

Airbus SE

Report of the Board of Directors 2023

(Issued as of 15 February 2024)

This document is an unaudited PDF format version of the Board Report and is not the original report included in the audited financial report pursuant to article 361 of Book 2 of the Dutch Civil Code and as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815).

The ESEF- compliant Annual Financial Report of Airbus SE, which includes the Board Report, for the year ended 31 December 2023 has been filed with the AFM in XHTML format and is available on the AFM's website (<https://www.afm.nl/en/sector/registers/meldingenregisters/financiele-verslaggeving>) as well as on Airbus SE's website (<https://www.airbus.com/en/investors/financial-results-annual-reports>).

In any case of discrepancies between this 'PDF format' and the 'XHTML format', the XHTML format prevails.

AIRBUS

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Dear shareholders,

This is the Report of the Board of Directors (the "**Board Report**") on the activities of Airbus SE (together with its subsidiaries referred to herein as "**Airbus**" or the "**Company**") during the 2023 financial year, prepared in accordance with Dutch law.

For further information regarding the Company's business and operations, finances and results, risks, risk factors and corporate governance, please refer to the Company's IFRS Consolidated Financial Statements published 15 February 2024, the Company's most current Universal Registration Document, and the Company's other annual, quarterly and ad-hoc announcements and releases relating to the Company's business, operations, finances and results, in each case available through the Company's website: www.airbus.com.

References to the "**IFRS Consolidated Financial Statements**" and the "**Notes to the IFRS Consolidated Financial Statements**" respectively refer to the Company's consolidated financial information prepared in accordance with International Reporting Standards, and the accompanying notes thereto, published 15 February 2024, and available through the "investors" section of the Company's website: <https://www.airbus.com/en/investors>.

Due to rounding, numbers presented throughout this Board Report and other documents may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

1. General overview

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. Airbus is also a European leader in space systems, defence and security. In helicopters, Airbus provides efficient civil and military rotorcraft solutions and services worldwide.

2. Summary 2023

In 2023, the Company focused on achieving its main objectives amid a complex operating environment. The year included some important contract wins within the commercial aircraft, defence and helicopter businesses. Further progress was made with the Company's transformation and its core sustainability priorities.

The full list of announcements is available at: <https://www.airbus.com/en/newsroom>.

A selection of key announcements follows below.

2.1 Airbus

- Thomas Toepfer was appointed to succeed Dominik Asam as Chief Financial Officer. Airbus also announced further 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, both starting 1 January 2024.
- Airbus delivered 735 commercial aircraft to 87 customers in 2023. It recorded a total of 2,319 gross new orders (2,094 net orders) across all programmes and market segments. Gross orders included 1,835 A320 Family and 300 A350 Family aircraft. The 2023 end-year order backlog stood at 8,598 aircraft.
- Airbus successfully delivered its first aircraft (an A321neo) assembled at its newest A320 Family Final Assembly Line ("FAL") in Toulouse and delivered its first A321neo assembled at the FAL Asia in Tianjin, China. The ramp-up of the new Toulouse FAL, as well as the extension of the FALs in Tianjin, China, and Mobile (US), will contribute to Airbus' objective to produce 75 A320 Family aircraft per month in 2026.
- Airbus advanced its industrial system in support of its ramp-up capacity, with a new automated A321XLR equipping hangar opening in Hamburg. With this, Airbus continues the modernisation and digitalisation of its industrial system. The A321XLR programme performed an international flight-test campaign, known as 'Functional and Reliability Testing'. This is part of Airbus' certification activity contributing to European Union Aviation Safety Agency (EASA) Type Certification, expected for the new variant in 2024.
- In furtherance of the Company's sustainability strategy, the entire fleet of Airbus' chartered vessels transporting aircraft sub-assemblies between European and US sites will be renewed. Louis Dreyfus Armateurs has been commissioned to build, own and operate the modern, low-emission roll-on/roll-off fleet of three vessels supported by wind-assisted propulsion, entering into service from 2026.
- EcoPulse, the hybrid-electric distributed propulsion aircraft demonstrator, jointly developed by Daher, Safran and Airbus to support aviation's decarbonisation roadmap, successfully performed its first flight test in hybrid-electric mode. The demonstrator flew with its ePropellers activated, powered by a battery and a turbogenerator. Unveiled at the 2019 Paris Air Show, EcoPulse is one of the major collaborative projects in Europe in the field of aviation decarbonisation.
- Blue Condor, the modified glider at the centre of Airbus UpNext's hydrogen contrail-studying experiment, made its first hydrogen-powered flight over Nevada in the United States. The flight was the first ever by an Airbus aircraft to use hydrogen as the sole fuel source, and it kicked off a test campaign that will conclude in a contrail-measuring mission anticipated in 2024.
- Airbus, Safran and Tikehau Capital, through an equally-owned holding company, acquired Aubert

& Duval. Aubert & Duval is a strategic supplier of critical parts and materials to high-precision customers, notably the aerospace, defence, nuclear and medical industries. Its cutting-edge know-how in specialty steels and superalloys, and its more recently acquired expertise in titanium, are crucial to the aerospace, transportation, energy, defence and medical markets.

- Airbus became a member of Japan's "**ACT FOR SKY**", a voluntary organisation that works to commercialise, promote, and expand the use of locally-produced sustainable aviation fuel.
- The Airbus Direct Air Capture team is one of the three shortlisted teams for the German Future Prize (Deutscher Zukunftspreis) 2023 with its entry on the development of Direct Air Capture technology to remove CO₂ from the atmosphere. The prize is awarded by the German Federal President in recognition of scientific excellence, coupled with scientific application, that benefits society.
- Airbus announced that it is partnering with DG Fuels to foster sustainable aviation fuel production in the United States. This partnership will support the scaling of a promising technology to produce sustainable aviation fuels from cellulosic waste and residues.
- The Qantas Group, Airbus and the Queensland Government announced that they are teaming up to invest in a Queensland biofuel production facility being developed by Jet Zero Australia in partnership with leading sustainable aviation fuel technology company LanzaJet. The facility will turn agricultural by-products (including from sugar cane) into jet fuel, and is the first project funded under the Qantas and Airbus Australian Sustainable Aviation Fuel Partnership.
- Airbus received approval from the Science Based Targets initiative (SBTi) for its greenhouse gas emissions near-term reduction targets. In 2022, Airbus officially committed to defining science-based targets for the entire set of its emissions and submitted near-term targets that have now been independently assessed and validated by the SBTi.
- Airbus is participating in a consortium with Air New Zealand, Fortescue Future Industries (energy), Hiringa Energy, Fabrum (hydrogen production) and New Zealand's Christchurch Airport, aimed at enabling the development of zero emission aviation in New Zealand, and supporting the country to pioneer the commercial deployment of green hydrogen-powered aircraft.

2.2 Airbus Helicopters

- Airbus Helicopters logged 410 gross orders (393 net orders), an approximately 10% increase in gross orders in comparison to 2022, highlighting its stable growth despite the ongoing global context of inflation and geopolitical instability. Deliveries were steady, with 346 in 2023 (versus 344 in 2022), reflected by Airbus Helicopters' approximate 54% share of the civil and parapublic market.
- Airbus Helicopters received certification from the Federal Aviation Administration and the Transport Canada Civil Aviation authority for the H160 helicopter, enabling it to make significant progress towards the entry into service of the rotorcraft across North America. The H160 previously received certification from the European Union Aviation Safety Agency (EASA) in July 2020.
- Airbus Helicopters and the French Armament General Directorate ("**DGA**") tested the unmanned aerial system ("**UAS**") VSR700 for the first time in an operational configuration from a ship at sea. The VSR700 performed 80 fully autonomous take-offs and landings from a civil vessel equipped with a helicopter deck, cruising off the coast of Brittany in the west of France.
- Innovation was also a strong focus throughout the year, with the first flight of the DisruptiveLab, the unveiling of the PioneerLab and the power-on of our eVTOL prototype CityAirbus NextGen, which complements Airbus' range of demonstrators and focuses on testing technologies that

reduce helicopter emissions, increase autonomy and integrate bio-based materials.

- The first NH90 Sea Tiger - made by NHIndustries, the rotorcraft joint venture owned by Airbus Helicopters (62.5%), Leonardo (32%) and GKN Fokker (5.5%) - took off on-schedule for its maiden flight. The helicopter will replace the German Navy's Mk88A Sea Lynx fleet which entered into service in 1981. The Sea Tiger is the latest version of the proven NH90 NFH (Naval Version) and has been specifically designed to match the needs of the German Navy for a state-of-the-art anti-submarine warfare helicopter.
- Global support contracts and the HCare offering continued to prove popular in 2023, with both civil and military customers. During 2023, 140 new helicopters were covered by "by-the-hour" contracts, bringing the total to 2,760 helicopters.

2.3 Airbus Defence and Space

- Airbus Defence and Space signed two contracts valued at € 1.45 billion in total with the DGA and Direction de la Maintenance Aéronautique for the Capability Enhancement and the In-Service Support of the French A330 MRTT (Multi Role Tanker Transport) fleet. The new capabilities will convert the French A330 MRTT into a high bandwidth communication relay node with command and control capabilities. The support services introduced under these contracts guarantee a level of availability, reactivity and resilience compatible with the requirements of the French Air Force and the Strategic Air Forces.
- The Government of Canada awarded Airbus Defence and Space a contract for four newly-built A330 MRTT aircraft and for the conversion of five used A330-200s in order to strengthen Canada's continental defence capabilities. The current contract has an order value of approximately CAD \$3 billion or € 2.1 billion (excluding taxes).
- The Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support in Koblenz, Germany awarded Airbus a contract renewal for the Luftwaffe's A400M In-Service Support. The contract has a duration of 7.5 years and extends the A400M In-Service Support contract that had been in place since December 2014.
- The first of 56 C295 aircraft was delivered to the Indian Air Force. Separately, the Spanish Ministry of Defence ordered 16 C295s in Maritime Patrol Aircraft (MPA) and Maritime Surveillance Aircraft (MSA) configuration.
- Airbus Defence and Space conducted a new flight-test campaign of the A400M Roll-on/Roll-off firefighting prototype kit, dropping 20,000 litres of retardant and creating high concentration lines of over 400 metres in length on the ground.
- Airbus signed a contract with the Spanish government for the development and acquisition of SIRTAP, a High Performance Tactical UAS that will reinforce the capabilities of the Spanish Army and the Air and Space Force. The contract includes a total of nine systems, each consisting of three unmanned aerial vehicles and one ground control station. Furthermore, two simulators will be supplied to train the Spanish Armed Forces.
- With the arrival of the first satellite Flight Model structure from Beyond Gravity in Zurich, full production began on the six Galileo Second Generation ("G2") satellites at the Airbus site in Friedrichshafen, Germany. The G2 satellites are scheduled for launch in the coming years to support the initial deployment and validation of the G2 System.
- The Airbus-built JUICE (JUperiter ICy moons Explorer) spacecraft began its mission to study Jupiter and its icy moons. JUICE is due to arrive at Jupiter in 2031 after a series of gravity slingshots from Venus and Earth to propel it on its way. Bringing together 80 partners across 23

countries and harnessing the brainpower of 2,000+ people, Airbus has designed and built JUICE under contract to the European Space Agency.

- In 2023 Airbus signed a significant contract with Google, underscoring the appeal of the high-quality images available through Pléiades Neo.
- In 2023 Airbus signed a contract with global consumer brand Nestlé for monitoring their reforestation efforts in the Ranong and Chumphon provinces of Southern Thailand. Nestlé is the first food and beverage company to utilise Airbus Pléiade Neo satellites in their sustainability efforts. Nestlé plans to utilise the high-resolution images provided by the Pléiade Neo satellites to monitor and help ensure the long-term success of the reforestation project.
- In 2023 Airbus renewed the SPATIONAV MCO contract with the French maritime authorities, for a term of 7 years. The SPATIONAV system, built on Airbus's innovative STYRIS product, provides real-time maritime situational awareness through its strategically positioned 105 sites along France's extensive 6,000 km maritime coastline. supports multiple government agencies in metropolitan France, the French Caribbean, Mayotte and French Guyana.

3. Share capital and stock price evolution

3.1 Shareholding and voting rights

Issued share capital

As of 31 December 2023, Airbus SE's issued share capital amounted to €790,459,434 divided into 790,459,434 shares of a nominal value of €1 each. The issued share capital of Airbus SE as of such date represents 26.35% of the authorised share capital of €3 billion, comprising three billion shares. The holder of one issued share has one vote and is entitled to profit in proportion to his/her participation in the issued share capital.¹

Modification of share capital or rights attached to 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 "3.2 - 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-third 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.

¹ Except for shares held by Airbus SE itself, and subject to certain other exceptions under Dutch law.

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.

Securities granting access to Airbus SE's capital

There are no securities that give access, immediately or over time, to the share capital of Airbus SE (see section "5.1 - IFRS consolidated financial statements" of this Board Report for more information on this matter).

Changes in the issued share capital in 2023

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**").

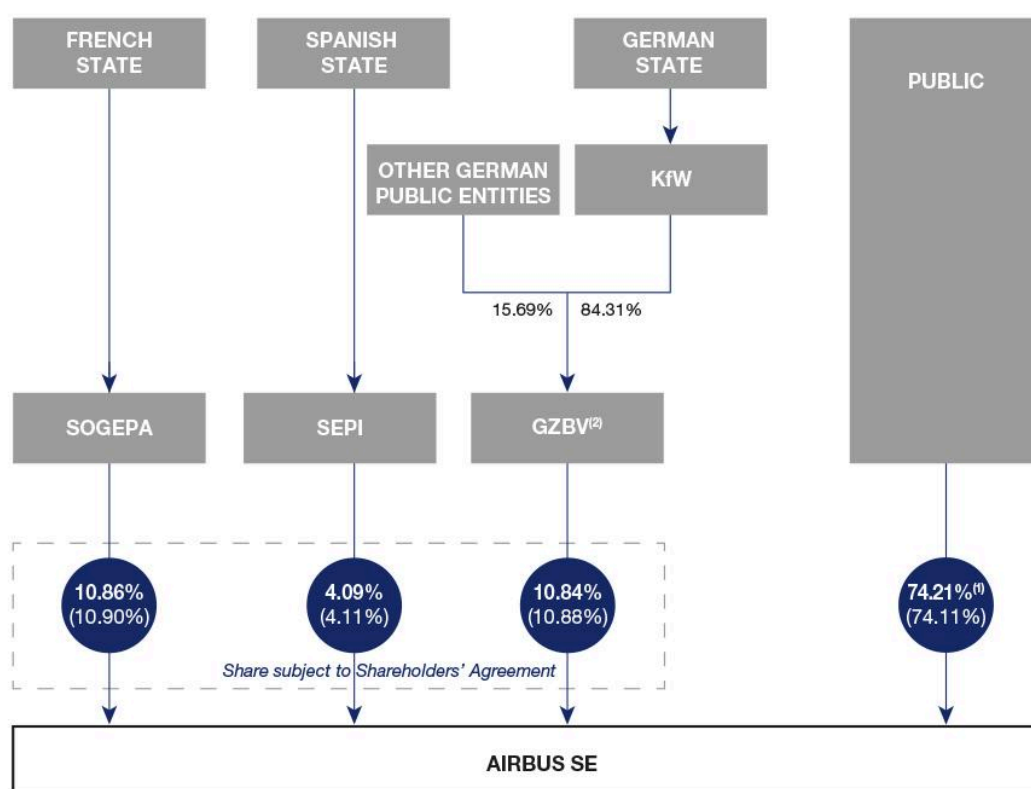
Repurchases and cancellations of shares in 2023

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.

Shareholding structure at the end of 2023

As of 31 December 2023, the French state held 10.86% of the outstanding Airbus SE shares through Société de Gestion de Participations Aéronautiques ("**Sogepa**"), the German state held 10.84% through Gesellschaft zur Beteiligungsverwaltung GZBV mbH & Co. KG ("**GZBV**"), and the Spanish state held 4.09% through Sociedad Estatal de Participaciones Industriales ("**SEPI**"). The public (including the Company's employees) and Airbus SE held, respectively, 73.82% and 0.38% of Airbus SE's share capital.

The diagram below shows the ownership structure of Airbus SE as of 31 December 2023 (% of capital and of voting rights (in parentheses) before exercise of the convertible bonds).



(1) Including shares held by the Company itself (0.38%).

(2) KfW & other German public entities.

Shareholders may have disclosure obligations under Dutch law. These apply to any person or entity that acquires, holds or disposes of an interest in Airbus SE's voting rights and/or capital. Disclosure is required when the percentage of (actual or deemed) voting rights, capital interest or gross short position reaches, exceeds or falls below: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% or 95% (whether because of an acquisition or disposal of shares or other instruments, or because of a change in the total voting rights or capital issued). Disclosures must be made to the Netherlands Authority for the Financial Markets ("**AFM**") immediately. Additional disclosure and/or publication obligations apply under European regulations for net short positions in respect of Airbus SE.

In 2023, the below listed entities notified the AFM of their substantial interest in Airbus SE. For further details, please refer to the website of the AFM at: <https://www.afm.nl/en/sector/registers/meldingenregisters/substantiele-deelnemingen>.

- a) Notification made to the AFM because the capital interest exceeded the above-mentioned thresholds:
- The Goldman Sachs Group, Inc. owns 3.28% and 3.28% voting rights (3.01% indirect potential and 0.26% indirect real);
 - 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.
- b) Notification made to the AFM because the capital interest fell below the above-mentioned thresholds:
- None

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. 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 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, Airbus SE, or alternatively an entity or person so designated by Airbus SE, 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 Airbus SE shares through Euroclear France S.A. 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 S.A. 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 S.A.) in the register of Airbus SE. However, only shares registered in the name of Euroclear France S.A. 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 or to any other person designated for this purpose, as specified in the relevant convening notice.

Pursuant to its Articles of Association, Airbus SE 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.

Notification requirements and mandatory disposal threshold restricting ownership to 15%

Under the Articles of Association, each shareholder must notify Airbus SE when it (or another party in respect of its interest in Airbus SE) must make a notification to the AFM of a substantial interest or short position with respect to Airbus SE, when its interest (alone or with concert parties) reaches or crosses the Mandatory Disposal Threshold 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 Airbus SE, 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 Airbus SE, 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 Dutch Financial Supervision Act, 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 Airbus SE. 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 ("*Stichting*"), 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 Airbus SE 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 Airbus SE, any grandfathered persons and their affiliates (for more information on this matter, see "3.1 - Shareholding and voting rights - Exemptions from mandatory disposal threshold") and any holder of depositary receipts and their affiliates (there is an agreement under which Airbus SE 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 (Airbus SE 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 Airbus SE 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 Airbus SE 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 Airbus SE's further normalised governance going forward, aiming at a substantial increase of the free float and to safeguard the interests of Airbus SE 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.

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 SE 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.

Airbus SE has confirmed that: (i) the specific exemption in article 16.1.b of the Articles of Association applies to Sogepa, as it held more than 15% of the outstanding Airbus SE's voting rights and shares, including the legal and economic ownership thereof, on the Exemption Date; and (ii) the specific exemption in article 16.1.c of the Articles of Association applies to the concert among Sogepa, GZBV and SEPI, as they held more than 15% of the outstanding Airbus SE voting rights and shares, including the legal and economic ownership thereof, on the Exemption Date.

Mandatory public offer under Dutch law

In accordance with Dutch law, shareholders are required to make a public offer for all issued and outstanding shares in Airbus SE's share capital if they – individually or acting in concert (as such terms are defined under Dutch law summarised below), directly or indirectly – have 30% or more of the voting rights (significant control) in Airbus SE. 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 provisions under Dutch law came into force, already held – individually or acting in concert – 30% or more of the voting rights in Airbus SE. In the case of such a concert, a new member of the concert can be exempted if it satisfies certain conditions.

Amendments to the Articles of Association

According to the Articles of Association, resolutions to amend the Articles of Association require a two-thirds majority of the votes validly cast at a general meeting of shareholders, unless they concern amendments to a limited number of provisions thereof, in which case a 75% voting majority would be required. The proposal containing the literal text of a proposed amendment must be available for inspection by shareholders at Airbus SE's headquarters, from the day the meeting is convened until after the end of the meeting.

3.2 Relationship with principal shareholders

In 2013, GZBV, a subsidiary of Kreditanstalt für Wiederaufbau ("**KfW**"), a public law institution serving the domestic and international policy objectives of the government of the Federal Republic of Germany, 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 Airbus SE. Airbus SE has also entered into state security agreements with each of the French state and German state, which are also described in more detail below.

3.2.1 Corporate governance arrangements

The corporate governance arrangements of Airbus SE were substantially changed in 2013, resulting in changes to the composition of the Board of Directors and its internal rules, as well as amendments to the Articles of Association of Airbus SE. These changes were intended to further normalise and simplify Airbus SE's corporate governance, reflecting an emphasis on best corporate governance practices and the absence of a controlling shareholder group. Changes to Airbus SE's corporate governance arrangements in the Articles of Association, included: (i) disclosure obligations for shareholders that apply when their interests in Airbus SE 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 of Airbus SE, acting alone or in concert with others (or further details, please refer to section "3.1 - Shareholding and voting rights - Exemptions from mandatory disposal threshold").

3.2.2 Shareholder arrangements

Grandfathering agreement

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.

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 concert with respect to Airbus SE (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 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 Airbus SE, 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 Airbus SE to that effect.

Notification to the Company

Airbus SE 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.

Airbus SE 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.

Governance of the Company

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 Airbus SE by Sogepa, GZBV and SEPI (all parties together, the "**Shareholders**").

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 Airbus SE 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 a member of the Board of Directors of Airbus SE, provided such person qualifies as an independent Director pursuant to the conditions set forth in the rules governing the internal affairs of the Board of Directors (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 always be dismissed at the general meeting.

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 requires a decision of the shareholders' meeting of Airbus SE, then 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, they 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 to pursue their common objective to seek a balance between themselves and their respective interests in Airbus SE as follows:

- to hold as closely as reasonably possible to 12% of the voting rights for Sogepa, together with any voting rights attributable to Sogepa 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 GZBV 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; and
- 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 majority-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 Airbus SE, 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).

3.2.3 Undertakings with respect to interests of certain stakeholders

Airbus SE has made undertakings and entered into agreements in connection with interests of certain stakeholders.

State security agreements and related undertakings

Airbus SE 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 an Airbus SE 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 on 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 are 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 Airbus SE. French Defence Outside Directors may neither (i) be employees, managers or corporate officers of a company belonging to Airbus SE (although they may be members of the Board of Directors of Airbus SE) nor (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.

Airbus SE and the German state have entered into an agreement, and an amendment agreement, to the 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 an Airbus SE 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 are 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, Airbus SE 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's subsidiary (the "**Spanish Defence Holding Company**"). Pursuant to the Spanish State Security

Agreement, Airbus SE 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 a case, the Spanish state has the right to acquire the sensitive assets.

Dassault Aviation

Airbus SE entered into an agreement with the French state pursuant to which Airbus SE:

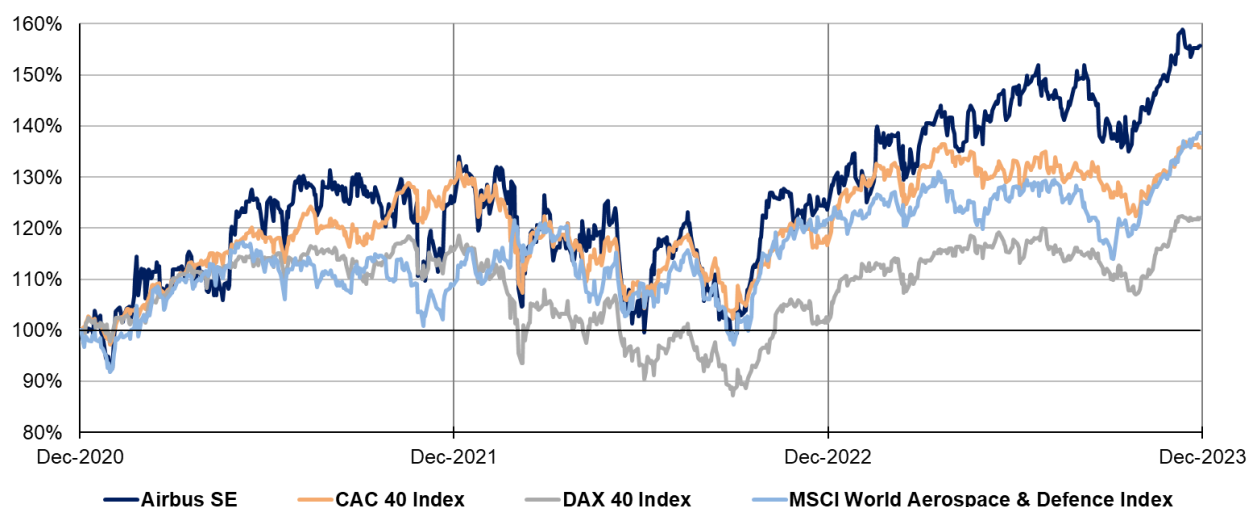
- grants the French state a right of first offer in case of the sale of all or part of its shareholding in Dassault Aviation; and
- commits to consult with the French state prior to making any decision at any shareholders' meeting of Dassault Aviation.

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

Stock exchange listings

Airbus SE has undertaken to the parties to the Shareholders' Agreement that, for the duration of the Shareholders' Agreement, Airbus SE's shares will remain listed exclusively in France, Germany and Spain.

3.3 Share price performance 2023



In 2023, the Airbus SE share price remained volatile and closed at € 139.78.

After opening at € 112.22 in January, the Airbus SE share price outperformed the market during the first quarter, supported by the solid 2022 financial results and positive reaction to the announcement of an increase in the targeted production rate for widebody aircraft.

Global equity markets remained volatile given the uncertainty around inflation and interest rates, and the concerns around the stability of the banking sector following the situation surrounding Silicon Valley Bank and Credit Suisse.

In the second quarter, the share price was further supported by the acceleration of deliveries and order momentum, in spite of concerns around supply chain tensions in the overall aerospace industry and the back-loaded profile of Airbus deliveries expected in 2023. Global markets remained volatile as mixed economic data fuelled uncertainty around inflation, interest rates and economic growth.

In the third quarter, global markets declined due to concerns about the potential for “higher for longer” interest rates and revised economic growth perspectives, despite moderating inflation. In this context, the Airbus share price was dragged down by uncertainty around GTF engine issues, resulting from a rare condition in powdered metal used to manufacture certain engine parts, and the fleet management plan developed primarily for the GTF engines, which power the A320neo.

In the fourth quarter, global equities were impacted by the escalating conflict in the Middle East, uncertainty around central banks’ interest rates decisions, and relatively underwhelming corporate earnings. However, equity markets recovered towards the end of the quarter, lifted by easing inflation, stabilisation of US monetary policy with no additional interest rate increases, and further dovish signalling from major central banks. Airbus share price reached an all-time high in the course of December 14th at €143.98, benefitting from this positive trend and further supported by a strong order momentum, in spite of concerns about the Airbus Defence and Space business.

With a performance of +26% in 2023, Airbus SE shares outperformed the CAC40 index (+17%) and the DAX40 index (+20%), as well as the broader aerospace and defence sector (MSCI World Aerospace & Defence +14%).

3.4 Dividend proposals

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.

4. Corporate governance

4.1 Management and control

4.1.1 Board of Directors composition, powers, rules and engagement with shareholders

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 both 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 nationals 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.

Overview of the Airbus SE Board of Directors' composition until the 2024 Annual General Meeting

At the end of 2023, the RNGC launched a comprehensive review process of the Board of Directors' skills matrix, aiming at providing more transparency and explanation of the assignment of skills among Board Members. The result of this review process will be disclosed in the 2024 Annual General Meeting information notice.

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, five having geopolitical skills, nine having finance skills and four having information or data management skills.

Airbus SE Board of Directors until the 2024 Annual General Meeting

Board Member Age ⁽¹⁾ , Gender, Nationality	Status	Since	Term expires	Primary occupation & Other mandates	Director expertise	Board attendance	Committee attendance Audit	RNGC	ECSC
 René OBERMANN 60, M, German	Independent	2018, <i>previous re-election in 2021</i>	2024 ⁽²⁾	Chairman of the Board of Directors of Airbus SE, Member of the Supervisory Board of IONOS Group SE and Managing Director of Warburg Pincus Deutschland GmbH		 9/9	6/6 ⁽³⁾	6/6 ⁽³⁾	4/4 ⁽³⁾
 Guillaume FAURY 55, M, French	Executive	2019, <i>previous re-election in 2022</i>	2025	Chief Executive Office of Airbus SE, Member of the Board of Directors of AXA SA		9/9	6/6 ⁽³⁾	6/6 ⁽³⁾	4/4 ⁽³⁾
 Victor CHU 66, M, Chinese / British	Independent	2018, <i>previous re-election in 2021</i>	2024 ⁽²⁾	Chairman and CEO of First Eastern Investment Group and Member of the Board of Nomura Holdings Inc.		7/9	6/6		
 Jean-Pierre CLAMADIEU 65, M, French	Independent	2018, <i>previous re-election in 2021</i>	2024 ⁽²⁾	Chairman of the Board of Engie and Member of the Board of TE Connectivity		9/9		6/6	 4/4
 Ralph D. CROSBY, Jr. 76, M, American	Independent	2013, <i>previous re-election in 2023</i>	2026	Member of the Board of Directors of Excelitas Holdings, LP		9/9			4/4
 Mark DUNKERLEY 60, M, British / American	Independent	2020, <i>previous re-election in 2023</i>	2026	Member of the Board of Directors of Spirit Airlines Inc. and Volotea Airlines		9/9	6/6	6/6	
 Stephan GEMKOW 64, M, German	Independent	2020, <i>previous re-election in 2023</i>	2026	Member of the Board of Directors of Amadeus IT Group and Flughafen Zürich AG		9/9	6/6		
 Catherine GUILLOUARD 59, F, French	Independent	2016, <i>previous re-election in 2022</i>	2025	Member of the Supervisory Board of KPN, Member of the Board of Directors of Lottomatica and of Air Liquide and Chairwoman of the Supervisory Board of Ingenico		9/9	 5/6		4/4
 Amparo MORALEDA 59, F, Spanish	Independent	2015, <i>previous re-election in 2021</i>	2024 ⁽²⁾	Member of the Board of Directors of A.P. Moller – Maersk A/S, Caixa Bank SA and Vodafone PLC		9/9	 6/6		2/4
 Claudia NEMAT 55, F, German	Independent	2016, <i>previous re-election in 2022</i>	2025	Member of the Board of Management of Deutsche Telekom AG		7/9		5/6	
 Irene RUMMELHOFF 57, F, Norwegian	Independent	2022	2025	Executive Vice President of Marketing, Midstream and Processing and Member of the Corporate Executive Committee of Equinor ASA		8/9			4/4
 Antony WOOD 57, M, British	Independent	2022	2026	Member of the Board of Directors of National Grid plc and of Aero Accessories		9/9	3/4 <i>(post AGM)</i>		
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 14 February 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.

Following the resignation of Lord Paul Drayson on the date of the Annual General Meeting held in 2022, Mr Antony Wood joined the Board as a temporary replacement of a Non-Executive Director with immediate effect on 14 December 2022, in accordance with the internal Board rules and following a decision by the Board of Directors. Mr Antony Wood was appointed as Non-Executive Director of the Board of Directors for a term of three years at the Annual General Meeting held in 2023. Following his appointment, Mr Wood joined the Audit Committee as a Committee member. He brings extensive experience of the aerospace industry and of the defence sector to the Board of Directors.

At the end of 2023, the average age of the members of the Board of Directors was 61. The proportion of female representation on the Board of Directors is one third.

The Board of Directors believes that a diverse composition among its members, notably with respect to gender, experience and national origin is valuable for the quality and efficiency of its work.

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 of all 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.

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.

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.

4.1.2 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;
- Approval of the Risk Chapter of the 2022 Report of the Board of Directors and Universal Registration Document.

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;
 - 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 notably valued the existing set of diversified skills and high level of expertise of its members. 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.

4.1.3 Board Committees

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 "4.5 - 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.

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 sourcing, as well as the Company's community impact policy 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.

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 fulfils 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 "4.4.2 - Remuneration Policy - Executive remuneration - Applicable to the CEO" of this Board Report for more information on this matter.

4.1.4 Executive Committee nomination and composition

The CEO proposes all the members of the Executive Committee of the Company (the "**Executive Committee**" or "**EC**") 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.

Role of 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.

4.2 Conflict of interest

Conflict of interest

The Company has a conflict of interest policy, which sets out that any potential or actual conflict of interest between the Company and any member of the Board of Directors shall be disclosed and, where possible, avoided (please refer to the "Board Rules (Annex D – Article 8: Conflicts of interest)"). This policy is available on the Company's website: www.airbus.com (Company / Corporate Governance / Governance Framework and Documents), as is the related principle 2.7 of the Dutch Code (as such term is defined in "4.3 - Dutch corporate governance code" below), which the Company complied with during 2023. Pursuant to the Articles of Association and the Board Rules, a conflicted member of the Board of Directors should abstain from participating in the deliberation and decision-making process relating to the matters concerned.

For the duration of René Obermann's non-executive director mandate at ISAT Connect Bidco Limited (the holding company for the Inmarsat group, a mobile satellite communications company), Mr. Obermann abstained from participating in the Board's discussions regarding Airbus' satellites activities, in order to avoid any appearance of a conflict of interest. As Mr. Obermann's mandate at ISAT Connect Bidco Limited ended in May 2023 with the completion of the merger of ISAT with ViaSat, since that time it has not been necessary for Mr. Obermann to abstain from participating in such Board discussions.

The Board of Directors must approve any decision to enter a transaction where a Director has conflicts of interest that are material to the Company or the individual Director.

In 2023, no such transactions were reported. There were, however, related-party transactions: for an overview, please refer to "Notes to the IFRS Consolidated Financial Statements – Note 10. Related Party Transactions".

4.3 Dutch corporate governance code

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/>.

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 "4.4.2 B. 5 - Long-Term Incentive Plan" 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 "4.4.2 B. 6 - Share ownership guideline"), 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 "6.1.11 - Inclusion and diversity" below.

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 "4.4.3 - 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 - Shareholding and voting rights – 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 - Board of Directors composition, powers, rules and engagement with shareholders"; "4.1.2 - Operation of the Board of Directors in 2023"; and "4.1.3 - 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 (i) "3.1 - Shareholding and voting rights – Shareholding structure at the end of 2023"; (ii) "3.2 - Relationship with principal shareholders"; (iii) "4.1.1 - Board of Directors composition, powers, rules and engagement with shareholders"; (iv) "3.1 - Shareholding and voting rights – Amendments to the Articles of Association"; and (v) "3.1 - Shareholding and voting rights – Modification of share capital or rights attached to shares".

4.4 Remuneration report

4.4.1 Introduction

The RNGC, composed solely of independent non-executive members of the Board of Directors, is pleased to present the Remuneration Report which comprises the following sections:

- Paragraph 4.4.2 presents the Company's remuneration policy ("**Remuneration Policy**") (i) as adopted by the Annual General Meeting held in 2020 and applicable since 1 January 2020 and (ii) as proposed for adoption at the Annual General Meeting to be held in 2024 ("**2024 AGM**") for implementation in the course of 2024. A revised remuneration policy will be submitted at the 2025 AGM (see section 4.4.2 below for additional information on the contemplated changes).
- Paragraphs 4.4.3 and 4.4.4 respectively describe how the Remuneration Policy was implemented in 2023 in respect of the CEO and of the Non-Executive Members of the Board of Directors.

As a reminder, at the 2023 AGM shareholders approved the implementation of the Remuneration Policy for the financial year 2022 following the approval of resolution 6, with a very high level of votes being cast in favour.

A review of the voting results follows below, including the level of abstentions, which primarily resulted from some of the Company's principal shareholders exercising their abstention rights per a principles-based approach.

As of the 2024 AGM, the Remuneration Policy will be published on the Company's website at the following address: airbus.com/en/our-governance/governance-framework-and-documents. It will therefore no longer be included in future Reports of the Board of Directors, starting with the Report of the Board of Directors for 2024 (to be published in 2025).

Note: While this chapter 4.4 is presented as the Remuneration Report, only the disclosure included in (or expressly incorporated by reference into) this paragraph 4.4.1 and paragraphs 4.4.3 and 4.4.4 constitute the remuneration report (*bezoldigingsverslag*) for purposes of Section 2:135b of the Dutch Civil Code, and as such will be included as a separate agenda item for an advisory vote at the 2024 AGM.

The cumulated remuneration of all Executive Committee Members is presented in the "Notes to the IFRS Consolidated Financial Statements – Note 33. Remuneration". To the extent that any information presented in this note relates to matters referred to Sections 2:383c through 2:383e of the Dutch Civil Code and is not described in paragraph 4.4.3, such information is incorporated by reference into this Remuneration Report in order to satisfy the requirements of the Dutch Civil Code.

4.4.2 Remuneration Policy

A - General

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 (re)adopt, 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 this 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.

The Remuneration Policy detailed in this chapter “4.4.2 - Remuneration Policy” of the Report of the Board was adopted by the 2020 AGM with effect as of 1st 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 1st January 2024 and until the 2025 AGM, the current Remuneration Policy in the form set out below in this chapter 4.4.2 “Remuneration Policy” of the Report of the Board, remains in place.

B - Executive remuneration - Applicable to the CEO

1- 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.

2- 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 4.4.3 item 1) 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 Total Direct Compensation are described below:

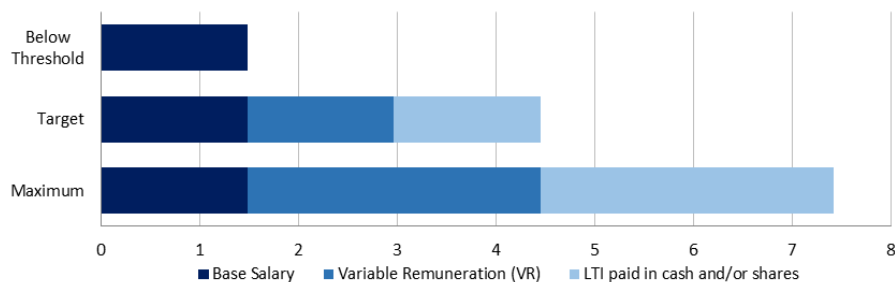
Remuneration Element	Main Drivers	Performance Measures	Target and Maximum
Base Salary (in €)	Reflects market value of position.	Not applicable	1/3 of Total Direct Compensation (when performance achievement is 100% of target)
Variable remuneration (in €)	Rewards annual performance based on achievement of Company performance measures and individual objectives.	<p>Collective (50% of VR): divided between: EBIT² (40%); Free Cash Flow³ (40%) and Sustainability (20%).</p> <p>Individual (50% of VR): Achievement of annual individual objectives, divided between outcomes and behaviour.</p>	<p>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.</p> <p>The VR is capped at 200% of Base Salary.</p>

² 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.

³ During 2023 Airbus defined 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. For information on how the Company will define FCF beginning in 2024, please refer to Section 8 of this Board Report.

<p>LTIP (in Units and/or Shares)</p>	<p>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 period⁴.</p>	<p>Vesting, subject to performance over a three-year period. In principle, no vesting if cumulative EBIT is negative. If cumulative EBIT is positive, vesting from 50% to 150% of grant based on EPS (75%) and Free Cash Flow (25%).</p>	<p>The original allocation to the CEO is capped at 100% of base salary at the time of grant. Vesting is 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.</p>
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The following graph 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.

3- Base Salary

The CEO's Base Salary is determined by the Board of Directors, taking into account the peer group analysis mentioned above.

4- 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.

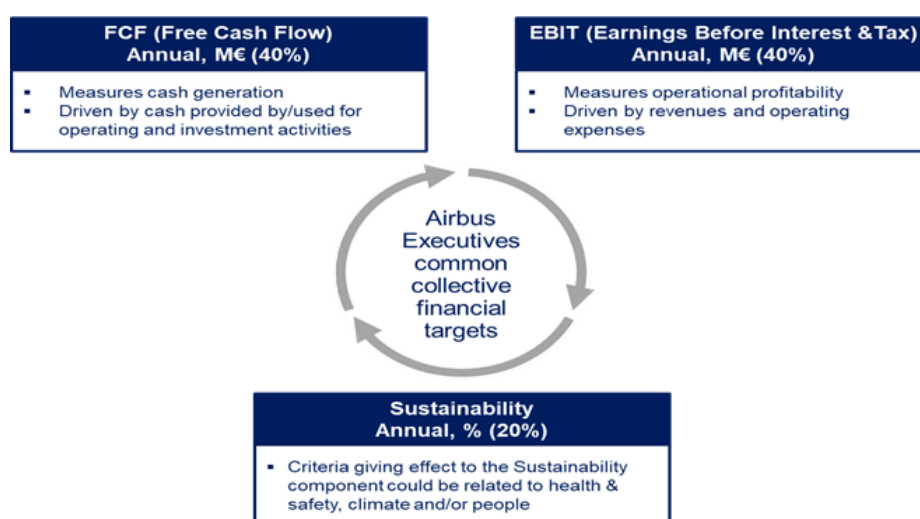
⁴ See also "4.3.1 - Securities in the Company as long-term investment" for more information on this topic.

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). 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 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, and 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 following graphic illustrates the Common Collective Component, how it is measured, and the key value drivers:



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.

The performance of the Individual Component is measured by the RNGC for the CEO and for all the other members of the Executive Committee.

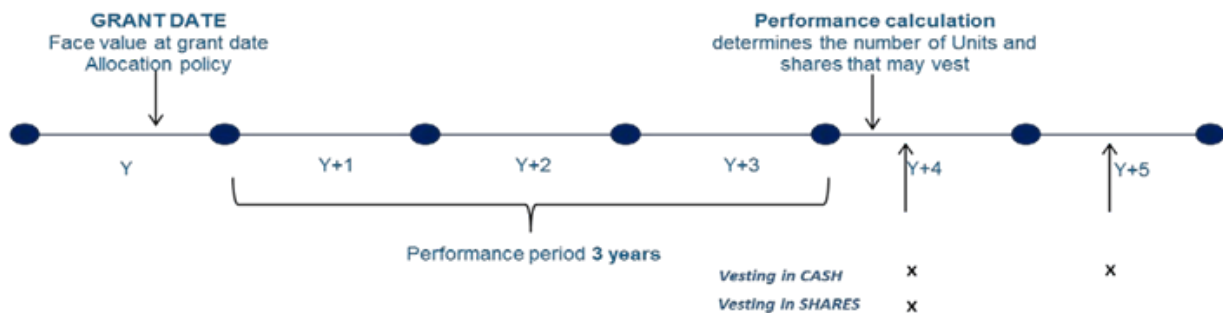
The RNGC discusses the level of achievement of every single target and derives a combined target achievement level for the outcomes. The behavioural part of the Individual Component is also discussed by the RNGC and constitutes an adjustment factor for the target achievement of the outcomes. Finally, 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.

5- 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:



The level of 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, should the Company's EBIT results be 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%).

Earnings per Share (75%) Average over 3 years, €
<ul style="list-style-type: none"> ▪ Measures profitability ▪ Driven by net income and number of shares

Free Cash Flow (25%) Cumulated over 3 years, M€
<ul style="list-style-type: none"> ▪ Measures cash generation ▪ Driven by cash provided by/used for operating and investment activities

The vesting of Performance Units and Shares is subject to the following maximum cap:

- 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 Company share at the time of vesting. The Company 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.

6- 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.

7- 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.

8- Retirement

The CEO is entitled to retirement benefits through mandatory applicable state and collective pension plans. The CEO also participates in a Company pension contribution-based plan. This plan consists of an annual pension contribution of 20% of the annual pensionable remuneration (as described in paragraph 4.4.3 item 8) below), subject to applicable local practices (if any).

9- 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 applicable standards of reasonableness and fairness. Furthermore, the Company may reclaim a bonus already paid, in whole or in part, subject to applicable local legal

requirements (if any), to the extent 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 depended. 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 would be reported in the notes of the relevant financial statements of the Company.

10- Loans

The Company does not provide loans or advances to the CEO.

11- 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 4.4.3 item 11) 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.

C - Non-Executive remuneration – applicable to Non-Executive Directors

The 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 attending 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 attending 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.

4.4.3 Implementation of the Remuneration Policy in 2023: CEO

This paragraph 4.4.3 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.

1- 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 companies⁵ 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

⁵ **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

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%.

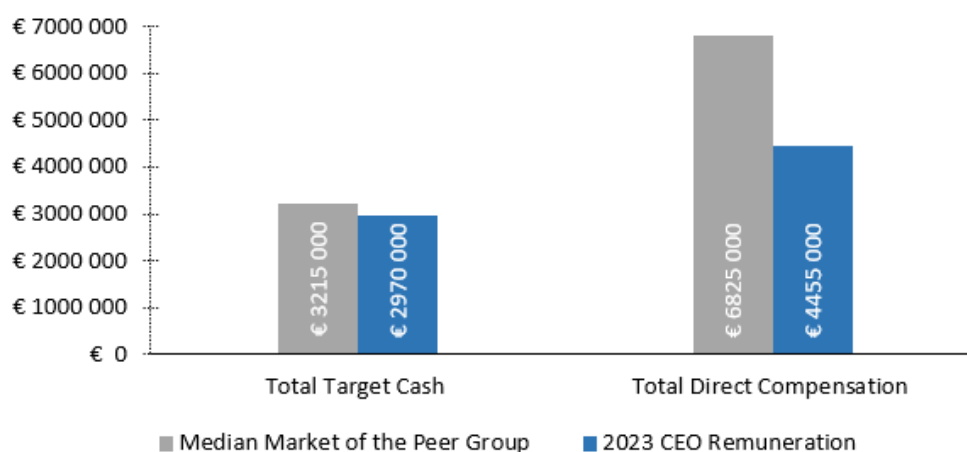
Financial institutions were excluded from the peer group.

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.

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).

CEO compensation relative to the market benchmark



In addition to external benchmarks, the RNGC also considers the remuneration of employees through the review of the evolution of the pay ratio (see “4.4.3. 10 - Pay ratio”).

The Board of Directors, under recommendation of the RNGC, decided to maintain the current remuneration of the CEO.

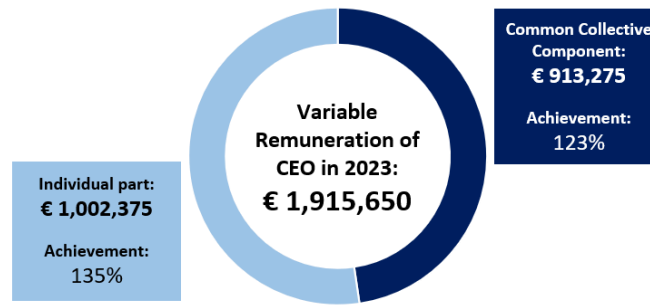
2- Base Salary

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).

3- 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.

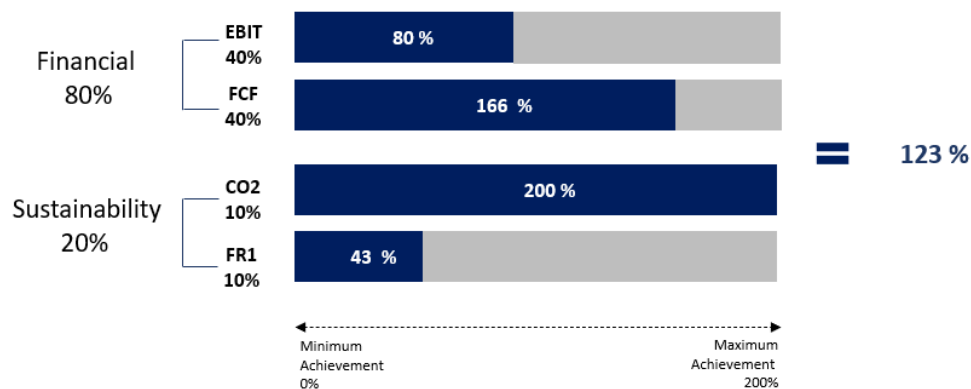
For 2023, the VR of the CEO amounts to an aggregate of € 1,915,650 composed of € 913,275 (48%) for the Common Collective Component and € 1,002,375 (52%) for the Individual Component.



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 criteria⁶. 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 CO2 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.



⁶ 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.

Sustainability targets are measured by two criteria: the rolling lost time injury frequency rate ("FR1") which is the monthly number of lost time injuries per million worked hours averaged over 12 months) and the reduction in CO2 emissions ("CO2e"), each weighted for 10% of the Common Collective Performance.

- 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 6.1.9 -Health and Safety.
- In 2023, the CO2e 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 6.1.2 -Climate Change.

For 2024, the Board of Directors decided to maintain the sustainability component as follows: FR1 for 50% and CO2 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 CO2e 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 Section 6.1.2 -Climate Change.

Performance achievement – Individual Component

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%.

Overview on Individual Component achievements:

Individual Component	Weight	Achievement
Outcome element	90%	133%
Top Company objectives (communicated to all employees of the Company and shared with the Executives and Managers of the Company)	30%	120%
Individual objectives (how the CEO contributes to the success of the Company)	60%	140%
Behaviour element	10%	150%
2023 CEO's Individual Component performance achievement		135%

The Individual Component has been assessed according to two sets of complementary elements:

1. The outcome 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 Report of the Board of Directors, published in February 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:

2023 CEO's Individual objectives	Weight	Achievement	
Operational performance	5%	<p>The Board after reviewing the following factors in detail considered that the Operational performance objective of the CEO was overachieved:</p> <p>Over the past year, under the leadership of the CEO, the Company successfully added flexibility to the A320neo Family production by making all Final Assembly Lines ("FAL") sites A321neo capable. This increased A321 production flexibility throughout its global industrial production system will enable the Company to better respond to market recovery and future demand needs, being close to major customers and growth regions. In 2023, both the Tianjin and Toulouse FALs delivered their first A321s.</p>	140%
Market position in commercial aviation	15%	<p>The Board after reviewing the following factors in detail considered that the market position in commercial aviation objective of the CEO was overachieved:</p> <p>The year 2023 demonstrated a higher overall order intake compared to last year with more than 2,300 commercial aircraft gross orders, further consolidating the Company's position as market leader for the fifth consecutive year.</p> <p>This also included major developments on the widebody market with 11</p>	200%

2023 CEO's Individual objectives	Weight	Achievement	
Major European defence programmes	10%	<p>new widebody customers in 2023 and the highest number of sales for the A350 in one year to date with 285 orders.</p> <p>The Board after reviewing the following factors in detail considered that the major European defence programmes objective of the CEO was partially achieved:</p> <p>In 2023, the Military Air Systems (including FCAS) business performed really well under the CEO's leadership enabling that all deliveries and programme milestones were met, except for the Eurodrone that is facing some unforeseen delay.</p> <p>The Space business did not perform as expected. While the major milestones were met for a number of programmes (including successful launches) the performance was impacted by charges resulting from the update of Estimates at Completion.</p>	90%
Environment, Social and Governance topics	10%	<p>The Board after reviewing the following factors in detail considered that the environment, social and governance topics objective of the CEO was overachieved:</p> <p>Under the CEO's impulsion, a dedicated Chief Sustainability Officer organisation was created at the end of the year to supervise and coordinate all aspects of the Company's sustainability ambition.</p> <p>2023 was also a year marked by the activation of the Sustainable Aviation Fuel ("SAF") ecosystem to contribute to the Company's SBTi validated target.</p> <p>Among the highlights, a number of agreements were reached and signed for SAF development in China (SPIC, SINAF) and in the US (with LanzaJet). Multiple partnerships were also established to support the emergence of new technological pathways for the production of SAFs in Australia (Jetzero) and in the US (DGfuel).</p> <p>Under a strong tone from the CEO, the Company strives to accelerate female representation in leadership roles. It includes slots in dedicated leadership programmes, aimed at development of leaders selected from across various geographies and functions. In 2023, the percentage of female representation on executive positions reached 20% as per the target, representing a 4% increase as compared with 2022. The Company is committed to pursuing efforts, focusing on leadership programmes, mentorship, sponsorship, targeted recruitment and strengthening promotions pipeline to enhance female representation in executive positions.</p> <p>In October 2023, after extensive efforts deployed throughout the organisation under the CEO's impulsion, the Company received notice from the US State Department that the Consent Agreement it had entered into in January 2020 had been closed, based on fulfilment of its terms. This important step concluded a three-year probation period during which Airbus demonstrated to the authorities its commitment to compliance and integrity.</p>	150%

2023 CEO's Individual objectives	Weight	Achievement	
Digital	10%	<p>The Board after reviewing the following factors in detail considered that the digital objective of the CEO was overachieved:</p> <p>Digital Design, Manufacturing & Services (“DDMS”) is a digital-first approach to the way aerospace products are designed, manufactured and operated. The DDMS programme focuses on digital methods and tools for end-to-end business processes. DDMS is a Company wide transformation programme implemented under the CEO’s leadership.</p> <p>Over the past year, the major milestones for “DDMS for Single Aisle” and “DDMS Next” (for future programmes) reached successful completion. In doing so, 417 capabilities were delivered, more than 20,000 people were trained and 5,497 new users were onboarded.</p> <p>The CEO implemented the “Smartphone for all” initiative aiming at providing a smartphone to all employees of the Company. 62,000 users were equipped which helped decommission 45,000 fixed phones.</p>	125%
Leadership team development and portfolio management	10%	<p>The Board after reviewing the following factors in detail considered that the leadership team development and portfolio management objective of the CEO was overachieved:</p> <p>The CEO decided to appoint a dedicated Commercial Aircraft business management team under the helm of Christian Scherer.</p> <p>The new organisation serving two objectives:</p> <p>(i) reinforcing the Company’s focus on the operational business and (ii) allowing the CEO to focus his attention on the Company's overall strategy and to drive its transformation across the group-wide businesses.</p> <p>The CEO continued to successfully conduct active portfolio management focusing on supply chain support (acquisition of Aubert & Duval together with Tikehau Capital and Safran), decarbonization (Jet Zero Australia investment, aircraft lifecycle services centre in China, partnering with DG Fuels, ZeroAvia investment) technologies (acquisition of Sobotech, planned acquisition of AeroVel) and services (contemplated components support JV with Air France, HMotion simulation training center JV project with ADAC HEMS).</p>	100%
Total 2023 CEO's Individual objectives	60%		140%

2. The 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.

4- 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:

Share plan: number of Performance Shares		
	Granted in 2023	Vesting dates
Guillaume Faury	11,619	Vesting schedule is made up of 1 tranche expected in May 2027

The grants in 2023 were performed in compliance with the performance measures (average EPS (75%) and cumulative FCF (25%)) described in paragraph 4.4.2 B item 5). 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

Date of grants	Grant Type	Number	Share price at grant	Value at grant date	Performance achievement	Units with performance achievement	Dates of vesting	Share value at vesting dates(*)
2018	Unit	4,208	€ 106.94	€ 450,004	50%	2,104	2 vestings in 2022 - 2023	1st vesting 12 May 2022 € 105.15 2nd vesting 11 May 2023 € 125.20
2018	Share	4,208	€ 106.94	€ 450,004	50%	2,104	1 vesting in 2022	12 May 2022 € 104.4
2019	Unit	5,530	€ 122.06	€ 674,992	50%	2,766	2 vestings in 2023 - 2024	11 May 2023 € 125.20
2019	Share	5,530	€ 122.06	€ 674,992	50%	2,765	1 vesting in 2023	11 May 2023 € 122.04
2020	Unit	9,920	€ 68.04	€ 674,957	150%	14,880	2 vestings in 2024 – 2025	Not yet known
2020	Share	9,920	€ 68.04	€ 674,957	150%	14,880	1 vesting in 2024	Not yet known
2021	Share	12,121	€111.38	€ 1,350,037	Not yet known	Not yet known	1 vesting in 2025	Not yet known
2022	Share	14,115	€ 105.20	€ 1,484,898	Not yet known	Not yet known	1 vesting in 2026	Not yet known
2023	Share	11,619	€ 127,81	€ 1,485,024	Not yet known	Not yet known	1 vesting in 2027	Not yet known

(*) 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: 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 € 1,951million.

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:

Date of grants	KPI	Number of units	Target for a 100% allocation	Achieved	Performance achievement in percentage	Compounded performance achievement in percentage	Resulting vesting in number	For comparison, average EPS for the last 3 reported years at the date of grant
2018	Ave EPS Cum FCF	8,416	€ 6.73 € 13,000m	€ 2.27 € 3,230m	50% 50%	50%	4,208	€ 2.81*
2019	Ave EPS Cum FCF	11,060	€ 7.72 € 13,150m	€ 3.10 € 4,320m	50% 50%	50%	5,530	€ 2.98**
2020	Ave EPS Cum FCF	19,840	€ 2.52 ⁽¹⁾ € 1,951 ⁽¹⁾	€ 5.19 €11,720	150% 150%	150%	29,760	€ 2.27***

* Average EPS of 2017, 2016, and 2015. ** Average EPS of 2018, 2017 and 2016. *** Average EPS of 2019, 2018 and 2017.
(1) 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%).

5- 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 "4.4.2. B. 6 - Share ownership guideline"). Please refer to the AFM website www.afm.nl for any further information related to the transactions of the CEO.

6- 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.

7- 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).

8- 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 € 2,454,006 (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).

9- Clawback

The Board of Directors did not apply any clawback in 2023.

10- 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 report relates is approximately 70 (2022: 74; 2021: 56; 2020: 64; 2019: 64).⁷

11- 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 2 financial years preceding the financial year during which the termination occurs have been assessed by the Board of Directors at 100% or more.

12- 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).

Financial year	2023	2022	2021	2020	2019
I. CEO's direct cash compensation					
Annual Base Salary (k€)	1,485	1,485	1,350	1,350	1,392 ⁽¹⁾
VR (k€) ⁽²⁾	2,042	2,241	1,404	1,553	2,318
Total	3,527	3,726	2,754	2,903	3,710
Annual Variation	-5,3%	+35%	-5.1%	-21.8%	+1.1%
II. Long Term Incentive Plan (k€) ⁽³⁾	1,485	1,485	1,350	1,350	1,350
III. Company Performance					
EBIT Adjusted (m€)	5,838	5,627	4,865	1,706	6,946
Annual Variation	+4%	+16%	+185%	-75%	+19%
FCF before M&A and customer financing (m€)	4,386	4,680	3,515	(6,935)	3,509

⁷ - 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 board report 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 board report for the financial years 2019, 2020, 2021 and 2022 is different than presented in the board report over such previous years. The ratios presented have been rounded to the nearest integer.

Annual variation	-8%	+33%	n.a	-298%	+21%
IV. Employee Compensation (k€) ⁽⁴⁾	81.8	79.3	71.6	72.0	75.1
Annual Variation	+3.2%	+10.8%	-0.6%	-4.1%	+2.0%

- 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.
- 4) Average compensation of full-time equivalent permanent employees from France, Germany, Spain and the UK 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 2022 financial year, the amount presented has been adjusted based on final figures. For the 2023 financial year, the amount presented is still an estimate and will be adjusted next year.

4.4.4 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 corporations⁸, 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.

⁸ Peer group:

3M, A.P. Moller - Maersk A/S, AB Volvo, ABB, Accenture, Ahold Delhaize, Air Liquide, Aon, Bae System, Banco Bilbao, BASF, BAT, Bayer, BMW, Bombardier, BP, Caterpillar, Chevron, Continental, Credit Suisse, Daimler, Danone, Dassault Systèmes, Deutsche Post, Deutsche Telekom, DIAGEO, E.ON, Endesa, Engie, Exxon Mobil Corp, Fedex, Ferrovial, Ford Motor, Fortum Oyj, GE, General Dynamics Corporation, GSK, Heineken, Henkel, Honeywell International Inc., Iberdrola, IBM, INDITEX, ING, Koninklijke DSM NV, Leonardo, Lockheed Martin Corporation, Mckesson Corp, MTU Aero Engines AG, Naturgy, Nestle, Northrop Grumman Corporation, Novartis, NXP Semiconductors, Raytheon Technologies Corporation, Renault, Repsol, Rio Tinto, Roche, Rolls Royce, Safran, Saint-Gobain, Sanofi, Santander, SAP, Schneider Electric, SHELL, Siemens, Sodexo, Stellantis, Telefonica, Tesco, Thales, The Boeing Company, Total, Unilever, Unitedhealth Group, Vinci, Vodafone, Volkswagen.

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.

1- 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.

2- 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 1st 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.

The remuneration of the Non-Executive Members of the Board of Directors was as follows:

(In €)	2023			2022			2021	2020	2019
	Fixum ⁽¹⁾	Attendance Fees ⁽²⁾	Total	Fixum ⁽¹⁾	Attendance Fees ⁽²⁾	Total	Total	Total	Total
Non-Executive Board Members									
René Obermann	500,000 ⁽³⁾	105,000	605,000 ⁽³⁾	225,000	135,000	360,000	300,000	193,988	202,000
Victor Chu	150,000	62,000	212,000	100,000	66,000	166,000	143,000	178,000	207,000
Jean-Pierre Clamadieu	210,000	76,000	286,000	140,000	96,500	236,500	197,000	217,087	219,176
Ralph D. Crosby, Jr.	150,000	70,000	220,000	100,000	100,000	200,000	161,000	183,000	208,500
Mark Dunkerley	180,000	94,000	274,000	124,420	112,000	236,420	166,000	118,879	-
Stephan Gemkow	150,000	76,000	226,000	110,000	98,000	208,000	163,000	128,879	-
Catherine Guillouard	210,000	63,000	273,000	140,000	98,000	238,000	197,500	223,000	222,765
Amparo Moraleda	210,000	69,500	279,500	140,000	103,000	243,000	184,500	215,000	235,000
Claudia Nemat	150,000	56,500	206,500	100,000	76,500	176,500	156,500	180,000	174,500
Irene Rummelhoff	150,000	55,000	205,000	72,100	75,000	147,100	-	-	-
Antony Wood ⁽⁴⁾	141,050	70,000	211,050	3,913	10,000	13,913	-	-	-
Former Non-Executive Board Members									
Lord Drayson ⁽⁵⁾	-	-	-	33,811	15,000	48,811	169,500	200,000	225,000
Carlos Tavares ⁽⁶⁾	-	-	-	22,541	5,000	27,541	125,000	150,000	145,000
Denis Ranque ⁽⁷⁾	-	-	-	-	-	-	-	96,731	311,000
Hermann-Josef Lamberti ⁽⁸⁾	-	-	-	-	-	-	-	70,274	200,235
Total	2,201,050	797,000	2,998,050	1,311,785	990,000	2,301,785	1,963,500	2,154,838	2,350,176

- (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. Please note that in view of the actual timing of certain Fixum payments made pertaining to 2022, certain figures in this column have been corrected from those included in the ESEF package.
- (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.

4.4.6 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.

4.5 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.

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 "4.6 - Risk Factors" of this Board Report.

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.

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:

Organisation	Explanations
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	<p>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.</p> <p>ERM working sessions at an executive leadership meeting twice a year.</p>
Management	<p>ERM Confirmation Letter procedure Entities and department heads that participate in the annual ERM compliance procedures must sign ERM Confirmation Letters.</p>
ERM CoC	<p>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).</p>
Corporate Audit	<p>Audits on ERM Provide independent assurance to the Audit Committee on the effectiveness of the ERM system, conducting an annual survey.</p>
Ethics & Compliance	<p>Alert system Detects deficiencies regarding conformity with applicable laws and regulations, as well as with ethical business principles.</p>

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 Board Report 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 Board Report 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 Board Report.

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.

4.6 Risk factors

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 and elsewhere in this Board Report), 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 programs.

4.6.1 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, restructurings 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 "4.6.1 – Geopolitical, global economic and financial market risks – The war in Ukraine and armed conflicts", "4.6.1 – Geopolitical, global economic and financial market risks – COVID-19 or other pandemic risks" and "4.6.2 – 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 section "4.6.2 – 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 "4.6.2 – 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 "4.6.1 - Geopolitical, global economic and financial market risks – Liquidity" and "4.6.2 - 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 on balance 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 impinging 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 "4.6.3 - 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 "4.6.2 – Business and operations-related risks – Dependence on key suppliers and subcontractors" and "4.6.2 – 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 "4.6.2 – 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 "4.6.2 – 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”.

4.6.2 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 “4.6.1 - 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. In 2023, the commercial aircraft business of Airbus recorded total revenues of approximately €47.8 billion – representing approximately 72% of the Company’s revenues. For information on revenue by segment, please refer to the “Notes to the IFRS Consolidated Financial Statements – Note 11. Segment Information”. While historically downturns in its commercial aircraft business have been partially mitigated by its defence, space and government activities, the significant growth of the Company’s commercial aircraft business relative to its other activities in recent years has significantly diminished this effect.

The commercial helicopter market in which the Company operates has shown cyclical trends and could also be influenced by factors listed above. In 2023, with 715 bookings identified, the overall market was back to its pre-pandemic levels. In comparison with 2022, this represents a slight increase of 1%. From 2022 to 2023 the demand for helicopters increased in most of the mission segments, including aerial work, public services, emergency medical services (EMS) and energy. Market demand decreased substantially in the commercial passenger transport and private and business aviation segments. There was a significant increase in demand for Super Medium, Light Twin and Medium Twin helicopters driven by the strong rebound in the energy segment and by the demand of the EMS segment.

For further information on risks relating to specific commercial aircraft and helicopter programmes, please refer to “4.6.2 – Business and operations-related risks – Programme-specific risks”.

- 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)⁽¹⁾:

Source of risk	Exposure	Unexpected Loss Contribution
Banks	3,823 ⁽²⁾	41
Corporates	6,119	134

Sovereign issuers	832	7
Money market funds	12,399	20
Total	23,173	202

(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: "4.6.1 - Geopolitical, global economic and financial market risks - Global economic conditions", "4.6.1 - Geopolitical, global economic and financial market risks - The war in Ukraine and armed conflicts", "4.6.1 - Geopolitical, global economic and financial market risks - COVID-19 or other pandemic risks" and "4.6.3 - 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 "4.6.2 – 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 delivered on time or to perform adequately. No assurances can be given that performance penalties or contract cancellations will not be imposed should the Company fail to meet delivery schedules or other measures of contract performance, in particular with respect to newer programmes and developments or those which are subject to more extensive updates throughout their life. For more details on programme-specific risks, see "4.6.2 – Business and operations-related risks – Programme-Specific Risks" below.

In addition to the risk of contract cancellations, the Company may also incur significant costs or suffer loss of revenues in connection with any remedial actions required to correct performance issues detected in its products or services. Moreover, to the extent that a performance issue is considered to have a possible impact on safety, regulators could suspend authorisation of the affected product or service.

Any significant problems with the development, manufacturing, operation, performance or safety of the Company's products and services could have a significant adverse effect on the Company's financial condition and results of operations as well as on the reputation of the Company and its products and services.

- 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 "4.6.1 - Geopolitical, global economic and financial market risks - Global economic conditions" of this Board Report 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 refer to also "4.6.1 - Geopolitical, global economic and financial market risks - Global economic conditions" and "4.6.1 - Geopolitical, global economic and financial market risks - Liquidity", "4.6.2 – 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.

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 remain at 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 “4.6.2 – Business and operations-related risks – Dependence on public spending and on certain markets”.

- 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 operations successfully and in particular to attract and retain engineers and other professionals with the technical skills and experience required for its research and development programmes. Failure to attract and retain such personnel or an increase in the Company's employee turnover rate could negatively affect the Company's ability to successfully execute its research and development programmes, and more generally could negatively affect the Company's financial condition and results of operations.

The Company's sustainability ambitions for its future generations of aerospace products face significant technological, skills and industrial challenges. These ambitions require cross industry and cross government collaboration to address the technological risks that need to be overcome. For more detailed information see “4.6.4 - Environment, human rights, health & safety risks – Climate-related risks” below.

The Company continues seeking to further its development in sustainable technologies. This commitment directs a significant proportion of its longer-term technology research efforts for future products and services, and is based on solving complex problems backed by exploring multiple technology pathways. Realisation of this ambitious programme is achieved with the help of national research funding through frameworks such as CORAC (France), LUFO (Germany), ATI (UK), CDTI (Spain) and Horizon Europe, which enable the Company and the wider aviation ecosystem to mature and develop required key competencies and technologies. The loss or absence of such funding could negatively affect the Company's ability to successfully execute its research and development programmes and could negatively affect its future prospects. For further details, please refer to section “4.6.2 – Business and operations-related risks – Availability of government and other sources of financing”.

No assurances can be given that the Company will achieve the anticipated level of returns from any of its research and development programmes and other development projects, which may negatively affect the Company's financial condition and results of operations and competitiveness.

- 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.

The Company is party to PPP and private finance initiatives ("**PFI**") contracts: for example two UK Ministry of Defence projects, Skynet 5 and related telecommunications services, and the AirTanker ("**FSTA**"). One of the complexities presented by PFIs lies in the allocation of risks and the timing thereof among different parties over the lifetime of the project.

There can be no assurance regarding the extent to which the Company will efficiently and effectively (i) compete for future PFI or PPP programmes, (ii) administer the services contemplated under such contracts, (iii) finance the acquisition of the equipment and the ongoing provision of services related thereto, or (iv) access the markets for the commercialisation of excess capacity. The Company may also encounter unexpected political, budgetary, regulatory or competitive risks over the duration of PPP and PFI programmes, which tend to be of long duration. For further details, please refer to section "4.6.2 – Business and operations-related risks – Availability of government and other sources of financing".

- 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 “4.6.2 - Business and operations-related risks - Industrial system adaptation” and “4.6.2 - 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 “4.6.2 - Business and operations-related risks - Industrial system adaptation” and “4.6.2 - 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 4 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 “4.6.2 - Business and operations-related risks - Industrial system adaptation” and “4.6.2 - 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 key specific challenges facing the Company are maintaining product competitiveness in the widebody market segment, and monitoring (and where necessary supporting) the supply chain. The ongoing industrial and product improvements of the programme progressed well during 2023, however the Company will continue to place particular focus on high-risk areas in the supply chain (including engines and other key elements) and competitiveness topics.

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 “4.6.2 - Business and operations-related risks - Industrial system adaptation” and “4.6.2 - 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: secure ageing 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 “4.6.2 – Business and operations-related risks – Dependence on public spending and on certain markets”, “4.6.2 – Business and operations-related risks – Availability of government and other sources of financing” and “4.6.2 – 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 the complexity of the local infrastructures to be delivered and the integration of commercial-off-the-shelf products (radars, cameras and other sensors) interfaced into complex system networks; assuring efficient project and staffing;

managing the rollout including subcontractors and customers. Negotiations on change requests in this respect along with schedule re-alignments remain ongoing. The Company continues to engage with its customer to agree a way forward on this contract. The outcome of these negotiations could result in significant further financial impacts.

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.

4.6.3 Legal, regulatory and governance risks

The Company faces various legal and regulatory risks, as described in this section and elsewhere in this Board Report. 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 regularly involved in civil and commercial disputes and litigation, and governmental or regulatory investigations, proceedings or inquiries, and expects to continue to spend time and incur expenses in connection therewith (regardless of their ultimate outcome), which may divert the efforts and attention of management from normal business operations. Although 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 section “6.1.14 - Business Integrity”.

- 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.

The Company may be subject to administrative, civil or criminal liabilities including significant fines and penalties, as well as suspension or debarment from government or non-government contracts for a period of time. The Company may also be required to modify its business practices and compliance programme and/or have a compliance monitor imposed on it. Any one or more of the foregoing could have a significant adverse effect on the Company’s reputation and its business, results of operations and financial condition.

- 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 “4.6.1 - 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

be dependent 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.

- 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 sufficient to protect core, proprietary differentiating technology which has been developed by the Company. Despite its efforts to protect its IP rights, there is a risk that any of the Company's direct or indirect IP rights could be challenged, invalidated or circumvented. Further, the laws of certain countries do not protect the Company's proprietary rights to the same extent as the laws in Europe and the US. Therefore, in certain jurisdictions the Company may be unable to protect its proprietary technology adequately against unauthorised third-party copying or use, which could adversely affect its competitive position. The Company may also face lack of certainty with respect to IP rights for existing or new research and development programmes and 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.

4.6.4 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:

- | | |
|---|---|
| <p>Transition risks</p> <ul style="list-style-type: none"> • Technology • Market • Policy and legal • Reputation | <p>Physical risks</p> <ul style="list-style-type: none"> • Acute • Chronic |
|---|---|

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:

1.5°C	<p>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)</p> <p>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 (iv) 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.</p>
WB 2°C	<p>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</p> <p>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.</p>
>3°C	<p>Disorderly mitigation – Warming exceeding 3°C - Based on IPCC Scenario AR6 SSP5-8.5</p> <p>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,</p>

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 ZEROe concepts 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 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.

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.

Company's climate-related risks mapping	Climate scenario / time horizon(s) where risk likelihood is considered medium or high, based on Company's qualitative analysis			Most important financial impacts before mitigation
	1.5°C	WB2°C	>3°C	
RISKS				
Transition - Technology	▶▶▶	▶▶▶	▶▶▶	✓
Transition - Market	▶▶▶	▶▶▶	▶▶▶	✓
Transition - Policy and legal	▶▶▶	▶▶▶	▶▶▶	
Transition - Reputation	▶▶▶	▶▶▶	▶▶▶	
Physical - Acute	▶▶▶	▶▶▶	▶▶▶	✓
Physical - Chronic	▶▶▶	▶▶▶	▶▶▶	✓

▶▶▶ : 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 "4.6.4 - 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 "4.6.3 - 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 "4.6.4 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 "6.1 – Non-Financial Information".

5. Financial statements

The Airbus SE IFRS Consolidated Financial Statements are prepared in accordance with International Reporting Standards (“IFRS”).

5.1 IFRS consolidated financial statements

Please refer to the “Airbus SE – IFRS Consolidated Financial Statements” and the “Notes to the IFRS Consolidated Financial Statements” for the years ended 31 December 2023 and 2022.

IFRS Consolidated Income Statement

Please refer to the “Airbus SE – IFRS Consolidated Income Statement” for the years ended 31 December 2023 and 2022.

Revenues

Revenues increased 11 percent year-on-year to € 65.4 billion (2022: € 58.8 billion). A total of 735 commercial aircraft were delivered (2022: 661⁽¹⁾ aircraft), comprising 68 A220s, 571 A320 Family, 32 A330s and 64 A350s. Revenues generated by Airbus’ commercial aircraft activities increased 15 percent, mainly reflecting the higher number of deliveries. Airbus Helicopters’ deliveries were stable at 346 units (2022: 344 units) with revenues rising 4 percent, reflecting the overall performance across programmes and services. Revenues at Airbus Defence and Space increased 2 percent, mainly driven by Military Air Systems and Connected Intelligence, offset by some updated Estimates at Completion of certain Space programmes. A total of 8 A400M military airlifters were delivered (2022: 10 aircraft).

EBIT and Financial Result

EBIT Adjusted – an alternative performance measure and key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses – was € 5,838 million (2022: € 5,627 million).

EBIT Adjusted related to Airbus’ commercial aircraft activities increased to € 4,818 million (2022: € 4,600 million), reflecting the higher deliveries and a more favourable hedge rate, partially offset by investments for preparing the future. FY 2022 included the non-recurring positive impacts from retirement obligations and compliance-related topics partly offset by the impact resulting from international sanctions against Russia, while in H1 2023 provisions were released for € 0.1 billion from compliance-related topics.

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. On the A320 Family programme, 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.

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.

On widebody aircraft, the Company continues towards a monthly rate of 4 aircraft for the A330 in 2024 and rate 10 in 2026 for the A350.

Airbus Helicopters' EBIT Adjusted increased to € 735 million (2022: € 639 million), reflecting the strong performance across programmes and services. FY 2022 also included net positive non-recurring elements.

EBIT Adjusted at Airbus Defence and Space decreased to € 229 million (2022: € 384 million). The decrease reflects € 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 two Pleiades Neo satellites.

On the A400M programme, development activities continue 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.

EBIT (reported) amounted to € 4,603 million (2022: € 5,325 million), including net Adjustments of € -1,235 million.

These Adjustments comprised:

- € -1,030 million related to the dollar working capital mismatch and balance sheet revaluation, of which € -224 million were in Q4. This mainly reflects the phasing impact arising from the difference between transaction date and delivery date;
- € -89 million related to the Aerostructures transformation, of which € -32 million were in Q4;
- € -41 million related to the A400M programme, of which € -41 million were in Q4;
- € -75 million of other costs including compliance, of which € -19 million were in Q4.

The financial result was € 166 million (2022: € -250 million). It mainly reflects a positive impact from the revaluation of certain equity investments. **Net income** was € 3,789 million (2022: € 4,247 million) with reported **earnings per share** of € 4.80 (2022: € 5.40).

Revenue and EBIT (reported) by Business Segment

<i>(In € million)</i>	Revenues			EBIT (reported)		
	2023	2022	Change	2023	2022	Change
Airbus	47,763	41,428	+15%	3,610	4,800	-25%
Airbus Helicopters	7,337	7,048	+4%	717	639	+12%
Airbus Defence and Space	11,495	11,259	+2%	220	(118)	-
Eliminations	(1,149)	(972)	-	56	4	-
Total	65,446	58,763	+11%	4,603	5,325	-14%

IFRS Consolidated Statement of Financial Position

Please refer to the "Airbus SE – IFRS Consolidated Statement of Financial Position" at 31 December 2023 and 2022.

Intangible Assets and Property, Plant and Equipment

Intangible assets increased by € +161 million to € 16,929 million (2022: € 16,768 million). Intangible assets mainly relate to goodwill of € 13,141 million (2022: € 13,165 million). Based on management's best estimate, there is no impact on the useful life of capitalised development costs resulting from the Company's journey towards sustainable aerospace.

The annual impairment tests performed in 2023 led to no impairment charge.

Property, plant and equipment increased by € +696 million to € 17,201 million (2022: € 16,505 million). Property, plant and equipment include right-of-use assets for an amount of € 1,641 million as of 31 December 2023 (2022: € 1,746 million).

Investments Accounted for under the Equity Method

Investments accounted for under the equity method increased by € +161 million to € 2,228 million (2022: € 2,067 million). They mainly include the equity investments in ArianeGroup, MBDA and ATR GIE.

Other Investments and Other Long-Term Financial Assets

<i>(In € million)</i>	31 December	
	2023	2022
Other investments	2,798	2,641
Other long-term financial assets	1,921	1,549
Total non-current other investments and other long-term financial assets	4,719	4,190
Current portion of other long-term financial assets	795	665
Total	5,514	4,855

Other investments mainly comprise the Company's participations and include the remaining investment in Dassault Aviation (9.90%, 2022: 9.90%) amounting to € 1,483 million at 31 December 2023 (2022: € 1,309 million).

Other long-term financial assets and the **current portion of other long-term financial assets** include other loans in the amount of € 2,601 million as of 31 December 2023 (2022: € 2,129 million), and the sales financing activities in the form of finance lease receivables and loans from aircraft financing. The increase is mainly reflecting additional loans in Airbus bank.

Inventories

Inventories of € 33,741 million (2022: € 32,202 million) increased by € +1,539 million. This is mostly driven by work in progress, raw materials and manufacturing supplies resulting in inventory build up to support the ramp-up, partially offset by less finished goods reflecting higher deliveries. Advance payments made to suppliers increased by € +956 million to € 6,001 million (2022: 5,045 million) largely due to payments made to suppliers to support Airbus' ramp-up and de-risk the supply chain.

Provisions

<i>(In € million)</i>	31 December	
	2023	2022
Provisions for pensions	2,715	3,509
Other provisions	7,113	7,514
Total	9,828	11,023
<i>thereof non-current portion</i>	5,667	6,896
<i>thereof current portion</i>	4,161	4,127

As of 31 December 2023, **provisions for pensions** amount to € 2.7 billion (2022: € 3.5 billion). The decrease mainly reflects the improved performance on plan assets and additional funding put in place in 2023 partly offset by the decrease of the discount rates in Germany, France, Canada and the UK.

As of 31 December 2023, a non-current asset of € 0.4 billion (2022: € 0.6 billion) is accounted for to reflect the surplus in two pension funds in the UK, the Airbus Section of the participation in BAE Systems Pension Scheme and the Company UK Pension Scheme.

The French pension reform signed into law in April 2023 and accounted for as a plan amendment did not have any material impact on the Company's Consolidated Financial Statements.

Other provisions decreased mainly due to the utilisation of provisions for onerous contracts related to the A400M and A220 programmes and the release and utilisation of compliance-related provisions. This is partly offset by additional provisions related to the updates of certain space programmes.

Other Financial Assets and Other Financial Liabilities

Other Financial Assets

<i>(In € million)</i>	31 December	
	2023	2022
Positive fair values of derivative financial instruments	897	753
Others	25	28
Total non-current other financial assets	922	781
Receivables from related companies	1,252	1,104
Positive fair values of derivative financial instruments	330	1,141
Others	269	297
Total current other financial assets	1,851	2,542
Total	2,773	3,323

Other Financial Liabilities

<i>(In € million)</i>	31 December	
	2023	2022
Liabilities for derivative financial instruments	2,859	6,163
European Governments' refundable advances	3,671	3,717
Others	185	237
Total non-current other financial liabilities	6,715	10,117
Liabilities for derivative financial instruments	1,891	3,450
European Governments' refundable advances	185	140
Liabilities to related companies	183	186
Others	310	297
Total current other financial liabilities	2,569	4,073
Total	9,284	14,190

The total net fair value of derivative financial instruments increased by € +4,196 million to € -3,523 million (2022: € -7,719 million) as a result of the reduction of the volume of financial instruments and the weakening of the US dollar.

In 2023, the European Governments' refundable advances remained stable at € 3,856 million (2022: € 3,857 million).

The allocation of European Governments' refundable advances between non-current and current presented in the Consolidated Financial Statements ended 31 December 2023 is based on the applicable contractual repayment dates.

Other Assets and Other Liabilities

Other Assets

<i>(In € million)</i>	31 December	
	2023	2022
Cost to fulfil a contract	468	337
Prepaid expenses	129	149
Others ⁽¹⁾	1,257	1,386
Total non-current other assets	1,854	1,872
Value added tax claims	1,600	1,732
Cost to fulfil a contract	460	448
Prepaid expenses	174	161
Others ⁽¹⁾	463	509
Total current other assets	2,697	2,850
Total	4,551	4,722

(1) As of 31 December 2023, other assets include € 874 million of payments to be made to Airbus by suppliers after aircraft delivery (2022: € 673 million). They are recorded as a reduction of cost of goods sold at the time of aircraft delivery. These future payments are discounted to reflect specific contractual terms and repayment profile.

As of 31 December 2023, a non-current asset of € 373 million (2022: € 642 million) is accounted for to reflect the surplus in two pension funds in the UK. The change of € -269 million is mainly explained by actuarial losses on pension obligations from financial assumptions of € -204 million and from experience adjustments of € -75 million as well as the actuarial losses related to the performance of assets of € -124 million. It is partly offset by the contributions to plan assets of € 163 million.

Other Liabilities

<i>(In € million)</i>	31 December	
	2023	2022
Others ⁽¹⁾	450	498
Total non-current other liabilities	450	498
Tax liabilities (excluding income tax)	740	1,082
Others ⁽¹⁾	2,767	2,721
Total current other liabilities	3,507	3,803
Total	3,957	4,301

(1) "Others" mainly comprises tax (excluding income tax) and personnel liabilities (e.g. Salaries, Social insurance contribution, Liabilities from personnel restructuring).

Total equity

The Company's shares are exclusively ordinary shares with a par value of € 1.00. The following table shows the development of the number of shares issued and fully paid:

<i>(In number of shares)</i>	2023	2022
Issued at 1 January	788,205,008	786,083,690
Issued for ESOP	2,254,426	2,121,318
Issued at 31 December	790,459,434	788,205,008
Treasury shares	(3,037,467)	(647,500)
Outstanding at 31 December	787,421,967	787,557,508

Holders of ordinary shares are entitled to dividends and to one vote per share at general meetings of the Company.

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to € 17,695 million (2022: € 12,950 million) representing an increase of € +4,745 million. This is mainly due to the net income for the period of € +3,789 million and the mark to market revaluation of the hedge portfolio of € 2,390 million partly offset a dividend payment of € -1,421 million (1.80 € per share).

The **non-controlling interests ("NCI")** from non-wholly owned subsidiaries increased to € 35 million as of 31 December 2023 (2022: € 32 million). These NCI do not have a material interest in the Company's activities and cash flows.

Net Cash

The net cash is comprised of the following elements:

<i>(In € million)</i>	31 December	
	2023	2022
Cash and cash equivalents	16,469	15,823
Current securities	1,301	1,762
Non-current securities	7,508	6,013
Gross cash position	25,278	23,598
Short-term financing liabilities	(3,389)	(2,142)
Long-term financing liabilities	(10,202)	(10,631)
Interest rate contracts ⁽¹⁾	(961)	(1,394)
Total	10,726	9,431

(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.

The net cash position on 31 December 2023 amounted to € 10,726 million (2022: € 9,431 million), with a gross cash position of € 25,278 million (2022: € 23,598 million).

Cash and Cash Equivalents

Cash and cash equivalents are composed of the following elements:

<i>(In € million)</i>	31 December	
	2023	2022
Bank account and petty cash	3,050	3,687
Short-term securities (at fair value through profit or loss)	12,409	11,135
Short-term securities (at fair value through OCI)	1,010	1,001
Total cash and cash equivalents	16,469	15,823

Only securities with a maturity of three months or less from the date of the acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, are recognised in cash equivalents.

Cash and cash equivalents have increased by € +0.7 billion from € 15.8 billion at 31 December 2022 to € 16.5 billion at 31 December 2023. They include payments received in advance from certain customers and payments made to suppliers in anticipation.

Securities

The Company's securities portfolio amounts to € 8,809 million and € 7,775 million as of 31 December 2023 and 2022, respectively. The security portfolio contains a non-current portion of € 7,508 million (2022: € 6,013 million), and a current portion of € 1,301 million (2022: € 1,762 million).

Financing liabilities

<i>(In € million)</i>	31 December	
	2023	2022
Bonds and commercial papers	8,250	8,681
Liabilities to financial institutions	323	383
Loans	233	75
Lease liabilities	1,396	1,492
Total long-term financing liabilities	10,202	10,631
Bonds and commercial papers	817	0
Liabilities to financial institutions	1	27
Loans	81	83
Lease liabilities	221	242
Others ⁽¹⁾	2,269	1,790
Total short-term financing liabilities	3,389	2,142
Total	13,591	12,773

(1) Included in "others" are financing liabilities to joint ventures.

Long-term financing liabilities, mainly comprising of bonds and lease liabilities, decreased by € -429 million to € 10,202 million (2022: € 10,631 million), mainly due to bonds reclass to short-term liabilities (EMTN 10 years) partly offset by the increase in the value of bonds.

Short-term financing liabilities increased by € +1,247 million to € 3,389 million (2022: € 2,142 million) mainly due to the EMTN 10 years reclass in long-term financing liabilities and financing liabilities to joint ventures.

Free Cash Flow

Free cash flow before M&A and customer financing – 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 – was € 4,386 million (2022: € 4,680 million), mainly reflecting the level of commercial aircraft deliveries as well as the strong performance in all businesses. **Free cash flow** – an alternative performance measure and key indicator which allows the Company to measure the amount of cash flow generated from operations after cash used in investing activities – of € 3,885 million (2022: € 4,324 million) included € -65 million for M&A activities and € -436 million of customer financing, mostly related to the planned execution of certain contractual obligations. The gross cash position stood at € 25.3 billion at the end of 2023 (year-end 2022: € 23.6 billion), with a net cash position of € 10.7 billion (year-end 2022: € 9.4 billion).

Order Intake and Order Book

Gross commercial aircraft orders totalled 2,319 (2022: 1,078 aircraft) with net orders of 2,094 aircraft after cancellations (2022: 820 aircraft). The order backlog amounted to 8,598 commercial aircraft at the end of 2023. Airbus Helicopters registered 393 net orders (2022: 362 units), which were well spread across programmes and corresponds to a book-to-bill ratio above 1 both in units and value. Airbus Defence and Space's order intake by value increased 15 percent to € 15.7 billion (2022: € 13.7 billion), corresponding to a book-to-bill of around 1.4 by value. Fourth quarter orders included 16 C295 aircraft for Spain.

Order intake by value increased to € 186.5 billion (2022: € 82.5 billion) with the **order book** valued at € 554 billion at the end of 2023 (year-end 2022: € 449 billion). The increase in the backlog value mainly reflects the Company-wide book-to-bill of well above 1, partly offset by the weakening of the US dollar.

Order Intake and Order Book by Business Segment

	Order Intake (net)			Order Book		
	2023	2022	Change	2023	2022	Change
Airbus (in units)	2,094	820	+155%	8,598	7,239	+19%
Airbus (in € million)	162,571	59,727	+172%	490,812	390,456	+26%
Airbus Helicopters (in units)	393	362	+9%	804	757	+6%
Airbus Helicopters (in € million)	8,597	9,338	-8%	21,525	20,774	+4%
Airbus Defence and Space (in € million)	15,701	13,660	+15%	42,195	38,426	+10%

5.2 Information on Airbus SE auditors

	Date of first appointment	Expiration of current term of office ⁽¹⁾
Ernst & Young Accountants LLP Boompjes 258 3011 XZ Rotterdam Postbus 488 3000 AL Rotterdam The Netherlands Represented by N.M. Pul	28 April 2016	10 April 2024

(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.

6. Non-financial information and other corporate activities

6.1 Non-financial Information

6.1.1 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):



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.

The Company's four commitments	Related topics (see hereafter)	SDGs	Section
#1 Lead the journey towards clean aerospace	Climate change	   	6.1.2
	Pollution		6.1.3
	Materials and circularity		6.1.4
	Water		6.1.5
	Biodiversity		6.1.6
#2 Build our business on the foundation of safety and quality	Product safety	 	6.1.7
	Cyber security		6.1.8
	Health and safety		6.1.9
#3 Respect human rights and foster inclusion	Human rights	   	6.1.10
	Inclusion and diversity		6.1.11
	Social dialogue		6.1.12
	People		6.1.13
#4 Exemplify business integrity	Business integrity		6.1.14

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 “6.1.17 - 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, "6.1.15 - Responsible supply chain" and "6.1.16 - Community impact". In addition, EU taxonomy regulatory information is disclosed in section 6.1.19.

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.

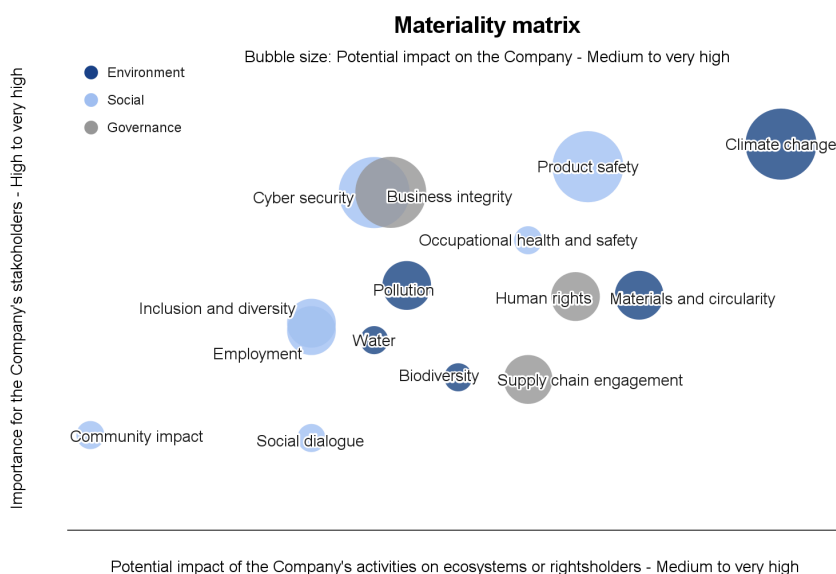
IV. Materiality matrix

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.

- **Potential impact on rightsholders or ecosystems** (horizontal axis): the Company evaluated the potential impact of its activities on people and environment - e.g. employees, end users, and local communities. Scoring was established taking into account the scale, scope, remediability and likelihood of risks associated with the topic. This assessment was based on interviews with internal experts in each domain.

- **Impact on the Company or financial materiality** (bubble size): The assessment of the potential impact of ESG-related topics on the Company's financial performance took into consideration the degree of risk associated with identified ESG topics. Scoring was derived from the Company's enterprise risk management ("ERM") system and complemented by interviews with representatives from the Company's top management.



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 "6.1.12 - Social dialogue"). It has also established the Airbus Supplier Sustainability Council in 2022 (see "6.1.15 - 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 and Compliance programme, organisation and framework for the effective governance of ethics and compliance, including all associated internal policies, procedures and controls; 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 “6.1.9 - 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 of this report.



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 “4.4 - Remuneration Report”. 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:

Variable remuneration component	Objective / KPI (s)	Weight (s)	Concerned employees
- Collective performance	Health and Safety FR1	10%	“Level IV” Managers and Executives (around 4,950 employees)
	Reduction of CO ₂ emission	10%	
- Success sharing	Health and Safety FR1	c. 5%	Around 125,000 employees
- Individual performance	Ethics & Compliance	Over 10%	All employees entitled to an individual bonus (around 50,000 employees)
	Functional sustainability objectives	Individualised	

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 "6.1.15 - 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 "4.5 - Enterprise Risk Management System". For further information on the Company's risks, see "4.6 - 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 7 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.

Risk mapping

	Priority risks in the scope of	
	the Company	Suppliers
ENVIRONMENT		
Climate change	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
HUMAN RIGHTS		
Impacts related to products and services	<input checked="" type="checkbox"/>	
Impacts related to diverse and inclusive workplaces*	<input checked="" type="checkbox"/>	
Risk of forced labour		<input checked="" type="checkbox"/>
Impacts related to sourcing of raw materials		<input checked="" type="checkbox"/>
HEALTH AND SAFETY		
Exposure to hazardous substances and materials*	<input checked="" type="checkbox"/>	
Working environment*	<input checked="" type="checkbox"/>	
<i>In situ</i> contractor health and safety management*	<input checked="" type="checkbox"/>	
Mental health and wellbeing	<input checked="" type="checkbox"/>	

* 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 "6.1.2 - Lead the journey towards clean aerospace – III. Risk management and IV. Transition Plan – 1. Industrial Operations". For more details on risks related to human rights, see "6.1.10. - Human rights – III. Risk management and IV. Implementation / activities". For more details on risks related to health and safety, see "6.1.9 - 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.

	The Company				Suppliers	
	ICSA (Self assessment)	Internal assessment / audit	External audits (e.g. ISO)	Management system	Self assessment	Company (or via 3rd party) assessment
Environment	☑	☑	☑ ISO 14001 ⁽¹⁾	☑	☑	☑
Health and Safety	☑	☑	☑ ISO 45001 ⁽²⁾	☑	☑	☑
Human Rights			☑		☑	☑

(1) 87% workforce currently covered, (2) ~25% workforce currently covered

Prevention and mitigation actions: The table below summarises the category of preventive measures per area.

	The Company				Suppliers		
	Training	Whistleblowing system (see below)	Code of Conduct	Policies / directives	Contractual terms and conditions	Whistleblowing system	Supplier Code of Conduct
Environment	☑	☑	☑	☑	☑	☑	☑
Health and Safety	☑	☑	☑	☑	☑	☑	☑
Human Rights	☑	☑	☑	☑	☑	☑	☑

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>). 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 "6.1.14 - 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.

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

Lead the journey towards clean aerospace

6.1.2 Climate change

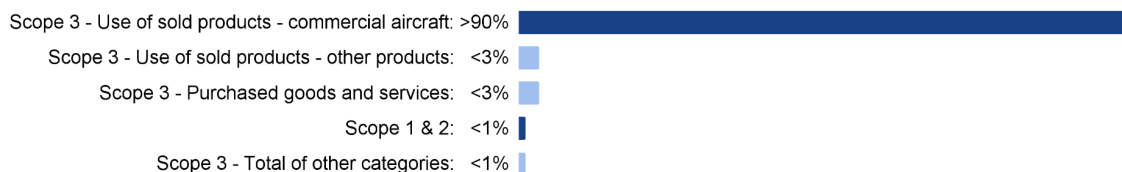
I. Introduction

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	GRI	SASB	SDGs	Others		
	302 Energy 305 Emissions	- Energy Management - Fuel Economy & Emissions in Use-Phase	9-12-13-17	TCFD Vigilance plan		
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	Target	2015 baseline	2022	2023	2023 vs. 2022	2023 vs. baseline
CO₂e Scope 1 & 2⁽¹⁾ (ktons)	2030: -63% in line with 1.5°C pathway, and neutralising yearly residual emissions	1,119	757	645	-14.8%	-42%
Energy from stationary sources⁽²⁾ (GWh)	2030: -20%	3,103	2,584	2,534	-1.9%	-18.3%
CO₂e Scope 3 intensity Delivered aircraft efficiency intensity (gCO ₂ /km.pax)	2035: -46%	88.8	64.4	62.9	-2.4%	-29.2%
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 (More metrics available in the ESG Data Board)			2022	2023	2023 vs. 2022	
Scope 3 - Cat 11 - commercial aircraft - SAF as per IEA-SDS scenario (CO ₂ e ktons)			425,454	464,136	+9.1%	
Scope 3 - Cat 11 - commercial aircraft - "no SAF" scenario (CO ₂ e ktons)			494,893	548,701	+10.9%	
Scope 3 - Cat 11 - other products (incl. military aircraft, helicopters, satellites, CO ₂ e ktons)			10,993	8,646	-21.4%	
Scope 3 - Cat 1 - Purchased goods and services (CO ₂ e ktons)			10,325	N/A	N/A	
CDP rating			A-	A-		
Percentage of responding suppliers to the CDP rated A or B			66%	N/A		
Remuneration	CO ₂ e performance included in CEO, Executives and "Level IV" managers variable remuneration. Targets (on TCO scope): 2024: 581 ktons CO ₂ e (-3% vs extended scope). 2023 performance: 593 ktons CO ₂ e or -15%.					
KPI assumptions	Metrics: see "- 6.1.17 ESG data board"; targets: see "- IV. Transition plan". ⁽¹⁾ CO ₂ equivalent ("CO ₂ e"), Total Scope 1 + Scope 2 CO ₂ emissions "market-based" (location based net of REC); ⁽²⁾ purchased <i>grid electricity</i> and other purchased energies (gas and other stationary fuels)					
Additional resources	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					

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 "6.1.17 - ESG data board – Environmental performance").



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 decarbonization. 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: .

- | | | |
|---|---|---|
| <p>Transition risks</p> <ul style="list-style-type: none"> • Technology • Market • Policy and legal • Reputation | <p>Physical risks</p> <ul style="list-style-type: none"> • Acute • Chronic | <p>Opportunities</p> <ul style="list-style-type: none"> • Market • Products and services • Energy sources |
|---|---|---|

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:

1.5°C	<p>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)</p> <p>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.</p>
WB 2°C	<p>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</p> <p>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.</p>
>3°C	<p>Disorderly mitigation – Warming exceeding 3°C - Based on IPCC Scenario AR6 SSP5-8.5</p> <p>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.</p>

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.
- **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 ZEROe concepts 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 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.

Company's climate-related risks and opportunities mapping	Climate scenario / time horizon(s) where risk or opportunity likelihood is considered medium or high, based on Company's qualitative analysis			Most important financial impacts before mitigation	Key associated actions presented in the Company's transition plan
	1.5°C	WB2°C	>3°C		
RISKS					
Transition - Technology	▶▶▶	▶▶▶	▶▶▶	✓	- Supporting fleet renewal by delivering its latest generation aircraft,
Transition - Market	▶▶▶	▶▶▶	▶▶▶	✓	- Developing and deploying SAF, with the ambition for all aircraft types to be capable of flying with up to 100% SAF by 2030,
Transition - Policy and legal	▶▶▶	▶▶▶	▶▶▶		- Investing in technologies to reduce product emissions , including the objective to bring a hydrogen -powered commercial aircraft to market in 2035,
Transition - Reputation	▶▶▶	▶▶▶	▶▶▶		- Investing in smart air traffic management (ATM) solutions and optimised operations ,
Physical - Acute	▶▶▶	▶▶▶	▶▶▶	✓	- Exploring CO ₂ capture technologies,
Physical - Chronic	▶▶▶	▶▶▶	▶▶▶	✓	- Researching Non-CO₂ effect impacts,
OPPORTUNITIES					- Marketing products and services supporting climate monitoring and adaptation,
Product and services	▶▶▶	▶▶▶	▶▶▶	✓	- Engaging employees, value chain and the ecosystem.
Market	▶▶▶	▶▶▶	▶▶▶	✓	
Energy source	▶▶▶	▶▶▶	▶▶▶		

▶▶▶ : ST - ▶▶▶ : MT - ▶▶▶ : LT

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 “6.1.16 Community Impact” and “4. Employee Engagement” hereafter).

	Stationary sources c.60% of CO ₂ e emissions in 2023 (Scope 1&2) (e.g. electricity, heating, cooling)	Mobile sources c.40% of CO ₂ e emissions in 2023 (Scope 1, e.g. vessels, “Beluga” air transport operations, flight test)
Energy efficiency measures	<p>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.</p> <p>»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 tCO₂e 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 tCO₂e emissions.</p>	<p>Switching to lower emission vehicles where possible and avoiding emissions through better planning of flights and logistics.</p> <p>»Since 2022, new Beluga jigs and tools have enabled each logistic flight to transport 2 A350 wings instead of one previously.</p> <p>»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.</p>
Transition to renewable or low carbon energy sources	<p>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 (“PPA”) and long term renewable supply contracts (sleeved PPAs), complemented by low carbon sources (eg. nuclear power).</p> <p>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).</p> <p>»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.</p> <p>»In 2023, GoOs covered more than 40% of purchased electricity and more than 10% of purchased natural gas.</p>	<p>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. 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. 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.</p> <p>»Since 2019, SAF has been used in the operation of the Company’s Beluga transport aircraft for the purpose of internal logistics.</p> <p>»In 2023, in total, an estimated 20,124tons CO₂e were saved when compared to conventional kerosene.</p>
Carbon offset strategy	<p>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 1.5C 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.</p> <p>Since 2019, the Company has introduced a mechanism to fully compensate for its business travel emissions based on the concepts of additionality, real (permanent) reduction, prevention of double counting, prevention of overestimation and no additional harm.</p>	

Carbon offset strategy

(Continued)

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 programs 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 725ktCO₂e 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 offtake. 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 optimization of cogeneration in Germany, mild weather conditions during the year and the adjustment of the ramp-up.

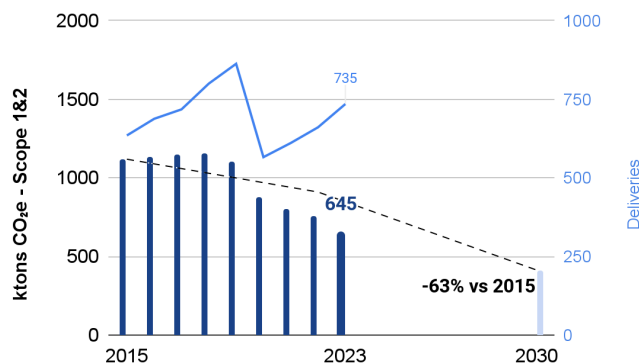


Fig. CO₂e performance vs. revised ambition

TCO	Target 2023	2022	2023	YoY Change
CO ₂ e (ktons)	687	696	593	-14.8%

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 “- 6.1.17 ESG data board – Environmental performance”.

2. Product stewardship

	Commitments		2023 Progress / performance
CO₂e Scope 3 intensity Delivered aircraft efficiency (gCO ₂ /km.pax)	2035	Target -46% vs. 2015 SBTi-validated	-29.2%  -46%
	2050	Support sector's "net zero CO ₂ ambition"	63% <i>achieved-to-target</i>

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.

- **CO₂e:** reduce scope 3 (category 11 - use of sold product) for commercial aircraft by 46% in terms of CO₂ 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 "6.1.17 - 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 CO₂ efficiency of subsequent generations of aircraft, thereby reducing CO₂ 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 CO₂ 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).

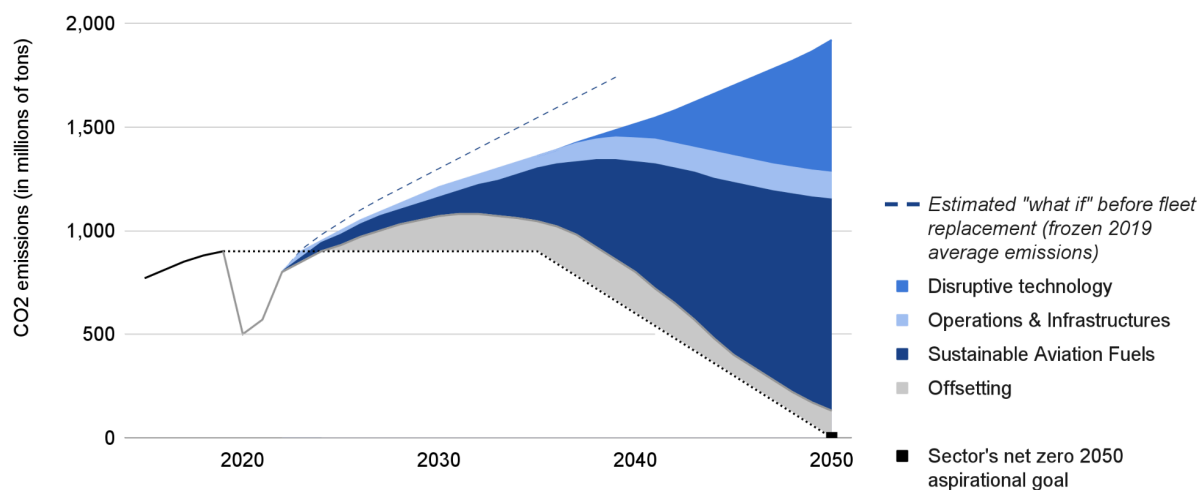
The industry's unity and leadership around its 2050 "net-zero carbon emissions" commitment, played a role in supporting the definition of a corresponding long-term aspirational goal (LTAG) also at ICAO level. In October 2022, the aspirational objective of "net zero carbon emissions" in 2050 for international 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 CO2 emission” technologies, which are the cornerstones of the Company’s transition plan. (see “- 6.1.19 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.

►► Strategic pathway 1

Renew current fleets with best-in-class aircraft

Around 70% of the global commercial aircraft fleet is still made up of previous generation aircraft, while **latest generation aircraft are up to 25% more efficient** 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 aerostructures designs and technologies, advanced materials, upgraded systems and more fuel-efficient engines aiming to achieve CO₂, NOx and noise emissions reductions in operations.

»In 2023, the Company delivered exclusively latest generation commercial aircraft (2022: 99%).

»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.

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 hydroprocessed 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.

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.

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:

► 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 paving 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

» 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 and C295 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

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.

MRTT on both Rolls-Royce Trent 772B engines.

► 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, minimising the logistical challenge as well as airlines demonstrating the attributes of SAF to their freight and corporate customers.

Those conditions are needed to give visibility and confidence to producers, and be capable of attracting investment. This is also what will give end users (airlines) access to enough volumes at a lower price, and maintain a level playing field for aviation.

Regional. SAF production will also depend on regional feedstock availability while local SAF production can significantly contribute to socio-economic regional development, including in developing nations.

Positive momentum is seen in the EU and in the US. A similar pace for creating a favourable ecosystem is needed worldwide. Creating favourable conditions for the SAF market to develop can be achieved if stakeholders gather together in cooperative platforms such as Commercial Aviation Alternative Fuels Initiative (CAAFI) in the US.

Early adopter. In addition, as an aircraft operator through its flight tests and internal logistics flying the Beluga, the Company strives to “prime the pump” by demonstrating market demand (see industrial operations). This also helps the Company experience the actual SAF market development challenges.

»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.

► 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 CAAF/3, 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 3 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

»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.

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 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

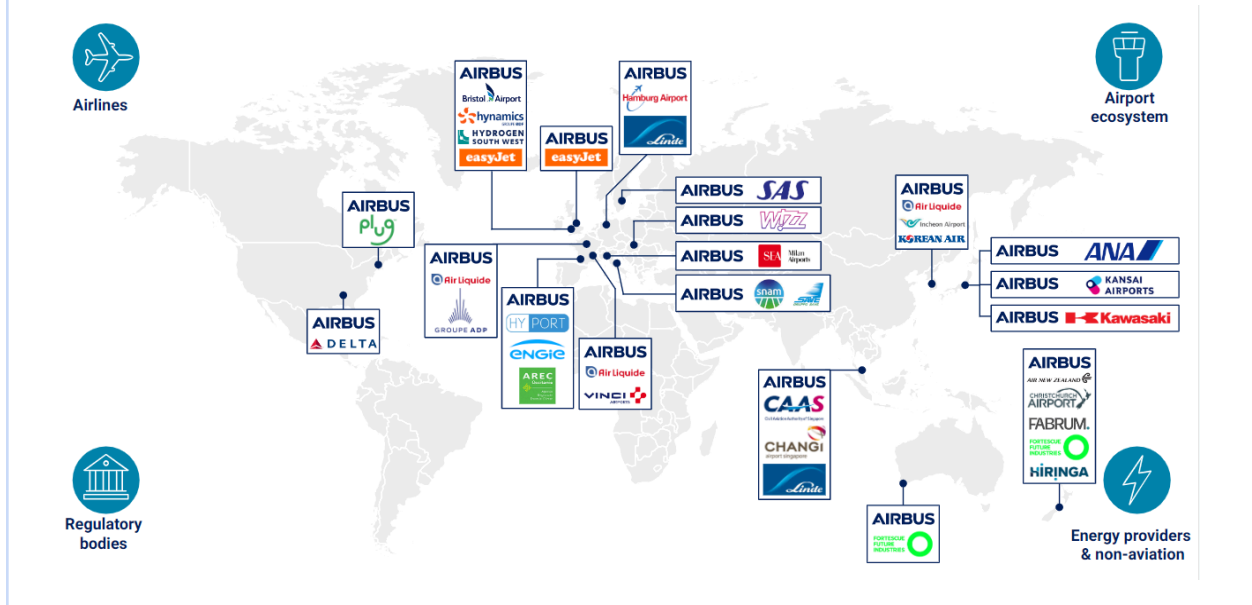
The Company seeks to go beyond technology maturation by collaborating with the wider ecosystem, and focusing primarily on the evolution of market needs and how they can be answered with renewable and low-carbon hydrogen. It has engaged in many partnerships, as well as collaborations and alliances with 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.

»It also participates in The Fuel Cells and Hydrogen Joint Undertaking, European Clean Hydrogen Alliance, France Hydrogène, French Conseil National de l'Hydrogène, and the German Wasserstoffrat.

»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, Hiringa, Fabrum, Hamburg Airport, Vinci, Engie, AREC, group ADP, Bristol Airport, Hynamics, 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.

►► 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.

»In November 2022, the SESAR 3 Digital Sky Demonstrator project HERON, led by the Company, was kicked-off with European partners including six airlines, eight ANSPs and five airports. This 3-year project is expected to enable reduced flight delays, and therefore fuel burn and CO₂ emissions via enabling Continuous Descent Operations, reducing holdings and undue vectoring. Several months of application with more than 1000 flights collected are expected to demonstrate quick win ATM improvements.

»In 2023, a European research project GEESE was granted funding from SESAR to continue the work of fello’fly, with the ambition to bring fello’fly into commercial service later this decade. Project aims to further refine the concept and its integration into airline operations by the end of the decade. Geese involves the collaboration of 16 partners and an advisory board of selected industry leaders.

►► Strategic pathway 5

Encouraging temporary CO₂ emission compensation schemes

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.

»In 2022, the Company partnered with 1PointFive and pre-purchased 400,000 tons of carbon removals (see *Offset Strategy* above). In 2023, the groundbreaking ceremony took place on the 28th April 2023 in Texas, US.

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.

It also invested in Carbon Engineering Ltd., a Canadian-based climate solutions company, operating the largest Direct Air Carbon Capture (DACC) Research & Development facility in the world.

»After the successful use of Direct Air Capture (DAC) technology designed by the Company and the European Space Agency to scrub carbon dioxide from the air aboard the International Space Station, the Company's innovation acceleration unit Airbus Scale began investigating how the technology could be scaled and applied on land to industries that consume or produce CO₂ in their production processes, such as capturing and converting CO₂ into fertilisers, fuels and carbon negative materials.

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 (NO_x), water vapour (H₂O), nvPM (non-volatile particulate matter of black-carbon or soot), sulphur oxides (SO_x) 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 NO_x 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 NO_x, in advance of the ZEROe demonstrator flight testing.
- On operational measures, the Company launched in early July 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 rapeseed 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

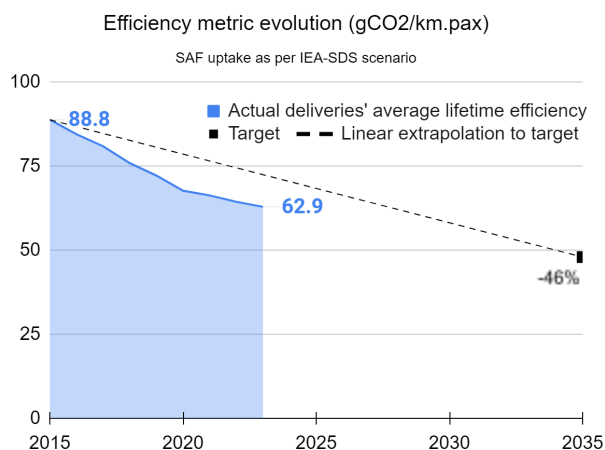
The Company is investing in and accelerating its efforts on five complementary strategic pathways to reduce its environmental footprint, in support of the overall sector ambition, as highlighted above. Overall, a major portion of the Company capital expenditures (CapEx), research & technology (R&T), 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 "6.1.17 - 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

	Target	2023 Performance
CDP Engagement Suppliers responding to CDP questionnaire	Maintain at least 75% of sourcing volume (based on year-1 turnover)	80.1% +5.1p.p vs. target

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 KtCO₂e (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 “- 6.1.17 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 program 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.

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 fresk” 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.

Incentivised remuneration

In order to better embed this ambition into the Company's performance management, CO₂ performance targets have been included in variable remuneration schemes since 2021 (See "6.1.1 - 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 687kt CO₂e for 2023 (or -0.9% vs. 2022), for CO₂ Scopes 1 & 2 (TCO scope, see above), part of the Top Company Objectives. The 2023 target was overachieved with an actual performance of 593kt CO₂e or -15%. This target was set in absolute value at 581kt CO₂e 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.

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 aeronautic 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 programs 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 program 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 "- 6.1.14 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 6.1.16 Community Impact for more information).

6.1.3 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 “6.1.2 - 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.

Pollution	GRI	SASB	SDGs	Others		
	305 - Emissions		9-12-13-17			
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Committee					
Related corporate policies	Environmental Policy, Code of Conduct					
Management system Relevant certifications	EMS - Environmental Management System ISO14001 - 87% of workforce covered					
KPIs	2030 Target	2015 Baseline	2022	2023	2023 vs. 2022	2023 vs. Baseline
Air emissions:						
VOC (tons)	0% increase	1,480	1,098	1,103	+0.4%	-25%
Other key metrics			2022	2023	2023 vs. 2022	
NOx (tons)			212	179	-15.5%	
SOx (tons)			17	17	+1.0%	
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 “- 6.1.2 Climate change” apply to this topic.

III. Risk management

Environmental risk and opportunities are managed following the Company’s ERM system, see section “- 6.1.2 Climate change”. Substance-related risks are included in the Company’s top risks, as reported in “- 4.6 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.

6.1.4 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 “- 6.1.10 Human rights” and “- 6.1.15 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.

MATERIALS AND CIRCULARITY	GRI	SASB	SDGs	Others		
	301 - Materials 306 - Waste	Hazardous Waste Management	9-12-13-17			
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Committee					
Related corporate policies	Environmental Policy, Code of Conduct, Human Rights Policy					
Management system Relevant certifications	EMS - Environmental Management System ISO14001 - 87% of workforce covered					
KPIs	2030 Target	2015 Baseline	2022	2023	2023 vs. 2022	2023 vs. Baseline
Waste produced excluding exceptional waste (tons)	-20%	107,513	74,443	77,208	+3.7%	-28.2%
	with no landfill or incineration without energy recovery					
Other key metrics (More metrics and assumptions, see “6.1.17 - ESG data board”)			2022	2023	2023 vs. 2022	
% Material recovery rate			61%	60%	-1p.p	
% Energy recovery rate			18%	19%	+1p.p	
Additional resources	Environmental Policy Statement , Sustainability on Airbus.com , Tarmac Aerosave					

II. Governance

The Airbus Environmental Policy and overall governance, as described in “- 6.1.2 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 program 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 "6.1.2 - 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 "6.1.3 - 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".

6.1.5 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 "- 6.1.15 Responsible supply chain".

Water discharge quality is managed by each site directly to ensure compliance with applicable local regulatory requirements.

WATER	GRI	SASB	SDGs	Others		
	303 - Water and Effluents		9-12-13-17			
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Committee					
Related corporate policies	Environmental Policy, Code of Conduct					
Management system Relevant certifications	EMS - Environmental Management System ISO14001 - 87% of workforce covered					
KPIs	Target 2030	Baseline 2015	2022	2023	2023 vs. 2022	2023 vs. Baseline
Water:						
Water purchased (m^3)	-50%	3,366,404	2,922,431	2,772,185	-5.1%	-17.7%
Water withdrawal (m^3)	0% increase	4,317,843	3,687,717	3,535,867	-4.1%	-18.1%
Other key metrics (More metrics available in "- 6.1.17 ESG data board")			2022	2023	2023 vs. 2022	
% of water withdrawal from all areas with high or extremely high water stress ⁽¹⁾			37%	37%	Op.p	
Metrics assumptions	⁽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). 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.					
Additional resources	Environmental Policy Statement , Sustainability on Airbus.com					

II. Governance

The Airbus Environmental Policy and overall governance, as described in "- 6.1.2 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 "- 6.1.2 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 on-going 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:

Key pillars	Description and rationale	Examples of projects
measure / metre	Measuring as a prerequisite to identify water flows and manage consumption.	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).
monitor	Track consumption, ensure control of deviations and detection of abnormalities.	Smart metering on site/building/asset level, connection to digital platforms, creation of KPIs and regular reports, alert systems.
avoid squandering	Identify and fix leakages, reconsider processes.	Leakage detection campaigns; improved parameters of Super Plastic Forming press cooling system to avoid unnecessary use of water in Toulouse (France).
reduce	Increase efficiency; equipment retrofit.	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.
reuse	Create closed loops; use the same volume several times.	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).
replace	Use rainwater.	Rainwater harvesting at Toulouse (France), Broughton (UK) and Illescas (Spain) sites.
new building design	Ensure high water efficiency standards from the design phase.	Certified building standards, e.g. LEED (Silver certification, Mobile site, US).
communication	Inform and engage employees.	Employee awareness campaigns (e.g. World Water Day communication on internal portal, onsite awareness-raising animations on water in Blagnac and Toulouse sites).

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.

6.1.6 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”) 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 on-going 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 “- 6.1.2 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 “- 6.1.2 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 “6.1.2 - 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 “6.1.3 - Pollution”

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.

Studying biodiversity. The Company’s space products, and more especially Earth-observation satellites, play an instrumental role in the understanding of biodiversity evolution. See “6.1.2 - 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 “6.1.16 - Community impact”.

Build our business on the foundation of safety and quality

6.1.7 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.

Aviation / product safety	GRI	SASB	SDGs	Others	
	416 - Customer Health and Safety	Product Safety	12		
Highest governance body(ies) involved	Product Safety Board (PSB), involving several Executive Committee members Board of Directors				
Related corporate policies	Airbus Product Safety Company Policy (A67)				
Management system Relevant certifications	SMS Products Operations	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 2310			
KPIs		Target	horizon	2022	2023
% SMS officers nominated		100%	permanent	100%	100%
% SMS officers trained		100%	permanent	100%	100%
Other key metrics				2022	2023
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 to:

- 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

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 civil and military EASA Part 145 regulations; and training provided to flight crews, cabin crews and maintenance crews through EASA Part 147 Approved Training Organisations (ATO).

The certified organisations within the Company where specific approvals are granted by the aviation authorities, are audited and monitored by these authorities to ensure 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, A380, A350, A220 fleets) are the latest fourth-generation aircraft.

Ten-year moving average fatal accident rate (per million flights) per aircraft generation

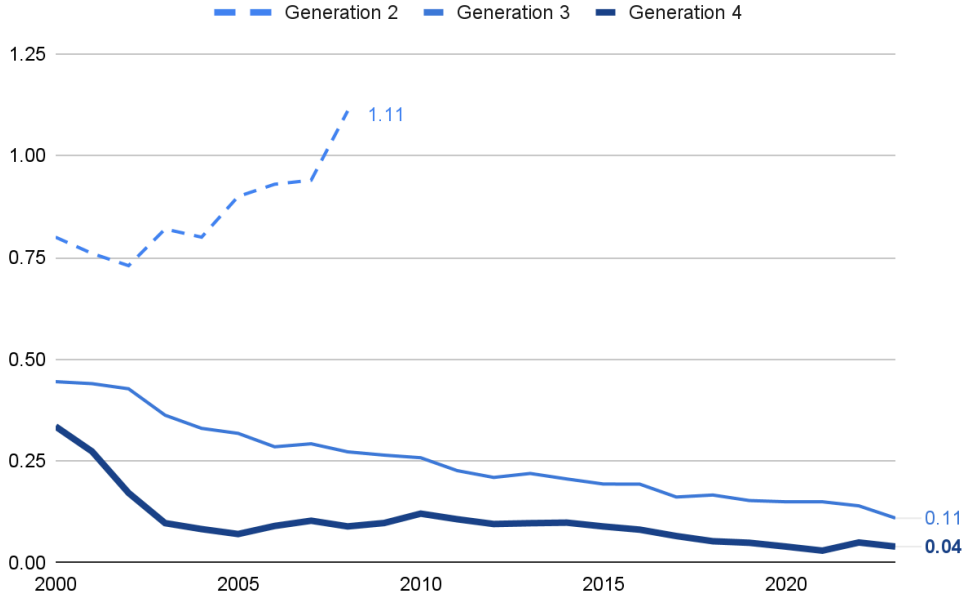


Fig. ten-year moving average fatal accident rate (per million flights) per aircraft generation. Source of data: official accident reports, ICAO, Cirium, and Company databases. Flight cycle data provided by Cirium.

6.1.8 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.

Cyber security	GRI	SASB	SDGs	Others
		Data Security	9, 12	
Highest governance body(ies) involved	Corporate Security Council; Digital Security Team (Cyber Security Validation Body)			
Related corporate policies and directives	Airbus Company Security Policy Security Requirements for Company Information & Data Classification and Protection, Security Requirements for Information Systems Management, Security Requirements for Affiliates, Security Requirements for Industrial Automation and Control Systems, Requirements for Product Security, Requirements on Information Security for Suppliers, Specific Requirements on Information Security for IT Service Providers			
Management system	Manage Airbus Company Security - aligned to ISO27001 standard, Monitor, Identify & Report Company Asset vulnerabilities, Assess & Treat Company Asset Security Risk			
Key metrics			2022	2023
Number of data breaches reported to data authorities			0	1
Percentage involving confidential information			N/A	100%
Number of mandatory cyber security awareness e-learnings (01 October - 30 September)			80,480	81,476

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 business 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.

6.1.9 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	GRI	SASB	SDGs	Others
	403 Occupational Health and Safety		8, 12	Vigilance Plan
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")			2022	2023
Lost-Time Injury Frequency Rate ⁽¹⁾			2.23	2.21
Lost-Time Injury Frequency Rate - commercial aircraft business ⁽¹⁾			2.25	2.31
Lost Time Injury Severity Rate - FISH perimeter ^(2,3)			0.117	0.122
Number of Near-miss reports- commercial aircraft business ⁽⁴⁾			28,925	37,836
Number of health and safety specific training hours delivered ⁽⁵⁾			286,815	304,420
Number of industrial safety training hours delivered ⁽⁵⁾			17,301	55,266
Number of employees who received health and safety training ⁽⁵⁾			90,490	112,652
Number of employees having attended "EH&S Certificate" modules 1 & 2 ⁽⁵⁾			2,214	1,763
Number of employees having attended "EH&S Certificate" modules 3 & 4 ⁽⁵⁾				97
Helpline + Occupational Health consultations for mental health issues, irrespective of cause ⁽⁶⁾				12,007
Estimate of core entities certified to ISO 45001 or similar standard			~one third	~one third
Estimate of % workforce covered by ISO 45001 or similar certified system			~25%	~25%
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.			
Metrics comments	<p>(1) 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.</p> <p>(2) Work related deaths are treated individually and are not included in the Severity Rate</p> <p>(3) 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.</p> <p>(4) Near-Miss reports may include safety observations in some domains.</p> <p>(5) 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.</p> <p>(6) 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.</p>			
Additional resources	People Safety on Airbus.com: Code of Conduct - incl. Health and Safety commitment			

II. Governance

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. 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 "16.1.15 - Responsible supply chain – IV. Supplier 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.
- 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.

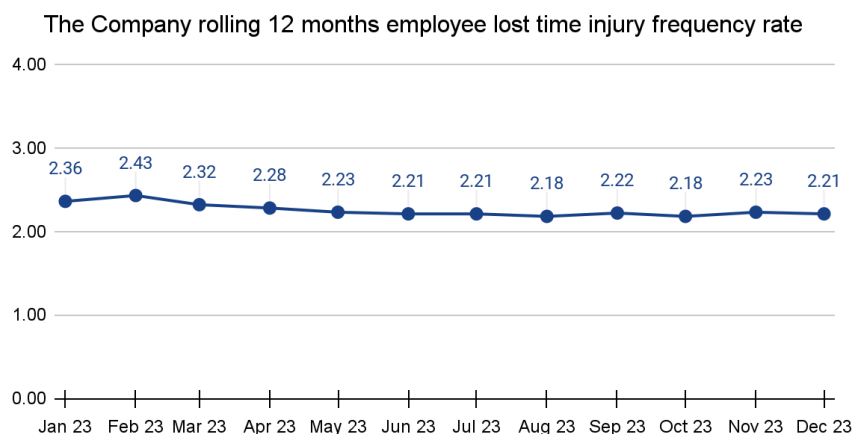
Learning and competencies. In order to reinforce health and safety competences at all leadership levels, a new occupational health and safety management competence requirement has been created, namely, "Ensure a safe and healthy environment - the ability to understand and meet their health and safety 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.



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.

V. Outlook

Eradicating accident root causes will be a focus of 2024, with the objective of continually improving the safety of the Company's workers and regaining a positive performance trend.

In addition, the Company is working to further improve the scope and depth of its data capture and reporting capabilities, enabling it to further mature health and safety management and ensuring alignment with evolving reporting requirements. This includes defining new metrics and increasing the footprint of the FISH platform.

Commitment to ISO 45001 management system certification will remain a priority throughout 2024, together with building corporate EHS Compliance Assurance capacity. A health care plan is being developed to address new and emerging risks and the Company is exploring digital support tools, including a wellbeing app to enable proactive health management for employees throughout their career. Altogether, these actions aim to further drive effective, consistent and efficient EHS risk mitigation action, in support of the Company's Zero-Harm ambition.

Respect human rights and foster inclusion

6.1.10 Human rights

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	GRI	SASB	SDGs	Others	Others
	408 Child Labour 409 Forced or Compulsory Labour		4,5,8,16		Vigilance Plan
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee				
Related corporate policies and reference documents	Code of Conduct; International Framework Agreement; Airbus Supplier Code of Conduct; Airbus Human Rights Policy; Airbus Human Rights Policy Statement				
Commitments to take into account external standards and frameworks	International Bill of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work and its Core Labour Standards, OECD Guidelines for Multinational Enterprises, UNGPs				
KPIs	Target	Target year	2022	2023	2023 vs. 2022
% of investigations completed or in progress ⁽¹⁾	100%	Permanent	100%	100%	-
% of sites having undertaken a social assessment ⁽²⁾	100%	2026	29%	51%	+22pp
% of findings closed within 18-months ⁽³⁾	100%	Permanent	100% ⁽⁶⁾	100% ⁽⁶⁾	-
Other key metrics			2022	2023	2023 vs. 2022
Number of participants to human rights trainings - cumulative, reporting period: 1 Oct - 30 Sep ⁽⁴⁾			6,955	96,714	+89,759
Number of alerts of human rights concern from within the Company's supply chain ⁽⁵⁾			28	59	+31
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.				
Additional resources	Code of Conduct , Supplier Code of Conduct , Modern Slavery Statement , Human Rights on Airbus.com , OECD Guidelines for Multinational Enterprises , Due Diligence Guidance for Responsible Business Conduct , ILO Declaration on Fundamental Principles and Rights at Work , Airbus Human Rights Policy Statement				

II. Governance

The Chief Sustainability Officer and Communications has top level accountability for human rights at Executive Committee level. As per its formalised governance on human rights, progress is monitored in the ECSC and actions are defined and progress tracked through the Human Rights Steering Committee. Accordingly, in 2023, the Company held a number of such meetings and presentations. A Human Rights Core Team, made up of multi-divisional and multi-functional representatives from throughout the Company, drives the main actions of the Human Rights roadmap. Due to the transverse nature of human rights topics, various functions are responsible for managing compliance with the relevant commitments outlined within the Company Human Rights Policy (see 'Human Rights Policy' section below) and develop measures to support implementation, including assignment of roles and responsibilities within their own organisation and provision of resources to conduct risk-based due diligence.

Other networks within the Company that support implementation and compliance include for example, the Ethics & Compliance network, the Privacy network, the Sustainability Ambassador network and the Inclusion and Diversity network.

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 "6.1.11 - 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 "6.1.15 - 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 "6.1.15 - Responsible supply chain"). For details regarding the Company's OpenLine, see "6.1.14 - 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.
- 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.

6.1.11 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.

Inclusion & diversity	GRI	SDGs	Others		
	405 Diversity and Equal Opportunity, 406 Non-discrimination	4, 5, 8, 16	Vigilance Plan		
Highest governance body(ies) involved	Board of Directors / ECSC; Executive Committee Inclusion & Diversity Board				
Related corporate policies/documents	Human Resources Airbus Company Policy, Airbus Code of Conduct, Airbus Supplier Code of Conduct, Airbus Framework for Prevention of Harassment and Discrimination in the Workplace				
External standards or frameworks taken into account	Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, ILO Conventions				
KPIs	Target	Target horizon	2022	2023	2023 vs. 2022
% of external hires to be female (active workforce)	33%	2023	27%	26%	-1 p.p
% women in Board of Directors	33%	2023	33%	33%	+0 p.p
% women in senior management - Executives	20%	2023	16%	20%	+4 p.p
<i>Number of men in senior management - Executives</i>			821	746	
<i>Number of women in senior management - Executives</i>			157	183	
Other key metrics (More in " - 6.1.17 ESG Data Board")			2022	2023	2023 vs. 2022
% women in active workforce			20%	20%	+0 p.p
% women in Executive Committee			25%	25%	+0 p.p
% women in "Level IV" managers			17%	18%	+1 p.p
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), Pride@Airbus (LGBTQ+), Generation-A (Millennials), 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 “6.1.16 - 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.

6.1.12 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.

Social dialogue	GRI	SASB	SDGs	Others
	402 Labor/Management Relations		8, 16, 17	
Highest governance body(ies) involved	Executive Committee			
Related corporate reference documents	Airbus Code of Conduct, International Framework Agreement, SE-WC agreement (updated 2018)			
Company's commitments to take into account external standards / frameworks	ILO's Declaration on Fundamental Principles and Rights at Work and its Core Labour Standards, OECD Guidelines for Multinational Enterprises			
Key metrics			2022	2023
Number of meetings with SE-WC (agreement says 4 per year)			7	5
% workforce covered by collective bargaining agreements			ca. 80%	ca. 80%
Additional resources	Code of Conduct , Airbus International Framework Agreement ILO's Declaration on Fundamental Principles and Rights OECD Guidelines for Multinational Enterprises , the Global Deal Initiative			

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 "6.1.14 - 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. 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 employees

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.

6.1.13 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, 6.9% 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 " – 6.1.17 ESG data board".

People	GRI	SASB	SDGs	Others
	401 Employment 404 Training and Education		4, 5, 8, 12	
Highest governance body(ies) involved	Executive Committee			
Related corporate policies	Human Resources Airbus Company Policy			
Key metrics (More in " – 6.1.17 ESG data board")		2022	2023	
Total number of employees ⁽¹⁾		134,267	147,893	Breakdowns available in the ESG data board
Number of Classroom Training ⁽²⁾		116,363	163,194	
Number of Digital Training ⁽²⁾		1,645,816	2,052,149	
Total training hours ⁽²⁾		1,786,274	2,177,325	
Average training hours per employee ⁽²⁾		15	17	
⁽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 Airbus International Framework Agreement , 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 Aeronautique Competences Sud Ouest / DECSO (Diagnostic Espace Compétences Sud Ouest), and Hydrogen Europe. The Company is working together with aerospace and defence industrial 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' 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 "6.1.11 - 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.

Exemplify business integrity

6.1.14 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

Business integrity	GRI	SASB	SDGs	Others
	205 Anti Corruption	Business Ethics	16	
Highest governance body(ies) involved	Board of Directors / ECSC, Executive Committee			
Related corporate policies and reference documents	Anti Corruption Policy, Responsible Lobbying Charter Directives: see below, section III. Risk Management Code of Conduct, Supplier Code of Conduct			
External standards taken into account	IFBEC's Global Principles of Business Ethics, FX Global Code			
Key metrics			2022	2023
Number of employees per appointed Ethics & Compliance Representatives			360	338
Number of employees per appointed Export Control Point of Contact			236	242
% of employees who completed the E&C training objective (<i>Reporting period: from 1 Jan to 31 Dec</i>)			96%	96%
Number of E&C e-learning sessions taken by employees (<i>Reporting period: from 1 Oct to 30 Sep</i>)			290,178	525,280
<i>Of which</i> Export Control e-learning sessions delivered to employees (<i>Reporting period: from 1 Oct to 30 Sep</i>)			149,426	367,187
Number of privacy e-learning sessions delivered to employees (<i>Reporting period: from 1 Oct to 30 Sep</i>)			3,181	9,255
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;
- Personal Data Protection Directive, Method and Binding Corporate Rules.

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

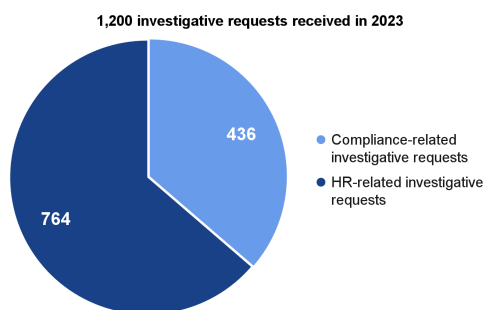
The Company recognises that the Code of Conduct cannot prevent every situation that may arise, and therefore encourages employees and third parties - including but not limited to contractors, subcontractors, direct or indirect suppliers, and local communities around our and our suppliers' sites – to speak-up about concerns related to the Company. Concerns may be raised through various channels, including through OpenLine (available at <https://www.airbusopenline.com>). 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-learning, 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 related⁹. 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.



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 licenses 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.

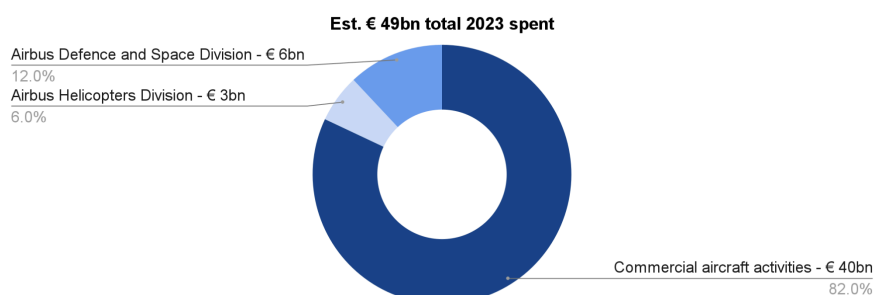
⁹ Covering harassment and bullying, discrimination and other breaches of HR policies or processes.

6.1.15 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	GRI	SASB	SDGs	Others
	102-9 Supply Chain 204 Procurement Practices 308 Supplier Environmental Assessment 408 Child Labor 409 Forced or Compulsory Labor 414 Supplier Social Assessment	Materials Sourcing	4, 5, 8, 9, 12, 13, 16, 17	Vigilance plan
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	2023 Target	2022	2023 ⁽¹⁾	2023 vs 2022
Percentage of sourcing volume of suppliers invited to CDP who have responded	75%	78.0%	80.1%	+2.1p.p.
Percentage of identified high risk suppliers, who have undergone a sustainability assessment	60%	99.5% ⁽²⁾	37.6% ⁽³⁾	-
Percentage of sourcing volume covered by supplier commitment to the Supplier Code of Conduct	89%	86.0%	89.9%	+3.9p.p.
Digitalisation of supplier substance data collection - supplier sites	700	298 ⁽⁴⁾	936 ⁽⁵⁾	-
Other key metrics	2022	2023		
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 ⁽⁶⁾		
Number of sustainability alerts ⁽⁷⁾	43	133		
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			

Company's 2023 total spent regional split

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%.

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.

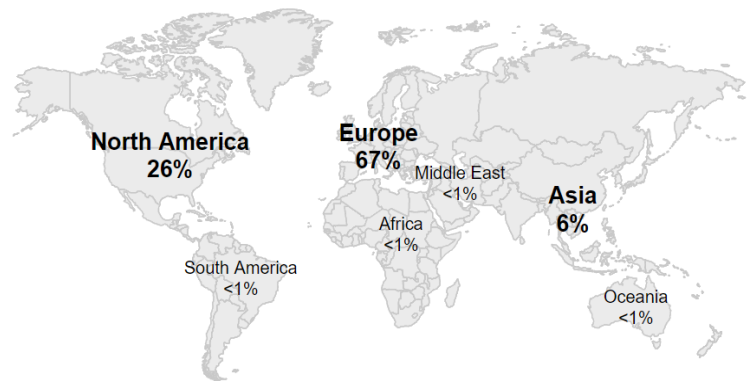
The Company has established regional procurement offices in North America (Herndon, VA), India (Bangalore), Asia Pacific (Singapore) and China (Beijing) to support local procurement initiatives. The regional procurement offices represent the Procurement function in the respective regions. They are responsible 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, in line with internationally recognised standards and conventions such as UNGPs, OECD, ILO and IFBEC, covering human rights (such as child and forced labour, discrimination and harassment, working conditions, health & safety and freedom of association) and the environment (such as emissions, pollution and waste management).

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 "salient human rights issues" in section " - 6.1.10 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 overstock 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 "6.1.14 - 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 detailed 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 3 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 "6.1.2 - 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 sustainability alerts have been reported linked to those suppliers;
- 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 "6.1.2 - Climate change / IV. Transition plan / Supply chain engagement". See also "6.1.17 - 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 those 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 (eg. 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.

6.1.16 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.

Community Impact	GRI	SDGs
	413 Local communities	All 17 SDGs with a focus on 1,2,3,4,5,13, 14, 15 and 17
Highest governance body(ies) involved	Board of Directors / ECSC Airbus Foundation Board of Directors, Airbus Foundation Endowment Fund Board of Directors	
Related Corporate Reference Documents	A42 Community Impact Policy A1133 Directive on Sponsorships, Corporate Donations & Corporate Membership The bylaws of the Airbus Corporate Foundation and the Airbus Foundation Endowment Fund	
Key metrics		2022 2023
Number of Sustainability Ambassadors		448 811
% of employees onboarded to the +impact platform		4% 12%
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 34 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.

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 2000 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.

V. 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.

6.1.17 ESG data board

ENVIRONMENTAL PERFORMANCE

GRI	KPI	Unit	2023	2022	2021	2020	2019
Energy	Total energy consumption (excl. electricity generated by CHP on site for own use) ✓	GWh	3,646	3,690	3,739	3,792	4,601
	<i>Energy intensity (per Total Revenues) ✓</i>	<i>GWh/bEUR</i>	54.8	61.9	70.7	75.4	64.0
	Energy consumption from stationary sources and electricity ✓	GWh	2,540	2,586	2,709	2,664	2,984
	• of which purchased grid electricity and other energies (gas and other stationary fuels)	GWh	2,534	2,584	2,708	2,663	2,983
	Energy consumption from stationary sources ✓	GWh	1,098	1,180	1,343	1,268	1,389
	• natural gas	GWh	1,002	1,096	1,299	1,228	1,345
	•• of which bio-methane	GWh	120	21	10	0	0
	• heat generated from biomass	GWh	36	37	25	24	27
	• other fuels	GWh	60	46	19	16	17
	Energy consumption from electricity, heat and steam ✓	GWh	1,442	1,406	1,365	1,396	1,595
	• purchased electricity (incl. renewable or low carbon sources from grid)	GWh	1,298	1,283	1,231	1,272	1,459
	EN3 •• of which purchased electricity with REC/GoO*	GWh	576	596	414	251	163
	EN4 • purchased electricity from renewable sources PPA*	GWh	20.1	0.1	0.0	0.0	0.0
	• self-generated electricity from renewable sources	GWh	1.5	1.2	0.8	0.9	0.2
	• <i>percentage renewable electricity</i>	%	45.2%	46.5%	33.7%	19.8%	11.2%
	• heat and steam	GWh	122	121	134	123	135
	Energy consumption from mobile sources ✓	GWh	1,106	1,104	1,031	1,128	1,617
	• kerosene	GWh	757	715	681	711	1,061
	•• of which Sustainable Aviation Fuel	GWh	86	22	4	1	0
	•• % of SAF used in own operations	%	11.3%	3.1%	0.5%	0.2%	0.0%
•• of which used in Beluga Transport	GWh	364	330	298	290	421	
•• of which used in flight test	GWh	393	385	382	421	640	
• road & maritime fuel used in Oversize Surface Transportation	GWh	311	351	321	389	520	
Energy consumption from renewable or low-carbon sources ✓	GWh	1,008	800	585	398	323	
<i>Percentage energy from renewable or low-carbon sources</i>	%	27.7%	21.7%	15.6%	10.5%	7.0%	
Air emissions	Total Scope 1 + Scope 2 CO ₂ emissions (location based) ✓	ktons CO ₂ e	766	852	883	930	1,136
	Total Scope 1 + Scope 2 CO ₂ emissions "market-based" (location based net of REC)* ✓	ktons CO ₂ e	645	757	805	875	1,100
EN15	<i>Scope 1&2 GHG intensity (per Total Revenues) ✓</i>	<i>gCO₂e/EUR</i>	9.7	12.7	15.2	17.4	15.3
Scope 1&2	EN16 Total Scope 1 GHG emissions (1) ✓	ktons CO ₂ e	486	549	565	580	739
EN18	•• of which from flight test	ktons CO ₂ e	97	99	99	109	165
	Total Scope 2 GHG emissions - location based ✓	ktons CO ₂ e	279	303	319	350	396
	Total Scope 2 GHG emissions - "market-based" (location based net of REC) ✓	ktons CO ₂ e	159	208	240	295	361
	Indirect GHG emissions - Category 11 - Use of Sold Products: *						
	• Commercial aircraft IEA-SDS SAF uptake * ✓	ktons CO ₂ e	464,136	425,454	400,611	383,266	650,366
	• GHG efficiency for delivered commercial aircraft (as per SBTi-validated target)* ✓	gCO ₂ /pax.km	62.9	64.4	66.3	67.7	72.2
Scope 3	EN17 • Commercial aircraft - ("no SAF" scenario) * ✓	ktons CO ₂ e	548,701	494,893	458,738	432,245	723,110
EN18	• GHG efficiency for delivered commercial aircraft ("no SAF" scenario) * ✓	gCO ₂ /pax.km	74.3	74.9	75.9	76.4	80.3
	• Other products * ✓	ktons CO ₂ e	8,646	10,993	9,586	NA	NA
	Indirect GHG emissions - Category 1 - Purchased Goods and Services* ✓	ktons CO ₂ e	N/A	10,325	8,439	9,940	NA
	Indirect GHG emissions - Category 6 - Business Travel* ✓	ktons CO ₂ e	77	47	17	22	109
VOC	EN20 Total VOC emissions* ✓	tons	1,103	1,098	1,041	1,048	1,457
SOx	Total SOx emissions	tons	17	17	13	13	13
NOx	Total NOx emissions	tons	179	212	224	207	232
Other	Internal Carbon Pricing	EUR/ton	150	150	150	30	30
Information	CDP Rating (based on previous year disclosure)	Score	A-	A-	A-	A-	B
Water	Total water withdrawal ✓	m3	3,535,867	3,687,717	3,347,368	3,699,762	4,563,138
	•• of which percentage purchased	%	78%	79%	79%	78%	80%
	EN8 •• of which percentage from surface water sources and collected rainwater	%	2%	2%	2%	2%	2%
	•• of which percentage from ground water sources	%	16%	16%	16%	17%	15%
	•• of which percentage from all areas with high water stress*	%	37%	37%	39%	40%	39%
EN22	Total water discharge	m3	3,130,257	2,953,488	2,844,056	3,189,150	3,858,056
Waste	Total waste production, excluding exceptional waste ✓	tons	77,208	74,443	71,138	74,959	99,128
	EN23 •• of which percentage hazardous waste*	%	27%	25%	26%	29%	27%
	•• Material recovery rate* ✓	%	60%	61%	54%	51%	54%
	•• Energy recovery rate	%	19%	18%	20%	21%	21%
	•• Landfill and incineration without energy recovery rate	%	21%	21%	25%	28%	25%
EMS	Percentage of operations with ISO 14001 / EMAS certification (in % workforce)	%	87%	88%	88%	88%	87%
certification	Percentage of operations covered by reporting (in % workforce)	%	90%	92%	92%	92%	92%

✓: 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.

Air Emissions - Scope 1 & 2 - "market-based" (location based net of REC): 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. However, this refining of methodology is expected to trigger restatements in the coming years, including of the 2015 baseline).

Air Emissions - Scope 3 - Use of sold products. The main contribution of the Company's value chain on climate change comes from the use of sold products and the Company reports in-use emissions of the products it delivers (Scope 3 – Use of sold products). This started in 2020 with the disclosure of emissions from commercial aircraft products, and was extended to other products from 2021, namely civil helicopters initially and military aircraft and helicopters in 2022, further complemented by satellites in 2023. The Company will continue to progressively extend the scope of reporting to other families of products, for which the calculation methodologies are still under development. Nevertheless, current results and advanced estimations have shown that the vast majority (over 90%) of the Scope 3 - Use of Sold Product impact of the Company's products is due to the commercial aircraft family of products, and that this situation is unlikely to change once all the product families will have been assessed.

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 NO_x were estimated and excluded given the uncertainty related to the NO_x 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 assumptions. 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 IAEF 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 IAEF 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 - Hazardous waste: waste displays one or more of the hazardous properties listed: "Explosive"; "Oxidising"; "Highly flammable"; "Flammable"; "Irritant"; "Harmful"; "Toxic"; "Carcinogenic"; "Corrosive"; "Infectious"; "Toxic for reproduction"; "Mutagenic"; "Sensitizing"; "Ecotoxic"; "Pressurised gas".

Waste - Material recovery: any operation wherein products, components of products, or materials that have become waste are prepared to fulfil 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	2023	2022	2021	2020	2019		2023	2022	2021	2020	2019
Total number of employees ✓	147,893	134,267	126,495	131,349	134,931						
By business segment ✓						% Part time employees	3.90	3.99	4.34	4.36	4.43
• Commercial aircraft activities	90,032	79,134	73,560	78,487	80,985	By contract type					
• Airbus Helicopters	22,336	20,803	20,126	20,026	20,024	• Unlimited	142,961	131,307	122,950	128,151	130,591
• Airbus Defence and Space	35,525	34,330	32,809	32,836	33,922	• Limited contract > 3 months	4,932	2,960	3,156	3,198	4,340
By geographic area ✓						By nationality					
• France	52,621	48,238	45,931	48,231	49,143	• French	34.6%	35.0%	35.4%		
• Germany	50,418	44,898	42,972	45,568	45,638	• German	31.1%	30.7%	31.5%		
• Spain	13,741	12,899	11,881	11,828	12,637	• Spanish	10.5%	10.7%	10.3%		
• UK	10,298	9,858	9,368	9,846	11,109	• British	6.9%	7.4%	7.7%		
• US	4,546	3,751	3,150	2,980	3,151	• From other countries	17.0%	16.2%	15.1%		
• Canada	4,818	4,287	3,788	3,634	3,668	Total number of nationalities	154	147	138		
• China	799	762	698	613	653						
• Other countries	10,652	9,574	8,707	8,649	8,932						
% of active workforce employees located in Europe	88.6%	88.6%	89.1%								
By age ✓						Newcomers	17,533	13,946	5,655	5,463	11,270
• <30 years old	16,905	13,171	11,120	12,135	13,862	• Core Divisions	8,738	8,231	2,817	2,413	6,643
• 30-50 years old	91,407	83,964	79,985	81,709	82,552	• Subsidiaries	8,795	5,715	2,838	3,050	4,627
• >50 years old	39,581	37,132	35,390	37,505	38,517	Leavers (incl. partial retirement)	5,440	6,428	9,394	7,796	5,842
						• Core Divisions	2,627	3,365	5,632	4,675	2,902
						• Subsidiaries	2,813	3,063	3,762	3,121	2,940
						Attrition Rate					
						• Core Divisions	2.8%	3.8%	5.9%	4.6%	2.9%
						• Subsidiaries	5.7%	7.8%	12.2%	9.4%	8.4%
						• Total	3.8%	5.0%	7.4%	5.8%	4.3%
GENDER DIVERSITY	2023	2022	2021	2020		2023	2022	2021	2020		
% Women in total active workforce ✓	20%	20%	19%	18%	By geographic area						
% women per category					• France	22.2%	21.4%	21.2%	20.5%		
• on Board of Directors	33%	33%	25%	25%	• Germany	16.4%	16.2%	16.4%	15.3%		
• on Executive Committee	25%	25%	25%	16%	• Spain	24.6%	24.0%	22.7%	22.3%		
• in Senior mgmt - Executives	20%	16%	14%	13%	• UK	14.6%	14.0%	12.9%	13.5%		
• in "Level IV" managers	18%	17%	16%	14%	• US	23.5%	22.5%	22.4%	22.4%		
• Newcomers	25%	27%	22%	26%	• Other countries	23.6%	22.4%	21.0%	20.9%		
PEOPLE DEVELOPMENT	2023	2022	2021	2020	LABOUR RELATIONS	2023	2022	2021	2020		
Number of classroom training ✓	163,194	116,363	78,984	78,443	Number of meetings with SE-WC	5	7	12	8		
Number of digital training ✓	2,052,149	1,645,816	967,495	752,702	% of workforce covered by collective						
Total training hours ✓	2.2mn	1.7mn	1.2mn	1million	• bargaining agreements	~ 80%	~ 80%	~ 80%			
Average training hours per employee	17	15	11	10.6							
• for women	15	14	9	8							
• for men	17	16	11	10							
• for production employees	22	19	15	14							
• for non-production employees	15	14	10	8							
Internal mobilities	>10,700	11460	>10,400	>7,000							

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 October 1st to September 30th.

✓ : 2023 data verified by EY® & Associés. Limited assurance report issued by EY® & Associés is available on the Company's website.

PRODUCT SAFETY						2023	2022	2021	2020	2019
Fatal accident rate industry-wide Gen4 ✓						0.04	0.05	0.03	0.04	0.05
% SMS officers nominated ✓						100%	100%	100%	1	-
% SMS officers trained ✓						100%	100%	100%	1	-
CYBER SECURITY						2023	2022	2021	2020	2019
Number of data breaches reported to data authorities						1	0	1	1	-
Percentage involving confidential information						1	-	100%	1	-
Cyber security awareness training e-learning participation							107,808	67,475	10,328	-
HEALTH & SAFETY						2023	2022	2021	2020	2019
Lost Time Injury Frequency Rate ✓						2.21	2.23	3.29		
Lost Time Injury Frequency Rate - commercial aircraft business						2.31	2.25	4.31	5	-
Number of Near-miss reports - commercial aircraft business						37,836	28,925	19,305	-	-
Loss Time Injury Severity rate - FISH perimeter ✓						0.122	0.117	-	-	-
Number of health and safety specific training hours delivered ✓						304,420	286,815	128,795	103,070	148,000
Number of industrial safety training hours delivered						55,266	17,301			
Number of employees who received Health & Safety training ✓						112,652	90,490	28,144	37,599	20,900
Number of employees having attended "EH&S Certificate modules 1 & 2" ✓						1,763	2,214	1,309	418	-
Number of employees having attended "EH&S Certificate modules 3 & 4" ✓						97				
Helpline + Occupational Health consultations for mental health issues, irrespective of cause						12,007				
Estimate of core entities certified to ISO45001 or similar standard						~one third	~one third	~one third	-	-
Estimate of workforce covered by ISO45001 or similar certified system						~25%	25%	0	-	-
HUMAN RIGHTS						2023	2022	2021	2020	2019
% of investigations completed or in progress - following reports of concerns linked to human rights, including forced and child labour and other labour rights.						100%	100%	100%	1	-
% 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).						51	29	10	6	-
% of findings closed within 18-months (following social assessments including human and labour rights, carried out on the Company's sites)						100%	100%	100%	1	-
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) ✓						96,714	6,955	5,789	4,943	-
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).						59	28	4	5	-
BUSINESS INTEGRITY						2023	2022	2021	2020	2019
Number of employees per appointed Ethics & Compliance Representatives						338	360	372	390	-
Number of employees per appointed Export Control Point of Contact						242	236	-	-	-
% of employees (non-Exec) who have completed the E&C training objective						96%	96%	90%	1	-
Number of E&C e-learning sessions taken by employees ✓						525,280	290,178	284,774	309,682	-
Of which Export Control e-learning sessions delivered to employees						367,187	149,426	-	-	-
Number of privacy e-learning sessions delivered to employees (Reporting period: from 1 Oct to 30 Sep.)						9,255	3,181	9,327	35,073	-
Investigative requests received during the year						1,200	847	-	-	-
· of which Compliance-related investigative requests						764	323	-	-	-
· of which HR-related investigative requests						436	524	-	-	-
SUPPLY CHAIN						2023	2022	2021	2020	2019
Sourcing volume (m€)						~49,000	48,185	37,906	40,712	53,400
Number of suppliers						~19,000	18,000	18,000	21,000	23,000
Split by Division (%)										
· Commercial aircraft activities						82%	77%	77%	76%	84%
· Airbus Helicopters						6%	9%	8%	8%	6%
· Airbus Defence and Space						12%	14%	15%	15%	10%
Split by region										
· EU						67%	69%	74%	74%	59%
· North America						26%	24%	19%	19%	27%
· Asia pacific						6%	6%	6%	6%	8%
· Other regions						<1%	<1%	<1%	<1%	6%
Number of countries						>90	90	90	88	>100
Percentage of sourcing volume covered by supplier commitment to the Supplier Code of Conduct						90%	86%	1	NA	-
Percentage of sourcing volume of suppliers invited to CDP who have responded						80%	78%	68%	56%	-
Percentage of responding suppliers to the CDP scoring A or B						N/A	66%	53%	56%	-
Percentage of identified high risk suppliers, who have undergone a sustainability assessment ✓						37.6%	100%	95%	63%	-
Percentage of assessed suppliers not meeting Company's sustainability expectations						11%	16%	13%	12%	-
Percentage of action plans defined for suppliers not meeting Company's sustainability expectations						50%	31%	15%	NA	-
Number of sustainability alerts						133	43	12	5	-
Number of suppliers registered into Digitalization of Supplier Substance data collection tool						936	298	-	-	-
COMMUNITY IMPACT						2023	2022	2021	2020	2019
Number of Sustainability Ambassadors						811	448	207	-	-
% of employees onboarded to the +impact platform						12%	4%			

Note: Metrics cover civil year periods, except for training related metrics with reporting periods going from October 1st to September 30th.

✓: 2023 data verified by EY® & Associés. Limited assurance report issued by EY® & Associés is available on the Company's website.

GOVERNANCE

BOARD OF DIRECTORS											
	2023	2022	2021	2020	2019		2023	2022	2021	2020	2019
Number of independent directors	11	11	11	11	11	Number of Board meetings	9	13	7	13	11
Number of executive directors	1	1	1	1	1	% average attendance	95%	96%	98%	97%	91.00%
Number of women	4	4	3	3	3	Number of Audit Committee	6	5	5	5	7
Number of men	8	8	9	9	9	Number of RNGC	4	5	5	4	7
Average age	61	60	60	59	59	Number of ECC/ECSC	4	4	6	4	6
Number of nationalities	7	7	7	7	7						
Average tenure	6	4.9	4.5	3.5	4						
EXECUTIVE COMMITTEE						SHAREHOLDING					
	2023	2022	2021	2020	2019		2023	2022	2021	2020	2019
Number of women	3	3	3	2	2	Free Float	73.82%	74.06%	74.06%	73.97%	73.94%
Number of men	9	9	-	-	-	GZBV (German State)	10.84%	10.87%	10.90%	10.93%	10.94%
Number of Executive Committees	4	4	4	4	4	SEPI (Spanish State)	4.09%	4.10%	4.11%	4.12%	4.13%
						SOGEPA (French State)	10.86%	10.89%	10.92%	10.95%	10.96%
						Airbus SE	0.38%				
SUSTAINABILITY-LINKED REMUNERATION											
	2023	2022	2021	2020	2019	CEO and Executives variable remuneration - common collective component, paid following the end of financial year					
R&S KPI 1	LTIFR1	LTIFR1	LTIFR1	LTIFR1							
Weight	10%	10%	10%	20%							
R&S KPI 2	CO2	CO2	CO2	-							
Weight	10%	10%	10%	-							

6.1.18 TCFD Correspondence Table

	See Company's report sections	See CDP Climate Change Questionnaire* items
Governance		
Describe the board's oversight of climate-related risks and opportunities.	- 6.1.1 the Company's approach to sustainability	C1.1a, C1.1b, C1.1d
Describe management's role in assessing and managing climate-related risks and opportunities	- 6.1.2 Climate change	C1.2
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	- 4.6 Risk Factors – Environment, Human Rights, Health & Safety Risks	C2.3, C2.3a, C2.4, C2.4a
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	- 6.1.2 Climate Change	C2.3a, C2.4a, C3.1, C3.3, C3.4, C3.5
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	- see the "Notes to the IFRS Consolidated Financial Statements" (Note 3: Climate impacts)	C3.2, C3.2a, C3.2b
Risk management		
Describe the organisation's processes for identifying and assessing climate-related risks.	- 4.5 Enterprise Risk Management System	C2.1, C2.1a, C2.1b, C2.2, C2.2a
Describe the organisation's processes for managing climate-related risks.	- 6.1.1 the Company's approach to sustainability	C2.1, C2.2, C4.3, C4.3a, C4.3b, C4.3c, C4.5, C4.5a
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	- 6.1.2 Climate change	C2.1, C2.1b, C2.2
Metrics and targets		
Disclosure of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.		C1.3, C1.3a, C4.2, C8.1, C8.2, C8.2a, C8.2b, C8.2c, C8.2d, C8.2e, C8.2g, C8.5, C9.1, C9.3, C9.6a, C11.1a, C11.1b, C11.1d, C11.2a, C11.3a,
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	- 6.1.2 Climate change	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
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	- 6.1.17 ESG data board, section Environmental performance / Emissions	C4.1, C4.1a, C4.1b, C4.2a

* CDP Climate Change Questionnaire is available [on Airbus website](#) and [CDP website](#).

6.1.19 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 January 1st 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 Regulation¹⁰. The EU Taxonomy Regulation focuses on six environmental objectives¹¹ 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 Act¹² which became applicable as of 1 January 2022 and the Complementary Climate Delegated Act¹³ 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”¹⁴) and the amendments to the Climate Delegated Act¹⁵ to add additional economic activities and criteria, including aviation-related ones.

¹⁰ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

¹¹ 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.

¹² COMMISSION DELEGATED REGULATION (EU) 2021/2139 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 economic activity causes no significant harm to any of the other environmental objectives.

¹³ COMMISSION DELEGATED REGULATION (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

¹⁴ 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, to 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

¹⁵ 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

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.

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 ^(b) ('Does Not Significantly Harm')						MS17	Proportion of Taxonomy aligned (A.1) or -eligible (A.2) turnover, year N-1 (18)	Cat19	Cat20
Economic activities (1)	Code ^(a) (2)	Turnover (3)	Proportion of Turnover year N (4)	SC5 (5)	SC6 (6)	SC7 (7)	SC8 (8)	SC9 (9)	SC10 (10)	DN11 (11)	DN12 (12)	DN13 (13)	DN14 (14)	DN15 (15)	DN16 (16)				
Text		Currency In m €	%	Y/N; N/EL (b)(c)	Y/N; N/EL (b)(c)	Y/N; N/EL (b)(c)	Y/N; N/EL (b)(c)	Y/N; N/EL (b)(c)	Y/N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		0	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	%	%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ^(a)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacturing of aircraft ^(c)	CCM 3.21	59 482	91%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
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 Cat19 - Category enabling activity Cat20 - Category transitional activity			
Total		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.

	Proportion of turnover / total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	91%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

^(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.

EU Taxonomy KPIs Proportion of CapEx 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') ^(b)							Proportion of Taxonomy aligned (A.1) or -eligible (A.2) CapEx year N-1 (18)	Cat19	Cat20	
	Economic activities (1)	Code ^(a) (2)	CapEx (3)	Proportion of CapEx year N (4)	SC5 (5)	SC6 (6)	SC7 (7)	SC8 (8)	SC9 (9)	SC10 (10)	DN11 (11)	DN12 (12)	DN13 (13)	DN14 (14)	DN15 (15)	DN16 (16)				MS17 (17)
Text		Currency	%	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
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)^(a)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Manufacturing of aircraft	CCM 3.21	2 275	75%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%		
Production of heat and cool from bioenergy ^{(c)(d)}	CCM 4.24 / CCA 4.24	8	0%	EL	EL	N/EL	N/EL	N/EL	N/EL									0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 / CCA 7.3	17	1%	EL	EL	N/EL	N/EL	N/EL	N/EL									1%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 / CCA 7.6	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	N/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%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES				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 Cat19 - Category (enabling activity or) Cat20 - Category '(transitional activity)'						
CapEx of Taxonomy-non-eligible activities		748	24%																	
Total		3 052	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.

	Proportion of CapEx / total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	76%
CCA	0%	1%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

^(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.

EU Taxonomy KPIs Proportion of **OpEx** 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') ^(f)									
Economic activities (1)	Code ^(a) (2)	OpEx (3)	Proportion of OpEx year N (4)	SC5 (5)	SC6 (6)	SC7 (7)	SC8 (8)	SC9 (9)	SC10 (10)	DN11 (11)	DN12 (12)	DN13 (13)	DN14 (14)	DN15 (15)	DN16 (16)	MS17 (17)	Proportion of Taxonomy-aligned (A.1) or-eligible (A.2) OpEx; year N-1 (18)	Cat19	Cat20
Text		Currency	%	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y;N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%		
Of which enabling		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 activities)																			
				EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)										
Manufacturing of aircraft ^(d)	CCM 3.21	3 022	93%	EL	N/EL	N/EL	N/E L	N/E L	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%	%	%	%	%	%	%								0%		
A. Opex of Taxonomy eligible activities (A.1 + A.2)			%	%	%	%	%	%	%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES				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 Cat19 - Category enabling activity Cat20 - Category transitional activity					
OpEx of Taxonomy-non-eligible activities (B)		235	7%																
Total		3 257	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.

	Proportion of OpEx / total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	93%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

^(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.

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 2022¹⁶, 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, taxonomy eligible activities related to "4.24 Production of heat/cool from bioenergy", "7.3 Installation, maintenance and repair of energy efficiency equipment" and "7.6 Installation, maintenance and repair of renewable energy technologies", were related to projects aiming to improve energy efficiency and reduce CO₂ emissions that are part of the Company's transition plan. They have been allocated to one taxonomy activity and one environmental objective, avoiding the risk of double counting.

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.

3.1. Contextual Information about Turnover KPI

¹⁶ Platform on Sustainable Finance - Final Report on Minimum Safeguards, October 2022

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 “- 6.1.2 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 Commission 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.

6.2 Other corporate activities

6.2.1 Digital and information management

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 programs designed to help kick-start the aerospace industry's decarbonization 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 optimization 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.

Cybersecurity

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.

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 programs; 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 recognized 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 program. 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.

Digital 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 eXperts 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.

6.2.2 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 through 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 Auto’Mate. 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 program 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 authorization, 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 **SimulON** 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
- 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 industrialization 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 program 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:

- SESIOP, for the Single European Sky and Interoperability;
- EUCINF, an European Cyber and Information warfare toolbox;
- FASETT, the Future Air System for European Tactical Transportation
- SPIDER, 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 recognized 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 program, 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, digitalized 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.

7. Airbus strategy

7.1 Commercial leadership, value creation and profitability

Airbus' purpose is to pioneer sustainable aerospace for a safe and united world. Airbus connects and unites people across cultures and between continents and nationalities, supporting people to live and work together, and working in the service of security and stability.

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. In helicopters, the Company provides civil and military rotorcraft solutions and services worldwide. The Company is also a European leader in defence, security and space businesses.

Russia's invasion of Ukraine in February 2022 was a shock but also a turning point, making it clear that Europe needed to increase its efforts and assume greater responsibility for its sovereign defence capabilities and preparedness. Furthermore, in the wake of the terrorist attacks of Hamas on Israel in October 2023 and the human tragedy that resulted, global tensions increased further. These developments have served as a stark reminder that freedom, peace, dignity and security cannot be taken for granted and need to be protected. In light of the ongoing geopolitical tensions, the Airbus purpose to pioneer sustainable aerospace for a safe and united world has never been more relevant.

Despite the complex operating environment, Airbus continued to make progress in line with its operational plan in 2023. This meant working closely with its supply chain to progress the ramp-up necessary to meet the strong demand for commercial aircraft. During 2023 most regions globally saw recovery to pre-crisis air traffic levels, and the role of COVID-19 in the sector's forecasts further reduced. Airbus expects to see 40,000 new aircraft delivered over the next 20 years, driven by growth and an acceleration in fleet replacement as airlines invest in more fuel-efficient fleets, which contribute to reducing CO2 emissions.

Overall, Airbus saw many successes in 2023, continuing to help set the sustainability agenda for the aerospace sector, including by replacing old 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.

Commercial aircraft sales performance was exceptional, winning a record number of orders in 2023, including significant orders for both single aisle and widebody aircraft. The A321XLR continued to move closer to certification, having completed a successful route-proving campaign and passenger experience milestones.

There was strong positive momentum in the helicopters division, continuing the division's record of consistent, reliable and profitable growth in recent years. This included an order signed with PHI Group for 20 H175 helicopters and 8 H160s to serve the energy market worldwide, and the H175 receiving its CAAC Type Certificate in July, enabling deliveries to begin in China. At the end of 2023 the German armed forces signed the largest H145M contract yet, for up to 82 light attack helicopters.

Defence and Space pushed ahead with its transformation plan, working toward realising its new operating model while addressing a difficult business and geopolitical backdrop. There was good order momentum in the Military Air Systems business, with further orders for the A330 MRTT, but the division faced major challenges in its Space business. The transformation programme will strengthen accountability, and sharpen management of business risks, giving the division the strongest possible foundations for the future. Airbus with a high-performing Defence and Space division is a stronger Airbus than one without.

With a strong balance sheet, continuing demand for the latest generation commercial aircraft and related services, and a collective realisation that Europe needs a strong, sovereign defence industry, Airbus remains in a strong position to continue to deliver on its Purpose in 2024.

The 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. Leverage European roots to pursue 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 to 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 (FMTC) 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. Airbus 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. Leverage European roots while pursuing a global vision

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. Airbus 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.

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 more 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, Airbus 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, Airbus 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, Airbus 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 's 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.

Airbus 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, Airbus 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, Airbus 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, Airbus commits to embed and advance respect for human rights, covering activities under its full, direct control in its divisions, affiliates and supply chain. Airbus 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.

Airbus 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 Airbus 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, Airbus 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, Airbus 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.

7.2 Top Company objectives 2024

Customer

- Market leadership: Position Airbus as the partner of choice
- Customer relationship: Strive for Excellence
- Develop Programmes

Operational performance

- Drive A220, A320 Family and Wide Body Ramp-Up
- Secure engines supply
- Ensure Aviation Safety and Product Quality

Financial performance

- Generate cash
- Manage cost base
- Strengthen competitiveness

People

- Act at every level to guarantee safety at work
- Continue building an inclusive & diverse workplace

Sustainability

- Improve our environmental footprint

Enable the future

- Build our digital and industrial capabilities
- Mature critical decarbonisation technologies

In all we do, we...

- Put our customers first
- Treat safety, quality, integrity, compliance and security as vital to our business
- Foster a high-performance culture and drive change and innovation
- Embrace inclusiveness, promote wellbeing and respect human rights
- Live our Airbus values: Customer focus ; Integrity ; Respect ; Creativity ; Reliability ; We are One/Team Work!

The information contained in this Board Report will enable you to form an opinion on the situation of the Company and the operations, which are submitted to you for approval.

For further information and detail regarding the Company's activities, finances, corporate governance and in particular risk factors, the reader should refer to the Company's website www.airbus.com.

The Board of Directors hereby declares that, to the best of its knowledge:

- the financial statements for the year ended 31 December 2023 give a true and fair view of the assets, liabilities, financial position and profits or losses of the Company and undertakings included in the consolidation taken as a whole; and
- this Board Report gives a true and fair view of the position as per the balance sheet date, and of the development and performance during the 2023 financial year of the Company and undertakings included in the consolidation taken as a whole, and the principal risks facing the Company have been described herein.

8. Financial targets for 2024

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;
- ▶ Free Cash Flow before Customer Financing* of around € 4.0 billion.

*The Company has decided to update the definitions of the Alternative Performance Measures Free Cash Flow and Free Cash Flow Before Customer Financing in line with market practices to better reflect the underlying cash generation performance of its operations. The updated definitions apply from 1 January 2024 onwards, and the 2024 Guidance is issued on that basis.

The updated definitions are as follows:

Free Cash Flow is an alternative performance measure and key indicator which allows the Company to measure the amount of cash flow generated by its operations. 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.

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.

For further information, please refer to the Airbus FY 2023 Results presentation, available on the Airbus website.

The Board of Directors

René Obermann, Chairman of the Board of Directors

Guillaume Faury, Chief Executive Officer

Victor Chu, Director

Jean-Pierre Clamadieu, Director

Ralph D. Crosby, Jr., Director

Mark Dunkerley, Director

Stephan Gemkow, Director

Catherine Guillouard, Director

Amparo Moraleda, Director

Claudia Nemat, Director

Irene Rummelhoff, Director

Antony Wood, Director

Leiden, 15 February 2024