

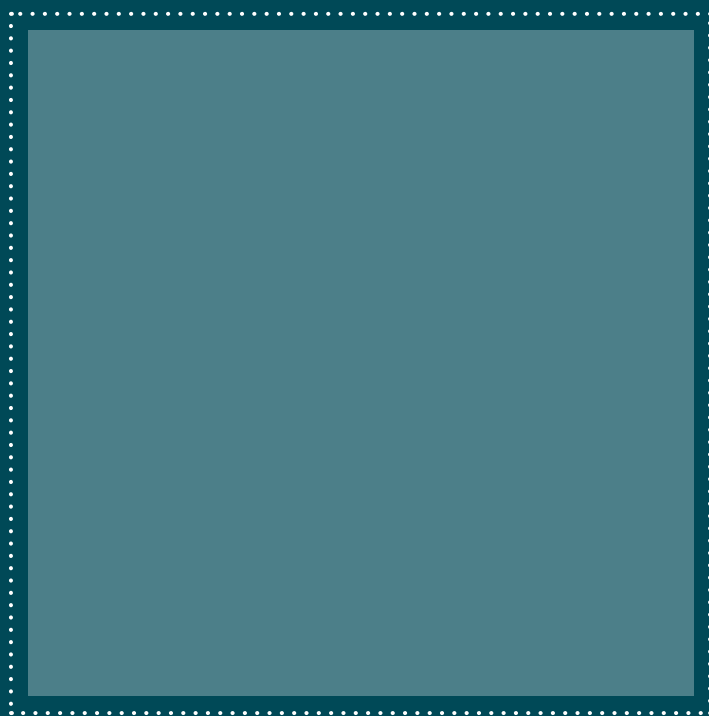


Responsibility, made by EADS

EADS at a Glance



Responsibility, made by EADS



Contents

EADS GROUP	III
THE DIVISIONS	IV
MAJOR PROGRAMMES AND PRODUCTS	VI
THE YEAR 2009 IN REVIEW	XII
EADS SHARES	XIV
EADS GLOBAL FOOTPRINT	XVI
EADS ORGANISATIONAL STRUCTURE	XVIII

Ten years ago, a group of companies, each with its own rich heritage but with a shared vision, came together to form EADS. Today, 120,000 people are working together at EADS to make that vision reality – setting new standards in aerospace, bringing our world together.

EADS IN 2009

		2009	2008	2007
Revenues	€m	42,822	43,265	39,123
EBIT*	€m	-322	2,830	52
Net Income ¹⁾	€m	-763	1,572	-446
Earnings per share ¹⁾	€	-0.94	1.95	-0.56
Dividend per share	€	- ²⁾	0.20	0.12
Net cash position	€m	9,797	9,193	7,024
Order intake ³⁾	€m	45,847	98,648	136,799
Order book ³⁾	€m	389,067	400,248	339,532
Employees		119,506	118,349	116,493

2009 RESULTS demonstrate the resilience of EADS' underlying business, but were weighed down by provisions related to programme delays.

REVENUES stood stable at €42.8 billion, reflecting strong deliveries across all businesses.

EBIT* of €-322 million was impacted by the A400M provision and foreign exchange effects.

NET CASH reached €9.8 billion, due to better than expected free cash flow.

ORDER BOOK stood at a robust €389.1 billion.

* Unless otherwise indicated, EBIT figures presented in this report are Earnings Before Interest and Taxes, pre-goodwill impairment and exceptionals.

¹⁾ EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules.

²⁾ Subject to approval by EADS Annual General Meeting.

³⁾ Contributions from commercial aircraft activities to EADS order intake and order book based on list prices.



A330-200F

AIRBUS¹⁾ is a leading aircraft manufacturer with activities in commercial and military segments.



(€ m)	2009	2008	Variation
Revenues	28,067	28,991	-3%
EBIT*	-1,371	1,815	-
Order intake	23,904	85,493	-72%
Order book	339,722	357,824	-5%



A400M

Airbus Commercial is a market leader in the sector for civil aircraft seating 100 or more passengers. It offers airlines a competitive range of advanced, fuel-efficient aircraft.

Airbus Military develops aircraft for military and security missions, including in-flight refuelling and maritime surveillance. Airbus Military is responsible for the A400M military transport aircraft programme.

In number of aircraft	2009	2008	Variation
Airbus Commercial			
Deliveries	498	483	+3%
Order book	3,488	3,715	-6%
Airbus Military			
Deliveries	16	19	-16%
Order book	250	256	-2%



EC175

EUROCOPTER is the world's leading helicopter manufacturer in the civil sector. It captures more than 50% of sales for civil and parapublic helicopters and has a strongly growing military business.



(€ m)	2009	2008	Variation
Revenues	4,570	4,486	+2%
EBIT*	263	293	-10%
Order intake	5,810	4,855	+20%
Order book	15,064	13,824	+9%

¹⁾ Airbus is now reporting in two segments: Airbus Commercial and Airbus Military. The Airbus Commercial perimeter includes EFW and the completed aero-structures reorganisation. Airbus Military (formerly Military Transport Aircraft Division) includes all A400M activity. Eliminations are treated at the Division level. 2008 figures have been restated to reflect the changes, except for Augsburg site transferred from Defence & Security.

* Unless otherwise indicated, EBIT figures presented in this report are Earnings Before Interest and Taxes, pre-goodwill impairment and exceptionals.



ComSatBw

ASTRIUM is Europe's preeminent space company and the third largest worldwide. It is the leading European supplier of satellites, launchers and space services and plays a key role in Europe's institutional and military space programmes.



(€ m)	2009	2008	Variation
Revenues	4,799	4,289	+12%
EBIT*	261	234	+12%
Order intake	8,285	3,294	+152%
Order book	14,653	11,035	+33%



Eurofighter

DEFENCE & SECURITY is the main pole for EADS' military and global security activities. Its wide range of products and services include the Eurofighter combat aircraft, missile systems, integrated defence and security solutions, defence electronics and related services.



(€ m)	2009	2008	Variation
Revenues ²⁾	5,363	5,668	-5%
EBIT*	449	408	+10%
Order intake	7,959	5,287	+51%
Order book	18,796	17,032	+10%



ATR 72 - 600

OTHER BUSINESSES³⁾ include turboprop manufacturer ATR, aerostructure and aircraft seat business EADS Sogerma, US operating unit EADS North America and 30% (consolidated at equity) of DAHER-SOCATA.

(€ m)	2009	2008	Variation
Revenues	1,096	1,338	-18%
EBIT*	21	43	-51%
Order intake	969	1,712	-43%
Order book	1,952	3,169	-38%

²⁾ Augsburg site revenues of €438 million are included in Defence & Security 2008 accounts. As of 2009, the Augsburg plant is integrated in Premium AEROTECH, consolidated within Airbus accounts.

³⁾ As of 2009, the composition of Other Businesses differs compared to 2008: EFW is now consolidated within Airbus accounts (Other Businesses 2008 accounts have been adjusted by this transfer) and EADS holds 30% of DAHER-SOCATA, consolidated at equity within EADS accounts. Other Businesses is not a stand-alone EADS Division.

* Unless otherwise indicated, EBIT figures presented in this report are Earnings Before Interest and Taxes, pre-goodwill impairment and exceptionals.

Airbus



Airbus Commercial

A380

Delivering the world's most efficient aircraft

The new **A380** double-decker is the most spacious and efficient large aircraft in service today. The baseline aircraft has 525 seats and offers passengers an unrivalled level of comfort. Conceived to bring airlines specific economic and fuel-efficiency benefits, it increases capacity on long haul routes and lowers costs per passenger.

A320 FAMILY

The world's most popular aircraft

The best selling family of commercial jets ever, the single-aisle **A320 family** responds to airlines' needs for maximum operational flexibility and lower operating costs on short and medium-haul routes. Airbus continues to invest in the A320 family, introducing new technology to maintain its competitive position.



A330|A340

Providing versatility

The **A330/A340** family has the versatility for either regional or long-range routes. Its airframe comes in six different configurations, powered by two or four engines. The twin-engine A330 is designed to generate maximum revenue and reduce operating costs on regional routes, while the four-engine A340 provides flexibility on long-range flights.

A350 XWB

Responding to airline demand

The **A350 XWB** (extra wide body) meets the demand for a new generation of medium-capacity, long-range aircraft. With a fuselage made largely of carbon fibre, its low weight cuts fuel costs and emissions. The wide body gives passengers greater comfort on long journeys. Launched in 2006, the A350 XWB is currently in development.

Airbus Military

A400M

Designed for demanding operations

The **A400M** is designed to fulfil the most demanding operational requirements for military and humanitarian missions throughout the world. Built for versatility, it can perform both tactical and strategic missions, and can fly at high or low speeds and high or low altitudes. Currently in development, the A400M performed its maiden flight in December 2009.



CN-235 | C-295

World-leading medium-weight transports

The **CN-235** and **C-295** are medium-weight, twin-engine turboprop transport aircraft capable of operating from short and unpaved runways. They are world leaders in their category, having been sold to air forces all over the world.



A330 MRTT

Innovative air-to-air refuelling

The **A330 MRTT** (Multi-Role Tanker Transport) is the world's leading air-to-air refuelling aircraft with an enormous basic fuel capacity and an innovative fly-by-wire refuelling boom. To date, the A330 MRTT has won orders from Australia, Saudi Arabia, the United Arab Emirates and the UK. The A330 MRTT is a derivative of the successful Airbus A330/A340 family.

Astrium

EUROSTAR 3000

Carrying an enhanced payload

Astrium's geostationary telecommunications satellites are based on the Eurostar family platforms (63 ordered up to year end 2009), which have established a reputation within the industry for exceptional reliability and in-orbit performance. The series is continually being improved through progressive integration of new technologies.

Eurostar 3000 is the latest version.

ARIANE 5

Putting the heaviest loads into orbit

Ariane 5 is a heavy-lift satellite launcher, with a payload capacity of up to ten tonnes. Since becoming operational in 2005, it has proved reliable and flexible, with 35 successful launches in succession at the end of 2009. Work has already started on an Ariane enhancement to increase payload capacity by 20%.



PARADIGM

Telecom service provider for armed forces

Paradigm, a wholly-owned Astrium subsidiary, is the world's leading commercial provider of military-grade satellite communications. Paradigm has a contract worth £3.6 billion with the UK Ministry of Defence (MoD) for the provision of military satellite communications services to 2020. Astrium is prime contractor to Paradigm for the design and build of the complete Skynet 5 system.



Defence & Security

MISSILE SYSTEMS

Delivering multi-national programmes

MBDA, a joint venture between EADS, BAE Systems and Finmeccanica, is the missile systems group within EADS Defence & Security (DS), covering the whole range of solutions. It is prime contractor for multinational programmes such as the Franco-British conventionally armed cruise missile, Storm Shadow/SCALP and a family of air defence systems based on the Aster missile.



EUROFIGHTER

The most modern combat aircraft

Eurofighter is the most modern multi-role combat aircraft currently in production. Optimised for complex air-to-surface operations, it is network enabled and extremely agile. It has a strong order book in Europe and is competing in major export campaigns. Deliveries passed the 200 mark in 2009.



UAVs

Monitoring threats

In the field of Unmanned Aerial Vehicles (**UAVs**), DS is seeking to develop a leading position based on its experience and projects to date. These include the Harfang Medium Altitude Long Endurance (MALE) UAV system developed for the French Air Force and operated in Afghanistan throughout 2009. DS is also developing in cooperation with Northrop Grumman the Euro Hawk high-altitude unmanned aerial system for signal intelligence.



SECURITY SOLUTIONS

Managing security response

Security threats often call for multiple responses from different services. The need to coordinate action has driven demand for **integrated security solutions**. DS delivers integrated systems for border security, maritime security, crisis and emergency response, as well as for protection of infrastructure and populations. DS Professional Mobile Radio (PMR) solutions enable security organisations to communicate effectively, reliably and securely.

Eurocopter

EC225 | EC725

Effectively applying technology

The **EC225/EC725** brings Eurocopter's latest rotor and all-weather technology to the 11-ton helicopter class. The EC225 flies for offshore oil and gas services, VIP transport, and search and rescue services. Its military twin, the EC725, is in service with the French Army and Air Force.

NH90

Pioneering multi-role helicopter

The **NH90** medium-weight, multi-role military helicopter has two basic variants, the Tactical Transport Helicopter and the NATO Frigate Helicopter. The programme is a co-development with Agusta-Westland and Fokker Services within Nato Helicopter Industries (NHI). At the end of 2009, the NH90 backlog stood at 489 firm orders.



EC135 | EC145

Matching innovation to customer needs

The **EC135/EC145** light twin-engine, multi-mission helicopters are made using the latest carbon fibre technologies. They are designed to ensure outstanding manoeuvrability, as well as an exceptionally quiet and smooth ride. Variations have been designed specifically for VIP transport, and for rescue and police work.

ECUREUIL FAMILY

A high-performance helicopter

The **Ecureuil**, which carries up to seven passengers, is renowned for its high performance, safety and low operating costs. Extensive use of composites, significant load-carrying capacity and a roomy cabin give it the flexibility to be used both as a utility helicopter and for ferrying passengers.



TIGER

Battlefield efficiency

The **Tiger** is a medium-weight air-to-air combat and fire-support helicopter, fitted with twin engines. It includes four variants, based on the same airframe, which have been ordered by France, Germany, Spain and Australia. Total deliveries amounted to 55 as of the end of 2009. The Tiger has been deployed to Afghanistan by the French Armed Forces, proving unparalleled reliability and serviceability in the operational theatre.

Other Businesses



ATR

The answer for regional routes

ATR is the world leader in the 50 to 74-seat turboprop market. ATR's family of high-wing, twin turboprop aircraft are designed for optimal efficiency, operational flexibility and comfort. A family upgrade was launched in October 2007 and both new models, the ATR 72-600 and the ATR 42-600, have begun flight testing.



EADS NORTH AMERICA

A footprint in the US

EADS North America is the North American operation of EADS. It is prime contractor for the US Army's UH-72A Light Utility Helicopter and together with its parent company, EADS, contributes over US\$ 11 billion to the US economy annually.



30 JANUARY

Arianespace orders 35 Ariane 5 ECA launchers

Arianespace and Astrium sign a contract for the production of 35 Ariane 5 ECA launchers (designated the "PB" batch), worth more than €4 billion. Astrium is the sole prime contractor for Ariane 5.



19 JUNE

Airbus wins US\$ 12.9 billion commitments at Paris Air Show

Airbus announces commitments during the 2009 Paris Air Show for 127 aircraft, valued at some US\$ 12.9 billion. These commitments include firm orders for 58 aircraft worth almost US\$ 6.4 billion, plus "Memoranda of Understanding" agreements for a further 69 aircraft totaling US\$ 6.5 billion.

23 JUNE

Airbus delivers first A320 assembled in China

Airbus delivers the first A320 aircraft assembled at its Final Assembly Line China (FALC) in Tianjin. The aircraft will be leased to and operated by Sichuan Airlines. The FALC is a joint venture between Airbus and a Chinese consortium comprising Tianjin Free Trade Zone (TJFTZ) and China Aviation Industry Corporation (AVIC). In total, 11 A319 and A320 aircraft leave the FALC in 2009, with a planned production ramp-up to four aircraft per month by the end of 2011.



30 JUNE

EADS wins Saudi Arabia national security programme

Defence & Security is awarded, as prime contractor, the border security programme covering the full borders of the Kingdom of Saudi Arabia. It is the largest contract ever competed worldwide as a full solution.



31 JULY

Eurofighter nations order third production tranche

The governments of Germany, the United Kingdom, Italy and Spain award the contract for Tranche 3a of the Eurofighter programme. The contract gives the go-ahead for production to start on a further 112 Eurofighter aircraft.

15 NOVEMBER

Airbus launches environmentally efficient wingtips

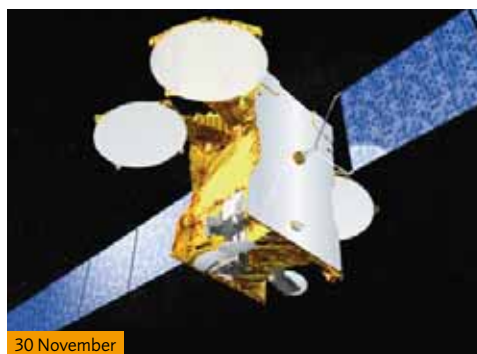
Airbus launches its new "Sharklet" large wingtip devices, designed to enhance the environmental efficiency and payload-range performance of the A320 family. Sharklets are expected to reduce fuel burn by at least 3.5% on longer routes.



30 NOVEMBER

[SES orders four new satellites from Astrium](#)

Global satellite operator SES and Astrium announce an order for four multi-mission satellites, worth more than €500 million. The new satellites are scheduled for launch between 2012 and 2014.



30 November

4 DECEMBER

[EADS opens research centre in Bangalore](#)

EADS Innovation Works announces the opening of a branch in Bangalore. EADS Innovation Works India will manage and broker research and technology (R&T) projects for the EADS Business Units and the Corporate R&T Organisation.



4 December

10 DECEMBER

[US Army awards US\\$ 247 million Light Utility Helicopter contract](#)

The US Army awards a contract for the Lakota Light Utility Helicopter (LUH) to EADS North America. The contract, worth US\$ 247.2 million, brings the total order to 178 UH-72A helicopters, which are used for medical evacuation, personnel transport and multi-mission applications.



10 December

11 DECEMBER

[A400M, Airbus Military's new airlifter, takes to the skies](#)

Airbus Military's all-new A400M performs its maiden flight from Seville Airport in Spain. The first new military airlifter of the 21st century completes a successful flight lasting 3 hours and 47 minutes. As planned, the six-man crew explore the aircraft's flight envelope over a wide speed range. They also test lowering and raising of the landing gear and high-lift devices at altitude.



11 December

17 DECEMBER

[Eurocopter celebrates maiden flight of its new EC175 helicopter](#)

The EC175, the latest member of the Eurocopter range, performs its official maiden flight in the skies above Marignane, France. The 7-ton class helicopter has been developed and manufactured in cooperation with the China Aviation Industry Corp. (AVIC), a long-standing Eurocopter partner.



17 December

In 2009, EADS share price was mainly driven by concerns about the economic crisis, outlook for commercial aircraft deliveries, dollar weakness and potential impacts associated with the A400M programme.

Until March 2009, EADS' stock performed below the sector, following EADS' proposal in January of a new approach for the A400M, which raised concerns about the financial impact of this delay on Airbus' profitability. A recovery began at the end of March, supported by signals of continued commitment from participating governments and signs of a potential recovery in the economy and traffic.

In September, the stock fell again on dollar weakness and negative news-flow relating to the A400M, the US tanker request for proposal and the possibility of production cuts to adapt to demand. Early in December, the share price recovered, driven by positive market sentiment, a favourable dollar/euro trend and positive company news-flow such as the A400M first flight and United Airlines' A350 XWB order announcement.

**On 31 December, the EADS share price closed at € 14.09.
It was 17.1% higher than year end 2008.
In the same period the CAC 40 gained 22.3%.**

PROFILE

Number of shares as of 31 December 2009 ➤ 816,105,061

High in 2009 on Paris Stock Market: on 18 September ➤ € 16.40

Low in 2009 on Paris Stock Market: on 30 March ➤ € 8.47

ISIN code ➤ NL0000235190

Please refer to www.eads.com for further information.

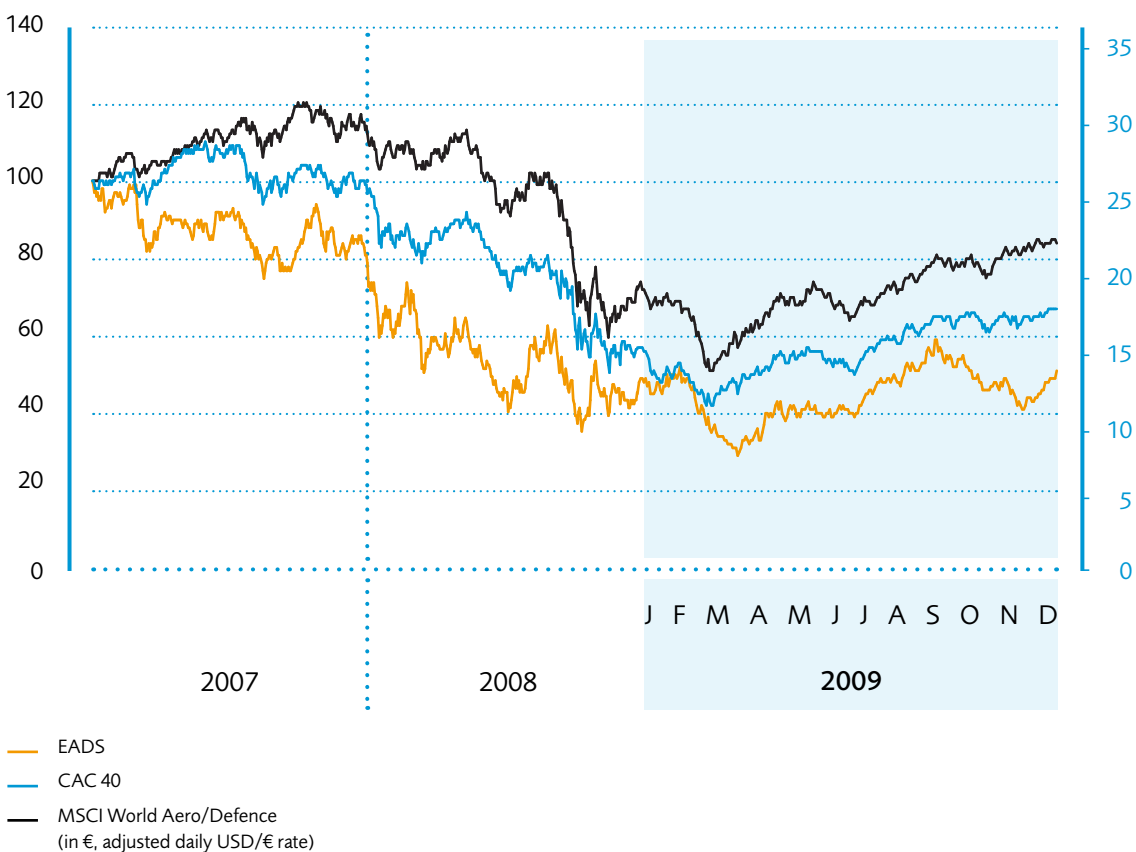


SHARE PRICE EVOLUTION

as of 31 December 2009 (close price)

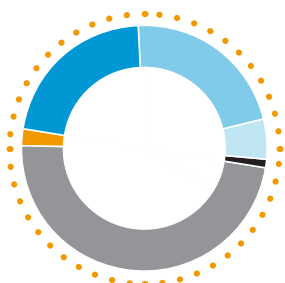
Base 100: 2 January 2007

EADS share price in €



SHAREHOLDER STRUCTURE

as of 31 December 2009



- 22.46% **Sogead** (Lagardère and French state holding company Sogepa)
- 22.46% **Daimler***
- 5.48% **SEPI** (Spanish state holding company)
- 0.06% Shares held out of the contractual partnership by the **French state**
- 49.15% **Institutional, retail and employee ownership**
- 0.39% **Treasury shares** (without economic or voting rights)

* On 9 February 2007, Daimler reached an agreement with a consortium of private and public-sector investors by which it effectively reduced its shareholding in EADS by 7.5%, while retaining its voting rights over the entire 22.5% package of EADS shares.



50% ¹⁾

Europe

		2009
Revenues	€bn	21.4
Sourcing ²⁾	€bn	22.8
Order book	€bn	122.1
Order intake	€bn	25.9
Employees		113,456

EADS leverages the capabilities and competitive advantages existing in Europe's well-established aerospace industry. Strong sourcing relationships have been built up over the years, particularly in EADS' home countries and cover all areas and materials. EADS is expanding its cooperation in Eastern Europe and Russia. A strategic partnership in the field of aeronautics has been formed in Romania. Presence in Central Asia is growing, following a strategic partnership with Kazakhstan in the space and helicopter domains.

14% ¹⁾

North America

		2009
Revenues	€bn	6.1
Sourcing ²⁾	€bn	8.1
Order book	€bn	44.0
Order intake	€bn	1.4
Employees		3,383

EADS is a leading supplier and industrial partner in North America for defence and homeland security, commercial aviation, telecommunications and services. It has been selected to provide major equipment programmes for the Army and the Coast Guard. EADS contributes over US\$11 billion to the US economy annually through its network of suppliers and services, sourcing significant – and growing – volumes of engines, systems and equipment in North America, and building on the local aerospace industry's expertise.

¹⁾ of Group revenues

²⁾ external spend only



20% ¹⁾

Asia Pacific

		2009
Revenues	€bn	8.6
Sourcing ²⁾	€bn	0.5
Order book	€bn	102.9
Order intake	€bn	6.9
Employees		1,679

Asia Pacific is a high priority region, where the Group is partnering with local industry on a number of programmes, such as the EC175 helicopter, developed in cooperation with the Chinese industry or the KUH helicopter development in cooperation with Korea. In 2009, 11 A320 aircraft left the newly created final assembly line in Tianjin (China) for delivery to customers. EADS is also reinforcing its presence in Japan and India.

9% ¹⁾

Middle East

		2009
Revenues	€bn	3.9
Sourcing ²⁾	€bn	0.07
Order book	€bn	91.4
Order intake	€bn	4.9
Employees		353

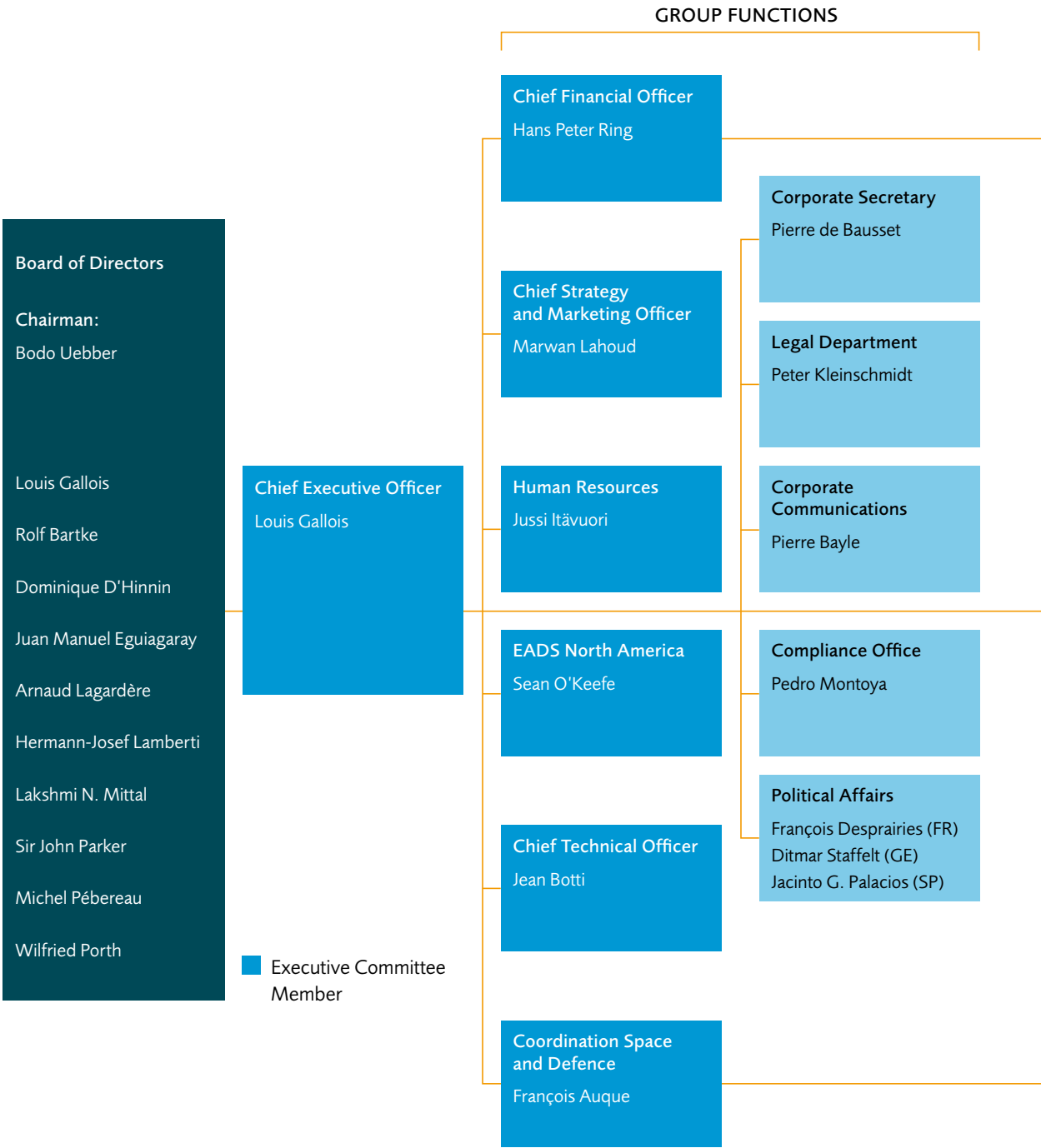
The Middle East is becoming a key market for EADS. Divisions have consolidated their presence (DS, Eurocopter and Astrium) and significant breakthroughs have been made in new fields such as border surveillance or air-to-air refuelling aircraft. In commercial aircraft, almost all the region's major carriers have chosen to expand and modernise their fleets with Airbus. Middle East airlines are important customers for the A380 and A350 XWB.

7% ¹⁾

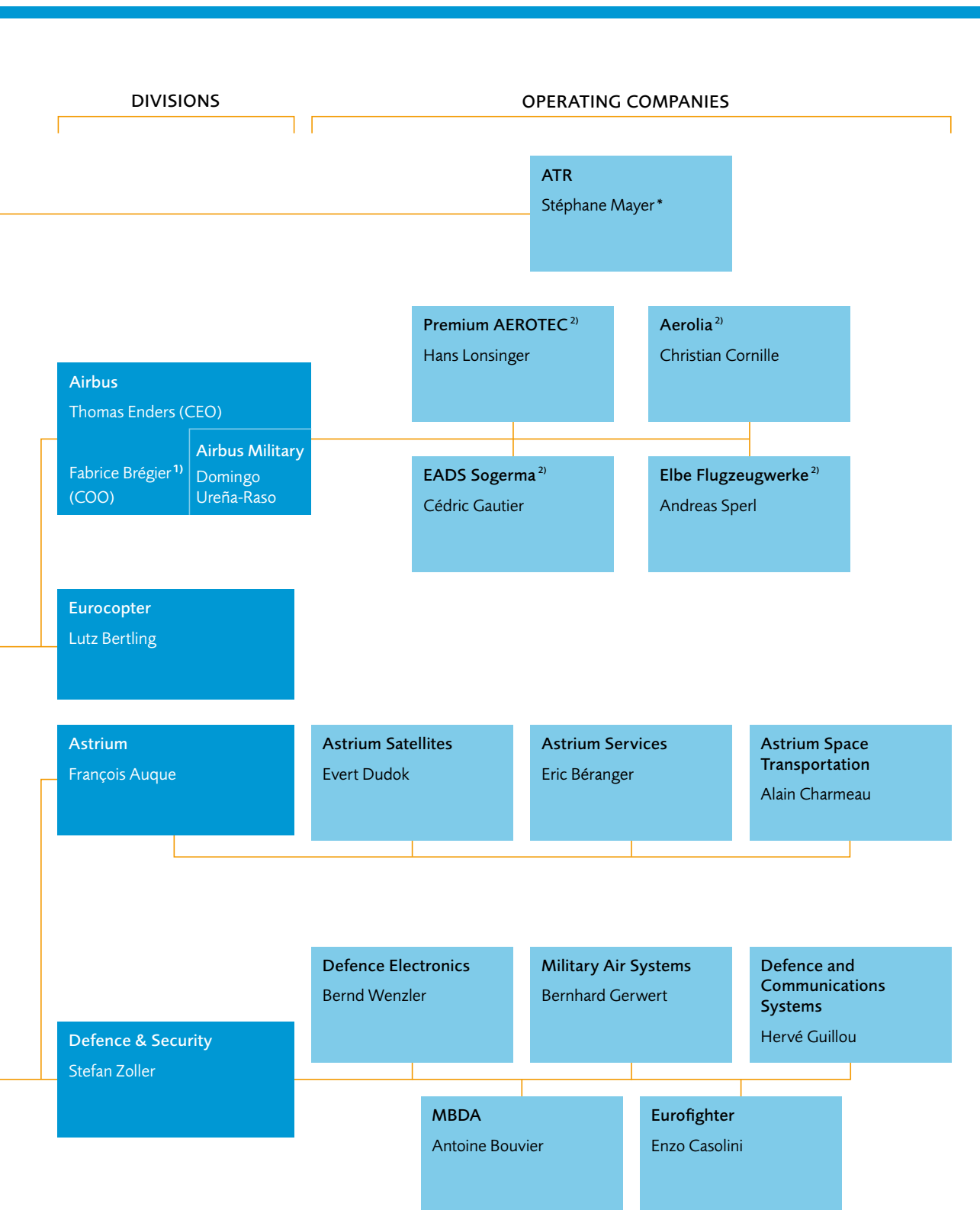
Rest of the world

		2009
Revenues	€bn	2.8
Sourcing ²⁾	€bn	0.06
Order book	€bn	28.6
Order intake	€bn	6.7
Employees		635

EADS is also focusing on other growth markets. Latin America, for example, is a dynamic economic region offering numerous commercial and industrial opportunities. EADS has developed a strategic industrial partnership with Brazil in the space, defence and security domains and won major successes in Mexico in 2009. EADS reinforced its presence in North Africa in 2009.



The Board actively shapes the Group's mission and strategic priorities, which are implemented under the leadership of the **Chief Executive Officer** (CEO), who provides the impetus for major operational initiatives. Group functions and the Divisions operate under the leadership of the CEO.



The four Divisions – Airbus, Eurocopter, Astrium and Defence & Security – serve the specific needs of their respective customers, while the Group functions enhance the Company offering through information exchange, technology sharing and working practice synergies.

¹⁾ Responsible as Executive Committee member of a permanent Group-wide mission to ensure EADS enhanced operational performance.

²⁾ 100% EADS owned, management delegated to Airbus.

* Until 31 May 2010, successor to be nominated following GIE ATR Articles of Association.

EADS at a Glance



www.eads.com

Why Corporate Responsibility and Sustainability (CR&S) are critical to our business

With product lifecycles exceeding 30 years, sustainability is one of our main concerns when designing and marketing our products and services. As for responsibility, we have built our success worldwide both through the excellence of our products and through our commitments to strong standards. Governments have rewarded us by placing their trust in us as a responsible partner.

Today more than ever, responsibility and sustainability determine how we balance short-term and long-term objectives. In short, they influence how we conduct and transform our businesses.

In this report, we aim to show both how we are addressing society's changing demands and how we are preparing for the challenges and opportunities of a low-carbon, more sustainable economy.

Contents

3	Board's foreword	16	Sound governance
4	Chief Executive Officer's letter	22	Responsibility, made by EADS
6	Addressing our main CR&S challenges	24	1. Innovative, clean and safe products
8	Our CR&S roadmap	36	2. Eco-efficient processes and operations
10	CR&S, a long-standing commitment and a journey	42	3. Developing our people
12	How we implement CR&S	52	4. Strong supplier partnerships
		56	5. An active corporate citizen
		61	Indicators and appendix
		72	Glossary

➤ Our first CR&S report

- In the pursuit of a constructive dialogue with our stakeholders, and following our first Corporate Social Responsibility day in 2008, EADS is dedicating a specific report to CR&S, complementing our other publications which focus largely on compliance, risk and financial performance reporting.
- With this report, we aim to explain how we understand our CR&S challenges so far and how we plan to address them. We are on a long journey, but our approach is both ambitious and professional, and our objectives are fully integrated into EADS' strategic Vision 2020.
- To support our analysis and to measure our progress, we have included qualitative and quantitative reporting information, in line with Global Reporting Initiative guidelines and as part of our annual Communication on Progress (COP) in the framework of the UN Global Compact initiative.
- This report has been built primarily thanks to the people of EADS, reflecting the initiatives taken by the Divisions and Business Units on a day-to-day basis. Our top management and a circle of CR&S experts have guided the project, taking into account the feedback we received from our stakeholders throughout the year. We would like to thank all our contributors for their dedication to this project.
- The report's structure reflects our CR&S surroundings. The document begins with corporate governance because, to us, responsibility and sustainability start with good governance. It then addresses the main aspects of CR&S for our Group – products, eco-efficiency and people, our greatest asset. Finally, we move on to our activities in the world where we operate – how we work with our suppliers and how we behave as a corporate citizen.

Board's foreword



From left to right: Bodo Uebber, Louis Gallois, Hermann-Josef Lamberti, Sir John Parker, Juan Manuel Eguiagaray Ucelay, Lakshmi N. Mittal, Michel Pébureau, Rolf Bartke, Arnaud Lagardère, Wilfried Porth, Dominique D'Hinnin

DEAR READERS,

We are pleased to present EADS' first dedicated Corporate Responsibility & Sustainability (CR&S) Report, which provides greater insight into the specific CR&S issues we face and how we are addressing them.

So far, the Group has reported about CR&S within its Annual Reports and Registration Documents. In this CR&S Report, EADS' attention to responsibility and sustainability is placed squarely within the context of the aerospace and defence industry. CR&S presents considerable opportunities and challenges for our industry. Our business strategy reflects this, as you will read in Louis Gallois' letter and throughout the report.

This report highlights both how we are taking advantage of the growth opportunities associated with CR&S issues, and how we are managing the associated risks. We have treated the preparation of this report in the same way as the Annual Report. CR&S reporting provides another dimension for viewing the Group, alongside financial and operational reporting.

The issue here is definitely one of future success, not solely one of moral principle. Investors now realise that companies doing business in a sustainable way have greater control over risks, and are better prepared for future challenges. We hope the readers of this document will understand how CR&S, as it is approached by EADS, is an opportunity and a driver of growth.

In this spirit, EADS held its first CR&S day in November 2008, at which key executives described our approach to both financial analysts and the environmental, social and governance community. Attendees told us that EADS is addressing the right issues. Yet there were also requests for further information about Group objectives, and a better understanding of the internal reporting tools we use to measure performance. This report should answer these legitimate questions and nurture our dialogue.

We want all stakeholders to view EADS as a "trusted" company, at the forefront of addressing CR&S issues in the aerospace and defence sector and related activities such as security.

In our home countries and elsewhere, winning the confidence and support of governments, law makers, policy makers and public opinion is an absolute priority. They are key stakeholders. This report should provide them with greater insight into how our strategy for creating economic value is entirely consistent with sound CR&S values.

Finally, and extremely importantly, we are a sought-after and "trusted" employer. Thirty thousand jobs created in the last ten years, in Europe alone, prove this point. We are committed to fulfilling employees' expectations for their careers.

Throughout this report, you will see that CR&S is a journey. We know what we want to achieve and are introducing the milestones and action plans that will enable us to do so. Reaching our objective requires a rich dialogue between EADS and all of our stakeholders. We are proud of this report and look forward to hearing from you.

The Chairman of the Board
for the Board of Directors

Chief Executive Officer's letter

Louis Gallois, Chief Executive Officer



OUR RESPONSIBILITY AND OUR OPPORTUNITY

As one of the world's largest aerospace and defence groups, we are involved in some of the most critical questions of our times – sustainable mobility, the security of nation states and the evolution to a “green” economy. We recognise the responsibility to society that our position implies, and are excited about the opportunities presented by the global changes taking place.

We are energetically transforming our businesses and products so that they lead the way towards a sustainable future: we integrate the concept of eco-efficiency in the culture of our businesses; we develop quieter aircraft that emit less greenhouse gas; and we build security products that protect people from emerging threats. In all fields, we are committed to meeting and even exceeding social and statutory requirements, to ensure that we act as a responsible citizen.

That is why I am embedding Corporate Responsibility & Sustainability (CR&S) into our core policies and business processes, as well as within the Group's strategy and vision. This, our first CR&S report, describes how.

Transforming EADS to address the emerging challenges and opportunities requires both the right technologies and the right people. I cannot stress enough how important our people are, and how we

are making every effort to nurture their commitment to the Group they work for. They constitute, for Europe, a great pool of cutting-edge know-how and vibrant energy that must be kept flowing.

For this reason, we conducted an extensive engagement survey during 2009 and are now acting on the areas for progress it revealed. We know that our people are proud of the products we engineer together and we are absolutely dedicated to responding to our employees' expectations about personal development, people management, common values and equal career opportunities. I am making it a personal priority to ensure they are engaged and fulfilled, and that we keep nurturing the key competencies they provide for our future.

Our suppliers, too, are vital to the successful transformation of our businesses. As our products are complex systems with long lifecycles, we are now forging even closer, extended-enterprise partnerships with the supply chain. We are trying to help suppliers achieve success in a variety of ways, including training their people in key skills, introducing improvements in industrial processes and helping them plan how to deliver within our production schedules.

Eco-efficiency – which we describe as maximising economic value creation while minimising environmental impact – is one of the main engines driving the transformation of our business. It is at the core of Vision 2020, our strategic vision for the next decade. We are developing eco-efficient processes and operations, as well as technologies that contribute to lower emissions and recycling. More than 90% of EADS employees work at sites certified against ISO14001, and our target is to extend this standard further.

You will read later in this report that 80% of the research and technology budgets at both Airbus and Eurocopter are devoted to developing these “green” technologies, which include advanced materials, better aerodynamics, new propulsion systems and air traffic management systems. We are also promoting the introduction of sustainable bio-fuels, which we believe have a major role to play in the future of aviation. Throughout this report, we describe the new technologies that are beginning to solve the issue of how to improve modern society’s living standards without depleting the Earth’s resources. Recognising the importance of these developments, we have protected EADS’ level of research and technology spending, even at a time when our sector is facing severe economic challenges.

Within the defence industry, responsibility is part of our corporate character. We provide products, systems and services that safeguard the security of Europe, NATO countries and allies. The defence and security sector has always been challenged by the evolution of threats. Today, terrorism, guerrilla and cyber warfare are growing in the landscape. Our defence and security businesses are responding with innovative tools that enable governments to respond to those evolving threats, in order to protect their citizens and the stability of nation states. Export compliance and business ethics are central to the Group’s culture and EADS is leading efforts to establish consistent standards for business ethics and compliance globally.

We know that our people are proud of our products. Through innovation and enterprise, we are transforming our businesses and positioning them for profitable growth. Through an intelligent and visionary application of technology, we aim to lead the aerospace and defence sector’s sustainable development. Together we will develop EADS in a way that will make us all proud.



Louis Gallois, Chief Executive Officer

Vision 2020's strategic objectives

- **THE WORLDWIDE LEADER IN AIR AND SPACE PLATFORMS AND SYSTEMS** ➤ Become the worldwide leader with a complete portfolio of products, both commercial and governmental.
- **PROFITABILITY** ➤ Achieve best-in-class operational and financial efficiency to reach 10% EBIT in the first half of the decade 2010-2020.
- **FOCUS ON CORE** ➤ Develop a new business model approach and reallocate human/financial resources which are currently locked in non-core legacy activities.
- **BALANCED REVENUES** ➤ Reach a 50/50 balance between Airbus/other Divisions' revenues.
- **MISSION-CRITICAL SERVICE PROVIDER TO OUR CUSTOMERS** ➤ Achieve a 25% services share – against 10% – of business by 2020, focusing on high-value services, developing both customer and product intimacy.
- **GLOBALISATION** ➤ Become a true global industrial company with 40% of EADS' sourcing and 20% of EADS' employees outside Europe.
- **MOVING TOWARDS AN ECO-EFFICIENT ENTERPRISE** ➤ Environmental issues are to become a Group-wide driver towards sustainable development.

Addressing our main CR&S challenges

➤ Sound governance



THE STARTING POINT

For EADS, responsibility and sustainability start with good governance. Our corporate governance organisations, including controls and risk management, and ethics and compliance, are the foundations on which the Group is building its future. These governance standards are influencing how we transform our business. ➤ [Page 16](#)

➤ Responsibility, made by EADS

1 | Innovative, clean and safe products



AT THE HEART OF THE DEBATE

We are at the heart of today's corporate responsibility debate. We are involved in some of the most critical questions of our times – sustainable mobility, the security of nation states and, more broadly, the evolution to a “green” economy. We have a responsibility, through our products and services, to take the lead in providing answers to these questions while building economic value, fostering employment, and preparing for the challenges and opportunities of a more sustainable economy. ➤ [Page 24](#)

2 | Eco-efficient processes and operations



COMMITTED TO ECO-EFFICIENCY

EADS is not only committed to providing eco-efficient solutions, but also to becoming an eco-efficient enterprise in its own operations, ie, a more sustainable company that continuously improves its overall environmental performance. We are striving to introduce this management philosophy, integrating it within the business and turning it into a company culture. We encourage all functions, programmes and stakeholders to exercise responsibility for the environment while enhancing our competitiveness. ➤ [Page 36](#)

3 | Developing our people



KEY TO SUCCESS

Our people are the source of EADS' success and competitiveness. We are committed to developing their full potential, responding to their expectations for personal development, and providing equal opportunities to all. Concentrating on managing employee competencies, we are nurturing the skills base needed for the future and preparing to weather the ups and downs of economic cycles, while also seeking to ensure that our people are truly engaged and fulfilled. > Page 42

4 | Strong supplier partnerships



LONG-TERM RELATIONSHIPS

EADS is forging increasingly strong relationships with suppliers. Having a business model that has long product cycles and relies extensively on high-quality outsourcing means that we form long-term partnerships with our suppliers and we progress together. > Page 52

5 | An active corporate citizen



SHARING OUR EXPERTISE AND RESOURCES

We believe that contributing to the well-being of the communities in which we work, and especially to the scientific education of young people, is an ethical imperative. We are focusing on activities where our expertise can add value. > Page 56

Our CR&S roadmap

AREA	RATIONALE AND GROUP OBJECTIVES	MILESTONES, INDICATORS, PROGRESS	SECTION
An integrated approach to Corporate Responsibility and Sustainability	Embed CR&S standards into EADS Group strategy	The yearly top ten priorities of the Group include at least two CR&S related targets. These targets are reflected in the Group's strategic planning, with a Vision 2020 horizon.	Entire report
	Embed CR&S standards into selected EADS core business processes	EADS strives to engage employees, with commitment expressed by the Executive Committee. Demonstrating this commitment, all EC members and Heads of Divisions will have at least one CR&S-related objective in their personal annual targets by 2011.	Entire report
Governance, ethics and compliance	Leverage governance as a tool to foster improved EADS sustainability	The Group seeks continuous improvement of Board proceedings and operations. A Board performance review is performed annually (and by an independent party every third year).	Sound governance
	Improve EADS' effective monitoring of ethical business conduct	A new compliance risk map was integrated to EADS' Enterprise Risk Management system in 2009. An updated Code of Ethics will be issued in 2010. A new Open Line will be made available to all employees in 2010 to enable them to raise questions and concerns confidentially and without fear of retaliation.	Sound governance
	Raise awareness of employees and business partners regarding EADS' commitment to ethical business conduct	A new integrated ethics and compliance organisation was set up in 2008. Compliance officers are independent yet empowered to support management's ethical business conduct. 10% of EADS employees will be trained in ethics and compliance in 2010.	Sound governance
Responsibility made by EADS: Innovative products and services to address societal challenges	Develop cutting-edge solutions for sustainable mobility	Our Airbus and Eurocopter Divisions are devoting 80% of R&T effort to environmental-related projects. We are committed to R&T targets compatible with the ACARE goals for aviation: 50% reduction in perceived noise, 50% reduction in CO ₂ , 80% reduction in NO _x by 2020 (using 2000 as a baseline).	Innovative, clean and safe products
	Promote eco-efficiency as a driver of innovation	We foster eco-efficiency in research, production, product development and new business opportunities. Our warehouse of innovative technologies is also proving to have applications beyond the aerospace sector and we aim to seize these "green growth" opportunities.	Innovative, clean and safe products
	Foster excellence in product quality	We continuously focus on safety and customer satisfaction. We foster best practice sharing on programme management to enhance our "On Time On Quality Delivery" performance. We deploy Black Belt training to provide problem-solving methodologies that enable us to improve our industrial performance. Target: 3% of EADS workforce to be trained as Black or Green Belt by 2014.	Innovative, clean and safe products

AREA	RATIONALE AND GROUP OBJECTIVES	MILESTONES, INDICATORS, PROGRESS	SECTION
Progress towards becoming an eco-efficient enterprise	Execute roadmap towards eco-efficiency and turn environmental management (with lifecycle orientation) into company culture	A roadmap is being implemented to achieve concrete industrial operational targets and product research targets by 2020. Three intermediary horizons, with specific actions and key performance indicators, have been defined: Horizon 1 (2012), Horizon 2 (2015) and Horizon 3 (2020). By 2020 (reference 2006), industrial operational targets are: 50% reduction of VOC emissions; 50% reduction in water consumption; 50% reduction in CO ₂ emissions; 50% reduction in waste production; 80% reduction in water discharge; 30% reduction in energy consumption; 20% of electricity produced from renewable energy sources. EADS seeks to establish a corporate environmental management system (lifecycle-oriented) fully certified against ISO 14001 standards and covering the full range of company activities.	Eco-efficient processes and operations
Human Resources	<p>Improve the sense of engagement of EADS employees</p> <p>Reinforce diversity and integration throughout EADS</p> <p>Anticipate, secure and develop EADS competencies</p>	<p>We are committed to responding to employees' expectations about personal development, people management and common values. A multi-year engagement programme, including Group-wide surveys and action plans, was launched in 2009. The first engagement survey was carried out in 2009 and a corresponding action plan is in progress. A second survey will be carried out in 2010.</p> <p>We are committed to equal opportunity careers for all employees and we aim to transform diversity into a competitive advantage, including gender diversity at every level, particularly at the higher management level. Gender diversity targets include: 25% of recruitment to be women; 20% of CBA (Corporate Business Academy) development programme participants to be women; and 20% of employees to be women by 2020 (versus 16.5% today).</p> <p>We develop and implement Group-wide solutions to manage competencies from a quantitative and qualitative point of view to support three processes: strategic competency management, workforce planning and individual competence appraisal and development. Implementation is in progress: Wave 1 (Q4 2009), wave 2 (Q1 2010), wave 3 (starting Q2 2010).</p>	<p>Developing our people</p> <p>Developing our people</p> <p>Developing our people</p>
Mutually beneficial relationships with our suppliers	<p>Growing and progressing with our suppliers</p> <p>Sharing CR&S objectives with our suppliers</p>	<p>We are forming even closer relationships with key suppliers and are continually seeking to improve the quality of these relationships.</p> <p>EADS expects its suppliers to embrace EADS Responsible Sourcing principles. A new charter on responsible sourcing will be issued and shared with suppliers in 2010.</p>	<p>Strong supplier partnerships</p> <p>Strong supplier partnerships</p>
Embracing our responsibilities as a corporate citizen	<p>Foster commitment to the communities where we work</p> <p>Strive to be a long-term partner in the countries where we operate</p>	<p>We focus on activities where our expertise can add value (eg, supporting the education of young people), particularly through the development of our foundations.</p> <p>We increase our global reach in terms of partnerships, sourcing and employees. We aim to become a sought-after partner by cooperating with local industries wherever possible and supporting the development of local skills and competencies.</p>	<p>An active corporate citizen</p> <p>An active corporate citizen</p>

CR&S, a long-standing commitment and a journey



2000

Creation of EADS

Creation of the European Works Council

2002

Astrium becomes Envisat's prime contractor

2003

EADS signs UN Global Compact

2004

Creation of EADS Corporate Foundation

2005

A380 completes its first flight

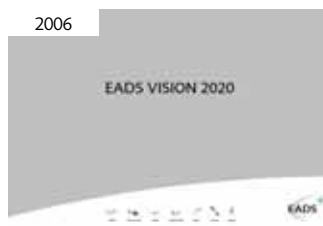
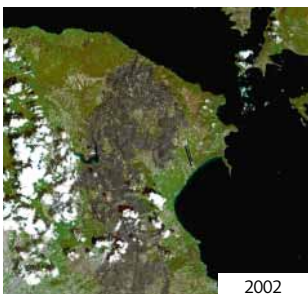
2006

Vision 2020 revealed

2007

Completion of PAMELA demonstration project

Simplification of Governance





2008



2008



2009



2008

EADS joins Dow Jones Sustainability Index

EADS' first CSR Day

Launch of Clean Sky JTI project

A380 starts alternative fuel tests

2009

Launch of the new compliance programme

Bluecopter demonstrator unveiled

Employees participate in engagement survey

First Airbus commercial alternative fuel flight

A400M completes its first flight

Vision 2020 and beyond



2008



2008



2009

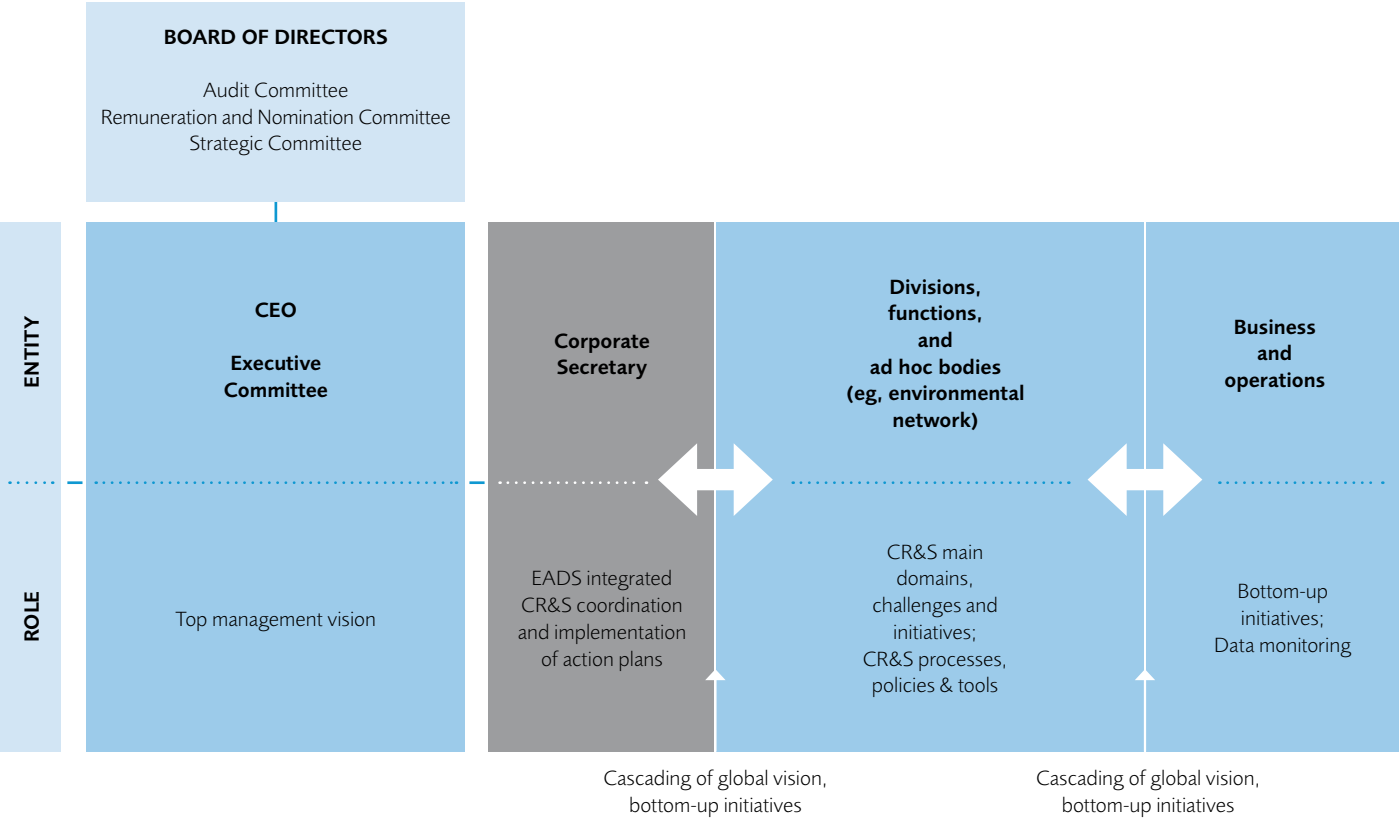


2009



How we implement CR&S

CORPORATE RESPONSIBILITY & SUSTAINABILITY ORGANISATION



The Corporate Secretary is in charge of articulating and guiding implementation of Group-wide CR&S objectives. Through the competencies and resources of the Divisions and Business Units, the organisation is pursuing its goals by embedding CR&S in core business processes and making it part of EADS' business culture. Successful implementation requires both strategic input from top management and bottom-up initiatives from employees.

TOP-DOWN AND BOTTOM-UP

PRAGMATIC APPROACH

EADS has organised a consistent Group-wide approach to Corporate Responsibility & Sustainability (CR&S) issues and objectives. The Corporate Secretary coordinates design of relevant policies and reporting. The organisation then manages CR&S in a manner consistent with the Group's broad strategy for creating economic value.

The organisation has a pragmatic approach, with specific objectives. For instance, it has environmental objectives in line with the concept of eco-efficiency, to achieve tangible and measurable reduction of environmental impact while contributing to the Group's goal of profitable growth.

Throughout the Divisions and Business Units, people charged with executing our CR&S objectives are embedded in the Group's operational functions. Focusing on the areas that are most relevant to EADS, they have specific goals, with milestones and key performance indicators, so that progress can be planned and measured.

INVOLVING EMPLOYEES

Balancing short-term objectives and long-term strategic goals, we ensure that our CR&S approach is not only inherent in Group strategy but also embedded into core business processes. With the full commitment of top management, we aim to engage all employees in the approach.

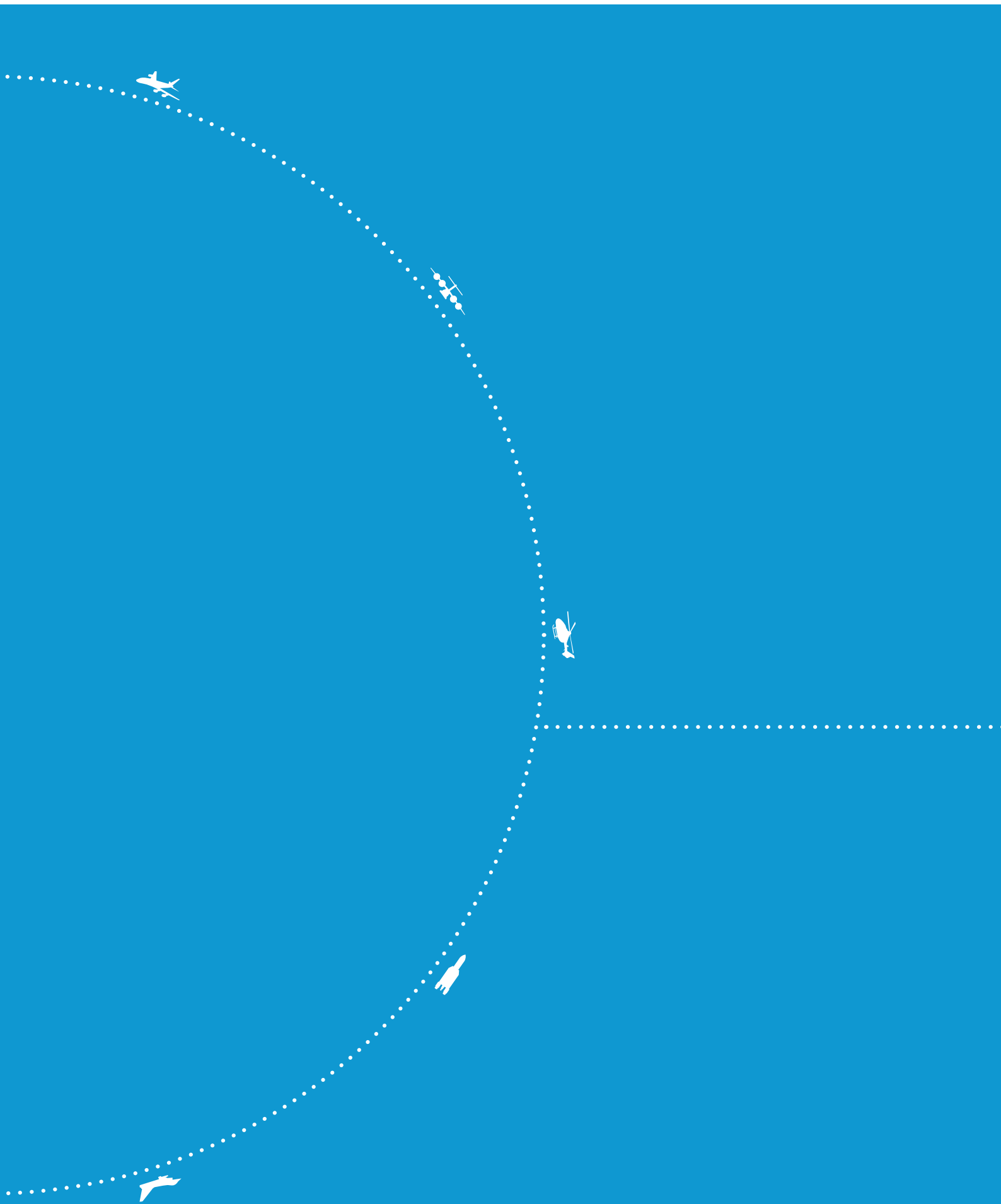
As shown in the illustration opposite, while top-down management primarily drives EADS' CR&S strategy, this also requires bottom-up initiatives from employees. On the one hand, management sets and cascades down the vision and goals; on the other hand, employees suggest initiatives and how they may be implemented.

STRUCTURED ACTIVITIES

The Corporate Secretary relies on the organisation to ensure that CR&S is conducted in a structured way by:

- Coordinating the internal CR&S network to ensure visibility and consistency of EADS' approach both internally and externally
- Exploring CR&S issues that offer an opportunity to create value through competitive advantage, cost savings or risk reduction
- Defining and updating EADS' CR&S policies and activities
- Overseeing appropriate reporting (eg, environmental reporting), to measure performance and progress
- Identifying emerging CR&S issues and exploring how to respond
- Making proposals and recommendations to EADS' management regarding CR&S matters
- Representing EADS in outside networks and maintaining a dialogue with stakeholders

This approach provides a framework for the Divisions and Business Units that are responsible for the day-to-day business and promotes dialogue with their direct stakeholders.





Contents

16	·	Sound governance
22	·	Responsibility, made by EADS
24	·	1. Innovative, clean and safe products
36	·	2. Eco-efficient processes and operations
42	·	3. Developing our people
52	·	4. Strong supplier partnerships
56	·	5. An active corporate citizen



For more detailed information,
please refer to the Corporate Governance section at:
www.eads.com or to the
REGISTRATION DOCUMENT 2009

❖ Sound governance

For EADS, responsibility and sustainability starts with good governance. Our corporate governance organisations, including controls and risk management, and ethics and compliance, are the foundations on which the Group is building its future. We believe we have high standards, which we are continually seeking to improve.

ORGANISATION AND POLICIES

Good governance standards are a cornerstone of EADS' corporate responsibility. EADS is committed to meeting and even exceeding social, legal and statutory requirements to ensure transparent management practice. We provide accurate, complete and reliable information and records in all decision-making processes and business relations, both inside and outside EADS. To achieve the highest standard of reliability, we continually improve our internal control and risk management system.

Being registered in the Netherlands and listed on the stock exchanges of France, Germany and Spain, numerous corporate governance regulations apply to EADS. In order to comply and be in line with best practice applicable in these jurisdictions, we work with a common set of corporate governance principles. In accordance with Dutch law, and with the provisions of the Dutch Corporate Governance Code, on the occasions when we do not apply these provisions we explain why we have not done so.

As a controlled company, we ensure the Board of Directors acts in the best interests of the Group by debating all issues without reservations. Since October 2007, we have increased the number of independent Directors and run meetings in a way designed to encourage the expression of autonomous views. Four of the 11 Board members are qualified as independent. Given the absence of material conflicting business interests between EADS and its controlling shareholders, the Directors designated by the controlling shareholders are judged to fairly represent the interest of all shareholders.

ORGANISATION

EADS has a corporate governance organisation with systems and controls designed to ensure good governance within the company. At the top of this organisation are three committees, each of which meets regularly to fulfil its specific task. The Audit Committee examines the annual financial statements and interim accounts, it probes the quality of financial reporting systems to take risks into account, and it assesses corporate audit and the compliance organisation independently. The Remuneration and Nomination Committee

makes recommendations regarding senior appointments and remuneration, the management of competencies and succession planning. The Strategic Committee discusses and makes recommendations regarding strategic issues.

BOARD ASSESSMENTS

The performance of the Board and the corporate governance organisation is evaluated every year, with an external review taking place once every three years.

During 2009, a variety of measures were introduced following the previous year's assessment. Steps have been taken to improve the quality of documentation received by the Board and its access to information. Additionally, meetings are now held in a venue more conducive to constructive discussion. A full-day off-site Board meeting is dedicated exclusively to strategic issues.

Equally importantly, the Board has sought closer contact with the management and the Group's industrial sites. Members of the Executive Committee frequently present at Board meetings, encouraging a constructive dialogue. Additionally, site visits have given the Board greater insight into particular issues facing the Group. The Corporate Secretary is in charge of implementing these improvements.

In early 2010, there was an external review of the Board's performance, which concluded that the Board was generally satisfied with its ability to work as a team, and to tackle relevant topics in the Company's best interests.

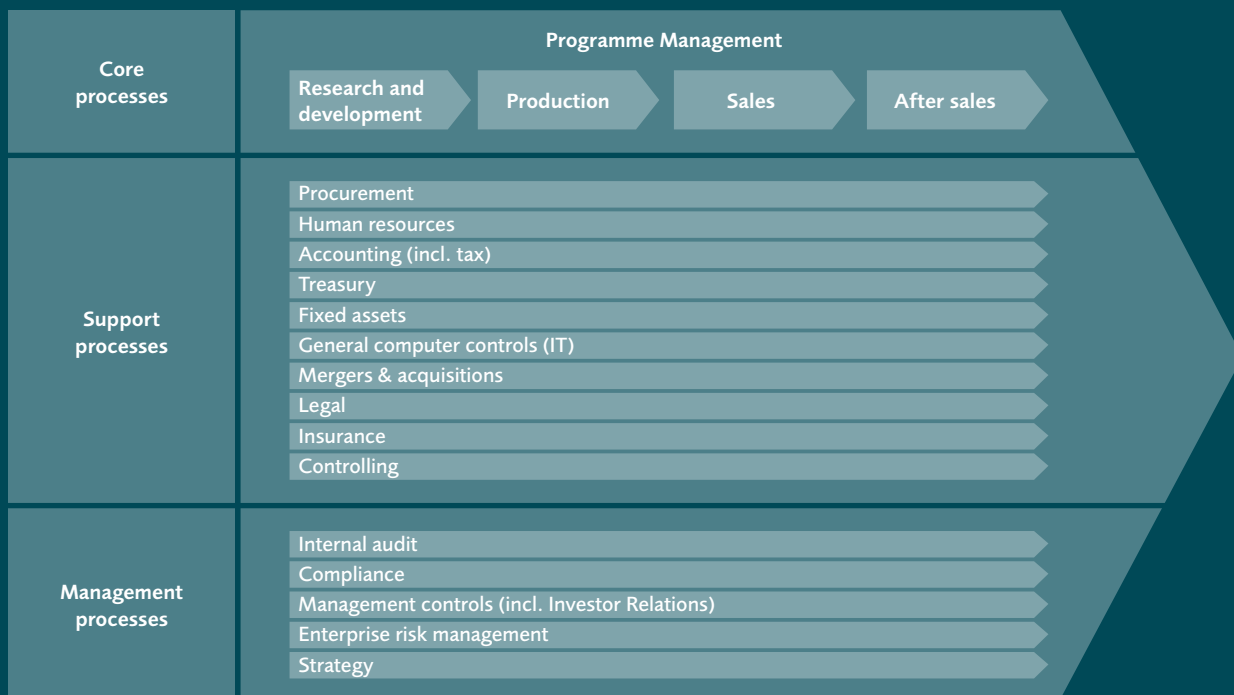
Attendance at meetings was viewed as adequate, with conflicting views expressed constructively. Overall, the Board considered that it assembles a very international, diverse and relevant set of skills with finance competencies, operational competencies and understanding of customers.

The Board felt that attention to compliance permeates their work. They commented that the Board should devote more time for long-term issues, including shared values, strategy, structure, efficiency and succession planning.



First-hand experience: The Board of Directors, with members of the Executive Committee and managers of EADS at Airbus' Finkenwerder site in Hamburg. Susanne von Arciszewski, Head of Furnishing & Completion, leads the group through Cabin Furnishing Hangar 241, where A380 aircraft are fitted with furniture and equipment; each customer airline has invested in intricate interior designs that carry its image and differentiate it from competitors. The complexity of such designs has proven to be an industrial challenge for Airbus.

ENTERPRISE RISK MANAGEMENT (ERM) SYSTEM



The EADS ERM Policy encompasses three main risk categories – process risks, functional risks and programme risks, which are further broken down into more detailed categories of risks and opportunities. In particular, the "process risks" are structured based on 18 ERM business processes.

ENTERPRISE RISK MANAGEMENT

One of management's fundamental goals is to foster an effective Internal Control (IC) and Risk Management (RM) environment. In 2008, EADS began implementation of a new Group-wide Enterprise Risk Management (ERM) system which seeks to address these two subjects in parallel, while further developing and building upon the achievements of the previous IC and RM system. The resulting ERM system seeks to provide management with an enhanced tool for effectively managing the uncertainty and associated risks and opportunities inherent in EADS' business. In addition, the ERM system seeks to satisfy compliance requirements for an effective IC and RM system. EADS' ERM system is based on the Internal Control and Enterprise Risk Management Frameworks of the Committee of Sponsoring Organisations of the Treadway Commission (COSO II – see EADS Registration Document 2009).

CODE OF ETHICS

The Code of Ethics articulates EADS' guiding ethical values, translating them into practical business guidelines that create a common sense of belonging. These are fully in line with internationally recognised standards as defined in charters, declarations or guidelines such as the Universal Declaration of Human Rights, the International Labour Organisation's Declaration, and the Organisation for Economic Cooperation and Development Convention on combating bribery of foreign public officials. They also reflect the United Nations Global Compact, of which EADS is a signatory. The Code's five chapters cover the following topics:

- Creating a positive working climate
- Doing business ethically
- Fostering sustainable growth
- Respecting the environment
- Living in our communities

The Code is continually evolving to reflect the increasing diversity of EADS' activities. After last being revised in 2006, it will again be updated in 2010.

ETHICS AND COMPLIANCE

To sustain global competitiveness and reinforce our high ethical and compliance standards, EADS has a robust Group ethics and compliance organisation. This ensures that Group business practices conform to applicable laws and regulations, and also promotes a culture of integrity. Often the Group's business practices exceed regulatory standards.

Following the creation of a specific compliance organisation and the appointment of the first Chief Compliance Officer (CCO) in 2009, compliance professionals are ensuring that all significant compliance risks are identified and managed. They are also striving to improve the Group's compliance culture and openness to dialogue. The steps needed to achieve this have been embedded in a roadmap, and will be implemented over the next few years.

To promote integrity in the aerospace and defence sector worldwide, the compliance organisation is working with peers to establish accepted common ethical standards. EADS believes that such standards will benefit companies with robust business ethics and compliance programmes, and convince others to improve their practices, thereby creating a level playing field.

BUILDING THE ETHICS AND COMPLIANCE ORGANISATION

Since 2008 compliance resources have been increased. Dedicated compliance officers have been appointed for all Divisions, and for the functions with the main compliance risks. The compliance organisation now employs more than 120 full-time employees.

The compliance organisation balances proximity to day-to-day business activities with independence from commercial pressures. Compliance officers report to both compliance and executive management. This starts at the top, where the CCO reports both to EADS' Audit Committee and to the Chief Executive Officer (CEO).

Divisional compliance officers are tasked with helping management to perform business activities in a compliant way, and with promoting the Group's ethics programme. They make sure they have sufficient resources within the Divisions to carry out their roles effectively, reporting both to the CCO and the divisional heads.

At Group level, a specialist compliance officer was appointed in 2009 to supervise the supply chain. EADS North America's head of compliance also joined the Group Compliance Steering Committee during the year. Other permanent functional compliance officers are the Group International Compliance Officer, who is in charge of developing and implementing policy and rules to prevent corruption, and the Group Export Compliance Officer. These two individuals help marketing and export activities comply with relevant regulations, as well as internal "sensitive countries" guidelines.

DEVELOPING AN EFFECTIVE ETHICS AND COMPLIANCE PROGRAMME

The roadmap for achieving the goals set for the compliance organisation by the CEO have been benchmarked against the United States Federal Sentencing Guidelines and other international references. Progress reports to the Board in January and November 2009 showed objectives steadily being met.

The roadmap's five elements are as follows:

- Identification and assessment of risks
- Integration and updating of guidelines and policies, starting with the EADS Code of Ethics
- Enhancement of organisation and reporting
- Communication and training
- Development of an incident management system

During 2009, the CCO compiled a risk map covering EADS' Group-wide compliance risks. The CEO discussed the map in July and it was presented to the Board in November. The Board and the Audit Committee will review it at least annually and the compliance risks have been integrated in the Group's ERM system.

The Group has well-developed policies and practices in its primary risk areas, but is now taking action to improve in secondary areas.

The EADS Ethics and Compliance Steering Committee met seven times in 2009.

A training programme is in place to raise awareness among employees and companies working for EADS. More than 9,000 individuals were trained during 2009, either face-to-face or using the e-learning tools available throughout the Group.

Finally, an Open Line system will be introduced in 2010 to enable employees to address ethical and compliance concerns in strict confidentiality and without fear of retaliation.

EXPORT CONTROL – KEEPING TECHNOLOGY IN THE RIGHT HANDS

The matrix structure of the export compliance organisation was formalised in 2009, with both national and divisional heads of export compliance. These individuals sit on the Export Compliance Council, which oversees their activities and sets policy.

The export control policy can be summarised as follows:

- Defence exports are always controlled by governments
- No export of listed goods without a government license
- Cooperate closely and openly with governments
- Check reliability of all customers and end users
- Consider differences in home countries' export policies

In 2009, two export control directives were issued providing guidance for EADS' Divisions and Business Units – the Export Compliance Directive and the Procurement Directive. Export compliance is also introducing an IT information tool that details national rules and regulations, all export licenses obtained and the export classification of products.

➤ DEFENCE – RESPONSIBLE, ACCOUNTABLE, TRUSTWORTHY

The defence industry provides security for nation-states worldwide, granting their citizens peace and security. Regulations that govern the defence industry are designed to eliminate corruption and to prevent arms being sold to sensitive countries. EADS has a long history of complying with the regulations that govern the defence business. Policies and controls have always been integrated into the businesses and are part of the Group's culture. The Group complies with all anti-corruption regulations set by national governments where we do business and international bodies worldwide, and abides by governments' lists of sensitive countries. Furthermore, the Group is a trusted partner to the governments of our home countries – France, Germany, Spain and the UK – providing the defence products necessary for their national security.

➤ More than 9,000 individuals have been trained in ethics and compliance issues during 2009.

➤ COMPLIANCE WITH THE OTTAWA TREATY AND THE OSLO CONVENTION

Recent international conventions proscribe anti-personnel landmines (Ottawa Treaty) and certain munitions ("cluster munitions", as defined in the Convention on Cluster Munitions, "Oslo Convention"). EADS conducts its business in full compliance with all applicable laws and regulations. In this respect, EADS complies with the regulations of its home countries, who have adopted the provisions of both the Ottawa Treaty and the Oslo Convention, even though this convention is not yet in force. EADS wishes to underline that neither it, nor any of its subsidiaries, is involved in the production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of anti-personnel landmines or cluster munitions targeted by the Oslo Convention.

Since EADS is always consistent with the highest industry standards, we are committed to respecting and implementing the Ottawa Treaty and the Oslo Convention throughout the Group.

➤ FRENCH DETERRENCE-RELATED ACTIVITIES

EADS is a trusted partner that equips the French deterrence force through the French parts of some of our Business Units. EADS' Astrium Space Transportation is the exclusive supplier of ballistic missiles to the French state, its sole customer in this area. It is responsible for the development, manufacturing and maintenance of the M45 and M51 submarine-launched missiles and related system, but not for the production of the nuclear warhead. Additionally, the Business Unit conducts ongoing maintenance work to ensure system readiness over the equipment's lifetime. MBDA produces the second pillar of French nuclear deterrence, the ASMPA air-to-ground missile – once again, it is not involved in warhead production. The commissions of both chambers of France's parliament regularly examine these programs, publishing detailed reports.



➤ PROMOTING INTERNATIONAL STANDARDS

EADS is leading efforts to establish consistent standards for business ethics and compliance globally. The Aerospace and Defence Industries Association of Europe and the Aerospace Industries Association, its US counterpart, adopted a common set of standards for ethical conduct in October 2009. The so-called Global Principles of Business Ethics for the Aerospace and Defence Industry follow the anti-corruption programme of the Common Industry Standards, developed in 2007 by leading European aerospace and defence companies.

EADS actively supports both trade associations in opening discussions with those in other countries in order to get their member companies to subscribe to the same high standards.

As business ethics standards are made consistent globally, thereby creating a level playing field, EADS' robust ethical culture will become a competitive advantage.

In practical terms, export control has three roles: to make sure there are no unauthorised exports, to help business managers gain export licenses for their products and to mitigate risk, mainly through monitoring acquisition of components that may be re-exported.

Importantly, export compliance works with the strategy and marketing organisation to maintain EADS' sensitive countries list. This comprises countries that are officially sanctioned or where one of the governments of EADS home countries might have major concerns, thus avoiding conflicts with EADS' commercial interests. This process is oriented along internal business criteria and ends at the decision of the CEO and the Executive Committee.

SAFEGUARDING BUSINESS ETHICS IN MARKETING ACTIVITIES

Preventing bribery and corruption has always been a priority, and the EADS Business Ethics Policy and Rules, which apply to all Group business transactions, are under continual review. Experts in business ethics and anti-corruption practices give advice, so that best practice can be disseminated across the Group's operations.

The policy and rules seek to ensure a safe and efficient selection of business partners, based on the following principles:

- Transparency in selection of business partners
- Robust due diligence on business partners
- Appropriate remuneration for legitimate services
- Monitoring of contractual relationships with business partners

In addition, the International Compliance Programme includes regular audit and reporting mechanisms, as well as conducting appropriate training sessions. The policy also lays down guidelines regarding the acceptance of gifts and hospitality.

During 2009, a business ethics review was incorporated into the merger and acquisition due diligence process. When EADS is examining a possible acquisition, the International Compliance Officer systematically reviews the target company's business ethics policy and how effectively it is implemented.

To make sure that employees are aware of EADS' business ethics policy, all employees involved in selling products and services attend training. Approximately 100 sessions took place during 2009 with 2,242 people trained on compliance. EADS regularly publishes International Compliance Programme Newsletters for employees, covering the regulatory environment for foreign trade.

BUSINESS ETHICS DATA

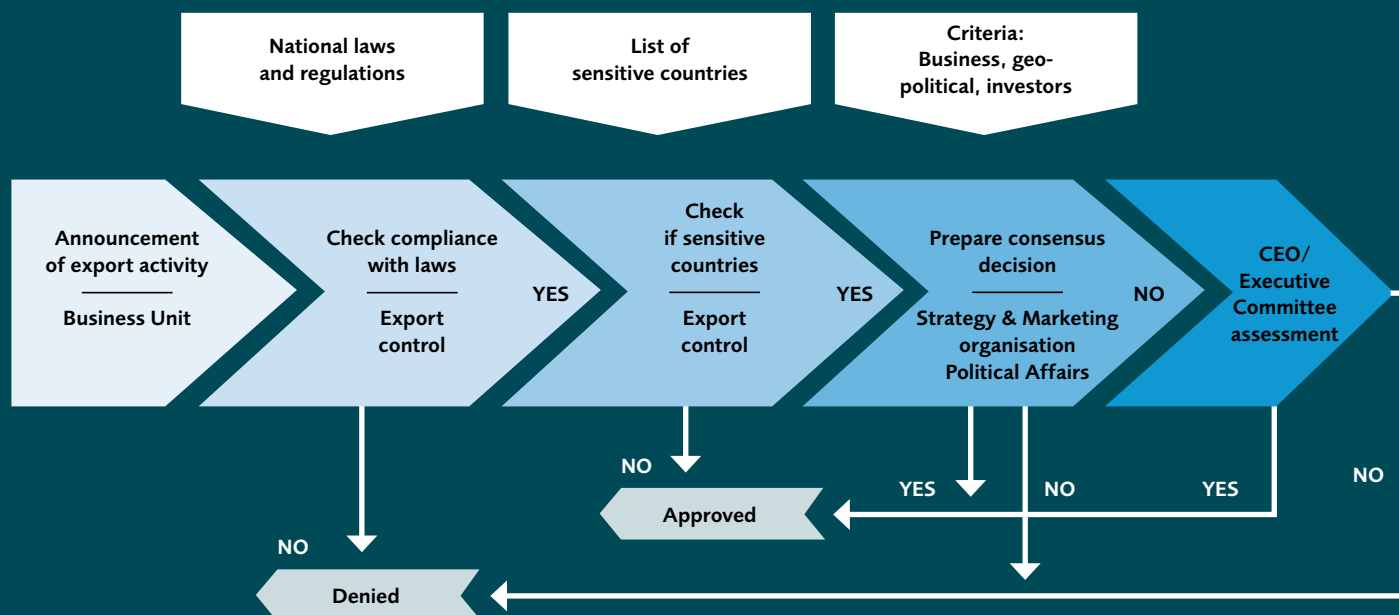
INTERNATIONAL COMPLIANCE PROGRAMME DATA	2009	2008	2007	2006
Consultants and other business partners' files audited *	95.8%	95.2%	94.9%	91.9%
Number of ICP Info Newsletters issued	3	3	3	3
Number of training sessions held by ICOs	96	90	87	76

In 2009, the international compliance officers trained 2,242 people. The employees selected for training were those whose positions are the most sensitive to business ethics issues.

Improvement of the rules implementation process within existing and new EADS-controlled entities has increased the number of consultants and other business partners' files received by EADS International Operations. Consequent adjustment in EADS' perimeter led to additional audits in 2008 and 2007, in comparison with 2007 and 2006 respectively.

* Total audited files/total active files of consultants and other business partners.

SENSITIVE COUNTRIES PROCESS



➤ Responsibility, made by EADS

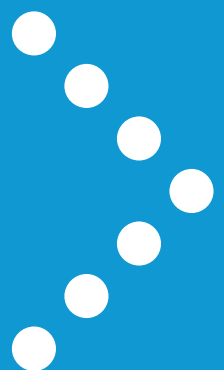
EADS is addressing some of the most pressing questions of our times.

We are investing to develop the innovative, clean, safe products that will enable people to travel in a low-carbon economy, and to counter emerging threats to security. To drive this, we are promoting innovation in research and product development, as well as new business opportunities.

Arising from EADS' activities in aerospace and defence over many years, we have developed a large and evolving technology portfolio, with applications inside and outside our own sector. Notably, these are contributing to the fight against climate change, as well as preserving biodiversity and increasing social progress for all.

Of course, none of this would be possible without the dedication and exceptional skills of our employees.

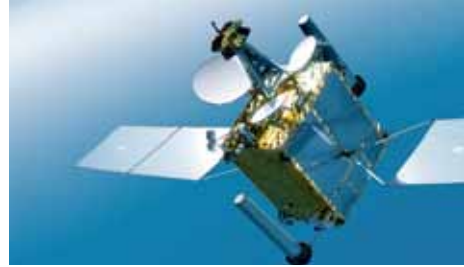
We also take our responsibility to our governments, our customers and our suppliers very seriously.





Innovative products.
Skilled people.
A responsible company.





➤ Innovative, clean and safe products

Technology has steadily reduced aircraft noise and emissions for the last 40 years. Today at EADS the drive to develop "greener" and quieter aircraft is at the centre of our design culture.

EVOLUTION IN ENVIRONMENTAL PERFORMANCE

1 ➤ A320 INCREMENTAL IMPROVEMENTS



1 ➤ Each new generation of aircraft has taken fuel and emissions efficiency to new levels. In the late 1980s, our A320 plane set new standards in the single-aisle market. Since then, we have regularly introduced incremental improvements such as the "sharklet" upturned wing-tips which will significantly cut emissions on long flights.

2 ➤ When the A380 double-decker started commercial flights in 2007, it raised the bar for environmental standards with its low noise levels – as well as reduced CO₂ and NO_x emissions.

3 ➤ The A350 XWB long-range aircraft will continue this path of improvement upon its entry into service, currently scheduled for 2013.

Now we are striving to develop the technologies and alternative fuels that will enable aviation to meet ambitious industry targets for carbon-neutral growth.

2 ➤ A380 SETS NEW STANDARDS



3 ➤ A350 XWB PREPARES FOR THE FUTURE



AT THE HEART OF THE DEBATE

EADS is one of the world’s largest manufacturers of aircraft and helicopters, is a major defence company and is continually developing one of the biggest portfolios of advanced technologies. As such, we are at the heart of today’s corporate responsibility debate. We are involved in some of the most critical questions of our times – sustainable mobility, the security of nation states and, more broadly, the evolution to a “green” economy.

The nature of our products and services means that corporate responsibility at EADS is widely defined. We have a responsibility to our employees, shareholders and other stakeholders, as well as society broadly, to take the lead in providing answers to these questions.

Across EADS, we make around 50% of the world’s commercial aircraft with 100 seats or more and are the world’s largest helicopter manufacturer. We are aware of the environmental impacts of our products and are committed to making them ever more eco-efficient – to leading the aviation sector towards a more sustainable future.

- 3,500 research workers
- Over 1,000 initiatives in progress
- 1,073 patent applications

Our defence and security businesses make products ranging from the most modern fighter aircraft to border security systems. We are proud that these products contribute to making nations stable and their citizens secure.

Within Astrium, the space Division, satellites have long been used to monitor climate change and are now beginning to play an important part in the practical measures being taken. Astrium’s advanced technology is creating some of the solutions that society will need when building tomorrow’s sustainable economy.

Environmental issues are now at the core of our business and product strategy. We are changing rapidly to take advantage of the opportunities presented by the evolution to a “green” economy. As a result we have prioritised the concept of eco-efficiency – defined by EADS as the creation of value while generating less environmental impact. Within EADS’ guiding Vision 2020 strategy for the next ten years, research and technology have a huge role to play in developing the products that will enable society to continue to benefit from modern transport, yet do so in a sustainable way.

80%

At Airbus and Eurocopter,

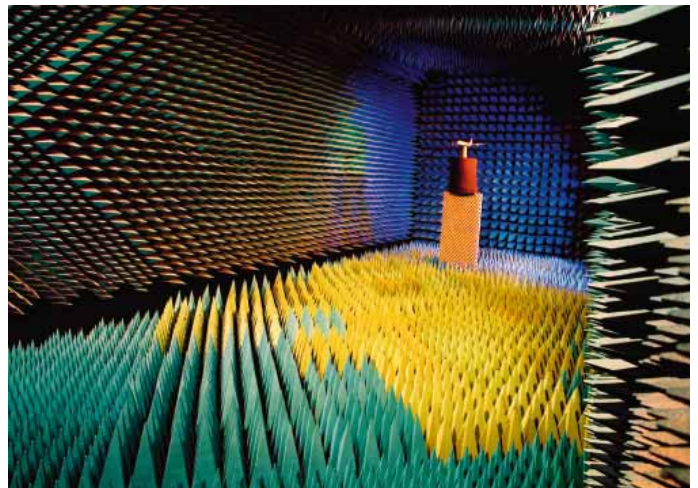
of R & T budget for green growth

EADS aims to be at the forefront of environmental innovation. The transition towards a more sustainable economy is at the core of our business and product strategy.

EADS aims to be at the forefront of environmental innovation. Within the aerospace industry, we are pioneering more eco-efficient aircraft that will emit fewer greenhouse gases. We are helping to develop sustainable fuels that will have far less impact on the environment over their lifecycle. And we are developing cleaner systems of propulsion for our helicopters.

We are establishing targets and monitoring our progress through transparent, independently validated environmental management systems. A large number of our sites now have ISO 14001 certification and we are working towards eventual corporate certification.

Adapting to a “green” economy presents challenges but also opportunities. At EADS, we believe that our extensive research and technology portfolio will play a part in the transition to a more sustainable world, with many of the technologies we develop for aerospace and defence having dual applications outside our core businesses.



The radar anechoic chamber at the EADS Innovation Works facility in Suresnes is used for the characterisation of materials and structures for stealth applications, as well as for optimising antenna installations on aircraft.

1.1. | TOWARDS SUSTAINABLE MOBILITY

EADS is leading the way towards a more sustainable aviation sector, reconciling the essential role that air transport has in the modern economy with the need to address climate change. We are investing heavily in research and technology, developing the aircraft, fuels and air traffic management systems that will transform our sector.

ACCELERATING IMPROVEMENT

Air transport lies at the heart of the modern economy, flying 2.5 billion passengers and 50 million tonnes of freight annually, employing 5.5 million workers and contributing US\$425 billion of gross domestic product. If aviation were a country, it would have the 21st biggest economy worldwide.¹⁾ Yet according to the Intergovernmental Panel on Climate Change, aviation generates approximately 2% of carbon dioxide emissions, as well as other greenhouse gases.²⁾

➤ If aviation were a country, it would have the 21st biggest economy worldwide.

Progressive technological developments have reduced aviation's fuel burn per seat by 70% over the past 40 years, with a parallel fall in emissions of carbon dioxide, the primary greenhouse gas. Clearly for air transport to grow sustainably, the steady fall in greenhouse gas emissions achieved since the inception of commercial aviation needs to be further increased.

There have also been similar improvements in noise. Aircraft entering into service now are typically 20 decibels quieter than comparable products 40 years ago.

EADS is leading the way towards accelerating the reduction of the impacts of aviation, in particular reducing greenhouse gas emissions and mitigating the impact of these gases.

We manage the environmental impact of products across the whole of their lifecycles – from cradle to grave. Aircraft have lifecycles as long as 40 years, starting with design and ending with recycling, and spend most of this time in service. Consequently, they generate more than 90% of lifecycle emissions in flight.

¹⁾ Oxford Economics, Aviation, The Real World Wide Web.

²⁾ 80% of aviation's greenhouse gas emissions relate to passenger flights exceeding 1,500 kilometres (900 miles), for which there is no practical alternative. Carbon dioxide data released in 2007 by IPCC, relating to 2000.

RESEARCH & TECHNOLOGY

EADS is developing breakthrough technologies that will enable the aviation sector to meet its targets for reducing noise and emissions. From 2020, the sector aims to stabilise carbon emissions and, from 2050, it aspires to cut net carbon dioxide emissions by half (versus 2005 levels). We are also participating in a project designed to measure some of the other impacts that can influence climate change, called MOZAIC (Measurements of OZone, water vapour, carbon monoxide and nitrogen oxides by in-service Airbus airCRAFT). By fitting A340 long-range aircraft with special sensors, MOZAIC measures the chemical composition of the atmosphere in order to provide a better climate forecast.

To develop the breakthrough technologies needed, several EADS Divisions are participating in the European Union-funded Clean Sky Joint Technology Initiative (JTI). The JTI is working to meet the research targets of the Advisory Council for Aeronautics Research in Europe (ACARE). By 2020, ACARE aims to show how carbon dioxide emissions can be reduced by 50% and nitrogen oxide by 80%, as well as how noise levels can be reduced by 50%, all relative to 2000 levels.

Across EADS, research and development resources are being focused on green technologies. As much as 80% of the research and technology budgets in the Airbus and Eurocopter Divisions are now devoted to finding ways to increase eco-efficiency and reduce pollution.

SHARE OF DIFFERENT SECTORS IN TOTAL ANTHROPOGENIC GHG EMISSIONS



25.9%	Energy supply
19.4%	Industry
17.4%	Forestry
13.5%	Agriculture
11.1%	Other transport
7.9%	Residential & commercial building
2.8%	Waste & wastewater
2.0%	Aviation

Source: IPCC, Synthesis Report Climate Change 2007, for 2000.

> AEROSPACE, A PROACTIVE INDUSTRY

Aerospace is developing technologies and fuels that will enable aviation to meet climate change challenges. Aviation is the only sector to have committed to voluntary quantitative targets even before COP15 (Copenhagen, 2009). The Air Transport Action Group aims to stabilise CO₂ emissions by 2020 and reduce them by 50% (versus 2005) by 2050.

Within the operational phase of an aircraft's life, greater fuel efficiency is currently the most important variable. Fuel consumption per passenger kilometre is falling significantly – for example, the A380 has a fuel burn of three litres per passenger per 100 kilometres, the lowest of any commercial aircraft in service. The A350 XWB long-range aircraft aims to reduce fuel consumption even more.

Highlighting its intention of making the most environmentally friendly helicopters, Eurocopter unveiled its Bluecopter demonstrator at the June 2009 Paris Le Bourget Air Show. This showcased technologies including a fuel-efficient, low-emission propulsion system, which can be introduced across Eurocopter's products.

BIOFUELS AND OTHER MEASURES

We are also pioneering sustainable bio-fuels, which Airbus estimates could meet 30% of commercial aviation needs by 2030. Bio-fuels' emissions are no less than fossil fuels', but their plant feedstocks fix carbon dioxide as they grow, thereby offsetting what is emitted when they are burned. EADS defines sustainable bio-fuels as neither competing with land/water resources used for food production nor destroying rain forests.

Airbus and Eurocopter have been working with universities, fuel companies and start-up companies, as well as standards developing organisations, to develop "drop-in" biofuels. Drop-in fuels work with existing aircraft systems and infrastructure. Airbus is lobbying

A FULL RANGE OF ECO-EFFICIENT AIRCRAFT

> A380 family

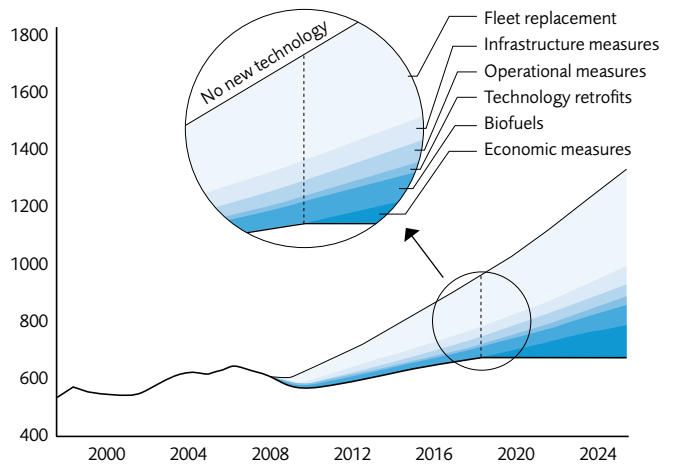
> A350 XWB family

> A330/A340 family

> A320 family



CARBON NEUTRAL GROWTH FROM 2020



Source: ATAG 2009

think tanks and bodies such as the European Commission, advocating that sustainable bio-fuels should be reserved for aviation. Aviation has no alternative way of limiting its carbon impact, even in the medium-term. With aviation's relatively small fuel consumption, and manageable distribution network, the sector has a strong case. Airlines are ready to use bio-fuels now (see Qatar case study), so this should happen as soon as possible.

In the short to medium-term, market-based measures will also reduce aviation's net effect. From 2013, air transport will become part of the European Union Emission Trading Schemes and a cost will be assigned to airlines' carbon emissions. However, the aviation sector believes that "global" rather than "European" measures would be most effective (climate change is a global issue, regardless of where emissions occur) and avoid competitive disadvantages.

By affecting how high, fast and far from each other aircraft fly, and finding direct routes to destinations, modern air traffic management (ATM) will contribute to reducing greenhouse gas emissions and noise, while improving safety. EADS has leading roles in the Single European Sky ATM Research (SESAR) project, which is developing the technology for Single European Sky. This will modernise Europe's ATM system and may be used in other regions as well.

Airbus's first aircraft are ending their useful lives, even though they will not be retired in large numbers for ten years. Airbus has already started to find ways to recycle them. TARMAC AEROSAVE has been established to dismantle aircraft and recycle most parts. This follows the pilot PAMELA project, completed in 2006, which dismantled both an A300 B4 and an A380 (static test cell), establishing a benchmark for recycling up to 85% of components (see case study).

TAKING INTO CONSIDERATION THE WHOLE LIFECYCLE OF OUR AIRCRAFT

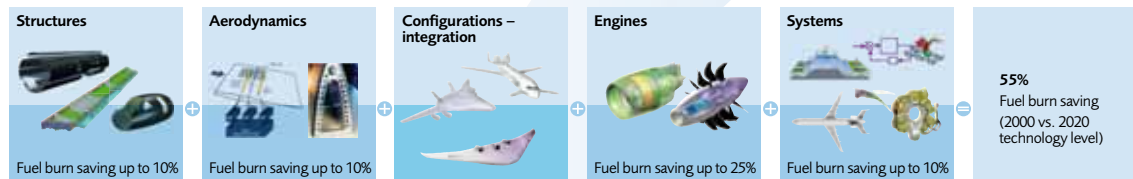
A lifecycle-oriented approach takes into account all stages of the life of a product or service, from cradle to grave – in other words, from the design of the product to the end of its lifetime. Our main target is to design or identify "true" environmentally-friendly solutions, which avoid pollution transfers from one stage of the lifecycle to the other or from one medium to the other (eg, air to water or soil)

1

Investing in research to **DESIGN** cleaner aircraft

Potential for energy savings

Most of the environmental impacts of products which take place during their lifetime are in fact determined to a large extent as early as the design phase. Now, the very concept of flying implies minimising the use of energy, through reducing drag and the weight of the aircraft to improve its technical performance



Bluecopter concept

Demonstrating its commitment to making low environmental impact helicopters a reality and a competitive advantage, Eurocopter unveiled the Bluecopter demonstrator

at June 2009's Paris Le Bourget Air Show. The demonstrator showcases technologies able to reduce the impacts of both current and future helicopter models, including a fuel-efficient, low-emission propulsion system. The Bluecopter aims to reduce noise, fuel consumption and CO₂ emissions, as well as to improve end-of-life management. In the near future, Bluecopter could herald a new helicopter with 40% lower fuel consumption.



Clean Sky

Several EADS Divisions are involved in the Clean Sky project, a seven-year, € 1.6 billion joint technology initiative. This 50/50 partnership with the European Commission is intended to provide the technologies needed to meet the objectives set by the Advisory Council for Aeronautics Research in Europe (ACARE).

Clean Sky is organised around six major platforms, or integrated technology demonstrators, which will demonstrate and validate the technology breakthroughs that are necessary to make major steps towards ACARE's environmental goals. ACARE aims to meet these goals by 2020.³⁾ More information can be found at:

www.cleansky.eu

³⁾ The ACARE targets are (using 2000 as a baseline):

- 50% reduction of CO₂ emissions through drastic reduction of fuel consumption
- 80% reduction of NO_x (nitrogen oxide) emissions
- 50% reduction of external noise
- A green product lifecycle: design, manufacturing, maintenance and disposal/recycling



Managing the **SUPPLY CHAIN** for a shared vision of environmental responsibility

Encouraging best practice

EADS is committed to improving the environmental impact of its entire supply chain and to helping its suppliers to do so, notably for compliance with regulatory requirements. For example, the set of REACH interpretation guidelines which were introduced across the Group in 2009 were also distributed extensively to suppliers. Additionally, Airbus organised training sessions to help suppliers implement environmental requirements.

2

5

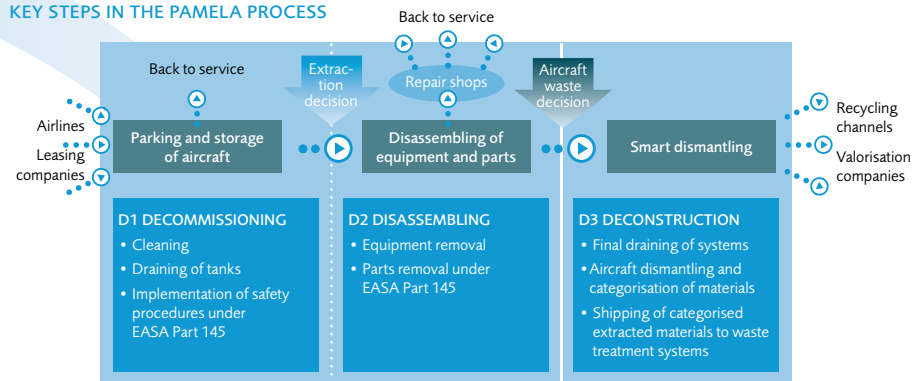
Inventing new best practices to disassemble and recycle **END OF LIFE** aircraft



Leading the way towards industrialised recycling

Through a joint venture called TARMAC (Tarbes Advanced Recycling & Maintenance Aircraft Company) AEROSAVE, Airbus and its partners in this company aim to help address the issue of how to retire the 6,200 aircraft reaching the end of their lives over the next 20 years. They are offering a whole range of services, from the short-term storage of aircraft to their final dismantling. Airbus' PAMELA (Process for Advanced Management of End of Life Aircraft) project prepared the way for TARMAC, researching best practice for dismantling and recycling retired aircraft – underscoring the company's lifecycle approach to eco-efficiency. Working with an A300, PAMELA demonstrated in 2008 that up to 85% of an aircraft's components can be easily recycled, reused or recovered, with a 70% reuse and recovery rate. Consequently, Airbus has not only developed sustainable dismantling and recycling techniques that comply with environmental, health and safety requirements, but also increasingly incorporates this knowledge into the design of its new aircraft. For Airbus' latest product, the A380, static test cells have been used for not only successfully dismantling the frame and components, but also recycling the parts.

KEY STEPS IN THE PAMELA PROCESS



4

Optimising **AIRCRAFT OPERATIONS** and maintenance for enhanced environmental performance



Integrated solutions

The greatest environmental impacts of aircraft occur during operations. To limit this, we work at the design stage to improve fuel efficiency and reduce air emissions, while acknowledging that trade-offs are inevitable (optimal performance versus noise and fuel burn). We also work to improve efficiency during maintenance, again focusing on fuel burn and related emissions, as well as noise and local air quality. Adding to this, Airbus and Eurocopter have assumed leading roles in improving the overall air transport system, especially through design of modern air traffic management (ATM) and promotion of sustainable bio-fuels. Across EADS, we are participating in the Single European Sky ATM Research joint undertaking (SESAR), aiming to decrease environmental impacts per flight by as much as 10%. EADS also leads the way towards integrating bio-fuels for aviation use. Notably, Airbus has joined forces with Qatar Airways, Qatar Science & Technology Park and Qatar Petroleum to develop, approve, produce and supply second-generation bio-fuels for this purpose. Initially, Qatar Airways will be the dedicated end-user of these projects. They have already successfully conducted the world's first commercial flight powered by a cleaner gas-to-liquid fuel blend in October 2009 – marking a milestone in alternative fuel development.

3

Mitigating the impact of **MANUFACTURING** on the environment thanks to cleaner technologies and processes

Embedding environmental efficiency

Improvement starts at home, and thus we are seeking to embed eco-efficiency into all our products and processes. For example, the final assembly line for Airbus' A350 XWB will use 22,000 square metres of roof-mounted photovoltaic solar panels, generating 55% of its own power. Natural lighting will keep the need for artificial light to a minimum and an energy management system will optimise consumption of liquids and power according to demand.



QUALITY AND SAFETY

EADS is one of the world's biggest aerospace and defence companies, trusted by airlines, governments and many thousands of private companies. They expect us to deliver high-quality, reliable products on time. At every point in design, manufacturing and assembly, we ensure the highest safety and quality standards.

➤ Safety is the number one priority for EADS and its Divisions – driving the design, construction and performance of our products.

SAFETY

Safety is the number one priority for EADS and its Divisions – driving the design, construction and performance of our products.

Through its corporate policy, EADS is committed to:

- Proactively and continuously addressing all potential issues in all fields that contribute to the safety of air travel – design, manufacturing, operations and maintenance
- Proactively contributing to the industry-wide effort in all the above-mentioned fields, with the aim of enhancing the safety of air travel at all stages in the air transport system
- Further reinforcing its safety culture

EADS believes that safety is not a matter of competition. Cooperation with air safety organisations around the world to find new ways to improve standards for everyone is essential.



Across EADS' aviation businesses, ensuring that our aircraft are safe and comply with airworthiness regulations is our absolute priority. When applying new technologies, or even certifying a new product, EADS applies the most stringent standards. The Group always meets, and often exceeds, the requirements of the two leading certification authorities, the European Aviation Safety Agency and the American Federal Aviation Authority.

EADS expects the same stringent quality and safety standards from its suppliers, and these are important criteria in the supplier selection process. Airbus, for example, compiles restricted lists of approved parts suppliers and repair stations. These are made available to customers to ensure they always get the correct and approved parts, and can work with fully compliant repair stations. Product safety processes have been implemented across all of Airbus and Eurocopter, and all safety-related activities are proactively managed.

QUALITY INITIATIVES

In 2009, several new initiatives were launched to improve quality and customer satisfaction, particularly the management of complex programmes following delays and cost overruns with the Airbus A380 and A400M.

Led by the Corporate Quality and Business Improvement (CQBI) function, successful programme management techniques that are working in some Divisions will be made compulsory across the Group. These "basic practices" are divided into three areas: people, programme management techniques and supply chain management.

When it comes to the managers of complex programmes, it is essential to ensure that they have the skills they need. Working with Human Resources, CQBI is developing training programmes and designing career paths (see Developing our people section).

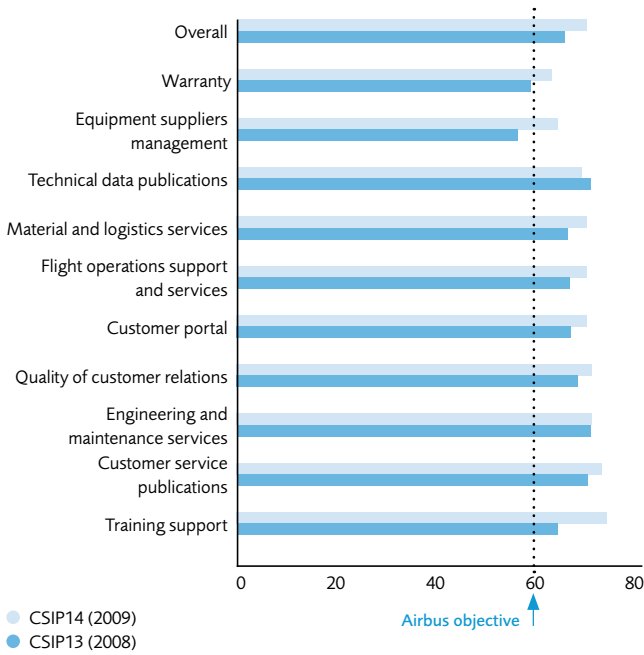
Programme management techniques are being distilled from across all Divisions. These include fundamental techniques such as how to plan and how to manage a contract, as well as more advanced subjects such as multi-project planning.

➤ CUSTOMER SATISFACTION INITIATIVES

Customer Satisfaction Improvement Programme surveys cover all areas of customer service and have been fully web-based since 2008. In 2009, a total of 100 companies were included in the 14th survey, with all of them participating (100% response rate). A further 871 questionnaires were completed by 1,905 contacts (46% individual response rate). The results, published in December 2009, show a significant improvement compared to the 13th survey in 2008. The global satisfaction index climbed to 71 points, four points higher than the previous survey.

AIRBUS CUSTOMER SERVICE IMPROVEMENT PLAN (CSIP)

Overall Satisfaction Index



Source: Airbus Customer Service – CSIP 14 Customer Report.

With EADS outsourcing a greater proportion of its value chain, managing the supply chain is increasingly important. As the Group forms more risk-sharing partnerships with suppliers, work is progressing on the precise nature of relationships needed to ensure the success of programmes (see Strong supplier partnerships section).

CQBI also carries out technical assessments for Divisions and Business Units. Initially, these were introduced for problem-solving in complex programmes, but they have recently been used more widely as an advisory tool to help projects generally run smoothly.

IMPROVEMENT PROGRAMMES

Throughout EADS, improvement programmes were implemented over the past few years, both to save costs and to make efficiency improvements that ultimately benefit customers.

Typically based on accepted “lean” management techniques, the majority of these programmes were successful, but on occasion they could have been more so. CQBI is now encouraging the managers of improvement programmes within Divisions to debate the essential elements of an improvement programme, in order to reach a common understanding of what they should be.

The managers of improvement programmes are trained in lean techniques, earning them the title of Black Belt. They are being joined by Green Belts, who have received similar training.

CUSTOMER SATISFACTION

Good long-term customer relationships are key to EADS. The Group works with a relatively small number of major customers, relying on strong and lasting relationships.

Both EADS and its Divisions carry out surveys on a regular basis. The intention is to identify areas of weakness and remedy them. In this way, a strategic relationship is established with the customer.

At Group level, a structured customer review process (CRP) is used to gauge customer confidence. Approximately 15 surveys have been conducted in the four years since CRP surveys started. In 2009, for example, CRPs were conducted with the UK government, Airbus Military customers, Astrium customers and with the Innovation Works research and technology function’s customers within EADS itself. The responses are being used to improve areas of weakness.

Within Airbus, there are close ongoing partnerships with airline customers, both to foster customer satisfaction and to help ensure safety. Dedicated customer service teams are assigned to airlines. They aim to help in matters of safety, cost-efficiency and fleet management.

Airbus has a long record of monitoring customer satisfaction. Every two years, it hosts a technical symposium for airlines at which technical problems are raised. The airlines are asked to tell Airbus what problems they think need solving and their input is then carefully studied by our teams.

On the Airbus World web site, airlines can raise technical and customer satisfaction issues through the Forum with Airbus for Interactive Resolution (FAIR) tool.

Airbus has a long record of monitoring customer satisfaction through surveys. As is the case at EADS Group level, once surveys are conducted, remedial action is taken to counter any perceived areas of weakness. Follow-on surveys generally show improvement as a result of these actions.



1.2. | SECURITY IN A CHANGING WORLD

Security is an abstract concept, defined in different ways by different people. For EADS, this is first and foremost about providing products and solutions that ultimately contribute to protecting values. EADS provides expertise and products that can offer society both security in everyday life and defence in an emergency situation. As one of Europe's leading defence companies, our equipment and systems help to maintain stability in our home countries and in other countries that are not judged to be "sensitive", or restricted by our home countries.

In today's increasingly complex world, we are tackling new kinds of threats, whether war, terrorism and crime, or piracy and hacker attacks on the internet. EADS is continuously transforming its product range, using technological innovation to keep a step ahead of changes. We believe that our products enhance the security of the modern nation state.

➤ Modern and emerging threats include not only terrorism but also crime, piracy and internet hackers.

Our Defence & Security (DS) Division provides equipment such as the Eurofighter aircraft and missiles systems, both of which EADS develops jointly with other companies. The Eurofighter, for example, is now serving with five air forces. As one of the best performing fighter planes in the sky today, it provides an exceptional defence capability, bolstering the resources of Europe and the NATO alliance.

Our radar systems and sensors are also important for the defence of European and other countries. Within EADS' other Divisions, Airbus Military is developing the new-generation troop transport and manufactures the best-selling air-to-air refuelling tanker, Eurocopter is a leading manufacturer of military helicopters, and Astrium satellites' observation and communication capabilities help to anticipate conflicts and mitigate the impact of crises.

NATIONAL SECURITY

EADS is making significant contributions to the security of many nations, providing the means to defend countries, protect borders and mobilise emergency services. Our range of defence and security products strengthens the national civil and military forces of many European and other countries. Equipment such as helicopters also plays a vital role in the work of emergency services.

Recently, we have become a leader in the provision of border security systems, working with governments to deliver seamless



➤ SECURING BORDERS

To guard against the threat of incursion by terrorists, protect critical infrastructure or even to prevent smuggling and migration of illegal aliens, nations are seeking to improve the security of their borders. Our DS Division is emerging as one of the leading providers of complete systems to secure borders.

In 2009, DS was awarded the largest ever border security contract, and will be providing Saudi Arabia an integrated security system for its 9,000 kilometres of land and sea border. The five-year contract involves establishing a command-and-control system, surface and aerial monitoring, as well as a system of security posts.

surveillance of borders across land and sea (see Securing borders case study). DS is making a strong contribution to national security especially in Europe, the Middle East and North Africa. For example, Qatar contracted DS in 2007 to build its National Security Shield System, while in Tangiers (Morocco) DS was awarded the contract to provide an integrated maritime security system in the same year.

Our systems also coordinate national emergency services. In the United Kingdom, DS has integrated the national network of fire and rescue control systems.

Additionally, we provide our customers and partners across the world with secure communications technology and new solutions for increasingly complex “civil” security situations (see Security for public events case study). For example, EADS’ TETRA technology was used for communications at the 2008 Beijing Olympic Games, and it is being used in the Indian Parliament following the Mumbai attacks.

COUNTERING NEW THREATS

As sophisticated terrorist attack has become more of a danger than war between nation states, we are adapting to provide governments with the equipment they need to protect their citizens. Defence solutions are, therefore, concentrating as much on countering so-called asymmetric threats as fighting large-scale peer-to-peer conflicts.



> **DEVELOPING NEW RECONNAISSANCE TOOLS**

Unmanned aerial vehicles (UAVs) are able to perform reconnaissance missions without risking pilots' lives, and are considered a product for the future. They perform intelligence, surveillance and reconnaissance tasks. In 2009, EADS completed the risk reduction study for its Talarion UAV on behalf of France, Germany and Spain, and successfully completed the test flight series of the Barracuda demonstrator, the largest UAV ever built in Europe.

The separation between defence products and security products is diminishing. Research and development is preparing the equipment needed to fight future guerrilla wars and to enforce nationwide security. Often the same equipment is needed for both purposes. For example, DS is developing Unmanned Aerial Vehicles (UAVs) that are able to survey borders or conflict zones, as well as enhanced radar that can monitor borders (see Developing new reconnaissance case study).

DS strategists anticipate that both of these types of equipment will be in increasing demand, and the Division is developing a new generation of products. The new Talarion Medium Altitude Long Endurance (MALE) UAV represents an advance in UAV technology that will allow longer missions along pre-planned flight paths, with on-board sensor technology that provides superior flight and information quality. New radar technology is among the most advanced anywhere for protection of critical infrastructure, such as airfields.



> **SECURITY FOR PUBLIC EVENTS**

Spectacular events draw huge crowds and require a comprehensive approach to security. Security personnel must be deployed discreetly while preserving a relaxed atmosphere and allowing the spectacle to remain the focus.

EADS' intelligent digital radio networks and the Eurofighter multi-role combat aircraft are playing a central role in securing high-profile events. We are also developing a video-surveillance indexing architecture that will revolutionise the use of video databases.

In October 2009, the Austrian Air Force's Eurofighter Typhoons were significantly involved in air policing missions during meetings of NATO's Defence Ministers held in Bratislava, Slovakia.

1.3. | TECHNOLOGY, THE ENVIRONMENT AND SOCIAL PROGRESS

Through our activities in aerospace and defence, EADS has developed a large portfolio of technologies. We currently apply for more than 1,000 patents a year, which is more than any other company in our sector. Although it is not immediately apparent, our technologies have a major influence on everyday life, delivering telecommunications across the world, promoting social progress and helping to protect the environment.



➤ GLOBAL MONITORING FOR THE ENVIRONMENT AND SECURITY

Only satellites can observe the whole earth 24/7, all year long. Since 1986, Astrium's SPOT family has acquired more than ten million images allowing it to monitor the state of our planet. Astrium is and will remain the major contributor to the "Living Planet" and "Global Monitoring of Environment and Security" programmes of the European Space Agency and the European Union.

Astrium's Envisat is a flagship satellite dedicated to the environment. The largest observation spacecraft worldwide, it has been providing environmental data continuously since its launch in 2002. In 2009, the Astrium GOCE satellite was launched to measure gravitation and sea levels to contribute to research on maritime currents. We also launched the SMOS satellite to measure the ocean salinity and soil moisture, both parameters that are crucial to better understanding the nature of our environment. Finally, climate change has become one of the leading drivers of Astrium's advanced research, including the development of new advanced technologies such as collecting completely "CO₂-free" energy in space and beaming it to earth.

On a different note, we also help to ensure global security by providing secure communications and timely surveillance data at both the highest strategic level and to forces deployed on the ground. This enables governments and military personnel to access vital information that can protect people from hostile threats.

Our formidable portfolio of technologies will enable innovation across many other sectors, facilitating solutions that may one day spectacularly change our daily lives.

The following paragraphs provide a brief overview of how aerospace and defence technologies are being applied outside their "traditional" fields, to address the social and environmental challenges that we face



➤ USING SATELLITE TECHNOLOGY TO IMPROVE CROP YIELDS

Thanks to space imagery taken at various stages of plant growth and to their granular analysis by our engineers, it is now possible to detail where and when farmers need to add nutrients to obtain optimised crops with minimal inputs.

Based on this advanced technology a successful commercial service, Farmstar, is now available to farmers via simple emails or text messages. They purchase advice in the form of maps of their fields colour-coded according to the need for nitrogen. The savings they make on fertiliser costs almost repays this modest investment in just one year. In 2009, more than 9,000 farmers in France used the Farmstar service, which now covers more than 400,000 hectares of cultivated land. Recognising the value of this tool to reduce nitrate emissions in agriculture, Farmstar is eligible for the official French nitrates directives.

today. The case studies on the use of satellite imagery to boost crop yields and crisis and disaster relief detailed in this report provide further insight into these solutions.

CLIMATE CHANGE AND GREEN ENERGY

Satellites make an important contribution to quantifying the effect of climate change by helping to measure desertification, arctic ice recession, rising sea levels and shifting oceanic currents, and carbon dioxide concentrations in the atmosphere. In this way, they give access to much better knowledge of carbon dioxide distribution and its movement in the atmosphere.

They also have the potential to help to generate “green” energy. For example, methods of joining together composite materials for satellite launchers can be applied to wind turbines (see Transferring space technologies case study). Looking to the future, EADS’ Astrium Division has also developed technologies to generate “green” energy through the use of satellites that collect solar energy and redirect it towards the ground, using laser beams and special mirrors.



➤ **CRISIS AND DISASTER RELIEF**

Satellites have found their use in all stages of crisis and disaster management.

We deliver, for example, maps of floodable zones based on the analysis of space imagery, and our meteorological satellites are the main early warning system for hurricanes. When crisis strikes, satellites are the first tools that are present and operational to assess damage. They guide rescue and reconstruction teams by providing timely maps of damaged zones, as well as the means of communication. Because they are in space, satellites are the only infrastructure that we can count on when everything on the ground is destroyed.

EADS, through Astrium, is one of the founding members of the International Charter on Space and Major Disasters, which is based on voluntary contributions of Earth observation satellite data to states and communities affected by a crisis or natural disaster.

MONITORING FORESTS

Satellites provide reliable data for monitoring forest cover and its carbon dioxide sequestration capability. Working together with Brazilian NGO IMAZON, Astrium has analysed the Amazon’s Matto Grosso forest and developed a new tool that was tested and approved at the Copenhagen Climate Conference. It is now being used in REDD projects (Reducing Emissions from Deforestation and Forest Degradation). The goal is to develop the emissions trading market so that countries with forested areas can realise the value in their forests and better protect them.

Following a contract signed with the French Development Agency in 2009, Astrium is also monitoring forests in Africa’s Congo Basin.

SOCIAL BENEFITS

Telecommunication satellites stimulate economic growth by making communications easier and cheaper. Furthermore, they help remote communities in developing countries, bringing them communications without the need for fixed telecommunications infrastructure and making services such as tele-medicine and tele-learning possible.

Other EADS products are also important sources of emergency mobility. For example, Eurocopter’s helicopters are widely used by rescue services and are an important source of emergency mobility. They are also used for maintenance/installation of offshore wind turbines.



➤ **TRANSFERRING SPACE TECHNOLOGIES**

Based on a heritage of more than 40 years of composite design and manufacturing of space launchers and satellites, EADS’ Astrium Division has found a way for the turbine blade design community to benefit from this advanced know-how.

The technology mastered by space engineers makes it possible to join together composite parts when mechanical loads are as huge as they are in space launchers – and similarly in the very large blades of wind turbines. This technology opens new opportunities for blade manufacturers, allowing blades to be prepared in several parts and assembled in the field. This allows the design of much larger blades (of up to 80 metres rather than 30-40 metres previously), making wind turbines with capacities over 100 MW economically feasible, which is especially valuable for offshore operations.

These blades can be produced efficiently. They also benefit from the advanced, non-destructive testing methodologies developed in the military and space environment, providing an exceptionally high level of reliability throughout the process.



➤ Eco-efficient processes and operations

We are improving the environmental performance of our processes and operations, not only to comply with regulations but also to create economic value.

WHAT IS ECO-EFFICIENCY?

The World Business Council for Sustainable Development originally defined eco-efficiency as follows: "Eco-efficiency is achieved by the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the lifecycle to a level at least in line with the Earth's estimated carrying capacity".

In its simplest terms, EADS views eco-efficiency as "**creating more value with less environmental impact**"; to do more with less. EADS is committed to becoming an eco-efficient enterprise, ie, a more profitable company that continuously improves its overall environmental performance. We are striving to introduce this management philosophy and fully integrate it within the business as we focus on opportunities to become more environmentally responsible and more profitable. This approach encourages all functions, programmes and stakeholders across the Group to enhance our competitiveness and boost our spirit of innovation, while at the same time exercising a greater responsibility for the environment.

- Concept of eco-efficiency becoming part of management practice and culture
- Our approach to eco-efficiency spans entire product lifecycle
- Group roadmap outlines series of projects needed to meet goals by 2020
- Common approach to complying with REACH and other emerging regulations
- Committed to engaging in the public environmental debate



2.1. | ECO-EFFICIENCY, A BUSINESS ADVANTAGE AND A COMPANY CULTURE

EADS is focusing on embedding eco-efficiency into its business model and its company culture, turning it into a commercial advantage. A roadmap is being implemented to achieve this by 2020, with specific actions and key performance indicators.

In order to achieve the eco-efficiency goals of our Vision 2020 strategy, we have placed environmental issues at the heart of our decision-making process. Throughout our businesses, we are searching for environmental improvements that yield economic benefits. We are anticipating the environmental challenges we will face in the coming years, seeking to foster greater environmental awareness and drive the development of “green” innovations across the Group.

Our approach to eco-efficiency considers the entire lifecycle of our products, from design to manufacture, operation and disposal or, increasingly, recycling. We are also planning and implementing systematic ways to value environmental savings.

VISION 2020 TARGETS

Through our current initiatives, we aim to achieve the ambitious environmental goals embedded in our long-term Vision 2020 strategy, for both industrial operations and products. These are as follows:

INDUSTRIAL OPERATIONAL TARGETS ⁴⁾

- 80% reduction in water discharge
- 50% reduction in CO₂ and volatile organic compound (VOC) emissions, waste production and water consumption
- 30% reduction in energy consumption
- 20% of energy from renewable sources

PRODUCT RESEARCH TARGETS

- Research and technology targets compatible with the ACARE⁵⁾ goals for aviation: 50% reduction in perceived noise, 50% reduction in CO₂, 80% reduction in NO_x by 2020 (using 2000 as a baseline) (see products section: towards sustainable mobility)
- Developing eco-efficient solutions for core and adjacent customer segments (see products section: technology for social progress)

Achieving these environmental goals will not simply require incremental improvements, but step changes that will also add value and increase our profits. Reducing our use of water, energy and raw materials also implies a reduction in associated costs.

⁴⁾ Baseline 2006.

⁵⁾ Advisory Council for Aeronautics Research in Europe (ACARE).

➤ EADS ENVIRONMENTAL POLICY

Our Environmental policy's nine principles and goals are:

1. Comply with applicable environmental laws and regulations and develop state-of-the-art environmental standards
2. Evaluate the main environmental aspects, opportunities and risks of our operations and products, and act to minimise impacts across lifecycles
3. Establish a formal, lifecycle-oriented, advanced environmental management system to cover all Group activities
4. Provide transparent, reliable and regular reporting on environmental performance, and strive to nurture scientific debate through the provision of accurate and relevant data
5. Achieve environmental excellence in technology and mobilisation of expertise, contributing to the research, design and development of optimally clean and green technologies and products without compromising quality, technical requirements and safety
6. Offer our best technologies and products to help protect the environment, to diagnose and to mitigate possible sources of environmental degradation and adapt to unavoidable changes in our environment
7. Contribute to the establishment of an international industry framework of goals, practices, standards and rules based on dialogue and voluntary commitments
8. Increase the awareness of environmental challenges among our stakeholders
9. Promote and support concrete changes towards individual environmentally friendly behaviours, with the firm belief that our employees are key actors in the implementation of our eco-efficiency strategy

ROADMAP TOWARDS ECO-EFFICIENCY

Substantiating the Environmental Policy and path towards eco-efficiency that were set within the Vision 2020 goals in 2008, concrete plans were established during 2009 for achieving our targets.

A corporate roadmap was prepared that outlines the series of projects necessary for meeting the Vision 2020 goals over the next decade, with an associated timeline (see graph below). Cultural change and making eco-efficiency a driver of value creation should be part of our daily business as we seek to improve our industrial operations, our products throughout their lifecycles and the various services we offer. Supplementing this corporate roadmap, Airbus, Eurocopter, Defence & Security and Astrium are producing their own plans.

Building on the Group eco-efficiency action plan, all the roadmaps for the Business Units and Divisions should be established in 2010, detailing the various initiatives to be launched.

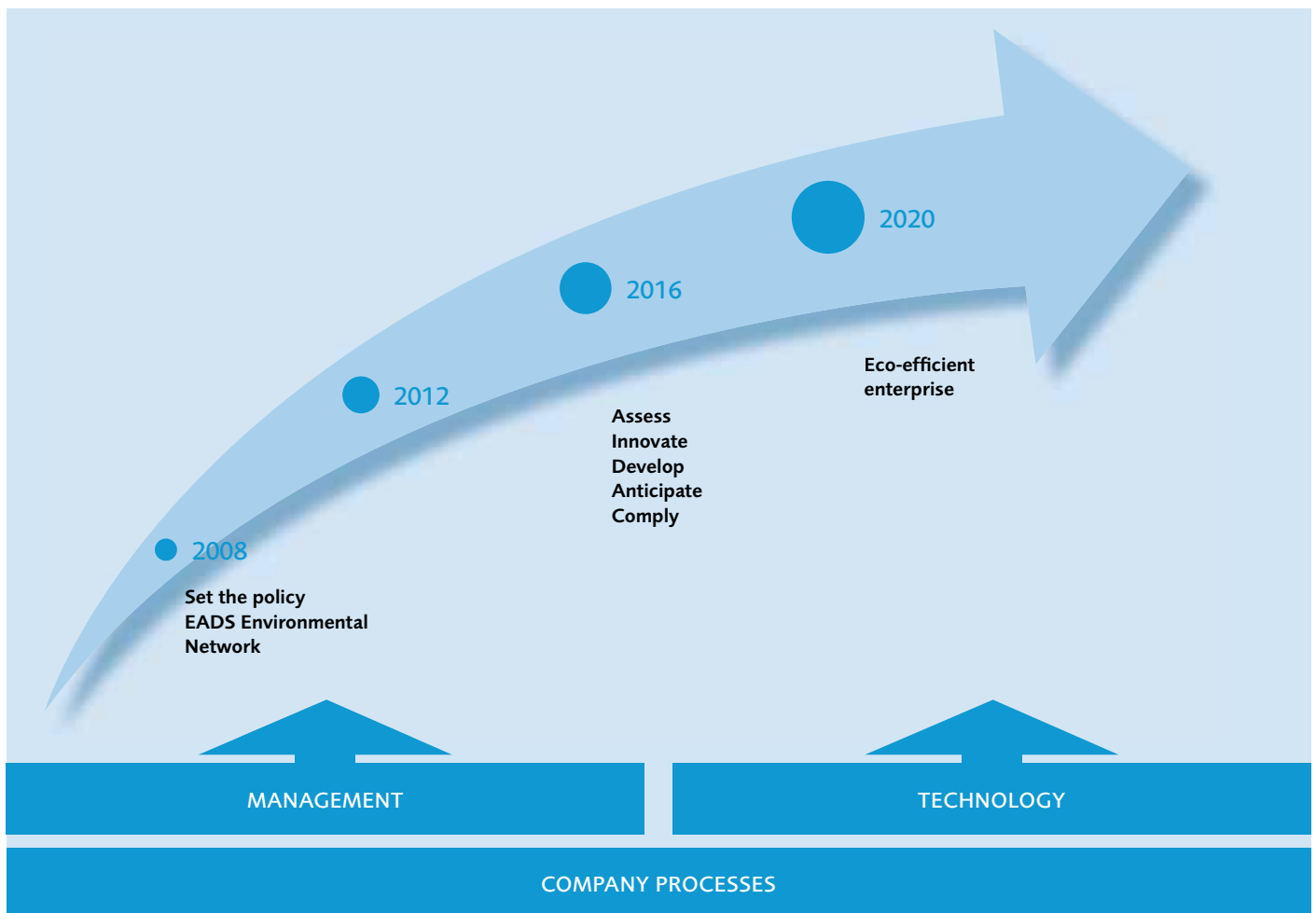
OUR POLICY AND ORGANISATION

EADS' Environmental Policy was published in 2008. It both defines and directs the way in which we embed eco-efficiency throughout the Group's products, industrial operations and services.

The EADS Environmental Network, which regularly reports to the Corporate Secretary, is composed of representatives nominated from each Division, Business Unit and entity. It oversees the operational and consistent implementation of the policy. It aims to promote cross-fertilisation of best practices to monitor achievements, identify opportunities and risks, and anticipate emerging regulatory frameworks. Sub-working groups are focusing on topics such as compliance with the European Union's REACH⁶⁾ regulation, reporting, carbon/climate change/energy, design-for-environment, lifecycle assessment and legal practices.

⁶⁾ Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH).

EADS ROADMAP TOWARDS ECO-EFFICIENCY



TEN YEARS OF ENVIRONMENTAL ACHIEVEMENTS AT EUROCOPTER

1999	AIR	➤ "Solvents plan" to reduce VOC emissions by 64% (1998-2005)
	WATER	➤ Upgrade of the detoxification plant
	WASTE	➤ Sorting at source and energy recovery from waste (incinerator)
2001	WATER	➤ Recycling of rinsing water from galvanic baths to reduce the volume of effluent treated
	ENERGY	➤ Switch from wet cleaning to dry separation for the treatment of waste gas in paint shops
2002	HAZARDOUS MATERIALS	➤ Frozen PRC sealant used to reduce consumption and air emissions
	MANAGEMENT	➤ Launch of environmental management system (EMS)
2003	AIR	➤ Preventive Health and safety at work: new lubricant vapor extraction system for machine tools
2004	HAZARDOUS MATERIALS	➤ New storage installation for hazardous materials and special waste
2005	AIR	➤ Inauguration of the Large Blade Workshop in La Courneuve: zero air pollution buildings
2006	BEHAVIOUR	➤ Launch of study for the Employee Commuter Plan in Marignane
2007	MANAGEMENT	➤ German sites certified ISO 14001
	WATER	➤ Modernisation of the electroplating wastewater treatment system
	ENERGY	➤ Installation of a heat recovery system in the military helicopter paint shop, leading to significant cost savings ➤ Construction of Albacete plant, especially performing for heating, ventilation and air conditioning
2008	MANAGEMENT	➤ French sites and Albacete plant certified ISO 14001 ➤ Contract with EDF: Continuous energy savings guaranteed as part of investment in the energy management system
	AIR	➤ Renovation of the surface treatment in Marignane
	HAZARDOUS MATERIALS	➤ Introduction of chromate-free sealants in the Airbus Doors sector
2009	AIR	➤ Launch of Eurocopter's Carbon Footprint project ➤ Introduction of water-based paint for Tiger composite components
	BEHAVIOUR	➤ Launch of ISO 14001 training for all of the Group's environmental ambassadors

MONITORING AND REDUCING THE IMPACT OF OUR INDUSTRIAL OPERATIONS

For several years, EADS has been seeking to develop an efficient approach to monitoring and progressively reducing the impact of our industrial operations.

ENVIRONMENTAL MANAGEMENT SYSTEM

ISO 14001 certification⁷⁾ and EMAS registration⁸⁾ are key tools that enable EADS to drive environmental improvements. They aim to ensure that the company complies with all applicable environmental legislation and regulations and that it commits to continually improving its environmental performance and preventing pollution. The number of sites certified to ISO 14001 increased from 64 to 85 during 2009. At year end, 90% of EADS employees worked at certified sites (see table below).

Airbus has graduated beyond site-level improvements by taking a product lifecycle approach. In 2007, the Division was granted ISO 14001 certification covering all of its European sites and all of its activities throughout the lifecycle of its products. It is the only aerospace manufacturing company worldwide with such wide coverage. All Airbus sites in North America have now also gained certification, along with the Airbus campus in Beijing. Eurocopter's ten years of achievements are equally impressive.

ENVIRONMENTAL REPORTING

Throughout 2008 and 2009, corporate guidelines were established for environmental reporting across EADS. They are based on accepted Global Reporting Initiative (GRI) requirements and are backed by a specialised accounting software tool.

The first Group-wide reporting campaign was carried out in 2008 and feedback from this experience was integrated to improve the process in 2009. A tremendous amount of work has been put into developing and validating the guidelines, with relevant correspondents in all Business Units across the Divisions worldwide. The software tool that enables this reporting has been improved so that it now provides comprehensive information, including Group-wide key performance indicators, to all legitimate stakeholders.

⁷⁾ International Organisation for Standardization (ISO) requirements for environmental management systems.

⁸⁾ EU Eco-Management and Audit Scheme (EMAS).

KEY PERFORMANCE INDICATORS *

	2009
Total energy consumption*	14,464,013
Total direct CO ₂ emissions*	550,500
Total indirect CO ₂ emissions*	444,000

* Within KPMG assurance scope.

➤ ENVIRONMENTAL INITIATIVES AT AIRBUS CHINA

Airbus China has made significant environmental progress. The Airbus Beijing Campus was awarded ISO 14001 certification for its environmental management systems at company sites in China, and the final assembly line in Tianjin aims to be granted certification in 2010. Additionally, the China building energy team has made savings in heating and cooling at the Airbus Beijing Campus through innovative solutions such as using outside air for the cooling system and a geothermal energy heating system. This has reduced electricity use by 50%.

➤ SUSTAINABLE BUILDINGS

Astrium's building at the Elancourt site in the Paris suburbs was designed and built with sustainable development in mind. Shared with another company, the building is economic and has flexibility for future expansion. From a social perspective, it is integrated within the MetaPole site, which has a good transport infrastructure and offices designed to enhance employee well-being through, for example, being well-lit. There are also links with local authorities to support employees wanting to live closer to the site, and to help improve employees-transport facilities. Environmentally, the building has excellent energy performance, thanks in particular to a reversible heat pump system and rainwater recycling. There are no potentially hazardous materials in the building's fabric and studies have been carried out on growing plants on the roof.

➤ RECYCLING GAS TO SAVE ENERGY

Airbus's Stade plant near Hamburg, in Germany, is one of the world's leading centres for production of carbon fibre reinforced plastic (CFRP). Through a combined heat and power (CHP) unit, management has achieved a step change in energy efficiency. The unit burns gases to generate power, but the waste gases (mainly CO₂) are then used in the process of curing CFRP at high pressure. Being chemically inert gases, they provide a non-combustible atmosphere during curing. In the past, the method for obtaining nitrogen from the air for this process was extremely energy-intensive. The reduction in energy costs from the curing process alone means the investment in the CHP unit can be recovered in just one year. Furthermore, the CO₂ emitted is recycled, meaning the CHP unit produces almost no pollutants, and the waste heat is used to heat hangars and offices. This is a perfect example of creating value with lower environmental impact.

ENERGY USE AND CARBON EMISSIONS

From cost, operational efficiency and sustainability perspectives, the Group aims to reduce energy usage considerably in order to decouple its impact from projected growth. Numerous improvement programmes have been initiated to cut the energy and carbon footprint of our facilities, in order to identify potential improvements, design new environmentally friendly and energy-efficient infrastructures and promote renewable sources of energy, such as the installation of solar panels on new buildings in Spain.

OTHER AIR EMISSIONS

Reducing the air emissions from operations has been a priority for several years. Development and implementation of new smart coatings, with low VOC content and associated painting techniques, has significantly reduced emissions associated with these compounds. All Divisions have conducted ambitious programmes to substitute critical halogenated solvents such as trichloro-ethylene in most surface treatments and coating processes.

HAZARDOUS SUBSTANCES

Since 2006, we have been working towards compliance with the European Union's REACH regulation (Registration, Evaluation, Authorisation and restriction of Chemicals) and other regulations restricting hazardous substances such as the RoHS⁹⁾ and WEEE¹⁰⁾ directives.

Following the necessary pre-registration of substances in 2008, a set of REACH interpretation guidelines were developed in 2009 in full cooperation with our aeronautical peers worldwide AeroSpace and Defence Industries Association of Europe (ASD), and Aerospace Industries Association (AIA). This ensures a common approach across the Group.

Ambitious plans are now under way to eliminate hazardous substances such as chromates, lead and cadmium. Through the Environmental Network, representatives of the Divisions are learning from each other, aiming to make best practice common practice.

WASTE AND WATER

Across the Group, various initiatives have been implemented to reduce waste, with positive results. These include recycling of cured and uncured composites, in order to separate and reuse recovered carbon fibres in aerospace and secondary industry applications. We are also evaluating technologies and processes to reduce water consumption and discharge. For example, Airbus' Toulouse facilities have reduced water consumption while controlling leakage and waste.

⁹⁾ Restriction of use of Hazardous Substances Directive.

¹⁰⁾ Waste Electrical and Electronic Equipment Directive.

2.2. | EADS' POSITION ON MAJOR ENVIRONMENTAL ISSUES

EADS is an active participant in the public debate, recognising the need for industry to move towards a low-carbon economy in a way that also allows it to progress and to continue benefiting the global economy. Aviation connects the world and stimulates international trade.

AVIATION AND CLIMATE CHANGE MITIGATION

Aviation supports 15 million jobs worldwide, transports 2.5 billion passengers annually and in terms of freight, carries approximately 35% of world trade in value. As a core economic sector answering our world's mobility needs, the aviation industry accepts its responsibility and proactively promotes the shift towards a more sustainable world. It is the only industry to have set voluntary targets for 2050 compared to 2005 levels. EADS, notably with Airbus, is fully engaged in reaching these industry commitments:

- > Stabilising emissions with carbon-neutral growth from 2020
- > Aspirational goal of halving net CO₂ emissions by 2050 (vs. 2005)

Advocating the role of an increasingly environmentally friendly aviation sector, Airbus participated in preparations for the Copenhagen COP 15 event, with the International Civil Aviation Organisation and Air Transport Action Group. Additionally, EADS is in regular contact with the authorities. Working towards ambitious industry targets, Airbus is cooperating with its peers to define "green strategies", including Air Traffic Management implementation – SESAR in Europe and NEXT GEN in the United States. It is also promoting bio-fuels solutions for commercial flights and advocating the need for those bio-fuels to be reserved for the aviation sector.

We support the EU Emissions Trading Scheme but believe such market-based measures should be implemented at an international level. This would avoid competition distortion, double accounting and administrative burdens resulting from uncoordinated regional measures.

CARBON REPORTING

Managing the transition towards a low-carbon economy is now a real concern for corporations. EADS understands that beyond reducing direct emissions from operations, evaluating the carbon embodied in the whole value chain is a major challenge. This is why we are collaborating with the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as well as relevant stakeholders, to establish harmonised international guidelines that will create a common and robust framework for appraising aviation's carbon exposure and related risks. Such a framework would provide a further basis for discussions with the supply chain.

As the Greenhouse Gas (GHG) Protocol becomes defined, we are helping the working groups for our sector to establish accounting tools so that governments can quantify and manage GHG emissions as well as transparently report them on a consistent basis. Scope 1 and 2 standards are already agreed, while the Scope 3 standards relevant to our products' indirect impacts are being debated.

We believe it is important that appropriate methodologies are adopted, and are using our experience to ensure the debate is well-informed. EADS is participating in road testing the GHG Protocol Scope 3 and Product Life Cycle Accounting and Reporting Standards.

BIODIVERSITY

In conjunction with the United Nations Environment Programme, Airbus has launched the "Green Wave" programme, which aims to raise awareness among the young worldwide about preserving biodiversity. We believe that biodiversity and business are entirely compatible.



> EADS AND THE GLOBAL COMPACT



In 2003, EADS joined the United Nations Global Compact, an international initiative that brings businesses together with UN agencies, civil society and government to advance ten universal principles in the areas of human rights, labour and anti-corruption. EADS is also participating in several related engagement opportunities. In 2006, EADS submitted a case study related to the tenth principle. EADS is also a signatory of the "Caring for Climate" initiative.



Developing our people

Our people are the key to EADS' competitiveness. We are committed to developing their full potential, providing equal opportunities to all. We are also especially committed to cooperative dialogue with employee representatives.

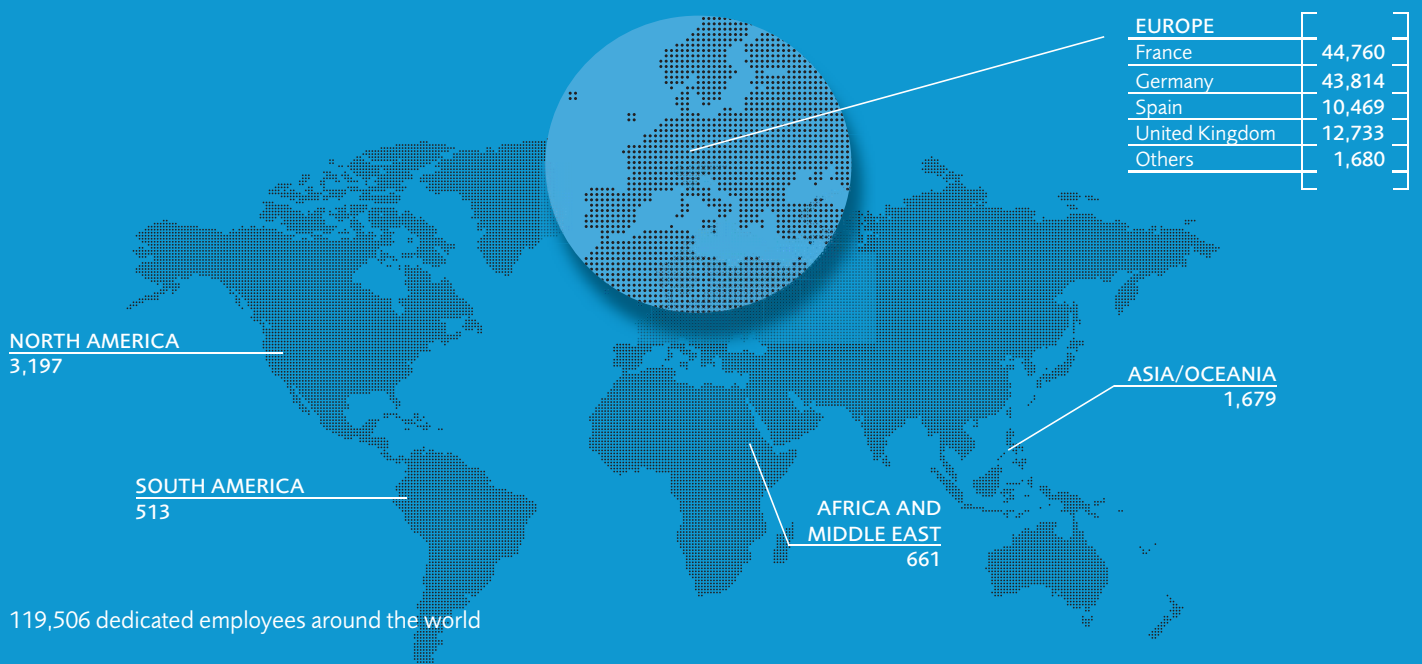
The exceptional skills of our workforce – from engineers, to technicians, to managers – enable us to create world-leading products and define our unique place in the global economy.

We value those skills and manage them with care. Building on the work already carried out within some Divisions, we are mapping the competencies of EADS' entire workforce. Through recruitment and training, we aim to possess the skills needed to achieve our medium and long-term objectives.

Management's productive partnership with employee representatives is a key strength. Together, we have introduced the flexibility needed

to adapt to both the cyclical downturn and longer term challenges to our competitiveness, without reducing the size of our workforce. In an industry with long product cycles, where critical skills are in short supply, this sustainable approach to social dialogue is a differentiating advantage. We are actively seeking to maximise the motivation of our employees and to take their opinions into account. During 2009, EADS employees participated in a survey that gave them the opportunity to report their views on their company. They voiced concerns across a number of areas, which are now being seriously addressed. Further surveys are planned on an annual basis to ascertain the success of corrective actions.

EADS, A GLOBAL LEADER WITH EUROPEAN ROOTS



3.1. | MANAGING COMPETENCIES AND DEVELOPING CAREERS

EADS is concentrating on managing employee competencies and developing careers. By doing so, we are nurturing the skills base needed for the future, and helping our employees to achieve their full potential.

EADS' SKILLED PROFESSIONALS WORKING TOGETHER



MANAGING COMPETENCIES

EADS strives to develop the skills and know-how of our employees, for their individual benefit as well as for our collective success. Aerospace and defence is an industry with exceptionally long product cycles, where specific types of skills, such as some forms of engineering and project management, are expected to be in short supply. Consequently, EADS can identify the skills it needs many years in advance. While valuing all employees, the Group identifies the strategic core competencies it will need for future programmes many years in the future, planning recruitment and career development accordingly.

A chart has been created to identify the types of employee skills EADS will need to supply the products and services it plans to deliver to its customers. During 2008 and 2009, the Group's 10 to 20 core competencies were classified – for example, system engineering or programme management – and today's resources have been compared with what we will need tomorrow. We are also progressively mapping the skills of the entire workforce, and had classified the skills of 25,000 out of the total 119,506 employees at the end of 2009.

In order to build the Group's strength in core competencies, the Human Resources function is introducing new career paths to encourage employees to develop these critical skills. Training budgets for core competencies are at least 30% of our total training expenditure, and certification is being sought for training programmes. For example, we developed a system engineering qualification in 2008 with a certification in cooperation with INCOSE, the International Council On Systems Engineering.

An important achievement for 2009 was the construction of a jobs catalogue. This helps the process of recruiting, workforce planning and training people. It is particularly useful at a time when the Group often strives to move people between programmes to make the most of their skills. Alternatively, they may be given the opportunity to transfer between Divisions or countries, either to facilitate international expansion or to adjust to the downturn. In all, we classified 86 job types across the Group.

RECRUITING

Recruitment is a challenge for EADS. We need to recruit externally approximately 1,000 engineers a year to meet the needs of our programmes, and these skilled individuals are in short supply. The Group is not only working closely with universities in its home countries to attract engineering students and facilitate technological cooperation, but also increasingly with universities worldwide. Additionally, our expert engineers and technicians help to design courses, and some of our experts sit on their boards. This gives us the opportunity to improve the education of the best talent worldwide, and also assists our international growth.

Within Europe, the Group is one of the most recognised employers of engineering graduates. Surveys of engineering students continually rate EADS highly. An independent survey of engineering graduates conducted in April 2009,¹¹⁾ for example, ranked EADS the tenth most respected European engineering employer, the number one employer in France and the number six employer in Germany.

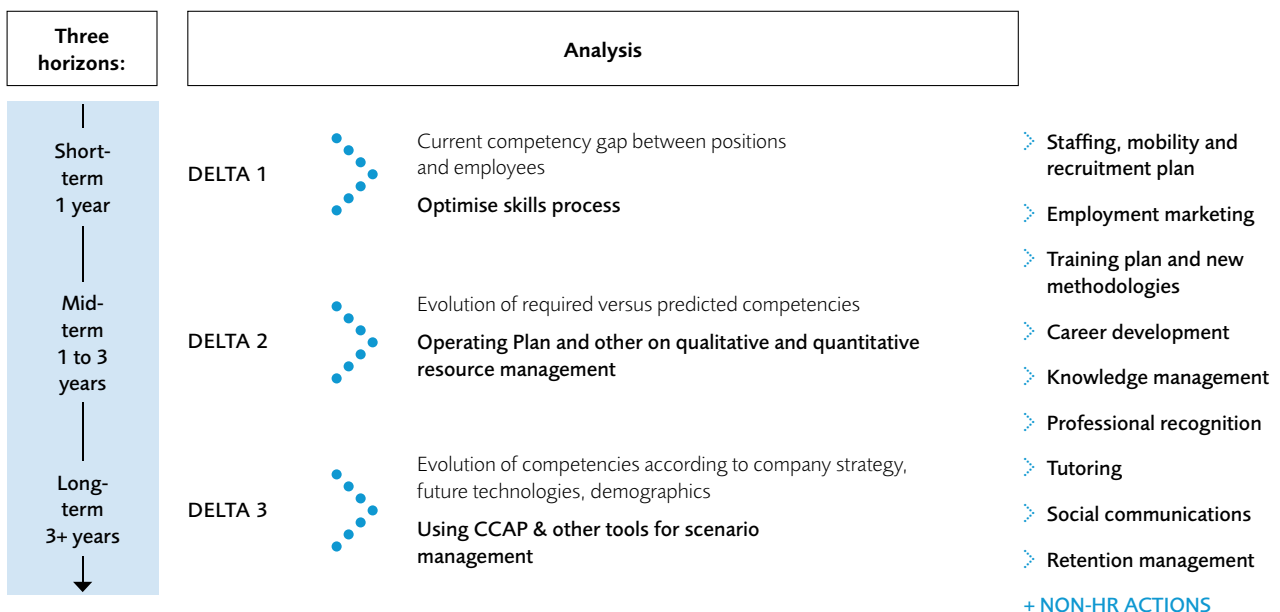
During recruitment, we have a policy of hiring from a fully diverse range of people, with, for example, targets for female recruits.

¹¹⁾ Unversum survey.

➤ We need to recruit externally about 1,000 engineers a year to meet the needs of our programmes.



COMPETENCY MANAGEMENT ROADMAP





Great people.
Great achievements.



RECRUITMENT

	2009	2008	2007
Men	4,299	5,414	5,384
Women	1,364	1,667	1,476
Total	5,663	7,081	6,860

EXPERT POLICY

EADS has developed its expert policy in order to manage the essential technical competencies it needs in aerospace and defence engineering. To start with, we seek to attract the best engineering graduates. We then seek to develop experts through career management activities, including attractive compensation and benefits. Finally, we act to retain experts. Our experts have high-level technical skills that they contribute to developing knowledge in their fields of expertise. They secure the Group's know-how by mastering intellectual property issues. And they pass on their expertise to younger colleagues. Experts receive training to develop their skills. They are rewarded with compensation packages in line with managerial compensation levels. In the broadest terms, the expert policy not only helps EADS to develop its engineering competencies, but also helps to maintain Europe's independent engineering competencies.



HALL OF FAME

Every two years, the EADS Hall of Fame rewards the employees who have made the greatest contribution to innovation. Four prizes are awarded to The Great Inventors, The Great Innovators, The Great Craftsmen and The Best Lean Manufacturing Team. Award winners' names and portraits are displayed in galleries located in EADS headquarters buildings. The second Hall of Fame award ceremony took place on 4 September 2009 at the Domaine de Villepreux site, near Bordeaux.

DEVELOPING CAREERS

With many employees spending significant periods of their working lives at EADS, it is both in the interests of the Group and a duty to our employees to help them to develop their careers. We seek to boost their contribution to the Group, personal fulfilment and adaptability to a range of roles.

In total, EADS spends the equivalent of 3% of salary costs every year on training, focusing at least 30% of this on the top ten core competencies for each Division. Training is provided for more than 78,000 of our 119,506 employees each year, adding up to a total of 2.6 million hours.

To improve career development, we are in the process of widening the application of development programmes. Within Airbus all employees have meetings to assess their individual competencies at least annually. The scheme will soon be introduced at Eurocopter and, within two years, across the rest of the Group.

Experts have career structures that mirror those of managers, allowing engineers to have rewarding careers without transferring to management careers.

Several common training programmes have been created for use across EADS Divisions, to pool resources and ensure that the best technical expertise is shared across the Group. The Corporate Business Academy (CBA), set up in 2000 as EADS' corporate university, is the oldest of EADS' shared training programmes. About 2,000 managers have attended CBA programmes at the dedicated Domaine de Villepreux site, near Bordeaux, including approximately 90% of the people promoted in 2009. Activities have been expanded in recent years, with more students enrolled, and learning expeditions to countries such as China, India, Mexico and the United States to attune them to the Group's increasingly global nature.

The Shared College was established in 2006 to develop the skills of people in core competency areas, such as quality, programme management, system engineering and sales.

The career path of experts has been improved, allowing them to have rewarding careers without becoming managers. Our Experts Policy, set up in 2006, has led to the granting of "expert" status to approximately 1,250 employees in the technical domain alone. Experts have



Training was provided for more than 78,000 of our 120,000 employees in 2009.

career structures that mirror those of managers, allowing engineers to have rewarding careers without transferring to management careers.

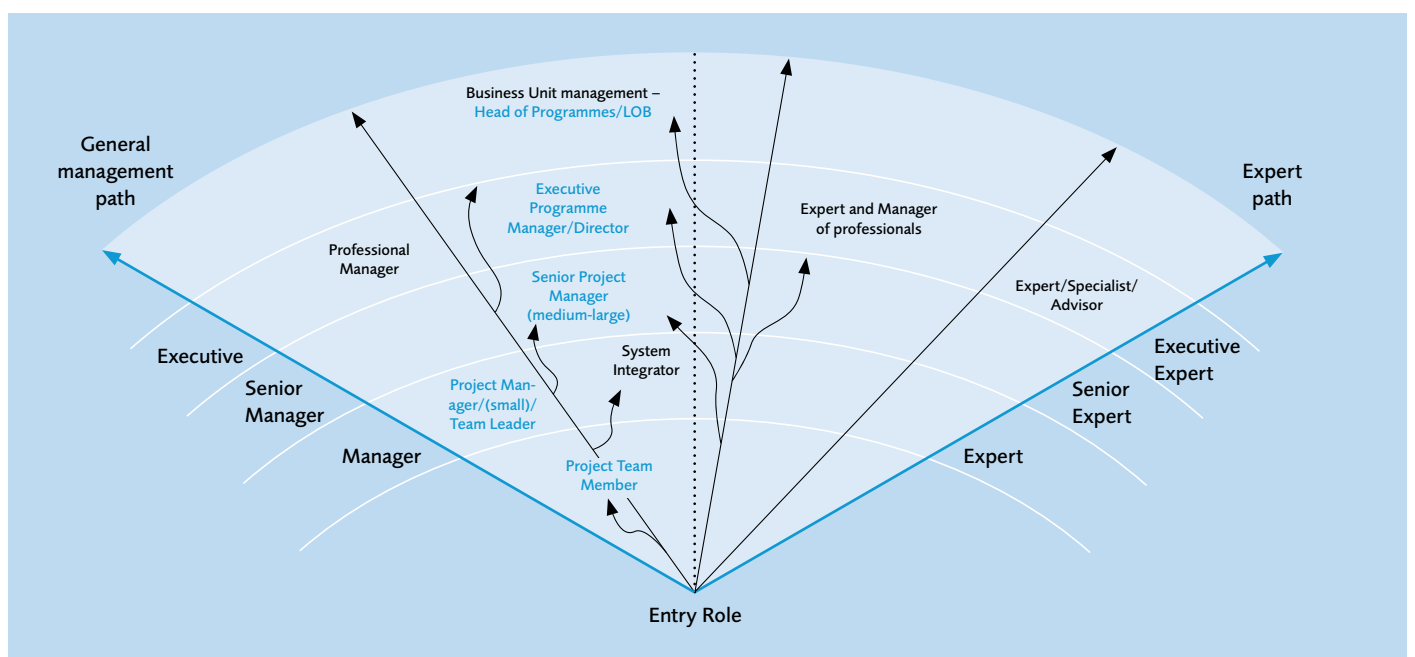
EADS' experts are a valued resource which is carefully managed. There are now 20 executive experts, which demonstrates how the career prospects of technicians have increased in recent years. Experts have increasing influence, playing an important part in issues such as product development and innovation.

TRAINING

	2008	2007	2006	2005	2004
Total training hours	2,909,003	2,464,191	2,971,288	2,396,997	2,290,052
Training hours per employee	26.6	25.0	29.7	24.0	23.9

Data relate to the following Business Units: Airbus, Defence, Eurocopter, former MTA Division, Astrium and Headquarters in the four core countries (France, UK, Germany and Spain)

PROGRAMME MANAGERS' CAREER PATHS



3.2. | A RICH SOCIAL DIALOGUE

Rich social dialogue differentiates EADS in the aerospace and defence sector. Employee representatives facilitate the Group's responsible adjustment to economic challenges and its planning for the long-term.

EADS believes that high-quality social dialogue is key to its prosperity. Through the constructive representation of our personnel across all Business Units, we maintain a proper balance between the interests of employees and the economic interests of the Group.

The cooperative nature of our social dialogue improves the sustainability of our business model, and is particularly helpful in a business such as ours, which has exceptionally long product cycles. Working with our employee representatives, we take a long-term view of the competencies we need and manage any fluctuations in workload carefully.

The European Works Council (EWC), established at EADS' inception in 2000, is the main forum for dialogue with unions in the four home countries of France, Germany, Spain and the UK. The EWC meets twice a year to be informed and consulted about the Group's prospects and planned evolution. It also has an Economic Committee that meets four times a year to discuss economic matters. European sub-committees have been set up in each of the four Divisions.

➤ EADS believes that high quality social dialogue is key to its prosperity.

Since 2005, the EWC's influence has extended beyond the home countries, following the signing of an International Framework Agreement committing EADS to common social principles and standards throughout operations worldwide. The principles contained in the agreement are aligned with the general rules of the International Labour Organisation conventions, the Organisation for Economic Cooperation and Development Guidelines for Multi-national Enterprises and the UN Global Compact. They are also in line with the EADS Code of Ethics.



The Framework Agreement commits EADS to providing equal employment opportunities and not discriminating against any specific groups, to good working conditions and environmental protection. It condemns child labour, recognises the principles of freedom of association and the protection of trade unions' rights.

ADAPTING TO CHALLENGES

Cooperation with the EWC and the unions it represents has helped EADS adapt to major competitive and economic challenges.

In 2009, the issue of how to adapt the workforce to the cyclical downturn has been a major focus for discussion. At Eurocopter, the European Committee of Eurocopter (ECE) was informed about the EccoLean cost-saving programme, which is a direct response to the current situation after the ramp-up and impact of the crisis, and has agreed to open negotiation at national levels. Management and the unions are discussing a reduction in the cost of support functions by 15%, without compulsory lay-offs of full-time employees. Instead, employees would be asked to move from one job to another, with some retraining if necessary. Eurocopter has also reached an agreement for introducing time-saving accounts to facilitate flexible working.

Airbus in France agreed on a similar package of time-saving accounts to limit the risk of forced redundancies if there was a severe downturn. Similar agreements already exist in Germany and Spain, having been agreed with employee representatives over the past few years.

Since 2006, the EWC has been informed and consulted on a series of improvement programmes that have introduced leaner working practices, reduced the cost base and increased flexibility. These have played an important part in increasing EADS' competitiveness, and have been especially valuable given the challenges presented by a strong Euro and recent economic weakness.

At Group level, the EWC has discussed in 2009 the initiative to integrate support functions of Group headquarters and the Divisions in order to achieve cost savings and greater efficiency. This is to be achieved through shared services and a leaner and clearer organisation.

For Airbus, agreement with EWC and the unions prepared the way for the major efficiency improvement programme known as Power8. The programme was announced in February 2007, after which EADS negotiated with the unions on a country-by-country basis. The success of these negotiations helped to maintain the aircraft manufacturer's competitiveness at a time when it has been undermined by the strength of the Euro. Between 2006 and the end of 2009, Power8 has reduced annual overhead costs by about €2 billion, without the need for any compulsory redundancies.

As is required by law, an agreement is being discussed with the unions in France about how to recognise stress in the workplace and how to care for those suffering from this illness.



> "This tool is a channel for me to get direct feedback from individual employees – no filter."

Louis Gallois

> ENGAGEMENT SURVEY

In 2009, nearly 70% of employees participated in EADS' first engagement survey. They reported pride in the Group's products, and expressed loyalty. Yet many were not fully engaged in the Group's evolution, and asked for more recognition and better career development. Focus groups and engagement forums have been deployed across EADS to collect and share best practice on engagement. Thousands of managers are now being trained in how to improve employee engagement. Human Resources (HR) processes such as the annual employee interview are being given higher priority. New processes are being introduced to encourage employees to submit innovative ideas. We are also acting to express and support our values better, across not only HR issues such as diversity, solidarity and equal opportunities, but also scientific progress and knowledge sharing.

3.3. | PROMOTING DIVERSITY

EADS is committed to increasing the diversity of its workforce. This will help widen the pool of potential employees at a time when some specialist skills are becoming relatively scarce and our business is becoming increasingly globalised.

EADS is seeking to increase the diversity of its workforce, for both ethical and commercial reasons. We believe that promoting employment across the most diverse range of people confers a real competitive advantage, as it widens the pool of potential employees at a time when some specialist skills are becoming relatively scarce and our business is becoming increasingly globalised.

We have specific targets for increasing diversity. By 2020, we are seeking to employ 20% of the workforce from outside Europe, and for 20% of employees to be women. We are monitoring the number of non-European and female employees closely, along with the age profile of the workforce.

GENDER DIVERSITY

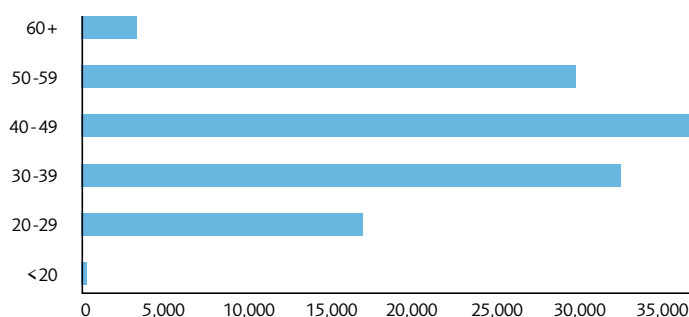
With a background in aerospace and defence engineering, EADS' workforce has historically been dominated by men. The Group now provides women improved access to the full range of activities, offering fair professional development as well as equal remuneration for male and female employees performing work of equal skill and value.

We are determined to increase the number of women we recruit. The percentage of female recruits has risen from 18.8% in 2004 to 24.1% in 2009. For recruitment and training, there are strict gender diversity quotas. Some 25% of graduate employees are required to be women, as are 20% of all CBA management training attendees.

A Gender Diversity Board promotes the interests of female employees, creating working practices that encourage them to join EADS and stay with the Group throughout their careers. The Board is improving the balance between private and professional life through practices such as remote and part-time work. In some Business Units, these practices already exist, but the Gender Diversity Board is working to extend them across the Group.

Furthermore, the Executive Committee is training senior women within the Group in order to prepare them for greater responsibility, and a mentoring programme has been launched for talented women.

AGE DISTRIBUTION WITHIN EADS



AGE, ETHNIC AND SOCIAL DIVERSITY

EADS is also promoting age diversity, recognising that much of the Group's expertise resides in its older employees. Vigeo, the corporate and social responsibility ratings agency, has audited the implementation of the agreement with the unions in 2005. Following this, and among some other provisions, employees have interviews to help them with career planning in the second halves of their working lives. A new agreement was signed with unions in France during 2009.

❖ By 2020, we are seeking to employ 20% of our workforce from outside Europe, and for 20% of employees to be women.

In 2009, EADS took several steps to encourage greater ethnic and social diversity. An agreement was reached with the French Ministry of National Education for recruiting young people from deprived areas.

The French government has recognised EADS' strong record as an employer with policies to promote a diverse workforce, awarding it the Label Égalité award in both 2005 and 2008.

DIVERSITY

in %	2009	2008	2007
Women	16.5	15.9	15.3

in %	2009	2008	2007
Employees outside Europe	5.1	4.6	3.8

Age in %	2009	2008	2007
< 20	0.1	0.2	0.5
20 - 29	14.1	14.6	14.5
30 - 39	27.2	26.3	25.7
40 - 49	30.8	31.7	32.4
50 - 59	25.0	24.5	24.4
60+	2.7	2.6	2.6

➤ In France, EADS was awarded the Label Egalité in 2008, a government recognition of EADS' strong record as an employer with policies to promote a diverse workforce.



➤ **PROMOTING DIVERSITY AT EADS**

EADS promotes employee diversity by nationality, gender, age, social and ethnic background, believing that the Group should reflect the nature of the population it serves worldwide. Our Vision 2020 strategy for the next decade states that diversity should become a competitive advantage and a vital part of the Group's identity. There are targets or action plans for promoting all broad types of diversity. Currently, the Group is examining how to set up more detailed data and key performance indicators covering diversity. It is also considering introducing specific areas responsible for diversity within the Divisions, and involving management more actively in promoting diversity. More regular communications about the subject may also be introduced.

➤ **SUPPORTING MISSION HANDICAP**

Since 2005, Astrium has promoted the employment of disabled people. Mission Handicap's main objectives are to make sure those affected by illness or handicap retain their jobs, and to develop an employment policy giving equal opportunities to the disabled. Awareness of disability has been promoted internally and externally. In 2009, both internal and external communications about disabilities were enhanced, methods of attracting disabled recruits were improved and steps were taken to improve conditions through, for example, telecommuting.

3.4. | A SAFE WORKPLACE

EADS is committed to ensuring the health and safety of its employees. The Group's Divisions and Business Units have detailed health and safety policies that are implemented at site level.

Our health and safety policies are implemented by the Business Units and subsidiaries, and reflect the specific dangers in individual sites. Safety policies are based on evaluating, anticipating and managing the risks at sites, eliminating them whenever possible.

➤ As an aerospace and defence group operating complex industrial sites, EADS makes it a top priority to protect the health and safety of its employees in the workplace.

Day-to-day management of health and safety is handled at site level, allowing measures for protection of employees, contractors and partners to be defined and implemented to meet the specific requirements of each workplace. Reporting on health and safety complies with national regulations, depending on each site's location. Some health and safety indicators are, however, compiled at Division and Business Unit levels, allowing us to monitor performance.

Individual sites perform activities to raise awareness of health and safety. For example, there is a strict policy of only allowing authorised people within the working zones of final assembly zones, and notices alert workers to the risks they face. At Airbus, health and safety training includes a general on-site induction, internal monitoring, awareness-raising measures and internal health and safety audits. In the UK, the Broughton and Filton sites have been certified to OHSAS 18001.

In 2009, Airbus introduced monthly safety reporting at all of its sites. Data is consolidated at corporate level and distributed to top management. Health and safety considerations are also an assessment criterion for the Airbus internal awards of excellence.





The Airbus Policy on Environment, Health, Safety

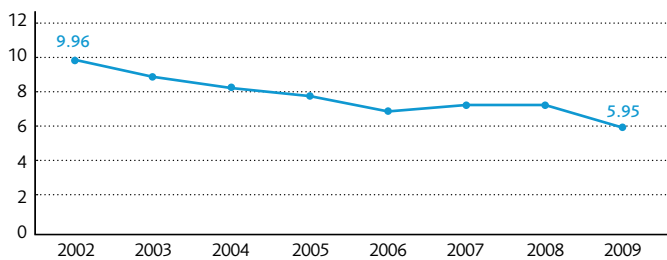


> THE AIRBUS POLICY ON ENVIRONMENT, HEALTH AND SAFETY

Mental and physical health, occupational safety and respect for the environment are integral parts of Airbus' fundamental performance. Airbus maintains a commitment to sustainable development through the involvement and contribution of all stakeholders, the continuous optimisation of its product portfolio, and the establishment of advanced formal management systems for environment, health and safety (EHS). EHS considerations have long been a key priority in the development of all new techniques, products and processes. From 2010, Airbus will redraft its own health and safety policy.

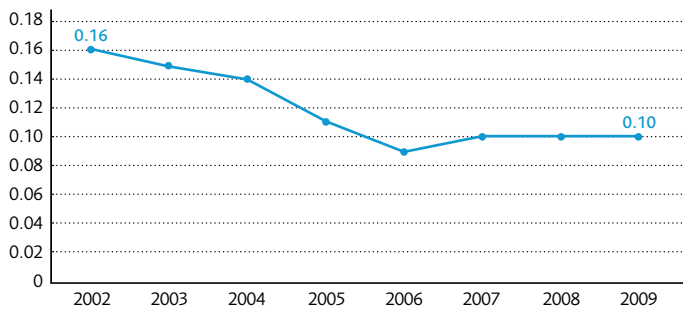
FREQUENCY RATE AT AIRBUS

(Number of accidents per 1 million hours worked)



SEVERITY RATE AT AIRBUS

(days lost to accidents per 1 million hours worked)



Since September 2009 all sites have to report on lagging indicators (lost/non-lost-time injury, first aid) and on some leading indicators (number of incident causes investigated, number and duration of health and safety training sessions). Data is consolidated at corporate level and distributed monthly to Airbus' top management.

In addition all lost-time injuries must be reported at corporate level within 24 hours after the occurrence, using a standard format for gathering information on the circumstances of the injury. This set of data is analysed at the corporate level and distributed along with the monthly safety statistics report.

> EUROCOPTER ADDRESSES PSYCHOSOCIAL RISKS

In early 2009, Eurocopter established a multi-disciplinary project team to implement a coordinated social psychological risk prevention and management policy. Launched initially in France to comply with legal requirements, the project has identified the main indicators of workplace stress, including absenteeism and work incidents. This is enabling Human Resources to introduce preventative measures, and to identify and treat those at risk. During 2010, managers will be trained in issues associated with stress and further communication will raise awareness. Outside France, the project is reviewing legal responsibilities related to stress, with a view to establishing a global policy.



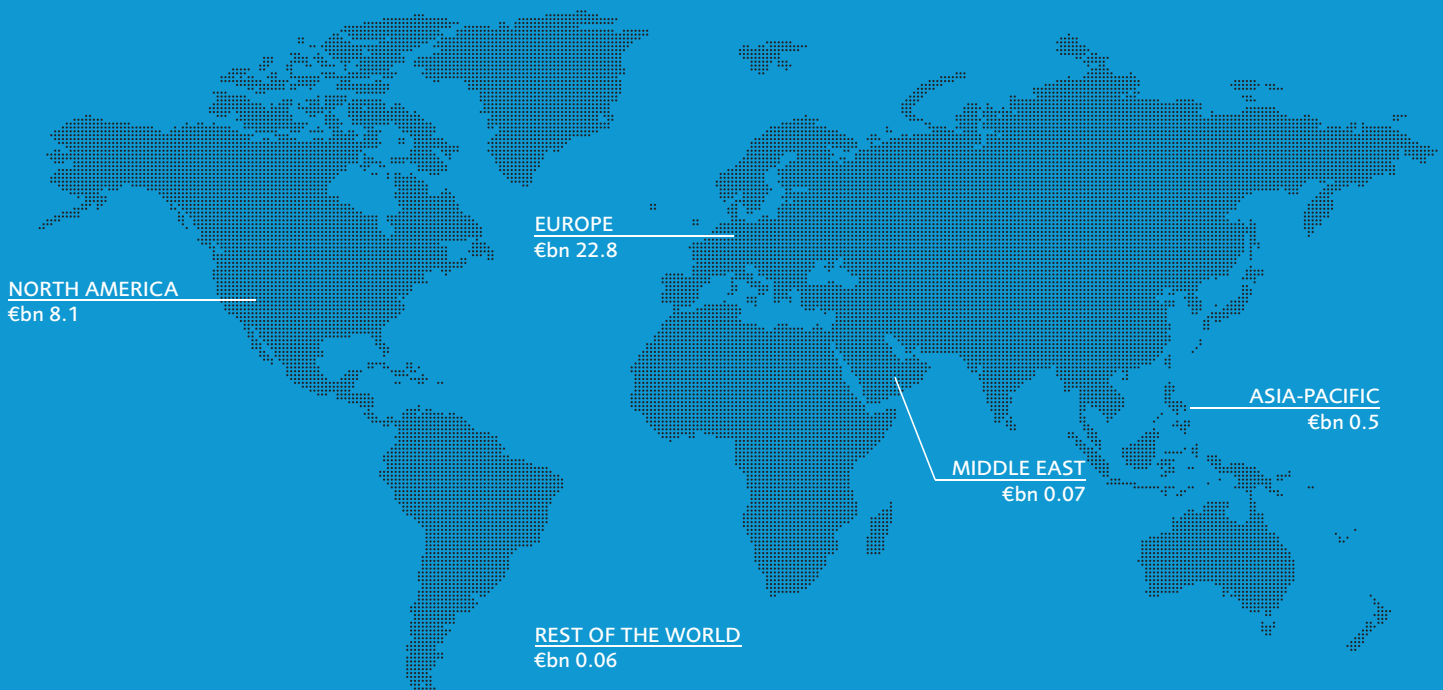
Strong supplier partnerships

EADS seeks competitive advantage through developing mutually beneficial risk-sharing relationships with the world's best suppliers.

EADS has a growing number of supplier relationships in Europe and across the world. Within Europe, we have long-standing relationships with large, medium and small suppliers. We want to see our suppliers be successful, recognising that this benefits the long-term prosperity of EADS. As the Group grows, we are finding new

suppliers in some of our customers' home countries, taking a similar approach to working with them. Throughout our supply chain across the globe, we are seeking to cascade down the corporate responsibility and sustainability principles to which we are committed.

TOWARDS AN INCREASINGLY GLOBAL SUPPLY CHAIN



4.1. | LONG-TERM RELATIONSHIPS WITH OUR SUPPLIERS

EADS is forging increasingly strong relationships with suppliers. The combination of a business model that relies extensively on high-quality outsourcing with long product cycles means that we form long-term partnerships with our suppliers. As our main suppliers become risk-sharing partners, we work together more closely.

RISK-SHARING PARTNERSHIPS

As an aerospace and defence company, EADS is naturally dependent on suppliers for a high proportion of the value of its products. Their performance affects the safety and overall quality of our products, as well as our customers' satisfaction. We select suppliers with great care, therefore, and devote considerable attention to managing our long-term business relationships with them.

In line with the Group's Vision 2020 strategy for the next decade, we are sourcing a greater proportion of our products from suppliers and relying more on their expertise. As EADS focuses on its core capabilities of design, assembly and marketing, a smaller number of main suppliers are assuming an increasing share of our programmes' business risks in return for greater opportunities.

Recognising that our success is dependent on theirs, EADS is committed to helping suppliers be prosperous, independent businesses at the leading edge of technological development. For this reason, we communicate our product strategies and intentions, train their staff and share best practice. In this way, we are fostering a true partnership approach.

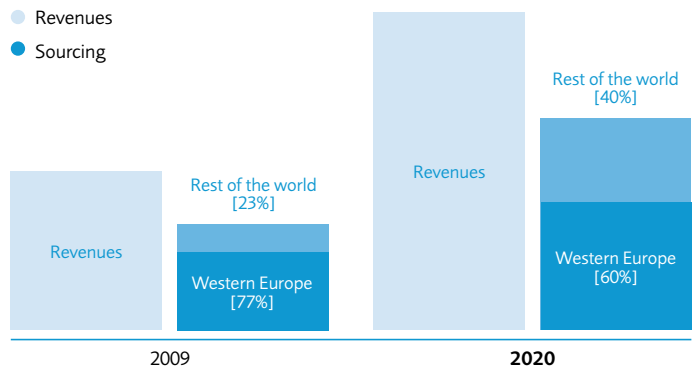
Our evolving model of allocating substantial work packages to a small number of risk-sharing partners is at its most advanced on the programme for developing the new Airbus A350 XWB long-range aircraft, due to enter service in 2013. Airbus is forming working practices on this programme for managing supplier relationships as effectively as possible. In time, these practices will be applied progressively across the Group.

Such close partnerships are an extension of EADS' existing practices. With sourcing volume equivalent to more than two-thirds of our sales, we have far closer supplier relationships than companies in other sectors do.

During the economic and financial crisis, we have monitored the financial health of our suppliers, intending to offer whatever co-operation is reasonable to avoid supply chain disruption. At the end of 2009, the crisis' effect on our supply chain was limited.

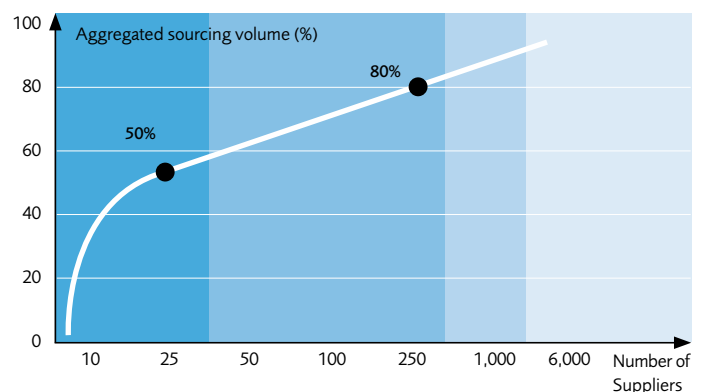
EADS' PERFORMANCE IS LARGELY DETERMINED BY THE SUPPLY CHAIN

Sourcing volume is more than two thirds of sales



EADS SUPPLY BASE PROFILE

Top 25 suppliers cover 50% of the sourcing volume – top 250 cover 80%



4.2. | PROGRESSING TOGETHER

We have refined our approach to managing the supply chain over many years, aiming to select the best suppliers, to monitor their performance carefully and to give them practical support. As a matter of principle, we also cascade our corporate responsibility and sustainability principles down through the supply chain.

MANAGING SUPPLIER RELATIONSHIPS

EADS has a highly developed approach to managing its supply chain. Right at the start of the relationship, we rigorously evaluate potential suppliers. We then monitor their performance continually, seeking to identify any weaknesses when they emerge and to encourage corrective actions.

➤ We aim both to maintain high standards of performance and to forge strong, sustainable relationships with our suppliers.

The Group Corporate Sourcing function is in charge of sourcing strategy across the Divisions and Business Units, and also implements many of the important procurement initiatives. All of its activities are designed to create and maintain a sustainable, first-class supply chain. These activities include procurement marketing and global sourcing, joint sourcing activities, supplier evaluation and development, and sharing of business risks and opportunities.

Supplier selection is extremely thorough, with input from various competence centres such as engineering, quality and finance. In order to be selected, suppliers need to show continuous excellence in performance, demonstrate a credible long-term interest and have the resources to finance product development.

We evaluate supplier performance on an ongoing basis, aiming both to maintain high standards of performance and to sustain stable relationships. There are annual reviews, and suppliers are ranked on common criteria that range across commercial, logistic, quality, technical and customer support factors. In order to help them improve, we share our evaluations with suppliers. If needed, EADS helps the supplier to identify the root causes of any problems with delivery of work packages, and to establish appropriate improvement plans.

PRACTICAL SUPPORT

An industry-wide initiative for fostering supplier improvement called Supply Chain Progress towards Aerospace Community Excellence (SPACE™) was established in 2007. Through SPACE™, Europe's main aerospace companies – including EADS and its Divisions – are supporting improvement in the industrial processes of Europe's small and medium-sized aerospace companies.

Several forums exist for communicating with our suppliers, giving them an outlook on sales campaigns and production schedules, as well as for working on process improvement. Across the Group, the EADS Procurement Network shares high-level best practice with our major suppliers. At Airbus, aerostructures and systems & equipment councils have been introduced to increase coordination and to improve supply chain performance.

Demonstrating the extent of cooperation between EADS and its suppliers, we are providing growing levels of training for our suppliers' employees in critical skills areas such as engineering development and strategic procurement. At the end of 2009, more than 100 suppliers were involved in training programmes provided by EADS.

➤ We are providing growing levels of training for our suppliers' employees in critical skills areas.

We are also working to help suppliers improve their performance in aftermarket service and customer satisfaction. Airbus's customer service department has launched a "supplier support rating" (based on price, quality of repairs and "reactiveness"). The department rates its top 40 suppliers, giving awards to the top ten.

EMBEDDING CR&S IN THE SUPPLY CHAIN

Having such extensive supplier relationships, we seek to pass sound corporate responsibility and sustainability practices to suppliers, thereby improving management of CR&S risks in the supply chain.



> NEW MANUFACTURING PARTNERSHIP IN INDIA

For the first time, we have succeeded in sourcing aerostructures from India's private sector. In line with EADS' Vision 2020 strategy, Spirit AeroSystems (Europe) Limited ("Spirit") launched an initiative to find a manufacturing partner in India, aiming to find a low-cost solution while helping to satisfy offset commitments in the country. After careful evaluation and a number of supplier assessment visits, Spirit signed a memorandum of understanding with Bangalore-based Dynamatic Technologies Limited (DTL) in December 2007 for "Project Prana" (in Sanskrit, Prana means Spirit), which covers the supply of flap track beam (FTB) assemblies for the A320 aircraft family. DTL has established a new production facility for Project Prana. First article inspections on an A320 FTB took place in May 2009 and almost 70 sets of FTB assemblies have been delivered to Airbus UK's Broughton final assembly line. Additionally, Dynamatic acquired Oldland Aerospace, located in Bristol, UK (one of the finest centres of excellence for complex aerospace machining in Europe) and is starting to machine FTB carriages.

While our procurement principles and practices have been developed in our European home countries, we are introducing them to suppliers elsewhere as we expand across the globe.

As a participant in the UN Global Compact, which encourages businesses to adopt responsible business practices and report on their progress, EADS is committed to applying the Compact's principles to its supply chain. As such, we formally require our suppliers to comply with common standards in the areas of human rights, labour, the environment and anti-corruption.

Reflecting the Compact, EADS has developed its own Responsible Sourcing Principles, which it expects suppliers to pass to their own suppliers. These minimum requirements were updated in 2009, with the addition of International Labour Organisation clauses covering forced labour (ILO 105) and collective bargaining (ILO 98), as well as stipulations about health and safety.

Our Sourcing CR&S Network ensures that CR&S objectives are inserted into management processes and associated documentation. During 2009, we appointed a Procurement Compliance Officer, who is coordinating measures to promote CR&S and compliance in the supply chain.

CR&S TOOLS

We use a variety of tools to embed CR&S into the supply chain, including a supplier code, a supplier evaluation questionnaire and contractual clauses to ensure supplier compliance with EADS policies. In 2008, the Group published recommended environmental requirements for suppliers, which have since been introduced by EADS Divisions.

>>> We plan to add CR&S performance to the Group-wide common supplier selection and evaluation criteria.

Contractual guidelines cover a number of key areas. For environmental responsibility, the guidelines suggest that contracts require suppliers to comply with all applicable laws and regulations, as well as with EADS commitments (especially the UN Global Compact) and end-customer requirements. The guidelines also recommend that contracts include EADS commitments in the spheres of human rights, collective pay bargaining, forced labour and quality of working conditions.

The EADS Chief Procurement Officers Council launched an additional CR&S communication initiative at the beginning of 2010. The Group is preparing a brochure to inform suppliers about CR&S requirements in general and, more specifically, suppliers' compliance requirements in areas such as export control. A letter summarising the brochure's contents will be sent to the major 1,000 suppliers, as well as smaller suppliers, during 2010.

Within the Divisions, there are further initiatives for promoting CR&S within divisional supply chains. At Airbus, for example, suppliers have attended a variety of communications events to raise their awareness about environmental issues, and also have online access to the company's environmental requirements. Astrium considers CR&S standards as a matter of course when pre-selecting suppliers. During 2008, Astrium evaluated the CR&S performance of more than 90 suppliers.

A series of EADS-wide key performance indicators is being prepared in order to report the supply chain's progress in reducing CO₂ emissions. Additionally, we plan to add CR&S performance to the Group-wide common supplier selection and evaluation criteria.



➤ An active corporate citizen

We believe that contributing to the well-being of the communities in which we work, and especially to the scientific education of young people, is an ethical imperative. We are focusing on activities where our expertise can add value.



➤ All of our Divisions and national subsidiaries pursue initiatives to provide sponsorships and donations, loans of equipment and employee time.

- We are committed to the communities where we work, believing that general well-being is to our mutual benefit
- We support scientific research, especially where our aerospace and defence technologies can be leveraged
- We are actively supporting the scientific education of young people in our home countries, seeking to promote engineering and science for the good of their economies
- We strive to be a long-term reliable partner and investor in the countries where we operate, contributing to their economies and societies
- We are mobilising our people and our specialist equipment where we believe these can make a difference worldwide, starting with crisis and disaster relief

5.1. | SHARING OUR EXPERTISE AND RESOURCES

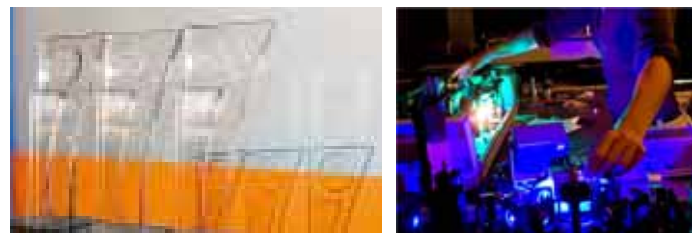
Through our Divisions and foundations, we are focusing on the activities where we can have the greatest effect, including scientific education, research and disaster relief. Our activities are increasing and we are examining ways both to improve coordination of the Divisions' sponsorship activities and to do more outside our home countries.

EADS is committed to helping the communities where we operate. We are focusing our corporate citizenship activities on the areas where we can have greatest effect, leveraging our expertise and resources as one of the world's biggest aerospace companies and a leader in scientific research. Consequently, we sponsor scientific education and assist in the delivery of disaster relief.

All of our Divisions and national subsidiaries pursue initiatives to provide sponsorships and donations, loans of equipment and employee time. In some cases this happens through our foundations – the EADS Corporate Foundation and the Airbus Corporate Foundation – and in others it is organised by the Divisions or Business Units. Astrium, for example, sponsors students on the Légion d'honneur foundation's programme, providing money and mentorships. We also support students near Astrium's Les Mureaux site, in France.

Among non-governmental organisations (NGOs), we work most closely with Aviation sans Frontières (ASF), the aviation charity that provides logistics support for other NGOs. EADS makes contributions to ASF from five countries, both contributing funds and lending our aircraft to support disaster relief.

In the past five years, Airbus and Eurocopter have helped to airlift supplies to major natural disasters, including the 2008 earthquake in China's Sichuan province, the Myanmar flooding in 2006, Hurricane Katrina in 2005 and the 2004 Asian tsunami. Additionally, the Defence & Security and Astrium Divisions have respectively provided mobile field hospitals and satellite images of disaster zones.



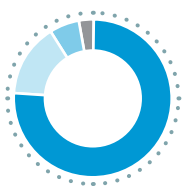
At the beginning of 2010, EADS drew on its experience of supporting natural disaster relief efforts to help the victims of Haiti's devastating earthquake (see focus on page 60).

To promote science and engineering, EADS actively sponsors aviation and science museums. In Paris, for example, we sponsor the Musée de l'Air et de l'Espace, and through Astrium, the Cité des Sciences in La Villette. In London, we sponsor the Science Museum, and in the Washington DC area of the United States, Airbus is a major sponsor of the Steven F. Udvar-Hazy National Air and Space Museum.

Airbus has sought to promote science and engineering through a global university contest, called Fly Your Ideas. The contest attracted over 2,000 students from more than 80 countries in 2009.

EADS CORPORATE FOUNDATION BUDGET

(as % of the €m 23.5 allocated)



- 76% Support to research projects
- 15% Communication (including Flight Book and Mob-e3 contest)
- 6% Support to associations or initiatives
- 3% Running costs

EADS CORPORATE FOUNDATION

Since 2004, EADS Corporate Foundation has been building solid, fertile ties between research centres, universities and businesses. Its efforts contribute to nurturing and developing talent by backing ambitious research projects.

The EADS Foundation actively promotes the dissemination of scientific culture, ties between public and private research, access to science, the transmission of knowledge and the circulation of scientific knowledge. By providing the resources that talent needs to thrive, the Foundation serves its purpose to the fullest.

The Foundation's core activities are funding upstream research projects – including scholarships for doctoral and post-doctoral students – supporting efforts to disseminate scientific and technical culture, promoting parity and finding new outlets and opportunities for the technology that aerospace research has spawned.

More than 300 applications for funding of scientific research projects have been received. The Foundation has managed to support nearly 75 scientific and technological research projects, and has created six research and academic chairs. Over the past five years, 69 scientists have won prizes created or sponsored by the Foundation, with nearly 50% of them being female scientists.

In 2009, the EADS Corporate Foundation was extended for five more years to support further research.

Fulfilling the extension of its mandate, the Foundation began to support the education of scientifically gifted children in deprived inner city areas, by providing cash grants. Working with educational authorities, the Foundation will help 80 children over three years, allocating €2 million in support.

Additionally, in 2009 the Foundation started a competition in French schools called Imagine the Transport of the Future (www.mob-e3.fr) and edited the “Flight Book”, which introduces the general public to aerospace technology, using everyday language to explain the basic concepts underlying the science of flight.

AIRBUS CORPORATE FOUNDATION

Established in December 2008, the Airbus Corporate Foundation's projects are largely driven by Airbus employee suggestions. The Foundation started with a budget of €2.5 million for five years to be spent on youth development, humanitarian support and the environment.

During its first nine months, the Foundation sponsored 38 projects put forward by Airbus employees, resulting in €225,000 being donated worldwide to NGOs for diverse causes. So far, there have been 21 youth development, 15 humanitarian and two environmental projects.



During its first year of activities, the Foundation's youth development theme has become increasingly focused on youngsters under 20 living near Airbus sites in difficult circumstances, including those suffering illness or disability. The Foundation also strives to help young people through aviation. For example, it sponsors Citoyens du Ciel, a charity that builds handicapped children's confidence by taking them flying with handicapped pilots.

The Foundation has also been actively organising goodwill delivery flights with ASF and Luftfahrt ohne Grenzen (LOG), its German counterpart. The Foundation and ASF undertook several goodwill flights in 2009, together with Colombian airline Avianca, to transport clothing, toys and wheelchairs to Bogota, and with Brazilian airline TAM to transport goods to disabled children and adults in Brazil.

Another NGO the Foundation supports is Action Against Hunger. The Foundation has transported water sanitation equipment to the NGO's biggest logistics centre in Dubai, to be stored in preparation for humanitarian missions.

5.2. | CONTRIBUTING TO HOST COUNTRIES

In line with our aim of becoming a truly global industrial company, we are expanding in countries outside our European home markets, creating high-value jobs, training local employees, sourcing products locally and contributing to the strength of their economies and societies.

As we become more global, we are conscious of our responsibility to spread sound international business practices that benefit all the countries in which we operate. We cooperate with local industries wherever possible, supporting development of skills and competencies. Additionally, we promote local corporate responsibility-oriented projects.

Eurocopter, with operations in five continents, has brought skilled jobs to many parts of the world. For example, Helibras, its Brazilian subsidiary, is planning to double staff to 600 following the decision to manufacture EC725 military helicopters there.

Airbus is helping China to create skilled jobs in aerospace manufacturing. The country's first domestically assembled commercial aircraft with more than 100 seats rolled off the final assembly line in Tianjin during 2009. The year also saw Airbus establish a joint venture manufacturing centre for aircraft composite parts for the new A350 XWB long-range aircraft and the A320 single-aisle aircraft in Harbin.

In India, EADS has an expanding range of activities. The Astrium Division has a satellite manufacturing joint venture, and the EADS office in Bangalore hosts a recently opened country sourcing office and a research and technology centre. In particular, EADS is seeking to procure increasing amounts in higher value-added fields, including aerostructures.

In the Middle East, EADS is also growing. We are working in close cooperation with Abu Dhabi-based Mubadala Aerospace, having agreed to buy composite parts from it and to help its development. And in Qatar, EADS has established a research, development and training centre.



Finally, there is a substantial commitment to North America, where EADS has manufacturing, engineering and maintenance facilities in Alabama, Kansas, Mississippi and Texas, as well as an Airbus training centre in Miami. Between 1990 and 2008, Airbus and EADS legacy companies have sourced more than US\$ 90 billion in the United States – with the annual value having doubled from under US\$ 5 billion in 2002 to over US\$ 11 billion in 2008.

INTERNATIONAL SPONSORSHIP

As our businesses become increasingly international, so too do our ongoing sponsorship activities outside our home countries.

For example, the Airbus Foundation is making India the focus of its Biodiversity Conservation Programme, due to the country's population growth and urbanisation. Airbus employees will build bio-gas plants to generate energy in rural areas and boost local incomes. When they return, volunteers will talk to young people in Europe about the importance of biodiversity. The project will start in 2010 and run for three years. Airbus is also supporting the United Nations' International Year of Biodiversity, having signed a memorandum of understanding with the Convention on Biological Diversity to help raise awareness of the importance of biodiversity loss among young people worldwide.

Within Eurocopter, we have recently established a global philanthropy programme, focusing on children and health. Additionally, we have educational initiatives across a range of countries. Eurocopter Malaysia's charitable activities in 2009 included celebrating the Diwali Hindu festival with homeless children.

But not all international charitable activities are in developing countries. In North America, EADS is very active in US-based philanthropic and service organisations. Since the creation of EADS North America in 2003, the company has provided over US\$ 5 dollars in philanthropic and other contributions to over 100 US organisations. EADS' charitable contributions support US service members and their families, charitable organisations that are active in the communities in which we do business and organisations in Washington, DC.

EADS also contributes to scholarships and research grants at universities in Alabama, Mississippi, South Carolina, Florida, Georgia, California and Massachusetts.

5.3. | OUR EMPLOYEES SHOW INITIATIVE

Employees are playing a valuable part in EADS' charitable activities, through programmes organised by EADS and by taking the initiative themselves. They are making donations and raising funds not only in our home countries, but also in the other parts of the world where our operations are expanding.

EADS employees around the world are being encouraged to become increasingly involved as individuals in the Group's charitable activities, donating both money and time.

They have played a role in recent disaster relief initiatives, giving money to help the victims of both the Haiti earthquake (see case study below) and the Asian tsunami. On both occasions, EADS itself has matched employees' donations.

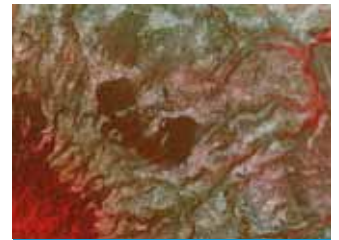
At Airbus, individuals have played a role in shaping the activities of the Airbus Foundation, suggesting many of the projects it has embarked upon. Volunteers are important to projects such as 2010's biodiversity project in India.

Many of the projects to help children around the world require employees to donate their time. For example, employees will mentor the children selected from Paris suburbs to be supported through education by the EADS Foundation.

In the UK, Airbus employees willingly give up their spare time to helping local school children to read, write and gain in confidence. Airbus in the UK also has an active employee fundraising and involvement scheme, the "Airbus Charity Challenge". Since its inception, this programme has raised more than £3 million for charities chosen by employees, and has provided much-needed support to local people through employee volunteering.



Photo credit: Stéphane Lévin



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ASSISTANCE FOR HAITI

In the weeks following the Haiti earthquake in early 2010, EADS employees donated €170,000 to help the disaster's victims. EADS itself matched the sum, making a total of €340,000. The proceeds were used to provide a modular field hospital, operated by the Order of Malta and built and equipped by the Defence & Security Division. Additionally, Airbus provided two round trips with an A340 aircraft to transport material and rescue teams, Eurocopter provided two helicopters to shuttle medical teams and supplies, and Astrium provided satellite imagery.

PLANET ACTION: EARTH OBSERVATION TO FIGHT CLIMATE CRISIS

Planet Action donates satellite imagery and geo-information technologies to NGOs working on climate change causes, impacts and solutions. For the last three years, Spot Image* has been supporting local actions with more than 300 projects on all continents.

As part of our non-profit initiatives, we are notably involved in the Green Belt Movement (GBM) in Kenya. Created by Nobel Peace Prize winner Wangari Maathai, it aims to develop sustainable livelihoods by preserving water resources, limiting deforestation and avoiding soil erosion. Imagery provided by Planet Action was used to measure the quality and density of forest resources and establish optimal re-planting strategies. Biomass evaluation enabled the GBM to determine the carbon sequestration potential of the zone.

For more information, please visit www.planet-action.org

* Spot Image is 96% owned by Astrium





Indicators and appendix

- 62 : Scope and methodology
- 64 : Data tables
- 66 : GRI index and Global Compact correspondence
- 70 : Independent Assurance Report to EADS N.V.
- 72 : Glossary

Scope and methodology

This section summarizes our reporting protocols. The full reporting guidelines are available upon request.

HUMAN RESOURCES REPORTING PROTOCOL

REPORTING SCOPE

EADS Group's headcount reporting includes all consolidated companies worldwide. The internationally comparative figures are based on the active workforce, ie, the number of permanent and short-term employees, irrespective of their individual working times. The headcount is calculated according to the consolidation quota of the respective companies.

The scope for HR structure reporting covers about 95% of the Group's consolidated companies. This includes employees working for EADS or its subsidiaries in France, Germany, Spain, Great Britain and internationally. The figures represent 100% of all consolidated companies, irrespective of their individual consolidation quota.

REPORTING TOOLS

The indicators are calculated using a SAP Business Warehouse, which is based on the EADS global SAP payroll, and interfaces to local payrolls worldwide. Precise definitions of each indicator, consistency checks and relevant testing aim to ensure the quality and consistency of reporting. The Business Warehouse is operated by the EADS Group HR Operations department.

DETAILS AND METHODOLOGY

Active workforce

The reported number of employees shows the active workforce available in EADS Group on 31 December 2009. Active workforce is the official key parameter in the Group's reporting. It is defined in the EADS HR Definitions policy which was introduced in 2006. This policy is valid and binding for all full or quota consolidated entities within the EADS Group worldwide. It was approved by the HR Directors and Finance Controlling. Active workforce includes regular employees (unlimited and limited contracts > 3 months duration) as well as seconded/transferred employees (within the Group). Temporary workforce, students, trainees and externals are excluded. Figures are based on available employee data (95%) as described above.

PERCENTAGE OF WOMEN

The calculation of the percentage of women within EADS is based on the number of women included in the active workforce, status 31 December 2009. Figures are based on available employee data (95%) as described above.

PART-TIME QUOTA

This indicator shows the percentage of employees holding a part-time contract on 31 December 2009 in proportion to the active headcount at this time. In 2009 part-time employees numbered 3,739. Figures are based on available employee data (95%) as described above.

PERMANENT/UNLIMITED CONTRACTS

Only limited contracts with a work contract duration more than three months are included in this figure as only those employees are part of the active workforce. Neither Mini-Jobs employees ("Geringfügige Beschäftigung"), who are earning up to €400 a month, nor the so-called "CIFRE" ("Conventions Industrielles de Formation par la Recherche") belong to the active workforce. Employees whose contracts were transferred during the year from limited to unlimited are counted as permanent. Figures are based on available employee data (95%) as described above.

EMPLOYEE TURNOVER

This indicator is reported regularly within EADS Group. It is defined as the percentage of people who have left the organisation (number of resignations, terminations, retirement etc.) in the proportion to the average active headcount. As the turnover rate is a cumulative figure, all departures in 2009 were taken into account for calculating it. In September 2006, EADS started to track the "employee turnover" within quarterly key performance indicator reports. Reasons for departure are not currently reported, but this is planned for the future (differentiated into internal moves, long-term absences and external departures, with a further split into voluntary/involuntary attrition). Figures are based on available employee data (95%) as described above.

TRAINING HOURS PER EMPLOYEE

This indicator is defined as the number of training hours per year, divided by the average headcount per year (active workforce) of the Division. This indicates the average number of hours that each employee dedicates to training during the year. Until 2008, this figure was collected manually. Since 2009, the EADS Learning Services organisation (ELS) has started to coordinate all training activities within the EADS Group. ELS is the EADS-wide common learning organization that delivers learning transactions and learning expertise. It operates across Divisions and nations, through an international office and national hubs in France, Germany, Spain and UK. A new reporting system for monitoring the training activities was deployed in 2009 by ELS. The figures for the year 2009 are partly provided by ELS; some were collected manually, as not all activities are yet transferred to ELS (remained in Divisions). Further improvement of data quality is expected in the coming years.

ENVIRONMENTAL REPORTING PROTOCOL

REPORTING SCOPE

The data here results from EADS' first worldwide reporting campaign, carried out by our Environmental Network. EADS environmental reporting includes all the Group's consolidated companies. Around 95% of the workforce is based at those sites.

REPORTING TOOLS

Indicators used are derived from Global Reporting Initiative guidelines. Data is collected through an Environmental Management Information System called ENABLON. Precise definitions of each indicator, consistency checks and relevant testing aim to ensure the quality and consistency of reporting. The guidelines supporting the reporting process have been distributed, discussed and explained.

EXTERNAL VERIFICATION

As part of our commitment to providing reliable information on our performance, we have asked KPMG to review the reporting procedures and data for a selection of key environmental performance indicators published in this report: energy and CO₂ indicators. The nature of the work performed and the results of the verification are presented on pages 70-71.

DETAILS AND METHODOLOGY

Energy consumption

The energy consumption of a site is the combination of fossil energy and electricity, expressed in megawatt hours.

1. Fuel consumption from owned/controlled stationary sources;
2. Fuel consumption from mobile sources managed by the site;
3. Electricity purchased and generated for own use.

CO₂ emissions

The CO₂ emissions result from direct (Scope 1) and indirect (Scope 2) emissions according to the definition provided by the GHG protocol. They relate directly to energy consumption by the following formula: CO₂ emissions = Energy consumption x Emission Factor. They were automatically calculated by the reporting tool based on energy consumption and expressed in tCO₂ equivalent.

Total water withdrawal

This indicator is the sum of all water drawn into the boundaries of the reporting site from all sources (including surface, ground, rain and municipal water) for any use throughout the reporting period. It includes water for industrial installations, offices, catering facilities, buildings, etc. It is expressed in m³/year.

Water discharges

This indicator is the sum of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water from:

- A defined discharge point (point source discharge)
- Over land in a dispersed or undefined manner (non-point source discharge); or
- Waste water removed from the site via truck.

Note: Discharge of collected rainwater and domestic sewage is not regarded as water discharge.

Waste

The quantity of waste of a site combines hazardous and non-hazardous. This includes all waste regularly created by production processes, and treated internally and externally. The European Directive 2008/98/EC defines waste and disposal. We realise that the dataset on which the hazardous waste figures are based involves material uncertainties. We continue to focus on improving the quality and comparability of the data. Above all, we will enhance our procedures for internal checks on data reliability and document the results of these checks.

Volatile Organic Compounds (VOC)

All organic compounds which present a vapour pressure higher than 10 Pa at 293.15°K are included in the definition adopted in this reporting for VOC (definition according to Council Directive 1999/13/EC). All exempted solvents according to US regulation (see US EPA at 40CFR PART 51-100) were included here.

The main VOC emissions sources of EADS' activities derive from surface treatment, cleaning, painting and coating operations through use of the following materials:

- Solvents: halogenated (TCE, PER, MC), non-halogenated excluding paints and coatings
- Solvated paints and coatings: primers, wash primers, topcoats and specific coating (for structural and non-structural parts)
- Additional VOC

NO_x and SO_x

NO_x and SO_x are by-products of the combustion of fossil fuels (gas or liquid fuel). These emissions are mainly responsible for acid pollution, which could lead to modifications of ground and water chemical compositions and affect ecosystems. For SO_x, the level of sulphur contained in the used gas, heating oils or fuels can be employed to determine the emission level.

NO_x emissions = Sum of (NO₂ emissions + N₂O emissions) for all burnt energy source

SO_x emissions = Sum of SO_x emissions for all burnt energy source
This excludes mobile sources of NO_x and SO_x such as any transportation mode.

Data tables

GRI	KPI	2009	2008	2007	
Social performance					
WORKFORCE	LA1	Active workforce (employees)	119,506	118,349	116,493
		By region (employees)			
		France	44,760	44,380	44,022
		Germany	43,814	42,987	43,438
		Spain	10,469	10,104	9,315
		United Kingdom	12,733	13,826	13,652
		North America	3,197	3,141	2,372
		Rest of the world	4,533	3,911	3,964
		By Division (employees)			
		Airbus ¹⁾	61,987	53,906	56,029
		Former MTA Division	Not applicable	4,910	4,459
		Defence & Security	21,093	22,787	22,113
		Eurocopter	16,316	15,667	14,658
		Astrium	14,624	13,674	12,587
		Headquarters and Others	5,486	7,405	6,647
		Part-time quota (% of total workforce)	3.2	3.3	3.0
		By contract (employees)			
		Unlimited contract	116,821	115,509	114,030
		Limited contract > 3 months	2,685	2,840	2,463
		By age and gender ²⁾ (employees)			
		< 20	166	281	539
		% women	23.5	13.5	9.8
		20 - 29	16,854	17,248	17,240
		% women	19.0	18.5	18.0
		30 - 39	32,396	31,195	30,555
		% women	18.7	18.1	17.4
		40 - 49	36,710	37,563	38,619
% women	17.0	16.3	15.5		
50 - 59	29,800	29,012	29,040		
% women	12.8	12.3	12.2		
60+	3,229	3,118	3,048		
% women	8.3	7.3	6.6		
Total	119,155	118,417	119,041		
% women	16.5	15.9	15.3		
Average age (years)	42.5	41.9	41.9		
men	42.9	42.2	42.2		
women	40.9	40.2	40.3		

GRI	KPI	2009	2008	2007			
Social performance							
TURNOVER	LA2	New recruits ²⁾ (employees)	5,663	7,081	6,860		
		men	4,299	5,414	5,384		
		women	1,364	1,667	1,476		
		Leaves (employees)					
		% of total workforce	2.8%	4.3%	4.0%		
		men	2,655	4,097	3,877		
		women	652	980	771		
		Total	3,308	5,078	4,648		
		Employee turnover per age group (%)					
		19 years or less	7.2	28.0	16.9		
		20 - 29 years	4.0	5.3	4.9		
		30 - 39 years	1.9	3.1	3.2		
		40 - 49 years	1.4	1.9	1.6		
		50 - 59 years	2.2	4.1	3.1		
		60 years or more	24.3	32.2	36.8		
		Employee turnover per region (%)					
		France	2.1	5.5	4.2		
		Germany	2.1	3.0	2.9		
		Spain	1.4	1.8	1.9		
		United Kingdom	5.6	5.8	5.9		
		Rest of the world	10.1	5.7	9.0		
		TRAINING					
		TRAINING	LA10	Number of training hours			
				Airbus	n. a. ³⁾	1,607,245	1,432,542
				Defence & Security	n. a. ³⁾	552,338	379,000
				Eurocopter	n. a. ³⁾	331,664	293,440
				Former MTA Division	n. a. ³⁾	136,463	113,002
Astrium	n. a. ³⁾			263,031	229,615		
Headquarters	n. a. ³⁾			18,262	16,592		
Total	n. a. ³⁾			2,909,003	2,464,191		
Training hours per employee							
Airbus	n. a. ³⁾			30.1	25.8		
Defence & Security	n. a. ³⁾			20.9	22.0		
Eurocopter	n. a. ³⁾			26.8	27.4		
Former MTA Division	n. a. ³⁾			30.4	30.3		
Astrium	n. a. ³⁾			22.5	21.5		
Headquarters	n. a. ³⁾			19.8	20.2		
Total	n. a. ³⁾	26.6	25.0				

¹⁾ Figures for 2009 include Airbus Military, following integration of the former MTA Division into Airbus. Figures for 2008 and 2007 have not been restated.

²⁾ Figures based on available detailed employee data as described in the HR Protocol.

³⁾ not available.

GRI	KPI	2009
Environmental performance		
ENERGY	Total energy consumption* (GJ)	14,338,013
	Energy consumption from stationary sources	5,108,100
	<i>of which</i>	
	natural gas consumption	4,770,000
	gas oil/diesel consumption	176,000
	residual fuel oil consumption	91,100
	liquefied petroleum gas consumption	32,600
	propane consumption	38,400
	EN3 Energy consumption from mobile sources (GJ)	3,430,913
	<i>of which</i>	
	gasoline consumption	9,650
	gas oil/diesel consumption	107,000
	propane consumption	163
	aviation gasoline consumption	14,100
	jet fuel aircraft consumption	3,300,000
	- flight tests and ferry flight	2,270,000
	- Beluga	1,030,000
	EN4 Electricity consumption (GJ)	5,799,000
	<i>of which</i>	
	purchased electricity consumption	5,280,000
generated on-site for own use	286,000	
purchased steam consumption	233,000	

GRI	KPI	2009
Environmental performance		
AIR EMISSIONS	Total CO₂ emissions* (tonnes CO₂)	994,500
	Total direct CO₂ emissions* (tonnes CO₂)	550,500
	<i>of which</i>	
	EN16 CO ₂ emissions from stationary sources	292,000
	CO ₂ emissions from mobile sources	244,000
	CO ₂ emissions from fugitive sources	14,500
	Total indirect CO₂ emissions* (tonnes CO₂)	444,000
	Total VOC emissions (tonnes)	1,920
	EN20 Total SOx emissions (tonnes)	26
	Total NOx emissions (tonnes)	335
WATER	Total water withdrawal (m³)	5,370,000
	<i>of which</i>	
	EN8 purchased water (%)	60.2
	extracted ground water (%)	37.7
	withdrawn surface water (%)	2.1
EN21 Total water discharge (m³)	2,460,000	
WASTE	EN22 Total waste production (tonnes)	120,000
	<i>of which,</i>	
	EN23 hazardous waste (%)	35.7
EN24 non-hazardous waste (%)	64.3	
EMS CERTIFICATION	Number of sites with ISO 14 001/EMAS certification	84
	Percentage of workforce covered (%)	87.4

* Within KPMG assurance scope.

GRI index and Global Compact correspondence

GRI INDEX

The following tables present the EADS sustainability report according to the Global Reporting Initiative (GRI) principles. The following GRI index indicates to what extent we take the GRI indicators into account. At the same time, it shows where in the report the indicators are dealt with. For some indicators, we also refer to the Annual Report of EADS.

This report follows the GRI guidelines and should allow to meet GRI Application Level B+.



CR ISSUE (GRI INDICATOR)	GRI DESCRIPTION	PAGE
1 Strategy and Analysis Profile		
Disclosure 1.1	Statement from the most senior decision-maker of the organisation (eg., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy	p. 3-5
Disclosure 1.2	Description of key impacts, risks, and opportunities	p. 3-7
2 Organisational Profile		
Disclosure 2.1	Name of the organisation	
Disclosure 2.2	Primary brands, products, and/or services	
Disclosure 2.3	Operational structure of the organisation, including main Divisions, operating companies, subsidiaries, and joint ventures	
Disclosure 2.4	Location of organisation's headquarters	Inside front cover (leaflet EADS at a Glance)
Disclosure 2.5	Number of countries where the organisation operates, and names of countries with either major operations or specifically relevant to sustainability issues including the report	
Disclosure 2.6	Nature of ownership and legal form	
Disclosure 2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	
Disclosure 2.8	Scale of the reporting organisation	p. 62-63
Disclosure 2.9	Significant changes during the reporting period regarding size, structure or ownership	Inside front cover (leaflet EADS at a Glance) and p. 62-63
3 Report Parameters		
Profile Disclosure 3.1	Reporting period (eg., fiscal/calendar year) for information provided	p. 62-63
Profile Disclosure 3.2	Date of most recent previous report (if any)	p. 2
Profile Disclosure 3.3	Reporting cycle (annual, biennial, etc.)	p. 62-63
Profile Disclosure 3.4	Contact point for questions regarding the report or its contents	Inside back cover
Profile Disclosure 3.5	Process for defining report content	p. 2
Profile Disclosure 3.6	Boundary of the report (eg. countries, Divisions, subsidiaries, leased facilities, joint ventures, suppliers)	
Profile Disclosure 3.7	State any specific limitations on the scope or boundary of the report	
Profile Disclosure 3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations significantly affect comparability from period to period and/or between organisations	Inside front cover (leaflet EADS at a Glance) and p. 62-63
Profile Disclosure 3.9	Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	
Profile Disclosure 3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	p. 62-63
Profile Disclosure 3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Inside front cover (leaflet EADS at a Glance) and p. 62-63
Profile Disclosure 3.12	Table identifying the location of the Standard Disclosures in the report	p. 66-69

CR ISSUE (GRI INDICATOR)	GRI DESCRIPTION	PAGE
Profile Disclosure 3.13	Policy and current practice with regard to seeking external assurance for the report	p. 70-71
4 Governance, Commitments and Engagement		
Profile Disclosure 4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	Annual report and p. 16
Profile Disclosure 4.2	Indicate whether the chair of the highest governance body is also an executive officer	p. 3-5
Profile Disclosure 4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members independent and/or non-executive members	Annual Report
Profile Disclosure 4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Annual Report and p. 3-5, 8, 47
Profile Disclosure 4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	Annual Report
Profile Disclosure 4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Annual Report
Profile Disclosure 4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	Annual Report
Profile Disclosure 4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	p. 8-9, 17-19, 37-38, 43-51
Profile Disclosure 4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Annual Report and p. 3-5, 8, 12-13, 16-21, 41, 46-49, 55
Profile Disclosure 4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Annual Report and p. 16
Profile Disclosure 4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	p. 19-20, 27-29, 37-39, 41, 46-49
Profile Disclosure 4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	p. 20, 49
Profile Disclosure 4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations actions taken to implement principles	p. 16, 19 + p. 39
Profile Disclosure 4.14	List of stakeholder groups engaged by the organisation	
Profile Disclosure 4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholders are treated throughout the report
Profile Disclosure 4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	
Profile Disclosure 4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	p. 2, 6-7, 47

CR ISSUE (GRI INDICATOR)	GRI DESCRIPTION	PAGE
Economic		
Disclosure on Management Approach – Economic		Annual Report and p. 4-5, and throughout the report
Aspect: Market Presence		
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	p. 52-55
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	p. 43-45, 59
Aspect: Indirect Economic Impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	p. 56-60
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	p. 41, 59
Environment		
Disclosure on Management Approach – Environment		p. 24-41
Aspect: Energy		
EN3	Direct energy consumption by primary energy source	p. 39-40, 65
EN4	Indirect energy consumption by primary source	p. 39-40, 65
EN5	Energy saved due to conservation and efficiency improvements	p. 39-40, 65
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	p. 37-40
Aspect: Water		
EN8	Total water withdrawal by source	p. 65
Aspect: Emissions, Effluents, and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight	p. 39-40, 65
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	p. 39-40, 65
EN19	Emissions of ozone-depleting substances by weight	p. 65
EN20	NO _x , SO _x , and other significant air emissions by type and weight	p. 65
EN21	Total water discharge by quality and destination	p. 65
EN22	Total weight of waste by type and disposal method	p. 65
Aspect: Products and Services		
EN26		p. 24-31, 34-35
Labor Practices & Decent Work		
Disclosure on Management Approach – Labor Practices and Decent Work		p. 42-51
Aspect: Employment		
LA1	Total workforce by employment type, employment contract, and region	p. 42, 64
LA2	Total number and rate of employee turnover by age group, gender, and region	p. 64
Aspect: Labor/Management Relations		
Aspect: Occupational Health and Safety		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	p. 51
Aspect: Training and Education		
LA10	Average hours of training per year per employee by employee category	p. 45, 64
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	p. 43-45

CR ISSUE (GRI INDICATOR)	GRI DESCRIPTION	PAGE
Aspect: Diversity and Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Annual report and p. 3, 64
Human Rights		
Disclosure on Management Approach – Human Rights		p. 42-60
Society		
Disclosure on Management Approach — Society		p. 16-21, 56-60
Aspect: Community		
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	p. 56-60
Aspect: Corruption		
SO2	Percentage and total number of business units analysed for risks related to corruption	p. 21
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	p. 21
Aspect: Public Policy		
SO5	Public policy positions and participation in public policy development and lobbying	p. 18-21, 41
Product Responsibility		
Disclosure on Management Approach – Product Responsibility		p. 24-35
Aspect: Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	p. 28-31
Aspect: Product and Service Labeling		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	p. 30-31

This Report also serves as a COP (Communication on Progress) report for EADS in line with the United Nations Global Compact.

The table below the GRI index shows the correspondence between the ten principles of the Global Compact and the GRI index.

GLOBAL COMPACT PRINCIPLES - GRI INDICATORS CROSS REFERENCE TABLE

Human Rights	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights	EC5, LA4, LA6 – 9; LA13 – 14, HR1 – 9, SO5, PR1 – 2, PR8
	Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.	HR1 – 9, SO5
	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA4 – 5, HR1 – 3, HR5, SO5
Labor	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR1 – 3, HR7, SO5
	Principle 5 – Businesses should uphold the effective abolition of child labor.	HR1 – 3, HR6, SO5
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA13 – 14, HR1 – 4, SO5
Environment	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	EC2, EN18, EN26, EN30, SO5
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	EN1 – 30, SO5, PR3 – 4
	Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN 5 – 7, EN 10, EN 18, EN 26 – 27, EN30, SO5
Anti-corruption	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	SO2 - 6

Independent Assurance Report to EADS N.V.

We were engaged by the Management of EADS N.V. (EADS) to provide assurance on the 2009 data for selected environmental indicators in the EADS CR&S Report 2009 (further referred to as the "Report"). The Report, including the identification of material issues, is the responsibility of the company's management. Our responsibility is to issue an assurance report based on the engagement outlined below.

Our engagement was designed to provide limited assurance on whether the 2009 data for the following environmental indicators are, in all material respects, presented in accordance with EADS' reporting principles:

- Total Energy consumption
- Total CO₂ emissions
- Total Direct CO₂ emissions
- Total Indirect CO₂ emissions

The data for these indicators are shown by an asterisk (*) on page 65 together with the text "Within KPMG assurance scope."

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

REPORTING CRITERIA AND ASSURANCE STANDARD

For the information covered by our engagement scope EADS applies criteria as detailed on page 63 of the Report. It is important to view the data of the selected indicators in the context of this explanatory information. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This standard requires, amongst others, that the assurance team members possess the specific knowledge, skills and professional competencies needed to understand and review the information and that they comply with ethical requirements, including independence requirements.

WORK UNDERTAKEN

We undertook the following procedures:

- Reviewed the systems and processes for collecting and processing the information for the selected environmental indicators as well as internal controls at corporate level relating to this information.
- Interviewed relevant staff at corporate level responsible for the reported information on the selected indicators.
- Reviewed the data submitted by all sites for central aggregation for the selected environmental indicators, together with an assessment of the indicator calculations and the quality of the data validation process at corporate level.
- Reviewed the reliability of the local data and the design and implementation of local validation processes at three sites in France and Germany.

CONCLUSION

Based on the procedures performed, as described above, nothing came to our attention to indicate that the 2009 data for the selected indicators are not, in all material respects, presented in accordance with the reporting criteria, as described in the section “Environmental Reporting Protocol” on page 63 of the Report.

OBSERVATIONS

Without affecting the conclusions presented above, we would like to draw the readers’ attention to the following:

For the first time EADS has executed a worldwide data collection campaign for environmental data. The procedures in place to report on energy consumption and carbon emissions could be further improved. In order to enhance the robustness of the environmental data management systems in general we advise EADS to strengthen the internal controls, by stepping up checks on data quality across all organisational levels and tightening up documentation of these checks.

Amstelveen, 26 April 2010
KPMG Sustainability

W. J. Bartels
Partner

Glossary

➤ **ADVISORY COUNCIL FOR AERONAUTICS RESEARCH IN EUROPE (ACARE)**

➤ A European research organisation founded by government and industry that aims to make Europe's commercial aviation more affordable, cleaner, safer and quieter.

➤ **AIR TRANSPORT ACTION GROUP (ATAG)**

A global coalition of air transport industry companies and trade associations that have united to drive aviation infrastructure improvements in an environmentally responsible manner.

➤ **BLACK BELT**

The qualification given to EADS employees who have completed a course in "lean" management techniques, designed to improve management of industrial programmes.

➤ **CARBON FIBRE REINFORCED PLASTIC (CFRP)**

A very strong, light composite material, this is increasingly used to make lightweight aircraft bodies.

➤ **CLEAN SKY**

Funded equally by the European Commission and Europe's aviation industry, this Joint Technology Initiative is designed to speed up the technology breakthroughs needed to achieve ACARE's environmental goals.

➤ **CORPORATE BUSINESS ACADEMY (CBA)**

EADS' corporate university for employees with management potential, based at Domaine de Villepreux, near Bordeaux, in France.

➤ **CORPORATE GOVERNANCE**

The control and monitoring of a company to ensure that management acts in the interests of stakeholders, no undue risks are taken and relevant legislation is complied with.

➤ **EADS INNOVATION WORKS**

The global organisation that operates EADS' research and technology laboratories, providing the new technologies needed for product development.

➤ **ECO-EFFICIENCY**

EADS has adapted this term to describe its management philosophy of creating economic value while minimising environmental impact.

➤ **ENTERPRISE RISK MANAGEMENT (ERM)**

A process, effected by the EADS Board of Directors, management and other personnel, applied in strategy and across the enterprise,

designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

➤ **ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)**

An environmental management system helps to identify and manage significant environmental impacts, increasing efficiency, ensuring compliance with environmental legislation and providing benchmarks for improvement.

➤ **INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)**

The International Air Transport Association is the airline industry's global trade association.

➤ **INTERNATIONAL CIVIL AVIATION ORGANISATION (ICAO)**

The International Civil Aviation Organisation is a United Nations specialised agency that works to achieve the safe, secure and sustainable development of civil aviation.

➤ **ISO 14001**

A standard first published by the International Organization for Standardization in 1996 that specifies the exact requirement for an environmental management system.

➤ **LEAN MANUFACTURING**

A methodology that seeks to minimize the resources required for production by eliminating waste, so reducing costs, lead times and inventory requirements.

➤ **REGISTRATION EVALUATION AUTHORISATION AND RESTRICTION OF CHEMICALS (REACH)**

The European Commission regulation designed to improve the identification of hazardous chemicals and their subsequent replacement with less harmful substances.

➤ **RESEARCH AND TECHNOLOGY (R&T)**

Defined by EADS as all activities in the field of research and generic technologies not directly attributable to products, and designed to maintain or expand knowledge of the technological base.

➤ **UNMANNED AERIAL VEHICLE (UAV)**

A reusable aircraft that flies without a human crew, and is generally used for military purposes.

➤ **VOLATILE ORGANIC COMPOUND (VOC)**

Organic compounds with high evaporation rates that can affect the environment and human health.

Contacts

EADS

Corporate Secretary
37, boulevard de Montmorency
75781 Paris cedex 16
France

EADS would be pleased to receive your feedback
or comments on this report. Please contact us at:

CR_Sustainability@eads.net

Visit our website at: **www.eads.com**

ADDRESSES

EADS HEADQUARTERS

European Aeronautic Defence
and Space Company EADS N.V.
Mendelweg 30
2333 CS Leiden
The Netherlands
Tel +31 71 524 56 00

HEAD OFFICES

In France:
EADS
37, boulevard de Montmorency
75781 Paris cedex 16
France
Tel +33 1 42 24 24 24

In Germany:
EADS
81663 Munich
Germany
Tel +49 89 607 0

In Spain:
EADS
Avenida de Aragón 404
28022 Madrid
Spain
Tel +34 915 85 70 00

EADS UK

EADS UK Limited
111, The Strand
WC2R OAG London
United Kingdom
Tel +44 207 845 84 00

EADS NORTH AMERICA

EADS North America, Inc.
1616 North Ft. Myer Drive,
Suite 1600
Arlington, VA 22209
USA
Tel +1 703 236 33 00

AIRBUS

Airbus
1, rond-point Maurice Bellonte
31707 Blagnac cedex
France
Tel +33 5 61 93 33 33

Airbus Military
Avenida de Aragón 404
28022 Madrid
Spain
Tel +34 915 85 70 00

Premium AEROTEC
Haunstetter Str. 225
86179 Augsburg
Germany
Tel +49 821 801 0

Aerolia
13, rue Marie Louise Dissart
31027 Toulouse cedex 3
France
Tel +33 5 81 91 40 00

EADS EFW
Grenzstrasse 1
01109 Dresden
Germany
Tel +49 351 8839 0

EUROCOPTER

Eurocopter
Aéroport International de
Marseille-Provence
13725 Marignane cedex
France
Tel +33 4 42 85 85 85

ASTRIUM

Astrium
6, rue Laurent-Pichat
70516 Paris cedex 16
France
Tel +33 1 77 75 80 00

Astrium Satellites
31, rue des Cosmonautes
31402 Toulouse cedex 4
France
Tel +33 5 62 19 62 19

Astrium Space
Transportation
66, Route de Verneuil
78133 Les Mureaux cedex
France
Tel +33 1 39 06 12 34

Airbus-Allee 1
28199 Bremen
Germany
Tel +49 421 539 0

Astrium Services
6, rue Laurent-Pichat
75216 Paris cedex 16
France
Tel +33 1 77 75 80 00

DEFENCE & SECURITY

Defence & Security
Landshuter Strasse 26
85716 Unterschleissheim
Germany
Tel +49 89 3179 0

EADS Military
Air Systems
Rechliner Strasse
85077 Manching
Germany
Tel +49 84 59 81 0

Eurofighter
Am Söldnermoos 17
85399 Hallbergmoos
Germany
Tel +49 811 80 0

Defence and
Communications Systems
Landshuter Strasse 26
85716 Unterschleissheim
Germany
Tel +49 89 3179 0

Defence Electronics
Wörthstrasse 85
89077 Ulm
Germany
Tel +49 731 392 0

MBDA
11, Strand
London WC2N 5RJ
United Kingdom
Tel +44 20 7451 60 00

OTHER BUSINESSES

EADS Sogerma
Aéroport International
20, avenue Georges Barrès
33700 Mérignac
France
Tel +33 5 56 55 40 00

ATR Avions de Transport
Régional
1, allée Pierre Nadot
31712 Blagnac cedex
France
Tel +33 5 62 21 62 21



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European Aeronautic Defence
and Space Company EADS N.V.
Mendelweg 30
2333 CS Leiden
The Netherlands