Second-Party Opinion

Airbus Green Financing Framework

Second-Party Opinion
Reviewed by:
MORNINGSTAR | SUSTAINALYTICS

Evaluation Date	December 11, 2024
Issuer/Borrower Location	Leiden, The Netherlands

Evaluation Summary

Use of Proceeds Instruments

Sustainalytics is of the opinion that the Airbus Green Financing Framework (the "Framework") is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023. The eligible categories for the use of proceeds – Best-in-Class and Zero Direct (tailpipe) CO_2 Emissions Aircraft, Alternative Aviation Fuel, Energy Efficiency and Renewable Energy, Digital Solutions for Space-Based Earth Observations, and Circular Economy – are aligned with those recognized by the Green Bond Principles and Green Loan Principles and will lead to positive environmental impacts.

Alignment with the EU Taxonomy

Sustainalytics has assessed the Framework for alignment with the EU Taxonomy's criteria for Substantial Contribution (SC) to its environmental objectives and Minimum Safeguards. For more details, please see Section 1 and Appendices 1 and 2.

Climate Transition Finance Handbook

Sustainalytics has evaluated Airbus' transition governance, strategy, decarbonization targets and intentions to report on transition progress and finds Airbus to be aligned with the recommendations of the Climate Transition Finance Handbook 2023.

The UoPs contribute to the following SDGs:

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Scope of Work and Limitations

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[1] opinion on the alignment of the Framework with current market standards. As part of this Second-Party Opinion, Sustainalytics assessed:

- The Framework's alignment with: the Green Bond Principles 2021 and the Green Loan Principles 2023; [2,3] and the EU Taxonomy Climate Delegated Act and the Environmental Delegated Regulation; [4,5]
- Alignment of Airbus with the recommendations of the Climate Transition Finance Handbook 2023;[6]
- Alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

As part of this engagement, Sustainalytics held conversations with representatives of Airbus' management to understand the sustainability impact of its business processes and the Framework's core components. Airbus representatives confirmed that:

(1) They understand it is the sole responsibility of Airbus to ensure that the information provided is complete, accurate and up to date;

(2) They have provided Sustainalytics with all relevant information;

(3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Airbus. Sustainalytics' Second-Party Opinion assesses alignment of the Framework with current market standards but does not provide any guarantee of alignment nor warrants alignment with any future versions of such standards.

For use of proceeds instruments, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics' expertise as an ESG research provider. This Second-Party Opinion addresses the anticipated impacts of eligible projects but does not measure their actual impact. Reporting and measuring impact of projects financed under the Framework is the responsibility of the Framework owner. In addition, this Second-Party Opinion assesses the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

No information Sustainalytics provides under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related circumstances that Airbus may have disclosed to Sustainalytics for the purpose of this Second-Party Opinion.

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[1] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.
[2] The bond-related principles, guidelines and handbooks are administered by the International Capital Market Association and are available at: https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/
[3] The loan-related principles and guidelines are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association, and are available at: https://www.lsta.org/content/?_industry_sector=guidelines-memos-primary-market
[4] EUR-Lex, "Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021", (2021), at: https://eur-lex.europa.eu/eli/reg_del/2021/2139/oj/eng
[5] EUR-Lex, "Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023", (2023), at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302486
[6] The Green Bond Principles and the Climate Transition Finance Handbook are administered by the International Capital Market Association and are available at: https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/

Introduction

Airbus SE ("Airbus" or the "Company") is an aircraft manufacturing company that specializes in designing, developing and delivering aerospace products and services to customers globally. Headquartered in Leiden, the Netherlands, Airbus employs nearly 148,000 people and operates in 180 locations worldwide.[7] In FY2023, Airbus generated revenue of EUR 65.4 billion from three main operating segments: commercial aircraft (72%), helicopters (11%), and defence and space (17%).[8]

Airbus has developed the Airbus Green Financing Framework dated December 2024 (the "Framework") under which it intends to issue secured (including covered bonds)[9] or unsecured bonds, convertible bonds, loans[10] and commercial paper. Airbus engaged Sustainalytics to review the Framework and provide a second-party opinion on the Framework's alignment with market expectations, including the Green Bond Principles 2021 and Green Loan Principles 2023, the recommendations of the Climate Transition Finance Handbook 2023, and the EU Taxonomy. The Framework will be published in a separate document.[11]

Under use of proceeds instruments, the proceeds will finance and refinance, in whole or in part, existing or future projects that are expected to reduce the environmental footprint of Airbus' operations and products, and advance the Company's sustainability strategy. The Framework defines eligibility criteria in five areas:

1. Best-in-Class and Zero Direct (tailpipe) CO_2 Emissions Aircraft
2. Alternative Aviation Fuel
3. Energy Efficiency and Renewable Energy
4. Digital Solutions for Space-Based Earth Observations
5. Circular Economy

[7] Airbus, "Our Worldwide Presence", at: https://www.airbus.com/en/our-worldwide-presence
[8] Airbus, "Airbus Annual Report 2023", (2024), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[9] Airbus has confirmed that it may use the Framework to issue secured or covered green collateral bonds, and secured or covered green standard bonds and will distinguish between a secured green standard bond and a secured green collateral bond in the offering documentation, as per the guidelines published in the June 2022 Appendix 1 of the GBP 2021. Airbus will ensure that there will be no double counting of green projects under a secured green bond and any other outstanding green financing instruments. Additionally, Airbus has confirmed that: i) the proceeds of a secured or covered green standard bond will be allocated to eligible projects; and ii) the collateral underlying the securitization of a secured or covered green collateral bond will meet the criteria in the Framework.
[10] Airbus has confirmed to Sustainalytics that it will not use the Framework to obtain revolving credit facilities.
[11] The Airbus Green Financing Framework will be available on Airbus' website at: https://www.airbus.com/en/investors

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of the Framework with Relevant Market Standards

Alignment with Use of Proceeds Principles

Sustainalytics is of the opinion that the Airbus Green Financing Framework is credible, impactful and aligned with the Green Bond Principles 2021 and Green Loan Principles 2023. Sustainalytics highlights the following elements of the Framework:

Use of Proceeds

Overall Assessment of Use of Proceeds

Use of Proceeds Category	Activity	Sustainalytics' Assessment
Best-in-class and zero direct (tailpipe) CO_2 emissions Aircraft	Manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrade of aircraft and aircraft parts and equipment	- Investments in capex and R&D expenditures of zero direct tailpipe CO_2 emissions of civil and commercial aircraft, including hydrogen-powered aircraft, and electric urban air mobility aircraft. - Until the end of 2027, investments in "best-in-class" aircraft that: i) meet the criteria defined below; and ii) limited by the replacement ratio[12] to ensure that the delivery does not increase the worldwide fleet number. The criteria are defined as follows: o Aircraft of greater than 5.7 t and less than or equal to 60 t maximum take-off mass, certified to the International Civil Aviation Organisation (ICAO) CO_2 standard[13] with a margin of at least minus 11% to the New Type limit.[14] o Aircraft of greater than 60 t and less than or equal to 150 t maximum take-off mass, certified to the ICAO CO_2 standard with a margin of at least minus 2% to the New Type limit. o Aircraft of greater than 150 t maximum take-off mass, certified to the ICAO CO_2 standard with a margin of at least minus 1.5% to the New Type limit. - From 2028 to 2032, Airbus is targeting aircraft meeting the "best-in-class" criteria

[12] The replacement ratio is calculated based on the proportion of aircraft permanently withdrawn from use to aircraft delivered at the global level averaged over the preceding 10 years as evidenced by verified data available from independent data providers.
[13] The International Council on Clean Transportation, "International Civil Aviation Organization's CO_2 Standard for New Aircraft", (2017), https://theicct.org/sites/default/files/publications/ICCT-ICAO_policy-update_revised_jan2017.pdf
[14] In the absence of a certificate on the metric values of CO2 emissions confirming the required margin to the New Type limit of the ICAO standard, a declaration is delivered by Airbus that the aircraft meets the required level of performance and margins of improvement with the condition that the aircraft is certified by 11 December 2026.

		defined below, and which will also be certified to run on 100% blend of sustainable aviation fuels (SAF). - Airbus has communicated to Sustainalytics that the aircraft selected for financing are expected to reduce fuel consumption by 20% to 25% compared to previous models. - Sustainalytics considers the investments in improved aircraft fuel efficiency as providing environmental benefits in the short term. - Sustainalytics recognizes the importance of increasing the use of SAF to reduce carbon intensity over time in line with a credible decarbonization trajectory for the aviation industry and aircraft financed by Airbus have a 50% SAF blend potential and aim to have 100% by 2028 under the Framework, while noting Airbus' limited control on the use of SAF for the operation of its sold aircraft. - Sustainalytics considers investments under this category to be in line with the criteria for substantial contribution (SC) to climate change mitigation of the EU Taxonomy related to manufacturing of aircraft.
Alternative Aviation Fuel	Sustainable aviation fuel: manufacture of biogas or biofuels for use in transport and bioliquids	- Financing of the production, distribution and storage of SAF and feedstock complying with the following SC criteria of the EU Taxonomy: i) Agriculture and forest biomass used in biofuels complies with EU Directive 2018/2001[15] where food and feed crops are not used for the manufacture of SAF; ii) GHG emissions savings from the manufacture of biofuels are at least 65% in relation to the fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001[16]; iii) The production of digestate used for anaerobic digestion meets the applicable criteria; and iv) CO_2 emitted from the manufacturing process is captured for underground storage. - Sustainalytics notes that the EU Taxonomy's SC criteria for climate change mitigation require adherence to the criteria specified in Article 29, paragraphs 2-7 of Directive (EU) 2018/2001.[17] These criteria apply to agricultural and forest biomass used to produce biogas or bioliquids. Compliance with these criteria confirms that the production of biofuel feedstock has not occurred on land with high biodiversity in the last 10-15 years and that land with a high amount of carbon has not been converted for biofuel feedstock production.[18] - Sustainalytics also notes that Article 29, paragraph 5 of the above-mentioned

[15] European Parliament, "Directive (EE) 2018/2001", (2018), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L2001&qid=1733231846201
[16] European Parliament, "Directly (EU) 2018/2001, (2018), at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001
[17] EU Commission, "Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018", (2018), at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02018L2001-20240716
[18] Ibid.

		directive excludes biofuels, bioliquids and biomass fuels produced from agricultural biomass made from raw material obtained from land that was peatland in January 2008. - Airbus has confirmed to Sustainalytics that feedstock will be derived from forestry and agriculture residues, and that it will exclude waste from non-RSPO certified palm oil operations, animal fats, oil and other animal processing by-products, and animal manure. - Sustainalytics considers investments under this activity to be aligned with market practice and aligned with the criteria for SC to climate change mitigation of the EU Taxonomy related to the manufacture of biogas and biofuels for use in transport and of bioliquids.
	Sustainable aviation fuel: hydrogen-based synthetic fuel	- Investments in the manufacture of hydrogen-based synthetic fuel according to the criteria for SC outlined by the EU Taxonomy Climate Delegated Act as follows: i) hydrogen with life cycle GHG emissions savings requirement of 73.4% resulting in life cycle GHG emissions lower than 3 $tCO_2e/tH2$; and ii) hydrogen-based synthetic fuels with life cycle GHG emissions savings requirement of 70% relative to a fossil fuel comparator of 94 gCO_2e/MJ. - Airbus has confirmed to Sustainalytics that the energy sources for hydrogen production are limited to electrolysis powered by grids that may include renewables and nuclear energy. - In addition to the above, the quantified life cycle GHG emissions will be verified by an independent third party and the CO_2 that would otherwise be emitted from the manufacturing process will be transported and stored underground. - Sustainalytics considers investments under this activity to be aligned with market practice and in line with the criteria for SC to climate change mitigation of the EU Taxonomy related to the manufacture of hydrogen.
	Renewable and low-carbon hydrogen: manufacture, storage of hydrogen and associated equipment	- Investments in the manufacture of hydrogen and associated equipment including engineering studies and installations of production facilities on Airbus sites, according to the following criteria for SC of the EU Taxonomy: i) hydrogen with life cycle GHG emissions savings requirement of 73.4% resulting in life cycle GHG emissions lower than 3 tCO_2e/tH_2; and ii) hydrogen-based synthetic fuels with life cycle GHG emissions savings requirement of 70% relative to a fossil fuel comparator of 94 gCO_2e/MJ. - In addition to the above, the quantified life cycle GHG emissions will be verified by an independent third party and the CO_2 that would otherwise be emitted from the

		manufacturing process will be transported and stored underground. - Airbus has confirmed to Sustainalytics that the energy sources for hydrogen production are limited to electrolysis powered by the grid that may include renewables and nuclear energy. - Investment in hydrogen storage activities complying with the following criteria for SC of the EU Taxonomy: i) construction of hydrogen storage facilities; ii) conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen storage; and iii) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria outlined above for manufacture of hydrogen. - Sustainalytics considers investments under this activity to be aligned with market practice and in line with the criteria for SC to climate change mitigation of the EU Taxonomy related to the manufacture of equipment for the production and use of hydrogen.
	Renewable and low-carbon hydrogen infrastructure: Transport and distribution infrastructure for hydrogen and hydrogen-based synthetic fuel	- Investments in hydrogen transport and distribution activities, including pilot projects at airports for refuelling together with consortium partners and studies for ground refuelers, and complying with the following criteria for SC of the EU Taxonomy: a) the activity consists in: i) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases; ii) conversion of existing natural gas networks to 100% hydrogen; or iii) retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network; and b) leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage. - Infrastructure will also be dedicated to: i) the operation of aircraft with zero tailpipe CO_2 emissions, including electricity charging and hydrogen refuelling; or ii) provision of fixed electrical ground power and preconditioned air to stationary aircrafts; or iii) zero direct emissions assets of the airport's own operations, including electric charging points, electricity grid connection upgrades, hydrogen refuelling stations; or iv) transhipping freight with rail and water transport, including terminal infrastructure and superstructures for loading, unloading and transhipment of goods. None of the above infrastructure will be dedicated to the transport or storage of fossil fuels. - Sustainalytics considers investments under this activity and category to be aligned with market practice and in line with the criteria for SC to climate change mitigation of the EU Taxonomy related to:

		i) the storage of hydrogen; ii) transmission and distribution networks for renewable and low-carbon gases; and iii) low carbon airport infrastructure.
Energy Efficiency and Renewable Energy	Energy efficiency measures and renewable energy onsite generation	- Airbus may finance expenditures to increase Airbus' renewable energy generation and manage the energy consumption of plants and offices for its civil and commercial businesses. Measures aimed at improving energy efficiency include the installation of LED lighting, improved insulation, energy efficient heating and cooling, ventilation, air conditioning systems, and air-sourced heat pumps with refrigerants having a global warming potential (GWP) below 675. - Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems. Nevertheless, Sustainalytics encourages Airbus to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life. - The following SC criteria of the EU Taxonomy apply: i) production of heat and cool from bioenergy;[19] ii) installation, maintenance and repair of energy efficiency equipment;[20] iii) installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;[21] and iv) installation, maintenance and repair of renewable energy technologies.[22] - Bioenergy will be produced with feedstock that meets the criteria under the Alternative Aviation Fuel category. - Airbus has confirmed to Sustainalytics that technologies under this category exclude the ones designed or intended for processes that are inherently carbon intensive and primarily driven or powered by fossil fuels. - Sustainalytics considers investments under this activity to be aligned with market practice and in line with the criteria for SC to climate change mitigation of the EU Taxonomy related to: i) production of heat/cool from bioenergy; ii) installation, maintenance and repair of energy efficiency equipment; iii) Installation, maintenance and repair of instruments and

[19] The applicable SC criteria of the EU Taxonomy require that: i) agriculture biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001 and forest biomass used complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive; and ii) the greenhouse gas emission savings from the use of biomass are at least 80% in relation to the GHG emissions saving methodology and relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.
European Commission, "EU Taxonomy Navigator – Production of heat/cool from bioenergy", at: https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/310/view.

[20] European Commission, "EU Taxonomy Navigator – Installation, maintenance and repair of energy efficiency equipment", at: https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/352/view

[21] European Commission, "EU Taxonomy Navigator – installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings", at: https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/354/view

[22] European Commission, "EU Taxonomy Navigator - installation, maintenance, and repair of renewable energy technologies", at: https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/355/view

		devices for measuring, regulation and controlling energy performance of buildings; and iv) Installation, maintenance and repair of renewable energy technologies.
Digital Solutions for Space-Based Earth Observations	Digital solutions	- Investments in software development and programming activities for space-based Earth observation applications focused on climate change adaptation. Project examples include: i) Starling for forest monitoring services[23]; ii) Farmstar for supporting sustainable agriculture practices; [24] and iii) software for maritime purposes. - Airbus has confirmed to Sustainalytics that financing under the Framework will be limited to applications where these technologies are used primarily for purpose of climate change adaptation in line with the criteria for SC to climate change mitigation of the EU Taxonomy related to software enabling physical climate risk management and adaptation.
Circular Economy	Recycling facilities	- Investments in projects that aim to increase the use of recycled or recovered materials, and end-of-life recycling. Airbus has communicated to Sustainalytics that financing under this category will include projects in China. - The SC criteria of the EU Taxonomy for the depollution and dismantling of end-of-life products will apply.[25] - Airbus has confirmed that it will finance only dismantling activities under this category and that the recycling of electronic waste will be accompanied by a robust waste management plan. - In addition, the financed facilities will enable waste separation and the harvesting of parts and components that are suited for reuse. Airbus has confirmed that for the treatment of hazardous waste it complies with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the EU Waste Framework Directive.[26,27] - Sustainalytics considers the eligible activities as aligned with market practice and in line with the criteria for SC to the transition to a circular economy of the EU Taxonomy related to depollution and dismantling of end-of-life products.

[23] Airbus, "What is Starling?", at: https://intelligence.airbus.com/industries/forest-and-environment/starling/
[24] Airbus, "What is Farmstar", at: https://intelligence.airbus.com/industries/agriculture/precision-farming/farmstar/
[25] European Commission, "EU Taxonomy Navigator - Depollution and dismantling of end-of-life products", at: https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/394/view
[26] Basel Convention, "Controlling transboundary movements", at: https://www.basel.int/Implementation/Controllingtransboundarymovements/Overview/tabid/4325/Default.aspx#:~:text=of%20hazardous%20wastes-,The%20Basel%20Convention%20on%20the%20Control%20of%20Transboundary%20Movements%20of,hazardous%20wastes%20and%20other%20wastes.
[27] European Commission, "Waste Framework Directive", (2023), at: https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

Additional Considerations on Use of Proceeds

- Sustainalytics notes that Airbus may acquire equity stakes, directly by Airbus or via investment vehicles, in entities that derive 90% or more of their revenue from activities that meet the Framework's eligibility criteria. Sustainalytics also notes that the acquisition costs will be linked to the fair value of the underlying eligible assets, excluding goodwill also for non-traded shares. Sustainalytics believes that project- and activity-based investing generally result in more direct environmental benefits and enhance compliance with the criteria in the Framework. However, Sustainalytics acknowledges that using green bond proceeds to make equity investments into pure play companies is a commonly accepted approach that is likely to generate positive impacts by supporting the end activities of the pure play companies.
- Airbus has defined a look-back period of 24 months for refinancing under the Framework, which Sustainalytics considers to be in line with market expectations.
- Airbus has communicated to Sustainalytics that an external audit will be conducted as part of the assurance process for the allocation report to verify compliance with the SC criteria.

Project Evaluation and Selection

- The Company's Sustainable Financing Committee will be responsible for the evaluation and selection of eligible projects as defined in the Framework. The committee is chaired by Airbus' CFO, and comprises senior representatives from the Treasury, Sustainability, Strategy, Investor Relations, Accounting, Controlling and Legal departments as well as projects' representatives as the case may be.
- The Sustainable Financing Committee will ensure the compliance of proposed assets with the eligibility criteria for the use of proceeds, as well as compliance with Airbus' internal sustainability policies. The committee will also monitor whether financed projects continue to align with the Framework criteria after issuance of the relevant green financing instrument and is in charge of removing and replacing investments in projects or assets that no longer meet the eligibility criteria. Moreover, the committee is responsible for updating the Framework to ensure alignment with market practice and validating the annual allocation and impact reporting.
- Airbus has an Enterprise Risk Management system which is used to ensure the management of environmental and social risks across the Company's operations. Sustainalytics considers these environmental and social risk management systems adequate and aligned with market expectations. For additional details, see Section 2.
- Based on the project selection and risk management systems in place, Sustainalytics considers this process to be in line with market practice.

Management of Proceeds

- Airbus' Treasury team and Sustainable Financing Committee will manage the allocation of proceeds using an internal tracking system.
- The Company intends to fully allocate proceeds from the green financing instruments within 24 months following each issuance.
- The Company commits to place non-allocated proceeds in accordance with relevant internal policies in cash, cash equivalents or similar liquid short-term instruments, pending full allocation.
- Airbus has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. Airbus will label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
- Based on the processes and timelines for allocation and temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.

Reporting

- The Company will report on the allocation and impact of proceeds annually until full allocation on Airbus' website.
- The allocation report will include the total amount of proceeds earmarked to eligible projects, the proportion of the proceeds allocated to financing versus refinancing, a breakdown between expenditure types and the amount of unallocated proceeds.
- An external auditor will provide a limited assurance review of each allocation report.
- The impact report will include impact metrics representing each use of proceeds category, such as: percentage of reduction of in-flight "best-in-class" aircraft efficiency per seat versus previous generation commercial aircraft; number of aircraft delivered in the respective year enabling the saving of CO_2 emissions over their full life cycle compared to previous generation commercial aircraft; expected energy savings per year (in MWh); amount of SAF or hydrogen produced, distributed or stored; number of km^2 covered by developed eligible software; number of aircraft dismantled with the aim of materials recovery or components reuse; and tonnes or percentage of parts and components identified for reuse.
- Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment against the Climate Transition Finance Handbook 2023

Sustainalytics has assessed Airbus' alignment with the recommendations of the Climate Transition Finance (CTF) Handbook and considers the Company's transition strategy to be adequate overall. Sustainalytics highlights the following key elements of the assessment:

Key Elements	ICMA Recommendation	Sustainalytics' Assessment	

Issuer's climate transition strategy and governance	- Transition strategy to address climate-related risks and contribute to alignment with the goals of the Paris Agreement
	- Relevant interim targets on the trajectory towards long-term goal
	- Governance of transition strategy
		- Airbus supports the ambition of the goal set by the International Aviation Transport Association (IATA),[28] Air Transport Action Group (ATAG)[29] and International Civil Aviation Organization (ICAO)[30] to reach net zero carbon emissions by 2050. The Company has also set SBTi-validated medium-term targets to support its decarbonization strategy, namely a 63% reduction in its scope 1 and 2 GHG emissions by 2030 and a 46% reduction of scope 3 emissions per passenger-kilometre from its commercial aircraft in service by 2035 from a 2015 baseline presented in the Universal Registration Document (URD).[31]
		- To achieve these targets, Airbus's strategy focuses on upgrading to fuel-efficient aircraft, adopting SAFs and improving operations, namely:
		  ○ Airbus intends to contribute to fleet renewal with its latest aircraft models, which are more aerodynamic, lightweight and aim to achieve an estimated 20-25% reduction of CO_2 emissions per seat.[32]
		  ○ The Company also aims to develop other low-carbon aviation solutions, including hybrid aircrafts and aircraft powered by solar energy or electricity.[33]
		  ○ In terms of SAF, Airbus is committed to blend 15% of SAF in its global fuel mix by 2024 and 30% by the end of 2030. In addition, the Company aims to have all its aircraft and helicopters capable of flying on up to 100% SAF by 2030.[34]
		- See detailed assessment of decarbonization strategy and implementation plan in Section 2.
		- Airbus has defined a governance structure for its overarching decarbonization and sustainability-related objectives. The Ethics, Compliance and Sustainability Committee (ECSC) is responsible for assisting the board of directors in overseeing the Company's action on sustainability and climate-related topics, including the internal strategy related to the SBTi targets and SAF, sustainability strategy and ethics and compliance programme.[35] Under the ECSC, Airbus' Executive Committee oversees and validates related strategies and targets.[36] In addition, the Company created a Chief Sustainability Officer (CSO) position in January 2024. The CSO oversees the Company's sustainability roadmap and leads Airbus'
			Aligned

[28] IATA: https://www.iata.org/
[29] ATAG: https://atag.org/
[30] ICAO: https://www.icao.int/Pages/default.aspx
[31] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[32] Airbus, "Fleet Renewal", at: https://www.airbus.com/en/sustainability/respecting-the-planet/decarbonisation/fleet-renewal
[33] Airbus, "Low-carbon aviation", at: https://www.airbus.com/en/innovation/low-carbon-aviation
[34] Airbus, "Sustainable aviation fuels", at: https://www.airbus.com/en/sustainability/respecting-the-planet/decarbonisation/sustainable-aviation-fuels
[35] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[36] The Executive Committee is assisted by supporting committees, including the Sustainability Strategy Committee, which reviews the Company's sustainability performance biannually, the Environment Committee, the Steering Committees of the Human Rights and Sustainable Supply Chain Roadmaps.

		sustainability-related communications. Furthermore, 20% of the collective component of variable remuneration applicable to all Airbus' executives is tied to climate related goals, amongst other sustainability criteria.[37]	
Business model environmental materiality	- Transition trajectory should be relevant to the environmentally-material parts of the issuer's business model	- Airbus' transition trajectory addresses the environmental impact of its aerospace business. The pathway aids to address the transition from carbon-intensive activities by increasing the share of energy-efficient aircraft in its portfolio, increasing the use of sustainable aviation fuel and development of low-carbon aviation solutions, including the hydrogen-power aircraft. The pathway is directly relevant to environmentally material aspects of Airbus' operations.	Aligned
Climate transition strategy to be "science-based", including targets and pathways	- Transition strategy should reference science-based targets and transition pathways	- Airbus has in place SBTi-validated emissions reduction targets, including to reduce absolute scope 1 and 2 emissions by 63% by 2030 compared to a 2015 baseline. In addition, Airbus has committed to reduce scope 3 emissions from the use of sold products by 46% per revenue passenger-kilometre by 2035 from a 2015 base year. - In addition, the Company is an active contributor in initiatives of the aviation industry, including the Air Transport Action Group, Clean Sky and The Alliance for Zero Emission Aviation. - See detailed assessment of emissions targets in Section 2.	Aligned
Implementation transparency	- Disclosure of capex and opex plans - Climate-related outcomes and impacts that expenditures are intended to result in	- Airbus has committed to publicly report on the alignment of its annual turnover, capex and opex with the EU Taxonomy, as per Article 8 of the EU Taxonomy. - Additionally, the Company reports in-use emissions of commercial aircraft delivered following the GHG Protocol methodology, which is verified by an external auditor. - Airbus uses the Global Reporting Initiative standards to disclose information on its climate-related outcomes, which are publicly available on its website.	Aligned

Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible use of proceeds criteria against the relevant criteria in the EU Taxonomy. For SC, please see Table 1. For Minimum Safeguards, please see below.

Table 1 provides an overview of the alignment of Airbus' Framework with the applicable SC criteria of the EU Taxonomy.

Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy

EU Taxonomy Activity	Alignment with the SC criteria per Environmental Objective of the EU Taxonomy		
	Climate Change Mitigation	Climate Change Adaptation	Transition to a Circular Economy
2.6 Depollution and dismantling of end-of-life products			■
3.2 Manufacture of equipment for the production and use of hydrogen	■		

[37] Ibid.

3.10 Manufacture of hydrogen	■		
3.21 Manufacturing of aircraft	■		
4.12 Storage of hydrogen	■		
4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids	■		
4.14 Transmission and distribution networks for renewable and low-carbon gases	■		
4.24 Production of heat/cool from bioenergy	■		
6.17 Low carbon airport infrastructure	■		
7.3 Installation, maintenance and repair of energy efficiency equipment	■		
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	■		
7.6 Installation, maintenance and repair of renewable energy technologies	■		
8.4 Software enabling physical climate risk management and adaptation		■	

Legend	
Aligned	■
Partially aligned	◘
Not aligned	☒
Criterion does not map to an EU activity and has not been assessed	■
Grey shading indicates the primary EU Environmental Objective	

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should comply with the International Labour Organisation's (ILO) declaration on Fundamental Rights and Principles at Work.

Human and Labour Rights

Airbus has implemented the following policies and procedures regarding human and labour rights:

- Airbus has a Human Rights Policy Statement in line with the International Bill of Human Rights, the ILO declaration on Fundamental Principles and Rights at Work, the eight ILO core conventions and the OECD Guidelines for Multinational Enterprises. Under this policy, Airbus is required to prevent all forms of modern slavery, child and forced labour in its operations and supply chains, respect the rights of migrant workers and their families, promote diversity and equal opportunities, guarantee workers' rights to collective bargaining and the freedom to form or join unions or associations without fear of reprisal. The Company operates in more than 180 locations worldwide and is required to comply with the labour laws and other applicable regulations in the jurisdictions where it operates.[38] Additionally, the Company aims to implement policies and processes that respect local laws and take into account the Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

[38] Airbus, "Human Rights Policy Statement", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-01/human_rights_policy_statement_january_2024_0.pdf

- Airbus implements a due diligence process to identify, manage and prevent human rights risks within its operations and supply chain, as well as risks associated with its products and services. The due diligence process includes onsite social assessments focused on human and labour rights, conducted by a third-party social assurance provider.[39] The Company has set a target to assess 100% of its sites with more than 100 employees for human and labour rights risks by the end of 2026. Since 2020, Airbus has assessed 51% of its sites, revealing issues such as excessive working hours, inadequate overtime payments and indications of forced labour. Airbus has taken action to provide remediation measures to affected parties. In addition, the Company offers training programmes to employees, suppliers and subcontractors on the management of these risks.[40]

- Airbus' Code of Conduct and Supplier Code of Conduct require its employees and suppliers to uphold human rights and health and safety objectives, including promoting equal treatment and opportunities, preventing occupational accidents, ensuring compensation meets or exceeds local minimum wage and benefit standards, regulating work and rest hours, protecting employee privacy and prohibiting harassment, bullying and discrimination.[41,42]

- In addition, the Company provides an OpenLine alert system through a secured online platform and a dedicated telephone number accessible to employees, suppliers and external stakeholders to report any breaches of the codes of conduct and concerns related to human and labour rights. A global Airbus' network of internal investigators, supported by subject matter experts when required, handles all alerts and concerns.[43]

Anti-bribery and anti-corruption

Airbus has implemented the following anti-bribery and anti-corruption policies and procedures:

- Airbus has an Ethics and Compliance programme to mitigate risks related to bribery, corruption and influence peddling by focusing on three pillars: prevention, detection and remediation. The programme involves corruption risk mapping, establishing policies and procedures, training employees, investigating misconduct, communicating actions and conducting internal and external audits on business activities to assess the effectiveness of internal controls and procedures.[44,45]

- As part of its Ethics and Compliance programme, Airbus has developed an Anti-Corruption policy applicable to all employees and executives, aiming to ensure compliance with anti-bribery and corruption standards in all geographic areas where it operates. The policy defines acts of corruption and bribery and prescribes disciplinary action for violations of this policy, including those arising from applicable anti-corruption laws and regulations, such as the UK Bribery Act and the US Foreign Corrupt Practices Act. Moreover, Airbus' Anti-Corruption policy sets procedures to identify and manage risks related to accepting gifts and invitations, sponsorships and donations, managing conflicts of interest, offset contracting and anti-money laundering.[46]

- Airbus also has a third-party due diligence process to monitor its vendors' and suppliers' compliance with relevant anti-bribery and anti-money laundering laws as part of its contract agreement process.[47] The Company requires suppliers to introduce a compliance programme tailored to their business risks and perform reasonable due diligence procedures to prevent and detect corruption in all business transactions.[48]

Sustainalytics is of the opinion that these measures appropriately safeguard against bribery and corruption in relation to the activities of the Framework. Based on these policies, standards and assessments, Sustainalytics is of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

[39] Airbus, "Human Rights Policy Statement", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-01/human_rights_policy_statement_january_2024_0.pdf
[40] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[41] Airbus, "Code of Conduct 2023", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2023-11/Code-of-Conduct-English-version.pdf
[42] Airbus, "Supplier Code of Conduct", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2021-07/Airbus-Supplier-Code-of-Conduct.pdf
[43] Airbus, "Modern Slavery Statement", (2022), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2023-05/Airbus%20SE%20Modern%20Slavery%20Statement%202022.pdf
[44] Airbus, "Anti-Corruption Policy", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2021-10/Airbus-Ethics-and-Compliance-Anti-Corruption-Policy.pdf
[45] Airbus, "Integrity and compliance", at: https://www.airbus.com/en/sustainability/enabling-prosperity/integrity-and-compliance
[46] Airbus, "Anti-Corruption Policy", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2021-10/Airbus-Ethics-and-Compliance-Anti-Corruption-Policy.pdf
[47] Ibid.
[48] Airbus, "Supplier Code of Conduct", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2021-07/Airbus-Supplier-Code-of-Conduct.pdf

Section 2: Assessment of Airbus' Transition and Sustainability Strategy

Contribution to Airbus' transition and sustainability strategy

Airbus established its current sustainability strategy in 2020 and identified sustainability topics that are material to the Company through a 2019 materiality assessment, which was updated in 2022. Under the strategy, Airbus has committed to focus on the following key environmental areas: i) decarbonizing its operations and reducing CO_2 emissions from its aircraft; ii) promoting circular economy and resource efficiency; and iii) reducing the environmental footprint of its industrial activities. In line with the first commitment, the Company has developed a transition strategy that covers its industrial operations, products and services, supply chain and employees, and is consistent with the aviation sector's long-term decarbonization goal of reaching net zero carbon emissions by 2050.[49]

As part of its transition strategy, Airbus has set the following GHG emissions reduction and energy-related targets: i) reduce scope 1 and 2 emissions by 63% by 2030 from a 2015 baseline; ii) reduce scope 3 emissions from its commercial aircraft in service by 46% per passenger-kilometre by 2035 compared to 2015; and iii) cut energy consumption in its operations by 20% by 2030 from 2015 levels.[50] The GHG emissions reduction targets for scope 1, 2 and 3 emissions were validated by the SBTi in January 2023 and are in line with the 1.5°C pathway.[51]

To achieve these targets, Airbus has developed an implementation plan that includes efficiency improvements and decarbonization measures. To reduce its scope 1 and 2 emissions, Airbus focuses on increasing the use of renewable electricity, switching to lower-emission vehicles[52] for its internal logistics purposes where possible and integrating low-carbon energy sources across its operations. The Company reported a 15% reduction in scope 1 and 2 emissions in 2023 compared to 2022.[53]

To address scope 3 emissions, which represent the largest source of the Company's carbon footprint, Airbus has identified fleet renewal as a key component of its decarbonization strategy and plans to replace the previous generation fleet with its energy efficient aircraft. The Company aims to improve the efficiency of its aircraft through R&D in new designs using lightweight composite materials with improved aerodynamics, reduced fuel burns, and engines with high-performance turbofans.[54] In addition, Airbus is investing in zero-carbon vehicle technologies, which include alternative propulsion systems powered by electric, hydrogen or solar technology to reduce CO_2 emissions from commercial aircraft, helicopters, satellites and urban air mobility vehicles.[55] The Company also developed the ZEROe hybrid-hydrogen concept aircraft in 2020, which has an ambition–to be the world's first zero-emission commercial aircraft in the market in 2035.[56] Another element of the Company's decarbonization plan involves the development and deployment of SAF. Airbus manufactures aircraft certified to fly with a blend of up to 50% SAF and further aims to reach a certified 100% blending capacity by 2030.[57] Airbus also supports the large-scale development of SAF and is engaged in certification processes and demonstration projects with airlines, airports, SAF producers and research institutions around the world.[58]

In addition to reducing its carbon footprint, Airbus focuses on circular economy initiatives to maximize resource efficiency, design durable, repairable products and establish robust recycling and reuse systems. In this context, Airbus aims to: i) recover non-ferrous metals and other critical materials from metallic waste; ii) employ 3D printing technologies to reduce raw material consumption; iii) optimize design and manufacturing processes for metallic and composite components; and iv) set targets to reduce industrial waste by 20% by 2030 from a 2015 baseline and to divert 100% of waste from landfills and incineration without energy recovery. Airbus recycles more than half of its waste and uses recycled high-value materials in aircraft production, with 40% of its aluminium products sourced from recycled materials.[59] Moreover, in 2023, Airbus partnered with Tarmac Aerosave[60] and the City of Chengdu to establish a joint venture for the first aircraft "life cycle" services centre in China, which will provide maintenance, dismantling and recycling services for various aircraft types.[61]

[49] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[50] Airbus, "Scope 1 & 2 ambition", at: https://www.airbus.com/en/sustainability/reporting-and-performance-data/emissions-statements/scope-1-2-ambition#Targets
[51] Science Based Targets initiative, "Companies taking action", at: https://sciencebasedtargets.org/companies-taking-action
[52] Vehicles such as cars, trucks and aircraft.
[53] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[54] Airbus, "Environmental Responsibility", at: https://www.airbus.com/en/sustainability/environment/environmental-responsibility
[55] Airbus, "Low-carbon aviation", at: https://www.airbus.com/en/innovation/low-carbon-aviation
[56] Airbus, "ZEROe", at: https://www.airbus.com/en/innovation/zero-emission/hydrogen/zeroe
[57] Airbus, "Sustainable aviation fuels", at: https://www.airbus.com/en/sustainability/respecting-the-planet/decarbonisation/sustainable-aviation-fuels
[58] Ibid.
[59] Ibid.
[60] Tarmac Aerosave is a joint venture of Airbus, Safran and SUEZ, which has achieved a 90% recovery rate of an aircraft's weight at end of life through a selective dismantling process.
[61] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf

Airbus' sustainability strategy also addresses its involvement in defence and space products, which generated 17.56% of the firm's revenue in FY 2023.[62] The Company has embedded those products into its sustainability strategy with the aim of helping to advance global security. The Company's defence-related involvement also includes participation in the joint ventures ArianeGroup[63] and MBDA,[64] which support France's nuclear deterrence capability by producing and servicing missile systems. In Sustainalytics' opinion, nuclear weapons are controversial due to their negative and lasting widespread impact, if used.

Airbus has established an internal export compliance directive to enhance compliance with relevant international conventions and national export control laws and regulations.[65] The Company also has a comprehensive human rights policy that takes into account international standards and has a human rights due diligence process prior to the export stage to identify and mitigate risks associated with the misuse of its military and defence products in countries with poor human rights records.[66] As of March 2024, Airbus sold military aircraft to 80 countries.[67]

Sustainalytics is of the opinion that the Airbus Green Financing Framework reflects key elements of the Company's overall sustainability and transition strategy. The proceeds from instruments issued under the Framework will further the Company's action on its key environmental sustainability objectives only for its civil and commercial businesses, as per the division reported in Airbus' 2023 Universal Registration Document,[68] and in accordance with the substantial contribution criteria of the EU Taxonomy.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the use of proceeds from instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) occupational health and safety (OHS); ii) passenger safety; iii) emissions, effluents and waste generated during operations; iv) land use and biodiversity loss; and v) supply chain risks.

Sustainalytics is of the opinion that Airbus is able to manage or mitigate potential risks through the implementation of the following:

- To address OHS risks, Airbus has an ISO 45001 certified health and safety risk management system that covers 25% of its workforce. The Company aims to expand the scope of ISO 45001 certification and requires all divisions not yet certified to implement management systems tailored to their specific risk profiles.[69] Airbus has an OHS policy that incorporates continuous risk assessment, internal health and safety audits and regular safety performance reviews to mitigate workplace hazards.[70,71]
- Regarding emissions, effluents and waste generation, the Company monitors and measures CO_2, NO_x, SO_x and VOC emissions[72] and has set a target to maintain VOC emissions at 2015 levels through 2030.[73] Airbus has an ISO 14001-certified environmental management system covering 87% of its workforce to limit the environmental impact of its operations by monitoring compliance with applicable environmental legislation. Regarding waste management, Airbus focuses on standardizing existing practices to improve waste collection and enhance data monitoring and reporting of waste management. Moreover, Airbus invests in life cycle assessments (LCA) for environmental impact accounting

[62] Airbus' revenue for FY 2023 does not include revenue from the joint ventures ArianeGroup and MBDA, which are accounted for using the equity method, as Airbus does not have exclusive control over these companies.
[63] ArianeGroup is a 50/50 joint venture between Airbus and Safran based in France. ArianeGroup produces the M51 missile, a submarine-launched ballistic missile system.
[64] MBDA is a joint venture between Airbus (37.5%), BAE Systems (37.5%) and Leonardo (25%) headquartered in France. MBDA is the primary contractor for the ASMPA medium-range air-to-ground nuclear-armed cruise missile for the French nuclear arsenal.
[65] Airbus, "Ethics and Compliance", at: https://www.airbus.com/en/sustainability/ethics-and-compliance
[66] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[67] Airbus sold military aircraft to 80 countries as of March 2024.
Airbus, "Orders, Deliveries, In Operation Military aircraft by Country - Worldwide", (2024), at:
https://www.airbus.com/sites/g/files/jlcbta136/files/2024-04/2024-03_MRS_GEN_Ord-Deliv%20by%20country.pdf
[68] Airbus distinguishes civil and defence revenue across its business segments. Civil revenue includes commercial passenger and freight aircraft from the Commercial Aircraft segment, civil products in the Helicopter segment, and civil digital solutions and space systems from the Defense and Space segment. Airbus, "Universal Registration Document 2023", at: https://www.airbus.com/en/2023-airbus-annual-report
[69] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[70] Airbus, "People safety", at: https://www.airbus.com/en/safety/people-safety
[71] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[72] Airbus, "GRI reporting & performance data", at: https://www.airbus.com/en/sustainability/reporting-and-performance-data/gri-reporting-performance-data
[73] Airbus, "Scope 1 & 2 ambition", at: https://www.airbus.com/en/sustainability/reporting-and-performance-data/emissions-statements/scope-1-2-ambition#Targets

associated with a specific product, in accordance with the requirements specified in the ISO 14040 standard.[74] LCA studies have been finalized for all commercial aircraft products delivered in 2023.[75]

- With respect to land use and biodiversity loss, the Company is developing an inventory of potential impacts across the five primary drivers of biodiversity loss to identify the specific activities most significantly contributing to biodiversity degradation. Airbus engages with local conservation organizations as part of site development and planning, and where impacts cannot be avoided or reduced, the Company works with these local organizations on conservation and remediation projects to preserve flora and fauna impacted by its industrial activities. Furthermore, for its operations in France, the Company implements a biodiversity mitigation hierarchy in new construction planning, which is a four-step management framework to avoid, reduce, restore and offset the impacts of development projects on biodiversity and ecosystems. This requires identifying proximity to biodiversity-rich areas, potential impacts of construction on local species and habitats, and allocating a budget for compensatory measures beyond the project's duration.[76]
- With regard to supply chain risks, Airbus' supplier code of conduct sets requirements for the Company to mitigate and manage social, environmental and ethical risks. This includes having clear policies and procedures aligned with the relevant ILO standards to deal with issues of human rights, labour standards and certifications such as ISO 14001.[77]

Sustainalytics notes that Airbus has in place an ISO14001-certified environmental management system covering a majority of its workforce and that the Company is currently taking steps to identify biodiversity impacts associated with changes in land use at its industrial sites. Sustainalytics encourages the Company to disclose its policies and measures to address biodiversity impacts.

In addition, Sustainalytics' notes the Company's exposure to the following areas of controversy:

Passenger Incidents and Safety

Sustainalytics notes that Airbus has faced lawsuits, regulatory investigations, actions and compensation claims stemming from a number of product quality and safety concerns associated with its aircraft and a number of incidents involving Airbus airplanes and helicopters. Airbus has a corporate safety management system to anticipate, prevent, manage and mitigate safety risks related to the safe operation of its products and services.[78] The Company has also implemented a product-specific safety programme, that includes maintaining quality management certifications, daily monitoring and management of identified safety risks, regular employee training on product safety and regulatory approval of products.[79] In addition, Airbus appointed chief product safety officers who are responsible for controlling safety and governance in relation to its commercial aircraft and helicopters.[80] Sustainalytics views the measures taken by Airbus as strengthening its product quality and safety risk management systems and policies.

Bribery and corruption incidents

Sustainalytics notes that Airbus has been under investigation for several bribery and corruption cases, many of which relate to a large bribery scheme involving senior executives that began at least 15 years ago.[81] To manage the related impacts and risks, Airbus has undertaken efforts to self-report and strengthen its anti-corruption management system. The Company has overhauled its compliance programme, including conducting a bribery and corruption risk assessment on an annual basis and enhancing internal controls and procedures to prevent future misconduct.[82,83] Sustainalytics views these measures as helping to mitigate potential future incidents, but recognizes that the ongoing allegations of corruption and fraudulent practices may continue to expose Airbus to legal and regulatory risks.

Section 3: Impact of the Use of Proceeds Selected

Decarbonizing the aviation industry

[74] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[75] Ibid.
[76] Airbus, "Annual Report", (2023), at: https://www.airbus.com/sites/g/files/jlcbta136/files/2024-03/Airbus-Annual-Report-2023.pdf
[77] Airbus, "Supplier code of conduct", at: https://www.airbus.com/sites/g/files/jlcbta136/files/2021-07/Airbus-Supplier-Code-of-Conduct.pdf
[78] Airbus, "Safety of our products", at: https://www.airbus.com/en/safety/safety-of-our-products
[79] Airbus, "Product safety for commercial aircraft", at: https://www.airbus.com/en/safety/safety-of-our-products/product-safety-for-commercial-aircraft
[80] Airbus, "Safety of our products", at: https://www.airbus.com/en/safety/safety-of-our-products
[81] The UK Serious Fraud Office and authorities in France and the US investigated Airbus' system of intermediaries around the world who facilitated bribes to secure aircraft sales. The resulting settlement in 2020 and the revealed network of middlemen led to increased investigations into the Company's transactions with other governments and airlines.
[82] Airbus, "Integrity and compliance", at: https://www.airbus.com/en/sustainability/enabling-prosperity/integrity-and-compliance
[83] Airbus Anti-Corruption Policy, at: https://www.airbus.com/sites/g/files/jlcbta136/files/2021-07/Airbus-Ethics-and-Compliance-Anti-Corruption-Policy.pdf

Direct CO_2 emissions from fossil jet kerosene combustion reached 800 $MtCO_2$ in 2022, accounting for 2% of global energy-related CO_2 emissions.[84] Global air passenger numbers tripled over the past 20 years, and total air passenger traffic rose by 36.9% in 2023 compared to 2022, nearing the volumes preceding the Covid-19 pandemic.[85] These CO_2 emissions are expected to increase further, given the projected doubling of air passenger travel from 2019 to 2040, reaching 7.8 billion individual trips.[86] According to the aviation industry itself, achieving carbon-neutral growth (i.e. maintaining the same emissions levels as in 2019) in aviation by 2030 would require average annual investments between USD 40 billion and 50 billion from 2022 to 2030, while achieving net zero by 2050 would require USD 175 billion annually until 2050.[87] According to the IEA, the short- and medium-term priorities to decarbonize the aviation industry include, among others, developing alternatives to jet kerosene, such as battery-electric and hydrogen-powered aircraft.[88]

The International Civil Aviation Organization (ICAO) has had (since 2010) two "global aspirational goals" for the aviation sector to reduce its impact on climate change: i) to improve fuel efficiency by 2% annually through 2050; and ii) carbon-neutral growth from 2020 onwards.[89] In 2022, ICAO member states and industry representatives (such as the Air Transport Action Group) jointly committed to achieving net zero emissions for international flights by 2050.[90,91] More specifically, in 2023, ICAO adopted a global framework to reduce CO_2 emissions by 5% by 2030 through increased use of SAF and other energy sources cleaner than jet kerosene.[92] In the EU, the REFuelEU Aviation regulation set minimum SAF blending volumes in aviation fuel to 6% by 2030 and to 70% by 2050.[93] According to the IEA, SAF accounted for less than 0.1% of all aviation fuels consumed globally in 2022.[94] Although the use of SAF requires limited modifications to currently operational aircraft, making it a potential short-term tool to reduce aviation's carbon footprint,[95] life cycle emissions from SAF vary greatly depending on the feedstock and process retained for production.[96]

In aircraft technology, improvements in design, engine efficiency and other technologies have increased fuel efficiency of the overall fleet by 80% compared to 50 years ago.[97] In this sense, each new-generation aircraft that started operating since 2021 uses approximately 15-20% less fuel than the model it replaced.[98]. Beyond the typical evolution of engine and design technology, hybrid propulsion systems are expected to play a larger role in enhancing fuel efficiency,[99] in spite of the currently unresolved challenges regarding fully electric, hybrid and hydrogen-powered aircraft configurations. For instance, in fully electric aircraft, batteries add significant weight; hydrogen still faces large-scale availability related to green hydrogen production and supply infrastructure.[100] Nonetheless, the International Air Transport Association's (IATA) strategy to achieve net zero carbon emissions by 2050 assigns 13% of the necessary emissions reduction to new technologies.[101]

In the above context, Sustainalytics is of the opinion that Airbus' financing of zero exhaust CO_2 aircraft, energy-efficient aircraft and alternative aviation fuel is expected to support the decarbonization of the aviation industry.

[84] IEA, "Aviation", (2023), at: https://www.iea.org/reports/aviation
[85] IATA, "Global Air Travel Demand Continued Its Bounce Back in 2023", (2024), at: https://www.iata.org/en/pressroom/2024-releases/2024-01-31-02/
[86] IATA, "Global Outlook for Air Transport", (2023), at: https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---december-2023---report/#:~:text=URL%3A%20https%3A%2F%2Fwww.iata.org%2Fen%2Fiata
[87] Mission Possible Partnership, "Making Net-Zero Aviation Possible", (2022) at: https://3stepsolutions.s3-accelerate.amazonaws.com/assets/custom/010856/downloads/Making-Net-Zero-Aviation-possible.pdf
[88] IEA, "Aviation", (2023), at: https://www.iea.org/reports/aviation
[89] ICAO, "Overview of Climate Goals and ICAO's Work on a Long-Term Aspirational Goal for International Aviation", at: https://www.icao.int/environmental-protection/Documents/EnvironmentalReports/2022/ENVReport2022_Art92.pdf
[90] Ibid
[91] ATAG, "Climate action", at: https://atag.org/industry-topics/climate-action#:~:text=In%20October%202021%2C%20the%20global,with%20Governments%20around%20the%20world
[92] ICAO, "Sustainable Aviation Fuel", at: https://www.icao.int/environmental-protection/Pages/SAF.aspx
[93] European Council, "RefuelEU aviation initiative: Council adopts new law to decarbonize the aviation sector", (2023), at: https://www.consilium.europa.eu/en/press/press-releases/2023/10/09/refueleu-aviation-initiative-council-adopts-new-law-to-decarbonise-the-aviation-sector/
[94] IEA, "Aviation", (2023), at: https://www.iea.org/reports/aviation
[95] Jain, S., et al., (2021), "Estimating the Reduction in Future Fleet-Level CO_2 Emissions From Sustainable Aviation Fuel", at: https://www.frontiersin.org/articles/10.3389/fenrg.2021.771705/full
[96] International Council on Clean Transportation, "Assessing the sustainability implications of alternative aviation fuels", (2021), at: https://theicct.org/sites/default/files/publications/Alt-aviation-fuel-sustainability-mar2021.pdf
[97] IATA, "Net zero 2050: new aircraft", at: https://www.iata.org/en/iata-repository/pressroom/fact-sheets/fact-sheet-new-aircraft-technology/
[98] ATAG, "Balancing growth in connectivity with a comprehensive global air transport response to the climate emergency: a vision of net-zero aviation by mid-century", (2021), at: https://aviationbenefits.org/media/167417/w2050_v2021_27sept_full.pdf
[99] Ibid.
[100] Natural gas is the main primary energy source currently used to produce hydrogen, accounting for approximately 75% of annual global hydrogen production. Green hydrogen production, on the other hand, requires electrolysis and low-carbon electricity.
[101] IATA, "Our Commitment to Fly Net Zero by 2050", at: https://www.iata.org/en/programs/environment/flynetzero/

Contribution to SDGs

Alignment with and contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The Airbus Green Financing Framework is expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG Target
Best-in-class and zero direct (tailpipe) CO_2 emissions Aircraft Alternative Aviation Fuel	9. Industry, innovation and infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Energy Efficiency and Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency
Digital solutions for space-based earth observations	11. Sustainable cities and communities	11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels[102]
	14. Life below water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
	15. Life on land	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
Circular Economy	12. Responsible consumption and production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Conclusion

[102] This target represents an interim goal established by the UN in 2015 as a pathway to achieve sustainable development by 2030 and has not since been updated. However, in 2019, the UN reported that the percentage of global fish stocks within biologically sustainable levels declined from 90% in 1974 to 67% in 2015. Considering this significant decline, Sustainalytics recognizes the continued need for investment towards the achievement of this target and considers it to be relevant and impactful in the context of the Framework.

Airbus SE has developed the Airbus Green Financing Framework under which it may issue covered, secured or unsecured bonds, convertible bonds, loans and commercial paper, and use the proceeds to finance or refinance projects in the following categories: Best-in-Class and Zero Direct (tailpipe) CO_2 Emissions Aircraft; Alternative Aviation Fuel; Energy Efficiency and Renewable Energy; Digital Solutions for Space-Based Earth Observations; and Circular Economy. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Framework outlines processes for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework reflects key elements of Airbus' overall sustainability and transition strategy and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 7, 9, 11, 12, 14 and 15. Additionally, Sustainalytics considers that Airbus has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Sustainalytics has assessed the Framework for alignment with the EU Taxonomy's criteria for Substantial Contribution (SC) to its environmental objectives and Minimum Safeguards. For more details, please see Section 1 and Appendix 1. Furthermore, Sustainalytics assessed the Framework as aligned with the recommendations of the Climate Transition Finance Handbook 2023.

Based on the above, Sustainalytics is confident that Airbus is well positioned to issue green financial instruments as listed above, and that the Airbus Green Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable technical screening criteria for substantial contribution (SC) to an environmental objective of the EU Taxonomy. Sustainalytics' assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one activity in the EU Taxonomy and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a specific activity in the EU Taxonomy. In such cases, Sustainalytics has mapped to the activity that is most relevant with respect to the primary environmental objective established in the EU Taxonomy.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the EU Taxonomy. In other cases, some categories which are traditionally included in green bonds and loans may not be associated with a specific EU Taxonomy activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

Table 2 below displays the outcome of Sustainalytics' mapping process for this report.

2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the SC criteria is usually based on the specific criteria contained in the issuer's Framework and may in many cases also be based on management systems and processes or regulatory compliance.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criteria (Eligible Use of Proceeds)	EU Taxonomy Activity	Corresponding NACE Code	Environmental Objective	Refer to Table
Best-in-class and zero direct	Manufacturing of aircraft with zero direct (tailpipe) CO_2 emissions	3.21 Manufacturing of aircraft	C30.3 and C33.16	Climate Change Mitigation	Table 3

(tailpipe) CO_2 emissions aircraft					
Alternative Aviation Fuel	Manufacture of biogas or biofuels for use in transport and bioliquids	4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids	D35.21	Climate Change Mitigation	Table 4
	Manufacture of hydrogen-based synthetic fuels	3.10 Manufacture of hydrogen	C20.11		Table 5
	Manufacture, storage and associated equipment for the production and use of renewable and low carbon hydrogen	3.2 Manufacture of equipment for the production and use of hydrogen	C25, C27, C28		Table 6
		4.12 Storage of hydrogen	No associated code		Table 7
		4.14 Transmission and distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50		Table 8
	Infrastructure projects, including pilot projects, at airports for refuelling and ultimately installations at airports together with consortium partners	6.17. Low-carbon airport infrastructure	F41.20 and F42.99		Table 9
Energy Efficiency and Renewable Energy	Reduction of energy consumption, improve energy efficiency, increase own on-site renewable energy generation capacities and manage energy of plants and offices.	4.24. Production of heat/cool from bioenergy	D35.30	Climate Change Mitigation	Table 10
		7.3. Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22 and C33.12		Table 11
		7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		Table 12
		7.6. Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		Table 13
Digital solutions for space-based earth observations	Software development or programming activities for space-based earth observations aimed at the provision of software for climate change adaptation	8.4 Software enabling physical climate risk management and adaptation	J62.01	Climate Change Adaptation	Table 14
Circular Economy	Depollution and dismantling of separately collected waste in state-of-the-art facilities from end-of-life aircraft for material recovery or preparation for re-use of components	2.6 Depollution and dismantling of end-of-life products	38.31, E38.32 and E42.99	Transition to a Circular Economy	Table 15

Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of the Framework criteria with the technical screening criteria for substantial contribution to an environmental objective for each relevant EU Taxonomy activity.

Table 3

Framework Activity assessed	Manufacturing aircraft with zero direct (tailpipe) CO_2 emissions	
EU Taxonomy Activity	3.21 Manufacturing of Aircraft	
Associated NACE Code	C30.3 and C33.16	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that projects financed under the Framework will meet the SC criteria related to this activity.	Aligned

Table 4

Framework Activity assessed	Manufacture of biogas or biofuels for use in transport and bioliquids	
EU Taxonomy Activity	4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids	
Corresponding NACE Code	D35.21	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that the projects financed under the Framework will meet the SC criteria related to this activity. Airbus has communicated to Sustainalytics that the projects financed under the Framework will be located in EU countries and follow the measures relating to Directive (EU) 2018/2001 as transposed in each country.[103,104] Considering that the activity consists of financing projects only in EU countries, Sustainalytics has assessed this activity to be aligned with the applicable SC criteria.	Aligned

[103] European Commission, "Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources", at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001

[104] European Commission, "National transposition measures communicated by the Member States concerning Directive (EU) 2018/2001", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32018L2001

Table 5

Framework Activity assessed	Manufacture of hydrogen-based synthetic fuels	
EU Taxonomy Activity	3.10. Manufacture of hydrogen	
Associated NACE Code	C20.11	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that its activities will meet the SC criteria related to this activity.	Aligned

Table 6

Framework Activity assessed	Manufacture, storage and associated equipment for the production and use of renewable and low carbon hydrogen	
EU Taxonomy Activity	3.2 Manufacture of equipment for the production and use of hydrogen	
Associated NACE Code	C25, C27, C28	
Environmental Objective	**Alignment Assessment**	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that its activities will meet the SC criteria related to this activity.	Aligned

Table 7

Framework Activity assessed	Manufacture, storage and associated equipment for the production and use of renewable and low carbon hydrogen	
EU Taxonomy Activity	4.12. Storage of hydrogen	
Associated NACE Code	No associated code	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that its activities will meet the SC criteria related to this activity.	Aligned

Table 8

Framework Activity assessed	Manufacture, storage and associated equipment for the production and use of renewable and low carbon hydrogen	
EU Taxonomy Activity	4.14. Transmission and distribution networks for renewable and low-carbon gases	
Corresponding NACE Codes	D35.22, F42.21 and H49.50	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that its activities will meet the SC criteria related to this activity.	Aligned

Table 9

Framework Activity assessed	Pilot projects at airports for refuelling and ultimately installations at airports together with consortium partners	
EU Taxonomy Activity	6.17. Low-carbon airport infrastructure	
Corresponding NACE Codes	F41.20 and F42.99	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that its activities will meet the SC criteria related to this activity.	Aligned

Table 10

Framework Activity assessed	Reduction of energy consumption, improve energy efficiency, increase own on-site renewable energy generation capacities and manage energy of plants and offices	
EU Taxonomy Activity	4.24. Production of heat/cool from bioenergy	
Corresponding NACE Code	D35.30	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that its activities will meet the SC criteria related to this activity. Airbus has communicated to Sustainalytics that the projects financed under the Framework will be located in EU countries and follow the measures relating to Directive (EU) 2018/2001 as transposed in each country.[105,106] Airbus also confirmed that compliance will be audited as part of the assurance process for the allocation report. Considering that the activity consists of financing projects only in EU countries, Sustainalytics has assessed this Framework activity to be aligned with the applicable SC criteria.	Aligned

[105] European Commission, "Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources", at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001

[106] European Commission, "National transposition measures communicated by the Member States concerning Directive (EU) 2018/2001", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32018L2001

Table 11

Framework Activity assessed	Reduction of energy consumption, improve energy efficiency, increase own on-site renewable energy generation capacities and manage energy of plants and offices	
EU Taxonomy Activity	7.3. Installation, maintenance and repair of energy efficiency equipment	
Corresponding NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22 and C33.12	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that the projects financed under the Framework will meet the SC criteria related to this activity. Airbus has communicated to Sustainalytics that the projects financed under the Framework will be located in EU countries and follow the measures relating to Directive (EU) 2018/2001 as transposed in each country.[107,108] Considering that the activity consists of financing projects only in EU countries, Sustainalytics has assessed this activity to be aligned with the applicable SC criteria.	Aligned

Table 12

Framework Activity assessed	Reduction of energy consumption, improve energy efficiency, increase own on-site renewable energy generation capacities and manage energy of plants and offices	
EU Taxonomy Activity	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	
Corresponding NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that the projects financed under the Framework will meet the SC criteria related to this activity.	Aligned

[107] European Commission, "Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources", at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001

[108] European Commission, "National transposition measures communicated by the Member States concerning Directive (EU) 2018/2001", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32018L2001

Table 13

Framework Activity assessed	Reduction of energy consumption, improve energy efficiency, increase own on-site renewable energy generation capacities and manage energy of plants and offices	
EU Taxonomy Activity	7.6. Installation, maintenance and repair of renewable energy technologies	
Corresponding NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28	
Environmental Objective	***Alignment Assessment***	
Climate Change Mitigation	Airbus has confirmed to Sustainalytics that the projects financed under the Framework will meet the SC criteria related to this activity. Airbus has communicated to Sustainalytics that the projects financed under the Framework will be located in EU countries. For expenditures related to installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001,[109] Airbus confirmed that the projects financed under the Framework will meet the local implementation of Directive (EU) 2018/2001[110] as transposed in each EU Member State.[111] Considering that the activity consists of financing projects only in EU countries, Sustainalytics has assessed this activity to be aligned with the applicable SC criteria.	Aligned

Table 14

Framework Activity assessed	Software development or programming activities for space-based earth observations aimed at the provision of software for climate change adaptation	
EU Taxonomy Activity	8.4 Software enabling physical climate risk management and adaptation	
Corresponding NACE Code	J62.01	
Environmental Objective	***Alignment Assessment***	
Adaptation	Airbus has confirmed to Sustainalytics that the projects financed under the Framework will meet the following SC criteria related to this activity. 1. The activity removes information, technological or capacity barriers to adaptation.	Aligned

[109] Airbus has confirmed to Sustainalytics that the Company follows the definition for renewable energy outlined in the Article 2 of EU Directive 2018/2001: "'energy from renewable sources' or 'renewable energy' means energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas," at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32018L2001

[110] European Commission, "Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources", at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001

[111] European Commission, "National transposition measures communicated by the Member States concerning Directive (EU) 2018/2001", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32018L2001

	2. The activity uses a methodology and data that: (a) are based on best practice and available guidance and take into account the state-of the-art science for vulnerability, risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models; (b) are consistent with standards and guidelines on climate adaptation and risk management and disaster risk reduction, including for example EN ISO 14090 for the understanding of climate impacts and uncertainties and their use in decision making, as well as EN ISO 14091 on climate vulnerability, impacts and risk assessment, the Technical Guidance on Comprehensive Risk Assessment and Planning in the Context of Climate Change, and the Sendai Framework for Disaster Risk Reduction. 3. The piece of software developed: (a) is targeted at enabling the management of physical climate risks related to hazards listed in Appendix A to this Annex; (b) does not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (c) favours nature-based solutions to the extent possible; (d) is consistent with local, sectoral, regional or national adaptation strategies and plans; (e) is monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met. Based on its review of the project examples and Airbus' confirmation that financing under the Framework will be limited to technologies used primarily for climate change adaptation, Sustainalytics has assessed this activity to be aligned with the applicable SC criteria.	

Table 15

Framework Activity assessed	Depollution and dismantling of separately collected waste in state-of-the-art facilities from end-of-life aircraft for material recovery or preparation for re-use of components	
EU Taxonomy Activity	2.6 Depollution and dismantling of end-of-life products	
Corresponding NACE Code	38.31, E38.32 and E42.99	
Environmental Objective	***Alignment Assessment***	
Transition to a Circular Economy	Airbus has confirmed to Sustainalytics that the projects financed under the Framework will meet the SC criteria related to this activity. Airbus has also communicated to Sustainalytics that the projects related to this activity financed under the Framework will be located in EU countries and China. In the EU, projects will follow will be located in EU countries and follow	Aligned

	the measures relating to Directive (EU) 2018/2001 as transposed in each country.[112] Airbus confirmed that for projects in China, it will follow the criteria and the requirements in Article 8 of Directive 2012/19/EU and in Annexes VII and VIII. Airbus also confirmed that compliance will be audited as part of the assurance process for the allocation report. This Framework activity includes dismantling and depolluting waste electrical and electronic equipment (WEEE) which must meet the requirements established in Article 8 of Directive 2012/19/EU and its annexes VII and VIII.[113] In addition, the Framework activity also includes dismantling and depollution of WEEE and ELV, in which cases Airbus confirmed that all waste originates from collection points meeting the applicable requirements set by the EU and the national legislation. Airbus has also confirmed that dismantling and depollution of scrap ships and road vehicles is excluded. Based on the above, Sustainalytics has assessed this activity to be aligned with the applicable SC criteria.	

[112] European Commission, "National transposition measures communicated by the Member States concerning Directive (EU) 2018/2001", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32018L2001
[113] European Commission, "Directive (EU) 2012/19 on waste electrical and electronic equipment (WEEE)", at: https://eur-lex.europa.eu/eli/dir/2012/19/oj

Second-Party Opinion

Airbus Green Financing Framework

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