

A woman wearing a yellow hard hat and a red safety vest is working in a factory. She is looking towards the camera with a focused expression. The background is a blurred industrial setting with various machinery and equipment. The image is framed by a white geometric shape that cuts across the top and right sides.

Sustainability Report 2022

This report presents MBDA's environmental, social and governance (ESG) strategy and performance in 2022.

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Message from our CEO

Sovereignty, a precondition for sustainability



Éric Béranger shares why sovereignty is pivotal to the survival of our democratic model and a prerequisite for sustainability.

Éric Béranger meets Sébastien Lecornu, French Minister of the Armed Forces, at Eurosatory 2022 exhibition.

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“We are resolutely committed to contributing to a safer and more sustainable planet and are engaging in an ambitious ESG journey.”

ÉRIC BÉRANGER
Chief Executive Officer

Starting in 2014 and especially after the invasion by Russia in February 2022, the war in Ukraine was a wake-up call, reminding Europeans of the necessity of a strong defence industry to secure Europe’s and European Union Member States’ sovereignty.

MBDA exists to help defend the sovereignty of our nations and our continent. By sovereignty, I mean the freedom of appreciation of a situation, the freedom of decision and the freedom of action. This is a prerequisite for being free to choose an inclusive and sustainable model of society. It goes also with ethics and the way we are ensuring, both on a daily basis and in terms of the long-term strategy definition, sovereignty for our customers.

This Sustainability Report sets out what MBDA is doing at Group-level to be a responsible corporate citizen. The report notably presents our new ESG Roadmap, which was a significant milestone for us in 2022. It sets out the progress we have made in 2022, with highlights from across the Group, as well as our priorities going forward.

In terms of environmental ambitions, MBDA aims to be an exemplary defence player in the fight against climate change, moving towards net zero by 2050 and with clear objectives with respect to emissions, energy and waste.

MBDA strives to be an attractive employer for new recruits and to inspire pride in our employees. As part of this ambition, we have set objectives in relation to work safety, employee learning, gender equality, and diversity and inclusion.

Part of our mission is always to abide by the highest ethical and professional standards. We have thus set ourselves voluntary governance objectives in terms of compliance and corporate ethics, but also in terms of ESG, with the establishment of an ESG committee with executive involvement and ESG criteria in the incentive part of executive remuneration.

Taken together, these objectives form a solid ESG strategy which is consistent with our wider values and vision and which will guide us over the coming years.—

Our Operations in 2022

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

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

United Kingdom

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

Germany

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

Spain

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

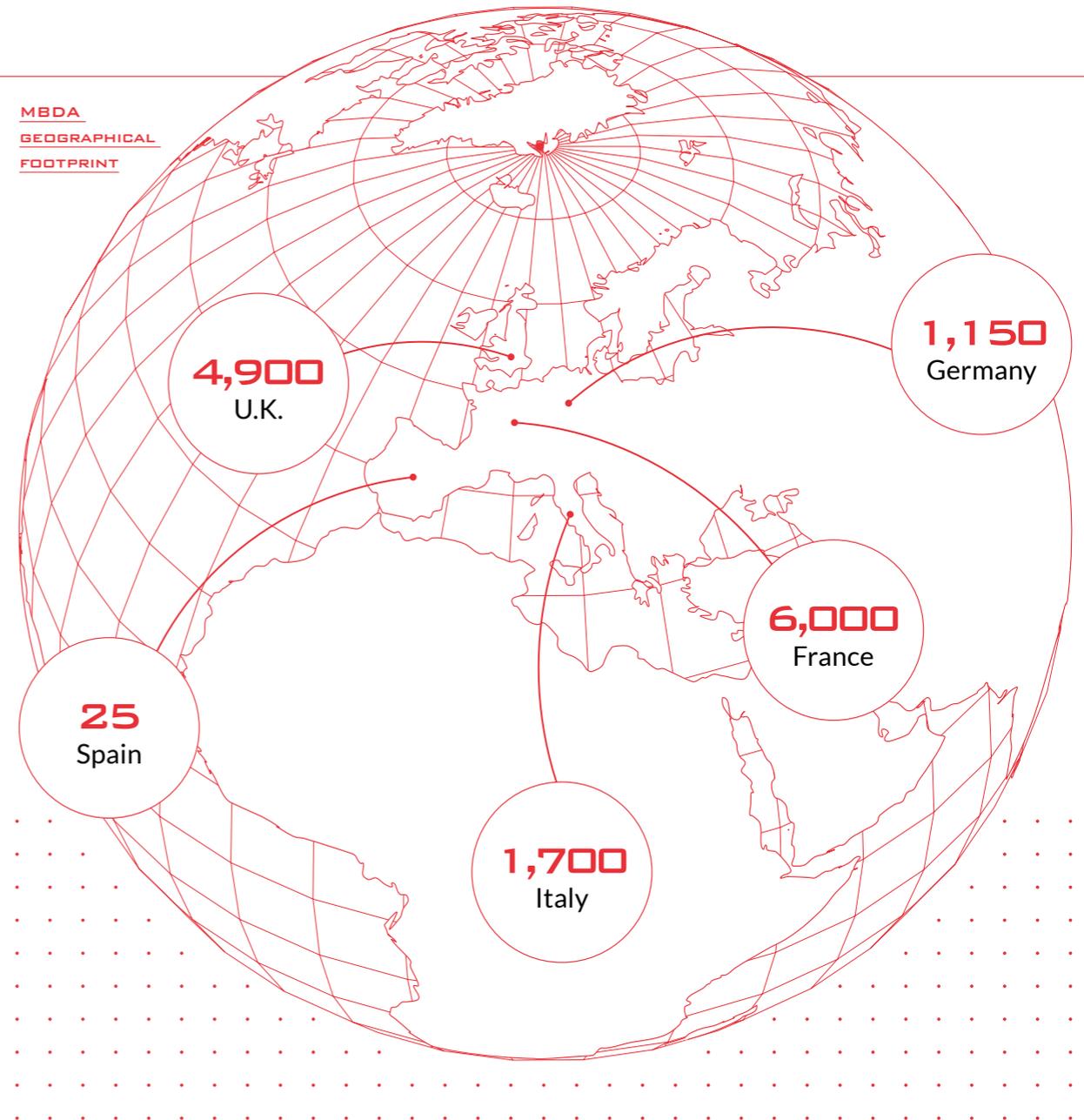
Italy

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

France

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

MBDA GEOGRAPHICAL FOOTPRINT



Our Business Model

THE SIX MEGATRENDS SHAPING OUR BUSINESS MODEL

:: Geopolitical Risk :: Battle for Talent :: Sustainable Supply Chain ::

:: Digital Transformation :: Future Weapons Systems :: Climate Change ::

Our Resources



FINANCIAL

- €4.2bn revenue (2022)
- €22.3bn order backlog (2022)
- €9bn order intake (2022)



INDUSTRIAL

- Integrated player on the whole value chain for the design, development, production and support services of complex missile systems
- Capabilities demonstrated on more than 45 missile systems programmes in operational service, with 15 more in development
- 10 R&D centres across 6 countries
- Strong ties with 7,000 suppliers



HUMAN

- Over 13,000 employees, 60% in technical and engineering roles
- More than €10.5m invested in learning and development actions in 2022
- 359,128 employee hours dedicated to learning
- More than 570 internal lecturers across the Group who share knowledge and develop employees' skills



SOCIETAL

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



ENVIRONMENTAL

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

Our Mission

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

Value Proposition for Customers

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

Our Six Capabilities



ESG in line with our strategy

Our ESG Roadmap **enhances our business model** by driving growth, creating value, **reducing environmental risk, increasing employer attractiveness** and **ensuring excellent governance.**

Value Created



FINANCIAL

- Excellent financial performance
- 16% accessible world market share, 60% of our domestic markets and 30% of the European market



INDUSTRIAL

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



HUMAN

- Increasing representation of underrepresented groups (including 23% female employees) and ambitious targets for 2030
- 12,443 employees have taken part in formal training in 2022
- MBDA UK ranked #6 Best Big Company to Work For in 2022 by Best Companies (b.co.uk)



SOCIETAL

- Enabler of European sovereignty and strategic autonomy
- MBDA submitted 10 bids in the framework of the European Defence Fund, representing a cumulated budget of €4.5m
- Many charities and associations supported across the Group



ENVIRONMENTAL

- 45% reduction in carbon intensity (teq CO₂/million EUR revenue) since 2019
- Increasing share of renewables in the energy mix

Our DNA: Sovereignty

MBDA is first and foremost an instrument of sovereignty.

For us, sovereignty means freedom of assessment of a situation, freedom of decision and freedom of action to protect our model of society.



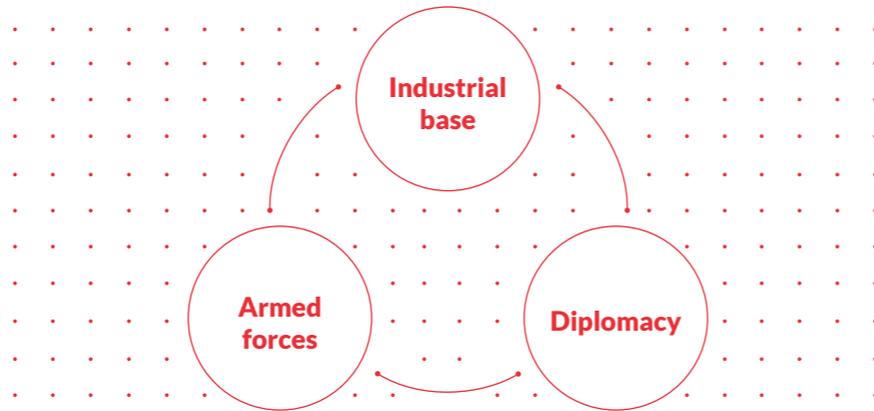
'Our sector is not like any other. Working at MBDA means joining the defence community and its strategic stakes. We take pride in the contribution we make to the sovereignty, security and stability of our home nations and of our allies. What we do every day really matters!'

PHILIPPA KRAMER
Executive Group Director Human Resources

→ MBDA supports the sovereignty and peaceful prosperity of our home nations and their allies by delivering the essential military capabilities that they need.

As a major player in French sovereignty, MBDA designs and manufactures the airborne nuclear component of the French deterrence. We work with the highest level of precision technology to maintain and improve the performance and reliability of these vectors, in particular thanks to our work on hypersonics. This is part of our commitment to excellence.

The three pillars of sovereignty

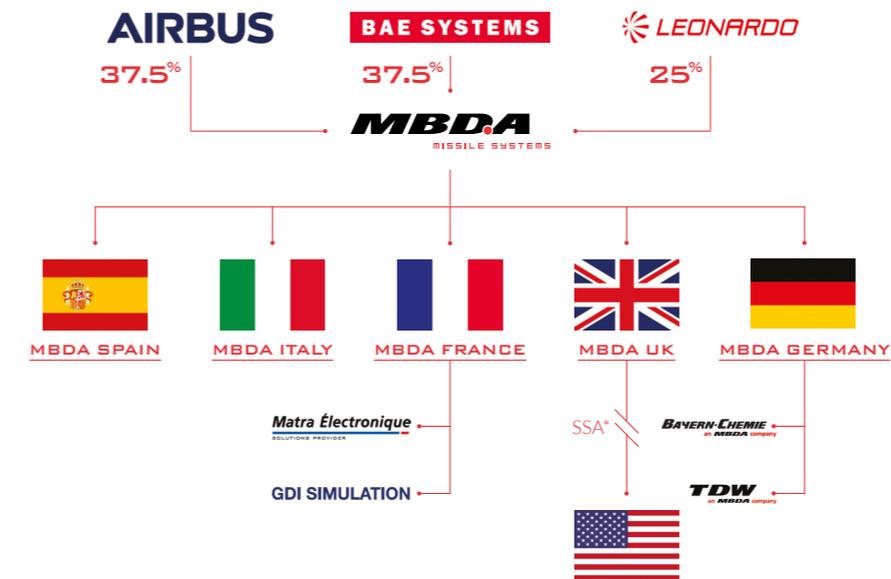


Our DNA: Cooperation

Cooperation is our strength, allowing us to consolidate our resources and reach critical mass.

→ Providing our armies with operational superiority requires human, financial, industrial and technological resources which none of our nations can provide individually. It is thanks to cooperation that we can pool industrial resources, provide economies of scale to our home nations, and maintain a competitive position in relation to other global defence players. MBDA ensures the interoperability of most of the missile systems, which in turn facilitates multilateral defence cooperation.

A KEY ACTOR IN EUROPEAN DEFENCE COOPERATION



COOPERATION IN 2022

- In 2022, the MARSEUS project led by MBDA was one of the first projects selected by the European Commission as part of the European Defence Fund
- In February, France and the UK announced the launch of preparation works for the Future Cruise/Anti-Ship Weapon programme, confirming the durability of the strategic relationship between the two countries
- MBDA is currently a participant in seven EU Defence Fund projects, and submitted bids for ten other projects in 2022
- In the last decade, 40% of our orders have come from cooperation programmes

*Legal agreement with the US Department of Defense to undertake activities under a Special Security Agreement and to have confidentiality authorisations to conduct classified activities in the United States.

Megatrends and Commitments

1/3

Geopolitical Risk



The war in Ukraine is a wake-up call that requires us to do more, in a more coordinated way and at a faster pace.

→ Western governments are looking to increase defence spending as a result of growing geopolitical instability following Russia's invasion of Ukraine, both to assist Ukraine and to replenish weapons stockpiles and bolster their arsenals.

As a contributor to the sovereignty and the strategic autonomy of our home nations and customers, MBDA has an

increased responsibility due to an uncertain geopolitical context, including the threat of high-intensity conflicts.

MBDA missiles and systems have been included in aid provided to Ukraine by NATO members. In February 2022, France and Italy agreed to deliver SAMP/T vehicle-mounted air defence systems, which will help Ukraine defend itself from Russian airborne threats. —

Hybrid warfare

Strategic autonomy

Instability

Deterrence

\$2,240BN

Total global military expenditure in 2022, a real-terms increase of 3.7%

Source: Stockholm International Peace Research Institute (SIPRI), 24 April 2023.

Battle for Talent



Society and the world of work are changing. Employees have new expectations of their employers and the battle for talent is fierce.

→ These changes call for more flexible, creative and innovative thinking. In order to attract and retain talented people, MBDA is committed to creating a diverse and inclusive environment for its employees.

We're proud to offer our employees a career with meaning and we strive to be an employer they can be proud of. Our ESG Roadmap sets ambitious targets to increase the representation of previously underrepresented groups.

The changing world of work also calls for upskilling. MBDA is defining a new Skills and Competencies Strategy to provide a best-in-class learning experience and help our employees develop the critical skills of tomorrow. Our employee learning strategy is based on our ambition to become a Learning Organisation by 2030 and on our focus on learning and knowledge-transfer as a vision for our long-term success. —

New employee expectations

Changing world

Skills of the future

Employability

463,000

people directly employed by the defence industry in Europe

Source: European Union Fact Sheet 2023.

Megatrends and Commitments

Sustainable Supply Chain



The war in Ukraine necessitates adaptations along the whole industrial supply chain.

→ The war adds to the complexity of the defence industry's supply chain, already affected by shortages of raw materials and component parts, extended lead times and price increases.

In the coming years, the shift from global to regional sourcing is likely to accelerate. The defence industry will need to work closely with governments

to ensure stocks of strategic materials and parts and reinforce local production capacities.

Through our partnerships with SMEs and our innovation policy, we promote creativity and openness to external ideas in order to always be better positioned to face challenges and ensure a sovereign supply chain. —

90%

of manufacturing executives have experienced an increased frequency of disruptions

Logistics

Procurement

Raw materials

Suppliers

Source: Deloitte Insights, 'Meeting the challenge of supply chain disruptions', September 2022.

Digital Transformation



The current era is characterized by very rapid transformations due to the diffusion of digital technologies.

→ Investing in advanced digital technologies is crucial to speed up our industrial productivity, drive competitiveness, and to help mitigate risk. Being at the cutting edge of technological innovation is also essential to ensure MBDA's attractiveness. Digital tools will also improve the monitoring of different metrics, including ESG-related indicators.

MBDA is transforming its engineering practices through model-based engineering, rapid agile prototyping, digital

continuity, advanced modeling, artificial intelligence-based design, data management and cyber protection.

Threats to the security of information and operational technology systems pose a significant risk to the defence industry. Ensuring that we have a sound and robust system in place to manage cyber security risks across the Group is one of our top priorities. Our efforts are coordinated by the Group Cyber Committee, which reports directly to the Executive Committee.—

62%

of manufacturers plan to focus on robotics and automation to increase operational efficiency over the next 12 months

Artificial intelligence

Data analytics

Smart factory

Digital literacy

Source: Deloitte, Manufacturing Industry Outlook 2023.

Megatrends and Commitments

Future Weapons Systems



Interoperability

Weapons systems

Innovation

3D Printing

The weapons systems of tomorrow will be dependent on a wide range of digital technologies, connectivity and effective cybersecurity.

→ MBDA has engaged in the development of advanced networked systems and collaborative weapons that will deliver unprecedented performance. Digital technologies, including artificial intelligence, enhanced connectivity and cybersecurity are the pillars of these future weapon systems.

Part of MBDA's value proposition is to ensure the interoperability of weapons systems through standardization of interfaces for its home nations and within NATO. Standard interfaces also allow for economies of scale and increased

collaboration in European defence. Our sector is one of the most highly regulated in terms of product design, testing, and sales, and as technology evolves in such fields as AI, we ensure ethical processes are adhered to.

Our innovation policy, including through supporting start-ups, ensures our products incorporate cutting-edge technologies to continue delivering operational capability superiority to our customers. We also innovate to reduce the carbon footprint of our processes, which is an increasingly important priority for our customers. —



Source: McKinsey & Company, 'Invasion of Ukraine: Implications for European defense spending', December 2022

Climate Change



Energy security

Decarbonization

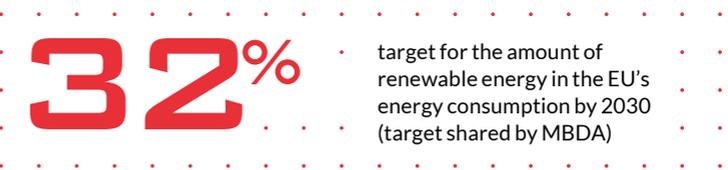
Energy transition

Renewables

MBDA recognises the devastating impacts of climate change and is committed to being part of the effort to mitigate them.

→ Like other industries, the defence industry has a share of responsibility for greenhouse gas emissions and environmental impacts, both through its own activities and those of its suppliers. Industry players are striving to decarbonize and improve their environmental performance, including by developing new and safe means of decommissioning weapons.

MBDA has set itself the goal of moving towards carbon neutrality by 2050. Our Net Carbon Neutrality 2050 roadmap establishes our environmental approach around four pillars: promoting renewable energies, optimising energy efficiency, minimising our environmental impact, and developing carbon sinks. —



Source: European Commission.

Our Stakeholders

Employees

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

Customers

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

Suppliers

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

Partners

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

Shareholders

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

Subsidiaries & Joint Ventures

→ In partnership with best-in-class industrials, we are engaged in joint ventures such as Eurosam, ParSys, RamSys, Taurus, Roxel, Cilas, and, outside Europe, LT-MMSL (Larsen & Toubro MBDA Missile Systems Limited) in India, and SAMI-MBDA in Saudi Arabia. Through these, we contribute to the development of the defence sector through continuous R&D and technological innovation.

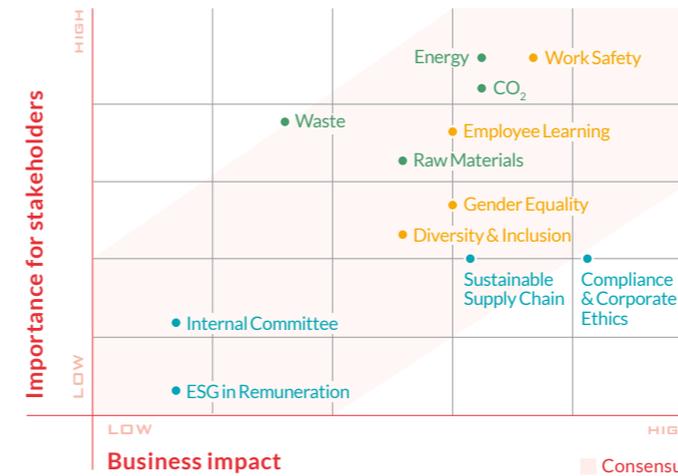
Local Communities

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



MBDA Materiality Matrix

In 2022, our Materiality Matrix ranked Work Safety as the top priority for stakeholders and Compliance the most impactful for business.



Methodology

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

Preparation

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

1. Assess importance for stakeholders

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

2. Assess business impact

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

3. Consolidate and communicate results

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

Next Steps

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

Our ESG Strategy

Our ESG Roadmap

In 2022, we defined our ESG Roadmap. This establishes a Group-level approach for integrating sustainability practices across our national companies. The Roadmap is integrated within the Group's wider strategy plan, Vision 2040.

The Roadmap gives us a framework in which to highlight our existing initiatives, helping us to create value and increase the attractiveness of the Group while mitigating environmental, social and governance risks.

Our 12 ESG Priorities

To create our ESG Roadmap, we analyzed industry trends and engaged with internal and external stakeholders to create our materiality matrix and define the 12 most material sustainability issues for our stakeholders and our business.

These 12 priority issues are organized around three pillars:

Environment	Social	Governance
Energy	Work Safety	ESG Committee & Executive Involvement
CO ₂	Employee Learning	ESG in Remuneration
Waste	Diversity & Inclusion	Compliance & Corporate Ethics
Raw Materials, Biodiversity & Water	Gender Equality	Sustainable Supply Chain

A Five-Year Action Plan

After the core issues were established, we worked with internal stakeholders to create a five-year action plan with specific objectives and indicators against which we track our progress.

ESG governance structures have been set up to ensure the progress of this action plan. Our action plan can, however, be updated, if necessary, based on the changing needs of our business. We continually monitor environmental, social and governance risks and opportunities to stay informed of shifting and emerging trends.

We will continue to develop our ESG strategy to address the challenges that our company, our industry, our society and our planet face while disclosing our performance in as transparent a manner as possible.

Our Commitment to Sustainable Development Goals

Through our ESG Roadmap, we aim to contribute to a more sustainable world and specifically to the achievement of United Nations Sustainable Development Goals:

Good Health and Well-Being



Quality Education



Gender Equality



Decent Work and Economic Growth



Industry, Innovation and Infrastructure



Responsible Consumption and Production



Climate Action



Life on Land



Peace, Justice and Strong Institutions



Partnerships for the Goals



Environment

At MBDA, we are committed to making our planet more sustainable. This means limiting our environmental impact and creating virtuous value chains.



Move Towards Net Carbon Neutrality

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

RESULTS

In 2022, our total carbon emissions (Scope 1 and 2) amounted to **17,752** teq CO₂ emissions (-36% versus 2019)

Our carbon intensity has improved throughout the years (-45% versus 2019):

2022	5.31 teq CO ₂ /million EUR of revenue
2021	7.58 teq CO ₂ /million EUR of revenue
2020	8.70 teq CO ₂ /million EUR of revenue
2019	9.73 teq CO ₂ /million EUR of revenue

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



→ Promote renewable energies to lower carbon footprint



→ Optimise and monitor energy efficiency



→ Minimise our environmental impact



→ Develop carbon sinks to offset carbon emissions

HIGHLIGHTS

– Solar photovoltaic panels installed at MBDA Italy Fusaro and Rome sites



– Majority of main sites in UK and Italy supplied their electricity contract with 100% renewables of guarantee of origin

– In France, our Selles-Saint-Denis site uses biomass as its main source in their heating installation

Optimise Energy Efficiency

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

SWITCHING TO RENEWABLE ENERGIES

Total energy consumption in 2022: **172,100** MWh (-15% versus 2019)

HOW?



→ Improve energy efficiency each time we upgrade our infrastructure



→ Study the feasibility of producing energy for onsite consumption



→ Optimise energy efficiency at datacenters



→ Monitor and control the energy efficiency of our infrastructures and processes



→ Generalise installation of LED lighting on relevant sites

2022	66% Low carbon energies
	22% renewable energies (up from 13% in 2019)
2030	80% Low carbon energies
	32% renewable energies
2050	95% Low carbon energies
	50% renewable energies

HIGHLIGHTS

– At MBDA France, a new energy platform optimizing and reusing heat produced by refrigeration enables 20% electricity savings



– MBDA UK has launched a series of initiatives to reduce its reliance on natural gas

– MBDA Italy installed solar films on windows to lower the energy consumption of heating, ventilation and air conditioning

Prevent and Manage Waste

WHY?

By sorting, reducing and recovering waste generated throughout our production chain, we are proactively improving our environmental performance. In 2022, we have set a Group-wide target to complete waste sorting in all national companies.

HOW?



→ **Completion of waste sorting** in all national companies at 100% before 2023



→ **Increase recycling rate** of non-hazardous and hazardous industrial waste



→ **Improve recycling of non-industrial waste** (paper, plastics and IT equipment)



→ **Increase biowaste recovery**



→ **All sites in UK, France and Italy are certified ISO 14001**, and MBDA UK is certified ISO 50001



HIGHLIGHTS

– At Plessis Robinson site in France, replacement of individual waste bins with sorting point in all offices



– At MBDA UK, general waste is predominantly recycled, reused or recovered, avoiding 279 t. of CO₂ emissions

– MBDA Italy is introducing a new technology (water films vs dry filters) to eliminate liquid hazardous waste

Protect and Make Better Use of Our Resources

WHY?

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



Protecting biodiversity in the UK

At MBDA UK Thurleigh site, actions are undertaken to promote biodiversity, including the installation of bird feeders and owl nest boxes, the planting of wildflowers and the development of a wildlife pond and corridors. This has contributed to positive community and employee wellbeing as visitors and residents spot rare sightings of wildlife.

HOW?



→ **Development of a comprehensive water and biodiversity action plan** covering all NatCos



→ **Establishment of a team** dedicated to managing compliance with REACH regulations



→ **Investment in R&D** to improve environmental performance of our materials



→ **Reduction in material use** through 3D printing technology



→ **Development of low-carbon transport** infrastructure and mobility practices

HIGHLIGHTS

– **Flora and fauna protected** in the construction of five new pyrotechnics storage facilities at MBDA France inaugurated in 2022



– **MBDA Germany application** for the Blühender Betrieb Award for protection of biodiversity

– **MBDA Italy is contributing to the reforestation** of green spaces on its sites

Our Environmental Initiatives



In 2022, an extension of the missile decommissioning facility was opened in France



Opening of the extension at Bourges Subdray
© LUTANIE Daniel / MBDA

When our products reach the end of their lifecycle, MBDA offers a service for their safe decommissioning. To better meet the growing demand for this activity, an extension of the decommissioning facility was inaugurated in November 2022 at the Bourge Subdray site in France.

This new building complements the decommissioning units already in place on the site since 2014, which have already led to the dismantling of 1,400 missiles and propellants

as well as various types of ammunitions (including more than five million cartridges).

Designed to minimise environmental impact, the new facility will reduce discharge volumes by 80% thanks to a highly efficient water treatment system. This system allows it to operate partly in a closed circuit, which consumes less water and sends less polluted water for reprocessing. The facility also boasts excellent energy management thanks to a highly innovative energy recovery system. —

Strengthening sustainability in military equipment manufacturing in the UK



MBDA UK is developing a lifecycle and cross-functional approach to considering the environmental impact of our products and services from start to finish.

Technical teams are using digital intelligence databases such as Granta to consider how eco-design selection can help avoid the use of hazardous materials, design for reusability, ensure tactical performance and reduce manufacturing costs.

An example of our impact includes an Additive Layer Manufacturing initiative which produces parts with lower materials usage, with clear performance benefits such as design freedom and part count reduction, reducing complexity, cost and mass for optimum performance.

The teams have also helped the UK Government and NATO understand supply chain risks associated with critical and strategic international resources.

In 2023, MBDA UK is channelling its innovation and sustainability capabilities as a partner in the UK Government and industry collaboration Team Tempest, and the company's related work. Through the Tempest Early Careers Network (TECN), our people are working on transformational projects, including how sustainability can have a positive impact on the endeavour amongst industry and government partners.

Optimising our environment impact through our buildings in Italy and Germany

Improving the energy efficiency of our buildings is a concern across all national companies. At MBDA Italy, solar films have been installed on the windows of the Rome and La Spezia sites to reflect sun's rays. This has allowed us to reduce our energy consumption for air conditioning during the summer. At MBDA Germany, a laboratory building was retrofitted to comply with the latest thermal insulation regulations in an initiative co-funded by the government. —

Technology Demonstrator for Direct Manufacturing of Lightweight Structure using Additive Layer Manufacturing Process
© MBDA

Social

By implementing various initiatives across our national companies, MBDA aims to create an attractive environment for new recruits while guaranteeing that our employees can develop.



Ensure Excellent Work Safety Conditions

WHY?

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

SPOTLIGHT ON SAFETY



□ fatalities

□ pyrotechnical accidents

Stable level of reportable accidents with more than three days' absence from work across our sites in comparison to 2019, with

21 accidents in total

HOW?



→ **Maintain number of reportable accidents** per 1000 employees below 2.0



→ **Strengthen audits and inspections** across sites



→ **Enrich work safety data** through more detailed KPI monitoring



→ **Diffuse work safety culture** through healthy lifestyle campaigns and first aid training

HIGHLIGHTS

— **ISO 45001 certification** in France, Italy and the UK



— **Monthly informal participatory exchanges** on safety in France

— **Around 15% of employees** in Germany completed first aid training

Our Commitment to a Constructive Dialogue

We are committed to listening to our employees. Involving them in corporate governance is key to guaranteeing employee fulfilment and establishing a sustainable and healthy business.



We maintain close relationships with trade unions in all the countries in which we operate.

In order to improve the exchange of information between management and employee representatives, MBDA has a European Works Council (EWC). The MBDA EWC is an information and consultation body established to share information and, where appropriate, consult with staff representatives at a European level on transnational matters related to the company.

Established in 2002 in accordance with European Directive 2009/38/EC, the EWC body meets three times a year and consists of 21 staff representatives nominated by trade unions from across the four NatCos as well as eight management representatives.

European Works Council meetings take place in an environment of openness and transparency to ensure that the voices of both management and employees are heard and taken into account. A new four-year agreement was signed in 2020 reflecting the demands of both employees and management. —

Employee Opinion Survey

Conducted every two years, the Employee Opinion Survey (EOS) is a key tool which we use to listen to our employees' views and integrate their feedback into our action plans. The 2021 EOS had a high participation rate, and we took key messages from employee feedback, notably on improving collaboration and the integration of newcomers. The responses have provided the foundation of the 2022 action plan shared with all employees and trade unions and deployed across the directorates.

Employee Wellbeing

At MBDA, we are committed to providing an excellent working environment which fosters employee wellbeing and engagement.



Our efforts have been widely recognised. In 2022, MBDA UK was ranked 6th Best Big Company to Work For in the UK (b.co.uk), scoring in the top five for wellbeing. In France, MBDA is considered an employer of reference and was recognised by Universum as one of the most attractive employers for engineers in 2020.

Health

MBDA UK runs an annual calendar of campaigns to raise awareness of health and wellbeing issues, championed by members of the UK leadership team. In March, MBDA UK became a founding member of Neurodiversity in Business (NiB), a business-led forum for sharing best practices on neurodiversity recruitment, retention and

empowerment. In 2023, MBDA UK will exhibit at the first NiB Conference in London.

In June, MBDA France partnered with the French Cardiology Federation to run a campaign raising awareness of cardiovascular risk, with over 500 employees receiving check-ups. In September, a medical consultation booth was piloted to provide access to medical advice in Selles-Saint-Denis and in Bourges, where it can be difficult to find a general practitioner. At MBDA Italy, a “Wellness Pills” initiative has been launched to promote good health and raise awareness of tobacco addiction and cardiovascular problems.

In Germany, Learning and Development piloted a special new training for managers “Sich und andere gesund

führen” (Leading oneself and employees in a healthy manner). The training aims to help managers to deal with stress and to stay healthy in their leadership role. They are also trained how to lead employees to avoid psychological strains, to manage employees with mental health issues and to set boundaries.

Work-life balance

Our employees benefit from a number of initiatives which support families, such as enhanced maternity and paternity pay, additional paid leave for neonatal care, financial support for childcare, and coaching schemes for those returning from maternity leave. In Italy, for example, as part of the National Collective Contract, statutory maternity allowance is topped up to 100% of salary. —

06

Cultivate the Skills of Tomorrow

WHY?

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



How?



→ Build the Group-level Skills and Competencies Framework



→ Improve the quality of our learning offer, focusing on a blended learning offer



→ Map national training offers in order to share initiatives and create synergies across the Group



→ Develop innovative and digital learning formats, ecosystems and tools



→ Increase the share of employees who have a defined development plan



→ Sustain the high percentage of employees trained each year (>90%)

Developing talents

MBDA runs leadership programmes with HEC Paris. In 2022, 77 Emerging Executives and Top Executive Talents from all national companies joined the programmes. In France, we offer our employees the opportunity to pursue a Master’s degree with the Conservatoire National des Arts et Métiers. Three cohorts are currently studying and 12 employees graduated with an engineering diploma in 2022. Over the 2022-23 period, BDA Italy’s Young Talent Project is supporting 36 young employees to develop their soft skills and managerial competencies, define individual career plans, and promote inclusion.

HIGHLIGHTS

— Completion of 161 learning and development projects in 2022

— Creation of a Learning Factory dedicated to pedagogical innovation in France, with one being created in the UK

— Recognition for MBDA UK with a gold award from The 5% Club and three golds at the Investors in People Awards

07

Expand Equality, Diversity and Inclusion

WHY?

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

PERSPECTIVE



'I am pleased that we have set common goals and ambitions for MBDA Group because diversity and inclusion is important for our entire company. We know that if we do not have a diverse and inclusive workplace, we are missing out on opportunities; opportunities for innovation and opportunities for better business performance. **For me, it's all about role modelling the right behaviour and mindset.** Yes, we need to make changes to our processes, but each of us can show our commitment every day, through small acts that make MBDA a better place to work for everyone. It's how we all interact with one another, with our customers and with our stakeholders and how we operate in all our daily activities that will make the difference.'

LORENZO MARIANI

Executive Sponsor for ED&I, Group Executive Director SBD and MD MBDA Italia.

HOW?



→ In 2022, we established a **steering committee** made up of representatives from across the Group to define an ED&I framework



→ In 2023, we will build the **action plans to deliver our ambitions and launch the group ED&I framework to our employees** through engagement events



→ In each NatCo, we will meet or **exceed the legal requirements** for representation of disabled people in our workforce by 2025



→ By 2025, we will have a **robust action plan in place to continue to ensure equality and inclusion** for disabled employees



→ The ED&I framework aims to create a **culture and environment that is inclusive for all**



→ Specific ambitions for **gender equality and disability inclusion**

HIGHLIGHTS

– MBDA Germany received **Diversity Leader Award** from the Financial Times



– MBDA UK published its first **Ethnicity Pay Gap Report**

08

Strive Towards Gender Equality

WHY?

MBDA is committed to achieving more balanced representation of genders, and providing an environment where women can flourish at all stages of their careers. Traditionally, gender balance has been challenging within the defence and engineering sectors, but we are taking active steps to deliver meaningful and enduring change.

GENDER EQUALITY KPIS

23%
of our workforce are women

18%
of senior management positions are filled by women

22.7%
of new recruits are women



WOMEN IN STEM

'It's important to actively promote girls and women in STEM careers because a growing diversity in the workforce means gaining a variety of perspectives and ideas. Aside from social responsibility, workplace diversity benefits MBDA with a faster decision-making and an improved company reputation.'

ANNICA TOLL

TEC trainee Industrial Engineering, Germany

HOW?



→ A **Group-wide ambition of 30% women in our workforce by 2030**, including senior and top leadership positions



→ **Annual reporting** on the percentage of women in the workforce as well as initiatives undertaken



→ **Internal evaluation of progress** through recruitment, surveys and feedback

HIGHLIGHTS

– MBDA Germany employees took part in a year-and-a-half training course as part of the **Frauen in Führungspositionen (Women in Leadership)** initiative



– MBDA Italy took part in **Digital Recruiting Week STEM GIRLZ** to promote female graduates in STEM

– MBDA UK sponsored the **Institution of Engineering and Technology Young Women Engineer of the Year Awards**

Inspiring Women at MBDA



In 2022, we ran our first Inspiring Women at MBDA events. Suzanne Jude, Head of Business Development Air Dominance, explains why she set up the Inspiring Women at MBDA network.

‘When I moved into a Group role a couple of years ago, I realised just how few women I encountered in the course of my day-to-day work,’ says Suzanne Jude.

‘These events were hugely motivating and rewarding, and we now have some great ideas for how we can continue to work together, and include colleagues of all genders, to increase gender inclusion at MBDA.’

‘So we brought together a group of women from across our NatCos [National Companies] who are all passionate about this topic, to create an international network to share experiences, discuss career development and provide role model and mentoring opportunities.’

In 2023, the network will hold face-to-face events in the UK and Germany, and virtual events open to employees from all NatCos. The theme of the first event in 2023 will be ‘the role of allies’.

Over 30 people attended the first event in Paris and over 50 attended the second event in Rome.

“Gender equality in the defence industry has come a long way since I started in my career, but we still have a way to go.”

SUZANNE JUDE
Head of Business Development Air Dominance

Community Outreach and Charitable Activities

We generate a positive impact in the regions where we operate and we supported many different initiatives in 2022.

The MBDA UK Charity Dinner 2022 raised £235,000 for a range of local and military charities. Over the last 12 years, the annual dinners have raised over £2.6 million.

Helping people into work

MBDA France works with a range of associations on mentoring, internships, open days and employment opportunities. In April, MBDA France worked with EPIDE, a public agency for social inclusion, to help ten underprivileged teenagers to look for work. In November, MBDA France partnered with the association Elles Bougent to welcome female students during Industry Week. Also in November, a Duo Day was held in which 15 employees paired with people with disabilities to introduce them to the different roles within MBDA. —

In 2022, MBDA Germany made donations to a wide range of charities, including: the Soldiers and Veterans Foundation; Sozialwerk e.V.; QueerBw, for the promotion of the LGBTQI+ community in the armed forces; and Wünschewagen, which supports seriously ill people in their last phase of life. MBDA Italy also donated to a wide range of charities in 2022, including the Italian Multiple Sclerosis Association (AISM), National Association of Families of People with Intellectual and/or Relational Disabilities (ANFFAS), Cancer Research Foundation (AIRC), and the Institute for Orphans of Military Personnel (Andrea Doria).

Supporting Ukraine

In March, MBDA Germany donated to the Bavarian Red Cross in Munich in support of their activities to help Ukrainian refugees (accommodation, integration, care). The Schrobenhausen plant fire brigade also donated firefighters’ clothes and protective equipment in support of Ukraine.



MBDA UK Charity Dinner
© MBDA
Donation to Wünschewagen
© MBDA

Governance



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



Internal ESG Committee and Executive Involvement

WHY? Our ESG strategy is how we contribute to a safer and more sustainable planet. To implement, monitor and ensure the consistency of this strategy across the Group, an ESG committee has been set up, gathering representatives from each NatCo and the functions involved with ESG within the Group.

How? The ESG Committee meets at least four times a year and is tasked with:



→ **Assisting the Group General Secretary in defining and reviewing the Group ESG strategy**



→ **Supporting and reviewing policies, programmes and initiatives** related to ESG matters



→ **Providing business intelligence on ESG** with regards to regulatory developments



→ **Ensuring the alignment** and consistency of ESG matters with overall corporate strategy



→ **Monitoring KPIs** in each area



→ **Promoting an ESG culture** across the Group



ESG in Remuneration

WHY? MBDA intends to further align its governance with its ESG ambitions. Based on our ESG Roadmap, ESG incentives in remuneration have been introduced to drive positive behaviour and support change towards our vision of a more sustainable company.

PERSPECTIVE



'As the world faces unprecedented challenges, businesses have a greater responsibility to act as corporate citizens. By reinforcing our ESG strategy and governance procedures, we are committing to sustainable growth and to being a responsible corporate actor. Part of the way we bring ESG priorities into decision-making is by integrating KPIs into the incentives of Executive Committee members. **I am confident that together, with the involvement of senior management and employees, we will continue to drive positive change** and contribute to a safer and more sustainable planet.'

MORENA BERNARDINI
Group General Secretary

How?



→ **KPIs related to CO₂ emissions, work safety and gender equality** to be integrated in long-term incentives for all Executive Committee members



→ **Remuneration incentives to be extended** more widely

Compliance and Corporate Ethics

WHY?

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

OUR PRINCIPLES

- 1. Integrity**
 - Respecting fair competition and preventing the undue influence of any third party
- 2. Transparency**
 - Remaining open about decisions relating to the tender process
- 3. Honesty**
 - Ensuring sufficient and accurate information in our tender documents
- 4. Responsibility**
 - Defining clear roles and responsibilities through appropriate Group procedures
- 5. Traceability**
 - Maintaining strict documentation of all decision-making

HOW?



→ **Our Code of Ethics** sets out the principles of business conduct that guide our day-to-day relationships



→ **The Business Ethics Committee** supervises the implementation of these policies, and an Export Compliance Steering Committee oversees export control issues



→ **Our Anti-Bribery and Corruption Program** goes beyond local laws and reflects the principles of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business



→ **We comply with all anti-bribery and corruption laws in the countries where we operate**, including the UK Bribery Act 2010, Italian legislative decree 231/2001, and French law no. 2016-1691 (Sapin II)



→ **Multiple reporting channels** for a speak-up and listen-up culture



→ **We comply with strict export laws and utilize control measures** to prevent supply of strategic products or technologies to countries or people representing a security risk (including terrorism, diversion or proliferation).

HIGHLIGHTS

– In 2022, nearly 100% of MBDA employees trained in the Code of Ethics

– We are increasing our anti-corruption training to cover 100% of at-risk staff

– We are committed to obtaining and maintaining ISO 37001 certification for our national companies by 2030

Sustainable Supply Chain

WHY?

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

HOW?



→ **In 2022, we started work to define a Sustainable Supply Chain Charter** which we will share with our suppliers and ask them to adhere to in the future



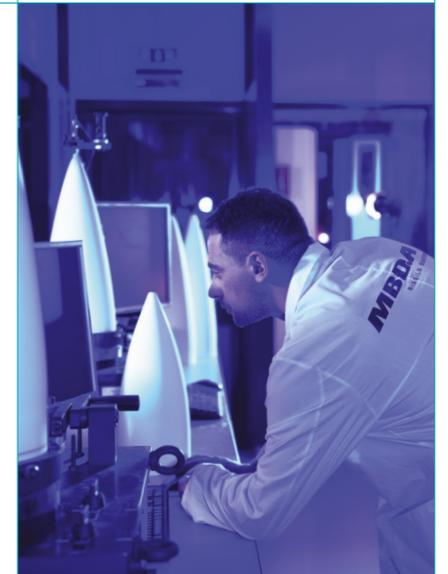
→ **In 2023, we plan to strengthen our supplier due-diligence and on-boarding process** currently in place



→ **We are committed to leveraging supplier relationship management to support local SMEs**



→ **We plan to raise awareness** of the Purchasing Team on ESG topics and specifically on human rights



HIGHLIGHTS

– MBDA France is a member of the PACTE PME initiative to strengthen relationships between companies and SMEs

– MBDA UK is a signatory of the Ministry of Defence SME Action Plan and a member of ADS Supply Chains for the 21st Century programme

– MBDA Italy started an action plan to include ESG requirements in the supplier procurement process

A Culture of Innovation

Innovation is one of MBDA's core values. Maintaining an innovation culture is crucial to ensure MBDA remains at the cutting edge of defence systems technologies and to attract and retain the best engineers.



MBDA invested in Delfox, a start-up specialising in artificial intelligence for autonomous drones

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How MBDA manages innovation

To prepare the next generation of products while maintaining the agility to integrate new technologies and respond to a changing world, MBDA seeks to find the right balance between programmatic innovation, based on top-down product and technology roadmaps, and open/entrepreneurial innovation, based on bottom-up employee creativity, external technology watch, and agile experimentation.

E3: Explore, Engage, Endure

Our E3 (Explore, Engage and Endure) open innovation approach aims to identify the most innovative SMEs and start-ups who can impact our field and develop industrial partnerships with them. MBDA also invests venture capital in start-ups. One recent example is Delfox, a French start-up specialising in artificial intelligence in the field of autonomous drones. In 2022, €1.25 million was raised for Delfox between MBDA and Naval Group.

Smart Visions

Our entrepreneurial innovation is based on two main programmes: Innovation Labs, which provide flexible funding to allow employees to experiment with new ideas or develop a proof of concept, and Smart Visions, our intrapreneurship programme which allows employees to test new business models.

The winner of Smart Visions 2021, RIDLE, is a codec technology that guarantees the transmission of video imagery in the harshest environments. The technology was entirely developed by MBDA employees, and, in 2022, RIDLE filed its first patents while receiving financial, legal and commercial support from MBDA.

Innovation Awards

Each year, MBDA rewards the most innovative teams with the MBDA Innovation Awards. For the 2022 Innovation Awards, 248 proposals were submitted, involving around

1,500 employees—equal to 11% of all MBDA employees.

Innovation through European cooperation

MBDA is also involved in a number of bilateral and European research funds as both coordinator and applicant. For example, MBDA leads the Franco-British research fund Complex Weapons—Innovation and Technology Partnership (CW ITP), which funds proposals from industry, SMEs and academia to develop novel technologies for generation-after-next missile systems.

At the European level, MBDA leads the consortium of the MARSEUS (Modular Architecture Solutions for

EU States) project, which in 2022 was one of the first projects selected by the European Commission for the European Defence Fund. The project—which involves 22 partners and sub-contractors from 11 EU countries, and will receive funding up to €25 million—aims to improve ground combat beyond-line-of-sight firing capabilities. —



Around 1,500 employees were involved in preparing proposals for the 2022 MBDA Innovation Awards

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About this report

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

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

Published in May 2023, this ESG report was written with the participation of all of the Group's National Companies (NatCos) and the contribution of its various departments.

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Graphic design, production, editorial and translation / WordAppeal & Studio L'Éclairéur

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