CEO Statement

“CSR SHOULD BE A LONG-LASTING APPROACH.”

The group faced the unprecedented health crisis with remarkable resilience. Our teams across France, Germany, Italy, Spain, and the UK demonstrated their unfailing devotion to the company, responding swiftly with effective measures to meet our commitments. I would like to thank everyone for their daily dedication.

This past year was projected to herald in a decade of positive actions, where public and private spheres would come together to support 2030 UN Sustainable Development Goals (SDGs), creating a blueprint for peace and prosperity for people and the planet.

We all know how observable trends have greatly accelerated, culminating in our current state: a turning point. More than ever, sovereignty is the key for Nations to protect their freedom of decision and action, including when it comes to CSR. Providing military capabilities to protect national security and sovereignty has always been core to our mission. Today, we’re carrying out this promise in a more responsible manner than ever, as we grow the working conditions, social policies, community outreach, and biodiversity initiatives at the heart of our operations.

The defence industry is laying the foundations of CSR. MBDA is no exception, as we continuously adapt our model to keep it one of the most ambitious on the market. With all the responsibility of a trusted partner, we’ve identified five of the United Nation’s Sustainable Development goals to put an extra focus on, areas we feel we can achieve the strongest impact. Thanks to a combination of key strengths (compliance-driven, sustainable collaborations, respect of available resources, climate-oriented measures, diversity and inclusion policies, career development programs), we’ve constantly stepped-up our efforts to mitigate our environmental impacts and support our local communities to offset any negative impacts of our activities.

It’s only the beginning. Issues at stake are global; responses must be collective. To face these exceptional challenges and adapt our strategy accordingly, improvements must be made all along the value chain – focusing on people, materials, products and processes.

I strongly believe MBDA can help better its ecosystem, which is why we’re fast-tracking a group-wide CSR programme that accelerates progress towards the UN’s Sustainable Development Goals.
A safer and more sustainable planet

As traditional alliances weaken and the global geopolitical landscape becomes increasingly fragile, MBDA’s objectives are to deliver the best sovereign capabilities to our home nations and their allies, contributing to a safer, fairer and more sustainable planet.

We recognise our contribution to the global community and are working to protect our planet against climate change. To achieve this goal we encourage innovation and collaboration, using emerging technology to build state-of-the-art products and systems. We’re also committed to supporting our local communities and combating knowledge gaps by promoting education and Science, Technology, Maths and Engineering (STEM) careers. We emphasise an inclusive and collaborative work environment that promotes equal opportunities for all our employees.

We are committed to a positive impact on the world

We make a safer planet and contribute to sovereignty

We empower our people and embrace diversity

We design solutions responsibly
Who we are

A COMMITTED WORLD LEADER IN THE MISSILE SYSTEMS SECTOR.

MBDA is Europe’s first fully integrated defence company and a world leader in missile systems. We are the only European Group designing and producing missiles and missile systems that meet the full needs of the Sea, Land and Air armed forces.

MBDA is a joint venture of three global leaders in aerospace and defence: Airbus (37.5%), BAE Systems (37.5%) and Leonardo (25%).
Our operations

We are a growing business and in 2020 alone, we employed 1,100 new people to the MBDA Group. With more than 12,000 colleagues now working predominantly across France, Germany, Italy, Spain, and the UK we benefit from a diverse and wide set of skills that is truly European.

We also have a local presence in the US, India, the Middle-East and, more recently, Poland, allowing us to maintain important links within key regions. Our Brussels office keeps MBDA close to the European Union and its decision-making process in matters of defence.

Our people work in state-of-the-art facilities and benefit from continued training and development opportunities. Our business decisions consistently take into account the welfare of our employees, customers and the diverse communities in which MBDA operates.
Vision and strategy

Our vision
To be the European Missile Systems Champion and a Global player.

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

Our strategy
1. Developing a partnering relationship and securing access to sovereign capabilities for our home nations.
2. Promoting programme cooperation and industrial consolidation in Europe.
3. Growing export sales and building up strategic partnerships outside Europe with our home nations’ allies.
4. Continuing development of a competitive and high performance offering across all missile and missile systems domains.
5. Delivering operational excellence and maintaining industry leadership.

2020
Revenue
€3.6bn
50/50 split across our domestic and export customers
Order intake:
€3.3bn
12,000+ employees
1,100 new recruits
Our response to Covid-19

From individuals to corporations, the Covid-19 pandemic impacted everyone in ways that the world has never seen before.

For MBDA, this meant a host of new logistic questions. How do we continue to design, manufacture and deliver products to our customers? How do we ensure the safety of employees unable to work from home? How do we support remote colleagues trying to find a new work-life balance? And how do we act as a positive force in local communities seriously impacted by the pandemic?

With the support of our workers, partners and customers, we adapted to the challenges of the pandemic with formidable results. We continued the time delivery of products and maintenance services to our customers.

We provided a safe work environment to allow our colleagues to be back on site. We deployed the technologies and tools for teams to work remotely, and we supported our communities in a number of ways.

Our Future Systems team transferred our face shield technology to a SME to increase production in support of Health services.
United Nations Sustainable Development Goals

At MBDA, we believe that business and performance go hand-in-hand with building a more sustainable, prosperous, and healthier planet. Through our actions as a business, we’re committed to driving progress towards the United Nation Sustainable Development Goals (SDGs). In 2020, we reviewed the SDGs and identified six key goals that we believe we can positively contribute to.

**Quality Education**
MBDA supports local communities everywhere it operates, notably through youth development. We’ve also established an early career development programme to encourage equal access to careers in science, technology, engineering and mathematics.

**Decent Work and Economic Growth**
MBDA has developed strong equality, diversity and inclusion policies to guarantee that all employees feel a sense of belonging. We promote intergenerational decision-making and are committed to ensuring the best working conditions and a healthy, safe environment.

**Responsible Consumption and Production**
MBDA’s material-cycle approach and energy policy support the responsible consumption of available resources. Our demilitarisation activities provide our customers with safe solutions for the decommissioning of our products.

**Climate Action**
MBDA is committed to creating a positive impact on climate through the net reduction of our greenhouse gas emissions and carbon footprint, the optimisation of our energy consumption and use of chemicals and plastics.

**Partnerships For the Goals**
Working with all our stakeholders, together we collaborate to drive sustainable development for our planet and its people.

**Peace, Justice and Strong Institutions**
MBDA delivers decisive military capabilities ensuring the sovereignty and self-determination of its home nations and allies. MBDA ensures compliance with international and local laws at every stage of development, production and commercialisation.
Our values

OUR EMPLOYEES SAY IT BEST!

MBDA's vision is maintaining its status as the leader of European missile systems and a competitive global player. Our values underpin this vision and help guide our employees, fostering a culture of responsibility and reliability.

“Team Spirit is the key to success! Collective work brings out the best in everyone, compensating one’s own shortcomings with the talents of others. This is even more important in a multinational company like MBDA, where opening up and collaborating to achieve a common goal is fundamental to the success of the team and the company.”

Marco, MBDA Italy

“For me, integrity is about being authentic, open and honest. It’s about being fully accountable for individual responsibilities, speaking up when things go wrong, and ensuring we apply ourselves to the very best of our abilities to maintain high moral & ethical standards, and deliver on our customer commitments.”

Liz, MBDA UK

Commitment
Always delivering on our promises.

“As part of the European defence community, MBDA is committed to protecting our soldiers. For me, commitment is doing everything in our power to deliver on our promises – be it time, cost, or quality wise – and equipping armed forces in the best way possible for their mission. This is even more important when mastering especially challenging phases in our programmes, and finding common solutions for all areas.”

Andreas, MBDA Germany

Integrity
A trusted partner with the highest ethical standard.

“Passion is what fuels our daily work. Indeed, we firmly believe that the systems developed by MBDA allow our customers to fulfil their duty, successfully and confidently.”

Pablo, MBDA Spain

Passion
Applying the same care, energy and focus to every task, we recognise our responsibility to provide the best possible capabilities to our customers.

“Innovation
Ensuring operational and strategic advantage.

“We experience innovation every day as we leverage our knowledge and create multidisciplinary gateways in order to stay at the highest level.”

Nicolas, MBDA France
The long-term success of our business is dependent on our stakeholders and how we engage and work with them throughout the year to ensure that we contribute towards common goals on a range of topics.
## Stakeholder engagement

<table>
<thead>
<tr>
<th><strong>WHO ARE THEY?</strong></th>
<th><strong>HOW WE ENGAGE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
<td>Our customers are our home nations and their allies across the globe, and we work side-by-side with them to deliver state-of-the-art products and systems to meet their requirements.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Our people are our biggest asset and we rely on their diverse skills and knowledge to meet the ever-evolving needs of our customers around the world.</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>With more than 300 main suppliers, our robust supply chain is paramount to our ongoing operations, and the manufacturing and delivery of our products.</td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td>Our shareholders are three of the world’s leading companies in aerospace and defence. Through our “Shareholders Agreement,” we ensure fair visibility to the ongoing operations of the business and deliver optimal shareholders returns.</td>
</tr>
<tr>
<td><strong>Communities</strong></td>
<td>Our sites and operations span Europe and further afield, and we aim to be a positive force within these communities as an employer and force for good through our community support initiatives.</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td>It is our responsibility to minimise our environmental impact, from optimizing energy consumption and our carbon footprint, to minimising water usage across our operations.</td>
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GOVERNANCE

Our Responsibilities

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Corporate governance

Our corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the MBDA Board, the CEO, the Executive Committee and Management Committee Group Directors, the Natcos Managing Directors and other stakeholders.

It spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides us the structure through which the company objectives are set, the means of attaining these objectives and performance is monitored.

MBDA’s corporate governance takes into account its specific and unique organisational model in the defence industry, with an integrated model at the Group level with a unique Profit & Loss responsibility while a specific role is assumed by each National Company’s Managing Director within their related domestic country.

The Directors are collectively responsible for the long-term success of the business. They fulfil their duties through a delegated authority framework that delegates some day-to-day decision-making to managers and employees of the Company (the “Delegated Authorities”). The Company mandates strict adherence to the Delegated Authorities, which provides governance on accountability for decision-making across the business.

The Directors further fulfil their duties by acting in accordance with the MBDA Group’s Principles of Operation, which lays out the main roles and responsibilities of the two main operational Governance committees of the MBDA Group; the Executive Committee and the Management Committee.

A detailed Business Management System contains all Policies, Processes and Procedures governing in a detailed manner the daily operations of MBDA’s functions and corporate structures allowing all stakeholders to manage in a manner compliant with applicable laws their business and activities.
Corporate governance

 Internal Audit plays a significant part in our Governance Framework, it is a Group function that is accountable to the MBDA Board of Directors for delivering assurance and advisory activities. Internal Audit’s purpose is to evaluate and recommend ways of optimising the effectiveness of business operations, including internal controls and governance in an independent, systematic and objective manner.

 With specific knowledge of our corporate culture and business activities, the Internal Audit effectively manages any identified audit risk including validating that we are correctly honouring our ethical responsibilities.

 The Audit Review Board oversees all assurance activities across MBDA and is chaired by MBDA’s CFO. Its mission is to monitor and support the activities of Internal Audit, Risk Management and Quality and encourage actions on internal audit recommendations.

 Internal Audit is part of a wider network of assurance providers, both internal and external to MBDA that includes Ethics and Compliance and Corporate Responsibility, Legal, Security and Quality Assurance where the ‘Three Lines of Defence’ model is adopted.

 All three lines work effectively with each other and with the Audit Committee in order to create the right conditions to manage the associated risks. In addition, an Enterprise Risk Management approach ensures that emerging risks are identified and included within the annual planning.

 Internal audit delivers this risk-based and independent assurance through three key auditing activities:

 Business Operation Auditing
 For the effectiveness of business operations and the relevant control environment in line with the company objectives.

 Governance Auditing
 For the effectiveness of the company and JVs/subsidiaries governance in line with external regulations and Board/EC directions (ethics, anti-bribery, etc.).

 Financial Auditing
 For assessing the financial control environment to determine whether the internal financial controls are robust and operating effectively. The importance of strong internal control remains a high priority for us.

 To this aim, each Internal Audit report identifies existing residual risks and establishes recommendations along with relevant due dates and implementation leaders. These audit recommendations add value and support us in driving the business forward.

 In 2020, Internal Audit achieved the following results:
 - Number of audit reports released: 14
 - Number of recommendations issued: 53
 - Number of recommendations closed by the business: 57*

 The principal topics addressed through audit were:
 - Our financial control environment
 - Product and CapEx Business Cases
 - Governance of JVs and Subsidiaries
 - Loi Sapin II
 - Company IT Systems Access Rights Management
 - Business Advisers

 *Figure represents audit recommendations that were closed in 2020 from audits that took place 2019-2020.
Ethics at the centre

PROMOTING BUSINESS, PEOPLE AND THE PLANET

Integrity is one of the five values that underpin the mission of MBDA. We are a trusted and reliable partner to all our stakeholders and we pride ourselves on maintaining the highest ethical standards across all our countries of operation.

To help and guide all our people in their roles and day-to-day work at MBDA, our Code of Ethics sets out to principles that underpin our values, their purpose and the collective actions required to help us strike a balance for business, people and planet.

Fighting Bribery and corruption

We are committed to the fight against all forms of corruption across our operations as it undermines democracy, impedes economic growth and erodes trust and reputation.

Our Anti-Bribery and Corruption programme is designed to go above and beyond the local laws and regulations of our operations.

It adheres to the principles of OECD Convention on Combating Bribery of Foreign Public Officials in International Business. We also fully subscribe to the laws and regulations in force in the countries where MBDA is located or operates, including but not limited to: the UK Bribery Act 2010; the Italian law-decree Dlgs 231/2001; and the French law n° 2016-1691, Sapin II and the Foreign Corrupt Practices Act of 1977, as amended.

It is both our individual and collective responsibility to combat corruption wherever it occurs. MBDA does this by:

- Prohibiting donations or sponsorship that are aimed at obtaining undue advantage, whether real or perceived.
- Ensuring that third parties – such as partners, suppliers or subcontractors – share our culture of integrity and adhere to the highest ethical business standards. We carefully analyse the profile of third party and map out the corruption risk based on circumstance and type of entity.
- Maintaining strict political, religious and ideological neutrality. MBDA prohibits any financial support for candidates, elected officials or political parties and we comply with reporting obligations relating to lobbying.
- Educating our employees in ethical standards and the vital role we play in the fight against corruption. Training is available to employees and we offer more extensive programmes for colleagues in positions with high corruption exposure.
- Providing a “ethics hotline” where our employees and stakeholders can leave confidential reports of any perceived policy breaches.
Ethics at the centre

Conflicts of interest
We want our people to be honest and transparent in every decision they make at work both objectively and without bias. We know that conflicts of interest can arise in any workplace: it could be of personal nature, or it may be a partner or family member with interests that affect the employee’s ability to make objective decisions. Our Code of Ethics requires that our staff declares conflicts of interest so that they are effectively addressed.

Through our Code of Ethics and regular communications with our staff, we encourage the disclosure of any conflicts of interest through MBDA’s managers or one of our compliance officers. From 2022, employees working in a position of high risk exposure will be obligated to provide an annual declaration of their individual situation.

Training
Training is key to ensure our employees remain vigilant on ethics and compliance. We also have in place tailored trainings led by our Ethics and Compliance experts for colleagues in positions with corruption or human rights exposure in sales and procurement.

Industry collaboration
As a member of the International Forum on Business Ethical Conduct for the Aerospace and Defence Industry (IFBEC), we collaborate with other companies to further improve Ethics and Compliance practices across the industry. Through exchanging information and best practices with our peers, we have developed a set of Global Principles of Business Ethics that restates a zero-tolerance policy for bribery and corruption.
**Ethics at the centre**

**Political donations and lobbying**
MBDA is committed to strict political, religious and ideological neutrality, and our policy prohibits any contributions — financial or other — to political parties, organisations, and individual politicians. All donations and sponsorship requests go through a rigorous due-diligence process to ensure that no immediate or future conflicts of interest arise.

We respect the rights of team members to participate in their community and civic affairs, but employees are required to carefully separate their own political views and activities from MBDA.

MBDA fully subscribes to the laws and regulations in our countries of operation. We engage with governments to inform public policy on matters that impact our business and our broader sector. We do this both as an individual business and collaboratively with our peers across the Group through trade associations or working with lobbyists, leveraging their expertise on public policy.

**Reporting concerns**
We want to foster a culture where our team members can speak up or raise a concern, free from retaliation or harassment for doing so. Should colleagues find themselves in situations where they suspect improper conduct or a violation of our Code of Ethics, company policies or the Law, they can raise their concerns with someone in their management structure or Human Resources or Legal or our Ethics, Compliance and Corporate Responsibility Departments. They can also report their concerns via a dedicated reporting channel, whereby their identity always remains confidential.

**Export control**
We sell and export our products and services to selected allies of our home nations and across our home nations, export control regulations require us to obtain the relevant authorisation to be allowed to export.

We maintain robust procedures for handling goods, technology and data or providing services which may come into or go outside our home nations and we continually review such measures. To maintain an effective system of export control compliance is the Group Export Control policy.

The Export Compliance Steering Committee (ECSC) meets twice a year to oversee the top-level management of export control compliance issues for the MBDA Group and to validate any decisions required for its implementation.

We regularly inform and train our employees on our export control measures and relevant legislations so that they can perform their duties within a clearly defined framework.
MBDA complies with International Laws and Treaties, including Humanitarian International Law and Arms Trade Law.

**MBDA’s home nations are all party to:**

- The Geneva Conventions of 1949 and its three protocols.
- Treaty on the Non-Proliferation of Nuclear Weapons of 1968.

*UK is not a state part of Protocol V of the 1980 convention on Certain Conventional Weapons.

**As a consequence MBDA does not design, manufacture, nor sell arms that would violate these treaties.**
Human rights

PROMOTING A BETTER WORLD

MBDA fully subscribes to international law and principles that stipulates the prohibition of forced labour, elimination of all forms of child labour, right to dignity at work, freedom of association, expression and assembly. Those principles are particularly outlined in the International Labour Organization’s Core Conventions, the 1996 United Nations covenants on Civil and Political Rights (ICCPR) and on Economic, Social and Cultural Rights (ICESCR), the United Nations Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights.

We refuse for ourselves and our suppliers to engage in slavery of any kind, forced, bonded or compulsory labour, human trafficking and other kinds of slavery and servitude.

We therefore perform human rights checks on our suppliers. 90% of our Tier 1 suppliers are based in Europe or OECD countries, meaning they are subject to laws that forbid these practices.

We carefully enforce our Supply Chain Business Ethics procedure which ensures that the ethics and compliance programmes of our current and future suppliers are assessed in order to approve them as suppliers.

MBDA strictly follows these fundamental principles with respect to its employees as well as suppliers, and our compliance is further enforced by a special due-diligence programme for high-risk third parties. MBDA also adheres to the national laws and regulations of the countries where we have manufacturing activities, in particular to the principles enshrined in the UK Modern Slavery Act, the French Declaration of the Rights of Man and of the Citizen, the French law n° 2017-399 on duty of care of parent and principal companies.
Sovereignty and security

With more than 90 armed forces customers in the world, MBDA is a world leader in missiles and missile systems. In total, the group offers a range of 45 missile systems and countermeasures products already in operational service and more than 15 others currently under development.

MBDA builds and manufactures products that protect the sovereignty and peace of our home nations and their allies. We deliver the right military capabilities that help maintaining clear operational superiority. Arms exports constitute a key dimension of strategic defence cooperation between MBDA’s home nations and their allies, and our products represent a vital foreign policy and diplomatic tool.

We constantly engage in discussions with stakeholders about how we best contribute to the sovereignty and defence of our home nations.

Our presence in Brussels
Our office in Brussels helps to align MBDA with EU positions on matters of defence, including the role of NATO, future military capabilities and development targets. Representatives from all MBDA National Companies work in our Brussels office.
Supply-chain ethics and compliance

We expect our suppliers to adhere to the same ethical and compliance standards as we do and to operate sustainably.

We manage the Ethics, Compliance and Responsibility risks through a robust and rigorous supplier due-diligence and on-boarding process. We are committed to the following principles.

Our principles:

- **Integrity**
  Respecting fair competition and preventing the undue influence of any third party.

- **Transparency**
  Remaining open about decisions relating to the tender process.

- **Honesty**
  Ensuring sufficient and accurate information in our tender documents.

- **Responsibility**
  Defining clear roles and responsibilities through appropriate Group procedures.

- **Traceability**
  Maintaining strict documentation of all decision-making processes.

MBDA also performs Environmental, and Health and Safety checks on its suppliers as we expect them to protect the environment and give a safe and healthy working climate, free from any threat or violence to their own employees.

**Third-Party Due Diligence**

We ensure that third-parties — customers, business advisors, partners, suppliers or subcontractors — share our culture of integrity and adhere to our ethical and compliance standards. We carefully analyse the profile of our third parties and apply our risk-based due diligence process that requires that we assess and approve each third-party we contract with.
Product quality

INNOVATION AND PASSION ALONG THE SUPPLY CHAIN

MBDA provides innovative, effective and reliable defence solutions that are tailored to the unique needs of each customer and quality is a core characteristic that determines how we approach business on a daily basis, it defines the behaviour of our people and our standards. We maintain the highest safety standards in the engineering of our products and systems, guaranteeing the strictest risk assessments before product certification.

At the heart of our business approach is the same commitment to quality that drives the daily actions of our people.

Our quality framework is one of continuous improvement, where all our business directorates strive every day to improve quality assurance in their respective functions. A central part of that is MBDA’s Group Product Assurance Directorate that helps our ambitious teams that ensures that we apply a consistent approach to quality excellence across our projects, products and services.

In addition, all our employees are empowered and constantly encouraged to alert the leadership of any risks or lack in standards throughout the project lifecycle.

Quality Audits

Our quality audits drive process improvement and mitigate risk to enhance efficiency and customer satisfaction. They also provide an objective evaluation of our Business Management System (BMS) and work practices, ensuring that we stay aligned with MBDA’s overall strategy, business objectives, product and customer, as well as regulation and international standards.

We remain certified, with the approval by the LRQA – Lloyds Register, to the latest versions of EN 9100:2018 and ISO 9001:2015 standards. EN 9100 is the worldwide benchmark standard, based on ISO 9001, specifically designed for Aviation, Space, and Defence organisations by the International Aerospace Quality Group (IAQG®), adding industry specific requirements.
Risk Management

Risk & Opportunities (R&O) Management
We have put in place a stringent Enterprise Risk & Opportunity (R&O) management framework to protect our principles and maximise company value.

Crisis Management Teams (CMTs)
At the onset of the Covid-19 pandemic, our Crisis Management Teams (CMTs) worked tirelessly to mitigate the business impact of the pandemic, mainly by swiftly rolling out new operational procedures across all our sites to protect the health of staff and reduce operational recovery time. Our CMTs continue to meet regularly to anticipate future risk scenarios and conduct exercises to test MBDA’s reactivity and agility in the face of crises.

Active Risk Management (ARM)
MBDA’s Active Risk Management (ARM) tool enables individuals to analyse the impact and probability of R&Os in order to take appropriate action to mitigate and monitor risk.
Innovation and technology

A CULTURE OF CREATIVITY

Innovation is one of our core values and we encourage our people to unleash their creativity to place MBDA at the forefront of a fast-moving technological landscape. We offer the opportunity to explore and exchange fresh ideas bringing out the best in each other.

The identification of emerging opportunities and products is an important aspect of our business, enhancing the future MBDA portfolio, meeting new market requirements.

Throughout 2020, we increased our focus on promoting agile principles and methodologies, promoting customer-centric and iterative delivery through self-organising teams. Through this mindset, we have found new approaches to a variety of projects, including and beyond software-centric products.

MBDA Innovation Lab
The MBDA Innovation Lab is a flexible funded project with a fast decision loop to allow innovative ideas to mature. The central notion is a creative space where risk-taking failure are accepted, and it rests on three pillars: out-of-the-box thinking, collaboration and reward. The Innovation allows colleagues to crowdsource innovative ideas and contribute to the technological development of the company. Since 2012, 960 ideas have been submitted and hundreds have been funded.

Recognition
In 2020, MBDA was accredited as an ‘Investor in Innovations’ by the Institute of Innovation and Knowledge Exchange (IKE) for its good practices and adherence to the newly published ISO 56002 Innovation Management System. MBDA was the first company to achieve this double accreditation. MBDA was recognised for its pro-innovation culture, accelerated idea-to-market process and open-innovation ecosystem.

Open innovation
In 2020, we continued to increase our engagement in open innovation by supporting promising new technologies developed by start-ups and small and medium-sized enterprises (SMEs).

As part of our “E3” initiative (Explore, Engage, Endure), we analysed more than 200 new start-ups and SMEs focusing on fast-moving technology such as future human-machine interfaces, augmented reality, new sensors, artificial intelligence and cyber security. We engage with twenty of them each year by developing new projects in order to renew our supply chain and call upon stakeholders with new technologies.

Leveraging artificial intelligence (AI)
MBDA is committed to continuing its research investment and early adoption of artificial intelligence technologies. The use of artificial intelligence in image processing, guidance, mission planning, co-operative weapons and other areas is allowing MBDA to develop more effective, accurate and safe products.

For example, AI can be used to automate testing of software requirements, or to reduce the number of expensive aerodynamic tests by smart modelling.
A Human-Centric Mission

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30 Equality, Diversity and Inclusion
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Health and safety

PROTECTING OUR GREATEST ASSET

At MBDA, the health and safety of our employees and visitors is paramount and we want to provide and maintain safe working conditions for all.

Training
Throughout the year all our new and currently employees are provided with the relevant training and supervision for their roles and working environment. We deliver this face-to-face, virtually and through e-learning modules empowering them to take responsibility for a safe working environment.

Reporting and managing risks
Our colleagues are encouraged and regularly reminded to report any concerns in line with health and safety policies across the Group. Throughout the year, we also conduct appropriate risk assessments to allow us to improve our performance as a business. ‘Near miss’ accidents are recorded and shared across our sites. A root cause analysis is undertaken from these recordings to allow us to learn and mitigate any potential future incidents across our sites, allowing continuous improvement in health and safety.

0 fatalities
0 pyrotechnical accidents
13% reduction in reportable accident with more than three days absence from work across our sites
Attracting and developing new talent

OUR PEOPLE ARE THE KEY TO OUR SUCCESS

MBDA is proud of its highly skilled workforce of almost 12,000 colleagues across the MBDA Group. In a highly competitive skills market, it’s vital that we attract and retain new and diverse talent who can bring fresh ideas and perspectives, helping us to evolve and grow as an organisation. We are proud to be recognised as an employer of choice, and as we embrace change and explore future ways of working, it’s important we maintain these high standards for our current employees and future candidates.

During a challenging 2020, we were able to continue recruiting, bringing on board more than 1100 new employees. In this challenging year, onboarding and induction have been more important than ever to ensure that joiners are able to get up to speed quickly and build relationships with others who can impart their knowledge and expertise.

We swiftly adopted technology to provide new ways of connecting with our new starters, continuing to emphasise the importance of personal contact and interactions with teams to ensure they feel part of the MBDA culture and identity.
Developing our people

The COVID-19 crisis did not deter us from our commitment to offer exceptional training for our people. While we adapted to protect the health of our employees and ensure we could continue delivering for our customers, the number of employees who engaged in learning remained at the same level as in 2019 (approx. 9500). As face to face learning was significantly reduced, we transformed our offering to provide high quality digital and blended solutions. We will continue to invest in flexible and accessible approaches, including a virtual classroom platform for deployment across MBDA Group, enabling both local and international learning.

How we are preparing our people for the future

Building digital skills
Throughout the pandemic, virtual sessions dedicated to building digital skills were offered to employees to support effective use of collaborative platforms and tools. These technologies have been vital in supporting teams to work effectively and stay connected, and will continue to be key strategic enablers in our future ways of working.

Supporting managers to lead in complexity
Training was offered to people managers, focusing on remote team management, team working, time management, delegation and promoting a feedback culture. This aligned with our new performance management process, which emphasise the importance of robust and agile objective setting, with regular reviews of performance and development throughout the year.

Investing in future talent
The Mentoring and Development project was launched, with leadership team members taking on the mentorship of high potential executives, building their readiness for progression and supporting effective succession planning.

Promoting our Values and the Leadership Model
As a Values-led organisation, our leaders play a vital role in demonstrating the behaviour that our business and our people aspire to. The Leadership & Development Lab was launched to connect newly promoted executives with our Leadership Model and Values, inspire future-focus and a spirit of entrepreneurship.

Building future leaders
Our Connect programme aims to embed the Group vision, mission and values, and develop a culture of personal leadership to empower all our employees to do the right things to drive the MBDA business forward. Our “Get Connected” sessions continued virtually in 2020, with over 30 events and more than 500 people attending.
Equality, Diversity and Inclusion

ONLY SKILLS MATTER

We are committed to providing a working environment where all people are treated equally, fairly and with dignity — allowing each employee to reach their full potential and contribute to the business as well as their communities.

At MBDA, we believe that diversity strengthens our organisation, driving innovation and helping us maintain competitive advantage. We recognise that diversity has many facets, all of which bring different and valuable experiences and perspectives.

We are committed through our Group Diversity Charter to:

- Strive to reflect the diversity of the markets and communities in which we operate.
- Ensure equal opportunities through inclusive policies and practices.
- Foster a culture of respect and anti-discrimination through education and awareness of our employees.

22% of our workforce are female

25% of our new starters in 2020 were female

COMMUNITIES AND NETWORKS

Our internal networks and communities play an important part in the workplace culture at MBDA. Initiated and led by passionate colleagues and sponsored by a senior leader, our networks raise awareness, celebrate the power of our differences and provide a forum to share personal stories and experiences.

22% of our workforce are female

25% of our new starters in 2020 were female
Local communities

A FORCE FOR GOOD

With operations spanning Europe and further afield, we have a significant responsibility to drive positive change in all our areas of operation. Through a variety of initiatives and programmes, we are helping to be a force for good in communities around the world.

Supporting those vulnerable through the pandemic
In 2020, we focused on supporting those groups, charities and organisations most impacted by the Covid-19 pandemic. While our usual programme of fundraising events was unable to take place, we reached out to our communities and charity network to ensure that their essential services could continue.

Supporting healthcare workers
In France and Germany, we supported healthcare workers by using our technology to design, create and donate face shields. Our colleagues were able to quickly deliver and donate new equipment using our 3D-printing technology, ensuring invaluable PPE for frontline medical staff. In France, we also made a significant donation to Assistance Publique – Hôpitaux de Paris to support local hospitals in their fight against Coronavirus.

Continued support of military charities
Our close relationship with military charities enabled us to provide more targeted support. In the UK, resources were allocated to mental health wellbeing initiatives, ensuring that charitable organisations had the means to reach out and support members of the armed forces, veterans and their families. In Italy, we continued supporting Andrea Doria, a charity supervised by the Italian Ministry of Defence. Through Andrea Doria, we were able to give assistance to orphans of military personnel.

Covid support in the UK
We were also proud of our contributions to the fundraising achievements of Captain Tom for NHS Charities Together, funding over 250 smaller NHS charities targeting those most impacted by Covid-19. Our employees also found innovative ways during lockdown to continue fundraising for local charities. Activities were plentiful: online raffles, quizzes, photography competitions and even a virtual bagel-making competition!

Supporting causes close to our colleagues
To recognise the impact on our local communities, we continued our relationship with local hospices in each of our site locations, such as a children’s hospice in Germany, providing vital funding to support end of life care for those with life limiting illnesses as well as counselling support for their families.
Being responsible stewards of our planet

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Environmental sustainability

At MBDA, we recognise the devastating effect of climate change on our planet, and we are determined to be part of the global effort to restore the equilibrium of the Earth. We do our utmost to reduce our operational energy consumption and waste.

We concentrate all our efforts to:
- Minimise the use of natural resources
- Improve our energy efficiency
- Minimise the generation of waste while increasing recycling
- Minimise pollution and promote greener transport options for our employees, partly by installing charging stations for hybrid and electric cars as well as parking spaces for bicycles
- Inform and encourage our employees to act in an environmentally responsible manner

In 2020, we managed to:
- Reduce energy consumption by 11%
- Produce 4270 MwH of renewable energy across our sites (enough to power 948 houses)
- Cut our carbon emissions by 11%
- Reduce water use by 36%
- Produce 14% less hazardous waste
Our eco-approach

The industrial activity of MBDA’s sites is governed by various legal provisions. For example in France, the regulations include environmental law and prefectural operating decrees for ICPE (Installations Classified for Environmental Protection) and Seveso sites, as well as the four processes set out in the European Union’s 2018 regulation of Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

We also believe it is our duty to go beyond the current environmental regulation and policy — both to preserve the health of the environment and to be the best partner to our customers. MBDA strives to always anticipate future environmental policies as far up-stream as possible. This allows us to better prepare our supply chain and manufacturing process for the conditions of tomorrow, while also pushing us to be at the forefront of technological innovation.

**Eco-thinking within design**

In order to achieve the most climate-friendly design of our products, we consider the full life-cycle of our systems at the very first stage of development. In other words, what we call “eco-design” starts already at the feasibility phase — with the design and development studies — where we benchmark our performance with our own guide “Designing to limit our impact on the environment”. In France, we also benchmark with the French Armed Forces energy strategy: Consume safely, consume better, consume less. This mindset has spurred us to put more research efforts into energy-efficient materials, as well as identifying lighter and more sustainable materials for our systems — simultaneously increasing their resistance to extreme weather conditions.
Strategic energy resilience

We are also aware of the frequent energy scarcity for deployed armed forces, be that on a naval platform or a desert environment. That is why MBDA always factors in the energy restraints of its partners in the design and customisation process. For example, we are considering replacing the generators for our Command and Control (C2) systems (engagement modules and launchers with a power of around 30 kW) with hydrogen fuel cell-based systems.

Responsibility on our sites

Of course, environmental responsibility must start with having your own house in order. We work hard to ensure that our sites are safe and healthy, both for the environment and our teams. Some of our initiatives include:

- ISO 14001 and/or ISO 50001 certification for MBDA France, MBDA UK and MBDA Italy
- Protecting biodiversity where relevant. For example, in France, at our Selles-Saint-Denis facility, a species protection protocol was rolled out following an impact study. Our actions included the installation of a protective barrier for amphibians and the full monitoring of the site by an ecologist
- Energy audits and carbon assessment
- Promoting green mobility at our sites, such as new charging stations for hybrid & electric cars & parking for bicycles. For example in Germany on our site of Schrobenhausen, the 5 new charging points enables represent 8.754 MWH accumulated/1.217 kg eq CO₂ saved/31 trees growing for 10 years
- Rain water in our Italian sites of Rome & Fusaro is purified, recovered and relaunched both to the toilet for civil discharges and where possible for the irrigation of green areas

Scope 1

Direct Energy emissions from the activities of an organisation.

For the MBDA Group, it’s the energy consumption of our sites buildings and processes.

Total Scope 1 emissions (tCO₂e)

<table>
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<tr>
<th>FUEL</th>
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<tr>
<td>Wood</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>45153</strong></td>
</tr>
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Material life-cycle management

The full lifecycle of MBDA’s products and systems involve a plethora of different materials, some of which are scarce resources that risk depletion if industries don’t pivot to a more sustainable mode of production.

At MBDA, we see it as our responsibility to ensure that as we continue to source or develop new products and systems, we use new technologies and materials that are more efficient and contribute to lower carbon emissions.

The nature of our business means that MBDA does not manufacture products on a mass scale. However, we can still do our part in increasing product lifespan through high-quality production and mid-life service updates — bringing benefits to both the environment and our customers.

When our products reach their end of life, MBDA works closely with its customers to ensure that products are safely and sustainably decommissioned.
Decommissioning

GIVE OUR PRODUCTS A SUSTAINABLE LIFE-CYCLE

Beyond guaranteeing a safe and secure delivery of our products and systems, there is also the imperative to dispose of these complex weapons at the end of their service life. Partnering with our customers, we give them the opportunity to be engaged in a sustainable approach through a full life cycle management of our products from design to decommissioning.

In 2013, as part of a €15-million joint venture between MBDA France and the French Ministry of the Armed Force, we opened our demilitarisation facility in Bourges Subdray.

This state-of-the-art facility comprises pyrotechnical buildings for dismantling operations, the removal of thrusters and the thermal treatment of energetic materials, including the recycling of materials and a gas and effluent treatment system for discharges.

Our gas and effluent treatment system meets the highest environmental standards, ensuring that any toxic materials and gasses are not dispersed into the environment.

Since 2013, our team in Bourges Subdray has safely dismantled many of our older products, including APACHE, EXOCET, MAGIC, MICA and MISTRAL, ensuring that materials are recycled in compliance with regulations set out by the European Union environmental standards.

In addition, MBDA was in 2016 awarded a contract for the destruction of non-transportable CROTALE missiles. The disposal will be carried out in a special detonation chamber and waste will be treated to generate minimum gas emissions.

The success of our decommissioning operations at Bourges Subdray has led to a number of new contracts being awarded, both from French Ministry of the Armed Forces (40%) and our export customers (60%). Therefore, we are currently doubling capacity for decommissioning by constructing a new pyrotechnic facility that is set to open in 2023.
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