

Aerospace and Defence Sector

2019 Key Findings

44 companies in the sector



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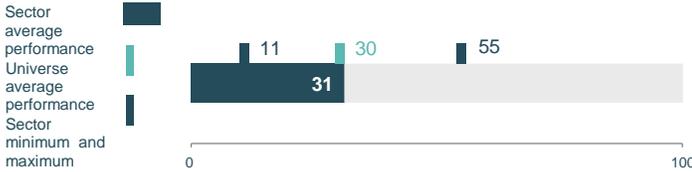
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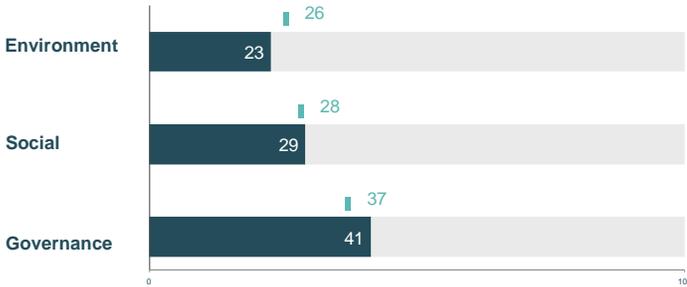
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Key Findings 2019 – Aerospace and Defence sector



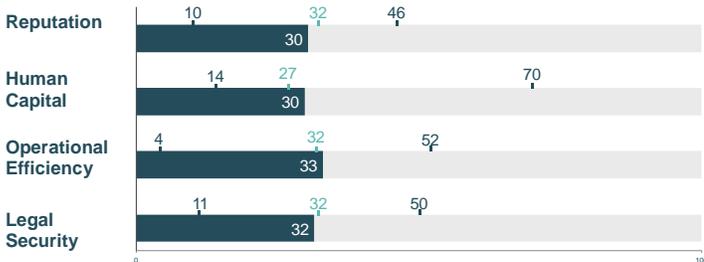
ESG PERFORMANCES – Sector & Universe



DOMAIN PERFORMANCES – Sector & Universe



RISK MITIGATION – Sector & Universe



TAKEAWAYS

- Product safety is paramount for the A&D sector, but companies' average performance remains weak (24/100) and 15.91% of the sector is involved in related controversies.
- Approximately 55% of the sector displays increasing trends of R&D investments, key to gain an edge on the market, but the sector's capability to attract and retain its workforce appears to be weak (27/100).
- Worldwide increase of geopolitical risks and military spending brings new challenges for the A&D sector, which continues to display an average limited performance (34/100) on promotion of human rights and respect of arms export controls.
- The A&D sector remains heavily involved in corruption cases, with only approximately 16% of the sector displaying advanced approaches to prevent corruption.

A&D companies could play a key role in accelerating the transition to a sustainable production and consumption system but their efforts to minimise environmental impacts from the use and disposal of products are overall weak (12/100)

TOP PERFORMERS

- Europe: Safran (55/100)
- North America: Bombardier (40/100)
- Asia Pacific: Singapore Technologies Engineering (33/100)
- Emerging Markets: Embraer (38/100)

MOST IMPROVED since 2018

- Europe: Avon Rubber (+6)
- North America: Hexcel (+6)
- Asia Pacific: Singapore Technologies Engineering (+4)
- Emerging Markets: No progress

MOST MATERIAL DRIVERS

ADVANCED (60-100)	
ROBUST (50-59)	
LIMITED (30-49)	<ul style="list-style-type: none"> Board of Directors Corruption Human rights and arms proliferation
WEAK (0-29)	<ul style="list-style-type: none"> Reorganisation Use and disposal of products

CARBON FOOTPRINT

Share of companies in each level of carbon footprint



ENERGY TRANSITION

Share of companies in each level of energy transition performance



SUSTAINABLE GOODS & SERVICES

Share of companies in each level of involvement in goods and services contributing to sustainable development



CONTROVERSIES RISK MITIGATION

Share of companies in each performance level in terms of controversy risk management



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About this document

This document is an extract of the Vigeo Eiris 2019 Report on the Aerospace and Defence General sector.

The full report contains:

- More detailed information on performances and impacts highlighted here (data for each zone, historical evolution on 3 years of global performance and on each criterion, top performers on each domain, etc.)
- Detailed description of each takeaway on risks and opportunities
- The overview of methodological framework applied to the sector (weights of criteria, nature of stakeholders' expectations and their vulnerability on each topic).
- Detailed description of the methodology of all Vigeo Eiris research lines.

If you are interested in knowing more, please contact our customer services team at: investorscustomer.service@vigeo-eiris.com.

About Vigeo Eiris

Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:

- ▶ For investors: decision-making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more)
- ▶ For companies & organisations: supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more)

Vigeo Eiris methodology and rating services adhere to the highest quality standards. With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, New York, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan. For more information: www.vigeo-eiris.com

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