Airbus Operations Limited

Company Number: 3468788

Annual report and financial statements

31 December 2024

Contents

Strategic Report

In accordance with applicable law and regulations, the directors of Airbus Operations Limited ("the Company") present the results of the financial year ended 31 December 2024.

Business Model

The Airbus group operates in three reportable segments (the "Divisions") which reflect the internal organisation and management structure according to the nature of the products and services provided: Airbus (formerly Airbus and Headquarters), Airbus Helicopters and Airbus Defence and Space.

Airbus Operations Limited is a subsidiary of Airbus Operations S.A.S., a company incorporated under French law, which in turn is owned by Airbus S.A.S., which is part of the Airbus division.

An Executive Committee, chaired by the Chief Executive Officer, with the heads of the Divisions and key functions, is responsible for the management of all Airbus activities. The chairman of the Board of Directors of Airbus Operations Limited reports to the Airbus CEO.

Programme overview

In the context of the strategic report "Airbus" refers to the division of Airbus SE and the "Company" refers to Airbus Operations Limited. The Company undertakes aerospace activities comprising the design and production of wings and associated equipment for the Airbus range of aircraft. The performance of the Company should be taken in context with the performance of the Airbus division as a whole.

Deliveries

In 2024, Airbus delivered 766 commercial aircraft compared to 735 deliveries in 2023, of which:

- 625 aircraft delivered by Airbus SAS (of which 536 Single Aisle, 32 A330, 57 A350) compared to 607 in 2023;
- 66 Single Aisle aircraft delivered by Airbus Americas (compared to 60 in 2023);
- 75 A220 delivered by Airbus Canada Limited Partnership ("ACLP") (compared to 68 in 2023).

A220 deliveries are analysed as part of total Airbus commercial aircraft activity (above) but have no financial impact on the Company's financial statements since the A220 programme is not part of the Airbus civil Advanced Pricing Agreement (see note 1.13 for further information).

Backlog

As of 31 December 2024, the backlog of commercial orders was 8,658 aircraft (compared to 8,598 aircraft in 2023). Airbus's backlog of commercial orders increased by € 68,1 billion to € 558,9 billion. The increase in the backlog value mainly reflects the Company-wide book-to-bill of above 1, and the strengthening of the US dollar. Order intake consisted of 826 net orders in 2024 (as compared to 2,094 in 2023).

Production

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

Strategic report *(continued)*

Programme overview *(continued)*

Production (continued)

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

In 2024 Airbus served 86 customers with 766 deliveries of aircraft, an increase of approximately four percent compared to 2023. This was in line with guidance, and was achieved despite the complex and fast-changing operating environment (including a challenging supply chain situation and geopolitical tensions). Airbus continues to ramp-up to serve the strong demand for its commercial aircraft product portfolio, as reflected by the order backlog being at unprecedented levels (currently over 8,600 aircraft). As part of the ramp up effort, Airbus has enabled all of its A320 assembly sites to be capable of producing the popular A321 model, thereby enabling the A321 to represent a bigger share of deliveries.

The A320 Family programme continues to ramp up towards a rate of 75 aircraft per month in 2027. Airbus is now stabilising monthly A330 production at around rate 4. Specific supply chain challenges, notably with Spirit AeroSystems, are currently putting pressure on the ramp up of the A350 and the A220. On the A350, the Company continues to target rate 12 in 2028 and is adjusting the entry-into-service of the A350 freighter variant which is now expected in H2 2027.

As part of the effort to address its specific supply chain challenges, as announced on 1 July 2024 Airbus signed a binding term sheet to acquire certain Airbus work packages from Spirit AeroSystems. Over the intervening period the due diligence process has continued and the assessment of the integration of the relevant production sites into Airbus's operations has progressed. Closing this acquisition and commencing the integration of these businesses is a key priority over the coming year.

A320 Family

With more than 19,075 aircraft sold, and over 11,860 delivered by the end of 2024, the A320 family of single-aisle aircraft includes the A319 and A321 derivatives, as well as the ACJ corporate jet. Each aircraft in the A320 Family shares the same systems, cockpit, operating procedures and cross-section.

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

Airbus continues to invest in improvements across the product line, as exemplified by the development of the A320neo family, including the A319neo, A320neo, A321neo and ACJ variants of the A319neo and A320neo, and most recently the A321XLR. The A320neo Family incorporates many innovations including latest generation engines and cabin improvements which together deliver up to 20% in fuel savings per seat compared with earlier A320 family aircraft. The A320neo with Pratt & Whitney engines was the first variant to receive Type Certification, from the European Union Aviation Safety Agency ("EASA") and the United States Federal Aviation Administration ("FAA"), in November 2015, followed by the A320neo with CFM engines in May 2016. The A321neo with Pratt & Whitney engines received Joint Type Certification in December 2016 and with CFM engines in March 2016.

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

Strategic report *(continued)*

Programme overview *(continued)*

A320 Family (continued)

Recognising a market requirement for increasing range capability, the A321neo has been developed to incorporate additional flexibility in cabin configuration with optional design weight and fuel capacity enhancements to produce the 7,280km (4,000nm) range capable A321LR.

The A321XLR, which was delivered to its launch customer, Iberia, in October 2024 is combining single aisle efficiency with Widebody range and comfort, and resulting in an unmatched product offering for all operator types in the key mid-range market area with 8,700km (4,700nm) range.

Since its launch in December 2010, the A320neo Family has received 11,069 firm orders from more than 140 customers, with a total of 3,765 aircraft delivered to the end of 2024. A320neo deliveries commenced in February 2016 followed by the first A321neo in April 2017 and in August 2019 the first A319neo. As against the Boeing 737 MAX Family, the A320neo family retains an approximate 60% market share of the single aisle backlog.

Elbe Flugzeugwerke GmbH (“EFW”), a partnership between Airbus and Singapore-based ST Aerospace Ltd. (“STA”) offers passenger-to-freighter (“P2F”) conversion solutions for its A320 and A321 aircraft. With its freighter conversion programmes (the A330P2F, A321P2F and A320P2F), EFW is driving the development of the Airbus freighter family. At the end of 2024, a total of 50 A330P2F have been re-delivered (since 2017). In 2024, 21 further A321P2F were re-delivered, with more than 50 having been delivered since 2020.

During 2024, Airbus received 637 gross orders for the A320 Family of aircraft and 615 net orders, with 602 aircraft having been delivered.

A330 Family

With 1,853 aircraft sold (of which 374 A330neo) and 1,623 delivered, the A330 Family covers all market segments with two twin-engine aircraft types and is designed to typically carry between 220 and 300 passengers in three-class configurations or over 400 passengers in high-density. The A330 Family offers high levels of passenger comfort as well as large under-floor cargo areas. The A330-200 version is also offered as a military platform (MRTT). A passenger-to-freighter conversion is offered by EFW for both the A330-200 and A330-300, meeting the logistical needs of the rapidly growing e-commerce market.

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

The latest evolution to the A330 Family is the A330neo (new engine option), comprising the A330-800 and A330-900 versions. These aircraft incorporate latest generation Rolls-Royce Trent 7000 engines and enhanced aerodynamics for improved fuel efficiency.

In October 2020 Airbus certified an improved MTOW (Maximum Take-Off Weight) of 251t on the A330-900 bringing a range increase of 1,180 km (650 nm). 251t MTOW was also certified for the A330-800 in mid-2022.

During 2024, Airbus received 82 gross orders for the A330 Family of aircraft (of which four military variants) and recorded 82 net orders, with 32 aircraft having been delivered (of which two military variants).

A350 Family

The A350 is a family of wide-body aircraft, designed to typically accommodate between 300 and 410 passengers and up to 111t as a large freighter. The A350 offers enhanced cabin features, Rolls-Royce Trent XWB engines, advanced aerodynamics and systems technology, with more than 50% composite materials in the fuselage structure. The A350’s main competitors are the Boeing 787 and 777 aircraft series. Initial delivery of the A350-900 variant took place in December 2014 to Qatar Airways.

Strategic report *(continued)*

Programme overview *(continued)*

A350 Family (continued)

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

Partnering the A350-900 is the seven metre longer A350-1000, which was delivered to its first customer, also Qatar Airways, in February 2018. Offering additional capacity for both passengers and cargo without compromising on range, the A350-1000 is the ideal replacement for previous generation aircraft in the 350-410 seat capacity market.

Airbus launched the A350F freighter to compete in both the general freight and express cargo markets. With efficiency in terms of economics, fuel burn and CO2 emissions, the A350F is the first freighter capable of meeting the latest ICAO CO2 requirements.

As of end December, the A350 secured in 2024 137 orders for passenger A350 and 5 A350F orders. 642 A350s have been delivered so far, with a total orders of 1,344 A350s (55 freighters, 1,289 pax).

A380 Family

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

While the final five deliveries of the A380 took place during 2021 some customer airlines are investing in updating their cabins, and the aircraft is likely to remain in service well into the next decade.

A400M (military aircraft)

The A400M is the most capable new generation airlifter on the market today, aiming to meet the needs of armed forces worldwide and potential operators for military, humanitarian and peacekeeping missions in the 21st century. The A400M can perform the job of three different types of military transport and tanker aircraft by providing different capabilities: tactical (short to medium range airlifter capability with short, soft and austere field operating performance), strategic transport (longer range missions for outsized loads) and tactical tanker.

A total of 178 aircraft have been ordered so far. This includes the seven launch customer nations Belgium, France, Germany, Luxembourg, Spain, Turkey, the UK, as well as three export customers: Malaysia, Kazakhstan and Indonesia. Further interest exists from various regions worldwide, including Asia, the Middle East and Latin America. Since 2013 (and through 31 December 2024), 130 units have been delivered to nine nations.

The A400M has already been deployed in operations since 2014, accumulating more than 205,000 flight hours in service. In October 2024, Airbus signed two strategic contracts with the Organisation for Joint Armament Cooperation (OCCAR), which manages the A400M programme on behalf of the launch customer nations. These new contracts are the so-called A400M Global Support Services (GSS3) and “Block Upgrade 0”, intended to enhance the aircraft’s capabilities. The A400M is designed to disrupt the difference between strategic and tactical transport by offering both capabilities in one. This saves both time and costs as customers can fly a long range strategic aircraft into a tactical zone of operation.

Airbus has continued with development activities towards achieving the revised capability roadmap. Retrofit activities are progressing in close alignment with the customer.

In 2024, an additional update of the contract estimate at completion was performed and a resulting expense was recorded at Airbus SE level. Risks remain on the development of technical capabilities and associated costs, on aircraft operational reliability, on cost reductions and on securing overall volume as per the revised baseline.

Strategic report *(continued)*

Significant events in 2024

The following matters predominantly affect the Airbus division and will impact the Company via the share of the total 'Common activities' result from Airbus SAS (see note 1.13 for further details). Matters which are specific to the Company are identified as such.

Geopolitical and macroeconomic environment

In view of the complex and fast changing environment, notably with geopolitical uncertainties and specific supply chain challenges that have materialised in the course of 2024, Airbus has launched an improvement programme in its commercial aircraft business. This programme has been designed to focus on priorities, leveraging the core business activities to drive operational efficiency. This is aimed at securing its industrial ramp up without compromising on safety, quality and compliance.

The war in Ukraine has increased the group's exposure to supply chain disruption risk given that part of the titanium used by Airbus is sourced from Russia, both directly and indirectly through the group's suppliers. As a consequence, Airbus implemented and is progressing well on the de-risking plan to avoid any shortage in the supply chain. This has prevented the group from experiencing any production disruptions related to that matter in 2024. In 2024, with respect to Russia, Airbus maintains strict controls to comply with all applicable regulations and sanctions which could become more stringent in 2025. The Representative Office in Moscow was closed in 2023. The Airbus Russia affiliate (Airbus RUS) is in the process of being closed.

Air France Flight 447 trial

On 1 June 2009, an A330 operated by Air France flight AF447 from Rio de Janeiro to Paris disappeared over the Atlantic Ocean with 228 persons onboard. The wreckage was located in April 2011 after several search campaigns organised by the Bureau d'Enquêtes et d'Analyses ("BEA"), which published its final investigation report in July 2012. In the wake of the accident, the prosecutor in Paris opened an investigation for involuntary manslaughter and Airbus SAS was charged in March 2011. In September 2019, the investigating magistrates closed the investigation and dismissed all criminal charges after a thorough analysis of the technical and legal elements of the case. However, the Paris Court of Appeal overturned the magistrates' decision and ordered trial for involuntary manslaughter. The group's appeal to the French Supreme Court has been dismissed.

Following a trial in the fourth quarter of 2022, the Paris Criminal Court announced on 17 April 2023 that all criminal charges against the group were dismissed but sustained certain civil liability claims. On 26 April 2023, the Paris General Prosecutor filed an appeal of the dismissal of criminal charges against Airbus and Air France. As a consequence, there will be a full retrial of the matter before the Paris Court of Appeal, which the group expects is scheduled to commence in September 2025.

Financial performance

Key performance indicators of Airbus Operations Limited are shown below:

	2024 (£m)	2023 (£m)
Turnover	**4,616**	4,340
Research and development costs	**199**	222
Profit for the financial year	**575**	437
Net assets	**2,714**	2,018

Strategic report *(continued)*

Financial performance *(continued)*

As a consequence of the revenue recognition mechanism (refer to note 1.13), the performance of the Company should be taken in context with the performance of the Airbus division as a whole. There is a positive earnings allocation for the Common Business (activity relating to Airbus). Allocation based on the Industrial Key (mechanism by which costs are collated, analysed and results are shared) resulted in the Company having a proportionate profit of £722m (2023: £584m) of the allocable total results of the Airbus Common Business, which is reported in turnover and reflected in an increase in intercompany debtors. The increase in the Common Business earnings allocation between 2023 and 2024 is mainly due to the increase in deliveries (+23 aircraft).

The proportionate result of the UTE (being the allocations of the results of the A400M programme) established for the A400M series business for the Company (refer to note 1.13), which is similarly reported in turnover, has deteriorated compared to the prior year and amounts to £-60m (2023: £-58m). The increase in the UTE loss share reflects a one-off significant favorable impact in 2023 for Industrial Benefits & Study Items, partially offset in 2024 by favorable impacts of additional invoicing for Retrofit, PMC (Programme Management Costs) and Price Rectifications. With one less aircraft delivered, there is a favorable volume impact (since each Aircraft delivered has a negative margin). This is largely offset by a negative cost impact (recurring cost inflation and non-recurring cost increase).

Staff costs have increased from £505m in 2023 to £548m in 2024, in line with pay rises and an increase in staff numbers.

Income from shares in group undertakings represents £279m of dividends (*2023: £16m*) received from the Company's 100% owned subsidiary, Airbus Real Estate UK Limited. £264m of the dividends was paid following a capital reduction exercise performed by Airbus Real Estate UK Limited.

Linked to the above, an expense of £264m has been recognised for amounts written off investments, following the capital reduction exercise in, and dividend payment from, Airbus Real Estate UK Limited.

Interest payable and similar expenses has increased from £43m in 2023 to £57m in 2024. This is primarily due to the foreign exchange impact changing from a £6m gain in 2023 (shown in Other interest receivable and similar income) to a £17m loss in 2024.

Tax expense has reduced from £103m in 2023 to £91m in 2024 despite the increase in profit before tax. This is primarily due to the Patent Box impact (£53m in 2024; £nil in 2023), under which certain taxable profits are taxed at a lower rate.

On the balance sheet, tangible fixed assets have increased from £926m in 2023 to £1,186m in 2024 while investment property has increased from £nil in 2023 to £29m in 2024. This is primarily due to land and building additions of £217m and investment property additions of £29m, following the acquisition of assets from the Company's subsidiary company, Airbus Real Estate UK Limited (AREUKL).

Investments have decreased from £264m in 2023 to £nil in 2024 as a result of the capital reduction exercise and dividend paid by AREUKL. AREUKL ceased trading on 1 January 2024 and is expected to be struck off in 2025.

Employee benefits (asset) have increased from £73m in 2023 to £247m in 2024. This is mainly due to the impact of a higher discount rate in 2024 which results in a lower defined benefit obligation, partially offset by a decrease in plan asset values.

Stocks have increased from £831m in 2023 to £906m in 2024. This is driven by additional inventory requirements in line with production rate increases, partially offset by amortisation of advanced payments made to suppliers.

Strategic report *(continued)*

Financial performance *(continued)*

Debtors have increased from £1,432m in 2023 to £1,474m in 2024. This is primarily due to an increase in the earnings allocation for the Common Business and a £53m loan receivable from a key supplier, partially offset by a decrease in the deferred tax asset.

Creditors have decreased from £1,583m in 2023 to £1,254m in 2024. This is primarily due to a reduction in the funding balance with Airbus SE (£242m decrease).

Provisions have reduced from £75m in 2023 to £43m in 2024 following the settlement of certain supplier claims.

Key Performance Indicators

Key performance indicators against which Airbus Operations Limited measures the success of its strategy are turnover per full time equivalent employee £588,625 *(2023: £581,536),* research and development expenditure (net of research and development expenditure tax credit) per full time equivalent employee £21,806 *(2023: £26,128)* and capital expenditure per full time equivalent employee £46,289 *(2023: £14,471).*

Research and development (R&D)

The R&D programme is primarily targeted at maintaining the highest level of safety, creating innovative solutions to address market requirements, enabling the business to reduce its manufacturing costs, improve its products' performance and time to market, and to improve the in-service support required by our customers.

Total R&D costs incurred in the Profit and Loss Account amounted to £199m (*2023: £222m*). A further £25m of costs were capitalised in 2024 (*2023:* £29m) in relation to A320 XLR. Costs incurred in the Profit and Loss Account by programme in 2024 are as follows:

	2024 (£m)	2023 (£m)
A350 Family	36	45
A330 Family (including Beluga)	16	18
A320 Family	49	51
A400M	10	12
R&T / other (non-programme specific)	88	96
Total	**199**	**222**

Risks and uncertainties

The following matters predominantly affect the Airbus division and will impact the Company via the share of the total 'Common activities' result from Airbus SAS (see note 1.13 for further details). Matters which are specific to the Company are identified as such.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Enterprise Risk Management

The Company does not have its own individual risk management and internal control system, but is embedded in the group-wide Enterprise Risk Management System ("ERM") designed and determined by Airbus.

The long-term development and production cycles of Airbus's wide range of products and services in a globalised supply chain and highly regulated environment make ERM a crucial mechanism both to mitigate risks faced by Airbus and to identify and enhance potential opportunities.

Applied across Airbus SE 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 Airbus. 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 Airbus SE 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 and early warnings;
- Robust risk mitigations;
- Opportunities; and
- Strong governance.

Airbus's performance and risks are managed through a strong interaction between the following four functions: Performance Management, ERM, Internal Control, and Corporate Audit, which are organised in a "three lines" model (i.e. embedded within the business lines (Performance Management), as control functions (ERM and Internal Control, which serve complementary functions) and in an auditing / review capacity (Corporate Audit).

Airbus and the Company are subject to the risks and uncertainties described below that may materially affect their business, results of operations and financial condition. These are not the only risks they face. Additional risks and uncertainties not presently known or that are currently considered immaterial may also impair their business and operations.

Although a certain degree of risk is inherent in Airbus's business, the group endeavours to minimise and/or manage risk in accordance with its risk appetite. To pursue its strategy, Airbus is prepared to take a certain level of risk 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. In addition to focusing on the identification and management of operational risks, Airbus seeks to manage its legal and compliance risks by working 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, Airbus aims to undertake a prudent risk approach, seeking to minimise downside risk in accordance with its risk appetite through an appropriate liquidity buffer, moderate financial leverage, the use of hedging derivatives and other mitigation measures.

Strategic report *(continued)*

***Risks and uncertainties** (continued)*

Geopolitical, global economic and financial market risks

1) *Airbus's business, financial condition and results of operations may be materially affected by global economic conditions, global financial markets, geopolitical volatility and other macroeconomic developments which are outside of the group's control*

The behaviour of Airbus's customers and by extension, the demand for and supply of its products and services is affected by global economic conditions. Airbus has operations around the world and a global customer base; as such, its business, financial condition and results of operations may be materially affected by global economic conditions, the global financial markets, geopolitical volatility and other macroeconomic developments outside its control, most particularly those affecting Europe, the Americas and Asia, where it manufactures and sells the majority of its products. Market disruptions and significant economic downturns may develop quickly due to, among other things, crises affecting credit markets and financial liquidity, regional or global recessions, sharp fluctuations in or sustained high commodity prices (including gas and oil), energy shortage or unavailability, volatility in or sustained unfavourable currency exchange rates or high interest rates, rapid increases in or sustained high levels of inflation or deflation, sovereign debt or financial industry debt rating downgrades, sovereign or financial industry restructurings or defaults, geopolitical tensions and conflicting policies (particularly among the US, the EU, Russia and China) - particularly as may be reflected through trade policy, tariffs or sanctions, adverse geopolitical events (such as military or armed conflicts, acts of terrorism) or other events having disruptive or negative global or regional economic repercussions (such as pandemics or natural disasters). Market disruptions and weak global (or localised) economic conditions brought on by the above-described or other factors could therefore result in:

- Protracted weak or reduced demand for air travel and cargo;
- Financial distress among airlines and lessors, and potential bankruptcies within this market;
- Financial distress affecting Airbus's suppliers or subcontractors and increased costs or disruptions within the group's supply chain; and
- Credit being unavailable (or not available at suitable terms) in the financial markets, or increases in customers' operating costs leading to requests by customers to postpone or cancel existing orders for aircraft, decisions by customers to review their order intake strategy or an increase in the amount of sales financing that Airbus is requested to provide to its customers to support aircraft deliveries.

In each case, the factors and developments described above could result in weakened demand for Airbus's products or otherwise lead to material negative effects on Airbus's business, results of operations and financial condition. Further, although the potential negative impacts of global economic conditions have been thoroughly assessed and are continually monitored, the consequences thereof could have unforeseen material effects on Airbus's business, results of operations and financial condition, particularly to the extent they were to impact Airbus's commercial aviation activities or otherwise impact its access to financing.

2) *Increased tariffs or other trade restrictions or regulations could increase the cost of or otherwise weaken demand for Airbus's products in certain markets*

Airbus is exposed to the risk of increased tariff rates and other trade restrictions or regulations. These factors may increase the cost of Airbus's products for customers in certain markets, or create situations where demand for the group's products in those markets is otherwise degraded or weakened. This could lead to lost or cancelled sales and requests by customers to defer, reject or reschedule delivery of new aircraft. These factors may also lead to increased costs within Airbus's supply chain, and non-tariff measures such as enhanced requirements by customs authorities, increased export restrictions and export bans may likewise impact the Company's supply chain. The foregoing factors could have a material adverse effect on the group's business, results of operations and financial condition.

In the past, the US has imposed increased tariffs on new aircraft imported from the European Union to the US, and on imports of aircraft manufacturing parts and components from France and Germany delivered to Airbus's final assembly line in Mobile, Alabama. The imposition of similar measures in the future, particularly by the US or China (and including any retaliatory trade measures), could have a material adverse effect on Airbus's business, results of operations and financial condition.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Geopolitical, global economic and financial market risks (continued)

3) *Unfavourable economic conditions and financial market volatility may negatively affect the Company's liquidity, financial assets and access to funding*

Unfavourable, weak or uncertain economic conditions, rating agency downgrades of Airbus SE, financial market volatility or disruptions, or liquidity constraints more broadly impacting the financial markets and market participants may affect the value of the Airbus's financial assets, its ability to finance its product development programmes and meet its payment obligations and its ability to raise funds in the capital markets. Airbus 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, and through funds raised in the capital markets.

The conditions, events and circumstances described above could result in Airbus being unable to obtain outside financing on appropriate terms (or at all), which could limit Airbus's ability to fund its operations, research and development activities and capital expenditure needs. Further, the resulting liquidity constraints could lead to Airbus being late in paying or failing to pay its creditors and shareholders, and potentially delaying or disrupting the closing of transactions. In order to mitigate liquidity risk, Airbus endeavours to maintain a prudent cash balance, a diverse and robust funding programme and a solid credit rating. The conditions, events and circumstances described above may also negatively affect the Airbus's financial assets, potentially resulting in gains or losses being realised on the sale or exchange of financial instruments, impairment charges due to revaluation of the fair market value of debt and equity securities and other investments, unfavourable changes in interest rates and changes in the fair value of derivative instruments, each of which could result in a material negative effect on Airbus's financial results.

4) *Local or regional wars, armed conflicts or disputes (including responses thereto, such as sanctions) may adversely affect Airbus's business, operations and supply chain*

To the extent local or regional wars or armed conflicts result in reduced demand for air travel (directly or through consequent economic effects) or negative impacts on the commercial aircraft market (closing certain routes, disrupting fuel or other critical supplies, or otherwise impinging on air traffic), such events could reduce demand for Airbus's products and services. Further, such events may pose risks to Airbus's operations, supply chain (relating to the production or movement of materials or goods) and access to commodities. Operating worldwide, Airbus 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 a negative impact on Airbus's activities.

An example of this risk arose with Russia's invasion of Ukraine in early 2022, with the resulting export control restrictions and international sanctions against Russia, Belarus and certain Russian entities and individuals causing disruptions to Airbus's business and operations (including data management) and increasing Airbus's exposure to supply chain disruption risk. While geopolitical risks, and associated de-risking activities, are integrated into the Airbus's sourcing policies, events such as Russia's invasion of Ukraine (and the resulting sanctions), or other destabilising events and conflicts may disrupt the group's supply chain or otherwise affect Airbus's ability to source certain materials and components, particularly in view of the lead time needed to develop alternative sources.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Foreign currency exposure

Due to the global nature of its business, Airbus is exposed to fluctuations in currency exchange rates. Typically, more than 75% of the group's revenues were denominated in US dollars, with approximately 60% of such exposure being "naturally hedged" by US dollar-denominated costs, and the remaining costs being incurred primarily in euros (and to a lesser extent pounds sterling and other currencies). To the extent Airbus does not cover its net current and future exchange rate exposure (arising from the time of a customer order to the time of delivery), its earnings and costs may be significantly affected by changes in the exchange rate of the US dollar against these currencies. To mitigate foreign currency exposure, under its hedging strategy Airbus endeavours to hedge a significant portion of those exposures which are not "naturally hedged".

There are complexities inherent in determining whether and when foreign currency exposure will materialise (in particular given the possibility of unpredictable revenue variations arising from order cancellations, postponements or delivery delays), and there are structural limitations that may affect the group's ability to fully execute its hedging strategy (for example, Airbus may seek to hedge amounts in excess of counterparties' exposure limits). Accordingly, Airbus's hedging strategy may not protect it from significant changes in the exchange rate of the US dollar to the euro and the pound sterling, particularly if the euro appreciates versus the US dollar over the long-term (as it has in the past).

Further, Airbus is exposed to the risk of non-performance or default by these hedging counterparties, and as regulatory capital requirements evolve, increased hedging fees and credit charges may further erode the effectiveness of hedging through derivative instruments. Even with a fully implemented hedging strategy in place, the group's foreign currency exposure may reduce its financial flexibility and could result in a material adverse effect on Airbus's results and financial condition.

The Company does not engage in any hedging activity and is not therefore exposed to hedging risk other than through the future share of Common Business earnings.

Although the majority of exchange rate risk for the Company is mitigated due to the Advanced Pricing Agreement (refer to turnover accounting policy in note 1.13), the Company's annual share of the Common Business result is denominated in Euros and therefore the Company's profitability is impacted by Euro exchange fluctuations.

Business and operations-related risks

1) *Airbus may be exposed to customer credit and asset value risk through its customer sales financing arrangements. In support of aircraft sales and deliveries, Airbus may from time to time participate in sales financing solutions for its customers*

During periods of financial market disruption, Airbus's participation in these activities may significantly increase, due to a lack of financing alternatives being available to customers. To the extent the customer does not perform its obligations under the relevant financing arrangements, such arrangements may expose Airbus to counterparty credit risk. Because Airbus will generally retain a security interest in the aircraft, these arrangements may also expose the group to residual value risk with respect to the aircraft collateral.

Under adverse market conditions, the market for used aircraft could become illiquid and the market value of used aircraft could drop significantly below anticipated levels; hence if a customer defaults at a time when aircraft market values are depressed, Airbus 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.).

Further, through its asset management department or as a result of past financing transactions, from time to time Airbus may take ownership of used aircraft, and as such can be exposed to fluctuations in their market value. Defaults by financing or asset management customers, or significant decreases in the value of financed or Airbus-owned aircraft in the resale market, could result in a material adverse effect on Airbus's business, results of operations and financial condition.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Business and operations-related risks (continued)

2) *Business disruptions, including by cyber, physical or hybrid threats, could adversely affect Airbus*

Airbus's business and operations are at risk of disruption by cyber, physical or hybrid threats, which may be targeted at the group specifically or which may unfold on a wider scale. As Airbus becomes more digitised and interconnected (including through increased use of cloud services, mobile devices and the "internet of things"), its extensive information and communications systems, industrial environment (including control systems and manufacturing processes), products and services are increasingly exposed to cyber security risks. Airbus is exposed to these risks directly or indirectly (e.g. through its supply chain), and threats may be brought about by intentional, hostile actions or they may arise due to accidents, carelessness or neglect. Threats from hostile actors are continually and rapidly evolving, becoming more sophisticated and requiring ever more vigilance on behalf of the group. This type of threat may take the form of intrusion in Airbus's systems (leading to data leakage and/or unavailability of the group's technology infrastructure), attacks impacting the resilience of industrial systems, or attacks compromising the development, use or operation of products and services. The objectives of these attackers may include espionage or financial objectives (e.g. extracting ransom), and they may otherwise seek to influence the actions of Airbus or to create obstacles to its operations.

While Airbus maintains vigilance to prevent such risks from materialising, including through significant (and targeted) investment of resources, it is possible that adverse cybersecurity events may occur. If such risks were to materialise it could compromise Airbus's ability to operate and perform its obligations, could result in the loss of intellectual property and could lead to malfunctions in its products and services, in each case potentially resulting in material adverse effects on the group's business, results of operations and financial condition.

In addition to these direct operational risks, Airbus could experience reputational damage and, as the group handles sensitive national security information and is subject to data privacy laws in many jurisdictions, to the extent national security information or personal data were compromised (whether accidentally, or through a deliberate internal or external act) Airbus could face administrative, civil or criminal liabilities (including significant fines and penalties) in addition to the reputational, commercial, financial or other consequences that may result.

Physical incidents, which may disrupt modes of transportation, supply chains, public infrastructure and public services, or which may damage Airbus's property or threaten the physical security of its employees, may arise through terrorism or other deliberate malicious acts, local or regional conflicts or civil unrest, natural disasters, pandemics or incidents of another nature. In addition to potentially impacting demand for Airbus's products, such events may compromise the group's internal operations, its supply chain or its ability to deliver products and services.

In addition to purely cyber and physical incidents, "hybrid" incidents (i.e. combining cyber and physical) may occur (for example, coordinated disruptions of air traffic utilising drones). Airbus maintains dedicated risk identification and mitigation measures meant to safeguard its operations, critical assets and its own "single points of failure" that would be most likely to lead to significant disruption. The materialisation of catastrophic or disruptive events of a nature described herein could materially adversely affect Airbus's business, results of operations and financial condition.

3) *Airbus depends on its supply chain, including key suppliers and subcontractors, and is thereby exposed to cost and performance risk*

Due to its global footprint and the nature of its business, Airbus's operations are dependent on the performance of numerous suppliers and subcontractors in a multitude of countries that provide the raw materials, parts, assemblies, systems, equipment and services required for Airbus to manufacture and/or deliver its products and services.

In the event of late or unsatisfactory performance by these suppliers and subcontractors or their failure to perform their obligations, or any other disruption impacting the supply chain (whether in the short-term or on a sustained basis), Airbus's operations and performance (including its ability to meet its committed production schedule) could be impaired, which could have a material adverse effect on its business, results of operations and financial condition.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Business and operations-related risks (continued)

The ability of these suppliers and subcontractors to meet their contractual obligations may be negatively impacted by a variety of commercial factors, including (but not limited to) the availability and cost of financing, the availability and cost of energy and raw materials, the ability to attract, train and retain a suitably skilled workforce, the ability to acquire certain non-commodity materials and components in the required quantity and timeframe and at an acceptable cost, disruptions to transport and logistics networks, and cyber security or other threats.

Further, macroeconomic or local economic factors (including economic recessions and inflation or changes in raw material prices), geopolitical conflicts causing economic or logistical disruptions, changes or tightening of export controls and other trade regulations, tariffs, sanctions and embargoes, and other legal or regulatory matters (including sustainability and environmental regulations) may negatively impact suppliers' and subcontractors' financial stability and ability to meet their contractual obligations.

Despite the COVID-19 pandemic having receded, its lingering effects continue to exacerbate many of these challenges. Despite Airbus's efforts to continually improve its supply chain resilience, including by having robust governance in place aiming to prevent, anticipate and monitor supply chain disruption risks and to manage such matters efficiently (including by having a qualification and performance surveillance system in place), Airbus cannot fully protect itself from unsatisfactory or non-performance by its suppliers or subcontractors, which could negatively affect the group's ability to meet commitments to its customers or could increase its operating costs, and which could lead to a material adverse effect on Airbus's business, results of operations and financial condition.

4) *Airbus faces challenges in adapting and evolving its industrial system as it works towards its targeted commercial aircraft production rates*

Airbus's efforts to adapt and evolve its industrial system as it works to reach its targeted commercial aircraft production rates are taking place in a complex and challenging environment. The success of this industrial adaptation and the production ramp-up depend not only on Airbus effectively executing its plans, but also on external factors beyond its control, with challenges arising across the value chain (including within the supply chain) and other extrinsic factors having the potential to compromise Airbus's efforts.

To the extent developments arise that affect the value chain (including the supply chain), whether relating to raw materials, suppliers' work packages (such as engines, wings, airframe components, cabin equipment or other parts or elements), the availability of necessary elements of production could be disrupted, thereby threatening the success of the ramp-up effort. To mitigate potential downside outcomes in this context, Airbus monitors the ramp-up capabilities of the value chain (including the supply chain) for all commercial aircraft programmes on a continual basis. Likewise, Airbus attempts, where possible, to increase its resilience against production disruptions and delays by increasing inventory buffers for certain key inputs and/or securing alternative sources.

Factors within Airbus, such as human resources (right-sizing headcount and acquiring or developing the specific skills and competencies required to support Airbus's ramp-up, and training and reskilling the existing workforce), resource allocation and adaptation to the complex and evolving operating environment likewise present challenges that could threaten the success of the ramp-up effort. Finally, other extrinsic factors affecting Airbus or its value chain (arising due to economic, political or other developments) could disrupt the ramp-up effort.

Against this backdrop, Airbus continues to focus on quality and safety, while protecting priority projects and delivering incremental programme objectives and continuing to meet its various regulatory obligations (such as securing Production Organisations Approvals). The intersection of these various and complicated factors yield a complex and challenging environment within which Airbus is attempting to execute the ramp-up. Failure to achieve the ramp-up and reach the targeted production rates could have a materially negative effect on Airbus's business, results of operations and financial condition.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Legal, regulatory and governance risks

1) *Airbus is regularly involved in legal and regulatory disputes and proceedings which could lead to negative impacts on the its business, results of operations, financial condition and reputation*

Airbus 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, these matters may divert the focus of management from normal business operations. Airbus is not always able to predict the outcome of these matters; as such, no assurance can be given that the outcome of such matters will not be unfavourable to the group.

An adverse resolution to any current or future litigation, dispute or proceeding may result in the imposition of damages, fines or other remedies, which could have a material effect on Airbus's business, results of operations and financial condition. An unfavourable outcome to any of these proceedings could also negatively impact Airbus's share price and reputation.

In addition, Airbus is from time to time subject to government inquiries and investigations of its business and competitive environment due to, among other things, 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, sanctions, 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 Airbus's business, results of operations and financial condition.

In addition to the risk of an unfavourable ruling against Airbus, any such inquiry or investigation could negatively affect its 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.

2) *Airbus must comply with applicable anti-corruption and anti-bribery laws and regulations in jurisdictions around the world where it operates*

Airbus must comply with applicable anti-corruption and anti-bribery laws and regulations in jurisdictions around the world where it operates, with the laws of the US, the UK, France and other nations that have extraterritorial reach covering the entirety of the group's value chain. Non-compliance with applicable laws and regulations or ethical misconduct by Airbus, its employees or any third party acting on its behalf could expose the group to liability or have an adverse impact on its reputation, relationships with governments and financial counterparties and business.

Non-compliance in this area may also subject Airbus to administrative, civil or criminal sanctions, including significant fines and penalties, suspension or debarment from government or non-government contracts for a period of time or the obligatory suspension of operations in one or more markets in which violations have occurred. Airbus could 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 Airbus's reputation and its business, results of operations and financial condition.

3) *Airbus is required to comply with applicable sanctions, export control laws and regulations*

The ability to successfully obtain export licences is critical for Airbus, as it relies on export authorisations to deliver products and services to its customers worldwide, and to receive parts, raw materials and services from its suppliers. Products Airbus designs and manufactures for military use are generally restricted or subject to licensing and export control requirements, notably by the UK, France, Germany and Spain (where Airbus carries out its principal activities relating to military products and services) and by other countries where suppliers are based, including but not limited to the US.

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Legal, regulatory and governance risks (continued)

Commercial products also may be subject to dual-use licensing requirements and restrictions, particularly as regards certain markets, such as China. There can be no assurance that (i) the export controls to which Airbus is subject will not become more restrictive, (ii) new generations of Airbus'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 Airbus's ability to perform under previously signed contracts.

Airbus seeks to comply with all relevant laws and regulations. However, even unintentional violations or failure to comply could result in suspension of Airbus's export privileges, or preclude it from bidding on certain government contracts (even in the absence of a formal suspension or debarment). Furthermore, Airbus'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. If sanctions, export control laws and regulations meaningfully limit Airbus's access to export markets or its ability to receive inputs (including systems, components and technologies, including in relation with dual-use items as well as raw materials) from its suppliers, this could result in reductions, cancellations, and/or delays of existing contracts or programmes or compromise future programme opportunities, and could have a significant adverse effect on Airbus's business, results of operations and financial condition.

4) *Airbus is subject to the risk of product liability and warranty claims in the event that any of its products fails to perform as designed*

Airbus designs, develops and produces a number of high-profile products of large individual value, particularly civil and military aircraft and space equipment. In the event any of its products fails to perform adequately or as designed, Airbus is subject to the risk of product liability and warranty claims. Due to the nature of product liability and warranty claims, Airbus cannot predict the potential impact or magnitude of such claims, as this will depend on the basis of such claims and the relevant facts and circumstances.

While Airbus believes that its insurance programmes are adequate, no assurance can be given that such claims will not arise in the future or that its insurance coverage will in fact be adequate in every instance or circumstance. Some types of damages, such as punitive, may not be insurable, or may not be insurable on commercially reasonable terms. Likewise, in the event a claim is made against an owner or operator of Airbus's products who is not sufficiently insured, it becomes more likely that Airbus may be made party to the relevant proceedings and that claims may be asserted against Airbus.

Further, such incidents could negatively impact Airbus's reputation and brand, reducing demand for its products. To the extent these risks materialise, this could have a significantly negative effect on Airbus's reputation, and could result in materially adverse effects on its business, financial position and results of operations.

Climate-related risks

Airbus's future business depends on its ability to develop and deliver products and technologies that are responsive to and can operate within the emerging parameters defined by climate change and the response thereto. Climate change and climate-related risks may have a major impact on both Airbus's industrial operations and its upstream and downstream value chain, including directly on aircraft operations and on the wider air transport ecosystem, and may have a significant influence on the regulatory environment in which Airbus operates and the expectations of stakeholders. Accordingly, climate-related risks could materially affect Airbus's business and competitiveness, its customers and the aviation industry more broadly (which would in turn impact the Company).

Strategic report *(continued)*

Risks and uncertainties *(continued)*

Climate-related risks (continued)

The results of Airbus's climate scenario analysis has led to the identification of the following climate-related risks:

- Transition – Technology: Emergence of disruptive technologies from competition;
- Transition – Market: Low availability of renewable and low carbon energy;
- Transition - Market: Impact of market measures and their development on demand for Airbus's products;
- Transition – Policy and legal: Climate-related regulations and restrictions – divergence in regulatory framework;
- Transition – Reputation: Change in behaviours, perceptions and societal expectations;
- Physical – Acute: Extreme weather events may impact the group's products and its operations;
- Physical – Chronic: Consequences of long-term changing weather patterns that may cause increase of infrastructure and operations costs, and reduced labour productivity, loss of assets value, and impact employee health.

Further disclosure, to comply with the Companies Act Climate-related Financial Disclosure Regulations, is on pages 24 to 33.

Forecast information

Airbus operates in a complex and fast changing environment, with 2024 having been a testing year. As 2024 unfolded, Airbus worked to adapt to the challenges presented, refocusing on key priorities such as the production ramp up and managing specific supply chain challenges (notably with Spirit AeroSystems), which are currently putting pressure on the ramp up of the A350 and the A220.

Against this backdrop, Airbus continues to focus on profitable growth and aims to build a long-term sustainable competitive advantage, with emphasis on three areas in which Airbus invests today to prepare for tomorrow. First, Airbus aims to keep its commercial aircraft portfolio competitive and suited to evolving customer expectations, through incremental developments of current programmes and the preparation of disruptive next-generation aircraft. By endeavouring to provide excellent services to its customers, Airbus aims to remain their trusted partner across the product lifecycle. Second, Airbus is investing in protecting and improving its ability to design, develop and deliver aircraft. Airbus intends to continue to support its supply chain, strengthen its value chain presence and prepare its future industrial system. Third, Airbus's ambition is to be at the forefront of the commercial aviation sector's decarbonisation. Airbus has set itself targets (in line with the Science-Based Targets initiative) to reduce its greenhouse gas emissions and those of the commercial aircraft Airbus produces. Fleet replacement is an immediate contributor to the commercial aviation sector's decarbonisation effort, as the current generation of aircraft offers increased efficiency over those of previous generations. Airbus also continues to invest in enhancing existing technologies and in pursuit of further breakthroughs, in search of incremental efficiency gains for its current products and to enable the launch of a next-generation single-aisle aircraft, targeted from the middle of the next decade

Decarbonisation will also happen through new energy vectors. First, Airbus is working to encourage the development of the Sustainable Aviation Fuels ("SAF") ecosystem through strategic partnerships and other efforts on production pathways, as Airbus believes it offers the quickest way to decarbonise current and future products. Second, Airbus has the ambition to bring a commercially viable, fully electric, hydrogen-powered commercial aircraft into service. Airbus believes fuel cell technology to be the most promising to fulfil this ambition, which would significantly reduce emissions when compared to conventional jet engine configurations. The scaling up of the hydrogen ecosystem is challenging, and is progressing at a slower pace than previously anticipated. The scalability of fuel cell technologies towards a commercially viable product will also require more time. A commercially viable product is now expected to come later than 2035. Airbus will use this additional time to further develop the performance of the fuel cell propulsion and liquid hydrogen system technologies that are expected to enable the development of its first fully electric commercial aircraft, as part of its ambition to pioneer sustainable aerospace.

Strategic report *(continued)*

***Forecast information** (continued)*

Airbus's 2024 Global Market Forecast projects that demand for passenger traffic will continue to grow strongly until 2027 before settling towards a lower rate of approximately a 3.6% Compounded Annual Growth Rate ("CAGR") between 2027 and 2043, with demand for air cargo growing by an approximate 3.1% CAGR over the same period. The forecast is based on macroeconomic assumptions from information services provider S&P Global and energy price projections considering the European Union Emissions Trading System ("EU-ETS"), the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") and stated environmental policies of sovereign states. The forecast explored thousands of sensitivities around future energy prices, SAF penetration rates, GDP, fuel efficiency gains, etc. and reflects the median outcome of these scenarios.

The forecast assumes the continued liberalisation of air transport markets, and investment in air transport infrastructure tracking growth of demand locally and regionally. Upside factors to this forecast would include stronger economic development and trade growth between nations. Downside factors to the forecast would include prolonged and significant shifts in global trade policies, travel restrictions or public policy changes that might impact economic growth or otherwise restrict air transport. Airbus forecasts a demand for approximately 42,430 new passenger and freighter aircraft deliveries over the next 20 years, of which approximately 33,510 (roughly 80%) would usually be Single Aisle and approximately 8,920 (roughly 20%) Widebody. Around 18,460 of these aircraft would replace existing aircraft. The demand for Freighters is expected to reach approximately 2,470 aircraft over the next 20 years, with roughly 940 of these being newly built aircraft and the remainder converted from the in-service passenger fleet.

The centre of gravity of global air transport is expected to continue to shift towards Asia, with the overall strongest growth markets expected to be those accessing and within India and China. Airbus is focused on providing more fuel-efficient aircraft for fleet replacement and growth. Currently around 34% of the world fleet consists of the latest-generation aircraft typified by Airbus's current portfolio. Based on its analysis Airbus continues to believe in the long-term growth potential of the industry.

Research & Technology

The Research & Technology programme is primarily targeted at maintaining the highest level of safety, creating innovative solutions to address market requirements, enabling the business to reduce its manufacturing costs, improve its products' performance and time to market, and to improve the in-service support required by customers.

The technology strategy and programme content in the UK is developed as part of a holistic approach consistent with the group, and currently covers metallics, composites, next generation composite manufacturing capability, electric/hybrid technology, Sustainable Aviation Fuels (SAFs), Hydrogen, landing gear systems, advanced wing engineering and systems. The work programme is developed to facilitate full co-operation with our research partners in government, industry, laboratories and universities.

Airbus is a key partner in the Aerospace Growth Partnership (AGP) which brings government and industry together to secure the long-term future of the UK aerospace sector. We are a major partner in the Aerospace Technology Institute (ATI), which is positively promoting research and development into new technology for the aircraft of the future.

Non-financial and sustainability information statement

Responsibility and sustainability

Airbus strives to respect the planet. Airbus 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 (Sustainable Aviation Fuels - SAF) to testing new prototype aircraft concepts powered by hydrogen, Airbus is committed to reducing the environmental impact of its products. It is also committed to improving its environmental performance and, for example, to actively reduce emissions through its value chain, cutting on-site waste and increasing the recycling capability of aircraft at the end of their service life. Airbus 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.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Responsibility and sustainability (continued)

Airbus's commitment to society includes acting ethically and fairly as an employer, within its supply chain and in the wider communities where it has an impact, and is intrinsically linked to the aforementioned environmental considerations. The products and services Airbus offers to governments and public bodies allow its customers to protect citizens, defend sovereignty and advance global security.

Airbus is committed to upholding robust internal governance standards, supported by clear targets and transparent reporting to create accountability. Airbus believes that responsible business practices are central to building a robust and resilient business that can thrive over the long term

Airbus has the ambition to deliver industrial (Scope 1 and 2) emissions reduction in line with the Paris Agreement and continually improve manufacturing and site operations. Airbus has the climate ambition to reduce Scope 1 and Scope 2 industrial Greenhouse Gases (GHG) emissions by up to 63% in absolute value by 2030 below 2015 levels. In addition, Airbus has set itself a target to reduce, by 46%, the CO_2 emissions intensity generated by its commercial aircraft (Scope 3 - Use of Sold Products) by 2035 based on a 2015 baseline. The Scope 1, 2 and 3 near-term targets were validated by the Science Based Targets Initiative (SBTi) during January 2023. Airbus has also set the following targets for 2030 (against a 2015 baseline):

- 25% reduction in water withdrawal;
- 20% reduction in final energy consumption from stationary sources and electricity across the Airbus reporting scope;
- 20% reduction in waste produced (tonnes) excluding exceptional waste, with no landfill or incineration without energy recovery; and
- 0% increase in emissions of volatile organic compounds.

These targets are cascaded, and monitored, at a site level for each of Airbus's sites

The Company is also committed to supporting the UK's roadmap to net-zero greenhouse gas emissions for aviation by 2050. This will require joint industry and government efforts through maximising short-term operational efficiencies, delivering commercial UK SAF production at scale this decade, investing in low-carbon flight technology / infrastructure and addressing residual aviation emissions through market-based measures and carbon removals. Airbus is also acting as a catalyst to promote SAF production through facilitating offtakes, leveraging cross-industry partnerships and regulatory advocacy.

The UK Government has specifically committed to have begun construction on five commercial-scale SAF Plants by 2025 (of which two are currently under development). Indeed, the Company was part of the first 100% SAF flight in the UK with the Royal Air Force Voyager aircraft in 2022. The Company, alongside the likes of EasyJet, Rolls-Royce and numerous others, established the Hydrogen in Aviation (HIA) Alliance in 2022 with the aim of supporting the UK Government to develop a hydrogen roadmap.

Respect for Human Rights

During 2024 Airbus continued to drive actions in support of its human rights ambition 'to embed and advance human rights throughout our business, organisation and supply chain' in relation to activities under its full, direct control. For further information, refer to the Airbus Human Rights documents, including the Airbus Human Rights Policy Statement, published on airbus.com, within the Document Centre.

UK Modern Slavery Act

As part of its obligations under the UK Modern Slavery Act, and in recognition of the global aim of this topic, Airbus published its latest Modern Slavery Statement in 2024 covering the year ended 31 December 2023. Modern slavery, including forced, child, bonded and indentured labour, is a topic progressed through the Airbus Human Rights Roadmap.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Gender Pay Gap report

The Company employs over 7,000 people across eight UK locations, with major sites in Filton, West England, and Broughton, North Wales. These sites are integral to the UK aerospace industry, encompassing a wide range of technical disciplines, including aircraft wing design, testing, and manufacturing, as well as support services for Airbus's commercial aircraft. Our UK operations also focus on engineering, design, testing, and support of fuel systems and landing gears, highlighting Airbus's commitment to innovation and collaboration within the aerospace sector, while creating significant employment opportunities across specialised fields.

In 2024, the Company reported a small negative gender pay gap of -0.2%. This slight gap reflects the varying representation of women across different roles within the Company. Although not yet fully gender-balanced, women hold a higher proportion of roles outside of shop floor positions relative to their overall representation within the business. Women make up 12.9% of our workforce, with stronger representation at the executive (13.3%) and senior manager (19.7%) levels. However, only 1.8% of shop floor positions are currently held by women.

Furthermore, 21% of new hires in the reporting period were women, a higher proportion than the overall female workforce of 12.9%, which also influences the gender pay gap data. These factors contribute to the observed small negative gender pay gap.

The workforce distribution also impacts the bonus gap, which favours women, as a slightly higher proportion of women occupy roles that offer variable pay based on individual performance. Notably, median bonus payments for both men and women are driven by company success sharing. As a result, in 2024, the bonus gap is significant and favours women at -9.9%.

Duty to report Payment Practices and Performance

In 2024, in accordance with regulations made under section 3 of the Small Business, Enterprise and Employment Act 2015, the Company published its twice-yearly payment practices and performance report, details of which can be found on the specific Government website. Our results reflect the unique nature of the aerospace industry and the long lead times taken to produce, deliver and receive payments for our products.

Sustainable Supply Chains

Airbus relies on a global supply chain, composed of the suppliers with which Airbus contracts supply agreements ("Tier-1"), and the suppliers of these Tier-1s ("Subtiers" suppliers). It sources services and products from thousands of suppliers worldwide, including raw materials, engines, systems, aerostructure elements and fuselage sections. Airbus's daily collaboration with its suppliers supports meeting quality standards and performance requirements. Long-term contracting or partnerships also help reduce inflow risks, including related to the timely delivery of components. The active role of its suppliers is essential for the aviation sector's decarbonisation ambitions and for the Airbus sustainability journey more broadly. Accordingly, Airbus has implemented policies and defined engagement plans that are led by its Sustainable Supply Chain Roadmap.

The majority of the Company's supply chain is based in Europe and OECD countries. Airbus has established regional procurement offices in North America, India, Asia Pacific, and China, 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 Airbus procurement processes, policy and digital solutions.

Airbus 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 Airbus Sustainable Supply Chain Roadmap is based on a three-step approach: supplier commitment, supplier assessment, supplier engagement and development.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Sustainable Supply Chains (continued)

This approach is aligned with the Airbus due diligence approach including:

- supply base risk mapping;
- supplier engagement and contractual requirements;
- supplier assessment/audits and development plans;
- policies, tools and reporting.

The Procurement function also acts in accordance with the Company's ISO 14001 requirements.

Ethics and Compliance

Airbus supports the principles of the UN Global Compact and the Global Principles of Business Ethics from the International Forum on Business Ethical Conduct (IFBEC), which set a benchmark for ethical standards globally.

The Airbus Ethics and Compliance programme seeks to ensure that the Company’s business practices and culture conform to applicable laws, regulations and ethical business principles while reinforcing a culture of integrity and speak-up. Topics covered by this programme include, but are not limited to: corporate culture, protection of whistleblowers, bribery and corruption, relationships with third parties, fraud, export control and sanctions, fair competition, conflicts of interest, insider trading, money laundering and tax evasion.

To ensure the deployment of this programme and adapt to a constantly evolving regulatory landscape, each of these topics are supported by dedicated policies that are regularly updated. Airbus also coordinates a network of Ethics and Compliance Representatives (ECRs), spanning Airbus, including the Company. ECRs play an important role in promoting the Ethics and Compliance programme and culture and serve as points of contact for any employee who has questions about the Ethics and Compliance programme or wishes to raise an Ethics and Compliance concern, including but not limited to bribery or corruption.

The Ethics and Compliance team animates the ECRs network, providing continuous awareness and information to the ECRs. Any employee may also reach out to the Ethics and Compliance team for any ethics and compliance matter, amongst other channels to raise concerns.

Specific policies have been adopted to address the Airbus’s Business conduct including:

- Code of Conduct;
- Airbus Anti-Corruption Policy;
- Requirements for Ethics and Compliance Specific Areas for Employees;
- Requirements for Ethics and Compliance Third Party and Transactions Management;
- Requirements for Sponsorships, Donations and Corporate Memberships;
- Requirements for Export Control; and
- Responsible Lobbying Charter.

The Ethics and Compliance organisation is tasked with oversight and monitoring of all the policies above, to evaluate them, and ensure that they are being implemented effectively. In addition, the Corporate Audit and Forensic Department conducts periodic, independent audits of the Airbus compliance processes to assess the effectiveness of internal controls and procedures and allow Airbus to develop action plans for strengthening such controls.

Improving the Ethics and Compliance programme remains a constant and ongoing process, in cooperation with other functions within Airbus, in order to sustain and capitalise on its values.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Ethics and Compliance (continued)

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, Airbus 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 Airbus Enterprise Risk Management System (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.

As part of their annual goals and objectives for 2024, all Airbus employees were required to undergo a minimum amount of compliance training. Additionally, depending on the function and the level of risk implied by their role, certain employees were elected to attend additional training, including on Anti Bribery and Corruption and Export Control.

Airbus seeks to maintain a strong ‘Speak Up’ culture and encourages employees and others to raise concerns, whether related to corruption and bribery or to other issues that may arise in the context of Airbus's business. To allow people to raise concerns, the Airbus OpenLine is publicly accessible to its employees and external stakeholders, including suppliers and their employees. The Company´s employees may also report concerns to managers, HRBPs, a member of the Legal and Compliance team or Ethics and Compliance Representatives.

Community Impact

Airbus takes global collective action to create positive social impact focusing on two key priorities: supporting innovative education models that expand access to STEM skills-building pathways, and increasing climate resilience of vulnerable populations. A range of support mechanisms are mobilised - financial grants, access to products and services, and the expertise of our workforce - in order to support equitable, measurable, and sustainable solutions. The Airbus Social Value Roadmap within the Sustainability organisation at corporate level manages the global community impact framework, processes and tools within Airbus and also leads the operations of the Airbus Foundation. A global network of community impact focal points representing the major countries where Airbus operates drive local partnerships and engagement, as well as a committee of specific topic experts who provide overarching assessment, guidance and recommendations.

In the UK, community impact projects have focused substantially on youth development, with a particular focus on STEM (science, technology, engineering and mathematics) and environmental education and awareness. In 2023, Airbus kicked off a 2-year partnership with non-profit Ocean Generation to help scale up their Wavemaker programme, which supports young people in bringing a sustainability mindset into any career route with the knowledge and confidence to influence change. By the end of 2024, the programme has reached more than 7,800 young people, including 77 apprentices in Airbus Filton and Broughton. In addition, Wavemakers Digital was launched in June 2024, providing a platform for everyone, everywhere to learn about ocean and climate threats and how to take action.

The Airbus Flying Challenge programme, delivered in partnership with Ablaze Bristol, enabled 20 students to develop technical knowledge and key soft skills through STEM and aerospace engineering educational content. In addition, the Reading and Number Partners programme with Ablaze was renewed in 2024, with an objective to raise the literacy and numeracy attainment levels of 45 underperforming pupils in deprived local primary schools by giving them extra one-to-one reading support and group maths practice.

Two biodiversity projects with local schools were concluded during the year. In addition Airbus also worked in collaboration with Flintshire County Council on the restoration of two ponds at primary schools in Deeside and Mold. Both ponds were in an unusable state due significant overgrowth and potential safety concerns. The restoration of the ponds not only allowed for the improved access to these areas, but also created a valuable environmental education resource for 150 students and 16 staff members.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Community Impact (continued)

The Airbus Foundation continued to unlock access to Airbus capabilities for humanitarian and environmental non-profit partners. In 2024, the Airbus Foundation supported 17 missions with aircraft and helicopter flight hours, transporting 278 tonnes of aid in response to earthquakes, conflict, flooding and other crises, in countries including Bolivia, Brazil, Burkina Faso, Central African Republic, Sudan, Ethiopia, Kenya, Lebanon and Zimbabwe. In addition, the Foundation provided 52,100 km^2 of satellite imagery coverage to its partners to facilitate assessment and response planning, coordination and customised project analysis.

The Airbus Foundation also continued its collaboration with UK-based non-profit Connected Conservation Foundation (CCF), which aims to protect wildlife and natural ecosystems through technology. By providing access to satellite imagery and data, the Airbus Foundation has supported CCF in its conservation efforts in South Africa and Kenya, also expanded the offering to additional countries and causes via CCF's Satellites for Biodiversity Award. The first year's award winners worked on risk mapping of wild elephants in Thailand, saving tree kangaroos and echidnas in Papua New Guinea, safeguarding desert elephants in Namibia and accelerating the application of earth observation data and AI for conservation in the Masai Mara.

2024 also marked the launch of the second award round, with 4 additional organisations selected. The Airbus Foundation also continued its work on a forestry barometer with the International Union for the Conservation of Nature (IUCN), finalising the São Paulo state land use mapping and presentation of the project's methodology and result to the International Society for Photogrammetry and Remote Sensing symposium that took place in Brazil.

Impact on the UK economy

Aviation continues to play a vital role in the UK economy. The UK aerospace sector is the third largest in the world. An independent assessment by Oxford Economics (2022) estimated that, on top of 12,500 directly employed staff, Airbus's global operations supported around 79,000 UK jobs including 29,000 supported at UK SMEs, who make up half of Airbus's extended supply chain.

Airbus also recognises the importance of its local communities to its business. Every year Airbus supports many community activities focused on youth, education and the environment.

Attracting Talent to our Business

Attracting a steady flow of talent into Airbus is crucial. Airbus is a global leader in the aviation industry, offering career opportunities for individuals who are passionate about innovation and technology. With a diverse range of functions, from engineering to marketing, and operations to finance - and opportunities for employees to work across these functions - Airbus provides a work environment that challenges employees to push the boundaries of what is possible. With a commitment to employee development and growth, Airbus invests in its people and provides them with the tools they need to succeed. In the UK our organisation offers opportunities to all talent groups - from school leavers to experienced professionals.

Many of our employees and senior managers are involved in initiatives to inspire young people, influence education policies and champion the need to invest in and foster engineering talent in particular. Airbus in the UK has an award-winning apprenticeship programme responsible for enrolling around 3,000 apprentices over the last three decades, with more than 700 apprentices currently pursuing their qualifications within Airbus. Airbus also attends and runs events to inspire young people in STEM subjects and in particular, in aviation.

Employee Engagement

At Airbus we recognise that our employees are key stakeholders within our business. We engage with employees through regular internal communication on specific corporate and local topics of interest. In 2024 Airbus continued to engage with employees through a range of internal communications channels. These included an employee intranet portal, direct emails, Airbus TV, noticeboards around site and monthly communication briefing sessions for managers, who then cascade messaging to their own teams. All communication techniques are evaluated for impact and reach, and trends and themes identified are used to inform future communication techniques.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Employee Engagement (continued)

With regards to employee engagement in sustainability specifically, Airbus has a dynamic sustainability ambassadors network, launched in June 2021, which has reached 1,038 members globally in 2024. In the UK, there are 121 ambassadors who support in raising awareness about sustainability, as well as cascade resources deployed through Airbus's sustainability culture change action plan. Ambassadors also access monthly Sustainability Action Events to get deeper insights on key strategic topics. They also attend local events such as the Broughton Sustainability Week.

Airbus has deployed a global digital platform, +impact, which offers opportunities to undertake actions in their local communities, as well as participate in sustainability challenges based on sustainability themes. Examples include challenges around World Water Day, Digital Clean Up Day, Inclusion and Diversity, or Sustainability Culture Change. Deployed in November 2022, more than 27,000 employees have onboarded to the platform, contributing to raising funds for non-profit organisations (over €1 million has been raised on the +impact platform since its launch, including Airbus matching), volunteering in their local communities and completing the sustainability challenges. In the second annual Airbus Sustainability Awards, the Early Careers Sustainability Framework was the winner of the "Awareness/Governance" category, for the Early Careers (350 apprentices and 60 graduates) engagement.

Environment Health and Safety

The health and safety of our employees remains a top priority for Airbus. Our Environment, Health and Safety (EHS) management system enables employees to work safely, by providing relevant skills, training, information and enabling identification and appropriate control of risks. Regular performance reports are provided to senior management. Our safety performance has improved significantly as a result of our consistent approach at all levels of the organisation aiming to identify and eliminate the causes of accidents and to manage risks appropriately, including requirements for reporting and thorough investigation of injuries. Our successful 'near-miss' reporting continues to identify areas of improvement to drive down accidents at work and improve our overall safety performance.

Our in-house Occupational Health team manages all appropriate health surveillance and any work related health issues are followed up and reported appropriately. Occupational Health continues to offer employees significant health support which includes a range of physiotherapy treatments and comprehensive mental health assessment and support on and off the sites including 450 employees trained as Mental Health first aiders. Health promotion is carried out on a regular basis and eight self- operated health check machines are in use.

Airbus takes its environmental responsibilities seriously and our Environmental Management System is accredited to ISO 14001. We constantly strive to reduce emissions, waste, water and energy usage to minimise any adverse environmental impact our activities may create. Regular sustainability reviews are held at both main UK sites developing new ideas and driving environmental improvements in support of the Airbus purpose to pioneer sustainable aerospace for a safe and united world.

We are working in close partnership with our Trade Union colleagues on health and safety. Trade Union Safety Representatives attend health and safety review meetings and Senior operational and EHS managers attend Trade Union safety meetings. This integrated approach has been instrumental in our EHS improvement journey which includes the sharing of best practice via the Airbus global People Safety @ Work initiative which also includes culture change.

Strategic report *(continued)*

Climate Related Financial Disclosures - Governance

Description of the company governance arrangements in relation to assessing and managing climate-related risks and opportunities

The Airbus SE Board of Directors and the Airbus Executive Committee have primary oversight of climate-related risks and opportunities. The Board of Directors is supported by the Ethics, Compliance and Sustainability Committee (ECSC). 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. Since 1 January 2024, Airbus further strengthened sustainability-related activities, including climate-related risks and opportunities, with the creation of a Chief Sustainability Officer (CSO) position. The role includes ensuring the Airbus Executive Committee and the Ethics, Compliance and Sustainability Committee is informed and engaged on sustainability matters.

In 2024, the ECSC met five times. 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 topics and provided guidance on a wide variety of climate-related topics, including sustainability-related disclosures, and internal strategy related to SBTi targets and Sustainable Aviation Fuel (SAF).

The Board of Directors delegates the day-to-day management of Airbus to the CEO, who, supported by the Executive Committee, makes decisions with respect to the management of Airbus, including sustainability.

The Airbus Executive Committee is supported by several committees or boards which, amongst other things, steer related topics, oversee performance, effectiveness of policies, action plans and progress. These committees include the Sustainability Strategy Committee (SSC) and the Environment Committee (EnC).

The SSC reviews sustainability (including climate change impacts) performance and progress at least annually to ensure alignment across all sustainability topics. The SSC is co-chaired by the CSO. The EnC also supports the Airbus Executive Committee, especially for climate-related matters. The EnC is composed of the CSO and senior executives, group wide. The EnC meets monthly to review progress and take decisions on all matters related to delivery of environmental strategy including reviewing progress on meeting objectives to reduce GHG emissions, the decarbonisation strategy and climate-related risks and opportunities.

The Company Directors have oversight of climate-related risks and opportunities potentially impacting the Company. The Company Directors meet monthly with senior management to review progress and take decisions on topics including progress against sustainability targets, and climate-related risks and opportunities. During 2024, the Company Directors considered the UK Carbon Border Adjustment Mechanism, climate impact surveys, and the impact of changes to the UK Emissions Trading Scheme. The Company Directors escalate, where appropriate, climate-related risks and opportunities to the Airbus EnC.

Management's role in assessing and managing climate-related risks and opportunities

Management and ownership of climate-related risks and opportunities are embedded throughout Airbus.

The Airbus environmental strategy is implemented operationally by dedicated multi-functional teams at the Airbus and Company level. These teams cover topics such as industrial and site impact, product operation, supply chain and chemical substances. Material risks and opportunities are reviewed monthly by heads of functions and are collectively considered monthly by the Company's senior leadership team meeting, chaired by a Company Director.

The Company's senior management team has a key part in escalating material sustainability and climate-related risks and opportunities to the Executive Committee for consideration within the Board agenda, governance framework, sustainability strategy, and where relevant, financial plans to progress opportunities or address climate-related risks.

The Company Directors are also supported by the UK Sustainability National Representative team which provides awareness and clarification of applicable regulatory requirements, guidance and, where relevant, support to enable the effective integration of Airbus sustainability functional requirements. The UK Sustainability team also provides oversight and review of the development of climate-related risk and opportunities with relevant functional leads. The most significant climate (and other sustainability) related risks and opportunities are escalated to the Company Directors and the Airbus Sustainability team for further consideration, and possible further escalation to the EnC.

Strategic report *(continued)*

Climate Related Financial Disclosures - Strategy

Description of the climate-related risks and opportunities identified over the short, medium and long-term

Following the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Airbus has defined a range of 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 Airbus in the short-term, medium-term and long-term so that Airbus can work to increase the resilience of its assets and operations in order to mitigate and adapt to climate change. The short-term time horizon (ST, considering the current year and up to two years thereafter) focuses on the ongoing production and ramp-up plans to increase production to 75 single-aisle aircraft per month by 2027 whilst the mid-term time horizon (MT, around 2035) relates to the assets and activities linked to the transition period between the current and next generation of commercial aircraft products. The long-term time horizon (LT, around 2050) is used to anticipate future climate-related risks during the production of the next generation of products.

Airbus uses Shared Socio-economic Pathways (SSPs) that were developed for the latest Assessment Report (AR6) of the IPCC. SSPs are standard scenarios in climate science that describe coherent and internally consistent socio-economic futures based on drivers like population, economic growth, and technological advancement.

Climate-related risks

The results of the Airbus climate scenario analysis led to the identification of the following main risks:

- **Transition - Technology: Emergence of disruptive technologies from competition**

  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 Airbus that offer significantly lower emissions at a faster pace than it and its partners, resulting in a loss of market share and competitiveness with resulting reduced revenue. The imperative for Airbus and its partners to develop new technologies faster than other actors in the market will require substantial research and technology (R&T) and research and development investments.

- **Transition - Market: Low availability of renewable and low-carbon energy**

  Airbus has identified risks linked to the availability and affordability 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 Airbus, and resulting in lower or longer returns on invested research and development.

Strategic report *(continued)*

Climate Related Financial Disclosures - Strategy *(continued)*

Climate-related risks (continued)

- **Transition - Market: Impact of market measures and their development on demand for Airbus'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 hydrogen or other alternative propulsion technology 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 Airbus'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 CO_2 emissions. A high price on CO_2 may impact the demand for aircraft relative to competitors' portfolios and could result in the loss of market share for Airbus relative to its competitors. The Company's business, results of operations and financial condition may be materially affected if Airbus 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 UK Carbon Border Adjustment Mechanism) and regulatory frameworks (CO_2 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 Airbus 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 Airbus's environmental performance could be used as key decision-making criteria for consumers, investors, or even new talents. Secondly, there is a risk that Airbus'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, Airbus disclosed its ambition to bring a commercially viable, fully electric, hydrogen-powered commercial aircraft into service. If the ambition is perceived as unattainable or if Airbus 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 Airbus's environmental performance is not on par with its expressed ambition.

Strategic report *(continued)*

Climate Related Financial Disclosures - Strategy *(continued)*

Climate-related risks (continued)

- **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 Airbus's products and its operations (including but not limited to route delays and safe aircraft operations), land assets, access to resources, and infrastructure as well as employees' safety (and people's safety generally).

  The above consequences and impacts may result in production or other operational disruption leading to lost revenues, reduced profits, and losses. This could result in the need for additional modifications to Airbus' 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 Airbus insurance coverage.

- **Physical - Chronic: Consequences of long-term changing weather patterns may cause increase of infrastructure and operations costs, reduced labour productivity, loss of assets value, and negatively impact employee health**

  The foreseen consequences of climate change include long-term shifts in climate patterns (e.g. change in precipitation patterns, sustained higher temperatures, flooding, water stress or chronic heat waves). Such changes may cause an accelerated degradation of Airbus's industrial infrastructure and assets (buildings, tools, hardware), may reduce the availability of operational resources and interrupt logistics flows, access to resources, therefore impacting Airbus 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 group's employees. This may result in the need for additional modifications to Airbus's products, as well as to industrial operations and procurement strategy, leading to increased costs and the adaptation of the group's insurance coverage.

During 2024 Airbus launched a detailed on-site based assessment of Filton, following an earlier assessment of the Broughton site during late 2023. Reports for both sites were finalised in 2024 with relevant risks entered and managed through the ERM system. This exercise will continue and extend from 2024 and include an assessment of the Airbus supply chain, and its resilience. 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).

Airbus has performed a preliminary internal assessment, using data from the Airbus ERM system, to identify the climate-related risks that may have the most significant financial impacts in the future. The results are displayed in the following table.

Strategic report *(continued)*

Climate Related Financial Disclosures - Strategy *(continued)*

Climate-related risks (continued)

RISKS	**Climate scenario / time horizon(s)** where risk likelihood is considered medium or high		**Potential financial impacts** before mitigation
	1.5°C	>3°C	
Transition - Technology	S,M,L	S, M, L	✔
Transition - Market (Energy)	M,L		✔
Transition - Market (Demand)	M, L	M, L	✔
Transition - Policy and legal	S, M, L	S, M,L	
Transition - Reputation	S, M	S, M	
Physical - Acute	L	M,L	✔
Physical - Chronic	-	M, L	✔

Key associated actions presented in the transition plan

- **Supporting fleet renewal by delivering its latest generation aircraft**
- **Developing and deploying Sustainable Aviation Fuels (SAF), with the ambition for all aircraft types to be capable of flying with up to 100% SAF by 2030**
- **Investing in technologies to reduce product emissions, including hydrogen.**
- **Investing in smart air traffic management (ATM) solutions and optimised operations**
- **Deploy local adaptation measures following treats and vulnerabilities assessment.**
- **Embed climate change in industrial strategy**
- **Engage R&D activity including with certification authorities on new climate model impacts on products.**

S = Short term, M = Medium term, L = Long term

The scope and the assessment of risks covered through this approach are subject to widening and revision, as the methodology and process mature. Mitigation actions to address these risks are presented in the "Transition plan" section.

Climate-related opportunities

No material climate-related opportunities were identified from the climate scenario analysis conducted pursuant to the Corporate Sustainability Reporting Directive, but the methodology and process as described above for risks, is subject to future maturation.

Transition plan

Based on the IEA 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 Airbus 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 Airbus's near-term target setting, covering all three scopes of emissions, and with its core product policy that focuses on developing and delivering aircraft capable of lower carbon emissions while engaging with the energy ecosystem.

Strategic report *(continued)*

Climate Related Financial Disclosures - Strategy *(continued)*

Transition plan (continued)

Based on identified risks and opportunities, Airbus has established a transition plan covering its industrial operations, product and service portfolio, its own operations, and in the Airbus value chain. A diverse range of factors of different climate scenarios have been considered to detect relevant environmental, societal, technology, market and policy-related developments and determine actions, including relevant targets, against which performance is monitored and reported. For 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. Airbus is engaging with various actors in the aviation sector to contribute to the transition towards a low-carbon economy. Airbus 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 Airbus 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. Airbus 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, Airbus 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. Airbus 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.

The transition plan has been approved by the Airbus Executive Committee and the Airbus SE Board of Directors. Regular updates on the progress of this plan are presented to the Board's ECSC.

Climate Related Financial Disclosures – Resilience in the context of climate change

Industrial operational resilience

Airbus is insured against the risks linked to climate-related events that could arise in the short term. Airbus has subscribed a property damage and business interruption insurance policy including the impact of natural hazards, covering earthquake, wind and flood, and any other natural event not defined as earthquake, wind and flood, including but not limited to hail, avalanche, snowfall/weight of snow, and mudflow.

For the longer term, as set out above, Airbus is evaluating physical risks linked to climate change for its industrial operations with reports for the Broughton site received in 2024, and Filton site in early 2025.

As described above, Airbus has also established a transition plan covering its industrial operations, product and service portfolio, its own operations, and in the Airbus value chain, including relevant targets, against which performance is monitored and reported. Concrete actions include engagement in a European Union Aviation Safety Agency (EASA) working group to define a work programme aimed at enhancing adaptive capacity, strengthening resilience, and reducing vulnerability to climate change within the aviation sector. Life cycle assessments are required for the next generation of aircraft and the carbon footprint of some materials, performance of our logistics, introduction of the Airbus shadow carbon cost (€150/tCO_2e) in the "make or buy " decision making process could be relevant projects.

Product resilience

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. Airbus is engaged in the EASA 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 sector.

Strategic report *(continued)*

Climate Related Financial Disclosures – Risk management

Description of how the company identifies, assesses, and manages climate-related risks and opportunities

Airbus's climate-related risks and opportunities are managed following the Airbus Enterprise Risk Management (ERM) system (see the *Risks and uncertainties, Enterprise Risk Management section* of this report) . A specific sustainability and environment ERM plan integrates additional requirements, defined within the ISO14001:2015 certified Environmental Management System (EMS), and provides a set of rules applicable to Airbus, including the Company, to ensure consistent management of, amongst other things, climate-related risks and opportunities.

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

Material risks and opportunities are raised and managed at functional levels, and reviewed by the relevant functional leads. during monthly Company Senior Leadership Team meetings. Top climate-related risks and opportunities, based on evaluation of their potential impact and likelihood of occurrence, are also reported quarterly to the Executive Committee of Airbus, and Directors of the Company. Top risks are consolidated at the Airbus corporate level to be brought to the attention of the Airbus Board of Directors and reviewed semi-annually.

A dedicated team within the Airbus Chief Finance Officer's responsibility, Enterprise Risk Management Centre of Competence (ERM CoC) supervises the implementation and effectiveness of the Risk and Opportunity Management process, which applies to all Airbus companies activities worldwide. The overall ERM process is based on the ISO31000 standard and described in the "ERM Policy".

Sustainability specific aspects (such as roles and responsibilities and assessment criteria), including climate-related aspects, are elaborated upon in the "Sustainability Risk and Opportunities Management Plan".

The ERM system aims for early identification of short-term (0-3 years), medium-term (4-10 years) and long-term (11-30 years) risks and opportunities covering different time horizons and complement the time horizons under the TCFD.

Climate-related risks and opportunities are identified through regular identification sessions at local (team) level, before being consolidated at function, Company and Airbus level. In order to ensure the robustness of climate-related risk and opportunities identification, additional climate-related risks and opportunities identifications sessions are held at Airbus level using climate scenarios to provide context on a number of key driving forces (environment, technology, social, political, economic), and covering Airbus's direct operations as well as upstream and downstream value chain. Identified risks and opportunities are categorised according to the TCFD nomenclature (physical, transitional, etc.).

Each climate-related risk and opportunity is assessed for probability of occurrence and severity of impact (or size of benefit for opportunities), resulting in a criticality level. Criticality levels are "low", "medium", "high", "very high".

The probability takes into account the likelihood for the risk to occur but also considers the time needed to act versus the estimated time of the risk occurrence as well as the confidence level on action plan success.

Severity of impact for climate-related risks (and the reverse for opportunities) is assessed through specific multi-disciplinary criteria including financial, environmental, social, legal, reputation or supply chain impact. These criteria are described in the company-wide "Sustainability Risk and Opportunities Management Plan".

Once the risk criticality is assessed, a specific and detailed mitigation plan is developed, comprising clearly defined actions with timeline and owner. Mitigation plans are followed up and updated as required during regular (quarterly) risk reviews at the appropriate level of the group depending on the criticality level.

Strategic report *(continued)*

Climate Related Financial Disclosures – Risk management *(continued)*

Description of how the company identifies, assesses, and manages climate-related risks and opportunities

Risk response strategies include:

- Accepting the risk if the criticality level is low (either probability or impact or both) or if mitigation costs are higher than the impact.
- Transferring the risk to a third party (insurance, external contractor, supplier etc) if criticality includes high severity and low probability, and if the third party can more effectively mitigate the risk than Airbus could.
- Reducing the risk criticality by specific mitigation actions in order to lower probability, severity, or both.
- Avoiding the risk by reorienting the business strategy to areas where the risk is reduced or altogether eliminated.

Risks are assessed on a day-to-day basis and reviewed by the relevant functional leads. during monthly Company Senior Leadership Team meetings. Top risks and opportunities are also reported quarterly to the Executive Committee of Airbus, and Directors of the Company.

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.

Climate Related Financial Disclosures – Metrics and targets

Metrics used to assess climate-related risks and opportunities

In order to assess and monitor climate related risks, Airbus relies on a set of metrics including GHG emissions (scopes 1, 2 and 3), investment in research and development, and revenue from new products and more efficient aircraft contributing to decarbonising air transport. To evaluate physical risks linked to climate change for industrial operations, Airbus is 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 onset speed of such risks, which should enable the group to better prioritise related mitigation plans.

The Company has two principal sites in the UK, at Filton, West England, and Broughton, North Wales. The Broughton site was assessed for climate impacts during late 2023 and Filton was assessed during late 2024. Action plans to address key risks are in progression for both sites, using the Airbus ERM system.

Scope 1 and Scope 2 GHG emissions and risks

The Company's energy consumption and associated emissions data, together with our statement of alignment with the Government's Streamlined Energy and Carbon Reporting (SECR) requirements, are set out within the SECR section of the Directors' Report. In summary, the Company is aligned with Airbus commitments to reduce the carbon footprint of its activities globally by 2030. Airbus objectives are set in absolute values compared to 2015 levels to reduce energy consumption from stationary sources by 20% and reduce scope 1 and scope 2 GHG emissions by 63% in line with a 1.5°C trajectory. These objectives are cascaded via site specific targets to each site within the Company.

Climate change and climate-related risks may have a major impact on both Airbus's industrial operations and its upstream and downstream value chain, including directly on aircraft operations and on the wider air transport ecosystem, and may have a significant influence on the regulatory environment in which the group operates and the expectations of stakeholders. Accordingly, climate-related risks could materially affect Airbus's business and competitiveness, its customers and the aviation industry more broadly (which would in turn impact the Company).

Strategic report *(continued)*

Climate Related Financial Disclosures – Metrics and targets *(continued)*

Targets used to manage climate-related risks and opportunities, and performance against targets

In line with the Airbus 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', Airbus's foremost ambition is to play a leading role in the decarbonisation of the aviation sector. This includes developing technologies for the next generations of commercial aircraft, and the ambition to bring a commercially viable, fully electric, hydrogen-powered commercial aircraft into service.

Airbus also believes that 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, Airbus 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 GHG emissions throughout the value chain is a key focus for Airbus's analysis of its contribution to climate change. The so-called "non-CO_2" effects of aircraft operations are also being studied in order to determine their potential climate impact.

The main climate-related targets are:

- Scopes 1 & 2: -63% market based GHG emissions by 2030*
- Scope 3: -46% CO_2 emissions intensity by 2035*
- Purchased grid electricity and other energy sources. - 20% by 2030*

* Against 2015 baseline emissions

Climate-related targets are cascaded throughout Airbus, functions, and the Company through functional objectives, and site specific targets. The Company is responsible for implementing effective processes to monitor and assess progress against Airbus and site based targets. Targets and metrics are expected to evolve over time, for example, to address new climate-related risks and opportunities.

Targets and performance against metrics are set, monitored and reported in accordance with Greenhouse Gas Protocol, Task Force on Climate-related Financial Disclosures (TCFD), Science-based Targets Initiative (SBTi), Sustainability Accounting Standards Board (SASB), and Global Reporting Initiative (GRI) standards.

Company reporting of Scope 1 and 2 energy and emissions is reported in the SECR section of this report. Airbus reporting of emissions and metrics are reported in the following table.

KPIs	Target	2015 baseline	2023	**2024**	2024 vs. 2023	2024 vs. baseline
CO_2e Scope 1 & 2[1] *(ktons) market-based*	**2030: -63%** *in line with 1.5°C pathway, and neutralising yearly residual emissions*	1,262	675	**614**	-9%	-51%
Purchased Energy for stationary sources[2] *(GWh)*	**2030: -20%**	3,167	2,534	**2,597**	-13%	-18.3%

Strategic report *(continued)*

Climate Related Financial Disclosures – Metrics and targets *(continued)*

Targets used to manage climate-related risks and opportunities, and performance against targets (continued)

(1) **Scope 1.** Calculation includes contractual instruments (Biomethane Guarantees of Origines) as part of Scope 1 emissions, calculated based on biomethane emission factors instead of natural gas. This approach will be refined as further related guidance is issued by the GHG protocol. Emissions factors used are based on national references for Airbus's core countries (France, Germany, Spain, UK) and on international references such as the IPCC for other countries.

(2) **Scope 2.** Contractual instruments used to calculate Scope 2 market based GHG emissions are -1- Power Purchase Agreements (direct wire or sleeved PPAs), -2- energy attributes certificates (e.g. REC, GoO, IREC, ETC), -3- other renewable electricity contracts. The shared energy bundled with attributes or unbundled has been taken into account for all contractual instruments. All three above categories are used by Airbus. So far energy attributes certificates have been the vast majority. Their respective shares in total use vary over time. Emission factors were determined following the hierarchy recommended by the GHG protocol, prioritising contractual instruments or supplier emission factors when available over national or residual emission factors (from IEA and AIB databases).

Corporate Governance

The Airbus group applies the principles of the Dutch Corporate Governance Code and will report any exceptions in the annually-produced, publicly-available Airbus SE Registration Document (latest version available at https://www.airbus.com/en/investors/financial-results-annual-reports). The Board of Directors of the Company follows these principles through the adoption of group-wide policies and procedures.

In addition, the Directors set out below their considerations in relation to the six key principles of the Wates Corporate Governance Principles for Large Private Companies:

- Purpose and leadership – the Executive Committee of Airbus SE determines the strategy and business model of the group with a view to generating long term, sustainable value. The policies, values and culture are implemented group-wide and part of the role of the Board of Directors of each company in the group is to ensure compliance with these standards.
- Board composition – Airbus Operations Limited has a balanced Board, with an appropriate combination of skills, backgrounds, experience and knowledge. The Board comprises representatives from Legal, Finance, Manufacturing and Engineering.
- Director responsibilities – in addition to sponsoring the application of, and adherence to, Group policies, procedures and ways of working, the Board has specific responsibility for:
    - reviewing and approving the statutory accounts;
    - ensuring compliance with UK-specific legislation (including Health & Safety requirements); and
    - assessing environmental data and KPIs, which are areas of increased focus.

  Conflicts of interests are documented and managed in line with the group Ethics and Compliance procedures (see 'Non-financial and sustainability information statement' section above and Airbus SE Registration Document).
- Opportunity and risk – as outlined in the 'Risks and Uncertainties' section above, the Group has established a robust internal control framework and actively considers risks and opportunities that might impact in the long or short term.
- Remuneration – remuneration for Directors and senior managers is aligned with performance, behaviours, and the achievement of company purpose, values and strategy. In particular, variable pay arrangements are linked to company and personal performance, while Long Term Investment Plans encourage greater accountability by linking this element of remuneration to the Airbus SE share price. Remuneration is set by the Group, not by the Board.
- Stakeholder relationships and engagement – as explained in the Section 172 Statement in the following section, the Board actively considers the interests of all stakeholders when determining the strategic direction of the Company.

Strategic report *(continued)*

Section 172 Statement

In line with the Companies Act requirement, the Directors set out below their key considerations and steps taken with regard to the 'enlightened shareholder value' requirements of s172 in performing their duties.

The Board continuously reviews which relationships support the generation and preservation of value in the Company. The Directors have identified the following parties who have an interest in, or are impacted by, the decisions taken by the Company: customers, suppliers, employees, former employees (pension scheme members), the Trade Unions, shareholders, tax authorities, regulators, Her Majesty's Government, Welsh Assembly Government and local communities. All strategic decisions take into account these stakeholders' interests and the Directors consider that they have acted in a way that is most likely to promote the success of the Company for the benefit of its members as a whole. In particular, the Directors have considered the following matters:

- Long term factors affecting the Company – as explained in the 'Risks and Uncertainties' (pages 7-16) and 'Forecast Information' (pages 16-17) sections above, the group aligns its development and production strategy with the order book and forecast global demand alongside other factors such as suppliers' ability to ramp up and ramp down supply, global economic conditions and sustainability targets.
- Interests of the Company's employees and former employees (pension scheme members) – refer to 'Employee Engagement' in the 'Non-financial and sustainability information statement' section above (pages 22-23).
- Business relationships with suppliers - supplier relationships are crucial to the success of the Company and are constantly monitored (refer to 'Dependence on suppliers chain' section (pages 12-13) in 'Risks and Uncertainties' section above).
- Business relationships with customers – as explained in note 1.13 (pages 54-55), the Company's main customers are intercompany. The performance of the Company's sites and plants is continually assessed and benchmarked against other group companies. Examples of best practice are shared between transnational sites and embedded wherever possible.
- Business relationships with others – the Company has a number of other stakeholders with which it has business relationships, notably HMRC, the Department for Business and Trade, the Department for Science, Innovation and Technology, and other Government bodies. The Company is an important contributor to the UK economy through job creation, tax payments and Research and Development. The Company always aims to be transparent, provide information in a timely manner and operate in a collaborative manner.
- Impact of the Company's operations on the community and the environment – refer to the 'Non-financial and sustainability information statement' section above (pages 17-23).
- Reputation for high standards of business conduct – refer to 'Enterprise Risk Management' in 'Risks and Uncertainties' section above (page 8).
- Acting fairly between members of the Company – the Airbus Values, which underpin the day-to-day working environment in which the Company operates, include 'Respect', 'Integrity' and 'We Are One / Teamwork'. There is an expectation that all employees, at all levels in the group, 'live' these Values.

Strategic report *(continued)*

Post Balance Sheet Events – agreement with Spirit AeroSystems for the acquisition of industrial assets

In April 2025, Airbus SE entered into a definitive agreement with Spirit AeroSystems for the acquisition of industrial assets dedicated to its commercial aircraft programmes.

As part of this agreement, Airbus will take ownership of the following Spirit AeroSystems assets:

- the site of Kinston, North Carolina, U.S. (A350 fuselage sections);
- the site of St. Nazaire, France (A350 fuselage sections);
- the site of Casablanca, Morocco (A321 and A220 components);
- the production of A220 pylons in Wichita, Kansas, U.S.;
- the production of A220 wings in Belfast, Northern Ireland; and
- the production of the A220 mid-fuselage in Belfast, Northern Ireland, unless Spirit AeroSystems identifies a suitable buyer for the part of the site where these activities are located.

Airbus SE will also acquire the production of wing components for A320 and A350 in Prestwick, Scotland.

A new 100% owned subsidiary company of Airbus Operations Limited, Airbus Belfast Limited, has been incorporated in order to acquire the trade and assets of the Belfast operations referred to above.

Closing of the transaction and the official transfer of operations is planned in the third quarter of 2025, subject to regulatory and other customary approvals.

By order of the board

S Partridge
Director

Pegasus House
Filton
Bristol
BS34 7PA

19 May 2025

Directors' report

The directors present their Directors' report and financial statements for the year ended 31 December 2024.

Principal activities

Airbus Operations Limited undertakes aerospace activities comprising the design and production of wings and associated equipment for the Airbus range of aircraft.

Airbus is one of the world's leading aircraft manufacturers of large commercial aircraft and provider of related services. Airbus develops and industrialises innovative technological solutions and pursues the most efficient sourcing and manufacturing possible, enabling people to connect and airlines to grow. The Airbus product line comprises successful families of jetliners ranging in capacity from 100 to more than 400 seats: the A220; the A320, civil aviation's best-selling product line; the A330 and the A350 (including the freighter derivative the A350F).

Across its portfolio, Airbus prioritises high commonality in airframes, on-board systems, cockpits and handling characteristics which significantly reduces operating costs for its customers. Airbus's global industrial presence includes activities in Europe (France, Germany, Spain and the UK), as well as in Canada, the US, China, Japan, more widely in the Asia-Pacific region, India and the Middle East.

Proposed dividend

The directors do not recommend the payment of a dividend *(2023: £Nil).*

Directors and directors' interests

The directors who held office during the year were as follows:

John Harrison
Paul McKinlay
Susan Partridge (appointed 29 February 2024)
Jerome Blandin (appointed 29 February 2024)
Christophe Bardin (resigned 12 June 2024)
Didier Loiselet (appointed 1 August 2024)

Certain directors benefit from qualifying third party indemnity provisions in place at the date of this report.

Employees

All employment policies include a commitment to equal opportunities regardless of sex, race, colour, nationality, ethnic origin or disability, subject only to considerations of national security. The company's policy is to provide, wherever possible, employment opportunities for disabled people and ensure that disabled people joining the company and employees who become disabled whilst in our employment benefit from training and career development opportunities.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year *(2023: £Nil).*

Directors' report *(continued)*

Streamlined Energy and Carbon Reporting

Airbus Operations Limited is committed to improving its environmental footprint and is undertaking activities framed within the UN Sustainable Development Goals. The Science Based Targets Initiative (SBTi) validated Airbus's near-term Scope 1 and Scope 2 emissions reduction target in February 2023.

In line with the Government's Streamlined Energy and Carbon Reporting requirements, the Board of Directors set out below, details of emissions and actions undertaken.

Methodology and findings

The following methodologies have been used to calculate the below CO2e emissions:

- The conversion factor used to calculate emissions due to natural gas (Scope 1) is the IEA 2024 conversion factors to ensure consistency with Airbus group wide reporting;
- The conversion factor for vehicle fuel usage is the UK Department of Energy Security and Net Zero (DESNZ) Fuels Standard Set (Diesel Average Biofuel Blend) Scope 1, 2024; and
- The conversion factors used for emissions due to electricity usage (Scope 2) are supplier specific.

In reviewing the 2020 data provided for the first year of Streamlined Energy Carbon Reporting, it was concluded that the emissions data reported for Scope 3 (personal car usage for business travel) were not material in context to Airbus Operations Limited as these accounted for 0.05% of the total emissions.

Current Reporting Period - 2024

Emission Source	**Energy Consumption (kWh)**	**CO_2e (tonnes)**
Scope 1 - Natural gas and company vehicle fuel	103,268,090	17,847
Scope 2 - Electricity (market based)	69,165,540	4,419
Total Scope 1 + 2	**172,433,630**	**22,266**
Revenue	4,616	
Intensity Ratio tCO_2e per revenue £M	4.82	

Directors' report *(continued)*

Streamlined Energy and Carbon Reporting *(continued)*

Previous Reporting Period - 2023

Emission Source	**Energy Consumption (kWh)**	**CO_2e (tonnes)**
Scope 1 - Natural gas and company vehicle fuel	114,091,754	21,155
Scope 2 - Electricity (location based)	65,733,878	13,612
Total Scope 1 + 2	**179,825,632**	**34,767**
Revenue	4,340	
Intensity Ratio tCO_2e per revenue £M	8.01	

Reported emissions from electricity consumption decreased due to the consumption of electricity purchased from renewable sources and Renewable Energy Guarantees of Origin. The methodology for electricity related emissions has changed since the previous report, from location-based to market-based to align with Airbus's SBTi- validated targets, and reflect Airbus's efforts to increasingly source renewable energy. For reference, the electricity emissions on a location basis (using the UK grid averages for SECR reporting) would provide an emission of 14,322 tCO_2e.

The decrease in Scope 1 energy consumption is due to deployment of energy efficiency measures (See the Energy Efficiency section below) resulting in reduced gas consumption. The like-for-like increase in Scope 2 energy consumption in 2024 is due to an increase in operations.

The Intensity Ratio is reported as tCO_2e per revenue £M to provide consistency and comparison with our global and national reporting of energy consumption and emissions data.

Energy Efficiency

As part of its strategy to improve energy efficiency, Airbus is exploring specific energy improvement projects and maintenance replacements. Replacements under maintenance will be to the latest applicable energy standard.

As many Airbus sites in the UK include large buildings, for manufacturing and testing activities, lighting is a significant electricity use. Activities in 2024 therefore included continuation of replacement of industrial and office lighting with LEDs at our main sites, commencement of photovoltaic installation in Filton, and for Broughton, installation of a heat recovery system in the final paint shop together with site-wide building management system controls installation.

Airbus continues to participate in the Climate Change Agreement scheme, improving performance aligned to the commitments.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Other information

An indication of likely future developments in the business, particulars of significant events which have occurred since the end of the financial year and an indication of the activities in the field of research and development have been included in the Strategic Report. Also included in the Strategic Report is disclosure on engagement with employees, suppliers and customers, corporate governance code and environmental matters. References are provided below to the key sections:

- Research and development - pages 7 & 17
- Financial instruments - pages 8-11
- Statement of corporate governance arrangements - page 33
- Engagement with employees - pages 22-23
- Engagement with suppliers, customers and others in a business relationship with the Company - page 34

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

S Partridge
Director

Pegasus House
Filton
Bristol
BS34 7PA

19 May 2025

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the Members of Airbus Operations Limited

Opinion

We have audited the financial statements of Airbus Operations Limited ("the Company") for the year ended 31 December 2024 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

The Company is part of an inter-company process for the ultimate design and manufacture of commercial and military aircraft. As a result, the ability of the Company to continue as a going concern is based on the ability of the Airbus group to continue as a going concern. We used our knowledge of the Company and Airbus group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

- The non-performance of key suppliers due to macroeconomic conditions or failure to meet increasing production rates.
- The timing of forecast aircraft deliveries by Airbus group and the associated cash flows from customers.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by Airbus Group's financial forecasts.

Our procedures included:

- Critically assessing the intention of Airbus group to continue to trade with the company by making inquiries of management and evaluating and challenging the economic rationale for Airbus group to continue to do so.
- We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.
- we found the going concern disclosure in note 1.2 to be acceptable.

Independent auditor's report to the members of Airbus Operations Limited (*continued)*

Going concern *(continued)*

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is wholly derived from recharging costs to a fellow group company and a share of group profits under contractual arrangements which management cannot control. As a result, neither the performance of the Company nor of management is measured based on revenue targets.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unrelated accounts, those posted to seldom used accounts and those posted by senior finance management.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions regulation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report to the members of Airbus Operations Limited (*continued)*

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Identifying and responding to risks of material misstatement related to compliance with laws and regulations (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, data protection laws and environmental law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of Airbus Operations Limited (*continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 40, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

21 May 2025

Profit & Loss Account

For the year ended 31 December 2024

	Note	**2024** **£m**	**£m**	2023 £m	£m
Turnover	*2*		**4,616**		4,340
Change in stocks of finished goods and work in progress		**109**		83	
Other operating income	*4*	**58**		54	
Raw materials and consumables		**(3,154)**		(3,004)	
Staff costs	*5*	**(548)**		(505)	
Depreciation and other amounts written off tangible and intangible fixed assets		**(115)**		(110)	
Reversal of impairment of tangible and intangible fixed assets		**-**		5	
Other operating expenses		**(258)**		(302)	
			(3,908)		(3,779)
Operating profit	*3*		**708**		561
Income from shares in group undertakings	*13*		**279**		16
Other interest receivable and similar income	7		**-**		6
Amounts written off investments	*13*		**(264)**		-
Interest payable and similar expenses	*8*		**(57)**		(43)
Profit before taxation			**666**		540
Tax on profit on ordinary activities	*9*		**(91)**		(103)
Profit for the financial year			**575**		437

The notes on pages 49 to 73 form an integral part of these financial statements.

Other Comprehensive Income

For the year ended 31 December 2024

	Note	**2024** **£m**	2023 £m
Profit for the financial year		**575**	437
Other comprehensive income			
Remeasurement of the net defined benefit asset / liability		**161**	(344)
Income tax on other comprehensive income		**(40)**	86
Other comprehensive income/(loss) for the year, net of income tax		**121**	(258)
Total comprehensive income for the year		**696**	179

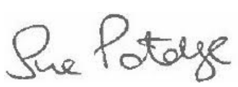
The notes on pages 49 to 73 form an integral part of these financial statements.

Balance sheet

At 31 December 2024

	Note	**2024**		2023	
		£m	**£m**	£m	£m
Fixed assets					
Intangible assets	*10*		**169**		150
Tangible assets	*11*		**1,186**		926
Investment property	*12*		**29**		-
Investments	*13*		**-**		264
			1,384		1,340
Current assets					
Employee benefits	*20*	**247**		73	
Stocks	*14*	**906**		831	
Debtors (including £42m *(2023: £145m)* due after more than one year)	*15*	**1,474**		1,432	
		2,627		2,336	
Creditors: amounts falling due within one year	*16*	**(1,254)**		(1,583)	
Net **current assets**			**1,373**		753
Total assets less current liabilities			**2,757**		2,093
Provisions	*19*		**(43)**		(75)
Net assets			**2,714**		2,018
Capital and reserves					
Called up share capital	*21*		**1,467**		1,467
Share premium			**534**		534
Capital contribution reserve			**572**		572
Profit and loss account			**141**		(555)
Shareholders' funds			**2,714**		2,018

These accounts were approved by the board of directors on 19 May 2025 and were signed on its behalf by:



S Partridge
Director

Company registered number: 3468788

The notes on pages 49 to 73 form an integral part of these financial statements.

Statement of Changes in Equity

	Called Up Share Capital £m	Share Premium £m	Capital contribution reserve £m	Profit and Loss Account £m	Total Equity £m
Balance at 1 January 2023	1,467	534	572	(734)	1,839
Total comprehensive income for the period					
Profit for the financial year	-	-	-	437	437
Other comprehensive income	-	-	-	(258)	(258)
Balance at 31 December 2023	**1,467**	**534**	**572**	**(555)**	**2,018**

	Called Up Share Capital £m	Share Premium £m	Capital contribution reserve £m	Profit and Loss Account £m	Total Equity £m
Balance at 1 January 2024	1,467	534	572	(555)	2,018
Total comprehensive income for the period					
Profit for the financial year	-	-	-	575	575
Other comprehensive income	-	-	-	121	121
Balance at 31 December 2024	**1,467**	**534**	**572**	**141**	**2,714**

The notes on pages 49 to 73 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Airbus Operations Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 3468788 and the registered address is Pegasus House, Aerospace Avenue, Filton, Bristol, UK, BS34 7PA.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1million.

The Company's ultimate parent undertaking, Airbus SE, includes the Company in its consolidated financial statements. The consolidated financial statements of Airbus SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Mendelweg 30, 2333 CS Leiden, The Netherlands. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Airbus SE include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;*
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1; and
- Certain disclosures required by FRS 102.29 *Income Tax* in respect of Pillar Two Income Taxes.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 26.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property, derivative financial instruments and financial instruments classified at fair value through the profit or loss.

1.2 Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern (continued)

As described further in 1.13 below, the Company is part of an inter-company process for the ultimate design and manufacture of commercial and military aircraft. As a result the ability of the Company to continue as a going concern is based on the ability of the Airbus group (the 'group') to continue as a going concern. The Company has a long-established expertise in relation to wings and associated equipment. This expertise and manufacturing capability is not available elsewhere in the group or externally to the group and could not realistically be replaced in the short to medium term.

The group has prepared forecasts considering a severe but plausible downside scenario for gross risks identified in the group, which the Directors have reviewed, covering the period of at least 12 months, which indicate that the group will be able to continue to operate within the facilities in place. Airbus group has significant liquidity available to cope with additional cash requirements. As of 31 December 2024, the group had a net cash position (being the sum of cash and cash equivalents and securities, minus financing liabilities and plus or minus interest rate contracts related to fair value hedges) of € 11.8 billion (2023: € 10.7 billion). In 2024 the group was able to generate free cash flow before mergers and acquisitions and customer financing of €4.5 billion (2023: €4.4 billion).

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Non-derivative financial instruments

In accounting for its financial instruments, the Company applies the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) and the presentation and disclosure requirements of FRS 102 Sections 11 and 12.

Non-derivative financial instruments comprise trade and other receivables, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Non-derivative financial instruments (continued)

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.14 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account for each period or production unit as relevant. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

Buildings – short leasehold	- 33 years, or the remaining lease term if shorter
Computing equipment, motor vehicles and short life works equipment	- 3 to 5 years
Other equipment	- 10 to 15 years, or the project life if shorter
A400M jigs and tools	- over 174 production wing sets
A350 jigs and tools	- over 1,200 production wing sets
Single Aisle Neo jigs and tools	- over 2,400 production wing sets
A330 Neo jigs and tools	- over 600 production wing sets

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset’s future economic benefits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Intangible assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Capitalised development costs are amortised over the estimated number of units expected to be produced. The estimated useful lives are as follows:

A350 development costs	- over 1,200 production wing sets
Single Aisle Neo development costs	- over 2,400 production wing sets (now fully amortised)
A330 Neo development costs	- over 600 production wing sets
Single Aisle XLR development costs	- over 650 production wing sets

A400M development costs are not capitalised.

The cost of wing sets that are used on test aircraft in the A350, SA Neo and A330 Neo testing programmes that will be retained by Airbus for the life of the aircraft are included in intangible assets and amortised over 10 years. The cost of wing sets used on test aircraft that may be sold by Airbus are amortised over the flight test period to a residual value equal to the estimated sales proceeds.

The Company reviews the amortisation period when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.8 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating units ("CGU") exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Employee benefits

Employees of the Company are members of several pension schemes (defined contribution and defined benefit) operated by BAE Systems plc and Airbus Defence & Space Limited.

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans and other long term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Employee benefits (continued)

Defined benefit plans (continued)

The discount rate is the yield at the balance sheet date on AA credit rated corporate bonds denominated in the currency of, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Group Plans

Certain of the Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the company which is legally responsible for the plan, which is Airbus Defence and Space Limited, another member of the group. The Company then recognises a cost equal to its contribution payable for the period.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.12 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.13 Turnover

In Europe, Airbus's aircraft development and production are spread over four entities, Airbus Operations GmbH (Germany), Airbus Operations SAS (France), Airbus Operations Ltd (UK) and Airbus Operations SL (Spain). They are coordinated by Airbus S.A.S.

Notes *(continued)*

1 Accounting policies *(continued)*

1.13 Turnover (continued)

In 2004, a specific agreement ("Advanced Pricing Agreement" or "APA") was signed by the tax administrations of the four countries. This agreement includes the 'Common activities' executed by Airbus SAS and the four national entities, which includes the development, production and assembly of commercial passenger aircraft and freighters as well as support services for the in-service Airbus fleet. 'Common activities' costs are invoiced by the Company each month to Airbus SAS and recognised as turnover in that month. At the end of the year, the Company receives a share of the total 'Common activities' result from Airbus SAS, which is also recognised in turnover. The result is allocated to the companies concerned in accordance with their contributions to the industrial cost base using the "Industrial Key".

Transactions with third parties, primarily with public sector customers for military aviation products and the financial earnings, remain in the national entities as part of the "Specific Business". Both results are subject jointly to the national tax regulations.

The Airbus civil APA, which is in place since January 2004 and has been systematically renewed, has expired as of 31 December 2019. In accordance with the agreement, a renewal request for the period 2020 to 2024 and another one for the period 2025 to 2029 have been filed with the four tax administrations respectively in June 2019 and in May 2024. There is currently no element identified which could prevent the renewal of this agreement for 2020, 2021, 2022, 2023 and 2024.

A specific transfer pricing agreement has been signed in 2013 by the four tax administrations for the development, production and sale of the military aircraft A400M to the company Airbus Military SL. The entities concerned are the same as for the commercial APA, except Airbus Operations SL, plus Airbus Defense and Space SAU and Airbus Defense and Space GmbH. Invoices are raised by the Company to Airbus SAS upon aircraft delivery to the end customer and recognised in turnover. The result is consolidated and shared by a Spanish entity, UTE (Union Temporal de Empresas), with reference to the A400M Industrial Key. Invoices are settled, incorporating the shared result, annually. This APA does not cover support and services activities related to A400M, which are accounted for on an accruals basis.

In accordance with the agreement, a renewal request for the period 2020 to 2024 and another one for the period 2025 to 2029 have been filed with the four tax administrations respectively in June 2019 and in May 2024. There is currently no element identified which could prevent the renewal of this agreement for 2020, 2021, 2022,2023 and 2024.

Turnover for activities outside the intercompany process are derived from the net value of deliveries made, work completed or services rendered during the period.

1.14 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes *(continued)*

1 Accounting policies *(continued)*

1.14 Expenses (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on funds invested, net foreign exchange gains and adjustments to recalculate amortised cost to reflect changes in expected cash flows.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.15 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.16 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise.

Notes *(continued)*

2 Turnover

All turnover originated in the UK and relates to the Company's principal activities, namely the design and manufacture of wings and associated equipment for a range of commercial and military aircraft.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2024	2023
	£m	£m
Government grants (see note 4)	**(24)**	(27)
Royalties paid to UK Government	**18**	17
Research and development expensed as incurred	**199**	222
Research and development expenditure tax credit	**(28)**	(27)

Auditor's remuneration:

	2024	2023
	£000s	£000s
Audit of these financial statements	**698**	631
Amounts receivable by the Company's auditor and its associates in respect of: audit-related assurance services	**180**	101
	878	732

4 Other operating income

	2024	2023
	£m	£m
Rental income	**12**	13
Government grants	**24**	27
Other	**22**	14
	58	54

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Company(including directors) during the year, analysed by category, was as follows:

	Number of staff	
	2024	2023
Manufacturing	**4,235**	4,030
Engineering	**1,725**	1,642
Administration and support	**1,882**	1,791
	7,842	7,463

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£m	£m
Wages and salaries	**435**	408
Social security costs	**45**	46
Contributions to defined contribution plans	**35**	34
Expenses related to defined benefit plans (see note 20)	**33**	17
	548	505

6 Directors' remuneration

	2024	2023
	£000s	£000s
Directors' remuneration	**289**	172
Amounts receivable under long term incentive schemes	**57**	16
Company contributions to pension plans	**35**	32
Compensation for loss of office	**-**	20
	381	240

The above amounts represent the amounts attributable to services provided to the Company by the directors in respect of their activities for the Company paid by the Company or fellow group Company.

The above disclosure represents the remuneration for two directors (*2023: two directors*) in respect of their activities for the Company. The remuneration of the other directors in relation to their activities as board members is incidental compared to their other activities within the group and is not recharged to the Company.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director in relation to their activities for the Company was £186,372 (*2023: £170,143*), and company pension contributions were made on their behalf of £26,552 (*2023: £20,155*).

Two directors are accruing benefits under a defined benefit scheme as part of remuneration for services provided to the Company.

Notes *(continued)*

7 Other interest receivable and similar income

	2024 **£m**	2023 £m
Net foreign exchange gain	**-**	6
Net gain on financial liabilities measured at fair value through profit or loss (excluding derivatives used in hedging relationships)	**-**	-
Total interest receivable and similar income	**-**	6

8 Interest payable and similar expenses

	2024 **£m**	2023 £m
On funding accounts with Airbus SE	**32**	41
Net foreign exchange loss	**17**	-
Net gain on financial liabilities measured at fair value through profit or loss (excluding derivatives used in hedging relationships)	**8**	-
Other interest	**-**	2
Total interest payable and similar expenses	**57**	43

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2024 **£m**	**£m**	2023 £m	£m
Current tax				
Current tax on income for the period	**26**		21	
Adjustments in respect of prior years	**(5)**		(8)	
Total current tax		**21**		13
Deferred tax (see note 18)				
Origination and reversal of timing differences	**104**		(1)	
Adjustments in respect of prior years	**6**		2	
Impact of change in tax rate	**-**		3	
Total current tax		**110**		4
Total tax expense		**131**		17

Notes *(continued)*

9 **Taxation** *(continued)*

Total tax expense recognised in the profit and loss account, other comprehensive income and equity *(continued)*

	2024			2023		
	£m Current tax	**£m Deferred tax**	**£m Total tax**	£m Current tax	£m Deferred tax	£m Total tax
Recognised in Profit and loss account	**21**	**70**	**91**	13	90	103
Recognised in other comprehensive income	**-**	**40**	**40**	-	(86)	(86)
Total tax	**21**	**110**	**131**	13	4	17

Reconciliation of effective tax rate

	2024 £m	2023 £m
Profit for the year	**575**	437
Total tax expense	**91**	103
Profit excluding taxation	**666**	540
Tax using the UK corporation tax rate of 25% (2023 23.5%)	**167**	127
Impact of change in tax rate on deferred tax balances	**-**	3
Non-deductible expenses	**3**	1
Income taxed at lower rate of tax (Patent Box)	**(53)**	-
Intercompany loss surrenders	**(27)**	(22)
Adjustments in respect of previous years	**1**	(6)
Total tax expense included in the Profit and Loss Account	**91**	103

Notes *(continued)*

10 Intangible assets

	Development costs £m
Cost	
Balance at 1 January 2024	829
Other acquisitions - internally developed	31
Disposals	(424)
Balance at 31 December 2024	**436**
Amortisation and impairment	
Balance at 1 January 2024	679
Amortisation for the year	12
Disposals	(424)
Balance at 31 December 2024	**267**
Net book value	
Balance at 1 January 2024	150
Balance at 31 December 2024	**169**

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

Development costs relate to A350, Single Aisle ("SA") Neo, SA XLR and A330 Neo research and development expenditure, including wingsets that are used as test aircraft. No costs have been capitalised on A400M since they do not meet the criteria for capitalisation. 'Transfer to WIP' occurs when flight test aircraft are expected to be sold.

Amortisation of A350 research and development expenditure commenced in 2014 and it is straight line over 1,200 aircraft which reach Station 50 (the date when the forward, centre and aft fuselage sections are joined). As at the end of 2024, 675 A350 wing sets had reached Station 50.

SA Neo development costs have been fully amortised. Amortisation of SA XLR commenced in 2023 and it is straight line over 650 aircraft which reach Station 40 (the date when the aircraft starts the integration of the fuselage with the wing). As at the end of 2024, 12 SA XLR wing sets had reached Station 40.

Amortisation of A330 Neo research and development expenditure commenced in 2016 and it is straight line over 600 aircraft which reach Station 40 (the date when the aircraft starts the integration of the fuselage with the wing). As at the end of 2024, 173 A330 Neo wing sets had reached Station 40.

Amortisation of wingsets that are used on test aircraft commenced on the date of the aircraft's first flight.

Disposals relate to the derecognition of capitalised development costs for which no future economic benefit is expected.

Notes *(continued)*

11 Tangible fixed assets

	Land and buildings £m	Plant and Equipment £m	Jigs & tools £m	Assets under construction £m	Total £m
Cost					
Balance at 1 January 2024	556	658	1,171	181	2,566
Additions	217	2	-	144	363
Transfers	11	15	22	(48)	-
Disposals	-	(4)	-	-	(4)
Balance at 31 December 2024	784	671	1,193	277	2,925
Depreciation and impairment					
Balance at 1 January 2024	278	591	771	-	1,640
Depreciation charge for the year	24	27	52	-	103
Disposals	-	(4)	-	-	(4)
Balance at 31 December 2024	302	614	823	-	1,739
Net book value					
Balance at 1 January 2024	278	67	400	181	926
Balance at 31 December 2024	**482**	**57**	**370**	**277**	**1,186**

Land and building additions relate to assets acquired from the Company's subsidiary company, Airbus Real Estate UK Limited.

Tangible fixed assets under construction

The amount of borrowing costs capitalised during the period was £nil (2023: £nil).

Included in the cost of tangible fixed assets is £2m (2023: £2m) in respect of capitalised finance costs.

Notes *(continued)*

11 Tangible fixed assets *(continued)*

Land and Buildings

The net book value of land and buildings comprises:

	2024	2023
	£m	£m
Freehold	**482**	73
Leasehold	**-**	205
	482	278

The reduction in the net book value of leasehold land and buildings is due to the acquisition of land and buildings from the Company's subsidiary company, Airbus Real Estate UK Limited..

12 Investment property

	2024
	£m
Balance at 1 January 2024	-
Additions	29
Balance at 31 December 2024	**29**
Historical cost net book value	29

Additions relate to investment property acquired from the Company's subsidiary company, Airbus Real Estate UK Limited.

No item of investment property in the year was valued by an external, independent valuer. The directors value the portfolio every year.

Any gain or loss arising from a change in fair value is recognised in profit or loss.

Notes *(continued)*

13 Investments

Investments in subsidiary companies

	£m
Cost and net book value	
Balance at 1 January 2024	264
Write-down following capital reduction by subsidiary company	(264)
Balance at 31 December 2024	**-**

The Company has the following fixed asset investments, with a total carrying value of £nil (2023: £263,944,459).

Subsidiary undertakings	**Address of registered office**	**Class of shares held**	**Ownership 2024 %**	**Ownership 2023 %**
Airbus Real Estate UK Limited	Pegasus House, Aerospace Avenue, Filton, Bristol, BS34 7AR, England	Ordinary	100	100

During the year, Airbus Real Estate UK Limited completed a capital reduction, whereby its share capital was reduced by £1 and its share premium was reduced by £263,936,336. Following the capital reduction, a dividend was paid to the Company of £263,936,337. Consequently, the Company's investment in Airbus Real Estate UK Limited has been reduced to £1.

Prior to the capital reduction, the Company received dividends totalling £15,523,627 from Airbus Real Estate UK Limited (2023: £16,093,269).

14 Stocks

	2024 £m	2023 £m
Raw materials and consumables	**570**	481
Work in progress	**53**	37
Finished goods	**82**	78
Payments on account	**201**	235
	906	831

Payments on account represents advanced payments for inventory made to a number of suppliers. The balances will be amortised over future deliveries of parts.

Notes *(continued)*

15 Debtors

	2024 **£m**	2023 £m
Trade debtors	**31**	24
Amounts owed by group undertakings	**1,121**	1,041
Other debtors including taxation	**154**	134
Deferred tax assets (see note 18)	**110**	221
Prepayments and accrued income	**5**	8
Other financial assets (see note 17)	**53**	4
	1,474	1,432
Due within one year	**1,432**	1,287
Due after more than one year	**42**	145
	1,474	1,432

The balance due after more than one year comprises deferred tax assets of £39m *(2023: £141m)* and prepayments and accrued income of £3m *(2023: £4m).*

Included within Amounts owed by group undertakings is £26m relating to a distribution for the benefit of the Company's parent company, for which there were insufficient distributable reserves. The parent company of the Company's parent company has confirmed that the amount will be settled before the end of 2025.

16 Creditors: falling due within one year

	2024 **£m**	2023 £m
Trade creditors	**627**	698
Amounts owed to group undertakings	**452**	730
Other creditors including social security	**76**	56
Accruals	**50**	48
Deferred income	**44**	51
Other financial liabilities (see note 17)	**5**	-
	1,254	1,583

Included in amounts owed to group undertakings is £436m (2023: £678m) which relates to Airbus SE. The balance is repayable on demand and attracts interest at the Bank of England base rate + 0.55%.

Deferred income includes advanced payments made by the UK Government in relation to the A400M programme. This is released to the profit and loss account in line with A400M aircraft deliveries to customers.

Notes *(continued)*

17 Other financial assets and liabilities

This note provides information about the Company's other financial assets and liabilities, which are measured at amortised cost or fair value through profit or loss.

	2024	2023
	£m	£m
Amounts falling due within one year		
Other financial assets	**53**	-
Financial (liabilities)/assets designated as fair value through profit or loss	**(5)**	4

Other financial assets relate to a loan to a supplier of £53m.

Financial liabilities designated as fair value through profit or loss

Embedded derivatives – the Company enters into certain transactions in US dollars in order to provide a natural hedge for the group's end sale of aircraft and services in US dollars. Where US dollar is the functional currency of neither contracting party, this gives rise to an embedded derivative.

The fair value of embedded derivatives is determined by the exchange rate prevailing at the date the relevant contract was entered into compared to the rate prevailing at the year end.

18 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**		**Net**	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Accelerated capital allowances	**-**	-	**76**	44	**76**	44
Employee benefits	**-**	-	**53**	1	**53**	1
Temporary differences on Airbus result	**(39)**	(52)	**-**	-	**(39)**	(52)
Unused tax losses	**(201)**	(209)	**-**	-	**(201)**	(209)
Other	**-**	(5)	**1**	-	**1**	(5)
Tax (assets) / liabilities	**(240)**	(266)	**130**	45	**(110)**	(221)

As at 31 December 2024, £71m of the net deferred tax asset was expected to be utilised within one year.

Notes *(continued)*

19 Provisions

	Supplier claims £m	Other provisions £m	Total £m
Balance at 1 January 2024	69	6	75
Provisions made during the year	61	-	61
Provisions used during the year	(73)	(5)	(78)
Provisions released during the year	(15)	-	(15)
Balance at 31 December 2024	**42**	**1**	**43**

Supplier claims generally arise when there is a change in specification resulting in additional costs being incurred by the supplier. The provision is based on the Company's best estimate of the likely settlement value and is expected to be utilised within one year.

Accounting estimates and judgements are discussed further in note 26.

20 Employee benefits

Group plans

As explained in note 1.11, the Company's employees are members of a group wide defined benefit pension plan. The net defined benefit liability is recognised fully by Airbus Defence and Space Limited, another member of the group. The Company then recognises a cost equal to its contribution payable for the period.

The Scheme is a registered pension scheme under the Finance Act 2004. The Trustees' only formal funding objective is the statutory funding objective under the Pensions Act part 6 2004, which is to have sufficient and appropriate assets to cover the Scheme's obligations. Since 1 November 2013, this plan is generally closed for new joiners, who participate in a separate defined contribution plan.

Multi-employer plans (BAE Systems)

The Company participates in several funded trustee-administered pension plans for both executive and non-executive employees with BAE Systems being the principal employer. Participating Company employees have continued to remain members in the BAE Systems UK pension plans due to the UK pension agreement between the Company and BAE Systems and a change in UK pensions legislation enacted in April 2006.

Notes *(continued)*

20 Employee benefits *(continued)*

Multi-employer plans (BAE Systems)

For the most significant of these BAE Systems Pension Schemes, the Main Scheme, BAE Systems, the Company and the scheme Trustees agreed on a sectionalisation, which was implemented on 1 April 2016. Though BAE Systems remains the only principal employer of the Scheme, the Company has obtained powers in relation to its section which are the same as if it were the principal employer. The deficit of the Main Scheme was allocated between BAE Systems and the Company based in principle on each member's last employer, which was done in December 2015.

The other schemes qualify as multi-employer defined benefit pension plans but are accounted for as if they were defined contribution schemes. This is on the grounds that there is insufficient information to appropriately and reliably estimate the share of the Company's participation in the schemes, i.e. its share in plan assets, defined benefit obligation ("DBO"), and pension costs.

Based on the funding situation of the respective pension schemes, the pension plan trustees determine the contribution rates to be paid by the participating employers to adequately fund the schemes. The latest funding valuation for the Main Scheme has been conducted in 2023 and the Main Scheme is currently in a surplus situation. Under the latest Schedule of Contributions, £40m is expected to be paid to the scheme in the following year.

In the event that an employer who participates in the BAE Systems pension schemes fails or cannot be compelled to fulfil its obligations as a participating employer, the remaining participating employers are obliged to collectively take on its obligations. The Company considers the likelihood of this event as remote. However, for the Main Scheme, the Company considers that its obligation is in principle limited to that related to its section.

The information disclosed below is in respect of the whole of the plans for which the Company is either legally responsible or has been allocated a share of cost under an agreed group policy throughout the periods shown.

Net pension surplus

	2024 **£m**
Defined benefit obligation	**(2,440)**
Plan assets	**2,687**
Net pension surplus	**247**

Having received legal advice, management has concluded that it is appropriate to recognise the pension surplus on the grounds that the Company, as the principal employer, has an unconditional right to a refund of surplus.

Notes *(continued)*

20 Employee benefits *(continued)*

Movements in present value of defined benefit obligation

	2024
	£m
At 1 January 2024	**(2,761)**
Current service cost	**(35)**
Interest expense	**(123)**
Remeasurement: actuarial gains/(losses)	**375**
Contributions by members	**(1)**
Benefits paid	**105**
At 31 December 2024	**(2,440)**

Movements in fair value of plan assets

	2024
	£m
At 1 January 2024	**2,834**
Interest income	**125**
Remeasurement: return on plan assets less interest income	**(214)**
Contributions by employer	**46**
Contributions by members	**1**
Benefits paid	**(105)**
At 31 December 2024	**2,687**

Expense recognised in the profit and loss account

	2024	2023
	£m	£m
Current service cost	**35**	33
Net interest on net defined benefit asset / liability	**(2)**	(16)
Total expense recognised in profit or loss (see note 5)	**33**	17

Notes *(continued)*

20 Employee benefits *(continued)*

The fair value of the plan assets was as follows:

	2024	2023
	£m	£m
Equities	**405**	393
Government debt	**751**	600
Corporate bonds	**574**	699
Property	**193**	206
Other	**764**	936
	2,687	2,834

Included in the "other" category of £764m (*2023: £936m*) is cash of £78m (*2023: £166m*), alternatives of £706m (*2023: £262m*) and derivatives of -£26m (*2023: £1m*).

The strategic asset allocation of the plans takes into account the characteristics of the underlying obligations. Investments are widely diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2024 consists of fixed income and equity instruments, although the Scheme also invests in property, private markets and other alternatives. The Scheme's Trustee reassesses the characteristics of the pension obligations from time to time or as required by the applicable regulation or governance framework. This typically triggers a subsequent review of the strategic asset allocation.

Risks

The defined benefit obligation exposes the Company to actuarial risks, including the following ones:

Market price risk – The return on plan assets is assumed to be the discount rate derived from AA-rated corporate bonds. If the actual return rate of plan assets is lower than the applied discount rate, the net defined benefit liability increases accordingly. Moreover, the market values of the plan assets are subject to volatility, which also impacts the net liability.

Interest rate risk – The level of the defined benefit obligation is significantly impacted by the applied discount rate. Low interest rates lead to a relatively high net pension liability. If there is again a decline in returns of corporate bonds, the defined benefit obligation will increase in future periods, which might only be offset partially by the positive development of market values of those corporate bonds included in plan assets. Generally, the pension obligation is sensitive to movements in the interest rate leading to volatile results in the valuation.

Inflation risk – The pension liabilities can be sensitive to movements in the inflation rate, whereby a higher inflation rate could lead to an increasing liability. Since the pension plans are directly related to salaries, increases in compensations could result in increasing pension obligations.

Longevity risk – The pension liabilities are sensitive to the life expectancy of its members. Rising life expectancies lead to an increase in the valuation of the pension liability.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd. The directors have considered the decision from the High Court, together with legal advice taken by the Pension Scheme, and concluded that there is no material impact on the Company.

Notes *(continued)*

20 Employee benefits *(continued)*

Principal actuarial assumptions at the year end were as follows:

	2024	2023
	%	%
Discount rate	**5.5**	4.5
Future salary increases	**3.3**	3.2
Rate of pension payment increase	**3.0**	3.0
Inflation rate (RPI)	**3.2**	3.1
Inflation rate (CPI)	**2.5**	2.4

The valuation assumptions used for the disclosures are broadly in line with those used for the final actuarial valuation results as of 31 March 2023 undertaken by independent qualified actuaries as updated to assess the obligation and plan asset at 31 December each year.

The discount rate is determined with reference to the full yield curve of AA-rated sterling-denominated corporate bonds of varying maturities.

In valuing the liabilities of the pension fund at 31 December 2024, mortality assumptions have been made for the Main Scheme based on various mortality tables with varying scalings.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables calculated using scheme specific Club Vita curves and include an allowance for future improvements in longevity. The future improvements in longevity have been updated to reflect the CMI 2023 projection model, with a long-term rate of improvement of 1.25%, a smoothing parameter of 7 and initial addition of 0.25% p.a.. The CMI 2023 model includes a parameter which relates to the extent to which the high levels of mortality experienced since 2020 as a result of the COVID-19 pandemic may be expected to reoccur in the future. The default parameters for the CMI 2023 model are a 0% weighting to actual 2020 and 2021 experience and a 15% weighting to actual 2022 and 2023 experience.

The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

• Member currently aged 65: 21.5 years (male), 23.6 years (female).

• Member currently aged 45: 22.7 years (male), 25.0 years (female).

Membership data is based on the dataset as at 31 March 2024, updated for mortality and salary increase assumptions, as set out above.

Defined contribution plans

The Company participates in a number of defined contribution pension plans. The total expense relating to these plans in the current year was £17m (2023: £13m).

A further expense of £18m (2023: £21m) has been recognised in relation to group defined benefit plans, accounted for as defined contribution plans.

Notes *(continued)*

21 Capital and reserves

	2024	2023
	£m	£m
Allotted, called up and fully paid		
1,467,301,548 ordinary shares of £1 each	**1,467**	1,467

The holders of ordinary shares are entitled to receive dividends as declared from time to time.

22 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2024	2023
	£m	£m
Less than one year	**2**	28
Between one and five years	**4**	8
More than five years	**8**	3
	14	39

During the year £1m was recognised as an expense in the profit and loss account in respect of operating leases (*2023: £27m*). On 1 January 2024, the assets of Airbus Real Estate UK Limited, previously leased to the Company, were sold to the Company and, as a result, future operating lease rentals reduced by £26m.

23 Commitments

Capital commitments

The Company contractual commitments to purchase tangible fixed assets at the year-end were £114m *(2023: £76m)*.

24 Related parties

As at 31 December 2024, there are no transactions and outstanding balances with non-wholly owned subsidiaries of Airbus SE or other related parties.

In accordance with FRS 102.33.1A disclosure of transactions with other wholly owned subsidiaries of Airbus SE are not required to be disclosed.

25 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Airbus Operations SAS. The ultimate controlling party is Airbus SE.

The largest group in which the results of the Company are consolidated is that headed by Airbus SE, whose registered address is PO Box 32008, 2303 DA Leiden, The Netherlands. The smallest group in which they are consolidated is that headed by Airbus SAS, whose registered address is 2 Rond-point Emile Dewoitine, 31700, Blagnac, France. The consolidated financial statements of Airbus SE are available to the public and may be obtained from PO Box 32008, 2303 DA Leiden, The Netherlands.

Notes *(continued)*

26 Accounting estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year are:

Employee benefits (Defined Benefit Obligation) — The Company accounts for certain pension and other post-retirement benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions including the discount rate, expected inflation and mortality rates. The actuarial assumptions, which are disclosed in Note 20 Employee Benefits, are based on management's best estimates of current and future conditions, incorporating advice from specialist advisors. The application of these assumptions results in a valuation of the Defined Benefit Obligation of £2,440m at 31 December 2024 (*2023: £2,761m*) . The actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore result in a significant change in post-retirement employee benefit obligations and the related future expense. Further detail on the assumptions adopted at 31 December 2024 are provided in Note 20 Employee Benefits.

Employee benefits (Plan Assets) — Pension assets, totalling £2,687m at 31 December 2024, are held in a diversified range of assets. The breakdown of asset value by category of asset is provided in Note 20 Employee Benefits. Many of these assets have readily-available market values and are therefore able to be valued without significant estimate or judgement. However, there are assets where the year-end balance is based on lagged valuations and is subject to significant levels of estimation uncertainty. These assets include:

- Property assets of £193m (*2023: £206m*), the valuation of which involves the estimation of key assumptions including occupancy and rental yields. The valuations are made using third party experts in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards.

- Infrastructure and alternative investments of £764m (*2023: £936m*) which are categorised as Other assets and Private equity investments of £257m (*2023: £249m*) which are included in Equities. The fair value is based on valuations obtained from third parties which employ a variety of methods the most prevalent being net asset valuation which involves a higher degree of estimation and subjectivity than a market price.

Critical accounting judgements in applying the Company's accounting policies - When determining the net realisable value of A400M stocks, the forecast revenue from A400M production is combined with the forecast revenue from A400M customer services activities as they are linked transactions where the commercial effect cannot be understood without reference to the series of transactions as a whole.

27 Post balance sheet events

As explained in the Strategic Report on page 35, there has been a non-adjusting subsequent event which warrants disclosure in these statutory accounts. The subsequent event disclosed is:

- Agreement with Spirit AeroSystems for the acquisition of industrial assets

28 Contingent liabilities

Airbus is fully co-operating with an investigation by the Revenue and Customs Authority of the United Kingdom into possible violations of the United Kingdom's export control rules. It is not expected that the resolution of this matter will have a material financial impact.