

SUSTAINABILITY REPORT 2023

This report presents MBDA's environmental, social and governance (ESG) strategy and performance in 2023.

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Message from our CEO

Scaling up without stepping back



Éric Béranger meets Emmanuel Macron at the Paris Air Show



Éric Béranger
Chief Executive Officer

As demand for our products and expertise continues to rise, our commitment to sustainability remains steadfast.

As the war in Ukraine wages on and force challenges law more and more, we are reminded that the freedom our societies enjoy relies on a strong defence.

The present situation requires us to urgently increase production to meet the demands of our customers, their armed forces and their allies.

But the gravity of the situation cannot mean cutting corners in terms of integrity, safety or sustainability.

This report details the progress we have made on our ESG Roadmap over the course of 2023. As we increase our industrial capacities and modernise our sites, we continue to work to improve our environmental performance and recycle and recover waste where possible.

Last year saw an extensive recruitment drive to support our acceleration. In terms of our social commitments, we aim to be an excellent employer, guaranteeing employees a safe working environment, a career with meaning, and opportunities to develop.

Integrity is critical, and we continue to maintain high standards in governance. While the move to a war footing requires us to do more and faster, we are working closely with our suppliers to ensure this is done in a sustainable way.

Finally, to anticipate the evolving threats of our world, we continue to invest in innovation and work to strengthen cooperation in Europe and support the European defence agenda.

The experience of Ukraine makes clear that, for our societies to have a secure future, they need a strong defence. Ensuring the sovereignty and peaceful prosperity of our home nations and their allies, defence is a precondition for all social and environmental progress. For us, this is the real meaning of sustainability.

“Sovereignty means liberty – on which depends all social and environmental progress.”

Our Operations in 2023

MBDA is a European defence company which designs and produces a comprehensive range of defence systems. The Group has a truly global reach.

- MBDA's employees work in France, Germany, Italy, the UK and Spain. This European presence ensures that the Group benefits from cooperation between wide-ranging and advanced skill sets.
- MBDA also has offices abroad, connecting the Group to all major regional defence markets around the world.
- MBDA offers its employees state-of-the-art facilities, continuing training and unique development opportunities.

United Kingdom

- **Stevenage** - Management/R&D/Integration
- **London** - Management
- **Bolton** - Production/ R&D/ Software & Systems
- **Bristol** - R&D/Software & Systems
- **Henlow** - Final Assembly/Integration/Test

Germany

- **Ulm** - R&D /Production
- **Schrobenhausen** - Management/R&D/ Production/Integration
- **Aschau** - R&D/Production

Spain

- **Madrid** - Management/R&D

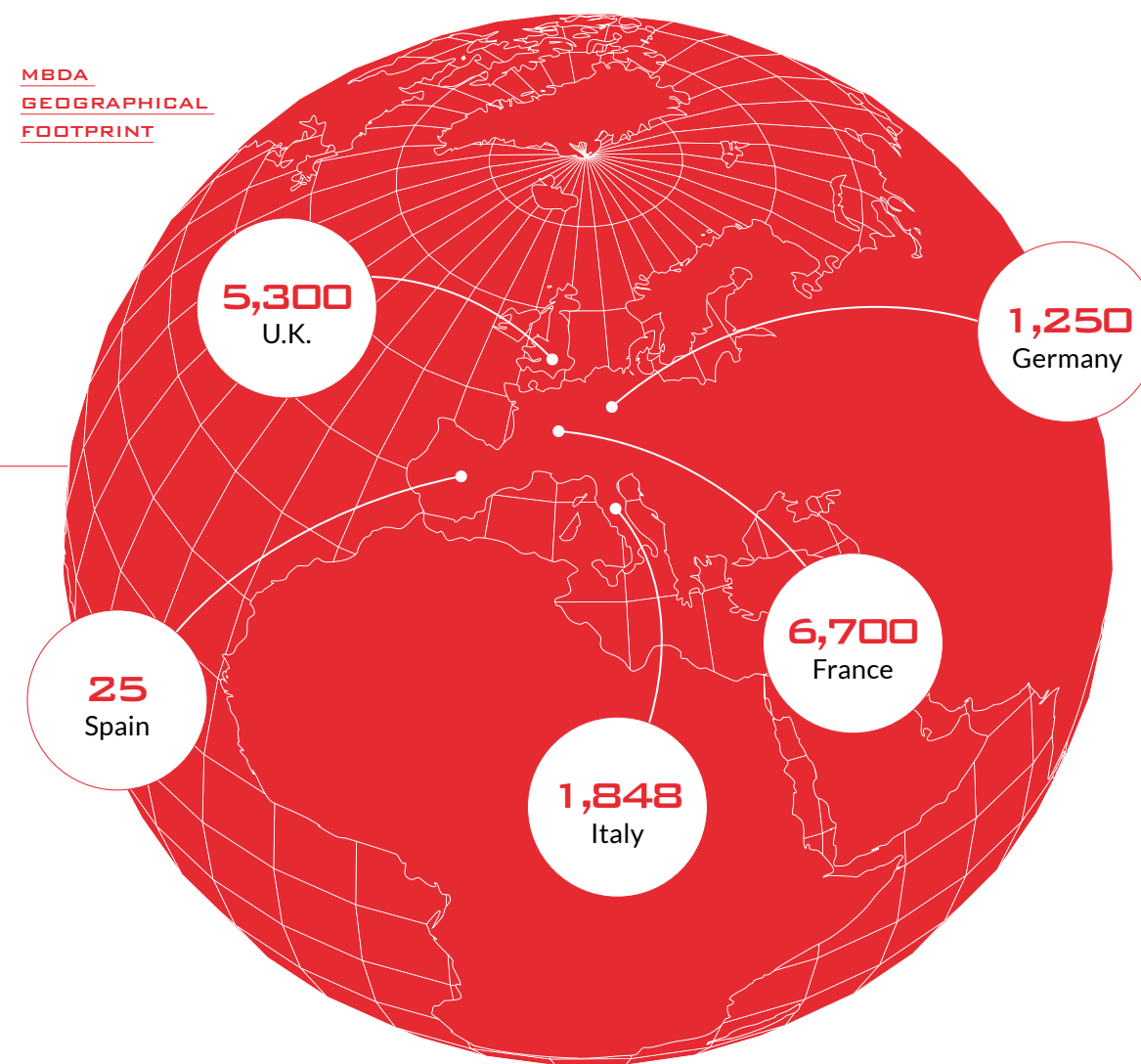
Italy

- **La Spezia** - R&D/Integration
- **Rome** - Management/ R&D/Integration
- **Fusaro** - R&D/ Production/Integration

France

- **Le Plessis-Robinson** - Headquarters/R&D
- **Compiègne** - Electronics/ Manufacturing
- **Bourges** - R&D/ Manufacturing & Production
- **Selles-Saint-Denis** - Production/Integration
- **Élancourt** - Training & Simulation

MBDA GEOGRAPHICAL FOOTPRINT



Our Six Capabilities

MBDA supplies the full spectrum of missile systems for a comprehensive integrated defence, meeting the needs of joint, land, sea and air armed forces.

For a sustainable business we have to ensure we have the right products, systems and technologies to meet the current and future needs of our marketplace. The organisation of our products by capacities enables benefits to be realised across products, blending future technologies, sharpening investment strategies and clearly seeing the capabilities that can be offered throughout lifecycles.

Deep Strike	Tactical Strike	Area Protection		Force Protection	Air Dominance	Battlefield
 <p>_Storm Shadow/SCALP</p> <p>MISSION OVERVIEW</p> <p>Delivering effects at long range, in the depths of enemy-controlled zones, and within heavily denied and constrained environments.</p> <p>MISSION CAPABILITIES</p> <p>Deep strike, maritime land attack, open sea anti-ship. Delivering the airborne nuclear capability of French deterrence.</p>	 <p>_Brimstone</p> <p>MISSION OVERVIEW</p> <p>Affordable effects in semi-permissive environments. Cost-optimised solutions to combat anti-access aerial denial threats through collaborative means.</p> <p>MISSION CAPABILITIES</p> <p>Suppression/destruction of enemy air defence, littoral, stand-off, close air support, and utility weapons for saturation. Stand-off range up to 300km.</p>	 <p>_Aster</p> <p>MISSION OVERVIEW</p> <p>High-end air defence missiles and weapon systems to protect land and sea strategic assets against advanced air anti-access aerial denial including ballistic and cruise missiles.</p> <p>MISSION CAPABILITIES</p> <p>Protection of civil and military critical assets and areas against air strikes. Protection of high-value warships (aircraft carriers, frigates, etc.).</p>		 <p>_CAMP</p> <p>MISSION OVERVIEW</p> <p>Protection of mobile forces, military camps, civil or military assets, and warships.</p> <p>MISSION CAPABILITIES</p> <p>Detection and neutralisation of (micro, mini and small) drones and tactical air threats, including in case of saturating attacks.</p>	 <p>_Meteor</p> <p>MISSION OVERVIEW</p> <p>Long-range interception capabilities against most advanced air platforms, air-to-air or surface-to-air threats, short-range air-to-air combat against enemy fighters, and very-short-range self-defence.</p> <p>MISSION CAPABILITIES</p> <p>Detection and neutralisation of enemy fighters in air-to-air interception and combat (dogfight capability), neutralisation of high-value large-body aircraft thanks to superiority in air interception and protection of aircraft from assailant missiles.</p>	 <p>_Akeron MP</p> <p>MISSION OVERVIEW</p> <p>Engagement of battlefield targets at close proximity, of armoured threats at range, beyond the line of sight, simultaneously and at range, and delivery of fire support in enemy-controlled zones (guided ammunitions).</p> <p>MISSION CAPABILITIES</p> <p>Battlefield superiority through Systems, Architecture, Interoperability, Network and Training (SAINT) capabilities.</p>

Our Business Model

THE SIX MEGATRENDS SHAPING OUR BUSINESS MODEL

:: Geopolitical Risk :: Extreme Weather :: Sustainable Supply Chain ::

:: Economic Opportunities :: AI, Digital and Collaborative Weapons :: Competition for Talent ::

Our Resources



FINANCIAL

- €4.5bn revenue (2023)
- €28bn order backlog (2023)
- €9.9bn order intake (2023)



INDUSTRIAL

- Integrated player on the whole value chain for the design, development, production and support services of complex missile systems
- Capabilities demonstrated on more than 45 missile systems programmes in operational service, with 15 more in development
- 10 R&D centres across 6 countries
- Strong ties with 7,000 suppliers
- Investment of €2.4 billion at Group level to expand industrial capabilities (2023-2028)



HUMAN

- Over 15,000 employees, 60% in technical and engineering roles
- More than €10.4m invested in learning and development actions in 2023
- More than 500 internal lecturers across the Group who share knowledge and develop employees' skills



SOCIETAL

- Strong player supporting the development of European defence policy
- Leader in European cooperation projects



ENVIRONMENTAL

- Implementation of the Net Carbon Neutrality 2050 roadmap for environmental performance

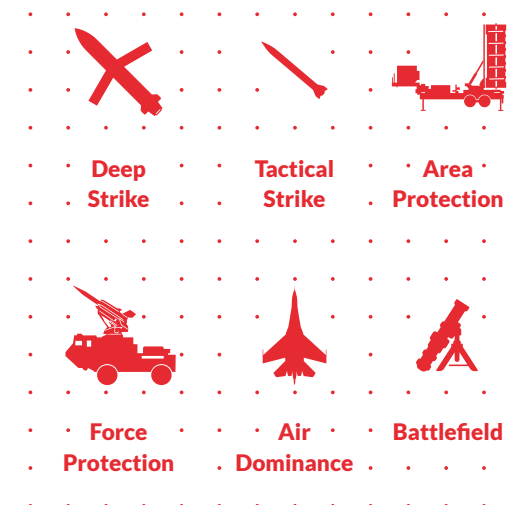
Our Mission

To operate as **a trusted part of the defence community** in our home nations and with their allies, **providing decisive military capability to protect national security and enable strategic independence**

Integrated Value Proposition for Customers

The **only European company** able to meet **the whole range of complex weapons needs** of land, sea and air armed forces.

Our Six Capabilities



ESG in line with our strategy

Our ESG Roadmap **strengthens the resilience of our business model** by driving growth, **reducing environmental risk, increasing employer attractiveness and ensuring excellent governance.**

Value Created



FINANCIAL

- Excellent financial performance
- 16% accessible world market share, 39% of the European market and 72% of our domestic markets



INDUSTRIAL

- Our value chain positioning secures the best value for money solutions to meet customer requirements
- Technology leadership through innovative R&D cooperation schemes, anticipating and investing in the products of the future



HUMAN

- Increasing representation of underrepresented groups (including 23% female employees) and ambitious targets for 2030
- Over 2,600 new hires in 2023
- 12,733 employees have taken part in formal training in 2023
- MBDA UK ranked in the top ten Sunday Times Best Places to Work 2024 ('Very Big' category)
- 432,516 employee hours dedicated to learning



SOCIETAL

- Enabler of European sovereignty and strategic autonomy
- MBDA was selected for 9 bids in the framework of the European Defence Fund, representing external funding of approximately €20m
- Many charities and associations supported across the Group



ENVIRONMENTAL

- 15% reduction in carbon intensity (tCO₂e scopes 1 and 2 marked-based/million EUR revenue) versus 2019
- Increasing share of renewables in the energy mix

Our Strategy

As we face a changing geopolitical context, we are resolutely focused on executing our strategy, Vision 2040. The number one choice for missiles and missile systems for European countries and their allies, we are strengthening our foundations and capturing new opportunities.

Cooperation

→ MBDA is a key actor in European defence cooperation, allowing its home nations to pool their industrial resources and reach critical mass. We play a key role in numerous consortia and strategic partnerships to strengthen multilateral defence cooperation, for example leading the European Defence Fund consortium of the HYDIS2 (HYpersonic Defence Interceptor Study) project, bringing together 19 partners from 14 European countries.

“Cooperation allows us to build economies of scale and create new technological capabilities.”



THOMAS GOTTSCHILD
Executive Group Director
Strategy and Managing Director
MBDA Germany

Be Recognised as a National Asset

→ MBDA makes an essential contribution to the sovereignty of its home nations and their allies. We design, manufacture and deliver military capabilities that are indispensable to protect their freedom as independent sovereign nations.

“Part of the defence community, MBDA supports the security of its home nations while also contributing to their economic prosperity.”



CHRIS ALLAM
Executive Group Director
Engineering and Managing
Director MBDA United Kingdom

Demonstrate Value

→ Production is accelerating across the Group in order to deliver its backlog and prepare the future, supported by a five-year investment to expand industrial capabilities.

“Across the whole value chain, MBDA is innovating and overcoming execution challenges in order to speed up production and deliver for our customers.”



STÉPHANE REB
Executive Group Director
Programmes and Managing
Director MBDA France

Megatrends and Commitments



Geopolitical Risk

In a context in which force is challenging international law more and more, MBDA ensures the sovereignty of its home nations and their allies.

→ The war in Ukraine and escalations of violence elsewhere around the world represent heightened geopolitical risk and have generated increased fears for interstate armed conflict amongst many. The reaction from states has been to replenish weapons stockpiles and bolster arsenals.

In addition to ramping up production to meet the needs of export customers in terms of local design, development,

production and support of missile systems, MBDA is innovating to prepare for future threats, from unmanned aerial systems to hypersonic weapons. MBDA also uses all leverage at its disposal at a European level, welcoming the European Defence Industrial Strategy and supporting the European Commission's aim for at least half of Member States' procurement budget to be devoted to the European defence and technological industrial base by 2030. —

\$2,443BN

Total global military expenditure in 2023 – a real-terms increase of 6.8% from 2022 and an all-time high.



Source: Stockholm International Peace Research Institute (SIPRI)

SECURITY

DRONES

STRATEGIC
AUTONOMY

INSTABILITY



Extreme Weather

With extreme weather events around the world on the rise both in number and severity due to climate change, MBDA is working to build resilience and decarbonise.

→ Anticipated to only become even more severe, extreme weather presents a risk of loss of human life, damage to ecosystems, destruction of property, and financial loss. These can lead to resource stress, conflict and polarisation.

MBDA products, people, supply chains and customers are increasingly required to operate during extreme weather events such as extreme heat, drought, intense rainfall, storms and hurricanes.

MBDA responds to this in two ways. Firstly, we work to improve our resilience to operating within extreme weather events. Secondly, we join global action to slow the man-made climate change that is driving the increase in extreme weather events by transitioning to a low-carbon economy. We're working to get better at managing our greenhouse gas emissions and to achieve carbon neutrality by 2050. —

No. 1

risk over the next decade, according to the World Economic Forum.



Source: World Economic Forum, Global Risks Report 2024

HEATWAVES

DROUGHTS

CLIMATE
BREAKDOWN

CLIMATE
MIGRATION

Megatrends and Commitments



Sustainable Supply Chain

The increased intensity and number of conflicts across the world requires us to produce more and faster. We are working hand in hand with our suppliers to achieve this.

→ As we increase production, it is imperative that we do so in a responsible way. We are working hand in hand with our suppliers in an ecosystem, bringing together stakeholders around the shared goal of a more reliable and sustainable value chain. Our supply chain involves a vast variety of component parts from around 7,000 suppliers across many different production stages. Where possible we aim to 'on-shore' and 'ally-shore' our supply chain to create resilience to global supply chain shocks.

We engage with our suppliers and encourage them to adhere to our Sustainable Supply Chain Charter.

We are investing €2.4 billion over the next five years, dedicated to innovation and expanding our production capabilities. For example, we are increasing production rates of the Aster missile – currently playing a critical role protecting the Ukrainian population against aerial threats – by 50% compared to 2022 and drastically reducing lead times. —

10,000

components from many different suppliers can go into the making of our missiles.



LOGISTICS

PROCUREMENT

RAW MATERIALS

CIRCULARITY



AI, Digital Transformation and Collaborative Weapons

Artificial intelligence and data are central points of discussion and innovation within the defence industry.

→ The tactical advantage in tomorrow's conflicts is won in today's research and testing facilities. Open innovation with like-minded partners holds the key to unlocking these benefits. One significant way this is achieved is by exploiting our wealth of synthetic data to train cutting-edge AI, bypassing the significant cost of missile trials through digital reference models.

An example of our cutting-edge collaborative combat solutions is Orchestrike, which we demonstrated at the Paris Air Show in 2023. This technology uses network-enabled coordination between multiple missiles and unmanned aircraft, allowing them to act as a swarm to overcome complex air defence challenges. —

3,700

attack drones launched by Russia against Ukraine since February 2022.



Source: Ukrainian Government, December 2023.

ARTIFICIAL
INTELLIGENCE

CYBERSECURITY

COLLABORATIVE
WEAPONS

DATA

Megatrends and Commitments



Economic Opportunities

In a context of high inflation, MBDA provides high-quality industrial jobs and supports the local economies in the regions where it operates.

→ Providing opportunities in the current economic climate is not only a moral imperative but also a strategic business decision that can lead to positive social impact, employee satisfaction, and long-term success. We are committed to fostering these opportunities in every community we operate in, providing manufacturing jobs in disadvantaged regions, and helping to uplift local economies.

We prioritise training and development programs to empower our employees with the skills they need to succeed in the work-

place and beyond. We place importance on development and progression, from apprenticeship through to executive level, to not only strengthen our company but also to enrich the lives of individuals and communities, driving positive economic growth and social impact. By taking action around equality, diversity and inclusion, we encourage applications from people from multiple backgrounds. We also have channels to connect people leaving the armed forces with opportunities in our workplaces. —



Competition for Talent

The demand for skilled engineers has never been higher as technological advances drive innovation in just about every industry.

→ People are our most important asset. Around 60% of our workforce is comprised of engineers and their skills are at the heart of our business. It is vital that we continue to attract and retain them in the face of fierce competition from our peers in aerospace and defence as well as other sectors.

regions where we operate. We are evolving our employee value proposition to make ourselves an even more attractive employer. Our ESG Roadmap has an important role to play in this as an increasing number of jobseekers are looking for employers with ESG credentials. —

MBDA is widely recognised as an employer of reference in all the

500,000

Number of people working in the European defence industry.



Source: SIPRI estimates for the European Commission

INFLATION

INEQUALITY

COST OF LIVING

LABOUR MARKETS

2,600

people recruited in 2023 by MBDA, with a target of another 2,600 to be recruited in 2024.



Source: European Union Fact Sheet 2023.

MEET EMPLOYEE EXPECTATIONS

UPSKILLING

RETENTION

ENGAGEMENT

Our Stakeholders

Employees

→ Our people are our most precious asset. We rely on their skills and knowledge to meet our customers' complex needs. We regularly engage with colleagues by a range of means including informal exchanges, discussions with trade unions and our bi-annual Employee Opinion Survey.

Customers

→ Our customers are our home nations and their allies. We are proud to provide our customers with the most reliable means of strategic autonomy. We engage with them throughout the life-cycle of our products, from design and creation to decommissioning and disposal.

Suppliers

→ We work with around 7,000 suppliers to design, manufacture and deliver our defence systems. Supplier quality audits and risk assessments are carried out regularly to ensure that our supply chain remains resilient and complies with all laws and regulations.

Partners

→ MBDA is part of the wider defence ecosystem, which includes government departments, the military, research institutions, and other actors. The Group aims to ensure the sustainability of this ecosystem by investing in technological innovation while showing leadership on key industry issues.

Shareholders

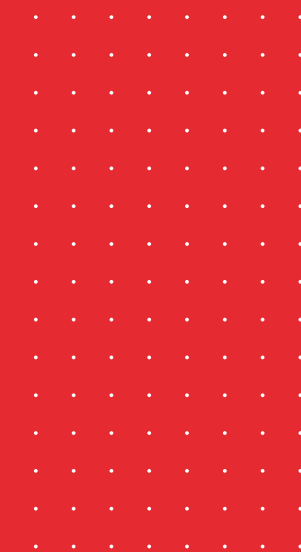
→ We have a responsibility to our shareholders, who are three leading players in aerospace and defence: Airbus, BAE Systems and Leonardo. MBDA's governance is established through the Shareholders' Agreement. At quarterly meetings of the Board of Directors, shareholders' nominees specify MBDA's objectives to ensure sustainability and adequate returns for shareholders.

Subsidiaries & Joint Ventures

→ In partnership with best-in-class industrials, we are engaged in joint ventures such as Eurosam, ParSys, RamSys, Taurus, Roxel and Cilas. Through these, we contribute to the development of the defence sector through continuous R&D and technological innovation.

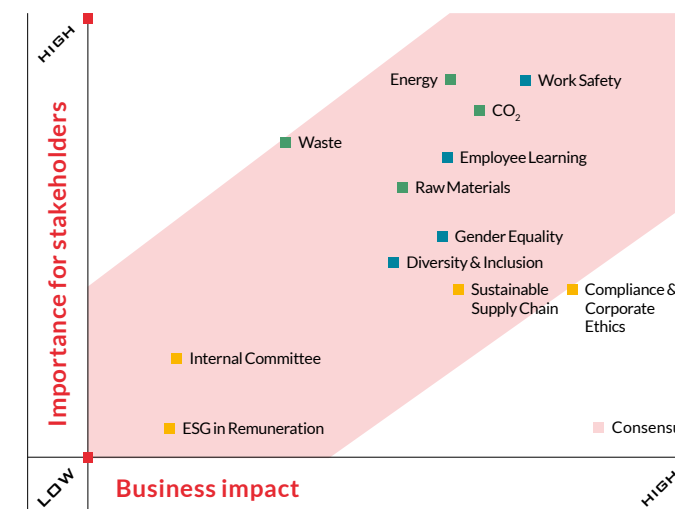
Local Communities

→ We are a European company with a global reach. We support local communities through philanthropy and by donating to local charities. Our Early Careers programmes and our strategic STEM partnerships support the employment of future talents.



MBDA Materiality Matrix

Since creating its first materiality matrix in 2022, MBDA is working on a forthcoming double materiality matrix in line with the Corporate Sustainability Reporting Directive.



MBDA's first materiality matrix. A new materiality matrix is currently being developed.

Methodology

→ In 2022, and within a logic of continual improvement, we began work on our first Group-level materiality matrix. Creating the matrix allows us to better understand the environmental, social and governance issues that matter most to our internal stakeholders. The matrix also allows us to rank the issues both in terms of their material financial impact on the Group's activities and also in terms of the impact of the Group's activities on the social and environmental ecosystem. Our methodology is given on the right.

Preparation

Internal communication on 12 ESG topics with all employees (poster, video, awareness module)

1. Assess importance for stakeholders

- Mobilize employees via a survey, ensuring all functions and countries are represented (3,428 participants)
- All employees can give their expectation level regarding MBDA's action on the 12 topics

2. Assess business impact

- Hold business impact assessment workshops involving ESG committee members and experts on ESG topics and the Group's activity and environment
- Assess impact in terms of: profit and loss, reputation, and employer brand
- Experts grade impact of the 12 ESG topics and participants react to these grades

3. Consolidate and communicate results

- Build the matrix by consolidating steps 1 and 2
- Communicate results to all MBDA employees

Next Steps

- Involve suppliers and other stakeholders in workshops
- Monitor KPIs and adapt the material issues and strategy as circumstances evolve

Our ESG Strategy

Our ESG Roadmap

While each national company works on specific, additional topics relevant to their local regulation and customer requirements, our ESG Roadmap establishes **a Group-level approach** for integrating sustainability practices across national companies. The Roadmap is integrated within our wider strategy plan, Vision 2040, and gives us a framework in which to highlight our existing initiatives, helping us to **strengthen the resilience of our business model and increase the attractiveness of the Group** while **mitigating environmental, social and governance risks**.

ESG **governance structures** have been set up to ensure the progress of this Roadmap. Our strategy can be updated, if necessary, based on the changing needs of our business. We continually monitor environmental, social and governance **risks and opportunities** to stay informed of shifting and emerging trends. We will continue to develop our ESG strategy to address the challenges that our company, our industry, our society and our planet face while **disclosing our performance** in as transparent a manner as possible.

Our 12 ESG Priorities

To create our ESG Roadmap, we analysed industry trends and engaged with internal and external stakeholders to create our materiality matrix and define **the 12 most material sustainability issues** for our stakeholders and our business. After the core issues were established, we worked with internal stakeholders to create an action plan with **specific objectives and indicators** against which we track our progress. Our 12 priority issues are organised around three pillars:

ENVIRONMENT

- Energy
- CO₂
- Waste
- Raw Materials, Biodiversity and Water

SOCIAL

- Work Safety
- Employee Learning
- Equality, Diversity & Inclusion
- Gender Equality

GOVERNANCE

- ESG Governance
- ESG in Remuneration
- Compliance and Corporate Ethics
- Sustainable Supply Chain

Our Progress in 2023

ENVIRONMENT

Energy

Renewables make up 23.4% of the energy mix
CO₂
6.37 tCO₂e scopes 1 and 2 market-based/
million EUR revenue

Waste

Completion of 100% waste sorting

Raw Materials, Biodiversity and Water

REACH and chemicals regulations expert network consolidated across the Group

SOCIAL

Work Safety

1.58 reportable accidents with more than 3 days off on a 3-year average per 1,000 employees

Employee Learning

90% of employees have a development plan

Equality, Diversity & Inclusion

ED&I communication rollout and action plan

Gender Equality

Women make up 23% of workforce

GOVERNANCE

ESG Governance

Quarterly meetings and ESG review

ESG in Remuneration

Incentives for executives

Compliance and Corporate Ethics

Certification ISO 37001 for all NatCos

Sustainable Supply Chain

Team created and charter written

Our Contribution to Sustainable Development

Through our ESG Roadmap, we contribute to the achievement of the United Nations Sustainable Development Goals.



GOOD HEALTH AND WELL-BEING



QUALITY EDUCATION



GENDER EQUALITY



DECENT WORK AND ECONOMIC GROWTH



INDUSTRY, INNOVATION AND INFRASTRUCTURE



RESPONSIBLE CONSUMPTION AND PRODUCTION



CLIMATE ACTION



LIFE ON LAND



PEACE, JUSTICE AND STRONG INSTITUTIONS



PARTNERSHIPS FOR THE GOALS

15%

Reduction since 2019 in our carbon intensity (tCO₂e scopes 1 and 2 market-based/ EUR million of revenue)

23.4%

Energy from renewable sources in 2023

100%

Waste sorted on our sites

Environment

At MBDA, we are committed to protecting our planet. This means limiting our environmental impact.



01

Move Towards Net Carbon Neutrality

WHY?

MBDA has defined its strategy for achieving net carbon neutrality by 2050, in line with European and national regulations. Our Net Carbon Neutrality 2050 Roadmap establishes the Group's environmental approach.

HOW?

Our Net Carbon Neutrality 2050 Roadmap is structured around four pillars:

- ✦ **Promote renewable energies** to lower carbon footprint
- ✦ **Optimise and monitor energy efficiency**
- ✦ **Minimise our environmental impact**
- ✦ **Develop carbon sinks** to offset carbon emissions

RESULTS

In 2023, our total carbon emissions (Scope 1 and 2) amounted to

28,656

tCO₂e (tonnes of CO₂ equivalent)

Our carbon intensity has improved throughout the years (-15% versus 2019):

2023

6.37

tCO₂e scopes 1 and 2 market-based/
million EUR of revenue

Our methodology follows the GHG Protocol and the results were obtained with a market-based calculation.

HIGHLIGHTSUK

At DSEI 2023, in London, our Managing Director Chris Allam, signed the **UK Defence Aviation Net Zero Charter**. In doing so, we joined Future Combat Air System (FCAS) partners BAE Systems, Rolls Royce, Leonardo and others, in committing to help deliver the UK Defence Aviation Net Zero Strategy.—

GERMANY

The Bayern-Chemie site renovated an existing building to be compliant with the KfW55 standard for energy efficient buildings. The renovation work was part-financed government subsidies, with the building now boasting a roof top photovoltaic system with an output of 90 kWp.—

FRANCE

In 2023, the Selles-Saint-Denis site initiated a new energy platform for heating and cooling, reducing energy consumption by 30% in a year.—

02

Optimise Energy Efficiency

WHY?

To secure their energy needs in a changing world, it is essential that industrial companies like MBDA optimise energy consumption and increase the share of renewables in their energy mix.

HOW?

- ✦ **Improve energy efficiency** each time we upgrade our infrastructure
- ✦ **Study the feasibility of producing energy** for onsite consumption
- ✦ **Optimise energy efficiency** at datacenters
- ✦ **Monitor and control** the energy efficiency of our infrastructures and processes
- ✦ **LED lighting** installed on relevant sites

SWITCHING TO RENEWABLE ENERGIES

Total energy consumption in 2023:

181,115

MWh (-12% versus 2019)

2023

23%

renewable energies
(up from 15% in 2019)

2030

32%

renewable energies

2050

50%

renewable energies

HIGHLIGHTSITALY

A target has been set to reduce energy consumption by 15% (-2,590.95 MWh/year) by taking measures such as switching to using more energy-efficient lamps at its La Spezia site and more efficient refrigerant gases at its Fusaro site.—

FRANCE

At Le Plessis Robinson site, MBDA France installed a new **heat pump system** to manage its energy consumption and comply with agreements made during their purchase of the TERRA building on site. The same heat pumps will be installed across the site to have a single management system.—

UK

We published the **MBDA UK Carbon Reduction Plan 2023**, including progress towards the Group Carbon Neutrality 2050 Roadmap and our commitment to reach net zero greenhouse gas emissions by 2050. In addition, a five-year Energy Optimisation Programme was begun with MBDA UK's Facilities Management provider ISS to save 9 GWh in onsite energy consumption.—

03

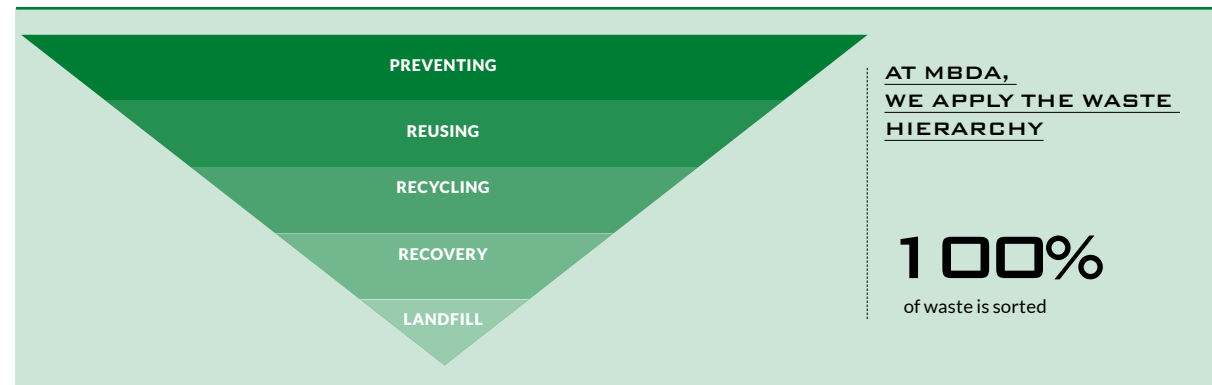
Prevent and Manage Waste

WHY?

By sorting, reducing and recovering waste generated throughout our production chain, we are proactively improving our environmental performance.

HOW?

- ✦ **Waste sorting** in all national companies
- ✦ **Increase recycling rate** of non-hazardous and hazardous industrial waste
- ✦ **Improve recycling of non-industrial waste** (paper, plastics and IT equipment)
- ✦ **Increase biowaste recovery**
- ✦ **All sites in UK, France and Italy are certified ISO 14001**



HIGHLIGHTS

ITALY

In Italy, the total amount of waste produced is 541.92 tonnes. Of this, 37% is destined for recovery operations. In addition, through the optimisation of the painting process we achieved a reduction of hazardous industrial waste of 9.92 tonnes, exceeding our target of reducing hazardous waste by 5%.—

UK

Of MBDA UK's general waste in 2023, 74% was recycled, 26% was recovered for energy, and 100% was diverted from landfills, in turn avoiding 376 tonnes CO₂ equivalent through recycling and recovery.—

FRANCE

Actions implemented to prevent waste include the use of reusable cups, the reuse of foam to hold equipment in shipping boxes, automatic printing in black and white and on both sides of paper, and digitalisation of pay slips.—

04

Protect and Make Better Use of Our Resources

WHY?

We are committed to making better use of resources and to protecting biodiversity around our sites. We also believe that it is our responsibility to ensure sustainability as we develop new products and systems.

HOW?

- ✦ **Development of a comprehensive water and biodiversity action plan** covering all NatCos planned for 2025
- ✦ **Establishment of a team dedicated to managing compliance** with REACH regulations
- ✦ **Investment in R&D** to improve environmental performance of our materials
- ✦ **Reduction in material use** through 3D printing technology
- ✦ **Development of low-carbon transport infrastructure** and mobility practices



HIGHLIGHTS

ITALY

Water consumption increased compared to 2022 by about 6.3%, due to the increase in personnel. However, MBDA Italy is making efforts to contain this increase, for example by separating drinking water from water used for other purposes. It also installed flow-rate sensors to detect leakages and reviewed water use for irrigation. These activities are estimated to lead to a 20% reduction in the use of drinking water.—

FRANCE

In Bourges, MBDA France carried out various initiatives to manage water cycles during industrial activities at production sites, resulting in greater operational efficiency, reduced impact on groundwater, and a gain of 6,000 cubic metres per year.—

UK

With academic and industrial partners, MBDA UK is piloting the recycling of titanium waste from conventional machining processes, through use of a lower energy technique called sintering. Work has focused on manufacturing a generic fin as a potential application of this technology. Testing and refinements are on-going and cost savings of around 30% appear feasible.—

National companies took steps in 2023 to reduce the carbon impact of getting to and from work.

Towards a more sustainable commute

There is an active push towards electric and hybrid company cars and the infrastructure needed to support them. At MBDA Germany, for example, 84% of all new company cars were hybrid or pure electric in 2023, which is 51% of the entire company fleet. To support this, total EV charging points were increased to 22, each capable of 22kW AC. MBDA UK now counts 34 electric vehicle charge points available across its Stevenage, Bristol and Bolton sites, with new chargers planned with upcoming future site developments. At MBDA Germany alone, in 2023, such projects enabled 74,152 kWh to be charged into the fleet, equivalent to 300,000 km travelled.

The move to electric vehicles is in line with a new travel policy being developed, which seeks to limit carbon emissions associated with work-related travel for example by promoting taking the train where possible rather than flying. This is complemented by measures taken at the national level. In 2023, MBDA Italy promoted sustainable modes of transport for employees travelling to work, while MBDA France implemented bus shuttles between its French sites to reduce rental carbon emissions from car rental use. —



Electric vehicle charging points were installed at UK sites.

A new energy platform installed in Selles-Saint-Denis secures the site's chilled water production while making significant energy savings.

Chill factor: Energy platform upgrade makes for cool savings



The new energy platform has reduced energy consumption by 30% or 140 tonnes of CO₂ equivalent per year.

launched in 2023, a state-of-the-art platform in Selles-Saint-Denis has made significant energy efficiencies by centralising the production of chilled water in one place.

The platform is equipped with two new cutting-edge chilled water units (1600 kW), an outdoor heat pump (350 kW) and an indoor heat pump (900 kW). The chilled water units are equipped with speed variators allowing modulation and are controlled by an intelligent management system which optimises energy consumption. These

installations are made even more environmentally friendly through their use of a new generation of hydrofluoroolefin (HFO) refrigerant characterised by its energy efficiency as well as low global warming potential.

This is a significant upgrade from the previous setup, in which each of the six buildings at the site managed its own production of chilled water. The removal of previous units allowed for a reduction in the use of refrigerant. Not only does this upgrade make it easier to carry out maintenance work, but it notably reduces energy consumption by 30% (i.e. 140 tonnes of CO₂ equivalent per year).

HEAT RECOVERY

Part of the advantage of the new system lies in how the induced heat is recovered by the operation of the new units, returning it entirely to the heating network of the entire Selles-Saint-Denis site. These transfers have already made it possible to save energy and reduce CO₂ emissions by reducing the heating period of the boiler room by three whole months.

>2,600

New hires in 2023, with a target for the same again in 2024

90%

Percentage of MBDA employees with a learning and development plan, with a target of 100% next year.

23%

Workforce made up of women, with a target to reach 30% at all levels by 2030.

Social

Through initiatives across our national companies, MBDA aims to create an attractive and safe environment for employees, developing their potential while also supporting our local communities.



05

Ensure Excellent Work Safety Conditions

WHY?

At MBDA, we believe that our people are our most important asset and their health, safety and wellbeing is our top priority. We want to provide safe working conditions and ensure the wellbeing of all our employees, visitors and service providers.

HOW?

- ✦ **Maintain number of reportable accidents** per 1,000 employees below 2.0
- ✦ **Strengthen audits and inspections** across sites
- ✦ **Diffuse work safety culture** through healthy lifestyle and safety campaigns and first aid training
- ✦ **Enrich work safety data** through more detailed KPI monitoring

SAFETY KPIS

46% reduction in reportable accidents with more than three days' absence from work on a three-year average at MBDA Group level versus 2019.

In 2023:

- **1.58 reportable accident rate**
- **0 fatalities**
- **0 pyrotechnical accidents**



SAFETY CAMPAIGN

With the help of a mannequin named Marvin demonstrating the equipment, MBDA Germany's Bayern-Chemie site launched a work safety campaign to inform employees about personal protective equipment.

HIGHLIGHTS

GROUP

Deployment of Group-wide health and safety welcome e-learning module to raise awareness amongst new hires throughout the Group.—

UK

The Occupational Health team at MBDA UK ran 34 wellbeing campaigns in 2023 to provide more services in all areas of occupational health.—

GERMANY & FRANCE

MBDA Germany and MBDA France sites ran a series of training activities regarding critical chemicals (diisocyanates) in order to comply with new regulation on their sites.—

MBDA is widely recognised as a standout employer in the regions where it operates.

Employee wellbeing beyond the desk



LaufCampus is one of 14 sports divisions of the MBDA Germany sports community.

At MBDA, wellbeing is a key factor for employee health, retention and engagement. Reflecting this

commitment, we are proud to have been voted a Best Place to Work in 2023 in Germany and the UK, and to have been certified as a Top Employer in France for nine consecutive years. MBDA Italy's commitment to employee wellbeing saw it sign a second-level agreement with relevant stakeholders in December 2023 focusing specifically on this topic.

Healthy employees bring the best results. MBDA Germany gives its employees a leg up with the LaufCampus (Running Campus), which trains employees for endurance running with the help of the Olympic athlete and coach Karl Beendorf.

MBDA France encouraged its employees to gamify their daily walking with the Kiplin mobile app, while MBDA UK Facilities Management installed table tennis tables at its Stevenage site to provide a welcome and enjoyable activity for the teams.

Of course, wellbeing is also about being mindful of employees' personal needs. In the UK, most notably, the company partnered with social enterprise Hey Girls to make feminine hygiene products available to female colleagues and created several "Luna" rooms available at their Stevenage, Bolton and Bristol sites for the purpose of expressing milk in private. —

MBDA welcomed 2,600 new hires in 2023 and aims to recruit the same number again in 2024.

A landmark year for recruitment



Welcoming visitors to our careers fair at the Paris Air Show.

To support our acceleration, we launched an extensive recruitment plan. Engineers, technicians and support functions all have a crucial role to play in the service of European sovereignty and defence capabilities.

A wide range of careers events were held in 2023. MBDA Germany took part in the HER career fair, aimed at talented female candidates, while MBDA France was present at the famous Paris Air Show and in Italy special recruitment days were held to reach people with disabilities.



"Our people are proud to make a difference as part of the defence community, supporting our mission of providing decisive military capabilities to protect armed forces and civil populations."

Gordon Pitman
Executive Group Director Human Resources

MBDA UK offers numerous early careers schemes including apprenticeships, graduate schemes, summer placements, work experience/work shadowing, undergraduate placements, site visits, and outreach programmes such as Robot Rumble and Flying Start.

New hires are onboarded in a consistent and inclusive way with dedicated training. In 2023, a new Digital Welcome Pack was rolled out. 97% of newcomers spent more than nine hours developing their knowledge and awareness of MBDA's environment and culture.—

06 Cultivate the Skills of Tomorrow

WHY?

Attracting, retaining and developing talent is key to our continued success. We believe that developing and nurturing our employees' potential is key to their fulfilment and the sustainable growth of our business.

HOW?

- Build the Group-level Skills and Competencies Framework
- Improve the quality of our learning offer, focusing on a blended learning offer
- Map training offers to share initiatives and create synergies across the Group
- Develop innovative and digital learning formats, ecosystems and tools
- Increase the share of employees who have a defined development plan
- Sustain the high percentage of employees trained each year (>90%)



DIGITAL LEARNING TAKES OFF

In 2023, MyLearningPath was implemented across the Group.

32,000
digital learning hours in 2023
(+300% vs 2021)

97%
of employees are active on
YouLearn

51
pathways deployed
in 2023

HIGHLIGHTS

FRANCE

MBDA France opened its new MyLearning Space learning centre. With 17 rooms, it is designed to develop further opportunities for training and accelerate time-to-competence. Two new gamified e-learning programmes were delivered on propulsion and the Exocet anti-ship missile, as well as a virtual reality-based training on everyday sexism. —

UK

In September 2023, 40% more apprentices and new graduates entered our business on structured 'early career' programmes than in 2022. Over 90% of people on early careers programmes are retained to the end of their scheme. In 2023, 117 young people, aged 14 to 18, completed work experience with us. —

ITALY

A range of programmes cater to employees throughout their career.

The INCIPIT induction programme onboarded 350 newcomers, while the Young Talent project continues to mentor 36 talents and develop their soft skills. For executives, Leading in New Complexity teaches leadership, while a new project, Leadership as a Conversation, is being piloted for managers. —

07

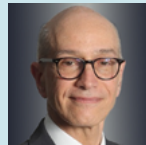
Expand Equality, Diversity and Inclusion

WHY?

At MBDA, we recognise the power of equality, diversity and inclusion (ED&I) and celebrate how it enriches our business and our community.

HOW?

- ✦ In 2022, we established a **steering committee** made up of representatives from across the Group to define an ED&I framework
- ✦ In 2023, we launched the **group ED&I framework to our employees** through engagement events
- ✦ The ED&I framework aims to create a culture and environment that is **inclusive for all**
- ✦ Specific ambitions for gender equality and disability inclusion
- ✦ In each NatCo, we will meet or exceed the legal requirements for representation of disabled people in our workforce by 2025
- ✦ By 2025, we will have a **robust action plan in place to continue to ensure equality and inclusion** for disabled employees



"Promoting diversity in our workforce strengthens our business by bringing fresh perspectives and ensuring everyone's contribution is valued."

Giovanni Soccodato
Executive Group Director Sales & Business Development,
Managing Director MBDA Italy, Executive Sponsor for ED&I

HIGHLIGHTS

FRANCE

The first training was launched to tackle discrimination against people with disabilities and shine greater light on "invisible" disability. It also held an event called "Duo Day" to promote the inclusion of people with disabilities in the workforce through cohesion and collaboration. —

UK

Publication of the annual Ethnicity Pay Gap report. Of the 91.6% of personnel who declared their ethnicity data, 9.1% identified with ethnic groups other than White groups, an increase of 0.3% over 2021. The report also shows an improvement in the mean hourly pay gap for most groups, while the median bonus pay gap improved for every group. —

ITALY

To promote the Group's ED&I Framework and foster a more inclusive environment, MBDA Italy held its Digital Diversity Week and Diversity Recruiting Days, aimed at connecting with people with disabilities. —

08

Strive Towards Gender Equality

WHY?

MBDA is committed to achieving more balanced representation of genders and providing an environment where women can flourish at all stages of their careers.

HOW?

- ✦ A Group-wide ambition of **30% women** in our workforce by 2030, including senior and top leadership positions
- ✦ Annual reporting on the **percentage of women in the workforce** as well as initiatives undertaken
- ✦ Internal evaluation of **progress** through recruitment, surveys and feedback



GENDER EQUALITY KPIS

23%

of our workforce are women

18%

of senior management positions are filled by women

23.5%

of new recruits are women

For the sixth time, MBDA Germany took part in Frauen in Führung (Women in Leadership) to support female experts.

HIGHLIGHTS

GERMANY

The Inspiring Women at MBDA forum was held in Schrobenhausen.

The forum enables and enhances networking at Group level, offers opportunities for women to exchange across the MBDA family on career development, and builds an inclusive working environment. Top management also passed an ED&I action plan with specific measures to enhance gender equality. —

FRANCE

The first training sessions to raise awareness of everyday acts of sexism were launched, with a total of

2,159 employees receiving the training in 2023. —

UK

We joined the Women in Defence UK mentoring scheme, a

unique, cross-sector initiative which matched ten mentors and ten mentees from MBDA UK with mentors and mentees from defence partners, providing fresh perspectives and exposure to other organisations. —

Our commitment to charity and outreach reminds us how important and connected we are to the wellbeing of our local communities.

From company to community: charity and outreach

MBDA and our colleagues support our local communities through charitable contributions, volunteering and providing science, technology, engineering and maths (STEM) support to young people.

During Industry Week in France, MBDA opened its doors to 12 high school girls from the Lycée Montesquieu du Plessis-Robinson in support of the Elles Bougent association, aiming to promote access to engineering careers for young women. Across the channel, MBDA UK partnered with Code First Girls, a social impact organisation providing free software coding courses to women, recruiting five talented women who graduated from their schemes.

_Schrobenhausen's Christmas tree bearing wishes from disadvantaged individuals which employees fulfilled.

In Italy, MBDA held sessions for around 60 students from technical institutes, allowing them to discover opportunities in STEM careers. Seniores Group celebrates and supports older colleagues and delivers scholarships to children who have distinguished themselves in their academic career.

VOLUNTEER WORK AND SUPPORT

The canteen at MBDA Germany Schrobenhausen featured a Christmas wish tree bearing stars with wishes from disadvantaged individuals that employees could pick and fulfil independently. The focus was on children in need, young people, and families affected by traumatic experiences. In the UK, over 100 colleagues provided 810 hours of voluntary work, including improving community gardens and providing outreach support for armed-forces veterans.



_Welcoming girls from a local high school in support of Elles Bougent association.



_MBDA UK's annual charity dinner raised money for good causes.

CHARITY DONATIONS

MBDA Germany made multiple donations to various local charities throughout the year such as Naturkinderhaus Schrobenhausen (a regional nursery school), Tafel Schrobenhausen (which donates food to those in need), Blickpunkt Familie (which supports young children and families), and Paulihof (an animal-assisted, inpatient therapeutic residential group for traumatised children). During their yearly Christmas market, charitable raffles and auctions were held with all proceeds going to local social organisations.

In the UK, MBDA contributed over £400,000 to charities, including £250,000 raised from the annual charity dinner to benefit armed forces charities as well as local charities such as Bolton Hospice and Help Bristol's Homeless. —



_Sixty students from technical institutes discovered MBDA Italy.

>150

MBDA employees involved in our ESG programme across the NatCos, including more than 15 ESG ambassadors

94%

Percentage of employees trained in the Code of Ethics

>100

Suppliers received our Sustainable Supply Chain Charter

Governance

Our governance describes the ways in which we run our business and ensure the integrity of our practices, in accordance with the laws and regulations of the countries in which we operate. We work closely with a variety of stakeholders throughout our value chain.

09

ESG Governance

WHY?

At MBDA, we are convinced that developing an ESG strategy in line with corporate strategy is a lever for long-term value creation, contributing to the resilience of the company, while guaranteeing compliance with European and national regulations.

HOW?

In 2023, a Group ESG Directorate was created to steer, implement and monitor the ESG strategy across the Group. The ESG governance is completed with an ESG Committee, composed of representatives from all the functions of the company.

- ✦ **Defining and steering the ESG strategy consistent with the corporate strategy**
- ✦ **Implementing ESG initiatives and monitoring KPIs**
- ✦ **Ensuring compliance with ESG regulation**
- ✦ **Promoting an ESG culture across the Group**
- ✦ **Providing business intelligence on ESG-related matters to the functions**



_Our first ESG Week took place in March 2024 at UK sites and virtually.

HIGHLIGHTS**GROUP**

A **Group-level ESG Directorate** was established in September 2023, reporting to the Group General Secretary and composed of a Group Head of ESG and Heads of ESG from each NatCo. —

GROUP

W **orking groups led by ESG priority leaders** were set up to advise, implement and report on ESG topics.—

10

ESG in Remuneration

WHY?

Based on our ESG Roadmap, ESG incentives in remuneration have been introduced to drive positive behaviour and support change towards our vision of a more sustainable company. Regularly informed on topics related to ESG during Executive Committees, top management is engaged at the highest level.

HOW?

- ✦ **KPIs related to carbon emissions, work safety and gender equality** to be integrated in long-term incentives for all Executive Committee members
- ✦ **Remuneration incentives to be extended** more widely



_MBDA Italy – Rome – New EMC Chamber

KEY FIGURE

10

members of the MBDA leadership team have an ESG component in their long-term incentive plan.



“One of the ways we embed ESG priorities in our decision-making is by linking senior management incentives to ESG-related KPIs.”

Peter Bols
Executive Group Director Finance

11

Compliance and Corporate Ethics

WHY?

Our Code of Ethics and anti-bribery policies guide our actions and help our employees do their job with integrity.



HOW?

- ✦ **Our Code of Ethics** sets out the principles of business conduct that guide our day-to-day relationships
- ✦ **Our Anti-Bribery and Corruption Programme** goes beyond local laws and reflects the principles of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business
- ✦ **Multiple reporting channels** for a speak-up and listen-up culture
- ✦ **The Business Ethics Committee** supervises the implementation of these policies and an Export Compliance Steering Committee oversees export control issues
- ✦ **We comply with all anti-bribery and corruption laws in the countries where we operate**, including the UK Bribery Act 2010, Italian legislative decree 231/2001, and French law no. 2016-1691 (Sapin II)
- ✦ **We comply with strict export laws and utilise control measures** to prevent supply of strategic products or technologies to countries or people representing a security risk (including terrorism, diversion or proliferation)

HIGHLIGHTS

GROUP

To promote a culture of open and safe concern reporting, and address risks of breaches or actual breaches to the company Code of Ethics promptly, MBDA Group established an Integrity Line in December 2023. —

GROUP

ISO 37001 certification for anti-bribery management systems achieved in all NatCos.—

GROUP

Ninety-four percent of MBDA new hires in 2023 were trained in the Code of Ethics. —

12

Sustainable Supply Chain

WHY?

We believe that our suppliers' values and practices must be aligned with our own. MBDA is committed to promoting ethics and responsibility in our partnerships and to developing strong ties with small- and medium-sized businesses (SMEs).



"We promote ethical relationships with our suppliers and work with them to ensure a sustainable supply chain."

Philippe Bethouart
Executive Group Director Operations

HOW?

- ✦ **In 2023, we defined and distributed our Sustainable Supply Chain Charter** to over 100 of our most strategic suppliers
- ✦ **Our Sustainable Supply Chain Charter** sets out our expectations of suppliers in relation to ESG topics
- ✦ **In 2023, we conducted a benchmark of ESG ratings platforms** to identify the most appropriate one for our due diligence processes
- ✦ **In 2024, we will identify a third-party solution** provider to support assessment of supplier ESG maturity



HIGHLIGHTS

UK

We became a Partner in the Supply Chain Sustainability School, alongside our shareholder BAE Systems, to build the knowledge and capabilities of our supply chains and our colleagues, so that we are even better able to respond to legislation, regulation and customer requirements and to address our impact on the planet and benefit societies. —

FRANCE

Over 200 SME suppliers were surveyed by MBDA France. The survey found a 77% satisfaction rate (+1% compared to 2021) and was followed by a discussion day dedicated to the topic. —

UK

Thirty suppliers completed an ESG-readiness questionnaire and sustainable procurement training was piloted.—

For us, innovation means understanding and anticipating our customers' needs.

Innovation at our core

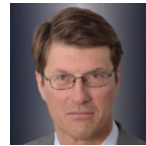
Our innovation strategy combines a programmatic approach (building on institutional product and technology roadmaps) with the best practices of open innovation, both through allowing our employees to develop and test new ideas as well as by building relationships with external partners, including suppliers, SMEs and academia.

HIGHLIGHTS IN DATA

AI and data offer a wide range of applications for MBDA from visualisation to decision making. In February, MBDA held a conference bringing together experts to examine AI and data as a revolutionary lever for complex weapons.



In February, MBDA held a conference dedicated to AI and data.



"Innovation is fundamental for a Group like MBDA. We celebrate the creativity of our engineers that gives our customers the best solutions for their needs."

Guido Lami
Executive Group Director Technology and Performance.

MBDA's Second Quantum Revolution conference gathered our specialists and external partners to discuss emerging quantum technologies and their implications for the future of defence. As an example, MBDA is cooperating with Aquark Technologies a spin-out of the University of Southampton that provides portability and miniaturisation solutions for quantum sensing.

Also in digital solutions, the Digital Battlespace Facility in Stevenage enables us to test weapons systems in a virtual environment before real-world testing, saving time and reducing risk. In 2023, MBDA also partnered with the French Space Command for the second time on AsterX, providing our space warfare battlelab simulation model for military exercises.



Orchestrike allows collaboration and information sharing between missiles.

THE YEAR IN OPEN INNOVATION

In Germany, MBDA is collaborating with Bayern-based software company HAT.tec specialised in the integration of humans and intelligent automation to push the limits of unmanned platforms. In France, we partnered with the immersive solutions company Immersalis to improve human performance in decision-making processes and complex environments. With E-Business Venture, MBDA is working on a project for remote reading and visualization of the environmental conditions of ammunition storage using innovative long range radio technology.

With partners Leonardo and QinetiQ, MBDA recently achieved the UK's first high-power firing of a laser weapon against aerial targets during a trial of DragonFire, the laser-directed energy weapon system.

REWARDING SUCCESS

Held in September, the MBDA Innovation Awards recognise new technologies arising from within the Group. The 2023 edition saw over 250 projects across the group involving more than 1,500 employees – almost 10% of MBDA's workforce. Award winners include work on the next generation of radomes for defence applications, infrared technology to improve protection for helicopter pilots, and contributions in the field of target detection.

A striking example of a technology arising from a project presented at the Innovation Awards is Orchestrike, which allows coordination between missiles and unmanned aircraft to act as a swarm and overcome air defences. The technology – which always keeps a human in the loop – was demonstrated at the Paris Air Show in June.

Technical Appendix

Additional information on the Group’s policies and reporting as they evolve in line with the Corporate Sustainability Reporting Directive.

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EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS) REFERENCE TABLE

Cross-cutting standards	Environmental	Social	Governance
ESRS 1 – General Requirements	E1 – Climate Change	S1 – Own Workforce	G1 – Business Conduct
ESRS 2 – General Disclosures	E2 – Pollution	S2 – Workers in the Value Chain	
	E3 – Water	S3 – Affected Communities	
	E4 – Biodiversity and Ecosystems and Marine Resources	S4 – Consumers and End-Users	
	E5 – Resource Use and Circular Economy		

1. INTRODUCTION

Supplementing the main report, this technical appendix presents additional information on the Group's policies and processes in relation to sustainability-related topics. Specifically, it is designed to show correspondences between the Group's policies and the European Sustainability Reporting Standards (ESRS) at the heart of the Corporate Sustainability Reporting Directive (CSRD), which came into force in 2023. The appendix thus aims to provide a reference point as the Group's sustainability reporting develops in line with the CSRD.

Correspondences with the ESRS are indicated in the text and key policies, documents and concepts are highlighted.

2. ESG GOVERNANCE

a. ESG Committee

To implement, monitor and ensure the consistency of the Group's ESG strategy, an ESG committee has been set up, gathering representatives from each national company (NatCo) and function involved with ESG within the Group.

b. Risk management principles ESRS 1, ESRS 2

At MBDA, risks are managed through the Enterprise Risk Management (ERM) system. The system is designed to provide the CEO, the Management Committee, and shareholders with a reasonable assurance that the following objectives will be achieved:

- Have a consistent and unique process for MBDA to assess and reduce risks
- Guarantee transparency on MBDA's risks through systematic reporting and monitoring
- Communicate the main risks, transversal risks, and risk reduction plans to the Executive Committee
- Improve the achievement of operational and financial objectives
- Ensure the proper management of responsibilities

linked to risk and risk reduction plans are coherent to the organisational principles of MBDA

- Improve compliance with applicable external laws and regulations and with corporate governance.

While risk management involves the pre-emptive identification, evaluation, prioritisation and reduction of risks that may hinder the achievement of objectives or activities, crisis management deals with the actual occurrence of risks with a major impact on the company. Crisis management is part of risk management at the Group level.

The operational handling of risks is carried out through the business continuity management process. In the case of a crisis, a business continuity plan allows for the normal resumption of activities as quickly as possible.

Internal audit undertakes risk-based audits across the business to identify those areas of the business where there is potential for financial, reputational or other loss. This is done to assure the audit committee that risks are being managed.

The Financial Control Effectiveness Programme tests and reviews the internal financial control environment of MBDA to provide independent assurance to the audit committee regarding the accuracy and effectiveness of financial controls.

3. ENERGY, BIODIVERSITY AND CHEMICAL RISKS

a. Energy and carbon management ESRSE1

The Group has set an ambitious Roadmap for Net Zero Carbon by 2050, plotting the path to net zero greenhouse gas emissions. This roadmap is developed around four pillars:

- Developing low-carbon energies by promoting renewable energies

- Monitoring and optimising energy efficiency
- Monitoring and optimising carbon emissions as part of the Group's environmental impact
- Developing carbon sinks.

This Roadmap is complemented by policies set at the NatCo level. At MBDA UK, for example, an **Energy and Carbon Management policy** is applicable to electricity and natural gas used within the boundaries of MBDA's UK sites. To assess total greenhouse gas emitted over a year by its activities, either directly or indirectly, MBDA France underwent a greenhouse gas emissions report, which is published on the website of ADEME, the French ecological transition agency. The report enables the identification of the main emission sources in order to create an emissions reduction plan.

b. Chemical risks ESRSE2

The European regulation on the **Registration, Evaluation, Authorisation and restriction of Chemicals (REACH)** is designed to protect both human health and the environment from the risks that can be posed by chemical substances. MBDA's protocol for the **management of REACH in MBDA products** is applicable to MBDA France, Germany, Italy, and UK. It covers the responses to customer requests and the communication of information to customers in case of Substance of Very High Concern (SVHC) presence in MBDA products.

c. Environmental management and biodiversity ESRSE4

MBDA's **Group Environmental Policy** strives to be the common reference for the permanent improvement of company performance with regards to environmental matters. The principles outlined in this policy are to be applied to all infrastructure, operations and products of MBDA and affiliates. Its application varies with regards dimension and nature of its operations, and according to local regulatory requirements as well as those of its clients.

Twelve sites across the Group have been certified **ISO 14001 for environmental management systems (EMS)**. This standard encompasses topics such as resource usage, waste management, monitoring environmental performance, and the involvement of stakeholders in environmental commitments. As an ISO 14001 compliant organisation, MBDA can guarantee and showcase the proactive steps taken to reduce environmental impact, comply with relevant legal requirements, and accomplish their environmental goals.

To facilitate the integration of energy management into MBDA's efforts to improve quality and environmental management, MBDA UK has been certified **ISO 50001 for energy management**. ISO 50001 provides a framework of requirements for the development of energy efficiency policies and their targets and objectives, data usage for relevant decision making, measuring results, policy review, and continuous energy management improvement.

4. ONSITE SAFETY AND CYBERSECURITY

a. Onsite safety ESRSS1

Human health, safety and wellbeing is the top priority at all sites across the Group. To ensure that safe working conditions are provided to all employees, visitors and service providers, MBDA is **ISO 45001** certified at 11 sites. ISO 45001 is the international standard that specifies requirements for an occupational health and safety (OH&S) management system, providing a framework for organisations to manage risks and improve OH&S performance. The certification recognises our work to manage and mitigate mental and physical health risks at our sites and in the implementation of process-enabling studies, tests, manufacture of equipment, integration of missiles and

weapons systems, as well as customer support services.

As an example of policies at the NatCo level, at MBDA France the **Health Safety Environment (HSE) Manual** describes the management system processes adopted to implement external (e.g. regulatory) and internal processes related to onsite safety.

b. Cybersecurity

Threats to the security of information and operational technology systems pose a significant risk to the defence industry. Ensuring that we have a sound and robust system in place to manage cyber security risks across the Group is one of our top priorities. Our cyber security policies and procedures ensure that our networks are protected, but also that continuous improvement, monitoring, and robust recovery procedures are in place.

Our efforts are coordinated by the **Group Cyber Committee**, which reports directly to the Executive Committee. All National Cyber Committees report to National CoDirs.

There is a roadmap to bring all NatCos in line with a common BMS Soc strategy, which ensures that all NatCos are at the same level of cybersecurity in terms of risk coverage and protection. Some NatCos have implemented and others are implementing the next level of the strategy, CERT, which covers monitoring and reacting in a wider scope.

Relevant certifications in this area are **ISO 270001 for Information Security** and Cyber Essential Plus. Currently, MBDA UK has been certified for both and others are working towards these certifications.

5. WORKFORCE AND SUPPLY CHAIN

a. Working conditions ESRSS1

A sustainable workplace encourages responsible

behaviour, and creates a company marked by its employee involvement, transparency and reporting, considerate work models, collaboration, and leadership commitment. Well-defined Group and local **employment policies** lay the foundation for this.

In France, for example, MBDA created a **Recruitment Charter** that clearly lays out the values of Team Spirit, Passion & Professionalism, Commitment & Customer Satisfaction, Integrity & Respect, and Adaptability & Innovation expected of candidates for roles.

Sustained organisational growth depends on the ability for employees to have access to the necessary skills and knowledge needed for their current role and future growth within the company. MBDA gives all its employees the opportunity to be the guiding actors of their careers through different mobility options, development paths, courses and diplomas.

MBDA Group's **Missile Systems University** was created to further develop the core capabilities of MBDA engineers, technicians, specialists, partners, and customers. Missile Systems University offers various training types and adaptable education paths. These range from training sessions to degrees, and PhD programmes, as well as opportunities for students to participate in project work and R&D activities at MBDA sites across Europe.

MBDA **salary policies** are issued locally following negotiations with the applicable stakeholders. They establish fair frameworks for remuneration, retain and attract talent, set performance-related pay, and establish climates of trust between employer and employee. **Remuneration structures** are designed to ensure that there are appropriate balances of fixed and variable rewards for employees, from monthly salaries to seniority and annual bonuses.

Entities such as MBDA France have **employee savings**

schemes in place that allow employees to set aside a portion of their pre-tax wages for retirement savings or other long-term goals. Employees also receive health insurance, set locally.

b. Social dialogue ESRSS1

MBDA actively listens to its employees and involves them in corporate governance to guarantee fulfilment and establish a sustainable and healthy business. Close relationships with trade unions are maintained in all countries of operation, in accordance with national regulations.

Conducted every two years, the Employee Opinion Survey (EOS) is an effective tool for collecting employees' views before integrating their feedback into concrete action plans. The 2021 EOS had a high participation rate and the responses have provided the foundation of the 2022 action plan shared with all employees and trade unions and deployed across the directorates.

To improve the exchange of information between management and employee representatives, MBDA set up a European Works Council. This is a forum where employee representatives can express their views regarding business developments and any major decisions at the European level with impact on employment and working conditions. Established in 2002 in accordance with European Directive 2009/38/EC, this information and consultation body meets twice a year and counts 26 members, 18 elected employee representatives from all national companies, and eight management representatives. The meetings are designed to be both open and transparent to ensure the voices of both management and employees are heard and considered. The last four-year agreement was signed in 2021 and reflects the demands of both employees and management.

Agreements can also be division specific. An example

of this is the 2022 collective bargaining agreement signed by representatives of the Metallurgical teams of MBDA that organises the daily life of employees, including work hours, organisation, remuneration, holidays, contracts, suspensions, learning and development, social dialogue, unionisation, and more.

MBDA France updates its Synapse Accord every three years to listen to employees' needs and translate them into a collective agreement for the improvement of the working environment. MBDA France also clearly defines expected working hours for its specific sites and reminds employees of their right to be disconnected from work tools outside of these times.

c. Equality, diversity and inclusion (ED&I) ESRSS1

The Group's ED&I framework was designed to formalise an inclusive culture and environment for all. The framework lays out clear actions to uphold an equal, respectful, diverse, and inclusive culture and environment within and around MBDA, with extra attention being paid to gender and disability issues. A dedicated ED&I communications pack was created to help bring these values and actions across to the entire MBDA population.

MBDA France signed an agreement on Equality and Diversity in the Workplace in December 2020 between management and four key trade unions on matters ranging from gender and work-life balance to equal pay and opportunities. The MBDA France Professional Equality committee released its detailed Professional Equality and Diversity Key Figures and Monitoring in April 2023 to track how policies, values and agreements are translating to real changes in the workplace.

MBDA France's disability programme, ACCESS, is geared towards the professional integration and

employment of people with disabilities and has four main pillars:

- Maintaining employment for people with disabilities
- Recruitment and assistance with the professional integration of people with disabilities
- Collaboration with the protected and adapted sector
- Raising employee awareness of the issue of disability and combating prejudice.

The programme is the result of over 15 years of commitment by MBDA France to maintaining the employment and professional integration of people with disabilities. Thanks to the collective mobilization and actions taken, they can proudly report an employment rate of over 6% of people with disabilities in 2020 and 2021.

With the Respect at Work Charter, MBDA France intends to reaffirm that respect for people is a fundamental principle that cannot be transgressed. Harassment and discrimination of any sort are unacceptable within the company and are dealt with accordingly.

The Parenthood Transition System was created in 2017 by the Professional Equality and Diversity Agreement and was made more flexible in the new agreement for the period 2021 to 2024. At the end of maternity or adoption leave and in order to facilitate the transition with the implementation of childcare, the company offers the possibility for male and female employees to benefit from an arrangement of their working time allowing them to work in a flexible manner for the equivalent of 80% of their reference working time, with remuneration maintained at 100% for one month, in the form of the allocation of four days of paid absence.

d. Supply chain ESRSS2

As part of its ESG approach for its entire supply chain, MBDA seeks the commitment from its suppliers on

several key related topics. The Sustainable Supply Chain Charter is an initial fundamental step in establishing a sustainable supply chain. The purpose of this ambition statement is to set out our expectations of our suppliers, existing and prospective, the key sustainability topics and how we propose to work towards achieving our goals.

The topics covered in the Sustainable Supply Chain Charter are:

- Fighting bribery and corruption
- Fighting child labour and slavery, servitude, forced labour, compulsory labour and human trafficking
- Enforcing trade control
- Health, safety and environment at work
- Conflict materials
- Speak-up culture and whistle blower protection
- Diversity & Inclusion
- Wages and overtime
- Local community support
- Counterfeit goods control
- Payment practices, tax payments, accurate records.

The approach to be followed to approve or maintain a supplier on the company supply base is outlined in the Supply Chain Business Ethics Procedure. Risk checks are to be initiated before entering into commitments with suppliers. This avoids MBDA working with entities that have been sanctioned, broken the law or are misaligned with MBDA policies.

Supplier Business Ethical Assessments shall be conducted before any business discussions with a supplier (pre-non-disclosure agreement, request for quotation, etc.) can commence. These assessments are a prerequisite to the appropriate supplier approval procedures. When a supplier moves from 'fit for business' (continued business discussions) to supplier accreditation 'fit for purpose' (continued commercial discussions), all Business Ethical assessments must have been completed. For current suppliers the

assessment shall be continuously monitored through agreed periodic updates whilst responding to any primary intelligence.

The **Terms and Conditions of Purchase** for suppliers to MBDA France, Italy, and UK lay out the general terms and conditions of purchase.

6. ETHICS AND COMPLIANCE

Operating at the highest responsible and ethical standards are key to our reputation and future business success. MBDA is committed to complying with the law, applying the highest ethical standards in all the countries where it operates.

a. Code of Ethics ESRSG1

Everyone at MBDA must act in accordance with the company's **Code of Ethics**, which is our foundation document approved by the MBDA Executive Committee. It is implemented through detailed policies and procedures, both at Group and National level. The three principles of action of the Code are:

- Compliance with laws and regulations
- Commitment to integrity
- Seeking guidance and reporting concerns.

These principles have been developed around four themes which are:

- Business relationships
- Our people
- Protecting assets and information
- Corporate Responsibility

The Code and related policies and procedures are regularly updated. They are mandatory to all MBDA entities and employees, directors and officers, regardless of location or role and apply also to our majority joint ventures.

b. Anti-bribery and corruption ESRSG1

MBDA rejects corruption of any kind, under any circumstances, whether public or private, active or passive, direct or indirect and applies a zero-tolerance principle. The **Anti-Bribery and Corruption Policy** states the company's commitment and principles applying to bribery prevention and detection. It defines how to identify corruption and fight it by listing the proscribed conducts and the way to address the risk of bribery. It applies to all MBDA companies (wholly-owned and controlled entities).

MBDA's anti-bribery management system covering the activities of 14,000+ people has been certified by independent certification body LRQA accredited by ACCREDIA, as meeting the internationally recognised standard ISO 37001.

Further to this, it is important to prevent undue influence in the exercise of functions by use of gifts or hospitality. The **Gifts & Hospitality Policy** emphasises the assurance that gifts or hospitality, whether offered or received by MBDA employees in connection to their business activities, do not influence the beneficiary's functions. While it is accepted that gifts or hospitality are part of doing business, the policy highlights the risk of perceived influence and the importance of mitigating this risk.

Beyond this, MBDA works hard to ensure that donation and sponsorship activities, and related funding, fully comply with its anti-corruption principles. MBDA operates in many countries worldwide, through its industrial activities or the commercial campaigns and projects it carries out. The **Donation and Sponsorship Policy** covers all stages of the procedure to be applied for any corresponding operation, from the initial request to the execution and post-operation activities.

c. Business advisers and conflicts of interest

The use of business advisors is strictly governed by internal procedures. MBDA is fully aware of the risk of hiring Business Advisers and made the conscious decision, when necessity is evidenced, to use them for campaigns outside of home countries, provided they pass a very rigorous compliance process. The **Business Advisers Procedure** details the various compliance and vetting controls in place to manage the risk of bribery and corruption by third parties appointed by MBDA in support of its development, sales and marketing activities.

Conflicts of interest can arise when the personal interests of a person may conflict with their role within MBDA. The **Conflicts of Interest Policy** lays out the procedures for managing such conflicts.

d. Means of reporting concerns

MBDA has also set up a dedicated **Integrity Line** and associated management system to protect the persons who report issues, to foster an open culture of reporting concerns, and to remediate risks of breaches or actual breaches at an early stage. The Integrity Line is designed to capture:

- Violations of the MBDA Code of Ethics, policies and procedures
- Violation of any applicable laws and regulations
- Harmful conduct against persons reporting through the Integrity Line
- Concealment attempts of wrongdoings.

The Integrity Line is open to:

- Employees, apprentices, interns, graduates
- Suppliers, customers, partners, contingent workers
- Anyone with a working relationship with MBDA
- Any stakeholder, wherever located in the world.

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ABOUT THIS REPORT

MBDA places its sustainability commitments at the heart of its business model, and this report helps to better understand how these objectives are in line with the overall performance of the Group. This document presents the concrete actions of the Group.

MBDA is not required to publish sustainability information. However, conscious of the importance of these issues and its responsibilities towards them, MBDA has chosen to present this information to its stakeholders.

Published in June 2024, this sustainability report was written with the participation of all of the Group's National Companies (NatCos) and the contribution of its various departments.

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