generally identified by the use of forward-looking words, such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “plan”, “project”, “predict”, “will”, “should”, “may” or other variations of such terms, or by discussion of strategy. These statements relate to the Company’s future prospects, developments and business strategies and are based on analyses or forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements represent the view of the Company only as of the dates they are made, and the Company disclaims any obligation to update forward-looking statements, except as may be otherwise required by law. The forward-looking statements in this Universal Registration Document involve known and unknown risks, uncertainties and other factors that could cause the Company’s actual future results, performance and achievements to differ materially from those forecasted or suggested herein. These include changes in general economic and business conditions, as well as the factors described under “Risk Factors” below.

This Universal Registration Document was prepared in accordance with Annex 1 and 2 of Commission Delegated Regulation (EU) 2019/980 and has been filed in English with the Autoriteit Financiële Markten (the “AFM”) on 27 March 2024 in its capacity as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”) without prior approval pursuant to Article 9 of the Prospectus Regulation.

This Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AFM together with any amendments, if applicable, and a securities note and summary approved in accordance with the Prospectus Regulation.

Due to rounding, numbers presented throughout this Universal Registration Document and other documents may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.
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The Company is subject to the risks and uncertainties described below that may materially affect its business, results of operations and financial condition. These are not the only risks the Company faces. Additional risks and uncertainties not presently known to the Company, or that it currently considers immaterial, may also impair its business and operations.

Although a certain degree of risk is inherent in the Company’s business (as described in the risk factors in this section), the Company endeavours to minimise and/or manage risk in accordance with the Company’s risk appetite. To pursue its strategy, the Company is prepared to take modest or low event risks in order to secure profitability and cash flow and maintain its competitiveness, invest in research and development and manage a diversified business portfolio in a world of uncertain market and economic conditions. Due to the importance of programmes and operations for the Company, the Company focuses on the operational dimension of risk identification and management. Within the area of legal and compliance risks, the Company seeks to ensure that its business practices conform to applicable laws, regulations and ethical business principles, while developing and maintaining a culture of integrity. Regarding financial risks, the Company undertakes a prudent risk approach and aims to minimise downside risk in accordance with the Company’s risk appetite through an appropriate liquidity buffer, moderate financial leverage and the use of hedging derivatives and other insurance programmes.

1. Geopolitical, Global Economic and Financial Market Risks

Global Economic Conditions

The Company’s business, results of operations and financial condition are materially affected by global economic conditions.

Market disruptions and significant economic downturns may develop quickly due to, among other things, crises affecting credit or liquidity markets, regional or global recessions, sharp fluctuations in or sustained high commodity prices (including gas and oil), energy shortage or unavailability, currency exchange rates or interest rates, rapid increases in or sustained high levels of inflation or deflation, sovereign debt and bank debt rating downgrades, restructuring or defaults, geopolitical tensions (such as those reflected in the sanctions imposed as a result of Russia’s invasion of Ukraine, or other potentially conflicting policies among the US, EU, Russia and China with ramifications beyond their borders) or adverse geopolitical events (such as military or armed conflicts, acts of terrorism, pandemics or natural disasters). Recent US administrations have introduced greater uncertainty with respect to US tax and trade policies, tariffs and government regulations affecting trade between the US and other countries. Such measures, and the countermeasures they provoked, affected and may continue to affect countries where our customers and suppliers are located or where the Company has an operational presence or to which its financing activities are linked. For more detailed information, see “Geopolitical, global economic and financial market risks – The war in Ukraine and armed conflicts”, “Geopolitical, global economic and financial market risks – COVID-19 or other pandemic risks” and “Business and operations-related risks – Availability of government and other sources of financing”.

The Company’s global presence includes France, Germany, Spain and the UK as well as fully-owned subsidiaries in the US, China, Japan, India and in the Middle East, a majority shareholding (75%) of a limited partnership with the Government of Quebec in Mirabel, Canada (for the A220 programme) and spare parts centres in Hamburg, Frankfurt, Virginia (USA), Beijing, Dubai and Singapore. At the end of 2023, the Company had engineering and training centres in Toulouse, Miami, Mexico, Wichita (USA), Hamburg, Bangalore, Beijing and Singapore. There are also hubs and field service stations around the world. The Company also relies on industrial cooperation and relationships with major companies and a wide network of suppliers. This global presence entails the risk of being affected by weak market and economic conditions in particular in Europe, the US and Asia where it manufactures and where it sells the majority of its products.
As of the end of 2023, approximately 19,000 suppliers from more than 90 countries supply parts, components, systems and services to the Company. In 2023, the overall external sourcing volume of the Company was estimated at around €49 billion. The Company requires its suppliers’ and subcontractors’ services in order to deliver its products and generate revenue and profit. Therefore, financial, economic and geopolitical instability in any part of the world that would affect our suppliers or subcontractors, including conditions resulting in sharply rising inflation, increasing energy prices, their inability to obtain credit or even their insolvency, could impact the Company’s ability to meet its customer obligations in a satisfactory and timely manner. In addition, financial, economic and geopolitical instability affecting suppliers or subcontractors could impact such parties’ ability to meet their obligations under risk sharing agreements entered into with the Company. The lingering effects of the COVID-19 pandemic and the consequences of Russia’s invasion of Ukraine have likewise increased the Company’s exposure to supply chain risk. For further details, please refer to “Business and operations-related risks – Dependence on Key Suppliers and Subcontractors”.

The behaviour of our customers and by extension, the demand for and supply of the Company’s products and services have been and may continue to be materially affected by global economic conditions. Geopolitical events (such as armed conflicts) or events like the COVID-19 pandemic leading to global or localised economic deterioration and resulting in a drop in air travel, could lead to protracted weak demand for commercial aircraft. Historically, the Company has experienced that order intake for commercial aircraft has shown cyclical trends, due in part to changes in passenger demand for air travel and the air cargo share of freight activity, which are in turn driven by a range of economic variables including gross domestic product (“GDP”) growth and private consumption levels. Likewise, demand for military and parapublic products may be affected by governmental budget constraints caused by economic pressure. As the size of the Company’s commercial aircraft business relative to its defence, space and government activities has grown, the latter’s ability to serve as an effective buffer to counter commercial cycles has been diluted.

Protracted weak global economic conditions brought on by the above-described or other factors could therefore directly result in:

- financial distress among airlines and lessors, and potential bankruptcies within this market;
- requests by customers to postpone or cancel existing orders for aircraft (including helicopters) or decisions by customers to review their order intake strategy due to, among other things, lack of availability of credit in the financial markets to finance aircraft purchases or increases in operating costs, or weak levels of passenger demand for air travel and cargo activity more generally, which in each case could negatively impact the Company’s results of operations;
- variations in public spending for defence, homeland security and space activities, which may lead to the termination or reduction of future funding or to cancellations or delays impacting existing contracts, each of which could negatively impact the Company’s results of operations; and
- an increase in the amount of sales financing that the Company is requested to provide to its customers to support aircraft deliveries, which are typically secured by the underlying aircraft itself and which entail exposure to the customer credit risk. See “Business and operations-related risks – Sales Financing Arrangements”.

In addition, due to the lengthy terms of sales and supplier contracts, in the aerospace and commercial aircraft industry it is standard to include revision clauses in such contracts. Revision clauses can be based on one or multiple indices and therefore, can evolve due to changes in the underlying economic measures on which such indices are based, thereby potentially negatively impacting the Company’s results.

The Company generally finances its manufacturing activities and product development programmes (particularly the development of new commercial aircraft), through a combination of cash flows generated by operating activities, customer advances, European governments’ refundable advances and risk-sharing agreements with subcontractors. In addition, the Company’s military-linked activities often benefit from government-financed research and development contracts. The Company may also elect to raise funds in the capital markets. Unfavourable or weak economic conditions, uncertainty or adverse trends leading to liquidity constraints or reduced availability of financing for the Company’s customers, suppliers, European and other governments, and other risk sharing partners may affect the Company’s ability to finance its product development programmes and raise funds in the capital markets. Please also refer to “Geopolitical, global economic and financial market risks – Liquidity” and “Business and operations-related risks – Availability of government and other sources of financing”.

The Company’s financial results may also be negatively affected by gains or losses realised on the sale or exchange of financial instruments; impairment charges resulting from revaluations of debt and equity securities and other investments; interest rates; cash balances; and changes in fair value of derivative instruments. Periods of increased volatility in the financial markets and overall economic uncertainty increase the risk that actual amounts realised in the future on the Company’s financial instruments could differ significantly from the fair values currently assigned to them.

Although the potential negative impact of global economic conditions has been thoroughly assessed and are continually monitored, the consequences thereof could have unforeseen material effects on the Company’s business, results of operations and financial condition, particularly to the extent they were to impact the Company’s commercial aviation activities or otherwise impact its access to financing.
Foreign Currency Exposure

In 2023, more than 75% of the Company’s revenues were denominated in US dollars, with approximately 60% of such currency exposure being “naturally hedged” by US dollar-denominated costs. The remainder of costs are incurred primarily in euros and to a lesser extent, pounds sterling and other currencies. Consequently, to the extent that the Company does not cover its net current and future exchange rate exposure from the time of a customer order to the time of delivery, its profits will be affected by market changes in the exchange rate of the US dollar against these currencies.

There are complexities inherent in determining whether and when foreign currency exposure of the Company will materialise, in particular given the possibility of unpredictable revenue variations arising from order cancellations, postponements or delivery delays.

Regarding foreign currency exchange risk, the Company may also have difficulty in fully implementing its hedging strategy if its hedging counterparties are unwilling to increase derivatives risk limits with the Company, and the Company is further exposed to the risk of non-performance or default by these hedging counterparties. The exchange rates at which the Company is able to hedge its foreign currency exposure may also deteriorate, as the euro could appreciate against the US dollar for some time, as has been the case in the past and as higher capital requirements for banks result in higher credit charges for uncollateralised derivatives. Accordingly, the Company’s foreign currency hedging strategy may not protect it from significant changes in the exchange rate of the US dollar to the euro and the pound sterling, in particular over the long-term, which could have a negative effect on its financial condition and results of operations.

Moreover, to further mitigate the impact of exchange rate fluctuations on its profits, the Company might enter into a euro conversion agreement with its customers to fully or partially convert the payment from US dollar into euro based on an agreed conversion rate. These agreements can be implemented at the specific request of customers, and are accounted for in the IFRS Consolidated Financial Statements as a contract in euros.

Since 2022 and going forward, the Company has presented its matured hedge portfolio and euro conversion on a blended basis and therefore blended rates reflect both the EBIT impact of hedge rates of the US dollar hedge portfolio and euro conversion.

As of 31 December 2023, the blended portfolio amounts to US$91.7 billion with maturities up to 2029 and covers a major portion of the foreign exchange exposure expected over the period of the operative planning.

The portion of the Company’s US dollar-denominated revenues that is not covered in accordance with the Company’s coverage strategy will be exposed to fluctuations in exchange rates, which may be significant. Furthermore, the Company is exposed to certain other price risks such as interest rate risks, changes in commodity prices and in the price of items held in inventory. Adverse movements of these prices may jeopardise the Company’s profitability if not hedged.

Currency exchange rate fluctuations in currencies other than the US dollar in which the Company incurs its principal manufacturing expenses (mainly the euro) may affect the ability of the Company to compete with competitors whose costs are incurred in other currencies. This is particularly true with respect to fluctuations relative to the US dollar, as many of the Company’s products and those of its competitors (e.g. in the defence export market) are priced in US dollars. The Company’s ability to compete with its competitors may be eroded to the extent that any of the Company’s principal currencies appreciates in value against the principal currencies of such competitors.

The Company’s consolidated revenues, costs, assets and liabilities denominated in currencies other than euro are translated into euro for the purposes of compiling its financial statements. Changes in the value of these currencies relative to the euro will, therefore, have an effect on the euro value of the Company’s reported revenues, costs, EBIT, other financial results, assets, liabilities and equity.

Liquidity

The Company is exposed to liquidity risk, particularly in the event of funding needs arising during a market disruption. If liquidity risk were to materialise, the Company could be at risk of making late payments or not being able to pay its creditors and shareholders, or potentially delaying or disrupting the closing of some transactions. Liquidity risk can arise particularly when money markets and/or debt capital markets are closed for new issuances for a period of time. In order to mitigate liquidity risk, the Company maintains:

- significant amounts of cash or highly liquid cash equivalents onbalance sheet;
- undrawn committed credit facilities;
- diversified Euro funding programmes (such as a €12 billion Euro medium-term note (‘EMTN’) programme, a €11 billion Negotiable European Commercial Paper programme and a €4 billion Euro Commercial Paper programme); and
- access to USD funding (through a US$3 billion US Commercial Paper programme and the 144A US dollar bond market).

On 5 July 2022, the Company signed a sustainability-linked Revolving Syndicated Credit Facility committed by 38 banks for €8 billion with a maturity of five years and two extension options of one year (subject to banks’ approval). This facility incorporates an adjustment mechanism that links the applicable margin of the facility (which can go either up or down) to the achievement of annual targets for two selected sustainability key performance indicators related to environmental rating and health and safety. The first extension option of one year has been exercised by Airbus and approved by all banks except one. Save for this bank, the new maturity of the sustainability-linked Revolving Syndicated Credit Facility is 5 July 2028. Going forward, the Company will continue to maintain a prudent approach when it comes to managing its liquidity, with the objective of maintaining its robust credit rating.
The War in Ukraine and Armed Conflicts

Local or regional wars or armed conflicts may pose risks to the Company’s operations, supply chain (relating to the production or movement of materials or goods) and access to commodities. To the extent such events result in reduced demand for air travel or negative impacts on the commercial aircraft market (closing certain routes, disrupting fuel or other critical supplies, or otherwise impeding on air traffic) they could reduce demand for the Company’s products and services.

Russia’s invasion of Ukraine on 24 February 2022 and the resulting export control restrictions and international sanctions against Russia, Belarus and certain Russian entities and individuals resulted in disruption to the Company’s business, operations (including data management) and supply chain. In response to the export control restrictions and sanctions enacted by the EU, the UK, the US, Canada and other countries, the Company suspended the delivery of aircraft and support services (including spare parts, equipment and software) to sanctioned entities and countries. The Company maintained compliance with all applicable regulations and sanctions on its facilities and operations in Russia. The Representative Office in Moscow was closed in August 2023, while the Airbus Russia affiliate (Airbus RUS) and the Space Division’s two joint ventures in Russia (Energia Satellite Technologies and Synertech) are in process of being closed. For additional information on this matter, please refer to “Legal, regulatory and governance risks – Export controls laws and regulations” below.

The war in Ukraine has likewise increased the Company’s exposure to supply chain disruption risk. Part of the titanium used by the Company is sourced from Russia, both directly and indirectly through the Company’s suppliers. While geopolitical risks, and associated de-risking activities, are integrated into the Company’s titanium sourcing policies, the impact of Russia’s invasion of Ukraine (including the resulting sanctions), may continue to affect the Company’s ability to source certain materials and components, particularly in view of the lead time needed to develop alternative sources. For more details, see “Business and operations-related risks – Dependence on key suppliers and subcontractors” and “Business and operations-related risks – Industrial system adaptation”. The Company’s business, results of operations and financial condition may continue to be affected by the direct and indirect impacts of the war in Ukraine and response measures thereto.

COVID-19 or other Pandemic Risks

While the COVID-19 pandemic, the resulting health and economic crisis and actions taken in response to the spread of the pandemic, including government measures, lockdowns, travel limitations and restrictions which resulted in significant disruption to the Company’s business, operations and supply chain have in many ways receded, lingering effects continue to impact the Company’s business, operations and supply chain and its ability to deliver products and services. See also “Business and operations-related risks – Dependence on key suppliers and subcontractors” below for more information on this matter.

Moreover, a localised or global resurgence of the COVID-19 pandemic or the emergence of another pandemic or widespread human health issue could result in further government measures, lockdowns, travel limitations and restrictions. This could negatively impact demand for air travel and commercial air traffic, thereby impacting the financial health and viability of operators, airlines, lessors and suppliers and adversely affecting the Company’s ability to deliver products and services as well as customers’ demand for aircraft and their ability to fund and take delivery of such aircraft. See also “Business and operations-related risks – Commercial Aircraft and Helicopter Market Factors” for more information on this matter.

In addition to the aforementioned effects, to the extent a resurgence of COVID-19 was to result in further lockdowns, travel limitations and restrictions, logistical challenges would result that could cause further disruptions to the Company’s business, its operations and supply chain and which could adversely affect the Company’s ability to deliver products and services as well as customers’ ability to take delivery of aircraft. There can be no assurance that the Company’s business, results of operations and financial condition will not be materially affected by pandemics or other similar events in the future. Please also refer to the “Notes to the IFRS Consolidated Financial Statements – Note 2: Macroeconomic Environment, Geopolitical and Financial Market Risks”
2. Business and Operations-related Risks

Commercial Aircraft and Helicopter Market Factors

Historically, the Company has experienced that the commercial aircraft market and order intake for commercial aircraft shows cyclical trends, reflecting changes in demand for passenger air travel and air freight, which in turn largely correlate to a range of economic variables, such as GDP growth, private consumption levels and working age population size. Other factors playing an important role in determining the market for commercial aircraft include (i) the average age and technical obsolescence of the fleet relative to new aircraft; (ii) the number and characteristics of aircraft taken out of service and parked pending potential return into service; (iii) passenger and freight load factors; (iv) airline pricing policies and resultant passenger yields; (v) airline financial health; (vi) the availability of third party financing for aircraft purchases; (vii) fuel price evolution; (viii) the regulatory environment; (ix) environmental constraints imposed upon aircraft operations, such as the Carbon Offsetting and Reduction Scheme for International Aviation (“CORSIA”), carbon standards and other environmental taxes; and (x) market evolutionary factors such as the volume of business-related travel, the growth of low-cost passenger airline business models, the impact of e-commerce on air cargo volumes or the consolidation of airlines.

In the future, other factors (such as the availability of SAF) may impact the market. Geopolitical, global economic and financial market conditions can further amplify these factors. Please also refer to “Geopolitical, global economic and financial market risks”.

The factors described above may have a material impact on the commercial aircraft industry and, therefore, on the Company’s financial condition and results of operations.

Sales Financing Arrangements

In support of aircraft sales and deliveries, the Company may from time to time participate in financing solutions for its customers. From 2021 through 2023, the average number of aircraft delivered in respect of which financing support has been provided by Airbus amounted to approximately 1% of the number of deliveries over the same period. Airbus has a policy to sell-down such financing exposure when market conditions are sufficiently favourable, and to not hold such exposure over the longer term.

The risks arising from the Company’s sales financing activities may be classified into two categories: (i) credit risk, which relates to the customer’s ability to perform its obligations under a financing arrangement, and (ii) aircraft residual value risk, which primarily relates to unexpected decreases in the future value of aircraft. Defaults by its customers or significant decreases in the value of the financed aircraft in the resale market may materially adversely affect the Company’s business, results of operations and financial condition.

The Company’s sales financing arrangements expose it to credit risk and aircraft residual value risk, because it generally retains security interests in aircraft for the purpose of securing customers’ performance of their financial obligations to the Company. Under adverse market conditions, the market for used aircraft could become illiquid and the market value of used aircraft could significantly decrease below projected amounts. In the event of a financing customer default at a time when the market value for a used aircraft has unexpectedly decreased, the Company would be exposed to the difference between the outstanding loan amount and the market value of the aircraft, net of ancillary costs (such as maintenance and remarketing costs, etc.). Through the Airbus Asset Management department or as a result of past financing transactions, the Company is the owner of used aircraft, exposing it directly to fluctuations in the market value of these used aircraft.

In addition, the Company has “backstop” commitments to provide financing related to orders on the Company’s and ATR’s backlog. The Company’s sales financing exposure could rise in line with future sales growth depending on agreements reached with customers and the market conditions at such time. The Company remains exposed to the risk of defaults by its customers or significant decreases in the value of the financed aircraft in the resale market, which may have a negative effect on its future financial condition and results of operations.
Counterparty Credit

In addition to the credit risk relating to sales financing as discussed above, the Company is exposed to credit risk to the extent of non-performance by its counterparties for financial instruments, such as hedging instruments (US$ 67.1 billion nominal value at 31 December 2023) and cash investments (€ 23.2 billion nominal value at 31 December 2023). However, the Company has policies in place to avoid concentrations of credit risk and to ensure that credit risk exposure is limited.

Counterparties for transactions in cash, cash equivalents and securities as well as for derivative transactions are limited to highly-rated financial institutions, corporates or sovereigns. The Company’s credit limit system assigns maximum exposure lines to such counterparties, based on a minimum credit rating threshold as published by Standard & Poor’s and Moody’s (and if neither is available, Fitch Ratings are used). Besides the credit rating, the limit system also takes into account fundamental counterparty data, as well as sector and maturity allocations and further qualitative and quantitative criteria such as credit risk indicators.

The counterparty credit exposure of the Company is reviewed on a regular basis and the respective limits are regularly monitored and updated. In addition to monitoring the Company’s overall credit exposure, the Company regularly analyses counterparty credit exposure in terms of its potential contribution to unexpected losses. As of 31 December 2023 the Company’s credit exposure had been estimated as follows (in € million):

<table>
<thead>
<tr>
<th>Source of risk</th>
<th>Exposure</th>
<th>Unexpected Loss Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>3,823(2)</td>
<td>41</td>
</tr>
<tr>
<td>Corporates</td>
<td>6,119</td>
<td>134</td>
</tr>
<tr>
<td>Sovereign issuers</td>
<td>832</td>
<td>7</td>
</tr>
<tr>
<td>Money market funds</td>
<td>12,399</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,173</strong></td>
<td><strong>202</strong></td>
</tr>
</tbody>
</table>

(1) Not audited.
(2) Does not include the nominal value of hedging instruments.

The Company also seeks to maintain a certain level of diversification in its portfolio between individual counterparties as well as between financial institutions, corporates and sovereigns in order to avoid an increased concentration of credit risk on only a few counterparties.

However, there can be no assurance that the Company will not lose the benefit of certain derivatives or cash investments in the event of a systemic market disruption. In such circumstances, the value and liquidity of these financial instruments could decline and result in a significant impairment, which may in turn have a negative effect on the Company’s financial condition and results of operations.

Moreover, the progressive implementation of new financial regulations and adjustments to existing regulations may have an impact on the business model of banks (as did, for example, the split between investment banking and commercial banking activities) and on the capital structure and cost of such banks’ activities in relation to over-the-counter derivatives, and therefore will have consequences on the funding, central clearing and collateralisation of over-the-counter derivatives for corporations like the Company. This may ultimately increase the cost and reduce the liquidity of the Company’s long-term hedges, for example, as banks seek to either pass on the additional costs to their corporate counterparties or withdraw from low-profit businesses altogether.

Pension Commitments

The Company participates in several pension plans for both executive and non-executive employees, some of which are underfunded. As at 31 December 2023, the provision for retirement plans and similar obligations amounted to € 2.7 billion (compared to € 2.9 billion as at 31 December 2022). For information related to these plans, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 31: Post-Employment Benefits”. The Company has recorded a provision in its balance sheet for its share of the underfunding measured in accordance with IFRS based on current estimates. These estimates will be reviewed annually and, as the case may be, revised leading the Company to record lower or higher provisions.

Necessary adjustments of such provisions include but are not limited to (i) the discount factor (dependent in part on interest rates) and the inflation rate applied to calculate the net present value of the pension liabilities, (ii) the performance of the asset classes which are represented in the pension assets, (iii) behavioural assumptions regarding beneficiaries, and (iv) additional cash injections contributed by the Company from time to time to the pension assets. The Company has taken measures to reduce potential losses on the pension assets and as a long-term objective to better match the characteristics of the pension assets with those of the pension liabilities. Nevertheless, any required additional provisions would have a negative effect on the Company’s total equity (net of deferred tax), which could in turn have a negative effect on its future financial condition.
Cyber Security Risks

The Company’s extensive information and communications systems, industrial environment, products and services are exposed to cyber security risks. Cyber security threats are continually and rapidly changing and scenarios of attacks are becoming more sophisticated.

The Company is exposed to a number of different cyber security risks, directly or through its supply chain, arising from actions that may be intentional and hostile, accidental or negligent. Some of the objectives of an attacker are espionage, to influence, to create an obstacle to functioning, or to extract payment. The main cyber security risks for the Company are intrusion in systems leading to data leakage, attacks impacting the resilience of industrial systems and compromising the development, use or operation of products and services.

All of the above-mentioned risks are heightened in the context of the increasingly common use of digital solutions by the Company (including greater use of cloud services, mobile devices, “internet of things”), increasingly capable adversaries and integration with the extended enterprise. Risks related to the Company’s industrial control systems, manufacturing processes and products are growing with the increase of interconnectivity and digitalisation. Moreover, a primary challenge is maintaining an appropriate level of security of complex and legacy industrial systems to face attacks from hackers, who are constantly and rapidly improving their techniques and skills. Further, the Company is subject to data privacy laws in many jurisdictions, a violation of which (whether accidentally, or through a deliberate internal or external act) could result in legal, reputational, commercial, financial or other consequences for the Company.

Finally, the Company is exposed to reputational damage and destabilisation from the growing volume of false and malicious information injected into the media and social networks. The Company continues to make significant efforts to prevent such risks from materialising. Targeted investments will reduce but not eradicate likelihood and impact through strengthening the business’ cyber protection and resilience.

The materialisation of one or several of such risks could lead to severe damage, including but not limited to significant financial loss, need for additional investment, contractual or reputational performance degradation, loss of intellectual property, loss of business data and information, operational business degradation or disruptions, and product or services malfunctions. Loss of personal data may result in administrative, civil or criminal liabilities including significant fines and penalties.

Physical Security, Hybrid Threats, Regional Conflict and other Catastrophic Events

Regional conflicts, terrorist attacks, public health crises (such as the global COVID-19 pandemic), and rising military and civil tensions have demonstrated that such events may negatively affect public perception of air travel, which may in turn reduce demand for air travel and commercial aircraft. The outbreak of wars, riots or political unrest or uncertainties including those resulting in economic effects such as recession, unemployment or an acute increase of cost of living may also negatively affect the public’s desire to travel by air. Furthermore, major aircraft accidents may have a negative effect on the public’s or regulators’ perception of the safety of a given class of aircraft, a given airline, a form of design of aircraft or of air traffic management. Flight activity ramp-up requires particular focus on safety aspects such as removing aircraft from storage and pilot training. As a result of such factors, the aeronautic industry may be confronted from time to time with events leading to sudden, short-term or prolonged reduced demand for air transport, and may be compelled to take additional costly security and safety measures. The Company may, therefore, suffer from a decline in demand for all or certain types of its aircraft or other products, and the Company’s customers may postpone delivery or cancel orders.

In addition to affecting demand for its products, catastrophic events on a wider scale or events targeting the Company in particular could disrupt the Company’s internal operations, supply chain or its ability to deliver products and services. Disruptions may take the form of direct disruptions to the supply chain (including transportation networks), threats to infrastructure and public services, personnel and physical security, and may arise through terrorism or other deliberate malicious acts, regional conflict and civil unrest, natural disasters or incidents of another nature. In addition to purely physical incidents, “hybrid” incidents (i.e. combining cyber and physical) may occur, such as for example coordinated disruptions of air traffic utilising drones. The effects of these events may be amplified if they happen on single points of failure (SPOFs), therefore dedicated identification and mitigation measures are maintained in this regard. Any resulting impact on the Company’s production, services or information systems could have a significant adverse effect on the Company’s operations, financial condition and results of operations as well as on its reputation and on its products and services.
Dependence on Key Suppliers and Subcontractors

The Company is dependent on the performance of numerous suppliers and subcontractors who provide the raw materials, parts, assemblies, systems, equipment and services required for the Company to manufacture and deliver its products. These suppliers and subcontractors’ financial health and ability to meet their contractual obligations may be negatively impacted by a variety of commercial factors, including the availability and cost of financing, the cost and availability of energy and raw materials (including steel and titanium and other key inputs), the ability to attract, train and retain a suitably skilled workforce, the ability to acquire certain non-commodity materials and components (such as semiconductors and electronic components) in the required quantity and time frame and at a viable cost, disruptions to transport and logistics networks and cyber security threats. Further, macroeconomic or local economic factors (including economic recessions and inflation), geopolitical conflicts causing economic or logistical disruptions, changes or tightening of export controls and other trade regulations, sanctions and embargoes, and other legal or regulatory issues (including environmental regulations) may negatively impact suppliers’ and subcontractors’ viability and ability to meet their contractual obligations. Many of the aforementioned factors continue to be exacerbated by the lingering effects of the COVID-19 pandemic. For additional information on risks that may impact our suppliers and contractors, and their ability to deliver, please also refer to: “Geopolitical, global economic and technical market risks – Global economic conditions”, “Geopolitical, global economic and financial market risks – The war in Ukraine and armed conflicts”, “Geopolitical, global economic and financial market risks – COVID-19 or other pandemic risks” and “Legal and regulatory risks” (in relation to international trade, tariffs, and sanctions).

In the context described above, changes to the Company’s production or development schedules may impact suppliers and customers such that they initiate contractual claims for financial compensation or they do not fulfil their on time and on quality delivery commitments. This may have a negative effect on the financial condition and results of operations of the Company.

As the Company’s global sourcing footprint extends, some suppliers (or their sub-tier suppliers) may have production facilities located in countries that are exposed to socio-political unrest, natural disasters or sanctions imposed by governmental authorities, which could interrupt deliveries. This may have a negative effect on the financial condition and results of operations of the Company. The Company cannot fully protect itself from non-performance of a supplier, including in case of external factors beyond its control, which could disrupt production and in turn may have a negative effect on the financial condition and results of operations of the Company. Nevertheless, the Company is striving to improve its supply chain resilience and has implemented a robust governance to prevent, anticipate and monitor supply chain disruption risks and efficient management of issues.

Industrial System Adaptation

The Company is currently engaged in adapting its industrial setup as it progresses towards its targeted commercial aircraft production rates. In view of the complex environment in which it operates, the Company faces challenges as it ramps up to reach its targeted rates. The Company monitors the ramp-up capabilities of the value chain (including the supply chain) for all commercial aircraft programmes. Issues arising across the value chain (including the supply chain), whether relating to raw materials, subcontracted work packages, fixtures (such as cabin equipment, buyer-furnished or otherwise), or other elements, could threaten the success of the ramp-up effort. Likewise, factors within the Company, such as human resources (right-sizing headcount and acquiring or developing the specific skills and competencies required to support the Company’s ramp-up, and training and reskilling the existing workforce), resource allocation and adaptation to the complex and evolving operating environment present challenges for the Company in executing the ramp-up. While the Company is attempting to mitigate potential downside outcomes in part by building up levels of resilience to production disruptions and delays (such as by increasing inventories or certain key inputs), achieving the targeted production ramp-up depends not only on the Company effectively executing its plans, but also depends on external factors beyond the Company’s control. Failing to reach the targeted production ramp-up may have a negative effect on the financial condition and results of operations of the Company. For more details on specific programme risks, see “Business and operations-related risks – Programme-Specific Risks” below.

Technologically Advanced Products and Services

The Company offers its customers products and services that are technologically advanced, so the design and manufacturing and the components and materials utilised can be complex and may require substantial integration and coordination along the supply chain. In addition, most of the Company’s products must function under demanding operating conditions. Throughout the lifecycle of its products, the Company performs checks and inspections, which may result in modifications, retrofits or other corrective actions, each of which may have an adverse effect on production, operations, in-service performance and may result in financial repercussions for the Company. There can be no assurance that the Company’s products or services will be successfully developed, manufactured or operated or that they will perform as intended. Certain of the Company’s contracts require it to (i) forfeit part of its expected profit, (ii) receive reduced payments, (iii) provide a replacement launch or other products or services, (iv) provide cancellation rights, or (v) reduce the price of subsequent sales to the same customer if its products fail to be
Business and Operations-related Risks

Risk Factors

by regulators outside of China. The design, development only, as the Chinese certification has not yet been recognised therefore also faces competition from a third player, in China 2023 serving the Chinese domestic market. The Company its first aircraft having gone into commercial operation during certificate in September 2022 from the Chinese authorities, with local competitor’s large aircraft (single aisle) received its type today operates in a competitive duopoly. In China, however, a business for aircraft with more than 150 seats, the Company competitive. With regard to the Company’s commercial aircraft

Dependence on Public Spending and on Certain Markets

In any single market, public spending (including defence and security spending) depends on a complex mix of political and geopolitical considerations and budgetary priorities, and may therefore be subject to significant fluctuations from year to year and country to country. Any termination or reduction of future funding, or cancellations or delays impacting existing contracts may have a negative effect on the Company’s financial condition and results of operations. In instances where several countries undertake to enter together into defence or other procurement contracts, economic, political or budgetary constraints in any one of these countries may have a negative effect with respect to the execution of, or the performance and payment under such contracts.

The Company has a geographically diverse backlog. Adverse economic and political conditions, as well as downturns in broad economic trends in certain countries or regions, may have a negative effect on the Company’s financial condition and results of operations, not only with respect to those regions but also globally, due to complex economic interdependencies. See also “Geopolitical, global economic and financial market risks – Global economic conditions” for more information on this matter.

Availability of Government and other Sources of Financing

Historically, the Company and its principal competitors have each received various types of government financing with respect to product research and development. However, no assurances can be given that government financing will continue to be made available in the future. Moreover, the availability of other outside sources of financing will depend on a variety of factors such as market conditions, the general availability of credit, the Company’s credit ratings, as well as the possibility that lenders or investors could develop a negative perception of the Company’s long- or short-term financial prospects if it incurred large losses or if the level of its business activity decreased due to an economic downturn. The Company may, therefore, not be able to successfully obtain additional outside financing on appropriate terms, or at all, which may limit the Company’s future ability to make capital expenditures, fully carry out its research and development efforts and fund operations. For additional information on this matter, please also refer to “Geopolitical, global economic and financial market risks – Global economic conditions” and “Geopolitical, global economic and financial market risks – Liquidity”, “Business and operations-related risks – Major research and development programmes”.

Competition and Market Access

The markets in which the Company operates are highly competitive. With regard to the Company’s commercial aircraft business for aircraft with more than 150 seats, the Company today operates in a competitive duopoly. In China, however, a local competitor’s large aircraft (single aisle) received its type certificate in September 2022 from the Chinese authorities, with its first aircraft having gone into commercial operation during 2023 serving the Chinese domestic market. The Company therefore also faces competition from a third player, in China only, as the Chinese certification has not yet been recognised by regulators outside of China. The design, development and production of commercial aircraft involves high barriers to entry, including certification requirements, large investment needs, skilled competencies, access to technology and long development cycles. Although the two main market participants for aircraft with more than 150 seats have secured significant order backlogs, market competition could further increase (through the further entry of new competitors or the launch of new products or services), which could have a negative impact on the Company’s revenues, future financial condition and results of operations.
More broadly, new players are operating or seeking to operate in the Company’s existing markets, which may impact the competitive structure and profitability of these markets. In addition, enterprises with different business models and alternative technologies could substitute the Company’s services and some of its products or component parts thereof. With respect to certain markets or products, competitors may have more extensive or more specialised engineering, manufacturing, support and marketing capabilities, and these competitors may develop the capability to manufacture products or provide services similar to those of the Company, in direct competition with the Company, which could have a negative impact on the Company’s revenues, future financial condition and results of operations. There can be no assurance that the Company will maintain its position in the market or compete successfully in the future, or that competition with respect to its products or services will not result in reduced revenues, market share or profit.

Major Research and Development Programmes

The business environment of many of the Company’s principal operating business segments is characterised by extensive research and development costs requiring significant up-front investments with a high level of complexity. For the year 2023, research and development expenses were €3.3 billion (compared to €3.1 billion for 2022 and €2.7 billion for 2021).

Due to the technologically advanced and complex nature of the Company’s products and the long period (including ramp up time) it takes to produce them, the business plans underlying such investments often entail a long payback period to recoup these investments and assume a certain level of return over this period in order to justify the initial investment. There can be no assurance that the commercial, technical and market assumptions underlying such business plans will be met, and consequently that the payback period or returns contemplated therein will be achieved.

Successful development of new programmes also depends on the Company’s ability to attract and retain engineers and other professionals with the technical skills and experience required to meet its specific needs. Demand for such employees may, depending on the current labour market, often exceed supply, resulting in intense competition for qualified professionals. The Company’s global attrition rate in 2023 was 4.1% overall (including subsidiaries) (compared to 5.0% in 2022 and 7.4% overall in 2021). There can be no assurance that the Company will attract and retain the personnel it requires to conduct its research and development programmes and provide services similar to those of the Company, in direct competition with the Company, which could have a negative impact on the Company’s revenues, future financial condition and results of operations. There can be no assurance that the Company will maintain its position in the market or compete successfully in the future, or that competition with respect to its products or services will not result in reduced revenues, market share or profit.

In addition, the contracts for many aerospace and defence products are awarded, implicitly or explicitly, on the basis of home country preference or geopolitical considerations. Although the Company is a multinational company (which helps to broaden its “home” market), it may still face a competitive disadvantage in certain countries, especially outside of Europe, relative to local competitors with respect to certain products. The strategic importance and political sensitivity of the aerospace and defence industries means that political considerations will play a role in the choice of many products and services for the foreseeable future. Further, the contracts for many aerospace and defence products and services are from time to time associated with offset or localised obligations. The Company may face difficulties to meet such obligations (especially with respect to engaging local country assets) while and at the same time optimising its industrial base and supply chain. Please also refer to “Business and operations-related risks – Dependence on public spending and on certain markets”.

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Acquisitions, Divestments, Joint Ventures and Strategic Alliances

As part of its business strategy, the Company may acquire or divest businesses and/or form joint ventures or strategic alliances. Executing acquisitions and divestments can be difficult and costly due to the complexities inherent in integrating or carving out businesses, technologies or products and the related operations and human resources. There can be no assurance that any of the businesses that the Company may acquire or divest will be integrated or carved out successfully and in the planned time frame or that they will perform as planned and deliver the expected synergies or cost savings once integrated or separated. In addition, regulatory or administrative requirements, opposition by social partners or other stakeholders, or other contractual or financial market conditions can prevent transactions from being finalised. Each acquisition, divestment, joint venture and strategic alliance is highly specific in its nature, purpose, risks and opportunities. The Company identifies risks through a detailed and systematic due diligence process and addresses identified risks through price mitigation and/or appropriate and specific contractual mechanisms (such as indemnification provisions), in each case reflecting extensive negotiations with the sellers/buyers and/or partners. The Company’s business, results of operations and financial condition may be materially affected if any of these transactions are not successfully completed or do not produce the expected benefits.

Public-private Partnerships and Private Finance Initiatives

Governmental customers may request proposals and grant contracts under schemes known as public-private partnerships ("PPPs"). PPPs differ substantially from traditional defence equipment sales, as they often incorporate elements such as:

- the provision of extensive operational services over the life of the equipment;
- continued ownership and financing of the equipment by a party other than the customer (such as the equipment provider);
- mandatory compliance with specific customer requirements pertaining to public accounting or government procurement regulations; and
- provisions potentially allowing for the service provider to seek additional customers for unused capacity.

Programme-specific Risks

In addition to the risk factors mentioned above, the Company also faces programme-specific risks that could have a material impact on the Company’s business, results of operations and financial condition.

The Company faces certain main challenges across its commercial programmes, including:

- commercial adaptation to achieve planned production rate increases while maintaining high safety and quality standards, including focus on regulatory obligations such as our Production Organisations Approval;
- monitor and support the supply chain with a specific focus on certain key suppliers, including engine manufacturers (with respect to the availability and maturity of both production and in-service engines, including the effect of required updates and maintenance cycles) and producers of key elements such as wings, aeroframe components, and other production elements for which sufficient alternative suppliers are not available; and
- protect priority projects and deliver developments as per plan in an environment of increased certification scrutiny and greater complexity, including A321XLR, A220, ACJ TwoTwenty, A350 Freighter, A350-1000 Sunrise project, and Digital (DDMS and Skywise).

A320 Family programme. In view of demand for the A320 Family the Company has announced a gradual increase in production for the upcoming years, with a monthly production rate of 75 A320 Family aircraft being targeted in 2026. Reaching this production rate will depend in part on the success of our industrial adaptation and the performance of our suppliers. For additional information, see “Business and operations-related risks – Industrial system adaptation” and “Business and operations-related risks – Dependence on key suppliers and subcontractors”. The Company proactively and constantly monitors the manufacturing backlog (including the internal and external supply chain (including engines)), so as to ensure readiness for further rate adaptations in accordance with demand evolution, to minimise inventory levels, and to secure aircraft storage capacity.
In connection with the A320 Family programme, the Company faces the following additional key specific challenges: keeping A321XLR development on-track (including A321XLR certification with primary airworthiness authorities), and adapting and upgrading our industrial system and capability to meet market demands (including adapting to the evolving product mix within the family, where the Company currently anticipates a significant increase in A321 production). Market demand for A320 Family aircraft and production and supply chain capabilities will continue to evolve in the next few years, which the Company will continue to closely monitor, with high-risk areas within the supply chain (including engine maturity and availability in service, and other key elements cited above in the first section of this risk factor) being subject to particular scrutiny.

A350 programme. In view of market demand, the Company is targeting a monthly production rate of 10 A350 Family aircraft in 2026. Reaching this production rate will depend in part on the success of our industrial adaptation and the performance of our suppliers. For additional information, see “Business and operations-related risks – Industrial system adaptation” and “Business and operations-related risks – Dependence on key suppliers and subcontractors”. The Company proactively and constantly monitors the manufacturing backlog (including the internal and external supply chain (including engines)), so as to ensure readiness for further rate adaptations in accordance with demand evolution, to minimise inventory levels, and to secure aircraft storage capacity.

In connection with the A350 programme, the Company faces the following additional key specific challenges: matching production rates to market demand while supporting the supply chain and managing lead-times from corresponding suppliers, reducing recurring costs to improve competitiveness in view of the strong competition in the widebody market, and delivering on major programme developments (such as the A350 Freighter development and A350-1000 Sunrise project). The Company will continue to closely monitor these challenges, with high-risk areas in the supply chain (including engines and other key elements) and competitiveness topics being subject to particular focus.

A330 programme. In view of market demand, the Company is targeting a monthly production rate of four A330 Family aircraft in 2024. Reaching this production rate will depend in part on the success of our industrial adaptation and the performance of our suppliers. For additional information see “Business and operations-related risks – Industrial system adaptation” and “Business and operations-related risks – Dependence on key suppliers and subcontractors”. The Company proactively and constantly monitors the manufacturing backlog (including the internal and external supply chain (including engines)), so as to ensure readiness for further rate adaptations in accordance with demand evolution, to minimise inventory levels, and to secure aircraft storage capacity.

In connection with the A330 programme, the Company faces the following additional key specific challenges: matching production rates to market demand while supporting the supply chain and managing lead-times from corresponding suppliers, reducing recurring costs to improve competitiveness in view of the strong competition in the widebody market, and delivering on major programme developments (such as the A350 Freighter development and A350-1000 Sunrise project). The Company will continue to closely monitor these challenges, with high-risk areas in the supply chain (including engines and other key elements) and competitiveness topics being subject to particular focus.

A220 programme. In view of market demand, the Company is targeting a monthly production rate of 14 A220 Family aircraft in 2026. Reaching this production rate will depend in part on the success of our industrial adaptation and the performance of our suppliers. For additional information, see “Business and operations-related risks – Industrial system adaptation” and “Business and operations-related risks – Dependence on key suppliers and subcontractors”. The Company proactively and constantly monitors the manufacturing backlog (including the internal and external supply chain (including engines)), so as to ensure readiness for further rate adaptations in accordance with demand evolution, to minimise inventory levels, and to secure aircraft storage capacity.

In connection with the A220 programme, the key specific challenges the Company faces are to secure the planned cost reduction trajectory (focusing particularly on recurring costs), and to maintain a book-to-bill ratio above one, in order to fill current open slots. The Company will continue to place particular focus on high-risk areas in the supply chain, including engine maturity and availability in service, as well as the challenging and competitive environment in which it must attract, train and retain a skilled workforce.

A380 programme. In connection with the A380 programme, the Company faces the following main challenges: securing age fleet in-service support for the next decades and long-term competitiveness.

Medium helicopters range (H145, H160, H175). These programmes face industrial and production ramp-up challenges.

NH90 programme. Risk of termination of Norway’s contract for 14 NH90 helicopters (13 of which have already been delivered) following receipt of notice of termination dated 9 June 2022. Parties are engaged in a mediation process with a target to reach an amicable settlement. For further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 12: Revenue and Gross Margin”.

Defence and Space programmes - generally. Defence projects and many major satellite, space and other projects are dependent on public spending and government financing, and due to their complexity, they are particularly subject to development risk. For additional information, see “Business and operations-related risks – Dependence on public spending and on certain markets”, “Business and operations-related risks – Availability of government and other sources of financing” and “Business and operations-related risks – Technologically advanced products and services”.

A400M programme. Whilst the Company is still in final negotiation to sign the contract amendment that leads to a new baseline for the programme, risks remain on the qualification of technical capabilities and associated costs, on aircraft operational reliability, on cost reductions and on securing overall volume as per the revised baseline. For further information, please refer to the ”Notes to the IFRS Consolidated Financial Statements – Note 12: Revenue and Gross Margin”.

Eurodrone. Due to the complex nature of this programme, its design and development is particularly challenging, and many hurdles remain to its successful progress.

Border security. In connection with a legacy border security project, the Company faces the following main challenges: meeting the schedule and cost objectives taking into account
3. Legal, Regulatory and Governance Risks

The Company faces various legal and regulatory risks, as described in this section. In addition, the Company operates in a complex geopolitical and economic environment in which it needs to respond to the interests of its various stakeholders while maintaining focus on its operational priorities. In certain contexts, the interests of individual stakeholders or groups of stakeholders may diverge from those of the Company. Reconciling such situations may demand the time and focus of the Company’s management, potentially distracting management’s attention from operational priorities and jeopardising the performance of the Company, which could have a negative effect on the Company’s business, results of operations and financial condition.

Legal and Regulatory Proceedings

The Company is currently engaged in a number of active legal and regulatory proceedings. For further information, please refer to “Notes to the IFRS Consolidated Financial Statements – Note 38: Litigation and Claims”.

The expiration in 2023 of the three-year deferral period under the agreements reached in 2020 with the UK Serious Fraud Office (“SFO”), France’s Parquet National Financier (“PNF”), and the US Departments of State (“DoS”) and Justice (“DoJ”), relating to their investigations into the Company – which resulted in a fine totalling €3.6 billion plus costs to the French, UK, and US authorities – was followed by dismissal of the charges with prejudice by the respective authorities under each of their domestic laws. For further information about the investigation and related securities litigation, please refer to “Notes to the IFRS Consolidated Financial Statements – Note 38: Litigation and Claims” (“Investigation by the UK SFO, France’s PNF, US Departments of State and Justice and Related Commercial Litigation” and “Securities Litigation”).

The Company is unable to predict the outcome of these types of proceedings. It is possible that they will result in the imposition of damages, fines or other remedies, which could have a material effect on the Company’s business, results of operations and financial condition. An unfavourable outcome to any of these proceedings could also negatively impact the Company’s stock price and reputation.

In addition, the Company is from time to time subject to government inquiries and investigations of its business and competitive environment due, among other things, to the heavily regulated nature of its industry. Such inquiries and investigations may cover matters relating to, among other topics, anti-corruption and anti-bribery laws and regulations, export control laws and regulations, data privacy laws, securities law, international trade law (including tariffs and import duties), and competition law. An adverse decision in any such matter could have a material effect on the Company’s business, results of operations and financial condition.

In addition to the risk of an unfavourable ruling against the Company, any such inquiry or investigation could negatively affect the Company’s reputation and its ability to attract and retain customers and investors, which could have a negative effect on its business, results of operations and financial condition. For further details, please also refer to “– 1.2.14 Business Integrity”.

Launchers. In light of the delayed launch of Ariane 5’s successor, Ariane 6, the Company faces a challenge related to Europe’s lack of independent access to space in the short-term.
Anti-corruption Laws and Regulations

The Company is required to comply with applicable anti-bribery laws and regulations in jurisdictions around the world where it does business. To that end, an anti-corruption programme has been put in place that seeks to ensure adequate identification, assessment, monitoring and mitigation of corruption risks. Despite these efforts, ethical misconduct or non-compliance with applicable laws and regulations by the Company, its employees or any third party acting on its behalf could expose it to liability or have a negative impact on its reputation and business.

Export Controls Laws and Regulations

The ability to successfully obtain export licences is critical for the Company. Airbus relies on government export authorisations to deliver products and services to its customers worldwide, and also to receive parts, raw materials and services from its suppliers. Products the Company designs and manufactures for military use may be restricted or subject to licensing and export control requirements, notably by the UK, France, Germany and Spain, where the Company carries out its principal activities relating to military products and services, as well as by other countries where suppliers are based, including but not limited to the US. Commercial products also may be subject to dual-use licensing requirements and restrictions, particularly in certain markets, such as China. There can be no assurance that (i) the export controls to which the Company is subject will not become more restrictive, (ii) new generations of the Company’s products will not also be subject to similar or more stringent controls or (iii) geopolitical factors or changing international circumstances will not make it impossible to obtain export licences for one or more clients or constrain the Company’s ability to perform under previously signed contracts. Reduced access to export markets may have a significant adverse effect on the Company’s business, results of operations and financial condition.

Operating worldwide, the Company must comply with sanctions laws and regulations implemented by transnational, national and regional authorities. Depending on geopolitical considerations, including national security interests and foreign policy, there is a risk that at any time new sanctions regimes may be set up or the scope of existing ones may be widened, which may have an immediate impact on the Company’s activities. This has been well illustrated in the context of the war in Ukraine, where the imposition of international export control restrictions targeting the aviation and space sectors resulted in Airbus suspending deliveries, the provision of services and the supply of spare parts to customers in Russia. The Company continues to carefully monitor the evolution of the Ukraine-related export control restrictions and broader sanctions and will adapt to these developments as required. For additional information on this matter, please refer to “Geopolitical, global economic and financial market risks – The war in Ukraine and armed conflicts”.

The Company seeks to comply with all relevant laws and regulations. However, even unintentional violations or failure to comply could result in suspension of the Company’s export privileges, or preclude the Company from bidding on certain government contracts (even in the absence of a formal suspension or debarment). Furthermore, the Company’s ability to market new products and enter new markets may depend on obtaining government certifications and approvals in a timely manner, highlighting the importance of robust compliance and a strong, trust-based relationship with its regulatory authorities.

Dependence on Joint Ventures and Minority Holdings

The Company generates a proportion of its results through various consortia, joint ventures, partnerships and other equity holdings. The Company recognises its share in the results of its equity holdings in the proportion of the stake held. In 2023, the Company’s total share of result from these arrangements amounted to €267 million (compared to €134 million in 2022, €40 million in 2021, €39 million in 2020 and €299 million in 2019). The Company’s individually material joint ventures are ArianeGroup (50%), MBDA (37.5%) and ATR GIE (50%). For further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 9: Investments Accounted for under the Equity Method” and “– Note 15: Share of Profit from Investments Accounted for under the Equity Method and Other Income from Investments”.

The formation of joint ventures, consortia, partnerships or equity participations and other cooperative ventures with other market players is an important element of the Company’s strategy, and the proportion of sales generated from such arrangements could rise in future years. This strategy may from time-to-time lead to changes in the organisational structure or realignment in the control of the Company’s existing consortia, joint ventures, partnerships and other equity holdings.
The Company exercises varying and evolving degrees of control in the consortia, joint ventures and equity holdings in which it participates. While the Company seeks to participate only in ventures in which its interests are aligned with those of its partners, the risk of disagreement or deadlock is inherent in a jointly controlled entity, particularly in those entities that require the unanimous consent of all members with regard to major decisions and specify limited exit rights. The other parties in these entities may also be competitors of the Company, and thus may have interests that differ from those of the Company.

**Risk Factors**

**3 Legal, Regulatory and Governance Risks**

The Company exercises varying and evolving degrees of control in the consortia, joint ventures and equity holdings in which it participates. While the Company seeks to participate only in ventures in which its interests are aligned with those of its partners, the risk of disagreement or deadlock is inherent in a jointly controlled entity, particularly in those entities that require the unanimous consent of all members with regard to major decisions and specify limited exit rights. The other parties in these entities may also be competitors of the Company, and thus may have interests that differ from those of the Company.

**Product Liability and Warranty Claims**

The Company designs, develops and produces a number of high-profile products of large individual value, particularly civil and military aircraft and space equipment. The Company is subject to the risk of product liability and warranty claims in the event that any of its products fails to perform as designed. While the Company believes that its insurance programmes are adequate to protect it from such liabilities, no assurance can be given that claims will not arise in the future or that such insurance coverage will be adequate in every instance or circumstance. Some types of claimed damages, such as punitive, exemplary or moral damages may not be insured or insurable.

The Company follows a policy of seeking to transfer the insurable risk of the Company to external insurance markets at reasonable rates, on customised and sufficient terms and limits, as provided by the international insurance markets. The insurance industry remains unpredictable. There may be future demands to change scope of coverage, premiums and deductible amounts. No assurance can be given that the Company will be able to maintain its current levels of coverage nor that the insurance coverages in place are adequate to cover all significant risk exposure of the Company.

Any problems in this respect may also have a significant adverse effect on the reputation of the Company and lead to a decline in demand for its products and services. Any reputational damage faced by the Company may be exacerbated due to the Company's high profile within its industry.

The Company cannot predict at this time the potential impact of any product liability or warranty claims, as the impact will depend on the nature and size of any such claim.

**Intellectual Property**

The Company continuously seeks to develop and deliver new products to meet customers’ evolving needs, while also improving its existing product lines. Technological innovation has been at the core of the Company’s strategy since its creation. The Company’s innovations often provide distinct competitive advantages, with many becoming standard in the aircraft industry. In addition, the Company designs, develops and produces a number of high-profile products of large individual value, particularly civil and military aircraft and space equipment. Therefore, intellectual property (“IP”) is one of the Company’s most valuable assets and the protection of IP is critical to its business.

The Company relies upon patents, copyright, trademark, confidentiality and trade secret laws, and agreements with its employees, customers, suppliers and other parties, to establish and maintain its IP rights in its products, services and operations. In a typical year, the Company files around 800 new priority-establishing patent applications and files globally around 1,600 national patent applications in global markets where it seeks to protect its technology assets. The Company has received patents for around 10,500 individual technologies with nearly 4,000 patents pending. This level of protection is benchmarked against peer and competitor companies and is considered to provide sufficient protection. The Company has established or potential partnerships with private or public organisations, academic institutions and research councils, charities and government departments, where the relevant IP frameworks or user-rights/ownership governing those relationships is dependent on the UK’s former status as a member state of the European Union.

In the event the Company is unable to adequately procure and protect critical IP, it could negatively impact the Company’s implementation of its business strategy, and could negatively affect the Company’s future prospects, financial condition and results of operations.

The Company has been accused of infringement on occasion and may have additional claims asserted against it in the future. These claims could harm its reputation, result in financial penalties or prevent it from offering certain products or services which may be subject to such third-party IP rights. Any claims or litigation in this area, whether the Company ultimately wins or loses, could be time-consuming and costly, could harm the Company’s reputation or could require it to enter into licensing arrangements and the Company might not be able to enter into such licensing arrangements on acceptable terms. If a claim of infringement were successful against it, an injunction might be ordered against the Company, causing further losses. There are currently no significant claims of IP infringement pending against the Company. Minor claims and pre-dispute matters commonly settle outside of formal legal proceedings or during initial stages of such proceedings.
4. Environment, Human Rights, Health & Safety Risks

Climate-related Risks

Climate change may have a major impact on both the Company’s industrial operations and its upstream and downstream value chain, including directly on aircraft operations and on the wider air transport ecosystem, along with a strong influence on regulations and on stakeholders expectations. Accordingly, climate-related risks could materially affect the Company’s business and competitiveness, its customers and other elements of the aviation industry.

The Company uses the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) to categorise, manage and report on its climate-related risks. Accordingly, the Company has strengthened its ERM risk identification process for climate-related risks by incorporating climate scenario analysis, and uses the following TCFD risks categories for managing and reporting:

<table>
<thead>
<tr>
<th>Transition risks</th>
<th>Physical risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Acute</td>
</tr>
<tr>
<td>Market</td>
<td>Chronic</td>
</tr>
<tr>
<td>Policy and legal</td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
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</tbody>
</table>

The scope of the climate-risk identification exercise comprises the entire Company – including its Divisions – and the upstream and downstream value chain. Following TCFD recommendations and in pursuit of continuous improvement, during 2023 the Company has updated its climate change scenario analysis. It uses a range of different temperature scenarios (1.5°C, well-below 2°C and >3°C) to represent different climate realities based upon the global scenarios of the Intergovernmental Panel on Climate Change (“IPCC” – Assessment Report 6 (“AR6”)) and the International Energy Agency (“IEA”).

The scenario analysis is used to identify financial and operational risks and opportunities related to climate change that may begin to impact the Company in the short-term (“ST”, around 2025), medium-term (“MT”, around 2035) and long-term (“LT”, around 2050) so that the Company can work to increase the resilience of its assets and operations in order to mitigate and adapt to climate change.

The climate scenarios used in the updated analysis in 2023 are briefly described below:

**Aggressive mitigation – Limiting warming to 1.5°C**

Based on IPCC Assessment Report 6 (AR6) Scenario Shared Socioeconomic Pathway (SSP)1-1.9 / Net Zero Emissions by 2050 Scenario (NZE) by the International Energy Agency (IEA) which reflects the ambition of the Paris Agreement to the United Nations Framework Convention on Climate Change (Paris Agreement)

This is a very ambitious scenario that limits global warming to 1.5°C by the end of the century. In this scenario the global energy sector achieves net-zero CO₂ emissions by 2050 and the world reaches the objective of the Paris Agreement. Developed countries (e.g., including those within the European Union) accelerate in decarbonisation. Societies adopt practices to enable the required levels of reduction of emissions, including increasing investment in and development of technologies that could reduce emissions of the transport sector in developed countries and limit emissions growth in developing countries. Policies to decarbonise are introduced immediately (2020s), with these policies diverging across sectors and regions and differing in both the timing of their deployment and their reach.

Mitigation strategies implemented worldwide and across sectors include: (i) transitioning from fossil-based energy to very low or zero-carbon sources including hydrogen and high density biofuels for aviation; (ii) carbon capture utilisation and storage is used in remaining fossil-fuels facilities; (iii) improvements in energy efficiency are implemented (however additional mitigation technologies for aviation are required); (iv) both nature- and technology-based Carbon Dioxide Removals (“CDR”) are deployed to the levels required to neutralise global residual GHG emissions; and (v) countries implement measures towards restricting demand for transport services while supporting the shift to more energy efficient and low carbon intensive products and transport modes. Severe weather events are more frequent, but the world has avoided the worst consequences of climate change.

**Strong mitigation – Warming limited to well-below (“WB”) 2°C**

Based on IPCC Scenario AR6 SSP1-2.6 / Sustainable Development Scenario (SDS) Scenario by the International Energy Agency – Paris Agreement

This scenario assumes a more gradual approach in the introduction of climate mitigation actions, limiting global warming to well-below 2°C by the end of the century. Net-zero emissions are achieved around or after 2070. In this scenario the same socio-economic trends presented in the scenario limiting 1.5°C are maintained but economic and social development progress is slower and the environment experiences further degradation.

**Disorderly mitigation – Warming exceeding 3°C – Based on IPCC Scenario AR6 SSP5-8.5**

This is the highest emissions scenario and worst-case scenario in temperature increase. This scenario assumes current levels of CO₂ emissions and greenhouse gases will almost double by 2050. The world economy grows rapidly, but this growth is driven by fossil fuel exploitation and very high-intensive lifestyles. This scenario is characterised by high economic challenges and high social negative impacts and challenges for specific societies to mitigation as well as low socio-economic challenges to adaptation. The scenario particularly explores the limits to adaptation and the climate physical risks that may impact the Company’s operations and its value chain. On the mitigation side, in this scenario the pursuit of CO₂ removal and other climate engineering practices would be more likely given the high challenges to mitigation.
The results of the Company’s climate scenario analysis has led to the identification of the following risks:

**Climate-related risks:**

**Transition – Technology:** Emergence of disruptive technologies from competition and low availability of renewable and low-carbon energy

Delivering on existing commitments and potential future requirements to mitigate climate impacts will require significant investments in new technologies for the commercial aircraft sector, making the delivery of low-emission technologies a significant marker of future competitiveness. A competitor or new market participant could have access to technological developments unavailable to the Company that offer significantly lower emissions at a faster pace than the Company and its partners, resulting in a loss of market share and competitiveness with resulting reduced revenue. The imperative for the Company to develop new technologies faster than other actors in the market will require substantial research and technology (R&T) and research and development investments. Coupled with the need to sustain high investments to spur technological innovation, the Company has identified risks linked to the availability of renewable and low-carbon energy. First, there is the risk of low volumes in absolute terms, due to insufficient investments in renewable or low-carbon energy (including through the sustainable transformation of available biomass). Second, the risk that even if total volumes are approaching sufficiency in absolute terms, the aviation sector is unable to access sufficient volumes, leading to a risk of a slower than expected substitution of fossil fuel energy and low uptake of the new solutions and products to be developed by the Company, and resulting in lower or longer returns on invested R&D.

**Transition – Market:** Impact of market measures and their development on demand for the Company’s products

Accommodating new types of aircraft that respond to the aviation sector’s decarbonisation objectives requires an ecosystem that is ready. For instance, the development of future products based on the ZER0e concept will require significant investments in both products and supporting infrastructure, which could directly impact the operating costs of such a product. Consequently, the absence of measures to stimulate robust hydrogen, synthetic fuels and biofuels supply infrastructure and adapted procedures to ensure efficiency and safety of operations could mean that the ecosystem will be unable to accommodate the Company’s future products, notably resulting in significant development costs incurred and a risk of compromising the investments made if customers are unable or unwilling to purchase products that cannot be widely operated within the available infrastructure and procedures. Moreover, the competitiveness of this next generation product will also strongly depend, among other factors, on the evolution of the price of CO2 emissions. A high price on CO2 may impact the demand for aircraft relative to competitors’ portfolios and could result in the loss of market share for the Company relative to its competitors. The Company’s business, results of operations and financial condition may be materially affected if the Company does not, at each step of development of its future products, account for market expectations while ensuring its products stay affordable for customers and competitive with respect to competitors’ portfolios.

**Transition – Policy and legal:** Climate-related regulations and restrictions – divergence in regulatory framework

Aviation and aerospace are complex industries, with long product development cycles and where changes take a long time to be implemented. A rapid evolution of climate-related policies (such as the EU zero-pollution communications) and regulatory frameworks (CO2 standards, sustainable finance, emissions trading systems, aircraft operation restrictions, among others) could generate fast-changing requirements and could obstruct new product development pathways. In particular for aviation, as it is a global industry, policies and regulations implemented at national or regional rather than international level, or these evolving at a different speed depending on the region, could result in a negative impact on the competitive conditions for manufacturers and aircraft operators. This could result in a loss of competitiveness for the Company and reduced demand for its products.

**Transition – Reputation:** Change in behaviours, perceptions and societal expectations

Reputational risks could be divided into several categories. Firstly, there is a risk that negative perceptions about the Company’s environmental performance could be used as key decision-making criteria for consumers, investors, or even new talents. Secondly, there is a risk that the Company’s reputation could be damaged by growing societal concerns about the climate change impact of aviation or by the lack of transparency on progress made to address climate-related issues. As an example, the Company was the first manufacturer to disclose its ambition to bring a hydrogen-powered aircraft to the market. If the ambition is perceived as unattainable or if the Company is not able to deliver on its ambition, this could result in reputational damage leading to less investment, loss of revenues and reduced attractiveness. A similar situation could occur if the Company’s environmental performance is not on par with its expressed ambition.

**Physical – Acute:** Extreme weather events may impact the Company’s products and its operations

The foreseen consequences of climate change include more frequent extreme weather events, such as drought, dust storms, extreme temperatures, extreme winds, flood, hail storms, landslides, hurricanes, tornadoes, cyclones and wildfires. These could negatively impact the Company’s products and its operations (including but not limited to route delays and safe aircraft operations), land assets and infrastructure as well as employees’ safety (and people’s safety generally).

The above consequences and impacts may result in production or other operational disruptions leading to lost revenues, reduced profits, and losses. This could result in the need for additional modifications to the Company’s products in order to meet more stringent safety needs, as well as requiring changes to industrial operations and procurement strategy, leading to increased operational and production costs and the consequential costs of adapting the Company’s insurance coverage.
Physical – Chronic: Consequences of long-term changing weather patterns that may cause sea level rise, water scarcity, chronic heat waves, chronic cold, increased industrial asset, infrastructure and operations costs, and reduced labour productivity and employee health

The foreseen consequences of climate change include long-term shifts in climate patterns (e.g., change in precipitation patterns, ice/permafrost melt, ocean acidification, sustained higher temperatures, sea level rise, water stress or chronic heat waves). Such changes may cause an accelerated degradation of the Company’s industrial infrastructure and assets (buildings, tools, hardware), may reduce the availability of operational resources and may interrupt logistics flows, therefore impacting the Company’s manufacturing activities. In addition, the change in environmental conditions could also negatively impact the performance of products in operation and negatively impact the health and safety of the Company’s employees. This may result in the need for additional modifications to the Company’s products, as well as its industrial operations and procurement strategy, leading to increased costs and the adaptation of the Company’s insurance coverage.

Based on a qualitative analysis, the Company has estimated the probability of risk or opportunity materialisation. It has also performed a preliminary internal assessment, using data from the Company’s ERM system, as to which climate-related risks may involve the most significant financial impacts in the future. The results (as of the publication date of this document) are displayed in the following table.

<table>
<thead>
<tr>
<th>Company’s climate-related risks mapping</th>
<th>Climate scenario / time horizon(s) where risk likelihood is considered medium or high, based on Company’s qualitative analysis</th>
<th>Most important financial impacts before mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>RISKS</td>
<td>1.5°C</td>
<td>WB 2°C</td>
</tr>
<tr>
<td>Transition – Technology</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Transition – Market</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Transition – Policy and legal</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Transition – Reputation</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Physical – Acute</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Physical – Chronic</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

Controlled: ST – : MT – : LT
Regulated Chemicals

Ongoing evolution of the chemicals’ regulatory framework may lead to short and long-term potential bans and restrictions, and to the extent alternative solutions are unavailable, could result in business disruption across the Company’s value chain.

Laws and regulations designed to protect human health and the environment are in force across the jurisdictions in which the Company operates, and are continually evolving to address topics (such as permitted composition, traceability, disposal and the minimisation or elimination of various substances). As the Company pursues new technologies and innovation, certain regulated chemicals may become more important to the Company in the future, thereby increasing the Company’s risk of disruption in this area. Currently, the Company is subject to the risk of chemicals obsolescence (due to changes in law or regulation), which could result in disruptions to the supply chain or the Company’s operations if suitable replacements are not available in a timely manner.

In order to reduce the use of “targeted” (i.e. more regulated) substances and mitigate the risk of disruption in its operations and supply chain, the Company’s policy is to pursue the development of alternative technologies that use substances of less concern, and substitution of these when suitable alternatives meeting stringent certification and airworthiness criteria are available for deployment. Complementary to this effort towards substitution, digital solutions are being developed to improve traceability of regulated substances in the Company’s products, from the early design steps down to the end of life.

Regulatory Risks

The Company’s costs associated with environmental, human rights, health and safety challenges may increase due to both increased costs of compliance with regulations relating to those areas, as well as reputational and litigation risks.

Given the scope of its activities and the industries in which it operates, the Company is subject to stringent environmental, human rights, health and safety laws and regulations in numerous jurisdictions around the world. The Company therefore incurs, and expects to continue to incur, significant operating costs and capital expenditures to comply with increasingly complex laws and regulations in this area, particularly those covering the protection of the natural environment, as well as those relating to occupational health and safety and human rights. Moreover, new laws and regulations, the imposition of tougher licensing requirements or stricter enforcement of or new interpretations of existing laws and regulations may cause the Company to incur increased operating costs and capital expenditures in the future, which could have a negative effect on the Company’s business, results of operations and financial condition.

Health and safety expenditures include investments in the identification and the prevention, elimination or control of physical and psychological risks to people arising from work, including chemical, mechanical and physical agents, in light of applicable regulations. Risks that could arise from work activities include the possibility of injury, physical and mental ill-health, damage to equipment, business interruption and regulatory action. Any reputational risk and claims against the Company that may result will also need to be managed and may lead to additional health and safety expenditure being required.

Environmental protection expenditures include costs to prevent, control, eliminate or reduce emissions to the environment, waste management, obligations relating to the content of the Company’s products, and reporting and warning obligations. Current trends indicate that regulatory pressure to reduce the environmental footprint of industry is steadily growing (with an emphasis on circular economy and resources efficiency, energy transition and climate change engagement, air and water quality improvement), and the Company’s ongoing efforts to comply with its regulatory obligations will result in additional costs to the Company.

If the Company fails to comply with environmental, human rights, health and safety laws and regulations (even if caused by factors beyond its control), such failure may result in civil or criminal penalties and fines. Regulatory authorities may require the Company to conduct investigations and undertake remedial activities, curtail operations or close installations or facilities temporarily to prevent imminent risks. In the event of an industrial accident or other serious incident, employees, customers and other third parties may file claims for ill-health, personal injury, or damage to property or the environment (including natural resources). Further, liability under some environmental, human rights, health and safety laws can be imposed retrospectively, on a joint and several basis (i.e. each entity fully liable for the entire claim), and in relation to contaminated sites, without any finding of non-compliance or fault. These potential liabilities may not always be covered by insurance, or may be only partially covered. The obligation to compensate for such damages could have a negative effect on the Company’s business, results of operations and financial condition.

In addition, the various products manufactured and sold by the Company must comply with relevant health, safety and environmental laws (for example those designed to protect customers and downstream workers or communities, and laws relating to chemical substances and preparations) in the jurisdictions in which they are operated. Although the Company 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 European Union Regulation known as “REACH”, which addresses the production and use of chemical substances) may force the Company to adapt, redesign, redevelop, recertify and/or eliminate its products from the market, thereby incurring significant additional costs. See for instance “Environment, human rights, health & safety risks – Regulated chemicals”.
Authorities may seize defective products, and the Company may incur administrative, civil or criminal liability (also see “Legal, regulatory and governance risks – Product liability and warranty claims”). Any issues in respect of health, safety and environmental laws may also have a significant adverse effect on the reputation of the Company and lead to a decline in demand for its products and services.

Regardless of compliance with applicable laws and regulations, the Company’s reputation and demand for its products and services may be affected by public perception of the environmental and societal impacts of the Company’s products in operation (such as the emission of greenhouse gases or noise) and of the impacts of the Company and its supply chain and industrial operations on local communities, on the environment and on air and water quality. For more details, see “Environment, human rights, health & safety risks – Climate-related risks”.

The Company cannot predict at this time the potential impact on it that could result from environmental, human rights, health and safety matters, and it may be adversely affected by them in the manner described above or in manners that are not currently foreseen. For further information on sustainability-related risks, see “– 1.2 Non-Financial Information”. 
# Information on the Company’s Activities

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1.1.4 Defence and Space

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## 1.3 Other corporate activities

## 1.4 Recent Developments
1.1 Presentation of the Company

1.1.1 Overview

Due to the nature of the markets in which the Company operates and the confidential nature of its businesses, any statements with respect to the Company’s competitive position set out in paragraphs 1.1.1 through 1.1.5 below have been based on the Company’s internal information sources, unless another source has been specified below.

Airbus pioneers sustainable aerospace for a safe and united world. The Company constantly innovates to provide efficient and technologically-advanced solutions in aerospace, defence, and connected services. In commercial aircraft, Airbus designs and manufactures modern and fuel-efficient airliners and associated services. The Company is also a European leader in space systems, defence and security. In helicopters, the Company provides efficient civil and military rotorcraft solutions and services worldwide.

Strategy

In the current challenging operating environment, the Airbus purpose “We pioneer sustainable aerospace for a safe and united world” has never been more relevant. The Airbus strategy is based on four near-term areas of focus drawn from the major trends that influence our operating environment – geopolitics, sovereignty, resilience and sustainability:

1. grow Airbus as an aerospace and defence leader;
2. consolidate European strengths and deepen global reach;
3. increase capacity to invest for the future; and
4. lead the transformation of the aerospace industry.

1. Grow Airbus as an aerospace and defence leader

Leadership today is not a guarantee of leadership tomorrow. The Company believes that its ability to win business in the future will be earned through continuous innovation, both in and around its current portfolio as well as when preparing the future generation of products and related services. All activities must be executed at the highest quality and safety standards possible.

1.1 Keep current portfolio young and competitive

The Company’s financial success is strongly linked to capitalising on its current commercial aircraft portfolio through incremental improvements. Airbus estimates that its current products have substantial upside leading to exceptional longevity. This has been demonstrated by the New Engine Option (NEO) versions of A320 and A330 and stretch versions, such as the A321XLR, but also in incremental improvements on every product. The A330neo and the A350 both deliver high levels of fuel and therewith CO₂ efficiency (25% fuel consumption saving compared to previous generation aircraft), accelerated pilot onboarding (all wide-body aircraft benefit from a common type rating making pilot training shorter, smoother and lower cost), and comfort (through the exclusive airspace cabin), setting a modern benchmark in passenger comfort and wellbeing.

Incremental improvements will continue in the coming years on all Airbus aircraft, with a focus on safety, fuel efficiency, environmental impact, operational improvements, recurring costs, digital connectivity, and increased automation and compatibility with Sustainable Aviation Fuels (SAF). Airbus aircraft are also well suited to serve freighter and VIP markets. The number of orders received for the A350 Freighter version (A350F) (50 firm orders as of 31 December 2023) demonstrates that it is setting a new standard for air freight efficiency and competing well with Boeing’s previous market dominance in this segment.

In 2023, Airbus Helicopters won orders across its different programmes, driven by its prioritisation of customer loyalty, innovation, serving the defence and security market, and sustainability, with concrete plans to significantly cut the fuel burn of its future products and grow the use of Sustainable Aviation Fuels.

Notably, Airbus Helicopters received Federal Aviation Administration (FAA) certification for the H160 and Civil Aviation Administration of China (CAAC) certification for the H175. The German Navy NH90 Sea Tiger performed its maiden flight. Airbus Helicopters also broadened its range of MRO capabilities in the area of dynamic systems with the acquisition in early 2023 of ZF Luftfahrttechnik. The company based in Kassel-Calden, in Germany, is now operated under the name Airbus Helicopters Technik GmbH.

Airbus Helicopters continues to increase its footprint in Unmanned Aerial Systems (UAS) as part of its efforts to strengthen its portfolio of tactical unmanned solutions. VSR700, an unmanned Intelligence, Surveillance and Reconnaissance (ISR) vehicle helicopter designed to operate from frigates and to patrol beyond line of sight (BLOS), was successfully tested for the first time in an operational configuration from a ship at sea. Also in 2023, Airbus Helicopters started the EU Next Generation Rotorcraft Technologies Project (ENGRT) as part of the European Defence Fund (EDF). This programme aims to prepare for the replacement of more than 900 NATO helicopters in the utility and naval segments between 2035 and 2040.
In 2023, Airbus Defence and Space repositioned around three dimensions: Air Power, Space Power and Information Superiority. In Air Power, Airbus continues to extend the competitiveness of its aircraft and services portfolio and saw additional orders for the A330 Multi-Role Tanker Transport (MRTT) from the Government of Canada and the NATO Support and Procurement Agency (NSPA). Working with the Company’s wholly-owned subsidiary, Airbus UpNext, Airbus Defence and Space achieved in-flight autonomous guidance and control of a drone using an A310 MRTT, a first step towards Autonomous Formation Flight and Autonomous Air-to-Air refuelling (A4R).

Furthermore, the Spanish Ministry of Defence ordered 16 Airbus C295 aircraft in Maritime Patrol Aircraft (MPA) configuration and Maritime Surveillance Aircraft (MSA) configurations and the first C295 for India successfully completed its maiden flight, marking a significant milestone towards the deliveries of 56 C295 aircraft ordered in September 2021. Airbus and Leonardo signed a Memorandum of Understanding (MoU) to jointly promote integrated training systems and study the future solutions to tackle Air Dominance challenges.

In unmanned systems, Airbus Defence and Space signed a contract with the Spanish Ministry of Defence for the development and acquisition of SIRTAP, a High Performance Tactical UAS that will reinforce the tactical capabilities of the Spanish Army and the Air and Space Force. The development of SIRTAP will bring the national industry key experience and competences in the field of Remote Carriers for FCAS.

1.2 Pioneering for the next generation

In preparing the next generation of aircraft, the need to meet global sustainability targets will be the catalyst that allows aviation to continue to meet its larger purpose of uniting the world. The quest for lower carbon air travel will fundamentally change aerospace. Not since the introduction of the jet engine has the industry faced such a challenge, in particular around new energy sources. New certification challenges, new materials, new designs, new industrial processes and new business models will also be assessed, which will provide sources of opportunity. In short, the Company aims to set the standards and mature the technologies of sustainable aviation for the benefit of the environment and society at large, delivering products and services that are scalable and economically attractive while delivering a step change to the market.

Airbus is well underway in preparing the enablers for this evolution and has invested in the key research and technology building blocks that will underpin their development. In 2023, Airbus UpNext launched a new demonstrator programme named HyPower to explore, through the use of hydrogen fuel cells on the ground and in flight, a new architecture for the generation of energy to be used for non-propulsion purposes in the aircraft. Another key milestone was Airbus UpNext’s successful maiden flight of Blue Condor, its hydrogen-powered experimental aircraft. The flight was the Company’s first to use hydrogen as the sole fuel source, and it started a test campaign that is scheduled to conclude with a contrail-measuring mission in 2024. Airbus is committed to pioneering radical technological breakthroughs that lead further along the path toward a climate neutral aviation.

Airbus is also leading a European consortium that seeks to increase the air mobility capabilities of the armed forces of EU Member States with the new Future Mid-size Tactical Cargo (FMT) transport aircraft, which would complement the missions of the A400M.

1.3 Build advantages through a broad span of products and services within aerospace and defence

The resilience provided by a broad portfolio of products and services is essential for Airbus today and will continue to be in the future. Most aerospace companies maintain defence and space elements within their portfolio in an effort to gain synergies and increase stability. This is also true for Airbus, with commercial aircraft, helicopters, defence, space, and security activities all part of the portfolio. Governmental, military and commercial business, products and services, fixed wing and rotary platforms, satellites and launchers, both self- and customer-funded, are all elements which balance market variations, offer synergies, and help to smooth investment cycles. Additionally, as digital design, manufacturing and services require similar capabilities across aerospace segments, owning a broad portfolio delivers flexibility in resource allocation and the leveraging of investments in core capabilities. The COVID-19 crisis demonstrated the importance of having strong and complementary helicopter, defence, space and security businesses alongside commercial aviation within the portfolio, enhancing the resilience of the overall group.

1.4 Expand as a leader towards new territories

In commercial aviation, the demand for more fuel-efficient solutions will play out globally and will continue to drive demand for our products and services. In helicopters, Urban Air Mobility (“UAM”) is at the forefront of a revolution towards more sustainable electric flight that will allow for complementary urban transport solutions that will alleviate urban congestion by utilising airspace. By 2030, 60% of the world’s population will be urban. This significant population growth is expected to create a real need for innovative mobility options as ground infrastructure becomes increasingly congested. Capturing growth in these new vertical take-off and landing (“VTOL”) and UAM markets, for both platforms and services, is a driver for the Company’s strategy. The Company launched its CityAirbus NextGen eVTOL in 2021 for this purpose. In the defence sector, shaping air and space power by integrating aircraft, unmanned systems and space assets with a cloud structure for command and control will, if successful, revolutionise the capabilities of Airbus’ defence customers, with a view to securing the Company’s long-term presence in defence markets.

2. Consolidate European strengths and deepen global reach

The ambition of European industrialists to work together towards a common goal of creating one leading player in commercial aerospace has been decisive to the success of the Company. The Company has become a global company, but has stayed true to its roots, and in view of aerospace and defence being regarded as a sovereign industry, Airbus continues to act as a trusted partner to European governments.
1. Information on the Company’s Activities

1.1 Presentation of the Company

2.1 Global reach through local actions

Over the past 50 years, Airbus has grown from being a cooperation of national aerospace companies, in four European countries, to a global leader in commercial aerospace with a strong foothold in helicopters, defence, space and security. No aerospace and defence company is as culturally diverse. More than 140 nationalities make up the Company’s workforce and over 20 languages are spoken, reflecting the diversity of its employees and customer base. This is a key strength of the Company in addressing global markets. Airbus has built on its strong European heritage to become truly international, operating across more than 180 locations. The Company has invested in and grown aircraft and helicopter final assembly lines in Asia, across Europe and in the Americas.

In preparation for the single aisle production ramp-up to 75 aircraft per month (Rate 75), the Commercial Aircraft business pursued the transformation of its industrial system across the world. The final assembly lines in Tianjin, China and Toulouse have been adapted to make them A321 capable. Airbus made significant progress in China in 2023 with the delivery of the first A321neo aircraft assembled at its Final Assembly Line Asia (FAL Tianjin) and the signature with the Tianjin Free Trade Zone Investment Company Ltd., and Aviation Industry Corporation of China Ltd., of an agreement to expand A320 Family final assembly capacity with a second line at its Tianjin site.

The inauguration, in July 2023, of a new A321-capable final assembly line in Toulouse represents another milestone in the ongoing modernisation of our global industrial system. This FAL will contribute to the ongoing production rate ramp-up to 75 A320 Family aircraft per month in 2026, while meeting the increased demand for A321s, currently representing around 60 percent of the total A320 Family backlog. Meanwhile, in August 2023, a new, state-of-the-art A321XLR installation hangar opened in Hamburg. Furthermore, a second assembly line in Mobile, Alabama (USA) is being established to further increase local capacity. To enable this surge of single aisle rates, major aircraft components assembly lines have been either upgraded (Broughton) or opened (Saint-Nazaire).

In parallel, Airbus and Voyager Space (“Voyager”) announced an agreement paving the way for a transatlantic joint venture to develop, build, and operate Starlab, a commercial space station planned to succeed the International Space Station. The US-led joint venture will bring together world-class leaders in the space domain, while further uniting American and European interests in space exploration.

Airbus Helicopters and Korea Aerospace Industries (“KAI”) signed an agreement to initiate the serial production phase of the Light Armed Helicopters (“LAH”). Deliveries will begin at the end of 2024, with follow-on orders to continue into the next decade.

2.2 Aerospace and defence is a sovereign industry

As the war in Ukraine demonstrated, strong defence capabilities provide nations with physical security and the means to protect their citizens, values and vital infrastructure. This security is in turn a prerequisite of peace, the rule of law, political stability, democracy, environmental sustainability, human rights, economic development and prosperity and scientific progress.

All nations need a certain level of strategic autonomy, and Airbus products and services help nations protect freedom, peace and security. Strongly rooted in all key national markets in Europe, the Company will continue to deliver on national needs while acting as a catalyst for broader European sovereignty requirements. In particular, Airbus is a long-term, trusted partner to France, Germany, the UK and Spain. Our relationships with these nations have been nurtured over several decades of manufacturing, supplying and maintaining critical defence systems for their armed forces. Our manufacturing system is a model of European integration, and our growth as a Company owes much to our ability to operate relatively freely across borders within Europe.

Our products and services contribute to safety and security in many different ways. They range from the aircraft that allow nations to safeguard their airspace (Eurofighter, military helicopters, A400M) to intelligence capabilities (observation satellites, maritime surveillance), terrestrial space services, cyber security and secure satellite communications solutions for government defence departments and organisations devoted to public safety and emergency responders. All of these elements help to make the world a safer place.

3. Increase capacity to invest for the future

Market recovery after the COVID-19 pandemic varied significantly across different world regions, driven by the pace of vaccination campaigns and the easing of travel restrictions. Domestic markets were first to recover, followed by regional and intercontinental markets, with the exception of China where international traffic has still not fully recovered. Market recovery unleashed waves of pent-up demand for air travel which almost all actors in the industry had major difficulties in accommodating, limited by their human resources and supply chains. The pressure on supply was compounded by the Russian invasion of Ukraine and its impacts on energy, critical raw materials and economic growth.

The demand crisis is recovering fast but supply, production and ramp-up challenges remain. To mitigate supply risks, but also to support a leading European supplier of critical parts and materials, Airbus together with Safran and Tikehau Capital acquired Aubert & Duval from Eramet in 2023 through a holding company. Aubert & Duval has cutting-edge knowledge in specialty steels and superalloys, as well as its more recently acquired expertise in titanium, all of which are crucial to the aerospace, transportation, energy, defence and medical markets.

In parallel, the Company has continued to work on its internal efficiency as illustrated by the rapid expansion of the Airbus Global Business Services (“GBS”) unit in Portugal that supports various operations of the Group including finance, procurement, human resources and information technology. Two years after its creation, Airbus GBS employs more than 500 people. Building up capability and capacity at GBS is a core part of Airbus strategy.

3.1 Right combination of growth, profitability and resilience

The Company continues to face a volatile, uncertain, complex and ambiguous market environment. At the same time the climate imperative for commercial aviation is increasingly recognised together with the collective drive towards decarbonisation for
which Airbus is a leader. 2023 provided another significant milestone. The first commercial flight in May of the COMAC C919, the Chinese competitor to the Airbus A320 and Boeing 737, means the Single Aisle market will no longer operate as a duopoly. Hence the right combination of growth, profitability and resilience will be vital to Airbus’ long-term competitiveness.

Aerospace remains a major backbone of the global economy and a vital service to people and businesses. Airbus is committed to playing its part in contributing to the aerospace sector continuing to play its vital role in the global economy by building resilience. This will be achieved by having sufficient funds available to withstand shocks, close cooperation with stakeholders to ensure the overall travel value chain survives, seamless coordination along the supply chain to detect issues rapidly, and reinforcement of the Company’s balance sheet to continue investing in future competitiveness.

To compete successfully, the Company continues to invest in the evolution of its product portfolio and its decarbonisation roadmap, the development and integration of the latest aircraft technologies, the introduction of new manufacturing technologies including greater use of automation, the implementation of Digital Design Manufacturing and Services, the restructuring of its industrial set-up including the creation of Airbus Atlantic and Airbus Aerostructures, as well as the optimisation of its supply chain relationships.

3.2 Protecting investments important for the longer-term

The Company believes that the way to remain attractive to investors, employees and society at large is to be at the forefront of innovation and to be a leader in the global market. This requires discipline on both revenues and the cost base, throughout all Airbus businesses, to gain sufficient volume and profitability to continuously drive the industry forward. Having successfully increased revenue and profit in the years before the COVID-19 crisis, continuous improvement is essential to further support Airbus’ resilience and prepare for future investments.

The Company’s range of products is well placed to prosper in the post-pandemic world and it is the strong demand for the current range of products and services that pave the way to a lower-carbon future. The 2030s will be a defining period for Airbus with its hydrogen-powered airliner and next generation Single Aisle aircraft both expected to begin operations. It’s the single-aisle and widebody orders won today that will support the Company through a period of intensive innovation and investment. Every order counts, and 2023 was a record and memorable year.

As the Company delivers on its strategy as a leader with European roots and global reach, the Company is uniquely positioned to continue pioneering the industry, deepen customer relationships and expand its role in defence, space and helicopters, all while delivering shareholder value in line with market expectations.

4. Lead the transformation of the aerospace industry

Aviation’s licence to grow and operate in the future is linked to sustainability. Improving the environmental impact of our day-to-day lives is at the top of agendas throughout the world. While some argue for limiting mobility, the Company is convinced that sustainable air travel is not only possible but achievable in our lifetime.

Making the world a smaller and more transparent place to live makes it safer and more rewarding. The ability to discover, learn, share and remain safe are basic human needs and a guiding star for the Company. Air travel brings prosperity through the connections it makes. One in ten jobs around the world is in the travel and tourism industry, and air travel routes are the arteries of this system. Sufficient prosperity will be required to deliver the climate neutral transformation of the aerospace industry that society demands. Hence, the purpose of the Company is to pioneer sustainable aerospace for a safe and united world.

The Company does not, however, operate in a vacuum. Shared value and good governance are integral elements in managing the Company’s vision for a sustainable future. Airbus’ business is deeply connected with environmental, social, and governance (“ESG”) objectives through its own efforts to advance on these topics in line with the various international standards, frameworks and initiatives.

Defence is a crucial component of security and security is the precondition for a responsible and sustainable world. In this endeavour, the Company is committed to sustainable and responsible business practices, and maintaining the strictest legal and highest ethical standards in full compliance with European and international laws and European and all applicable national export control regulations. The Company’s defence portfolio provides countries with the means to protect their citizens, democratic values and vital infrastructure, which is of incalculable societal value.

The capabilities and technologies that the Company develops will help its sovereign customers command the future air domain (teaming, autonomy, digital services, etc.) and protect key space assets - all in a future system-of-systems environment which will bring real operational superiority and offer synergies with civil activities.

The successful launch of the Future Combat Air System (“FCAS”) Phase 1B paves the way in this direction. The project sees major European defence partners cooperating to prove the viability of new high-end technologies – Next Generation Fighter, Remote Carriers (drones) and a Multi Domain Combat Cloud. The Company must prepare for phase 2 of FCAS to begin after the conclusion of the current phase 1B. This will last until 2028/29 and see a demonstration flight by the next-generation fighter jet.

Current developments by the Company of future space capabilities and equipment (Low Earth Orbit Positioning, Navigation and Timing technologies, laser communication for high-speed modern connectivity, advanced processors and antennas, Very High Resolution earth observation solutions) are also spearheading future applications for defence or sustainability purposes and information superiority. Importantly, Ariane 6 is also expected to make its maiden flight in 2024.

4.1 Lead the journey towards clean aerospace

The Company, and the wider aerospace industry, must find ways to reduce and ultimately eliminate the impact of its activities on the climate. This is a clear expectation of the flying public and society at large, demonstrated by the announcements and commitments of international bodies such as the International Air Transport Association (“IATA”) and the International Civil Aviation Organization (“ICAO”). In
response, Airbus is striving to lead the industry on a strong path to the lowest climate impact solutions as part of the industry’s commitment to the Paris Agreement.

A major focus of the Company’s sustainability strategy is reducing the CO₂ emissions of its aircraft, as well as its industrial environmental footprint at its sites worldwide and throughout the supply chain. In February 2023, the Company received approval from the Science Based Targets initiative for its greenhouse gas emissions near-term reduction targets. Airbus has committed to reducing its Scope 1 and Scope 2 industrial emissions by 63% by 2030, in line with a 1.5°C pathway. The Company also committed to reducing by 46% the greenhouse gas emissions intensity generated by its commercial aircraft in service (Scope 3 – Use of Sold Product) by 2035. Both targets are based on the 2015 year as a baseline and in line with the Paris Agreement goals.

The Company is investing in and developing viable products and services that are attractive and efficient for its customers by maturing the technologies related to sustainable aviation fuels, hydrogen, hybridisation, industrial systems, aircraft architectures based on next generation engines, future wing and fuselage design and automation.

The Company is addressing the challenge of decarbonisation by stimulating the replacement of older planes with newer and more efficient ones; by preparing technologies for a next generation Single-Aisle aircraft to be ready in the second half of the next decade and capable of flying on 100% SAF; by preparing the first hydrogen aircraft for 2035; and by being a catalyst within the industry in the overall transition from fossil fuels to low-carbon fuels.

Sustainable Aviation Fuels (“SAF”) are essential to reducing aviation emissions and the aviation sector’s long-term aspirational decarbonisation goal of reaching “net zero carbon emissions by 2050”. Global momentum behind SAF continued to build in 2023, with more than 40 airlines pledging to ensure SAF supplies for at least 10% of their fuel needs by 2030. In recent years, supportive policies have appeared in the US, EU and other regions. On current plans, however, global SAF production in 2030 will still be only just over half of what is required to be on-track for net-zero CO₂ emissions in 2050.

To accelerate the growth of SAF production and uptake, Airbus continued its advocacy work with the ICAO in 2023, helping to secure agreement for a much-needed global policy framework for SAF. It included a target for ICAO member states to use SAF to reduce their carbon footprint by 5% by 2030. That should help provide producers of these fuels with the immediate impetus they need.

Within Airbus, the Company fulfilled a pledge to use 10% SAF in its own flight operations on the way to using 30% by 2030. Airbus also continued to form new partnerships to shape the hydrogen ecosystem, including in New Zealand and the UK with the Hydrogen in Aviation Alliance.

Airbus is also involved in the Single European Sky Air Traffic Management Research (“SESAR”) initiative to optimise aircraft operations in Europe. In 2023, Airbus pushed ahead with plans to bring its fello’fly vortex recovery system (“VRS”) into commercial service later this decade via flight tests through the SESAR-backed Geese project.

CO₂ is not the only aviation emission known to have an impact on climate. Airbus is engaged at both the international and European level with research institutes at the forefront of scientific knowledge on the non-CO₂ effects of aviation to better understand and respond to these challenges. In 2023, a modified glider at the centre of Airbus UpNext’s hydrogen contrail-studying experiment, Blue Condor, made its first hydrogen-powered flight. The flight was the Company’s first ever to use hydrogen as the sole fuel source, and it kicked off a test campaign that is scheduled to conclude in a contrail-measuring mission in early 2024.

The Company has implemented its high5+ programme targets – a clear pathway to significantly reduce its environmental footprint in manufacturing activities with regards to CO₂, energy, water, air emissions and waste. Airbus believes in managing its products’ environmental footprint across the entire lifecycle, from the design phase, raw material input, through the operational life and up to the end of the product life. This optimisation of energy and use of finite resources should bring both economic and environmental benefits.

Airbus satellites are today employed in monitoring the effects of climate change, with products, such as helicopters, also playing a key role supporting communities in tackling disasters.

4.2 Build our business on the foundation of safety and quality

Airbus goes beyond regulatory compliance to ensure the highest standard of safety and quality measures are applied to its products and services, from design to operation. Airbus takes a leading position in Air Transport system-wide initiatives and the Company continues to drive a zero-harm culture mindset shift in employee health and safety, focusing on protecting its people and the business from health and safety risks arising from work activities throughout its value chain. Through its military aircraft, satellites and defence technologies, Airbus provides customers with the tools they need to defend their sovereignty, and fight terrorism and cyber crime.

4.3 Respect human rights and foster inclusion

The Company’s respect for human rights is an essential part of responsible business conduct in its business activities and throughout the value chain.

The Company believes that everyone who works either for or with the Company, both within its business operations and the supply chain, contributes to its continued innovation, creativity, and business success. Therefore, it is imperative that the Company fosters empowerment, collaborative working, inclusiveness and diversity to enable a workplace to which people can bring their best selves. The Company ensures that its employees have access to a wealth of education and employee mobility opportunities to grow their skills because the Company strongly believes a more educated workforce is a more empowered workforce.

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

As declared in Airbus’ Human Rights Policy Statement, the Company commits to embed and advance respect for human rights, covering activities under its full, direct control in its divisions, affiliates and supply chain. The Company has also committed to undertaking ongoing risk-based human rights due diligence on such activities to identify, address and remedy adverse impacts, to prioritise its most salient human rights issues and to be transparent in this regard.

The Company has also committed to engaging with key stakeholders and to working proactively, both within and outside the industry, to collectively address human rights issues and strive to progress respect for human rights throughout the sector and beyond.

4.4 Exemplify business integrity

The Company’s operations span across more than 100 countries, and the Company has committed to being a responsible corporate citizen and to conduct its business with integrity and in compliance with all applicable laws and regulations, wherever it operates in the world.

As part of this commitment, the Company supports the principles of the UN Global Compact and IFBEC’s Global Principles of Business Ethics, which set a benchmark for high ethical standards globally.

At all times, the Company must demonstrate commitment to and drive adherence of its supply chain to the highest ethics and compliance standards while fortifying its own policies, programmes and culture so it can conduct business ethically and position Airbus as a trusted and reliable partner.

To improve accountability, the Company has established a dedicated Ethics & Compliance organisation, and continually works to strengthen its compliance programmes. Airbus wants to ensure that ethical and compliant behaviour is deeply embedded throughout the Company, as well as being supported by a clear Code of Conduct and Business Integrity principles.

Organisation of the Company’s businesses

The Company has organised its businesses into the following three operating segments: (i) Airbus, (ii) Helicopters and (iii) Defence and Space. The chart set out in “– General Description of the Company and its Share Capital – 3.3.6 Simplified Group Structure Chart” illustrates the allocation of activities.

Airbus (Commercial Aircraft)

Airbus is one of the world’s leading aircraft manufacturers of passenger and freighter aircraft and related services.

In 2023, Airbus delivered 735 aircraft (compared to 661 deliveries in 2022) and received 2,319 gross orders (compared to 1,078 gross orders in 2022). After accounting for cancellations, net order intake for 2023 was 2,094 aircraft (compared to 820 aircraft in 2022). As of 31 December 2023, Airbus’s backlog of commercial orders was 8,598 aircraft (compared to 7,239 aircraft in 2022).

In 2023, Airbus (Commercial Aircraft) recorded total revenues of €47.8 billion – representing approximately 72% of the Company’s revenues. See “– 1.1.2 Airbus (Commercial Aircraft)”.

On 1 January 2024, the Company implemented a new organisational set up and top management changes, including the appointment of a designated Commercial Aircraft leadership team, operating under the helm of Christian Scherer.

Helicopters

Airbus Helicopters is a global leader in the civil and military rotorcraft market, offering one of the most complete and modern ranges of helicopters and related services. This product range currently includes intermediate single-engine, light twin-engine, medium and medium-heavy rotorcraft, which are adaptable to all kinds of mission types based on customer needs.

Airbus Helicopters delivered 346 helicopters in 2023 (compared to 344 in 2022) and received 393 net orders in 2023 (compared to 362 net orders in 2022). Order intake amounted to €8.6 billion (2022: €9.3 billion). Military contracts accounted for 51% of this order volume, with civil sales representing the remaining 49%. At the end of 2023, Airbus Helicopters’ order book stood at 804 helicopters (compared to 757 helicopters in 2022).

In 2023, Airbus Helicopters recorded total revenues of €7.3 billion, representing approximately 11% of the Company’s revenues. See “– 1.1.3 Helicopters”.

Defence and Space

Airbus Defence and Space is a European leader in space systems, defence and security.

In 2023, Airbus Defence and Space was organised in three main segments: Military Air Systems (reorganised as Air Power from 1 January 2024), Space Systems and Connected Intelligence. Airbus Defence and Space develops, produces and maintains cutting-edge products, systems and services, enabling governments, institutions and commercial customers to protect people and resources. In 2023, Airbus Defence and Space recorded total revenues of €11.5 billion, representing approximately 17% of the Company’s revenues. See “– 1.1.4 Defence and Space”.

The Company’s activities are summarised in a structure chart. See “– 3.3.6 Simplified Group Structure Chart” for more details.
1. Information on the Company’s Activities

1.1 Presentation of the Company

Summary Financial and Operating Data
The following tables provide summary financial and operating data for the Company for the past three years. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – 2.1 Operating and Financial Review”.

REVENUE BY BUSINESS SEGMENT

<table>
<thead>
<tr>
<th>(In € million)</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus</td>
<td>47,763</td>
<td>41,428</td>
<td>36,164</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>7,337</td>
<td>7,048</td>
<td>6,509</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>11,495</td>
<td>11,259</td>
<td>10,186</td>
</tr>
<tr>
<td>Subtotal segmental revenue</td>
<td>66,595</td>
<td>59,735</td>
<td>52,859</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(1,149)</td>
<td>(972)</td>
<td>(710)</td>
</tr>
<tr>
<td>Total</td>
<td>65,446</td>
<td>58,763</td>
<td>52,149</td>
</tr>
</tbody>
</table>

ORDER INTAKE BY BUSINESS SEGMENT

<table>
<thead>
<tr>
<th></th>
<th>2023 (In € billion)</th>
<th>2022 (In percentage)</th>
<th>2021 (In € billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus</td>
<td>162.6</td>
<td>87.0%</td>
<td>59.7</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>8.6</td>
<td>4.6%</td>
<td>9.3</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>15.7</td>
<td>8.4%</td>
<td>13.7</td>
</tr>
<tr>
<td>Subtotal segmental order intake</td>
<td>186.9</td>
<td>100%</td>
<td>82.7</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(0.4)</td>
<td></td>
<td>(0.2)</td>
</tr>
<tr>
<td>Total</td>
<td>186.5</td>
<td>82.5%</td>
<td>62.0</td>
</tr>
</tbody>
</table>

(1) Before “Eliminations”.

ORDER BACKLOG BY BUSINESS SEGMENT

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
<th>2023 (In € billion)</th>
<th>2022 (In percentage)</th>
<th>2021 (In € billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus</td>
<td>490.8</td>
<td>88.5%</td>
<td>390.5</td>
<td>86.9%</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>21.5</td>
<td>3.9%</td>
<td>20.8</td>
<td>4.6%</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>42.2</td>
<td>7.6%</td>
<td>38.4</td>
<td>8.5%</td>
</tr>
<tr>
<td>Subtotal segmental order backlog</td>
<td>554.5</td>
<td>100%</td>
<td>449.7</td>
<td>100%</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(0.6)</td>
<td></td>
<td>(0.4)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>553.9</td>
<td></td>
<td>449.2</td>
<td></td>
</tr>
</tbody>
</table>

(1) Before “Eliminations”.

Relationship between Airbus SE and the Company

Airbus SE itself does not engage in the core aerospace, defence or space business of the Company but coordinates related businesses, sets and controls objectives and approves major decisions for the Company. As the parent company, Airbus SE conducts activities which are essential to the Company’s activities and which are an integral part of the overall management of the Company. In particular, finance activities pursued by Airbus SE are in support of the business activities and strategy of the Company. In connection therewith, Airbus SE provides or procures the provision of services to the subsidiaries of the Company. General management service agreements have been put in place with the subsidiaries and services are invoiced on a cost plus basis.

For management purposes, Airbus SE acts through its Board of Directors, Chief Executive Officer and Executive Committee in accordance with its corporate rules and procedures as described below under “– Corporate Governance – 4.1 Management and control”.

Within the framework defined by Airbus SE, Airbus, each Business Line, Business Unit and subsidiary is vested with full entrepreneurial responsibility.
1.1.2 Airbus (Commercial Aircraft)

Airbus is one of the world’s leading aircraft manufacturers of passenger and freighter aircraft and related services. In order to help shape the future of air transportation, Airbus seeks innovative technological solutions and the most efficient sourcing and manufacturing possible, so airlines can grow sustainably and people can connect. Airbus’ product line comprises successful families of jetliners ranging in capacity from 100 to more than 400 seats: the A220; the A320, civil aviation’s best-selling product line; the A330 and the A350 including its freighter derivative the A350F. Across its portfolio, Airbus’ solutions ensure that aircraft share high commonality in airframes, on-board systems, cockpits and handling characteristics. This significantly reduces operating costs for airlines. See “– 1.1.1 Overview” for an introduction to Airbus.

Airbus’ global presence includes activity in Europe (France, Germany, Spain and the UK), as well as in Canada, the US, China, Japan, India and in the Middle East. Airbus also has field service stations, spares, support and logistics centres as well as engineering centres worldwide. Airbus benefits from industrial co-operation and partnerships with major companies and an extensive network of suppliers around the world.

Strategy

Airbus’ purpose is to “pioneer sustainable aerospace for a safe and united world”. Airbus aims to keep its current commercial aircraft portfolio competitive and of the latest generation technology through incremental improvements, while at the same time pioneering disruptive technologies for the aviation of tomorrow. Airbus strives to find solutions that limit the negative impact on the environment, and has set itself near-term science-based targets to reduce its greenhouse gas (“GHG”) emissions which were validated by the Science-Based Targets initiative (“SBTi”) in January 2023. The Company’s decarbonisation roadmap integrates complementary elements, including fleet renewal, alternative propulsion and fuels, and improvements to aircraft operations including air traffic management. It also includes preparing technologies for the next generation of Single Aisle aircraft to be ready in the second half of the next decade. Airbus believes that Sustainable Aviation Fuels (SAF) will play a key role in reducing the environmental footprint of the aviation industry, as it can be used both for in-service fleets and the flying fleets of tomorrow. Airbus has tested 100% SAF capabilities on aircraft including the A320neo Family, A330, A350, and A380. The Company’s ambition is for SAF to be certified for 100% use in its aircraft platforms before the end of the decade. Airbus is also actively engaged within the broader SAF ecosystem through strategic partnerships and efforts that encourage various SAF production pathways (including from biomass feedstock, or power-to-liquid technologies, etc) with the aim to foster the development of the SAF market. Hydrogen is another area of focus. In September 2020, Airbus revealed three different hydrogen-powered concept aircraft entitled “ZEROe”, and Airbus has engaged in a number of R&T projects and partnerships with the objective to bring a hydrogen-powered commercial aircraft to market in 2035. Success towards Airbus’ decarbonisation roadmap can only be possible with the consistent engagement of the whole aviation ecosystem. As a result, Airbus strives to foster collaborative engagement and is in constant dialogue with key stakeholders including airlines, operators, energy producers, financiers, regulators, industry organisations, non-governmental organisations and others, and engages with these stakeholders at events such as the Airbus Capital Markets Day, the Airbus Summit or the Airbus Supplier Sustainability Council (established in 2022).

For further information, see “– 1.1.1 Overview – Strategy” and “Non-Financial Information – 1.2.2 Climate change”.

Aerospace is a major backbone of the global economy and a vital service to people and businesses. Airbus will continue to invest in its future in an evolving and highly competitive environment through the right combination of growth, profitability and resilience. Airbus intends to further strengthen its industrial set-up and industrial flow. The further transformation of the industrial value chain will ultimately improve the quality, competitiveness, agility and the sustainability of the entire ecosystem.

Market

Market Drivers

In the long-term, the main factors affecting the commercial aircraft market include passenger demand for air travel, airline pricing policies and resulting yields, cargo activity, economic growth cycles, evolution of the cost of energy, national and international regulation, the rate of replacement and obsolescence of existing fleets, the availability of aircraft financing sources and market evolutionary factors. The performance, competitive posture and strategy of aircraft manufacturers, airlines, cargo operators and leasing companies as well as wars, political unrest, pandemics and extraordinary events may also precipitate changes in demand and lead to short-term market imbalances. For further information, see “Risk Factors – Business and Operations-related Risks – Commercial Aircraft and Helicopter Market Factors”.

Demand for air transport

The fundamental drivers behind the need for air transport remain unchanged, enabling highly-efficient physical links between people and distribution of goods at a global scale.

The long-term market for passenger aircraft depends primarily on passenger demand for air travel, which is itself primarily driven by economic or GDP growth, trade, fare levels and demographic growth. Measured in revenue passenger kilometres (“RPK”), air travel increased in every year from 1967 to 2000, except for 1991 due to the Gulf War, resulting in an average annual growth rate of 7.9% for the period. Demand for air transportation also proved resilient in the years following 2001, when successive shocks, including 9/11 and SARS in Asia, dampened demand. At the end of 2008 and in 2009, the financial crisis and global economic difficulties resulted in only the third period of negative traffic growth during the jet age, and a cyclical downturn for airlines in terms of traffic (both passenger and cargo) yields and profitability. Despite these perturbations, the market recovered, driven by the underlying demand for air transport. After 2009 until the COVID-19 pandemic, the industry benefited from a prolonged period of stability which enabled airlines to collectively deliver profitability at historically high levels.
After the COVID-19 pandemic hit in 2020, the demand for air transport began to recover as soon as travel restrictions were lifted.

Throughout 2023, the air transport recovery continued strongly, with IATA reporting traffic (RPK) globally at 94.1% of 2019 volumes compared to 68.5% in 2022. Average passenger load factors increased to 82.3%, just short of the record 82.6% achieved in 2019. The abandonment of China’s “Zero-COVID” policy further accelerated the recovery with long-haul markets to/from China continuing their recovery into 2024. The demand for air transport was mainly driven by macroeconomics and demographics while the impact of fuel price and inflationary pressures remained measured.

In 2023, geopolitical tensions impacted air transport only mildly, primarily through their indirect macroeconomic effects. The impact of Russia’s invasion of Ukraine on global air transport has stabilised, despite the application of sanctions to Russian operations and the closure of Russian airspace to the airlines of all countries choosing to apply sanctions. However, tensions in the Middle East could impact air transport if a potential airspace closure were to affect large Middle East hubs. The overall geopolitical situation added pressure on global supply chains and logistics.

As more governments adopt a public policy to drive towards a net-zero 2050 carbon emissions aspirational target, aviation will continue to play its part. Decarbonisation is likely to be encouraged by regulatory measures including incentives and taxation to varied extents in different regions. This may increase the differentiation between the costs of operation of more or less fuel-efficient aircraft. Aviation growth has been driven by consistently strong improvements in efficiency, and past increases in fuel prices have been largely passed through to consumers, although regional differences may be observed.

Air cargo market
On the air cargo market, around 1% of world freight tonnes-kilometres is carried by air, representing approximately ~30% of the total value of freight. After a period of exceptionally high demand and high yields during the recovery from the pandemic, the air cargo market softened during 2023 and is now driven by the cyclical, and macroeconomic factors typically affecting it. However, it remains close to pre-COVID levels.

Belly cargo capacity will return to the market as stored Widebody aircraft re-enter service. Significant numbers of converted freighter aircraft ordered during the pandemic will enter into service, mainly replacing older aircraft. The freighter fleet contains a higher proportion of older aircraft, and consequently future deliveries will be more for replacement than growth.

E-commerce growth will continue to be a strong driving force and will take an increasing share of the air cargo market. Short-term headwinds include inflation, the strength of the US dollar and trade disruption. Short-term tailwinds include the short-term increase of air freight demand, pricing increases in response to container ship capacity shortage and increased container ship voyage times due to the Red Sea and Panama Canal blockages.

Airline network development: “hub” and “point-to-point” networks
Following deregulation, major airlines have sought to tailor their route networks and fleets to continuing changes in customer demand. Accordingly, where origin and destination demand prove sufficiently strong, airlines often employ direct “point-to-point” route services. However, where demand between two destinations proves insufficient, airlines have developed highly efficient “hub and spoke” systems, which provide passengers with access to a far greater number of air travel destinations through one or more flight connections.

The chosen system of route networks in turn affects aircraft demand, as hubs permit fleet standardisation around both smaller aircraft types for the short, high frequency and lower density routes that feed the hubs and larger aircraft types for the longer and higher density routes between hubs, themselves large point-to-point markets. As deregulation has led airlines to diversify their route network strategies, it has at the same time therefore encouraged the development of a wider range of aircraft in order to implement such strategies.

Airbus, like others in the industry, believes that route networks will continue to grow through expansion of capacity on existing routes and through the introduction of new routes. These new route markets are expected to be well served by the entire Airbus product offering from the A220 up to the A350. Airbus believes that it is well positioned to meet current and future market requirements given its complete family of products.

After the COVID-19 crisis, airlines are reviewing their positioning and business models in the frame of restructuring their operations and preparing their own decarbonisation strategies, including fleet renewal. Airbus expects that existing networks will for the most part be continued, with adaptations building on the opportunities emerging from their forced, temporary downsizing. The availability of new-generation longer-range single aisle aircraft from 2024 onwards, such as the A321XLR, will provide greater optionality to airlines, while the operating range flexibility of Airbus A350 models provide resilience in the face of airspace closures and longer flight routings.

Alliances. The development of world airline alliances has reinforced the pattern of airline network development described above. According to data from Cirium, a UK-based aviation industry consultancy, one-third of the world’s jetliner seats being flown today are operated by just 15 airlines. In the 1990s, the major airlines began to enter into alliances that gave each alliance member access to the other alliance members’ hubs and routings, allowing airlines to concentrate their hub investments whilst at the same time extending their product offering and market access.

Overall growth of commercial aircraft demand
The combination of production disruptions, COVID-19 and its consequences led to approximately ~3,500 fewer new aircraft being delivered over the last five years than industry had previously planned to produce. This led to longer retention of older aircraft in airline fleets, lower short-term rates of replacement and a strengthened demand for the latest fuel-efficient aircraft.

The recovery after the pandemic has been following a similar pattern as in past recoveries. A significant part of the stored aircraft returned to service, complementing newly delivered aircraft, and load factors and aircraft utilisation improved, followed by yields. During the recovery, competitive market-based financing for new aircraft deliveries has remained available.

Currently, the industry faces some imbalance as the shortage of new aircraft has triggered maintenance investment in older aircraft which will stay in service longer until they can be physically
replaced. Overall, the market for new commercial aircraft has evolved from oversupply during the pandemic to under-supply.

The Company’s assessment is that the pandemic has not structurally changed the long-term market for commercial aircraft.

Airbus’ 2023 Global Market Forecast projects that demand for passenger traffic will grow annually by 3.6% CAGR (Compounded Annual Growth Rate) between 2019 and 2042 and that demand for air cargo will grow by 3.2% CAGR over the same period. The forecast is based on macroeconomic assumptions from information services provider IHS-Markit and energy price projections considering the European Union Emissions Trading System ("EU-ETS"), the Carbon Offsetting and Reduction Scheme for International Aviation ("COR Sassia") and stated environmental policies of sovereign states. The forecast explored thousands of sensitivities around future energy prices, SAF penetration rates, GDP, fuel efficiency gains, etc. and reflects the median outcome of these scenarios.

Airbus forecasts a demand for approximately 40,850 new passenger and freighter aircraft deliveries over the next 20 years, of which approximately 32,830 (~80%) would typically be Single Aisle and 8,220 (~20%) Widebody. Around 17,170 of these aircraft would replace existing aircraft. The demand for Freighters is expected to reach approximately 2,510 aircraft over the next 20 years, with roughly 920 of these being newly built aircraft, and the remainder converted from the in-service passenger fleet.

The centre of gravity of global air transport will continue to shift towards Asia, with the strongest growth markets being those to/from/within India and China.

Airbus is focused on providing more fuel-efficient aircraft for fleet replacement and growth. Currently only 30% of the world fleet consists of the latest-generation aircraft typified by Airbus’ current portfolio. Through its analysis Airbus continues to believe in the long-term growth potential of the industry, and consequently aims to accelerate the development of lower-emission technologies, including hydrogen-powered aircraft, and foster ecosystem readiness and the dynamic deployment of SAF.

A full overview of the Company’s roadmap to reducing emissions can be found in the “Product Stewardship” section of 1.2.2.4(V).

Market Structure and Competition

Market segments. Airbus competes in each of the three principal market segments for aircraft with more than 100 seats.

Single-Aisle and Widebody aircraft each have a large breadth of application to route networks. Single-Aisle aircraft typically fly on shorter routes but may also fly on medium-to-long-haul routes. Widebody aircraft typically fly on medium-to-long-haul routes but may equally fly on short-haul sectors where airline network efficiencies, cargo demand or slot constraints favour such use.

Airbus’ annual Global Market Forecast is a 20-year demand forecast for aircraft of 100 seats and above clustered by generic sizes, recognising that the size and range characteristics of future products in the industry are not fixed. In Airbus’ 2023 Global Market Forecast this demand has been clustered simply into two categories: “Typically Single-Aisle” and “Typically Widebody” but the forecast recognises a degree of permeability between these two demand categories as illustrated by the A321XLR’s reach into longer-haul markets and the appeal of A330neo for example in the Middle East and Asia.

“Freight” aircraft, such as the A350 Freighter, which form a third, related segment, are a combination of newly built and converted ex-passerger aircraft. Converted aircraft are prevalent in the expanding e-commerce market, which typically sees a relatively low utilisation of new aircraft. This can provide an economical “second life” for in-service aircraft from the A320 and A330 families. See “– Airbus Canada, Regional Aircraft, Aérostructures, Seats, Aircraft Conversion – EFW”. In 2021, Airbus launched a new A350F freighter model in response to customer demand. The addition of a freighter variant is also expected to contribute to a greater resilience of the A350 Programme to future market fluctuations.

With the ACJ, Airbus also competes in the corporate and VIP business jet market. The ACJ portfolio is composed of the ACJ319neo, the ACJ320neo, the ACJ330neo and the ACJ350. To complete the ACJ family, the first ACJ TwoTwenty entered into service in April 2023.

Geographic differences. The high proportion of single aisle aircraft in use in North America and Europe reflects the predominance of domestic short-range and medium-range flights, also resulting from the expansion of low-cost carriers and, particularly, in North America from development of hubs following deregulation. In comparison with North America and Europe, the Asia-Pacific region uses a greater proportion of twin-aisle aircraft, as populations tend to be more concentrated in large urban centres. The use of twin-aisle aircraft is also reinforced by the fact that many of the region’s major airports limit the number of flights due to environmental concerns or the infrastructure constraints that limit the flight frequency. These constraints lead to higher average aircraft seating capacity per flight. However, Airbus believes that demand for single aisle aircraft in Asia will grow over the next 20 years, particularly as domestic markets in China and India will continue to grow and low-cost carriers continue to develop in the region.

Competition. Airbus has been operating in a competitive duopoly since Lockheed’s withdrawal from the market in 1984 and Boeing’s acquisition of McDonnell Douglas in 1997. As a result, the bulk of the market for passenger aircraft of more than 150 seats have already been manufactured by either Airbus or Boeing.

Nevertheless, the high technology and high value nature of the business makes aircraft manufacturing an attractive industry in which to participate, and besides Boeing, Airbus faces international competitors. Embraer’s primary focus has been on the regional market where its largest E2-jet product overlaps with the smallest Airbus aircraft. Embraer has not announced intentions for higher-capacity aircraft and shelved plans for a 70/90-seat regional turboprop in early 2023. Mitsubishi Heavy Industries previously cancelled their regional aircraft programme prior to Entry-Into-Service. New Russian programmes in the 100-seat and 180-seat categories are supported with renewed political vigour and resource but delayed by several years whilst components are substituted by those of Russian manufacture. These have a limited addressable market.

In February 2020, Airbus SE, the Government of Québec and Bombardier Inc. agreed upon a new ownership structure for the A220 programme, whereby Bombardier transferred its remaining shares in Airbus Canada Limited Partnership (Airbus Canada) to Airbus and the Government of Québec. This agreement brings the shareholdings in Airbus Canada,
1. Information on the Company’s Activities

1.1 Presentation of the Company

Products

The Family Concept – Commonality across the Fleet

Airbus’ aircraft families promote fleet commonality. This philosophy takes a central aircraft and tailors it to create derivatives to meet the needs of specific market segments. For example, both variants of the A220 have a significant level of common parts and can be operated by a single pilot pool. Alternatively, the A320, A330, A350 and A380 all share the same cockpit philosophy, fly-by-wire controls and handling characteristics, enabling pilots to transfer among these aircraft within the Airbus family with minimal additional training. Cross-crew qualification across families of aircraft supports airlines with operational flexibility. In addition, the emphasis on fleet commonality permits aircraft operators to realise significant cost savings in crew training, spare parts, maintenance and aircraft scheduling. The extent of cockpit commonality within and across families of aircraft is a unique feature of Airbus that, in management’s opinion, constitutes a sustainable competitive advantage.

In addition, technological innovation has been at the core of Airbus’ strategy since its creation. Each product in the Airbus family is intended to set new standards in areas crucial to airlines’ success, such as cabin comfort, cargo capacity, performance, economic performance, environmental impact and operational commonality. Airbus innovations often provide distinct competitive advantages, with many becoming standard characteristics, enabling pilots to transfer among these aircraft within the Airbus family with minimal additional training.

Alternatively, the A320, A330, A350 and A380 all share the same cockpit philosophy, fly-by-wire controls and handling characteristics, enabling pilots to transfer among these aircraft within the Airbus family with minimal additional training. Cross-crew qualification across families of aircraft supports airlines with operational flexibility. In addition, the emphasis on fleet commonality permits aircraft operators to realise significant cost savings in crew training, spare parts, maintenance and aircraft scheduling. The extent of cockpit commonality within and across families of aircraft is a unique feature of Airbus that, in management’s opinion, constitutes a sustainable competitive advantage.

A220 Family. Complementing the A320 Family, the A220-100 and A220-300 models cover the segment between 100 and 150 seats and offer a highly comfortable five-abreast cabin. With the most advanced aerodynamics, carbon fibre reinforced polymer (CFRP) materials, high-bypass Pratt & Whitney PW1500G engines and fly-by-wire controls, the A220 delivers 25% lower fuel burn per seat compared with previous generation aircraft. In addition to the airliner versions, 2022 saw the first delivery of the ACJ TwoTwenty business jet, based on the A220-100, combining an intercontinental capability of over 12 hours flight duration with unmatched personal space and comfort (outfitting of the first cabin was completed in 2023). Airbus manufactures, markets and supports A220 aircraft under the Airbus Canada Limited Partnership agreement (q.v.) finalised in 2018. In 2020, Airbus delivered the first US-assembled A220-300 aircraft from Mobile, Alabama.

Primary competitors to the A220 Family are the Embraer EMB190-E2 and EMB195-E2 and the Boeing 737 Max 7.

During 2023, Airbus received 142 gross orders for the A220 Family of aircraft and 141 net orders, with 68 aircraft having been delivered.
A320 FAMILY TECHNICAL FEATURES

<table>
<thead>
<tr>
<th>Model</th>
<th>Entry-into-service</th>
<th>Typical seating(1)</th>
<th>Range (km)</th>
<th>Length (metres)</th>
<th>Wingspan (metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A220-100</td>
<td>2016</td>
<td>100 to 120</td>
<td>6,390</td>
<td>35.0</td>
<td>35.1</td>
</tr>
<tr>
<td>A220-300</td>
<td>2016</td>
<td>120 to 150</td>
<td>6,297</td>
<td>38.7</td>
<td>35.1</td>
</tr>
</tbody>
</table>

(1) Two-class layout.

A320 Family. With more than 18,460 aircraft sold, and over 11,200 delivered by the end of 2023, the A320 Family of single aisle aircraft includes the A319 and A321 derivatives, as well as the ACJ corporate jet. Each aircraft in the A320 Family shares the same systems, cockpit, operating procedures and cross-section.

At 3.95 metres diameter, the A320 Family has a wider fuselage than the 737 MAX. This provides a roomy six-abreast passenger cabin, a high comfort level and a spacious under floor cargo volume. The A320 Family incorporates digital fly-by-wire controls, an ergonomic cockpit and a modern structural material selection. The competitors are the Boeing 737 series and Comac C919.

Airbus continues to invest in improvements across the product line, as exemplified by the development of the A320neo family, including the A319neo, A320neo, A321neo and ACJ variants of the A319neo & A320neo and most recently the A321XLR. The A320neo Family incorporates many innovations including latest generation engines and cabin improvements which together deliver up to 20% in fuel savings per seat compared with earlier A320 family aircraft. The A320neo with Pratt & Whitney engines was the first variant to receive Type Certification, from EASA and FAA, in November 2015, followed by the A320neo with CFM engines in May 2016. The A321neo with Pratt & Whitney engines received Joint Type Certification in December 2016 and with CFM engines in March 2017. Type Certification for the A319neo with CFM engines was achieved in December 2018 with the Pratt & Whitney engine variant the following year.

The A320neo Family versions have over 95% airframe commonality with the A320ceo (current engine option) versions, enabling them to fit seamlessly into existing A320 Family fleets – a key factor for Airbus customers and operators. Continuing support for the large in-service A320ceo fleet is undiminished as new opportunities arise, including those in the developing passenger-to-freighter conversion market.

Recognising a market requirement for increasing range capability, the A321neo has been developed to incorporate additional flexibility in cabin configuration with optional design weight and fuel capacity enhancements to produce the 7,280km (4,000nm) range capable A321LR. In 2019, Airbus launched the A321XLR, combining single aisle efficiency with Widebody range and comfort, and resulting in an unmatched product offering for all operator types in the key mid-range market area with 8,700km (4,700nm). The A321XLR entry into service is to take place in 2024.

Since its launch in December 2010, the A320neo Family has received 10,354 firm orders from more than 130 customers, with a total of 3,163 aircraft delivered to the end of 2023. A320neo deliveries commenced in February 2016 followed by the first A321neo in April 2017 and in August 2019 the first A319neo. Overall, the A320neo family retains an approximate 60% market share of the backlog against the Boeing 737 MAX Family.

During 2023, Airbus received 1,835 gross orders for the A320 Family of aircraft and 1,675 net orders, with 571 aircraft having been delivered.

A320 FAMILY TECHNICAL FEATURES

<table>
<thead>
<tr>
<th>Model</th>
<th>Entry-into-service</th>
<th>Typical seating(1)</th>
<th>Range (km)</th>
<th>Length (metres)</th>
<th>Wingspan (metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A319</td>
<td>1996</td>
<td>110 to 140</td>
<td>6,850</td>
<td>33.8</td>
<td>35.8</td>
</tr>
<tr>
<td>A320</td>
<td>1988</td>
<td>140 to 170</td>
<td>6,200</td>
<td>37.6</td>
<td>35.8</td>
</tr>
<tr>
<td>A321</td>
<td>1994</td>
<td>170 to 210</td>
<td>5,950</td>
<td>44.5</td>
<td>35.8</td>
</tr>
<tr>
<td>A319neo</td>
<td>2019 (ACJ)</td>
<td>120 to 150</td>
<td>6,760</td>
<td>33.8</td>
<td>35.8</td>
</tr>
<tr>
<td>A320neo</td>
<td>2016</td>
<td>150 to 180</td>
<td>6,390</td>
<td>37.6</td>
<td>35.8</td>
</tr>
<tr>
<td>A321neo</td>
<td>2017</td>
<td>180 to 220</td>
<td>7,400</td>
<td>44.5</td>
<td>35.8</td>
</tr>
<tr>
<td>A321XLR</td>
<td>180 to 220</td>
<td>8,700</td>
<td>44.5</td>
<td>35.8</td>
<td></td>
</tr>
</tbody>
</table>

(1) Two-class layout.
(2) With sharklets.

A330 Family. With 1,771 aircraft sold (of which 296 A330neo) and 1,591 delivered, the A330 Family covers all market segments with two twin-engine aircraft types and is designed to typically carry between 220 and 300 passengers in three-class configurations or over 400 passengers in high-density. The A330 Family offers high levels of passenger comfort as well as large under-floor cargo areas. The A330-200 version is also offered as a military platform and as a cargo variant. A passenger-to-freighter conversion is offered by the ST Engineering / EFW partnership for both the A330-200 and A330-300, meeting the logistical needs of the rapidly growing e-commerce market.

The competitors of the A330 Family are the Boeing 767 and 787 aircraft series.

The latest evolution of the A330 Family is the A330neo (new engine option), comprising the A330-800 and A330-900 versions. These aircraft incorporate latest generation Rolls-Royce Trent 7000 engines and enhanced aerodynamics for improved...
fuel efficiency. The first flight of the A330-900 took place in October 2017, and both Type Certification and first delivery were achieved in 2018, with TAP Air Portugal taking delivery of its first three A330-900s. Certification and first delivery of the A330-800, to Kuwait Airways took place in 2020. In October 2020 Airbus certified an improved MTOW (Maximum Take-Off Weight) of 251t on the A330-900 bringing a range increase of 1,180 km (650 nm). 251t MTOW was also certified for the A330-800 in mid-2022.

During 2023, Airbus received 42 gross orders for the A330 Family of aircraft (of which five military variants) and recorded -3 net orders, 32 aircraft having been delivered.

**A330 FAMILY TECHNICAL FEATURES**

<table>
<thead>
<tr>
<th>Model</th>
<th>Entry-into-service</th>
<th>Typical seating or payload(1)</th>
<th>Maximum range (km)</th>
<th>Length (metres)</th>
<th>Wingspan (metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A330-200</td>
<td>1998</td>
<td>210 to 250</td>
<td>13,450</td>
<td>58.8</td>
<td>60.3</td>
</tr>
<tr>
<td>A330-200F</td>
<td>2010</td>
<td>61 tonnes</td>
<td>7,400</td>
<td>58.8</td>
<td>60.3</td>
</tr>
<tr>
<td>A330-300</td>
<td>1993</td>
<td>250 to 290</td>
<td>11,750</td>
<td>63.6</td>
<td>60.3</td>
</tr>
<tr>
<td>A330-800neo</td>
<td>2020</td>
<td>220 to 260</td>
<td>15,094</td>
<td>58.8</td>
<td>64.0</td>
</tr>
<tr>
<td>A330-900neo</td>
<td>2018</td>
<td>260 to 300</td>
<td>13,334</td>
<td>63.7</td>
<td>64.0</td>
</tr>
</tbody>
</table>

(1) Three-class configuration.

**A350 Family.** The A350 is a family of wide-body aircraft, designed to typically accommodate between 300 and 410 passengers. The A350 offers enhanced cabin features, Rolls-Royce Trent XWB engines, advanced aerodynamics and systems technology, with more than 50% composite materials in the fuselage structure. The A350's main competitors are the Boeing 787 and 777 aircraft series. Initial delivery of the A350-900 variant took place in December 2014 to Qatar Airways.

With the Ultra-Long Range (ULR) version of the A350-900 launched in 2015, the A350 demonstrated its versatility by offering the capability to perform flights of up to 19 hours. The first A350-900 ULR was delivered in September 2018 to Singapore Airlines. Highlighting the type flexibility, Airbus delivered the first A350-900 Domestic to Japan Airlines during 2019.

Partnering the A350-900 is the seven metre longer A350-1000, which was delivered to its first customer, also Qatar Airways, in February 2018. Offering additional capacity for both passengers and cargo without compromising on range, the A350-1000 is the ideal replacement for previous generation aircraft in the 350-400 seat capacity market.

In 2021, Airbus launched the A350F freighter offering three tonnes more payload and more range than a competing 777F. With unbeatable efficiency in terms of fuel burn, CO$_2$ emissions and economics, the A350F is the only freighter capable of meeting the latest ICAO requirements.

During 2023, Airbus received 300 gross orders for the A350 Family of aircraft (of which 15 freighters) and 281 net orders, 64 aircraft having been delivered.

At the end of 2023, the total orders for the A350 Family stood at 1,206 aircraft, including 50 for the A350F. With 585 aircraft having been delivered the backlog stood at 621 aircraft.

**A350 FAMILY TECHNICAL FEATURES**

<table>
<thead>
<tr>
<th>Model</th>
<th>Entry-into-service</th>
<th>Typical seating or payload(1)</th>
<th>Maximum range (km)</th>
<th>Length (metres)</th>
<th>Wingspan (metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A350-900</td>
<td>2014</td>
<td>300 to 350</td>
<td>15,400</td>
<td>66.8</td>
<td>64.8</td>
</tr>
<tr>
<td>A350-1000</td>
<td>2018</td>
<td>350 to 410</td>
<td>16,100</td>
<td>73.8</td>
<td>64.8</td>
</tr>
<tr>
<td>A350F</td>
<td>109 tonnes</td>
<td></td>
<td>8,700</td>
<td>70.8</td>
<td>64.8</td>
</tr>
</tbody>
</table>

(1) Three-class layout.

**A380.** The double-deck A380 is the world’s largest commercial aircraft flying today. Its cross-section provides flexible and innovative cabin space, tailored to the needs of each airline. The aircraft is capable of carrying over 500 passengers in a comfortable four-class configuration over a range of 8,000nm / 14,800km.

The final five deliveries of the A380 took place during 2021 while the aircraft is likely to remain in service with its customer airlines well into the next decade.

**A380 TECHNICAL FEATURES**

<table>
<thead>
<tr>
<th>Model</th>
<th>Entry-into-service</th>
<th>Typical seating(1)</th>
<th>Maximum range (km)</th>
<th>Length (metres)</th>
<th>Wingspan (metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380-800</td>
<td>2007</td>
<td>400 to 550</td>
<td>14,800</td>
<td>72.7</td>
<td>79.8</td>
</tr>
</tbody>
</table>

(1) Four-class layout.
Customer Services
Demand for services is increasing. In 2023, the aftermarket players served more than 24,000 airliners (passenger aircraft above 100 seats & freighters with a payload above 10t). Airbus Customer Services plays in this market with the aim of being the customers’ companion in fleet management and operation all along the aircraft lifecycle, acting together for safe & sustainable aerospace.

This is achieved thanks to a wide range of customer centric and value-added services. Airbus is well positioned to answer today’s and future services needs in order to support the industry. Here are some examples:
– Airbus Beluga Transport, an Airbus airline specialised service on oversized cargo transportation, was granted with its Air Operator Certificate to operate as an autonomous freight airline.
– Satair has established a legal entity, Satair (Chengdu) Co., Ltd, in China. The creation of this new legal entity supports Satair’s commercial strategy of ramping up Used Serviceable Material (USM) growth and localising services to support the substantial growth expected in both the Chinese and global commercial aviation USM markets (with 40% growth expected worldwide through 2027).
– EasyJet has become the first airline in the world to sign a contract with Airbus for its carbon-removal initiative. The Company believes that direct air carbon capture and storage (DACCS) is a high-potential technology that could turn out to be meaningful in carbon schemes applicable to aviation.
– Vietnam Airlines has taken a significant step towards maintaining safety, enhancing sustainability and operational efficiency in its engineering operations by signing for the Airbus Skywise Predictive Maintenance (SPM) digital solution. The long-term agreement covers up to 65 A321 Family aircraft (A321ceo and A321neo), and represents a key milestone in the ongoing digital transformation of Vietnam Airlines.
– Air France and Airbus are in exclusive negotiations to establish a joint venture for the provision on a worldwide basis of Airbus A350 component maintenance services.
– 52% of Airbus in service fleet is connected to Skywise core (149 Operators, 51,67% of Airbus A/Cs with 7,038 A/Cs, +972 A/Cs compared to end of 2022).

In 2024, the priority of Customer Services will be supporting its customers to face increasing air transport demand in a competitive way. To do so, a range of solutions are available to help reduce customers’ operating costs, increase aircraft availability, and enhance the quality of their operations and passenger experience.

With a worldwide network of 7,500 employees (including subsidiaries) made up of hundreds of technical specialists who provide Airbus’ customers with advice and assistance 24 hours a day, seven days a week; 260 field service representatives positioned in over 60 countries for on-site assistance to our operators and a system of empowered local teams in Asia, Africa, China the Middle East and the US; Airbus targets to remain at the forefront of the industry.

To succeed in this context, Customer Services will continue working on the transformation plan based on three pillars (customer value, customer experience and sustainability) through optimisation and simplification of our products and further industrialisation of activities to decrease costs and increase efficiency; aiming to become a relevant contributor to the financial success of Airbus.

Aircraft Leasing Trading and Financing
Airbus favours cash sales, and does not envisage customer financing as an area of business development. However, Airbus recognises the commercial need for manufacturers to assist customers in arranging financing of new aircraft purchases, and in certain cases to also participate in the financing, particularly during a time of crisis.

Extension of credit or assumption of exposure is subject to corporate oversight and monitoring, and follows strict standards of discipline and caution. Airbus’ dedicated customer finance team has accumulated decades of expertise in aircraft finance. When Airbus finances a customer, the financed aircraft generally serves as collateral, with the engine manufacturer participating in the financing. These elements assist in reducing the risk borne by Airbus. The difference between the gross exposure resulting from the financing and the collateral value is fully provisioned for (for further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 27: Sales Financing Transactions”). Airbus’ customer financing transactions are designed to facilitate subsequent sell-down of the exposure to the financial markets, third-party lenders or lessors.

In 2023, Airbus continued to benefit from market appetite for both aircraft financing and sale and leaseback lessor opportunities, supported by a sustained level of liquidity available in the market. Airbus customer financing exposure remained limited, as it has done throughout the COVID-19 pandemic, and has actually decreased compared to 2019. Airbus will continue to provide direct aircraft financing support as it deems necessary. Management believes, based on its experience, that the level of provisioning protecting Airbus from default costs is adequate and consistent with standards and practice in the aircraft financing industry. See “Risk Factors – Business and Operations-related Risks – Sales Financing Arrangements”.

Trading activity has not changed substantially and it continues to consist mainly in (i) supporting new aircraft sales campaigns through the trading (cradle to grave) and the placement of all types of used aircraft (for cash or lease), (ii) assisting Airbus entities/internal departments in finding/placing aircraft assets on the market (iii) managing and assisting in the remarketing of inventory aircraft and (iv) acting as remarketing agent for an airline/financier to remarket its aircraft. Trading activity also involves the sell down of leases, loans (secured and unsecured) and design of structured lease solutions with customers’ credits.
Operations

Industrial Organisation

Airbus’ industrial organisation reflects the end-to-end industrial flow across all Airbus commercial aircraft programmes. The industrial value streams flow from the supply chain, through Airbus’ two Aerostuctures companies, the constituent and major component assembly (wing, forward and aft fuselage, and nose and centre fuselage) and to the final assembly in Toulouse, Hamburg, Tianjin and Mobile. Aircraft are then handed over to programme management for delivery to customers. The industrial flow is enabled by Quality and Procurement as well as four transverse functions responsible to provide the skills, standards and services necessary for (1) smooth industrial planning, logistics and transport, (2) integrated manufacturing engineering, (3) eradication and prevention of non-quality, and (4) highest operational excellence and sound performance management.

The Procurement organisation is responsible for both the contractual and operational relationship with the supplier base. Its aim is to ensure that purchased raw materials, parts and services are delivered at the most competitive conditions, on time, cost and quality. A dedicated Procurement Operations team manages the delivery stream from the supply chain in accordance with the agreed conditions to enable the production flow.

Adherence to quality standards and internal processes throughout the flow allows strict compliance with safety requirements, serves the customer satisfaction and enables a seamless production. This is being controlled through internal audits and operational surveillance, by delegation from EASA, by the Quality function. Thanks to external audits, Airbus is granted all necessary EASA approvals, Production Organisation Approvals (POA), Design Organisation Approvals (DOA), Maintenance Organisation Approvals (MOA) and EN9100 certification to design, produce, deliver and maintain its products. A two year internal surveillance cycle has been closed in 2023, demonstrating full compliance to EASA part 21G (requirements for Production activities). Striving for further improvement has motivated the launch of the Quality Transformation programme to reinforce risk prevention activities as well as problem solving competencies throughout the end to end value stream.

This way of working along the end-to-end value streams promotes a strong sense of collaboration in the service of customers, as well as reactivity and agility with the highest safety and quality standards.

In 2023, Airbus served 87 customers with 735 deliveries, an increase of eleven percent compared to 2022. The delivery result was in line with the delivery guidance set at around 720 aircraft, despite the complex operating environment including a challenging supply chain situation and geopolitical tensions. Airbus continues to ramp-up as planned to serve the strong demand for its commercial aircraft product portfolio.

As part of that ramp up, Airbus has enabled all of its assembly sites to be A321 capable, thereby enabling a bigger share of A321 deliveries.

2023 delivery performance and rate evolution:
- A320 family: 68 A320 delivered. The ramp-up continues towards a monthly production rate of 14 aircraft in 2026;
- A321 family: 571 deliveries achieved. The production is progressing towards the rate of 75 aircraft per month in 2026;
- A330: 32 deliveries achieved. The Company continues towards a monthly rate of four aircraft in 2024;
- A350: 64 deliveries achieved. The Company continues towards a monthly rate of ten aircraft in 2026.

Technology & Engineering

Headed by the Chief Technology Officer, Airbus Technology & Engineering is a global organisation leading and managing Airbus product certification and continued airworthiness, as well as supporting in-series production and in-service modifications, non-conformities and continuous improvements.

The Technology & Engineering organisation has the mission to:
- develop and deliver new aircraft architecture and design regarding safety, manufacturability, operability, maintainability, fuel-efficiency and environmental compliance;
- support the in-series products manufacturing and in-service operations by delivering definition dossiers and answers to technical queries;
- Foster the competitiveness of Airbus’ product and service portfolio in the medium- and long-term, and drive a company-wide synergetic approach to technologies, leveraging on Airbus’ unique history, DNA and product culture to shape the future of aerospace.

The team operates transnationally, with employees located in France, Germany, the UK, Spain, the US, Canada, India, China and Singapore.

The organisation has a strong delivery focus in support of today’s programmes as well as future developments and it is structured as follows.

The Centers of Competences (CoC) provide skilled resources to work on tasks, develop methods and tools, and generate solutions on topics related to airframe, aircraft systems, flight physics, propulsion, cabin and cargo. The flight & integration test centre supports both the development of new aircraft programmes and the deliveries of the in-series products, thanks to their flying & non-flying teams.

The architect and integration centre ensures, together with a team of senior aircraft architects and the programme chief engineers, that a consistent and multi-disciplinary approach is applied during aircraft development, while acting as the home base of the certification & continued airworthiness delegates. The strategy and transversal integration centre ensures consistency between engineering and corporate strategy, acts as the referent for configuration management, process, methods and tools for engineering, and drives the forward looking transformation of the function. The in-service engineering, acting in close cooperation with customer services, is providing skilled resources to handle customer technical queries, such as repairs, as well as support the resolution on recurrent in-service issues.

The R&T Programme department applies a lean project-based approach, tracked and managed using earned value management, technology readiness levels and figures of merit. Technological collaboration with external research communities and partners is encouraged and coordinated through the department with technical and scientific experts. The Company-wide integration of R&T technology and alignment with institutional research partners is achieved through cross-portfolio technology planning and roadmapping, giving an exhaustive view of technology targets and investments. In addition, Company-wide engagement for joint funding with public agencies is achieved through a common R&T Funding contract management.
Airbus Canada, Regional Aircraft, Aerostructures, Seats, Aircraft Conversion

Airbus Canada Limited Partnership

Airbus Canada Limited Partnership ("Airbus Canada") was established on 1 July 2018 following the transaction between Airbus, Bombardier and Investment Quebec. In February 2020, Bombardier exited the partnership. At the end of 2023, the Airbus Canada shareholding structure was 75% Airbus and 25% Investment Quebec.

Airbus Canada has developed a family of all-new design efficient aircraft with two products: the A220-100 and the A220-300. The A220-100 is a solution for opening new routes with urban and challenging operations. The A220-100 has typical seating between 100 and 120 passengers and a range of approximately 6,670km. The A220-300 is well suited to be one of the best network feeders. The A220-300 has typical seating between 120 and 150 passengers and a range of approximately 6,300km. Both aircraft deliver 25% lower fuel burn per seat than previous generation aircraft, half the noise footprint, and decreased emissions. In addition to the airliner versions, in 2020 Airbus Canada launched the ACJ TwoTwenty, creating a new business jet market segment by offering an intercontinental capability of over 12 hours flight duration (up to 10,465km) with unmatched personal space and comfort.

In 2023, Airbus Canada has delivered 68 aircraft (compared to 53 aircraft in 2022) and has a backlog of 600 aircraft as of December 2023. Through the end of December 2023, 314 A220 have been delivered.

Industrial Footprint. A220 has two final assembly lines, one in Mirabel and one in Mobile. In 2022, the Mirabel A220 site was expanded with the addition of a sub-assembly area, known as a pre-final assembly line (pre-FAL).

ATR

ATR (Avions de Transport Régional) is a world leader in the market for regional aircraft up to 90 seats. Its aircraft has over 200 operators in more than 100 countries. ATR is an equal partnership between Airbus and Leonardo, with Airbus’ 50% share managed by Airbus ATR organisation. Headquartered in Toulouse, ATR employs about 1,376 people. Since the start of the programme in 1981, ATR has registered net orders for 1,825 aircraft (522 ATR 42s and 1,303 ATR 72s).

In 2023, ATR delivered 36 new aircraft (compared to 25 in 2022) despite supply chain crisis and recorded net firm orders for 41 new aircraft (compared to 13 in 2022). As of 31 December 2023, ATR had a backlog of 141 aircraft compared to 138 in 2022.

By the end of 2023, ATR has delivered 1,682 aircraft.

Products and Services

ATR 42 and ATR 72. ATR has developed a family of high-wing, twin turboprop aircraft in the 30- to 78-seat market which comprises the ATR 42 and ATR 72, designed for optimal efficiency, operational flexibility and comfort. Like Airbus, the ATR range is based on the family concept, which provides for savings in training, maintenance operations, spare parts supply and cross-crew qualification. The ATR 72-600 is the lowest seat per mile cost aircraft on the 70 seat segment.

In 2020, the ATR72 freighter was developed, since then ATR achieved the delivery of 19 ATR72-600F to FedEx Express (thereof eight in 2023).

Finally, the Company’s aircraft family is being extended with the development of the 42-600S. With the “S” representing Short Take-Off and Landing (STOL), this new version of the ATR 42-600 offers take-off and landing capabilities on runways as short as 800m with 40 passengers on board in standard flight conditions.

Customer service. ATR has established a worldwide customer support organisation committed to supporting aircraft over their service life. Service and training centres and spare parts warehouses are located in Toulouse, Paris, Miami, Singapore, Bangalore, Auckland, Sao Paulo and Johannesburg. ATR’s worldwide presence also includes representative offices in Beijing and Tokyo.

ATR Asset Management addresses the market for second-hand aircraft by assisting in the placement and financing of used and end-of-lease aircraft.

Production

The ATR fuselage is produced in Naples, Italy, and ATR wings are manufactured in Merignac near Bordeaux, France. Final assembly takes place in Saint Martin near Toulouse on the Airbus commercial aircraft production site. Flight-testing, certification and deliveries also occur in Toulouse. ATR outsources certain areas of responsibility to Airbus, such as wing design and manufacturing, flight-testing and information technology.

Airbus Atlantic

Established on 1 January 2022, Airbus Atlantic is a wholly-owned subsidiary of Airbus. Airbus Atlantic is a global industrial leader, a key pillar of Airbus and a partner of choice for its customers around the world. Building on its highly skilled teams and its entrepreneurship mindset, Airbus Atlantic innovates, shapes new standards of industrial excellence and prepares the future for a sustainable and competitive aerospace industry.

Counting more than 13,000 employees in five countries and three continents, including 10,000 employees in France and 3,000 worldwide (Canada, Tunisia, Morocco and Portugal), Airbus Atlantic is the world n°2 player in aerostructures market, n°1 in pilot seats and ranks in the top 3 for Premium passenger seats marketed under the STELIA Aerospace brand.

Positioned at the heart of Airbus industrial system, Airbus Atlantic aims at delivering state-of-the-art quality and operational excellence to Airbus and to aircraft manufacturers such as Dassault Aviation, Bombardier and ATR, as well as to worldwide airlines with its Premium passenger seat range.

As such, Airbus Atlantic is an essential part of Airbus’s value chain and plays a key-role in the whole aerostructures’ supply-chain with more than 500 suppliers on flying products and more than 2,000 on general procurement products.
Airbus Aerostructures and Premium Aerotec Industry

Besides Airbus Atlantic, the Airbus Aerostructures organisation is the other aerostructure subsidiary of Airbus, leveraging the Company’s competencies globally, keeping strategic flexibility for resource allocation and building an international company culture. The organisation of Airbus Aerostructures, together with Airbus Atlantic serves the Company’s strategy, as set out by the Executive Committee and agreed with its shareholders.

Remaining detailed parts activities are concentrated under Premium AEROTEC Industry inside Airbus GmbH which became the body for the new holding structure in Germany with two companies, Airbus Operations GmbH and Airbus Aerostructures GmbH. There will be a review with regards to the possible legal integration of Premium AEROTEC Industry into Airbus Aerostructures in 2025.

Airbus Aerostructures is a 100 percent owned Airbus subsidiary. Formal governance bodies and regular management meetings between both ensures business coordination. The company is an integrator for commercial aircraft parts management. With around 11,000 employees, Airbus Aerostructures combines technology and innovation leadership to pioneer efficient aircraft production and to contribute to the aim of making decarbonised flight a reality. Airbus Aerostructures includes four production sites in Germany: the headquarters in Hamburg with three other plants in Nordenham, Bremen and Stade where work goes on today on the aerostructures of tomorrow’s aircraft.

Premium AEROTEC Industry delivers commercial and military aircraft structures and detail parts and is a partner in the major European international aerospace programmes. Premium AEROTEC Industry counts about 4,000 employees at various sites in Germany and Romania. Premium AEROTEC Industry is represented by its products in all Airbus commercial aircraft programmes. The current military programmes include the Eurofighter “Typhoon” and the military transport aircraft A400M. Premium AEROTEC Industry plays a significant role within new concepts regarding metallic and composite aerostructure activities or 3D-printing of aircraft components made of titanium or aluminium.

Elbe Flugzeugwerke GmbH

EFW combines various aviation and technology activities under a single roof: development and manufacturing of flat fibre-reinforced composite components for structures and interiors, the conversion of passenger aircraft into freighter configuration, maintenance and repair of Airbus commercial aircraft as well as engineering services in the context of certification and approval.

On 17 June 2015, Airbus signed an agreement with Singapore-based ST Aerospace Ltd. (STA) to offer passenger-to-freighter (P2F) conversion solutions for its A320 and A321 aircraft. STA acquired an additional 20% of the shares of EFW, Dresden (Germany) by way of a contribution in kind and a capital increase to EFW. The transaction closed on 4 January 2016. Consequently, 45% of the shares of EFW were retained and Airbus effectively lost its control over EFW (previously reported in Airbus).

EFW has been the excellence centre for Airbus conversions for more than 25 years and re-delivered 200 converted aircraft of the first Airbus conversion programme (A300/A310) to over 40 customers worldwide, thereof the largest Express carriers in North America and Europe but also renowned General Freight and Combination Carriers.

Based on the latest freighter conversion programmes, the A330P2F, A321P2F and A320P2F, EFW is driving the development of the Airbus freighter family.

By the end of 2023, a total of 33 A330P2F has been re-delivered, after a modest start of this programme. The customer demand for conversions of this Widebody aircraft increased remarkably during the last three years. By the end of 2023, it has been superseding the conversion requests for the latest Single-Aisle programme of A321P2F and A320P2F which entered the market back in 2020.

After achieving the STC for the A321P2F in February 2020, the FAA certification in July 2020, the world’s first A321P2F aircraft was delivered in September 2020, and in 2023, 22 further 321P2F were re-delivered.

By the end of 2023 EFW had secured more than 150 P2F orders in total.

EFW is increasing the conversion capacity such that it is possible to induct over 60 aircraft (approximately 30 A330s and A321s) for conversions per year for the Airbus P2F programmes by 2024 meaning to treble capacity compared to 2021.
1.1.3 Helicopters

Airbus Helicopters is a global leader in the civil and military rotorcraft market, offering one of the most complete and modern ranges of helicopters, drones and related services. This product range currently includes intermediate single-engine, light twin-engine, medium and medium-heavy rotorcraft, which are adaptable to all kinds of mission types based on customer needs. See “1.1.1 Overview” for an introduction to Airbus Helicopters’ portfolio.

Ambition & Company Strategy

Airbus Helicopters’ purpose is to provide the most efficient VTOL (vertical take-off and landing) products and service solutions to its customers who serve, protect, save lives, connect communities and safely carry passengers in demanding environments. The ambition of Airbus Helicopters is to lead the helicopter business and pioneer new VTOL aircraft for a sustainable future.

In this regard, the strategy of Airbus Helicopters is to preserve its leadership in the Civil & Parapublic market, improve its market share and resilience in the growing military market, while preparing the future of Unmanned Aerial Systems (UAS) and exploring new businesses.

The strategic priorities are:

1. **Customer Loyalty:** Airbus Helicopters’ ambition is to grow in the value chain of its customers and become the first obvious choice for the market over the next five years. To execute this priority, a special focus is to improve fleet availability, especially for its military customers. Further, Airbus Helicopters is committed to improving the end-to-end customer experience by delivering a true premium service in terms of quality and communication, while also adapting its global contract offer (from the HCare catalogue) to the customer’s profile. Finally, investing in stock and new repair capacities is key to strengthening the trust of customers.

2. **Innovation:** Airbus Helicopters has the objective of making helicopters and VTOL flight safer, simpler, more affordable and citizen friendly. Airbus Helicopters is committed to achieving first flights for key demonstrators, along with progressing on the certification path towards autonomy and disruptive technological developments that will pave the way for new VTOL solutions such as City Airbus NextGen. In addition, innovation covers connectivity and digital applications to serve current and future customers with more efficient and mature solutions, especially in the military field. One example consists in developing the Manned-Unmanned Teaming concept to pair helicopters with drones.

3. **Defence & Security:** Airbus Helicopters acts as a global player in the military market to reinforce its competitiveness and resilience. Airbus Helicopters is investing in key developments to support home nations while reinforcing its presence and influence in export countries in order to increase its market share. The product policy of Airbus Helicopters is driven by the willingness to offer and maintain the broadest dual range of products among OEMs, perceived as a fundamental advantage by its customers.

4. **Sustainability:** Airbus Helicopters wants to accelerate its commitment to pioneering sustainable aerospace. The Company is engaged and committed to its decarbonisation route by taking more ambitious steps to reduce the environmental footprint of its products, and to reduce its Scope 1 and Scope 2 industrial emissions. On top of it being a duty for each and every business to contribute positively to a more desirable future, Airbus Helicopters considers sustainability as an opportunity for the company and for its customers in terms of increased efficiency, attractiveness, resilience and competitive advantage.

Transformation

The Company is pursuing its journey for its transformation. While maintaining its focus on aviation safety and quality, specific attention is put on performance improvement with lead time reduction and on time deliveries in order to enhance customer satisfaction.

Airbus Helicopters continues to refine and execute its transformation plan in order to achieve sustainable performance and be agile in order to maintain its competitiveness in the face of market evolution and economic conditions, and retain its ability to invest in the future. This plan is combining projects aiming to make significant steps forward in performance in key areas (e.g. on supply chain and spare parts) and implementing further continuous improvement initiatives. In parallel Airbus Helicopters is preparing its next transformation phase, after 2025, to anticipate and prepare the future.

Airbus Helicopters continues to deploy data governance and accelerate its digital transformation based on standard capabilities to deliver digital continuity for integrated data-driven processes. A specific focus in 2024 will be on data quality, in order to have solid foundations to deploy new “data-driven” technologies.

Commitment to Innovation

In 2023, Airbus continued to invest in R&T and product development for both the civil and military markets. Airbus Helicopters’ FlightLab successfully tested an electric flight control system in preparation of a new human machine interface (HMI) that will equip CityAirbus NextGen, Airbus’ eVTOL prototype. The pilot controls were considerably simplified thanks to the enhanced piloting assistance provided by the electric flight control system. Marking a first in the helicopter industry, one single piloting stick replaces the three conventional pilot controls (cyclic, pedals, collective) and is able to control all aircraft axes. The single stick takes up less space, offers improved visibility to the pilot and is combined with a revised HMI which uses simple displays, providing a selection of information specifically tailored to eVTOLs. Following this successful Fly-by-Wire flight trials, Airbus Helicopters, in partnership with Airbus UpNext were able to test advanced autonomous features through a project code-named Vertex. These technologies are controlled by a touchscreen tablet and aim to simplify mission preparation and management, reduce helicopter pilot workload, and further increase safety. Vertex was tested between October and November and was able to demonstrate a fully automated flight from lift-off, taxi, takeoff, cruise, approach and then landing by following a predefined route.
A new test centre was inaugurated in Stryków, Poland, to perform mechanical tests on rotating components in support of our global research and development activities. It will complement the design and development capabilities offered by the engineering office Airbus Helicopters already in Lodz.

On the military side, the Company has focused on the development of the H160M in the frame of the joint light helicopter programme for the French armed forces as well as the ongoing development of the Tiger Mk3 upgrade for the French and Spanish armies. The H175M pursued its development and successfully performed flight demonstrations in the extreme hot and high conditions of the desert in Saudi Arabia. The Company has also continued to expand the mission capabilities of the H145M and ended the year with the largest ever contract for the H145M, up to 82 light attack helicopters, for the German Army and Special Forces.

At the end of November, the first NH90 Sea Tiger took off on schedule for its maiden flight, at Airbus Helicopters’ site in Donauwörth, Germany. The Sea Tiger is the latest version of the proven NH90 NFH (Naval Version). It has been specifically designed to match the needs of the German Navy for a state-of-the-art anti-submarine warfare helicopter.

Airbus Helicopters also introduced the first US-built H125 military configurations, known as AH-125 and MH-125 Ares, to the Airbus range of military helicopters. These combat-capable aircraft will feature militarised options that meet the needs of military and parapublic allies and partners around the world. The AH-125 Ares will be configured as the armed variant of the helicopter with a new addition of a flexible weapons capability, while the MH-125 Ares will be configured as a multi-role helicopter capable of a wide range of operations.

Airbus Helicopters achieved a major milestone with the development of the VSR700 in October 2023 by testing the SDAM (Système de Drone Aérien Marine / Naval Aerial Drone System) from the French Navy multi-mission frigate Provence, in partnership with Naval Group, the French Navy, and the DGA (Direction générale de l’Armement). These sea trials were arranged to demonstrate the system’s high performance from an operational warship and the SDAM’s capabilities for surveillance and intelligence missions. This was the final milestone in the derisking study for the SDAM programme that was awarded to Airbus Helicopters and Naval Group by the DGA. The project also involves French Small and medium-sized enterprises like Hélicoptères Guimbal and Diades, contributing to the creation of a local naval UAS industry in France.

Airbus Helicopters continued to make inroads on its decarbonisation roadmap which is based on a threefold approach using SAF, hybridisation, and electrification. The Company continued to lead a SAF user group for its helicopter operators and industry partners as well as increasing the use of SAF for its own development test flights, training, deliveries and ferry flights to 10%. In June 2023, an H125 was the first helicopter in China to fly with SAF (40%), marking an important milestone in the development of low-carbon aviation in Chinese aeronautics.

In 2023, the company continued to develop its FlightLab ecosystem, which enables more rapid testing of new technologies that could later equip Airbus’ current helicopter range, and even more disruptive ones for future fixed-wing aircraft or (e)VTOL platforms. The DisruptiveLab that was unveiled at the Airbus Summit in December 2022 performed its first flight in January 2023 and went on to complete its first round of flight testing. The DisruptiveLab will evaluate a new aerodynamic architecture intended to reduce fuel consumption, as well as pursuing the implementation of hybridisation with a fully parallel hybrid propulsion system that enables its battery to be recharged in-flight. The new architecture of the DisruptiveLab features an aerodynamic aluminium and composite fuselage, specifically designed to reduce drag and thus reduce fuel consumption. The blades are integrated into the rotor in a way that allows for a more compact rotor head which reduces drag and therefore improves energy efficiency while lowering the perceived noise level. Its lighter rear fuselage incorporates a streamlined Fenestron tail rotor that also contributes to improved performance.

In September 2023, the Company unveiled the PioneerLab, its new twin-engine technology demonstrator based on the H145 platform which is partially co-funded by the BMWK, the Federal German Ministry for Economic Affairs and Climate Actions through its national research programme LuFo. It focuses on testing technologies that reduce helicopter emissions, increase autonomy and integrate bio-based materials. The PioneerLab aims to demonstrate a fuel reduction of up to 30% compared to a conventional H145, thanks to a hybrid electric propulsion system and aerodynamic improvements. Aboard the demonstrator, Airbus Helicopters will also flight-test structural components made from bio-based and recycled materials, which aim to reduce the environmental footprint across the entire aircraft lifecycle. The Company intends to produce the new parts using processes that reduce material and energy consumption and improve recyclability. Further research activities will include the integration of the latest digital technologies into the aircraft’s flight control system and associated sensors to increase autonomy and safety during critical flight phases such as take-off and landing.

In 2023, the Company also began assembling its fully electric vertical take-off and landing prototype, CityAirbus NextGen and ended the year by successfully performing the power-on of the vehicle. Ensuring the success of Advanced Air Mobility (AAM) requires more than just the development of a platform, which is why Airbus is taking a holistic approach to the development of its AAM ambition by working on the platform, while also developing the ecosystem thanks to partnerships all over the world, and simultaneously focusing on key missions that will demonstrate the added value of AAM, helping to secure public acceptance.

Thanks to Bavaria-based Air Mobility Initiative (AMI), a design team at Munich Airport has been working with Airbus on the first designs of a vertiport, while two collaborative projects have been analysing the integration of vertiports in different environments. In March 2023, the Company announced a partnership with the Norwegian Air Ambulance Foundation to develop CityAirbus NextGen’s future missions for medical services in Norway. The parties will jointly measure the added value of electric vertical take-off and landing (eVTOL) aircraft for a selection of medical services use cases across the country to integrate the operational requirements directly into the configuration of Airbus’ eVTOL.

**Focusing on Customers**

Airbus Helicopters’ top priority from a customer support and service perspective is to ensure its work results in the best customer experience possible, including fleet availability. The Company celebrated important fleet milestones this year, such as the 1,500th H135 delivery to ADAC Luftrettung,
Airbus Helicopters has made significant effort and investment in addressing the supply chain situation that has been severely affected in succession by COVID, the consequences of Russia’s invasion of Ukraine, the energy crisis and economic factors including elevated inflation rates. In this context, Airbus Helicopters has faced difficulties in meeting customers’ spare parts and repair needs, due to demand having grown much faster than predicted based on flight activity.

Airbus Helicopters has significantly increased its working capital investments on spares and MRO parts. The Company has also invested in dual sources of supply and in helicopter buy-backs. The dismantling of complete helicopters enables the Company to access parts which are in short supply, especially for dynamic components. It also provided solutions for obsolescence and scarce parts.

In addition, the company is constantly investing in product improvement, both in terms of safety, innovation, and competitiveness. This includes investments targeted at making its helicopters more reliable, with a reduced maintenance workload and with lower Direct Maintenance Costs (“DMC”). Many of these improvements are discussed and then prioritised with customers in the frame of various forums such as Customer Focus Groups and Reliability Data Groups.

Global Support contracts and the HCare offering continued to prove popular in 2023 both with civil and military customers. There are around 2,650 helicopters currently enrolled with by-the-hour contracts. The Spanish Army Airmobile Force (FAMET) signed an HCare In-Service contract covering 32 AS552 helicopters based on the repair-by-the-hour concept. This contract allows FAMET to have an extended visibility on the fleet’s performance and maintainability. Similarly, the Spanish Air Force and Spanish Navy signed a HCare In-Service contract to cover 18 H135 helicopters, increasing parts availability for optimal aircraft availability. These are the first ever by-the-hour contracts signed by the Spanish Armed Forces. On the civil side, the Western Australia Police contracted a part-by-the-hour commitment covering two five-bladed H145s for law enforcement operations, and HBG Group signed a Part Availability contract for 24 helicopters located on four continents.

Airbus Helicopters continues to develop solutions for its legacy fleet. In 2023, the Company presented new upgrades for its H120 fleet, a year after the launch of the new services offering “HCare Classics”.

The company continued to make inroads on helicopter connectivity and digital services in order to provide an end-to-end ecosystem through easy-to-use digital solutions fully integrated to Airbus Helicopters systems. These digital solutions leverage data generated by helicopter systems, such as flight data recorders and avionics systems, or maintenance software and applications used to manage fleets. The aim of the Company’s Connected Services offering is to enable more flight hours in a simple manner and to enhance safety and ultimately better support our customers in their operations.

**Aviation Safety**

Airbus Helicopters’ chief priority is to enhance aviation safety for the thousands of men and women around the world who are transported in its aircraft every day. Airbus Helicopters’ ambition is to further reduce the accident rate of the Airbus helicopter fleet in service and be a leader in aviation safety.

In order to achieve these goals, Airbus Helicopters strives to:
- define and develop new safety measures and initiatives to support the operations of its customers; and
- continue to mature the company-wide global aviation Safety Management System (SMS).

This commitment to aviation safety is also reflected across all the internal activities related to the lifecycle of a helicopter, with a focus on meeting (and exceeding where possible) industry quality and safety standards. All this is based on continuously enhancing the strong safety culture in the Company.

To continue raising aviation safety awareness, Airbus Helicopters inaugurated a dedicated Aviation Safety Centre in March 2023 at the Marignane site in France. This is the first centre that will be replicated across other Airbus Helicopters sites around the world. The centre is divided into several zones, four of which host the digital modules that form the core of the system. These digital modules cover four major themes for Aviation Safety: air accidents, organisational and human factors, FODs (Foreign Object Damage, i.e. foreign bodies that can cause damage) and risk management.

The objective is that all employees, including apprentices, temporary workers and on-site subcontractors in Marignane – about 10,000 people – are trained in the Aviation Safety Centre. The Company also aims to host customers and suppliers at the centre to further demonstrate Airbus Helicopters’ commitment to a safe flying culture.

**Market Drivers**

The global helicopter market is demonstrating continued signs of recovering to pre-COVID-19 levels, despite continued geopolitical instabilities and economic volatility. Airbus Helicopters’ preliminary market data indicates that worldwide helicopter bookings for 2023, counting both the Civil & Parapublic (C&P) and Military markets, stood at over 1,150 units. This, compared to 1,394 in 2019 (prior to the pandemic) and 751 in 2020 (the low point during the pandemic).

The preliminary 2023 Civil & Parapublic Market figures indicate a slight overall increase of 1% in units sold and 7% in revenue since 2022. Significant demand increase for Super Mediums, Light Twin and Medium helicopters is driven by continuing signs of a resurgence of the energy segment and by the demand of Emergency Medical Services (EMS). Contrary to these growth segments, the demand for Intermediate Single helicopters decreased. This decrease was driven by the slow down of Private and Business Aviation and Commercial Passenger Transportation. Overall, Airbus Helicopters continues to lead the
C&P market, securing approximately 48% market share in units and 50% in value, driven by Airbus Helicopters positioning in Aerial Work, Private and Business Aviation, and Public Services.

The preliminary 2023 Military Market figures indicate a significant military market increase in value of more than 50% versus 2022. The increase in value is driven by Specialised and Very Heavy class helicopter acquisitions (Apache, CH47 Chinook & CH53) which together represent approximately 70% of the value booked. Such bookings were largely made through Government-to-Government contracts.

Over the next 10 years, according to market forecasts produced by Airbus Helicopters, around 6,900 Civil & Parapublic helicopters and 6,800 Military helicopters are expected to be delivered globally over this period.

Within the Civil & Parapublic Market (6,900 units over 10 years), almost 50% of the deliveries in units are expected to be Single engine helicopters, but Twin engine helicopters are anticipated to represent more than 80% of the value to be delivered. For the Intermediate singles, the dominant customer types are expected to be Private & Business Aviation (PBA), Aerial Work and Commercial Air Transport. Whereas in the Light Twin segment, Helicopter Emergency Medical Services (HEMS) continue to be the dominant customer type, followed by Public Services and PBA. The continued resurgence of the energy market remains key for sales of the super medium class, as are Public Services for the Heavy helicopter market class.

Demand for military helicopters and related services is mainly driven by budgetary and strategic considerations, and the need to replace ageing fleets. Airbus Helicopters believes that the advanced age of current fleets, the emergence of a new generation of helicopters equipped with integrated systems and the ongoing introduction of combat helicopters into many national armed forces will contribute to increased military helicopter procurement in the medium term. Nevertheless, demand from the military sector has historically been subject to large year-to-year variations due to evolving strategic considerations, and may be limited, due to budgetary constraints on public spending in some regions like Western Europe and Middle East, while other regions like Asia Pacific or Eastern Europe are expected to continue to grow. Within the Military Market (6,800 units over 10 years), approximately 33% of market sales in units are expected to come from the Heavy helicopter class, with a significant dominance in this sector coming from forces requiring Heavy Lift capabilities for troop and logistics transportation. For the remainder of the market, the combination of Light & Intermediate helicopters is expected to account for over 30% and Specialised Attack helicopters around 20%.

**Competition**

Airbus Helicopters’ primary competitors in the civil and parapublic sector are Leonardo and Bell.

The civil and parapublic sector has seen more local competitors in recent years (China, India, Japan, South Korea and Turkey). Airbus Helicopters has maintained its leading market share in a less dynamic market, with approximately 48% in units booked in 2023 (50% in value), followed by Bell and Leonardo with approximately 17% and 15%, respectively.

Airbus Helicopters’ main competitors in the military sector remain Boeing, Sikorsky and Russian Helicopters. In 2023 Boeing was dominant in the Military market, securing approximately 38% of units sold, while Airbus Helicopters secured approximately 16%.

**Customers**

More than 3,350 operators currently fly Airbus Helicopters’ rotorcraft in over 150 countries. Airbus Helicopters’ principal military clients are Ministries of Defence (“MoDs”) in Europe, Asia, the US and Latin America. In the civil and parapublic sector, Airbus Helicopters has a leading market share in Europe, the Americas and Asia-Pacific.

With approximately 54% of the worldwide market share-based on deliveries in 2023, the versatility and reliability of Airbus Helicopters products have made them the preferred choice of the most prominent civil and parapublic customers (turbine helicopters of more than five seats).
1. Information on the Company's Activities

1.1 Presentation of the Company

Products and Services

Airbus Helicopters offers a complete range of helicopters that covers nearly the entire civil and military market spectrum, which it continuously improves with leading-edge technologies. This product range includes single-engine, light twin-engine, medium and medium-heavy helicopters, and is based on a series of new-generation platforms designed to be adaptable to both military and civil applications. In addition, products share multiple technical features as part of a family concept approach.

The following table sets forth Airbus Helicopters’ existing product line, consisting of optimised products for different mission types:

<table>
<thead>
<tr>
<th>Helicopter Type</th>
<th>Primary Missions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Engine (“Écureuil” family)</td>
<td></td>
</tr>
<tr>
<td>H125 “Écureuil” / H125M “Fennec”</td>
<td>Public Services(^{(1)}), Military Utility &amp; Armed Reconnaissance,</td>
</tr>
<tr>
<td></td>
<td>Commercial Pax Aviation, Emergency Medical, Aerial Work</td>
</tr>
<tr>
<td>H130</td>
<td>Commercial Pax Transport &amp; Multipurpose, Emergency Medical, Tourism, Private &amp;</td>
</tr>
<tr>
<td></td>
<td>Business Aviation</td>
</tr>
<tr>
<td>Light Twin Engine</td>
<td></td>
</tr>
<tr>
<td>H135 / H135M</td>
<td>Private &amp; Business Aviation, Military Utility &amp; Armed Reconnaissance,</td>
</tr>
<tr>
<td></td>
<td>Emergency Medical, Public Services(^{(2)})</td>
</tr>
<tr>
<td>H145 / LUH (UH-72) / H145M</td>
<td>Private &amp; Business Aviation, Military Utility, Emergency Medical, Public Services(^{(2)})</td>
</tr>
<tr>
<td>Medium and Super Medium</td>
<td></td>
</tr>
<tr>
<td>H160 / H160M</td>
<td>Oil &amp; Gas, Public Services(^{(3)}), Private &amp; Business Aviation, Emergency</td>
</tr>
<tr>
<td></td>
<td>Medical, Military Utility &amp; Transport, Special Operations</td>
</tr>
<tr>
<td>H175 / H175M</td>
<td>Oil &amp; Gas, SAR, Public Services(^{(3)}), Private &amp; Business Aviation, Emergency</td>
</tr>
<tr>
<td></td>
<td>Medical, Military Utility &amp; Transport, Special Operations</td>
</tr>
<tr>
<td>Heavy</td>
<td></td>
</tr>
<tr>
<td>H215 “Super Puma” / H215M “Cougar”</td>
<td>Civil Utility(^{(3)}), Military Transport / SAR, Oil &amp; Gas</td>
</tr>
<tr>
<td>H225 / H225M</td>
<td>SAR, Combat-SAR, Military Transport, Oil &amp; Gas, Private &amp; Business Aviation,</td>
</tr>
<tr>
<td></td>
<td>Public Services(^{(3)})</td>
</tr>
<tr>
<td>NH90 (TTH / NFH)</td>
<td>SAR, Military Transport, Naval</td>
</tr>
<tr>
<td>Attack</td>
<td></td>
</tr>
<tr>
<td>Tiger</td>
<td>Combat, Armed Reconnaissance / Escort</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Public Services includes homeland security, law enforcement, fire-fighting, border patrol, coast guard and public agency emergency medical services.

\(^{(2)}\) Civil Utility includes different kinds of commercial activities such as aerial works, electrical new gathering (ENG), passenger and cargo transport.

Civil Range

Airbus Helicopters’ civil range includes intermediate single-engine, light twin-engine, medium and medium-heavy helicopters, which are adaptable to all mission types based on customer needs. To maintain and strengthen its competitive edge in the civil sector, Airbus Helicopters invests in R&D investments, notably:

- Certification of the H160 by EASA in July 2020;
- Improvement of the existing range (i.e. H145 certified by EASA and FAA in 2020 or the increased H125 performance certified in 2021 by EASA and FAA) in the field of performances and safety in order to meet customer’s requirements;
- Certification of the H160 by FAA in June 2023;
- Certification of the H175 by CAAC in July 2023;
- Preparing the future H generation with major upgrades and new products pursuing a fast-paced product range renewal.

Military Range

Airbus Helicopters’ military range comprises platforms derived from its commercial range (such as the H145M and H225M respectively derived from the H145 and H225) as well as purely military platforms developed for armed forces (the NH90 and the Tiger).

Designed for modern multi-mission capabilities and cost effectiveness throughout its lifecycle, the NH90 has been developed as a multi-role helicopter for both tactical transport (TTH) and naval (NFH) applications. The programme, mainly financed by the governments of France, Germany, Italy and the Netherlands, has been jointly developed by Airbus Helicopters, Leonardo of Italy and Fokker Services of the Netherlands as joint partners in NATO Helicopter Industries (NHI) in direct proportion to their countries’ expressed procurement commitments. Airbus Helicopters’ share of NHI is 62.5%. By the end of 2023 more than 500 NH90 were in service.

On the Combat segment the Mark3 upgrade of the Tiger helicopter will introduce state of the art mission systems, including manned-unmanned teaming, new avionics and next generation of weapons (anti tank / air to ground missile, laser guided rockets) in order to address future requirements of the French and Spanish armies. By the end of 2023 166 Tigers were in service.

Airbus is also a major contractor to the US Army, having been chosen to supply the service’s UH-72A & UH-72B Lakota helicopters (more than 470 in service by the end of 2023).
Customer Services
With more than 3,200 operators in over 150 countries, Airbus Helicopters has a large fleet of more than 12,300 in-service rotorcraft to support. As a result, customer service activities to support this large fleet generated approximately 47% of Airbus Helicopters’ revenues for 2023.

Airbus Helicopters’ customer service activities consist primarily of maintenance, repairs, spare parts supply, training and technical support. In order to provide efficient worldwide service, Airbus Helicopters has established an international network of subsidiaries, authorised distributors and service centres.

Operations Strategy
The roll-out of the new industrial model for Operations based on site specialisation, the introduction of an improved industrial architecture and the progressive deployment of flexible lines is almost complete.

The last internal transfer of activity in the context of the site specialisation will be achieved in 2024 with the remaining transfer to Paris Le Bourget. By concentrating the production sites in specific helicopter sections or technologies, we expect the competitiveness of our operations will be boosted and overall performance significantly increased, while improving the factories’ resilience to market fluctuations through the contribution of each site to the entire product range.

Alongside site specialisation, the introduction of an improved industrial architecture is being deployed, with major sub-assemblies produced, assembled and tested in parallel, thus shortening the industrial cycle. The reduction of the lead-time, in particular in the final assembly lines, will decrease the inventories and shorten the delivery time to our customers. Also, the ability to adapt quickly to market evolution is key. The flexibility of the production lines to assemble different products is being developed so that the industrial system can be adjusted in a rapid manner to changing market requirements.

A further key element of the Operations strategy is the enhancement of the logistic set-up supporting the new industrial model. 2024 will be marked by the entry into service of the “one log” hub in Albacete, Spain. The hub will enable the rationalisation of the logistic flows, moving from a “point to point” concept with spread flows, to a global logistics approach that will contribute to the competitiveness of operations.

In parallel to the new improved industrial set-up, the Operations organisation is increasing the focus on quality and operational performance in key helicopter components through the Centres of Excellence, for example Rotors and Transmissions. The Centres of Excellence will unite all departments in the Helicopters organisation – from Engineering, through Procurement & Supply chain, Quality and Production – to deliver best in class safety, quality and performance.

The global industrial footprint of Airbus Helicopters continues to be developed to reduce our product cost in the “make” perimeter and provide opportunities for the rationalisation of our supply base. While keeping more complex activities in the main sites in France, Germany and Spain, simpler work packages are allocated to the Divisions’ sites in “best cost countries”. In 2023, the facility in Querétaro, Mexico, specialised in aluminium machined parts, increased their workload. Additionally, the Division’s new facility in Gyula, Hungary, inaugurated in 2022 and specialised in hard metals machining, delivered its first parts in 2023.

Simultaneously to our internal industrial system competitiveness, the Operations strategy keeps a strong focus on the extended enterprise. Since the pandemic, supply chain monitoring and risk management has been strengthened, increasing the capacity to anticipate and mitigate potential disruptions and secure business continuity. The sourcing strategy is being implemented, reshaping our supply base to secure its current and future industrial performance, competitiveness and maturity, as an essential part of the overall Helicopters industrial ecosystem.

Reducing the environmental footprint of the industrial activities is a paramount axis of the Operations strategy. Numerous projects supported by important investments are being developed in all the sites, focusing on the reduction of our CO₂ and VOC emissions, energy and water consumption and also in the generation of waste.

Finally, the Operations strategy is paying special attention to preparing the future of the factories, industrial processes and systems. In particular, the ongoing digital transformation programmes will redefine the industrialisation and production of our helicopters, enabling a major reduction of our industrialisation cycles, raising our efficiency, setting a new standard of quality while safeguarding our Cybersecurity.
1.1.4 Defence and Space

Airbus Defence and Space is a trusted partner to commercial and government customers worldwide, providing products and services that ensure mission success in the air, land, sea, space and cyber domains:

- **Air Power**: designs, develops, delivers and supports manned and unmanned military air systems and services. It is the leading fixed-wing military aircraft supplier in Europe, and one of the global leaders in combat, mission, transport and tanker aircraft. Key products include the Eurofighter Typhoon, the A400M, the A330 Multi Role Tanker Transport (“MRTT”), the C295 and the Eurodrone. It also focuses on the future of air power, leading the development of the system-of-systems environment, of which the Future Combat Air System (“FCAS”) is a cornerstone;

- **Space Systems** covers a broad range of civil and military space offerings. Its satellite solutions for telecommunications, Earth observation, navigation and science include spacecraft, ground segments and payloads for institutional and commercial customers. It also manufactures orbital and space exploration systems, including human-rated modules. Space transportation capabilities (comprising launchers and services) are offered via ArianeGroup, a 50/50 Airbus-Safran joint venture;

- **Connected Intelligence** creates specific solutions for defence, governmental, civil and commercial customers under four main Programme Units: Integrated Space Solutions (the current working name for our space-related solutions), Public Safety and Security, Cyber and Defence Digital. It provides trusted intelligence and secure connectivity for mission and business-critical communications, from radio to broadband and mobile, on land, at sea and in the air.

On 1 January 2024, Airbus Defence and Space implemented a new organisational structure. It includes the merger of the Military Air Systems (MiAS) and FCAS Programme Lines into the new Air Power organisation, covering all air defence capabilities, and incorporation of the operational part of Engineering and Operations activities in business lines. The change results in a new simplified organisational structure consisting of three business lines: Air Power (merging of MiAS and FCAS), Space Systems and Connected Intelligence, supported by a transversal Operations function. The goal of this new organisational setup is to create business lines with clear end-to-end accountability.

**Strategy**

The strategic purpose of Airbus Defence and Space is to support our customers in safeguarding and protecting sovereignty, preventing crises, protecting lives and restoring damaged communities and ecosystems, providing safety and security and respecting the highest standards of human rights.

To achieve this, the Company is applying its strategy across three main segments:

- **Air Power**: Airbus Defence and Space is leveraging momentum in Franco-German-Spanish cooperation, pursuing new European programme opportunities as it works to deliver its vision for future air power. Key opportunities include FCAS, transport and special mission aircraft, among others. Airbus Defence and Space is also working to shape and address a future secure, upgradeable, and dynamic network along with Command and Control architecture requirements, while continuing to evolve existing platforms and capabilities for long term competitiveness (e.g. Eurofighter Typhoon, A330 MRTT, A400M, C-295, aircraft in service support);

- **Space Systems**: As one of Europe’s space leaders, Airbus Defence and Space will continue to create more competitive products, working with European governments and institutions to ensure the long-term health of the entire European space industry. The Company will evolve its product portfolio (i.e. equipment, satellites and infrastructure) and take a targeted approach to international expansion, with key successes already achieved in the US, combined with a growing local footprint. In parallel, Airbus Defence and Space is developing end-to-end solutions and accelerating new products and services to strengthen its position across the space value chain. It is also actively working on sustainability solutions, such as climate change monitoring and the removal of debris from the space environment. For the increasing focus on defence in Space, the Company is aiming to provide nations with technologies for information superiority and in-space operations;

- **Connected Intelligence**: supports data-driven decision-making for our defence, public safety, and geospatial customers. The Business Line provides satellite imagery, intelligence capabilities, and secure connectivity across space, land, air, and maritime domains. The focus is on “information superiority” to enhance mission effectiveness. Connected Intelligence aims to be a centre of competence, offering market-differentiating digital elements and services while serving as a direct sales channel for Airbus Defence and Space’s military and space platforms.

Globally, Airbus Defence and Space intends to leverage its existing products and services, innovate in new offerings, and strike selected strategic partnerships in order to strengthen its position in the US and other targeted international markets.

The Company is firmly committed to conducting its business based on responsible ethical standards, and in compliance with all applicable laws and regulations. This includes the delivery of defence products in accordance with export control laws, which are made in full transparency and alignment with authorities and relevant stakeholders. Suppliers must also ensure that their business practices are in compliance with export control laws and regulations including the US, EU and any applicable national regulations, as well as compliance with sanctions and embargoes legislation. Furthermore, suppliers are required to provide truthful and accurate export control classification and information and obtain export control licences. Human rights aspects are already included in the licensing process of the authorities, as well as in the Company’s internal approval processes. Additionally, human rights has been prioritised as one of the key commitments of the Airbus sustainability strategy and plays a key role in how Airbus Defence and Space conducts its operations. The Company has developed a human rights policy and within the defence portfolio, a multi-functional and cross-divisional team is in charge of reviewing the integration of risk-based human rights due diligence through existing processes and tools.
Airbus Defence and Space is not involved in the development, production or distribution of "controversial weapons" as listed within Annex I of the Commission Delegated Regulation (EU) 2022/1288 and it has in place detailed policies and procedures to undertake due diligence on the sale of defence products. For further information, see “1.2.10 - Human Rights”.

## Market

Airbus Defence and Space is active in governmental, institutional and commercial markets. As a general trend, defence budgets are forecast to grow globally, triggered by geopolitical shifts, heightened security risks, intensity of natural disasters, initiatives supporting strategic autonomy and continuous development of domestic defence industries. Recent examples of these developments in Europe include the Permanent Structured Cooperation (PESCO) projects; Future Medium-Size Tactical Cargo (FMTC) and Strategic Air Transport For Oultsized Cargo (SATOC), both supported by the European Defence Agency (EDA); the calls for proposal by the European Defence Fund ("EDF"); the implementation of the Eurodrone contract, signed with OCCAR (Organisation Conjointe de Coopération en Matière d’Armement); and the FCAS Demonstrator Phase 1B contract. In the space domain, Airbus has high ambitions to participate in Europe’s Low Earth Orbit (LEO) constellation, known as Infrastructure for Resilience, Interconnectivity and Security by Satellite ("IRIS") programme, planned to start in 2024. Several European governments are updating their secure satcom infrastructure with major programmes such as Skynet Narrow- and Wideband already running in the UK. The EU-SST (Space Surveillance and Tracking) programme addresses European operational capability that safeguards the space assets of the EU and member states. In parallel, in the space exploration segment, Argonaut (Europe’s large logistic lander) is a major element approved within the next phase of Terrae Novae (ESA’s new space exploration programme). Together, these initiatives provide sales opportunities in Europe and beyond.

Market access outside the home countries may be subject to restrictions or preconditions such as national content, local industrial participation or the provision of export licences. Nevertheless, Airbus Defence and Space is well-placed to benefit from global growth in defence expenditure.

## Air Power

### Customers

The Air Power Business Line with its combat aircraft, military transport mission aircraft and unmanned aerial systems ("UAS"), along with related services, mainly supplies the public sector, specifically armed forces.

Customer relationships in this segment are characterised by their long-term, strategic nature and long decision-making cycles. Once a contract is signed, its life span, including the services business, often lasts for decades. Beyond a strong foothold in home countries, the Company’s customer base is increasingly global, in particular due to the success of the A330 MRTT and C295 programmes.

The volatile, uncertain, complex and ambiguous geopolitical situation is gradually leading to a greater importance of defence in Europe. A clear signal in this direction was the signature of FCAS Phase 1A in early 2020 by France and Germany, with Spain joining later that year. Over the past four years, FCAS has been progressing with the execution and achievement of the Joint Concept Study and the Demonstrator Phase 1A which lead to the signature of the Common Operational Requirements Document ("CORD") by the three Air Forces in September 2021. The FCAS Demonstrator Phase 1B was signed on 16 December 2022. This phase covers the work on the demonstrator and its components for about three and a half years. There is good cooperation between FCAS teams from all industry partners (i.e. Dassault Aviation, Indra, Eumet, others). Phase 2 would be the next step following Phase 1B, with flight demonstration being targeted towards the end of the decade. Airbus military aircraft such as A400M, MRTT, Eurofighter and other manned and unmanned platforms will play key roles in the FCAS ecosystem.

There is also notable momentum in Europe for cooperation in large UAS programmes as demonstrated by the Eurodrone contract signature between Airbus Defence and Space as industry prime (in partnership with Leonardo and Dassault), and OCCAR on behalf of the nations (Germany, France, Spain and Italy). This will lead to the delivery of 20 Eurodrone systems, along with an initial five-year package of in-service support. Eurodrone is an indispensable capability to facilitate international conflict prevention and crisis management during all phases of operation – especially in the field of Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR). Beyond the Eurodrone, Airbus’ unmanned aerial systems help solve challenges for commercial, government and military customers alike. Institutional and government customers are recognising the benefits of UAS for public services. An increasing number of applications require UAS solutions in areas such as law enforcement, fire-fighting, humanitarian assistance and disaster relief, border protection or emergency services. Civil and enterprise customer interest for UAS continues to grow, with the main focus being on smaller and tactical UAS.

Some customers may find a service and leasing model more adapted to their specific needs. UAS services offer further growth potential with different levels of flexibility and customer involvement. The business encompasses the full set of services ranging from logistics, Maintenance, Repair and Overhaul ("MRO") and data analytics offers, to traditional leasing into complete aircraft-as-a-service flight operations.

### Competitors

The market for military aircraft is dominated by large- and medium-sized American and European companies capable of complex system integration. Among the competitive factors are affordability, technical and management capability, and the ability to develop and implement complex integrated system architectures. The required skills for overall systems integration into an aircraft are extensive and the number of players in the world market is rather limited. In particular, dedicated mission aircraft such as the heavy tankers, are derived from existing aircraft platforms. Adapting them requires thorough knowledge of the basic airframe, which generally only the aircraft manufacturer possesses, along with knowledge of systems architecture and integration.

The main competitors in the military transport and mission aircraft market include Boeing, Dassault Aviation, Embraer, Leonardo, Northrop Grumman, Saab, Antonov, and the United Aircraft Corporation.
Heavy military transport has historically been driven by US policy and budget decisions, therefore has been dominated by US manufacturers and split in strategic and tactical aircraft segments.

On Combat, Airbus activities take place through the contribution to the Eurofighter Typhoon, jointly with BAE Systems and Leonardo. The main competitors in the segment include Boeing, Dassault Aviation, Lockheed Martin, Saab and UAC.

With regards to UAS platforms, Israeli and US firms are well established, with European and Chinese companies gaining in relevance. Major competitors include AeroVironment, Baykar Technology, Boeing, Elbit Systems, General Atomic, Israel Aerospace Industries, Leonardo, Northrop Grumman and Turkish Aerospace Industries. The market is also seeing the emergence of new, smaller companies worldwide, addressing specific and/or national requirements. There is room and need for synergies and partnerships between smaller and larger UAS companies.

**Market Trends**

The sale of aircraft is expected to remain stable in the transport and special mission aircraft segments and could grow for the heavy transport segment, where the A400M occupies a unique position. In combat, new collaborative programmes are underway for the development of new sixth-generation fighters.

After-sales services are an important business for Air Power and are continuously growing in line with the deliveries of A400M and A330 MRTT, on top of the existing robust revenue stream associated with Eurofighter and Tornado in-service support.

On the unmanned aerial systems front, while defence will remain the largest sector, civil and institutional markets are growing steadily, especially in the smaller UAS tactical categories. Services verticals will offer increasingly interesting prospects as the market evolves. The governmental market especially for larger and advanced UAS features strong growth with significant opportunities in Europe, the US and Asia Pacific. Small and flexible UAS see wide application among armed forces and other homeland security agencies alike.

**Products and services**

**FCAS – Future Combat Air System.** The FCAS will be a system of systems combining a manned New Generation Fighter teaming with unmanned Remote Carriers, collaborating with upgraded existing and new platforms (e.g. Eurofighter, A400M, MRTT, Eurodrone, etc.) orchestrated by a Multi-Domain Combat Cloud (“MDCC”).

It will be an incremental journey to allow air forces and industry to tackle hand in hand the doctrinal and technological challenges lying ahead. As the largest and most ambitious European defence development for decades to come, FCAS will be key to Europe’s operational, technological and industrial sovereignty. FCAS will foster development of new technologies such as Artificial Intelligence (“AI”), cyber, cloud, and drones.

It will deliver increasing operational effects by leveraging the collaborative capabilities of all connected platforms across domains (air, land, sea, space and cyber) bringing the next level of air power. FCAS will accentuate and unify multiple areas of Airbus Defence and Space portfolio and products.

**A400M – Heavy military transport.** The A400M is the most capable new generation airfifer on the market today, aiming to meet the needs of the armed forces worldwide and potential operators for military, humanitarian and peacekeeping missions in the twenty-first century. The A400M can perform the job of three different types of military transport and tanker aircraft by providing different capabilities: tactical (short to medium range airfifer capability with short, soft and austere field operating performance), strategic transport (longer range missions for outsized loads) and tactical tanker.

A total of 178 aircraft have been ordered so far. This includes the seven launch customer nations, Belgium, France, Germany, Luxembourg, Spain, Turkey, the UK, as well as three export customers, Malaysia, Kazakhstan (two aircraft ordered in 2021) and Indonesia (two aircraft ordered in 2021, with contract enforcement in 2022). Additionally, Indonesia signed a letter of intent in 2021 with an option for four additional units. Further interest exists from various regions worldwide, including Asia, the Middle East and Latin America.

Type Certificate and Initial Operating Clearance were achieved in 2013. Since then, 123 units have been delivered to eight nations as of 31 December 2023. The A400M has already been deployed in operations since 2014, accumulating more than 177,000 flight hours in service. In 2019, a contract amendment was signed with launch customers on the Global Rebaselining of the A400M programme, under which all parties agreed to update the production plan and revise the capability roadmap. NSOC 2.0 Type Acceptance by customers was achieved in 2020, followed by NSOC 2.5 Type acceptance in 2021. The programme is now delivering in line with the revised schedule, and moving forward towards SOC3 (final development standard).

The aircraft is designed to disrupt the difference between strategic and tactical transport by offering both capabilities in one. This saves both time and costs as customers can fly a long range strategic aircraft into a tactical zone of operation.

**A330 MRTT – Multi-role tanker transport.** The A330 MRTT, a derivative of the Airbus A330-200 family, offers military strategic air transport as well as air-to-air refuelling capabilities. Its large fuel tank capacity (111t), a benefit of the design of the commercial platform, allows it to dispense fuel in flight to many receiver aircraft without the need for additional fuel tanks. This allows the entire lower deck cargo bay compartment to be available for freight (up to 37t), with the possibility to transport up to 27 standard civil LD3 containers, or up to eight 436L military pallets as well as the capacity to transport up to 300 troops in the upper deck cabin compartment, with the high level of comfort of a civil airliner.

The A330 MRTT is equipped with state of the art refuelling systems, including an Air-to-Air Refuelling Boom System (ARBS) and under-wing refuelling pods. It is the first and so far only aircraft in the world to perform automatic air-to-air refuelling (AAR) with A boom. At the end of 2023, 78 A330 MRTT have been ordered by 15 national operators (more than 94% market share over the past ten years, excluding the US), with 59 platforms already delivered and operating worldwide, accumulating more than 250,000 flight hours in operation.

In 2023, the Government of Canada awarded Airbus Defence and Space a contract for four newly-built Airbus A330 MRTT and for the conversion of five used A330-200s.
Eurofighter combat aircraft. The Eurofighter multi-role combat aircraft (also referred to as Typhoon) has been designed to enhance fleet efficiency through a single flying weapon system capable of fulfilling both air-to-air and air-to-ground missions.

The Eurofighter Jagdflugzeug GmbH shareholders are Airbus Defence and Space (46%), BAE Systems (33%) and Leonardo (21%). With regards to series production, the respective production work shares of the participating partners within the Eurofighter consortium stand at 43% for Airbus Defence and Space, 37.5% for BAE Systems and 19.5% for Leonardo.

Airbus Defence and Space develops and manufactures the centre fuselage and the right wing and leading edge slats for all aircraft, and is in charge of final assembly of aircraft ordered by the German, Spanish and Austrian air forces.

At the end of 2023, 680 Eurofighter Typhoon aircraft had been ordered by nine customers (UK, Germany, Italy, Spain, Austria, Saudi Arabia, Oman, Kuwait and Qatar). This includes the order of 38 aircraft from Germany in November 2020, and more recently the order of 20 aircraft from Spain in June 2022 to replace the ageing fleet of EF-18A Hornets. By the end of 2023 a total of 603 aircraft were delivered. Export opportunities are being actively developed together with the other shareholders of the Eurofighter consortium.

C295 – Light and Medium military transport/mission aircraft. The C295 is the workhorse of tactical military transport, conducting logistical missions including the transport and delivery of personnel and cargo as well as medical evacuations. The aircraft are deployed in demanding operational environments and have been used for humanitarian missions. The aircraft are also offered as a dedicated mission aircraft with configurations beyond the traditional air lifter version, for example maritime surveillance and anti-submarine warfare, airborne early warning and control, firefighting and intelligence, surveillance and Reconnaissance ("ISR"), among other missions. In service for more than 20 years, this family of aircraft has proven to be robust, reliable, high-performing, efficient, flexible, easy to operate in any environment, and with low operating costs. 299 orders have been recorded for the C295 by 41 operators at the end of 2023, including the historical order by the Indian Air Force in 2021 for 56 C295 to replace their legacy fleet. The first Indian Air Force aircraft was delivered in September 2023.

In 2023, the Spanish Ministry of Defence ordered 16 C295 in maritime patrol and maritime surveillance configurations.

In the field of UAS platforms, Airbus Defence and Space is active at both product and service level, supplying robust and dependable solutions for customers across military, commercial and institutional markets. Solutions span from tactical UAS to stratospheric solar powered High Altitude Platform Station ("HAPS").

Eurodrone – Medium Altitude Long Endurance Remotely Piloted Aircraft System ("MALE RPAS") is the first unmanned aerial system designed for flight in non-segregated airspace. It will give Europe its own unparalleled competencies in the field of UAS, offering advanced strategic performance capabilities. The characteristics will include mission modularity for ISR missions, guaranteeing European sovereignty.

As a four-nation project, Eurodrone will strengthen European sovereignty by establishing and expanding an independent technological base in the field of unmanned aviation.

The programme between Germany, France, Spain and Italy and under the management of the international armaments agency, OCCAR promotes European cooperation in the field of security and defence and confirms the initiative to increasingly rely on multinational armament projects. Development, procurement and operation will be carried out jointly, which saves costs and increases efficiency.

Eurodrone is designed to become one of the main pillars of any future combat air system, prepared for real integration into civil airspace based on minimal restrictions and easy transportability due to its modular design. The design will offer multi-mission capabilities and significant growth potential, for homeland operations, Intelligence, Surveillance, Target Acquisition, and Reconnaissance ("ISTAR") and armed ISTAR, which can be conducted with full operational sovereignty.

In 2023, Japan joined the Eurodrone programme as an observer.

Zephyr – solar-electric stratospheric HAPS is capable of flying continuously for months at a time, at around 70,000ft, above weather and conventional air traffic. It remains the only fixed-wing HAPS to have demonstrated day/night longevity in the stratosphere. It offers a range of continuous surveillance, communications and monitoring services for both military and civil markets. In January 2023, Airbus HAPS Connectivity Solutions Ltd, the company behind Zephyr, was rebranded as AALTO HAPS Ltd, with the aim to seek external partners. Airbus plans to maintain ownership in AALTO, but will consider outside investment to help accelerate the Company’s objectives.

SIRTAP – Sistema RPAS Táctico de Altas Prestaciones (or High Performance Remotely Manned System) is the next generation tactical fixed-wing UAS designed to meet the operational requirements of armed forces and governmental agencies around the world, providing an extended endurance and flexible payload in a range of capabilities adapted to fulfil ISR missions across military and civil markets. Thanks to its dual-use, it will be capable of carrying missions such as maritime surveillance, search and rescue, natural disaster relief, fire fighting support, as well as target identification, damage evaluation operations, ISTAR missions and convoy protection, among others.

Next generation air superiority programmes such as FCAS will feature strong UAS components, spurring the development of different types of Remote Carriers, and leveraging Manned-Unmanned Teaming ("MUM-T") technologies.

In 2023, Airbus signed a contract with the Spanish Ministry of Defence for the development and acquisition of nine SIRTAP systems, each consisting of three unmanned aerial vehicles and one ground control station. Two simulators will also be supplied.

Air Power Services. Airbus Defence and Space offers and provides various services for and related to military aircraft and UAS. Throughout the life-time of our aircraft, the Company offers integrated logistics support, in-service support, maintenance and upgrades, along with training and flight hour services. For example, the A330 MRRTT contract with the UK Ministry of Defence through the Air Tanker consortium includes the provision for all necessary infrastructure, training, maintenance, flight management, fleet management and ground services to enable the Royal Air Force to fly air-to-air refuelling and transport missions worldwide.
Airbus Defence and Space offers UAS services through Airbus DS Airborne Solutions GmbH, supporting FRONTEX (the European Border and Coast Guard Agency) for surveillance operations in the Mediterranean Sea.

**Space Systems**

**Commercial Sector: Telecommunications Satellites, Space Infrastructure, Launch Services**

The commercial telecommunications satellite market is highly competitive – with customer decisions primarily based on price, technical expertise and track record. The main competitors for telecommunications satellites are Boeing, Lockheed Martin, MAXAR Technologies and Northrop Grumman in the US, Thales Alenia Space in France and Italy, and the China Aerospace Science and Technology Corporation.

The commercial geostationary (“GEO”) telecommunications satellite market continues to show signs of recovery as GEO-capable manufacturers can leverage the scale of their capabilities to create very large constellations. Regarding commercial Low Earth Orbit (“LEO”) telecommunications constellations, the demand for small satellites remained soft in 2023. The business model remains challenging due to the required high upfront capital expenditure. In the space domain, Airbus has high ambitions to participate in Europe’s LEO constellation, known as Infrastructure for Resilience, Interconnectivity and Security by Satellite (“IRIS”) programme, planned to start in 2024.

In January 2024, Airbus announced completion of a deal with Eutelsat OneWeb to purchase its 50% share of the Airbus OneWeb Satellites (AOS) joint venture, which built a global high-speed internet constellation of satellites for the OneWeb first generation constellation. This endeavour led to a full re-think of satellite design and manufacturing, to facilitate production at competitive costs and on relatively short timelines. The OneWeb constellation was completed in 2023 with 600+ satellites now in orbit and full global service entry due in 2024. Moving forward, OneWeb has clear ambitions to create a second generation constellation. Airbus is now the sole owner of the satellite manufacturing facility in Merritt Island, Florida, supplying ongoing commercial & US government contracts.

In 2023, Airbus together with Voyager Space announced a pioneering joint venture, Starlab Space, which will develop, build, and operate Starlab, a commercial space station planned to succeed the International Space Station that is due to conclude operations in 2030. With the Bartolomeo Service, Airbus also offers one-stop-shop access to flying payloads in Low-Earth Orbit on the outside of the International Space Station (“ISS”), which means easy access to Space for both commercial and institutional customers. The first launch is expected in 2024.

The market for commercial launch services continues to evolve with ongoing competitive pressure. ArianeGroup (a subsidiary of Arianespace) provides launch services with the Ariane and Vega launchers. Competitors for launch services include SpaceX, United Launch Alliance, Rocket Lab (for smaller payloads) and various national space agencies. 2023 was a transition year, with limited European launch capacity. We expect to see a turnaround beginning in 2024. As announced in November 2023 by the European Space Agency, the first launch of Ariane 6 is currently targeted between 15 June and 31 July in 2024, subject to final tests. The last Vega is due to launch and return to flight of Vega-C is also expected.

The commercial space market also is seeing the rise of large constellations for global connectivity, with the upcoming OneWeb second generation, the launch of prototypes for the Kuiper constellation which is expected to commence service delivery in the second part of this decade, and other new projects emerging both in the US and in Europe.

**Governmental Sector: Satellites, Space Infrastructure, Launchers, Deterrence**

In the public market for Earth Observation (“EO”), navigation and science satellites, competition in Europe is organised on a national and multinational level, primarily through the European Space Agency (“ESA”), the European Commission and national space agencies.

Space Systems remains a major player in the EO segment, involved in the 12 existing and future Copernicus environment missions. The Company was awarded a contract by ESA in 2023 for the development of the TRUTHS mission study for meteorological traceability of Earth observation data.

There is also continued export demand for EO systems. While no contracts were signed in 2023, at the end of 2022, Airbus signed a contract with Poland for the provision of two very high resolution S950 Optical satellites and access to Pléiades Neo imagery beginning from 2023. The export market is expected to continue growing over the medium-term driven by the demand from new governmental operators on top of the replacement of existing assets.

Airbus Defence and Space is building on its re-established position on the navigation side, as it continues to work on the manufacturing of six Galileo second generation satellites for Europe’s navigation system as well as the EGNOS V3 navigation overlay system, critical for the aircraft industry.

The space exploration segment comprises scientific missions for solar system exploration andcrewed space systems. Demand for space exploration systems originates solely from publicly funded space agencies, in particular from ESA, NASA, and JAXA (Japan). Such systems are typically built in cooperation with international partners.
The predominant field of activity on this segment is the continuing support to the operations of the ISS, together with vehicle and equipment development programmes and services. Airbus Defence and Space is the prime contractor for the Orion European Service Module (“ESM”) for NASA’s Artemis Moon-return missions, with six modules under contract. In 2022, the Orion spacecraft successfully completed the first full test mission (Artemis I), with a trip around the moon. The Artemis II crewed mission is set for launch in 2025. As the future exploration plans of the various national space agencies take shape with a growing focus on a sustainable return to the moon and further Mars exploration, Space Systems is taking an important role in providing vehicles, platforms and services to support these ambitious endeavours.

Since Russia’s invasion of Ukraine, there is growing attention to military capabilities in Space. Airbus Defence and Space will support nations by providing connectivity, information superiority and in-space operations for defence.

On the military customer side, observation satellite demand has increased in recent years. There is an increasing demand in the governmental satcom market in France, Germany, Spain and UK, as well as internationally. Within the European Union, the development of constellations in 2024 and beyond should present significant opportunities.

The equipment segment has benefited from a stable European market, with potential growth to come from developing space countries as well as the US.

ArianeGroup is the lead contractor for Europe’s Ariane 5 (last flight operated in 2023) and Ariane 6 launcher family, responsible for designing, manufacturing and marketing of launch services through its subsidiary, Arianespace. It is also responsible for the research, design, development, production and support of missiles for the French nuclear deterrent force (French Strategic Oceanic Force). These activities are compliant with the Treaty on the Non-Proliferation of Nuclear Weapons. The Company’s reported revenues do not include any revenues relating to these activities (accounted for using the equity-method) as it does not have exclusive control of the joint ventures.

**Products and Services**

**Human space flight.** Airbus has played an important role in human spaceflight, starting with the Spacelab reusable laboratory flown on the US Space Shuttle, followed by the development of the Columbus module and the Automated Transfer Vehicle (ATV) spacecraft for the ISS, and most recently the addition of the Bartolomeo payload hosting platform, which is company operated as a service. Airbus’ expertise is also being applied to the ESM, powering Orion. Airbus is the prime contractor to ESA for the development and manufacturing of six ESMs, the first of which flew on NASA’s Artemis I mission in November 2022.

**Telecommunication satellites.** Airbus Defence and Space produces telecommunication satellites used for both civil and military applications, such as television and radio broadcasting, fixed and mobile communication services and internet broadband access. Airbus was first to bring a reconfigurable satellite (OneSat product) to the telecommunications market. The Company has nine OneSats under contract; three for Inmarsat for the first of their next generation of geostationary Ka-band satellites, one for Optus (an Australian operator), two for Intelsat, one for SkyPerfect JSAT, and, newly signed in 2023, one for Thaicom and one for an undisclosed customer.

With regards to its new all-electric and customer oriented Eurostar Neo platform, manufacturing is ongoing for five satellites for Thuraya/Yahsat, Eutelsat and Spanish and UK governments.

**Observation and scientific / exploration satellites.** Airbus Defence and Space supplies EO satellite systems carrying optical and radar instruments and ground infrastructures for both civil and military applications. Customers can derive significant benefits from the common elements of the Company’s civil and military observation solutions, which allow the collection of information for various applications, such as cartography, weather forecasting, climate monitoring, mineral, energy and water resource management, as well as military reconnaissance and surveillance. 2023 saw the launch of the THEOS-2 satellite, the second Airbus Earth observation satellite for Thailand which recognises the importance of space technology in serving the country.

Airbus Defence and Space also produces scientific satellites and space infrastructure, which are tailor-made products adapted to the specific requirements of the mostly high-end missions assigned to them. Applications include astronomical observation with radiation sources within the universe and planetary exploration. The Company was awarded a contract in 2020 for the Earth Return Orbiter, the spacecraft that will return the first ever samples from Mars under the NASA-ESA Mars Sample Return programme. Airbus Defence and Space was also the prime contractor in the manufacturing of the JUICE spacecraft, ESA’s next life-tracker inside the Solar System. JUICE was launched in 2023 and is now on an eight year journey to Jupiter where it will study its icy moons. The Euclid telescope, designed and built by Airbus, was also launched in 2023 and has already returned impressive images as part of its mission to better understand dark energy and dark matter.

**Navigation satellites.** Airbus Defence and Space is prime contractor for EGNOS V3, the next generation of the European Satellite Based Augmentation System, planned to provide the aviation community with advanced Safety of Life services and new services to maritime and land users. In 2023 Airbus commenced the manufacture of the first of six satellites for the second generation of Galileo, embarking on a new and enhanced payload that will open new possibilities for the navigation sector.

**Space products.** Airbus Defence and Space serves the worldwide market with space products through its own Airbus brand as well as the brands Jena-Optronik and TESAT. Space Products offers an unmatched and extensive portfolio of embedded subsystems, equipment and services for all types of space applications: telecommunications, EO, navigation, scientific and space exploration missions, human spaceflight and launchers.

**Commercial launchers.** ArianeGroup manufactures launchers and performs research and development for the Ariane programmes. Member States, through ESA, fund the development costs for Ariane launchers and associated technology. For almost 20 years Airbus Defence and Space was the sole prime contractor for the Ariane 5 system which completed its last flight in 2023. In December 2014, the Ariane 6 programme was decided by the ESA ministerial conference with an approval of the joint Airbus Defence and Space and Safran concept. In addition, a new industrial set-up was announced with the creation of ArianeGroup between the two main Ariane manufacturers. This vertical integration reduces costs and increases competitiveness. As announced in November 2023 by the European Space Agency, the first launch of Ariane 6
is currently targeted between 15 June and 31 July in 2024, subject to the clearance of final tests. In 2023, ArianeGroup made progress on the development Maia mini launcher – accelerating the maturation and the in-flight validation of reusable technologies needed to develop the future European family of launchers.

**French deterrence systems.** ArianeGroup, as prime contractor, holds the contracts with the French State for the submarine-launched deterrence system family.

**Connected Intelligence**

Connected Intelligence activities cover secure space and terrestrial connectivity, data management and intelligence, military multi domain operations as well as cyber security may it be for defence, security institutions or commercial customers.

The programme line is divided into four Programme Units: Defence Digital, Cyber, Integrated Space Solutions (the current working name for our space-related solutions), and Public Safety and Security.

**Defence Digital** is “designed” to be the digital light-house for our Defence Customers, demanding fully interoperable, digitised and automated multi-domain solutions for changing defence conditions. Key users are some Airbus’ home countries: Germany, France and UK as well as other NATO nations and international missions such as NATO AWACS (Airborne Warning & Control System) and NATO AGS (Alliance Ground Surveillance).

**Cyber:** serves Europe and its allies as the trusted European cybersecurity provider, as a specialist in cybersecurity for Defence and Aerospace systems, assets and network and endpoint security. Its mission is to design, develop, integrate and deploy tailored reliable cybersecurity products and solutions for defence, governmental, institutional and commercial customers as well as critical national infrastructure.

The Cyber Programme Unit is the home to the Division’s core cybersecurity competences and capabilities, with clear governance to support all business lines of Airbus Defence and Space.

**Integrated Space Solutions** (the current working name for our space-related solutions) is one of the global leaders in providing trusted Space Solutions, uniting Connected Intelligence’s space-related services & capabilities. Its customers are governmental, institutional, and commercial.

In the Geospatial domain, the Programme Unit offers a comprehensive range of assets from dedicated infrastructure (Direct Receiving stations) to imagery, advanced products such as mosaics, elevation models, and 3D imagery. The analytics and geospatial solutions cater to diverse sectors, including defence, security, intelligence, agriculture, maritime, oil & gas and more. The Programme Unit extends its expertise in governmental satellite communications, offering multi-domain (land, sea and air) secure satellite connectivity solutions for national and global security, notably for the UK, France, Germany and NATO.

**Public Safety and Security:** Public Safety and Security aims at delivering critical communications solutions to organisations – governmental and private ones – who are responsible for the security and the protection of the individuals, population, national assets and environment.

**Products and Services**

**Defence Digital** is a recognised actor in defence intelligence as well as a system house supplier for securely connected ISR (Intelligence, Surveillance and Reconnaissance), Air Defence and Land Command and Control solutions.

Defence Digital provides multi-domain and cyber-resilient information superiority through real-time ISR data fusion and predictive analysis for military and governmental customers. It develops, and delivers the Multi-Domain Combat Cloud, fostering a culture of proactive digitalisation within Airbus to meet the defence market demands.

Airbus Defence and Space has supported the German Air Force for over 30 years with our AirC2 (Control and Reporting Centre, CRC) and Ground-Based Air Defence System. Developed to NATO standards, these solutions ensure interoperability for collaborative NATO operations. Our real-time ISR, data fusion, and predictive analysis capabilities are actively deployed in NATO missions and undisclosed European Ministries of Defence.

**Cyber:** the portfolio encompasses broad expertise in cyber project management, including crypto and key management systems, security gateways, network and endpoint protection, aerospace multi-messaging systems, detection and response chain, and cyber attack simulation platforms. Having protected Airbus Defence and Space complex systems and networks for over 30 years, this programme is leveraging the Airbus DNA to develop products and solutions for customers facing similar challenges, based on state-of-the-art trusted technologies.

Cyber security is a very dynamic sector and the Company strategy aims at ensuring the group and its ecosystem benefit from the best possible protection. The Cyber Programme Unit consists of Cyber Programmes and Stormshield. Stormshield provides standardised solutions for e.g. 20,000 firewalls/year, composing a range of eight models from entry-level to high-range, thus remaining an arm’s length affiliate due to its specific business model.

**Integrated Space Solutions:** Integrated Space Solutions is the current working name for our space-related solutions. Its Earth Observation business manages a fleet of satellites, including radar (TerraSAR-X, TanDEM-X and PAZ) and optical (two Pléiades, two Pléiades Neo, SPOT 6, Vision 1) satellites. The Company is committed to delivering high quality Earth observation services including satellite imagery to support disaster relief for rescue operations. All satellite images are accessible on the OneAtlas platform with both optical & radar imagery available.

In 2023, the Company signed a significant contract with Google which underscores the quality of Pléiades Neo images.

Integrated Space Solutions provides satellite communications and connectivity solutions for governments, military, and international agencies. Building on the success of the UK’s Skynet 5 programme, the Programme Unit delivers end-to-end satcom systems and services for national and global security customers including France, Germany, UK and NATO. In 2022, Integrated Space Solutions secured contracts for Ultra High Frequency (“UHF”) military communications with the European Ministries of Defence, hosting payloads on EUTELSAT 36D, launching in 2024.

**Public Safety and Security** offers advanced mobile communication and collaboration solutions with the highest standards of security and reliability to Public Safety organisations and enterprises.
Its portfolio of products and services evolves constantly to meet notably but not exclusively the requirements of Public Safety, Defence, Critical Infrastructures and TUI sector (Transport, Utilities and Industry). It includes infrastructures, networks, devices, applications, software, and services, based on the latest technologies (4G/5G), which enhance situational awareness, improve user experience and safety, and optimise operational efficiency.

The Agnet solution is based on the latest 4G/5G broadband technologies and includes voice communication, messaging and multimedia sharing as well as interoperability with TETRA and Tetrapol technologies. Public Safety and Security provides its customers with infrastructure, networks, terminals, accessories, applications and services.

In 2023, Public Safety and Security received various awards for the renewal and upgrade of its installed base all over the world, notably in Spain with the first phase of the Spica Broadband Evolution project. In France, Airbus Public Safety and Security and its partners have started to deliver the Réseau Radio du Futur for the French Ministry of the Interior, which pioneers the roll-out of broadband technologies for public safety. The objective of the project is to have a first version in use for the 2024 Paris Olympic Games. In Germany, the massive roll-out of the latest generation Tetra solution was initiated as part of the mid-life upgrade of the Bosnet VTS network. In addition to that, several partnerships with mobile network operators for the distribution of the Agnet solution have been further established, notably with a major player in Latin America and Benelux. Finally, Public Safety and Security successfully supported the 2023 Rugby World Cup in France, COP28 in UAE as well as several other major sport and cultural events worldwide.

Operations/Engineering

Airbus Defence and Space is headquartered in the Munich region. The main engineering and production facilities of the Division are located in France (Paris region and southwest France), Germany (Bavaria, Baden-Württemberg and Bremen), Spain (Madrid region and Andalusia) and the UK (southern England and Wales). In addition, Airbus Defence and Space has affiliates and subsidiaries in approximately 40 countries around the globe.

As part of the new Airbus Defence and Space organisational structure introduced on 1 January 2024, operational elements of Engineering and Operations have been integrated in order to strengthen existing Programme Lines, which should foster end-to-end accountability within business lines. A new divisional COO function has also been created to drive transversal excellence by ensuring common standards are applied for quality, project management, engineering, design and industrial processes, methods and tools, and to drive future cross-domain capabilities and system-of-systems enablers, as well as all central procurement activities. The COO function includes an advanced innovation unit that will explore new technologies and concepts. Operations and Engineering drive transversal excellence, ensure adherence and lead innovation, exploring new technologies and concepts to anticipate the future technologies and market needs.

MBDA

Airbus Defence and Space holds a 37.5% stake in MBDA (a joint venture with BAE Systems and Leonardo).

MBDA offers missile systems capabilities that cover the whole range of solutions for air dominance, ground-based air defence, maritime superiority and battlefield engagement. Beyond its role in European markets, MBDA has an established presence in export markets like Asia, the Gulf region and Latin America.

The broad product portfolio covers all five principal missile system categories: air-to-air, air-to-surface, surface-to-air, anti-ship and surface-to-surface. MBDA’s product range also includes a portfolio of airborne countermeasures such as missile warning and decoy systems and other customer support activities.

The most significant programmes currently under development are the next generation of the successful MICA air-to-air missile (Missile d’interception, de combat et d’autodéfense), the SPEAR 3 missile (Selected Precision Effects at Range Capability 3), the precision attack Brimstone 3 missile, the CAMM-ER missile (Common Anti-Air Modular Missile Extended Range), the Anglo-French joint initiative for a FC/ASW (Future Cruise / Anti-Ship Weapon), the development of Anti-ship weapons for the two nations, as well as the battlefield engagement Akeron LP missile.

Recent product upgrades also include the Aster Block 1 NT (New Technology), the air and missile defence systems for France and Italy, the Sea Venom / ANL (Anti-Navire Léger) missile for the helicopters of the UK and French navies, as well as the Enforcer/Akeron MP missile for the battlefield.

Further activities include the preparation of hypersonic and direct energy applications/systems for future programmes such as FCAS and GCAP, the production of various aircraft packages for the Eurofighter Typhoon and Rafale existing programmes (including ASRAAM, MICA, and Meteor), as well as the production of ground based air defence packages (including CAMM, VL MICA and Mistral) and various packages for frigates and corvettes systems/missiles (including Aster, CAMM, VL MICA, Marte ER and Otomat).

ArianeGroup

Airbus Defence and Space is active in the field of launchers and launch services through its ArianeGroup joint venture, which prior to July 2017 was named Airbus Safran Launchers (ASL).

ArianeGroup is responsible for the coordination and programme management of civil activities of the launcher business and relevant participations that have been transferred. ArianeGroup owns a total 74% stake in Arianespace, 100% of MaiaSpace, 51% of Eurocetot and 46% of Starsem, providing a complete range of launch services with the Ariane, Vega and Rockot launchers.
1.1.5 Investments

Dassault Aviation

Airbus SE entered into an agreement with the French state pursuant to which Airbus SE:
– grants the French state a right of first offer in case of the sale of all or part of its shareholding in Dassault Aviation; and
– commits to consult with the French state prior to making any decision at any shareholders’ meeting of Dassault Aviation.

Airbus SE holds 10.24% of Dassault Aviation’s share capital and 6.31% of its voting rights.

1.1.6 Insurance

The Company’s Insurance Risk Management function (“IRM”) is established to proactively and efficiently respond to risks that can be treated by insurance techniques. IRM is responsible for all corporate insurance activities and related protection for the Company and is empowered to deal directly with the insurance and re-insurance markets via the Company’s in-house broker entity. IRM’s continuous objective in 2023 was to further implement and improve efficient and appropriate corporate and project-related insurance solutions.

IRM’s mission includes the definition and implementation of the Company’s strategy for insurance risk management to help ensure that harmonised insurance policies and standards are in place for all insurable risks worldwide for the Company. A systematic review, monitoring and reporting procedure applicable to all Divisions is in place to assess the exposure and protection systems applicable to all the Company’s sites. The Company’s insurance programmes cover high risk exposures related to its assets and liabilities.

Asset and liability insurance policies underwritten by IRM for the Company cover risks such as property damage, business interruption, cyber, aviation and non-aviation general and product liability. IRM also provides a Group insurance policy for Supervisory and Managing Board Members and certain other employees of the Company. The Company follows a policy of seeking to transfer the insurable risk of the Company to external insurance markets at reasonable conditions, on customised and sufficient terms and limits as provided by the international insurance markets. A volatile global corporate insurance environment remained in 2023 due to economical and geopolitical situations and the corporate insurers have maintained their underwriting strategy for large corporations, however, Airbus’ positive outlook and insurance strategy allowed to differentiate the impact on insurance policies.

The insurance industry and some risk factors impact on the Company’s risk remain unpredictable and most Group insurance policies are renewed on an annual basis. There may be further demands to change scope of coverage, premiums and deductible amounts. Thus, no assurance can be given that the Company will be able to maintain its current levels of coverage nor that the insurance policies in place are adequate to cover all significant risk exposure of the Company.
1.1.7 Legal and Arbitration Proceedings

The Company is involved from time to time in various governmental, legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, there are no material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have or have had in the recent past significant effects on Airbus SE’s or the Company’s Financial Position or profitability.

Regarding the Company’s provisions policy, the Company recognises provisions for litigation and claims when (i) it has a present obligation from legal actions, governmental investigations, proceedings and other claims resulting from past events that are pending or may be instituted or asserted in the future against the Company, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and (iii) a reliable estimate of the amount of such obligation can be made. Although the Company believes that adequate provisions have been made to cover current or contemplated general and specific litigation and regulatory risks, no assurance can be provided that such provisions will be sufficient. For the amount of provisions for litigation and claims, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 24; Provisions, Contingent Assets and Contingent Liabilities”.

If the Company concludes that the disclosures relative to contingent liabilities can be expected to prejudice seriously its position in a dispute with other parties, the Company limits its disclosures to the nature of the dispute.

Investigation by the UK SFO, France’s PNF, US Departments of State and Justice and Related Commercial Litigation

During 2023, the various proceedings in relation to the final agreements (“the agreements”) reached with the French Parquet National Financier (“PNF”), the UK Serious Fraud Office (“SFO”), and the US Department of Justice (“DoJ”) (resolving the authorities’ investigations into allegations of bribery and corruption), and the US Department of State (“DoS”) and the DoJ (resolving their investigations into inaccurate and misleading filings made with the DoS pursuant to the US International Traffic in Arms Regulations (“ITAR”), were concluded.

The agreements were approved and made public on 31 January 2020. Under their terms, the Company agreed to pay penalties of €3,597,766,766 plus interest and costs to the French, UK and US authorities. This was recognised in the Company’s 2019 accounts, and all penalties have been paid. The settlements with each authority were as follows: PNF €2,083,137,455, the SFO €983,974,311, the DoJ €526,150,496 and the DoS €9,009,008 of which €4,504,504 could be used for approved remedial compliance measures.

Under the terms of the Convention judiciaire d’intérêt public (“CJIP”) with the PNF, the Company had an obligation to submit its compliance programme to targeted audits carried out by the Agence Française Anticorruption (“AFA”) over a period of three years.

Under the terms of the Deferred Prosecution Agreement (“DPA”) with the SFO, no independent compliance monitor was imposed on the Company in light of the continuing monitorship conducted by the AFA.

Under the terms of the DPA with the DoJ, no independent compliance monitor was imposed on Airbus under the agreement with the DoJ, but the Company periodically reported on its continuing compliance enhancement progress during the three year term of the DPA and carried out further reviews as required by the DoJ.

The agreements resulted in the suspension of prosecution for a duration of three years. This deferral period ended on 31 January 2023. On 13 February 2023, the SFO gave notice to the Company discontinuing the prosecution. On 17 March 2023, the PNF gave notice of the same with receipt of the Constat de l’extinction de l’action publique. On 28 July 2023 the DoJ filed a motion to dismiss which was granted by the court on 10 August 2023. With receipt of the aforementioned notices, the CJIP with the PNF, the DPA with the SFO and the DPA with the DoJ were formally concluded.

Under the terms of the Consent Agreement with the DoS, the DoS agreed to settle all civil violations of the ITAR outlined in the Company’s voluntary disclosures identified in the Consent Agreement, and the Company agreed to retain an independent export control compliance officer to monitor the effectiveness of the Company’s export control systems and its compliance with the ITAR.

As a result of the Company’s decision to redirect export control compliance resources to ensure compliance with export control restrictions and international sanctions announced against Russia, Belarus and certain Russian entities and individuals following Russia’s invasion of Ukraine on 24 February 2022, the Company asked the DoS to extend the Consent Agreement an additional nine months from its original expiration date, and the DoS granted this extension. On 26 October 2023, the Company received notice from the DoS of the closure of the Consent Agreement based on the fulfillment of its terms.

In addition to any pending investigation in other jurisdictions, the factual disclosures made in the course of reaching the agreements may result in the commencement of additional investigations in other jurisdictions. Such investigations could also result in (i) civil claims or claims by shareholders against the Company, (ii) adverse consequences on the Company’s ability to obtain or continue financing for current or future projects, (iii) limitations on the eligibility of group companies for certain public sector contracts, and/or (iv) damage to the Company’s business or reputation via negative publicity adversely affecting the Company’s prospects in the commercial marketplace.

Airbus will continue to cooperate with the authorities in the future and to enhance its strong Ethics & Compliance programme and culture within the Company.

In the wake of the agreements and settlements described above, several consultants and other third parties initiated commercial litigation and arbitration against the Company seeking relief. The agreements reached with authorities may lead to additional commercial litigation and arbitration against the Company and tax liability in the future, which could have a material impact on the Financial Statements, business and operations of the Company.
Securities Litigation

In August 2021 the Company received notification of two separate claims and in March 2022 of a third claim, each filed in the Netherlands purportedly on behalf of Airbus investors. These claims (the “Dutch claims”) assert that the Company violated its reporting obligations, allegedly leading to an impact on the Company’s share price, by failing to adequately inform investors and providing false or misleading information about its use of intermediaries and alleged corrupt practices, its related financial exposure, internal investigations and subsequent measures taken by the Company, and the related criminal investigations leading to the Company’s agreements approved on 31 January 2020 with the French PNF, the UK SFO, the US DoJ and the US DoS.

The first Dutch claim was filed with the Amsterdam District Court in August 2021 by a special purpose vehicle incorporated under the laws of Guernsey, an assignee purportedly representing numerous private shareholders and institutional investors, seeking a declaratory judgment with damages to be assessed in follow on proceedings.

The second Dutch claim was filed in December 2021 following a demand letter sent by a foundation incorporated under the laws of the Netherlands, a purported representative of unnamed institutional and retail investors worldwide, starting a class action against the Company before the Dutch courts. This second Dutch claim targets the Company, certain of the Company’s current and former directors and officers, and the Company’s current and former auditors.

The third Dutch claim was a class action filed in April 2022 against the Company by a foundation incorporated under the laws of the Netherlands. In accordance with Dutch procedural law, the two Dutch class action claims are treated jointly as one case.

The Dutch claims followed the filing in 2020 of a putative class action lawsuit in US federal court in the state of New Jersey, against Airbus SE and members of its current and former management. The US complaint asserted violations of US securities laws, alleging false and misleading statements or omissions concerning, among other things, the Company’s agreements approved on 31 January 2020 with the French PNF, the UK SFO, the US DoJ and the US DoS as well as the Company’s historic practices regarding the use of third party business partners and anti-corruption compliance. The matter was fully and finally settled on 30 September 2022 in exchange for a payment in the amount of US$5 million without any acknowledgement of liability.

On 30 August 2023, the first Dutch claim was dismissed on the merits, with the plaintiff appealing this dismissal on 29 November 2023. On 20 September 2023, the second and third Dutch claims were dismissed on procedural grounds, which plaintiffs appealed on 19 December 2023. The calendar for appeal proceedings on both matters extends at least to 2025 and could take longer.

The Company cannot exclude the possibility that additional claims are filed related to this subject matter attempting different theories of recovery in the same or different jurisdictions.

The Company believes it has solid grounds to defend itself against the allegations. The consequences of such litigation and the outcome of the proceedings cannot be fully assessed at this stage, but any judgement or decision unfavourable to the Company could have a material adverse impact on the Financial Statements, business and operations of the Company.

Air France Flight 447 Trial

On 1 June 2009, an A330 operated by Air France as flight AF447 from Rio de Janeiro to Paris disappeared over the Atlantic Ocean with 228 persons onboard. The wreckage was located in April 2011 after several search campaigns organised by the Bureau d’Enquêtes et d’Analyses (BEA), which published its final investigation report in July 2012. In the wake of the accident, the prosecutor in Paris opened an investigation for involuntary manslaughter and Airbus SAS was charged in March 2011. In September 2019, the investigating magistrates closed the investigation and dismissed all criminal charges after a thorough analysis of the technical and legal elements of the case. However, the Paris Court of Appeal overturned the magistrates’ decision and ordered a trial for involuntary manslaughter. The Company’s appeal to the French Supreme Court was dismissed. Following a trial in the fourth quarter of 2022, the Paris Criminal Court announced on 17 April 2023 that all criminal charges against the Company were dismissed but sustained certain civil liability claims. On 26 April 2023, the Paris General Prosecutor filed an appeal of the dismissal of criminal charges against Airbus and Air France. As a consequence, there will be a full retrial of the matter, which the Company expects will be scheduled to take place in 2024 or 2025.

Grand Canyon Helicopter Accident

On 10 February 2018, a fatal accident occurred in the Grand Canyon at a site called Quartermaster in Arizona involving an EC130 B4 helicopter operated by Papillon Helicopters impacting the canyon floor and catching fire, leading to five fatalities and two severely injured persons. Following the accident, product liability claims were filed in Nevada state court in the US, including claims by the estate and parents of a deceased passenger and by the injured pilot of the helicopter. On 6 May 2023 the claim by the estate and parents of a deceased passenger was fully and finally settled on 17 May 2023 for US$10 million shared between Airbus Helicopters and Papillon Helicopters.

Other Investigations

In 2019, the Company self-reported to German authorities potentially improper advance receipt and communication of confidential customer information by employees of Airbus Defence and Space GmbH. The information concerned relates to future German government procurement projects. The self-disclosure by the Company followed an internal review with the support of an external law firm. Both the German Ministry of Defence and the Munich public prosecutor opened an investigation into the matter. The investigation could have an impact on Airbus Defence and Space GmbH’s and Airbus Secure Land Communications GmbH’s ability to participate in future public procurement projects in Germany. In 2021 the Munich prosecution issued a penalty notice against Airbus Defence and Space GmbH for €10 million for negligent violation of supervisory duties in connection with this matter. The Company continues to fully cooperate with relevant authorities.
1.2 Non-Financial Information

1.2.1 The Company’s approach to sustainability

I. Purpose

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

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

The Company is committed to valuing people. Its business is built on a foundation of integrity, safety and quality, applying high standards from design to operation. A key aspect of integrity is respect for human rights. The Company embeds and advances respect for human rights within its business, operations and supply chain. The Company’s technology allows its customers to support the protection of lives during conflict and the management of crises to reduce the risk of escalation. The Company’s products help to protect citizens, defend sovereignty and advance global security, mindful that there can be no sustainability without security.

The Company strives to respect the planet. It aspires to lead the decarbonisation journey in aerospace. The Company pioneers advanced and disruptive technologies while continuously improving the fuel efficiency of its products. From exploring new aircraft and propulsion technologies and alternatives to fossil fuels such as Sustainable Aviation Fuels (“SAF”), to testing new prototype aircraft concepts powered by hydrogen, the Company is committed to reducing the environmental impact of its products. It is also committed to improving its environmental performance and, for example, to actively reducing emissions through its value chain, cutting on-site waste and increasing the recycling capability of aircraft at the end of their service life. The Company’s products and services, such as its Earth-observation technologies, allow it to play its part in addressing climate change, providing insights to help make the planet more resilient.

GENERAL  GRI  SDGs  Others
---  ---  ---  ---
2-1 General Disclosures  4, 5, 8, 9, 12, 13, 16, 17  Vigilance Plan

Highest governance body(ies) involved
Board of Directors / ECSC
Executive Committee supported by topic-focused committees

Commitments to external frameworks
UN Global Compact, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, UN Sustainable Development Goals

Add. resources
This symbol indicates a link to an external website
Sustainability on Airbus.com, Airbus Tax Strategy, Shaping the future of aerospace on Airbus.com, Airbus Scale, Earth monitoring and understanding (e.g. Climate change monitoring), 2023 ASD Facts Sheet, ATAG Benefits Beyond Borders fact sheet
II. Indirect contributions

The Company’s contribution to a more prosperous and sustainable society goes beyond what it offers directly through its products and services. For example, as an important player in the aviation industry, the Company contributes significantly to “– SDG 8 Decent Work and Economic Growth” – as highlighted through the 2020 Benefits Beyond Borders – global fact sheet, available on the Air Transport Action Group website (latest available figures, reflecting pre-COVID 19 situation):

<table>
<thead>
<tr>
<th>Economic benefits</th>
<th>87.7 million</th>
<th>$3.5 trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs supported by aviation worldwide</td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ 11.3 million direct jobs in the industry:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ 648,000 at airport operators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ 5.5 million in other on-airport jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ 3.6 million at airlines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ 1.3 million in civil aerospace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ 237,000 at air navigation service providers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ 18.1 million jobs supported through the aviation industry supply chain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ 13.5 million jobs through induced benefits of industry and employee spending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ 44.8 million jobs supported in the tourism industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

35%
Worldwide trade by value carried by air transport, 2018 ($6.5 trillion). By volume: 0.5%

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

As a major European defence manufacturer, the Company also has significant economic impact across Europe. According to the AeroSpace and Defence Industries Association of Europe, the industry supports over 921,000 jobs across the continent, all contributing to Europe’s economic prosperity with €260 billion in annual revenue in 2022.

While the Company contributes to the global economy as a whole, it also contributes to the economic development of the communities where it operates. Full aerospace ecosystems – bringing together academia, research centres and corporations, all with high value-added jobs – often develop around the Company’s sites such as those in Toulouse, Hamburg or Bristol.

This development is accelerated thanks to the Company’s innovation ecosystem such as Airbus Scale: an innovation unit that combines corporate innovation, start-up engagement and company-building activities. Airbus Scale identifies and promotes internal corporate innovation opportunities that can be developed into solutions for the external world, bringing them to market and attracting external investments that could result in spin-offs. This generates value not only for the Company but also for the local communities where these new companies will set up and operate.
III. Sustainability commitments

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

<table>
<thead>
<tr>
<th>The Company’s four commitments</th>
<th>Material topics (see hereafter)</th>
<th>SDGs</th>
<th>Section</th>
</tr>
</thead>
</table>
| #1 Lead the journey towards clean aerospace | Climate change  
Pollution  
Materials and circularity  
Water  
Biodiversity | - 1.2.2  
- 1.2.3  
- 1.2.4  
- 1.2.5  
- 1.2.6 |         |
| #2 Build our business on the foundation of safety and quality | Product safety  
Cyber security  
Health and safety | - 1.2.7  
- 1.2.8  
- 1.2.9 |         |
| #3 Respect human rights and foster inclusion | Human rights  
Inclusion and diversity  
Social dialogue  
People | - 1.2.10  
- 1.2.11  
- 1.2.12  
- 1.2.13 |         |
| #4 Exemplify business integrity | Business integrity | - 1.2.14 |         |

Across each commitment the Company has set key performance indicators (“KPIs”) and targets enabling the Company to monitor progress towards these ambitions. These can be found in “1.2.17 ESG data board”, which gathers all reported sustainability metrics. They can also be found in the related sections of this chapter, which is structured around each of the four commitments, completed by two sections which cut across all four commitments, “1.2.15 Responsible supply chain” and “1.2.16 Community impact”. In addition, EU taxonomy regulatory information is disclosed in section 1.2.19.

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

IV. Materiality matrix

The Company updated its materiality assessment in 2022 and used stakeholders’ inputs to support the ranking of which ESG issues are most material (and would consequently be addressed in the sustainability strategy). The range of ESG topics assessed was defined based on relevant industry and regulatory references, as well as on internal expertise. The results of this 2022 update were captured in a materiality matrix (refer to materiality matrix chart below), which is fundamental in confirming the relevance of the Company’s four commitments.

It is a three-dimensional matrix:

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

The materiality assessment is updated continuously, based on feedback captured from stakeholders in day-to-day business, the outcome of the Company’s due diligence – including the analysis of related performance indicators – and the Company’s evolving understanding of topics’ impacts. In addition, the Company periodically – indicatively every three years – launches an in-depth review where each topic materiality is fully reassessed. The Company started such an exercise in 2023, which is expected to result in an updated materiality matrix in 2024.
V. Stakeholder engagement

The Company is committed to engage in constant meaningful dialogue with its stakeholders, striving for openness, transparency and inclusiveness. Key stakeholder groups, in line with the International Aerospace Environmental Group proposal for the sector include, amongst others, employees, customers, suppliers, industrial partners (including energy providers), social partners, investors, Non Governmental Organisations, authorities / governments / policy makers, industry associations, MRO (maintenance, repair and overhaul) providers, air navigation service providers (ANSPs), airports, and the community at large. The Company endeavours to take the interests of relevant stakeholders – including in connection with the sustainability aspects of the Company’s strategy – into account, whereby the Company aspires to treat its stakeholders with respect and dignity and welcomes their perspectives.

In its communications, the Company seeks to use clear and concise language and works to provide stakeholders with sufficient information regarding relevant topics, in a timely manner. The Company attempts to improve its stakeholder engagement processes continuously, including by regularly reviewing and, if necessary, updating the various principles it observes, to ensure that the dialogue remains relevant and effective. If a relevant stakeholder requests dialogue, the Company tries to facilitate this request, unless it does not believe that this would be in the best interest of the Company and its business, in which case the Company may reject such request. In case stakeholder dialogue is already taking place, the Company may terminate such stakeholder dialogue if the Company believes that continuing such dialogue would not be in the best interest of the Company and its business.

The Company’s dialogue with its stakeholders, in line with the above-mentioned principles, helps the Company to progress its sustainability ambition. In addition, it has formalised a number of opportunities to exchange more widely with its stakeholders. For instance, beyond materiality assessment, the Company meets at least twice a year with social partners to review sustainability topics (see “– 1.2.12 Social dialogue”). It has also established the Airbus Supplier Sustainability Council in 2022 (see “– 1.2.15 Responsible supply chain”). It organises other events where sustainability topics are addressed, such as the Capital Market Day and the Airbus Summit, both last held in 2022. Additionally, it participated in numerous events such as air shows or conferences, which fostered dialogue on sustainability matters with a large number of external stakeholders including investors, customers, media, NGOs, institutions, policy makers, and other industry or value chain partners.

VI. Governance

On 1 January 2024, the Company further strengthened sustainability with the creation of a Chief Sustainability Officer (CSO) position. Hence, Julie Kitcher has been appointed CSO and Communications and remains a member of the Executive Committee. In her new role, she continues to assume the governance bodies responsibilities previously taken on as EVP Communications & Corporate Affairs.

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

– Culture and commitment to ethical business, integrity and sustainability;
– Ethics & Compliance programme, organisation and framework for the effective governance of ethics and compliance, including all associated internal policies, procedures and controls (this includes the areas of money laundering and terrorist financing, fraud, bribery and corruption, trade sanctions and export control, data privacy, procurement and supply chain compliance and anti-competitive practice); and
– Sustainability strategy and effective governance to ensure that sustainability-related topics are taken into account in the Company’s strategy and objectives.

Under the Board Rules, the Board of Directors delegates the day-to-day management of the Company to the CEO, who, supported by the Executive Committee, makes decisions with respect to the management of the Company, including sustainability. Alignment between the Board of Directors and the Company leadership team is also supported by the regular attendance of the CSO and Communications, an Executive Committee member, to the ECSC. The Executive Committee has the responsibility to provide top level expectations and direction, while overseeing and validating the sustainability strategy. This entails validating sustainability targets, including those integrated into the Top Company Objectives.

The Executive Committee is supported by several committees or boards linked to the Company’s four sustainability commitments:

– The Sustainability Strategy Committee, which reviews sustainability performance and progress twice a year, aims to ensure alignment across all sustainability topics. It is co-chaired by the CSO and Communications and the Head of Strategy and Public Affairs.
– The Environment Committee, the Inclusion & Diversity Advisory Board, the Product Safety Board as well as the Occupational Health and Safety Governance Board (created in 2022; see “– 1.2.9 Health and Safety”), all chaired by Executive Committee members.
– The Steering Committees of the Human Rights and Sustainable Supply Chain Roadmaps, both sponsored by Executive Committee members.

Other sustainability topics such as business integrity are brought directly to the attention of the Executive Committee. Where relevant, additional elements of governance linked to specific topics are explained in the governance sections.
1. Information on the Company’s Activities

1.2 Non-Financial Information

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

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

While the Sustainability & Environment team has a Company-wide role to provide direction and check regularly on advancements across all sustainability topics, there are for each of those topics (e.g. health and safety, inclusion and diversity, human rights, etc.), related functions, departments or “roadmaps” (multi-functional teams addressing cross-functional sustainability topics) driving their continuous improvement. These teams are for the most part supported by dedicated policies which are referred to in the Company’s Code of Conduct – a single reference intended to guide daily behaviour and help employees resolve the most common ethical and compliance issues that they may encounter. The Code of Conduct applies to all Company’s employees and directors, regardless of their job title, responsibilities, seniority, or location, within every subsidiary or joint venture where the Company has control.

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

<table>
<thead>
<tr>
<th>Variable remuneration component</th>
<th>Objective / KPI (s)</th>
<th>Weight (s)</th>
<th>Population</th>
</tr>
</thead>
</table>
| Collective performance          | Health and Safety FR1  
Reduction of CO₂ emission | 10%         | “Level IV” Managers and Executives (around 4,950 employees) |
| Success sharing                 | Health and Safety FR1 | c. 5%      | Around 125,000 employees |
| Individual performance          | Ethics & Compliance  
Functional sustainability objectives | Over 10% Individualised | All employees entitled to an individual bonus (around 50,000 employees) |
VII. Airbus’ way forward: vigilance plan

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

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

Sustainability competencies and employee engagement. Raising awareness, developing competencies and engaging employees are essential to preventing and mitigating sustainability risks and maximising opportunities. On this matter, the Company offered employees more than 1,000 online and in-person training opportunities in 2023, ranging from ethics and compliance to export control, health and safety, product safety, cyber security, internal controls, inclusion and diversity, quality and customer centricity, sustainability awareness and more. Specific information on training is covered in the related material topic sections.

Affiliates. All of the Company’s controlled affiliates are expected to deploy similar internal policies by applying the Company’s directives. Through a company-wide single digital handbook, the controlled affiliates access the applicable rules, processes and procedures. Its enforcement is supported by the Directors’ training programme which was delivered to 110 people in 2023 over seven full-day digital sessions, as well as on-boarding sessions performed for newly appointed managing directors of controlled affiliates. The Single Digital Handbook assists those Company affiliates, their directors and officers as well as their respective Boards in effectively fulfilling their responsibilities, while assuring the Company’s ongoing commitment to high standards of corporate governance. The Handbook is built on the basis of Company-related internal policies including, but not limited to: the Company’s Code of Conduct, International Framework Agreement, Agreement on the European Works Council, Supplier Code of Conduct, Health & Safety Policy, Environmental Policy, the Company’s Anti-Corruption Policy and related methods. An online self-assessment is completed on an annual basis by the controlled affiliates to self-assess their internal controls, including how they relate to the environment, health and safety, human resources, governance, finance, procurement and compliance requirements in order to identify any gaps and define remedial action plans as required. Controlled affiliates can update the self-assessment on a quarterly basis based on their progress. Internal verifications are carried out by the respective corporate functions to validate answers and, when gaps are identified, develop improvement measures with controlled affiliates to enhance their conformity level. In 2023, ~250 controlled affiliates were selected to perform such verifications. Fit checks are conducted every three years and more frequently when gaps are identified. The Company’s controlled affiliates are also asked to regularly evaluate risks via the Company’s ERM system, and to regularly monitor them as part of their risk assessment process.

<table>
<thead>
<tr>
<th>RISK MAPPING</th>
<th>Priority risk in the scope of</th>
<th>The Company</th>
<th>Suppliers a</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>HUMAN RIGHTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts related to products and services</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts related to diverse and inclusive workplaces*</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk of forced labour</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts related to sourcing of raw materials</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>HEALTH AND SAFETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exposure to hazardous substances and materials*</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working environment*</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In situ contractor health and safety management*</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mental health and wellbeing</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes in situ contractors.
Complementing the materiality assessment described further above, the Company reviewed in 2022 and confirmed in 2023 the list of its priority sustainability risks (as shown above) to help prioritise its actions. This process complements, and is fully integrated into, the Company’s ERM process. It is based on contributions and inputs consolidated from a wide range of stakeholders and resources. This includes desktop research, interviews with key internal stakeholders and verification with internal and external stakeholders. The human rights risks identified were complemented and cross-analysed with product life cycle assessments – including sectoral inputs – and the Company’s top health and safety risks. For more details on risks related to the environment, see “- 1.2.2 Climate change – III. Risk Management and IV. Transition Plan – 1. Industrial Operations”. For more details on risks related to human rights, see “- 1.2.10 Human rights – III. Risk Management and IV. Implementation / Activities”. For more details on risks related to health and safety, see “- 1.2.9 Health and safety – III. Risk Management and IV. Implementation / Activities”.

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

<table>
<thead>
<tr>
<th></th>
<th>The Company</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICSA (Self assessment)</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Internal assessment / audit</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>External audits (e.g. ISO)</td>
<td>✔ ISO 14001(^{(1)})</td>
<td>✔</td>
</tr>
<tr>
<td>Management system</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Self assessment</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Company (or via 3rd party) assessment</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 87% workforce currently covered.
\(^{(2)}\) ~25% workforce currently covered.

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

<table>
<thead>
<tr>
<th></th>
<th>The Company</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Whistleblowing system (see below)</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Policies / directives</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Contractual terms and conditions</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Whistleblowing system</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Supplier Code of Conduct</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

**Alert / grievance and whistleblowing mechanism:** The Company recognises that the Code of Conduct cannot prevent every situation that may arise, and therefore encourages people – including employees, interns, temporary workers, candidates for employment, shareholders and third parties – to speak-up about concerns related to the Company. Concerns may be raised through various channels, including through OpenLine (available at [https://www.airbusopenline.com](https://www.airbusopenline.com)). OpenLine enables people to submit an alert securely and confidentially. Employees may also report concerns to managers, HRBPs, Ethics & Compliance Representatives, Privacy Focal Points, or Export Control Points of Contact. OpenLine is anonymous where legally permissible. It covers all sustainability topics and is also available to external stakeholders including suppliers. The Company endeavours to ensure that the procedures to assess, investigate and manage allegations are well-aligned throughout the Company. For further information, see “- 1.2.14 Business Integrity”.
Monitoring system: The table below shows an overview of the monitoring system in place. More detailed descriptions, as well as performance measures and analysis, can be found in the respective topic sections. Moreover, effectiveness of actions is reviewed periodically in the respective topical governance bodies, as well as in the Sustainability Strategy Committee whose scope encompasses all four topics.

<table>
<thead>
<tr>
<th>Environment &gt; Operations &gt; Use of Products</th>
<th>KPIs</th>
<th>Responsible management body</th>
<th>Supervising committee</th>
<th>Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CO₂e Scope 1, 2, Water, Waste Delivered aircraft CO₂ efficiency metric</td>
<td>S&amp;E Organisation / Environmental Roadmap</td>
<td></td>
<td>ERM, internal audit</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>Lost time injury frequency rate</td>
<td>Health and Safety Department</td>
<td>Sustainability Strategy Committee</td>
<td>ERM, internal audit</td>
</tr>
<tr>
<td>Human Rights</td>
<td>Nb of social assessments % of findings closed within 18 months</td>
<td>S&amp;E Department / Human Rights Roadmap</td>
<td></td>
<td>ERM, site social assessments and supply chain assessments</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>Nb of identified high risk suppliers % action plan launched</td>
<td>Procurement / Sustainable Supply Chain Roadmap</td>
<td></td>
<td>ERM, external assessments, self assessments</td>
</tr>
</tbody>
</table>

Lead the Journey Towards Clean Aerospace

1.2.2 Climate Change

I. Introduction

In line with the Company’s purpose, "pioneering sustainable aerospace for a safe and united world", and its aim to lead the transition of the air transport sector towards the goal set by IATA, ATAG and ICAO to reach "net zero carbon emissions by 2050", the Company’s foremost ambition is to play a leading role in the decarbonisation of the aviation sector. This includes preparing technologies for the next generation of Single Aisle aircraft to be ready in the second half of the next decade, and bringing the first hydrogen-powered commercial aircraft to the market by the middle of the next decade. The Company also believes sustainable aviation fuel ("SAF") is one of the aerospace industry’s key decarbonisation solutions that can be used in both in-service fleets and the flying fleets of tomorrow. In parallel, the Company is investing significant resources into examining and reducing the impact of its products in operation (together with many actors within the aviation sector). Consideration of greenhouse gas ("GHG") emissions throughout the value chain is a key focus for the Company’s analysis of its contribution to climate change. The so-called "non-CO₂" effects of aircraft operations are also being studied in order to determine their potential climate impact (see Transition plan – Product stewardship).
Climate change

<table>
<thead>
<tr>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>302 Energy 305 Emissions</td>
<td>- Energy Management - Fuel Economy &amp; Emissions in Use-Phase</td>
<td>9-12-13-17</td>
<td>TCFD Vigilance plan</td>
</tr>
</tbody>
</table>

Highest governance body(ies) involved

Board of Directors / ECSC Executive Committee / Environment Committee

Related corporate policies

Environmental Policy, Code of Conduct

Management system certifications / labels

EMS – Environmental Management System, ISO14001 – 87% of workforce covered

SBTi-validated emission targets

KPIs

<table>
<thead>
<tr>
<th>KPIs</th>
<th>Target</th>
<th>2015 baseline</th>
<th>2022</th>
<th>2023</th>
<th>vs. 2022</th>
<th>vs. 2023 baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂e Scope 1 &amp; 2(1) (ktons)</td>
<td>2030: -63% in line with 1.5°C pathway, and neutralising yearly residual emissions</td>
<td>1,119</td>
<td>757</td>
<td>645</td>
<td>-14.8%</td>
<td>-42%</td>
</tr>
<tr>
<td>Energy from stationary sources(2) (GWh)</td>
<td>2030: -20%</td>
<td>3,103</td>
<td>2,584</td>
<td>2,534</td>
<td>-1.9%</td>
<td>-18.3%</td>
</tr>
<tr>
<td>CO₂e Scope 3 intensity</td>
<td>Delivered aircraft efficiency intensity (gCO₂/km.pax)</td>
<td>88.8</td>
<td>64.4</td>
<td>62.9</td>
<td>-2.4%</td>
<td>-29.2%</td>
</tr>
</tbody>
</table>

Supply chain CDP engagement

“Maintain at least 75% of sourcing volume of suppliers invited to CDP who have responded” 78% 80.1% +2.1p.p

Other key metrics

<table>
<thead>
<tr>
<th>Other key metrics (More metrics available in the ESG Data Board)</th>
<th>2022</th>
<th>2023</th>
<th>2023 vs. 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 3 – Cat 11 – commercial aircraft – SAF as per IEA-SDS scenario (CO₂e ktons)</td>
<td>425,454</td>
<td>464,136</td>
<td>+9.1%</td>
</tr>
<tr>
<td>Scope 3 – Cat 11 – commercial aircraft – “no SAF” scenario (CO₂e ktons)</td>
<td>494,893</td>
<td>548,701</td>
<td>+10.9%</td>
</tr>
<tr>
<td>Scope 3 – Cat 11 – other products (incl. military aircraft, helicopters, satellites, CO₂e ktons)</td>
<td>10,993</td>
<td>8,646</td>
<td>-21.4%</td>
</tr>
<tr>
<td>Scope 3 – Cat 1 – Purchased goods and services (CO₂e ktons)</td>
<td>10,325</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>CDP rating</td>
<td>A-</td>
<td>A-</td>
<td></td>
</tr>
<tr>
<td>Percentage of responding suppliers to the CDP rated A or B</td>
<td>66%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Remuneration</td>
<td>CO₂e performance included in CEO, Executives and “Level IV” managers variable remuneration. Targets (on TCO scope): 2024: 581 ktons CO₂e (-3% vs extended scope), 2023 performance: 593 ktons CO₂e or -15%;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KPI assumptions</td>
<td>Metrics: see “– 1.2.17 ESG data board”; targets: see “– IV. Transition Plan”. (1) CO₂ equivalent (“CO₂e”), Total Scope 1 + Scope 2 CO₂ emissions “market-based” (location based net of REC). (2) Purchased grid electricity and other purchased energies (gas and other stationary fuels)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional resources</td>
<td>Environmental Policy Statement, Sustainability on Airbus.com, Environment on Airbus.com, CDP Climate Change Questionnaire on Airbus.com and on CDP website, ATAG Waypoint 2050, IEA – Aviation report, IPCC AR6 report, SESAR initiative, CEDAR Chair “Chair for Eco-Design of Aircraft” together with ISAE-SUPAERO, ATM decarbonisation potential by Eurocontrol</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Climate change is considered by the Company as a financially material topic and is one of the top Company risks (see risk factors and risk management section hereafter). Impact materiality was also confirmed through the comprehensive Scope 1, 2 and 3 screening completed as part of the Company submitting targets for validation of the Science-Based Target Initiative (“SBTi”), using the recommended Greenhouse Gas Protocol methodology.
While Scope 1 & 2 represent around 0.2% of total emissions each, Scope 3 category 11 – Use of sold products – has been identified as highly material for the Company, representing above 90% of total emissions. The second most material was Category 1 – Purchased goods and services, representing around 2.5% of total emissions (see figures in table below). For those categories, more precise methodological inventories have been developed (see “– 1.2.17 ESG Data Board – Environmental performance”).

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 3 – Use of sold products – commercial aircraft</td>
<td>&gt;90%</td>
</tr>
<tr>
<td>Scope 3 – Use of sold products – other products</td>
<td>&lt;3%</td>
</tr>
<tr>
<td>Scope 3 – Purchased goods and services</td>
<td>&lt;3%</td>
</tr>
<tr>
<td>Scope 1 &amp; 2</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Scope 3 – Total of other categories</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

CO₂ emissions from commercial aircraft in operation appear to be the most material category. According to both the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), air transport represented over 2% of global man-made GHG emissions in 2022. While this makes the decarbonisation of aircraft operations the absolute priority, addressing emissions from upstream industrial operations, including the Company’s own, is also seen as an important objective. In this context, the Company’s roadmap to decarbonisation is intrinsically linked to the entire sector. While the Company has a role in developing and providing technical solutions, the concomitant development of adapted ecosystems will also be a key success factor, which the Company intends to facilitate and enable.

In addition, in order to better meet stakeholders’ expectations and develop its own climate strategy, the Company adheres to the CDP, SBTi and Task Force on Climate-Related Financial Disclosures (“TCFD”) initiatives. In 2023, the Company’s approach to disclosing and addressing its climate change impacts was rated A+ by the CDP for the fourth consecutive year (early 2024 release). In addition, the Company has set its first near-term science-based targets to reduce emissions on all scopes, in line with a 1.5°C temperature pathway for its Scope 1 & 2 emissions, which were validated by SBTi in January 2023. The following sections gather information related to the four pillars of the TCFD framework, of which the Company has been a supporter since December 2020.

II. Governance

Environmental policy

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

Organisation and responsibilities

Two main management structures are relevant for the governance of sustainability matters and climate change: the Board of Directors and the Executive Committee. As mentioned earlier, the Board of Directors is supported by the ECSC. In practical terms, the ECSC, as a committee of the Board of Directors, oversees strategic decision-making and the execution of the approved sustainability strategy, including areas such as innovation and environmental and climate action.

In 2023, the ECSC reviewed and provided guidance on a wide variety of climate-related topics, including climate disclosures, internal strategy related to SBTi Targets and SAF.

To support the Executive Committee in environmental matters, including climate-related matters, an Environment Committee (“EnC”) was established in 2019. The EnC is composed of a member of the Executive Committee and senior executives company-wide responsible for environmental topics. It meets every two months to review progress and take decisions on all matters related to environmental strategy. The EnC’s review of climate change related topics includes reviewing progress on meeting objectives to reduce GHG emissions, the decarbonisation strategy and climate-related risks.

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

The Company’s EMS is based on ISO 14001:2015. It was recertified in November 2022, and confirmed by certification surveillance audits in 2023. The Company’s environmental strategy is implemented operationally by dedicated multi-functional teams at corporate and/or divisional level. These cover topics such as industrial and site impact, product operation, supply chain and chemical substances.
Disclosure of environmental indicators
The Company actively monitors its environmental data throughout the organisation in order to measure the environmental impact of its operations, track its performance and communicate information on environmental matters to internal and external stakeholders. Since 2010, environmental data published by the Company has been verified by external auditors. This data is included in the ESG data board at the end of this section.

Capturing emerging regulatory requirements, stakeholder’s expectations and trends
In order to anticipate fast-evolving sustainability regulation, requirements and expectations that could impact its business, a “Sustainability Regulatory Intelligence” team monitors regulatory developments with a view to understanding, evaluating, and preparing for regulatory requirements that may apply to the Company’s activities and products. This Sustainability Regulatory Intelligence team covers sustainability-related topics, including environment, human rights and sustainable finance.

Shadow carbon price
The Company has started to use an internal carbon price to support decision making of the Company’s CapEx investment taking into account CO₂ reduction impacts on operations for all Divisions. The price has been set at 150 €/tCO₂, signalling to project leaders the importance of CO₂ footprint reduction and to support consistency of investment decision making with the Company’s commitments to decarbonisation. From November 2023, the use of the shadow carbon price was extended to current commercial aircraft programmes’ product-related major incremental developments to further incentivise carbon efficiency improvements.

III. Risk Management
Environmental risks and opportunities are managed following the Company’s ERM system. A specific sustainability and environment ERM plan integrates additional requirements, defined within the ISO14001:2015 certified EMS, and provides a set of rules applicable company-wide, to ensure consistent management of environmental risks and opportunities.

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

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

Climate-related risks and opportunities
Climate change may have a major impact on both the Company’s industrial operations and its upstream and downstream value chain, including directly on aircraft operations and on the wider air transport ecosystem, along with a strong influence on regulations and on stakeholders expectations. Accordingly, climate-related risks could materially affect the Company’s business and competitiveness, its customers and other elements of the aviation industry.

The Company uses the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) to categorise, manage and report on its climate-related risks and opportunities. Accordingly, the Company has strengthened its ERM risk identification process for climate-related risks and opportunities by incorporating climate scenario analysis, and uses the following TCFD risks categories for managing and reporting:

<table>
<thead>
<tr>
<th>Transition risks</th>
<th>Physical risks</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Acute</td>
<td>Market</td>
</tr>
<tr>
<td>Market</td>
<td>Chronic</td>
<td>Products and services</td>
</tr>
<tr>
<td>Policy and legal</td>
<td></td>
<td>Energy sources</td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The scope of the climate-risk identification exercise comprises the entire Company – including its Divisions – and the upstream and downstream value chain.

Following TCFD recommendations and in pursuit of continuous improvement, during 2023 the Company has updated its climate change scenario analysis. It uses a range of different temperature scenarios (1.5°C, well-below 2°C and >3°C) to represent different climate realities based upon the global scenarios of the Intergovernmental Panel on Climate Change (“IPCC” – Assessment Report 6 (“AR6”)) and the International Energy Agency (“IEA”).

The scenario analysis is used to identify financial and operational risks and opportunities related to climate change that may begin to impact the Company in the short-term (“ST”, around 2025), medium-term (“MT”, around 2035) and long-term (“LT”, around 2050) so that the Company can work to increase the resilience of its assets and operations in order to mitigate and adapt to climate change.
The climate scenarios used in the updated analysis in 2023 are briefly described below:

<table>
<thead>
<tr>
<th>Temperature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5°C</td>
<td>Non-linear warming, equilibrium at around 1.5°C. This scenario assumes that current and near-term actions are fully effective and that the limits of adaptation and the risk of climate impacts are limited.</td>
</tr>
<tr>
<td>2°C</td>
<td>Strong mitigation – Warming limited to well-below (“WB”) 2°C – Based on IPCC Scenario AR6 SSP1-2.6 / Sustainable Development Scenario (SDS) Scenario by the International Energy Agency – Paris Agreement. This scenario assumes a more gradual approach in the introduction of climate mitigation actions, limiting global warming to well-below 2°C by the end of the century. Net-zero emissions are achieved around or after 2070. In this scenario, the same socio-economic trends presented in the scenario limiting 1.5°C are maintained but economic and social development progress is slower and the environment experiences further degradation.</td>
</tr>
<tr>
<td>&gt;3°C</td>
<td>Disorderly mitigation – Warming exceeding 3°C – Based on IPCC Scenario AR6 SSP5-8.5. This is the highest emissions scenario and worst-case scenario in temperature increase. This scenario assumes current levels of CO₂ emissions and greenhouse gases will almost double by 2050. The world economy grows rapidly, but this growth is driven by fossil fuel exploitation and very high-intensive lifestyles. This scenario is characterised by high economic challenges and high social negative impacts and challenges for specific societies to mitigation as well as low socio-economic challenges to adaptation. The scenario particularly explores the limits to adaptation and the climate physical risks that may impact the Company’s operations and its value chain. On the mitigation side, in this scenario the pursuit of CO₂ removal and other climate engineering practices would be more likely given the high challenges to mitigation.</td>
</tr>
</tbody>
</table>

The results of the Company’s climate scenario analysis has led to the identification of the following risks and opportunities:

**Climate-related risks:**

**Transition – Technology: Emergence of disruptive technologies from competition and low availability of renewable and low-carbon energy**

Delivering on existing commitments and potential future requirements to mitigate climate impacts will require significant investments in new technologies for the commercial aircraft sector, making the delivery of low-emission technologies a significant marker of future competitiveness. A competitor or new market participant could have access to technological developments unavailable to the Company that offer significantly lower emissions at a faster pace than the Company and its partners, resulting in a loss of market share and competitiveness with resulting reduced revenue. The imperative for the Company to develop new technologies faster than other actors in the market will require substantial research and technology (R&T) and research and development investments. Coupled with the need to sustain high investments to spur technological innovation, the Company has identified risks linked to the availability of renewable and low-carbon energy. First, there is the risk of low volumes in absolute terms, due to insufficient investments in renewable or low-carbon energy (including through the sustainable transformation of available biomass). Second, the risk that even if total volumes are approaching sufficiency in absolute terms, the aviation sector is unable to, access sufficient volumes, leading to a risk of a slower than expected substitution of fossil fuel energy and low uptake of the new solutions and products to be developed by the Company, and resulting in lower or longer returns on invested R&D.
1. Information on the Company’s Activities

1.2 Non-Financial Information

**Transition – Policy and legal: Climate-related regulations and restrictions – divergence in regulatory framework**

Aviation and aerospace are complex industries, with long product development cycles and where change takes a long time to be implemented. A rapid evolution of climate related policies (such as the EU zero-pollution communications) and regulatory frameworks (CO2 standards, sustainable finance, emissions trading systems, aircraft operation restrictions, among others) could generate fast-changing requirements and could obstruct new product development pathways. In particular for aviation, as it is a global industry, policies and regulations implemented at national or regional rather than international level, or these evolving at a different speed depending on the region, could result in a negative impact on the competitive conditions for manufacturers and aircraft operators. This could result in a loss of competitiveness for the Company and reduced demand for its products.

**Transition – Reputation: Change in behaviours, perceptions and societal expectations**

Reputational risks could be divided into several categories. Firstly, there is a risk that negative perceptions about the Company’s environmental performance could be used as key decision-making criteria for consumers, investors, or even new talents. Secondly, there is a risk that the Company’s reputation could be damaged by growing societal concerns about the climate change impact of aviation or by the lack of transparency on progress made to address climate-related issues. As an example, the Company was the first manufacturer to disclose its ambition to bring a hydrogen-powered aircraft to the market. If the ambition is perceived as unattainable or if the Company is not able to deliver on its ambition, this could result in reputational damage leading to less investment, loss of revenues and reduced attractiveness. A similar situation could occur if the Company’s environmental performance is not on par with its expressed ambition.

**Physical – Acute: Extreme weather events may impact the Company’s products and its operations**

The foreseen consequences of climate change include more frequent extreme weather events, such as drought, dust storms, extreme temperatures, extreme winds, flood, hail storms, landslides, hurricanes, tornadoes, cyclones and wildfires. These could negatively impact the Company’s products and its operations (including but not limited to route delays and safe aircraft operations), land assets and infrastructure as well as employees’ safety (and people’s safety generally).

The above consequences and impacts may result in production or other operational disruptions leading to lost revenues, reduced profits, and losses. This could result in the need for additional modifications to the Company’s products in order to meet more stringent safety needs, as well as requiring changes to industrial operations and procurement strategy, leading to increased operational and production costs and the consequential costs of adapting the Company’s insurance coverage.

**Physical – Chronic: Consequences of long-term changing weather patterns that may cause sea level rise, water scarcity, chronic heat waves, chronic cold, increased industrial asset, infrastructure and operations costs, and reduced labour productivity and employee health**

The foreseen consequences of climate change include long-term shifts in climate patterns (e.g., change in precipitation patterns, ice/permafrost melt, ocean acidification, sustained higher temperatures, sea level rise, water stress or chronic heat waves). Such changes may cause an accelerated degradation of the Company’s industrial infrastructure and assets (buildings, tools, hardware), may reduce the availability of operational resources and may interrupt logistics flows, therefore impacting the Company’s manufacturing activities. In addition, the change in environmental conditions could also negatively impact the performance of products in operation and negatively impact the health and safety of the Company’s employees. This may result in the need for additional modifications to the Company’s products, as well as to industrial operations and procurement strategy, leading to increased costs and the adaptation of the Company’s insurance coverage.

Continuing the exercise performed in 2022 and the physical risks identified above, during 2023 the Company has launched a study case to have local detailed assessments of the exposure to climate change for certain sites identified the previous year as priority. This exercise will continue and extend during 2024 and will also include an assessment of the Company’s supply chain. The focus is intended to be exploring the vulnerability to climate-hazards (heat and cold; wet and dry; wind; snow and ice; coastal and open ocean).

**Climate-related opportunities:**

**Products and services – Demand for energy-efficient products:** Demand for more energy-efficient products (driven by increased or high energy costs, carbon pricing and climate commitments) or products allowing the use of other energies could lead to accelerated airline fleet replacement and to new business lines.

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

**Energy source – Energy diversification:** As the Company enters the field of renewable and low-carbon energy (including carbon removal technologies, and including through partnerships and in collaboration with stakeholders) in order to position the Company in the energy value chain and contribute to the Paris Agreement objectives, the Company may also identify further business opportunities.

Based on a qualitative analysis, the Company has estimated the probability of risk or opportunity materialisation. It has also performed a preliminary internal assessment, using data from the Company’s ERM system, as to which climate-related risks may involve the most significant financial impacts in the future. The results (as of the publication date of this document) are displayed in the following table.

The scope and the assessment of risks and opportunities covered through this approach are subject to widening and revision respectively, as the methodology and process further mature. Mitigation actions the Company has engaged, including to address these risks and opportunities are presented in the following IV. Transition plan” section, also supported by SBTI-approved targets presented hereafter.
1. Information on the Company’s Activities
1.2 Non-Financial Information

Company’s climate-related Risks and opportunities mapping

<table>
<thead>
<tr>
<th>Climate scenario / time horizon(s)</th>
<th>Most Important financial impacts before mitigation</th>
<th>Key associated Actions presented in the Company’s transition plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5°C</td>
<td>- Supporting fleet renewal by delivering its latest generation aircraft.</td>
<td></td>
</tr>
<tr>
<td>WB2°C</td>
<td>- Developing and deploying SAF, with the ambition for all aircraft types to be capable of flying with up to 100% SAF by 2030.</td>
<td></td>
</tr>
<tr>
<td>&gt;3°C</td>
<td>- Investing in technologies to reduce product emissions, including the objective to bring a hydrogen-powered commercial aircraft to market in 2035.</td>
<td></td>
</tr>
</tbody>
</table>

RISKS

- Transition – Technology
  - Supporting fleet renewal by delivering its latest generation aircraft.
  - Developing and deploying SAF, with the ambition for all aircraft types to be capable of flying with up to 100% SAF by 2030.
  - Investing in technologies to reduce product emissions, including the objective to bring a hydrogen-powered commercial aircraft to market in 2035.
  - Investing in smart air traffic management (ATM) solutions and optimised operations.
  - Exploring CO₂ capture technologies.
  - Researching Non-CO₂ effect impacts.
  - Marketing products and services supporting climate monitoring and adaptation.
  - Engaging employees, value chain and the ecosystem.

- Transition – Market
- Transition – Policy and legal
- Transition – Reputation
- Physical – Acute
- Physical – Chronic

OPPORTUNITIES

- Product and services
- Market
- Energy source

IV. Transition Plan

Based on the International Energy Agency remaining global carbon budget and the share it allocates to air transport, air transport can grow at up to a certain level and meet the Paris Agreement objectives. This relies in part on technological developments to improve the efficiency of air transport, in which the Company and its suppliers have a role to play. This approach also echoes “net zero carbon emissions by 2050” ambitions from international sectoral bodies such as the Air Transport Action Group (ATAG), as well as the UN specialised civil aviation body, the International Civil Aviation Organization (ICAO). This is consistent with the Company’s near-term target setting, covering all three scopes, and with its core product policy that focuses on developing and delivering aircraft capable of lower carbon emissions while engaging with the energy ecosystem (see section 2. Product stewardship). The cost of such a transformation of the sector is expected to be substantial. In particular, the carbon price (through taxation, emissions trading and crediting schemes) and the extra cost for SAF and/or higher investments are likely to materially impact business models of operators.

Based on identified risks and opportunities, the Company has established a transition plan covering its industrial operations, products and services, supply chain, and employees, including relevant targets, against which performance is monitored and reported. Regarding GHG emissions, this plan is based on a scientific approach and is consistent with the aviation sector’s long-term aspirational decarbonisation goal of reaching net-zero carbon emissions by 2050. Its success will depend on coordinated cooperation across the sector. The Company is engaging with various actors in the aviation sector (described hereafter) to contribute to the transition towards a low-carbon economy. The Company is working to embed just and inclusive transition principles in its decarbonisation plan. For example, social and human rights criteria are considered in SAF standards, or have been included in the Company’s carbon offset strategy in order to safeguard communities that are in proximity to selected projects, or even create opportunities for them. It is also essential that the development of new technologies driving the sector’s decarbonisation efforts takes into consideration any undesired environmental and social side effects, such as inappropriate land use impacting local communities, and human rights. The Company will strive to consider and avoid these impacts, and to engage accordingly with relevant stakeholders in constant dialogue.

The required transformation of the sector also implies the emergence of new technologies and associated ecosystems, with expected impacts on jobs and required skills. Preparing the workforce for such changes will be both a social duty and an important success factor. Consequently, the Company has updated its sustainability competencies strategy and is developing training, awareness, and engagement plans in a multifunctional team in order to drive culture change and support the workforce for the transformation. The Company is also working with non-profit organisations that are engaging global young talent around topics of climate change to build their capacity and prepare them for transition (see “— 1.2.16 Community Impact” and “— 4. Employee Engagement” hereafter).
1. Information on the Company’s Activities

1.2 Non-Financial Information

1. Industrial operations

The Company has defined the following targets and ambitions for its own operations, against which it reports on progress. Targets have been set in absolute; this means that upcoming anticipated production ramp-up is expected to bring an additional layer of challenge towards reaching 2030 targets.

**CO₂ emissions**

<table>
<thead>
<tr>
<th>Commitments</th>
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</thead>
<tbody>
<tr>
<td>2030 Target -63% (SBTi-validated) vs. 2015 neutralisation of residual emissions aligned with 1.5°C pathway</td>
</tr>
<tr>
<td>2023 Target (TCO scope): 687 ktonsCO₂e (-0.9% vs. 2022)</td>
</tr>
<tr>
<td>2024 Target; 581 ktonsCO₂e (extended TCO scope, -3% vs. 2023)</td>
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</table>

**Energy from stationary sources**

<table>
<thead>
<tr>
<th>Commitments</th>
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</thead>
<tbody>
<tr>
<td>2030 Target -20% vs. 2015 purchased grid electricity and other energies (gas and other stationary fuels)</td>
</tr>
</tbody>
</table>

The Company revised its Scope 1 and 2 decarbonisation strategy that now includes local production of renewable electricity (onsite – mostly solar – or through direct power purchase agreements) as an additional lever the Company will invest in. While electricity stationary sources energy consumed has been so far quasi exclusively purchased from the grid (see related metrics “1.2.17 ESG data board – Environmental performance”), the benefits from its upcoming own or local “off-grid” production of renewable electricity can only be captured in the purchase of grid electricity and other energies metric. As a result, the Company has updated its energy target as follows:

- reduce purchased grid electricity and other energies (gas and other stationary fuels) for stationary sources by 20% by 2030 compared to 2015 across the whole Company reporting scope.

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

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

Energy:

- Interim yearly targets are set in line with the Company’s 2030 roadmap. They refer to a material sub-perimeter of its operations representing 92% of total reported emissions in 2023, on which the Company can have a more direct control and influence (see below). This target was set in absolute value at 581kt CO₂e for 2024. This is a 3% decrease vs. a perimeter extended to another two sites, and including the impact of new freight transport services offered by the Company that operates a fleet of five Beluga aircraft.

For performance monitoring purposes, the Company refers to Scope 1 & 2 market-based proxy – “market-based (location-based net of REC)”, i.e. location based with purchased guarantees of origin deducted. The Company is working towards improving data collection and market-based methodology implementation. Meanwhile, this metric is used by the Company to measure its progress towards its 2030 target, in order to be able to take into account the contribution of its electricity sourcing on its industrial decarbonisation target. This refining of methodology is expected to trigger restatements in the coming years.
This roadmap was further strengthened in 2023, and, together with proof points, can be synthesised as follows:

<table>
<thead>
<tr>
<th>Energy efficiency measures</th>
<th>Stationary sources</th>
<th>Mobile sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substituting energy-intensive assets by energy-efficient ones and optimising energy consumptions. In order to meet the -20% energy purchased target by 2030, a portfolio of projects was identified, phased and implemented, including voltage management, low-energy lighting, improved building insulation, energy-efficient heating and cooling or optimised ventilation system, as well as enabling projects such as extending metering network, and enhancing energy monitoring solutions.</td>
<td>c.60% of CO₂ emissions in 2023 (Scope 1 &amp; 2) (e.g. electricity, heating, cooling)</td>
<td>Switching to lower emission vehicles where possible and avoiding emissions through better planning of flights and logistics.</td>
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<tr>
<td>- A number of actions were implemented in 2023, including for instance a CHP dispatch optimisation project in Hamburg, leading to estimated annual savings of 6,500 MWh / 3,600 tCO₂ emissions, or the deployment of several LED lighting projects in offices and industrial perimeter, like Broughton leading to estimated annual savings of 6,300 MWh / 1,780 tCO₂ emissions.</td>
<td></td>
<td>- Since 2022, new Beluga jigs and tools have enabled each logistic flight to transport two A350 wings instead of one previously.</td>
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<td>- In October 2023, the Company commissioned shipowner Louis Dreyfus Armateurs to build, own and operate the entire fleet of chartered vessels that transport aircraft subassemblies between production facilities in Europe and the United States with three modern, lower-emission vessels, supported by wind-assisted propulsion. The new fleet, targeted to enter into service from 2026, is expected to reduce average annual transatlantic CO₂ emissions from 68,000 to 33,000 tonnes by 2030.</td>
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<tr>
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<tr>
<td><strong>Transition to renewable or low carbon energy sources</strong></td>
<td>Using lower carbon fuels (e.g. SAF). The share of SAF used in the Company’s own operations will progressively increase to at least 30% by 2030.</td>
<td></td>
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<tr>
<td>Ambition to secure at least 90% renewable or low-carbon electricity direct supply to all sites before 2030. This will be achieved with the implementation from 2023 through a combination of on-site solar electricity production (PV), locally sourced projects (physical power purchase agreements (“PPAs”)) and long term renewable supply contracts (slewed PPAs), complemented by low carbon sources (eg. nuclear power).</td>
<td>It concerns test flights, delivery flights, logistic flights (Belugas) and employees air shuttle flights between some European sites. The Company also started using low carbon fuels such as hydrotreated vegetable oil (HVO) for its maritime logistics. It has set interim targets.</td>
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<tr>
<td>In addition, Renewable Energy Certificates / Guarantee of Origin (“GoO”) are used as a temporary solution until PPAs- and PV-related projects are deployed and to compensate for residual emissions post 2030 (up to 10% in 2030).</td>
<td>The 2023 target of 10% for its commercial aircraft activities and its Helicopters Division was overachieved by 1p.p.; 2024 target has been set at 15% for its commercial aircraft activities and 20% in Airbus Helicopters Division.</td>
<td></td>
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<tr>
<td>- In 2023, PPAs were contracted for instance in Spain – covering 40% of purchased electricity (~80 GWh) – and in China, well advanced in the UK and initiated in France and Germany.</td>
<td>- Since 2019, SAF has been used in the operation of the Company’s Beluga transport aircraft for the purpose of internal logistics.</td>
<td></td>
</tr>
<tr>
<td>- In 2023, GoOs covered more than 40% of purchased electricity and more than 10% of purchased natural gas.</td>
<td>- In 2023, in total, an estimated 20,124 tons CO₂e were saved when compared to conventional kerosene.</td>
<td></td>
</tr>
</tbody>
</table>

**Carbon offset strategy**

The Company aims to remove 100% of its residual yearly emissions by 2030, which will represent around 400kt CO₂e in 2030. It started with compensating all remaining emissions from 2023, with a gradual phase-in of carbon removal solutions aiming to cover 100% of yearly residual emissions by 2030. Both nature-based and technology-based removals are considered and deployed following the conclusions of the IPCC (e.g. Special Report on 1.5°C and Assessment Report 6). In order to secure long-term access to durable carbon removals, the Company also seeks to develop its own direct air capture technology, based on an existing in-house space technology. The Company intends to work in partnership with carbon sequestration companies to generate additional technology-based carbon removals.

Since 2019, the Company has introduced a mechanism to fully compensate for its business travel emissions based on the concepts of additivity, real (permanent) reduction, prevention of double counting, prevention of overestimation and no additional harm.

As a minimum, the carbon offsets purchased by the Company are certified by the Gold Standard or Verra or Verified Carbon Standard or Climate, Community and Biodiversity Standards and the supplier needs to show proof of how each one of the mentioned criteria was met. In addition, understanding that these carbon offsetting programmes may have gaps in their methodologies, additional proof is requested of how such gaps are managed by the provider. Moreover, societal aspects are considered, such as prevention of child labour, respect of human rights and relations with the communities surrounding the projects.

The volume of offsets required in 2023 was around 725 ktCO₂e procured through offset producer South Pole in the form of a cluster of compensation and removal projects: afforestation (VCS), landfill gas and waste gas (GS-VER), forest conservation (VCS-CCBS).

The Company plans to secure 2024-2030 volumes well in advance, with progressive transition towards 100% removals, as well as a mix of nature- and technology-based solutions.

In 2022, to foster tech-based solutions development, the Company has partnered with 1PointFive, a US company, and has pre-purchased 100,000 tons of carbon removals per year over four years – or 400,000 tons in total – as part of an initial off-take. The partnership agreement sets out that the carbon captured in respect to the Company’s agreement shall exclusively be geologically sequestered and not used for enhanced oil recovery (EOR) or synthetic fuel production. A portion of these volumes will be allocated to the Company’s scope 1 & 2 offset strategy. In 2023, a portion of those 400,000 tons has been allocated to airline customers (easyJet, Air Canada and Lufthansa), demonstrating the Company’s commitment to help its customers on their decarbonisation roadmap.
Resilience of industrial operations in the context of climate change

To evaluate physical risks linked to climate change for industrial operations (see Risk Management above), the Company is now conducting a more detailed assessment of the consequences on affected sites. The approach includes a preliminary vulnerability analysis with digital filtering to classify and prioritise risk areas, followed by field visits with the support of external experts. Four types of hazard areas are analysed related to temperature (frost and cold spells, extreme heat, cooling/heating requirements), the related windward (winter storm, cyclonic, hail/lightning/tornadoes), water (river flooding, coastal flooding, extreme precipitation, drought episodes) and land/ground movements (landslide). This analysis also considers the speed of onset of such risks, which should enable the Company to better prioritise related mitigation plans.

Tracking progress and performance

In 2023, scope 1 & 2 GHG emissions have decreased by around 15% (-15% on TCO scope), exceeding the target, primarily due to three factors: a reduction of gas usage by switching from gas to electricity on certain heating systems and the optimisation of cogeneration in Germany, mild weather conditions during the year and the adjustment of the ramp-up.

Verified by EY® & Associés. Limited assurance report issued by EY® & Associés is available on the Company’s website.

The TCO scope is reviewed annually. It covered 92% of total emissions in 2023. Data were updated to reflect change in TCO scope accordingly.

Geographical scope: In 2023, 52 sites.

Scope of metrics: Scope 1 & 2 and notably excluding refrigerant leakage, electricity on site from CHP, emissions due to processes. Scope 2 is location based with purchased guarantees of origin deduced.

Additional performance metrics are disclosed in “– 1.2.17 ESG data board – Environmental performance”.

<table>
<thead>
<tr>
<th>TCO</th>
<th>Target 2023</th>
<th>2022</th>
<th>2023</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂e (kt)</td>
<td>687</td>
<td>696</td>
<td>593</td>
<td>-14.8%</td>
</tr>
</tbody>
</table>

CO₂e (kt)
2. Product stewardship

The Company has committed to a mid-term reduction target for its Scope 3 category 11 (use of sold products) for commercial aircraft products, covering over 90% of its total emissions.

- CO\textsubscript{2}e: reduce scope 3 (category 11 – use of sold product) for commercial aircraft by 46% in terms of CO\textsubscript{2} per passenger-kilometre. This target, alongside the Company’s scope 1 & 2 target, was validated by SBTi in January 2023. It was set based on the carbon budget allocated to aviation by the International Energy Agency in its Sustainable Development Scenario (SDS).

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

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

Aviation industry targets

The efforts of the aviation sector to reduce its environmental footprint started decades ago, with significant achievements to report. Since the 1990s, the sector has improved significantly the fuel and CO\textsubscript{2} efficiency of subsequent generations of aircraft, thereby reducing CO\textsubscript{2} emissions per revenue passenger kilometre by more than 50% (according to ATAG) since the dawn of the jet age. In 2009, the aviation sector was the first to agree at sectoral level on ambitious CO\textsubscript{2} emission reduction goals through ATAG by committing to an aspirational goal of reducing net emissions from aviation by 50% by 2050 compared to 2005 levels. In September 2021, ATAG updated its ambition

and commitment with the 2021 edition of the “ATAG Waypoint 2050” report to reflect the industry’s increased ambition to achieve “net-zero carbon emissions” by 2050 and to contribute to the Paris Agreement goals. Along with the revised ambition, ATAG provided several scenarios with ranges of improvement for each mitigation option: technology and design improvements, operational and ATM enhancements, new energy carriers (Sustainable Aviation Fuels (SAF) and hydrogen), and market-based measures including ICAO’s Carbon Offsetting and Reduction Scheme (CORSIA).

The industry’s unity and leadership around its 2050 “net-zero carbon emissions” commitment, played a role in supporting the definition of a corresponding long-term aspirational goal (LTAG) also at ICAO level. In October 2022, the aspirational objective of “net zero carbon emissions” in 2050 for international civil aviation operations was adopted by a vast majority of ICAO member states. This political commitment paves the way for the transformation of the aviation sector, ensuring a level playing field at international level and it will accelerate the development of mitigation measures such as fleet renewal, aircraft and engine technologies, alternative energy carriers such as SAF or green hydrogen, and the enhancements of the operational practices and air traffic management. The Company fully supports this international long-term aspirational goal.

In Europe, the EU Green Deal creates conditions and opportunities for the Company and the European aviation industry to accelerate the transition. The Company supports the aviation industry’s ambition to reach a “net-zero carbon aviation ecosystem” in Europe by 2050, and will contribute to the EU’s “2030 Climate Target Plan”.

In November 2023, the European Commission officially published a delegated act for the EU Taxonomy Regulation including a set of criteria for aviation. They recognise the decarbonisation potential brought by the latest generation of commercial aircraft through the replacement of the current fleet and the importance of an ambitious SAF ramp up, as well as the relevance of “zero direct tailpipe CO\textsubscript{2} emission” technologies, which are the cornerstones of the Company’s transition plan. (see “– 1.2.19 EU Taxonomy”).
The aviation industry’s roadmap towards carbon neutral emissions by 2050

Source: the Company, based on ATAG Waypoint 2050 report (2021) - Scenario 3: “aspirational and aggressive technology perspectives”
The Company’s roadmap to reducing emissions

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

<table>
<thead>
<tr>
<th>Strategic pathway 1</th>
<th>Renew current fleets with best-in-class aircraft</th>
</tr>
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<tbody>
<tr>
<td>Around 70% of the global commercial aircraft fleet is still made up of previous generation aircraft, while <strong>latest generation aircraft are up to 25% more efficient</strong> than the previous generation. Renewing the fleet therefore offers immediate potential for aviation decarbonisation. The Company consistently works to improve the efficiency of its aircraft: - A350 and A330neo offer 25% reduction in fuel burn per seat and significantly reduced noise footprint versus the previous generation of aircraft; - the A320neo family brings a 20% reduction in fuel burn per seat, and nearly half the noise footprint compared to the previous generation of aircraft; - A220 offers 25% reduction in fuel burn per seat versus the previous generation of small single aisle aircraft, 50% reduction in noise footprint and 50% fewer NOx emissions than the standards. The Company is continuously improving its products through new aerostuctures designs and technologies, advanced materials, upgraded systems and more fuel-efficient engines aiming to achieve CO2, NOx and noise emissions reductions in operations.</td>
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<tr>
<td>In 2023, the Company delivered exclusively latest generation commercial aircraft (2022: 99%).</td>
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<tr>
<td>The A321XLR offers the opportunity to open longer range routes to the single aisle aircraft family, thereby leveraging the platform’s greater CO2 efficiency. It has continued its certification campaign in 2023 and in October, the aircraft finalised its route and passenger-proving campaign on time for a planned entry into service in 2024.</td>
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<table>
<thead>
<tr>
<th>Strategic pathway 2</th>
<th>Developing and deploying SAF, all aircraft types compatible with up to 100% SAF by 2030.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In order to accelerate its action plan, the Company strengthened its governance on this matter by creating a dedicated project team, responsible for the end-to-end SAF roadmap strategy and deployment. The Company recognises SAF as a major pillar of the aviation decarbonisation roadmap for the short, medium and long-term. SAF is a fuel derived from a range of “feedstocks” (origin of carbon molecules used) made from sustainable resources; the reduction of CO2 emissions throughout its life cycle can exceed 80% when compared with conventional kerosene. Eight SAF production pathways are currently certified for blending with kerosene, including processes such as hydropreated esters and fatty acids (HEFA), alcohol-to-jet, Fischer Tropsch, or power-to-liquid. Some of them are derived from used fat, cooking oil and grease, municipal waste, agricultural and forestry waste and residues. More advanced technologies use hydrogen and carbon captured directly from the air as feedstock for SAF production.</td>
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<tr>
<td>In order to be considered a SAF, an aviation fuel needs to meet defined sustainability requirements; the Company supports the ones set out by ICAO/CORSIA and in particular aspects related to non-competition with food and water resources. It also actively supports current and future sustainability criteria via regionally or nationally recognised schemes including EU Renewable Energy Directive (RED II), Renewable Fuel Standard (RFS), Low Carbon Fuel Standard in the US, Renewable Transport Fuel Obligation in the UK and “Renewable Fuel Units” (HBEs) in the Netherlands. SAF levels of production are currently low compared to volumes that will be necessary in the coming years. According to IATA, in 2023, SAF volumes are estimated to have reached over 600 million litres (0.5Mton), representing about 0.2% of total aviation fuels, doubling the 300 million litres (0.25 Mton) produced in 2022 and six times more than the volume produced in 2021. Acceleration will be required to reach the first milestone in 2030 set by the sector during the ICAO Conference on Aviation Alternative Fuels in 2023 to reach 23 billion litres (5.2% of total fuel consumption) SAF produced, or through the 6% EU SAF mandate. The Company believes coordinated action of all stakeholders could foster a 10% SAF penetration at the global level by 2030.</td>
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<tr>
<td>Acknowledging that SAF scale up success will depend on consistent actions by all actors including engine makers, producers, airlines, airports, logistics providers, and policy makers amongst others, the Company is seeking to act both as technical solution developer and catalyst for the ecosystem, both at global and regional levels. The Company supports the ambitious rollout of SAF using all production pathways meeting the sustainability criteria described above, and developing visibility to foster demand meeting supply will be essential. Accordingly, the Company’s action plan is as follows:</td>
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</table>


Deliver technical capability

Aircraft. The Company’s aircraft portfolio is already capable of flying with a fuel blend of up to 50% SAF. Looking ahead, the Company’s ambition is to have all its aircraft platforms (including military aircraft and helicopters), capable of being operated with up to 100% SAF before the end of the decade. The 50% limit is set today to ensure the blended SAF fits within the JET A/A-1 specification, and thus can be used on aircraft with no modification (i.e. drop in). Going beyond this limit implies either modifying the aircraft, and fuelling infrastructure, to adapt to what would be a new fuel grade, “non-drop in”, or working on a purely synthetic fuel that would fit within the JET A/A-1 specification, “drop in” solution.

The Company is involved in two main research projects: VOLCAN (A319neo and A321neo with CFM engines) and ECLIF3 (A350 with Rolls Royce engines), conducted in partnership with important industry actors. Both projects aim at assessing the impact of 100% SAF (drop-in and non-drop in) on engine and fuel systems while measuring the positive impact on aircraft’s emissions and fuel efficiency. Both projects are paves the way for going beyond current maximum blending levels for SAF (currently 50%). They will allow the Company to collect information and enable further research activities and technical work in order to reach the goal of gaining up to 100% SAF certification for commercial flights before the end of the decade.

SAF production. The Company contributed to the approval process of the eight pathways mentioned above for blending with kerosene and seeks to actively contribute to the approval of future new pathways by supporting industry-wide standardisation efforts at ASTM International, an organisation that sets international standards.

Foster SAF ecosystems readiness and partnerships

Price and global production capacity remain the main constraints for operators, preventing large-scale incorporation of these types of fuels. Matching SAF production and demand is essential to achieving the establishment of the SAF market.

Global. Actions need to be global and associated with regulatory frameworks and incentivisation schemes. It is necessary to create market emergence conditions with means such as:
- Reporting mechanisms to allow for a consistent tracking of the industry’s progress on decarbonisation;
- The usage of book and claim to simplify the usage of SAF;
- “Prime the pump” by demonstrating market demand (see industrial operations). This also helps the Company experience the actual SAF market development challenges.

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

According to IATA, since 2011, over 690,000 commercial flights have used SAF and more than 1 million flights with SAF are expected by 2025 (source: IATA, flynetzero, 2021).

Besides ECLIF3 and VOLCAN projects, the Company has performed flight test campaigns with the A380 on one Rolls-Royce Trent 900 engine and with the H225 helicopter (with both Makila 2 engines).

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

In addition, the Company and other industry partners have carried out in 2022 the world's first 100% SAF flight using an in-service military aircraft, an A330 MRTT on both Rolls-Royce Trent 772B engines.

The Company estimates that products delivered in 2023 will see their life-time emissions reduced by around 15% thanks to the gradual introduction of SAF during their operational life (compared to a “no SAF” scenario). This considers a SAF penetration scenario aligned with the IEA SDS (ETP2020), and with the Company’s scope 3 disclosure and SBTi-validated target.

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

This also includes partnerships with producers such as the agreement signed in 2022 with Neste, in 2023 with Lanzajet, Masdar, aiming to accelerate the aviation sector’s transition to SAF.

In September 2023, the Company officialised its intent to join a consortium aiming at developing synthetic green hydrogen-based SAF production in Germany, alongside other companies (SASOL, DHL and HH2E).

In April 2023, the Company signed a MoU with China National Aviation Fuel Group Corporation (CNAF) on development of the SAF ecosystem, including SAF purchasing, diversifying the supply chain, fostering airline uptake and standards development.

In 2023, the Company also joined the consortium ALIGHT in Denmark, consisting of 17 dedicated partners in 10 different European countries and aiming to develop replicable and scalable models supporting aviation and airport operation decarbonisation, with a focus on SAF including fuel supply chain, usage of SAF, economics and sustainability criteria.

As part of a partnership with Qantas announced in June 2022, the Company made its first investment to support a SAF producer in Australia (March 2023). JetZero is a new player that will be using the Alcohol to Jet technology to produce SAF in Australia.

In a similar manner, the Company signed a partnership in September 2023 with DG Fuels in the US. DG Fuels will be using the Gasification Fischer Tropsch technology to produce SAF. This partnership will help DG Fuels accelerate its development towards the final investment decision for their first plant.
1. Information on the Company’s Activities

1.2 Non-Financial Information

Supporting the development of consistent regulatory frameworks

In the context of the developing regulatory frameworks fostering SAF market growth, the Company supports policies that would incentivise SAF production and usage. In particular, the Company is supporting and sharing industry best practices, looking at production levels assessment, life cycle analysis methodology and sustainability criteria and standards harmonisation. A clear, stable and consistent policy at global and local level as well as incentivisation or regulations are needed to promote long-term investments and technology development.

Global. Aviation is a global industry that requires a global framework of standards and regulations, also supporting a global level playing field.
- Systematic implementation of SAF policies in all states, supporting SAF development and deployment.
- Recognising CORSIA as a reference for sustainability standards, thus helping global sourcing of SAF.

The Company also takes a leading role in cross-industry initiatives with ICAO state members, ATAG, IATA, JetZero Council (UK), First Movers Coalition (a partnership launched by the World Economic Forum (WEF)).

Regional. In addition, the Company is monitoring the development of SAF-related regulations at national or regional levels, their consistency with global standards and regulatory frameworks.

In November 2023, the ICAO Third Conference on Aviation Alternative Fuels (“CAAF3”) reached agreement on an ICAO Global Framework for SAF, Low Carbon Aviation Fuel (“LCAF”) and other Aviation Cleaner Energies.

One of the key elements of this Global Framework is the objective to reduce CO₂ emissions of international aviation by 5% by 2030 through the use of SAF and LCAF.

CAAF3 also resulted in other points of convergence that the Company welcomes:
- the implementation of a policy on SAF in every state;
- CORSIA recognised for sustainability criteria;
- the development of an accounting system to report and claim reduction of CO₂ emissions;
- the exploration of a book and claim system;
- support to developing and emerging countries to get access to financing for their SAF projects;
- the qualification of new pathways by producers, manufacturers and the ASTM;
- a reporting by each state and a global monitoring by ICAO of the progress made on SAF production and use.

ICAO and the Company have signed a Declaration of Intent at CAAF3, with the aim of developing a project to explore the feasibility of SAF development and deployment in South America.

The US SAF Grand Challenge aims to scale up SAF production to at least three billion gallons per year by 2030.

The EU’s current “ReFuelEU” regulation sets a 6% SAF mandate for 2030 growing to 70% by 2050 (including 35% of synthetic e-fuels).

Strategic pathway 3 Investing in technologies to reduce product emissions

Preparing technologies for a next generation Single-Aisle aircraft to be ready in the second half of the next decade

This will be enabled by the current research on disruptive technologies for airframe and engines.

Wings. The wings are often referred to as the second main lever to reduce aircraft emissions. Several technologies are being studied such as:

- The Company’s transnational research & technology programme, “wing of tomorrow”, has successfully delivered a first full-size wing prototype or “demonstrator” that will help mature next-generation wing technologies.
- Wing of tomorrow is particularly efficient thanks to the incorporation of lighter composite components and of a folding wing tip.
- The completion of the first of three fully composite wing demonstrators marks the integration of more than 100 different component and manufacturing technologies that include an all-new industrial assembly system, and which have helped validate key automation targets.

As key partners in the European Clean Sky 2 and Clean Aviation programmes, the Company is also researching new technologies aimed at increasing efficiency, such as a new semi-morphing wing, new dynamic winglets, or innovative flight controls on the Company’s military C295 transport aircraft.

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

In July 2023, the Company opened a new Wing Technology Development Centre (WTDC), in Filton. The facility will be used to build and test demonstrators for a range of programmes and research projects.

The “eXtra performance wing project”, launched in September 2021, improves wing aerodynamics and performance that is intended to be compatible with any future aircraft configuration and propulsion system to reduce CO₂ emissions.

In November 2023, the demonstrator flew for the first time with the exact systems needed for its flight test campaign with its new wings, in 2025.

In 2023, Airbus Helicopters unveiled the PioneerLab, its new twin-engine technology demonstrator based on the H145 platform. It complements the Company’s range of FlightLabs and focuses on testing technologies that reduce helicopter emissions, increase autonomy and integrate bio-based materials. Its other FlightLab called Disruptive Lab flew successfully for the first time in January 2023.
Hydrogen-powered commercial aircraft ambition by 2035

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

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

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

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

Progress was made in key areas in 2023, including:
- The iron pod of a first fuel cell powered engine was tested in the EAS test house and reached 1.2MW. This is the power needed by one engine in the Company’s six pod configuration concept.
- In May 2023, ArianeGroup, a joint venture between the Company and Safran, successfully completed a proof-of-concept of a hydrogen “conditioning system” adapted to power an aircraft turbine engine. The project known as HyPERION is an essential building block of the hydrogen technology roadmap to 2035.
- In June 2023, the Company launched HyPower, a demonstrator programme which will explore, on the ground and in flight, a new architecture for the generation of non propulsive energy through the use of hydrogen fuel cells. This energy represents around 5% of an aircraft’s total energy used.
- In August 2023, the Company, BMW Group and Quantinuum developed a hybrid quantum-classical workflow to speed up future research using quantum computers to simulate quantum systems, focusing on the chemical reactions of catalysts in fuel cells.
- Blue Condor took off for the first time in November 2023. This demonstrator will study and assess the impact of non-CO₂ emissions induced by hydrogen combustion.

Foster hydrogen ecosystem readiness

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

- In 2019, the Company signed a memorandum of understanding with airlines such as SAS Scandinavian Airlines and easyJet to jointly research a hydrogen-powered aircraft ecosystem and its infrastructure requirements.
- It has joined several major hydrogen alliances, such as the Hydrogen Council, Hydrogen Europe, and European Clean Hydrogen Alliance. It has launched in 2020 a joint-venture with ElringKlinger in order to benefit from the huge cross-industry experience of other industries, and accelerate its ambition.
- The Company promotes the “H2 Hub at airport” concept in which partners will join forces to adapt the infrastructure to the use of hydrogen by aircraft, and more. In this context, it has signed partnerships with Delta, Wizz Air, Linde, Air Liquide, Changi Airport / Caas, Korean Air, Incheon Airport, Kawasaki Heavy Industries, Kansai Airport, Plug Power, Fortescue Future Industries, ANA, Air New Zealand, Christchurch International Airport, Hirlinga, Fabrum, Hamburg Airport, Vinci, Engie, AREC, group ADP, Bristol Airport, Dynamics, Hydrogen South West, SAVE SNAM and Milan Airport.
**Electric flight**

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

EcoPulse. The Company has partnered with Daher and Safran to develop a distributed hybrid-propulsion aircraft demonstrator with the support of France’s CORAC and DGAC and for which it is providing battery technology and overseeing aerodynamic modelling. EcoPulse successfully flew for the first time with its electric engines in November 2023.

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

Following the partnership between the Company and Renault Group to advance research on electrification and mature technologies associated with next-generation battery systems, another partnership was with STMicroelectronics, a global semiconductor leader serving customers across the spectrum of electronics applications. The agreement includes the cooperation on power electronics Research & Development to support more efficient and lighter power electronics, essential for future hybrid-powered aircraft and full-electric urban air vehicles.

In October 2023, Airbus Helicopters’ demonstrator FlightLab successfully tested an electric flight control system in preparation of a new human machine interface (HMI) that will equip CityAirbus NextGen, Airbus’ eVTOL prototype. This milestone represents an important step towards ushering in a new generation of electric powered urban air mobility aircraft.

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**Strategic pathway 4**

**Investing in smart air traffic management (ATM) solutions and optimised operations**

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

The Company therefore supports initiatives aimed at reducing ATM inefficiencies such as the Single European Sky Air Traffic Management Research programme (SESAR), such as the HERON project aiming to reduce CO₂ emissions from air transport and offer mitigation through the development of activities including more efficient aircraft operations in taxi phase, trajectories optimisation via the general principle of Trajectory Based Operations (“TBO”), optimised approaches targeting and noise reduction. The current ATM environment based on static flight plans is evolving towards TBO in order to improve airport and ATM network performance. Major elements to feed an accurate and reliable 4D trajectory prediction can be provided by the aircraft itself and shared in real time.

The Company also focuses on the development of fuel saving procedures for airports and ground operations to minimise the use of engine power and auxiliary power units (APU) while the aircraft is on the ground.

It is also working on disruptive practices like formation flying. In November 2019, the Company launched the fello’fly project which aims to demonstrate the technical, operational and commercial viability of two aircraft flying closer together for long-haul flights. Through fello’fly, the follower aircraft will retrieve the energy lost by the wake of a leader aircraft by flying in the smooth updraft of the air it creates. This provides lift to the follower aircraft, allowing it to decrease engine thrust and therefore reduce fuel consumption in the range of 5-8% per trip. Further research into wake energy retrieval (WER) and deployment of Concept of Operations in the ATM environment is crucial to implementation in a multi-country environment.

The current ATM environment based on static flight plans is evolving towards Trajectory Based Operations (TBO) in order to improve airport and ATM Network performance. Major elements to feed an accurate and reliable 4D trajectory prediction can be provided by the aircraft itself and shared in real time. The results are projected to be reduced flight delays, fuel burn and CO₂ emissions via enabling Continuous Descent Operations, reducing holdings and undue vectoring.

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

The Company organises face-to-face forums and webinars every year with airlines to exchange knowledge on how to improve ground and in-flight operational efficiency and using latest technological solutions. Namely, a “fuel efficiency forum” has been developed with representatives of the ecosystem including airlines, ATM, engine manufacturers, airports and suppliers.
Finally, CO₂ emission compensation will be instrumental to stabilising aviation emissions in the medium term until disruptive solutions reach market maturity. For that reason, the Company supports ICAO’s CORSIA scheme as the only global market-based measure for international civil aviation.

The Company believes that direct air carbon capture and storage (DACCs) is a high-potential technology that could turn out to be meaningful in carbon schemes applicable to aviation. As the aviation industry cannot capture CO₂ emissions released into the atmosphere at source, DACCs is one of the most promising technologies to neutralise residual emissions. DACCs is designed to capture CO₂ emissions directly from the atmosphere using high powered fans and store CO₂ in underground reservoirs.

Non-CO₂ impacts

While non-CO₂ emissions of aviation have become an increasingly publicised topic in 2023, the topic is not new for the industry. The Company has been actively engaged in research to support the scientific community in better understanding the impact of non-CO₂ emissions on the climate as well as in evaluating and deploying technological mitigation solutions for almost 20 years. Aircraft engines produce direct emissions linked to the fuel combustion and indirect emissions formed in its wake. Those emissions, which have an impact on climate when flying in high altitudes, include carbon dioxide (CO₂), nitrogen oxides (NOₓ), water vapour (H₂O), nvPM (non-volatile particulate matter of black-carbon or soot), sulphur oxides (SOₓ) and condensation trails. Depending upon prevailing weather conditions, altitude and geographical location, non-CO₂ emissions can change the chemical composition of the atmosphere and the cloudiness, which in turn affect the climate. CO₂ emissions contribute to increased atmospheric CO₂ concentrations, which induce a low and positive radiative forcing, but with cumulative effects due to the long lifetime of this greenhouse gas in the atmosphere. Non-CO₂ emissions do not have the same cumulative effect as CO₂. Non-CO₂ forcers such as contrail-cirrus and NOₓ are short-lived components that have stronger, but time-limited effects. Uncertainties are still high on the exact impact of non-CO₂ emissions of aviation. Lee et al. 2021 states that uncertainties around the contribution of non-CO₂ emissions on aviation’s net effective radiative forcing (ERF) are ~8 times higher than those of CO₂.

Non-CO₂ emissions can have both positive (warming) and negative (cooling) radiative impacts. In particular, contrail-cirrus can have cooling or warming effects depending on several factors such as their location and time of generation, spatial coverage, lifetime, or optical properties (ice crystal size, shape, density), though the effect at night is exclusively warming.

The Company is actively working on a large portfolio of projects focused on increasing the understanding of non-CO₂ emissions generation, their evolution and their climate effects, but also to evaluate and develop solutions covering several promising mitigation options impacting three well-identified domains: through the use of new energies such as SAF or hydrogen, enhanced engine technology and flight operations (implementation of operational/ATM measures). These include:

- On SAF, the ECLIF3 and VOLCAN projects included a German Aerospace Center (DLR)’s Falcon aircraft, flying within 100m behind the Company’s test aircraft fuelled with various types of SAF (from 30% blend up to 100% SAF, with different aromatics and sulphur content), to capture and analyse in-flight data. The preliminary observations show a positive impact of SAF on aircraft emissions, and are expected to be published in peer-reviewed scientific literature in 2024.
- On hydrogen, the Company launched Blue Condor in 2022, a demonstrator taking a modified glider up to 33,000 feet to analyse hydrogen combustion’s impact on contrail properties. The result of this analysis will provide critical information on aviation’s non-CO₂ emissions, including contrails and NOₓ, in advance of the ZEROe demonstrator flight testing.
- On operational measures, the Company launched in early 2023 the CICONIA project in the context of the SESAR 3 Joint Undertaking. This project gathers 16 partners including major airlines and air navigation service providers. It will run for three years with the objectives of improving weather forecasting capabilities, improving climate impact assessment, defining a climate-optimised concept of operations and trialling system solutions at aircraft and air traffic control level. The project brings together experts and partners from climate science, meteorological institutions, airlines, manufacturers and air traffic control to focus on effective and operationally viable solutions to aviation’s non-CO₂ emissions.

In addition, the Company actively contributes to several international working groups and external conferences on non-CO₂, including those aimed at defining the future European Monitoring Reporting and Verification (MRV) scheme.

Product resilience in the context of climate change

Aircraft products are sensitive to weather phenomena during their operation phase. The adaptation of aircraft design and operation to the changing climate is therefore an important activity to be anticipated, in particular given the long lead time associated with aircraft development and operation. EASA has recently launched an industry working group under the name European Network – Impact of Climate Change on Aviation (EN-ICCA) with the objective to define a work programme to ensure continuous progress in enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change for the aviation domain, in which the Company is fully engaged.

In addition, more specifically with regards to its defence product portfolio, the Company is collaborating with the North Atlantic Treaty Organization (“NATO”) and other defence industry players and organisations (in the so-called NATO Study Group 291) with the objective of developing recommendations on ensuring
allied capabilities adaptation in the context of climate change. This is supported by inputs from the NATO Climate and Defence Task Force lead by the Conference of National Armaments Directors (CNAD) the Company is also part of, together with the allied governments and other defence industry players. This collaboration aims at assessing, elaborating and deploying solutions to ensure technical capabilities still enable operational effectiveness in facing changing climatic conditions.

Products and services supporting climate monitoring and adaptation

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

The Company’s military aircraft platforms can play a crucial role in the protection of populations from natural disasters, such as for example during the aftermath of the fires at La Palma in Spain in July 2023, when an A400M urgently transported personnel and vehicles of the Spanish Military Emergency Unit. In December 2023, a new version of the A400M Roll-on/Roll-off firefighting prototype kit was successfully tested. It is improving dropping efficiency and reducing discharge time by over 30% compared to last year, while combined with rapid deployment and easy installation on the A400M aircraft.

The Company’s fully solar-powered Unmanned Air System (UAS), Aalto Zephyr, is able to fly for an extremely long time – 64 days nonstop is the current record with plans to fly for months at a time. Combining the persistence of a geostationary satellite with the manoeuvrability of a traditional aircraft, Aalto Zephyr can provide communications services to remote areas or be used for land, coastal or border protection, wildfire monitoring, crop monitoring, land administration or environmental monitoring.

The Company’s space products also play an important role in the understanding of climate phenomenon and monitoring of their evolution. Today, 20 of the Company’s satellites are involved in climate change monitoring and an additional 20 are in development. As climate adaptation entails preparing for natural disasters, this critical geospatial data enables the Company to deliver data that helps governments and humanitarian agencies predict and manage disasters. Earth-observation satellites allow the monitoring of deforestation, rising sea levels and greenhouse gas emissions in the atmosphere. The Company is involved in all major environment-monitoring satellite programmes in Europe (Copernicus, Living Planet) and plays a key role in all 12 of the Copernicus missions, the EU’s Earth Observation Programme. For instance, Sentinel-6 is part of the EU’s Copernicus programme and was built by the Company as prime contractor. It maps the ocean’s surface, measuring global sea level rises and ocean circulation. Sentinel-6 data helps governments and institutions to establish effective protection for coastal regions, and helps scientists improve weather forecasts and hurricane predictions.

The CryoSat-2 is an environmental research satellite that provides scientists with data about the polar ice caps and tracks changes in the thickness of the ice. It was constructed by the Company (EADS Astrium). Polar-orbiting Earth observation satellites can perform short-term weather forecasting and long-term climate monitoring, such as detecting storm movements and developments, cloud systems, snow cover, and ice mapping. There are currently two MetOp-SG polar-orbiting satellites (A and B) being developed and built under the industrial lead of the Company, scheduled to be launched in 2025. Furthermore, GRACE Follow-On (GRACE-FO), a twin satellite developed and built by the Company, monitors changes in underground water storage, the amount of water in large lakes and rivers, soil moisture, ice sheets and glaciers, and sea levels.

In 2023, the Company has progressed on the development and testing of new technologies that will be featured on biomass, the first ever satellite that will report how much CO₂ is captured by the world’s forests. The spacecraft will deliver accurate maps of tropical, temperate and boreal forest biomass and changes in the biomass stock that are not obtainable by ground measurement techniques. In arid areas of the planet, it will see through to the underlying bedrock, enabling mapping of the rock structure and search for subterranean reservoirs of water. The satellite is currently in Toulouse for final testing ahead of its expected launch in 2024.

Upcoming missions also include EarthCARE, monitoring the impact of clouds and tiny atmospheric particles (aerosols) on atmospheric radiation; Merlin, studying greenhouse gases and global warming; and Microcarb, measuring CO₂ levels.

The Company’s satellite-based services Farmstar, co-developed with Arvalis Institut du Végétal with the support of Terre-Inovia, help support a more sustainable agriculture. It provides a complete range of advice for wheat, barley, rapeseed and companion plants at intra-field scale, all aligned with the crop cycle. This minimises farming impact on the environment by using only what the plant really needs. 700,000 hectares are currently monitored in France, for 14,000 farmers.

The Company’s Pléiades Neo constellation delivers precision insights to help farmers cultivate their fields more sustainably in the context of a changing climate. Pléiades Neo’s Red Edge band makes it possible to accurately predict and pinpoint subtle stress situations in crops long before the problem can be detected with conventional vegetation indices or even the human eye. This information will allow farmers to assess the root cause of the problem and take remedial action before the ailment spreads or crops are lost, enabling more effective climate adaptation.

The Starling digital platform, developed by the Company with the non-profit Earthworm Foundation, uses a combination of forest cover change analytics and satellite imagery to support agro-forestry businesses, public institutions, local authorities, NGOs, academics and research. Starling can show 20 years of historical data and trends and currently covers more than 5.8 million km². Since 2016, Starling has generated more than 2 million alerts and utilised more than 180,000 images.
Investing in the future
The Company is investing in and accelerating its efforts on five complementary strategic pathways to reduce its environmental footprint, in support of the overall sector ambition, as highlighted above. Overall, a major portion of the Company capital expenditures (CapEx), research & technology (R&T), and research & development (R&D) expenses is linked to its commercial aircraft activities and the realisation of these five decarbonisation pathways. In 2023, the total R&D spend of the Company amounted to €3.3 billion (2022: €3.1 billion).

Progress and performance
In 2023, the Company delivered 735 commercial aircraft. Of these 735, the emissions of three A330-200 aircraft destined to A330 MRTT production are excluded from the commercial aircraft perimeter and included in the military aircraft perimeter as part of the “other products” category. Based on an average life-time in service of around 22 years (average life-times specific to each aircraft type were used in the calculation), and SAF uptake assumptions as per IEA-SDS scenario (ETP2020), the total CO₂ emissions for these products over their anticipated life-time is estimated at around 464MtCO₂e, which translates to an average efficiency of 62.9gCO₂e per passenger-kilometre. In 2022, the Company delivered 663 aircraft with resulting estimated life-time emissions of around 425MtCO₂e and average efficiency of 64.4gCO₂e per passenger-kilometre.

The Company estimates that products delivered in 2023 will see their life-time emissions reduced by around 15% thanks to the gradual introduction of SAF during their operational life. For all reported Scope 3 figures and performance metrics, see “1.2.17 ESG Data Board”.

Efficiency metric (SBTi-validated target) – Since 2015, commercial aircraft scope 3 efficiency measured through this metric has improved by 29.2%, largely supported by significant investments into new aircraft technology and designs, as well as by projected SAF uptake impact to a lower extent. Given the variable time horizons of each of the five decarbonisation pathways presented above, it is expected that the increase of SAF used by airlines in the coming decades will have a decisive impact for achieving this -46% target by 2035. In order to be able to check how actual global penetration of SAF is consistent with its target related assumptions, the Company is developing the means to monitor actual availability of SAF and the resulting impact on aircraft emissions. This will take the form of a tool that aggregates public commercial data and processes it with a combination of artificial intelligence and rule-based calculations. The model is currently being tested, and expected to enable the first reliable results in 2024.
3. Supply chain engagement

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<thead>
<tr>
<th>CDP Engagement</th>
<th>Target</th>
<th>2023 Performance</th>
</tr>
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<tbody>
<tr>
<td>Suppliers responding to CDP questionnaire</td>
<td>Maintain at least 75% of sourcing volume (based on year-1 turnover)</td>
<td>80.1% +5.1p.p. vs. target</td>
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While the greatest contribution from the Company’s supply chain to decarbonisation will be the capacity of its suppliers to accompany the development and delivery of technical solutions, getting its whole supply chain operations engaged in the transition towards a low carbon economy also remains a priority.

**Scope 3 Purchased goods and services.** GHG emissions arising from the goods and services the Company purchases (Scope 3 = Purchased goods and services) based on its 2022 spend amounted to 10,325 KtCO$_2$e (2023 data will be available later in 2024). This evaluation was performed based on a methodology developed by the International Aerospace Environmental Group (IAEG). This methodology is expected to be continuously refined in the coming years. See methodology details in “ 1.2.17 ESG Data Board / Environmental performance”. While this method includes a certain degree of uncertainty – considered high by the IAEG on a certain number of emissions factors used – it provides a broad view of the sources of GHG emissions in the Company’s supply chain and enables comparison of the Company’s various scopes throughout its value chain.

**CDP (formerly Carbon Disclosure Project).** In addition, the Company considers a CDP score as a relevant indicator for assessing the maturity of its suppliers to address climate change, and requests its main suppliers to respond to the CDP Supply Chain programme on an annual basis. In 2023, it continued engaging with suppliers representing 83.2% of the Company’s total sourcing volume, following which suppliers representing 80.1% of the Company’s sourcing volume have completed the CDP questionnaire. The scores for the year 2023 were not available at time of publication.

**Incentivised remuneration**

In order to better embed this ambition into the Company’s performance management, CO$_2$ performance targets have been included in variable remuneration schemes since 2021 (See “ 1.2.1. The Company’s approach to sustainability / Governance”). Such short-term incentivisation enables to accelerate the transformation of the Company and cultural shift. The Executive Committee agreed in 2022 to include a reduction target in absolute value at 687 kt CO$_2$e for 2023 (or -0.9% vs. 2022), for CO$_2$ Scopes 1 & 2 (TCO scope, see above), part of the Top Company Objectives. The 2023 target was overachieved with an actual performance of 593 kt CO$_2$e or -15%. This target was set in absolute value at 581 kt CO$_2$e for 2024 (or -3% on the 2024 extended TCO scope). In addition, when relevant, the transposition of TCOs into individual or team objectives may impact the variable remuneration of concerned employees, such as engineers working on decarbonisation-related projects, or employees working on the Company’s industrial decarbonisation roadmap.

4. Employee engagement

**Contribution of Company culture and employee engagement to climate objectives**

Success can only be collective and the engagement of each and every employee is necessary. Environmental targets and objectives, including the ones related to climate (scope 1&2), are internally promoted under the label high5+. Periodic communication campaigns are led using different communication channels, such as posters and the intranet. In addition, climate-related objectives are part of the Company Top Company Objectives (“TCOs”). In the process of being cascaded to functions and teams, TCOs trigger discussions where teams reflect on how and to what extent they can contribute and set meaningful objectives. Furthermore, a dedicated section in the Company’s intranet provides information about the Company’s commitment towards climate, and related action plans are available for employees to expand their awareness. On the training platform, e-learning in relation to climate, such as “climate crisis”, “climate science”, or “climate change economics”, are freely available to employees while one environment-related e-learning has been included since 2022 in the Company yearly training plan, applicable to all employees to develop their awareness and also help them understand how their work can impact the environment. From October 2022 to September 2023, some 29,437 employees were trained in environmental awareness. In addition, 7,556 employees followed the “climate fresh” training.

The Company established a global sustainability ambassadors network in 2021 which has continued to flourish, onboarding 811 ambassadors from across 18 functions and 20 countries. Ambassadors help to foster sustainability culture and awareness, engage their local teams in various initiatives, and support the adoption and integration of sustainability objectives into the business, including climate and communities. During the year, ambassadors engaged in seven sustainability action events on topics such as materiality assessment, SBTi awareness, giving feedback on the Company’s sustainability communications approach, and sustainability culture change. The Company’s annual Sustainability Townhall was an opportunity to highlight and recognise the engagement of the Ambassadors through the Company’s first Sustainability Ambassador awards. 80 nominations were received across four categories, highlighting best practice in Governance – national and functional approaches, business integration, and awareness and engagement.

**Competence management and employability**

The Company’s transition plan largely relies on technology and innovation. Anticipating, developing and securing required competencies will be decisive, both for the Company to be able to deliver on its commitment and for employees’ skills to be adapted to a changing world. Due to the significant impact of lower-carbon aviation and eco-design (product) on its business, the Company estimates that at least 50% of engineering profiles will have to be upskilled by 2030. “Clean and Sustainable Aerospace” is identified as one critical skill group in the Company’s competence strategy. Specifically, identified skills requiring priority action are: hybrid propulsion, electrical high voltage, hydrogen, cryogenics – directly related to decarbonisation innovation – as well as supply chain environmental impact analysis or eco-design.

Today the Company experiences a tension between the industry needs and the offer from both the employment market and H2 learning market. Also the aeronautical field’s attractiveness is a key success factor to recruitment plans. To cover this situation a H2 talent ecosystem must be developed through partnerships with universities, schools and research laboratories.
Dedicated learning paths are also being developed and deployed under the leadership of academies in the Company functions. In addition, when needed, targeted external recruitments will enable the Company to align its workforce skills with its business challenge.

5. Engaging the ecosystem

Cooperating with the scientific community and universities

Climate change is a critical challenge for humanity, and the Company believes innovation and technology can make substantial contributions to the solution. Achieving this common goal will require all forces from the scientific community to be joined. Hence the Company participates in a number of research programmes worldwide; it is committed to sharing acquired knowledge that could help accelerate the progress of science. For instance, the Company is collaborating with the DLR in Germany, Manchester Metropolitan University in the UK, with the ONERA or the Montpellier Business School in France, the Denmark Technical University in Denmark, the Massachusetts Institute of Technology (MIT) in the US, the Tsinghua University in China or the European Joint Research Centre. The Company also created the CEDAR "Chair for Eco-Design of Aircraft" together with ISAE-SUPAERO (French aerospace engineering school) in 2013. This five-year chair aimed to define disruptive concepts in air transport by introducing, from the start of the design, innovative technologies. In 2019, the partnership was renewed and adopted the main learnings of previous years all while integrating a more comprehensive environmental engineering approach. The CEDAR Chair is composed of international scholarships, interdisciplinary programme of student projects derived from concrete industrial cases in the field of "Future Aircraft Design", and environmental engineering certificate with focus on the issues of sustainable development, offering an approach to design aircraft over the entire product life cycle, addresses eco-mobility and the economics of air transport. It also provides a research component that focuses on technological developments that will improve the implementation of air transport solutions, making it possible to reduce the global ecological footprint.

Engaging with policy makers

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

In 2023, as a member of the industry association International Coordinating Council of Aerospace Industries Associations (ICCAIA) through the ASD, the Company actively participated in the International Civil Aviation Organisation’s (ICAO) work to define guidance, standards and recommended practices aimed at minimising emissions from aircraft and engines, as well as defining policies with regards to local air quality, climate change, and noise. Specifically, in 2022 the Company has been an active member supporting the adoption of a climate “Long Term Ambitious Goal” to the ICAO 41st assembly. At European level, the Company has engaged with the EU Commission on climate change policies discussions such as the “Refuel EU” initiative as part of the “Fit for 55” regulatory package. At the national level, the Company has engaged with France, Spain, UK and Germany in order to exchange on federal policies on climate change. In particular in its home countries France, Germany and the United Kingdom, the Company has cooperated with the CORAC (Conseil pour la Recherche Aéronautique Civile), LUFO (German Research Programme "Luftfahrtforschungsprogramm") and ATI (UK Aerospace Technology Institute) respectively on research for technology, fuels and non-CO₂ emissions. As well, in 2023 the Company has directly discussed with the EU Commission supporting the development of a carbon removal framework with high environmental integrity in Europe. The Company’s positions on climate-related topics are consistent with the principles and axis of the transformation described in its transition plan, where it considers that emerging regulatory frameworks could be a decisive enabler.

Other initiatives

The Company is also engaged in a number of initiatives: where impactful and connected to its know-how, the Company engages in various projects with local communities or partners, and develops projects beyond its immediate core business that could generate meaningful CO₂ savings.

Scope 3 commuting – In 2022, in partnership with Toulouse Métropole, Tisséo (the local transport authority) and Sopra-Steria, a smartphone application called Ecomode was developed to incentivise the shift to collective commuting (e.g. public transport and car sharing) or low-carbon individual mobility modes (e.g. bicycles). This has been deployed amongst employees in Toulouse and is of potential benefit to the citizens of all 37 municipalities of the Toulouse Métropole. Such an initiative benefits both the Company and the whole local community. At site level, cycling to work is encouraged by improved infrastructure, cycling paths made safer in collaboration with local authorities, and periodic “cycle to work” events organised. Car parks are being equipped with charging devices to encourage the use of electric cars, and Company car policy has evolved in order to incentivise the selection of low-carbon vehicles by collaborators.

Climate adaptation, supporting local communities – Through its Community Impact Policy – including corporate activities and its non-profit arm the Airbus Foundation – the Company is committed to support vulnerable communities through disaster response at a time when climate-related catastrophes are getting more intense and frequent. The Company works in collaboration with local knowledgeable associations, as well as with partners that have a global reach. Support can take the form of impact investments or provision of access to Company’s products and services, for example, providing satellite imagery for partners to properly assess a disaster’s scope and adapt their response plans. The Airbus Foundation chartered helicopter hours to respond to the wildfires in Chile, and provided satellite imagery to the International Union for Conservation of Nature (“IUCN”) as part of a 3-year reforestation project. The Company also saw a rise in requests to support projects linked specifically to water access in vulnerable communities which are impacted by climate change and changing weather patterns. The Company and the Airbus Foundation respectively partnered with organisations in the Philippines and Kenya on projects which have collectively created access to clean water for 20,000 community members. A 3-year agreement was also signed to equip two indigenous communities in Australia with water access through infrastructure, maintenance plans and training, with the project due to commence in 2024. (See Chapter “1.2.16 Community Impact” for more information).
1. Information on the Company’s Activities

1.2 Non-Financial Information

1.2.3 Pollution

I. Introduction

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

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

<table>
<thead>
<tr>
<th>Pollution</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest governance body(ies) involved</td>
<td>Board of Directors / ECSC Executive Committee / Environment Committee</td>
<td></td>
<td></td>
<td>9-12-13-17</td>
</tr>
<tr>
<td>Related corporate policies</td>
<td>Environmental Policy, Code of Conduct</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management system</td>
<td>EMS – Environmental Management System ISO 14001 – 87% of workforce covered</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPIs</th>
<th>2030 Target</th>
<th>2015 Baseline</th>
<th>2022</th>
<th>2023</th>
<th>2023 vs. 2022</th>
<th>2023 vs. Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC (tons)</td>
<td>0% increase</td>
<td>1,480</td>
<td>1,098</td>
<td>1,103</td>
<td>+0.4%</td>
<td>-25%</td>
</tr>
<tr>
<td>NOx (tons)</td>
<td>212</td>
<td>179</td>
<td></td>
<td></td>
<td>-15.5%</td>
<td></td>
</tr>
<tr>
<td>SOx (tons)</td>
<td>17</td>
<td>17</td>
<td></td>
<td></td>
<td>+1.0%</td>
<td></td>
</tr>
</tbody>
</table>

KPI assumptions: 2023 VOC emissions data is estimated. 2023 actuals will be consolidated in April 2024.

Additional resources: Environmental Policy Statement, Sustainability on Airbus.com
II. Governance
The Airbus Environmental Policy and overall governance, as described in “1.2.2 Climate Change” apply to this topic.

III. Risk Management
Environmental risk and opportunities are managed following the Company’s ERM system, see section “1.2.2 Climate Change”. Substance-related risks are included in the Company’s top risks, as reported in “Risk Factors”.

In addition, the Company’s ISO14001 certified EMS notably applies the standard recommendations for pollution control audits, training, risk assessment and identification, implementation of risk prevention procedures (emergency plans, simulation exercises). For example, sites shall conduct an analysis of environmental aspects and impacts at least every three years, as well as each time a material change in operations occurs, also in connection with the Company’s ERM process. While the EMS sets requirements, actual deployment, concrete means and measures are managed at site level and adapted to the nature of a site’s industrial activities and to applicable regulations. For instance, in Toulouse and linked to flight test activities, concerned employees systematically follow dedicated training sessions, including on instructions for fuel handling or on procedures to follow in case of an incident. Also, each year, more than five spill-related emergency situations (e.g. a kerosene leak or a fire-fighting water spill) are conducted to test defined emergency plans. At least one emergency situation is performed in coordination with local authorities.

IV. Implementation / activities

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

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

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

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

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

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

Noise
Noise around the Company’s sites can also be an important topic for neighbouring communities. The Company is actively engaged with local authorities to minimise its impact by, for instance, adapting operating times. In Toulouse, the Company has launched the Median initiative, regrouping actors in charge of flight activities around the airport to find the most effective solution to reduce noise levels. It is also actively seeking to reduce the noise at the source, by developing products and technologies striving to minimise such impact, while certification authorities have also set stringent noise-related criteria.
1.2.4 Materials and circularity

I. Introduction

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

While aerospace represents a small fraction of the global volumes for most materials – e.g. the Company’s aluminium consumption is estimated to be about 0.1% of the global market – it is among the main users for some highly specialised materials such as titanium or CFRP. The use of these materials, and the impacts associated with their production or end-of-life, are justified by their contribution to the efficiency of the end product, as they enable lighter structures and more efficient design. As more than 90% of a typical aircraft’s life cycle impact comes from its operational use phase, using lighter materials (which are sometimes more impactful in their production processes) is particularly effective in regards to achieving significant reductions in energy consumption and emissions overall. Product weight optimisation is largely linked to product performance in terms of range and fuel consumption, and therefore has a benefit for customers. Optimising the use of such high-value materials is directly linked to the Company’s competitiveness, while securing their supply, as they become scarcer, is necessary to ensure business continuity.

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

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

<table>
<thead>
<tr>
<th>Materials and circularity</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>301 – Materials</td>
<td>306 – Waste</td>
<td>Hazardous Waste Management</td>
<td>9-12-13-17</td>
</tr>
<tr>
<td>Highest governance body(ies) involved</td>
<td>Board of Directors / ECSC Executive Committee / Environment Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Related corporate policies</td>
<td>Environmental Policy, Code of Conduct, Human Rights Policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management system Relevant certifications</td>
<td>EMS – Environmental Management System ISO 14001 – 87% of workforce covered</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPIs</th>
<th>2030 Target</th>
<th>2015 Baseline</th>
<th>2022</th>
<th>2023</th>
<th>2023 vs. 2022</th>
<th>2023 vs. Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste produced excluding exceptional waste (tons)</td>
<td>-20%</td>
<td>107,513</td>
<td>74,443</td>
<td>77,208</td>
<td>+3.7%</td>
<td>-28.2%</td>
</tr>
</tbody>
</table>

with no landfill or incineration without energy recovery

<table>
<thead>
<tr>
<th>Other key metrics (More metrics and assumptions, see “– 1.2.17 ESG Data Board”)</th>
<th>2022</th>
<th>2023</th>
<th>2023 vs. 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Material recovery rate</td>
<td>61%</td>
<td>60%</td>
<td>-1p.p.</td>
</tr>
<tr>
<td>% Energy recovery rate</td>
<td>18%</td>
<td>19%</td>
<td>+1p.p.</td>
</tr>
</tbody>
</table>

| Additional resources | Environmental Policy Statement, Sustainability on Airbus.com, Tarmac Aerosave |

II. Governance

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

III. Risk management

Environmental risk and opportunities are managed through the Company’s ERM system. See “– 1.2.2 Climate Change”.
IV. Implementation / Activities

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

Metallic waste accounts for more than 30% of the Company’s waste (excluding exceptional waste). Considering the risk of resource depletion versus growing demand, the Company has kicked off in 2022 and progressed in 2023 a dedicated transformation project related to the circularity of critical raw materials, especially non-ferrous metals, with a focus on the most material perimeter, its commercial aircraft activity.

Avoid – Material Use Optimisation

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

Reduce

Industrial waste

Waste from industrial activities represents about three quarters of the total waste generated by the Company’s sites, the remaining portion being waste generated in offices and canteens. The Company also focuses on the waste generated by its sites throughout the manufacturing process and has set an objective of reducing these overall waste amounts by 20% by 2030 from a 2015 baseline, including 0% landfilling and 0% incineration without energy recovery. The Company industrial waste is mainly composed of metallic waste, general waste, chemical waste and packaging waste.

A dedicated multi-functional team with skills from across the organisation such as engineering, information management, procurement, industrial operations and facility management is actively working on a waste reduction roadmap. Over the past years and including in 2023, the Company has focused on metering and on data robustness and accuracy for measuring waste, with a focus on standardising the practices towards waste collectors and in line with regulatory requirements for greater traceability. The objective is to enhance data monitoring, reporting and forecasting capabilities in order to steer efforts through sites on waste management. This includes a harmonisation of definitions, processes and assumptions. Priority has been given to commercial aircraft activities due to the industrial ramp-up.

In 2023, non-exceptional waste increased by 3.7%, largely explained by the commercial aircraft production ramp up. The proportion of the non-exceptional waste landfilled or incinerated without energy recovery amounted to an estimate of 21%.

Hazardous waste

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

Increase the lifespan of components

A large part of the Company’s aircraft products components are designed to last for the aircraft service lifetime, which exceeds 20 years on average. Some components, called life-limited parts (“LLPs”), have a lifetime which is limited by design for safety related reasons and need to be replaced at specific intervals based on the aircraft age and usage.

Repairability – reuse – second life

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

Recycling

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

In addition, the Company sources material volumes of recycled materials that are used for the manufacturing of aircraft. As an order of magnitude, in 2023 around 40% of aluminium products delivered to the Company (main structural material in an aircraft) came from recycled material.

Finally, the EU-funded PAMELA project, for Process for Advanced Management of End of Life of Aircraft, demonstrated in 2007 the possibility of recycling up to 85% of plane components. More recently, according to TARMAC Aerosave, a joint-venture in which the Company is a shareholder, now more than 90% of an aircraft’s weight can be recovered at end-of-life (including material and energy recovery) through a selective dismantling process. For example, TARMAC Aerosave, provides such reverse manufacturing services, including dismantling, sorting,
packaging for reuse or sending to relevant waste collectors while managing parts traceability. In 2023, the Company, Tarmac Aerosave and the City of Chengdu established a joint venture for the first aircraft “lifecycle” services centre in China. The new facility will cover a range of activities from aircraft parking and storage, to maintenance, upgrades, conversions, dismantling and recycling services for various aircraft types. Overall, TARMAC has provided dismantling, recycling and disposal services in respect of over 300 decommissioned aircraft since 2007.

**Lifecycle thinking and conscious design**

The Company invests in lifecycle assessments (LCA) for environmental impact accounting associated with a specific product, in accordance with the requirements specified in the ISO14040 standard. LCA studies have been finalised for all commercial aircraft products delivered in 2023.

In addition, the Company is deploying frameworks enabling environmentally-conscious design choices to reduce the footprint of projects and optimise aspects such as product end-of-life management and critical raw materials usage. For instance, environmental assessments are being used to assist the research & technology decision-making processes related to commercial aircraft activities. The Defence and Space Division also uses LCA as part of the development of the Sentinel satellites that are built for the European Space Agency.

**Digitalisation, traceability and criticality mapping**

The Company leverages digitalisation as an enabler to optimise and reduce its environmental footprint. For example, all waste data is now collected and managed on a single Company-wide platform in order to provide a holistic view of the waste, enabling more efficient decision making at Company and site level.

As recommended by the EU Critical Raw Material (“CRM”) framework, the Company has created and is maintaining a dedicated internal methodology to assess criticality of raw materials on the axis of supply risk, environmental and ethical impacts. Based on this, a regularly updated watchlist of the most critical raw materials for the Company has been defined to influence design choices. The mapping of Critical Raw Materials and Strategic Raw Materials in the Company’s commercial activity products is currently ongoing, based on available data.

**Competence management**

Circularity is a part of the Company’s sustainability and environment competency strategy. Accordingly, related training modules have been integrated in the Company’s training catalogue, such as “Circular economy – sustainable materials management”, “What is circular economy”, “Implementing circular economy processes”, “Circular design and manufacturing in practise”, “From linear to circular thinking”.

### 1.2.5 Water

**I. Introduction**

The Company’s water usage is mostly linked to non-industrial uses, including sanitary, heating, ventilation and air conditioning, canteens and fire extinguishing. Around one third of the water withdrawn is used for industrial uses such as climate control of industrial facilities (e.g. clean rooms for satellite assembly; paintshops), surface treatment, machining and non-destructive testing. This section covers both withdrawal and discharge.

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

The links between water use, climate and biodiversity are significant, with climate change and ecosystem degradation having the potential to exacerbate water stress and consequently affect water availability. The Company analyses current and projected local water stress levels to understand where the Company’s activities have the greatest impact on water resources and prioritise actions in these areas (e.g. south of Spain, northern China). This analysis is based inter alia on the World Resources Institute’s Aqueduct Water Risk Atlas 4.0 tool, using the “baseline” data as well as the 2030 scenarios.

Due diligence aspects with regards to the potential environmental impacts including on water resources in the Company supply chain are described in section “~ 1.2.15 Responsible Supply Chain”.

Water discharge quality is managed by each site directly to ensure compliance with applicable local regulatory requirements.
### 1. Information on the Company’s Activities

#### 1.2 Non-Financial Information

<table>
<thead>
<tr>
<th>Water</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>303 – Water and Effluents</td>
<td>9-12-13-17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest governance body(ies) involved</td>
<td>Board of Directors / ECSC Executive Committee / Environment Committee</td>
<td></td>
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<tr>
<td>Related corporate policies</td>
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<tr>
<td>Management system</td>
<td>EMS – Environmental Management System</td>
<td>ISO 14001 – 87% of workforce covered</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### KPIs

<table>
<thead>
<tr>
<th>Water:</th>
<th>Target 2030</th>
<th>Baseline 2015</th>
<th>2022</th>
<th>2023</th>
<th>2023 vs. 2022</th>
<th>2023 vs. Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water purchased (m³)</td>
<td>-50%</td>
<td>3,366,404</td>
<td>2,922,431</td>
<td>2,772,185</td>
<td>-5.1%</td>
<td>-17.7%</td>
</tr>
<tr>
<td>Water withdrawal (m³)</td>
<td>0% increase</td>
<td>4,317,843</td>
<td>3,687,717</td>
<td>3,535,867</td>
<td>-4.1%</td>
<td>-18.1%</td>
</tr>
</tbody>
</table>

#### Other key metrics

(More metrics available in “1.2.17 ESG Data Board”)

| % of water withdrawal from all areas with high or extremely high water stress(1) | 37% | 37% | 0p.p. |

<table>
<thead>
<tr>
<th>Metrics assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Areas identified with high or extremely high water stress as defined by the Aqueduct Water Risk Atlas, “baseline” (Aqueduct version 3.0 for the 2022 and previous data and Aqueduct version 4.0 -updated in August 2023- for the 2023 data).</td>
</tr>
<tr>
<td>Note: 2015 and 2022 data have been restated in order to re-integrate volumes previously accidentally omitted from two sites located in Germany and one site located in Canada.</td>
</tr>
</tbody>
</table>

Additional resources: [Environmental Policy Statement](#), [Sustainability on Airbus.com](#)

### II. Governance

The Airbus Environmental Policy and overall governance, as described in “1.2.2 Climate change” apply to this topic.

### III. Risk Management

Environmental risk and opportunities are managed following the Company’s ERM system, as described in the section “1.2.2 Climate Change”. This covers among other risks related to water accessibility in areas of high and extremely high water stress. In addition, water has been identified as relevant to climate change physical risks: work is ongoing to update the above-mentioned risks in line with TCFD.

### IV. Implementation/Activities

In 2023, the Company refined its estimates of its own water usage; overall water usage mostly relates to non-industrial uses (around 60% of water withdrawal), while the rest is used in production-related uses (about one third) and fire protection (less than 10%).

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

The Company is currently working on a revision of these water targets with a site per site context-based approach and a reinforced focus on sites located in high and extremely high water stress areas, also considering 2030 projections. When finalised, this should result in the discontinuation of the purchased water related target and a more relevant target for water withdrawal.

While all concerned sites are working towards these targets with the implementation of advanced water management practices, a focus is put on areas with current or future high water stress levels. For example, local water stress levels are used as a criterion for prioritising the funding of projects and for launching pilot projects (e.g. proof of concept launched in Illescas, Spain on digitised and automated water consumption real-time monitoring).

In 2023, the Company conducted studies in 14 sites representing 68% of the Airbus 2023 total withdrawal in order to assess the water management maturity level of these sites and identify relevant opportunities to further reduce withdrawals. Other sites have conducted maturity self-assessments based on the same methodology.
The strategy is based on the following eight pillars:

<table>
<thead>
<tr>
<th>Key pillars</th>
<th>Description and rationale</th>
<th>Examples of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure / metre</td>
<td>Measuring as a prerequisite to identify water flows and manage consumption.</td>
<td>Installation of smart water metres with automated and digital data transfer, high frequency and increased granularity (e.g. commercial aircraft sites and Airbus Defence and Space Division sites in Europe).</td>
</tr>
<tr>
<td>Monitor</td>
<td>Track consumption, ensure control of deviations and detection of abnormalities.</td>
<td>Smart metering on site/building/asset level, connection to digital platforms, creation of KPIs and regular reports, alert systems.</td>
</tr>
<tr>
<td>Avoid squandering</td>
<td>Identify and fix leakages, reconsider processes.</td>
<td>Leakage detection campaigns; improved parameters of Super Plastic Forming press cooling system to avoid unnecessary use of water in Toulouse (France).</td>
</tr>
<tr>
<td>Reduce</td>
<td>Increase efficiency; equipment retrofit.</td>
<td>Adoption of cooling system with reduced water consumption at Illescas site (Spain); air conditioning, boilers and sanitary equipment retrofit at Puerto Real site (Spain); replacement of water chiller with air-cooled systems in Portsmouth (UK); new press cooling system in Bremen (Germany); improved efficiency of air conditioning systems through water treatment system and automatic adaptation of airflow in Stade (Germany); improvement of cooling towers cycles in Toulouse (France); reduction of irrigation at Miami (US), Tianjin (China) and Blagnac (France) sites.</td>
</tr>
<tr>
<td>Reuse</td>
<td>Create closed loops; use the same volume several times.</td>
<td>Reuse of treated industrial wastewater in Nordenham (Germany) in industrial processes; water reuse for Non-Destructive Testing in Illescas (Spain); reuse of treated wastewater for irrigation in Beijing (China).</td>
</tr>
<tr>
<td>Replace</td>
<td>Use rainwater.</td>
<td>Rainwater harvesting at Toulouse (France), Broughton (UK) and Illescas (Spain) sites.</td>
</tr>
<tr>
<td>New building design</td>
<td>Ensure high water efficiency standards from the design phase.</td>
<td>Certified building standards, e.g. LEED (Silver certification, Mobile site, US).</td>
</tr>
<tr>
<td>Communication</td>
<td>Inform and engage employees.</td>
<td>Employee awareness campaigns (e.g. World Water Day communication on internal portal, onsite awareness-raising animations on water in Blagnac and Toulouse sites).</td>
</tr>
</tbody>
</table>

In 2023, water withdrawal decreased by about 4% compared to 2022. When compared to 2015 baseline, water withdrawal reduced by 18.1%; similarly, purchased water dropped by 17.7%. These savings resulted from a number of operational improvements and technical projects in line with the eight pillars described above, and including reinforced operational control, control of irrigation practices and leakage repair.

### 1.2.6 Biodiversity

#### I. Introduction

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

Moreover, the Company aims to contribute to updated and new goals and objectives for biodiversity. These include the ones for 2030 and 2050 agreed at the 15th Conference of the Parties of the UN Convention on Biological Diversity in December 2022, in Montreal, which notably calls on businesses to assess and disclose biodiversity dependencies, impacts and risks, and reduce negative impacts.

#### II. Governance

The Airbus Environmental Policy and overall governance, as described in “– 1.2.2 Climate Change” apply to this topic.

#### III. Risk Management

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

#### IV. Implementation/Activities

In order to progress its understanding of the impact of its activities on biodiversity, the Company has identified the IPBES report as a relevant framework to follow. The Company launched in 2022 and further progressed in 2023 a project to compile an inventory of potential impacts across the five drivers of biodiversity loss: changing use of sea and lands, direct exploitation of organisms, climate change, pollution and invasive non-native species. Meanwhile, the Company presumes that the most material biodiversity loss impact is linked to the impact of the operation of its commercial aircraft on climate change and, as such, efforts are prioritised alongside the existing climate-related initiatives. See “– 1.2.2 Climate Change”. In addition, a number of actions have been started in relation to the other drivers such as creating some baseline to support the management of eventual impacts related to “Changing use of land” (see below).

**Pollution:** see “– 1.2.3 Pollution”.

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[100 Airbus Annual Report] Universal Registration Document 2023
Changing Use of Land

Overall, the ground footprint of the aviation industry, as a global means of transportation, is limited to local sites; mostly airports and related activities. As for the Company, its operations are located at a number of industrial sites. The Company seeks to engage with local conservation partners as part of site development and planning. Where impacts cannot be avoided or reduced, the Company works with these local partners on conservation and remediation projects to preserve flora and fauna that are impacted by the Company’s industrial activities. This is done in line with applicable legal requirements. In France, for instance, before, during and after construction works, the Company strives to apply the Avoid, Reduce, Compensate mitigation hierarchy, as well as establish a budget for compensation measures that goes beyond the duration of the project (for maintenance for example). This requires identifying areas rich in biodiversity (in particular protected species), identifying the potential impacts on biodiversity, and carrying out, if required, the necessary biodiversity inventories and the applicable deadlines in the timeline of each project.

Restoring Biodiversity

The Company’s space products, and more especially Earth-observation satellites, play an instrumental role in the understanding of biodiversity evolution. See “1.2.2 Climate Change – Transition plan – Products and services supporting climate monitoring and adaptation”. In addition, through its corporate community impact programme (including the Airbus Foundation), the Company has supported a number of biodiversity projects that aim to help preserve wildlife and natural ecosystems. See “1.2.16 Community Impact”.

Build our business on the foundation of safety and quality

1.2.7 Aviation and product safety

I. Introduction

The Company believes that everyone in the aerospace industry has a role to play to further enhance the safety of the air transport system. Flying today is safer than ever before, and collective efforts continue to ensure that it will be even safer by anticipating and responding to risks, threats and challenges. While the foundations of the air transport system are built on regulatory compliance, the safety culture at the Company goes beyond compliance with certification and continued airworthiness requirements to also focus on safety enhancement activities in products and services. This also extends to the products and services of the Company’s Defence and Space Division that offer communication, collaboration and intelligence knowledge solutions to assist government authorities, emergency service providers and healthcare providers.

<table>
<thead>
<tr>
<th>Aviation / Product Safety</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest governance body(ies) involved</td>
<td>Product Safety Board (PSB), involving several Executive Committee members Board of Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Related corporate policies</td>
<td>Airbus Product Safety Company Policy (A67)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management system</td>
<td>SMS Products Operations</td>
<td>Corporate Safety Management System EASA regulation (Parts 21/145/147/M/ORa), EU 996/2010, EU 376/2014, ECSS-Q ST-40-C and Def-Stan 00-56 EN9100, EN9001, EN9110, AQAP 2110, AQAP 2210 and AQAP 231</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KPIs

<table>
<thead>
<tr>
<th>% SMS officers nominated</th>
<th>Target</th>
<th>Horizon</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>% SMS officers trained</td>
<td>Target</td>
<td>Horizon</td>
<td>2022</td>
<td>2023</td>
</tr>
</tbody>
</table>

Other key metrics

| Fatal accident rate Industry wide(1) | 0.05 (Gen4) | 0.04 (Gen4) |

Metrics assumptions

(1) 10 year moving average fatal accident rate (per million flights) per aircraft generation.

Additional resources

- Code of Conduct
- Product Safety on Airbus.com
- Safety in Operations on Airbus.com
- Safety investigation on Airbus.com
- Health Onboard
- Accident Statistics website
II. Governance
A dedicated safety organisation within the Company acts as an independent voice of safety. The Chief Product Safety Officer for the commercial aircraft activities of the Company reports directly to the CEO and is the Chairman of the Product Safety Board (PSB). Several Executive Committee members and senior executives are part of the PSB. This ensures proactive safety decision-making is based on multidisciplinary assessments at the highest decision level of the Company. The PSB makes decisions regarding technical aspects, safety governance and strategy. Regular reviews with the Board of Directors are also performed.

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

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

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

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

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

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

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

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

Sharing safety information is a key contributor to increasing the level of safety. There have been 27 flight safety conferences with the Company’s customers since the first was held in 1994. Another means of sharing information is through “Safety first”, the Company’s safety magazine contributing to the enhancement of safety for aircraft operations by increasing knowledge and communication on safety-related topics. It reaches over 1,500 aviation professionals daily via the website safetyfirst.airbus.com and the Safety-first app. D10X (short for Air Transport Safety, Destination 10X Together) is another collaborative initiative with airlines. The aim of D10X is to propose and share pragmatic solutions together with operators of Company’s aircraft for the key safety issues identified within this network.

In addition to these external safety promotion initiatives, the Company invests in internal safety promotion with the objective of continuously reinforcing the safety culture of all employees. This is supported by different means including communication campaigns, training, safety awareness sessions, and development of safety promotion centres.
SMS officers are nominated and trained in all key business functions to ensure implementation, and operation of the SMS within the Company, including safety promotion. The above-mentioned commitment to a just and fair reporting culture is another example of an initiative that promotes the Company’s safety culture. These elements are integrated in the Company’s SMS action plan.

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

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

![Graph showing ten-year moving average fatal accident rate per aircraft generation]

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

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

1.2.8 Cyber security

I. Introduction

Cyber security risks have the potential to impact all business operations, employees, plus products and services if incorrectly managed – either in confidentiality, availability or integrity. As such, the Company undertakes a continual process of cyber security risk identification and remediation, supplemented with significant cyber security capabilities for the anticipation, prevention, detection and response to cyber threats and events. Cyber security risk management is a core element of modern organisations, thus the Company has developed state-of-the-art cyber capabilities for the defence, detection and response to emerging cyber threats. The cyber security paradigm adopts a compliance, regulatory and risk-based approach embedded across four asset bodies: IM, industrial, products and services, and people and workplace domains. Developing cyber security as a business function, with the relevant capabilities and stakeholders, ensures an evolutionary approach for continued protection against emerging threats and to support the business in securely enabling its digital transformation.
II. Governance

The Company has undertaken a cyber security transformation since 2019 with the establishment of a federated model of digital security encompassing accountable leaders in respective organisational structures such as IT, engineering and operations. A dedicated team for security governance was established, reporting to the Company Chief Security Officer, responsible for the definition and audit of cyber security directives and methods aligned to major industry standards such as ISO27001 or IEC62443. The Company Chief Information Security Officer reports to the Chief Security Officer, who in turn has a direct reporting line to the CEO. Such an approach ensures localised accountability and reactivity to cyber risks with centralised governance, reporting, technical standards, and processes. Cyber security governance encompasses both Divisions and global operations plus affiliates. The Company Board of Directors are regularly updated on cyber security topics, with two dedicated sessions in 2023 and receipt of quarterly “Executive Reports” that cover all major achievements, challenges and trends. The three CEOs of the Company and its Divisions are briefed on security topics every two months.

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

Security governance directives are published and audited to ensure the Company follows the same standards for data protection and systems security. Key cyber security directives include the ones listed in the table above.

III. Risk Management

Confidentiality, integrity and availability are known to define cyber security objectives when thinking about systems risks. Corporate Security is accountable for security risk management and is in charge of defining cyber security risks taxonomy and managing the lifecycle in ERM, including strategy, organisation, roadmap and initiatives at company-wide level. In terms of cyber security, risk management is the aggregation of continual risk reporting, cyber security validation processes embedded within security by design principles for projects, applications and infrastructures – in addition to the implementation of digital security controls aligned to the Company’s enterprise security architecture standards. A fully industrialised framework and toolkit has been deployed to ensure the standardised prescription, deployment and assessment of these controls across the Company.

Risk mitigation measures follow the principle of people, process, and technology controls to reduce the likelihood and/or impact of cyber incidents. The Company incorporates mandatory cyber security training and awareness for all employees with additional engagements for employees in higher risk categories or where additional regulatory stipulations apply. Security processes are fixed through security governance directives, business management processes (e.g. MC.AS.01 Vulnerability Management and MC.AS.02 Risk Management), and operating models. Technical security controls are implemented and measured in accordance with ISO27001 and other industry standard information security management standards. The Company implements a number of key technical security controls in the reduction of cyber incident likelihood including the rollout of endpoint protection and data loss prevention tools, the implementation of multi-factor authentication, and the adoption of enterprise security architecture approaches. To reduce impact from cyber events, it operates in-house security operations centres covering both commercial and national activities; plus a Computer Emergency Response (CERT) team analysing cyber security threat intelligence and rapidly investigating and containing cyber security incidents.

Cyber security risk management is under regular internal and external audit, confirming processes and implementation to both the Company’s and industry standards. Technical audits are also conducted regularly on applications, systems and infrastructures in the form of cyber security penetration testing. Technical red-team (offensive) cyber exercises are conducted at least once per year for the evaluation of detection and response planning. These are in addition to annual cyber security crisis simulations for evaluation of business continuity and reactivity.
IV. Implementation/Activities
Building upon the enhancements of 2022, a number of key initiatives were undertaken in 2023 to improve the cyber security position, reduce associated risks and decrease the likelihood of successful cyber attacks, including:
– deployment of the Company’s cyber security strategy for capability development, protection improvements and risk reduction from cyber attack by end of 2025;
– creation of MIRIS company (Mutual of Insurance and Reinsurance for Information Systems) by the Company and 10 other large European companies, in order to provide cyber insurance coverage and a technical hub for sharing amongst its members;
– industrialisation and adoption of Company-wide cyber security controls framework to standardise the technical approach to security by design;
– maintaining compliance with existing and evolving cyber security regulations, and anticipating future national, international, and sector-specific cyber security laws; for instance, through the implementation of a Data Compliance Centre to ensure the Company’s compliance towards internal and external regulations and policies;
– conducting an in-house full red-team cyber exercise for continual process improvement and controls maturity around data exfiltration scenarios;
– within the framework of the Company’s Cyber Community of Practice, a programme of internal events was launched focusing on technical sharing to support the development of people. Examples of such events include an annual conference to share technical topics and organisational news with the cyber security community, and a physical/virtual hybrid hands-on technical training day for Red, Blue and Purple-team skills development;
– certified Airbus cyber security diplomas launched in France in 2022, in order to reinforce and future-proof existing cyber security competency, in addition to building an appropriate pipeline for future skills and needs. The Company-delivered Bachelor’s and Master’s degrees are validated by the French National Registry of Professional Certifications, and correspond to 660 hours and 870 hours of courses respectively. In 2023, 22 students were registered in the Bachelor’s programme and 17 students in the Master’s;
– as part of the Top Company Objectives, employees are highly recommended to complete each year a training on cyber security issues.

Such activities have continued to reduce the overall cyber security risk, specifically around the increasing threat from ransomware.

V. Outlook
There are no signs globally that the threats of cyber attack will decrease; therefore, the Company maintains an advanced cyber security posture and anticipates future threats. Specific focus is placed on:
– ensuring continued compliance to international, national, and industry specific cyber security regulations;
– company resilience; ensuring prevention and recovery from cyber skirmishes, and destructive ransomware attacks;
– extended enterprise and supply chain cyber security collaborations.

1.2.9 Health and safety

I. Introduction
It is with great sadness that the Company reports the work-related deaths of three employees in two separate accidents in 2023. One employee, in China, suffered a fall from a working platform while visiting a supplier’s site. The others were flight service pilots for GFD, a subsidiary of the Company. They were in a Learjet aircraft that was involved in an accident at Hohn Air Base in Germany. The Company expresses sincere regret and condolences to the employees’ families, friends and colleagues. Actions have been taken to address the lessons learned.

These accidents reinforce the Company’s determination to continue the drive towards zero-harm, and ensuring that its work activities do not adversely affect the safety and health of people remains a top priority. The Company continues to improve its health and safety risk management systems and is working to extend the coverage of its ISO 45001 certification. Areas of significant concern identified by formal risk assessment processes are escalated to the Company’s Enterprise Risk Management (ERM) system.
### Health and safety

<table>
<thead>
<tr>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>403 Occupational Health and Safety</td>
<td>8, 12</td>
<td>Vigilance Plan</td>
<td></td>
</tr>
</tbody>
</table>

#### Highest governance body(ies) involved
Board of Directors; Ethics, Compliance and Sustainability Committee; Company Occupational Health and Safety Governance Board

#### Related corporate policies
Occupational Health and Safety Policy A41, Airbus Code of Conduct

#### Key metrics (More in “– 6.1.17 ESG data board”)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost-Time Injury Frequency Rate&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2.23</td>
<td>2.21</td>
</tr>
<tr>
<td>Lost-Time Injury Frequency Rate – commercial aircraft business&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2.25</td>
<td>2.31</td>
</tr>
<tr>
<td>Lost Time Injury Severity Rate – FISH perimeter&lt;sup&gt;(2)(3)&lt;/sup&gt;</td>
<td>0.117</td>
<td>0.122</td>
</tr>
<tr>
<td>Number of Near-miss reports – commercial aircraft business&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>28,925</td>
<td>37,836</td>
</tr>
<tr>
<td>Number of health and safety specific training hours delivered&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>286,815</td>
<td>304,420</td>
</tr>
<tr>
<td>Number of industrial safety training hours delivered&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>17,301</td>
<td>55,266</td>
</tr>
<tr>
<td>Number of employees who received health and safety training&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>90,490</td>
<td>112,652</td>
</tr>
<tr>
<td>Number of employees having attended “EH&amp;S Certificate” modules 1 &amp; 2&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>2,214</td>
<td>1,763</td>
</tr>
<tr>
<td>Number of employees having attended “EH&amp;S Certificate” modules 3 &amp; 4&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>97</td>
<td></td>
</tr>
<tr>
<td>Helpline + Occupational Health consultations for mental health issues, irrespective of cause&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td></td>
<td>12,007</td>
</tr>
<tr>
<td>Estimate of % workforce covered by ISO 45001 or similar standard</td>
<td>–one third</td>
<td>–one third</td>
</tr>
<tr>
<td>Estimate of % workforce covered by ISO 45001 or similar certified system</td>
<td>–25%</td>
<td>–25%</td>
</tr>
</tbody>
</table>

#### Remuneration
A proportion of variable pay for executives and “Level IV” leaders is tied to the achievement of the Company Lost Time Injury Frequency rate target. Lost Time Injury Frequency rate performance also impacts success share payout made to employees.

<sup>(1)</sup> For the Lost-Time Injury (LTI) Frequency Rate scope, please see footnotes in paragraph IV – Health & Safety Performance – Graph 1. below. For the LTI Frequency Rate – commercial aircraft business scope, see same section.

<sup>(2)</sup> Work related deaths are treated individually and are not included in the Severity Rate

<sup>(3)</sup> 2022 Severity Rate figure of 0.046 amended to 0.117 following a change of calculation methodology related to the allocation of lost time days to a reporting period and so enabling comparison with the 2023 figure.

<sup>(4)</sup> The reporting period for training related metrics is from 1 October to 30 September. Some training may be repeated but not every year, causing fluctuations in annual training hours.

<sup>(5)</sup> The mental health consultations scope is Company’s commercial aircraft activities, Airbus Helicopters and Airbus Defence and Space in France, Germany, Spain and United Kingdom, excluding affiliates, including calls by employees’ family members.

<sup>(6)</sup> Near-Miss reports may include safety observations in some domains.

#### Metrics comments

**Health and safety**

The Company has updated and re-issued its Company-wide health and safety policy, which takes into account ISO 45001 and was jointly authorised by the Chief Executive Officer and the Chief Human Resources Officer (“CHRO”). This policy reaffirms the commitment to the protection of people, particularly vulnerable populations, as well as the business. It clearly states the Company’s Zero–Harm aspiration and the role of leaders in the journey to a culture in which everyone takes appropriate responsibility for their own safety and that of others. This conspicuous dedication underpins the Company-wide work to improve health and safety performance.

The Company Occupational Health and Safety (“OHS”) Governance Board has also continued to stimulate improvements. Chaired by the CHRO, the Governance Board met twice in 2023. Topics supported by the Governance Board included the health and safety policy, the ambitions for employee wellbeing support, the management of supplier health and safety risks, and the goal of extending the Company’s coverage of health and safety management systems certified to ISO 45001. A number of management documents have been issued or revised in support of the policy and the ISO 45001 ambition. These include the “Operational Environment, Health and Safety (EHS) Function Organisation Manual”, the “Incident Management” method, and the “Supplier and Contractor Health and Safety Management” method.

The Function Organisation Manual describes the structure of resources in the function, the governance of occupational health and safety management and the interface with other functions of the Company. To support the globally collaborative approach for a harmonised management system, Regional Heads of Environment, Health and Safety have been appointed in 2023 in North America and in the Asia Pacific region, complementing the EHS Focal Points nominated for Africa, Middle East and India.

Whilst ISO 45001 certification coverage has slightly increased, approximately one third of the Company’s entities in home countries and one quarter of its employees are currently covered by a certified health and safety management system. Work progresses steadily to increase this scope because certification helps to mitigate physical, reputational and financial risks.

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Whilst ISO 45001 certification coverage has slightly increased, approximately one third of the Company’s entities in home countries and one quarter of its employees are currently covered by a certified health and safety management system. Work progresses steadily to increase this scope because certification helps to mitigate physical, reputational and financial risks.
An ISO 45001 certification project in Airbus SAS and Airbus Operations SAS has been validated by the OHS Governance Board and is in progress, as a precursor to wider engagement of commercial aircraft activity entities. In parallel Airbus Helicopters is working towards divisional certification, and Airbus Defence and Space is consolidating existing national entity certificates into a divisional approach. Naturally, business units not yet part of the scope for ISO 45001 certification are still required to have management systems, appropriate to their scale and the nature of risks they may face.

An additional governance body has been formalised in 2023, in the form of a Company Incident Review Panel. It meets monthly to review the quality, completeness and accuracy of incident reports. Business areas have local incident reviews, however the decisions of the Company Panel take precedence. This ensures consistency of application of the harmonised definitions and other requirements of the Company method for incident management.

III. Risk Management

Occupational health and safety hazards are identified and evaluated through the systematic application of the Company methods for “Health and Safety Risk Management” and “Incident Management”. Hazards that are considered to present a high potential impact are managed using the Company’s ERM system. These priority risks form part of the Company Vigilance Plan, with associated mitigation and prevention actions that are subjected to regular executive level scrutiny. The method for health and safety risk management applies the “hierarchy of control”, prioritising measures based on elimination, substitution and engineering, above administrative controls and personal protective equipment.

This approach also covers the ongoing consideration of new and emerging risks, such as those associated with robotics and wearable technology. No new risks were escalated in 2023, so the health and safety risks that are currently being managed by the ERM system remain the same ones reported in 2022, although the level of risk has been reduced. Current priority risks are mental health and wellbeing, hazardous substances and materials, working environment, and on-site contractors’ health and safety management. Prevention measures and mitigation plans around these risks are further detailed in the following section.

IV. Implementation / activities

The ethos of “Zero-Harm” is to enable an environment that is safe and healthy for all, which in turn promotes employee wellbeing and a conscientious risk aware culture. In 2023, activity to support this ethos focused on the following topics:

Substances and materials. The Company has systems and processes in place to mitigate any potential risk from hazardous substances and materials when technically-suitable alternatives are not available. The Company’s management system contains various risk-control elements, including documented methods and the surveillance programmes that record and analyse the application of the conditions that are required by relevant authorisations. In late 2022, a five-year project called REACH-IT was completed in the Company’s commercial aircraft activities, together with similar initiatives in the Divisions, on compliance with the environment, health and safety conditions described in the chromates authorisations granted under the EU’s REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation. The routines to ensure long-term adherence to the Company standard for management of chromates were launched and successfully run in 2023. The routines will continue in run-mode throughout the authorisation periods.

Work environment concerns include slip, trip and fall risks, which are a leading cause of accidents, as well as other key topics such as work at height. Prevention activity continues to focus on the lessons learned from the root causes of Lost Time Injury and the reporting and resolution of Near Misses. This could even include consequential management if individuals wilfully and repeatedly broke the rules. Over the past year, this risk control activity meant that work at height in the Company’s production facilities is no longer felt to be the most severe concern.

The management of on-site suppliers has been further improved by a dedicated multifunctional project focused on clarifying the method for “Supplier and Contractor Health and Safety Management”. This has resulted in a revised version of the method. In addition, procurement processes include detailed health and safety requirements as part of the supplier sustainability due diligence process, which uses the support of an external service provider (see “1.2.15 Responsible Supply Chain – IV. Supply Chain Vigilance Plan”).

Mental health and wellbeing are important considerations in industry and society at large, particularly in the context of challenging personal and environmental factors. The Company has defined a management strategy and mitigation plan, which includes a network of Wellbeing Focal Points and relevant training. Recognising that the root causes of psychological problems tend to be multifactorial, the Company sees an ethical and economic value in providing employees and their families with wellbeing support and services. External helplines for employees and their loved ones provide opportunities to anonymously express concerns about personal or professional aspects of their life. The Company conducts psycho-social risk assessments, either ad hoc or as part of a planned programme, depending on the local regulatory position. Mental health consultations are offered to employees, on site or remotely. Additionally, health and wellbeing support material is available on the Company’s intranet pages. Initiatives such as wellbeing seminars and mental health days have helped raise awareness and open discussion around these sensitive topics. The role of Wellbeing Ambassador has also been created and a network of such ambassadors set up. Finally, the Company successfully completed a pilot of psychosocial risk assessment in 2023, using the myWE app, in the Secure Land Communications business unit.

Ergonomics and manual handling are considered a significant risk throughout the aerospace industry. The Company has implemented a wide range of initiatives to mitigate the risks, including:

- producing detailed Manual Handling Guidelines;
- an awareness module dedicated to manual handling and posture;
- providing a catalogue of biomechanical best-practices, including technical solutions and training;
- work analysis to evaluate the maximum healthy duration of tasks and postures;
- an awareness video that promotes ergonomically-friendly ways of working;
1. Information on the Company’s Activities
1.2 Non-Financial Information

– strengthening collective muscular reinforcement practices and physiotherapist coaching for high risk tasks;
– evaluating wearable technologies to help monitor musculoskeletal stress, providing data for analysis and risk control.

Reinforcing Governance also led to important activities in 2023, including for instance, a new monthly performance report and a Health, Safety and Environment Summit to facilitate communication and collaboration in the Asia Pacific region. Regulatory update briefings were provided for leaders, including dedicated sessions in France and the UK. Airbus Defence and Space sites in the home countries were recertified to ISO 45001 and a new certification was gained by Airborne Solutions. During 2023, the Company also laid the foundations of a corporate health and safety compliance assurance capability. Sitting at arm’s length from the operational health and safety functions, the corporate compliance assurance team provides independent assurance and reinforces the second line of defence, thereby fostering continual improvement. The team aims to support operational teams, as the first line of defence, and complement the work carried out by corporate audit, as the third line of defence. Additionally, the team supports the Company affiliates governance by evaluating self-assessments and conducting fit-checks of key health and safety management system elements. These fit-checks are part of the Company’s “Internal Controls Self Assessment” (ICSA) framework, or similar in the Divisions, which is part of the ERM process. In 2023, the work of the corporate health and safety compliance assurance team focused on:
– developing its internal control framework and defining three “key controls” to monitor;
– conducting two internal health and safety audits;
– preparing a three-year internal audit programme;
– conducting four health and safety “fit-checks” of affiliates;
– planning five “fit-checks” to be conducted 2024.

The management of specific risks, awareness raising and the continued growth of safety culture in the various business areas included activities such as:
– a “Team Talk” and “Safety in a Box” resources to enable managers’ health and safety discussions with employees were created by the People Safety at Work (PS@W) team;
– cross-fertilisation with experts from other locations joining site health and safety tours (PS@W “Go-Look at Site”);
– recovery action reviews held in areas that had safety performance concerns;
– workstation safety orientation boards were deployed in the Asia Pacific region;
– cyclist safety initiatives such as a “Dark Season” campaign, and videos on visibility and “Fork-Lift Trucks vs. Cyclists”.

In addition, initiatives called PS@W, “We Care” and “Safe Together” continue to support behavioural change for accident reduction in commercial aircraft activity sites, Airbus Defence and Space, and Airbus Helicopters respectively. Work has started on the transition of PS@W into a run-mode activity within the Operational Environment, Health and Safety Function.

Learning and competencies. In order to reinforce health and safety competences at all leadership levels, a new occupational health and safety management competence requirement has been created, namely, “Ensure a safe and healthy environment – the ability to understand and meet their health and safety responsibilities, whilst driving a safety mindset and risk aware culture within the scope of their role”. This competence requirement is consistent with the leadership EHS training programme. Building on the existing two modules, this programme has been completed with two new modules, deployed in 2023. These new modules focus on EHS management systems, culture building and innovation. This programme includes both theoretical elements and their concrete application in the workplace. Attendees who successfully complete this programme are awarded an externally validated certificate in health and safety management competence.

New courses have also been deployed for risk assessment, and occupational health and safety induction. The latter addresses responsibilities and induction contents for new employees and others on Company sites. Courses in development include a refresher module for those who have previously completed the Leadership EHS modules 1 and 2. The Executive EHS Masterclass continues to be delivered as necessary. Health and safety was part of the Company’s mandatory learning curriculum in 2023, and several courses are included in the list for 2024.

The Company is enhancing its reporting by including the number of industrial safety training hours, as shown in the associated Health & Safety Metrics table. Industrial safety training is that which is related to the safe operation of industrial means such as fork lift trucks and elevating platforms. During the period from October 2022 to September 2023, a total of 304,420 hours of safety specific training was delivered to 112,652 employees. If 55,266 hours of industrial safety training is included, the total increases to 359,686 hours.

Health and Safety Performance
Performance is monitored using normalised indicators derived from data sets that are produced by applying harmonised definitions. This data equivalency enables the Company to compare performance over time, and between business units. These harmonised definitions exclude some categories of accidents that are reported to the local authorities in some jurisdictions but not in others. Psychological concerns may be treated as “injury” in some countries and so they, and commuting accidents, are legally reportable in some states but not in others, consequently they are excluded from the Company Lost Time Injury Frequency Rate. These Company specific indicators are shown in the “Health & Safety Metrics 2023” table, below, together with the 2022 like-for-like figures.
1. Information on the Company’s Activities

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The Company rolling 12 months employee lost time injury frequency rate

Graph 1. Company-wide Lost Time Injury Frequency Rate (FR1).

The principal performance indicator used by the Company, including its Divisions is the Lost Time Injury Frequency Rate (FR1). The FR1 calculation produces a figure for the number of injuries per one million (1,000,000) worked hours. The scope of the Company FR1 covers:

– all sites in France, Germany, UK and Spain for the Company’s commercial aircraft activity, Airbus Helicopters, Airbus Defence and Space, Airbus Atlantic and Airbus Aerostructures;
– the Company’s commercial aircraft Final Assembly Lines (FAL's) in Mobile, US and in Tianjin, China;
– Airbus Defence and Space site in Poland;
– the consolidated data from the Airbus Helicopters sites in USA, Romania, Mexico, Canada, Brazil, Japan, Australia, Ireland, Italy, Poland and China;
– the consolidated data from the Airbus Atlantic sites in Canada, Morocco, Portugal and Tunisia.

The Company’s commercial aircraft business FR1 perimeter covers:

– all commercial aircraft sites in France, Germany, Spain and UK;
– the commercial aircraft Final Assembly Lines (FAL's) in Mobile, US and in Tianjin, China.

To enable accurate monitoring, appropriate investigations are conducted of all environment, health and safety related incidents. The Company captures root causes and other pertinent information in a management platform called FISH (Federated Information for Environment, Safety and Health). Local management teams and safety committees determine and track mitigation actions. The Company Incident Review Panel monitors data quality and adherence to the definitions found in the Company method for incident management. Top level oversight is provided by the Company Occupational Health and Safety Governance Board. Currently the Company estimates that about 80% of its workforce is covered by the FISH management footprint, which includes active workforce employees, apprentices and temporary employees, while the FR1 scope reaches close to 86% when adding complementary information sources.

The 2023 annual frequency rate was 2.21 Company-wide, and 2.31 for the Company’s commercial aircraft perimeter, versus 2.23 and 2.25 respectively for 2022. On this basis the Company decreased its overall FR1 by 0.90%, whilst the commercial aircraft perimeter FR1 increased its FR1 by 2.67% 2023, vs. a target of -15%. The frequency rates are widely communicated. They are referred to in the CEO’s monthly reviews, and are subsequently cascaded through the Company by other leaders’ reviews. Frequency rate performance is also periodically shared with relevant committees and work councils.

Safety performance in 2023 was not as expected, degrading very slightly over the course of the year. A higher number of slip, trip and fall accidents, closely followed by accidents in which people struck against an object, contributed to this deterioration. While this can partly be explained by the increase of production rates together with a higher number of new employees, the Company’s management does not consider this increase in accidents acceptable and believe it underlines the importance of leadership, safety culture and high standards of risk identification and mitigation.

A severity rate indicator was defined in 2022, which is limited to the scope of FISH (see above). This indicator measures impact of incidents by obtaining the number of injury-related lost days per 1,000 worked hours, which can provide an alternative mapping of risk areas. Lost days are recorded against the month in which they occurred, thereby spreading the impact of severe injuries across the months that are affected. In 2023, the severity rate amounted to 0.122 (compared to 0.117 in 2022). The data scope for severity rate is those lost time injuries reported in FISH. Some 37,836 near misses were recorded in FISH in the Company’s commercial aircraft business perimeter in 2023. The Company actively encourages the reporting of near misses in order to better identify root causes and the mitigation actions to support accident prevention.
I. Introduction

A commitment to respect human rights

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

“Respect for human rights” was prioritised by the Company as one of the four sustainability commitments agreed by the Executive Committee and the ECSC at Board level during 2020. In addition, in reflection of the importance it places on this topic, the Company again endorsed including “respect human rights” as part of its 2024 Top Company Objectives in the “in all we do, we” section which aims to anchor good governance practices and values into the business.

The Company’s actions to progress its ambition to “embed and advance respect for human rights throughout its business, operations and supply chain” continue to follow recommendations identified through a human rights impact and gap analysis conducted by a specialist external human rights consultancy in 2019. This analysis considered current and upcoming regulatory requirements and international best practice as well as international principles and standards, including the UNGPs. Details of these actions follow.
### Human Rights

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#### KPIs

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<td>Permanent</td>
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<tr>
<td>% of findings closed within 18-months</td>
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<td>Permanent</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

#### Other key metrics

- Number of participants to human rights trainings – cumulative, reporting period: 1 Oct-30 Sep: 6,955
- Number of alerts of human rights concern from within the Company’s supply chain: 96,714

#### KPI and metrics assumptions:

1. Following reports of concerns linked to forced and child labour and other labour rights.
2. % of the Company’s sites with over 100 employees, cumulative since 2020, undergoing a social assessment including human and labour rights (with 2020 sites scope as reference).
3. Following social assessments including human and labour rights, carried out on the Company’s sites.
4. Cumulative number of participants who have completed e-learning modules on human rights and modern slavery since 2018.
5. Covering forced and child labour and other labour rights identified through the Supplier Compliance Review, media screening, NGO reports or employees.
6. % of site findings closed within 18 months. Findings related to corporate management systems will be closed following the upcoming release of the Company’ Sustainability Due Diligence and Human Rights Directive.

### II. Governance

#### Human Rights Policy

The Company Human Rights Policy covers all employees worldwide including controlled affiliates and contractors whilst on Company sites or at work under the responsibility of the Company. Currently available in five languages, it was developed taking into account best practice frameworks and feedback from external stakeholders including representatives from civil society, academia and human rights organisations.

As well as a commitment to respecting human rights through the implementation of due diligence and compliance with applicable law, its baseline commitments build on international standards and principles including the UNGPs, the OECD Guidance for Multinational Enterprises on Responsible Business Conduct and the ILO.

These policy commitments are being embedded throughout the Company through a sustainability due diligence and human rights directive which defines and establishes a set of business requirements. These business requirements will be integrated into the Company Business Management System during 2024 and be supported by methods, processes and guidance. Internal capacity building, including training and awareness raising will also support adherence. This work will continue to be a focus during 2024.
III. Risk Management

Salient human rights issues

The Company is committed to identifying and addressing its salient issues through ongoing monitoring of internal and external risks, including within its supply chain, and engagement with key internal and external stakeholders. Taking into account that salient issues may change over time due to internal and external influences, the Company is committed to reviewing them on a regular basis. This includes an annual review to identify any new issues that may need prioritisation, a comprehensive more in depth review conducted every three years and ad hoc assessments as required.

In 2022/2023, the Company undertook a full review of its salient human rights issues. The methodology used is based on the UNGPs and includes an assessment of its impacts in terms of severity (scope, scale, irremediability), likelihood, relationship and level of influence to inform prioritisation. The results of this analysis are reviewed by both internal and external stakeholders (including human rights NGOs, academics and researchers, industry groups), prior to final validation at EC level.

All risks related to the salient issues are recorded through the ERM system, and governance follows a similar process as the one existing for the Company’s Top Company Risks. For example, sponsorship of each risk is at EC level with nominated salient issue owners who have responsibility to develop and implement action plans as well as setting measures of effectiveness. Reporting of the progress of actions to the EC is conducted at least once per year including during the ERM presentation of Top Company Risks as well as through relevant Steering Committees and other Risk & Opportunity Boards at functional and divisional level.

The actions taken during 2023 to mitigate the risks identified through its saliency analysis (with impacted rightsholders in parenthesis) include:

- **Impacts related to products and services (passengers and citizens):** Overseen by the EC, the Company continued to review the integration of human rights due diligence through existing processes and tools with a view to mitigating the risk of misuse of its defence products. For further details of actions related to this salient human rights issue, please see the Due Diligence section below. In addition, the Company started to review how to integrate human rights considerations into the development of new defence technology (including AI / autonomous systems) and work will continue on this topic during 2024.

- **Risk of forced labour (supply chain workers):** Key activities to mitigate the risk of forced labour on the Company’s sites through onsite contractors included a forced labour gap analysis of the Company’s sites focused on high risk countries for forced labour based on publicly available indices. The objective of the analysis was to understand any gaps related to policies and processes and to define and strengthen roles and responsibilities related to procuring, onboarding and monitoring of onsite contractors focused on high risk activities such as cleaning, security and catering. In addition, meetings with peers, suppliers, the Responsible Business Alliance, NGOs and the Company’s employees were held in Southeast Asia aimed at understanding how the expectations and commitments outlined in the Company’s policies and processes, including the Company Human Rights Policy and Supplier Code of Conduct, are being applied in practice.

A set of recommended actions based on the results of the findings are currently being reviewed and work on mitigating risks will continue during 2024.

- **Impacts related to the sourcing of raw materials (supply chain workers):** During 2023, the Company deepened its understanding of potential human rights impacts related to its sourcing of raw materials, which are also of particular relevance in its transition to decarbonisation. The identified areas of potential risks due to the raw materials required in the development and manufacture of new and existing technology include, for example, worker exploitation, forced labour, child rights, health and safety and environmental pollution. Work will continue on this topic during 2024.

- **Impacts related to diverse and inclusive workplaces (own workforce):** During 2023, actions to progress this salient issue included a continued focus on the “25 by 25” gender diversity ambition to increase female representation at executive levels of the Company, creating a robust pipeline including specific leadership programmes for women, such as MyWay where the Company maintained the numbers of cohorts at the same level as the previous year (100 delegates) and to support inclusive leadership. In 2023, the Company also ensured a 50/50 split of women/men attending other leadership development programmes. In addition, several actions were implemented to mitigate the risk criticality of harassment on the Company’s sites. Notably, in 2023, the company produced a global framework document on how to prevent, detect and remediate harassment in the workplace, complemented by a guidebook to equip all employees with practical information on what to do if they are concerned about or impacted by harassment in the workplace. Additional actions included the development of training, real life case studies and team talks etc. to support awareness and capacity building. The Company also increased resources for internal investigations resulting in improved triage, prioritisation and response time for alerts. For further information, see “— 1.2.11 Inclusion and Diversity”. Actions will continue during 2024.

Human rights due diligence

During 2023, the Company continued to strengthen its risk-based human rights due diligence taking into account the OECD Due Diligence Guidance for Responsible Business Conduct. This due diligence is intended to support identification, mitigation and/or prevention and remediation of human rights risks across the Company’s supply chain and own operations as well as risks in relation to the Company’s products and services. Key activities conducted during 2023 include:

**Due diligence related to the Company’s own operations.**

The Company continued to develop and progress actions related to due diligence in order to identify and address risks related to human rights within its own operations. This included the continued roll out of onsite social assessments focused on human and labour rights, conducted by a third party social assurance provider consistent with the assessments carried out in the Company’s supply chain, on the Company’s own sites, including its controlled affiliates.

The Company has set a target to ensure that 100% of its sites with over 100 employees are assessed for human and labour rights risks by the end of 2026. Since 2020, 51% of the Company’s sites with 100+ employees have been assessed.
During 2023, 22 onsite social assessments (from a target of 18) were conducted in countries including: Spain, Germany, México, Malaysia, Romania, the UK, Brazil, Singapore, Poland, India, France and Canada. The sites were selected based on an analysis of country risk using publicly available indices (including child labour, forced labour and labour rights), the type of activity (prioritising production facilities) and the number of employees. In addition, any alerts relating to human rights coming from other sources, including the ICSA process. Relevant legislation was also taken into account.

During the assessments, 34 findings were identified across 13 sites, including findings involving onsite contractors. Findings included, for example, excessive working hours, insufficient detail regarding working hours within employment contracts, inadequate overtime payments and insufficient rest days. Actions to close the findings and provide appropriate remediation are ongoing. The Company aims to close all site findings without undue delay and within a maximum of 18-months.

In addition, the Company also identified a number of indicators of forced labour on two of its sites in Southeast Asia involving certain onsite service providers in the areas of cleaning, catering and security. Since identification, the Company has been working with the respective suppliers to remediate the findings, which included payment of recruitment fees, retention of identification documents and excessive working hours. The Company continues to monitor sites in its higher risk countries in particular for indicators of forced labour (see “Salient human rights issues” section above).

Supply chain due diligence. The Company continued to develop and progress actions related to due diligence, including related to human rights, within its supply chain. For full details, see “1.2.15 Responsible supply chain”.

Product and service due diligence (focused on defence sales). Overseen by the Company’s Executive Committee, the Company continued to review how to integrate human rights due diligence for defence sales through existing processes and tools with a view to mitigating the risk of misuse of its defence products. Actions during 2023 include:

- Recognising that human rights considerations already exist in the stringent export compliance process, the Company continued its assessment of the integration of human rights due diligence, upstream of the export control process, to assess the level of risk of potential misuse. This takes into account country risk (based on publicly available indices) and intended product use and will support a decision to progress to the export control stage.
- The completion of a pilot phase to test the practical application of the approach through a number of hypothetical sales campaigns.
- A revision to the standard conditions of sale for the Company’s Defence and Space and Helicopters divisions to act in accordance with national and international human rights regulations applicable in their respective countries including in this regard and in any case, the Arms Trade Treaty and the Geneva Convention.
- The development of a process to support integration once fully approved.

Further actions will continue during 2024 including the training of relevant sales and export control teams on the application of human rights due diligence. Plans to review the integration of the provision of parts and services will follow.

Grievance and remediation

During 2023, the Company continued to promote its SpeakUp and ListenUp culture related to human rights concerns, including reinforcement of the use of its OpenLine reporting system within its revised Supplier Code of Conduct (see “1.2.15 Responsible Supply Chain”). For details regarding the Company’s OpenLine, see “1.2.14 Business Integrity”.

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

IV. Implementation / Activities

Awareness raising and training

In 2023, the Company continued to raise awareness of human rights, including how to identify risks and what to do if people have concerns. Actions on training follow:

- The Company made two eLearning modules on human rights (introduction to human rights and introduction to modern slavery, both available in four languages) part of the compulsory training for all employees of the Company during 2023, leading to an increase in participants vs. previous years. During the period 1 October 2022 to 30 September 2023, 89,759 participants completed this training (107,446 in total since its launch in 2018). These two e-learning courses will be part of the Company newcomer onboarding training from January 2024 onwards.
- The Company also continued to include a dedicated human rights eLearning module in the compulsory training for its executive population including the heads of its subsidiaries and controlled affiliates. Whilst going deeper into external and internal requirements and due diligence practices, the eLearning module has been designed to enable managers to contribute to respecting human rights, including in their area of responsibility. From 1 October 2022 to 30 September 2023, 3,917 participants completed the training (4,406 since its launch in 2022). From January 2024 the training will also be available in a format compatible with smartphones and tablets for easier access, as well as being available to all employees of the Company.
- Furthermore, during 2023 the Company continued the roll out of its in-depth virtual small group interactive training aimed at buyers and supply chain quality managers focused on human rights and in particular, aligned to the Company’s salient issues, identifying forced labour. 150 people attended the training over ten sessions with more sessions planned during 2024.
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- The Company’s commitment to human rights has also been built into the “Introduction to Sustainability” eLearning which will be part of the highly recommended training for all employees in 2024.
- Additional topic-based training relating to human rights is also available to all employees of the Company, including inclusion and diversity topics such as unconscious bias and harassment.

Example of actions on communication follow and will continue throughout 2024:
- During 2023 the Company published a number of articles on human rights internally via its Hub Portal and Airbus TV. This communication was aimed at demystifying human rights as well as focusing on topics such as forced labour and wellbeing, and included interviews as well as opportunities to provide comments and feedback.
- The Company also held a dedicated “valuing people weblive”, available to all employees of the Company and recorded for a wider reach, focused on respect for human rights and fostering inclusion.
- In addition, “demystifying human rights due diligence” was one of the key sessions at the Company’s Sustainability Townhall event which was attended by over 700 people (in person and virtually) featuring a talk on forced labour by Andrew Wallis OBE, CEO and Founder of Modern Slavery Charity, Unseen.

Stakeholder engagement and collaboration

During 2023, the Company continued its membership of the Global Business Initiative on Business and Human Rights (GBI), a specialist peer learning group focused on advancing respect for human rights throughout the world.

The Company is also a member of a number of industry trade associations which during 2023 held focused discussions on progressing human rights within the aerospace and defence industry. These include ASD (the Aerospace and Defence Industries Association of Europe), GIFAS (French Aerospace Industries Association), BDSV (German Industry Association for Security and Defence), ADS (UK Industry Association for Aerospace, Defence, Security and Space) and TechUK (the UK’s technology trade association).

The Company also engaged with a number of external stakeholders on human rights in order to advance the topic through external collaboration. These included academics, civil society organisations and peers. In addition, an update of the Human Rights Roadmap was also presented to key internal stakeholder groups including the SE-WC comprising social partners from across the Company’s European sites.

Regulatory compliance

During 2023, in accordance with the UK Modern Slavery Act and the Australian Commonwealth Modern Slavery Act, the Company published a Modern Slavery Statement outlining the actions it had undertaken to mitigate modern slavery risks in its global business, operations or supply chain. This Statement was published on the UK Government and Australian Government websites as well as the Company’s website. In addition, the Company completed the UK Ministry of Defence (MoD) Modern Slavery Assessment Tool. The Company also published a Human Rights Policy Statement as part of the new German Supply Chain Due Diligence Act.

V. Outlook

During 2024, the Company will continue its focus on embedding and advancing its commitment to respect human rights throughout its business, operations and supply chain. Specific ongoing actions include:
- progressing actions identified as part of the Company’s human rights roadmap;
- progressing response plans related to its identified salient human rights issues;
- progressing social assessments focused on human and labour rights throughout the Company’s sites;
- progressing sustainability assessments of identified high risk suppliers;
- capacity building with key teams including development of training, communication and awareness raising;
- ensuring alignment of actions with current and upcoming legislation.

Neither the Company (including its subsidiaries) nor its joint ventures develop, produce, or distribute any “controversial weapons” as listed within Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing EU Regulation 2019/2088 (Sustainable Finance Disclosure Regulation (“SFDR")) for Principal Adverse Impact indicator 14. This includes biological weapons or chemical weapons (in accordance with the Biological Weapons Convention and the Chemical Weapons Convention), cluster munition (Oslo Convention) and anti-personnel mines (Ottawa Treaty). Consequently, the Company does not have any exposure to the Principal Adverse Impact indicator 14 under the SFDR criteria.

The Company participates in two joint ventures that contribute to France’s nuclear deterrence (ArianeGroup and MBDA), including the production and support of missile systems. These activities are compliant with the Treaty on the Non-Proliferation of Nuclear Weapons. The Company’s reported revenues do not include any revenues relating to these activities (accounted for using the equity-method) as it does not have exclusive control of the joint ventures.
1.2.11 Inclusion and Diversity

I. Introduction

“Respect human rights and foster inclusion” is one of the four sustainability commitments. This priority reflects the focus the Company puts on inclusion & diversity (“I&D”) and is illustrated by the 154 nations that its employees represent. An I&D position statement outlines the Company’s commitments to creating a safe and inclusive culture, including zero tolerance to discrimination and harassment, while the Company’s Code of Conduct and Supplier Code of Conduct express the expectations towards both employees and suppliers in this respect.

- In accordance with ILO Convention C111 (discrimination – employee and occupation), the Company is committed to creating an inclusive working environment, upholding equal opportunities and is intolerant of any form of discrimination against employees, partners, customers, stakeholders and anyone else with whom it has any contact or on whom it can have an impact. The Company is committed to all aspects of employment being based on merit and actively seeks to foster inclusive leadership. This includes hiring policies and practices, earnings, employment conditions, access to training, development and promotion and termination of employment.

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<td>33%</td>
<td>2023</td>
<td>27%</td>
<td>26%</td>
<td>-1p.p</td>
</tr>
<tr>
<td>% women in Board of Directors</td>
<td>33%</td>
<td>2023</td>
<td>33%</td>
<td>33%</td>
<td>+0p.p</td>
</tr>
<tr>
<td>% women in senior management – Executives</td>
<td>20%</td>
<td>2023</td>
<td>16%</td>
<td>20%</td>
<td>+4p.p</td>
</tr>
<tr>
<td>Number of men in senior management – Executives</td>
<td>821</td>
<td>746</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of women in senior management – Executives</td>
<td>157</td>
<td>183</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other key metrics (More in “1.2.17 ESG Data Board”)</th>
<th>2022</th>
<th>2023</th>
<th>2023 vs. 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% women in active workforce</td>
<td>20%</td>
<td>20%</td>
<td>+0p.p</td>
</tr>
<tr>
<td>% women in Executive Committee</td>
<td>25%</td>
<td>25%</td>
<td>+0p.p</td>
</tr>
<tr>
<td>% women in “Level IV” managers</td>
<td>17%</td>
<td>18%</td>
<td>+1p.p</td>
</tr>
</tbody>
</table>

Additional resources

- Code of Conduct – incl. non-discrimination commitment
- Inclusion and diversity on Airbus.com
- Airbus International Framework Agreement – incl. Equal Opportunities commitment
- UN Women’s Empowerment Principles – CEO statement, AD CEO statement
- LGBT+ Charter with L’Autre Cercle Association for an inclusive work environment
- France Gender Pay Gap Statement 2022
- UK Gender Pay Gap Report
- Airbus UK I&D Agreement
- Women in Aviation and Aerospace Charter
- Women in Defence Charter
- Partnerships supporting people with disabilities: Atouts pour tous, Handisup, Handi Proconseil
In line with the Company’s values, a comprehensive I&D strategy drives the Company’s approach to embedding I&D focusing on intergenerational, ethnic, social and cultural diversity as well as gender equality, LGBTQ+, neurodiversity and disability-friendly policies and hiring practices. The I&D strategy aims to ensure that the Company:

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

II. Governance

The I&D team is part of the “DEVELOP Centre of Expertise” within the Human Resources function and represents the Company with regional I&D focal points supporting the implementation of the I&D strategy globally.

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

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

III. Risk Management

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

IV. Implementation / activities

Gender diversity

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

In order to actively follow the four sustainability commitments, dedicated training courses on I&D related matters are permanently available to all employees and promoted within the learning catalogue. With a special focus on leaders, the Company launched a “Management Basics & Leadership Foundations Programme” in 2020 to ensure that inclusive leadership becomes the norm at all levels. In 2023, the MyWay Women leadership programme, dedicated to women leaders of tomorrow, registered 100 women, maintaining the numbers as the previous year. To date, this programme has trained over 320 women, including the current cohort. The Company’s leadership development programme participation is balanced in terms of gender representation.

Further dedicated role model sessions called Women@Airbus, digital recruitment events to encourage more women to apply to the Company, have been carried out online with over 500 women participating. During 2023, the Company disclosed its gender pay gap as required by both French and UK legislation, and continues to put measures in place to ensure gender pay parity worldwide.

Gender diversity in senior management – executives

The Company strives to accelerate female representation in leadership roles. Accordingly, it has set targets for gender diversity in Executives management positions, associated with a dedicated action plan. It includes slots in dedicated leadership programmes, aimed at development of leaders selected from across various geographies and functions. In 2023, performance stood at 20% against a 20% target, which is a 4p.p. increase year-on-year. The company is committed to pursuing efforts, focusing on leadership programmes, mentorship, sponsorship, targeted recruitment and strengthening promotions pipeline to enhance female representation on executives positions.

Other diversity dimensions

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

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

The annual Ability Weeks campaign aims to raise awareness on disability across the Company worldwide. This includes a series of workshops and awareness sessions on topics such as: digital accessibility, workplace adaptation and mental health care. During the 2023’s campaign, more than 3,380 employees participated in live workshops, and over 30 events were organised worldwide. These events are also an opportunity for the Company to share some of the initiatives set up internally, such as Airbus Humanity Lab showcasing prosthetic blades made from recycled carbon from a production line.
Highlighting that being unique is valued and that difference is welcome, the Company ran an awareness campaign during 2023 to promote awareness of the importance of removing stigma associated with disabilities.

During 2023, the Company continued to engage in various social diversity programmes in partnership with a number of different associations to promote quality education and mentorship for young people from underprivileged areas. For example, the Company participated in the French government’s initiative “La France, une chance. Les entreprises s’engagent!” to encourage companies to help everyone find their place in society by taking actions such as recruiting from underprivileged areas, promoting education learning and committing to responsible purchasing (inclusive supply chain). To this end, a forum dedicated to inclusive supply chains in particular for the disability dimension was organised. In the United States, “Flight Path 9”, an apprenticeship programme, supports induction of young talent from underrepresented communities in production. The Company’s social diversity programmes and community impact strategy (see “– 1.2.16 Community Impact”) are closely connected, with a focus on equity and inclusion.

V. Outlook

– In 2024, the Company will pursue its I&D ambition, aiming at embedding I&D in everything it does. Priorities for 2024 include continuing the Company’s focus on gender parity, while simultaneously strengthening focus on other aspects of the I&D strategy such as disability, nationality and cognitive diversity. Upcoming actions on I&D include:
– eliminating systemic barriers during talent recruitment, development and management;
– further maintain focus on reaching targets for external recruitment of women;
– extending leadership development programmes to include a focus on I&D and in particular on gender diversity;
– increasing awareness and training on inclusive leadership and collaboration at individual and team level;
– leveraging and reinforcing business ownership and accountability through the Company’s network of diversity champions;
– continued support to encourage STEM studies for young women in schools and universities through mentorship, tutorship, directly or through the associations sponsored by the Company.

1.2.12 Social Dialogue

I. Introduction

In 2023, the Company continued its numerous discussions, consultations and negotiations with its social partners, sometimes on a daily basis in order to discuss Company transformation projects, the evolution of Company agreements, measures to support production ramp-up, or cope with the evolution of the economic environment.

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

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

<table>
<thead>
<tr>
<th>Social dialogue</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest governance body(ies) involved</td>
<td></td>
<td></td>
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<tr>
<td>Executive Committee</td>
<td></td>
<td></td>
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<tr>
<td>Related corporate reference documents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company’s commitments to take into account external standards / frameworks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ILO’s Declaration on Fundamental Principles and Rights at Work and its Core Labour Standards, OECD Guidelines for Multinational Enterprises</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Key metrics</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of meetings with SE-WC (agreement says 4 per year)</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>% workforce covered by collective bargaining agreements</td>
<td>ca. 80%</td>
<td>ca. 80%</td>
</tr>
</tbody>
</table>

II. Governance

In the International Framework Agreement (“IFA”), the Company reaffirms it strives to respect the regulation regarding fundamental human rights, equal opportunities, free choice of employment, as well as prohibition of child labour and respect and ensuring the conditions for social dialogue.

The Company intends, via its agreements, to respect the disposition of the following ILO conventions: numbers 111 (discrimination – employee and occupation), 100 (equal remuneration), 135 (workers’ representatives), 29 (forced labour), 105 (abolition of forced labour), 182 (child labour), 138 (minimum age), 87 (freedom of association and protection of the right to organise) and 98 (right to organise and collective bargaining).
This includes respecting the rights of employees to exercise lawful rights of free association, including joining or not joining any association of their choice within the appropriate national or local legal framework, without fear of reprisal, intimidation, interference or harassment. Where employees are represented by a legally recognised union, the Company is committed to establishing constructive dialogue with their freely chosen representatives, with whom the Company is committed to bargaining in good faith.

The head of each business is responsible for ensuring compliance with these principles. The provisions of the IFA define the Company’s standards to be applied wherever the Company operates provided they are not in contravention of local law, insofar as more favourable conditions do not exist already. Dedicated processes ensure that the provisions of this agreement are not breached wherever the Company operates.

The Company has a long tradition of making employee relations and social dialogue a priority and, therefore, their continuous evolution and improvement are embedded in the Company’s Human Resources strategy, supporting the Company’s business challenges and the sustainability roadmap. It includes discussions about the identification and mitigation of risks inherent to the Company’s activities and those of its suppliers with regards to human rights, environment and health & safety. In cases of restructuring, the Company strives to limit as much as possible the negative impacts on its workforce and considers employment as a priority. As an illustration, the last restructuring plan implying significant workforce reduction was completed in 2021; the COVID-19 adaptation plan resulted in the signature of various collective agreements by the main unions and provided for a range of social measures including trainings, internal mobilities, working time adaptations, voluntary departure schemes, early retirement and the opportunity to pursue personal or professional opportunities outside of the Company, such as business creation as well as dedicated partial unemployment schemes.

Regular social dialogue is ensured at global, European and local levels, in line with ILO requirements and local legislation, in addition to Company agreements such as the Company’s European SE-WC agreement, updated in 2018. Sites outside Europe are also covered by the Company’s IFA, framing the social dialogue and social culture taking into consideration the local labour legislation, culture and practices of respective countries.

In line with the Company’s global social dialogue strategy, discussions with social partners take place at local or European level as well as at global level thanks to the Airbus Global Forum (“AGF”), reflecting the Company’s engagement for a responsible social dialogue. AGF seat allocation for employee representatives is based upon Company’s headcount distribution across the globe and conditional to existing legal employee representation as per applicable regulations and practices in the relevant countries.

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

III. Risk Management

Employee relations are part of the Company’s risk management process and related risks are reviewed internally on a quarterly basis. During 2023, employee relations teams continued to focus on ensuring legal compliance regarding national labour laws and investing in training the Company’s HR professionals about labour law. The Company’s approach to risk management is also reinforced by the OpenLine reporting system, which allows employees to report concerns anonymously (where legally permitted). See “- 1.2.14 Business Integrity”.

IV. Implementation / activities

During 2023, the Company continued activities aimed at strengthening collaborative and partnership approaches with unions in various countries. The main focus has been on preserving global social dialogue, supporting major employee representatives elections, addressing Company transformation projects as well as informing and consulting about employment, working conditions and sustainability.

Preserving a global social dialogue

In Europe, five European committees have taken place at Company level in 2023, including discussions about the Company’s strategy and operations, as well as the Divisions’ activities and sustainability. At the Airbus Helicopters Division, four European committees took place. The main topics discussed were the follow up of the Division’s performance and strategy, the industrial strategy, the supply chain, key programmes’ situation and more globally the Division’s transformation, focusing in particular on digitalisation, leadership and its environmental roadmap. At the Airbus Defence and Space Division, five European committees took place. The main topics were the Division’s strategy and performance with a focus on sustainable transformation, including the new Target Operating Model (see hereafter), which went live on the 1st of January 2024.

During 2023, the social dialogue continued in the regions based on local exchanges between the management team and employee representatives. For example, in the context of fostering social dialogue in APAC, countries such as South Korea and Thailand have established welfare committees dedicated to the advancement of mutual interests of both labour and management through collaborative efforts. In Taiwan on the other hand has appointed employee representatives to facilitate social dialogue between labour and management. Meanwhile in Malaysia, an equally valuable though less formal approach was taken, providing opportunities for dialogue and engagement between employees and management. These diverse mechanisms, whether formal or informal, play a vital role in nurturing a constructive atmosphere for meaningful discussions.
Training sessions about social dialogue have taken place for the HR community, explaining why social dialogue is important for the Company and how it is structured, while also including updates about employment law.

**Supporting employee representative elections**

The Company continued to support the organisation of employee representative elections. In France, employee representative elections took place in 2023. Simplification of the voting process, a communication campaign and training of managers on the importance of social dialogue have all contributed to an increased participation rate (77.85% vs. 72.09% in 2019). Also in Spain, employee representative elections took place. Employees have participated in the election of those who will represent them in the negotiations of the Collective Bargaining Agreement for the next four years (2024-2027).

**Supporting Company transformation**

Numerous discussions with the Company’s social partners have taken place to support the new Target Operating Model at Airbus Defence and Space (ATOM), resulting in three new Business Lines with end-to-end responsibility: AirPower, Space Systems, Connected Intelligence and the newly created COO organisation.

Also discussions have taken place at European and national level to explain the new governance and roles of the management team at Company level and in the commercial aircraft business.

In Spain, the discussions about the consolidation of the industrial activities and the maintenance of workload in the Centro Bahía de Cádiz (CBC) work centre were continued and concluded successfully on 1st of July 2023. The agreement is planned to be implemented during 2024 and 2025.

**Supporting employee representative elections**

In 2023, the Company carried out constructive dialogue with its social partners to negotiate salary increase policies where relevant with its employee representatives committees or in the frame of collective bargaining negotiations.

Furthermore, the Company continued to prepare for the future of employment and working conditions together with social partners:

In Spain, the Company continued with the social dialogue in order to carry out the commitments included in the VI CBA, (Spanish Collective Bargaining Agreement). An extraordinary salary review was also negotiated in 2023 as well as an “Equality Plan” in order to achieve equal treatment and opportunities for both women and men and to eliminate any kind of discrimination.

In France, the Company continued the major transformation project called Reload which started in 2021, aiming at simplifying, modernising and harmonising Company agreements related to compensation, benefits, grading, working time duration, health, safety and working conditions to make them more readable for its employees and adapted to the Company’s challenges. Agreements about employee saving plans, gender equal opportunity, employment and career development were concluded in 2023.

In Germany, social dialogue mainly focussed on supporting the ramp-up activities, the harmonisation of remuneration for middle managers and the renewal of collective agreements regarding workforce flexibility.

In the UK, the ballot on pay negotiations, including two different employee groups, was successful.

**V. Outlook**

In 2024, the Company aims to continue its dialogue with social partners, sharing its strategy, its organisational changes and preparing for its evolving ways of working, as was done in 2023. Other key areas will be the continued ramp-up of its activities and the transformation projects which will be essential to the Company’s future success. Furthermore, it aims to further drive international social dialogue between the Company’s top leaders and its employee representatives from the Company’s home countries and regions through the organisation of the 4th Airbus Global Forum.

**1.2.13 People**

**I. Introduction**

The Company’s employees draw on each other’s expertise and experience and put all their passion and determination to pioneering sustainable aerospace. Human Resources is at the heart of the Company. The current priorities of the Company’s HR function within its People Strategy are:

- engaging, inclusive and high performing leadership;
- skilled workforce and an agile learning organisation;
- inclusive workplace and simplified ways of working;

**Workforce**

As of 31 December 2023, the Company’s active workforce amounted to 147,893 employees (compared to 134,267 employees in 2022), 96.1% of which consisted of full-time employees. These statistics take into account consolidation effects and perimeter changes throughout 2023. Depending on country and hierarchy level, the average contractual working time is between 35 and 40 hours per week.

2022 and 2023 confirmed the strong aerospace industry recovery, enabling the Company to accomplish its recruitment plan with a particular focus on new skills, diversity and generational renewal.

As part of this, the Company has expanded its programme to welcome university graduates from all around the world, the Airbus Global Graduate Programme.

The Company’s workforce is 88.6% based in Europe, across more than 100 sites. Concerning the nationality of its employees, 34.6% are from France, 31.1% from Germany, 8.9% from the UK and 10.5% from Spain. The evolution of the Company’s global presence is seen in the increase of the workforce located outside the Company’s home countries (20,815 vs. 18,374 in 2022) and the increase of nationals from outside the Company’s home country nationals (17.0% vs. 16.2% in 2022), coming from 150 other countries (vs. 143 in 2022).
Workforce by business segment, geographical area. The breakdown of the Company’s employees by business segment and geographical area, including the percentage of part-time employees, is available in “– 1.2.17 ESG Data Board”.

<table>
<thead>
<tr>
<th>People</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>401 Employment</td>
<td></td>
<td></td>
<td>4, 5, 8, 12</td>
</tr>
<tr>
<td></td>
<td>404 Training and Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest governance body(ies) involved</td>
<td>Executive Committee</td>
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</tr>
<tr>
<td>Related corporate policies</td>
<td>Human Resources Airbus Company Policy</td>
<td></td>
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</table>

Key metrics (More in “– 1.2.17 ESG Data Board”)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees(1)</td>
<td>134,267</td>
<td>147,893</td>
</tr>
<tr>
<td>Number of Classroom Training(2)</td>
<td>116,363</td>
<td>163,194</td>
</tr>
<tr>
<td>Number of Digital Training(2)</td>
<td>1,645,816</td>
<td>2,052,149</td>
</tr>
<tr>
<td>Total training hours(2)</td>
<td>1,786,274</td>
<td>2,177,325</td>
</tr>
<tr>
<td>Average training hours per employee(2)</td>
<td>15</td>
<td>17</td>
</tr>
</tbody>
</table>

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

(2) Reporting period: from 1 Oct to 30 Sep.

Additional resources

- Code of Conduct
- Airbus Global Workforce Forecast Book
- Working at Airbus
- European Commission – Pact for Skills
- Employer awards 2023: Universum, Glassdoor, Top Employer Institute, Forbes

II. Governance

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

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

III. Risk Management

Any identified risks related to the workforce and its skills and development are recorded in the Company’s ERM and appropriate action plans agreed. In addition, every two years the Company measures the perception of its employees on where the Company stands in terms of Company culture and engagement through the “My Working Environment” survey. The latest campaign was in 2023, with a survey period from 30 May to 23 June. Just like the last two surveys (2019 and 2021), this year’s participation is above 60% which provides representative data for analysis. Employees’ feedback provides valuable input to define an action plan on Company level, leveraging the Company’s cultural strengths to build on and directly address the concrete pain points to be improved. The Company culture and engagement are regularly measured to keep track of the progress and adjust actions.

IV. Implementation/Activities

Strategic workforce planning

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

The qualitative part of the strategic workforce planning generates a set of actions related to the business strategy, competence strategy, demographic changes, employment strategy, knowledge management and global footprint. In addition to the management of workforce risks and opportunities, the strategic workforce planning results support discussions with social partners and external workforce suppliers. A specific focus is currently put on strategic competencies such as hydrogen, propulsion, model-based system engineering, robotics/automation, artificial intelligence and cyber security.

People development, performance management and competence assessment

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

An annual process derives a short, mid- and long-term Competence Strategy that is aligned with the Company’s business strategy by:

- anticipating the supply and demand of competencies;
– identifying, securing and developing key competencies;
– creating added-value through synergies, networking and best practices.

Investments in training and learning are prioritised in relation to this competence strategy. In addition, emerging competence needs required in the long-term, such as cryogenics, hydrogen storage, quantum computing, quantum sensing and autonomy/autonomous systems are analysed in order to identify specific measures that need to be taken. For example, the Company partners with academic institutions to ensure the supply of emerging competencies of the future. In that respect, the Company currently collaborates with more than 200 universities, including 15 strategic partners. In addition, the Company is participating in external forums on competence evolution, such as the World Economic Forum, European Commission and other regional forums (see “Training and Mobility” below).

The Competence Assessment is a means to identify potential gaps in the expected skills and knowledge of employees linked to their current position, and can be used to identify the employee’s development needs. The Competence Assessment can be performed whenever necessary though it must be completed at least once every two years, and is highly recommended to occur within the first month as a result of career mobility or a significant change to an existing job.

There are several “moments that matter” throughout the calendar year via the annual “People Tempo” which outlines the various key HR processes linked with the employee’s experience of Performance and Development. In this respect, conversations between managers and employees form a continuous and ongoing dialogue to enable regular and frequent engagement on the topics of performance and development throughout the year whilst ensuring an agile approach towards adapting in relation to business priorities as these evolve throughout the year. In order to ensure that quality time is dedicated to focus on the employees’ development, the Company has, as part of its annual talent management cycle, implemented a systematic “Development Talk” for all employees (with their line managers). This is an exchange between the manager and the employee that can take place as often as needed (though at least once a year) with the intention of discussing the individual development plan of the employee and to align professional career aspirations with the Company’s organisational requirements. Managers are encouraged to hold these discussions during quarter one in order to align the development activities for the year with the employee’s individual performance goals and collective (team-based) performance objectives. Furthermore, a mid-year review is held to align on progress and identify opportunities for further development throughout the year.

The Company provides employees with a portfolio of self-awareness solutions and feedback tools (such as 360 feedback from team members, stakeholders or peers) that can be used to support the employee in their professional development. At any time throughout the year, employees can use the human capital management software deployed at the Company to “request feedback” from their singular stakeholders in relation to their performance and development. Furthermore, the Company provides a platform whereby employees can launch a “360 feedback” survey to understand feedback from stakeholders (at the same level, below or above them in the hierarchy) in the framework of the Company’s values and leadership model (which is used to assess the performance and development of employees).

The actions that will be taken to support their development are formalised by the employee in their Development Plan which is then validated by the manager. These actions usually consist of a mixture of learning experiences – projects, missions or career mobility –, social learning – peer-to-peer development, coaching and mentoring –, and formal training – courses, certifications and diplomas.

Then, at the turn of the year, managers conduct a formal assessment of the employee’s performance contribution and complement this with an appraisal discussion with each member of their team to discuss feedback on performance, opportunities for development and career growth.

Training and mobility

Again in 2023, to support the skills foundations and Top Company Objectives, the Company has defined and assigned compulsory learning plans directly to its employees, covering ethics & compliance, export control, health and safety, product safety, cyber security, internal controls, inclusion and diversity, quality and sustainability awareness. This approach allows the Company to ensure employees are well informed, trained and aware about those key topics related to major Company priorities. In 2023, 115,992 employees completed this compulsory learning plan.

From October 2022 to September 2023, the Company provided about 2.2 million training hours to employees. In addition to the physical classroom and digital training, more than 75,000 employees benefited from other leadership development and transformation solutions proposed by the Airbus Leadership University. The Leadership University continues to strengthen the Company’s approach to leadership, offering opportunities for all managers to drive their development, while accelerating the culture evolution and human transformation of the Company. It offers a range of leadership programmes which focus on developing self-awareness, leadership mindset, purposeful leadership and people leadership capabilities. One such programme that is currently offered is “Management Basics & Leadership Foundations (MBLF)” which is a refresher training available to all managers, allowing them to revisit and explore the most essential elements of managing and leading people in challenging times. As one of the main objectives is to drive collaboration and engagement in the context of a properly managed performance cycle, the aim is to increase team efficiency and effectiveness. Between 1 October 2022 and 30 September 2023, over 1,200 managers completed a leadership programme training. The solutions provided by the Leadership University equip the company’s managers to better apprehend their daily challenges and develop strategic thinking.

In addition to learning solutions and opportunities for professional development, the Company has well established career and development paths – as an alternative to management career paths linked with the Airbus Leadership Model – that are focused on expertise in their domain. These opportunities enable employees to develop specific skills and competences – notably in the streams of project and programme manager, architect, integrator or expert career paths.

The Company is also involved in many regional and European initiatives to address the up-skilling and reskilling challenge, such as Clean Aviation, DACSO (Diagnostic Aéronautique Compétences Sud Ouest) / DECSO (Diagnostic Espace Compétences Sud Ouest), and Hydrogen Europe. The Company is working together with aerospace and defence industrial
1. Information on the Company’s Activities
1.2 Non-Financial Information

companies, public authorities, and education and training providers, to build common upskilling and reskilling programmes and explore ways of working together in skills partnerships.

Mobility of employees within the Company provides overall benefit and value. Mobility helps employees develop new skills and competences and serves the business by bringing new ideas and broader perspectives to teams, while ensuring the Company has the right skills in the right place to secure the future. In 2023, more than 10,700 employees changed jobs through internal mobility. In 2023, the Company decided to reinforce the importance of mobility as a tool for employee engagement and development, that’s why from 2024, all jobs (except critical ones where an external acquisition is needed) will be available only for Company’s employees for a minimum of one month, before going external.

Remuneration
The Company’s overall remuneration policy is in line with local practices and provides employees with a competitive overall compensation package. It is also an enabler to attract new talents and retain talented employees contributing to the Company’s business success.

The Company compensates employees in line with applicable laws, in accordance with the terms of applicable collective bargaining agreements and relative to the industry and local labour market. In addition, the Company is currently reviewing the practical implementation of a commitment to a living wage for its employees in line with relevant benchmarks and methodologies.

The Company’s remuneration practices integrate national regulation requirements and internationally recognised conventions such as the ones established by the ILO standards, including regulating working hours, resting hours, maximum consecutive days of work and annual leave. All hours worked beyond the normal work week and approved by management are handled as per applicable legislation, regulations and agreements (e.g. compensatory time-off, paid overtime, time saving account, etc).

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

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

Some benefits or specific worldwide schemes are implemented such as sharing the financial and operational success of the Company with the employees (international success sharing scheme deployed for around 130,000 employees in 2023) or developing the Company share ownership culture (Employee Share Ownership Plan).

Employee Share Ownership Plan (“ESOP”) The ESOP allows employees to participate in the success of the Company and to become shareholders of the Company every year. This plan is an investment opportunity to acquire a certain number of Company’s shares, which is open to the employees in more than 40 countries. Introduced in 2011, the ESOP scheme is a “share matching plan” in which the Company matches the number of shares bought by the employee according to set criteria. An eligible employee in the frame of ESOP 2023 is part of an entity which is at least 50% owned by the Company, and has been an employee between 31 December 2022 and 15 March 2023. In 2023, more than 75,000 eligible employees seized the opportunity to subscribe and 2.2 million shares were distributed to employees through the plan ESOP 2023.

Other benefits
Employees throughout the world benefit from several measures empowering their work-life balance, such as remote or hybrid working flexibility when it is compatible with their job position, as well as flexible hours or part-time arrangements in place in several countries. Family-friendly measures continue to grow, with 64% of staff covered by maternity and paternity benefits beyond the statutory minimum, in terms of duration of leave and/or salary compensation during the leave. In addition, over 78% of the staff has access to either on-site kindergarten or company-sponsored childcare services (for example in Spain, France, Germany, India and Canada).

V. Outlook
In 2024, the strategic people priorities are expected to remain similar as in 2023:

Engaging, inclusive and high performing leadership. Through its global network of Leadership University campuses, the Company will continue to invest significantly in strengthening the capabilities of its leaders centred around developing adaptive, performance-oriented, technology-focused and purpose-driven management and leadership. In addition, the Company will continue to bolster its leadership talent pool through strategic hiring.

Skilled workforce and an agile learning organisation. The Company’s recruitment strategy will primarily focus on addressing critical skill gaps within European countries, while also supporting business growth in Asia and North America. Internal workforce development efforts will remain a key area of focus, aiming to foster continuous growth and address critical skill gaps through investments in emerging skill development. The Company is committed to evolving into an agile learning organisation by integrating formal, social and on-the-job learning experiences.

Inclusive workplace and simplified ways of working. Embracing the strength found in diverse perspectives, backgrounds, and experiences, the Company is dedicated to fostering an environment where every individual feels empowered and valued – see “1.2.11 Inclusion and Diversity”. The Company, through the “BetterWorkplace” programme, will continue to work toward giving every employee the workplace they need, the tools they deserve and a culture they can celebrate.
1. Information on the Company’s Activities

1.2 Non-Financial Information

Exemplify business integrity

1.2.14 Business Integrity

I. Introduction

The Company’s Ethics & Compliance programme seeks to ensure that the Company’s business practices conform to applicable laws, regulations and ethical business principles, as well as reinforcing a culture of integrity and speak-up.

In 2023, Ethics & Compliance continued to be a top priority for the Company. In its list of priorities for the year, the Company treats integrity and compliance as vital for its business.

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

In 2023 the Company closed the Deferred Prosecution Agreements in the United States, the United Kingdom and France, as well as of the Consent Agreement in the United States – See “Notes to the IFRS Consolidated Financial Statements – Note 38: Litigation and Claims”

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

<table>
<thead>
<tr>
<th>Business integrity</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest governance bodies involved</td>
<td>Board of Directors / ECSC, Executive Committee</td>
<td></td>
<td></td>
<td>205 Anti Corruption</td>
</tr>
<tr>
<td>Related corporate policies and reference documents</td>
<td>Anti Corruption Policy, Responsible Lobbying Charter Directives; see below, section III. Risk Management Code of Conduct, Supplier Code of Conduct</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External standards taken into account</td>
<td>IFBEC’s Global Principles of Business Ethics, FX Global Code</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key metrics</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees per appointed Ethics &amp; Compliance Representatives</td>
<td>360</td>
<td>338</td>
</tr>
<tr>
<td>Number of employees per appointed Export Control Point of Contact</td>
<td>236</td>
<td>242</td>
</tr>
<tr>
<td>% of employees who completed the E&amp;C training objective (Reporting period: from 1 Jan to 31 Dec)</td>
<td>96%</td>
<td>96%</td>
</tr>
<tr>
<td>Number of E&amp;C e-learning sessions taken by employees (Reporting period: from 1 Oct to 30 Sep)</td>
<td>290,178</td>
<td>525,280</td>
</tr>
<tr>
<td>Of which Export Control e-learning sessions delivered to employees (Reporting period: from 1 Oct to 30 Sep)</td>
<td>149,426</td>
<td>367,187</td>
</tr>
<tr>
<td>Number of privacy e-learning sessions delivered to employees (Reporting period: from 1 Oct to 30 Sep)</td>
<td>3,181</td>
<td>9,255</td>
</tr>
</tbody>
</table>

| Additional resources | Airbus Ethics & Compliance webpage, including CEO statement, Airbus Values, Airbus’ commitment on the protection of Personal Data, OpenLine, Compliance at Airbus |

II. Governance

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

The Company’s Chief Ethics & Compliance Officer, who reports to both the General Counsel and the Ethics Compliance & Sustainability Committee (“ECSC”) of the Board of Directors, leads a dedicated team of Compliance professionals who are responsible for supporting and advising across the Company on compliance related topics, supporting the day-to-day business, performing risk assessments, drafting policies, conducting third party due diligence, investigating compliance allegations, implementing tools and controls and delivering compliance training.

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

In addition to the dedicated Compliance professionals, the Company is coordinating a network of part-time Ethics & Compliance Representatives (“ECRs”), spanning all Divisions, functions and regions. The number of ECRs slightly increased in 2023, with a total of 445 ECRs at the end of 2023 (compared to 373 at the end of 2022). Although the ECR network members are not compliance experts, they play an important role in promoting
the Ethics & Compliance programme and culture and serve as points of contact for any employee who has questions about the Ethics & Compliance programme or wishes to raise an Ethics & Compliance concern, including but not limited to bribery or corruption. The Ethics & Compliance team animates the ECR network, providing continuous training and information to the ECRs.

In February 2022, the Company launched the Export Control Points of Contact (“EPoCs”) network, spanning both Divisions, functions, and regions. Similar to ECRs, EPoCs are not export control experts but serve as “first line of defence” and the “go-to” individuals for export control matters. On the occasion of the launch, the Chief Ethics & Compliance Officer stated that “by raising awareness among employees and acting as local focal points for queries on Export Control-related topics in their respective functions, EPoCs will be key contributors to the Company’s common objective: embed an export control compliance system and culture throughout Company’s businesses.” By the end of 2023, the network was established and active within the business (all divisions, functions and regions), with a total of 604 EPoCs.

Likewise, the Personal Data Protection Officer (“DPO”) relies on a team of privacy experts to guide, train and advise the business with respect to privacy requirements, and a network of Privacy Focal Points in the business functions and affiliates, to support the Company’s privacy programme. In addition, the dataprotection@airbus.com mailbox is systematically published in the Company’s privacy policies and information notices specific to the various applications, to ensure that data subjects can exercise their rights and/or lodge complaints.

III. Risk Management

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

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

In order to ensure its compliance with Export Control regulations and laws in the EU, UK, US and all the countries where or with whom it operates, the Company continues to strengthen its Export Control compliance programme to ensure it is fit for purpose. Where risks are identified, they are embedded and monitored in the Company’s ERM. Identified risks include potential unauthorised access to export-controlled data and hardware by third parties and non-compliance with any regulations including but not limited to the International Traffic in Arms Regulations (“ITAR”), Export Administration Regulations (EAR), European Union and national military and dual-use regulations.

Operating worldwide, the Company must comply with several sets of sanctions laws and regulations implemented by transnational / national / regional authorities. The Company seeks to comply with all such laws and regulations. As such regulations are constantly evolving, the Company has regularly enhanced its dedicated policies and processes. On a risk based approach, the Company is developing and implementing numerous mitigation measures with regards to internal and external potential sanctions circumvention, and notably with regards to any third parties it is partnering with. Furthermore, the Company’s ability to market new products and enter new markets may be dependent on obtaining government certifications and approvals in a timely manner.

Specific directives and methods have been adopted to address the Company’s key compliance risk areas. These include among others:

- requirements for the Prevention of Corruption in the Engagement of Sales Intermediaries;
- requirements for the Prevention of Corruption in the Engagement of Lobbyists & Special Advisors;
- requirements for Gifts & Hospitality;
- requirements for Sponsorships, Donations and Corporate Memberships;
- requirements for Supplier Compliance Review;
- requirements for Preventing and Declaring Conflicts of Interest;
- requirements for the Prevention of Corruption related to Mergers & Acquisitions, Joint Ventures, Partnerships and similar Transactions;
- method for the Prevention of Corruption in the Context of International Cooperation & Offset Activities;
- requirements for Anti-Money Laundering/Know your Customer;
- guidelines for Competitive Intelligence Gathering Activities
- requirements for Export Control Sanctions, Embargoes and Screening;
- requirements for Export Control Framework;
- requirements for Export Control Escalation and Voluntary Disclosure;
- requirements for Export Control Brokering;
- requirements for Export Control Classification;
- requirements for Export Control Licences and Agreements;
- requirements for ITAR Part 130 Reporting;

Those directives and methods are applicable to 100% of the Company and its controlled entities. For instance, with regards to export control, 100% of the outbound shipments are required to be controlled (KYC cleared, export control classification performed, consignees/end-users systematically checked against sanctions & embargoes lists, and against licenses/authorisations/exemptions/exceptions/derogations when required or applicable). Likewise, the directives and methods require that 100% of purchased items shall be classified, notably through the collection of Export Control Classification Documentation (ECCD) from the Supplier and 100% of intangible data shall be classified, marked and labelled prior to any export or transfer.

The Ethics & Compliance organisation is tasked with oversight and monitoring of these directives to ensure that it is being implemented effectively. Periodic controls on key processes are performed and reports provided to the Company’s Executive Committee and the ECSC, including recommendations to strengthen the Ethics & Compliance programme where necessary.
In addition, the Corporate Audit & Forensic Department conducts periodic, independent audits of the Company’s compliance processes to assess the effectiveness of internal controls and procedures and allow the Company to develop action plans for strengthening such controls.

**IV. Implementation / activities**

**Awareness and training**

As part of their annual goals and objectives, all Company employees are required to undergo a minimum amount of ethics and compliance training via e-learning. Additionally, depending on the function, the country and the level of risk implied by their role, certain employees are selected to attend live classroom training as well, including on Anti Bribery & Corruption and Export Control. Attendance in such cases is mandatory, and managers have a responsibility to ensure that their team members do so. Exposed employees are also required to complete regular training refreshers.

From 1 October 2022 to 30 September 2023, the Company’s employees followed 525,280 Ethics & Compliance e-learning sessions, including on bribery, corruption and export control. Furthermore, 9,964 employees attended live classroom training on different Ethics & Compliance topics over the period. In 2023, sessions were delivered both virtually and in person.

Likewise, the Company also delivered anti-bribery and corruption training towards higher risk third parties, including sales intermediaries, lobbyists and special advisors. In 2023, 100% of higher risk third parties were trained on Ethics & Compliance requirements and expectations.

The Company continued the roll out of the privacy e-learning as part of the Ethics & Compliance compulsory training catalogue. A total of 9,255 privacy training sessions were performed in 2023 (reporting period from 1 October 2022 to 30 September 2023).

**Speak-up channel: OpenLine**

The Company recognises that the Code of Conduct cannot prevent every situation that may arise, and therefore encourages employees and third parties – including but not limited to contractors, subcontractors, direct or indirect suppliers, and local communities around our and our suppliers’ sites – to speak-up about concerns related to the Company. Concerns may be raised through various channels, including through OpenLine (available at [https://www.airbusopenline.com](https://www.airbusopenline.com)). The OpenLine enables people to submit an alert securely and confidentially. Employees may also report concerns to managers, HRBPs, Ethics & Compliance Representatives, Privacy Focal Points, or Export Control Points of Contact.

The Company commits to protect those who speak up and raise concerns, and commits not to retaliate against anyone who raises a concern in good faith, against those who assist in investigations, or against other legally protected classes in the jurisdictions where it operates. The Company has a specific method regarding principles of non-retaliation and encouraging a “Speak Up” culture. The speak up channels and the non-retaliation principles are both included into various team talks, e-learnings, anti-bribery and corruption trainings, and otherwise communicated frequently.

In 2023, the Company received a total of 1,200 alerts or allegations of which 764 were HR related. Cases requiring investigation are managed by dedicated members of the Ethics & Compliance team in accordance with an internal method on how to conduct investigations. The Ethics & Compliance team provides regular updates to the pool of internal investigators on internal policies, recent developments in the regulatory framework and investigation best practices to ensure the consistent deployment of compliance investigations across the entire Company.

In some instances, the Company may engage outside legal counsel for support, depending on the nature of the investigation.

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

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(1) Covering harassment and bullying, discrimination and other breaches of HR policies or processes.
Policies and procedures

In 2023, the Company continued to improve its Ethics & Compliance framework notably by enhancing the digital solutions made available to employees in the fields of whistleblowing, gifts & hospitality or sponsorships & donation management.

All policies and guidelines are made available to employees on the Intranet, and classroom training is delivered to employees who are particularly exposed to the underlying risks as described above.

On the Export Control side, the Company has cascaded its Export Control requirements through nine Directives and Methods throughout the Company. The cascading triggered an update of the relevant business processes and documentation, completed at 99% at the end of 2023. In parallel, in 2023, the Company has started to deploy digital tools, developed through its Global Export Control Solutions (GECS) project in order to support the fulfilment of those requirements with regards to, notably, classification, record keeping, screening, accreditation, tangible and intangible transactions compliance or access control securitisation. For instance, among many other digital tools, the deployment at the end of the year of “hold and release” automated solution in the Company’s commercial aircraft activities ensures the compliance of 100% transactions related to specifically targeted export controlled items based on their classification, sanctions and export control screening assessment, valid licences and corresponding accreditation. To ensure the deployment of such tools, the validation of more than 1.5 million export control classifications have been secured by 2023 year-end corresponding to more than 300,000 part numbers. Continuous efforts are ongoing to extend the scope of deployment in the Company’s commercial aircraft business and further deploy akin solutions within Airbus Helicopters and Defense and Space Divisions, core entities as well as subsidiaries and affiliates in the years to come.

Responsible lobbying charter

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

V. Outlook

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

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

1.2.15 Responsible Supply Chain

I. Introduction

At the end of 2023, approximately 19,000 suppliers from more than 90 countries supply parts, components, systems and services to the Company.

In 2023, the Company’s external sourcing volume was estimated around €49 billion and shared between Divisions with 82% for the Company’s commercial aircraft business, 12% for the Airbus Defence and Space Division and 6% for the Airbus Helicopters Division. Of note, figures on this chart may marginally change, as the data consolidation process was not finalised at the date of publication.
# Responsible Supply Chain

<table>
<thead>
<tr>
<th>RESPONSIBLE SUPPLY CHAIN</th>
<th>GRI</th>
<th>SASB</th>
<th>SDGs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>102-9 Supply Chain</td>
<td>204 Procurement Practices</td>
<td>308 Supplier Environmental Assessment</td>
<td>408 Child Labor</td>
</tr>
</tbody>
</table>

- **Highest governance body(ies) involved**: Board of Directors / ECSC Sustainable Supply Chain Roadmap Steering Committee
- **Related corporate policies**: Responsible Mineral Policy, Environmental Policy, Health and Safety Policy, Human Rights Policy, Anti Corruption Policy, Supplier Code of Conduct
- **External standards taken into account**: Reference to certain international organisations standards or principles, in particular ILO and International Forum on Business Ethical Conduct, IFBEC have been included into the Airbus Supplier Code of Conduct

### KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>2023 Target</th>
<th>2022</th>
<th>2023 vs 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of sourcing volume of suppliers invited to CDP who have responded</td>
<td>75%</td>
<td>78.0%</td>
<td>80.1% +2.1p.p.</td>
</tr>
<tr>
<td>Percentage of identified high risk suppliers, who have undergone a sustainability assessment</td>
<td>60%</td>
<td>99.5%</td>
<td>37.6% -</td>
</tr>
<tr>
<td>Percentage of sourcing volume covered by supplier commitment to the Supplier Code of Conduct</td>
<td>89%</td>
<td>86.0%</td>
<td>89.9% +3.9p.p.</td>
</tr>
<tr>
<td>Digitalisation of supplier substance data collection – supplier sites</td>
<td>700</td>
<td>298</td>
<td>936 -</td>
</tr>
</tbody>
</table>

### Other key metrics

- **Sustainability assessment: percentage of assessed suppliers not meeting the Company’s sustainability expectations (=red flags)**: 16% 10.5%
- **Percentage of action plans defined for suppliers not meeting the Company’s sustainability expectations**: 31% 50%
- **Percentage of responding suppliers to the CDP scoring A or B**: 66% N/A
- **Number of sustainability alerts**:

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<th>2022</th>
<th>2023</th>
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<tr>
<td></td>
<td>43</td>
<td>133</td>
</tr>
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</table>

**Assumptions**

- [1]: Based on the 2022 sourcing report.
- [2]: Desktop assessments based on 2019 risky suppliers.
- [3]: Evidence based desktop assessments based on 2023 inherent risk mapping most risky suppliers (excluding Affiliates and Subsidiaries) list – see “Supplier Risk Mapping” section below.
- [4]: For commercial aircraft business.
- [5]: For the Company.
- [6]: Scores not available by time of publication.
- [7]: Sources include media screening, NGO reports, employees alerts or Supplier Compliance Review (see section “Alerts and Grievance Mechanisms” below)

### Additional resources

- Supplier Code of Conduct
- Environmental Policy Statement
- Responsible Mineral Policy statement
- Be an Airbus supplier on Airbus.com
- Human Rights Policy
- IFBEC
- Responsible Minerals initiative
- OECD Due Diligence Guidelines for Responsible Business Conduct
In 2023, the Company sourced 89% of its total purchased volume from countries in which it has significant operations, including France 32%, USA 25%, Germany 16%, United Kingdom 10%, Spain 4%, Canada 1% and China 1%.

Company’s 2023 total spent regional split

While the Company’s products and services are sold all over the world, the majority of its supply chain is based in Europe and OECD countries.

The Company has established regional procurement offices in North America (Herndon, VA), India (Bangalore), Asia Pacific (Singapore) and China (Beijing) to support local procurement initiatives. The regional procurement offices represent the Procurement function in the respective regions. They are responsible for strategic sourcing, general procurement and supplier development (procurement operations) while supporting the application of the Company’s procurement processes, policy and digital solutions.

The Company strives to make environmental and social responsibility a core element of its procurement strategy. This includes managing the relationships with suppliers through the different phases of the procurement process: sourcing strategy definition, supplier selection, contract management and supplier monitoring and development. The Company’s sustainable supply chain ambition is built around the Company’s four sustainability commitments. Derived from those, the Company’s Sustainable Supply Chain Roadmap is based on a three-step approach: supplier commitment, supplier assessment, supplier engagement and development.

This approach is based on the following key elements and principles of due diligence aligned with the OECD Due Diligence Guidance for Responsible Business Conduct and applicable law:
- supply base risk mapping;
- supplier engagement and contractual requirements;
- supplier assessment/audits and development plans;
- policies, tools and reporting.

As the Company’s commercial aircraft business and its two Divisions are certified ISO14001, the Procurement function acts in adherence with ISO 14001 requirements.

II. Governance

In order to drive the Sustainable Supply Chain Roadmap (“SSCR”), a quarterly Steering Committee chaired by the Head of Sustainability & Environment, the Head of Procurement Governance & Strategy and sponsored by the Chief Procurement Officer (“CPO”) of the Company is implemented. The Steering Committee includes the Heads of Procurement of Airbus Helicopters and of Airbus Defence and Space, and the Head of Ethics & Compliance, or their nominated representatives. The CSO and Communications and the CPO of the Company act as sponsors of the SSCR.

The CPO also reports to the ECSC on the progress of the Company’s responsible sourcing strategy implementation.

Concrete sustainability targets have been included in the 2023 objectives of the Company’s CPO and are cascaded through the Company’s Procurement organisation:
- commitment by suppliers to Airbus Supplier Code of Conduct for 89% of the 2022 sourcing volume;
- supplier sustainability assessments completed for 75% of the 2022 sourcing volume;
- response of suppliers to CDP assessment for 75% of the 2022 sourcing volume.

The Procurement function has further reinforced its cooperation with the Legal & Compliance function for anti-corruption topics in the supply chain as well as in the frame of the further development of the Company’s due diligence mechanisms (see “IV. Supply Chain Vigilance Plan”).

The Company’s suppliers must comply with all applicable laws and regulations. In addition, all business shall be conducted by suppliers in compliance with the principles of the Company’s Supplier Code of Conduct (“SCoC”), which is the document of reference for the Company’s responsible supplier management. This SCoC integrates the Company-wide values and principles,
III. Risk Management

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

From the extraction of raw materials to the manufacturing of parts delivered to the Company, suppliers' operations may have adverse impacts notably on the environment, the local communities (see "sacred human rights issues" in section "—– 1.2.10 Human rights") or the Company. The Company deploys specific supplier due diligence actions in the frame of the SSCR as described below to mitigate such impacts or the consequences of suppliers failing to comply with environmental, human/labour rights, health and safety laws and regulations.

IV. Supply Chain Vigilance Plan

The Company’s due diligence in its supply chain covers primarily the Company’s suppliers (i.e. those with which the Company contracts supply agreements, “Tier-1”); nonetheless, if an alert is raised in relation to a supplier in the upstream supply-chain, the Company will act on it as appropriate. The Company centres its SSCR activities around the three following steps:

1) Commit suppliers to the Company’s requirements on sustainability

Contractual requirements

The Company’s standard procurement contract templates are regularly updated and include a dedicated “Sustainability and Environment” clause which requires suppliers to:
- comply with all applicable laws and regulations in connection with human rights, labour and employment, health and safety, environment (including decarbonisation and circularity), anti-corruption, bribery and personal data protection;
- provide information on substances contained in the products and services and/or used in manufacturing processes (covering both substances of concern and conflict minerals);
- provide information on environment, health and safety matters for management of products (including those used in services), such as safe usage, across their life cycles (including waste management);
- implement an Environmental Management System based on ISO 14001 or equivalent requirements;
- comply with the Company’s anti-corruption and bribery requirements;
- commit to apply and cascade in its supply chain the principles of the Company’s SCoC;
- perform supply chain due diligence and an annual sustainability maturity assessment by an external specialist company;
- complete a sustainability questionnaire during the call-for-tender phase and support initiatives to minimise waste in the Company production sites (e.g. reusable packaging, buy-back of overflow items). This questionnaire accounts for a minimum weight in the selection process.

Responsible mineral sourcing

The Company places great importance on the responsible sourcing of materials used in manufacturing. Some minerals including 3TG (tin, tungsten, tantalum and gold) are necessary for the proper functioning of components within its products. The Company directly imports minerals in extremely low volumes, however such minerals are found in certain products the Company procures. In that context, the Company requires all suppliers to comply with applicable laws and regulations on conflict minerals, including any 3TG conflict minerals. In 2019, the Company released a Responsible Mineral Policy, which details its engagement to improve safety and human rights conditions in the mineral supply chains. As described in the section Work with External Stakeholders hereafter, the Company benefits from the Responsible Mineral Initiative (“RMI”) experience and available audits, tools and standardised ways of working. The SCoC formally requires suppliers to establish a policy and a management system to ensure responsible material sourcing.

2) Assess the suppliers’ maturity with regards to sustainability

Alert and grievance mechanism

Since 2019, the Company's OpenLine has been accessible to external stakeholders, such as suppliers and their employees. For further information on OpenLine, see “—– 1.2.14 Business integrity”. Access to OpenLine has been reiterated in the updated SCoC. Apart from OpenLine, the Company may receive alerts from other sources including through media screening, NGO reports, directly from employees or Supplier Compliance Review which is a screening ahead of supplier selection. During 2023, 133 alerts from such sources have been received on potential allegations relating to environmental, human rights and health & safety concerns in its supply chain. Since 2022 the number of alerts has increased due to the systematic inclusion of sustainability criteria into the screening. Analysis and/or investigations of those alerts are managed jointly by the Ethics & Compliance, the Sustainability Legal Affairs, the Procurement Sustainability and the Sustainability & Environment teams as described below:
- initial review to determine if an investigation is needed;
- detailed analysis of the allegation including collection of evidence;
- assessment of information and documentation collected during the investigation, summary of the findings and proposal of remedial actions necessary to reasonably respond to and prevent the recurrence of the conduct, if any;
- closing the investigation and reporting;
- monitoring of the implementation of remedial actions.

Supplier risk mapping

Since 2018, the Procurement team has carried out annual proactive sustainability inherent risk mapping. In 2023, the Company started to use an upgraded inherent risk mapping methodology building on risk indexes considering the location and the type of activity performed by its Tier-1 suppliers (excluding suppliers of its affiliates and subsidiaries). When relevant, the supplier risk mapping is enhanced by the outcomes of the alerts and grievance mechanisms described above.

This led to a risk ranking of suppliers regarding human rights, environment and health and safety. From this, and in line with the programme developed in 2022 with IAEG (see below) the identified riskiest suppliers are invited to undertake an evidence-based desktop sustainability assessment. In 2023, a number
of suppliers were prioritised, while coverage is to continuously improve. As a result of the assessment, suppliers not meeting the Company’s sustainability expectations with lower scores (classified as a red flag) will be requested to develop and put in place a corrective action plan in a determined time frame.

**Evidence-based desktop assessments**

The Company conducts evidence-based sustainability maturity desktop assessments, now renewable every year (transitioning from every three years with the previous provider), with the support of an external specialist company contracted via the IAEG in 2022. Taking part in this IAEG voluntary sectoral framework for ESG engagement strengthens business resiliency and optimises resources and costs for suppliers. This group-level assessment covers labour and human rights, health and safety, environment, ethics and sustainable procurement.

A total of 73.6% of the 2022 sourcing volume was covered by an evidence-based desktop assessment at the end of 2023, including both risky suppliers and other suppliers already engaged into this sectoral approach.

**Assessment – CO₂**

Since 2020, the Company has engaged in the supply chain programme of CDP to foster transparency about climate actions in the Company’s supply chain. See section “≈ 1.2.2 Climate change / IV. Transition plan / Supply chain engagement”

**On-site assessments**

The result of an evidence-based desktop assessment or any sustainability alert may lead the Company to request an on-site assessment at a particular supplier site. In 2023, the Company performed 33 on-site assessments, compared to seven in the previous year. The Company engaged with suppliers on findings in order to improve the situation, when relevant.

**Responsible mineral sourcing**

The responsible sourcing of tungsten, declared by the smelters, is confirmed by third party audits performed by the RMI. This due diligence exercise is performed at the end of each calendar year and capitalises on data from the smelters, the customs as well as the Procurement organisation of the Company. The Company is also monitoring developments from the European Commission on critical raw materials (“CRM”) and is investigating how to take a deeper look at its related supply chain, through direct involvement and/or trade associations.

**Gemba Walk**

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

3) **Engage and develop Procurement employees and suppliers further on the sustainability journey**

**Engagement and mitigation measures**

In the frame of its due diligence, the Company engages directly with suppliers in a number of different circumstances:

- if a supplier has been identified as risky in the frame of the inherent risk mapping methodology;
- if a supplier’s assessment results have raised concerns on one or more sustainability aspects.

In addition, the Company reviews its relationship with suppliers who refuse to participate in its assessment programmes.

**Substances traceability**

At the end of 2021, the Company launched a project to digitise the way suppliers provide information on substances found in their products. The main objective is to improve traceability and transparency on substances in products from the supply chain in line with regulatory requirements while allowing an automated way of sharing this information. In 2023, a Company-wide target has been defined to deploy the digital solution to 700 additional suppliers’ sites. This target has been reached and the digital solution is now deployed to more than 1,200 suppliers’ sites.

**CO₂ emissions**

The Company is seeking to engage its suppliers in the transition towards a low carbon economy as described in the section “≈ 1.2.2 Climate change – IV. Transition Plan – Supply Chain Engagement”. See also “≈ 1.2.17 ESG Data Board”.

**Supplier cooperation**

Sustainability is embedded into all major suppliers’ events such as the Annual Supplier Conference of the Company’s commercial aircraft business or the Defence and Space Division.

In 2022, the Company launched the first Airbus Supplier Sustainability Council establishing a framework to step-up cooperation within its supply chain on sustainability and fostering a new model of engagement with suppliers. Concrete improvement initiatives were launched and co-led by representatives of the Company and of members of the Council. The focus is on decarbonisation, transparency and substances. The activities run on these topics by the members are acting as key enablers to accelerate specific initiatives from industry bodies such as IAEG and to share best practices across the full supply base. The Company’s CPO and the CSO and Communications acted as sponsors of the annual Airbus Supplier Sustainability Council in 2023.

The Company values the commitment, contribution and efforts of its supply chain to improve on sustainability topics. It continues to give awards to its suppliers contributing positively to sustainability. In 2023, two tyre suppliers were awarded by the Company commercial aircraft business: Bridgestone and Michelin. Both companies developed notably lighter weight products for less CO₂ emissions and the use of more recycled materials. Kuehne & Nagel was awarded for its sustainability efforts and its innovation in plastic reduction, circularity and elimination of delivery notes by Airbus Defence and Space.

**Work with external stakeholders**

The Company is a founding member of International Aerospace Environmental Group (“IAEG”), which is working on development and promotion of common aerospace industry standards and tools to manage environmental obligations. The Company is represented at the Board of the IAEG by the Head of Procurement Strategy and Sustainability as IAEG board member and the Director in charge of Institutional Relations & Standardisation as Chairman of the Board. The Company, through representatives from different functions, actively participates in different IAEG
work groups. More specifically, for the supply chain, IAEG has developed the following materials for voluntary use by companies:

– a supply chain environmental survey, which the Company implemented in 2019 and which will be used as environmental assessment module, as mentioned in the section Assess above;

– an Environment Management System (“EMS”) implementation guideline to encourage a wider uptake of EMSs as appropriate for each supplier in a phased approach and cost effective, consistent and supportive manner;

– a definition of an Environmental Qualification Programme to help assess and develop the environmental maturity of suppliers.

Under the Company’s leadership, the IAEG (initially focused on environment) extended its scope of actions to environmental, social and governance topics. In 2022, and co-led by the Company, a contract has been established between IAEG and its selected service provider to build a sectoral approach for supplier assessment which was deployed in 2023.

As a co-founder of the International Forum on Business Ethical Conduct (“IFBEC”), the Company is supporting the application of global standards for business ethics and compliance. IFBEC members have established a Model SCoC which expresses the minimum ethical standards to be applied by suppliers throughout the aerospace and defence industries. It also encourages suppliers to go beyond legal compliance, drawing upon internationally recognised standards in order to advance in social and environmental responsibility and business ethics. All Company suppliers are now being asked to sign a confirmation of compliance with the principles of the latest version of the SCoC, or to confirm their own practices are aligned with the principles set out in this Code, and to cascade these principles throughout their own supply chains.

In 2019, the Company joined the Responsible Business Alliance’s RMI, in order to further enforce activities of responsible sourcing while applying industry standards for supplier due diligence and data management in accordance with the OECD framework. In 2023, the Company extended its membership to the whole Responsible Business Alliance (“RBA”) initiative.

Communication

The Company is continuously raising awareness on its four sustainability commitments and related initiatives, both across its supply chain and own workforce, in particular via awareness sessions, presentations in regular forums or marketplaces. Different communication means are used: a toolkit which is updated annually, posters, kakemonos, a dedicated intranet website, participation in internal events promoting sustainability initiatives.

Training and awareness

The Procurement Academy defines positions, competences, skills, and associated training to ensure procurement employees in all Divisions are ready to face current and future challenges. Since 2022, sustainability is embedded into the Procurement competences and a dedicated “Procurement Sustainability Officer” position is in place.

To support people upskilling, on top of existing Company-wide training courses on sustainability, the Procurement Organisation implemented:

– a human rights virtual training for Procurement which was initially tested in 2022. 150 buyers and supply chain quality managers in charge of identified risky suppliers were registered in 2023;

– a substance management awareness for Procurement in order to improve the understanding of the substance regulatory framework and of the internal projects aiming at increasing the quality of the data provided by the suppliers.

On top of the compulsory commitment to the SCoC (notably for health & safety and ethics & compliance), the Company provides health & safety training to its in-situ subcontractors. This training is mandatory in order to have access granted to the Company’s facilities.

V. Other Initiatives

Promoting disability-friendly companies

Since 2011, the Company has been promoting employment of disabled people by its suppliers starting with a particular focus on France. Disability-friendly companies often take part in the call for tender process either through direct offer or partnership. The procurement volume with disability-friendly companies has been multiplied by five over the decade going along with the development of the disability-friendly companies’ ecosystem. In 2023, the sourcing volume with disability-friendly companies is around €68 million of annual turnover which represents a 25% increase compared to 2022. Around 70 disability-friendly companies are working with the Company to date. The Company will continue to develop business with disability-friendly companies either through direct contracting or partnerships or subcontracting, primarily in France and then also in Spain and Germany. In addition, the Company is actively developing inclusion awareness. For instance, in November 2023, the Company organised a (Dis)Ability forum in Toulouse with 41 disability friendly companies and five strategic suppliers for the Company. Around 350 people attended this event. In the frame of the Handicap Mission, the Company has signed in April 2023 a partnership with the GESAT, the economical network of the French Disability Friendly Companies, in order to develop further the subcontracted activities with those companies.

Plastic-free supply chain

As part of the Company’s roadmap on circularity, a plastic-free supply chain project was launched in 2019 and extended to production in 2021 within the Company’s Defence and Space Division. The aim of this project is to reduce, reuse and recycle single-use plastic waste and packaging in the Division’s scope of involvement by 2025. The Division managed to reduce the use of single-used plastic by 73% in logistics (2023 versus 2020 baseline) and by 16% in production (2023 versus 2021 baseline) at all sites in 2023. This achievement has been possible through different actions such as the implementation of plastic-free alternatives (e.g. tape) or improved processes, including the use of recycled material, for packaging.
VI. Outlook

The SSCR is constantly evolving to actively support the Company’s sustainability ambition, to adapt to progressing sustainability requirements and to endeavour to minimise sustainability impacts in the supply chain. It is building upon its current initiatives to deploy them to an even larger number of suppliers. In 2024, notably this will include:

- continuing to require the adherence of the Company’s SCoC principles throughout the Company’s supply base;
- reinforcing the risk identification and risk assessment of the Company’s supply chain due diligence plan;
- extending the coverage of supplier sustainability assessments by requesting more suppliers to perform such an assessment with the objective to reach 75% of the spend volume in 2025;
- engaging with suppliers after the assessment outcomes, when required,
- improving the Scope 3 Category 1 Procured Goods and Services (PGS) calculation.
- deploying learning sessions to develop Procurement community competences on sustainability matters, with an awareness session planned to be developed in 2024 and the specific training on human rights to be further deployed.
- pursuing the Company’s ambition to work at sector level to promote harmonised sustainability practices throughout the aerospace supply chain.

1.2.16 Community Impact

I. Introduction

The Company takes global collective action across the world where the Company operates to support communities with a focus on three community impact priority themes: the most vulnerable, the environment, and young people. Products, services and employees are mobilised with a focus on equitable and measurable solutions, in line with the Company purpose.

<table>
<thead>
<tr>
<th>Community Impact</th>
<th>GRI</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest governance body(ies) involved</td>
<td>Board of Directors / ECSC, Airbus Foundation Board of Directors, Airbus Foundation Endowment Fund Board of Directors</td>
<td>All 17 SDGs with a focus on 1,2,3,4,5,13, 14, 15 and 17</td>
</tr>
<tr>
<td>Related Corporate Reference Documents</td>
<td>A42 Community Impact Policy, AT133 Directive on Sponsorships, Corporate Donations &amp; Corporate Membership, The bylaws of the Airbus Corporate Foundation and the Airbus Foundation Endowment Fund</td>
<td></td>
</tr>
</tbody>
</table>

Key metrics

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Sustainability Ambassadors</td>
<td>448</td>
<td>811</td>
</tr>
<tr>
<td>% of employees onboarded to the +impact platform</td>
<td>4%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Additional resources

- Community impact on Airbus.com
- Airbus Foundation on Airbus.com, including its annual reports
- Airbus Foundation partnership to support Polar POD mission in the Southern Ocean

II. Governance

The Sustainability – Develop & Engage department manages the global strategy and framework for community impact in the Company and supports the operations of the Airbus Foundation. A global network of community impact focal points representing the major countries where the Company operates drive local partnerships and engagement, as well as a committee of specific topic experts who provide overarching assessment, guidance and recommendations.

A corporate top sustainability objective related to community impact is set annually, with awareness and adoption supported by the Company’s transversal sustainability networks. Community Impact is also integrated into the business through a policy and processes at operational levels, including a formalised assessment and decision mechanism for corporate donation requests submitted by business lines. In addition, there are standard reporting lines to the Sustainability & Environment organisation, with top level oversight provided by the ECSC at the Company’s Board of Directors level.

The Airbus Foundation and its Endowment Fund are non-profit entities of general interest registered under French law, with specific Articles of Association that define their respective missions and remits. The strategy of the Foundation is governed by its Board of Directors and the Airbus Foundation and Airbus Foundation Endowment Fund annual reports and accounts are submitted annually to the French authorities, as required by law.

III. Implementation/Activities

2023 continued to be a year of transition and evolution of the community impact framework. The Company strengthened the established routes for corporate giving and philanthropy, and expanded opportunities for employee engagement through the “+impact” digital platform (launched at the end of 2022). The Company also focused on enabling the future, piloting new projects that contribute to social value and shape a shared value approach. Shared value aims to bring societal needs together with business opportunities and resources to create a win-win situation for all parties, which is both scalable and sustainable. See “Outlook” section below for further details.
Like 2022, this year had a considerable number of events with important implications for communities around the world – geopolitical crises and conflicts, climate related disasters, and rising inflation had significant repercussions for the underserved and undeveloped parts of society. Continuing to evolve its collective approach, the Company developed a corporate disaster response procedure, bringing together key actors from across the business to assess and validate the Company’s response strategy for those tragic events. Following the pilot phase in 2022, the Company structured and embedded an annual community impact call for proposals. During 2023, 27 projects across 24 countries were validated, with a focus on responding to local needs and creating sustainable positive change. In 2023, the Airbus Foundation’s mandate was renewed for a further five years (2023 to 2028).

Supporting vulnerable communities

During 2023, the Company continued to focus on supporting vulnerable communities through disaster response, innovation or fundraising to tackle topics such as poverty, hunger and access to essential services. Partnerships established in previous years were continued or expanded in several regions. For example, the initial partnership with the Manila Water Foundation to install a clean water station in a school located in a remote province in the Philippines was concluded during the year with more than 12,000 community members benefiting from increased access to clean water. The partnership also includes inspection of the facilities to ensure proper functionality and maintenance, local training, and professional community health assessment to evaluate if the community’s sanitation habits improve over time. During the 2023 call for proposals, a number of additional projects related to water access and water stress were received, highlighting the evolving impact of climate change on vulnerable communities. Amongst those validated was a three-year partnership with Engineers without Borders (EWB) in Australia with the aim of ensuring remote communities can reliably access safe and clean water. EWB works alongside communities whose water supply does not fall under public water service provision and are vulnerable to lengthened dry seasons and extreme weather events. The project aims to install robust and self-manageable water systems in an indigenous community, and to support its long term impact, training for community members to establish a governance structure and safely operate the water systems will also be delivered.

The Company’s evolving disaster relief procedure was put to the test during the devastating earthquakes that impacted Turkey and Syria. All community impact channels were mobilised with the Company using its procurement network to source and supply humanitarian kits to local relief agencies; the Airbus Foundation coordinated use of the Company’s products to help its partners transport essential aid; and a disaster relief appeal was launched with employee donations matched by the Company. This collective approach helped streamline, consolidate and strengthen the support the Company was able to provide.

During the year, the Airbus Foundation continued to provide access to the Company’s unique portfolio of products and services to support the disaster response efforts of its humanitarian partners, with actions in Turkey, Malawi, Chad, Central African Republic, Somalia and Sudan, amongst others. In total, the Foundation coordinated 13 humanitarian flights transporting almost 375 tonnes of aid to impacted communities. Additionally, 117 helicopter flight hours were chartered for assessment and transportation of materials in response to earthquakes, flooding, and wildfires. The Foundation also responded to 120 satellite imagery requests (covering 34,000 km²) from partners for disaster assessment and response plans, to monitor displacement and flooding, plan medical activities, as well as environmental monitoring. Support was also provided to an international research project working to estimate supply chain delays along the Douala corridor. Via its partner, the French Foundation of the Academy of Medicine, the Foundation supported the delivery of Helicopter Emergency Medical Services training to 385 medical personnel in Indonesia, Nepal and Brazil.

Supporting the future generation

In 2023, across its community impact channels, the Company collectively reached over 37,600 young people directly through mentorship, workshops, and education outreach. Corporate partnerships and STEM outreach programmes focused on using the expertise and knowledge of the Company’s employees to inspire interest in science, technology, engineering and mathematics (STEM). The “Future by Airbus” programme continued in China, engaging more than 100 children through STEM workshops delivered by Company volunteers in collaboration with the Beijing Civil Aviation Museum. Airbus Defence and Space engineers innovated an interactive installation for the GISTA museum in Bangkok, supporting the organisation’s hands-on education approach; and STEM outreach programmes across Airbus Defence and Space UK reached more than 3,000 young people. In addition, a significant focus in 2023 was given to widening access to programmes that offer skills-based education to young people, supporting skills pathways that may eventually lead to career opportunities for underserved communities. In India, the Company piloted a new partnership with Tata Strive, equipping 75 young people with digitalisation skills essential for their future careers, which led to 19 of the students gaining employment following participation in the programme. The Company also entered into a partnership with Flight Works Alabama in Mobile, US to provide 10 underserved primary and secondary schools with access to the “We Build It Better” (WBIB) programmes. WBIB lays a foundation for students to understand the process of developing a new product and equips them with the skills to design and create an innovative solution to a real-world industry-based challenge. Critically, the solution supports teachers to deliver the programme year on year through continuous professional development. Responding to the widening STEM skills gap in areas of the UK, a pilot of the We Build it Better programme was also launched with a secondary school in Stevenage, providing a year-long immersion into a work-like STEM environment.

The Airbus Foundation enriched its Airbus Foundation Discovery Space content with two new video mini series – “Satellites are fascinating” and “Helicopters in emergency situations”. The videos aim to encourage discussions around subjects like climate change and the importance of being good custodians of the planet. The Foundation also designed a personal development booklet for teenagers, introducing topics such as self care, empathy, and civic engagement, to support young people facing an uncertain world and increasing incidences of mental health issues. The Foundation’s youth programmes span 54 locations in Europe, Africa, the Middle East, Asia, and the Americas. In 2023, almost 350 Company volunteers participated, and the programmes directly reached 16,805 students. The fifth edition of the Moon Camp Challenge built on the success of previous years with 2,055 projects submitted by over 5,350 students from 39 countries, supported by nearly 495 teachers.
1. Information on the Company’s Activities
1.2 Non-Financial Information

Protecting the future of our planet

During 2023, the community impact projects again focused primarily on employee awareness and action to preserve and restore local biodiversity. In Vietnam, the Company supported a community forest project in collaboration with the French Chamber of Commerce and Industry in Vietnam and Gaia Nature Conservation. 500 trees were planted by Company employees in Vietnam over 1.25 hectares of land in the Dong Nai Biosphere Reserve. The Company also saw emerging needs around education on sustainable development topics. Following a school-based pilot in 2022, the Company entered into a 2-year partnership with Ocean Generation to scale their Wavemakers programme which aims to reach and equip 3,000 young people aged 16-24 with accurate and science-based environmental information, encourage a solution focused mindset, and build confidence for them to take action on social and environmental issues within their areas of influence.

The Airbus Foundation continued its environment partnerships, focusing on climate change mitigation and monitoring, disaster prevention and protecting biodiversity. This included developing its collaboration with Connected Conservation Foundation through the “Satellites for Biodiversity” award that provided high resolution satellite data to three community-based organisations. Focus areas included informing local conservation management of Asian elephant habitat in Thailand’s Sai Yok National Park and helping local communities protect vital habitats for the endangered Matschie tree kangaroo in Papua New Guinea. In addition, the Foundation entered the second phase of its 3-year project with IUCN, providing technical data, satellite images and project management to contribute to the validation of IUCN’s forest restoration barometer. A new model developed in 2023, has delivered improved SAR imagery-machine learning methodology with 80-85% accuracy.

Employee engagement

The Company’s Sustainability Ambassador network grew by 81% in 2023 with a total of 811 members representing all functions and located across 20 countries. A key enabler for awareness, engagement and culture change, the network was instrumental in engaging employees through the “+impact” platform through sustainability challenges such as “Digital Clean Up” with employees recording almost 3000 positive actions across all challenges. Following its launch at the end of 2022, participation in the +impact platform grew from 4% to 12% of the employee population during the year. Generously donating towards multiple disaster relief appeals during the year, the Company’s employees also worked together to participate in volunteering and fundraising actions around the world. A particular highlight was the charity run in Toulouse in partnership with La Ligue Contre Le Cancer, where more than 2,000 employees participated in the event and over 40 employees volunteered in the preparations and on the day. In place for 22 years, the Lucky Pennies payroll giving initiative in Germany continued to grow, supporting 63 local projects during the year; and the Company’s digital function supported an education project in Kenya, equipping a remote community school and training teachers to deliver ICT curriculum in accordance with government requirements. For a third year, the Airbus Foundation supported the Action Against Hunger global wellbeing event, Connected Against Hunger, enabling almost 4,000 employees to participate and raise funds for Action Against Hunger’s lifesaving work.

IV. Outlook

With a baseline now in place for its community impact philanthropic activities, the Company intends to evolve its strategy further towards a shared value approach, seeking new opportunities that bring both business and societal value to ensure scalable and sustainable impact. Activities will focus on social procurement, building and expanding on activity already well developed with “disabled friendly” companies (see Responsible Supply Chain section), product and services development, and closely aligning with early careers programmes to expand equitable access to skills pathways.

Additional employee engagement mechanisms will also be introduced, including a “mecenat de competence” (loan of skills to eligible organisations, such as nonprofits) scheme for the Company’s employees in France.

The Airbus Foundation is redefining its youth strategy to focus on the most vulnerable populations. In 2024 a call for proposals will be organised to seek new environmental partnerships in additional topic areas, and the Foundation’s new partner, Ocean Polaire will begin the operational phase of its Polar Pod project.
## 1.2.17 ESG Data Board

### Environmental performance

<table>
<thead>
<tr>
<th>GRI KPI</th>
<th>Unit</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy consumption (excl. electricity generated by CHP on site for own use)</td>
<td>GWh</td>
<td>3,646</td>
<td>3,690</td>
<td>3,739</td>
<td>3,792</td>
<td>4,601</td>
</tr>
<tr>
<td>Energy intensity (per Total Revenues)</td>
<td>GWh/6EjU</td>
<td>54.8</td>
<td>61.9</td>
<td>70.7</td>
<td>75.4</td>
<td>64.0</td>
</tr>
<tr>
<td>Energy consumption from stationary sources and electricity</td>
<td>GWh</td>
<td>5,254</td>
<td>2,586</td>
<td>2,709</td>
<td>2,664</td>
<td>2,984</td>
</tr>
<tr>
<td>of which purchased grid electricity and other energies (gas and other stationary fuels)</td>
<td>GWh</td>
<td>1,002</td>
<td>1,096</td>
<td>1,299</td>
<td>1,228</td>
<td>1,345</td>
</tr>
<tr>
<td>Natural gas</td>
<td>GWh</td>
<td>120</td>
<td>21</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Heat generated from biomass</td>
<td>GWh</td>
<td>36</td>
<td>37</td>
<td>25</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>other fuels</td>
<td>GWh</td>
<td>60</td>
<td>46</td>
<td>19</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Energy consumption from electricity, heat and steam</td>
<td>GWh</td>
<td>1,422</td>
<td>1,406</td>
<td>1,365</td>
<td>1,396</td>
<td>1,595</td>
</tr>
<tr>
<td>of which purchased electricity with REC/GoO*</td>
<td>GWh</td>
<td>576</td>
<td>596</td>
<td>414</td>
<td>251</td>
<td>163</td>
</tr>
<tr>
<td>Self-generated electricity from renewable sources</td>
<td>GWh</td>
<td>2.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Percentage renewable electricity</td>
<td>%</td>
<td>45.2%</td>
<td>46.5%</td>
<td>33.7%</td>
<td>19.8%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Heat and steam</td>
<td>GWh</td>
<td>122</td>
<td>121</td>
<td>134</td>
<td>123</td>
<td>135</td>
</tr>
<tr>
<td>Energy consumption from mobile sources</td>
<td>GWh</td>
<td>1,106</td>
<td>1,104</td>
<td>1,031</td>
<td>1,128</td>
<td>1,617</td>
</tr>
<tr>
<td>of which Sustainable Aviation Fuel</td>
<td>GWh</td>
<td>86</td>
<td>22</td>
<td>4</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>% of SAF used in own operations</td>
<td>%</td>
<td>11.3%</td>
<td>3.1%</td>
<td>0.5%</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>of which used in Beluga Transport</td>
<td>GWh</td>
<td>364</td>
<td>330</td>
<td>298</td>
<td>290</td>
<td>421</td>
</tr>
<tr>
<td>of which used in flight test</td>
<td>GWh</td>
<td>393</td>
<td>385</td>
<td>382</td>
<td>421</td>
<td>640</td>
</tr>
<tr>
<td>Air emissions</td>
<td>En3</td>
<td>757</td>
<td>715</td>
<td>681</td>
<td>711</td>
<td>1,061</td>
</tr>
<tr>
<td>Total Scope 1 + Scope 2 CO₂ emissions (location based)</td>
<td>ktons CO₂e</td>
<td>766</td>
<td>852</td>
<td>883</td>
<td>930</td>
<td>1,136</td>
</tr>
<tr>
<td>Total Scope 1 + Scope 2 CO₂ emissions ”market-based” (location based net of REC)*</td>
<td>ktons CO₂e</td>
<td>645</td>
<td>757</td>
<td>805</td>
<td>875</td>
<td>1,100</td>
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<tr>
<td>Scope 1 &amp; 2 GHG intensity (per Total Revenues)</td>
<td>gCO₂e/EjU</td>
<td>9.7</td>
<td>12.7</td>
<td>15.2</td>
<td>17.4</td>
<td>15.3</td>
</tr>
<tr>
<td>Total Scope 1 GHG emissions</td>
<td>ktons CO₂e</td>
<td>486</td>
<td>549</td>
<td>565</td>
<td>580</td>
<td>739</td>
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<tr>
<td>Total Scope 2 GHG emissions – location based</td>
<td>ktons CO₂e</td>
<td>97</td>
<td>99</td>
<td>99</td>
<td>109</td>
<td>165</td>
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<tr>
<td>Total Scope 2 GHG emissions – “market-based” (location based net of REC)</td>
<td>ktons CO₂e</td>
<td>279</td>
<td>303</td>
<td>319</td>
<td>350</td>
<td>396</td>
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<tr>
<td>Indirect GHG emissions – Category 11 – Use of Sold Products: *</td>
<td>ktons CO₂e</td>
<td>159</td>
<td>208</td>
<td>240</td>
<td>295</td>
<td>361</td>
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<tr>
<td>Commercial aircraft IEA-SDS SAF uptake*</td>
<td>ktons CO₂e</td>
<td>464,136</td>
<td>425,454</td>
<td>400,611</td>
<td>383,266</td>
<td>650,366</td>
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<tr>
<td>GHG efficiency for delivered commercial aircraft (as per SBTi-validated target)*</td>
<td>gCO₂/pax.km</td>
<td>62.9</td>
<td>64.4</td>
<td>66.3</td>
<td>67.7</td>
<td>72.2</td>
</tr>
<tr>
<td>Commercial aircraft – (“no SAF” scenario)*</td>
<td>ktons CO₂e</td>
<td>548,701</td>
<td>494,892</td>
<td>458,738</td>
<td>432,245</td>
<td>723,110</td>
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<tr>
<td>GHG efficiency for delivered commercial aircraft (“no SAF” scenario)*</td>
<td>gCO₂/pax.km</td>
<td>74.3</td>
<td>74.9</td>
<td>75.9</td>
<td>76.4</td>
<td>80.3</td>
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### 1. Information on the Company’s Activities

#### 1.2 Non-Financial Information

<table>
<thead>
<tr>
<th>GRI KPI</th>
<th>Unit</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other products*</td>
<td>kt*CO₂</td>
<td>8,646</td>
<td>10,993</td>
<td>9,586</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Indirect GHG emissions – Category 1 – Purchased Goods and Services*</td>
<td>kt*CO₂</td>
<td>N/A</td>
<td>10,325</td>
<td>8,439</td>
<td>9,940</td>
<td>NA</td>
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<tr>
<td>Indirect GHG emissions – Category 6 – Business Travel*</td>
<td>kt*CO₂</td>
<td>77</td>
<td>47</td>
<td>17</td>
<td>22</td>
<td>109</td>
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<tr>
<td>Total NO₂ emissions</td>
<td>tons</td>
<td>1,103</td>
<td>1,098</td>
<td>1,041</td>
<td>1,048</td>
<td>1,457</td>
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<tr>
<td>Total SO₂ emissions</td>
<td>tons</td>
<td>17</td>
<td>17</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Total VOC emissions*</td>
<td>tons</td>
<td>179</td>
<td>212</td>
<td>224</td>
<td>207</td>
<td>232</td>
</tr>
<tr>
<td>Internal Carbon Pricing</td>
<td>EUR/ton</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>CDP Rating (based on previous year disclosure)</td>
<td>Score</td>
<td>A-</td>
<td>A-</td>
<td>A-</td>
<td>A-</td>
<td>B</td>
</tr>
<tr>
<td>Total water withdrawal</td>
<td>m³</td>
<td>3,535,867</td>
<td>3,687,717</td>
<td>3,347,368</td>
<td>3,699,762</td>
<td>4,563,138</td>
</tr>
<tr>
<td>of which percentage purchased</td>
<td>%</td>
<td>78%</td>
<td>79%</td>
<td>79%</td>
<td>78%</td>
<td>80%</td>
</tr>
<tr>
<td>of which percentage from surface water sources and collected rainwater</td>
<td>%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>of which percentage from ground water sources</td>
<td>%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>of which percentage from all areas with high water stress*</td>
<td>%</td>
<td>37%</td>
<td>37%</td>
<td>39%</td>
<td>40%</td>
<td>39%</td>
</tr>
<tr>
<td>Total water discharge</td>
<td>m³</td>
<td>3,130,257</td>
<td>2,953,488</td>
<td>2,844,056</td>
<td>3,189,150</td>
<td>3,858,066</td>
</tr>
<tr>
<td>of which percentage hazardous waste*</td>
<td>%</td>
<td>27%</td>
<td>25%</td>
<td>26%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Material recovery rate*</td>
<td>%</td>
<td>60%</td>
<td>61%</td>
<td>54%</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>Energy recovery rate</td>
<td>%</td>
<td>19%</td>
<td>18%</td>
<td>20%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Landfill and incineration without energy recovery rate</td>
<td>%</td>
<td>21%</td>
<td>21%</td>
<td>25%</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Percentage of operations with ISO 14001 / EMAS certification (in % workforce)</td>
<td>%</td>
<td>87%</td>
<td>88%</td>
<td>88%</td>
<td>88%</td>
<td>87%</td>
</tr>
<tr>
<td>Percentage of operations covered by reporting (in % workforce)</td>
<td>%</td>
<td>90%</td>
<td>92%</td>
<td>92%</td>
<td>92%</td>
<td>92%</td>
</tr>
</tbody>
</table>

* 2023 data verified by EY® & Associés. Limited assurance report issued by EY® & Associés is available on the Company’s website. Scope of reporting: Reported data covers 81 sites. Company’s environmental reporting guidelines include sites worldwide with a workforce on-site higher or equal to 100 employees. Only 100% consolidated entities are taken into account with the exception of ATR and Tianjin operations.

#### Methodology and assumptions:

**Emissions restatements:** 2019-2023 figures as well as 2015 baseline of related targets were restated following the refinement of emission factors. 2022 market-based scope 2 restatement also included the correction of REC accounting, mainly for four sites.

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

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

**Air Emissions – Scope 1 & 2 – SAF emissions** were computed according to the formula set by the ICAO and sustainability certificates.
Additional methodology information:

- the Company’s emission calculation methodology was developed by a team consisting of key personnel from the engineering and environment departments to be aligned with the guidance provided by the Greenhouse Gas Protocol. The external auditor performed a review of the calculation methodology applied by the Company and assessed the reasonableness of the supporting assumptions;
- the Company has used a number of assumptions based on internal and external information including assumptions based on publicly-available data.
- For all products:
  - The estimation includes CO₂ emissions only. Emissions related to CH₄ and N₂O were excluded given the very low levels produced by modern aircraft engines. Emissions related to NOₓ were estimated and excluded given the uncertainty related to the NOₓ emission factors and the relatively low contribution of this emission stream.
  - CO₂ emission factors for kerosene are the ICAO internationally recognised lifecycle emission factor to be used for baseline fossil jet fuels (3.846 kg CO₂e per kg of fuel for fossil Jet-A/Jet-A1). This factor represents a “well to wake” life cycle analysis to assess the overall greenhouse gas (GHG) impacts of a fuel including each stage of its production and use.
- For commercial aircraft: assumptions include the aircraft load factor (82.5%), aircraft operational usage and average in-service lifetime. Primary data collected within the Company was also used, such as aircraft performance and configuration parameters. Emissions related to commercial aircraft engine start and taxiing have been included, however, emissions from the Auxiliary Power Units (APU) and ground handling equipment have been excluded. For the purpose of this calculation, the Company integrated into commercial aircraft Scope 3 the likely usage of SAF over the product lifetime, as per the IEA-SDS assumption.
  - Other operating conditions of the aircraft were considered to be static over the whole service life. In addition, the Company reports for reference an indicative figure based on a zero SAF usage. A330-200 deliveries destined to A330-MRTT conversion were excluded from the commercial aircraft perimeter and included in the military aircraft perimeter as part of the “other products” category.
- For other products:
  - Helicopters: assumptions include activity data from Company’s customer services of helicopter operations such as flight hours per year and region where the helicopter is operated. Direct emissions and indirect emissions from jet fuel production are included over the product’s entire service life. Impact of SAF is not considered.
  - Military aircraft: flight hours and mission profiles vary significantly depending on conflicts and humanitarian crises. The estimation assumes the largest number of flight hours each aircraft has been designed for in its lifetime. Impact of SAF is not considered.
  - Satellites: The estimation includes satellites delivered to external customers in 2023 and accounts for emissions linked to the production of the satellites’ propellant as well as emissions associated with the launch into space (launcher’s propellant production and combustion). Emissions linked to the use of the satellites’ propellant are not included as they occur outside of the atmosphere and therefore do not contribute to global warming. Emissions linked to the reception, processing and usage of satellite data on the ground are not included.

Air Emissions – Scope 3 GHG efficiency for delivered commercial aircraft (as per SBTi-validated target). Includes the emissions related to the upstream fuel production and considers the likely usage of SAF over the product lifetime, as per the IEA-SDS assumption.

Air Emissions – Scope 3 Purchased Goods and Services. The Company bases its evaluation on the IAEG guidance thus aligning with a sectoral approach. More precisely the Company uses the “spend based” approach allocating emissions to each purchase expense. While this method embeds a certain degree of uncertainty, considered high by the IAEG on a certain number of emissions factors used in the methodology, it provides a relevant view of the sources of GHG emissions in the Company’s supply chain and enables comparison of the various Company’s scopes throughout its value chain. The calculation will be refined in future years as better quality data becomes available. Adjustments can be expected in future disclosures as the Company intends to further refine its computation, especially integrating mass-based information as data becomes available.

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

Air Emissions – VOC: 2023 VOC emissions data is estimated. 2023 actuals will be consolidated in April 2024.

Water – Areas with high water stress: areas identified with high or extremely high water stress as defined by the Aqueduct Water Risk Atlas. “Baseline” (Aqueduct version 3.0 for the 2022 and previous data and Aqueduct version 4.0 – updated in August 2023 – for the 2023 data).


Waste – Material recovery: any operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose. 2023 material and energy recovery rates will be refined when final waste treatment information of year-end waste – representing about 15% of total – will be provided by waste collector companies. Meanwhile, unavailable information was estimated using 2023 actual breakdown ratios of the 85% available data.

Waste – Exceptional waste: Waste coming from construction/deconstruction of buildings and installations dismembering, from accident/incident caused by external and out of Company’s control origin (e.g. fire, chemical spill/pollution, etc.), or from climate events on a non-regular basis.
## Social performance

### WORKFORCE

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number of employees</strong></td>
<td>147,893</td>
<td>134,267</td>
<td>126,495</td>
<td>131,349</td>
<td>134,931</td>
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By business segment:

<table>
<thead>
<tr>
<th>Segment</th>
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<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial aircraft activities</td>
<td>90,032</td>
<td>79,134</td>
<td>73,560</td>
<td>78,487</td>
<td>80,985</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>22,336</td>
<td>20,803</td>
<td>20,126</td>
<td>20,026</td>
<td>20,024</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>35,525</td>
<td>34,330</td>
<td>32,809</td>
<td>32,836</td>
<td>33,922</td>
</tr>
</tbody>
</table>

% Part time employees: 3.90, 3.99, 4.34, 4.36, 4.43

By contract type:

<table>
<thead>
<tr>
<th>Type</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited</td>
<td>142,961</td>
<td>131,307</td>
<td>122,950</td>
<td>128,151</td>
<td>130,591</td>
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<tr>
<td>Limited contract &gt; 3 months</td>
<td>4,932</td>
<td>2,960</td>
<td>3,156</td>
<td>3,198</td>
<td>4,340</td>
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By geographic area:

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<tr>
<th>Region</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>52,621</td>
<td>48,238</td>
<td>45,931</td>
<td>48,231</td>
<td>49,143</td>
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<tr>
<td>Germany</td>
<td>50,418</td>
<td>44,898</td>
<td>42,972</td>
<td>45,568</td>
<td>45,638</td>
</tr>
<tr>
<td>Spain</td>
<td>13,741</td>
<td>12,899</td>
<td>11,881</td>
<td>11,828</td>
<td>12,637</td>
</tr>
<tr>
<td>UK</td>
<td>10,298</td>
<td>9,858</td>
<td>9,368</td>
<td>9,846</td>
<td>11,109</td>
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<tr>
<td>US</td>
<td>4,546</td>
<td>3,751</td>
<td>3,150</td>
<td>2,980</td>
<td>3,151</td>
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<td>Canada</td>
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<td>3,634</td>
<td>3,668</td>
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<td>China</td>
<td>799</td>
<td>762</td>
<td>698</td>
<td>613</td>
<td>653</td>
</tr>
<tr>
<td>Other countries</td>
<td>10,652</td>
<td>9,574</td>
<td>8,707</td>
<td>8,649</td>
<td>8,932</td>
</tr>
</tbody>
</table>

% of active workforce employees located in Europe: 88.6%, 88.6%, 89.1%

By nationality:

<table>
<thead>
<tr>
<th>Nationality</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>French</td>
<td>34.6%</td>
<td>35.0%</td>
<td>35.4%</td>
<td></td>
<td></td>
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<tr>
<td>German</td>
<td>31.1%</td>
<td>30.7%</td>
<td>31.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spanish</td>
<td>10.5%</td>
<td>10.7%</td>
<td>10.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>British</td>
<td>6.9%</td>
<td>7.4%</td>
<td>7.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From other countries</td>
<td>17.0%</td>
<td>16.2%</td>
<td>15.1%</td>
<td></td>
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</table>

Total number of nationalities: 154, 147, 138

By age:

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<thead>
<tr>
<th>Age group</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30 years old</td>
<td>16,905</td>
<td>13,171</td>
<td>11,120</td>
<td>12,135</td>
<td>13,862</td>
</tr>
<tr>
<td>30-50 years old</td>
<td>91,407</td>
<td>83,964</td>
<td>79,985</td>
<td>81,709</td>
<td>82,552</td>
</tr>
<tr>
<td>&gt;50 years old</td>
<td>39,581</td>
<td>37,132</td>
<td>35,390</td>
<td>37,505</td>
<td>38,517</td>
</tr>
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Newcomers:

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<thead>
<tr>
<th>Type</th>
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<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Divisions</td>
<td>8,738</td>
<td>8,231</td>
<td>2,817</td>
<td>2,413</td>
<td>6,643</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>8,795</td>
<td>5,715</td>
<td>2,838</td>
<td>3,050</td>
<td>4,627</td>
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</table>

Leavers (incl. partial retirement):

<table>
<thead>
<tr>
<th>Type</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Divisions</td>
<td>2,627</td>
<td>3,365</td>
<td>5,632</td>
<td>4,675</td>
<td>2,902</td>
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<tr>
<td>Subsidiaries</td>
<td>2,813</td>
<td>3,063</td>
<td>3,762</td>
<td>3,121</td>
<td>2,940</td>
</tr>
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</table>

Attrition Rate:

<table>
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<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Divisions</td>
<td>2.8%</td>
<td>3.8%</td>
<td>5.9%</td>
<td>4.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>5.7%</td>
<td>7.8%</td>
<td>12.2%</td>
<td>9.4%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Total</td>
<td>3.8%</td>
<td>5.0%</td>
<td>7.4%</td>
<td>5.8%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

*2023 data verified by EY® & Associés. Limited assurance report issued by EY® & Associés is available on the Company’s website.*
1. Information on the Company’s Activities
1.2 Non-Financial Information

GENDER DIVERSITY

<table>
<thead>
<tr>
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<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Women in total active workforce</td>
<td>20%</td>
<td>20%</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>% women per category</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on Board of Directors</td>
<td>33%</td>
<td>33%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>on Executive Committee</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>in Senior mgmt – Executives</td>
<td>20%</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>in “Level IV” managers</td>
<td>18%</td>
<td>17%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Newcomers</td>
<td>25%</td>
<td>27%</td>
<td>22%</td>
<td>26%</td>
</tr>
</tbody>
</table>

By geographic area

<table>
<thead>
<tr>
<th>Country</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>22.2%</td>
<td>21.4%</td>
<td>21.2%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Germany</td>
<td>16.4%</td>
<td>16.2%</td>
<td>16.4%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Spain</td>
<td>24.6%</td>
<td>24.0%</td>
<td>22.7%</td>
<td>22.3%</td>
</tr>
<tr>
<td>UK</td>
<td>14.6%</td>
<td>14.0%</td>
<td>12.9%</td>
<td>13.5%</td>
</tr>
<tr>
<td>US</td>
<td>23.5%</td>
<td>22.5%</td>
<td>22.4%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Other countries</td>
<td>23.6%</td>
<td>22.4%</td>
<td>21.0%</td>
<td>20.9%</td>
</tr>
</tbody>
</table>

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PEOPLE DEVELOPMENT

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of classroom training</td>
<td>163,194</td>
<td>116,363</td>
<td>78,984</td>
<td>78,443</td>
</tr>
<tr>
<td>Number of digital training</td>
<td>2,052,149</td>
<td>1,645,816</td>
<td>967,495</td>
<td>752,702</td>
</tr>
<tr>
<td>Total training hours</td>
<td>2.2mn</td>
<td>1.7mn</td>
<td>1.2mn</td>
<td>1 million</td>
</tr>
<tr>
<td>Average training hours per employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for women</td>
<td>17</td>
<td>15</td>
<td>11</td>
<td>10.6</td>
</tr>
<tr>
<td>for men</td>
<td>15</td>
<td>14</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>for production employees</td>
<td>17</td>
<td>16</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>for non-production employees</td>
<td>22</td>
<td>19</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Internal mobilities</td>
<td>&gt;10,700</td>
<td>11460</td>
<td>&gt;10,400</td>
<td>&gt;7,000</td>
</tr>
</tbody>
</table>

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LABOUR RELATIONS

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of meetings with SE-WC</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>% of workforce covered by collective bargaining agreements</td>
<td>– 80%</td>
<td>– 80%</td>
<td>– 80%</td>
<td></td>
</tr>
</tbody>
</table>

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

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### HEALTH & SAFETY

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost Time Injury Frequency Rate</td>
<td>2.21</td>
<td>2.23</td>
<td>3.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost Time Injury Frequency Rate – commercial aircraft business</td>
<td>2.31</td>
<td>2.25</td>
<td>4.31</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Number of Near-miss reports – commercial aircraft business</td>
<td>37,836</td>
<td>28,925</td>
<td>19,305</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss Time Injury Severity rate – FISH perimeter</td>
<td>0.122</td>
<td>0.117</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of health and safety specific training hours delivered</td>
<td>304,420</td>
<td>286,815</td>
<td>128,795</td>
<td>103,070</td>
<td>148,000</td>
</tr>
<tr>
<td>Number of industrial safety training hours delivered</td>
<td>55,266</td>
<td>17,301</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees who received Health &amp; Safety training</td>
<td>112,652</td>
<td>90,490</td>
<td>28,144</td>
<td>37,599</td>
<td>20,900</td>
</tr>
<tr>
<td>Number of employees having attended “EH&amp;S Certificate modules 1 &amp; 2”</td>
<td>1,763</td>
<td>2,214</td>
<td>1,309</td>
<td>418</td>
<td>-</td>
</tr>
<tr>
<td>Number of employees having attended “EH&amp;S Certificate modules 3 &amp; 4”</td>
<td>97</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helpline + Occupational Health consultations for mental health issues, irrespective of cause</td>
<td>12,007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimate of core entities certified to ISO45001 or similar standard</td>
<td>1/3rd</td>
<td>1/3rd</td>
<td>1/3rd</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Estimate of workforce covered by ISO45001 or similar certified system</td>
<td>25%</td>
<td>25%</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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### CYBERSECURITY

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of data breaches reported to data authorities</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Percentage involving confidential information</td>
<td>1</td>
<td>-</td>
<td>100%</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Cyber security awareness training e-learning participation</td>
<td>107,808</td>
<td>67,475</td>
<td>10,328</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### PRODUCT SAFETY

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal accident rate industry-wide Gen4</td>
<td>0.04</td>
<td>0.05</td>
<td>0.03</td>
<td>0.04</td>
<td>0.05</td>
</tr>
<tr>
<td>% SMS officers nominated</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>% SMS officers trained</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

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### COMMUNITY IMPACT

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Sustainability Ambassadors</td>
<td>811</td>
<td>448</td>
<td>207</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>% of employees onboarded to the +impact platform</td>
<td>12%</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**HUMAN RIGHTS**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of investigations completed or in progress – following reports of concerns linked to human rights, including forced and child labour and other labour rights.</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>% of sites having undertaken a social assessment – % of the Company’s sites with over 100 employees, cumulative since 2020, undergoing a social assessment including human and labour rights (based on number of in scope sites at 2020).</td>
<td>51</td>
<td>29</td>
<td>10</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>% of findings closed within 18-months (following social assessments including human and labour rights, carried out on the Company’s sites)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Number of participants to human rights trainings (Cumulative since 2020 number of participants who have completed e-learning modules on human rights and modern slavery; reporting period: 1 Oct-30 Sep)</td>
<td>96,714</td>
<td>6,955</td>
<td>5,789</td>
<td>4,943</td>
<td>-</td>
</tr>
<tr>
<td>Number of alerts of human rights concern from within the Company’s supply chain (covering forced and child labour and other labour rights identified through the Supplier Compliance Review, media screening, NGO reports or employees).</td>
<td>59</td>
<td>28</td>
<td>4</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>

**BUSINESS INTEGRITY**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees per appointed Ethics &amp; Compliance Representatives</td>
<td>338</td>
<td>360</td>
<td>372</td>
<td>390</td>
<td>-</td>
</tr>
<tr>
<td>Number of employees per appointed Export Control Point of Contact</td>
<td>242</td>
<td>236</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>% of employees (non-Exec) who have completed the E&amp;C training objective</td>
<td>96%</td>
<td>96%</td>
<td>90%</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Number of E&amp;C e-learning sessions taken by employees</td>
<td>525,280</td>
<td>290,178</td>
<td>284,774</td>
<td>309,682</td>
<td>-</td>
</tr>
<tr>
<td>Of which Export Control e-learning sessions delivered to employees</td>
<td>367,187</td>
<td>149,426</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of privacy e-learning sessions delivered to employees (Reporting period: from 1 Oct to 30 Sep.)</td>
<td>9,255</td>
<td>3,181</td>
<td>9,327</td>
<td>35,073</td>
<td>-</td>
</tr>
<tr>
<td>Investigative requests received during the year</td>
<td>1,200</td>
<td>847</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which Compliance-related investigative requests</td>
<td>764</td>
<td>323</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which HR-related investigative requests</td>
<td>436</td>
<td>524</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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### 1.2 Non-Financial Information

#### SUPPLY CHAIN

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing volume <em>(in € million)</em></td>
<td>~49,000</td>
<td>48,185</td>
<td>37,906</td>
<td>40,712</td>
<td>53,400</td>
</tr>
<tr>
<td>Number of suppliers</td>
<td>-19,000</td>
<td>18,000</td>
<td>18,000</td>
<td>21,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Split by Division <em>(in %)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial aircraft activities</td>
<td>82%</td>
<td>77%</td>
<td>77%</td>
<td>76%</td>
<td>84%</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>6%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>12%</td>
<td>14%</td>
<td>15%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Split by region</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU</td>
<td>67%</td>
<td>69%</td>
<td>74%</td>
<td>74%</td>
<td>59%</td>
</tr>
<tr>
<td>North America</td>
<td>26%</td>
<td>24%</td>
<td>19%</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>Asia pacific</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Other regions</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>6%</td>
</tr>
<tr>
<td>Number of countries</td>
<td>&gt;90</td>
<td>90</td>
<td>90</td>
<td>88</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Percentage of sourcing volume covered by supplier commitment to the Supplier Code of Conduct</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>90%</td>
<td>86%</td>
<td>1</td>
<td>NA</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of sourcing volume of suppliers invited to CDP who have responded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>78%</td>
<td>68%</td>
<td>56%</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of responding suppliers to the CDP scoring A or B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N/A</td>
<td>66%</td>
<td>53%</td>
<td>56%</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of identified high risk suppliers, who have undergone a sustainability assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>37.6%</td>
<td>100%</td>
<td>95%</td>
<td>63%</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of assessed suppliers not meeting Company’s sustainability expectations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>16%</td>
<td>13%</td>
<td>12%</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of action plans defined for suppliers not meeting Company’s sustainability expectations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>31%</td>
<td>15%</td>
<td>NA</td>
<td>-</td>
</tr>
<tr>
<td>Number of sustainability alerts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>133</td>
<td>43</td>
<td>12</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Number of suppliers registered into Digitalisation of Supplier Substance data collection tool</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>936</td>
<td>298</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Metrics cover civil year periods, except for training related metrics with reporting periods going from 1 October to 30 September.

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#### Governance

##### BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Independent Directors</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Number of Executive Directors</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of women</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Number of men</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Average age</td>
<td>61</td>
<td>60</td>
<td>60</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>Number of nationalities</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Average tenure</td>
<td>6</td>
<td>4.9</td>
<td>4.5</td>
<td>3.5</td>
<td>4</td>
</tr>
<tr>
<td>Number of Board meetings</td>
<td>9</td>
<td>13</td>
<td>7</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>% average attendance</td>
<td>95%</td>
<td>96%</td>
<td>96%</td>
<td>97%</td>
<td>91.00%</td>
</tr>
<tr>
<td>Number of Audit Committee</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Number of RNGC</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Number of ECC/ECSC</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>
EXECUTIVE COMMITTEE

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of women</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Number of men</td>
<td>9</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of Executive Committees</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

SHAREHOLDING

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Float</td>
<td>73.82%</td>
<td>74.06%</td>
<td>74.06%</td>
<td>73.97%</td>
<td>73.94%</td>
</tr>
<tr>
<td>GZBV (German State)</td>
<td>10.84%</td>
<td>10.87%</td>
<td>10.90%</td>
<td>10.93%</td>
<td>10.94%</td>
</tr>
<tr>
<td>SEPI (Spanish State)</td>
<td>4.09%</td>
<td>4.10%</td>
<td>4.11%</td>
<td>4.12%</td>
<td>4.13%</td>
</tr>
<tr>
<td>SOGEPA (French State)</td>
<td>10.86%</td>
<td>10.89%</td>
<td>10.92%</td>
<td>10.95%</td>
<td>10.96%</td>
</tr>
<tr>
<td>Airbus SE</td>
<td>0.38%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SUSTAINABILITY-LINKED REMUNERATION

CEO and Executives variable remuneration – common collective component, paid following the end of financial year

<table>
<thead>
<tr>
<th></th>
<th>LTIFR1</th>
<th>LTIFR1</th>
<th>LTIFR1</th>
<th>LTIFR1</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;S KPI 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weight</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>R&amp;S KPI 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weight</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>-</td>
</tr>
</tbody>
</table>
# 1.2.18 TCFD Correspondence Table

<table>
<thead>
<tr>
<th>Governance</th>
<th>See Company’s URD sections</th>
<th>See CDP Climate Change Questionnaire* items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the Board’s oversight of climate-related risks and opportunities.</td>
<td>1.2.1 the Company’s approach to sustainability</td>
<td>C1.1a, C1.1b, C1.1d</td>
</tr>
<tr>
<td>Describe management’s role in assessing and managing climate-related risks and opportunities</td>
<td>1.2.2 Climate change</td>
<td>C1.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Risk Factors – Environment, Human Rights, Health &amp; Safety Risks</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</td>
<td>C2.3, C2.3a, C2.4, C2.4a</td>
<td></td>
</tr>
<tr>
<td>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</td>
<td>C2.3a, C2.4a, C3.1, C3.3, C3.4, C3.5</td>
<td></td>
</tr>
<tr>
<td>Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</td>
<td>C3.2, C3.2a, C3.2b</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk management</th>
<th>4.1.3 Enterprise Risk Management System</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the organisation’s processes for identifying and assessing climate-related risks.</td>
<td>C2.1, C2.1a, C2.1b, C2.2, C2.2a</td>
<td></td>
</tr>
<tr>
<td>Describe the organisation’s processes for managing climate-related risks.</td>
<td>C2.1, C2.2, C4.3, C4.3a, C4.3b, C4.3c, C4.5, C4.5a</td>
<td></td>
</tr>
<tr>
<td>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.</td>
<td>C2.1, C2.1b, C2.2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metrics and targets</th>
<th>1.2.2 Climate change</th>
<th>1.2.17 ESG data board, section Environmental performance / Emissions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</td>
<td>C1.3, C1.3a, C4.2, C8.1, C8.2, C8.2a, C8.2b, C8.2c, C8.2d, C8.2e, C8.2f, C8.5, C9.1, C9.3, C9.6a, C11.1a, C11.1b, C11.1d, C11.2a, C11.3a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</td>
<td>C5, C5.1, C5.1a, C5.1b, C5.1c, C5.2, C5.3, C6.1, C6.2, C6.3, C6.4, C6.5, C6.5a, C6.7, C6.7a, C6.10, C7.1, C7.1a, C7.2, C7.3, C7.3a, C7.4, C7.5, C7.6, C7.6a, C7.7, C7.8a, C7.8b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</td>
<td>C4.1, C4.1a, C4.1b, C4.2a</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* CDP Climate Change Questionnaire is available on [Airbus website](#) and [CDP website](#).
1.2.19 EU Taxonomy

Foreword
In November 2023, the European Commission officially published a delegated act for the EU Taxonomy Regulation including a set of criteria for aviation. Aviation is recognised as a transitional activity, supported by the decarbonisation potential brought by the latest generation of commercial aircraft through the replacement of the current fleet and the importance of an ambitious SAF ramp up, as well as by “zero direct tailpipe CO2 emissions” technologies, which are the cornerstones of the Company’s transition plan. Given the Company’s product portfolio, the vast majority (see details in “Regulatory disclosure” section below) of amounts reported under EU Taxonomy are expected to be related to the “Manufacturing of aircraft”, amongst the eligible amounts corresponding to the latest generation of commercial aircraft contributing substantially to climate change mitigation.

Accordingly, for 2023 and including all reported activities, the Company reports eligible revenues of €59 billion (91%), CapEx of €2.3 billion (77%), and OpEx of €3 billion (93%).

Based on the regulatory timeline, alignment of “Manufacturing of aircraft” is to be reported from 1 January 2025. As a result, the tables below for 2023 do not include any alignment amount related to this activity. According to the published technical screening criteria related to “Manufacturing of aircraft” for substantial contribution to climate change mitigation, the Company estimates that, amongst the eligible amounts corresponding to the latest generation of commercial aircraft (i.e. about 70% of eligible revenue), above 50% could meet the related technical screening criteria for substantial contribution to the climate change mitigation objective. This latter figure corresponds to the fleet replacement ratio as estimated by the Company integrating methodological elements defined by the regulation (see “Future Developments” section below). Alignment will also be subject to meeting all Do No Significant Harm (“DNSH”) and Minimum Safeguard criteria. See more detailed information in that accompanying information below.

Regulatory disclosure
The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities defined by the EU Taxonomy Regulation(1). The EU Taxonomy Regulation focuses on six environmental objectives(2) and defines overarching conditions that an economic activity must meet to be considered environmentally sustainable. The EU Taxonomy aims to direct investments towards sustainable projects and activities in order to meet the EU’s climate and energy targets and reach the objectives of the European Green Deal.

As the Company is in the scope of the Non-Financial Reporting Directive, the EU Taxonomy Regulation is also applicable to the Company, and therefore must disclose information on the extent to which activities carried out can be considered environmentally sustainable economic activities within the meaning of the EU Taxonomy.

Technical screening criteria (“TSC”) have been progressively defined against the six environmental objectives, firstly under the Climate Delegated Act(3) which became applicable as of 1 January 2022 and the Complementary Climate Delegated Act(4) which became applicable as of 1 January 2023. The EU Commission adopted in 2023 the Delegated Act for economic activities substantially contributing to objectives other than climate-related ones (“Environmental Delegated Act”)(5) and the amendments to the Climate Delegated Act(6) to add additional economic activities and criteria, including aviation-related ones.

The lately adopted texts, applicable from January 2024, bring disclosure obligations on these newly added activities in terms of eligibility – covering FY 2023 –, whilst alignment (assessment against the TSC) should be covered for FY 2024. Eligibility and alignment for previously covered activities continue to apply. In order to be aligned with the EU Taxonomy, an eligible activity has to comply with i) the Substantial Contribution criteria; ii) the DNSH criteria; and iii) the minimum safeguards.

EU Taxonomy assessment over FY 2023
The Company performed an analysis of its exposure to taxonomy-eligible activities referenced in the applicable Delegated Acts and has conducted an assessment of compliance with the relevant TSC, including DNSH criteria and the minimum safeguards. The results of this assessment have been included in the following sections (EU Taxonomy KPIs and EU Taxonomy KPIs accompanying information). The Company has performed these calculations based on consolidated information while it is still working on further improving financial data tagging to enable improved reporting in upcoming disclosures. The Company’s approach will be refined as additional official guidance on EU Taxonomy implementation and interpretation becomes available.

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(2) Climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems.

(3) Commission Delegated Regulation (EU) 2021/1239 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that activity causes no significant harm to any of the other environmental objectives.


(5) Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

(6) Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.
### EU TAXONOMY KPIs PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

| Financial year N | Year | Substantial contribution criteria | DNSH criteria (“Does Not Significantly Harm”)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic activities</td>
<td>Code Y/N Turnover Proportion of Turnover year N</td>
<td>SC5 SC6 SC7 SC8 SC9 SC10</td>
<td>DN11 DN12 DN13 DN14 DN15 DN16 MS17</td>
</tr>
<tr>
<td>Text</td>
<td>Currency in m€</td>
<td>Y/N Y/N Y/N Y/N Y/N Y/N Y/N Y/N</td>
<td>Y/N Y/N Y/N Y/N Y/N Y/N Y/N Y/N</td>
</tr>
</tbody>
</table>

#### A. TAXONOMY-ELIGIBLE ACTIVITIES

**A.1. Environmentally sustainable activities (Taxonomy-aligned)**

| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Of which enabling | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Of which transitional | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

**A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**

| Manufacturing of aircraft | CCM 3.21 | 59,482 | 91% | EL N/EL N/EL N/EL N/EL N/EL N/EL |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2) | 59,482 | 91% | 0% |
| A, Turnover of Taxonomy-eligible activities (A.1 + A.2) | 59,482 | 91% | 0% |

#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

| Turnover of Taxonomy-non-eligible activities | 5,964 | 9% | SC5 – Climate change mitigation |
| SC6 – Climate change adaptation |
| SC7 – Water |
| SC8 – Pollution |
| SC9 – Circular economy |
| SC10 – Biodiversity |
| DN11 – Climate change mitigation |
| DN12 – Climate change adaptation |
| DN13 – Water |
| DN14 – Pollution |
| DN15 – Circular economy |
| DN16 – Biodiversity |
| MS17 – Minimum safeguards |

| Total Turnover | 65,446 | 100% |

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM; Climate Change Adaptation: CCA; Water and Marine Resources: WTR; Circular Economy: CE; Pollution Prevention and Control: PPC; Biodiversity and ecosystems: BIO.

(b) Y– Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N– No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL– Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting is indicated in bold. The extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, is reported in the left table.

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL– Taxonomy-eligible activity for the relevant objective N/EL– Taxonomy-non-eligible activity for the relevant objective.

(g) Activities are reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective are reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) are filled in on a voluntary basis. The substantial contribution and DNSH criteria that they meet or do not meet may be indicated in Section A.2 by using: (a) for substantial contribution– Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH– Y/N codes.
## 1. Information on the Company's Activities

### 1.2 Non-Financial Information

#### EU TAXONOMY KPIs

**PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023**

<table>
<thead>
<tr>
<th>Financial year N</th>
<th>Year</th>
<th>Substantial contribution criteria</th>
<th>DNSH criteria (“Does Not Significantly Harm”)?(h)</th>
<th>Proportion of turnover / total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SC5 SC6 SC7 SC8 SC9 SC10</td>
<td>DN11 DN12 DN13 DN14 DN15 DN16 MS17</td>
<td></td>
</tr>
<tr>
<td>Economic activities</td>
<td>Code&lt;sup&gt;1&lt;/sup&gt;</td>
<td>CapEx of CapEx year N</td>
<td>Proportion of Taxonomy aligned (A.1) or -eligible (A.2) CapEx year N-1</td>
<td></td>
</tr>
<tr>
<td>Text</td>
<td>Currency</td>
<td>%</td>
<td>Y/N Y/N Y/N Y/N Y/N Y/N Y/N N/EL N/EL N/EL N/EL</td>
<td>E T</td>
</tr>
</tbody>
</table>

### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1. Environmentally sustainable activities (Taxonomy-aligned)

| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | 0 0% | % % % % % % Y Y Y Y Y Y Y % |
| Of which enabling | 0 0% | % % % % % % Y Y Y Y Y Y Y % E |
| Of which transitional | 0 % | % Y Y Y Y Y Y Y % T |

#### A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)<sup>3</sup>

| Manufacturing of aircraft | CCM 3.21 | 2,275 | 75% | EL N/EL N/EL N/EL N/EL N/EL N/EL N/EL N/EL | 0% |
| Production of heat and cool from bioenergy(c)(d) | CCM 4.24/CCA4.24 | 8 | 0% | EL EL N/EL N/EL N/EL N/EL | 0% |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3/CCA7.3 | 17 | 1% | EL EL N/EL N/EL N/EL N/EL | 1% |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6/CCA7.6 | 4 | 0% | EL EL N/EL N/EL N/EL N/EL | 0% |
| Data processing, hosting and related activities | CCM 8.1 | 0 | 0% | EL EL N/EL N/EL N/EL N/EL | 1% |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2) | 2,304 | 76% | % % % % % | 2% |
| A. CapEx of Taxonomy-eligible activities (A.1 + A.2) | 2,304 | 76% | % % % % % | 2% |
## 1. Information on the Company’s Activities
### 1.2 Non-Financial Information

### Financial year N

<table>
<thead>
<tr>
<th>Year</th>
<th>Substantial contribution criteria</th>
<th>DNSH criteria (“Does Not Significantly Harm”)*(h)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic activities</td>
<td>Code)a</td>
<td>CapEx</td>
</tr>
<tr>
<td>Text</td>
<td>Currency</td>
<td>%</td>
</tr>
<tr>
<td>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</td>
<td>CapEx of Taxonomy-non-eligible activities</td>
<td>748 24%</td>
</tr>
<tr>
<td>Total</td>
<td>3,052 100%</td>
<td></td>
</tr>
</tbody>
</table>

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM; Climate Change Adaptation: CCA; Water and Marine Resources: WTR; Circular Economy: CE; Pollution Prevention and Control: PPC; Biodiversity and ecosystems: BIO.
(b) Y– Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N– No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL– not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
(c) Where an economic activity contributes substantially to multiple environmental objectives, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting is indicated in bold. The extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, is reported in the left table.
(d) The same activity may align with only one or more environmental objectives for which it is eligible.
(e) The same activity may be eligible and not aligned with the relevant environmental objectives.
(f) EL– Taxonomy-eligible activity for the relevant objective N/EL– Taxonomy-non-eligible activity for the relevant objective.
(g) Activities are reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective are reported in Section A.1 of this template.
(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) are filled in on a voluntary basis. The substantial contribution and DNSH criteria that they meet or do not meet may be indicated in Section A.2 by using: (a) for substantial contribution– Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH– Y/N codes.

### Proportion of CapEx / total CapEx

<table>
<thead>
<tr>
<th>Taxonomy-aligned per objective</th>
<th>Taxonomy-eligibled per objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCM</td>
<td>0%</td>
</tr>
<tr>
<td>CCA</td>
<td>0%</td>
</tr>
<tr>
<td>WTR</td>
<td>0%</td>
</tr>
<tr>
<td>CE</td>
<td>0%</td>
</tr>
<tr>
<td>PPC</td>
<td>0%</td>
</tr>
<tr>
<td>BIO</td>
<td>0%</td>
</tr>
</tbody>
</table>
1. Information on the Company’s Activities

1.2 Non-Financial Information

EU TAXONOMY KPIS PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

<table>
<thead>
<tr>
<th>Financial year N</th>
<th>Year</th>
<th>Substantial contribution criteria</th>
<th>DNSH criteria (“Does Not Significantly Harm”)&lt;sup&gt;h&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3) (4)</td>
<td>(5) (6) (7) (8) (9) (10)</td>
</tr>
<tr>
<td>Economic activities</td>
<td>Code&lt;sup&gt;a&lt;/sup&gt;</td>
<td>OpEx Proportion of OpEx year N</td>
<td>SC5 SC6 SC7 SC8 SC9 SC10 DN11 DN12 DN13 DN14 DN15 DN16 MS17 Proportion of Taxonomy-aligned (A.1) or-eligible (A.2) OpEx year N-1 Cat19 Cat20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Text</th>
<th>Currency</th>
<th>%</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>Y/N</th>
<th>E</th>
<th>T</th>
</tr>
</thead>
</table>

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

<table>
<thead>
<tr>
<th>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</th>
<th>0</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of which enabling</td>
<td>0</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>%</td>
</tr>
<tr>
<td>Of which transitional</td>
<td>0</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>%</td>
</tr>
</tbody>
</table>

A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

<table>
<thead>
<tr>
<th>Manufacturing of aircraft&lt;sup&gt;b&lt;/sup&gt;</th>
<th>CCM 3.21</th>
<th>3,022</th>
<th>93%</th>
<th>EL</th>
<th>N/EL</th>
<th>N/EL</th>
<th>N/EL</th>
<th>N/EL</th>
<th>N/EL</th>
<th>N/EL</th>
<th>N/EL</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>0%</td>
</tr>
<tr>
<td>A. Opex of Taxonomy eligible activities (A.1 + A.2)</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>0%</td>
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</tbody>
</table>

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

<table>
<thead>
<tr>
<th>OpEx of Taxonomy-non-eligible activities (5)</th>
<th>235</th>
<th>7%</th>
<th>SC5 – Climate change mitigation</th>
<th>SC6 – Climate change adaptation</th>
<th>SC7 – Water</th>
<th>SC8 – Pollution</th>
<th>SC9 – Circular economy</th>
<th>SC10 – Biodiversity</th>
<th>DN11 – Climate change mitigation</th>
<th>DN12 – Climate change adaptation</th>
<th>DN13 – Water</th>
<th>DN14 – Pollution</th>
<th>DN15 – Circular economy</th>
<th>DN16 – Biodiversity</th>
<th>MS17 – Minimum safeguards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,257</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM; Climate Change Adaptation: CCA; Water and Marine Resources: WTR; Circular Economy: CE; Pollution Prevention and Control: PPC; Biodiversity and ecosystems: BIO.

(b) Y– Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N– No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

(c) The same activity may be eligible and not aligned with the relevant environmental objective.

(d) The code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: Climate Change Mitigation: CCM; Climate Change Adaptation: CCA; Water and Marine Resources: WTR; Circular Economy: CE; Pollution Prevention and Control: PPC; Biodiversity and ecosystems: BIO.

(e) The same activity may be eligible and not aligned with the relevant environmental objective.

(f) EL– Taxonomy-eligible activity for the relevant objective N/EL– Taxonomy-non-eligible activity for the relevant objective.

(g) Activities are reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective are reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) are filled in on a voluntary basis. The substantial contribution and DNSH criteria that they meet or do not meet may be indicated in Section A.2 by using: (a) for substantial contribution– Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH– Y/N codes.
1. Information on the Company’s Activities
1.2 Non-Financial Information

EU Taxonomy KPIs Accompanying Information

1. Accounting Policy
The Company’s EU Taxonomy disclosure covers the following scope: EU Taxonomy share of turnover, capital expenditure (“CapEx”) and operational expenditure (“OpEx”) of the Company’s Consolidated Financial Statements that, for the purpose of EU Taxonomy disclosure, are split per economic activity according to the applicable delegated acts under the EU Taxonomy. For information regarding accounting treatment of the applicable financial KPIs, please refer to the “Notes to the IFRS Consolidated Financial Statements” (Note 4: Material Accounting Policies).

In the context of EU Taxonomy disclosure, the Company’s reporting may omit economic activity that in aggregate does not exceed 1% of the total turnover, CapEx or OpEx, as the Company expects such an economic activity to have no material influence on the reporting purpose.

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

2. Assessment of Compliance with EU Taxonomy Regulation
2.1 Information on Assessment of Compliance with the EU Taxonomy Regulation
The assessment of compliance with the EU Taxonomy Regulation has been carried out in four steps:
- determination of EU Taxonomy eligibility: screening of the Company’s turnover, CapEx and OpEx versus the activities described in the currently applicable Delegated Acts and allocation on the basis of the activity description, resulting in a list of eligible activities;
- determination of EU Taxonomy alignment with technical screening criteria: for the eligible activities which exceed 1%, applicable substantial contribution and do no significant harm criteria have been identified and analysed, gathering the available and relevant information and evidence. By exception, when related amounts are considered not material for the Company’s business and would require unreasonable efforts to assess their alignment with related TSCs, the Company may report them as non-aligned;
- determination of EU Taxonomy alignment with the minimum safeguards: following the guidance provided by the Platform on Sustainable Finance in its “Final Report on Minimum Safeguards” published in October 2022[1], and more specifically by analysing the non-compliance criteria proposed in the aforementioned report concerning human rights, taxation, fair competition and corruption & bribery areas at Company level.

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

In 2023, the results of the self-assessment of minimum safeguards criteria was positive taking into account the non-compliance criteria recommended in the Final Report on Minimum Safeguards.

2.2 Contribution to Multiple Objectives
As an aircraft manufacturer, the vast majority of the Company’s revenues, capex and opex relate to the “Manufacturing of aircraft” activity (see tables above). Given that “Manufacturing of aircraft” activity contributes to climate change mitigation and although it may purchase an output from economic activity contributing to other environmental objectives, the Company assessed such contribution to any other objective as insignificant for reporting purposes and therefore reports contribution exclusively to climate change mitigation.

2.3. Disaggregation of KPIs
In 2023, the preparation and disclosure of figures as per Taxonomy requirements did not require any disaggregation.

3. Contextual information
For the assessment of “Manufacturing of aircraft” activity in relation with its product portfolio, “aircraft” covers the Company’s commercial aircraft, military aircraft and helicopters. According to the published TSC related to “Manufacturing of Aircraft”, the substantial contribution criteria to the climate change mitigation objective can be assessed (1) for “zero direct tailpipe CO₂ emission” aircraft, or (2) for aircraft meeting performance criteria based on the ICAO CO₂ standard. As the ICAO CO₂ standard is only applicable to commercial aircraft, while alignment is to be reported from 2025, an alignment assessment on this part of the TSC (2) is only relevant for commercial aircraft products.

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1. Information on the Company’s Activities

1.2 Non-Financial Information

3.1 Contextual Information about Turnover KPI

The eligibility of turnover includes aircraft and revenue corresponding to maintenance, repair and overhaul activities. Turnover related to other activities has been assessed and considered as not significant for reporting purposes and therefore reported as 0%. Alignment of “Manufacturing of aircraft” activity is to be reported from next year (see “Future Developments” below).

3.2 Contextual Information about CapEx KPI

The CapEx identified as eligible were added to property, plant and equipment in 2023. Due to the Company’s activity, the major proportion of reported eligible CapEx is related to “Manufacturing of aircraft” EU Taxonomy transitional activity. In addition, and following the process described above in “– 2.1. Information on Assessment of Compliance with the EU Taxonomy Regulation”, the Company has again in 2023 identified other taxonomy eligible activities, related to projects aiming to improve energy efficiency and reduce CO₂ emissions that could make a substantial contribution to the climate change mitigation objective. Eventually, the Company ensures that such reported CapEx are not counted in “Manufacturing of aircraft” activity.

Alignment of “Manufacturing of aircraft” activity is to be reported from 2025 (see “Future Developments” below). For other CapEx, in light of the level of administrative burden due to the complexity and granularity of the applicable criteria as well as of the low proportion such CapEx represent in the total reported eligible CapEx, some investments could not be assessed as aligned by the Company in 2023. In addition, the Company took a cautious approach to assessing Appendix C so that concerned activities did not meet related criteria in 2023.

In addition, based on the current list of activities included in the EU Taxonomy, some of the CapEx contributing to the Company’s decarbonisation plan as presented in section “– 1.2.2 Climate change” could not be assessed as eligible.

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

3.3 Contextual Information About the OpEx KPI

In the context of the EU Taxonomy reporting, the Company’s OpEx KPI considers research and development costs, and is therefore related to “Manufacturing of aircraft” activity. Alignment of “Manufacturing of aircraft” activity is to be reported from 2024 (see “Future Developments” below).

Future Developments

In the coming years, the Company will continue to report under the EU Taxonomy with regard to its Taxonomy-eligible economic activities as well as its Taxonomy-aligned economic activities. This entails a further and continuous review of the economic activities. Future guidance on the EU Taxonomy could result in updated definitions and other decision making in meeting reporting obligations that may come into force. The Company expects that its reporting will evolve over time as more insights will be gained on how best to comply with the EU Taxonomy.

Pursuant to the delegate act published in 2023, aviation-related activities are included in the EU Taxonomy and the Company will report on the alignment under the activity “– 3.21 Manufacturing of aircraft” from next year, for which FY 2023 eligibility is reported in the tables above. According to the published TSC related to “Manufacturing of Aircraft”, the substantial contribution criteria to the climate change mitigation objective can be assessed for “zero emission tailpipe emission” aircraft, or for aircraft meeting performance criteria based on the ICAO CO₂ standard. As this standard is only applicable to commercial aircraft, an alignment assessment is only relevant for commercial aircraft products. The Company estimates that above 50% of eligible turnover from the latest generation aircraft could meet the substantial contribution criteria, with an assessment of alignment subject to meeting the DNSH criteria. This ratio was calculated based on the “replacement ratio” computation rules as provided in the delegated act, taking into account data available from independent data providers. The Company used the Cirium database for this exercise, from which it compared the difference between aircraft in-service and stored at the beginning and at the end of a 10-year period, with the number of aircraft delivered over that 10-year period. To do so, it considered commercial aircraft with more than 20 passengers and freighters with over one tonne payload. As contemplated by the regulation and to ensure coherence across the sector, the Company would welcome this ratio being computed by a third party in the future, possibly the EU Commision supported by EASA.

Accordingly, latest generation aircraft programme-related CapEx and R&D OpEx should meet TSC related to “Manufacturing of Aircraft” for substantial contribution to climate change mitigation at least in proportions similar to commercial aircraft turnover.

Activities from the Company’s two Divisions may be covered to some extent in future developments of the EU Taxonomy, while current level of information available does not enable the Company to provide an estimate.
1.2.20 GRI Index

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

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<td>2-1 Organisational details</td>
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<tr>
<td></td>
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<td>Leiden, the Netherlands</td>
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<td></td>
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<td></td>
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<td></td>
<td>Please refer to the IFRS Consolidated Financial Statements, notes 23, 36</td>
<td></td>
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<td>2-5 External assurance</td>
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Activities and workers

| 2-6 Activities, value chain and other business relationships | Activities, brands, products, and services | Get to know Airbus |
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| Significant changes to the organisation and its supply chain | See “– 1.1.2 Airbus (Commercial Aircraft)” sections “Airbus Atlantic” and “Airbus Aerostructures and Premium Aerotec Industry”, “– 1.2.12 Social dialogue”, “– 1.2.15 Responsible Supply Chain”, “– 2.1.5 Changes in Total Equity” (Including Non-Controlling Interests) |
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### Governance

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| 2-9 | Governance structure and composition | See "-- 4 Corporate Governance"

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<td>Collective bargaining agreements</td>
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### Disclosure on material topics

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| | Precautionary principle or approach | See Enterprise Risk Management on airbus.com
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### Lead the journey towards clean aerospace

#### Climate change

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<td>Reduction of energy consumption</td>
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<td></td>
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<td></td>
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#### Pollution

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#### Materials and circularity

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## 1.2 Non-Financial Information

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**Board of Directors composition** and **Executive Committee composition on Airbus.com**

| **Workforce, human rights and social dialogue** | | |
| **3-3** | Management of material topics | See “– 1.2.1 The Company’s Approach to Sustainability”, “– 1.2.10 Human rights”, “– 1.2.11 Inclusion and Diversity”, “– 1.2.12 Social Dialogue”, “– 1.2.13 People”, “– 1.2.15 Responsible Supply Chain”, “– 1.2.1 VII Vigilance Plan” |
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| 401-2 | Benefits provided to full-time employees | See “– 1.2.13 People” |
### 1. Information on the Company’s Activities

#### 1.2 Non-Financial Information

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<th>GRI</th>
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<tr>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>See &quot;– 1.2.13 People&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;</td>
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<tr>
<td>404-2</td>
<td>Programmes for upgrading employee skills and transition assistance programmes</td>
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<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
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<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>See &quot;Risk Factors – 2. Business and operations-related risks (Pension Commitments)&quot;, &quot;– 2.1.6.1 Cash Flows (Contribution to Plan Assets of Pension Schemes)&quot;, &quot;– 4.2.1.3 Implementation of the Remuneration Policy in 2023: CEO (h. Retirement)&quot;</td>
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<tr>
<td>407-1</td>
<td>Freedom of association and collective bargain</td>
<td>See &quot;– 1.2.10 Human rights&quot;, &quot;– 1.2.12 Social dialogue&quot;, &quot;– 1.2.15 Responsible Supply Chain&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;</td>
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#### Exemplify business integrity

**Business integrity**

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<td>3-3</td>
<td>Management of material topics</td>
<td>See &quot;– 1.2.1 The Company’s Approach to Sustainability&quot;, &quot;– 1.2.14 Business Integrity&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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<td>205-1</td>
<td>Operations assessed for risks related to corruption</td>
<td>See &quot;– 1.2.14 Business Integrity&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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<td>205-2</td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>See &quot;– 1.2.14 Business Integrity&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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<td>205-3</td>
<td>Confirmed incidents of corruption and actions taken</td>
<td>See &quot;– 1.2.14 Business Integrity&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.1.7 Legal and Arbitration Proceedings&quot;</td>
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**Responsible supply chains**

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<td>3-3</td>
<td>Management of material topics</td>
<td>See &quot;– 1.2.1 The Company’s Approach to Sustainability&quot;, &quot;– 1.2.15 Responsible Supply Chain&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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<td>308-1</td>
<td>New suppliers screened using environmental criteria</td>
<td>See &quot;– 1.2.15 Responsible Supply Chain&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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<tr>
<td>308-2</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
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<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td>See &quot;– 1.2.10 Human rights&quot;, &quot;– 1.2.15 Responsible Supply Chain&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
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<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
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<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>See &quot;– 1.2.15 Responsible Supply Chain&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;, &quot;– 1.2.1 Vigilance Plan&quot;</td>
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**Community impact**

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<td>3-3</td>
<td>Management of material topics</td>
<td>See &quot;– 1.2.1 The Company’s Approach to Sustainability&quot;, &quot;– 1.2.16 Community Impact&quot;</td>
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<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>See &quot;– 1.2.1 The Company’s Approach to Sustainability&quot;, &quot;– 1.2.16 Community Impact&quot;</td>
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<td>203-2</td>
<td>Significant indirect economic impacts</td>
<td>See &quot;– 1.2.1 The Company’s Approach to Sustainability&quot;, &quot;– 1.2.16 Community Impact&quot;</td>
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<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>See &quot;– 1.2.1 The Company’s Approach to Sustainability&quot;, &quot;– 1.2.15 Responsible Supply Chain&quot;, &quot;– 1.2.17 ESG Data Board (Social Performance)&quot;</td>
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### 1.2.21 SASB Correspondence Table

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<td>- Total energy consumed, percentage grid electricity, percentage renewable</td>
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<td>- Amount of hazardous waste generated, percentage of hazardous waste recycled</td>
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<td>- Description of approach to identifying and addressing data security risks in Company operations and products</td>
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<td>- Number of recalls issued, total units recalled</td>
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<td>- Number of counterfeit parts detected, percentage avoided</td>
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<td>- Number of Airworthiness Directives received, total units affected</td>
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<td>- Total amount of monetary losses as a result of legal proceedings associated with product safety</td>
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<td><strong>Fuel Economy &amp; Emissions in Use-Phase</strong></td>
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<td>- Revenue from alternative energy-related products</td>
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<td>- Description of approach and discussion of strategy to address fuel economy and strategy to address fuel economy and greenhouse gas (GHG) emissions of products</td>
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<td>- Description of the management of risks associated with the use of critical materials</td>
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<td><strong>Business Ethics</strong></td>
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<td>- Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade</td>
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<td>- Revenue from countries ranked in the &quot;E&quot; or &quot;F&quot; Band of Transparency International's Government Defence Anti-Corruption Index</td>
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<td>- Discussion of processes to manage business ethics risks throughout the value chain</td>
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<td>- Production by reportable segment: Production should be disclosed as the number of units produced by product category, where relevant product categories include ground vehicles, aircraft, marine vehicles, vehicle and aircraft components, and space and weapons systems</td>
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1.3 Other corporate activities

Digital and Information Management at Airbus: Overview

Digital and information management ("Digital") has been a key discipline at Airbus for many years. In 2023, the Company continued its digital transformation journey, pursuing new developments and achieving further rationalisations.

Digital continued to address the Company’s challenges and enable Airbus to be a sustainable leader in the aerospace and defence industries. Notable progress during 2023 included:

- Further steps toward a more efficient and simplified digital ecosystem, aimed at increasing the Company’s ability to invest in the future. This was achieved through Product Lifecycle Management upgrades, data quality improvements, reworking of resources planning for Operations, and the improvement of our systems’ resilience and performance;
- New digital design, manufacturing, and services deployments. These are now underway for Eurodrone and the A350 freighter, laying a solid foundation for future programmes designed to help kick-start the aerospace industry’s decarbonisation transformation;
- The initiation of an innovative seamless digital user experience to better engage with employees and customers throughout their digital journey;
- To make the Company more attractive to digital talents worldwide, digital-focused employee career development paths have been created and a cybersecurity masters cohort has been initiated via the Airbus Digital School.

This year once again demonstrated the uncertainty and complexity of the world in which the Company operates. In response, Digital aims to help make Airbus more robust and flexible. This aim was advanced through implementation of high-grade cybersecurity capabilities and technology shifts such as modern device management (a cloud-based solution allowing for improved user experience and security on smartphones and laptops). These efforts to build resilience reached beyond compliance tools to include export control and, more generally, quality requirements.

Digitally Enabled End-to-End Processes

Digital Design, Manufacturing and Services ("DDMS")

DDMS is a group-wide transformation programme aimed at creating a digital environment where our future generation aerospace products and their industrial and support / services systems will be virtually designed and qualified in a connected way for greater speed, efficiency and quality. It is enabled by the definition of collaborative development processes, digital continuity and digital twins across the entire programme lifecycle. It also relies on the use of model-based system engineering and the application of a flexible and modular architecture approach to the co-development of our products, industrial and support / services systems. The mandate is for DDMS to be launch-ready for the next aircraft programme, while securing early benefits by progressively deploying the developed processes and capabilities on early adopter programmes in all the Divisions.

The key major achievements within DDMS this year were the following:

1. People: transformation & competences

A further step was taken in the overall DDMS transformation with a steep ramp-up of change management, upskilling and user adoption in all divisions. A special focus was put on Single Aisle and Future projects in the Airbus Commercial Aircraft business, as well as Eurodrone in Airbus Defence and Space, and Gearbox manufacturing and future projects in Airbus Helicopters. More than 20,000 people have started their upskilling journey either through digital or classroom training sessions in Lean Product Life cycle management, Automated Electrical Design capabilities and Systems Engineering / Model Based Systems Engineering (MBSE). With more than 5,500 people trained to utilise these new capabilities in 2023 (compared to 2,500 in 2022), the Company made solid progress towards applying new ways of working to support the current industrial ramp-up, while preparing for the Company’s future developments.

2. New co-development processes, methods and the associated integrated digital environment; progressive deployment on key programmes

Single Aisle (A320 Family): Further progress has been made in the digitalisation of the Single Aisle programme, especially in the area of cabin and customisation, and the Single Aisle is now our most advanced commercial aircraft programme in terms of the design and installation of electrical systems. Through implementation of digital continuity and automation in this process, the quality of the design and the overall lead time of the process has been significantly improved. Capabilities of the new Single Aisle Product Lifecycle Management (so-called Lean PLM) have been further enhanced to improve the extended enterprise cooperation with “Design and Build” and “Build to Print” suppliers. The structure assembly industrial process has been stabilised through new process methods and tools for tolerance management.

A350 Family: Full digital continuity from Engineering to Manufacturing Engineering through shop floor execution has begun being deployed, which will facilitate workload and lead time reductions in order to support the programme ramp-up. Key contributions have been made as well on the A350 Freighter development, with the deployment of new ways of working and
digital solutions on system design (through an MBSE approach), and virtual testing and industrial assembly design (through modelling and simulation).

**Future programmes in the Airbus Commercial Aircraft business:** The MBSE (Model Based System Engineering) deployment across engineering and manufacturing engineering is well on track with it being applied to a number of selected use cases on legacy, future projects and Research and Technology. More than 300 people have been trained and have reached a suitable proficiency level in MBSE, enabling the Aircraft and Industrial Architects community to work at the same time on a consistent architecture baseline sharing the same models and data, which facilitates their ability to coordinate efforts. The deployment of the 3-D physical design architecture framework has the benefit of allowing for cross-discipline collaboration across aircraft and industrial design, which adds efficiency by reducing incompatible outcomes and the need for reconciliation during the design phase. Finally, during this year the Company began foundational work toward new cross-disciplinary digital capabilities that should ultimately enable multi-systems and multi-dimension optimisation across numerous parameters, utilising Artificial Intelligence capabilities.

**Eurodrone & FCAS:** The Eurodrone development continues to rely on DDMS capabilities, which may enable concurrent design activities for the preliminary and critical design phases. More than 1,700 employees and partners have so far begun or undergone training for DDMS capabilities for Eurodrone, and for FCAS a progressive onboarding approach will be undertaken during 2024 and 2025.

**Helicopter Programmes:** Further progress has been made for the deployment of DDMS within Helicopter Programmes. The deployment of an advanced 3D viewer, to be available across all relevant disciplines, has continued throughout the division. The initial deployment of a digital continuity solution (for use between the design teams and the shop floor) has been made at one FAL, paving the way for its eventual deployment across current and future FALs. Future steps within Helicopters will be the deployment of MBSE, and the employment of a digital simulation environment and the deployment of further collaborative platforms, in order to support the development of the Next Generation Helicopters.

### 3. Near real-time digital continuity with a network of platforms

The "network of platforms" aims to connect all of the Company's digital platforms, processes and data in an integrated way, with the goal of enabling near real-time digital continuity throughout the complete business value chain (both internally and externally). The "network of platforms" should facilitate better data structuring by (inter alia) securing “single source of truth” references and enhancing quality, consistency and ease of access for re-usability, all within an overall stronger governance framework. In 2023 the Company implemented the first use cases, which yielded substantial time gains in accessing source data. Ultimately the "network of platforms" should yield a more rationalised and efficient digital landscape, which should benefit our operational teams and partners. In 2024 the Company will begin to deploy the framework and the approach at scale.

**Airline Sciences**

The aim of the Airline Sciences team is to provide an operational digital representation of an airline in all its complexities and reflecting various business models. This modelling allows the Company to take a bottom-up approach and to test out different aircraft technologies and concepts, validate product strategy, assist in sales campaigns, develop new services and, more importantly, understand the customers' perspective across all layers of the Company.

Airbus has set sustainability at the heart of the Company's purpose and has the ambition to lead the decarbonisation of the aviation industry. Accurate monitoring and modelling of aircraft operational data is a core element of its decarbonisation strategy. As such, the Airline Digital Twin capability is being used heavily in order to assess CO₂ and non CO₂ effects, including comprehensive emissions calculations, effect on airline profitability as well as operational sensitivities. Airbus has been actively involved in an array of public funded projects related to the impact and mitigation of Scope 3 emissions on the climate. Thanks to this funding, the Company has developed a substantial simulation and data analytics capability enabling detailed flight by flight analysis on a massive scale. This new capability will be key in advocating Airbus' position on any future legislation, can serve to test new Airbus technologies on an airline level to mitigate aviation induced climate impact, and can help to drive new services to the wider aviation community. Finally, in the context of aircraft sales campaigns, the Airline Digital Twin was used in supporting several key aircraft sales campaigns, for instance for assessing the effect of the Russia-Ukraine airspace blockage on a detailed and realistic level.

**Artificial Intelligence (“AI”)**

After successfully applying specific AI solutions across the business domains, the Company is now accelerating and maturing its industrial setup to deliver AI at scale. This includes delivering secure and compliant AI platforms and services, and making available reusable and accessible core AI technology capabilities and patterns in a responsible way. These capabilities include:

- computer vision to enable visual quality inspection and improve the safety and quality of the Company’s manufacturing environment;
- pattern recognition and time series analysis to detect anomalies and avoid failures in the Company’s industrial machines and aircraft;
- natural language processing to classify data (e.g. export control) and secure the Company’s compliance;
- generative AI to generate text content (chatbot assistant, document generation) or image content (marketing and training datasets) to support employee efficiency and product design;
- optimisation to improve scheduling and planning activities; and
- hybrid modelling through machine learning to build surrogate models of physical systems, accelerating design activities and increasing potential design space.

With the emergence of generative AI and the rapid growth of potential use cases across the Company, a dedicated task force has been launched to ensure a central governance and the development of an operational set up to benefit from this
technology. This will be complemented with frameworks to manage the life cycle of a wide range of operationalised AI and decision models. These frameworks are paving the way toward achieving compliance in using AI in safety relevant systems in line with upcoming regulations such as the EU AI Act.

**Internet of Things (IoT) and Mixed Reality**

The Company’s ambition is to use Internet of Things and Connectivity solutions to:
- support production of internal parts or aircraft thus ultimately increasing operational safety. Further steps will include systematically utilising collected data to foster analytics and artificial intelligence-based solutions, to ultimately improve designs or anticipate issues;
- support sustainability targets by collecting and analysing different consumptions (water, electricity, raw materials, etc.) in order to better optimise them in the future;
- support site modernisation and help to build an attractive workplace.

The Company intends to use mixed reality (i.e. augmented reality and virtual reality) solutions in the following ways:
- to support cabin configuration or product showcases, especially for the A320 Family. Mixed reality will also begin to enter into use at certain FAL in 2024, to support certain elements of the aircraft assembly process (such as harness installation), with many additional potential uses having been identified;
- to deploy remote assistance, enabling employees to share what they see (hands free) with engineers in order to avoid travel and to more rapidly address issues. It will then be deployed to the Company’s suppliers and customers;
- a marketing configurator will be deployed, which will enable the Company’s customers to virtually configure aircraft (as can be done for personal automobiles), and which will yield valuable data.

**Digitalise the aircraft**

In addition to supporting activities at final assembly level by supporting the aircraft connectivity and ground services mission, a full aircraft-oriented platform was set up in 2023. With the new world of commercial aircraft becoming hyperconnected, this new platform will allow the Company’s fleet to enter into and interface with this “new world”. New digital use cases like IoT services, onboard apps ecosystem management, AI, Livedata, remote diagnostics and remote updates will be supported via this platform. All these use cases are for deployment while in flight.

**Robotics and Automation Transformation**

In 2022, Airbus launched its robotics and automation transformation programme to secure the deployment of an ambitious robotics and automation roadmap for the Company’s future industrial system. The robotics roadmap is organised around five major streams covering focus areas of the Company’s industrial system: Assembly, Paint, Composite, Logistics and Inspection.

With these five streams, the Company intends to develop its own robotics solutions to adapt to complex and specific requirements of the aerospace industry. Additionally, Airbus will strive to become its own robotics integrator and implement these robotics solutions in its production lines. The Company’s strategy is to achieve both internal developments and integration with its selected strategic industrial partners. Following the construction of Airbus’ first aerospace robot in 2022, in the course of 2023 the Company saw the further creation of aerospace robots and technologies within the market.

Airbus also successfully established several test benches and passed major milestones on various core robotics technologies. Physical robot demonstrations were performed, showcasing unique capabilities and technical solutions, and paving the way for further resources to be allocated to continue developing these pathways. The Company’s overall goal is to reduce its dependence on external robotics integrators, and to take ownership of building the right technologies and solutions for its industrial system.

**Cyber Security**

The Company’s digital cybersecurity transformation journey progressed with the reinforcing of its secure connectivity model with the Company’s extended enterprise, and through the further strengthening of core controls for the Airbus Commercial Aircraft business environment and beyond to other divisions, regions and affiliates. In line with its ambition, the Company continued to increase the scope and coverage of active running services to further protect its business. The Company achieved good progress toward protecting its critical assets and enhancing its cloud security posture to cutting edge standards. This year also saw a concrete security uplift in many industrial areas, raising the maturity of the security controls. The Company’s resilience was also at the heart of and will continue to mature to safeguard Airbus business.

The recruitment and development of key skills and competences remains a top challenge. The Airbus Cyber Security Diploma establishes a target for achieving a certain level of expertise, and this initiative continues to evolve with the creation of a “master” level and the arrival of a new cohort of students for the second year running. The Company now has a solid platform to develop “home-grown” cyber security expertise to support its talent pipeline in future years. As it is an Airbus-designed programme, the Company has been able to tailor the content and delivery to match the exact needs of the business. This programme is a key addition to the Company’s existing portfolio of early career programmes which over many years have been successful in embedding high potential individuals within the Company’s teams across Europe. Alongside its constant re-insourcing efforts with teams settled in Europe and India, the Company strengthened its partnership with Airbus Protect, as part of its intercompany services approach, to deliver its cybersecurity commitments, and build the base to enforce its partnership aspirations as demonstrated with the Security Operation Centre.

In 2024 and onward, the Company will work to continue to improve and mature its services, aiming to progress the resilience of its digital solutions to protect its business. With a view to achieve and retain high grade knowledge in Europe, India and within the regions, the Company must continue to ensure the development and maintenance of key skills through a robust competence development strategy.
1. Information on the Company’s Activities

1.3 Other corporate activities

Digital Transformation at Defence and Space

In 2023, major progress was made with the “Fix the digital foundation” programme, which aims at streamlining, simplifying and standardising the complex IT landscape at Airbus Defence and Space. In addition to creating a new target architecture set-up, the overall number of legacy networks started to be reduced. A critical next step will be the establishment and accreditation of the International Restricted Layer (IRL), which is designed to enable the exchange of restricted data across nations.

Due to changing business context and requirements, major transformation programmes, such as the ERP (Enterprise Resource Planning) roadmap and DDMS (Digital Design, Manufacturing and Services), went through a re-baselining this year in order to adapt the scope, deliverables and cost structure. The Airbus Restricted Cloud, a private cloud platform hosted on Airbus Defence and Space premises, went live with a first rollout in Germany, enabling the onboarding of selected projects. Finally, a data strategy for the division was defined, providing a roadmap for the coming years to leverage data as a strategic asset, reinforcing data literacy for employees and helping to pave the way towards a more data-driven company.

Digital transformation at Helicopters

Airbus Helicopters has launched two major digital transformation programmes; New ERP and DDMS. Business value will be pursued through the standardisation and harmonisation of the Company’s processes between all sites, which is crucial after the site specialisation efforts undertaken at Helicopters during recent years. In order to maximise the benefit of those transformations, the Company is investing in data and analytics. For example, within Airbus Helicopters the “top data” (i.e. key operational performance measures) is being monitored through KPIs (Key Performance Indicators) in order to sustainably improve data quality, which should help to optimise operational performance.

With the Company having defined its digital ambition for 2030, Helicopters is channelling that ambition into concrete projects that should yield benefits in the future. Part of Helicopters’ digital ambition is to improve the customer experience, by for example reducing lead-time for more complex orders and smoothing the digital interface by archiving past exchanges. Ultimately, Helicopters aims to renew and streamline customers’ digital experience and to offer user-friendly and fully integrated solutions, ideally from prospect phase, to offer and contracting, production, and through the support and services phase.

Digitally-enabled products and services

Skywise

At its origin in 2015, Skywise was launched to unlock data from the Company’s discrete legacy systems to make it accessible and actionable by those needing it for their day-to-day operations. Now fully industrialised, Skywise adoption is still expanding at a rapid pace, growing approximately 32% to reach approximately 36,500 users in 2023 across all Airbus functions and divisions. It demonstrates that the Company’s strategy to place data at the heart of its digital transformation is yielding results. With data unlocked from the previous silos, a virtuous circle has been created: with in-service data flowing back into operations and aircraft design, delivering incremental product, support and services improvements and transforming the Company into a more agile, empowered and data-driven organisation. This success was recognised in 2022 by a Digital Engineering award for “Digital Transformation of the Year” in a cross-Industry jury panel.

Skywise data architecture ensures that validated data becomes the single key point of reference underpinning the Company’s operations and products. Building on successful industrial use cases, Airbus initiated the implementation of its Data Product strategy, which aims at supporting end-to-end business processes with an integrated data flow, enabling digital continuity for Airbus legacy programmes. This effort is paving the way for the DDMS digital continuity framework.

Furthermore, Skywise is the flagship platform of the aerospace industry’s digital transformation, connecting Airbus, airline customers and some key aerospace suppliers. With Skywise directly supporting the operations and maintenance of close to 11,000 (Airbus and other OEMs) commercial aircraft, the Company estimates that it is saving the airline industry at least US$200 million a year, and has accelerated their overall aircraft operational availability and their post-crisis aircraft return-to-service. With more than 50% of the Airbus fleet in service now supported by Skywise, 2023 was also the year of new customers subscribing to Skywise Core [X] premium packages as well as S.Health Monitoring and S.Predictive Maintenance digital solutions.

Skywise was designed from the start with the appropriate security framework, strict data governance implementation and industrial scalability. This made it possible to start small and then scale up. The technology partners’ world-leading capabilities in data integration played a key role in the adoption; yet this continuous growth was driven by the focus on value creation, engagement with the business and employees’ digital skills upskilling (4,900 users trained by the Skywise Academy as of end of 2023), more than by the technology itself.

Digital services for helicopters

In 2023, Helicopters Support & Services continued its digital journey keeping the same ambition for 2024 and coming years. The use of Information Management systems to standardise processes and data is becoming generalised with major projects such as enhancing technical data efficiency or reducing missing parts. Digital continuity is addressed through DDMS, New ERP and other cloud-based solutions to accelerate decision making and reduce low-value administrative tasks. Securing data and tools and maintaining compliance with legal and certification requirements is also a key topic. Data is increasingly being used to improve safety, fleet availability and to optimise customer costs (including digital customer support). Finally, digital innovation is being promoted to support business development and achieve the cost reduction objectives.
Digitally enabled people

Google Workspace deployment

Google and Airbus continue to partner to further improve the functionalities of Google Workspace. Gmail has been deployed to all the employees of the Company (except in Airbus Defence and Space Germany where the migration will start soon). This Google collaboration solution is very well adopted within Airbus Commercial Aircraft where 65,000 users (53%) do not have Microsoft Office anymore. To reach the next level, Airbus has engaged in deep discussions with French (ANSSI) and other European authorities to allow Export Controlled and National Security Unclassified data to be stored in Google Workspace. In order to reach this level, data tagging and sovereign encryption solutions will be required. Finally, to retire a maximum of Microsoft Office licences, the Company continues to invest in transforming its applications and core IT infrastructure (such as SAP) to be compatible with Google Workspace.

Modern workplace

Airbus is working towards developing a more efficient and resilient workplace, aimed at improving employee productivity from anywhere, anytime and from any device, thanks to its modern devices management programme. The first deployments of modern Windows 11 devices will start at the beginning of 2024. Also, the modern workplace is now even further improved with smartphone deployment initiated in 2022, to enable seamless communication and collaboration between all our employees. This deployment was completed within Airbus Commercial Aircraft, with more than 62,000 employees equipped with a smartphone.

IM eXperts Career Path

Since 2021, the Company has been actively developing the IM eXpert career path with the Airbus College of eXperts. The Company strongly believes its digital technical expertise will continue making a significant contribution to Airbus’ future success; a future where digitalisation, cyber security risk management, automation, cloud technology, power of data, connectivity, artificial intelligence and much more have become not only a business enabler, but also a competitive advantage. The IM eXpert career path officially acknowledges the extensive technical expertise of the Company’s employees, providing them with more opportunities for growth in their daily roles.

This initiative aligns with the Company’s strategic priorities, ensuring the retention of key competencies. Simultaneously, it offers a valuable avenue for talented individuals eager to broaden and deepen their technical and interpersonal skills. In 2023 the Company expanded further the D&IM eXpert Career Path both in terms of eXpert positions (>9, total 72 positions) and in terms of nominated experts (13 newly nominated eXperts, 43 eXperts total), extending the footprint outside the core countries (first eXpert nominated in India) and in additional strategic areas.

Digital academy services for all

Airbus Digital Academy team identifies, both at group level and worldwide, the key necessary skills, competences and people development means necessary to grow and use all the opportunities presented by the Company’s digital transformation. In 2023 the Company worked to increase its attractiveness to “digital” profile candidates as part of its overall efforts toward enhancing its attractiveness to new candidates and retaining current talents:

- contribution to attrition rate of all digital profiles decreased from 14% in 2022 to 9% in 2023 in the Company (average attrition within external IT companies: 18% of attrition), with significant positive feedbacks related to offered technical recognition (certifications, career framework in Airbus for digital profiles, learning means, mentorship, etc.);
- 6,200 employees across Airbus have a “digital” job, and 74,000 employees have at least a competence/skill in their position linked to digital/IT worlds (+23% since 2023);
- 80% of the digital profiles in the Company can benefit from the designed career paths framework for architects (1,100 employees), technology specialists (~500 employees), developers (~1,000 employees), IT operation managers (~1,000 employees), IT product/service managers (~1,000 employees), innovation managers (~200 employees) and data analysts/scientists (~700 employees). Very good feedback received from managers and employees using them;
- 14,000 employees trained on digital upskilling solutions (from awareness to specialists), with an average satisfaction rate 4 out of 5;
- 5,100 active members in communities of practice (social learning) related to the Company’s digital jobs and capabilities, exchanging best practices, pain points, getting technical mentorship, participating in events and seminars, etc.;
- 730 employees being certified on data analytics, on data scientists, on Cloud, on Information technology infrastructure library (ITIL) and on architects skills;
- a successful learning expedition pilot for Airbus leaders growth on digital was launched, to boost digital opportunities implementation with related culture change in manufacturing, supply chain, finance and customer services as first priorities.

Concluding thoughts and 2024 Challenges

This year’s achievements are a testament to the strong collaboration between all participants from all divisions. Digital has contributed to the Company’s success by delivering the targeted added value to Airbus, its partners, and customers. In 2024, the Company’s ambition will remain unchanged: be the digital engine of sustainable aerospace for a safe, united world. The Company will endeavour to remove data boundaries to create a seamless data-driven world, enabling end-to-end decision-making and supporting the ramp-up in the Company’s production rates. The past few years have shown how important resilience is. Digital will do its best to make Airbus digitally adaptable and strong, with cybersecurity capabilities at its core and will endeavour to unleash cloud and sovereign capabilities. The Company must continue its work to decarbonise the industry. Contributing to the emergence of a lower-emissions aviation sector is one of Digital’s responsibilities, and the Company will continue to work hard to provide the means to meet emissions targets with new monitoring systems, material traceability, and new sustainable aviation solutions for its customers.

Research and technology

The Airbus Technology and Engineering Department is led by the Chief Technology Officer (“CTO”). Part of its responsibility is to define, deliver and protect all the Company’s research and technology (“R&T”), coordinate the Company’s innovation activities, enable technology synergies across the group,
and ensure expertise in breakthrough technologies. The R&T Programme department applies a lean project-based approach, and encourages and coordinates technological collaboration with external research communities and partners, including technical and scientific experts. These duties are delivered through the capabilities further outlined below.

The Company-wide integration of R&T and alignment with institutional research partners is achieved through cross-portfolio technology planning and road mapping, giving a comprehensive view of technology targets and investments. In addition, Company-wide engagement for joint funding with public agencies is achieved through a common R&T Funding contract management.

Specific cross-divisional activities are delivered through the Disruptive R&T department consisting of:

- Central R&T ("CRT"): the cross-divisional R&T organisation that prepares the Company’s long-term technological capabilities. CRT leads specific investigations in emerging areas of research and conducts ambitious research projects while leveraging leading academic, scientific and research institutions to best utilise their expertise for achieving the Company’s ambitions;

- Demonstrators (UpNext): development of selected breakthrough technologies is accelerated through Airbus demonstrators, by employing rapid maturation methods. This function delivers, thanks to its fully owned Airbus UpNext subsidiary, flight and ground demonstrator projects that drive collaborative new ways of working, provide very high levels of transparency and challenge the status quo by embedding Airbus’ technology DNA in a highly dynamic environment;

- X-Labs: providing test, conceptual design, simulation and rapid prototyping capabilities for the R&T portfolio and the Engineering Centres, particularly addressing capabilities that do not otherwise exist within the Company or though external ecosystems (e.g. electrification). X-Labs also allows for external access to these facilities;

- Acubed: delivering research and technological innovation at the intersection of software and hardware, specifically in AI, big data, software development, simulation and quantum. Acubed acts as a bridge connecting Airbus and Silicon Valley, providing intelligence insights and leveraging the unique expertise that is accessible through this connection;

- Airbus China R&D and Innovation Centre: accelerating “local for local” innovation by leveraging the local sustainability and digital innovation ecosystem to support local business growth and support the Company’s future competitiveness in China;

- Airbus InnovationX | Scale: bringing together corporate innovation, global technology scouting, start-up engagement and company building activities;

- Airbus India Innovation Centre: building disruptive products for all three businesses by leveraging the strong engineering and digital competencies within Airbus India while also collaborating with the external innovation ecosystem in the country.

The Company’s three businesses each have their own R&T function, defining and delivering specific projects. These R&T functions primarily perform planning and technical arbitration within their perimeters, and in order to foster continuity across the Company they are accountable to Technology, Divisional Engineering and Product Strategy. In order to maximise the effectiveness of the Company’s R&T activities, the businesses leverage the external ecosystem, reaching across the portfolio of projects for funding opportunities and to engage with global partnerships, research institutes and universities. This approach fosters efficient R&T portfolio execution, and is further enabled by new ways of working, such as AGILE methodology and minimum viable product demonstration strategy, which enhance adaptability and efficiency. The R&T teams seek to secure continuous improvement in ‘their’ business’ competitiveness and the ability to develop new business by establishing and driving the Company’s R&T ambitions. Across the Company, specific priority is given to technologies for sustainable next generation aircraft, bringing together product, production system and services.

Fast-track roadmap owners serve as principal advisors to the CTO on technical vision and roadmaps for their particular technology areas. Fast-track roadmaps ensure coherency of activities within the portfolio and they foster the rapid advancement of strategic priorities across the businesses. Current fast-track roadmaps cover:

- electrification;
- industrial systems and manufacturing;
- connectivity;
- autonomy;
- materials;
- artificial intelligence (AI).

To help safeguard the benefits created for the Company through R&T, its intellectual property is protected, secured and defended through a central intellectual property function responsible for patent applications, portfolio investigations and portfolio defence.

Key Progress in 2023

Central research and technology (“CRT”) 

CRT pioneers the future of aerospace by exploring and delivering ambitious new technologies which have the highest potential for making a positive impact on Airbus’ future products and services. CRT operates between and with the Company’s central and global research and technology capabilities, pursuing two main objectives:

- be a technical trailblazer: explore and deliver relevant new technologies, as well as de-risk and create new opportunities;
- prepare the skills that Airbus will require in the future: develop internal capabilities in strategic, emerging technology fields and provide expertise to internal “customers” for technical support and decision-making.

In 2023, CRT ran more than 40 projects concurrently across its domains. Highlights from these activities are listed below.

Materials technologies: 2023 has seen significant technical advancement in the fields of materials sustainability and circularity, materials informatics, functional and high-performance materials (towards overall sustainability targets) and product mission performance and competitiveness. In particular, the area of materials informatics is gaining increasing relevance for all strategic drivers in materials (e.g. sustainability, materials for decarbonisation). The scope of materials technologies ranges from organic to inorganic materials, and includes ceramics and surface technologies.

Electrification technology: During 2023, the team has made significant progress on several aspects of electrification and electric propulsion technologies. For example, extensive investigations have been carried out on making hydrogen
systems resistant to severe electromagnetic and electric environments such as lightning strikes and short circuit current. The project established a full methodology relying on modelling and validation tests to express requirements for the design of hydrogen systems. Additional progress related to high voltage and high current technologies was achieved by analysing physical phenomena (e.g. partial discharges, space charges) at the origin of cable connector ageing and failure. Two concepts of high voltage connectors to be tested were proposed.

Communication technologies: The team has been trailblazing groundbreaking communication technologies on the hardware and software side for Airbus’ future flying platforms. The next generation of mobile communication standard 6G (with features like joint communication and sensing) has undergone analysis and demonstration projects are being prepared. Advanced optical communication is being looked at as it is expected to enable very high data rate communications to and from aircraft, while novel implementations of AI algorithms on embedded systems are being investigated for safety critical applications. In the area of quantum communications, major steps were achieved in the field of free-space links, entanglement sources and quantum networks. In addition, new approaches to secure communication networks on the meta-data level are being investigated.

Artificial intelligence: On the topic of developing “trustworthy” AI, the most impactful outcome was providing uncertainty quantification of neural networks outputs; this allows one to know if the answer provided by an AI model can be trusted. This work is currently integrated in the Certifiable and Embedded AI plateau, which is aimed at de-risking the use of AI for safety-critical applications. Work on the formal verification of neural networks and explainability continues. The team has also worked with manufacturing to optimise operations and logistics, as well as exploring how to adapt robots with AI to operate spatially in the context of the plant floor. Also in this context, a demonstrator to introduce AI in qualified industrial processes was developed. Finally, the speech-to-text models developed by the team are being used inside the company for Air Traffic Control speech transcription.

Virtual product engineering: The team has developed the first element of a tool for monitoring cabin crew fatigue, and a demonstration version was integrated into a larger cabin demonstrator. Results of advanced model-based systems engineering technology investigations, which will support co-development of product and industrial systems, were successfully completed and have been industrialised in the Digital Design, Manufacturing and Services (DDMS) tools ecosystem. To improve the performance of simulations, the team launched a new project on the introduction of AI techniques at various modelling levels in order to complement traditional computational approaches. For example, it will speed up the simulations without degrading the accuracy of the results by replacing heavy (i.e. complex, multi-step) solvers with an AI model. Finally, the collaboration between research entities in France: CRT, Inria (Institut national de recherche en sciences et technologies du numérique) and Cerfacs (Centre Européen de Recherche et de Formation Avancée en Calcul Scientifique), developing a project to enhance key capabilities for the next generation of modelling and simulation, delivered its first results and proposed a clear roadmap for the next three years.

Quantum technology: Implications of quantum technologies for aerospace and defence are extensive and include important applications in the fields of computing, communication, and sensing. The objective is to explore this emerging technology for the Company and to prepare Airbus for the early adoption of its portfolio. In 2023, Airbus collaborated with BMW and Quantinuum and demonstrated for the first time the modelling of chemical reactions in fuel cells with a quantum computer. Quantum-enhanced navigation projects have been initiated, aiming to explore the potential of quantum technologies to achieve safe navigation in GPS-denied areas. At the end of 2023, Airbus and BMW launched a common quantum computing challenge, inviting the global quantum community to solve pressing mobility applications with relevance for both the aviation and automotive sector. The challenge runs under the motto “The Quantum Mobility Quest” and is hosted by “The Quantum Insider” and supported by “Amazon Web Services”.

BlueSky research: Explores, validates and pushes early upstream technologies, which are new to Airbus, of strategic nature, high risk and high reward, that will push the boundaries of aerospace and will lead to high business and societal impact. This activity is driven by five clusters: Future Energies (new ways to generate, convey and manage energy), Future Transportation (novel ways to transport people, goods and data), Future Society (design for societal change), Bioconvergence (frontiers of humans and machines), and Future Industry (new way to build, produce and deliver). Key concepts that have been explored this year are Disruptive Energies, Metaverse up- and downstream, Human Enhancement technologies, and Project 42, a model of societal reaction to future Airbus products.

Airbus Demonstrators – Airbus UpNext

Airbus UpNext is actively shaping the future of the aerospace industry as part of the Airbus innovation ecosystem by building demonstrators at speed and scale, in order to boost, evaluate, mature and validate potential new products and services that embody radical technological breakthroughs.

In 2023 UpNext explored multiple technologies across all businesses of the Company, from Helicopters to Defence and Space and the Commercial Aircraft business. At the Le Bourget Paris Air Show a new demonstrator “HyPower” was revealed, which focuses on delivering hydrogen-based energy for non-propulsive purposes on an A330 testbed. Throughout the year, UpNext concluded multiple demonstrations such as:

- **Dragonfly:** A demonstrator that experimented with new pilot operations both on ground and inflight to reduce pilot workload and ensure safe return to airport.

- **VERTEX:** Could a helicopter be flown with just a tablet? This helicopter demonstration leveraged fly-by-wire capabilities with an in-house Human-Machine Interface that enabled the flight of an H130 helicopter with solely a tablet and human friendly commands.

- **ASCEND:** The exploration of potential applicability of superconductivity and cryogenic cooling on a powertrain for aviation was completed in November 2023, with the power-on of a newly designed motor. First announced in March 2021, in just three years the viability of this technology was validated with design, manufacturing and testing all achieved.
Blue Condor: A modified glider at the centre of Airbus UpNext’s hydrogen contrail-studying experiment, Blue Condor, made its first hydrogen-powered flight in the United States. The flight was the company’s first ever to use hydrogen as the sole fuel source, and it kicked off a test campaign that will conclude in a contrail-measuring mission scheduled for early 2024.

Additionally, during the year, Airbus performed several flight test campaigns on its defence demonstrator AutoMate. This demonstrator serves to develop the future Autonomous Formation Flight and Autonomous Air-to-Air refuelling (A4R) capabilities. With new flight control laws that enabled the close formation flight of multiple DT25 aircraft, with three physical drones and two virtually simulated drones positioning autonomously at various positions around the A310 MRTT tanker aircraft.

2023 also saw the first flight of eXtra Performance Wing demonstrators flight test bed aircraft, a Cessna Citation VII business jet that is able to fly in representative flight conditions of a single aisle aircraft to accelerate and validate technologies that will improve and optimise wing aerodynamics and performance for any future aircraft. The applications of the eXtra Performance Wing – compatible with any propulsion solution and aircraft configuration – would reduce CO₂ emissions, thus contributing significantly to Airbus’ decarbonisation roadmap.

Acubed
Situated in Silicon Valley, an epicentre of tech talent and investment, Acubed is a fast-paced machine that develops and delivers technological breakthroughs at the intersection of software and hardware. Acubed’s mission is to accelerate the digital transformation of the aerospace industry and build the future of flight now. In operation since 2015, Acubed delivers valuable digital technologies and solutions to Airbus, leveraging strong AI, software and simulation capabilities synonymous with Silicon Valley’s strengths. Acubed’s agile, highly collaborative model means it can inject lasting value and expertise into Airbus while keeping a finger on the pulse of emerging technologies that have the power to transform the aviation industry.

Acubed’s current areas of exploration and maturation are closely aligned to Airbus’ strategic priorities and aim to help Airbus secure and maintain leading positions across nascent and established aerospace markets. Beyond its current portfolio, Acubed continues to explore new areas of research where it can develop additional value for Airbus and the industry.

AI and autonomy. Acubed’s Wayfinder team is developing certifiable autonomous flight and machine learning solutions to help Airbus bring about a significant increase in safety and efficiency in the next generation of commercial aircraft. Their team of experts is working hand-in-hand with European teams to scale Airbus’ capacity to develop computer vision-based autonomous systems and data-driven development to meet Airbus’ autonomy goals.

Digital design and manufacturing. The Advanced Digital Design and Manufacturing (“ADAM”) team seeks to transform the aerospace industry through the application of digital innovation across design and manufacturing. Whether adapting manufacturing processes to gain efficiencies or to cope with disruptions (for example, supply chain issues), ADAM develops solutions to reduce lead times, production costs and improve workflows dynamically, blending its software and hardware expertise.

Digital airspace. The Uncrewed Traffic Management (“UTM”) team’s work aims to enable autonomous and digital air traffic operations that ensure a safe, fair and efficient airspace. The team is proceeding through research, simulations, operational services and industry collaborations. Pioneered out of Acubed, these activities are an integral part of the global Airbus UTM programme located across Europe and in Singapore. The team delivers a suite of products for an extensible UTM ecosystem that includes essential core services such as safety briefings, risk analysis and airspace authorisation, as well as digital airspace “twin simulation” capabilities.

Quantum technologies. Acubed is accelerating research on the application of quantum computing and sensing to further Airbus’ understanding of the potential of these technologies and how they may be leveraged to improve operational sustainability and further enable autonomy. To do so, Acubed is actively partnering with Silicon Valley and other US-based startups to explore the acceleration of quantum technologies; in particular, it has equipped its test aircraft with quantum sensing technology to test and train magnetic navigation systems.

Airbus China R&D and Innovation Centre (“ACRI”)
ACRI includes the Airbus China R&D Centre in Suzhou (leveraging China’s industrial ecosystem to pursue the Airbus sustainability ambition in China), and Airbus China Innovation Centre (ACIC) in Shenzhen (accessing a highly advanced digital innovation ecosystem). Its mission is to embed with China’s local sustainability and innovation ecosystem including talents, partners and resources, combined with the Company’s expertise in aerospace, to discover promising technologies, to identify solutions enabling new business, and to support local business growth. The ACRI has the following functions:

- The hydrogen/ZEROe team supports implementing Airbus hydrogen strategy and ZEROe project ecosystem and infrastructure in China.
- The manufacturing innovation team is tasked to explore industry 4.0 technologies to improve efficiency and safety within final assembly line activities, as well as to use Airbus’ industrial sites in China for accelerated local testing and global dissemination. The team is working on computer vision, AGV (automated guided vehicles), 5G industrial connectivity, smart tooling, remote inspection, green factory and IoT (Internet of Things). Various applications are handed over to business and implemented in daily operation.
- The cabin experience team is providing connected, digital and sustainable innovation for today’s and future aircraft cabin and cargo business needs, by enhancing Airbus’ local cabin offering (local to local) and bringing value for Airbus global cabin products (local to global).
- The connectivity team is driving innovative 5G and IoT technologies for smart airports and cargo ground operators.
- The techlab team is working on electronics/electrification, power electronics, battery, solar, sensor technologies to provide innovative technical building blocks working toward further advancements.
- The software development team is working on software development for innovation projects across multiple domains like advanced manufacturing, smart equipment, cabin, connectivity, etc.
- The protospace team is a local rapid prototyping function that provides fast PoC solutions for all local innovation projects.
Airbus India Innovation Centre

The Airbus India Innovation Centre was inaugurated in February 2023, making it the third Innovation Centre for Airbus globally (after Acubed and ACIC). This Innovation Centre, based in Bangalore, has the unique positioning of being co-located and supported by the largest Engineering and Information Management Centres outside of the core countries for Airbus. The India Innovation Centre focuses on developing, testing and demonstrating products that are co-developed with the support of internal engineering and digital competencies and by also leveraging the robust external Indian tech ecosystem which includes the “Big Tech” companies, mature startups, universities and national laboratories and strategic partners. The India Innovation Centre will also house a Digital Engineering Protospace which will support the rapid prototyping of digital engineering concepts (currently being set up and targeting to go live in early 2024).

Currently, there are four products that are under development at the India Innovation Centre, which are sponsored by various Engineering centres of competence and all three divisions:

- **IKSANA** is a seamless digital solution to report and assess shortcomings and quality issues in the manufacturing environment, leveraging computer vision technology. This product is readily scalable to the in-service support workflow as well.

- The **SimuON** project intends to make advanced structural simulations fast, intelligent and credible to enable it to be a means of compliance and add business value to the organisation. This is done by augmenting advanced structural simulations by Physics Informed Neural Network and other AI-based features to reduce modelling, simulation and analysis time.

- **Artificial Intelligence for Non Conformities** is a solution based on an AI platform capable of detecting and predicting quality issues within processes, systems and operations. The AI system will deploy advanced machine learning techniques to analyse data, identify patterns and flag instances of deviations for corrective and preventive measures.

- **Artificial Intelligence for Model Based System Engineering (MBSE).** Systems engineering is a crucial process in the design and management of complex systems. All the processes for designing and architecting these systems are formally documented, and these documents provide system engineers with the information about requirements, the mission, and operational, functional, logical and technical analysis. The AI for MBSE platform will provide a set of AI-based models that would help automate or assist in MBSE development. The following products are being developed as part of the AI for MBSE platform:
  - **MBSE design assistant:** An LLM (Large Language Model) will be trained and will build first level information that will be used by the MBSE designer to build their CAMEO model. This is expected to reduce the design time by 50%.
  - **Automated SysML builder:** AN LLM would be trained to process the various input documents, standards, specifications, change requests and so on and build a fully functional SysML model that can be used in CAMEO. The AI model will help reduce the design time by 70% and also ensure quality and traceability of the models.

Airbus InnovationX | Scale

Airbus InnovationX is tasked to leverage trends and engage ecosystems to impact current and future aerospace challenges. With that in mind, Airbus focuses on active innovation delivery and operates on four different levels, all integrated under one “roof” and with innovation governance at Airbus level.

- **Corporate innovation:** To support and guide the internal and external innovation ecosystem in its development, with the objective to increase the impact and visibility of Airbus as an innovative and sustainable company. Supported by innovation governance and operations while fostering entrepreneurship and out-of-the-box thinking within Airbus’ own culture.

- **Global technology Scouting:** To explore and promote worldwide emerging technologies that will impact the Airbus product portfolio short, mid and long-term, and which will support Airbus Performance & Sustainability overall objectives.

- **Start-up engagement:** To accelerate the adoption of startup owned solutions in response to unmet business needs focusing on strategic Airbus priorities and aiming at projects with high potential impact. Airbus addresses both process and product innovation targeting mature solutions coming from mature leading startups.

- **Incubator:** To anticipate the trends that could disrupt the future of the aerospace industry and evaluate them to identify and incubate potential new businesses preparing to be accelerated within Airbus.

Three notable success stories highlight Airbus InnovationX / Scale’s effectiveness. Atlas AI, part of Airbus Ventures portfolio, aids in air travel demand predictions, enhancing sales campaigns and product strategy. Meanwhile, Videns Analytics utilises machine learning and artificial intelligence to optimise line balancing and productive planning at Airbus. Finally, Airbus Direct Air Capture (DAC), a venture targeting new business models on sustainable activities, aims to commercialise DAC technology for agriculture while demonstrating a Megaton Carbon Capture system. The Airbus DAC team was among the three finalists nominated for the German Future Prize 2023.

Airbus Commercial Aircraft business

Airbus Commercial’s R&T activity continues to progress along the axes of safety, decarbonisation, operational efficiency for customers, Airbus industrial efficiency and resilience and passengers’ experience. Technologies are delivered to current programmes, providing options to improve Airbus products and the industrial system. Technology that will support future programmes is also investigated and matured; for example, propulsion, wing, aircraft systems, fuselage, empennage, cabin, industrial, maintenance and engineering capabilities are areas of interest. The technologies being developed will help to achieve Airbus’ future efficiency and resilience, and help to secure the Company’s future licence to operate. Their development will require a multi-year effort.

To give some examples of last year’s achievements:

- The Company concluded the test campaign aimed at understanding contrails formation when using SAF, feeding climate science for non-CO₂ effects and resulting in published articles in 2023.
- First flight of the EcoPulse demonstrator, with a distributed hybrid propulsion system.
1. Information on the Company’s Activities

1.3 Other corporate activities

– Completed assembly of a high-aspect ratio wingbox structure and of a folding wingtip specimen for demonstration purposes.
– Full-scale demonstration of automated assembly capability on a nose fuselage floor module.
– Mid-size drilling robot prototype completed for industrial automation.

Low carbon technologies continue to be a strong focus. As part of its ambition to lead the decarbonisation of the aerospace sector, Airbus will continue to develop hydrogen technologies around propulsion and liquid hydrogen storage and distribution systems. Airbus has also engaged in many strategic partnerships around the world aimed at understanding and exploring the hydrogen ecosystem to support the successful entry into service of a hydrogen powered aircraft. This accelerated in 2023 with major breakthroughs, such as the demonstration of a 1.2MW fuel cell power generation, as well as the first flight ever fully powered with gaseous hydrogen, thanks to the Blue Condor demonstrator. In parallel, different aircraft configurations will be explored and developed in 2024, to assess more efficient ways to integrate these technologies inside the aircraft. The Company will also continue its efforts to support its customers to build their route to lower carbon operations, and to grow its partnership landscape for critical technology enablers and related ecosystems.

Airbus Helicopters

In 2023, the Research and Innovation department actively continued its activities related to the main demonstrators and roadmaps for key technology building blocks. The DisruptiveLab demonstrator completed its first flight campaign, with more than 40 flight hours. Main sub-systems concepts and the global aerodynamic architecture were successfully demonstrated in flight. The next steps will be to address new propulsion technology and first autonomy functions. After the power-on end of 2023, the RACER demonstrator (Rapid and Cost Efficient Rotorcraft) is now in preparation for clearance to perform the milestone first flight, and the main gearbox and engine systems are installed on the prototype. The first flight is planned for early 2024.

The H130 FlightLab continued the functional demonstrations of several new helicopter capacities:
– cable detection with a dedicated hardware set-up;
– HUMS (Health & Usage Monitoring System) and Rotor tracking balance for light helicopters;
– autonomous navigation set-up based on Vertex, a project to demonstrate a fully automated flight.
– City Airbus NextGen advanced piloting sleeves.

The “Pioneer lab” (the H145 FlightLab), was unveiled with a first 330° rotor strike alerting system demonstration from the 220° solution already demonstrated for H130.

Airbus Defence and Space

In 2023, the Company continued its already established R&T management philosophy of balancing the self-funded R&T portfolio with a mix of short-term and long-term technologies. Key technologies that are reaching sufficient maturity to enter into a programme-driven industrialisation phase are fed into the Company’s products and solutions. Further, the Company devotes a significant part of its portfolio to technologies that are not expected to reach high maturity in the near-term, but are considered critical to Airbus Defence and Space.

These are technologies the Company needs to master to maintain its competitive position in the mid-to-long-term (e.g., Quantum, Photonics and Optical Comms, safety-critical autonomy and advanced AI applications).

Airbus has identified a set of Top 10 Technologies for Airbus Defence and Space through an exhaustive exercise with different stakeholders. Assessments included heterogeneous aspects such as business potential, transversal character for their adoption, in-house skills and competences, competitive benchmarking and the partnerships and cooperation landscape. The Top 10 technologies are as follows: Artificial Intelligence, Quantum, Visual-Based Navigation, Prognostic Health management, Robotics, Optical and Photonics, Software-defined networking, Computing platforms, 5G/6G and Low Observability. The Company has produced a dedicated R&T roadmap and technology deep-dive for each of these elements.

In terms of technological achievements on the self-funded R&T portfolio, significant progress has been achieved across the portfolio with direct applicability to elements across all Airbus Defence and Space Program Lines and across the overall portfolio of products and solutions. A few examples are:
– jointly developed with Airbus UpNext, the MRTT programme flights, the new Autonomous Formation Flight and Autonomous Air-to-Air refuelling (A4R) capabilities, using the A310 flight test bed and multiple DT25 aircraft (see section on Airbus UpNext regarding Auto’Mate);
– development of an optical feeder on-board terminal for very high-capacity telecommunication space satellites (TELEO), launched to space as a hosted payload in the mission BADR8;
– handover to the Program and Chief Engineering Office of the technical results allowing the use of additive manufacturing techniques and Scalmalloy® material for the Eurodrone UAS;
– development and delivery of a set of advanced features and algorithms for data and imagery utilisation, including functions such as Aerial Video Line of Sight Refinement, Open-Source Intelligence (OSINT) Video Indexing & Summarization and ISR Tracking Techniques for complex surveillance;
– final delivery to the industrial environment of an in-house developed proximity warning system which will enhance health and safety standards in the shop floor daily operations;
– deployment of an experimental setup consisting of a free-space optical link implementing several Quantum Key Distribution (QKD) mechanisms which have demonstrated huge improvements in terms of secure and encrypted communication.

The Airbus Defence and Space footprint within the home-countries and European eco-systems of Research and Technology has been reinforced during 2023. Through the crystallisation of the Company’s Research and Technology National plans, which have been widely communicated to major external stakeholders, including the national MoDs, the EU Commission, the European Defence Agency (EDA) and European Space Agency (ESA). Out of the European Defence Funds 2022 call for tender, which was concluded in mid-2023, Airbus Defence and Space is participating in 10 collaborative defence research and development projects funded by the European Commission. Out of those 10 projects, Airbus Defence and Space will lead four of them and contribute to
the other six. The projects that Airbus Defence and Space leads as coordinator are:

- SESIOPI, for the Single European Sky and Interoperability;
- EUCINF, an European Cyber and Information warfare toolbox;
- FASETT, the Future Air System for European Tactical Transportation;
- SPIIDER, for Space based Persistent ISR for Defence and Europe Reinforcement.

Regarding the 2023 call for tender, Airbus Defence and Space recently submitted proposals for projects as participant of 14 different consortia, out of which Airbus Defence and Space currently will coordinate three:

- ESOCA for Strategic Air Transportation of Outsized Cargo (SATOC);
- MARIOS for Laser Communications (under coordination of the subsidiary TESAT);
- ARCHER for human language technologies.

All these European Defence Fund projects offer valuable contributions toward the fulfilment of the Company’s strategy, and will contribute to strengthening the European defence industry as well as the military capabilities of the nations. Looking further, cooperation with academia and universities has been emphasised with the celebration of three events to foster technology collaboration with Universities and research centres, called Collaboration#Tech, in which more than one hundred universities and research centres had the chance to answer specific challenges posed by the engineering teams with their ideas and solutions through projects.

In terms of Intellectual Property, the Airbus Defence and Space IP patent portfolio has been strengthened. Looking at specific areas, in line with the Top-10 Technologies mentioned earlier, software-defined elements such as Cybersecurity, Cloud and connectivity have been strengthened. In 2022, Airbus Defence and Space saw its innovation spirit recognised with an ADS inventor nominated for the European Patent Office’s European Patent Award.

For the Future Combat Air System (FCAS), in addition to the tri-national programme, Airbus Defence and Space has launched national initiatives with German and Spanish Customers to develop underlying technologies feeding either multinational or national streams. The common technical building blocks are related to Connectivity and Communication Networking as a key capability for collaborative engagements. Beyond tri-national and national activities, the Company is linking with the European Defence Fund in the specific areas of Human-Machine Interaction, preparation of standards for Collaborative Warfare and enhanced, digitalised and secure battlespace information distribution across all operational domains in the following projects:

- EPIIC – Enhanced Pilot Interfaces & Interactions for fighter Cockpit;
- EICACS – European Initiative for Collaborative Air Combat Standardization;
- MDOC – Military multi-domain operations cloud.

In 2023, Airbus Defence and Space took the role as Co-Chair within NATO-wide working groups on strategic topics related to FCAS such as Suppression of Enemy Air Defence (SEAD) against a modern Integrated Air Defence System (IADS), next generation of Air Combat platforms and weapons with a focus on multi-domain operations and interoperability with NATO’s Joint Intelligence, Surveillance and Reconnaissance (JISR) and Alliance Future Surveillance and Control (AFSC) programmes and the potential of Advanced and Novel Electronic Attack Capabilities.

1.4 Recent Developments

On 1 January 2024, the Company implemented a new organisational set up and top management changes, including the appointment of a designated Commercial Aircraft leadership team, operating under the helm of Christian Scherer, and the appointment of its first Chief Sustainability Officer, Julie Kitcher. For further information, please refer to “– 4.1.1.3 c) – The Executive Committee”.

On 28 February 2024, it was announced that Ralph Crosby has resigned from the Board of Directors with effect on the date of the 2024 Annual General Meeting, and that a resolution proposing Dr. Feiyu Xu as a Non-Executive Director for the remainder of Mr. Crosby’s term would be presented at the Annual General Meeting. For further information, please see section “– 4.1.1.1 e) – The Board of Directors”, and please also refer to the 2024 Annual General Meeting Information Notice, available through the Annual General Meetings link in the Investors section of the Company’s website.
2

Management’s Discussion
and Analysis of Financial
Condition and Results
of Operations

2.1 Operating and Financial Review
2.1.1 Overview
2.1.2 Material Accounting Considerations, Policies and Estimates
2.1.3 Performance Measures
2.1.4 Results of Operations
2.1.5 Changes in Total Equity (Including Non-Controlling Interests)
2.1.6 Liquidity and Capital Resources

2.2 Financial Statements

2.3 Statutory Auditor Fees

2.4 Information Regarding the Statutory Auditors
2.1 Operating and Financial Review

The following discussion and analysis is derived from and should be read together with the audited IFRS Consolidated Financial Statements as of and for the years ended 31 December 2023, 2022 and 2021. These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board as endorsed by the European Union, and with Part 9 of Book 2 of the Dutch Civil Code. When reference is made to “IFRS”, this intends to be EU-IFRS.

The following discussion and analysis also contain certain “non-GAAP financial measures”, i.e. financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. Specifically, the Company makes use of the non-GAAP financial measures (i.e. Alternative Performance Measures) “EBIT Adjusted”, “Net cash” and “Free Cash Flow”.

The Company uses these non-GAAP financial measures to assess its consolidated financial and operating performance and believes they are helpful in identifying trends in its performance. These measures enhance management’s ability to make decisions with respect to resource allocation and whether the Company is meeting its financial goals.

Non-GAAP financial measures have certain limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of the Company’s results as reported under IFRS. Because of these limitations, they should not be considered substitutes for the relevant IFRS measures.

The Company also measures and communicates its performance on the basis of “EBIT” (reported).

Reporting in Universal Registration Document 2023

**Geopolitical and Macroeconomic Environment.** While 2023 saw the stabilisation of both inflation and the energy crisis, the Company observed an overall cost increase over its businesses. On the other hand, the continued high interest rate environment resulted in an improved interest result. For further information, please refer to “Notes to the IFRS Consolidated Financial Statements – Note 2: Geopolitical and Macroeconomic Environment”.
2.1.1 Overview

The Company constantly innovates to provide efficient and technologically-advanced solutions in aerospace, defence, and connected services. In commercial aircraft, Airbus offers modern and fuel-efficient airliners and associated services. The Company is also a European leader in space systems, defence and security. In helicopters, the Company provides civil and military rotorcraft solutions and services worldwide.

2.1.1.1 Exchange Rate Information

The financial information presented in this document is expressed in euro, US dollar or pound sterling. The following table sets out, for the periods indicated, certain information concerning the exchange rate between the euro, the US dollar and the pound sterling, calculated using the official European Central Bank fixing rate:

<table>
<thead>
<tr>
<th>Average</th>
<th>Year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€/US$</td>
</tr>
<tr>
<td>31 December 2021</td>
<td>1.1827</td>
</tr>
<tr>
<td>31 December 2022</td>
<td>1.0530</td>
</tr>
<tr>
<td>31 December 2023</td>
<td>1.0813</td>
</tr>
</tbody>
</table>

2.1.1.2 Reportable Business Segments

In 2023, the Company operated in three reportable business segments which reflect the internal organisational and management structure according to the nature of the products and services provided.

- **Airbus** – Development, manufacturing, marketing and sale of commercial jet passenger aircraft of more than 100 seats, freighter aircraft and regional turboprop aircraft and aircraft components; aircraft conversion and related services. It also includes the holding function of the Company and its bank activities.

- **Airbus Helicopters** – Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.

- **Airbus Defence and Space** – Military Air Systems design, development, delivery and support of manned and unmanned military air systems and their associated services. Space Systems design, development, delivery, and support of a broad range of civil and defence space systems for telecommunications, earth observations, navigation, science and orbital systems. Connected Intelligence provision of services around data processing from platforms, secure communication and cyber security. In addition, the main joint ventures design, develop, deliver, and support missile systems and space launcher systems.

Consolidation effects are reported in the column “Eliminations”.

2.1.1.3 Significant Programme Developments in 2023 and Other Financial Topics

**A320 programme.** In 2023, 571 A320 Family aircraft were delivered, while the production is progressing well towards the previously announced rate of 75 aircraft per month in 2026. In 2023, construction of the second A320 Final Assembly capacities in Tianjin (China) and Mobile (US) commenced and the new A320 Family Final Assembly Line in Toulouse delivered its first aircraft in December. The first customer A321XLR entered into the Final Assembly Line in December, with entry-into-service for the aircraft type expected to take place in Q3 2024.

**A350 programme.** In 2023, 64 A350 aircraft were delivered and the Company continues towards a monthly rate of 10 aircraft in 2026.

**A330 programme.** In 2023, 32 A330 aircraft were delivered and the Company continues towards a monthly rate of four aircraft in 2024.

**A220 programme.** In 2023, 68 A220 aircraft were delivered. The A220 ramp-up continues towards a monthly production rate of 14 aircraft in 2026, with a focus on the programme’s industrial maturity and financial performance.

**A400M programme.** Developments on the A400M programme resulted in the recognition of revenues of €1.8 billion in 2023.

As of 31 December 2023, the Company has delivered a total of 123 A400M aircraft including eight aircraft in 2023. The Company has continued with development activities towards achieving the revised capability roadmap. Retrofit activities are progressing in close alignment with the customer. In 2023, an additional update of the contract estimate at completion has been performed and a net charge of €41 million recorded.

Risks remain on the qualification of technical capabilities and associated costs, on aircraft operational reliability, on cost reductions and on securing overall volume as per the revised baseline.

**Space Systems.** In 2023, the updated Estimates at Completion of certain space programmes led to a charge of €0.6 billion. This includes an updated assessment of assumptions and estimates related to the remaining revenue and costs to completion and the progress of the contracts together with the underlying programmes status.
2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

2.1 Operating and Financial Review

Going concern and associated liquidity measures. As of 31 December 2023, the Company had a net cash position of €10.7 billion with a total liquidity of €33.3 billion, before deducting short-term financing liabilities. As of 31 December 2023, management considers the Company has sufficient resources to continue operating for at least 12 months and that there are no material uncertainties about the Company’s ability to continue as a going concern. For further information on liquidity, see “– 2.1.6 Liquidity and Capital Resources”.

Litigation. For information, see “– Information on the Company’s Activities – 1.1.7 Legal and Arbitration Proceedings” and “Notes to the IFRS Consolidated Financial Statements – Note 24: Provisions, Contingent Assets and Contingent Liabilities”.

2.1.1.4 Current Trends

As the basis for its 2024 guidance, the Company assumes no additional disruptions to the world economy, air traffic, the supply chain, the Company’s internal operations, and its ability to deliver products and services. The Company’s 2024 guidance is before M&A.

On that basis, the Company targets to achieve in 2024: around 800 commercial aircraft deliveries; EBIT Adjusted between €6.5 billion and €7.0 billion; and Free Cash Flow before Customer Financing(1) of around €4.0 billion.

This guidance has been prepared on the basis of certain assumptions, including the principal assumptions as set out below. The principal assumptions within the Company’s control are as follows: (a) underlying commercial aircraft deliveries are based on existing orders. Revenues from other activities are also based on existing orders and may include estimates based on relevant market forecasts; (b) no significant interruption in operational performance or programme execution; (c) no disruption in or change to the development of products or other development projects; and (d) no material change to the Company’s existing capital structure.

The principal assumptions outside the Company’s control are as follows: (a) no material change in general trading conditions, geopolitical stability, military tensions, economic conditions, competitive environment or levels of demand which would materially affect the Company’s business; (b) the Company’s internal operations do not suffer further disruptions or from external interruptions; (c) suppliers will meet their delivery commitments and ensure maturity, availability and in-service performance; (d) no material change in the ability or willingness of our customers to meet their contractual obligations, including payment obligations to the Company; (e) no changes in the legislative or regulatory environment which could have a material effect on the Company; and (f) no adverse outcome to any material litigation or investigation.

This guidance has been prepared on a basis consistent with the accounting policies adopted by the Company and is comparable with the Company’s historical financial information.

2.1.2 Material Accounting Considerations, Policies and Estimates

The Company’s material accounting considerations, policies and estimates are described in the Notes to the IFRS Consolidated Financial Statements. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 4: Material Accounting Policies,” “– Note 5: Key Estimates and Judgements” and “– Note 6: Change in Accounting Policies and Disclosures”.

2.1.2.1 Scope of and Changes in Consolidation

For further information on the scope of and changes in consolidation as well as acquisitions and disposals of interests in business, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 7: Scope of Consolidation” and “– Note 8: Acquisitions and Disposals”.

2.1.2.2 Capitalised Development Costs

Pursuant to the application of IAS 38 “Intangible Assets”, the Company assesses whether product-related development costs qualify for capitalisation as internally generated intangible assets. Criteria for capitalisation are strictly applied. All development costs not meeting the IAS 38 criteria are expensed as incurred in the consolidated income statement.

Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 4: Material Accounting Policies” and “– Note 19: Intangible Assets”.

2.1.2.3 Impairment of Long-Life Assets, Work in Progress and Finished Aircraft

In testing long-life assets such as jigs and tools and capitalised development costs for impairment, the Company makes estimates on the number and timing of aircraft units to be delivered in the future also considering potential impacts from climate change, the margin of these aircraft, and the discount rate associated with the aircraft programme. For aircraft that may need to be remarkeeted, the impairment of work in progress and finished aircraft is assessed based on an estimation of the future selling price and associated remarketing costs.

Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 4: Material Accounting Policies”, “– Note 3: Climate impacts”, “– Note 19: Intangible Assets” and “– Note 23: Inventories”.

(1) The Company has decided to update the definition of the Alternative Performance Measure Free Cash Flow in line with market practices to better reflect the underlying cash generation performance of its operations. Going forward, Mergers and Acquisitions transactions will be excluded from this definition. This applies from 1 January 2024 onwards and the 2024 Guidance is issued on that basis.
2.1.2.4 Accounting for Hedged Foreign Exchange Transactions in the Financial Statements

In 2023, more than 75% of the Company’s revenues are denominated in US dollars, with around 60% of such currency exposure “naturally hedged” by US dollar-denominated costs. The remainder of costs are incurred primarily in euros, and to a lesser extent, in pounds sterling. Consequently, to the extent that the Company does not cover its net current and future exchange rate exposure from the time of a customer order to the time of delivery, its profits will be affected by market changes in the exchange rate of the US dollar against these currencies, and to a lesser extent, by market changes in the exchange rate of pound sterling against the euro.

The Company uses hedging strategies to manage and mitigate the impact of exchange rate fluctuations on its profits, including foreign exchange derivative contracts and other non-derivative financial assets or liabilities denominated in a foreign currency. As the Company intends to generate profits only from its operations and not through speculation on foreign currency exchange rate movements, the Company uses hedging strategies solely to mitigate the impact of exchange rate fluctuations on its EBIT(2).

Moreover, to further mitigate the impact of exchange rate fluctuations on its profits, the Company might enter into a euro conversion agreement with its customers to fully or partially convert the payment from US dollar into euro based on an agreed conversion rate. These agreements can be implemented at the specific request of customers.

For further information on the Company’s coverage strategies in response to its particular exposures, see “– 2.1.3.3. EBIT by Business Segment”.

2.1.2.5 Foreign Currency Translation

For information on transactions in currencies other than the functional currency of the Company and translation differences for other assets and liabilities of the Company denominated in foreign currencies, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 4: Material Accounting Policies”.

Currency Translation Mismatch

Customer advances (and the corresponding revenues recorded when sales recognition occurs) are translated at the exchange rate prevailing on the date they are received (historical rates of customer advances). US dollar-denominated costs are converted at the exchange rate prevailing on the date they are incurred (historical rates of US dollar-denominated costs). To the extent those historical rates and the amounts received and paid differ, there is a foreign currency exchange impact (mismatch) on EBIT. Additionally, the magnitude of any such difference, and the corresponding impact on EBIT, is sensitive to variations in the number of deliveries and spot rate (€/US$).

2.1.2.6 Accounting for Sales Financing Transactions in the Financial Statements

The accounting treatment of sales financing transactions varies based on the nature of the financing transaction and the resulting exposure. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 21: Other Investments and Other Long-Term Financial Assets”, “– Note 24: Provisions, Contingent Assets and Contingent Liabilities” and “– Note 27: Sales Financing Transactions”.

For further information on the significance of sales financing transactions for the Company, see “– 2.1.6.4 Sales Financing”.

2.1.2.7 Provisions for Onerous Contracts

Provisions for onerous contracts are reviewed and reassessed regularly. However, future changes in the assumptions used by the Company or a change in the underlying circumstances may lead to a revaluation of past provisions for onerous contracts and have a corresponding positive or negative effect on the Company’s future financial performance. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 4: Material Accounting Policies – Provisions for onerous contracts” and “– Note 24: Provisions, Contingent Assets and Contingent Liabilities”.

(2) The Company continues to use the term EBIT. EBIT is identical to profit before financial result and income taxes.
2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
2.1 Operating and Financial Review

2.1.3 Performance Measures

2.1.3.1 Business segments

Airbus

<table>
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<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>47,763</td>
<td>41,428</td>
<td>36,164</td>
</tr>
<tr>
<td>EBIT</td>
<td>3,610</td>
<td>4,800</td>
<td>4,175</td>
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<th>2023</th>
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<tr>
<td>Revenue</td>
<td>7,337</td>
<td>7,048</td>
<td>6,509</td>
</tr>
<tr>
<td>EBIT</td>
<td>717</td>
<td>639</td>
<td>535</td>
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Airbus Helicopters

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<tr>
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<th>2023</th>
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<tr>
<td>Revenue</td>
<td>11,495</td>
<td>11,259</td>
<td>10,186</td>
</tr>
<tr>
<td>EBIT</td>
<td>220</td>
<td>(118)</td>
<td>568</td>
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</table>

Airbus Defence and Space

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>15.7</td>
<td>9.3</td>
<td>13.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>1.9%</td>
<td>(1.0%)</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

2.1.3.2 Order Intake and Order Backlog

Year-end order backlog consists of contracts signed up to that date. Only firm orders are included in calculating the order backlog for commercial aircraft and civil helicopters. A firm order is defined as one for which the Company receives a down payment on a definitive contract. Defence-related orders are included in the backlog upon enforcement of the signed contract. Commitments under defence “umbrella” or “framework” agreements by governmental customers are not included in backlog until the Company is officially notified.

The total order backlog and order intake represent the aggregate amount of the net transaction price allocated to the unsatisfied and partially unsatisfied performance obligations to the Company’s customers. Backlog commitments are relative to the Company’s enforceable contracts with its customers where it is probable that the consideration will be collected. Contractual rebates, engine concessions and variable considerations are taken into account for measurement. Contracts stipulated in a currency different from the presentation currency are translated to euro using the spot rate as at 31 December 2023, 2022 and 2021, respectively. Adjustments to the value of the order backlog could result from changes in the transaction price. Options are not considered in the valuation of order intake and order backlog. In 2024, approximately 9% of the Airbus backlog in units is expected to be converted into revenues.

ORDER INTAKE

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
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<td>162.6</td>
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<td>40.0</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>8.6</td>
<td>9.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>15.7</td>
<td>13.7</td>
<td>13.7</td>
</tr>
<tr>
<td>Subtotal segmental order intake</td>
<td>186.9</td>
<td>82.7</td>
<td>62.2</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(0.4)</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Total</td>
<td>186.5</td>
<td>82.5</td>
<td>62.0</td>
</tr>
</tbody>
</table>

(1) Before “Eliminations”.
ORDER BACKLOG

<table>
<thead>
<tr>
<th></th>
<th>2023 (In € billion)</th>
<th>2022 (In € billion)</th>
<th>2021 (In € billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus</td>
<td>490.8</td>
<td>390.5</td>
<td>345.1</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>21.5</td>
<td>20.8</td>
<td>18.0</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>42.2</td>
<td>38.4</td>
<td>36.1</td>
</tr>
<tr>
<td><strong>Subtotal segmental order backlog</strong></td>
<td><strong>554.5</strong></td>
<td><strong>449.7</strong></td>
<td><strong>399.2</strong></td>
</tr>
<tr>
<td>Eliminations</td>
<td>(0.6)</td>
<td>(0.4)</td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>553.9</strong></td>
<td><strong>449.2</strong></td>
<td><strong>398.4</strong></td>
</tr>
</tbody>
</table>

(1) Before “Eliminations”.

2023 compared to 2022. The €104.7 billion increase in order backlog mainly reflected the Company-wide book-to-bill of well above one, partly offset by the weakening of the US dollar.

Airbus’ backlog increased by €100.3 billion to €490.8 billion, corresponding to a book-to-bill ratio in units of well above one (calculated using units of new net orders, i.e. new net orders in units divided by deliveries in units) partly offset by the weakening of the US dollar. Total order backlog at Airbus amounted to 8,598 aircraft at the end of 2023 (as compared to 7,239 aircraft at the end of 2022). Order intake consisted of 2,094 net orders in 2023 (as compared to 820 in 2022), comprising 1,675 net firm orders of the A320 Family, 141 A220s, 281 A350s partly offset by higher cancellations than orders on the A330s.

Airbus Helicopters’ backlog increased by €0.7 billion to €21.5 billion, achieving a book-to-bill ratio above one both in units and value. Total order backlog amounted to 804 helicopters at end of 2023 (as compared to 757 helicopters at the end of 2022). Airbus Helicopters received 393 net orders in 2023 (as compared to 362 in 2022). Helicopter orders were well spread across programmes.

Airbus Defence and Space’s backlog increased by €3.8 billion to €42.2 billion and the book-to-bill ratio in value amounted to around 1.4 with new net orders of €15.7 billion. Fourth quarter orders included 16 C295 aircraft for Spain.

2022 compared to 2021. The €50.8 billion increase in order backlog to €449.2 billion (2021: €398.4 billion) mainly reflected the book-to-bill above one and the strengthening of the US dollar.

Airbus’ backlog increased by €45.3 billion to €390.4 billion, corresponding to a book-to-bill ratio in units significantly above one (calculated using units of new net orders, i.e. new net orders in units divided by deliveries in units) and the strengthening of the US dollar. Total order backlog at Airbus amounted to 7,239 aircraft at the end of 2022 (as compared to 7,082 aircraft at the end of 2021). Order intake consisted of 820 net orders in 2022 (as compared to 507 in 2021), comprising 770 net firm orders of the A320 Family, 105 A220s, 10 A350s partly offset by higher cancellations than orders on the A330s.

Airbus Helicopters’ backlog increased by €2.8 billion to €20.8 billion, achieving a book-to-bill ratio above one both in units and value. Total order backlog amounted to 757 helicopters at the end of 2022 (as compared to 739 helicopters at the end of 2021). Airbus Helicopters received 362 net orders in 2022 (as compared to 414 in 2021). Helicopter orders were well spread across programmes and included 12 H160s.

Airbus Defence and Space’s backlog increased by €2.3 billion to €38.4 billion and the book-to-bill ratio in value amounted to around 1.2 with new net orders of €13.7 billion, including key orders in Demonstrator Phase 1B of the Future Combat Air System, the Eurodrone unmanned aerial system and 20 latest-generation Eurofighters for the Spanish Air Force.

The following table illustrates the proportion of civil and defence backlog at the end of each of the past three years.

<table>
<thead>
<tr>
<th></th>
<th>2023 (In € billion)</th>
<th>2022 (In € billion)</th>
<th>2021 (In € billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil sector</td>
<td>501.6</td>
<td>402.0</td>
<td>355.3</td>
</tr>
<tr>
<td>Defence sector</td>
<td>52.3</td>
<td>47.2</td>
<td>43.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>553.9</strong></td>
<td><strong>449.2</strong></td>
<td><strong>398.4</strong></td>
</tr>
</tbody>
</table>

(1) Including “Eliminations”.

In 2023, the €104.7 billion increase in order backlog mainly reflected the Company-wide book-to-bill of well above one, partly offset by the weakening of the US dollar. Total order backlog at Airbus amounted to 8,598 aircraft at the end of 2023 (as compared to 7,239 aircraft at the end of 2022). Order intake consisted of 2,094 net orders in 2023 (as compared to 820 in 2022), comprising 1,675 net firm orders of the A320 Family, 141 A220s, 281 A350s partly offset by higher cancellations than orders on the A330s.

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Airbus Defence and Space’s backlog increased by €3.8 billion to €42.2 billion and the book-to-bill ratio in value amounted to around 1.4 with new net orders of €15.7 billion. Fourth quarter orders included 16 C295 aircraft for Spain.

2022 compared to 2021. The €50.8 billion increase in order backlog to €449.2 billion (2021: €398.4 billion) mainly reflected the book-to-bill above one and the strengthening of the US dollar. Total order backlog at Airbus amounted to 7,239 aircraft at the end of 2022 (as compared to 7,082 aircraft at the end of 2021). Order intake consisted of 820 net orders in 2022 (as compared to 507 in 2021), comprising 770 net firm orders of the A320 Family, 105 A220s, 10 A350s partly offset by higher cancellations than orders on the A330s.

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Airbus Defence and Space’s backlog increased by €2.3 billion to €38.4 billion and the book-to-bill ratio in value amounted to around 1.2 with new net orders of €13.7 billion, including key orders in Demonstrator Phase 1B of the Future Combat Air System, the Eurodrone unmanned aerial system and 20 latest-generation Eurofighters for the Spanish Air Force.
2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

2.1 Operating and Financial Review

2.1.3.3 EBIT by Business Segment

<table>
<thead>
<tr>
<th>(In € million)</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus</td>
<td>3,610</td>
<td>4,800</td>
<td>4,175</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>717</td>
<td>639</td>
<td>535</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>220</td>
<td>(118)</td>
<td>568</td>
</tr>
<tr>
<td><strong>Subtotal segmental EBIT</strong></td>
<td><strong>4,547</strong></td>
<td><strong>5,321</strong></td>
<td><strong>5,278</strong></td>
</tr>
<tr>
<td>Eliminations</td>
<td>56</td>
<td>4</td>
<td>64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,603</strong></td>
<td><strong>5,325</strong></td>
<td><strong>5,342</strong></td>
</tr>
</tbody>
</table>

**2023 compared to 2022.** The Company’s consolidated EBIT decreased from €5.3 billion for 2022 to €4.6 billion for 2023, mainly driven by Airbus partly offset by Airbus Helicopters and Airbus Defence and Space.

Airbus’ EBIT decreased from €4.8 billion for 2022 to €3.6 billion for 2023. It is mainly driven by negative foreign exchange impacts (largely related to €1.4 billion US dollar Working Capital mismatch impact year-on-year which mainly reflects the phasing impact arising from the difference between transaction date and delivery date), higher costs due to hiring linked to the production ramp-up partly offset by higher deliveries and the release of compliance-related provisions. In 2022, it included a non-recurring positive impact related to the re-measurement of past service cost in the retirement obligations and a release of compliance-related provisions.

Airbus Helicopters’ EBIT increased from €639 million for 2022 to €717 million for 2023, reflecting the strong performance across programmes and services. FY 2022 also included net positive non-recurring elements.

Airbus Defence and Space’s EBIT decreased from €-118 million for 2022 to €220 million for 2023. It includes €0.6 billion charges resulting from the update of Estimates at Completion of certain Space programmes partially mitigated by the performance of the rest of the business. FY 2022 included some non-recurring elements, notably from the loss of the two Pleiades Neo satellites. On the A400M programme, an update of the contract “Estimate at Completion” was performed and an additional charge of €0.5 billion recorded in 2022.

**2022 compared to 2021.** The Company’s consolidated EBIT remained stable at €5.3 billion for both 2022 and 2021, mainly driven by Airbus.

Airbus’ EBIT increased from €4.2 billion for 2021 to €4.8 billion for 2022. This mainly reflects the higher commercial aircraft deliveries and is supported by some non-recurring elements related to the re-measurement of past service cost in the retirement obligations, the release of compliance-related provisions and a positive foreign exchange impact, partly offset by contract-related provisions and exceptional premium granted to employees. In 2021, it included the release of COVID-related provisions, including restructuring provision.

Airbus Helicopters’ EBIT increased from €535 million for 2021 to €639 million for 2022, mainly driven by higher services and programme execution. It also included the positive impact related to retirement obligations.

Airbus Defence and Space’s EBIT decreased from €568 million for 2021 to €-118 million for 2022, reflecting the impairment related to the loss of two Pleiades Neo satellites in December and to delays on the Ariane 6 launcher, as well as the impact of updated assumptions in the A400M programme, including inflation and risks related to the remaining SOC3 contractual development milestones to be achieved. This was partly offset by higher volume in Military Aircraft, the ramp-up in Eurodrone and the positive impact related to retirement obligations.

**Foreign currency impact on EBIT.** In 2023, more than 75% of the Company’s revenues are denominated in US dollars with approximately 60% of such currency exposure “naturally hedged” by US dollar-denominated costs. The remainder of costs are incurred primarily in euros and to a lesser extent, pounds sterling. Given the long-term nature of its business cycles (evidenced by its multi-year backlog), the Company covers a significant portion of its net foreign exchange exposure to mitigate the impact of exchange rate fluctuations on its EBIT. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 37: Financial Instruments” and see “– Risk Factors – 1. Geopolitical, Global Economic and Financial Market Risks – Foreign Currency Exposure” and “– 2.1.2.5 Foreign Currency Translation”.

In order to do so, the Company primarily uses two mechanisms:

– Financial instruments represented by the hedge portfolio, made of foreign exchange derivative contracts, which constitutes the main means of mitigating the impact of exchange rate fluctuations on Company’s profit.

– Euro conversion, which can be implemented at the specific request of customers. It consists of the conversion of the full or partial payment from US dollar into euro based on an agreed conversion rate and is accounted for in the IFRS Consolidated Financial Statements as a contract in euros.

In addition to the impact that coverage activities have on the Company’s EBIT, the latter is also affected by the impact of revaluation of certain assets and liabilities at the closing rate and the impact of natural hedging.

Since 2022 and going-forward, the Company has presented its matured hedge portfolio and euro conversion on a blended basis and therefore blended rates reflect both the EBIT impact of hedge rates of the US dollar hedge portfolio and euro conversions.

During 2023, US$22.4 billion of forwards matured and euro conversion realised at an average blended rate of €/US$1.20.

During 2022, US$20.3 billion of forwards matured and euro conversion realised at an average blended rate of €/US$1.22, as compared to €/US$1.21 in 2021.
2.1.3.4 EBIT Adjusted

The Company uses an alternative performance measure EBIT Adjusted as a key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructurings or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.

The following table reconciles the Company’s EBIT with its EBIT Adjusted.

<table>
<thead>
<tr>
<th>(In € million)</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>4,603</td>
<td>5,325</td>
<td>5,342</td>
</tr>
<tr>
<td>$ working capital mismatch and balance sheet revaluation</td>
<td>1,030</td>
<td>(308)</td>
<td>38</td>
</tr>
<tr>
<td>A380 programme</td>
<td>0</td>
<td>(28)</td>
<td>(274)</td>
</tr>
<tr>
<td>A400M charge</td>
<td>41</td>
<td>477</td>
<td>212</td>
</tr>
<tr>
<td>Compliance costs</td>
<td>50</td>
<td>75</td>
<td>65</td>
</tr>
<tr>
<td>Non-current assets disposal(1)</td>
<td>0</td>
<td>0</td>
<td>(122)</td>
</tr>
<tr>
<td>M&amp;A impact</td>
<td>0</td>
<td>(4)</td>
<td>0</td>
</tr>
<tr>
<td>Restructuring(2)</td>
<td>104</td>
<td>62</td>
<td>(163)</td>
</tr>
<tr>
<td>Payments by suppliers</td>
<td>0</td>
<td>0</td>
<td>(234)</td>
</tr>
<tr>
<td>Others</td>
<td>10</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td><strong>EBIT Adjusted</strong></td>
<td><strong>5,838</strong></td>
<td><strong>5,627</strong></td>
<td><strong>4,865</strong></td>
</tr>
</tbody>
</table>

(1) Included gain from divestment of one of its sites in France to a 50% joint venture in 2021.
(2) Included Aerostructures transformation costs (€0.1 billion) in each of 2023 and 2022, release of restructuring provision (€0.2 billion) in 2021.

2.1.3.5 EBIT Adjusted by Business Segment

<table>
<thead>
<tr>
<th>(In € million)</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus</td>
<td>4,818</td>
<td>4,600</td>
<td>3,570</td>
</tr>
<tr>
<td>Airbus Helicopters</td>
<td>735</td>
<td>639</td>
<td>535</td>
</tr>
<tr>
<td>Airbus Defence and Space</td>
<td>229</td>
<td>384</td>
<td>696</td>
</tr>
<tr>
<td><strong>Subtotal segmental EBIT Adjusted</strong></td>
<td><strong>5,782</strong></td>
<td><strong>5,623</strong></td>
<td><strong>4,801</strong></td>
</tr>
<tr>
<td>Eliminations</td>
<td>56</td>
<td>4</td>
<td>64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,838</strong></td>
<td><strong>5,627</strong></td>
<td><strong>4,865</strong></td>
</tr>
</tbody>
</table>
2.1.4 Results of Operations

The following table summarises the Company’s IFRS Consolidated Income Statements for the past three years:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>65,446</td>
<td>58,763</td>
<td>52,149</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(55,402)</td>
<td>(48,192)</td>
<td>(42,518)</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>10,044</td>
<td>10,571</td>
<td>9,631</td>
</tr>
<tr>
<td><strong>Selling and administrative expenses</strong></td>
<td>(2,521)</td>
<td>(2,240)</td>
<td>(2,052)</td>
</tr>
<tr>
<td><strong>Research and development expenses</strong></td>
<td>(3,257)</td>
<td>(3,079)</td>
<td>(2,746)</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>243</td>
<td>471</td>
<td>594</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>(209)</td>
<td>(590)</td>
<td>(201)</td>
</tr>
<tr>
<td><strong>Share of profit from investments accounted for under the equity method and other income from investments</strong></td>
<td>303</td>
<td>192</td>
<td>116</td>
</tr>
<tr>
<td><strong>Profit before finance costs and income taxes</strong></td>
<td>4,603</td>
<td>5,325</td>
<td>5,342</td>
</tr>
<tr>
<td><strong>Interest result</strong></td>
<td>(25)</td>
<td>(232)</td>
<td>(246)</td>
</tr>
<tr>
<td><strong>Other financial result</strong></td>
<td>191</td>
<td>(18)</td>
<td>(69)</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>(1,156)</td>
<td>(939)</td>
<td>(853)</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>3,613</td>
<td>4,136</td>
<td>4,174</td>
</tr>
<tr>
<td><strong>Attributable to</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity owners of the parent (Net income)</td>
<td>3,789</td>
<td>4,247</td>
<td>4,213</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(176)</td>
<td>(111)</td>
<td>(39)</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>4.80</td>
<td>5.40</td>
<td>5.36</td>
</tr>
<tr>
<td>Diluted</td>
<td>4.80</td>
<td>5.39</td>
<td>5.36</td>
</tr>
</tbody>
</table>

2.1.4.1 Revenues

The following table presents a breakdown of the Company’s revenues by Business segment for the past three years:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airbus</strong></td>
<td>47,763</td>
<td>41,428</td>
<td>36,164</td>
</tr>
<tr>
<td><strong>Airbus Helicopters</strong></td>
<td>7,337</td>
<td>7,048</td>
<td>6,509</td>
</tr>
<tr>
<td><strong>Airbus Defence and Space</strong></td>
<td>11,495</td>
<td>11,259</td>
<td>10,186</td>
</tr>
<tr>
<td><strong>Subtotal segmental revenue</strong></td>
<td>66,595</td>
<td>59,735</td>
<td>52,859</td>
</tr>
<tr>
<td><strong>Eliminations</strong></td>
<td>(1,149)</td>
<td>(972)</td>
<td>(710)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>65,446</td>
<td>58,763</td>
<td>52,149</td>
</tr>
</tbody>
</table>

Revenues increased by 11.4%, from €58.8 billion for 2022 to €65.4 billion for 2023. The increase is mainly driven by higher aircraft deliveries of 735 aircraft (in 2022: 661 aircraft), paired with higher contributions from Airbus Defence and Space and strong services business in Airbus Helicopters.
For 2022, revenues increased by 12.7%, from €52.1 billion for 2021 to €58.8 billion for 2022. The increase was mainly driven by higher aircraft deliveries and higher contributions from Airbus Defence and Space and Airbus Helicopters. It also reflected a positive foreign exchange impact at Airbus.

Revenue by Geographical Areas

<table>
<thead>
<tr>
<th></th>
<th>2023 (In € billion)</th>
<th>2023 (In percentage)</th>
<th>2022 (In € billion)</th>
<th>2022 (In percentage)</th>
<th>2021 (In € billion)</th>
<th>2021 (In percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific</td>
<td>18.7</td>
<td>28.6%</td>
<td>15.4</td>
<td>26.2%</td>
<td>16.0</td>
<td>30.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>25.7</td>
<td>39.3%</td>
<td>24.3</td>
<td>41.3%</td>
<td>19.5</td>
<td>37.4%</td>
</tr>
<tr>
<td>North America</td>
<td>13.8</td>
<td>21.1%</td>
<td>13.5</td>
<td>23.0%</td>
<td>10.5</td>
<td>20.2%</td>
</tr>
<tr>
<td>Other countries</td>
<td>7.2</td>
<td>11.0%</td>
<td>5.6</td>
<td>9.5%</td>
<td>6.1</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65.4</strong></td>
<td><strong>100%</strong></td>
<td><strong>58.8</strong></td>
<td><strong>100%</strong></td>
<td><strong>52.1</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

(1) Percentage of total revenue after eliminations.
(2) Including the Middle East.

**Airbus**

The following table presents a breakdown of deliveries of commercial aircraft by product type for the past three years.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>A220</td>
<td>68</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>A320 Family</td>
<td>571</td>
<td>516</td>
<td>483</td>
</tr>
<tr>
<td>A330</td>
<td>32</td>
<td>32</td>
<td>18(2)</td>
</tr>
<tr>
<td>A350</td>
<td>64</td>
<td>60(3)</td>
<td>55</td>
</tr>
<tr>
<td>A380</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>735</strong></td>
<td><strong>661</strong></td>
<td><strong>611</strong></td>
</tr>
</tbody>
</table>

(1) After a reduction of two aircraft previously recorded as sold in December 2021 for which a transfer was not possible due to international sanctions against Russia.
(2) Two A330s delivered on operating lease.

Airbus’ revenues increased by 15.3%, from €41.4 billion for 2022 to €47.8 billion for 2023. This reflects higher aircraft deliveries of 735 aircraft (compared to 661 deliveries in 2022).

Airbus Helicopters

The following table presents a breakdown of deliveries of helicopters by product type for the past three years.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light</td>
<td>179</td>
<td>167</td>
<td>159</td>
</tr>
<tr>
<td>Medium</td>
<td>132</td>
<td>123</td>
<td>121</td>
</tr>
<tr>
<td>Heavy</td>
<td>35</td>
<td>54</td>
<td>58</td>
</tr>
<tr>
<td>thereof NH90</td>
<td>19</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Tiger</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>346</strong></td>
<td><strong>344</strong></td>
<td><strong>338</strong></td>
</tr>
</tbody>
</table>

Airbus Helicopters’ revenues amounted to €7.3 billion in 2023 (2022: €7.0 billion). This increase reflects the overall performance across programmes and services.
2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

2.1 Operating and Financial Review

**Airbus Defence and Space**

The following table presents a breakdown of aircraft deliveries of Airbus Defence and Space by product type for the past three years.

<table>
<thead>
<tr>
<th>(In units)</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light &amp; Medium Aircraft</td>
<td>10</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>A330 MRTT (Tanker)</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>A400M</td>
<td>8</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22</td>
<td>28</td>
<td>22</td>
</tr>
</tbody>
</table>

Because most telecom satellites are individually unique, the Company has concluded that the number of units delivered annually does not offer a meaningful basis for comparison, so the Company will no longer provide this figure.

Airbus Defence and Space’s revenues amounted to € 11.5 billion in 2023 (2022: € 11.3 billion). The increase is mainly driven by Military Air Systems and Connected Intelligence, offset by some updated Estimates at Completion of certain Space programmes.

Airbus Defence and Space’s revenues amounted to € 11.3 billion in 2022 (2021: € 10.2 billion). The increase was mainly driven by higher volume in Military Aircraft and Eurodrone.

**2.1.4.2 Cost of Sales**

Cost of sales increased by 14.9% from € 48.2 billion for 2022 to € 55.4 billion for 2023. It mainly reflects the higher deliveries, higher costs due to hiring in preparation for the production ramp-up and charges resulting from the update of Estimates at Completion of certain Space programmes.

For 2022, cost of sales increased by 13.3% from € 42.5 billion for 2021 to € 48.2 billion for 2022. It mainly reflected the higher deliveries and additional losses recognised on the A400M programme of € 0.5 billion.

**2.1.4.3 Selling and Administrative Expenses**

For 2023, selling and administrative expenses increased from € 2.2 billion for 2022 to € 2.5 billion for 2023.

For 2022, selling and administrative expenses increased from € 2.1 billion for 2021 to € 2.2 billion for 2022.

**2.1.4.4 Research and Development Expenses**

Research and development expenses increased by 6.5%, from € 3.1 billion for 2022 to € 3.3 billion for 2023 mainly due to ramp-up in activities to prepare the technologies of the future. Additionally, € 378 million of development cost has been capitalised mainly linked to Defence and Space and Airbus programmes. See “– 2.1.2.2 Capitalised Development Costs”.

For 2022, research and development expenses increased by 14.8%, from € 2.7 billion for 2021 to € 3.1 billion for 2022. In addition, an amount of € 319 million of development costs has been capitalised, mainly linked to Airbus programmes. See “– 2.1.2.2 Capitalised Development Costs”.

**2.1.4.5 Other Income and Other Expenses**

Other income and other expenses typically include gains and losses on disposals of investments, of fixed assets and income from rental properties.

Other income and other expenses was € 34 million net compared to € -119 million net for 2022. In 2022, it included the impact of € -437 million partly offset by an insurance income of € 200 million both linked to the launch failure of the two satellites Pléiades Neo 5 and 6 in December 2022.

For 2022, other income and other expenses was € -119 million net as compared to € 393 million net for 2021. The decrease included the impact of € -437 million partly offset by an insurance income of € 200 million both linked to the launch failure of the two satellites Pléiades Neo 5 and 6 in December 2022. In 2021, it included a restructuring provision release of € 207 million and the gain of € 122 million for the divestment of one of its sites to a joint venture.

**2.1.4.6 Share of Profit from Investments Accounted for under the Equity Method and Other Income from Investments**

Share of profit from investments accounted for under the equity method and other income from investments principally include results from companies accounted for under the equity method and the dividends attributable to unconsolidated investments. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 9: Investments” and “– Note 15: Share of Profit from Investments Accounted for under the Equity Method and Other Income from Investments”.

The Company recorded € 303 million in share of profit from investments accounted for under the equity method and other income from investments as compared to € 192 million for 2022 and € 116 million for 2021, mainly linked to the share of result from the Company’s main joint ventures.
2.1.4.7 Interest Result

Interest result reflects the net of interest income and expense arising from financial assets and liabilities, including the interest expense on refundable advances provided by European governments to finance R&D activities. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 16: Total Financial Result”.

The Company recorded a net interest expense of € -25 million, as compared to € -232 million for 2022 and € -246 million for 2021.

2.1.4.8 Other Financial Result

Other financial result includes the impact from the revaluation of financial instruments, the effect of foreign exchange valuation of monetary items and the unwinding of discounted provisions. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 16: Total Financial Result” and “– Note 25: Other Financial Assets and Other Financial Liabilities”.

Other financial result changed from € -18 million for 2022 to € 191 million for 2023. In 2023, it mainly reflects a positive impact from the revaluation of certain equity investments.

For 2022, other financial result changed from € -69 million for 2021 to € -18 million for 2022. It included a negative impact from the revaluation of financial instruments and a positive impact from the revaluation of certain equity investments.

2.1.4.9 Income Taxes

Income tax expense was € -1,156 million for 2023 as compared to € -939 million for 2022, and corresponds to an effective income tax rate of 24%. The tax expense evolution was mainly driven by higher net valuation allowances, partially offset by an impairment reversal linked to a corporate reorganisation in Germany, and lower positive impacts from tax risk updates in 2023 as compared to 2022.

For 2022, income tax expense was € -939 million as compared to € -853 million for 2021, and corresponds to an effective income tax rate of 19%. The higher tax expense was mainly driven by higher net valuation allowances and lower positive impacts from tax risk updates in 2022 as compared to 2021.

Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 17: Income Taxes”.

2.1.4.10 Non-Controlling Interests

For 2023, loss for the period attributable to non-controlling interests was € -176 million, as compared to loss of € -111 million for 2022.

2.1.4.11 Profit for the Period Attributable to Equity Owners of the Parent (Net Income)

As a result of the factors discussed above, the Company recorded a net income of € 3,789 million for 2023, as compared to the net income of € 4,247 million for 2022.

2.1.4.12 Earnings per Share

Basic earnings were € 4.80 per share in 2023, as compared to € 5.40 per share in 2022. The denominator used to calculate earnings per share was 788,720,779 shares (2022: 787,080,579), reflecting the weighted average number of shares outstanding during the year. In 2021, the Company reported basic earnings of € 5.36 per share, based on a denominator of 785,326,074 shares.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period attributable to equity owners of the parent (Net income)</td>
<td>€ 3,789 million</td>
<td>€ 4,247 million</td>
<td>€ 4,213 million</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares</td>
<td>788,720,779</td>
<td>787,080,579</td>
<td>785,326,074</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>€ 4.80</td>
<td>€ 5.40</td>
<td>€ 5.36</td>
</tr>
</tbody>
</table>

Diluted earnings were € 4.80 per share in 2023, as compared to € 5.39 per share in 2022. The denominator used to calculate diluted earnings per share was 789,760,599 (2022: 787,753,485). In 2023, LTIP 2023 plan has been excluded from the calculation because of its antidilutive effect.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period attributable to equity owners of the parent (Net income), adjusted for diluted calculation</td>
<td>€ 3,789 million</td>
<td>€ 4,247 million</td>
<td>€ 4,213 million</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares (diluted)</td>
<td>789,760,599</td>
<td>787,753,485</td>
<td>785,761,995</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>€ 4.80</td>
<td>€ 5.39</td>
<td>€ 5.36</td>
</tr>
</tbody>
</table>

For further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 18: Earnings per Share”.

2.1.5 Changes in Total Equity (Including Non-Controlling Interests)

The following table sets forth a summary of the changes in total equity for the period 1 January 2023 through 31 December 2023.

(In € million)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2023</td>
<td>12,982</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>3,613</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>2,447</td>
</tr>
<tr>
<td>thereof foreign currency translation adjustments</td>
<td>1</td>
</tr>
<tr>
<td>Capital increase</td>
<td>148</td>
</tr>
<tr>
<td>Cash distribution to Airbus SE shareholders / Dividends paid to non-controlling interests</td>
<td>(1,421)</td>
</tr>
<tr>
<td>Equity transactions (IAS 27)</td>
<td>115</td>
</tr>
<tr>
<td>Share-based payment (IFRS 2)</td>
<td>168</td>
</tr>
<tr>
<td>Change in treasury shares</td>
<td>(322)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2023</strong></td>
<td><strong>17,730</strong></td>
</tr>
</tbody>
</table>

The number of shares issued as of 31 December 2023 was 790,459,434. Please refer to the “Airbus SE IFRS Consolidated Financial Statements – IFRS Consolidated Statements of Changes in Equity for the years ended 31 December 2023 and 2022” and to the “Notes to the IFRS Consolidated Financial Statements – Note 34: Total Equity”.

2.1.5.1 Cash Flow Hedge Related Impact on AOCI

As of 31 December 2023, the notional amount of the Company’s portfolio of outstanding cash flow hedges amounted to US$67.1 billion, hedged against the euro and the pound sterling. The year-end mark to market valuation of this portfolio resulted in a positive pre-tax accumulated other comprehensive income (“AOCI”) valuation change of €+3.3 billion as of 31 December 2023 compared to 31 December 2022, based on a closing rate of €/US$ 1.11 as compared to a negative pre-tax AOCI valuation change of €-3.1 billion as of 31 December 2022 compared to 31 December 2021, based on a closing rate of €/US$ 1.07. For further information on the measurement of the fair values of financial instruments, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 37: Financial Instruments”.

Positive pre-tax mark to market values of cash flow hedges are included in other financial assets, while negative pre-tax mark to market values of cash flow hedges are included in other financial liabilities. Year-to-year changes in the mark to market value of effective cash flow hedges are recognised as adjustments to AOCI. These adjustments to AOCI are net of corresponding changes to deferred tax assets (for cash flow hedges with negative mark to market valuations) and deferred tax liabilities (for cash flow hedges with positive mark to market valuations).

The following graphic presents the cash flow hedge related movements in AOCI over the past three years. The mark to market of the backlog is not reflected in the accounts whereas the mark to market of the hedge book is reflected in AOCI.

### CASH FLOW HEDGE RELATED MOVEMENTS IN AOCI IN € MILLION (BASED ON YEAR-END EXCHANGE RATES)

- **OCI Net Asset**: -7,882, 1,323, 2,180
- **Net Deferred Taxes**: -4,779, 1,276
- **Net Equity OCI**: -4,582, 1,276

(1) Cash flow hedge in AOCI in total equity (including non-controlling interests).
As a result of the positive change in the fair market valuation of the cash flow hedge portfolio in 2023, AOCI amounted to a net liability of € -4.6 billion for 2023, as compared to a net liability of € -7.9 billion for 2022. The corresponding € -0.9 billion tax effect led to a net deferred tax asset of € 1.3 billion as of 31 December 2023 as compared to a net deferred tax asset of € 2.2 billion as of 31 December 2022.

For further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 37: Financial Instruments – Derivative Financial Instruments and Hedge Accounting Disclosure”.

2.1.6 Liquidity and Capital Resources

The Company’s objective is to generate sufficient operating cash flow in order to invest in its growth and future expansion, honour the Company’s dividend policy and maintain financial flexibility while retaining its credit rating and competitive access to capital markets.

The Company defines its consolidated net cash position as the sum of (i) cash and cash equivalents and (ii) securities, minus (iii) financing liabilities, plus or minus (iv) interest rate contracts related to fair value hedges (all as recorded in the Consolidated Statement of Financial Position). Net cash position is an alternative performance measure and an indicator that allows the Company to measure its ability to generate sufficient liquidity to invest in its growth and future expansion, honour its dividend policy and maintain financial flexibility. The net cash position as of 31 December 2023 was € 10.7 billion (€ 9.4 billion as of 31 December 2022).

As of 31 December 2023, the total liquidity amounted to € 33.3 billion and it was secured by the € 25.3 billion gross cash and the € 8 billion sustainability-linked Revolving Syndicated Credit Facility signed on 5 July 2022 which cancels and replaces the € 6 billion Revolving Syndicated Credit Facility signed in 2020. This facility incorporates an adjustment mechanism that links the applicable margin of the facility (which can go either up or down) to the achievement of annual targets for two selected sustainability key performance indicators related to environmental rating and health & safety. The Company can raise further liquidity through its € 12 billion Euro Medium Term Note programme (of which € 8 billion have already been issued), its € 11 billion Negotiable European Commercial Paper programme, its € 4 billion Euro Commercial Paper programme and its $ 3 billion US commercial paper programme. See “– Risk Factors – 1. Financial Market Risks – Liquidity” and “– 2.1.6.3 Financing Liabilities”. Please also refer to the “Notes to the IFRS Consolidated Financial Statements – Note 36: Net Cash” and “– Note 37.1: Financial Instruments – Financial Risk Management”. The factors affecting the Company’s cash position, and consequently its liquidity risk, are discussed below.

For information on Airbus SE’s credit ratings, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 35: Capital Management”.

2.1.5.2 Foreign Currency Translation Adjustment Impact on AOCI

The € 1 million currency translation adjustment related impact on AOCI in 2023 mainly reflects the effect of the variations of the US dollar and the pound sterling.
2.1.6.1 Cash Flows

The Company generally finances its manufacturing activities and product development programmes, and in particular the development of new commercial aircraft, through a combination of flows generated by operating activities, customer advances, risk-sharing partnerships with subcontractors and European governments’ refundable advances. In addition, the Company’s military activities benefit from government-financed research and development contracts. If necessary, the Company may raise funds in the capital markets.

The following table sets forth the variation of the Company’s consolidated net cash position over the periods indicated.

<table>
<thead>
<tr>
<th>(In € million)</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Cash position at 1 January</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>9,431</td>
<td>7,740</td>
<td>4,724</td>
</tr>
<tr>
<td>Gross Cash Flow from operations&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>5,718</td>
<td>5,512</td>
<td>4,078</td>
</tr>
<tr>
<td>Changes in other operating assets and liabilities (working capital)&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>1,204</td>
<td>1,421</td>
<td>984</td>
</tr>
<tr>
<td>Cash used for investing activities&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>(3,037)</td>
<td>(2,609)</td>
<td>(1,551)</td>
</tr>
<tr>
<td><strong>thereof industrial capital expenditures</strong></td>
<td>(3,051)</td>
<td>(2,464)</td>
<td>(1,928)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong>&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>3,885</td>
<td>4,324</td>
<td>3,511</td>
</tr>
<tr>
<td><strong>thereof M&amp;A transactions</strong></td>
<td>(65)</td>
<td>(210)</td>
<td>(32)</td>
</tr>
<tr>
<td>Free Cash Flow before M&amp;A&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>3,950</td>
<td>4,534</td>
<td>3,543</td>
</tr>
<tr>
<td><strong>thereof Cash Flow from customer financing (net)</strong></td>
<td>(436)</td>
<td>(146)</td>
<td>28</td>
</tr>
<tr>
<td>Free Cash Flow before customer financing</td>
<td>4,321</td>
<td>4,470</td>
<td>3,483</td>
</tr>
<tr>
<td><strong>Free Cash Flow before M&amp;A and customer financing</strong></td>
<td>4,386</td>
<td>4,680</td>
<td>3,515</td>
</tr>
<tr>
<td>Cash distribution to shareholders / non-controlling interests</td>
<td>(1,421)</td>
<td>(1,161)</td>
<td>0</td>
</tr>
<tr>
<td>Contribution to plan assets of pension schemes</td>
<td>(668)</td>
<td>(601)</td>
<td>(533)</td>
</tr>
<tr>
<td>Change in capital and non-controlling interests</td>
<td>146</td>
<td>145</td>
<td>138</td>
</tr>
<tr>
<td>Change in treasury shares / share buyback</td>
<td>(334)</td>
<td>(36)</td>
<td>(22)</td>
</tr>
<tr>
<td>Change in liability for puttable instruments</td>
<td>138</td>
<td>135</td>
<td>0</td>
</tr>
<tr>
<td>Others&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>(451)</td>
<td>(1,095)</td>
<td>(78)</td>
</tr>
<tr>
<td><strong>Net Cash position at 31 December</strong>&lt;sup&gt;(8)&lt;/sup&gt;</td>
<td>10,726</td>
<td>9,431</td>
<td>7,740</td>
</tr>
</tbody>
</table>

(1) The Company has decided to refine the net cash definition to include interest rate contracts related to fair value hedges which is also reflected in the 2022 balance.
(2) Represents cash provided by operating activities, excluding (i) changes in other operating assets and liabilities (working capital), (ii) contribution to plan assets of pension schemes and (iii) realised foreign exchange results on treasury swaps (€ 0 million in 2023, € -44 million in 2022, € 27 million in 2021). It is an alternative performance measure and an indicator used to measure its operating cash performance before changes in other operating assets and liabilities (working capital).
(3) Including customer financing, excluding some perimeter change impacts from changes in consolidation.
(4) Does not reflect change in securities (net investment of € -786 million in 2023, net investment of € -344 million in 2022, net investment of € -1,186 million in 2021), which are classified as cash and not as investments solely for the purposes of this net cash presentation. Excluding bank activities.
(5) Does not reflect change in securities, change in cash from changes in consolidation, contribution to plan assets of pension schemes and realised foreign exchange results on treasury swaps. Excluding bank activities. Free Cash Flow is an alternative performance measure and key indicator that reflects the amount of cash flow generated from operations after cash used in investing activities.
(6) Free Cash Flow before M&A refers to Free Cash Flow adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and key indicator that reflects Free Cash Flow excluding those cash flows from the disposal and acquisition of businesses.
(7) Including both fair value and foreign exchange impacts on securities and financing liabilities.

The net cash position as of 31 December 2023 was € 10.7 billion, a 13.8% increase from 31 December 2022. It includes payments received in advance from certain customers and payments made to suppliers in anticipation. Please see further details below.

**Gross Cash Flow from Operations**

Gross Cash Flow from operations is an alternative performance measure and an indicator used by the Company to measure its operating cash performance before changes in working capital. Gross Cash Flow from operations increased to € 5.7 billion for 2023, which mainly reflects EBIT Adjusted.

**Changes in Other Operating Assets and Liabilities (Working Capital)**

Changes in other operating assets and liabilities (working capital), comprises inventories, trade receivables, contract assets and contract liabilities (including customer advances), trade liabilities, and other assets and other liabilities. They resulted in a positive working capital variation of € 1.2 billion for 2023, versus a positive impact of € 1.4 billion for 2022.

In 2023, the positive working capital variation was driven mostly by contract assets and contract liabilities (€ +2.3 billion) mainly due to a positive phasing impact reflecting higher advance payments, trade liabilities (€ +1.4 billion) which reflects the ramp-up and a net negative impact from payments made to suppliers in anticipation and trade receivables (€ -0.3 billion).
This was partially offset by an inventory build-up (€ -1.9 billion) and higher advance payments made to suppliers to support Airbus’ ramp-up and de-risk the supply chain. Working capital variability is driven mostly by contract assets and contract liabilities (€ +3.3 billion) mainly due to a positive phasing impact reflecting higher advance payments, trade liabilities (€ +3.3 billion) which reflected the ramp-up and a positive impact from net payments made to suppliers in anticipation. This was partially offset by an inventory build-up to support the ramp-up (€ -3.2 billion), other assets and liabilities (€ -1.9 billion) and trade receivables (€ -0.1 billion).

**European governments’ refundable advances.** As of 31 December 2023, total European governments’ refundable advances liabilities, recorded on the statement of Financial Position in the line items “non-current other financial liabilities” and “current other financial liabilities” due to their specific nature, amounted to €3.9 billion, including accrued interest. European governments’ refundable advances (net of reimbursements) remained stable in 2023 as compared to 2022. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 25: Other Financial Assets and Other Financial Liabilities”.

**Cash Used for Investing Activities**

Management categorises cash used for investing activities into three components: (i) industrial capital expenditure, (ii) M&A transactions and (iii) others. Cash used for investing activities amounted to € -3.0 billion for 2023, to € -2.6 billion for 2022, and to € -1.6 billion for 2021.

**Capital expenditure.** Capital expenditure includes product-related development costs that are capitalised in accordance with IAS 38. See “– 2.1.2.2 Capitalised development costs”.

Capital expenditure (investments in property, plant and equipment and intangible assets) amounted to € -3.1 billion for 2023, to € -2.5 billion for 2022 and to € -1.9 billion for 2021.

**M&A transactions.** In 2023, the € -0.1 billion figure mostly relates to the acquisition of Aubert & Duval which is owned equally by Airbus, Safran and Tikehau Capital.

In 2022, the € -0.2 billion figure mostly related to the acquisition of 100% of the shares of ZF Luftfahrttechnik GmbH. ZF Luftfahrttechnik was subsequently renamed Airbus Helicopters Technik GmbH.

In 2021, there were no significant M&A transactions.

Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 8: Acquisitions and Disposals”.

**Other disposals.** In 2021, the Company divested to a 50% joint venture one of its sites in France. The Company received a consideration of €310 million.

Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 8: Acquisitions and Disposals”.

**Free Cash Flow definition until 31 December 2023**

The Company defines Free Cash Flow as the sum of (i) cash provided by operating activities and (ii) cash used for investing activities, minus (iii) contribution to plan assets of pension schemes, (iv) realised foreign exchange results on treasury swaps and (v) Airbus Bank activities. It is an alternative performance measure and key indicator which allows the Company to measure the amount of Cash Flows generated from operations after cash used in investing activities. As a result of the factors discussed above, Free Cash Flow amounted to €3.9 billion for 2023 as compared to €4.3 billion for 2022 and €3.5 billion for 2021.

**Free Cash Flow before M&A definition until 31 December 2023**

Free Cash Flow before mergers and acquisitions refers to Free Cash Flow adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and key indicator that reflects Free Cash Flow excluding those Cash Flows resulting from acquisitions and disposals of businesses.

**Free Cash Flow before M&A and Customer Financing definition until 31 December 2023**

Free Cash Flow before M&A and customer financing refers to Free Cash Flow before mergers and acquisitions adjusted for Cash Flow related to aircraft financing activities. It is an alternative performance measure and indicator that may be used occasionally by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities.

**Free Cash Flow definition from 1 January 2024**

The Company defines Free Cash Flow as the sum of (i) cash provided by operating activities and (ii) investments in intangible and fixed assets (net) & dividends paid by companies valued at equity, minus (iii) contribution to plan assets of pension schemes, (iv) realised foreign exchange results on treasury swaps and (v) change in cash from changes in consolidation. It is an alternative performance measure and key indicator which allows the Company to measure the amount of cash flow generated by its operations.

**Free Cash Flow before Customer Financing definition from 1 January 2024**

Free Cash Flow before Customer Financing refers to Free Cash Flow adjusted for cash flow related to aircraft financing activities. It is an alternative performance measure and indicator used by the Company in its financial guidance.

**Cash Distribution to Shareholders / Non-Controlling Interests**

For the fiscal year 2023, the Board of Directors will propose the payment of a dividend of €1.80 per share and a special dividend of €1.00 per share to the 2024 Annual General Meeting taking place on 10 April 2024. The proposed payment date is 18 April 2024.
For the fiscal year 2022, the Company’s Board of Directors proposed a cash distribution to shareholders of €1.80 per share and cash distribution to shareholders amounted to €1.4 billion in 2023.

For the fiscal year 2021, the Company’s Board of Directors proposed a cash distribution to shareholders of €1.50 per share and cash distribution to shareholders amounted to €1.2 billion in 2022.

**Contribution to Plan Assets of Pension Schemes**

The cash outflows of €-0.7 billion, €0.6 billion and €-0.5 billion in 2023, 2022 and 2021, respectively, primarily relate to contributions to the Contractual Trust Arrangements (“CTA”) in Germany for allocating and generating pension plan assets in accordance with IAS 19, the German relief fund, as well as to pension schemes and plan assets in the UK, Canada and to French benefit funds. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 31: Post-Employment Benefits”.

**2.1.6.2 Cash and Cash Equivalents and Securities**

The cash and cash equivalents and securities portfolio of the Company is invested mainly in non-speculative financial instruments, mostly highly liquid, such as certificates of deposit, overnight deposits, commercial papers, other money market instruments and bonds. Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 37:1: Financial Instruments – Financial Risk Management”.

The Company has a partially automated cross-border and domestic cash pooling system in all countries with major group presence and whenever country regulations allow such practice (among others, this includes mainly France, Germany, Spain, the Netherlands, the UK and the US). The cash pooling system enhances management’s ability to assess reliably and instantaneously the cash position of each subsidiary within the Company and enables management to allocate cash optimally within the Company depending upon shifting short-term needs.

**2.1.6.3 Financing Liabilities**

The outstanding balance of the Company’s consolidated financing liabilities increased from €12.8 billion as of 31 December 2022 to €13.6 billion as of 31 December 2023. The increase is mainly due to the increase in the value of bonds and financing liabilities to joint ventures. For further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 36.3: Net Cash – Financing Liabilities”.

**Change in Treasury Shares / Share Buyback**

Change in treasury shares amounted to €-334 million for 2023, to €-36 million for 2022 and to €-22 million for 2021. As of 31 December 2023 and 2022, the Company held 3,037,467 and 647,500 treasury shares, respectively.
2.1.6.4 Sales Financing

The Company favours cash sales and encourages independent financing by customers, in order to avoid retaining credit or asset risk in relation to delivered products. However, in order to support product sales, primarily at Airbus, the Company may, on a case-by-case basis, agree to participate in the financing of customers.

The financial markets remain unpredictable, which may cause the Company to increase its future outlays in connection with customer financing of commercial aircraft and helicopters, mostly through finance leases and secured loans and if deemed necessary through operating lease structures. Nevertheless, the Company intends to keep the amount as low as possible.

Dedicated and experienced teams structure such financing transactions and closely monitor total finance and asset value exposure of the Company and its evolution in terms of quality, volume and intensity of cash requirements. The Company aims to structure all financing it provides to customers in line with market-standard contractual terms so as to facilitate any subsequent sale or reduction of such exposure.

Evolution of Airbus Gross Exposure during 2023 in US$ million

Over the last three years (2021 to 2023), the average number of aircraft delivered in respect of which direct financing support has been provided by Airbus amounted to approximately 1% of the average number of deliveries over the same period.

Airbus Helicopters’ gross customer financing exposure amounted to €19 million as of 31 December 2023.

For further information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 27: Sales Financing Transactions”. 
2.2 Financial Statements

The Company’s IFRS Consolidated Financial Statements for the year ended 31 December 2023, together with the related notes, appendices and independent auditors’ report, shall be deemed to be incorporated in and form part of this Universal Registration Document.

In addition, the following documents shall be deemed to be incorporated by reference in and form part of this Universal Registration Document:

– The IFRS Consolidated Financial Statements for the year ended 31 December 2022, together with the related notes, appendices and independent auditors’ report, as incorporated by reference in the Registration Document filed in English with the AFM on 6 April 2022 without prior approval and filed in English with the Chamber of Commerce of The Hague.

– The IFRS Consolidated Financial Statements for the year ended 31 December 2021, together with the related notes, appendices and independent auditors’ report, as incorporated by reference in the Registration Document filed in English with the AFM on 4 April 2022 without prior approval and filed in English with the Chamber of Commerce of The Hague.

Copies of the AFM-filed documents are available free of charge upon request in English at the registered office of the Company and on www.airbus.com (Investors > Financial Results & Annual Reports).

The above-mentioned Financial Statements are also available in English for inspection at the Chamber of Commerce of The Hague.

2.3 Statutory Auditor Fees

Please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 39: Auditor Fees”.

2.4 Information Regarding the Statutory Auditors

<table>
<thead>
<tr>
<th>Ernst &amp; Young Accountants LLP</th>
<th>Date of first appointment</th>
<th>Expiration of current term of office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boompjes 258 – 3011 XV Rotterdam</td>
<td>28 April 2016</td>
<td>10 April 2024</td>
</tr>
<tr>
<td>Postbus 488 – 3000 AL Rotterdam</td>
<td></td>
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<tr>
<td>The Netherlands</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Represented by N.M. Pul</td>
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(1) A resolution will be submitted to the Annual General Meeting of Shareholders in 2024, in order to appoint Ernst & Young Accountants LLP as the Company’s auditors for the 2024 financial year.

Ernst & Young Accountants LLP has a licence from the AFM to perform statutory audits for Public Interest Entities and its representative is member of the NBA (Koninklijke Nederlandse Beroepsorganisatie van Accountants – the Royal Netherlands Institute of Chartered Accountants). The NBA is the professional body for accountants in the Netherlands.
# 3

## General Description of the Company and its Share Capital

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3. General Description of the Company and its Share Capital

3.1 General Description of the Company

3.1.1 Commercial and corporate names, seat and registered Office

Commercial Name: Airbus  
Statutory Name: Airbus SE  
Registered Office: Mendelweg 30, 2333 CS Leiden, The Netherlands  
Seat (statutaire zetel): Amsterdam  
Tel: +31 (0)71 5245 600

3.1.2 Legal Form

The Company is a European public company (Societas Europaea), with its corporate seat in Amsterdam, the Netherlands and registered with the Dutch Commercial Register (Handelsregister) under number 24288945. The Company’s legal identifier (LEI) is MIN079WLOO247M1IL051. As a company operating worldwide, the Company is subject to, and operates under, the laws of each country in which it conducts business.

3.1.3 Governing Laws and Disclosures

The Company is governed by the laws of the Netherlands (in particular Book 2 of the Dutch Civil Code and the Dutch Corporate Governance Code) and by its Articles of Association (the “Articles of Association”).

The Company is subject to various legal provisions of the Dutch Financial Supervision Act (Wet op het financieel toezicht) (the “WFT”). In addition, given the fact that its shares are admitted for trading on a regulated market in France, Germany and Spain, the Company is subject to certain laws and regulations in these three jurisdictions. A summary of the main regulations applicable to the Company in relation to information to be made public in these three jurisdictions, as well as the Netherlands, is set out below.

3.1.3.1 Periodic Disclosure Obligations

Pursuant to Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (as amended, the “Transparency Directive”), the Company is required to disclose certain periodic and ongoing information (the “Regulated Information”).

Pursuant to the Transparency Directive, the Company must disseminate such Regulated Information throughout the European Community in a manner ensuring fast access to such information on a non-discriminatory basis. For this purpose, the Company may use a professional service provider (wire). In addition, Regulated Information must be filed at the same time with the relevant competent market authority. The Company must then ensure that Regulated Information remains publicly available for a certain period of time (with certain Regulated Information being required to remain publicly available for at least ten years, and certain other Regulated Information for at least five years).

Finally, Regulated Information must be made available for central storage by a mechanism that is officially designated by the Company’s home Member State.

Dutch Regulations

For the purpose of the Transparency Directive, supervision of the Company is effected by the Member State in which it maintains its corporate seat, which is the Netherlands. The competent market authority that assumes final responsibility for supervising compliance by the Company in this respect is the AFM.

Under the Transparency Directive as implemented under Dutch law, the Company is subject to a number of periodic disclosure requirements, such as:

– publishing an Annual Financial Report, together with an audit report drawn up by the Statutory Auditors, within four months after the end of each financial year; and  
– publishing a semi-Annual Financial Report, within three months after the end of the first six months of the financial year.

In addition, the Company must file with the AFM, within five days following their adoption by the Company’s shareholders, its audited annual Financial Statements (including the consolidated ones), the management report, the Auditors’ report and other information related to the Financial Statements.

French Regulations

In accordance with the requirement set forth in the Transparency Directive to disseminate Regulated Information throughout the European Community, the Company is required to provide simultaneously in France the same information as that provided abroad.
3. General Description of the Company and its Share Capital

3.1 General Description of the Company

German Regulations

Due to the listing of the Company’s shares in the Prime Standard sub-segment of the Regulated Market (regulierter Markt) of the Frankfurt Stock Exchange, the Company is subject to certain post-listing obligations as described below. The Company is included inter alia in the selection index DAX of Deutsche Börse AG.

Pursuant to the Exchange Rules (Börsenordnung) of the Frankfurt Stock Exchange, the Company is required to publish consolidated annual and semi-annual Financial Statements as well as consolidated quarterly reports which may be prepared in English only. In addition, pursuant to the Exchange Rules, the Company is required to publish a financial calendar at the beginning of each financial year in German and English. The Company is also required to hold an analysts’ meeting at least once per year in addition to the press conference regarding the annual Financial Statements.

Spanish Regulations

In accordance with the requirement set forth in the Transparency Directive to disseminate Regulated Information throughout the European Community, the Company is required to provide simultaneously in Spain the same information as that provided abroad.

3.1.3.2 Ongoing Disclosure Obligations

Pursuant to the Transparency Directive, Regulated Information includes in particular “inside information” as defined pursuant to Article 7 of EU Regulation No. 596-2014 on market abuse (the “Market Abuse Regulation” or “MAR”). Such information must be disseminated throughout the European Community (see introduction to Section “– 3.1.3.1 Periodic Disclosure Obligations”).

Inside information consists of information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

Inside information must be disclosed to the markets as soon as possible. However, an issuer may under its own responsibility delay the public disclosure of inside information so as not to prejudice its legitimate interests provided that such delay would not be likely to mislead the public and provided that the issuer is able to ensure the confidentiality of that information.

Dutch Regulations

Following the implementation of the Transparency Directive into Dutch law, the Company must publicly disclose Regulated Information and also file Regulated Information with the AFM, which will keep all relevant Regulated Information in a publicly available register. The Company will, whenever it discloses inside information pursuant to applicable mandatory law as part of the Regulated Information, disclose and disseminate throughout the European Community any such information.

Under Dutch law, the Company must also publish any change in the rights attached to its shares, as well as any changes in the rights attached to any rights issued by the Company to acquire Airbus shares.

French Regulations

Any inside information as defined above will be disclosed in France by means of dissemination throughout the European Community, as it is organised under Dutch law implementing the Transparency Directive so as to provide simultaneously in France equivalent information to that provided abroad.

German Regulations

Any inside information as defined above will be disclosed in Germany by means of dissemination throughout the European Community, as it is organised under Dutch law implementing the Transparency Directive so as to provide simultaneously in Germany equivalent information to that provided abroad.

Spanish Regulations

Any inside information as defined above will be disclosed simultaneously in Spain by notifying it to the CNMV which shall, in turn, make it public through its webpage.

Any other information of a financial or corporate nature which the Company is required by law to make public in Spain or which the Company deems necessary to disclose to investors shall be also notified to the CNMV which shall also publish it through its webpage.

3.1.4 Date of Incorporation and Duration of the Company

The Company was incorporated on 29 December 1998 for an unlimited duration.
3.1.5 Objects of the Company

Pursuant to its Articles of Association, the objects of the Company are to hold, co-ordinate and manage participations or other interests and to finance and assume liabilities, provide for security and/or guarantee debts of legal entities, partnerships, business associations and undertakings that are involved in:

– the aeronautic, defence, space and/or communication industry; or
– activities that are complementary, supportive or ancillary thereto.

3.1.6 Commercial and Companies Registry

The Company is registered with the Dutch Commercial Register (Handelsregister) under number 24288945.

3.1.7 Inspection of Corporate Documents

The Articles of Association are available for inspection in Dutch at the Chamber of Commerce.

In France, the Articles of Association are available at the operational headquarters of the Company (2, rond-point Emile Dewoitine, 31700 Blagnac, France, Tel.: +33 5 81 31 75 00).

In Germany, the Articles of Association are available at the Munich office of the Company (Willy-Messerschmitt-Strasse 1, 82024 Ottobrunn, Germany, Tel.: +49 89 60 70).

In Spain, the Articles of Association are available at the CNMV and at the Madrid office of the Company (Avenida de John Lennon s/n, 28906 Getafe, Madrid, Spain, Tel.: +34 91 443 30 00).

The documents incorporated by reference into this Universal Registration Document are available on www.airbus.com.

3.1.8 Financial Year

The financial year of the Company starts on 1 January and ends on 31 December of each year.

3.1.9 Allocation and Distribution of Income

3.1.9.1 Dividends

The Board of Directors shall determine which part of the profits of the Company shall be attributed to reserves. The remaining distributable profit shall be at the disposal of the shareholders’ meeting.

The shareholders’ meeting may resolve (if so proposed by the Board of Directors) that all or part of a distribution on shares shall be paid in Airbus shares or in the form of assets as opposed to cash.

The declaration of a dividend, an interim dividend or another distribution to the shareholders shall be made known to them within seven days after such declaration. Declared dividends, interim dividends or other distributions shall be payable on such date(s) as determined by the Board of Directors.

Dividends, interim dividends and other distributions on shares shall be paid by bank transfer to the bank or giro accounts designated in writing to the Company by, or on behalf of, shareholders at the latest 14 days after their announcement.

The persons entitled to a dividend, interim dividend or other distribution shall be the shareholders as at a record date to be determined by the Board of Directors for that purpose, which date may not be a date prior to the date on which such dividend, interim dividend or other distribution is declared.

3.1.9.2 Liquidation

In the event of the dissolution and liquidation of the Company, the assets remaining after payment of all debts and liquidation expenses shall be distributed amongst the holders of the shares in proportion to their shareholdings.
3. General Description of the Company and its Share Capital

3.1 General Description of the Company

3.1.10 General Meetings

3.1.10.1 Calling of Meetings

Shareholders’ meetings are held as often as the Board of Directors deems necessary, when required under the Dutch Civil Code (as a result of a decrease of the Company’s equity to or below half of the Company’s paid up and called up capital) or upon the request of shareholders holding, individually or together, at least 10% of the total issued share capital of the Company. The AGM of Shareholders of the Company is held within six months of the end of the financial year.

The Board of Directors must give notice of shareholders’ meetings through publication of a notice on the Company’s website (www.airbus.com), which will be directly and permanently accessible until the shareholders’ meeting. The Company must comply with the statutory rules providing for a minimum convening period, which currently require at least 42 days of notice. The convening notice must state the items required under Dutch law.

Shareholders’ meetings are held in Amsterdam, The Hague, Rotterdam or Haarlemmermeer (Schiphol Airport). The Board of Directors may decide that shareholders’ meetings may be attended by means of electronic or video communication devices from the locations mentioned in the convening notice.

The Board of Directors must announce the date of the AGM of Shareholders at least ten weeks before the Meeting. A matter which one or more shareholders or other parties with meeting rights collectively representing at least the statutory threshold (which is currently 3% of the issued share capital) have requested in writing to be put on the agenda for a General Meeting of Shareholders shall be included in the convening notice or shall be announced in the same fashion, if the substantiated request or a proposal for a resolution is received by the Company no later than the 60th day before the general meeting. When exercising the right to put a matter on the agenda for a General Meeting of Shareholders, the respective shareholder or shareholders are obliged to disclose their full economic interest to the Company. The Company must publish such disclosure on its website.

A request as referred to in the preceding paragraph may only be made in writing. The Board of Directors can decide that in “writing” is understood to include a request that is recorded electronically.

3.1.10.2 Right to Attend Shareholders’ Meetings

Each holder of one or more shares may attend shareholders’ meetings, either in person or by written proxy, speak and vote according to the Articles of Association. See “– 3.1.10.4 Conditions of Exercise of Right to Vote”. However, under (and subject to the terms of) the Articles of Association these rights may be suspended under certain circumstances. A shareholder, or another person who has the right to attend a shareholders’ meeting, can be represented by more than one proxy holder, provided that only one proxy holder can exercise the rights attached to each share.

The persons who have the right to attend and vote at shareholders’ meetings are those who are on record in a register designated for that purpose by the Board of Directors on the registration date referred to in the Dutch Civil Code which is currently the 28th day prior to the day of the shareholders’ meeting (the “Registration Date”), irrespective of who may be entitled to the shares at the time of that meeting.

As a prerequisite to attending the shareholders’ meeting and to casting votes, the Company, or alternatively an entity or person so designated by the Company, should be notified in writing by each holder of one or more shares and those who derive the aforementioned rights from these shares, not earlier than the Registration Date, of the intention to attend the meeting in accordance with the relevant convening notice.

Shareholders holding their Company shares through Euroclear France SA who wish to attend general meetings will have to request from their financial intermediary or account holder an admission card and be given a proxy to this effect from Euroclear France SA in accordance with the relevant convening notice. For this purpose, a shareholder will also be able to request that its shares be registered directly (and not through Euroclear France SA) in the register of the Company. However, only shares registered in the name of Euroclear France SA may be traded on stock exchanges.

In order to exercise their voting rights, the shareholders will also be able, by contacting their financial intermediary or account holder, to give their voting instructions to Euroclear France SA or to any other person designated for this purpose, as specified in the relevant convening notice.

Pursuant to its Articles of Association, the Company may provide for electronic means of attendance, speaking and voting at the shareholders’ meetings in such circumstances and subject to such conditions as determined by the Board of Directors.

3.1.10.3 Majority and Quorum

All resolutions are adopted by means of a simple majority of the votes cast except when a qualified majority is prescribed by the Articles of Association or by Dutch law. No quorum is required for any shareholders’ meeting to be held except as required under applicable law for a very limited number of resolutions of an extraordinary nature. Dutch law requires a special majority for the passing of certain resolutions: intaar alia, capital reduction, exclusion of pre-emption rights in connection with share issues, statutory mergers or statutory de-mergers; the passing of such resolutions requires a majority of two-thirds of the votes cast if 50% of the share capital with voting rights is not present at the shareholders’ meeting (or otherwise a simple majority). In addition, resolutions to amend the Articles of Association or to dissolve the Company may only be adopted with a majority of at least two-thirds of the valid votes cast at a shareholders’ meeting, whatever the quorum present at such meeting, and resolutions to amend certain provisions of the Articles of Association may only be adopted with a majority of at least 75% of the valid votes cast at a shareholders’ meeting, whatever the quorum present at such meeting.
3.1 General Description of the Company

3.1.11 Disclosure of Holdings

(1) In this context, the term “shares” also includes for example depositary receipts for shares and rights resulting from an agreement to acquire shares or depositary receipts for shares, specifically call options, warrants, and convertible bond. Equally, the term “voting rights” also includes actual or contingent rights to voting rights (e.g., embedded in call options, warrants or convertible bond).

3.1.10.4 Conditions of Exercise of Right to Vote

In all shareholders’ meetings, each shareholder has one vote in respect of each share it holds. The major shareholders of the Company – as set forth in “– 3.3.2 Relationships with Principal Shareholders” – do not enjoy different voting rights from those of the other shareholders.

A shareholder whose shares are subject to a pledge or usufruct shall have the voting rights attaching to such shares unless otherwise provided by law or by the Articles of Association or if, in the case of a usufruct, the shareholder has granted voting rights to the usufructuary. Pursuant to the Articles of Association and subject to the prior consent of the Board of Directors, a pledgee of shares in the Company may be granted the right to vote in respect of such pledged shares.

According to the Articles of Association, no vote may be cast at the General Meeting on a share that is held by the Company or a subsidiary, nor for a share in respect of which one of them holds the depository receipts.Usufructuaries and pledgees of shares that are held by the Company or its subsidiaries are, however, not excluded from their voting rights, in case the right of usufruct or pledge was vested before the share was held by the Company or its subsidiary.

3.1.11 Disclosure of Holdings

Pursuant to the WFT, any person who, directly or indirectly, acquires or disposes of an (actual or deemed) interest in the capital, voting rights or gross short position of the Company must immediately give notice to the AFM through its online portal, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person meets, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Any person whose interest in the capital, voting rights or gross short position in the Company meets, exceeds or falls below one or several of the above-mentioned thresholds due to a change in the Company’s outstanding capital, or in voting rights attached to the shares as notified to the AFM by the Company, should notify the AFM no later than the fourth trading day after the AFM has published the notification by the Company. Pursuant to the Articles of Association, shareholders must notify the Company when meeting or crossing the thresholds above. The Articles of Association also contain disclosure obligations for shareholders that apply when their interests in the Company reach or cross certain thresholds. Among other things, the Company is required to notify the AFM immediately if its outstanding share capital or voting rights have changed by 1% or more since the Company’s previous notification or at the end of the quarter if the change of its outstanding share capital or voting rights is smaller than 1%. Additional disclosure and/or publication obligations apply under European regulations for net short positions in respect of such pledged shares.

The disclosures are published by the AFM on its website (www.afm.nl).

Under the Articles of Association, the disclosure obligations of shareholders are enhanced in several ways beyond what is required under the WFT, including by requiring the disclosure of additional information, tying the disclosure obligations to a broader range of interests in the capital or voting rights of the Company and by requiring a shareholder to notify the Company if his or her interest reaches, exceeds or falls below the Mandatory Disposal Threshold (as defined below) or if the interest of a shareholder (alone or a member of a concert) which is above such Mandatory Disposal Threshold changes in its composition, nature and/or size.

Failure to comply with the legal obligation to notify a change in shareholding under the WFT is an economic offence punishable by criminal and administrative penalties as well as civil law penalties, including the suspension of voting rights. Failure to comply with a notification under the Articles of Association can lead to a suspension of meeting and voting rights.

Disclosure Requirements for Members of the Board of Directors and the Executive Committee

Disclosure of Holdings

In addition to the requirements under the WFT regarding the disclosure of holdings in case the specified thresholds are met or exceeded or if holdings fall below these thresholds, Members of the Board of Directors must report to the AFM the number of shares in the Company and attached voting rights held by them or their entity, within two weeks following his appointment as Director, whether or not such shareholdings meet or exceed any of the specified thresholds. Subsequently, any Member of the Board of Directors is required to notify the AFM of any changes in such number of shares in the Company and attached voting rights.
Disclosure of Transactions Carried Out on Any Securities Issued by the Company

Based on the Market Abuse Regulation, certain persons discharging managerial or supervisory responsibilities within the Company as well as persons closely associated with them (together “Insiders”, as defined below), are required to notify the Company and the AFM within three trading days of all transactions conducted for their own account involving shares of the Company, or derivatives or other financial instruments related to such shares, unless the aggregate amount of such transactions does not exceed €5,000 in respect of all transactions in a calendar year.

“Insiders” for the Company include (i) Members of the Board of Directors and the Executive Committee of the Company as well as certain other senior executives who are not members of these bodies and who have regular access to inside information relating directly or indirectly to the Company and power to take managerial decisions affecting the future developments and business prospects of the Company, (ii) persons closely associated with any person mentioned under category (i) (including their spouses, life partners or any partner considered by national law as equivalent to the spouse, dependent children and other relatives who have shared the same household), and (iii) legal entities, trusts or partnerships whose managerial responsibilities are discharged by any person referred to in categories (i) or (ii) or which are directly or indirectly controlled by such a person, or that have been set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such a person.

The Company has adopted specific internal insider trading rules (the “Insider Trading Rules”) in order to ensure compliance with the above requirements and with other share trading regulations applicable in the Netherlands, France, Germany and Spain. The Insider Trading Rules are available on the Company’s website, and provide in particular that: (i) all employees and Directors are prohibited from conducting transactions in the Company’s shares or stock options if they have inside information, and (ii) certain persons are only allowed to trade in the Company’s shares or stock options within very limited periods and have specific information obligations to the ITR Compliance Officer of the Company and the competent financial market authorities with respect to certain transactions. The ITR Compliance Officer is responsible for the implementation of the Insider Trading Rules. Pursuant to the Market Abuse Regulation, the Company must maintain a list of all persons working for it by virtue of a labour relationship or otherwise, who may have access to inside information.

3.1.12 Mandatory Disposal

3.1.12.1 Notification Requirements and Mandatory Disposal Threshold Restricting Ownership to 15%

Under the Articles of Association, each shareholder must notify the Company when it (or another party in respect of its interest in the Company) must make a notification to the AFM of a substantial interest or short position with respect to the Company, when its interest (alone or with concert parties) reaches or crosses the Mandatory Disposal Threshold (as defined below) or subject to certain conditions and exemptions, when changes occur in the composition, nature and/or size of any interest held by it or by its concert parties in excess of the Mandatory Disposal Threshold (as defined below). Failure to comply with these obligations may, subject to a prior notification by the Company, result in the suspension of voting and attendance rights until the shareholder has complied with its obligations.

The Articles of Association prohibit any shareholder from holding an interest of more than 15% of the share capital or voting rights of the Company, acting alone or in concert with others (the “Mandatory Disposal Threshold”). An interest (“Interest”) includes not only shares and voting rights, but also other instruments that cause shares or voting rights to be deemed to be at someone’s disposal pursuant to the WFT, and must be notified to the Dutch regulator, the AFM, if certain thresholds are reached or crossed. Any shareholder having an interest of more than the Mandatory Disposal Threshold must reduce its interest below the Mandatory Disposal Threshold, for instance by disposing of its Excess Shares, within two weeks after such notification by the Company. Upon receipt of such notification, the voting, attendance and dividend rights attached to the Excess Shares shall be suspended. The same applies to concerts of shareholders and other persons who together hold an interest exceeding the Mandatory Disposal Threshold. Should such shareholder or concert not comply with not exceeding the 15% Mandatory Disposal Threshold by the end of such two-week period, the voting, attendance and dividend rights attached to all shares held by such shareholder or concert shall be suspended, and their Excess Shares would be transferred to a Dutch law foundation (staking), which can, and eventually must, dispose of them. The suspension of shareholder rights described above shall be lifted once a shareholder or concert complies with its obligations under the Articles of Association. The Dutch law foundation would issue depositary receipts to the relevant shareholder in return for the Excess Shares transferred to the foundation, which would entitle the relevant shareholder to the economic rights, but not the voting rights, attached to such Company shares. The foundation’s Articles of Association and the terms of administration governing the relationship between the foundation and the depositary receipt holders provide, inter alia, that:

− the Board Members of the foundation must be independent from the Company, any grandfathered persons and their affiliates (see “– 3.1.12.2 Exemptions from Mandatory Disposal Threshold”) and any holder of depositary receipts and their affiliates (there is an agreement under which the Company will, inter alia, cover the foundation’s expenses and indemnify the Board Members against liability);
− the Board Members are appointed (except for the initial Board Members who were appointed at incorporation) and dismissed by the Management Board of the foundation (the Company may however appoint one Board Member in a situation where there are no foundation Board Members);
– the foundation has no discretion as to the exercise of voting rights attached to any of the Company shares held by it and will in a mechanical manner vote to reflect the outcome of the votes cast (or not cast) by the other shareholders, and the foundation will distribute any dividends or other distributions it receives from the Company to the holders of depositary receipts; and
– no transfer of a depositary receipt can be made without the prior written approval of the foundation’s Board.

For any shareholder or concert, the term “Excess Shares”, as used above, refers to such number of shares comprised in the interest of such shareholder or concert exceeding the Mandatory Disposal Threshold which is the lesser of: (i) the shares held by such shareholder or concert which represent a percentage of the Company’s issued share capital that is equal to the percentage with which the foregoing interest exceeds the Mandatory Disposal Threshold; and (ii) all shares held by such person or concert.

This restriction is included in the Articles of Association to reflect the Company’s further normalised governance going forward, aiming at a substantial increase of the free float and to safeguard the interests of the Company and its stakeholders (including all its shareholders), by limiting the possibilities of influence above the level of the Mandatory Disposal Threshold or takeovers other than a public takeover offer resulting in a minimum acceptance of 80% of the share capital referred to below.

3.1.12.2 Exemptions from Mandatory Disposal Threshold

The restrictions pursuant to the Mandatory Disposal Threshold under the Articles of Association do not apply to a person who has made a public offer with at least an 80% acceptance (including any Airbus shares already held by such person). These restrictions also have certain grandfathering exemptions for the benefit of shareholders and concerts holding interests exceeding the Mandatory Disposal Threshold on 2 April 2013 (the “Exemption Date”), which is the date of first implementation of the Mandatory Disposal Threshold.

Different grandfathering regimes apply to such shareholders and concerts, depending on the interests and the nature thereof held by each such shareholder or concert on the Exemption Date.

The Company has confirmed that: (i) the specific exemption in Article 16.1b of the Articles of Association applies to Société de Gestion de Participations Aéronautiques (“Sogepa”), as it held more than 15% of the outstanding Company voting rights and shares including the legal and economic ownership thereof on the Exemption Date; and (ii) the specific exemption in Article 16.1c of the Articles of Association applies to the concert among Sogepa, Gesellschaft zur Beteiligungsverwaltung GZBV mbH & Co. KG (“GZBV”) and Sociedad Estatal de Participaciones Industriales (“SEPI”), as they held more than 15% of the outstanding Company voting rights and shares including the legal and economic ownership thereof on the Exemption Date.

3.1.13 Mandatory Offers

3.1.13.1 Takeover Directive

The Directive 2004/25/EC on takeover bids (the “Takeover Directive”) sets forth the principles governing the allocation of laws applicable to the Company in the context of a takeover bid for the shares of the Company. The Takeover Directive refers to the rules of the Netherlands and the rules of the European Union Member State of the competent authority that must be chosen by the Company from among the various market authorities supervising the markets where its shares are listed.

For the Company, matters relating to, inter alia, the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the offeror’s decision to make a bid, the contents of the offer document and the disclosure of the bid, shall be determined by the laws of the European Union Member State having the competent authority, which will be selected by the Company at a future date.

Matters relating to the information to be provided to the employees of the Company and matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid, the conditions under which the Board of Directors of the Company may undertake any action which might result in the frustration of the bid, the applicable rules and the competent authority will be governed by Dutch law (see “– 3.1.13.2 Dutch Law”).

3.1.13.2 Dutch Law

In accordance with the Dutch act implementing the Takeover Directive (the “Takeover Act”), shareholders are required to make a public offer for all issued and outstanding shares in the Company’s share capital if they – individually or acting in concert (as such term is defined in the Takeover Act), directly or indirectly – have 30% or more of the voting rights (significant control) in the Company. In addition to the other available exemptions that are provided under Dutch law, the requirement to make a public offer does not apply to persons, who at the time the Takeover Act came into force, already held – individually or acting in concert – 30% or more of the voting rights in the Company. In the case of such a concert, a new Member of the concert can be exempted if it satisfies certain conditions.
3.2 General Description of the Share Capital

3.2.1 Issued Share Capital

As of 31 December 2023, the Company’s issued share capital amounted to €790,459,434, consisting of 790,459,434 fully paid-up shares of a nominal value of €1 each.

3.2.2 Authorised Share Capital

As of 31 December 2023, the Company’s authorised share capital amounted to €3 billion, consisting of 3 billion shares of €1 each.

3.2.3 Modification of Share Capital or Rights Attached to the Shares

The shareholders’ meeting has the power to authorise the issuance of shares. The shareholders’ meeting may also authorise the Board of Directors, for a period of no more than five years, to issue shares and to determine the terms and conditions of share issuances.

Holders of shares have a pre-emptive right to subscribe for any newly issued shares in proportion to the aggregate nominal value of shares held by them, except for: (i) shares issued for consideration other than cash, (ii) shares issued to employees of the Company, and (iii) shares issued pursuant to a previously granted right to subscribe for those shares. For the contractual position as to pre-emption rights, see “– 3.3.2 Relationship with principal shareholders”.

The shareholders’ meeting also has the power to limit or to exclude pre-emption rights in connection with new issuances of shares, and may authorise the Board of Directors, for a period of no more than five years, to limit or to exclude pre-emption rights. All resolutions in this context must be approved by a two-thirds majority of votes cast during the shareholders’ meeting in the case where less than half of the capital issued is present or represented at said meeting.

However, the Articles of Association of Airbus SE (“Articles of Association”) provide that the shareholders’ meeting is not authorised to pass any shareholders’ resolution to issue shares, or to grant rights to subscribe for shares, if the aggregate issue price is in excess of €500 million, per share issuance, and no preferential subscription rights exist in respect thereof (by virtue of Dutch law, or because they have been excluded by the competent corporate body). The same limitation applies if the shareholders’ meeting wishes to designate the Board of Directors to have the authority to resolve on such share issuance or granting of rights. These limitations in the Articles of Association can only be changed by the shareholders’ meeting with a 75% voting majority.

Pursuant to the shareholders’ resolutions adopted at the Annual General Meeting (“AGM”) held on 19 April 2023, the powers to issue shares and to grant rights to subscribe for shares and to limit or exclude preferential subscription rights for existing shareholders, have been delegated to the Board of Directors for the purpose of:

1. employee share ownership plans and share-related Long-Term Incentive Plans, provided that such powers shall be limited to 0.18% of Airbus SE’s authorised share capital; and

2. funding Airbus SE and any of its subsidiaries, provided that such powers shall be limited to 0.3% of Airbus SE’s authorised share capital.

Such powers have been granted for a period expiring at the AGM to be held in 2024, and shall not extend to issuing shares or granting rights to subscribe for shares if: (i) there is no preferential subscription right (by virtue of Dutch law, or because it has been excluded by means of a resolution of the competent corporate body) and (ii) it concerns an aggregate issue price in excess of €500 million per share issuance.

At the AGM held on 19 April 2023, the Board of Directors was authorised for a period of 18 months from the date of such AGM to repurchase shares of Airbus SE, by any means, including derivative products, on any stock exchange or otherwise, as long as, upon such repurchase, Airbus SE would not hold more than 10% of Airbus SE’s issued share capital, and at a price per share not less than the nominal value, and not more than the higher of the price of the independent trade and the highest current independent bid on the trading venues of the regulated market of the country in which the purchase is carried out.

The shareholders’ meeting may reduce the issued share capital by cancellation of shares or by reducing the nominal value of the shares by means of an amendment to the Articles of Association. The cancellation of shares requires the approval of a two-thirds majority of the votes cast during the shareholders’ meeting in the case where less than half of the capital issued is present or represented at the meeting; the reduction of nominal value by means of an amendment to the Articles of Association requires the approval of a two-thirds majority of the votes cast during the shareholders’ meeting (unless the amendment to the Articles of Association also concerns an amendment which under the Articles of Association requires a 75% voting majority).

At the AGM held on 19 April 2023, the Board of Directors and the Chief Executive Officer (“CEO”) were authorised, with powers of substitution, to implement a cancellation of shares held or repurchased by Airbus SE, including the authorisation to establish the exact number of the relevant shares thus repurchased to be cancelled.
3.2.4 Securities Granting Access to the Company’s Share Capital

There are no securities that give access, immediately or over time, to the share capital of Airbus SE (please refer to “Notes to the IFRS Consolidated Financial Statements – Note 36.3: Net Cash – Financing Liabilities”).

3.2.5 Changes in the Issued Share Capital

<table>
<thead>
<tr>
<th>Date</th>
<th>Nature of Transaction</th>
<th>Nominal value per share</th>
<th>Number of shares issued / cancelled</th>
<th>Premium (1)</th>
<th>Total number of issued shares after transaction</th>
<th>Total issued capital after transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 June 2013</td>
<td>Cancellation of shares upon authorisation granted by the Extraordinary General Meeting held on 27 March 2013</td>
<td>€1</td>
<td>47,648,691</td>
<td>-</td>
<td>779,719,254</td>
<td>€779,719,254</td>
</tr>
<tr>
<td>29 July 2013</td>
<td>Issue of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>2,113,245</td>
<td>€57,580,650</td>
<td>781,832,499</td>
<td>€781,832,499</td>
</tr>
<tr>
<td>27 September 2013</td>
<td>Cancellation of shares upon authorisation granted by the Extraordinary General Meeting held on 27 March 2013</td>
<td>€1</td>
<td>3,099,657</td>
<td>-</td>
<td>778,732,842</td>
<td>€778,732,842</td>
</tr>
<tr>
<td>In 2013</td>
<td>Issue of shares following exercise of options granted to employees (2)</td>
<td>€1</td>
<td>6,873,677</td>
<td>€176,017,918</td>
<td>783,157,635</td>
<td>€783,157,635</td>
</tr>
<tr>
<td>In 2014</td>
<td>Issue of shares following exercise of options granted to employees (2)</td>
<td>€1</td>
<td>1,871,419</td>
<td>€50,619,684</td>
<td>784,780,585</td>
<td>€784,780,585</td>
</tr>
<tr>
<td>In 2015</td>
<td>Cancellation of shares upon authorisation granted by the Annual Shareholders’ Meeting held on 27 May 2015</td>
<td>€1</td>
<td>2,885,243</td>
<td>-</td>
<td>785,333,784</td>
<td>€785,333,784</td>
</tr>
<tr>
<td>In 2015</td>
<td>Issue of shares following exercise of options granted to employees (2)</td>
<td>€1</td>
<td>1,910,428</td>
<td>-</td>
<td>785,344,784</td>
<td>€785,344,784</td>
</tr>
<tr>
<td>In 2016</td>
<td>Cancellation of treasury shares</td>
<td>€1</td>
<td>14,131,131</td>
<td>-</td>
<td>771,213,653</td>
<td>€771,213,653</td>
</tr>
<tr>
<td>In 2016</td>
<td>Issues of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>1,474,716</td>
<td>-</td>
<td>772,688,369</td>
<td>€772,688,369</td>
</tr>
<tr>
<td>In 2016</td>
<td>Issue of shares following exercise of options granted to employees (2)</td>
<td>€1</td>
<td>224,500</td>
<td>-</td>
<td>772,912,869</td>
<td>€772,912,869</td>
</tr>
<tr>
<td>In 2017</td>
<td>Issues of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>1,643,193</td>
<td>-</td>
<td>774,556,062</td>
<td>€774,556,062</td>
</tr>
<tr>
<td>In 2017</td>
<td>Issues of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>1,643,193</td>
<td>-</td>
<td>774,556,062</td>
<td>€774,556,062</td>
</tr>
<tr>
<td>In 2018</td>
<td>Issues of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>1,811,819</td>
<td>-</td>
<td>776,367,881</td>
<td>€776,367,881</td>
</tr>
<tr>
<td>In 2019</td>
<td>Issues of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>1,784,292</td>
<td>-</td>
<td>778,152,173</td>
<td>€778,152,173</td>
</tr>
<tr>
<td>In 2019</td>
<td>Issue of shares under the convertible bond</td>
<td>€1</td>
<td>5,020,942</td>
<td>-</td>
<td>783,173,115</td>
<td>€783,173,115</td>
</tr>
<tr>
<td>In 2020</td>
<td>Issue of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>976,155</td>
<td>-</td>
<td>784,149,270</td>
<td>€784,149,270</td>
</tr>
<tr>
<td>In 2021</td>
<td>Issue of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>1,934,420</td>
<td>-</td>
<td>786,083,690</td>
<td>€786,083,690</td>
</tr>
<tr>
<td>In 2022</td>
<td>Issue of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>2,121,318</td>
<td>-</td>
<td>788,205,008</td>
<td>€788,205,008</td>
</tr>
<tr>
<td>In 2023</td>
<td>Issue of shares for the purpose of an employee offering</td>
<td>€1</td>
<td>2,254,426</td>
<td>-</td>
<td>790,459,434</td>
<td>€790,459,434</td>
</tr>
</tbody>
</table>

(1) The costs (net of taxes) related to the initial public offering of the shares of the Company in July 2000 have been offset against share premium for an amount of €55,849,772.
(2) For information on Stock Option Plans under which these options were granted to the Company’s employees, see “Corporate Governance – 4.3.3 Long-Term Incentive Plans”.

In the course of 2023, a total number of 2,254,426 new shares were issued, all of which were issued in the framework of the 2023 Employee Share Ownership Plan (“ESOP”) and its sub-plan SIP.

During 2023 (i) Airbus SE repurchased 2,510,000 shares and (ii) none of the treasury shares were cancelled. As of 31 December 2023, Airbus SE held 3,037,467 treasury shares.
3.3 Shareholdings and Voting Rights

3.3.1 Shareholding Structure at the End of 2023

As of 31 December 2023, the French State held 10.86% of the outstanding Company shares through Sogepa, the German State held 10.84% through GZBV, a subsidiary of Kreditanstalt für Wiederaufbau ("KfW"), a public law institution serving domestic and international policy objectives of the Government of the Federal Republic of Germany, and the Spanish State held 4.09% through SEPI. The public (including the Company’s employees) and the Company held, respectively, 73.82% and 0.38% of the Company’s share capital.

The diagram below shows the ownership structure of the Company as of 31 December 2023 (% of capital and of voting rights (in parentheses)). See "— Corporate Governance – 4.3.3 Long-Term Incentive Plans".

Ownership Structure of Airbus SE as of 31 December 2023

According to the AFM register on substantial holdings, the below listed entities have notified the AFM of their substantial interest in the Company exceeding the below-mentioned thresholds, as per 22 March 2024:

- BlackRock Inc. owns 3.35% (0.34% indirect potential and 3.02% indirect real) and 4.01% (0.37% indirect potential and 3.64% indirect real) voting rights;
- Capital Research and Management Company owns 9.90% (0.27% indirect potential and 9.63% direct real) of the voting rights;
- The Goldman Sachs Group, Inc. owns 3.28% and 3.28% voting rights (3.01% indirect potential and 0.26% indirect real); and
- TCI Fund Management Ltd. owns 3.02% and 3.02% the voting rights).
Actual interests may differ as the holder of a substantial interest is only obliged to notify the AFM of any change in the percentage of share capital and/or voting rights if such holder, directly or indirectly, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

Except as described above, the Company is not aware of any other person or legal entity that, as of the date of this Universal Registration Document, has a capital or voting interest in the Company of 3% or more. For further details, please refer to the website of the AFM at: [www.afm.nl](http://www.afm.nl)

### 3.3 Shareholdings and Voting Rights

#### 3.3.2 Relationships with Principal Shareholders

In 2013, GZBV, Sogepa and SEPI entered into a shareholders’ agreement (the “Shareholders’ Agreement”). The Shareholders’ Agreement, further details of which are set out below, does not give the parties to it any rights to designate Members of the Board of Directors or management team or to participate in the governance of the Company. The Company has also entered into state security agreements with each of the French State and German State, which are also described in more detail below.

#### 3.3.2.1 Corporate Governance Arrangements

Corporate governance arrangements of the Company were substantially changed in 2013, resulting in changes in the composition of the Board of Directors and its internal rules, as well as amendments to the Articles of Association of the Company. These changes were intended to further normalise and simplify the Company’s corporate governance, reflecting an emphasis on best corporate governance practices and the absence of a controlling shareholder group. Changes to the Company’s corporate governance arrangements in the Articles of Association, included (i) disclosure obligations for shareholders that apply when their interests in the Company reach or cross certain thresholds and (ii) ownership restrictions prohibiting any shareholder from holding an interest of more than 15% of the share capital or voting rights if such holder, directly or indirectly, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

#### 3.3.2.2 Shareholder Arrangements

**Grandfathering Agreement**

At the Consummation, the French State, Sogepa, the German State, KfW and GZBV (all parties together the “Parties” and each, individually, as a “Party”) entered into an agreement with respect to certain grandfathering rights under the Articles of Association. Below is a summary of such agreement.

As of 31 December 2023, the Company held, directly or indirectly through another company in which the Company holds directly or indirectly more than 50% of the share capital, 3,037,467 of its own shares, equal to 0.38% of the issued share capital. The treasury shares owned by the Company do not carry voting rights.

For the number of shares and voting rights held by Members of the Board of Directors and Executive Committee, see “– Corporate Governance – 4.2.1 Remuneration Policy”.

As of 31 December 2023, 2.34% of the share capital (and voting rights) was held by the Company’s employees (active or inactive who participated at least once to an Airbus shares based plan) vs 2.13% as of 31 December 2022.

**Individual Grandfathering Rights**

A Party that is individually grandfathered pursuant to Article 16.1.b of the Articles of Association (such Party holding “Individual Grandfathering Rights”) shall remain individually grandfathered in accordance with the Articles of Association if the new concert with respect to the Company (the “Concert”) is subsequently terminated (for instance by terminating the Shareholders’ Agreement) or if it exits the Concert.

**Loss of Individual Grandfathering Rights**

A Party holding Individual Grandfathering Rights as well as any of its affiliates who are grandfathered pursuant to Article 16.1.b in conjunction with Article 16.3 of the Articles of Association (such affiliates holding “Derived Grandfathering Rights”, and the Individual Grandfathering Rights and the Derived Grandfathering Rights, together, the “Grandfathering Rights”) shall all no longer be entitled to exercise their Grandfathering Rights in the event:

- the Concert is terminated as a result of it or any of its affiliates having actually or constructively terminated such Concert; or
- it or its relevant affiliate(s) exit(s) the Concert; and
- such termination or exit is not for good cause and is not based on material and ongoing violations of the Concert arrangements, including, without limitation, of the Shareholders’ Agreement, by the other principal Member of the Concert.

In the event that in the future the voting rights in the Company of the other principal Member of the Concert together with those of its affiliates would for an uninterrupted period of three months represent less than 3% of the outstanding aggregate voting rights of the Company, the Grandfathering Rights of the Party including its affiliates which were no longer entitled to use their Grandfathering Rights shall from then on revive and Sogepa and GZBV shall jointly notify the Company to that effect.

**Notification to the Company**

The Company will not be required to take any of the actions provided for in Article 15 of the Articles of Association pursuant to the post-concert Grandfathering Agreement unless and until it receives (i) a joint written instruction from Sogepa and GZBV with respect to the taking of any of the actions provided for in Article 15 of the Articles of Association pursuant to the post-concert Grandfathering Agreement, or (ii) a copy of a binding advice rendered by three independent, impartial and neutral
Expert Adjudicators in order to settle any dispute between the Parties arising out of or in connection with the post-concert Grandfathering Agreement.

The Company will not incur any liability to any of the Parties by taking such actions following receipt of any such joint instruction or binding advice and the Company will not be required to interpret the post-concert Grandfathering Agreement or any such joint instruction or binding advice.

Notwithstanding the description under “Various provisions – Jurisdiction” below, the courts of the Netherlands will have exclusive jurisdiction to resolve any dispute, controversy or claim affecting the rights or obligations of the Company under the post-concert Grandfathering Agreement.

Various Provisions

Termination. The post-concert Grandfathering Agreement terminates only if either the French State and its affiliates or the German State and its affiliates no longer hold shares in the Company.

Governing law. Laws of the Netherlands.

Jurisdiction. The courts of the Netherlands shall have exclusive jurisdiction. This is binding advice for any dispute, controversy or claim arising out of or in connection with the post-concert Grandfathering Agreement in accordance with the procedure set forth in the post-concert Grandfathering Agreement; provided, however, that application to the courts is permitted to resolve any such dispute controversy or claim.

Shareholders’ Agreement

Below is a further description of the Shareholders’ Agreement, based solely on a written summary of the main provisions of the Shareholders’ Agreement that has been provided to the Company by Sogepa, GZBV and SEPI (all parties together the “Shareholders”).

Governance of the Company

Appointment of the Directors. The shareholders shall vote in favour of any draft resolution relating to the appointment of Directors submitted to the shareholders’ meeting of the Company in accordance with the terms and conditions of the German State Security Agreement and the French State Security Agreement (as described below). If, for whatever reason, any person to be appointed as a Director pursuant to the German State Security Agreement or the French State Security Agreement is not nominated, the shareholders shall use their best endeavours so that such person is appointed as a Director.

Sogepa and GZBV shall support the appointment of one Spanish national that SEPI may present to them as Member of the Board of Directors of the Company, provided such person qualifies as an Independent Director pursuant to the conditions set forth in the Board Rules, and shall vote as shareholders in any shareholders’ meeting in favour of such appointment and against the appointment of any other person for such position.

If, for whatever reason, the French State Security Agreement and/or the German State Security Agreement has/have been terminated, KFW or Sogepa, as the case might be, shall propose two persons, and the shareholders shall exercise their best endeavours so that these persons are appointed as Directors. Directors can be dismissed by the General Meeting at all times.

Modification of the Articles of Association. Sogepa and GZBV shall consult each other on any draft resolution intending to modify the Board Rules and/or the Articles of Association. Unless Sogepa and GZBV agree to vote in favour together of such draft resolution, the shareholders shall vote against such draft resolution. If Sogepa and GZBV reach a mutual agreement on such draft resolution, the shareholders shall vote in favour of such draft resolution.

Reserved Matters. With respect to the matters requiring the approval of a Qualified Majority at the Board level (“Reserved Matters”), all the Directors shall be free to express their own views. If the implementation of a Reserved Matter would require a decision of the shareholders’ meeting of the Company, Sogepa and GZBV shall consult each other with a view to reaching a common position. Should Sogepa and GZBV fail to reach a common position, Sogepa and GZBV shall remain free to exercise on a discretionary basis their votes.

Prior consultation. Sogepa and GZBV shall consult each other on any draft resolution submitted to the shareholders’ meeting other than related to Reserved Matters and the Board Rules.

Balance of Interests

The shareholders agree their common objective to seek a balance between themselves of their respective interest in the Company as follows:

– to hold as closely as reasonably possible to 12% of the voting rights for Sogepa, together with any voting rights attributable to GZBV and/or to the French State, pursuant to Dutch takeover rules except for voting rights attributable due to acting in concert with the other parties;
– to hold as closely as reasonably possible to 12% of the voting rights for GZBV, together with any voting rights attributable to Sogepa and/or to the German State, pursuant to Dutch takeover rules except for voting rights attributable due to acting in concert with the other parties;
– to hold as closely as reasonably possible to 4% of the voting rights for SEPI, together with any voting rights attributable to SEPI and/or to the Spanish State, pursuant to Dutch takeover rules except for voting rights attributable due to acting in concert with the other parties.

Mandatory Takeover Threshold

The total aggregate voting rights of the shareholders shall always represent less than 30% of the voting rights of the Company, or less than any other threshold the crossing of which would trigger for any shareholder a mandatory takeover obligation (the “MTO Threshold”). In the event that the total aggregate voting rights of the shareholders exceed the MTO Threshold, the shareholders shall take all appropriate actions as soon as reasonably practicable, but in any event within 30 days, to fall below the MTO Threshold.

Transfer of Securities

Permitted transfer. Transfer of securities by any shareholder to one of its affiliates.

Pre-emption right. Pro rata pre-emption rights of the shareholders in the event any shareholder intends to transfer any of its securities to a third party directly or on the market.
**Call-option right.** Call option right for the benefit of the shareholders in the event that the share capital or the voting rights of any shareholders cease to be majorly owned directly or indirectly by the French State, the German State or the Spanish State as applicable.

**Tag-along right.** Tag-along right for the benefit of SEPI in the event that Sogepa, the French State or any of their affiliates and any French public entity and GZBV, the German State or any of their affiliates and any public entity propose together to transfer all of their entire voting rights interests.

**Various Provisions**

**Termination.** The Shareholders’ Agreement may cease to apply in respect of one or more Shareholders and/or their affiliates, subject to the occurrence of certain changes in its or their shareholding interest in the Company or in its or their shareholders.

**Governing law.** Laws of the Netherlands.

**Jurisdiction.** Arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce, with the seat of arbitration in The Hague (the Netherlands).

### 3.3.2.3 Undertakings with Respect to Certain Interests of Certain Stakeholders

The Company has made certain undertakings and entered into certain agreements in connection with certain interests of certain stakeholders.

**State Security Agreements and Related Undertakings and Negotiations**

The Company and the French State have entered into an amendment to the existing convention between them relating to the Company’s ballistic missiles business (as amended, the “French State Security Agreement”). Under the French State Security Agreement, certain sensitive French military assets are held by a Company subsidiary (the “French Defence Holding Company”). The French State has the right to approve or disapprove of – but not to propose or appoint – three outside Directors to the Board of Directors of the French Defence Holding Company (the “French Defence Outside Directors”), at least two of whom must qualify as Independent Directors under the Board Rules if they were Members of the Board of Directors. Two of the French Defence Outside Directors are required also to be Members of the Board of Directors of the Company (although they may be Members of the Board of Directors); and (ii) have material ongoing professional relationships with Airbus SE.

Pursuant to the French State Security Agreement, Airbus SE has granted to the French state: (a) a veto right, and subsequently a call option, on the shares of the Airbus SE subsidiary performing ballistic missiles activity, exercisable under certain circumstances, including if (i) a third party acquires, directly or indirectly, either alone or in concert, more than 15% or any multiple thereof of the share capital or voting rights of Airbus SE, or (ii) the sale of the shares of such companies carrying out such activity is considered, and (b) a right to oppose the transfer of any such shares.

The Company and the German State have entered into an agreement relating to the protection of essential interests to the German State’s security (the “German State Security Agreement”). Under the German State Security Agreement, certain sensitive German military activities are pursued directly or indirectly by a Company subsidiary (the “German Defence Holding Company”). The German State has the right to approve or disapprove of – but not to propose or appoint – three outside Directors to the Supervisory Board of the German Defence Holding Company (the “German Defence Outside Directors”), at least two of whom must qualify as Independent Directors under the Board Rules if they were Members of the Board of Directors. Two of the German Defence Outside Directors are required also to be Members of the Board of Directors. The qualifications to serve as a German Defence Outside Director are comparable to those to serve as a French Defence Outside Director.

Pursuant to the German State Security Agreement, Airbus SE and the German Defence Holding Company have granted to the German state a pre-emption right to acquire the sensitive activities, as defined under the German State Security Agreement. The pre-emption right applies in case the German Defence Holding Company wishes to sell the sensitive activities to an entity outside Airbus SE, or outside the German territory, or the shares of a controlled entity which hosts sensitive activities. In such a case, the German state may acquire the shares of such a controlled entity. Furthermore, the German state has the right to acquire the sensitive activities in case Airbus SE intends to allocate the sensitive activities outside Germany or to give up the sensitive activities.

In February 2021, the Company and the Spanish State entered into an agreement relating to the protection of essential security interests to the Spanish State (the “Spanish State Security Agreement”). Under the Spanish State Security Agreement, certain sensitive Spanish military assets are held by a Company subsidiary (the “Spanish Defence Holding Company”). Pursuant to the Spanish State Security Agreement, the Company granted the Spanish State a pre-emption right to acquire the sensitive assets as defined under the Spanish State Security Agreement. The pre-emption right applies in case the Spanish Defence Holding Company wishes to sell the sensitive assets to an entity outside Airbus or outside Spain’s territory. In such case, the Spanish State has the right to acquire the sensitive assets.

### Dassault Aviation

The Company entered into an agreement with the French State pursuant to which the Company:

- grants the French State a right of first offer in case of the sale of all or part of its shareholding in Dassault Aviation; and
- commits to consult with the French State prior to making any decision at any shareholders’ meeting of Dassault Aviation.

The Company holds 10.24% of Dassault Aviation’s share capital.

For more information about Dassault Aviation, see “— Information on the Company’s Activities – 1.1.5 Investments”.

### Stock Exchange Listings

The Company has undertaken to the parties to the Shareholders’ Agreement that for the duration of the Shareholders’ Agreement the Company’s shares will remain listed exclusively in France, Germany and Spain.
3.3.3 Form of Shares

The shares of the Company are in registered form. The Board of Directors may decide with respect to all or certain shares, on shares in bearer form.

Shares shall be registered in the shareholders’ register without the issue of a share certificate or should the Board of Directors so decide, with respect to all or certain shares, with the issue of a certificate. Share certificates shall be issued in such form as the Board of Directors may determine. Registered shares shall be numbered in the manner to be determined by the Board of Directors.

3.3.4 Changes in the Shareholding of the Company

The evolution in ownership of the share capital and voting rights of the Company over the past three years is set forth in the table below:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Position as of 31 December 2023</th>
<th>Position as of 31 December 2022</th>
<th>Position as of 31 December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of capital</td>
<td>% of voting rights</td>
<td>Number of shares</td>
</tr>
<tr>
<td>SOGEPA</td>
<td>10.86%</td>
<td>10.90%</td>
<td>85,835,477</td>
</tr>
<tr>
<td>GZBV (1)</td>
<td>10.84%</td>
<td>10.88%</td>
<td>85,709,822</td>
</tr>
<tr>
<td>SEPI</td>
<td>4.09%</td>
<td>4.11%</td>
<td>32,330,381</td>
</tr>
<tr>
<td>Sub-total New Shareholder Agt.</td>
<td>25.79%</td>
<td>25.89%</td>
<td>203,875,680</td>
</tr>
<tr>
<td>Public (2)</td>
<td>73.83%</td>
<td>74.11%</td>
<td>583,546,287</td>
</tr>
<tr>
<td>Own share buyback (3)</td>
<td>0.38%</td>
<td>-</td>
<td>3,037,467</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>790,459,434</strong></td>
</tr>
</tbody>
</table>

(1) KfW & other German public entities.
(2) Including Company employees.
(3) The shares owned by the Company do not carry voting rights.

To the knowledge of the Company, there are no pledges over the shares of the Company.

The shareholding structure of the Company as of 31 December 2023 is as shown in the diagram in “- 3.3.1 Shareholding Structure at the end of 2023”.

3.3.5 Persons Exercising Control over the Company

See “- 3.3.1 Shareholding Structure at the end of 2023” and “- 3.3.2 Relationships with Principal Shareholders”.

3.3.6 Simplified Group Structure Chart

The following chart illustrates the simplified organisational structure of Airbus as of 31 December 2023, comprising the Divisions and the main Business Units. See “- Information on the Company’s Activities – 1.1.1 Overview – Organisation of the Company’s Businesses”. For ease of presentation, certain intermediate holding companies have been omitted.
3.3 Shareholdings and Voting Rights

Subsidiaries held with no indication of ownership percentage are 100% owned indirectly.
Legal forms are indicated for information purposes and are not always part of the legal name.
3.3.7 Purchase by the Company of its Own Shares

3.3.7.1 Dutch Law and Information on Share Repurchase Programmes

Under Dutch civil law, the Company may acquire its own shares, subject to certain provisions of the law of the Netherlands and the Articles of Association, if (i) the shareholders’ equity less the payment required to make the acquisition does not fall below the sum of paid-up and called portion of the share capital and any reserves required by the law of the Netherlands and (ii) the Company and its subsidiaries would not thereafter hold or hold in pledge shares with an aggregate nominal value exceeding one-half (50%) of the Company’s issued share capital. Share acquisitions may be effected by the Board of Directors only if the shareholders’ meeting has authorised the Board of Directors to effect such repurchases. Such authorisation may apply for a maximum period of 18 months.

For the authorisations granted to the Board of Directors at the AGM of Shareholders held on 19 April 2023, see “– 3.2.3 Modification of Share Capital or Rights Attached to the Shares”.

3.3.7.2 European Regulation

Pursuant to the Market Abuse Regulation and EU Delegated Regulation no. 2016/1052, the Company is subject to conditions for share repurchase programmes and disclosure relating thereto. In particular, prior to implementing the share repurchase programme, the Company must ensure adequate disclosure of the following information: the purpose of the programme, the maximum pecuniary amount allocated to the programme, the maximum number of shares to be acquired, and the duration of the programme.

In addition, the Company must report to the competent authority of each trading venue on which the shares are admitted to trading or are traded no later than by the end of the seventh daily market session following the date of execution of the transaction, all the transactions relating to the buy-back programme and ensure adequate disclosure of that certain information relating thereto within the same time frame. These transactions must be posted on the Company’s website and be made available to the public for at least a five-year period from the date of adequate public disclosure.

3.3.7.3 French Regulations

As a result of its listing on a regulated market in France, the Company is subject to the European regulations summarised above in 3.3.7.2 (European Regulation).

In addition, the Autorité des marchés financiers (“AMF”) General Regulations and AMF guidelines no.2017-04 define the conditions for a company’s trading in its own shares to be valid in accordance with the Market Abuse Regulation and EU Delegated Regulation no. 2016/1052.

Moreover, the Company must report to the AMF, on at least a monthly basis, all the specified information regarding such purchases previously published on its website and information concerning the cancellation of such repurchased shares.

3.3.7.4 German Regulations

As a foreign issuer, the Company is subject to German rules on repurchasing its own shares only to a limited extent, since German rules refer to the law of the Member State in which the Company is domiciled. In addition, general principles of German law on equal treatment of shareholders are applicable.

The European regulations summarised above in 3.3.7.2 (European Regulation) also applies to the Company in Germany.

3.3.7.5 Spanish Regulations

As a foreign issuer, the Company is not subject to Spanish rules on trading in its own shares, which only apply to Spanish issuers. The European regulations summarised above in 3.3.7.2 (European Regulation) also applies to the Company in Spain.
3.3.7.6 Description of the Share Repurchase Programme to Be Authorised by the Annual General Meeting of Shareholders to Be Held on 10 April 2024

Pursuant to Articles 241-2.I and 241-3 of the French AMF General Regulations, below is a description of the share repurchase programme (descriptif du programme) to be implemented by the Company:

- **date of the shareholders’ meeting to authorise the share repurchase programme**: 10 April 2024;
- **intended use of the Airbus SE shares held by the Company as of the date of this document**: the owning of shares for the performance of obligations related to employee share option programmes or other allocations of shares to employees of Airbus and Airbus’ companies;
- **purposes of the share repurchase programme to be implemented by the Company** (by order of decreasing priority, without any effect on the actual order of use of the repurchase authorisation, which will be determined on a case-by-case basis by the Board of Directors based on need):
  - the reduction of share capital by cancellation of all or part of the repurchased shares, it being understood that the repurchased shares shall not carry any voting or dividend rights,
  - the owning of shares for the performance of obligations related to (i) debt financial instruments convertible into Airbus SE shares, or (ii) employee share option programmes or other allocations of shares to employees of Airbus and Airbus’ companies,
  - the purchase of shares for retention and subsequent use for exchange or payment in the framework of potential external growth transactions, and
  - the liquidity or dynamism of the secondary market of the Airbus SE shares carried out pursuant to a liquidity agreement to be entered into with an independent investment services provider in compliance with the decision of the AMF dated 22 June 2021 related to approval of liquidity agreements recognised as market practices by the AMF;
- **procedure**:
  - maximum portion of the issued share capital that may be repurchased by the Company: 10%,
  - maximum number of shares that may be repurchased by the Company: 79,045,943 shares, based on an issued share capital of 790,459,434 shares as of 14 February 2024,
  - the amounts to be paid in consideration for the purchase of the treasury shares must be, in accordance with applicable Dutch law, a price per share not less than the nominal value and not more than the higher of the price of the last independent trade and the highest current independent bid on the trading venues of the regulated market of the country in which the purchase is carried out,
  - the Company undertakes to maintain at any time a sufficient number of shares in public hands to meet the thresholds of Euronext, shares may be bought or sold at any time (including during a public offering) to the extent authorised by the stock exchange regulations and by any means, including, without limitation, by means of block trades and including the use of options, combinations of derivative financial instruments or the issue of securities giving rights in any way to Airbus SE shares within the limits set out in this document,
  - the portion of shares repurchased through the use of block trades may amount to all the shares to be repurchased in the context of this programme. In addition, in the event that derivative financial instruments are used, the Company will ensure that it does not use mechanisms which would significantly increase the volatility of the shares in particular in the context of call options, characteristics of the shares to be repurchased by the Company: shares of Airbus SE, a company listed on Euronext Paris, on the regulierter Markt of the Frankfurt Stock Exchange and on the Madrid, Bilbao, Barcelona and Valencia Stock Exchanges,
  - **maximum purchase price per share**: not less than the nominal value and not more than the higher of the price of the last independent trade and the highest current independent bid on the trading venues of the regulated market of the country in which the purchase is carried out,
  - **term of the share repurchase programme and other characteristics**: this share repurchase programme shall be valid until 10 October 2025 inclusive, i.e. the date of expiry of the authorisation requested from the AGM of Shareholders to be held on 10 April 2024.

As of the date of this document, the Company has not entered into any liquidity agreement with an independent investment services provider in the context of the share repurchase programme.

**Share Repurchase Programmes 2023**

In February and November 2023, the Company implemented share buyback programmes in accordance with the requirements of the Market Abuse Regulation, and under the authority conferred by Board of Directors on 15 February 2023 and 8 November 2023 (respectively), following the authorisation by the Company’s Annual General Meeting of shareholders on 19 April 2023.
3.4 Dividends

3.4.1 Dividends and Cash Distributions Paid

Cash distributions paid to the shareholders are set forth in the table below:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Date of the cash distribution payment</th>
<th>Gross amount per share(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>N/A</td>
<td>€0</td>
</tr>
<tr>
<td>2021</td>
<td>21 April 2022</td>
<td>€1.50</td>
</tr>
<tr>
<td>2022</td>
<td>27 April 2023</td>
<td>€1.80</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Note: figures take into account the number of shares outstanding at the date of payment.

3.4.2 Dividend Policy of the Company

In December 2013, Airbus formalised a dividend policy demonstrating a strong commitment to shareholder returns. This policy targets sustainable growth in the dividend within a pay-out ratio of 30%-40%.

The Board of Directors will propose to the Annual General Meeting the payment to shareholders on 18 April 2024 of a dividend of €1.80 per share (FY 2022: €1.80), corresponding to a pay-out ratio of 38%.

The dividend proposal reflects our confidence in future earnings and cash generation.

In addition, the Board of Directors will propose to the Annual General Meeting the payment of a special dividend of €1.00 per share.

The proposed special dividend is underpinned by our strong free cash flow generation, particularly in the fourth quarter 2023, the resulting net cash position as well as our commitment to shareholder return.

The record date should be 17 April 2024.

3.4.3 Unclaimed Dividends

Pursuant to the Articles of Association, the claim for payment of a dividend or other distribution approved by the shareholders’ meeting shall lapse five years after the day on which the claim becomes due and payable. The claim for payment of interim dividends shall lapse five years after the day on which the claim for payment of the dividend against which the interim dividend could be distributed becomes due and payable.

3.4.4 Taxation

The statements below represent a broad analysis of the current tax laws of the Netherlands. The description is limited to the material tax implications for a holder of the Company’s shares (the “Shares”) who is not and is not deemed to be resident in the Netherlands for any Dutch tax purposes (a “Non-Resident Holder”). Certain categories of holders of the Company’s shares may be subject to special rules which are not addressed below and which may be substantially different from the general rules described below. Investors who are in doubt as to their tax position in the Netherlands and in their state of residence should consult their professional advisors. Where the summary refers to “the Netherlands” or “Netherlands” or “Dutch”, it refers only to the European part of the Kingdom of the Netherlands.
### Withholding Tax on Dividends

In general, a dividend distributed by the Company in respect of Shares will be subject to Dutch withholding tax at a statutory rate of 15%. Dividends include *inter alia* dividends in cash or in kind, deemed and constructive dividends, (partial) repayments of paid-in capital not recognised as capital for Dutch dividend withholding tax purposes, and liquidation proceeds in excess of the average paid-in capital recognised as capital for Dutch dividend withholding tax purposes. Stock dividends paid out of the Company’s paid-in-share premium, recognised as capital for Dutch dividend withholding tax purposes, will not be subject to this withholding tax.

A Non-Resident Holder of Shares can be eligible for a partial or complete exemption or refund of all or a portion of the above withholding tax pursuant to domestic rules or under a tax convention that is in effect between the Netherlands and the Non-Resident Holder’s country of residence for tax purposes. The Netherlands has concluded such conventions with the US, Canada, Switzerland, Japan, all European Union Member States and other countries.

#### Conditional Withholding Tax on Dividends per 2024

As of 1 January 2024, a conditional withholding tax may apply against the highest corporate tax rate (i.e. 25.8% in 2024) on dividends distributed by the Company to an affiliated (gevestigd) entity of it if such entity (i) is considered to be resident (gevestigd) in a jurisdiction that is listed in the annually updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation for another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (a hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a participant that has a qualifying interest (kwalificerend belang) in the reverse hybrid treats the reverse hybrid as tax transparent and that participant would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to the participant directly, all within the meaning of the Withholding Tax Act 2021 (Wet bronbelasting 2021).

If the dividend withholding tax and the conditional dividend withholding tax will cumulate, the conditional dividend withholding tax will be reduced by the actual dividend withholding tax levied resulting in that the aggregate tax rate on dividends may rise from 15% to the highest corporate tax rate (i.e. 25.8% in 2024).

### Withholding Tax on Sale or Other Dispositions of Shares

Payments on the sale or other dispositions of Shares will not be subject to Dutch withholding tax, unless the sale or other disposition is, or is deemed to be, made to the Company or a direct or indirect subsidiary of the Company. In principle, a redemption or sale to the Company or a direct or indirect subsidiary of the Company will be deemed to be a dividend and will be subject to the rules set forth in “Withholding Tax on Dividends” above.

### Taxes on Income and Capital Gains

A Non-Resident Holder who receives dividends distributed by the Company on Shares or who realises a capital gain derived from Shares, will not be subject to Dutch taxation on income or a capital gain unless:

- the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (vaste inrichting) or permanent representative (vaste vertegenwoordiger) taxable in the Netherlands and the holder of Shares derives profits from such enterprise (other than by way of the holding of securities); or
- the Non-Resident Holder is an entity and has, directly or indirectly, a substantial interest (aanmerkelijk belang) orii) a deemed substantial interest in the Company and such interest is held by the Non-Resident Holder with the main purpose of or one of the main purposes of avoiding personal income tax for another person; or
- the Non-Resident Holder is an individual and such holder or a connected person to such holder (verbonden persoon) has, directly or indirectly, a substantial interest (aanmerkelijk belang) or a deemed substantial interest in the Company which is not attributable to an enterprise; or
- the income or capital gain qualifies as income from miscellaneous activities (belastbaar resultaat uit overige werkzaamheden) in the Netherlands as defined in the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001), including without limitation, activities that exceed normal, active portfolio management (normaal actief vermogensbeheer).

Generally, a Non-Resident Holder of Shares will not have a substantial interest in the Company’s share capital, unless the Non-Resident Holder, alone or together with certain related persons holds, jointly or severally directly or indirectly, Shares in the Company, or a right to acquire Shares in the Company representing 5% or more of the Company’s total issued and outstanding share capital or any class thereof. Generally, a deemed substantial interest exists if all or part of a substantial interest has been or is deemed to have been disposed of with application of a roll-over relief.
3. General Description of the Company and its Share Capital

3.4 Dividends

Gift or Inheritance Taxes
Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Shares by way of gift by, or on the death of, a Non-Resident Holder, unless the transfer is construed as an inheritance or gift made by or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax
There is no Dutch value added tax payable by a holder of Shares in respect of dividends on the Shares or on the transfer of the Shares.

Other Taxes and Duties
There is no Dutch registration tax, stamp duty or any other similar tax or duty other than court fees payable in the Netherlands by a holder of Shares in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of the Netherlands) with respect to the dividends on the Shares or on the transfer of the Shares.

Residence
A Non-Resident Holder will not become resident, or be deemed to be resident, in the Netherlands solely as a result of holding a Share or of the execution, performance, delivery and/or enforcement of rights in respect of the Shares.
4

Corporate Governance

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4.3.1 Employee Success Sharing and Incentive Agreements 259
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4.1 Management and Control

The corporate governance arrangements of the Company were substantially changed pursuant to the Multiparty Agreement, including changes in the composition of the Board of Directors and the rules governing its internal affairs (the “Board Rules”). These changes are intended to further normalise and simplify the Company’s corporate governance, reflecting an emphasis on best corporate governance practices and the absence of a controlling shareholder group. Below is a summary description of such changes.

4.1.1 Corporate Governance Arrangements

4.1.1.1 Board of Directors

a) Composition of the Board of Directors

Under the Articles of Association, the Board of Directors (the “Board of Directors”) consists of 12 Directors, who each retire at the close of the AGM held three years following their appointment. Under the Board Rules, at least a majority of the members of the Board of Directors (i.e., 7/12) must be European Union nationals (“EU”; any reference in the Board Rules to the EU includes the United Kingdom (“UK”) and its constituent countries, notwithstanding a withdrawal of the UK from the EU), (including the Chairman of the Board of Directors) and a majority of such majority (i.e., 4/7) must be EU nationals and residents. No Director may be an active civil servant. The Board of Directors has one Executive Director and 11 non-Executive Directors. While the Board of Directors appoints the CEO, the CEO is required to be an Executive Director and must be an EU national and resident; therefore it is anticipated that the Board of Directors will appoint as CEO the person appointed by the shareholders as an Executive Director. At least nine of the Non-Executive Directors must be “Independent Directors” (including the Chairman of the Board of Directors).

Under the Board Rules, an Independent Director is a non-Executive Director who is independent within the meaning of the Dutch Corporate Governance Code (the “Dutch Code”) and meets additional independence standards. Specifically, where the Dutch Code would determine non-independence, in part, by reference to a Director’s relationships with shareholders who own at least 10% of the Company, the Board Rules determine such Director’s non-independence, in relevant part, by reference to such Director’s relationships with shareholders who own at least 5% of the Company. According to the criteria of the Dutch Code and the Board Rules, all non-Executive Directors (including the Chairman) presently qualify as Independent Directors.

The Remuneration, Nomination and Governance Committee (the “RNGC”) of the Board of Directors is responsible for recommending to the Board the names of candidates to succeed Board Members after consultation with the Chairman of the Board of Directors and the CEO.

The Board of Directors, deciding by a simple majority of the votes cast (a “Simple Majority”), proposes individuals to the shareholders’ meeting of the Company for appointment as Directors by the shareholders. No shareholder or group of shareholders, or any other entity, has the right to propose, nominate or appoint any Directors other than the rights available to all shareholders under general Dutch corporate law.

In addition to the membership and composition rules described above, the RNGC, in recommending candidates for the Board of Directors, and the Board of Directors in its resolutions proposed to the shareholders’ meeting regarding the renewal or appointment of Directors, are both required to apply the following principles:

- the preference for the best candidate for the position;
- the preference for gender diversity between equal profiles;
- the maintenance of an appropriate skills mix and geographical experience;
- the maintenance, in respect of the number of members of the Board of Directors, of the observed balance among the nationalities of the candidates in respect of the location of the main industrial centres of the Company (in particular among the nations of France, Germany, Spain and the United Kingdom, where these main industrial centres are located); and
- at least a majority of the members of the Board of Directors (i.e., 7/12) shall be EU nationals (including the Chairman), and a majority of such majority (i.e., 4/7) shall be both EU nationals and residents (including the UK and its constituent countries, notwithstanding the withdrawal of the UK from the EU). In accordance with these principles, the Board of Directors shall continue to seek greater diversity with respect to gender, age, geography, education, profession and background.

The Board of Directors makes sure it has the required mix of experience, qualifications, skills and industrial knowledge necessary to assist the Company in formulating and achieving its overall strategy, together with the specific expertise required to fulfil the duties assigned to it and the Board of Directors’ committees.

The Board of Directors is required to take into account, in the resolutions proposed in respect of the renewal or nomination of Directors presented to the shareholders’ meeting, the undertakings of the Company to the French state, pursuant to the French State Security Agreement, and to the German state, pursuant to the German State Security Agreement, in each case as described more fully above. In practice, this means that at all times the Board of Directors needs to have: (i) two Directors who should also be French Defence Outside Directors (as defined above) of the French Defence Holding Company (as defined above) who have been proposed by the Company and consented to by the French state, and (ii) two Directors who should also be German Defence Outside Directors (as defined above) of the German Defence Holding Company (as defined above) who have been proposed by the Company and consented to by the German State.
The RNGC endeavours to avoid a complete replacement of outgoing Directors by new candidates, and draws up an appointment and reappointment schedule for the Directors after consultation with the Chairman and the CEO. In drawing up such a schedule, the RNGC considers the continuity of Company-specific knowledge and experience within the Board of Directors, also taking into account that Directors should at the time of their appointment or reappointment not be older than 75 years and ensuring that at least one third of Directors’ positions are either renewed or replaced every year for a term of three years. This is to avoid large block replacements of Directors at a single AGM, with the corresponding loss of experience and integration challenges, provided that exceptions to these rules may be agreed by the Board of Directors if specific circumstances provide an appropriate justification for such exceptions.

b) Powers of the members of the Board of Directors

The Board Rules specify that in addition to the Board of Directors’ responsibilities under applicable law and the Articles of Association, the Board of Directors is responsible for certain enumerated categories of decisions. Under the Articles of Association, the Board of Directors is responsible for the management of the Company. Under the Board Rules, the Board of Directors delegates the execution of the strategy as approved by the Board of Directors and the day-to-day management of the Company to the CEO, who, supported by the Executive Committee and its executive leadership team, makes decisions with respect to the management of the Company. However, the CEO should not enter transactions that form part of the key responsibilities of the Board of Directors, unless these transactions have been approved by the Board of Directors.

Matters that require Board of Directors’ approval include among others, the following items (by Simple Majority below unless otherwise noted):

- approving any change in the nature and scope of the business of the Company;
- debating and approving the overall strategy and the strategic plan of the Company;
- approving the operational business plan of the Company (the “Business Plan”) and the yearly budget of the Company (the “Yearly Budget”), including the plans for Investment, Research and Development ("R&D"), Employment, Finance and, as far as applicable, major programmes;
- nominating, suspending or revoking the Chairman of the Board of Directors and the CEO (Qualified Majority, as defined below);
- approving all of the members of the Executive Committee as proposed by the CEO and their service contracts and other contractual matters in relation to the Executive Committee, and deciding upon the appointment and removal of the Secretary to the Board of Directors on the basis of the recommendation of the RNGC;
- approving the relocation of the headquarters of the principal companies of the Company and of the operational headquarters of the Company (Qualified Majority as defined below);
- approving decisions in connection with the location of new industrial sites material to the Company or the change of the location of existing activities that are material to the Company;
- approving decisions to invest and initiate programmes financed by the Company: acquisition, divestment or sale decisions, in each case for an amount in excess of €300 million;
- approving decisions to invest and initiate programmes financed by the Company: acquisition, divestment or sale decisions, in each case for an amount in excess of €800 million (Qualified Majority, as defined below);
- approving decisions to enter into and terminate strategic alliances at the level of the Company or at the level of one of its principal subsidiaries (Qualified Majority as defined below);
- approving matters of shareholder policy, major actions or major announcements to the capital markets; and
- approving decisions in respect of other measures and business of fundamental significance for the Company, or which involves an abnormal level of risk.

In addition, the Board Rules detail the rights and duties of the members of the Board of Directors and set out the core principles which each member of the Board of Directors shall comply with and shall be bound by. These principles include acting in the best interests of the Company and its stakeholders, devoting necessary time and attention to the carrying out of their duties, and avoiding any and all conflicts of interest.

c) Voting and quorum rules

Most Board of Directors’ decisions can be made by a Simple Majority, but certain decisions must be made by a two-thirds majority (i.e., eight favourable votes of votes cast by the Directors regardless of whether they are present or represented in respect of the decision (a “Qualified Majority”). In addition, amendments to certain provisions of the Board Rules require the unanimous approval of the Board of Directors, with no more than one Director not being present or represented (including provisions relating to nationality and residence requirements with respect to members of the Board of Directors and the Executive Committee). However, no individual Director or class of Directors has a veto right with respect to any Board of Directors’ decisions.

The Board of Directors must have a certain number of Directors present or represented at a meeting to take action. This quorum requirement depends on the action to be taken. For the Board of Directors to make a decision on a Simple Majority matter, a majority of the Directors must be present or represented. For the Board of Directors to make a decision on a Qualified Majority matter, at least ten of the Directors must be present or represented. If the Board of Directors cannot act on a Qualified Majority matter because this quorum is not satisfied, the quorum would decrease to eight of the Directors at a new duly called meeting.

d) Shareholders engagement: Governance roadshow meetings

The Chairman of the Board and the Lead Independent Director (and Chair of the RNGC) engage with shareholders of the Company together with the General Counsel and the Head of Investor Relations. The Board values an open and transparent dialogue with shareholders.

The following topics have in particular been discussed: executive compensation, Board of Directors’ composition including diversity and overboarding policy as well as the Company’s sustainability vision and strategy. Exchanging with shareholders on key governance topics provides the Board of Directors with important insights on shareholders’ expectations and allows for a continuous improvement of the Company’s governance practices.
e) The Board of Directors

(i) Overview of the Airbus SE Board of Directors’ composition until the 2024 Annual General Meeting

The Board of Directors composition shows a balanced mix of experience, with, in particular, seven members having aerospace industry skills, five having manufacturing and production skills, five having sustainability skills, nine having finance skills and four having information or data management skills.

On 28 February 2024, it was announced that Ralph Crosby has resigned from the Board of Directors with effect on the date of the 2024 Annual General Meeting, and that a resolution proposing Dr. Feiyu Xu as a Non-Executive Director for the remainder of Mr. Crosby’s term would be presented at the Annual General Meeting. For further information, please refer to the 2024 Annual General Meeting Information Notice, available through the Annual General Meetings link in the Investors section of the Company’s website.

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Status</th>
<th>Age, Gender, Nationality</th>
<th>Term expires</th>
<th>Primary occupation &amp; Other mandates</th>
<th>Director expertise</th>
<th>Board attendance</th>
<th>Committee attendance</th>
<th>RINGC</th>
<th>ECSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>René OBERMANN</td>
<td>Independent</td>
<td>61, M, German</td>
<td>2024(2)</td>
<td>Chairman of the Board of Directors of Airbus SE, Member of the Supervisory Board of IONOS Group SE and Managing Director of Wartburg Pincus Deutschland GmbH</td>
<td>☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6[1][2]</td>
<td>6/6[1][2]</td>
<td>4/4[1][2]</td>
</tr>
<tr>
<td>GUILLAUME FAURY</td>
<td>Executive</td>
<td>56, M, French</td>
<td>2025</td>
<td>Chief Executive Office of Airbus SE, Member of the Board of Directors of AXA SA</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6[1][2]</td>
<td>6/6[1][2]</td>
<td>4/4[1][2]</td>
</tr>
<tr>
<td>Victor CHU</td>
<td>Independent</td>
<td>66, M, Chinese / British</td>
<td>2024(3)</td>
<td>Chairman and CEO of First Eastern Investment Group and Member of the Board of Nomura Holdings Inc.</td>
<td>☐ ☐ ☐ ☐</td>
<td>7/9</td>
<td>6/6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Jean-Pierre CLAMADIEU</td>
<td>Independent</td>
<td>65, M, French</td>
<td>2024(3)</td>
<td>Chairman of the Board of Engie and Member of the Board of TE Connectivity</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Ralph D. CROSBY, Jr.</td>
<td>Independent</td>
<td>76, M, American</td>
<td>2026</td>
<td>Member of the Board of Directors of Excelitas Holdings, LP</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Mark DUNKERLEY</td>
<td>Independent</td>
<td>60, M, British / American</td>
<td>2026</td>
<td>Member of the Board of Directors of Spirit Airlines Inc. and Volotea Airlines</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6</td>
<td>6/6</td>
<td></td>
</tr>
<tr>
<td>Stephan GEMKOW</td>
<td>Independent</td>
<td>64, M, German</td>
<td>2026</td>
<td>Member of the Board of Directors of Amadeus IT Group and Flughafen Zürich AG</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Catherine GUILLOAUD</td>
<td>Independent</td>
<td>59, F, French</td>
<td>2025</td>
<td>Member of the Supervisory Board of KPN, Member of the Board of Directors of Lottomatica and Chairwoman of the Supervisory Board of Ingenico</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>5/6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Amparo MORALEDA</td>
<td>Independent</td>
<td>59, F, Spanish</td>
<td>2024(3)</td>
<td>Member of the Board of Directors of A.P. Møller – Maersk AS, Caixa Bank SA and Vodafone PLC</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>6/6</td>
<td>2/4</td>
<td></td>
</tr>
<tr>
<td>Claudia NEMAT</td>
<td>Independent</td>
<td>55, F, German</td>
<td>2025</td>
<td>Member of the Board of Management of Deutsche Telekom AG</td>
<td>☐ ☐ ☐ ☐</td>
<td>7/9</td>
<td>5/6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Irene RUMMELHOFF</td>
<td>Independent</td>
<td>57, F, Norwegian</td>
<td>2025</td>
<td>Executive Vice President of Marketing, Midstream and Processing and Member of the Corporate Executive Committee of Equinor ASA</td>
<td>☐ ☐ ☐ ☐</td>
<td>8/9</td>
<td>4/4</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Antony WOOD</td>
<td>Independent</td>
<td>57, M, British</td>
<td>2026</td>
<td>Member of the Board of Directors of National Grid plc and of Aero Accessories</td>
<td>☐ ☐ ☐ ☐</td>
<td>9/9</td>
<td>3/4 (post AGM)</td>
<td>6/6</td>
<td>4/4</td>
</tr>
</tbody>
</table>

Board and Committee meetings in 2023 | 9 | 6 | 6 | 4 |
Average attendance rate in 2023 | 95.3% | 93.3% | 95.8% | 90% |

(1) As of 27 March 2024.
(2) Proposed for (re)election in 2024.
(3) Mr Faury and Mr Obermann are not Committee members, however they are invited to attend all Committee meetings. The average attendance rate of the Committee meetings in 2023 is calculated without reflecting their attendance.
(ii) **Curriculum Vitae and Other Mandates and Duties Performed in any Company by the Members of the Board of Directors in 2023**

The Company has not appointed observers to the Board of Directors. Pursuant to applicable Dutch law, the employees are not entitled to elect a Director. There is no minimum number of shares that must be held by a Director.

**RENÉ OBERMANN – 61 years old, M, German**

<table>
<thead>
<tr>
<th>Director since 2018, Re-elected in 2021</th>
<th>Independent</th>
</tr>
</thead>
</table>

**CURRICULUM VITAE**

René Obermann is Co-Head of Europe and Managing Director of Warburg Pincus Deutschland GmbH, a leading global private equity firm that he joined in 2015. In addition, he is Deputy Chairman of the Supervisory Board at IONOS Group SE, a leading European web hosting and cloud company. René Obermann previously served as a member of the Board of various companies including Allianz Deutschland AG, Spotify, Telenor and ISAT Connect Bidco Limited (the Holding Company for the Inmarsat Group).

René worked as CEO of Ziggo BV in The Netherlands in 2014 until the merger with LibertyGlobal’s UPC in November of that year. Prior to Ziggo, René worked at Deutsche Telekom Group (DT) from 1998 until 2013. After running DT’s mobile division (T-Mobile International), he was appointed as CEO of Deutsche Telekom AG in November 2006, where he remained until December 2013.

René began his career with a business traineeship at BMW AG in Munich. Next, he founded his own business in 1986: ABC Telekom, a company distributing telecommunication equipment and providing technical services. After the acquisition of ABC Telekom by Hutchison Whampoa in 1991, René became Managing Partner of the resulting company: Hutchison Mobilfunk GmbH. Between 1993 and 1998, he was CEO of that company.

From 2007 to 2013, René also served as Vice-President of the German Association for Information Technology, Telecommunications and New Media (BITKOM).

**CURRENT MANDATES**

- Chairman of the Board of Directors of Airbus SE;
- Managing Director of Warburg Pincus Deutschland GmbH;
- Deputy Chairman of the Supervisory Board of IONOS Group SE.

**FORMER MANDATES FOR THE LAST FIVE YEARS**

- Member of the Board of Directors of ISAT Connect Bidco Limited (the holding company for the Inmarsat Group) (until May 2023);
- Deputy Chairman of the Supervisory Board of IONOS Group SE (formerly 1&1 IONOS SE) (until 2023);
- Chairman of the Supervisory Board of 1&1 IONOS SE (until September 2021);
- Member of the Supervisory Board of Allianz Deutschland AG (until March 2020);
- Member of the Supervisory Board of Inexio Informationstechnologie und Telekommunikation KGaA (until September 2019);
- Member of the Board of Directors of Telenor ASA (until August 2019).
4. Corporate Governance
4.1 Management and Control

GUILLAUME FAURY - 56 years old, M, French

CURRICULUM VITAE

Guillaume Faury was appointed Airbus Chief Executive Officer (CEO) in April 2019 and re-appointed in 2022. Guillaume leads the Company’s Executive Committee. He was previously President of Airbus’ commercial aircraft business, a role he had held since February 2018.

Additionally, Guillaume is a member of the Board of Directors of AXA SA (since April 2021) and is the President of the Groupement des Industries Françaises de l’Aéronautique et du Spatial (GIFAS), the French aerospace industries association (since July 2021). He was appointed President of the Aerospace, Security and Defence Industries Association of Europe (ASD) in June 2023.

Prior to this, Guillaume was Chief Executive Officer of Airbus Helicopters (2013-2018), where his achievements included restructuring its manufacturing system and introducing new technologies.

Before that, he enjoyed a four-year spell in the car industry at Peugeot (2009-2013), the French automotive manufacturer, rising to become the Executive Vice-President for Research and Development and a member of the company’s management board. He presided over significant advances in Peugeot’s lower-emissions hybrid-engine technology and the overhaul of the company’s product range, among other accomplishments.

Between 1998 and 2008, he held various leadership positions in engineering, programmes and flight testing in Airbus’ helicopter business, which at the time operated under the name of Eurocopter. He became Executive Vice-President for Programmes and a member of the Eurocopter Executive Committee, before being appointed as Executive Director for Research and Development.

Guillaume began his career in 1992 as a flight-test engineer for the Eurocopter Tiger helicopter in the Direction Générale de l’Armement (DGA), the French government agency responsible for the development and purchase of defence systems for the French armed forces.

He graduated from the École polytechnique in Paris in 1990 and, subsequently, from the École national supérieure de l’aéronautique et de l’espace in Toulouse.

Guillaume’s love of flying and aviation dates back to his childhood. He is a qualified light-aircraft pilot and helicopter flight-test engineer with 1,300 hours of flying experience. He was born in 1968 in Cherbourg, Normandy, and is married with three children.

CURRENT MANDATES

- Chief Executive Officer, Member of the Board of Directors and of the Executive Committee of Airbus SE;
- President of Airbus SAS;
- Member of the Advisory Board of AIRBUS GROUP VENTURES FUND II, LP;
- President and Chairman of the Board of Directors of AeroSpace and Defence Industries Association of Europe (until June 2026);
- President of Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS) (until July 2024);
- Member of the Board of Directors of AXA SA.

FORMER MANDATES FOR THE LAST FIVE YEARS

- Chairman of the Board of Directors of Airbus Canada Managing GP Inc. (until December 2021);
- Chairman of the Board of Directors of Airbus US A220, Inc. (until December 2021);
- Chairman of the Supervisory Board of Airbus Operations GmbH (until June 2020);
- Chairman of the Board of Directors of Airbus Corporate Foundation (until April 2020);
- Chairman of the Board of Directors of Airbus (China) Enterprise Management and Services Co. Limited (until November 2019);
- Member of the Board of Directors of Airbus Africa and Middle East FZE (until November 2019);
- Member of the Board of Directors of Airbus Americas, Inc. (until October 2019);
- Member of the Board of Directors of Tallano Technologies SAS (until September 2019).
VICTOR CHU - 66 years old, M, Chinese / British

CURRICULUM VITAE

Victor Chu graduated as a lawyer in London. He was admitted to practice law in England and Hong Kong. After completing his training with Herbert Smith, the City law firm, Victor moved back to Hong Kong in 1982 with Herbert Smith. He has since handled a wide array of mandates in the field of corporate, commercial and securities law, with special emphasis on China and regional investment transactions. In late 1985, he founded Victor Chu & Co., which has become one of the leading law firms in Hong Kong.

In 1988, Victor Chu created the First Eastern Investment Group, a Hong Kong based international investment firm which he has led since then as Chairman and CEO. First Eastern specialises in private equity investments, venture capital investments and investments in the expansion stage of business development. Victor Chu was part of the first wave of specialists in the Chinese market. He penetrated China early and built a lot of relationships at the highest level in the country. Victor Chu also currently serves as a Member of the Board of Nomura Holdings Inc.

Victor Chu has been instrumental in gaining the confidence of major international investors and institutions ready to co-invest with First Eastern Investment Group. Key projects have included toll roads, water treatment operations, property and manufacturing industries and FinTech, as well as the launch of Japanese budget airline Peach Aviation.

Victor Chu is an extremely respected business figure in Hong Kong and Asia. In addition to his business activities, he has been very active with several international institutions such as The World Economic Forum and The Royal Institute of International Affairs. He is also a generous philanthropist in the field of environmental protection (having served on Global Ocean Commission and WWF) and education (currently Chair of Council at University College London).

CURRENT MANDATES

- Member of the Board of Directors of Airbus SE;
- Chairman and CEO of First Eastern Investment Group;
- Member of the Board of Grand Harbour Marina PLC;
- Member of the Board of Camper & Nicholsons Marina Investments;
- Member of the Board of FE Securities;
- Member of the Board of Peach Aviation;
- Member of the Board of Evolution Asia Investments;
- Member of the Board of Sustainable Development Capital;
- Co-Chair of the International Business Council (by World Economic Forum);
- Senior Partner of Victor Chu & Co;
- Member of the Board of Nomura Holdings, Inc.

FORMER MANDATES FOR THE LAST FIVE YEARS

- Alternate Member of the Board of China Merchants China Direct (until September 2021);
- Member of the Board of China Merchants China Direct (until April 2020).
### CURRICULUM VITAE


In 1993, Jean-Pierre Clamadieu joined Rhône-Poulenc to develop new activities in the field of automobile pollution control. In the following years, he held several executive positions in the Rhodia group, as President of Rhodia’s Chemicals in Latin America, President of Rhodia Eco Services, Senior Vice-President for Rhodia Corporate Purchasing, President of Rhodia Organic Fine Chemicals division and President of Rhodia Pharmaceuticals & Agrochemicals division.

In October 2003, Mr Clamadieu was appointed CEO of Rhodia, and became its Chairman & CEO in March 2008. Following a merger between Rhodia and the Belgian chemical group Solvay in 2011, Mr Clamadieu was appointed CEO of the new Solvay group. Since his appointment, Jean-Pierre Clamadieu led the integration of the new group and its transformation into a major player in the field of specialty chemicals and advanced materials, which combines industrial competitiveness with the quest for sustainable solutions for its clients. His mandate at Solvay SA ended in March 2019.

In October 2012, Mr Clamadieu was appointed Member of the Board of Directors at AXA SA. His mandate ended in April 2023. Since May 2018, Mr Clamadieu also serves as Chairman of the Board of Directors of ENGIE, a French energy company.

In March 2023, Mr Clamadieu was appointed to the Board of Directors at TE Connectivity. His mandate is renewed on a yearly basis at TE Connectivity’s General Annual Meeting. Jean-Pierre Clamadieu also promotes an ambitious and coordinated European energy policy.

### CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Chairman of the Board of ENGIE;
- Chairman of the Board of Opéra National de Paris.

### FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Board of Directors of AXA SA (until April 2023);
- Chairman of the Executive Committee and CEO of Solvay SA (until March 2019);
- Member of the Board of Solvay Specialty Chemicals Asia Pacific Pte. Ltd (Singapore) (until March 2019).
RALPH DOZIER CROSBY, JR. - 76 years old, M, German

CURRICULUM VITAE

Ralph Crosby is a Member of the Board of Directors of Excelitas Holdings, LP, headquartered in Boston. Previously, he served until May 2021 as an Independent Director of American Electric Power headquartered in Columbus, Ohio, where he chaired the Human Resources Committee. He was Member of the Executive Committee of EADS from 2002-2012 as well as Chairman and CEO of EADS North America from 2002-2009.

Prior to joining EADS, Mr Crosby was an Executive within Northrop Grumman Corporation, where he had served as a Member of the Corporate Policy Council with positions including President of the Integrated Systems Sector, Corporate Vice-President and General Manager of the company’s Commercial Aircraft Division and of the B-2 Division.

Prior to his industry career, Mr Crosby served as an officer in the US Army, where his last military assignment was as military staff assistant to the Vice-President of the United States. Mr Crosby is a graduate of the US Military Academy at West Point, and holds Master’s degrees from Harvard University, and the University of Geneva, Switzerland. He is the recipient of the James Forrestal Award from the National Defense Industrial Association and has been awarded Chevalier of the Légion d’Honneur of France.

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Member of the Board of Directors of Excelitas Holdings, LP.

FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Board of Directors (Supervisory Board) of American Electric Power Corporation (until May 2021).
MARK DUNKERLEY - 60 years old, M, British /American

CURRICULUM VITAE

Mark Dunkerley received his BS in Economics from The London School of Economics and Political Science and his MS in Air Transport Management from Cranfield University in the UK.

Between 1989-1999, he held various senior positions at British Airways Plc in a corporate strategy capacity as well as in regional roles in Europe and the USA encompassing notably the management of sales, marketing, customer services, operations, finance, industrial relations, human resources and alliances.

Thereafter, Mr Dunkerley successively served as President and COO of Worldwide Flight Services, a leading multinational ground handling business, as Executive Vice-President at the San Francisco-based aviation consultancy firm, Roberts Roach & Associates and as COO at Sabena Airlines Group.

In 2002, Mark Dunkerley joined Hawaiian Airlines, first as President and COO and from 2005 as President and CEO (including of the parent company, Hawaiian Holdings, Inc.) where he led the transformation of the company from bankruptcy into one of the world’s most successful airlines from which he retired in 2018.

Mr Dunkerley currently serves as Non-Executive Director of Spirit Airlines Inc., a NASDAQ listed US airline and of Volotea Airlines, a privately-owned low-cost airline operating in Europe.

CURRENT MANDATES

- Member of the Board of Directors of Airbus SE;
- Member of the Board of Directors of Spirit Airlines Inc.;
- Member of the Board of Directors of Volotea Airlines;
- Member of the Board of Directors of the Smithsonian Air & Space Museum.
STEPHAN GEMKOW - 64 years old, M, German

CURRICULUM VITAE
Stephan Gemkow studied business administration at the University of Paderborn, Germany, and at St. Olaf College in Minnesota, USA.

From 1988 to 1990 he worked as a management consultant at BDO Deutsche Warentreuhand AG in Hamburg.

Between 1990 and 2012, he held various management positions at Deutsche Lufthansa AG in Frankfurt and Washington, such as Sales Manager, Head of Investors Relations, Head of Corporate Finance and Human Resources for the Cargo Division which he accompanied through a major reorganisation. From 2006 to 2012, Mr Gemkow served as Chief Financial Officer and a member of the Management Board of Deutsche Lufthansa AG which he successfully lead through growth, global expansion as well as the financial crisis.

In 2012, he took the position of Chief Executive Officer and Chairman of the Board of Directors of Franz Haniel & Cie, one of the largest family-owned investment holdings, based in Germany, where he drove the company through important restructuring and investment phases in a complex stakeholder management context and where he remained until June 2019.

Mr Gemkow furthermore served as Chairman on the Supervisory Boards of TAKKT AG and Celesio AG (now known as McKesson Europe AG), and as member of the Supervisory Board of Evonik Industries AG.

Stephan Gemkow currently holds positions as non-executive member in the Board of Directors of Amadeus IT Group, Flughafen Zürich AG and CD Waelzholz GmbH & Co. KG.

Stephan Gemkow currently serves as senior advisor to BNP Paribas Group Germany since May 2021.

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Member of the Board of Directors of Airbus Defence and Space GmbH;
- Member of the Board of Directors of Amadeus IT Group, SA;
- Member of the Board of Directors of Flughafen Zürich AG;
- Member of the Board of Directors of CD Waelzholz GmbH & Co. KG.

FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Board of Directors of JetBlue Airways Corporation (until March 2020);
- CEO and Chairman of the Board of Directors of Franz Haniel & Cie. GmbH (until June 2019);
- Chairman of the Supervisory Board of TAKKT AG (until May 2019).
Catherine Guillouard began her career in 1993 at the Ministry of Economy in the French Treasury working for the department in charge of the Africa – CFA zone and later in the Banking Affairs Department. She joined Air France in 1997 as IPO Senior Project Manager. She was subsequently appointed Deputy Vice-President Finance Controlling in 1999, Senior Vice-President of Flight Operations in 2001, Senior Vice-President of Human Resources and Change Management in 2003 and Senior Vice-President of Finance in 2005. In September 2007, she joined Eutelsat as Chief Financial Officer and member of the Group Executive Committee.

Ms. Guillouard joined Rexel in April 2013 as Chief Financial Officer and Group Senior Vice-President. Between May 2014 and February 2017 she was Deputy Chief Executive Officer of Rexel. From August 2017 to September 2022, Ms. Guillouard served as Chairwoman and Chief Executive Officer of RATP Group, the third largest urban transportation operator in the world with nearly 16 million daily passengers in 12 countries and 4 continents. Between April 2020 and April 2023 Ms. Guillouard has been a member of the Supervisory Board of KPN, one of the leading telecommunications and IT providers and market leader in the Netherlands.

Ms. Guillouard serves as Chairwoman of the Supervisory Board of Ingenico, the global leader in payments acceptance solutions and services in 37 countries since September 2022 and is a member of the Board of Directors of Lottomatica, an Italy based gaming and betting company. In May 2023, Ms. Guillouard was appointed as Member of the Board of Directors of Air Liquide.

Catherine Guillouard, born in 1965, is a graduate of the Institute of Political Studies of Paris and the École Nationale d’Administration and she has a PhD of European laws (Panthéon-Sorbonne).

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Chairwoman of the Supervisory Board of Ingenico;
- Member of the Board of Directors of Lottomatica;
- Member of the Board of Directors of Air Liquide.

FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Supervisory Board of KPN (until April 2023);
- Chairwoman and Chief Executive Officer of RATP Group (until September 2022);
- Chairwoman of the Supervisory Board of RATP DEV (until September 2022);
- Member of the Supervisory Board of Systra (until July 2021);
- Member of the Board of Directors of ENGIE (until May 2019).
MARÍA AMPARO MORALEDA MARTÍÑEZ - 59 years old, F, Spanish

CURRICULUM VITAE

Amparo Moraleda graduated as an industrial engineer from the ICAI (Escuela Técnica Superior de Ingeniería Industrial) Madrid and holds a PDG from IESE Business School in Madrid.

Between January 2009 and February 2012, she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011. Previously, she served as General Manager of IBM Spain and Portugal (2001-2009). In 2005 her area of responsibility was extended to encompass Greece, Israel and Turkey as well. Between 2000 and 2001, she was executive assistant to the Chairman and CEO of IBM Corporation. From 1998 to 2000, Ms Moraleda was General Manager of INSA (a subsidiary of IBM Global Services). From 1995 to 1997, she was HR Director for EMEA at IBM Global Services and from 1988 to 1995 held various professional and management positions at IBM España.

Ms Moraleda is also a member of various boards and trusts of different institutions and bodies. She is a member of the academy of ‘Ciencias Sociales y del Medio Ambiente’ of Andalucia (Spain), member of the Board of Trustees of the MD Anderson Cancer Center in Madrid and member of the Board of the global alumni association of IESE Business School. In May 2017 she was inducted as a member of the Spanish Royal Academy of Economic and Financial Sciences.

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Member of the Board of Directors of Vodafone plc;
- Member of the Board of Directors of Caixabank SA;
- Member of the Advisory Board of SAP Spain;
- Member of the Advisory Board of Spencer Stuart Spain;
- Member of the Board of Directors of Airbus Foundation;
- Member of the Board of Trustees of Vodafone Foundation;
- Member of the Board of Directors of AP Møller-Mærsk A/S;
- Member of the Global Advisory Board of Kearney.

FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Supervisory Board of CSIC (Consejo Superior d’Investigaciones Científicas) (until December 2022);
- Member of the Board of Directors of Solvay SA (until May 2021).
CLAUDIA NEMAT - 55 years old, F, German

CURRICULUM VITAE
Claudia Nemat has been a member of Deutsche Telekom’s Board of Management since 2011. She was responsible for the Board area Europe and Technology until the end of 2016 and has been responsible for Technology and Innovation since January 2017.

Before joining Deutsche Telekom AG, Claudia Nemat spent 17 years working for McKinsey&Company where she was elected Partner in 2000, and Senior Partner in 2006. She co-led McKinsey’s global Technology Sector and had a number of interim management roles with global IT clients, ensuring disaster recovery of large IT projects, and acting as interim CEO.

She focuses on digital transformation, the impact of new technologies like artificial intelligence on business models, our work and lives, technology and product innovation, as well as IT transformation, security and crisis management.

She has worked in different European countries as well as the United States and was a member of the Supervisory Board of Lanxess for several years. Since 2016, she has been a member of the Board of Airbus, as well as the Supervisory Board of Airbus Defence.

Claudia Nemat studied physics at the University of Cologne and taught at the Institute of Mathematics and Theoretical Physics.

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Member of the Board of Directors of Airbus Defence and Space GmbH;
- Member of the Management Board of Deutsche Telekom AG;
- Chairperson of the Supervisory Board of Deutsche Telekom IT GmbH;
- Member of the University Council of University of Cologne;
- Member of the Executive Committee of Deutsche Gesellschaft für Auswärtige Politik e.V.;
- Chairwoman of the Supervisory Board of T-Systems International GmbH;
- Chairwoman of the Supervisory Board of Deutsche Telekom Security GmbH.
IRENE RUMMELHOFF - 57 years old, F, Norwegian

CURRICULUM VITAE
Irene Rummelhoff has since 2018 served as Executive Vice-President of Marketing, Midstream and Processing (MMP) at Equinor ASA (international energy company based in Norway) and been a member of the company’s Corporate Executive Committee since 2015. With more than 3600 MMP employees worldwide, she has the responsibility for flow assurance, processing and marketing of all of Equinor’s products, including marketing of the Norwegian State’s natural gas and crude on the Norwegian continental shelf. This responsibility includes development of the company’s hydrogen and carbon capture and storage (CCS) value chains.

Between 2015 and 2018 she served as the Executive Vice-President for Equinor’s New Energy Solutions division, reporting to the CEO. In that context she was instrumental in Equinor’s market-leading transition into the renewable energy field, ahead of all other oil majors. She was tasked with forming a new division and driving the development of Equinor’s strategy in renewable and alternative energy solutions, whereby she pushed for offshore wind and low carbon solutions such as carbon capture and storage and other related technologies, including hydrogen development.

Throughout her career, Ms. Rummelhoff has held a number of management positions in Equinor (previously Statoil), with the majority having an international focus.

In 2014, Ms. Rummelhoff became an appointed member of the Board of Directors of Norsk Hydro (aluminum and renewable energy producer) and was later promoted to Deputy Chair in 2016, a position she held until the expiry of her term in 2022.

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Executive Vice-President of Marketing, Midstream and Processing (MMP) and member of the Corporate Executive Committee of Equinor ASA.

FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Board of Directors and Deputy Chair of Norsk Hydro ASA (until May 2022).
4. Corporate Governance
4.1 Management and Control

ANTONY WOOD - 57 years old, M, British

CURRICULUM VITAE

Antony Wood was Chief Executive of Meggitt plc from 2018 to 2022 having joined the company in 2016 and stepped down as a Director of ADS Group Limited, the trade association for the Aerospace, Defence, Security and Space sectors in the UK, in 2023, having served as its President from 2020 to 2022. He is also a Member of the Board of Directors of National Grid plc, one of the world's largest publicly listed utilities focused on transmission and distribution of electricity and gas. In May 2023, Antony Wood was appointed Member of the Board of Directors of Aero Accessories.

Prior to joining Meggitt, Mr Wood spent 15 years at Rolls-Royce plc where he was a member of the Executive Committee from 2009-2016, latterly serving as President of Aerospace from 2013-2016. He began his career as a sponsored undergraduate trainee with the Dowty Group in 1984 (now part of Safran SA) where he held a variety of management roles.

Mr Wood has lived and worked in the UK, France and Canada. He holds a degree in Engineering from the Open University in the UK and a Master of Business Administration from INSEAD in France. He is a Fellow of the Royal Aeronautical Society; a Fellow of the Association for Project Management and was awarded an honorary Doctorate of Science from Cranfield University in 2015.

CURRENT MANDATES
- Member of the Board of Directors of Airbus SE;
- Member of the Board of Directors of National Grid plc;
- Member of the Board of Directors of Aero Accessories.

FORMER MANDATES FOR THE LAST FIVE YEARS
- Member of the Board of Directors of ADS Group Limited (until December 2023);
- Contractor of ATL Partners (until May 2023);
- CEO of Meggitt plc (until September 2022);
- President of ADS Group Limited (until January 2022).
Changes in the composition of the Board in the course of 2023
There were no changes in the composition of the Board in the course of 2023.

Changes in the Board committees in the course of 2023
In April 2023, Mr. Antony Wood was appointed to the Audit Committee, to bring the number of members back to five, following Mr. Crosby’s departure from this committee in 2021.

Independent Directors
The Independent Directors appointed pursuant to the criteria of independence set out above are René Obermann, Ralph Crosby Jr., Catherine Guillouard, Victor Chu, Maria Amapo Moraleda Martinez, Claudia Nemat, Jean-Pierre Clamadieu, Mark Dunkerley, Stephan Gemkow, Irene Rummelhoff and Antony Wood.

Prior Offences and Family Ties
To the Company’s knowledge, none of the Directors (in either their individual capacity or as Director or senior manager of any of the entities listed above) has been convicted in relation to fraudulent offences, been the subject of any bankruptcy, receivership or liquidation, or companies put into administration nor been the subject of any official public incrimination and/or sanction by a statutory or regulatory authority, nor been disqualified by a court from acting as a Member of the administrative, management or supervisory bodies of any issuer or conduct of affairs of any company, during at least the last five years. As of the date of this document, there are no family ties among any of the Directors.

(iii) Operation of the Board of Directors in 2023

Board of Directors Meetings
Nine Board meetings (including ad hoc calls) were held in 2023. The average attendance rate at these meetings was 95.3%. As is the case every year, the Board of Directors was informed in between Board meetings of any developments relevant to the Company, through written communications and through verbal debriefings held on a regular basis between meetings. Non-executive sessions took place at the end of each meeting of the Board of Directors.

The main areas of work carried out by the Board of Directors in 2023 are described below:

Company’s results and operative planning:
- Review and approval of the 2023 operative planning;
- Regular reviews of the Company’s figures and results, its overall financial situation and capital allocation in the context of the volatile, uncertain, complex and ambiguous world;
- Decision to submit a dividend proposal at the 2023 Annual General Meeting;
- Review of forecast results and annual guidance for 2023.

Internal controls and risk management
- Regular reviews of top company risks and opportunities;

Audit and relations with statutory auditors
- Review of the 2023 quarterly and annual financial statements along with relevant statutory auditors’ reports.

General / strategy
- Changes to the leadership team: Airbus announced changes to the leadership team led by Chief Executive Officer Guillaume Faury, as well as the appointment of a dedicated Commercial Aircraft business management team to operate under the helm of Christian Scherer.
- Uncertain geopolitical environment: regular monitoring of the situation related to the war in Ukraine, China/US tensions as well as the geopolitical environment in the Company’s Core Countries and global market as well as regular reviews of their impact on the Company.
- Commercial Aircraft business: monitoring and regular discussions on key topics such as the progress made towards the production ramp-up, the supply chain issues, the availability of engines and the overall Commercial Aircraft business strategy.
- Defence and Space: review of the financial situation of the Division and strategic orientations, regular updates on key programmes including the Future Combat Air System (FCAS) and Ariane 6 (ArianeGroup joint venture), focus on improvements in the Space business and follow-up on the ongoing transformation launched in 2023.
- Helicopters: review of the financial situation of the Division, the progress made on major projects (including in securing the Tiger MkIII programme) and on the Next Generation Rotorcraft Capability (NGRC) and strategic reviews.
- Sustainability: discussions encompassed employees’ health and safety and engagement, inclusion and diversity (including gender diversity), the growing environmental and climate challenges and the status of future aircraft and Sustainable Aircraft Fuel (“SAF”) as well as Environment Social and Governance (“ESG”) topics & Defence. These ambitions were furthered by the creation of a dedicated Chief Sustainability Officer organisation.
- Digital: Deep dive on ongoing digital projects, in particular Airbus’ Digital Design Manufacturing and Services (DDMS) initiative, including a visit to the Company’s DDMS playground for a presentation of use cases. Updates on Artificial Intelligence and Cybersecurity developments. Review of the strategic opportunity of a transaction with Atos in relation to its big data and security business line to accelerate the Company’s digital transformation journey and enhance its defence and security portfolio.
- Product safety: a bi-annual review of product safety-related issues was performed, updates on relevant developments were provided at quarterly meetings of the Board of Directors and in between Board meetings, as per the product safety protocol in place.
- Ethics and Compliance: quarterly updates on the International Traffic in Arms Regulations (“ITAR”) monitorship, including a presentation by the ITAR Special Compliance Officer, Philippe Oudinot, of his report at the July Board of Directors’ meeting, deployment of the export control programme and Consent Agreement and Deferred Prosecution Agreement conclusion. Closure of the Consent Agreement and the Deferred Prosecution Agreements in 2023.

Corporate governance
- Board composition and succession plan;
- Review of the Board composition (including skills, experience and gender mix), continuous update of the Board succession plan and launch of relevant Non-Executive Directors search with the support of independent advisors;
4. Corporate Governance

4.1 Management and Control

- Decision to propose Mr Ralph D. Crosby, Mr Mark Dunkerley and Mr Stephan Gemkow for renewal as non-executive Board Members at the 2023 Annual General Meeting;
- Appointment at the 2023 Annual General Meeting and onboarding of a new non-executive Board Member, Mr Antony Wood;
- Board Committees composition review and appointment of Mr Antony Wood as a member of the Audit Committee;
- Board effectiveness review including improvement action plan update (see Board evaluation section below);
- CEO and Executive Committee members’ succession plan: regular talent and development plans review, including get to know sessions with selected talents.

Compensation

- Non-Executive Directors’ remuneration evolution decision following a benchmark analysis performed by an independent advisor;
- CEO and Executive Committee members 2022 individual achievements assessment and 2023 roadmap definition;
- Extensive review of the CEO’s remuneration policy in light of a benchmark performed by an independent third-party and of shareholders’ and stakeholders’ feedback;
- Employees’ remuneration, retention and ownership schemes review.

Annual General Meeting

- Preparation of the 2023 Annual General Meeting with the approval of the agenda, draft resolutions and report of the Board of Directors, preparation of the 2024 Annual General Meeting.

Strategy off-site Board meeting, induction programme and other site visits

Each year, the Board of Directors holds one strategy off-site meeting. In 2023, this meeting took place in Airbus Atlantic’s Tunisian premises where the Board met with the Company’s local teams and visited the industrial site as well as some of the Company’s suppliers located on the same site (Aeropark). There was a focus on Airbus’ aerostructure business, notably with a presentation on the manufacturing of detailed parts as well as on the sub-assembly and final-assembly of fuselage sections.

In addition, Mr Antony Wood, as new member of the Board, joined by other members of the Board of Directors (in particular Stephan Gemkow and Mark Dunkerley), followed the Airbus induction programme aiming at providing relevant information to support them in their non-Executive Director roles as well as allowing them to meet Airbus Executive Committee members and senior talents of the Company.

Three meetings were organised in 2023 as part of this induction programme: in Hamburg (Germany) at Airbus Commercial Aircraft business, in Toulouse (France) at Airbus Defence and Space Connected Intelligence site and in Getafe (Spain) at Airbus Defence and Space.

During those meetings, presentations on business strategy and upcoming challenges were made by top Company executives to provide information about Company activities such as:
- A321 and A321XLR Final Assembly Lines visits;
- Unloading procedure at the Beluga centre observation;
- Exchanging with Trainees of the vocational training centre (Airzubis);
- Spacecraft production centre visit;
- Meeting the Ariane 6 team and visiting the MRTT hangars and A400M maintenance, repair and overhaul (MRO) centre.

Other site visits took place in 2023, including a visit of the Airbus-Leonardo ATR joint venture in Blagnac (France). Eager to engage with Airbus’ teams globally, René Obermann also visited in 2023 the sites of Hamburg, Manching (Germany) and Toulouse (France). In addition to the site visits, René Obermann had regular exchanges with Airbus top management leaders as well as key stakeholders.

Board Evaluation 2023

Principle

The Board of Directors implemented a continuous evaluation process of its performance based on a three-year cycle. As part of this process, every three years, a formal evaluation of the functioning of the Board of Directors and its Committees is conducted with the assistance of a third-party expert. In the two years succeeding such an outside evaluation, the General Counsel, being also the Corporate Secretary, issues a questionnaire focusing on the implementation of the improvement action plan resulting from the aforementioned third-party assessment and more generally on the Board performance. The outcome of such an internal evaluation is then presented and discussed at the December Board meeting.

2023 was the third and final year of the three-year cycle that started in 2021. In November 2023, the Board of Directors, therefore, carried out an internal evaluation based on a questionnaire issued by the General Counsel and circulated to each Board Member. The questionnaire covered the following key topics:
- overall Board performance;
- Board and Committees functioning and contribution;
- quality of topics covered at Board level;
- the relationship and dynamic between Board and Management and further amongst Board members;
- Board decision-making processes;
- Board composition and skills;
- Board and Management succession planning; and
- Board Secretary support.

In this internal evaluation, the Board confirmed its overall satisfaction with the progress made within the Board in comparison to last year’s evaluation and the defined action plan that resulted from the formal evaluation conducted by a third-party expert, Korn Ferry, in 2021. The Board highlighted the necessity to continue improving gender and geographical diversity and reinforcing the Board’s broad expertise, including technology expertise.

It was noted that, under the Chairman’s leadership, the open and trusted debates as well as the Board dynamics – with a strong level of Board Members’ engagement – contribute to the good performance of the Board. The outcome of the questionnaire emphasised the trustful relationship between the Chairman, the CEO and the Board. The Board valued the current practice of having regular non-executive sessions and would welcome enhancing further the exchanges amongst non-executive members in preparation for the Board meetings.
Furthermore, the Board confirmed the added value of the deep dive sessions organised on specific topics as well as the site visits that should be maintained going forward. The Board noted that significant time was allocated to in-depth strategic debates that will be pursued in 2024. Finally, it was indicated that Board and Management succession planning, supply chain management and geopolitical aspects will remain focus areas in 2024.

4.1.1.2 Board Committees

a) The Audit Committee

Pursuant to the Board Rules, the Audit Committee, which is required to meet at least four times a year, makes recommendations to the Board of Directors on the approval of the annual financial statements and the interim accounts (Q1, H1, Q3), as well as the appointment of external auditors and their remuneration. Moreover, the Audit Committee has responsibility for verifying and making recommendations to the effect that the internal and external audit activities are correctly directed, that internal controls are duly exercised and that these matters are given due importance at meetings of the Board of Directors. Thus, it discusses with the auditors their audit programme and the results of the audit of the financial statements, and it monitors the adequacy of the Company’s internal controls, accounting policies and financial reporting. It also oversees the operation of the Company’s enterprise risk management system and keeps a strong link to the Ethics, Compliance and Sustainability Committee. For further details in this regard, see “- 4.1.3. Enterprise Risk Management System”. Please refer to Annex E of the Board Rules for a complete list of responsibilities of the Audit Committee.

The Chairman of the Board of Directors and the CEO attend all Audit Committee meetings (subject to their recusal from portions of such meetings, as may be appropriate). The CFO and the Head of Accounting Record to Report are requested to attend meetings to present management proposals and to answer questions. Furthermore, the Head of Corporate Audit & Forensic and the Chief Ethics & Compliance Officer report to the Audit Committee on a regular basis.

In 2023, this Committee met six times with an attendance rate of 93.3%. It fully performed all of its duties and discussed all the items described above. In particular, it performed reviews of internal controls, corporate audit (including major findings and audit plan for 2023), accounts (i.e. 2022 full year accounts, 2023 Q1, H1 and Q3 accounts, specific provisions and accounting items, operative planning and forecasts), tax related issues and independence of external auditors. In addition, the Committee performed a deep-dive on the Company’s enterprise risk management (“ERM”) processes and regular reviews of top company risks and opportunities. Legal and compliance updates were also presented and discussed in meetings.

b) The Ethics, Compliance and Sustainability Committee

Pursuant to the Board Rules, the Ethics, Compliance and Sustainability Committee (ECSC) which is required to meet at least four times a year, assists the Board of Directors in overseeing the Company’s culture and commitment to ethical business, integrity and sustainability. The ECSC is empowered to monitor the Company’s Ethics & Compliance programme, organisation and framework to make sure that the Company’s Ethics & Compliance governance is effective (including all associated internal policies, procedures and controls). This includes the areas of money laundering and terrorist financing, fraud, bribery and corruption, trade sanctions and export control, data privacy, procurement and supply chain compliance and anti-competitive practices. The ECSC is also empowered to oversee the Company’s sustainability strategy and effective governance and ensure that sustainability related topics are taken into account in the Company’s objectives and strategy.

The ECSC makes recommendations to the Board of Directors and its Committees on all ethics, compliance or sustainability-related matters, including on climate-related disclosures, and is responsible for providing the Audit Committee with any necessary disclosures on issues or alleged ethical and compliance breaches that are financial and accounting-related. The ECSC maintains a reporting line with the Chief Ethics & Compliance Officer, who attends every ECSC meeting and is requested to provide quarterly reports on its activities, and with the Chief Sustainability Officer and Communications and member of the EC, who attends each ECSC meeting.

The Chairman of the Audit Committee and the Chairman of the RNGC are members of the ECSC. Unless otherwise decided by the ECSC, the CEO and the Chairman of the Board of Directors attend all of the meetings. From time to time, independent external experts are also invited to attend ECSC meetings.

In 2023, the ECSC met four times with an average attendance rate of 90%. All of the above-described items were discussed during the meetings and the ECSC fully performed all its duties.

The ECSC’s work during the year was evenly split between sustainability topics and compliance topics. On the sustainability side, the ECSC discussed key sustainability roadmaps, including human rights and substances, and provided guidance on a wide variety of climate-related topics, including climate disclosures, internal strategy related to SBTi Targets and SAF. The ECSC also reviewed the Company’s strategy linked to critical materials and platform. The evolution of sustainability reporting and the regulatory landscape was a further point of attention. The ECSC continued to closely monitor Ethics and Compliance activities following the settlements reached with the French, UK and US authorities in January 2020, culminating in the conclusion of the Deferred Prosecution Agreements in 2023 and the subsequent dismissal of the related proceedings. The Company’s deployment of its export control programme and the status of the International Traffic in Arms Regulations (ITAR) monitorship has been an area of strong focus, which it will continue to be following the conclusion of the Consent Agreement in 2023.

c) The Remuneration, Nomination and Governance Committee

Pursuant to the Board rules, besides its role described in section “- 4.1.1 Board of Directors composition, powers, rules and engagement with shareholders” above, the Remuneration, Nomination and Governance Committee (“RNGC”) consults with the Chairman and the CEO with respect to proposals for the appointment of the members of the Executive Committee, and makes recommendations to the Board of Directors regarding the appointment of the Secretary to the Board of Directors. The RNGC also makes recommendations to the Board of Directors regarding succession planning (at Board of Directors, Executive Committee and senior management levels), remuneration strategies and long-term remuneration
plans. Furthermore, the RNGC oversees contractual matters in relation to the members of the Board and the Executive Committee, including the terms and conditions of the relevant contracts, and the preparation of the remuneration policy for approval by the Board. The rules and responsibilities of the RNGC have been set out in the Board Rules.

In addition, the RNGC reviews the Company’s top talents, discusses measures to improve engagement and to promote diversity, as well as reviewing the remuneration of the Executive Committee members, the Long-Term Incentive Plans ("LTIP"), and the variable pay for the previous year.

Finally, the RNGC performs regular evaluations of the Company’s corporate governance and makes proposals for changes to the Board Rules or the Articles of Association.

The Chairman of the Board of Directors and the CEO attend all meetings of the RNGC (subject to their recusal from portions of such meetings, as may be appropriate). The Chief Human Resources Officer ("CHRO") is requested to attend meetings to present management proposals and to answer questions. The CEO leaves the meetings when the RNGC discusses his remuneration or personal situation.

Pursuant to the Board Rules, the Chair of the RNGC automatically fulfills the function of "Lead Independent Director". In this role, the Chair of the RNGC is responsible for (i) replacing the Chairman if unable to attend meetings of the Board of Directors, (ii) organising the annual appraisal of the Chairman’s performance by the Board of Directors and (iii) acting as an intermediary for, and between, the other Directors when necessary.

The RNGC is required to meet at least four times a year. In 2023, it met six times with an attendance rate of 95.8%. It discussed all of the above-described items during the meetings and it fully performed all its duties. In particular, the Committee worked on the reorganisation of the Company’s leadership team with the creation of a Commercial Aircraft CEO role dedicated to the Airbus Commercial Aircraft business and a number of changes within the Company’s Executive Committee. More generally, the RNGC held regular discussions on the CEO’s and Executive Committee members’ succession plans, on talent management (development, engagement and retention) and diversity.

In parallel, the RNGC reviewed the Board of Directors’ succession plan, with a strong focus on diversity (including gender diversity and skills mix). The RNGC’s work notably led to the identification of a number of talents for potential future changes within the Board. The RNGC work also included reviewing the membership of the Board Committees. Change to the composition of the Audit Committee was implemented in 2023 with the nomination of Mr Antony Wood.

At the beginning of 2023, the RNGC, with the support of an external advisor, launched a comprehensive review process of the Company CEO’s remuneration policy that evaluated pay components, pay mix (including the balance between short and long term incentives), the performance conditions considered and other structural features to ensure that the policy continues to attract, retain and motivate executives. This process, as in previous policy reviews, included engagement meetings with shareholders and other relevant stakeholders as well as an independent benchmark of peer’s pay practices. See section “4.2.1.1 Remuneration Policy – Executive remuneration – Applicable to the CEO” for more information on this matter.

4.1.1.3 The Executive Committee

a) Nomination and Composition

The Executive Committee of Airbus (the "Executive Committee" or "EC") is chaired by the Chief Executive Officer and its members are appointed on the basis of their performance of their individual responsibilities as well as their respective contribution to the overall interest of Airbus.

The CEO proposes all the members of the Executive Committee for approval by the Board of Directors, after consultation with (i) the Chairman of the RNGC and (ii) the Chairman of the Board of Directors, applying the following principles:

– the preference for the best candidate for the position;
– the maintenance, in respect of the number of Members of the Executive Committee, of the observed balance among the nationalities of the candidates in respect of the location of the main industrial centres of the Company (in particular among the nationals of France, Germany, Spain and the United Kingdom, where these main industrial centres are located); and
– at least two-thirds of the members of the Executive Committee, including the CEO and the CFO, being EU nationals and residents.

The Board of Directors determines, by simple majority vote, whether to approve all of the Members of the Executive Committee as proposed by the CEO.

b) Role of the CEO and Executive Committee

The CEO is responsible for executing the strategy, as approved by the Board of Directors, and for managing the day-to-day operations of the Company’s business with the support of the Executive Committee and its executive leadership team through Executive Leadership Meetings ("ELM") in which the EC members participate. The CEO shall be accountable for the proper execution of the day-to-day operations of the Company’s business.

ELMs are held on a regular basis and aim at advising the CEO on his day-to-day role, as well as ensuring that EC members report back on business progress, updates and concerns, addressing Company-wide topics including corporate matters, approving all vacancies and promotions above certain levels.

The EC further supports the CEO in performing these tasks. Under the leadership of the CEO, the EC is responsible for business strategy as well as organisational matters and management of the business, monitoring key projects/products and major investments, overseeing performance targets, whether it be financial, individual, programmes or support functions, outlining policies to motivate, recruit and retain employees. It is also accountable for regulatory and statutory obligations along with policy matters, communications and market disclosures. It is also the forum where the information or requests for approval destined for the Board of Directors are discussed and approved. The EC members shall jointly contribute to the overall interests of the Company, in addition to each member’s individual operational or functional responsibility within the Company.

The EC comprises the heads of the Commercial Aircraft, Helicopters and Defence and Space businesses, and the key functions of the Company.
The CEO is the only Executive Director within the Board of Directors and represents the Company on the Board of Directors. But, depending on the topic, he usually asks the responsible EC member to join him at meetings of the Board of Directors to present the financials (CFO), programme/product topics (Division heads), HR matters (CHRO) or any other topic where a specialist is needed. This approach allows the Board Members to get to know the EC members and equips them to make judgements when it comes to decisions about key positions.

c) The Executive Committee

During 2023 the Executive Committee met 4 times. On 12 October 2023 the Company announced changes to its top management and Executive Committee, to take effect from 1 January 2024. The changes include the creation of a designated Commercial Aircraft leadership team, operating under the helm of Christian Scherer. The Executive Committee is comprised of the heads of operating segments and the heads of certain key functions within the Company, including members of the Commercial Aircraft leadership team. The composition of the Executive Committee and top management of Airbus SE as of 1 January 2024 is reflected in the table below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Role</th>
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<tbody>
<tr>
<td>Guillaume Faury</td>
<td>Chief Executive Officer</td>
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<tr>
<td>Thierry Baril</td>
<td>Chief Human Resources Officer</td>
</tr>
<tr>
<td>Bruno Even</td>
<td>Chief Executive Officer Airbus Helicopters</td>
</tr>
<tr>
<td>Alberto Gutiérrez</td>
<td>Executive Vice-President Special Industrial Projects</td>
</tr>
<tr>
<td>John Harrison</td>
<td>General Counsel &amp; Head of Airbus Public Affairs</td>
</tr>
<tr>
<td>Catherine Jestin</td>
<td>Executive Vice-President Digital</td>
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<tr>
<td>Julie Kitcher</td>
<td>Chief Sustainability Officer and Communications</td>
</tr>
<tr>
<td>Sabine Klauke</td>
<td>Chief Technology Officer Airbus</td>
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<td>Florent Massou dit Labaquère</td>
<td>Executive Vice-President Operations of the Commercial Aircraft business</td>
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<td>Philippe Mhun</td>
<td>Executive Vice-President Programmes and Services of the Commercial Aircraft business</td>
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<td>Christian Scherer</td>
<td>Chief Executive Officer of the Commercial Aircraft business</td>
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<td>Michael Schöllhorn</td>
<td>Chief Executive Officer Airbus Defence and Space</td>
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<td>Thomas Toepfer</td>
<td>Chief Financial Officer</td>
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<td>C. Jeffrey Knittel</td>
<td>Chairman and Chief Executive Officer Airbus Americas</td>
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<td>Matthieu Louvot</td>
<td>Executive Vice-President Strategy</td>
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<tr>
<td>Wouter van Wersch</td>
<td>Executive Vice-President International</td>
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<tr>
<td>George Xu</td>
<td>Chief Executive Officer Airbus China</td>
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</table>

Note: The professional address of all Members of the Executive Committee for any matter relating to Airbus is Mendelweg 30, 2333CS Leiden, The Netherlands.

(1) Members of the Executive Committee
(2) Members of the Company’s top management regularly invited to attend Executive Committee meetings.

Guillaume Faury – Chief Executive Officer
(see above under “– 4.1.1.1 Board of Directors”).

Thierry Baril – Chief Human Resources Officer
Thierry Baril was appointed Chief Human Resources Officer (CHRO) of Airbus on 1 June 2012.

Thierry Baril joined Airbus Commercial Aircraft in 2007 as Executive Vice-President, Human Resources, and Member of the Airbus Commercial Aircraft Executive Committee, with responsibility for defining and implementing a company-wide Human Resources strategy, enhancing integration and employee engagement. He oversaw the development of key skills and competences to support business growth and greater internal mobility. One of his main achievements was the transformation of the Company in the areas of leadership culture and diversity, having played a key role in the implementation of “Power8” and Airbus’ internationalisation strategy.

Prior to this, Thierry Baril was Executive Vice-President Human Resources at Eurocopter – now Airbus Helicopters – and member of the Eurocopter Executive Committee from January 2003. In this position, Thierry Baril managed the Company’s Human Resources activities globally, including the implementation of Human Resources policies across Eurocopter’s European sites and its 15 subsidiaries worldwide. He was instrumental in the implementation of “Vital”, a programme which transformed Eurocopter as a business.

Thierry Baril started his career in 1988 as Deputy Human Resources Director at Boccard SA, and transferred to Laborde & Kupfer-Repelec, a subsidiary of GEC ALSTHOM, as Human Resources Manager in 1991.

From 1995, Thierry Baril held roles as Human Resources Director of the Alstom Energy Belfort site and Vice-President of Human Resources of the Alstom Energy Group.
Following on from his experience at Alstom Energy, in 1998
Thierry Baril became Managing Director of Human Resources
for Europe for GE (General Electric) at their Belfort Headquarters,
followed by Vice-President of Human Resources at Alcatel
Space’s Headquarters in Toulouse from 2000.

Thierry Baril holds a University Degree in Personnel Management
(Diplôme Universitaire de Technologie en Gestion des Entreprises et des Administrations), as well as a Business Page 2 of 2 Degree in Human Resources Management and Development from the Institut de Gestion Sociale (IGS) in Paris.

Thierry Baril was born in February 1965 in Suresnes, France. In
2007, he was appointed as a Chevalier de l’Ordre National du Mérite and was further commended as a Chevalier de l’Ordre National de la Légion d’Honneur in 2012. In 2013, he was named HR Director of the year by Hudson, Le Figaro Economie and Cadremploi Group.

Bruno Even – Chief Executive Officer –
Airbus Helicopters

Bruno Even was appointed Chief Executive Officer (CEO) of
Airbus Helicopters as of 1 April 2018. He is a Member of the
Airbus Executive Committee.

He joined the Company from Safran, where he held various
management positions at the Helicopter Engines and Electronic & Defence businesses. Since 2015, he served as Chief Executive Officer of Safran Helicopter Engines (ex-Turbomeca). Prior to that position, he was CEO of Safran Electronics & Defence (ex-Sagem).

Bruno Even graduated from the École Polytechnique and began
his professional career in 1992 at the French Ministry of Defence, where he was in charge of developing the space component for the Helios II satellite.

In 1997, he transferred to the Ministry of Foreign Affairs to
become technical advisor for the Director of Strategic Affairs, Security and Disarmament. He moved to the private sector and joined Safran in 1999.

Alberto Gutiérrez – Executive Vice-President Special Industrial Projects

Alberto Gutiérrez is a member of the Company’s Executive Committee and acts as Executive Vice-President (EVP) Special Industrial Projects since 1 January 2024. In addition, he acts as Head of Airbus Spain, in charge of overseeing the Company’s overall business activities in the country.

He was previously Chief Operating Officer (COO) of Airbus
since 1 July 2021 and was leading the production, quality and procurement organisations of the Commercial Aircraft business. His role was to implement continuous operational excellence and to develop the production system of the future.

Prior to this, he acted as Head of Military Aircraft within Airbus Defence and Space and a member of the Division’s Executive Committee since 1 January 2019, after having led Operations for Airbus Military Aircraft since July 2017, and Combat Air Systems since January 2016.

He was CEO for Eurofighter GmbH from 2013 to 2015, and Chief Operating Officer (COO) for Airbus Military from 2007 to 2013. In this role he was responsible for the worldwide operations of the military aircraft business, including manufacturing and production in all the different sites of the company, setting up the A400M Final Assembly Line in Seville, the A330 Tanker Conversion

Centres in Madrid, Brisbane (Australia) and Bournemouth (UK), the revitalisation of the Indonesian Aerospace Industry and the restructuring of the company’s Polish subsidiary in Warsaw FZL as well as the defence business in Portugal through the Portuguese Company OGMA.

Alberto Gutiérrez’s career started in 1985 as a young engineer in
the former CASA in Getafe, working and gaining experience in

different positions in Manufacturing and Production, IT, Planning and Programmes.

Alberto Gutiérrez has a Telecommunications Engineering degree from the Universidad Politécnica de Madrid and holds a master in Information System Management.

John Harrison – General Counsel & Head of Airbus
Public Affairs

John Harrison has been Airbus’ General Counsel and Corporate Secretary and a member of the Airbus Executive Committee since June 2015. He has served as Chairman of Airbus UK since January 2019 and as Head of Airbus Public Affairs since January 2024.

John Harrison began his career in 1991 at the international law

He joined Airbus (then EADS) in 1997, fulfilling various senior legal positions in Airbus companies over a ten year period, culminating in his tenure from 2003 to 2007 as General Counsel of the EADS Defence Division. He then joined Technip SA where he served as Group General Counsel and Member of the Group Executive Committee from 2007 to 2015, before he returned to Airbus in June 2015.

John brings more than 30 years of experience in managing high
profile, complex cross border issues in some of Europe’s largest
industrial companies. He has experience leading and integrating teams with external stakeholders around the world, navigating commercial and legal challenges.

Solicitor of the Superior Courts of England & Wales, John
Harrison completed his academic studies at the University of McGill, Montréal, Canada. He holds a Bachelor LLM (Hons) and Masters LLM of Laws degree.

In 2017, John Harrison was appointed Chevalier of the French Légion d’Honneur. He is a Fellow of the Royal Aeronautical Society, a member of the UK Investment Council and a Trustee of the British Normandy Memorial.

Catherine Jestin – Executive Vice-President
Digital

Catherine Jestin has been Executive Vice-President Digital at
Airbus since 1 July 2021 and is a member of the Company’s
Executive Committee.

The main focus of Catherine’s organisation is to foster digital
innovation across Airbus’ industrial ecosystem and its products
and services portfolio, accelerating data analytics, artificial
intelligence, automation and services for customers as well as
digital security for the Company.

Catherine works to reinforce the transversal cooperation
across Airbus functions company-wide in order to continue the
successful deployment of the Digital Design, Manufacturing &
Services (DDMS) programme, established to enable co-design
capabilities and digital continuity system-wide.
Catherine had previously held the position of Chief Information Officer (CIO) at Airbus since March 2020. In this role, she was responsible for driving state-of-the-art Information Technology systems and solutions in support of Airbus employees, customers and suppliers.

Prior to this position, Catherine was Chief Information Officer at Airbus Helicopters, a role that she held from July 2013 to February 2020.

Before joining Airbus, Catherine held a variety of positions, between 2007 and 2013, at Rio Tinto in Montreal, Canada within the field of Information Systems & Technology (IS&T). Catherine also spent 17 years at Accenture and was nominated Partner in 2002, a position that she held for five years.

Julie Kitcher – Chief Sustainability Officer and Communications

Julie Kitcher is Chief Sustainability Officer and Communications at Airbus. In her position, she oversees the Company’s sustainability roadmap, driving Airbus’ contribution to current environmental, societal, regulatory and technological challenges. She also leads Communications company-wide, promoting the Airbus brand internally and externally in support of Airbus’ strategic objectives.

Julie is a member of the Airbus Executive Committee, reporting to the CEO, Guillaume Faury. Since taking on her responsibilities in 2019, Julie led the articulation of Airbus’ purpose: to pioneer sustainable aerospace for a safe and united world. In addition, Julie drove the performance management, internal controls and corporate audit functions as well as the Company’s transformation agenda. Under her leadership, Airbus received approval from the Science Based Targets initiative (SBTi) for its near-term greenhouse gas emission reduction targets.

Julie was appointed Chair of the Airbus Foundation board in 2021. As such, she is actively involved in shaping the Foundation’s work in humanitarian support, environmental action and youth development. She has been appointed member of the board to the Toulouse School of Economics’ Fondation Jean-Jacques Laffont. Julie also sits on the boards of Airbus Helicopters UK and the International Chamber of Commerce France as well as the UK Government’s Jet Zero Council, fostering the development of aerospace technologies, facilities and regulatory framework in the UK.

In her previous position, Julie was the Executive Vice-President Communications and Corporate Affairs, also serving as the CEO’s Chief of Staff, prior to which she was Head of Investor Relations and Financial Communication at Airbus. She is a Chartered Management Accountant (CIMA) and holds an MSc from ESC Skema (Lille).

Sabine Klaue – Chief Technical Officer Airbus & Executive Vice-President Engineering of the Commercial Aircraft business

Sabine Klaue has been Chief Technology Officer for Airbus and Executive Vice-President Engineering of the Commercial Aircraft business since 1 January 2024 and is a member of the Company’s Executive Committee.

She was previously Chief Technical Officer at Airbus since 1 July 2021 and a member of the Company’s Executive Committee ever since.

In this role, Sabine drives the Company’s ambition behind delivering bold and breakthrough technologies to build the future of aerospace. She leads a team of more than 13,000 employees across the globe who design, develop, certify and ensure continuing airworthiness of all Commercial Aircraft products and services.

In addition to her Airbus missions, Sabine serves as: Co-Chair of the Clean Aviation Joint Undertaking, VP Aviation for the German Aerospace Industries Association (BDLI), Chairwoman of the Supervisory Board of Airbus GmbH, and she is a member of the Supervisory Board of Airbus Operations GmbH. Previously, Sabine was Head of Engineering within Airbus Defence and Space and a member of the Division’s Executive Committee. In this capacity, she was responsible for all engineering activities within the Defence and Space division and in charge of its product and services portfolio.

Prior to this position, she served as Head of Programmes Customer Services: a responsibility she held for the A330/ A340 programmes since 2015. Sabine joined Airbus in 2002, where she has held positions of increasing responsibility within manufacturing engineering, production, product development programmes, development processes and change and innovation projects within the Airbus Commercial Aircraft division.

Sabine holds a PhD in Mechanical Engineering from the Dresden University of Technology (TU Dresden). From 1998 to 2002 Sabine worked at DELMIA, a brand of Dassault Systèmes, where she carried out the deployment of digital manufacturing software as well as consulting projects with customers in the automotive and the aerospace industries worldwide.

Florent Massou dit Labaquère – Executive Vice-President Operations of the Commercial Aircraft business

Florent Massou dit Labaquère was appointed Executive Vice-President (EVP) of Operations for the Commercial Aircraft business of Airbus on 1 January 2024. He is leading the production, quality and procurement organisations and is focused on implementing operational excellence and developing the production system of the future. He is also a member of the Company’s Executive Committee.

He was previously Senior Vice-President (SVP) of Widebody Programmes since 1 July 2022, after more than three years at Airbus Canada Limited Partnership as Head of the A220 Programme, and was Vice-President (VP) of A380 Final Assembly Line Toulouse prior to this.

Since joining Airbus in 2012, he held various positions, including the role of Head of Inventory Optimisation and A320 “Fit for Ramp up” Plants Cluster Leader in the Power 8+ transformation programme.

Before joining Airbus, Florent served as Director of Strategy and Finance at the French Prime Minister’s Offices, in the State Investment Agency, and also served as Inspector of Finance at the French Ministry of Economy, Finance and Industry.

Florent holds a master’s in Engineering, Economics and Physics from France’s École Polytechnique. He joined the France’s Corps des Mines, where he earned a master’s degree in Finance, Economics and Public Policies.
**Philippe Mhun – Executive Vice-President Programmes and Services of the Commercial Aircraft business**

Philippe Mhun was appointed Executive Vice-President Programmes & Services for Airbus, in January 2019, and is a member of the Company’s Executive Committee.

He is responsible for all current commercial aircraft programmes (A220, A320Family, A330, A350), as well as for their Support and Services activities, and is leading the Future Programmes organisation since January 2024.

In his previous role as Head of Customer Services since October 2016, Philippe Mhun was responsible for all Airbus Support and Services activities including the supervision of the Services Business Unit and affiliated subsidiaries, such as Satair, Navblue and Sepang.

Prior to this assignment, Philippe was Senior Vice-President Procurement for Equipment, Systems and Support, a position he held since 2013.

Philippe joined Airbus in November 2004 as Vice-President A380 Programme within Customer Services to prepare and support the A380 entry-into-service. He then became Vice-President Programmes in Airbus Customer Services leading Single Aisle, Long Range, Widebody, A380 and A350 Programmes together with e-Operations and Supplier Support activities.

Before joining Airbus, Philippe held various positions within UTA and Air France, starting as a Structure Engineer for Boeing 747 at UTA all the way up to becoming the Head of Long-Haul Fleet Engineering and Maintenance in Air France.

Philippe Mhun holds a degree from the Applied Sciences National Institute (INSA Lyon) as a mechanical engineer.

Philippe was born in 1962. He is married with three children. In his free time, Philippe enjoys motor biking and sport, he has a black belt in judo.

**Christian Scherer – Chief Executive Officer of the Commercial Aircraft business**

Christian Scherer was appointed Chief Executive Officer of the Commercial aircraft business of Airbus in January 2024 and is a Member of the Company’s Executive Committee. In the period before, he was Airbus Chief Commercial Officer and Head of Airbus International and a Member of the Executive Committee from 2018.

Previously he was Chief Executive Officer of ATR for a period of two years, after having been Head of Airbus Group International, responsible for driving the overall Airbus Group Internationalisation strategy from 2015 to 2016.

Christian started his professional career in 1984 when he joined Airbus Industrie as a Commercial Contracts Manager. He was seconded to the US between 1987 and 1994 as Vice-President Contracts of Airbus North America. He returned to headquarters as Vice-President Leasing Markets. In 1999, he was appointed Vice-President Contracts and Pricing worldwide while retaining leadership of the Leasing Markets Division and in 2003 he also became the Deputy Head of Commercial.

Following his important role in the Commercial activity, he took on the role of Head of Strategy and Future Programmes at Airbus in 2005, responsible for defining Airbus’ long term strategic objectives and for driving the genesis of future aircraft product offerings and programmes, such as the A320neo, as well as Airbus’ international development like the US final assembly lines.

In 2012, he moved to another part of the company when he was appointed Head of Sales & International Operations at Cassidian in Munich, Germany. Upon integration of Airbus’ Defence, Space and Military aircraft businesses, he became the Head of Marketing & Sales of this new division until 2015. He also chaired BDLI’s defence and security forum whilst being a member of the BDLI presidium.

Born in 1962 in Duisburg, Germany, and raised in Toulouse, France, Christian Scherer holds an MBA from the University of Ottawa and graduated from the Paris Business School (ESCP) in 1984.

**Michael Schöllhorn – Chief Executive Officer Airbus Defence and Space**

Michael Schoellhorn has been Chief Executive Officer (CEO) of Airbus Defence and Space since 1 July 2021 and is a member of Airbus’ Executive Committee, responsible for Airbus’ defence, space, unmanned air services and connected intelligence activities.

Previously, he was Airbus Chief Operating Officer (COO) and a member of the Company’s Executive Committee. In this position, he led the production, quality, procurement and information management organisations, transforming and building the production system of the future.

Michael joined Airbus in February 2019 from BSH Home Appliances, where he was COO and a member of the company’s Management Board from 2015 until his departure.

Michael began his career in 1984 in the German armed forces, where he served as an officer and a helicopter pilot until 1994, with assignments in Germany and the US. Michael worked in academia as a research assistant at the Helmut Schmidt University (University of the German armed forces) in Hamburg (1994-1999). He started out his career with Bosch in 1999 and held various senior management positions in the automotive sector in the US, the Czech Republic and Germany before being appointed EVP for Manufacturing and Quality in 2012.

Michael is President of BDLI, the association of the German aviation industry as well as a presidium member of BDI, the association of the German Industry.

He is Chairman of the Supervisory Board of Airbus Operations GmbH, Managing Director of Airbus Defence and Space GmbH, member of the Board of Directors of Airbus US Space & Defense Inc. and member of the Board of Directors of Stratasys Ltd (NASDAQ: SSYS).

He holds a degree in Mechanical Engineering and a PhD in Control Engineering, both from the Helmut Schmidt University.

**Thomas Toepfer – Chief Financial Officer**

Thomas Toepfer was appointed Chief Financial Officer and member of the Executive Committee on 1 September 2023.

Prior to this assignment, Thomas Toepfer was Member of the Board of Management, CFO and Labour Director at Covestro AG, a leading German company producing polyurethane and polycarbonate raw materials.
Born in Hamburg, Germany, in 1972, Toepfer holds a PhD in Business Administration from Otto Beisheim Graduate School of Management (WHU), Koblenz. He worked as a consultant with McKinsey & Company, Inc. and in leading management positions for KION Group AG, Karstadt Warenhaus GmbH amongst others.

C. Jeffrey Knittel – Chairman and Chief Executive Officer Airbus Americas

C. Jeffrey (Jeff) Knittel is the Chairman and CEO of Airbus Americas, Inc. In addition, he is the Head of Region for the Americas and as such reports directly to the Airbus CEO. He is responsible for Airbus’ commercial aircraft and commercial services businesses throughout the Americas, as well as for providing leadership for the company’s market leading helicopter business and its space and defence unit in North America. With 10,000 employees, Airbus Americas encompasses regional corporate offices; engineering, training and innovation centres; MROs, spare parts distribution facilities; imagery drone services and large-scale manufacturing facilities producing commercial aircraft, helicopters, and satellites.

Additionally, Jeff chairs Acubed by Airbus, the company’s Silicon Valley-based innovation arm; is a board member of Airbus Ventures, which invests in early stage technologies across the globe; and is a member of the Airbus Canada Limited Partnership Board – a multi-billion-dollar joint venture between Airbus and the Province of Quebec to procure parts, assemble, and market the world’s most modern commercial aircraft, the A220.

Jeff has more than 35 years of experience in aerospace and transportation finance. Before joining Airbus, Mr. Knittel was Chief Executive Officer of C2 Aviation Capital (C2), a global organisation focused on acquiring, leasing and managing commercial aircraft. Prior to leading C2 Aviation Capital, he served in increasingly senior leadership positions at CIT Group Inc. His final position there was President of CIT Transportation Finance, a $21 billion diversified organisation that provided leasing and financing solutions for the aerospace, rail and maritime industries, including commercial airlines, business aircraft operators, railroads and shippers.

Jeff is currently the Vice Chair of the Board and Chair of the Nominations Committee of the Smithsonian’s National Air and Space Museum, on the Executive Committee and the Board of Governors of the USO, and a member of the Board and Executive Committee of the Atlantic Council. He recently completed his second 3-year term on the Board of Trustees of the National WWII Museum. Jeff is a former President and emeritus member of the Board of Governors of the Wings Club and the former Chairman of the Board of Just One Break, a not-for-profit institution founded by Eleanor Roosevelt for the disabled and later merged with The Viscardi Center.

Jeff holds a bachelor’s degree in aviation management from Embry-Riddle Aeronautical University. In addition, he graduated from the Advanced Management Program at the University of Pennsylvania’s Wharton School of Business.

Matthieu Louvot – Executive Vice-President Strategy

Matthieu Louvot was appointed Executive Vice-President Strategy in January 2024.

He was previously Executive Vice-President for Programmes of Airbus Helicopters, a role he had held since September 2019. Matthieu joined Eurocopter as Vice-President and Head of Strategy and Company Development beginning in April 2010. From June 2013 to March 2016, Louvot served as Senior Vice-President Support & Services and from April 2016 to September 2019, as the Executive Vice-President Customer Support & Services.

Before joining Airbus Helicopters, Louvot served for three years as Adviser for Industry, Energy and Transportation to President Nicolas Sarkozy at the French Presidency.

From 2005 to 2007, he was the Adviser for Budget and Regional Development to Nicolas Sarkozy, Minister of Interior and Regional Development, and prior to this assignment he served as Adviser for Economic, Budget and Consular matters to Michel Barnier, Minister of Foreign Affairs.

A married father of two children, Matthieu is a graduate of the Ecole Polytechnique and Ecole Nationale d’Administration.

Wouter van Wersch Executive – Vice-President International

Wouter van Wersch was appointed Executive Vice-President International starting 1 January 2024. In this pivotal role, he takes up the strategic mission of strengthening Airbus’ International organisation, ensuring it is best positioned to drive profitable growth across all three businesses as well as enhance the company’s global impact.

Wouter joined Airbus in 2020 as Executive Vice-President Europe Region & Sales with the mission of enhancing cross-business capabilities in Europe as well as growing the commercial aircraft market share. His 29-year career to date has involved marketing, sales, and general management roles for a number of multinational companies in various parts of the world, including 15 years in Asia Pacific.

Wouter started his career at Havas in 1994 in international marketing and project management before joining Airbus (formerly EADS) in 1997 as Sales Manager Asia. In 2000, he joined Alcatel-Lucent, where he served in several positions, including as Business Development Director Europe, Sales Director Asia Pacific in China, and Country Manager in Indonesia.

In 2006, Wouter joined Alstom as Vice-President Marketing and Sales for Northern Europe, based in the Netherlands. He was then promoted Senior Vice-President East Asia Pacific and moved to Singapore, before becoming Leader of the General Electric (GE) – Alstom integration Growth team in 2014.

On completion of the Alstom acquisition in 2015, Wouter was appointed President and CEO of GEASEAN, before being named a GE Officer in 2016 and, subsequently, President and CEO of GE Asia Pacific in 2018. Wouter was also a Board Member of the Singapore Economic Development Board between 2017 and 2020.
A native of the Netherlands, Wouter grew up in France and is a graduate in Business Administration from the Erasmus University Rotterdam.

Married, with three children, he is a keen sportsman, especially field hockey, which he has played at the highest international level.

**George Xu – Chief Executive Officer Airbus China**

George Xu has been appointed CEO of Airbus China effective 8 January 2018. As country head of Airbus China, he is responsible for all Airbus Commercial Aircraft business activities and providing leadership to the company’s Helicopters and Defence and Space businesses in China.

In 1995, George Xu worked for the Tianjin Economic and Technology Development Area Administrative Committee. He was nominated Deputy Director of the Investment Promotion Bureau of Tianjin Free Trade Zone in 2003 and was promoted as its Director in 2005, when he started to actively participate in the Airbus A320 Family Final Assembly Line project including site selection, and negotiation and set-up of the joint venture.

In 2005, George Xu worked for the Tianjin Economic and Technology Development Area Administrative Committee. He was nominated Deputy Director of the Investment Promotion Bureau of Tianjin Free Trade Zone in 2003 and was promoted as its Director in 2005, when he started to actively participate in the Airbus A320 Family Final Assembly Line project including site selection, and negotiation and set-up of the joint venture.

In 2011, he was appointed Chairman of Board of Airbus Tianjin Final Assembly Line and Vice-President of Tianjin Free Trade Zone Administrative Committee.

In 2014, George Xu was nominated and worked full time as Party Secretary of Tianjin Youth League until 2017. George Xu was a member of the Standing Committee of Tianjin Municipal People’s Congress from 2015 to 2017.

George Xu was born in 1972 in Suzhou, Jiangsu Province. George Xu received a Bachelor of Engineering degree in Information Management System from Tianjin University and Master of Business Administration from Roosevelt University of Chicago. He also received a Doctorate degree in Economics from Nankai University.

George Xu is married and in his spare time, he likes football, hiking and reading.

### 4.1.2 Dutch Corporate Governance Code, “Comply or Explain”

In accordance with Dutch law and with the provisions of the Dutch Corporate Governance Code (Dutch Code), which provides (non-obligatory) guidance for effective collaboration and management, the Company either applies the provisions of the Dutch Code or, if applicable, explains and gives sound reasons for deviations from these provisions.

The Dutch Code was revised in 2022, with its updated recommendations applying to financial years starting on or after 1 January 2023. The Company welcomed the updates to the Dutch Code and continues supporting its emphasis on topics such as sustainable long-term value creation and the importance of culture (in particular, diversity and inclusion).

While the Company, in its continuous efforts to adhere to the highest standards, applies nearly all the current recommendations of the Dutch Code, it must, in accordance with the “comply or explain” principle, provide the explanations below.

For the full text of the Dutch Code, please refer to: [https://www.mccg.nl/](https://www.mccg.nl/).

For the financial year 2023, and in respect of compliance with the Dutch Code, the Company states the following:

**1. Securities in the Company as Long-Term Investment**

Provision 3.3.3 of the Dutch Code recommends that non-Executive Directors who hold securities in the Company should keep them as a long-term investment. With this not being a strict legal requirement, it is at the discretion of the non-Executive Directors who own shares to decide whether to keep them as a long-term investment; the Company imposes no such requirement.

Provision 3.1.2 vi of the Dutch Code recommends that any shares awarded to the CEO should be held for at least five years after they are awarded. The rules applicable within the Company (as described in section 4.2.1.1 e) below) do not impose a minimum five year holding period for such awarded shares; however, the Company believes that potential deviations from this recommendation are significantly limited by the share ownership guideline (set forth in section 4.2.1.1 f), under which the CEO is expected to hold throughout his/her tenure Airbus SE shares with a value equal to at least 200% of his/her base salary.

**2. Dealings with Analysts**

Best practice provision 4.2.3 of the Dutch Code recommends meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the Company’s website and by means of press releases. In addition, it recommends that provisions shall be made for all shareholders to follow these meetings and presentations in real time, and that after the meetings the presentations shall be posted on the Company’s website.

For practical reasons, the Company does not always allow shareholders to follow meetings with analysts in real time. However, the Company ensures that all shareholders and other parties in the financial markets are provided with equal and simultaneous information about matters that may influence the share price.

**3. Diversity and Inclusion**

Best practice provision 2.1.6 of the Dutch Code recommends that the corporate governance statement explain the diversity and inclusion policy of the Company and the way it is implemented. In accordance with Dutch law (article 2:166 of the Dutch Civil Code) the Company provides such information in “~ 1.2.11 Inclusion and Diversity”.

From 2008 to 2011, George Xu was Deputy GM of Airbus Tianjin A320 Family Final Assembly Line and in parallel Director of the Investment Promotion Bureau of Tianjin Free Trade Zone Administrative Committee and Deputy Chairman of Avicopter. In 2011, he was appointed Chairman of Board of Airbus Tianjin Final Assembly Line and Vice-President of Tianjin Free Trade Zone Administrative Committee.
4. CEO’s remuneration policy – Severance

The Airbus remuneration policy provides that in case of termination of the CEO’s duties at the initiative of the Board of Directors, the CEO shall be entitled to a termination indemnity equal to one time the last Total Annual Remuneration (defined the Base Salary and VR most recently paid), subject to applicable local legal requirements (if any). The termination indemnity would be paid only provided that the performance conditions assessed by the Board of Directors had been fulfilled by the CEO. If the CEO’s appointment as member of the Board of Directors terminates within a period of 12 months or less prior to his retirement date, the termination indemnity will be limited by pro-rating its amount. Best practice provision 3.2.3 of the Dutch Code recommends that severance arrangements be limited to a maximum of one year’s base salary. As the Company competes on a global basis (and beyond the Dutch market) for talent, the Company deems a deviation of this recommendation to be justified. The termination indemnity of the CEO could therefore result in a deviation from the Dutch Code.

5. CEO’s remuneration policy implementation – Pay ratio

Best practice provision 3.4.1 of the Dutch Code recommends that the Company’s remuneration report describes the Company’s pay ratio and any changes in that pay ratio compared to at least five previous financial years. The Company is disclosing the Company’s pay ratio for the financial years 2019 through 2023, consistent with the Dutch Corporate Governance Code. The Company’s pay ratio for the financial year 2018 is not disclosed in section “– 4.2.1.3 Implementation of the Remuneration Policy in 2023: CEO” of the remuneration report because, due to the particular circumstances reflected in CEO remuneration for 2018 and due to intervening changes in the composition of CEO remuneration, the Company believes that the pay ratio for that year would not be a representative comparison figure. The Company’s pay ratio for the financial year 2018 remains publicly disclosed in the Company’s Board Report for that financial year.

6. Other

For information on the operation of the Shareholders’ Meeting, its key powers, the shareholders’ rights and how such powers and rights can be exercised, see “– 3.1.10.2 Right to Attend Shareholders’ Meetings”.

For information on the composition and operation of the Board of Directors and its respective committees, see “– 4.1.1.1a: Composition of the Board of Directors”; “– 4.1.1.1e(iii): Operation of the Board of Directors in 2023”; and “– 4.1.1.2: Board Committees”.

For information on (i) significant direct and indirect shareholdings, (ii) holders of shares with special control rights, (iii) rules governing appointment and dismissal of Directors, (iv) amendments to the Articles of Association, and (v) the delegation to the Board of Directors of the power to issue or buy back shares, see “– 3.3.1: Shareholding Structure at the End of 2023”; “– 3.3.2 Relationships with principal shareholders”; “– 4.1.1.1a: Composition of the Board of Directors”; and “– 3.2.3 Modification of Share Capital or Rights Attached to the Shares”.

4.1.3 Enterprise Risk Management System

The long-term development and production cycles of the Company’s wide range of products and services in a globalised supply chain and highly regulated environment make enterprise risk management (“ERM”) a crucial mechanism both to mitigate risks faced by the Company and to identify and enhance potential opportunities.

Applied across the Company and its main subsidiaries, ERM is a permanent top-down and bottom-up process, which is executed across the Divisions at each level of the organisation. It is designed to identify and manage relevant risks and opportunities. A sharp focus is put on the operational dimension due to the importance of programmes and operations for the Company. External factors are also considered in our approach in order to strengthen company resilience.

ERM is an operational process embedded into the day-to-day management activities of programmes, operations and functions. The top risks and their mitigations are reported to the Board of Directors through a reporting synthesis, consolidated on a quarterly basis.

The ERM system relies on five pillars:

– Anticipation: early risk reduction and attention to emerging risks;
– Speak-up & early warnings;
– Robust risk mitigations;
– Opportunities; and
– Strong governance.

4.1.3.1 ERM Process

The objectives and principles of the ERM system, as endorsed by the Board of Directors, are set forth in the Company’s ERM Policy and communicated throughout the Company. The Company’s ERM Policy is supplemented by directives, manuals, guidelines, handbooks, and other supporting documents. External standards which contribute to the Company’s ERM system include the ISO 31000 standard for risk management, defined by the International Organization for Standardization.

The ERM process consists of three elements:
– a strong operational dimension – derived from ISO 31000 – to enhance operational risk and opportunity management, identifying and mitigating threats and vulnerabilities, including single points of failure;
– a reporting dimension (bottom up and top down), which contains procedures for the status reporting of the ERM system and the risk/opportunity situation; and
– an ERM confirmation dimension, which comprises procedures to assess the effectiveness of the ERM system.

The ERM process applies to all identified relevant sources of risks and opportunities that would potentially affect the Company’s activities, its businesses and its organisation in the short, mid and long-term. The ERM process is part of the overall management process of the Company and is interrelated with such other processes.
All Airbus organisations, including the Divisions, subsidiaries and controlled entities, commit to and confirm the effective implementation of the ERM system. The annual "ERM Confirmation Letter" issued by each Airbus organisation serves as their formal acknowledgement of their effective implementation of the ERM system.

For the main risks to which Airbus is exposed, see "Risk Factors".

4.1.3.2 ERM Governance and Responsibility

The governance structure and related responsibilities for the ERM system are as follows:

- the Board of Directors, with support of the Audit Committee, supervises the ERM system strategy and business risks and opportunities, as well as the design and effectiveness of the ERM system;
- the CEO authorises ERM reports to be escalated to the Board of Directors. The CFO is accountable for an effective ERM system and supervises the Head of ERM, the ERM system design, and process implementation;
- the Head of ERM has primary responsibility for the ERM strategy, priorities, system design, culture development and reporting tool. The Head of ERM supervises the operation of the ERM system, and is supported by a dedicated risk management organisation in the Company, focusing on the operational dimension, including early warning and anticipation culture development, while actively seeking to anticipate and proactively mitigate identified sources of risk by challenging the business to address such potential centres of risk within the Company. The risk management organisation is structured as a cross-divisional centre of competence and works to embed proactive risk management within the Company; and
- Company management at the executive level has responsibility for the operation and monitoring of the ERM system in their respective areas of responsibility, and for the implementation of appropriate response activities aimed at reducing risks and seizing opportunities, while also considering the recommendations of the internal and external auditors.

4.1.3.3 ERM Effectiveness

The ERM effectiveness is analysed by:

- ERM centre of competence (CoC), based on ERM reports, ERM Confirmation Letters, in situ sessions (e.g. risk reviews), participation in key controls (e.g. major programme maturity gate reviews);
- ERM key performance indicators (KPIs) measuring maturity and effectiveness of the ERM process within the Company’s various programmes and functions;
- risk and opportunity in-depth analyses proposed by the ERM CoC and performed by the functions with the involvement and support of the ERM CoC; and
- Corporate Audit, based on internal Corporate Audit reports and on an annual survey of heads of programmes and functions regarding the ERM network.

The combination of the following controls is designed to achieve reasonable internal assurance as to ERM effectiveness:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Explanations</th>
</tr>
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</table>
| Board of Directors / Audit Committee | Regular monitoring  
The Board of Directors and the Audit Committee review, monitor and supervise the ERM system. Any material failings in, material changes to, and/or material improvements of the ERM system which are observed, made and/or planned are discussed with the Board of Directors and the Audit Committee. |
| Top Management        | ERM as part of the regular divisional business reviews  
Results of the operational risk and opportunity management process, self-assessments and confirmation procedures that are presented by the Divisions or other Airbus organisations to top management. ERM working sessions at an executive leadership meeting twice a year. |
| Management            | ERM confirmation letter procedure  
Entities and department heads that participate in the annual ERM compliance procedures must sign ERM Confirmation Letters. |
| ERM CoC               | ERM effectiveness measurement  
Assess ERM effectiveness by consideration of ERM performance KPI, ERM reports, ERM Confirmation Letters, in situ sessions (risk reviews etc.), participation in key controls (e.g. major programme maturity gate reviews). |
| Corporate Audit       | Audits on ERM  
Provide independent assurance to the Audit Committee on the effectiveness of the ERM system, conducting an annual survey. |
| Ethics & Compliance   | Alert system  
Detects deficiencies regarding conformity with applicable laws and regulations, as well as with ethical business principles. |
4.1.3.4 Board Declaration

Based on the Company’s current state of affairs, the reports made directly available to the Board of Directors coming from different processes, audits and controls, and the information the Board of Directors has received from management, the Board of Directors believes to the best of its knowledge that:
– the internal risk management and control systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
– this Universal Registration Document provides sufficient insight into any material failings in the effectiveness of the internal risk management and control systems;
– it is justified that the financial statements have been prepared on a going concern basis; and
– this Universal Registration Document states the material risks and uncertainties to the extent that they are relevant to the Company’s continuity for the period of 12 months after the preparation of this Universal Registration Document.

It should be noted that no matter how well designed, the internal risk management and control system has inherent limitations, such as vulnerability to circumvention or the potential to override the controls in place. Consequently, no assurance can be given that the Company’s internal risk management system and procedures are or will be, despite all care and effort, entirely effective.

4.1.4 Internal Audit

In accordance with the Dutch Corporate Governance Code, Airbus governance includes an internal audit function “Corporate Audit & Forensic”. The function engages in the independent and objective corporate assurance activities of internal auditing, consulting activities, and forensic investigations. It supports the Company in improving its operations and accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the design and effectiveness of the organisation’s governance, risk management, and internal controls. Its mandate is set out in the Airbus Corporate Audit and Forensic Charter. The department’s independence is established by direct reporting to the Chief Executive Officer and participation to the Audit Committee. The function complies with the Global Internal Audit Standards of The Institute of Internal Auditors.
4.2 Interests of Directors and Principal Executive Officers

4.2.1 Remuneration Policy

The Remuneration Policy covers all members of the Board of Directors: the CEO (who is the only Executive Director) and the other members of the Board of Directors (who are the Non-Executive Directors). By adopting a resolution to that effect, the general meeting may readopt, amend or supplement the Remuneration Policy on the basis of a proposal by the Board of Directors, at the recommendation of the RNGC.

The Board of Directors, at the recommendation of the RNGC, may decide to temporarily deviate (either increasing or reducing the remuneration levels) from any element of the Remuneration Policy as outlined below, and may continue to do so until the General Meeting adopts an amended version of the Remuneration Policy following the occurrence of such deviation, if it is necessary to serve the long-term interests and sustainability of the Company or to assure its viability. Any deviation will be made public and duly justified.

TheRemuneration Policy detailed in this chapter “– 4.2.1 Remuneration Policy” was adopted by the 2020 AGM with effect as of 1 January 2020. The Remuneration Policy therefore needs to be submitted for approval at the 2024 AGM, even if it is unchanged. In anticipation of the need to submit the Remuneration Policy for shareholders’ approval at the 2024 AGM, the RNGC, with the support of an external advisor, launched a comprehensive review process at the beginning of 2023, evaluating pay components, pay mix (including the balance between short and long-term incentives), performance conditions and other structural features to ensure that the Remuneration Policy continues to attract, retain and motivate executives. This process, as in previous remuneration policy reviews, included engagement with shareholders and other relevant stakeholders, as well as an independent benchmark of pay practices. This process allowed the Company to identify potential changes to the Remuneration Policy, as detailed below.

However, after careful consideration and having taken investors’ feedback into account, the Board has decided, as a sound governance practice, to align the timing for a decision by the AGM on the changes to the Remuneration Policy with that of the CEO’s new mandate (renewal/appointment), which will take place at the 2025 AGM, and therefore to submit the contemplated changes to the Board of Directors’ Remuneration Policy at the 2025 AGM (and not the 2024 AGM).

Subject to further engagements as part of the 2025 AGM roadshow, the currently envisioned changes would strive for a stronger alignment of remuneration with the long-term strategy of the Company and would include: (i) the introduction of a Sustainability & Climate related KPI in the Long Term Incentive (“LTI”) portion of CEO’s remuneration (25%) and (ii) an increase in the LTI grant from 100% to 150% of the base salary. In parallel, the Board is contemplating reinforcing the “pay for performance” principle by reviewing the range of performance achievement and pay-out of the LTI KPIs. The range could evolve from 50% – 150% to 0% – 200% (starting from 0% without taking the EBIT into consideration and increasing the scale up to 200%). Finally, the Board envisages strengthening financial / quantitative performance measures with the potential inclusion of relative Total Shareholder Return (“TSR”) as a KPI in the LTI (25%) and by increasing the quantifiable portion of the CEO’s individual objectives (Individual Component of the Annual Variable Remuneration).

In consideration of the above, it is therefore proposed that with effect from 1 January 2024 and until the 2025 AGM, the current Remuneration Policy in the form set out below in this chapter 4.2.1 “Remuneration Policy”, remains in place.

4.2.1.1 Executive Remuneration – Applicable to the CEO

a) Remuneration Philosophy

The Company’s remuneration philosophy aims to provide remuneration that will attract, retain and motivate high-calibre executives, whose contribution will help to ensure that the Company achieves its strategic and operational objectives, thereby delivering long-term sustainable returns for all shareholders and other stakeholders in a manner consistent with the Company’s identity, mission and corporate values.

The Board of Directors and the RNGC are committed to making sure that the executive remuneration structure (i) is transparent and comprehensive for all stakeholders; (ii) is consistent and aligned with the interests of long-term shareholders, whilst also taking into consideration the employment conditions of the Company’s employees; and (iii) further incentivises the Company’s corporate values by also basing variable remuneration components on the achievement of non-financial targets and metrics using environmental, social or governance criteria via the sustainability performance measure.

Before setting the targets to be proposed for adoption by the Board of Directors, the RNGC analyses scenarios with respect to the potential targets, and considers the financial and other outcomes that would result from meeting various performance levels, including achieving maximum performance thresholds, and how the level and structure of executive remuneration would be affected, together with the potential risks for the Company’s business these outcomes could present. The Board of Directors further considers these aspects, based on the RNGC’s recommendations.

Before making a recommendation relating to the remuneration of the CEO, the RNGC and the Board of Directors shall also take note of the views of the CEO with regard to the amount, level and structure of his or her remuneration.
b) Total Direct Compensation and Peer Group

The CEO’s total direct compensation ("Total Direct Compensation") comprises a base remuneration ("Base Salary"), an annual variable short-term remuneration ("Variable Remuneration" or "VR") and an award under the LTI plan ("LTIP"). The three elements of the Total Direct Compensation are each intended to comprise one third of the total, assuming the achievement of performance conditions is 100% of the applicable targets. The level of the Total Direct Compensation for the CEO (Base Salary, VR and LTIP) is set by reference to the median of an extensive peer group (as described in paragraph 4.2.1.3 item a) below) and takes into account the scope of the role of the CEO, and the level and structure of executive rewards within the Company. The benchmark is regularly reviewed by the RNGC, with the support of an independent consultant, and is based on a peer group which comprises:

- global companies in the Company’s main markets (France, Germany, UK, Spain and US), excluding financial institutions; and
- companies operating in the same industries as the Company worldwide.

The elements of the Total Direct Compensation are described below:

<table>
<thead>
<tr>
<th>Remuneration Element</th>
<th>Main Drivers</th>
<th>Performance Measures</th>
<th>Target and Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Salary (in €)</td>
<td>Reflects market value of position.</td>
<td>Not applicable</td>
<td>1/3 of Total Direct Compensation (when performance achievement is 100% of target).</td>
</tr>
<tr>
<td>Variable Remuneration (in €)</td>
<td>Rewards annual performance based on achievement of Company performance measures and individual objectives.</td>
<td>Collective (50% of VR): divided between EBIT(^{(1)}) (40%); Free Cash Flow(^{(2)}) (40%) and Sustainability (20%).</td>
<td>The VR is targeted at 100% of Base Salary for the CEO and depending on the performance assessment, ranges from 0% to 200% of target. The VR is capped at 200% of Base Salary.</td>
</tr>
<tr>
<td>LTIP (in Units and/or Shares)</td>
<td>Rewards long-term commitment and Company performance, and engagement based on financial targets aligned with long-term objectives subject to cumulative performance over a three-year period.</td>
<td>Vesting, subject to performance over a three-year period.</td>
<td>The original allocation to the CEO is capped at 100% of Base Salary at the time of grant. Vesting capped at 150% of initial grant (in number of Performance Shares and/or Units). In addition, for the vesting of Performance Units: - overall pay-out is capped at 250% of the original value at the date of grant; - the value that could result from share price increases is capped at 200% of the reference share price at the date of grant.</td>
</tr>
</tbody>
</table>

\(^{(1)}\) The Company continues to use the term EBIT (earnings before interest and taxes). It is identical to Profit before finance cost and income taxes as defined by IFRS Rules.

\(^{(2)}\) During 2023 Airbus defines the alternative performance measure FCF as the sum of (i) cash provided by operating activities and (ii) cash used for investing activities, less (iii) change of securities, (iv) contribution to plan assets for pension schemes, (v) realised treasury swaps and (vi) bank activities. It is a key indicator which allows the Company to measure the amount of Cash Flow generated from operations after cash used in investing activities.

The following graphic depicts three relevant scenarios for the outcome of the Total Direct Compensation:

Indications assume a Base Salary of EUR 1.485 million.

“Below Threshold” includes annual Base Salary; VR at 0%; LTIP not vesting.

“Target” includes Base Salary, VR at target and LTIP grant face value in cash and/or in shares.

“Maximum” includes Base Salary; maximum VR value (200% of VR at target); maximum LTIP cash grant projected at vesting date (250% of grant value); maximum performance applicable to the number of shares granted (150%). The final value of Performance Shares depends on the share price development which is not capped. Illustrative table for a theoretical grant of 50% Shares / 50% Units.
4. Corporate Governance
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c) Base Salary
The CEO’s Base Salary is determined by the Board of Directors, taking into account the peer group analysis mentioned above.

d) Annual Variable Remuneration
The Variable Remuneration is a cash payment that is paid following the end of each financial year, depending on the achievement of specific and challenging performance targets as determined at the beginning of each financial year. The level of the CEO’s variable remuneration is targeted at 100% of the Base Salary; it is capped at a maximum level of 200% of the Base Salary. The entire Variable Remuneration is at-risk, and therefore if performance targets are not achieved as per the defined objectives agreed by the Board of Directors, it may mean that no variable remuneration is paid at all.

The performance measures that are considered when awarding the variable remuneration to the CEO are split between common collective performance measures and individual performance measures.

Common Collective Component
The common collective component is based on earnings before interest and taxes (“EBIT”) (40%), Free Cash Flow (40%) and sustainability (20%) objectives (the “Common Collective Component”). At the beginning of each year, the Board of Directors sets the targets for these key value drivers at Company and Division levels. The common collective targets relate closely to internal planning and to guidance given to the capital markets (although there may be variations from these). The key value drivers that form the sustainability component will be determined by the Board of Directors and disclosed in the implementation section of the Company’s remuneration report for the relevant financial year. They can be related to matters such as health & safety, climate and/or people.

To calculate the common collective annual achievement levels, actual EBIT, Free Cash Flow and sustainability performance are compared against the targets that were set for the year. This comparison forms the basis for computing achievement levels, noting that the actual EBIT, Free Cash Flow levels are occasionally normalised for a limited number of factors which are outside management’s control (such as certain foreign exchange impacts or unplanned merger and acquisition activities). The RNGC’s intention is to ensure ambitious financial and sustainability targets, and to incentivise the CEO’s commitment to meeting these targets.

The graphic below illustrates the Common Collective Component, how it is measured and what the key value drivers are:

---

**Individual Component**
The individual element (“Individual Component”) focuses on outcomes and behaviour (as defined below). Individual performance is assessed in these two important dimensions, which both contribute to the Company’s remuneration philosophy. Among other matters, corporate social responsibility and the Company’s corporate values are considered as part of this assessment:

- Outcomes encompass various aspects of what the CEO can do to contribute to the success of the business: specific business results he achieves, projects he drives and processes he improves. The individual targets of the CEO are comprehensive and shared with all employees via the Top Company Objectives.
- Behaviour refers to the way results have been achieved, which is also critical for long-term success: how the CEO and the Board of Directors work as a team, how the CEO leads the Executive Committee, quality of communication, encouragement of innovation, etc. A specific part of the behaviour assessment relates to ethics, compliance, quality and other sustainability matters.
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The performance of the Individual Component is measured by the RNGC for the CEO and for all the other members of the Executive Committee.

The RNGC discusses the level of achievement of every single target and derives a combined target achievement level for the outcomes. The behavioural part of the Individual Component is also discussed by the RNGC and constitutes an adjustment factor for the target achievement of the outcomes. Finally, the RNGC proposes to the Board of Directors the compound Individual Component of the CEO target achievement made up from the outcomes and behavioural achievements.

e) Long-Term Incentive Plan

The CEO participates in the Company’s LTIP in order to help reinforce alignment with shareholders’ interests. The LTIP allows the award of Performance Units (“Performance Units” or “Units”) and/or Performance Shares (“Performance Shares” or “Shares”).

The value of the CEO’s LTIP allocation is capped at 100% of the Base Salary at the date of grant, and subject to performance conditions. The achievement of the performance criteria is assessed by the RNGC after a three-year period, based on relevant financial criteria during this period, with stringent targets having been set in advance and agreed by the Board of Directors at the recommendation of the RNGC.

At the end of this three-year period, the grant is subject to a performance calculation to determine whether and to what extent it should vest. Depending on this calculation, (i) Performance Units will vest in two tranches, the payment of which takes place approximately six and 18 months following the end of the performance period and (ii) Performance Shares will vest in one tranche, approximately six months following the end of the performance period. This is depicted in the graphic below:

```
GRANT DATE
Face value at grant date
Allocation policy

Performance period 3 years

Performance calculation determines the number of Units and Shares that may vest

Y Y+1 Y+2 Y+3 Y+4 Y+5

Vesting in CASH X
Vesting in SHARES X

The vesting of Performance Shares and Units is subject to the following performance measures:
- 0-50% of the allocation: In principle, this element of the Performance Unit / Share award will not vest if the Company reports negative cumulated EBIT results. Nonetheless, in case the Company’s EBIT results are impacted by exceptional and unpredictable circumstances, the Board of Directors, upon recommendation of the RNGC, may decide that a maximum portion of 50% of the allocation will vest;
- 50-150% of the allocation: This element of the Performance Unit / Shares vests based on the two following performance criteria: average earnings per share (75%) (“Earnings per Share” or “EPS”) and cumulative Free Cash Flow (25%).

<table>
<thead>
<tr>
<th>Earnings per Share (75%)</th>
<th>Free Cash Flow (25%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average over 3 years, €</td>
<td>Measures cash generation</td>
</tr>
<tr>
<td></td>
<td>Driven by net income and number of shares</td>
</tr>
<tr>
<td></td>
<td>Measures profitability</td>
</tr>
<tr>
<td></td>
<td>Driven by cash provided by/used for operating and investment activities</td>
</tr>
</tbody>
</table>
```

The vesting of Performance Units and Shares is subject to the following maximum caps:
- the maximum level of vesting is 150% of the number of Units/Shares granted.

The vesting of Performance Units is subject to the following maximum caps:
- the value that could result from share price increases is capped at 200% of the reference share price at the date of grant; and
- the overall pay-out is capped at 250% of the value at the date of grant.

Performance Units and Performance Shares that vest in accordance with the terms and conditions applicable to them are settled without further action being required by the beneficiary.

For each payment in cash, one Unit is equal to the value of one Airbus SE share at the time of vesting. The Airbus SE share value is the average of the opening share price, on the Paris Stock Exchange, during the 20 trading days preceding and including the respective vesting dates.
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f) Share Ownership Guideline
The Board of Directors has established a share ownership guideline pursuant to which the CEO is expected to acquire Airbus SE shares with a value equal to 200% of the Base Salary and to hold them throughout his or her tenure.

g) Benefits
The benefits offered to the CEO are similar to the benefits granted to other executives of the Company and comprise, among other matters, medical, death and disability coverage (both through a social security system or a company plan, depending on the contractual agreement with the CEO), a company car and usual facilities.

Unless the law provides otherwise, the costs and expenses of the CEO are covered, including reasonable costs of defending claims, under the conditions set forth in the insurance policy subscribed by the Company. Under circumstances excluded by the insurance policy, such as an act or failure to act by the CEO that can be characterised as intentional, intentionally reckless, or seriously culpable, there will be no entitlement to any coverage.

h) Retirement
The CEO is entitled to retirement benefits through mandatory applicable state and collective pension plans.

The CEO participates also in a Company pension contributions based plan. This plan consists of an annual pension contribution of 20% of the annual pensionable remuneration (as described in paragraph 4.2.1.3 item h) below) subject to applicable local practices (if any).

i) Clawback
In accordance with Dutch law, the Board of Directors may adjust a “bonus” (as defined under Dutch law, including short-term remuneration and awards under the Long-Term Incentive Plan subject to performance criteria) awarded to the CEO to a suitable level, if payment or satisfaction of that bonus would be unacceptable under the standards of reasonableness and fairness. Also, the Company may reclaim a bonus already paid, in whole or in part subject to applicable local legal requirements, if any, to the extent that such payment was made on the basis of incorrect information regarding the achievement of the targets, objectives and/or conditions underlying the bonus or regarding the circumstances on which the bonus was dependent. The Non-Executive Directors, or a special representative designated by the general meeting, may demand such repayment on the Company’s behalf.

Any such adjustment or clawback will be reported in the notes of the relevant Financial Statements of the Company.

j) Loans
The Company does not provide loans or advances to the CEO.

k) Severance
In case of termination of the CEO’s duties at the initiative of the Board of Directors, the CEO shall be entitled to an indemnity equal to one (1) time the last Total Annual Remuneration (defined as Base Salary and VR most recently paid) subject to applicable local legal requirements (if any), and provided that the performance conditions (as described in paragraph 4.2.1.3 item k) below) assessed by the Board of Directors have been fulfilled. If the CEO’s appointment as member of the Board of Directors terminates within a period of 12 months or less prior to his retirement date, the termination indemnity will be limited by pro-rating its amount. This will not apply if the CEO’s mandate is terminated for cause (misconduct), or in case of resignation or termination on or after his retirement date.

The CEO’s appointment terms and conditions include a non-compete clause, which applies for a maximum of one year. The compensation under the non-compete clause is equal to 50% of the last total annual remuneration (defined as Base Salary and VR most recently paid), subject to applicable local legal requirements (if any), and paid in monthly instalments.

Past LTIP awards may be maintained, in the event of retirement or if a mandate is not renewed by the Company for a reason other than cause (misconduct). The vesting of past LTIP awards follows the rules and regulations of the LTIP, including performance conditions, and is not accelerated in any case. LTIP awards are forfeited for executives who leave the Company at their own initiative, however this is subject to review by the Board of Directors.

The term of the CEO’s appointment is linked to his or her mandate as a member of the Board of Directors. The termination of the CEO’s appointment may be subject to a notice period of six months, except if the CEO’s appointment is terminated for cause (misconduct), in which case the CEO’s appointment may be terminated immediately, or in case of non-renewal of the CEO’s mandate, by the general meeting.

4.2.1.2 Non-Executive Remuneration – Applicable to Non-Executive Directors

The Company’s Remuneration Policy with regard to Non-Executive Directors aims at ensuring fair compensation and protecting the independence of the Board’s Members. Their remuneration should be commensurate to the time spent and the responsibilities of their role on the Board of Directors.

Fees and Entitlements
Non-Executive Directors are entitled to the following remuneration components:
– a base fee for membership or chair of the Board of Directors;
– a Committee fee for membership or chair on each of the Board’s Committees;
– an attendance fee for the attendance of Board meetings (subject to such conditions as may be imposed by the Board of Directors at the recommendation of the RNGC); and
– an attendance fee for the attendance of Committee meetings if and when such Committees would have more than four Committee meetings per year (whether these meetings are held physically or by phone).

Each of these fees is a fixed amount that is determined by the Board of Directors from time to time, at the recommendation of the RNGC.

Committee chairmanship and Committee membership fees are cumulative if the concerned Non-Executive Director belongs to two different Committees. Fees are paid twice a year at the end of each semester (as close as possible to the Board meeting dates).
Non-Executive Directors do not receive any performance or equity-related compensation, and do not accrue pension rights with the Company in the frame of their mandate, except what they would receive in the frame of a current or past executive mandate. These measures are designed to ensure the independence of Board Members and strengthen the overall effectiveness of the Company’s corporate governance.

The Company does not encourage Non-Executive Directors to purchase Airbus SE shares.

The Company does not provide loans or advances to the Non-Executive Directors.

Unless the law provides otherwise, the Non-Executive Directors shall be reimbursed by the Company for various costs and expenses, including reasonable costs of defending claims. Under certain circumstances, such as an act or failure to act by a Member of the Board of Directors that can be characterised as intentional, intentionally reckless, or seriously culpable, there will be no entitlement to this reimbursement.

4.2.1.3 Implementation of the Remuneration Policy in 2023: CEO

This paragraph 4.2.1.3 describes how the Remuneration Policy was implemented in 2023 with respect to the CEO (Mr Guillaume Faury). As a reminder, the AGM held in 2020 approved the Remuneration Policy through resolution five with a very high level of support.

In line with the Remuneration Policy and the expectation of the RNGC and the Board of Directors, the philosophy of the remuneration policy aims to provide remuneration that will attract, retain and motivate high-calibre executives, while taking into account best practices as well as employee and shareholder considerations. It should help to ensure that the Company achieves its strategic and operational objectives, thereby delivering sustainable returns for all shareholders and other stakeholders in a manner consistent with the Company’s identity, mission and corporate values.

**a) Benchmarking**

Upon the request of the RNGC, a benchmark was performed in June 2023 by an independent third party, following an approach consistent with that applied for the previous benchmark performed in 2021.

To consider the Company’s operations and employees’ breakdown by geographic areas, the relevant peer group was composed of 55 companies selected from the CAC40 in France, the DAX 40 in Germany, the FTSE 100 in the UK, the IBEX 35 in Spain and the Dow 30 in the US, having comparable economic indicators such as revenues, number of employees and market capitalisation, and providing perspective on compensation practices from direct or indirect competitors.

In particular, US companies were included in this peer group since Airbus has direct competitors in the US and since Airbus has senior executives in the US where it competes to recruit talents. However, and considering the very unique US pay practices and as Airbus executives are mainly based in Europe, US companies were only weighted at 10%. The data was compounded using the following weighting: France 30%, Germany 30%, Spain 15%, the United Kingdom 15% and the USA 10%.

Financial institutions were excluded from the peer group.

The updated benchmark shows that globally the Total Target Cash (Base Salary + Variable Remuneration) of the peer group increased by around 7% while the Total Direct Compensation (Base Salary + Variable Remuneration + LTIP) of the peer group increased by around 10%, versus the previous benchmark.

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(1) **Peer group:**

- **France:** Air Liquide, Danone, Dassault Systèmes, Engie, Safran SA, Saint-Gobain, Sanofi, Schneider Electric, Stellantis, Thales, Total, Vinci.
- **Germany:** BASF, Bayer, BMW, Continental, Deutsche Post, Deutsche Telekom, E.ON, Henkel, Mercedes, SAP, Siemens, Volkswagen.
- **Spain:** Aena, Amadeus IT, Cellnex, Endesa, Ferrovial, Iberdrola, Inditex, Naturgy, Repsol, Telefónica.
- **UK:** Bae Systems, BAT, BP, Diageo, GSK, Rio Tinto, Rolls Royce, Shell, Tesco, Unilever, Vodafone.
- **US:** 3M, Boeing, Caterpillar, Fedex, GE, General Dynamics, IBM, Lockheed, Northrop Grumman, Raytheon.
The comparison of the remuneration of the CEO versus the market range is as follows:
– the Total Target Cash of the CEO (€2,970,000) is below the median market range of the peer group by more than 7% (i.e. €3,215,000);
– the Total Direct Compensation of the CEO (€4,455,000) is below the median level of the peer group by more than 34% (i.e. €6,825,000).

In addition to external benchmarks, the RNGC also considers the remuneration of employees through the review of the evolution of the pay ratio (see 4.2.1.3 item (j)).

The Board of Directors, under recommendation of the RNGC, decided to maintain the current remuneration of the CEO.

b) Base Salary
The 2023 CEO Base Salary level on a full year basis is unchanged compared to 2022 and amounts to €1,485,000 (still below the Base Salary of the former CEO: €1,500,000 in 2019).

c) Variable Remuneration
As stipulated in the Remuneration Policy, the CEO’s VR is targeted at 100% of the Base Salary and capped at 200% of the Base Salary. It is subject to the fulfilment of collective and individual performance targets.

For 2023, the VR of the CEO amounts to an aggregate of €1,915,650 composed of €913,275 (48%) for the Common Collective Component and €1,002,375 (52%) for the Individual Component.
Performance Achievement – Common Collective Component

According to the policy applicable for the financial year 2023, the Common Collective Component for the Company consolidated achievement has been assessed at 123% by the RNGC and the Board of Directors in February 2024, against the target letters validated at the beginning of 2023 and that include detailed vesting scales for each criteria\(^1\). It is based on an achievement of 80% of target EBIT, 166% of target Free Cash Flow, and 122% of target sustainability (which is based on achievement of 200% of target reduction of CO\(_2\) emissions and 43% of target reduction of FR1).

These criteria and their assessment apply to all Executives having a Common Collective Component in their variable remuneration and since 2022, this has also been extended to all Senior Managers. Therefore, approximately 4,950 employees receive a collective bonus based on the achievements mentioned above.

- In 2023, the rolling FR1 remained stable in Airbus Commercial, decreased by more than 30% in Airbus Helicopters and increased in Airbus Defence and Space, leading to a consolidated achievement of 43%. For further details, please refer to Section 1.2.9 - Health and Safety.
- In 2023, the CO\(_2\)e decreased by 15% (reduction of circa 103 ktons), which is above the targeted reduction of 0.9%, leading to an achievement of 200%. For further details, please refer to Section 1.2.2 - Climate Change.

For 2024, the Board of Directors decided to maintain the sustainability component as follows: FR1 for 50% and CO\(_2\) avoidance for 50%. The targets for 2024 are:
- a reduction of the rolling FR1 by 15% in Airbus Commercial and Airbus Defence and Space (the rolling FR1 in these two divisions at the end of 2023 being above 1 and by 10% in Airbus Helicopters (the rolling FR1 for this division at the end of 2023 being below 1 versus the actual 2023 rolling FR1);
- annual targets are set in line with the Company’s 2030 roadmap; they refer to a material sub-scope of its operations on which the Company can have a more direct control and influence. The CO\(_2\)e for 2024 was set in absolute value at 581 ktons, which represents a reduction of 3% vs. 2023 (after scope extension). For further details, please refer to “– 1.2.2 Climate Change”.

\(^1\) While the Company is paying all due attention to investors’ feedback, for sensitivity reasons, specific information on vesting scale (threshold, target, maximum) is not disclosed.
Overview on Individual Component achievements:
The Chief Executive Officer’s Individual Component of the 2023 Annual Variable Remuneration was assessed by reviewing whether the objectives defined by the Board of Directors at the beginning of 2023 had been achieved. Following a review by the RNGC and the Board of Directors in February 2024 this assessment resulted in an overall achievement level of 135%.

<table>
<thead>
<tr>
<th>Individual Component</th>
<th>Weight</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome element</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Company Objectives (communicated to all employees of the Company and shared with the Executives and Managers of the Company)</td>
<td>30%</td>
<td>120%</td>
</tr>
<tr>
<td>Individual objectives (how the CEO contributes to the success of the Company)</td>
<td>60%</td>
<td>140%</td>
</tr>
<tr>
<td>Behaviour element</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>150%</td>
</tr>
</tbody>
</table>

2023 CEO’s Individual Component performance achievement 135%

The Individual Component has been assessed according to two sets of complementary elements:

I. Outcomes element

The outcome element is composed of:

– The Top Company Objectives: accounting for 30% of the total CEO Individual Component, which are shared with Executives and Managers of the Company to promote collective alignment;

In 2023, there was an intention to create a truly shared spirit of collective engagement and solidarity across the Commercial Aircraft business towards the ultimate operational target consisting of reaching the delivery guidance, hence increasing the Company’s productivity and efficiency. It translated into an individual objective shared by around 6,000 key contributors to the Commercial Aircraft business.

Despite a complex operational environment, 735 aircraft were delivered (versus a guidance of around 720) in 2023.

– The CEO’s Individual objectives: accounting for 60% of the total Individual Component, they encompass various aspects of what the CEO can do to contribute to the success of the Company, such as specific business results he achieves, projects he drives and processes he improves.

As disclosed in the 2022 Universal Registration Document, published in April 2023, the individual priorities of the CEO for 2023 comprised: operational performance, market position in commercial aviation, major European defence programmes, Environment, Social and Governance topics, Digital and Decarbonisation roadmap, leadership team development and portfolio management.
OVERVIEW OF THE 2023 CEO’S INDIVIDUAL OBJECTIVES:

<table>
<thead>
<tr>
<th>2023 CEO’s Individual objectives</th>
<th>Weight</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational performance</td>
<td>5%</td>
<td>140%</td>
</tr>
<tr>
<td>Market position in commercial aviation</td>
<td>15%</td>
<td>200%</td>
</tr>
<tr>
<td>Major European defence programmes</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Environment, Social and Governance topics</td>
<td>10%</td>
<td>150%</td>
</tr>
<tr>
<td>Digital</td>
<td>10%</td>
<td>125%</td>
</tr>
<tr>
<td>Leadership team development and portfolio management</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>Total 2023 CEO’s Individual objectives</td>
<td>60%</td>
<td>140%</td>
</tr>
</tbody>
</table>
II. Behaviour element
The CEO behavioural element accounts for 10% of the total Individual Component and refers to the way results have been achieved, which is also critical for long-term success: how the CEO and the Board of Directors work as a team, how the CEO leads the Executive Committee, his communication skills, his appetite for innovation and for driving changes.

With his extensive operational knowledge, his global outlook and strong personal values, the CEO has demonstrated throughout the year, despite the various challenges, an exceptionally resilient mind-set and personal skills to successfully lead the Company.

For the year 2024, the Board has set the following priorities for the CEO:
1. implement strategy, including but not limited to portfolio optimisation for value creation;
2. execute the product roadmap balancing short term and long term goals;
3. improve our geopolitical resilience in a more fragmented world;
4. be the catalyst for future European aerospace cooperation and Protect and deliver major defence programmes milestones;
5. drive organisational change and develop the leadership team for the future;
6. enable execution on our Digital and Decarbonisation roadmap;
7. oversee and ensure the Commercial Aircraft ramp up and guidance.

d) Long-Term Incentive Plan

2023 Grant
In 2023, under the Company’s LTIP, the Board decided to grant only Performance Shares, and no Performance Units. This applies to the CEO as well as to all beneficiaries of LTIP. The value of the Performance Share award has been capped at 100% of the Base Salary, in line with the current Remuneration Policy as validated by the AGM 2020, which then represents one third of the CEO’s target Total Direct Compensation. The table below gives an overview of the Performance Shares granted to the CEO in 2023 pursuant to the LTIP:

<table>
<thead>
<tr>
<th>SHARE PLAN: NUMBER OF PERFORMANCE SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Guillaume Faury</td>
</tr>
</tbody>
</table>

The grants in 2023 were performed in compliance with the performance measures (average EPS (75%) and cumulative FCF (25%)) described in paragraph 4.2.1.1 item e). As per the current Remuneration Policy, the Performance Shares granted in 2023 will vest in one tranche in May 2027.

Vesting Values in 2023
In 2023, the CEO received both cash payments and vested shares in connection with the vesting of 2018 and 2019 LTIP awards:
- cash: the total cash payment to the CEO amounted to €304,862 in 2023;
- shares: in connection with the 2019 LTIP award, the CEO received 2,765 vested shares on 11 May 2023.
### LTIP overview: granting and vesting

<table>
<thead>
<tr>
<th>Date of grants</th>
<th>Grant Type</th>
<th>Number</th>
<th>Share price at grant</th>
<th>Value at grant date</th>
<th>Performance achievement</th>
<th>Units with performance achievement</th>
<th>Dates of vesting</th>
<th>Share value at vesting dates&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Unit</td>
<td>4,208</td>
<td>€ 106.94</td>
<td>€ 450,004</td>
<td>50%</td>
<td>2,104</td>
<td>2 vestings in 2022-2023</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; vesting 12 May 2022 € 105.15</td>
</tr>
<tr>
<td>2018</td>
<td>Share</td>
<td>4,208</td>
<td>€ 106.94</td>
<td>€ 450,004</td>
<td>50%</td>
<td>2,104</td>
<td>1 vesting in 2022</td>
<td>12 May 2022 € 104.4</td>
</tr>
<tr>
<td>2019</td>
<td>Unit</td>
<td>5,530</td>
<td>€ 122.06</td>
<td>€ 674,992</td>
<td>50%</td>
<td>2,766</td>
<td>2 vestings in 2023-2024</td>
<td>11 May 2023 € 125.20</td>
</tr>
<tr>
<td>2019</td>
<td>Share</td>
<td>5,530</td>
<td>€ 122.06</td>
<td>€ 674,992</td>
<td>50%</td>
<td>2,765</td>
<td>1 vesting in 2023</td>
<td>11 May 2023 € 122.04</td>
</tr>
<tr>
<td>2020</td>
<td>Unit</td>
<td>9,920</td>
<td>€ 68.04</td>
<td>€ 674,957</td>
<td>150%</td>
<td>14,880</td>
<td>2 vestings in 2024-2025</td>
<td>Not yet known</td>
</tr>
<tr>
<td>2020</td>
<td>Share</td>
<td>9,920</td>
<td>€ 68.04</td>
<td>€ 674,957</td>
<td>150%</td>
<td>14,880</td>
<td>1 vesting in 2024</td>
<td>Not yet known</td>
</tr>
<tr>
<td>2021</td>
<td>Share</td>
<td>12,121</td>
<td>€ 111.38</td>
<td>€ 1,350,037</td>
<td>Not yet known</td>
<td>Not yet known</td>
<td>1 vesting in 2025</td>
<td>Not yet known</td>
</tr>
<tr>
<td>2022</td>
<td>Share</td>
<td>14,115</td>
<td>€ 105.20</td>
<td>€ 1,484,898</td>
<td>Not yet known</td>
<td>Not yet known</td>
<td>1 vesting in 2026</td>
<td>Not yet known</td>
</tr>
<tr>
<td>2023</td>
<td>Share</td>
<td>11,619</td>
<td>€ 127.81</td>
<td>€ 1,485,024</td>
<td>Not yet known</td>
<td>Not yet known</td>
<td>1 vesting in 2027</td>
<td>Not yet known</td>
</tr>
</tbody>
</table>

Calculations may involve rounding to the nearest unit.

<sup>(1)</sup> Vesting will occur according to the respective rules and regulations of each plan.

100% of units and shares granted are conditional to the achievement of performance conditions.

NOTE: 2017 to 2018 awards were granted to Mr Faury before his appointment as CEO and should vest during his mandate. Calculations may involve rounding to the nearest unit.

### Performance Conditions of LTIP 2020

- The performance conditions for LTIP 2020 were determined as follows: if the Company reports a positive cumulative EBIT, a minimum portion of 50% of the Performance Units / Shares vest. If the Company reports a negative cumulative EBIT resulting from exceptional circumstances, the Board of Directors can decide at its sole discretion to vest a maximum portion of 50% of the Performance Units / Shares.
- 50% to 150% of the allocation would be granted depending on the compounded achievement of the two following performance criteria:
  - 75% of average EPS (“Ave EPS”): determined on a linear basis depending on three-year Ave EPS for the 2021, 2022 and 2023 fiscal years, with the three-year Ave EPS target for an allocation of 100% equal to € 2.52; and
  - 25% of cumulative FCF (“Cum FCF”): determined on a linear basis depending on three-year Cum FCF for the 2021, 2022 and 2023 fiscal years, with the three-year Cum FCF target for an allocation of 100% equal to € 1,951 million.
**Review of Achievement of Performance Conditions**

In February 2024, the Board of Directors noted the achievement of the performance conditions of the 2020 plan, i.e. for the 2021, 2022 and 2023 fiscal years. The three-year average EPS was €5.19 and the three-year Cum FCF was €11,720 million.

The overperformance of the 2020 plan is due to a faster than expected recovery from the COVID 19 pandemic. As a reminder, the 2020 plan was granted in October 2020 when the impact of the pandemic for the years 2021, 2022 and 2023 was still extremely difficult to predict.

For reasons of confidentiality, the precise targets set for the average EPS and cumulative Free Cash Flow, even though they have been properly established and validated in a suitable manner, cannot be publicly disclosed as these objectives are considered as competitive sensitive information. Nonetheless, in the spirit of providing the highest level of transparency to our shareholders and to adhere to best practices, retrospective information demonstrating the stringency of the targets set by the Board of Directors is provided for the previous LTIP, as follows:

<table>
<thead>
<tr>
<th>Date of grants</th>
<th>KPI</th>
<th>Number of units</th>
<th>Target for a 100% allocation</th>
<th>Achieved</th>
<th>Performance achievement in percentage</th>
<th>Compounded performance achievement in percentage</th>
<th>Resulting vesting in number</th>
<th>For comparison, average EPS for the last 3 reported years at the date of grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Ave EPS</td>
<td>8,416</td>
<td>€6.73</td>
<td>€2.27</td>
<td>50%</td>
<td>50%</td>
<td>4,208</td>
<td>€2.81(1)</td>
</tr>
<tr>
<td></td>
<td>Cum FCF</td>
<td></td>
<td>€13,000m</td>
<td>€3,230m</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Ave EPS</td>
<td>11,060</td>
<td>€7.72</td>
<td>€3.10</td>
<td>50%</td>
<td>50%</td>
<td>5,530</td>
<td>€2.98(1)</td>
</tr>
<tr>
<td></td>
<td>Cum FCF</td>
<td></td>
<td>€13,150m</td>
<td>€4,320m</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>Ave EPS</td>
<td>19,840</td>
<td>€2.52(2)</td>
<td>€5.19</td>
<td>150%</td>
<td>150%</td>
<td>29,760</td>
<td>€2.27(4)</td>
</tr>
<tr>
<td></td>
<td>Cum FCF</td>
<td></td>
<td>€1,951(2)</td>
<td>€11,720</td>
<td>150%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Average EPS of 2017, 2016 and 2015.  
(5) Please note that this target was set during the COVID pandemic, and reflects the difficulty in accurately forecasting the performance of the Company's businesses during that period.

Based on the above, the ratio between the fixed part of the remuneration of the CEO in 2023 (Base Salary, annual contribution to the Company’s defined contribution pension plan and benefits) and the variable part of the remuneration (Variable Remuneration related to 2023 paid-out in 2024 and LTIP vesting in 2023) is 47% / 53% (2022: 48% / 52%).

**e) Share Ownership**

The CEO owned 29,364 Airbus SE shares on 31 December 2023 which represents a value higher than 200% of his Base Salary, in compliance with the Share ownership guideline (see “– 4.2.1.1. f. – Share ownership guideline”). Please refer to the AFM website www.afm.nl for any further information related to the transactions of the CEO.

**f) Employee Share Ownership Plan (ESOP)**

In March 2023, the Company offered all eligible employees the opportunity to subscribe to a share matching plan, through which the Company matches a certain number of directly acquired shares with a grant of matching shares. This ratio varies depending on the number of shares acquired at fair market value by the employees, with a maximum discount of 50%. The total offering was up to 2.2 million shares of Airbus SE, open to all qualifying employees. Information about the plan can be found on the Company’s website.

Under the umbrella of the ESOP 2023, a dedicated UK tax advantageous Share Incentive Plan (“SIP”) was also deployed in March 2023.

Although the CEO was eligible for the plan, he did not participate in the ESOP 2023 plan, leaving more shares for employees in order to favour the development of employee shareholding.

**g) Benefits**

Costs of benefits provided through applicable mandatory collective and social security plans are accounted for among social charges (please refer to Note 33 to the IFRS Consolidated Financial Statements for further details). The monetary value of other benefits provided to the CEO in 2023 amounts to €34,969 (vs €32,734 in 2022).

**h) Retirement**

Until the end of 2019, the retirement benefit of the CEO accrued through a defined benefit commitment. Following the Board of Directors decision approved in the AGM 2020, the accrued pension rights under this commitment have been frozen based on the seniority of the CEO as Executive Committee member at the end of 2019. A replacement target ratio has therefore been set at 52% of his Base Salary (i.e. 26% of the sum of his Base Salary and his target VR) and will no longer accrue. The pension rights under this commitment remain unvested until the retirement date of the CEO.

The pension rights arising from the Company’s defined contribution plan (i.e. contribution of 20% of the pensionable remuneration, which is the Base Salary and the most recently paid VR) are deducted from the frozen pension rights described above.

The present value of the remaining CEO’s pension obligation related to the frozen defined benefit commitment is estimated annually by an independent actuarial firm according to the international accounting standard IAS19 as applied by the Company for post-employment benefits.
As of 31 December 2023, the defined benefit obligation related to the frozen defined benefit commitment amounted to €3,875,518 (2022: €6,895,263). This obligation has been accrued in the 2023 Consolidated Financial Statements and will be updated annually up to the retirement date of the CEO considering additional service cost and future changes on economic assumptions or other factors like salary increase.

The decrease in the defined benefit obligation is mainly due to the change in retirement age following the pension reform in France in 2023. This change has been considered as a plan amendment and leads to the recognition of a profit in EBIT.

For the fiscal year 2023, the cost related to the CEO’s pension rights accrued under Company’s plans during the year represented a net profit of €1,049,054 composed by an expense of €1,404,951 and the effect of the French pension reform leading to a release of provision of €2,454,066 (2022: expense of €1,385,222).

The annual cost of pension rights accrued under applicable mandatory collective and state pension plans are accounted for among social charges (please refer to Note 33 to the IFRS Consolidated Financial Statements for further details).

i) Clawback
The Board of Directors did not apply any clawback in 2023.

j) Pay Ratio
The Dutch Corporate Governance Code recommends that the Company provides a ratio comparing the compensation of the CEO and that of a “representative reference group” determined by the Company.

The Company’s pay ratio is calculated by comparing the compensation of the CEO with the average compensation of employees, which is derived from the number of employees and the personnel expenses disclosed in the Financial Statements (see Notes 28 and 29).

The ratio between the compensation of the CEO (including base salary, variable remuneration, social charges, benefits, pension contributions and LTIP grant face value) and the average compensation of full-time equivalent employees for the fiscal year to which this document relates is approximately 70 (2022: 74; 2021: 56; 2020: 64; 2019: 64). (1)

k) Severance
No payment has been made to the CEO in 2023 related to severance or other termination indemnity.

Under the current CEO’s appointment terms and conditions, the payment of an indemnity in case of termination would be subject to performance conditions. These conditions would be fulfilled if the collective and individual components of the VR for the last two financial years preceding the financial year during which the termination occurs have been assessed by the Board of Directors at 100% or more.

l) Development of the compensation
The table below provides an overview of the development of the direct cash compensation paid to the CEO during a financial year composed by the Base Salary plus the VR (as defined below) and of the Employee Compensation (as defined below).

<table>
<thead>
<tr>
<th>Financial year</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. CEO’s direct cash compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Base Salary (in € thousand)</td>
<td>1,485</td>
<td>1,485</td>
<td>1,350</td>
<td>1,350</td>
<td>1,392(2)</td>
</tr>
<tr>
<td>VR (in € thousand)(3)</td>
<td>2,042</td>
<td>2,241</td>
<td>1,404</td>
<td>1,553</td>
<td>2,318</td>
</tr>
<tr>
<td>Total</td>
<td>3,527</td>
<td>3,726</td>
<td>2,754</td>
<td>2,903</td>
<td>3,710</td>
</tr>
<tr>
<td>Annual Variation</td>
<td>-5.3%</td>
<td>+35%</td>
<td>-5.1%</td>
<td>-21.8%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>II. Long Term Incentive Plan (in € thousand)(3)</td>
<td>1,485</td>
<td>1,485</td>
<td>1,350</td>
<td>1,350</td>
<td>1,350</td>
</tr>
<tr>
<td>III. Company Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT Adjusted (in € million)</td>
<td>5,838</td>
<td>5,627</td>
<td>4,865</td>
<td>1,706</td>
<td>6,946</td>
</tr>
<tr>
<td>Annual Variation</td>
<td>+4%</td>
<td>+16%</td>
<td>+185%</td>
<td>-75%</td>
<td>+19%</td>
</tr>
<tr>
<td>FCF before M&amp;A and customer financing (in € million)</td>
<td>4,386</td>
<td>4,680</td>
<td>3,515</td>
<td>(6,935)</td>
<td>3,509</td>
</tr>
<tr>
<td>Annual variation</td>
<td>-8%</td>
<td>+33%</td>
<td>n.a</td>
<td>-298%</td>
<td>+21%</td>
</tr>
<tr>
<td>IV. Employee Compensation (in € thousand)(3)</td>
<td>81.8</td>
<td>79.1</td>
<td>71.6</td>
<td>72.0</td>
<td>75.1</td>
</tr>
<tr>
<td>Annual Variation</td>
<td>+3.2%</td>
<td>+10.5%</td>
<td>-0.6%</td>
<td>-4.1%</td>
<td>+2.0%</td>
</tr>
</tbody>
</table>

(1) Base salary 2019 relates to the former CEO up to 10 April 2019 and to the current CEO from 10 April 2019.
(2) VR paid during the financial year at stake in relation to the previous financial year. In 2020, the VR paid is related to the former CEO from 1 January 2019 up to 10 April 2019 (based on target) and to the current CEO from 10 April 2019 up to the end of the year 2019. As a reminder, the current CEO decided in 2020 to donate the equivalent to his VR related to 2019 to non-governmental organisations and humanitarian organisations.
(3) Face value of LTIP granted in the financial year. No LTIP was granted in 2018 to the former CEO due to his future departure.
(4) Average compensation of full-time equivalent permanent employees from France, Germany, the UK and Spain for the Company, excluding subsidiaries, composed by gross sum of the Base Salary, annual bonus, profit and success sharing, overtime, premium for work conditions and other premiums. For the 2021 financial year, the amount presented has been adjusted based on final figures. For the 2022 financial year, the amount presented is still an estimate and will be adjusted next year.

(1) In order to align with the newly added explanatory notes to best practice provision 3.4.1 of the Dutch Code, the pay ratio shown in this section has been calculated on the basis of total full-time equivalent headcount, rather than total permanent employees (as was done in the past). As a result thereof, the pay ratio presented in this Universal Registration Document for the financial years 2019, 2020, 2021 and 2022 is different than presented in the Universal Registration Documents over such previous years. The ratios presented have been rounded to the nearest integer.
4.2.1.4 Implementation of the Remuneration Policy in 2023: Non-Executive Directors

This section describes how the Remuneration Policy was implemented in 2023 with respect to the Non-Executive Directors. In line with the Remuneration Policy, its implementation aims at ensuring fair compensation and protecting the independence of the Board Members. Their remuneration should be commensurate to the time spent and the responsibilities of their role on the Board of Directors.

The CEO is the only Member of the Board of Directors who is not entitled to any Board or Committee fee.

From 1 January 2023, and in application of the Remuneration Policy, the Board, upon recommendation of the RNGC, decided to increase the Board and Committees fixed fees as described below. The applicable attendance fees for Board and Committee meetings remain unchanged as respectively set in 2016 and 2019.

This decision has been taken after due consideration of the increased responsibility, complexity and related time commitment since the last remuneration review in 2016, the outcome of the benchmark conducted by an independent third party, the Company’s unique international profile and of the necessity to remain competitive to attract the best talents.

The benchmark was performed in September 2022 by an independent advisor, Egon Zehnder, at the RNGC request, based on a global peer group of 80 large-scale corporations\(^2\), where Airbus’ market capitalisation and revenues fall within the third quartile.

The group of companies considered in the benchmark analysis is broader than the peer group used to position the CEO’s compensation. This divergence is justified considering that the purpose of this analysis was to ensure that Airbus’ non-executive pay practices remain suitable and competitive on a global scale, enabling the attraction of specific and diverse expertise beyond its industry and geographical footprint, as illustrated by the current Board composition.

Furthermore, in view of (i) Non-Executive Directors and Executive Directors having distinct profiles, (ii) Non-Executive Directors and Executive Directors’ pay not being directly comparable, and (iii) Non-Executive Director pay practices varying significantly between countries, the expanded scope in this specific exercise is justified.

However, and to remain consistent with Airbus’ approach and profile, approximately 88% of the companies considered are either registered in the Netherlands or in Airbus’ core countries (France, Germany, Spain and UK).

With the implemented increase, the level of fixed fees is consistent with market practice, yet still below average, and aligned with the Company’s positioning - based on market capitalisation and revenues - within the peer group as per the benchmark referred to above.

a) Board fees:
- fixed fee for membership of the Board of Directors (€ / year):
  - Chair of the Board: 500,000,
  - Member of the Board: 120,000;
- attendance fees (€ / Board meeting):
  - Chair: 15,000,
  - Member: 10,000;

Attendance fees shall decrease by 50% in case of an attendance by phone or a Board meeting held by phone.

b) Committee fees:
- fixed fee for membership of a Committee (€ / year):
  - Chair: 60,000,
  - Member of a Committee: 30,000;
- attendance fee for membership of a Committee, applicable to chair and members € / additional meeting above four meetings per Committee per year, whether these meetings were held physically or by phone:
  - physical participation: 3,000 if the chair or member is based in Europe and double attendance fee amount (i.e. 6,000) if the chair or member is based outside Europe,
  - participation by phone (whether the meeting is held physically or by phone): 1,500.

Following the decision made by the Board to increase the remuneration of the Chairman of the Board as of 1 January 2023, René Obermann decided to donate to several charitable organisations the net (after relevant income tax) portion of his 2023 fixed remuneration as Chairman of the Board in excess of the amount of fixed remuneration he received in 2022.

---

\(^2\) Peer group:
The remuneration of the Non-Executive Members of the Board of Directors was as follows:

<table>
<thead>
<tr>
<th>Non-Executive Board Members</th>
<th>2023 (In €)</th>
<th>Attendance Fees (In €)</th>
<th>Total (In €)</th>
<th>2022 (In €)</th>
<th>Attendance Fees (In €)</th>
<th>Total (In €)</th>
<th>2021 (In €)</th>
<th>Total (In €)</th>
<th>2020 (In €)</th>
<th>Total (In €)</th>
<th>2019 (In €)</th>
<th>Total (In €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>René Obermann</td>
<td>500,000(1)</td>
<td>105,000</td>
<td>605,000</td>
<td>225,000</td>
<td>135,000</td>
<td>360,000</td>
<td>300,000</td>
<td>193,988</td>
<td>202,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victor Chu</td>
<td>150,000</td>
<td>62,000</td>
<td>212,000</td>
<td>100,000</td>
<td>66,000</td>
<td>166,000</td>
<td>143,000</td>
<td>178,000</td>
<td>207,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jean-Pierre Clamadieiu</td>
<td>210,000</td>
<td>76,000</td>
<td>286,000</td>
<td>140,000</td>
<td>96,500</td>
<td>236,500</td>
<td>197,000</td>
<td>217,087</td>
<td>219,176</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ralph D. Crosby, Jr.</td>
<td>150,000</td>
<td>70,000</td>
<td>220,000</td>
<td>100,000</td>
<td>100,000</td>
<td>200,000</td>
<td>161,000</td>
<td>183,000</td>
<td>208,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark Dunkerley</td>
<td>180,000</td>
<td>94,000</td>
<td>274,000</td>
<td>124,420</td>
<td>112,000</td>
<td>236,420</td>
<td>166,000</td>
<td>118,879</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephan Gernikow</td>
<td>150,000</td>
<td>76,000</td>
<td>226,000</td>
<td>110,000</td>
<td>98,000</td>
<td>208,000</td>
<td>163,000</td>
<td>128,879</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catherine Guilouard</td>
<td>210,000</td>
<td>63,000</td>
<td>273,000</td>
<td>140,000</td>
<td>98,000</td>
<td>238,000</td>
<td>197,500</td>
<td>222,765</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amparo Moraleda</td>
<td>210,000</td>
<td>69,500</td>
<td>279,500</td>
<td>140,000</td>
<td>103,000</td>
<td>243,000</td>
<td>184,500</td>
<td>215,000</td>
<td>235,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claudia Nemat</td>
<td>150,000</td>
<td>56,500</td>
<td>206,500</td>
<td>100,000</td>
<td>76,500</td>
<td>176,500</td>
<td>156,500</td>
<td>174,500</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irene Rummelhoff</td>
<td>150,000</td>
<td>55,000</td>
<td>205,000</td>
<td>72,100</td>
<td>75,000</td>
<td>147,100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antony Wood(4)</td>
<td>141,050</td>
<td>70,000</td>
<td>211,050</td>
<td>3,913</td>
<td>10,000</td>
<td>13,913</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former Non-Executive Board Members</td>
<td></td>
<td></td>
<td></td>
<td>33,811</td>
<td>15,000</td>
<td>48,811</td>
<td>169,500</td>
<td>200,000</td>
<td>225,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lord Drayson(5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>96,731</td>
<td>311,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carlos Tavares(6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,541</td>
<td>5,000</td>
<td>27,541</td>
<td>125,000</td>
<td>150,000</td>
<td>145,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denis Ranque(7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>96,731</td>
<td>311,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hermann-Josef Lambert(8)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>70,274</td>
<td>200,235</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,201,050</strong></td>
<td><strong>797,000</strong></td>
<td><strong>3,098,050</strong></td>
<td><strong>1,311,785</strong></td>
<td><strong>990,000</strong></td>
<td><strong>2,301,785</strong></td>
<td><strong>1,963,500</strong></td>
<td><strong>2,154,838</strong></td>
<td><strong>2,350,176</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Fixum includes a base fee for Board membership and the relevant Committee membership as the case may be (Audit Committee, Remuneration, Nomination and Governance Committee (“RNGC”) and Ethics, Compliance and Sustainability Committee (“ECSC”)). The fixum for the year 2023 was paid 50% in January 2023 and 50% in July 2023. The fixum for the year 2022 was paid 50% in January 2022 and 50% in July 2022 except in relation to the ad hoc Committee for which the full amount was paid in January 2023.

(2) 2023 attendance fees include the Board attendance fees and the fees in relation to the relevant Committee (Audit Committee, RNGC and ECSC) meetings. The Board attendance fees related to the first semester 2023 were paid in July 2023, those related to the second semester 2023 were paid in January 2024. The Committees’ attendance fees related to the full year 2023 were paid in January 2024.

(3) Amount before donation of the portion exceeding the fixed remuneration perceived in 2022 as mentioned above.

(4) Member of the Audit Committee since 19 April 2023.

(5) Member of the Board of Directors, the RNGC and the ECSC until 12 April 2022.

(6) Member of the Board of Directors until 12 April 2022.

(7) Chairman of the Board of Directors and of the former Ethics & Compliance Committee until 16 April 2020.

(8) Member of the Board of Directors and the Audit Committee until 16 April 2020.

The total aggregate remuneration (i.e. fixum and attendance fee) of the Non-Executive Members of the Board of Directors was respectively €1,963,500 in 2021, €2,154,838 in 2020, and €2,350,176 in 2019.

### 4.2.1.5 Miscellaneous

**Policy for Loans and Guarantees Granted**

The Company’s general policy is not to grant any loan to the members of the Board of Directors. Unless the law provides otherwise, the members of the Board of Directors shall be reimbursed by the Company for various costs and expenses, such as the reasonable costs of defending claims. Under certain circumstances, such as an act or failure to act by a member of the Board of Directors that can be characterised as intentional, intentionally reckless, or seriously culpable, there will be no entitlement to this reimbursement. The Company has also taken out liability insurance (“D&O” – Directors & Officers) covering the persons concerned.
4.2.2 Long-Term Incentives Granted to the Chief Executive Officer

See “4.3.3 Long-Term Incentive Plans”.

4.2.3 Related Party Transactions

Reflecting Article 2:129(6) of the Dutch Civil Code, Article 18.5 of the Articles of Association provides that “a Director shall not take part in the deliberations or decision-making if he has a direct or indirect personal interest which conflicts with the interests of the Company and of the enterprise connected with it. If as a result thereof no resolution of the Board of Directors can be adopted, the resolution is adopted by the General Meeting”.

During the years 2021, 2022 and 2023, no agreement was entered into by the Company with one of its Directors or principal officers or a shareholder holding more than 5% of the voting rights of the Company outside the ordinary course of business and in conditions other than arm’s length conditions. For more information, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 10: Related party transactions” for the year-ended 31 December 2023, “Notes to the IFRS Consolidated Financial Statements – Note 11: Related party transactions” for the year-ended 31 December 2022, “Notes to the IFRS Consolidated Financial Statements – Note 10: Related party transactions” for the year-ended 31 December 2021, as incorporated by reference herein.

For a description of the relationships between the Company and its principal shareholders, see “General Description of the Company and its Shareholders – 3.3.2 Relationships with Principal Shareholders”. Other than the relationships between the Company and its principal shareholders described therein, there are no potential conflicts of interest between the duties to the Company of the Directors and their respective private interests or other duties.
4.3 Employee Success Sharing and Incentive Plans

4.3.1 Employee Success Sharing and Incentive Agreements

The Company’s remuneration policy is strongly linked to the achievement of individual and Company objectives, both for each Division and for the overall Company. Since 2012, an annual Performance and Restricted Unit plan has been established for the senior management of Airbus (see “– 4.3.3 Long-Term Incentive Plans”), and employees are offered shares at favourable conditions within the context of an Employee Share Ownership Plan (see “– 4.3.2 Employee Share Ownership Plans”).

Success sharing schemes which are implemented in the Company in more than 30 countries, including France, Germany, Spain and the UK, follow one set of common rules, ensuring a consistent application across the group.

4.3.2 Employee Share Ownership Plans

Enabling employees to participate in the results of the Company is a key element in the Airbus benefits policy. Since its creation, the Company has developed a philosophy based on sharing the added value created by the Company with all employees (including the CEO). Therefore, the Company has regularly offered qualifying employees the opportunity to purchase shares on favourable terms through the ESOP.

According to shareholders’ resolutions adopted at the AGM, the powers to issue shares and to set aside preferential subscription rights of existing shareholders have been granted to the Board of Directors at the 2023 AGM. Such powers include the approval of ESOP.

The following table summarises the main terms of the ESOPs conducted over the last three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Price per share</th>
<th>Nominal value per share</th>
<th>Number of shares issued</th>
<th>Date of issuance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€89.52&lt;sup&gt;(1)&lt;/sup&gt; / €93.90&lt;sup&gt;(2)&lt;/sup&gt; / €114.90&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>€1</td>
<td>1,871,546</td>
<td>18 March 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>62,874</td>
<td>18 October 2021</td>
</tr>
<tr>
<td>2022</td>
<td>€114.01&lt;sup&gt;(1)&lt;/sup&gt; / €117.88&lt;sup&gt;(2)&lt;/sup&gt; / €99.10&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>€1</td>
<td>2,052,236</td>
<td>17 March 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>68,809</td>
<td>18 October 2022</td>
</tr>
<tr>
<td>2023</td>
<td>€116.68&lt;sup&gt;(1)&lt;/sup&gt; / €119.06&lt;sup&gt;(2)&lt;/sup&gt; / €126.30&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>€1</td>
<td>2,190,603</td>
<td>17 March 2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>63,823</td>
<td>18 October 2023</td>
</tr>
</tbody>
</table>

(1) Shares purchased within context of French group employee savings plan.
(2) Shares purchased directly.
(3) Under the umbrella of the ESOP, a dedicated UK tax advantageous Share Incentive Plan, SIP, was also deployed in 2018, 2019 and 2020.

In 2023, the Board of Directors approved a new ESOP scheme, like in 2022.

Eligible employees were able to purchase a fixed number of previously unissued shares at fair market value (5, 10, 15, 30, 60 or 100 shares in 2023 and 2022). The Company matched each fixed number of shares with a number of the Company free shares based on a determined ratio (5, 9, 12, 20, 35 and 55 free shares, respectively in 2023 and 2022). During a custody period of at least one year, employees are restricted from selling the shares, but have the right to receive all dividends paid. Employees who directly purchased the Airbus SE shares have, in addition, the ability to vote at the Annual Shareholder Meetings.

The subscription price was equal to the closing price at the Paris stock exchange on 15 February 2023 (2022: 16 March 2022) and amounted to €119.06 (2022: €106.82). Investing through a mutual fund led to a price which corresponds to the average price at the Paris stock exchange during the 20 trading days immediately preceding 15 February 2023 (2022: 16 February 2022), resulting in a price of €116.68 (2022: €114.01).

In 2023, the Company issued and sold 1,355,411 ordinary shares (2022: 1,296,252) with a nominal value of €1.00 each.

In 2023, the Company issued and distributed 899,015 matching ordinary shares (2022: 824,793) with a nominal value of €1.00 each. Compensation expense (excluding social security contributions) of €112 million (2022: €82 million) was recognised in connection with ESOP in 2023.

The Company intends to implement an ESOP in 2024, subject to approval by the Board of Directors, open to all qualifying employees (including the CEO). With future ESOP, the Company intends to offer shares to eligible employees through the issuance of shares or distribution of shares from the Company’s treasury stock or other existing or new securities giving access to the capital as a matching contribution. This plan would aim at favouring the development of employee shareholding.
4.3.3 Long-Term Incentive Plans

Since 2016, the Company operates a Performance Units and Performance Shares Plan. Performance Units qualify as a cash-settled share based payment plan under IFRS 2 and Performance Shares qualify as an equity-settled share-based payment plan under IFRS 2. Since 2022, the Company operates only a Performance Shares Plan.

The principal characteristics of these Performance Units and Performance Shares as of 31 December 2023 are set out in the “Notes to the IFRS Consolidated Financial Statements – Note 32: Share-based payment”. They are also summarised in the tables below:

<table>
<thead>
<tr>
<th>LTIP 2018</th>
<th>LTIP 2019</th>
<th>LTIP 2020</th>
<th>LTIP 2021</th>
<th>LTIP 2022</th>
<th>LTIP 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant date</td>
<td>30 October 2018</td>
<td>29 October 2019</td>
<td>28 October 2020</td>
<td>15 December 2021</td>
<td>14 December 2022</td>
</tr>
<tr>
<td>Performance Units/Shares</td>
<td>Units</td>
<td>Shares</td>
<td>Units</td>
<td>Shares</td>
<td>Units</td>
</tr>
<tr>
<td>Number of units/shares granted</td>
<td>278,376</td>
<td>281,181</td>
<td>247,508</td>
<td>247,508</td>
<td>420,004</td>
</tr>
<tr>
<td>Number of units/shares granted through Equity Pool</td>
<td>6,664</td>
<td>6,664</td>
<td>4,343</td>
<td>4,252</td>
<td>2,473</td>
</tr>
<tr>
<td>Number of units/shares outstanding</td>
<td>-</td>
<td>-</td>
<td>55,050</td>
<td>-</td>
<td>575,805</td>
</tr>
<tr>
<td>Total number of eligible beneficiaries</td>
<td>1,626</td>
<td>1,576</td>
<td>1,603</td>
<td>1,785</td>
<td>1,579</td>
</tr>
<tr>
<td>Number of accelerated vested units/shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>404</td>
</tr>
<tr>
<td>Number of vested units/shares</td>
<td>130,089</td>
<td>132,120</td>
<td>55,982</td>
<td>109,802</td>
<td>-</td>
</tr>
<tr>
<td>- Units/shares granted to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mr Guillaume Faury*</td>
<td>4,208</td>
<td>4,208</td>
<td>5,530</td>
<td>5,530</td>
<td>9,920</td>
</tr>
<tr>
<td>- the ten employees having been granted the highest number of units/shares during the year</td>
<td>23,578</td>
<td>26,383</td>
<td>28,058</td>
<td>28,058</td>
<td>48,610</td>
</tr>
</tbody>
</table>

(1) Date, when the vesting conditions were determined.
(2) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT of the Company) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).
(3) Values are provided for units corresponding per vesting date.
(4) Mirroring the respective plan rules and regulations, but granted at a different date based on specific Board of Directors’ resolutions.
(5) Including shares granted through the Equity Pool, if applicable and applicable performance achievement as per note 7,8,9 below.
(6) Corresponds to 200% of the respective share price. Overall, the pay-out for Performance Units is limited to a total amount of 250% of the units originally granted, each valued with the respective reference share price of €73.81 (for LTIP 2017), €106.94 (for LTIP 2018), €122.06 (for LTIP 2019), €68.04 (for LTIP 2020).
(7) Based on performance achievement of 50% for Performance Units under LTIP 2018.
(8) Based on performance achievement of 50% for Performance Units under LTIP 2019.
(9) Based on performance achievement of 150% for Performance Units under LTIP 2020.
(10) Accelerated vesting following the death of a beneficiary.
* For more information in respect of units and shares granted to the Chief Executive Officer, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 33: Remuneration”.

The information in respect of stock options and performance and restricted shares cancelled and exercised during the year are set out in “Notes to the IFRS Consolidated Financial Statements – Note 32: Share-based payment”.
SHAREHOLDING IN THE COMPANY OF THE MEMBERS OF THE BOARD OF DIRECTORS AT THE END OF 2023

<table>
<thead>
<tr>
<th>Member of the Board of Directors</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Mr Guillaume Faury</td>
<td>29,364 ordinary shares</td>
</tr>
<tr>
<td>- Mr Jean-Pierre Clamadieu</td>
<td>2,000 ordinary shares</td>
</tr>
<tr>
<td>- Ms Amparo Moraleda</td>
<td>1,700 ordinary shares</td>
</tr>
<tr>
<td>- Ms Irene Rummelhoff</td>
<td>328 ordinary shares</td>
</tr>
<tr>
<td>- Ms Catherine Guillouard</td>
<td>185 ordinary shares</td>
</tr>
<tr>
<td>- Mr Ralph Dozier Crosby, Jr.</td>
<td>10 ordinary shares</td>
</tr>
</tbody>
</table>

No other Member of the Board of Directors holds shares or other securities of the Company.
5

General Information

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5.1 Entity Responsible for the Universal Registration Document

Airbus SE

5.2 Statement of the Entity Responsible for the Universal Registration Document

The Company declares that the information contained in the document is, to the best of the Company's knowledge, in accordance with the facts and contains no omission likely to affect its import.

The legal person responsible for the information in the Universal Registration Document is Airbus SE. The registered office of Airbus SE is Mendelweg 30, 2333 CS Leiden, The Netherlands.

Airbus SE represented by:

Guillaume Faury
Chief Executive Officer

5.3 Information Policy

- Contact details for information:
  Mrs Helene Le Gorgeu
  Head of Investor Relations and Financial Communication, Airbus SE
  2 rond-point Emile Dewoitine
  BP 90112
  31703 Blagnac France
  Telephone: +33 5 82 05 53 01
  E-mail: ir@airbus.com

- Special toll-free hotlines are available to shareholders in France (0 800 01 2001), Germany (00 800 00 02 2002) and Spain (00 800 00 02 2002). An international number is also available for the rest of the world (+33 800 01 2001).

- An e-mail box is dedicated to shareholders’ messages:
  ir@airbus.com

A website, www.airbus.com, provides a wide range of information on the Company, including the Board of Directors’ report. Additionally, for the life of this Registration Document, copies of:

- the Company’s Articles of Association;
- the Registration Document filed in English with the AFM without prior approval on 26 March 2021;
- the Registration Document filed in English with the AFM without prior approval on 6 April 2022;
- the Registration Document filed in English with the AFM without prior approval on 4 April 2023; and
- the IFRS Consolidated Financial Statements for the years 2021, 2022 and 2023 together with the related independent auditors’ reports, may be inspected at the Company’s registered office at: Airbus SE, Mendelweg 30, 2333 CS Leiden, the Netherlands, Seat (statutaire zetel) Amsterdam, Tel.: +31 (0)71 5245 600.

The information on the website of the Company has not been scrutinised or approved by the competent authority and does not form part of the Registration Document unless that information is incorporated by reference into the Registration Document.
5.4 Undertakings of the Company Regarding Information

Given the fact that the shares of the Company are listed on Euronext Paris, on the regulierter Markt (in the sub-segment Prime Standard) of the Frankfurt Stock Exchange and on the Madrid, Bilbao, Barcelona and Valencia Stock Exchanges, the Company is subject to certain laws and regulations applicable in France, Germany and Spain in relation to information, the main ones of which are summarised in “General Description of the Company and its Share Capital – 3.1.3 Governing Laws and Disclosures”.

5.5 Significant Changes

As of the date of the Universal Registration Document, there has been no significant change in the Company’s financial performance and there has been no significant change in the Company’s Financial Position since 31 December 2023.

5.6 Statement on Approval

This Universal Registration Document has been filed with the AFM on 27 March 2024 in its capacity as competent authority under the Prospectus Regulation without prior approval pursuant to Article 9 of the Prospectus Regulation. This Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AFM together with any amendments, if applicable, and a securities note and summary approved in accordance with the Prospectus Regulation.
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