



**2023
INTEGRATED
REPORT**

 **SAFRAN**

The Safran logo consists of a stylized blue 'S' icon followed by the word "SAFRAN" in a bold, sans-serif font.



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INTEGRATED REPORT



Our core purpose

“Thanks to the commitment of our employees, proven innovation and operational excellence, Safran designs, builds and supports high-tech solutions to contribute to a safer, more sustainable world, where air transport is more environmentally friendly, comfortable and accessible. We also apply our skills to develop solutions that meet strategic needs, such as defense and access to space.”

FOREWORD

All figures in this integrated report represent adjusted data, except where noted. See section 2.1.1 of the 2023 Universal Registration Document for a reconciliation of the consolidated income statement with the adjusted income statement and a breakdown of the adjustment.

€23,199 million

revenue

up 21.9% (23.6% on an organic basis) on 2022

€3,166 million

recurring operating income

up 31.5% (27.2% on an organic basis) on 2022

€2,945 million

free cash flow

up 10% on 2022

91,984

employees
(at December 31, 2023)

€1,818 million

total R&D
(including customer-funded R&D)

€823 million

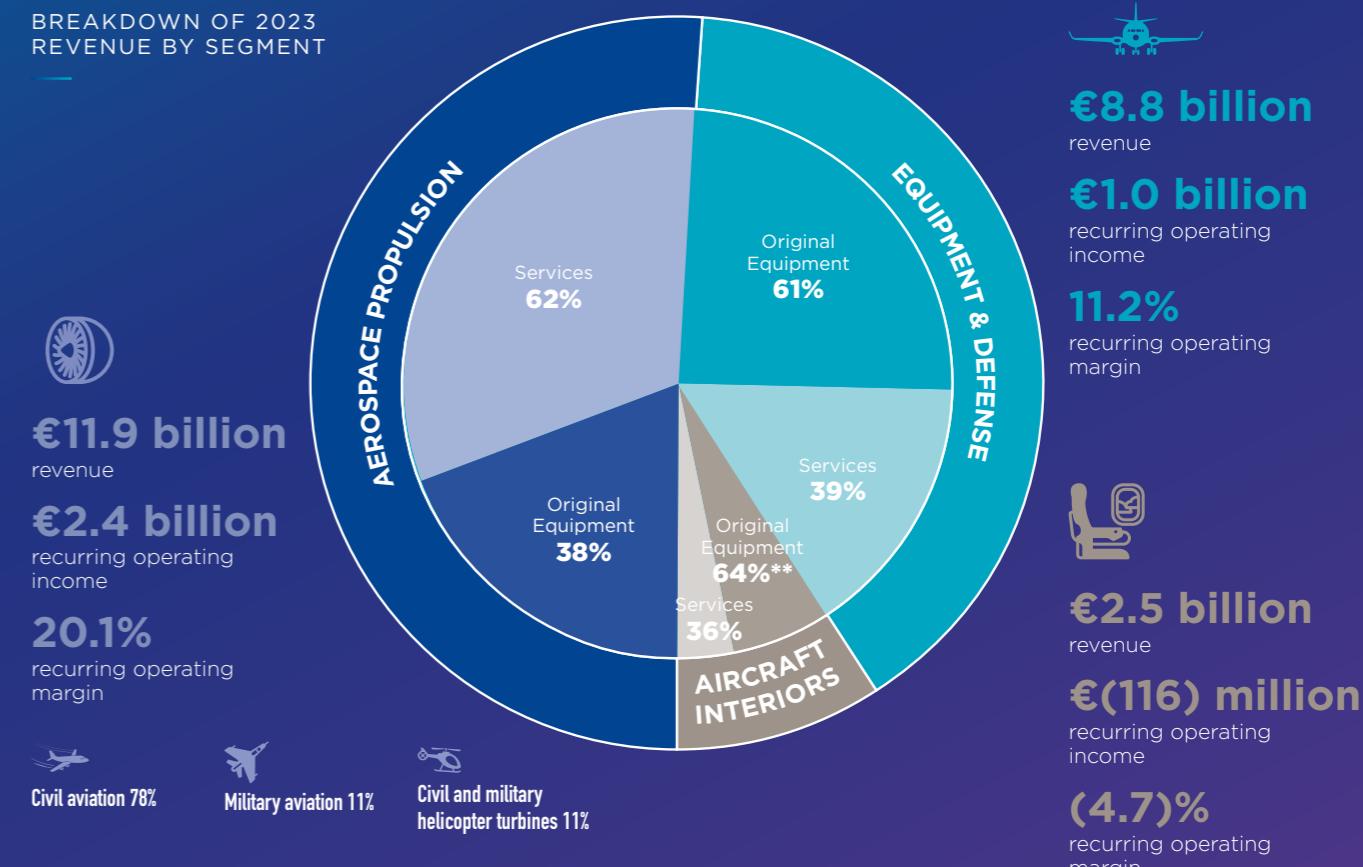
CAPEX

Long-term credit rating: **A- with stable outlook (S&P)**

A fully debt-free group

OUR ACTIVITIES

BREAKDOWN OF 2023 REVENUE BY SEGMENT



* Classification criteria: revenue - Source: Safran.

** Including retrofit activities.



€8.8 billion
revenue

€1.0 billion
recurring operating income

11.2%
recurring operating margin



€2.5 billion
revenue

€(116) million
recurring operating income

(4.7)%
recurring operating margin

“Fully aware of the strategic importance of the climate challenge, the Board of Directors is working to ensure the Group stands at the forefront of sustainable aviation.”

Ross McInnes — Chairman of the Board of Directors

“Around the world, united by an unparalleled team spirit, Safran’s talented people, through their dedication and commitment, are together making a meaningful contribution to sustainably transforming aviation and writing a new chapter in the history of flight.”

Olivier Andriès — Chief Executive Officer



MESSAGE from the Chairman of the Board of Directors and the Chief Executive Officer

Safran delivered outstanding results in 2023, meeting or exceeding guidance with revenue up 22%, recurring operating income up 31%, and free cash flow generation above expectations. This excellent performance was notably driven by the continued recovery of the civil aftermarket. Our teams have demonstrated remarkable agility, significantly increasing deliveries and attenuating inflationary pressures despite a challenging supply chain environment. To support our growth momentum, we hired more than 18,000 new employees over the year.

2023 was another successful year for Safran. Among these successes, we'd like to mention the large number of contract wins, with another 2,500 LEAP engines added to our backlog, including those in the record Air India order, and the major Emirates contract for seats and other equipment announced at the Dubai Airshow. This excellent sales momentum was led by the recovery in air traffic, which returned to almost pre-Covid levels around the world. We also won a number of impressive contracts in our defense activities, with the sale of 60 Rafale fighters (42 to France and 18 to Indonesia), for which we supply the M88 engine and a wide variety of equipment, the Patroller drone export contract and the selection of the airborne optronic system Euroflir to equip the Eurodrone. The Paris Air Show, the industry's must-attend event that finally reopened after a four-year hiatus, offered an opportunity to showcase our high-tech products. The innovations on display, such as our RISE demonstrator and our electric and hybrid technologies, clearly showed our commitment to a low-carbon future.

In 2023, we continued our efforts to reduce our carbon footprint. More and more facilities are now sourcing renewable energies, for example in Le Havre (France), where we inaugurated a solar power plant at year-end, and in Mexico, where the Board of Directors noted the effectiveness of our solar power contracts. Our Group's digital transformation also continued

pace over the year. We can already measure our gains, in particular thanks to the processing of the data collected and our first generative artificial intelligence pilots.

In 2023, the Group strengthened its positions in mission-critical aircraft systems and equipment. We completed the acquisition of Thales' aeronautical electrical systems business; Orolia, a world leader in developing resilient Positioning, Navigation and Timing (PNT) solutions, was successfully integrated; and we announced plans to acquire Collins Aerospace's actuation and flight control business and Air Liquide's aeronautical oxygen systems business.

2024 will once again be rich with challenges. We will pursue our revenue and income growth trajectory during the year, led by another ramp-up in deliveries and expansion in aftermarket activities, despite the persistent supply chain difficulties.

In our sovereignty businesses, we will continue to position ourselves as a key industry player through our defense and aerospace technologies. One of the main highlights of 2024 will be the first launch of the Ariane 6 rocket.

We will also be stepping up our innovation drive to develop the next generation of ultra-low energy aircraft, with such major milestones as wind tunnel testing of the RISE blades and certification of the ENGINeUS electric motor.

Our industrial activities will continue to ramp up and will lead once again to the hiring of thousands of new talents.

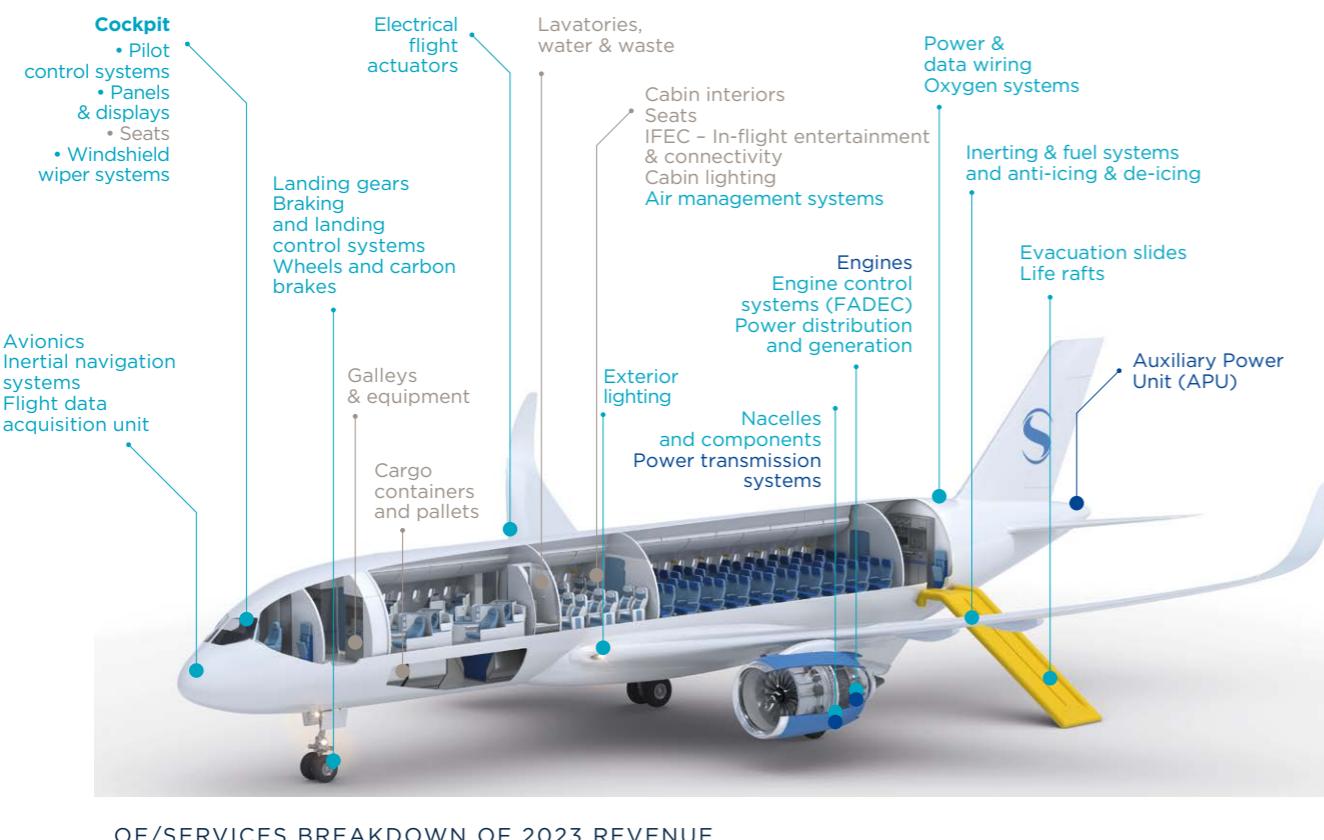
The year will also mark a major event for Safran, as we celebrate 50 years of CFM, our joint venture with GE. Half a century of a unique Franco-American partnership, and no doubt many more years to come!

**We would like to thank you for your trust and hope you enjoy reading this report. Regards,
Ross McInnes and Olivier Andriès**

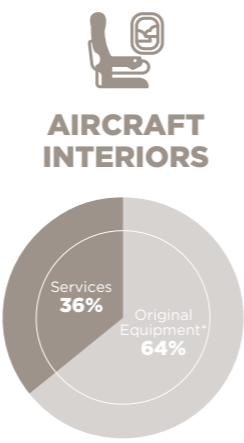
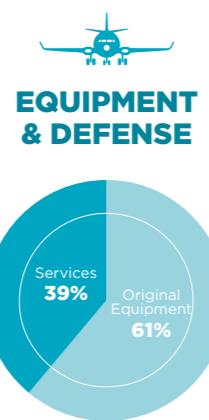
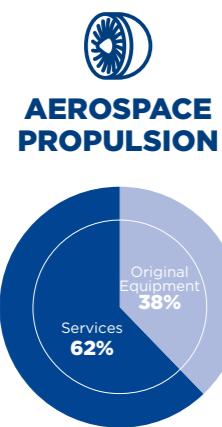


A comprehensive offering

Present across the whole aircraft, Safran aims to build the future of the global aerospace sector and be the preferred partner of airframers, airlines and leasing companies. Safran products are designed to ensure flight safety.



OE/SERVICES BREAKDOWN OF 2023 REVENUE



* Including retrofit activities.

(1) Safran is present in all engine components and all segments of the propulsion market.

(2) Supplier Furnished Equipment: equipment specified and purchased by the airframe.

(3) Buyer Furnished Equipment: equipment specified and purchased by the airline.



AEROSPACE PROPULSION

A full-fledged engine manufacturer⁽¹⁾, Safran supplies airframers with engines for commercial aircraft, military aircraft and helicopters. To increase cost efficiency and share risks, engine manufacturers often develop partnerships for their engine programs. Safran has primarily partnered with GE since the 1970s, when they set up the 50-50 joint venture CFM International that develops the CFM56[®] and LEAP[®] engines. The partnership has been extended through to 2050. Safran also contributes to access to space through its 50% stake in the ArianeGroup joint venture.

51%
of Group revenue
in 2023

€11.9 billion **27,901**
revenue employees



EQUIPMENT & DEFENSE

Safran supplies a wide range of **aircraft equipment** including landing and braking systems, nacelles, electrical systems and engineering solutions.

Aerosystems: Safran is one of the world's leading suppliers of aircraft safety systems (evacuation slides, oxygen masks, etc.), cockpit systems, and fluid management systems (fuel, pneumatic and hydraulic circuits).

Defense: Safran provides solutions and services in optronics, avionics, navigation systems, tactical drones, electronics and critical software for civil, defense and space markets.

38%
of Group revenue
in 2023

€8.8 billion **45,007**
revenue employees



AIRCRAFT INTERIORS

To ensure passenger safety and optimize comfort, Safran develops cabin interiors, passenger and crew seats, water and waste management systems, in-flight entertainment systems (RAVE[™]), and interior retrofit for commercial aircraft. The aircraft interiors business addresses both airframers and airlines.

11%
of Group revenue
in 2023

€2.5 billion **15,626**
revenue employees



STRATEGIC POSITIONS

No. 1 worldwide

in engines powering single-aisle mainline commercial jets (through CFM, a joint venture with GE)

No. 1 worldwide

in helicopter turbine engines

Strong positions

in European combat and military transport aircraft programs



STRATEGIC POSITIONS

No. 1 worldwide

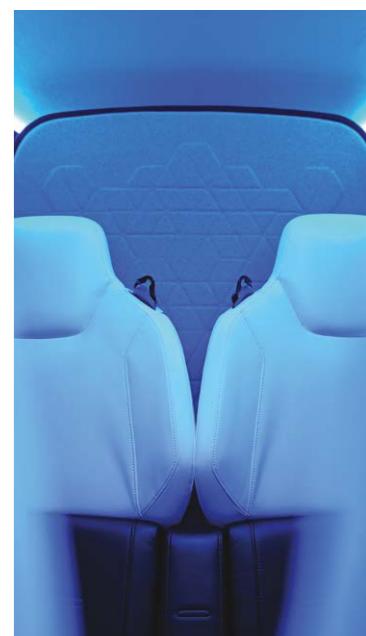
- landing gear
- wheels and carbon brakes for 100+ seat civil aircraft - electrical wiring
- evacuation slides

No. 2 worldwide

- oxygen systems
- nacelles and power transmission systems

No. 1 in Europe

- navigation and optronics



STRATEGIC POSITIONS

No. 1 worldwide

in cabin interiors (mainly SFE⁽²⁾)

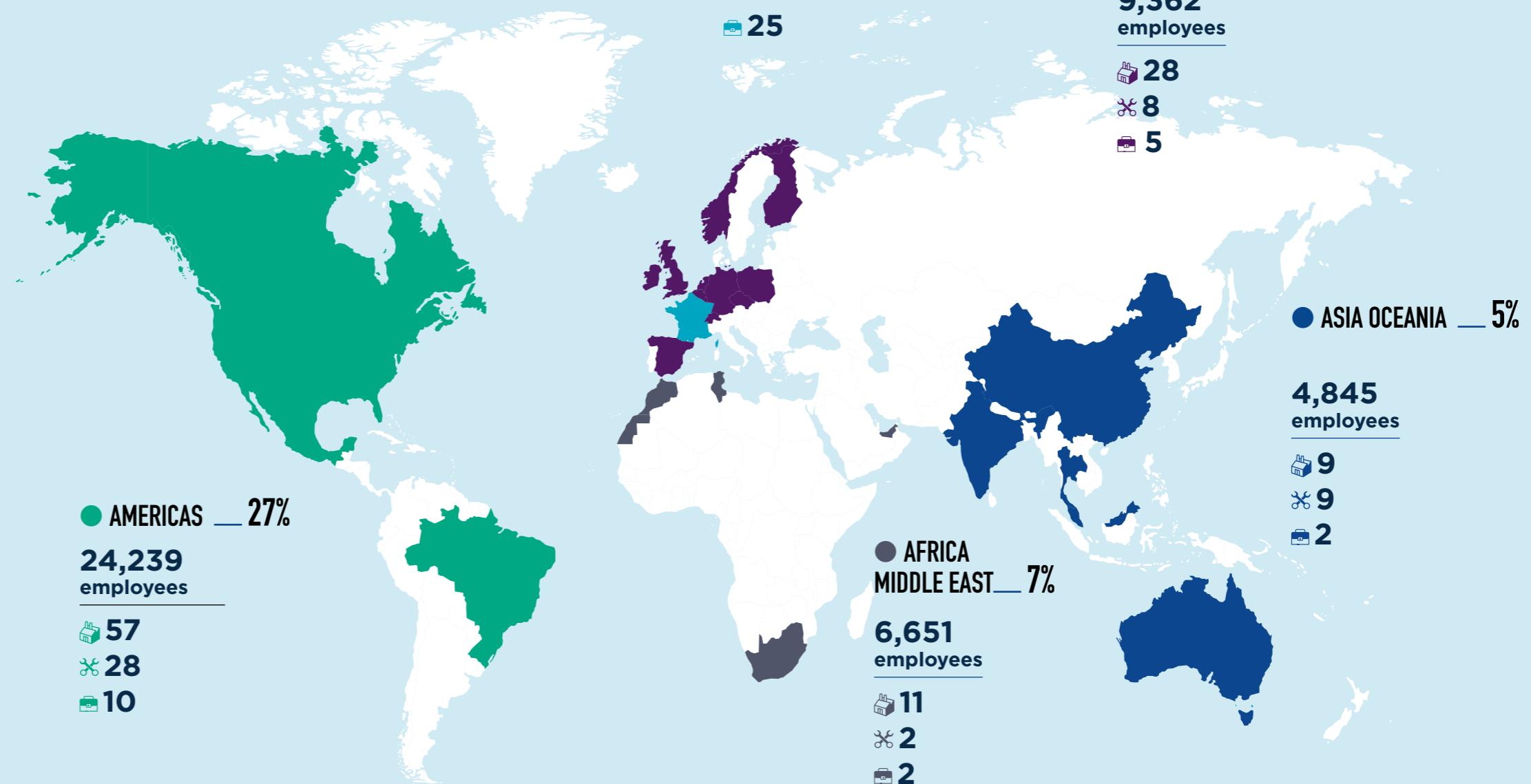
No. 1 worldwide

in seats (BFE⁽³⁾), with a strong presence in Business Class seats

A leading global player

Safran's global footprint enables it to establish strong and sustainable relationships with the majority of aerospace players and airlines, reflecting the Group's desire to supply its customers promptly from local bases.

NEARLY
92,000
EMPLOYEES BASED
IN SOME 30 COUNTRIES



GEOGRAPHIC LOCATION
OF EMPLOYEES AND
SITES AT END-2023⁽¹⁾

Percentage of employees
% of employees out of the total Group
workforce

NUMBER OF SITES⁽²⁾



R&D and production
activities



Aftermarket
and maintenance
activities



Commercial and
administrative activities
and representative offices

(1) Illustration by country of the workforce at December 31, 2023 of companies (i) more than 50% directly or indirectly owned by Safran and (ii) with more than 10 employees. The scope of reporting for the sites covers companies consolidated by Safran as of December 31, 2023.
(2) Each site corresponds to a legal entity covering one or more tertiary, production, service or maintenance sites.

A look back at our history

With a rich history spanning over 100 years, Safran has made high technology its hallmark.

1905

Société des Moteurs Gnome is founded in the Paris suburb of Gennevilliers. Gnome rotary engines become the standard for planes around the world.

1912

Creation of Société des Moteurs Le Rhône, Gnome's main competitor before being taken over by its rival.

1924

Creation of Société d'Applications Générales d'Électricité et de Mécanique (Sagem) that will mainly manufacture cameras and artillery equipment and go on to design the world's first infrared guidance system for air-to-air missiles.

1945

Gnome & Rhône is nationalized and renamed Snecma (Société Nationale d'Étude et de Construction de Moteurs d'Aviation).

1945-2002

Several aerospace companies join Snecma: Hispano-Suiza, a specialist in power transmission for aircraft engines, followed by Messier-Hispano-Bugatti, a specialist in landing gear.

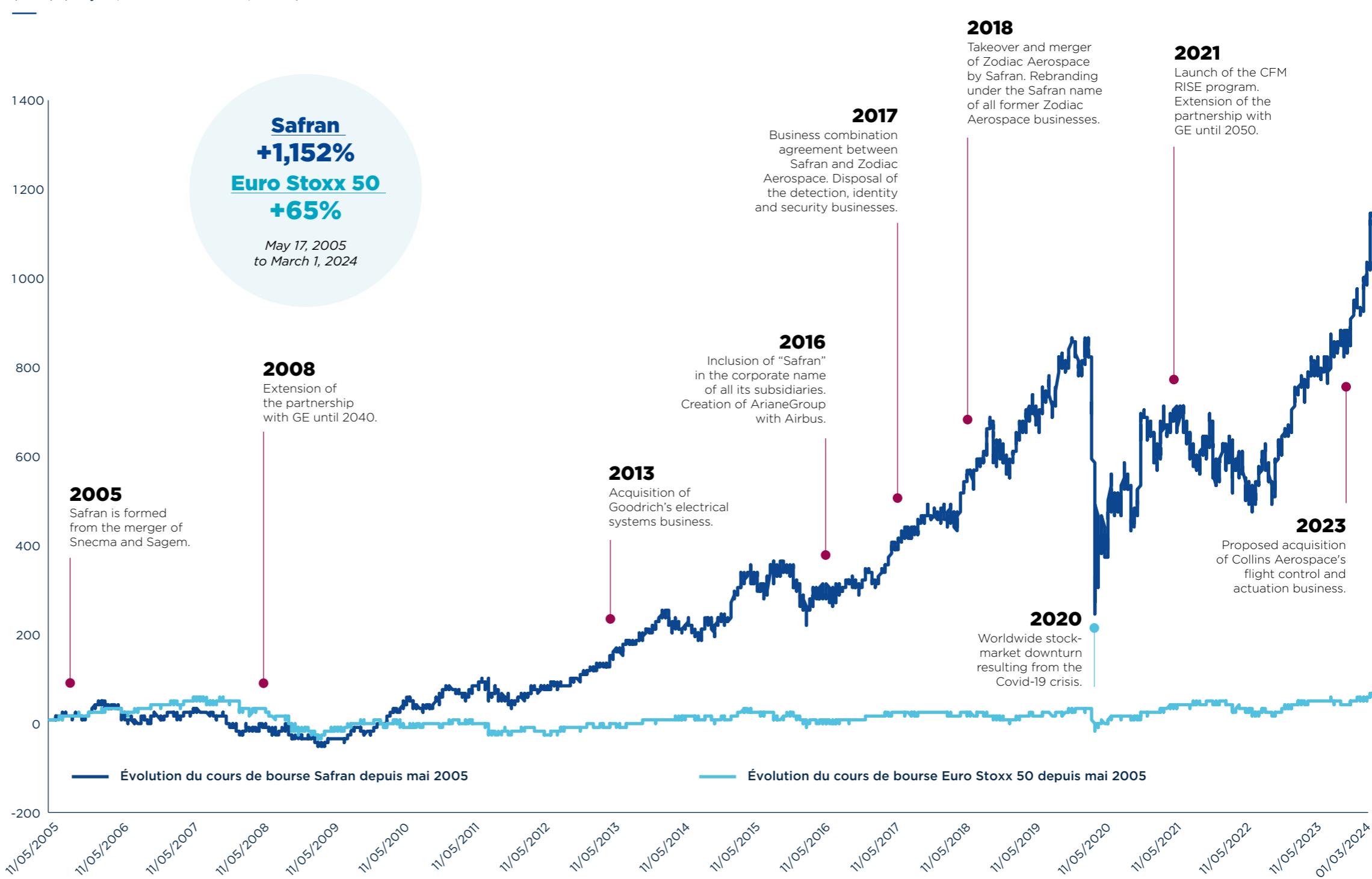
In 2000, wiring specialist Labinal and its helicopter engine manufacturer subsidiary Turbomeca join Snecma.

In 2002, nacelles specialist Hurel-Dubois joins Snecma.

1974

Snecma becomes a civil aircraft engine manufacturer through a cooperation agreement with GE for the manufacture of the CFM56 engine.

TRENDS IN THE SAFRAN SHARE PRICE AND THE EURO STOXX 50 INDEX
(in %) (May 17, 2005 to March 1, 2024)



“Engage for the Future”, a CSR approach⁽¹⁾ rooted in a collectively defined ambition

Sponsored at the highest level of the Company, Engage for the Future is an integral part of the Group's strategy, designed to combine profitability and social responsibility. Through its objectives and commitments and the related actions, Safran contributes to 13 of the 17 United Nations Sustainable Development Goals (SDGs). Progress on the deployment of the CSR roadmap and objectives across all companies and departments is monitored by the Group.



DECARBONIZE AERONAUTICS

BE RECOGNIZED AS A LEADER IN THE DECARBONIZATION OF THE AVIATION SECTOR



1. Make carbon neutral aircraft the R&T priority
2. Reduce CO₂ emissions throughout our value chain
3. Involve employees in the reduction of their carbon footprint

2023 HIGHLIGHTS

- 34% reduction in Scope 1 and 2 CO₂ emissions compared to 2018
- Ongoing deployment of an internal ISO 50001-based energy management system
- Several solar power installations commissioned to self-supply certain sites in France, Morocco, the United States and the United Kingdom
- First flight of the EcoPulse electric-hybrid aircraft demonstrator
- Safran included in the CDP (formerly Carbon Disclosure Project) Climate A List



BE AN EXEMPLARY EMPLOYER

BE CONSIDERED AS AN EMPLOYER OF CHOICE BY OUR EMPLOYEES AND THE TALENTS OF THE SECTOR



4. Accelerate training in the skills and professions of tomorrow
5. Ensure health and safety of employees, improve the quality of life at work and maintain a thriving social dialogue
6. Encourage equal opportunities and promote diversity

2023 HIGHLIGHTS

- More than 18,000 new permanent hires
- Parenthood in the workplace agreement signed in France
- Health and Safety culture perception survey conducted in eight Group companies
- Safran University campus opened in Casablanca, Morocco
- Three new units earn the Gender Equality European & International Standards label



EMBODY RESPONSIBLE INDUSTRY

BE THE BENCHMARK IN OUR PRODUCTION METHODS AND THROUGHOUT OUR VALUE CHAIN



7. Uphold the highest standards of ethics
8. Strengthen responsible practices throughout the supply chain, and support our suppliers
9. Respect the environment and natural resources

2023 HIGHLIGHTS

- ISO 37001 certification awarded to the anticorruption program in six Safran companies⁽²⁾
- First Decarbonization Challenge organized with suppliers, along with a second Safran Supplier Day
- Socially responsible purchasing process strengthened with an expanded organization, increased training and more suppliers pledging to uphold the charter
- Circular economy leadership unit created in the Group Sustainable Development Department



AFFIRM OUR COMMITMENT TO CITIZENSHIP

GET INVOLVED WITH OUR LOCAL COMMUNITIES AND CONTRIBUTE TO THEIR DEVELOPMENT



10. Be at the forefront of innovation to protect citizens
11. Develop partnerships for training and research
12. Commitment to regions and their communities

2023 HIGHLIGHTS

- More than 600 corporate citizenship initiatives led around the world, including funding for emergency support in response to the earthquake in Morocco
- Safran was the leading employer of doctoral students in France from 2018 to 2023, under CIFRE industrial training-through-research agreements
- Safran was France's leading applicant with French patent office INPI
- Framework agreement signed with the Moroccan government to support and develop Morocco's aerospace industry ecosystem

(1) Corporate social responsibility.

(2) Safran SA, Safran Aerosystems, Safran Electrical & Power, Safran Landing Systems, Safran Seats and Safran Transmission Systems.

Committed employees

In response to climate change, digitalization, emerging societal expectations and other challenges that are transforming the aerospace industry, Safran is committed to doing its part to build a sustainable future by leading the transition to low-carbon aviation. A vision of this scale can only be fulfilled by our diverse, highly talented employees, who are united by an unparalleled team spirit, a passion for overcoming obstacles and a desire to write a new chapter in the saga of flight.

NEARLY
92,000
EMPLOYEES
AT END-2023

91%
of Group employees attended at least one training session in 2023

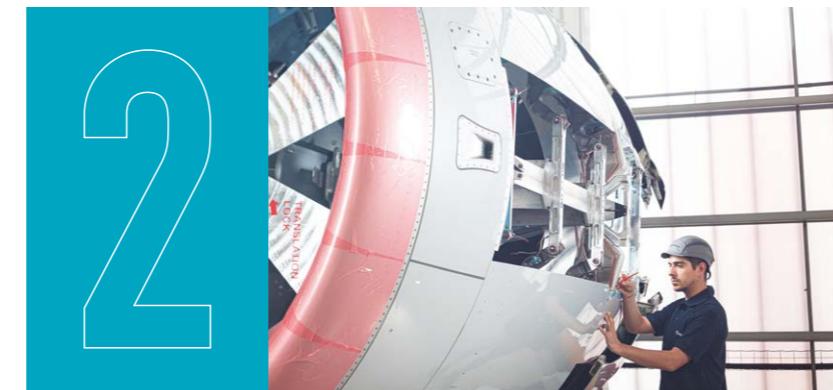
29%
of Group employees are women

A RECOGNIZED EMPLOYER BRAND

NO. 1

in the aerospace and defense industry in Time Magazine's World's Best Companies 2023 ranking

A HUMAN RESOURCES POLICY BASED ON FOUR COMMITMENTS



SAFRAN
FOSTERS
DIVERSITY AND
INCLUSION

ITS EMPLOYEES
MAKE A
DIFFERENCE

SAFRAN
DEVELOPS SKILLS
AND BUILDS
OPPORTUNITIES

ITS EMPLOYEES
SHAPE
THEIR OWN
FUTURE

SAFRAN
ENSURES
A HIGH-QUALITY
WORK ENVIRONMENT

ITS EMPLOYEES
DARE TO
TAKE ACTION
AND INNOVATE

SAFRAN
ENCOURAGES
COLLABORATION
AND MUTUAL
SUPPORT

ITS EMPLOYEES
ARE PART
OF A TEAM

Strategy and business model

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the aerospace industry
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its products and operations

34 Strategic focus: strengthen its role
in sovereignty businesses
36 Step up sustainable innovation
38 Strengthen operational excellence
by leveraging digital technology
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and its monitoring

1. Airbus A330
2. Assembling the A320
main landing gear



SAFRAN'S BUSINESS MODEL

Resources

Strategy

Value creation

Contribution to the UN SDGs

A PORTFOLIO OF ACTIVITIES ALIGNED WITH MARKET NEEDS

- 51% Aerospace Propulsion
- 38% Equipment & Defense
- 11% Aircraft Interiors

RELEVANT AND DIFFERENTIATING SOLUTIONS

- Leading patent applicant in France

A RESILIENT BUSINESS MODEL

- 50% aftermarket activities

AN AMBITIOUS CSR STRATEGY

- Decarbonize aeronautics
- Be an exemplary employer
- Embody responsible industry
- Affirm our commitment to citizenship

CLIMATE TARGETS VALIDATED BY THE SBTi

- Nearly 92,000 employees
- 31 training hours on average per year per employee

COMMITTED AND TALENTED EMPLOYEES

- Step up sustainable innovation
- Strengthen operational excellence by leveraging digital technology and artificial intelligence

A SOLID FINANCIAL POSITION

Ensuring flight safety, customer satisfaction and the well-being of its employees at work

STRATEGIC FOCUSES

Decarbonize its products and operations

Strengthen its role in sovereignty businesses



MAJOR ASSETS

Step up sustainable innovation

Strengthen operational excellence by leveraging digital technology and artificial intelligence

CUSTOMERS

- €23.2 billion (2023 revenue)
- Safe, reliable, available, efficient, innovative and competitive products and services

EMPLOYEES

- €6.8 billion (2023 personnel costs)
- Attractive working conditions and social model

SUPPLIERS

- €14.1 billion (2023 purchases)
- Sustainable Procurement and Supplier Relations Label

SHAREHOLDERS

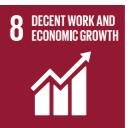
- TSR⁽¹⁾ 2005-2023: up 13.7% a year
- 2023 dividend (paid in 2024): €2.20/share*

GOVERNMENTS

- €1.0 billion (2023 taxes and income tax expense)
- The world's best technology serving national and European sovereignty and French nuclear deterrence

INVESTMENTS FOR FUTURE GROWTH

- 5% of revenue invested in self-funded R&D in 2023
- 88% of self-funded R&T expenses focused on environmental efficiency
- €823 million Capex (tangible assets)



* Subject to shareholder approval at the Annual General Meeting of May 23, 2024.

MACROTRENDS

Growth in air traffic

Decarbonization of aeronautics

Defense/sovereignty global dynamic

Main markets

The underlying air traffic fundamentals remain robust and should continue to drive significant sustainable growth in the global commercial aircraft fleet and in the aftermarket.

CIVIL AVIATION

IN 2023, SHORT- TO MEDIUM-HAUL AIR TRAFFIC EXCEEDED ITS 2019 LEVELS.

Traffic continued to improve steadily throughout the year in 2023, with short- and medium-haul traffic rising above its 2019 levels in the first quarter. By year-end, short- and medium-haul aircraft capacity, as measured in available seat kilometers (ASK), had reached 107% of its 2019 level from 88% at end-2022.

These trends were driven by the end of zero-Covid restrictions and the upturn in traffic in China, as well as the robust growth of domestic traffic in the United States.

The lifting of health restrictions also fueled significant growth in business in the long-haul aircraft segment, which boosted ASK to 91% of its 2019 level at end-2023 from 75% a year earlier. The gains were damped by the more gradual recovery in Asia-Pacific traffic, particularly outbound China, which ended the year at only 58% of its 2019 level.

Safran expects long-haul traffic to return to 2019 levels by the end of 2024. Aircraft retirements from existing fleets remain close to pre-Covid levels, at a time of uncertainty surrounding the volume of new aircraft deliveries. Throughout 2023, proposed airline mergers encountered heightened scrutiny from competition authorities in the United States, Europe and China. Aircraft leasing companies are pursuing and expanding their role as a source of aircraft financing for airlines. They account for a growing proportion of total airframe orders, with more than 50% of delivered short- and medium-haul civil aircraft financed by leasing companies. Airframers, who adjusted their output in response to the Covid-19 crisis, are continuing to ramp up production rates, especially for short- and medium-haul aircraft, while facing difficulties across the supply chain.

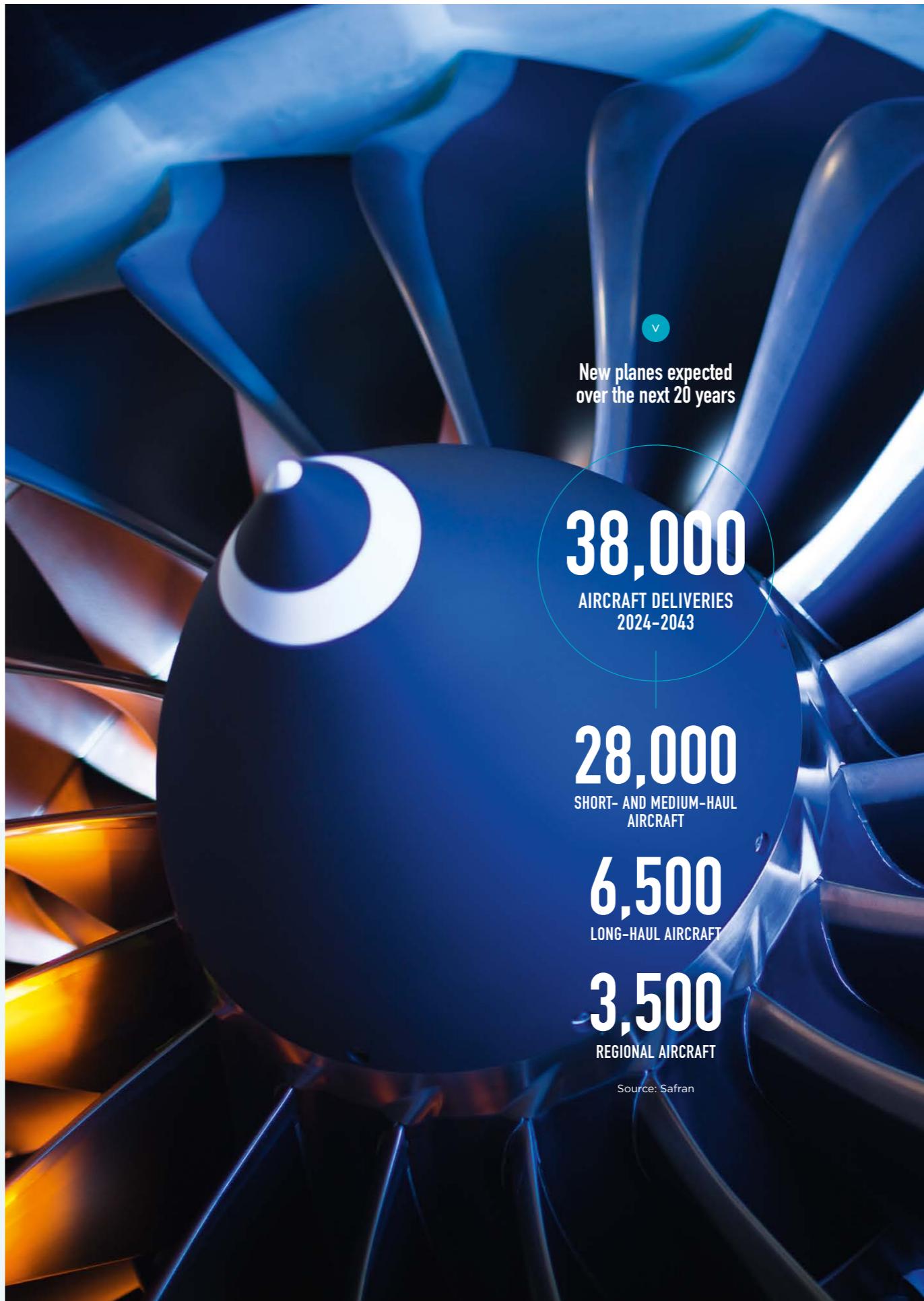
COMMERCIAL AVIATION, GLOBAL PROJECTIONS

The long-term growth outlook remains strong.



- Global aircraft capacity (ASK)
- Global air traffic (RPK)
- Load factor

ASK: Available seat kilometers, in billions (= number of available seats multiplied by the distance traveled by the global fleet).
RPK: Revenue passenger kilometers, in billions (= number of occupied seats multiplied by the total distance traveled by the global fleet).
* Annual growth (reference year: 2019). Source: Safran.



CIVIL AVIATION

Focus on CFM56/LEAP engines

CFM International (a 50-50 joint venture between Safran and GE) is a leading supplier for Airbus A320neo and A321XLR and Boeing 737 NG and 737 MAX, boasting 50 years of commercial success.

LONG-TERM PROSPECTS

The aerospace propulsion business generates significant aftermarket business, mainly comprising the sale of spare parts and maintenance, repair and overhaul (MRO) services.

- Given the size of the engine fleet in service, **Safran has substantial growth potential.**
- The Group has been developing long-term service contracts for a number of years, in response to customer demand, which

now apply to the LEAP engine. As a result, the business model for civil engine services will gradually shift from a model based on the sale of spare parts for the CFM56 fleet in service to a model based on service contracts per flight hour for the LEAP.

Aftermarket services for the LEAP engine will gradually take over from those for the CFM56 engine from 2025.

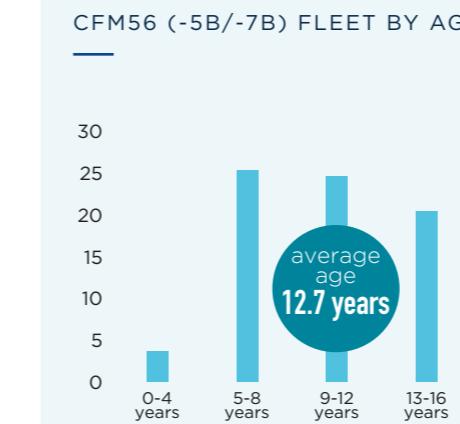


(1) Civil aftermarket (expressed in USD) is a non-audited performance indicator comprising spare parts and maintenance, repair and overhaul (MRO) revenue for all civil aircraft engines from Safran Aircraft Engines and its subsidiaries only.

A LARGE CFM56 FLEET IN SERVICE

With an in-operation base⁽¹⁾ of around 31,800 engines at the end of 2023 (including approximately 23,000 CFM56-5B/-7B), the CFM56 engine is the biggest commercial success in the history of civil aviation.

It will continue to generate service activities for Safran over the next 20 years. The fleet of second-generation CFM56 engines (-5B/-7B) is young and boasts proven in-service reliability, which means retirement and part-out risks remain relatively low.



LEAP, FOLLOWING THROUGH ON THE CFM56 SUCCESS STORY

The successor to the CFM56 is the hugely innovative LEAP engine, which consumes 15% less fuel than its predecessor, the CFM56.

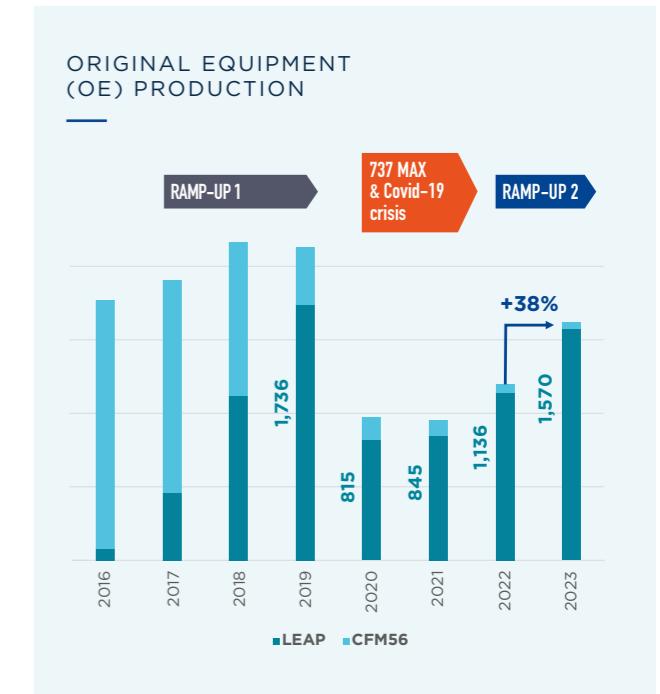
The LEAP is a commercial success, with an order backlog⁽²⁾ of more than 10,000 units at the end of 2023.

It has been selected for three aircraft:

- LEAP-1A for the Airbus A320neo, which entered into service in August 2016 (62% of firm orders at December 31, 2023);
- LEAP-1B for the Boeing 737 MAX, which entered into service in May 2017⁽³⁾ (sole source);
- LEAP-1C for the COMAC C919 (exclusive Western source).

Safran is ready for another LEAP production ramp-up and expects deliveries to increase by 20% to 25% year-on-year in 2024.

A supply chain risk management system has been deployed, with a particular focus on raw materials procurement and forging and casting activities.



(1) In-operation base is equal to engines delivered (including engines in storage) less engines dismantled or scrapped.

(2) On the basis of pending orders and cancellations.

(3) Boeing 737 MAX grounded from March 2019. Return to service authorized by US certification agency in November 2020 and Canadian and European agencies in January 2021. Resumption of flights by Chinese airlines in early 2023.



DEFENSE AND SPACE

2023 BROUGHT SHARP INCREASES IN DEFENSE AND SPACE BUDGETS IN EUROPE AND INTERNATIONALLY, AGAINST THE BACKDROP OF ARMED CONFLICTS AND GLOBAL GEOPOLITICAL TENSIONS.

The United States, with already the world's largest defense budget, announced a further 10% increase for 2024, to nearly USD 880 billion. Almost all the continental European countries increased their budgets in 2023, sometimes significantly as in Germany and Poland. In France, the Military Planning Law passed in July 2023 allocated a defense budget of more than €400 billion for the 2024-2030 period. In this context, defense activities enjoyed robust demand, with, in particular, new orders for 42 Rafale fighters for France and 18 for Indonesia during the year. For the European defense programs, 2023 was a year of consolidation, with confirmation of the French order for six Eurodrone systems and the actual launch of development work of the future combat air system (FCAS), following the award of the contract for the Demonstrator Phase 1B in late 2022.

We also observed substantial growth in the space sector, with budget increases, ambitious projects and many new players.

During the year, Europe further raised its space ambitions, with the EU endorsing its first Space Strategy for Security and Defense and promising a European Space Law in 2024. In addition, the European Infrastructure for Resilience and Secure Interconnection by Satellite (IRIS²) project was launched to put a third satellite constellation in orbit, alongside the EU's Copernicus Earth observation and Galileo positioning and navigation programs. In the launcher segment, following the success of Ariane 6's long-duration hot fire test, the European Space Agency announced Ariane 6's inaugural flight between mid-June and late July 2024. The year also saw the start-up of a number of national micro- and mini-launcher initiatives, such as France's MaiaSpace, a new subsidiary of ArianeGroup. In November, the Space Summit 2023 marked a paradigm shift in European launcher policy, with the announcement that future launchers would be open to market competition and that Avio would operate and commercialize its Vega-C launchers on its own. The same summit announced annual funding for the operation of Ariane 6 and Vega-C for at least three years from 2026.

These initiatives should enable Europe to maintain its sovereignty in space.



BUSINESS JETS* AND HELICOPTERS

DESPITE SUSTAINED DEMAND FOR NEW BUSINESS JETS AND A DEEP AIRFRAMER BACKLOG, BUSINESS JET DELIVERIES IN 2023 WERE FLAT YEAR-ON-YEAR AND EVEN LOWER THAN IN 2019, primarily due to persistently tight supply chains and delays in certifying new models under development. Only the Dassault Falcon 6X entered service in 2023, while deliveries of the Gulfstream G700 are scheduled to begin in 2024. At the end of 2023, there were around 23,000 business jets in service.

The helicopter market continued to recover during the year, with new-build deliveries exceeding pre-Covid levels despite ongoing tensions in the supply chain. Order intake was also ahead of pre-Covid levels, except for light helicopters, whose sales are suffering from inflation and reduced access to financing. The global helicopter fleet now numbers some 53,000 units. Helicopters continued to be used for military, medical and public service missions in 2023, to an even greater extent than in the pre-Covid period.

* Business aircraft fitted with turbojet engines.

The challenges of the aerospace industry

The air transport sector was among the hardest hit by the Covid-19 crisis. New aircraft order intake surged to record highs in 2023, but supply chain bottlenecks impacting the entire industry held back growth in production and deliveries. However, the industry also demonstrated a strong capacity for adaptation and resilience, increasing confidence in the prospects for a lasting recovery in growth. All this means that Safran operates in a favorable but still fast-changing market landscape, with tightening environmental regulations.

> SUPPLY-CHAIN TENSIONS

In 2023, the global aerospace supply chain was once again impacted by severe tensions. Suppliers and subcontractors are having to contend with a variety of capacity-related and geopolitical crises. After a steep falloff in demand during the Covid-19 crisis, they are now struggling to hire and invest, which is disrupting airframers' plans to ramp up production and poses a major challenge for the entire industry.

> GEOPOLITICAL RISKS

The air travel and aerospace industry are subject to a variety of geopolitical and business tensions that can hinder international trade, disrupt supply chains and close airspace to commercial air traffic. Such tensions heightened considerably in 2023 and conflicts became more prevalent, with the ongoing war in Ukraine and the eruption of a new conflict in the Middle East. International sanctions against Russia led, in particular, to the termination of in-service support for the fleet of US and European-built aircraft in Russia. With regard to Safran products and services, the Group diligently complies with the sanctions in force and takes every possible measure to prevent third parties from circumventing them. Heightened geopolitical tensions have prompted a toughening in defense policies and increases in defense budgets around the world, for example in Germany, France, Poland, the United Kingdom and other European countries, India and the United States.

> ENVIRONMENTAL CHALLENGES

In 2023, the world continued to respond and adapt to climate change. The latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) have confirmed the need for rapid and large-scale reductions in CO₂ emissions (aiming for neutrality by 2050), emphasizing the need to reason in terms of overall emissions not to be exceeded if the Paris Agreement global warming objectives are to be met.

The entire air transport sector, including Safran, has accordingly committed - through the Air Transport Action Group (ATAG) - to achieving carbon neutrality by 2050. In recent years, the scientific community and aerospace companies, including Safran, have also stepped up their efforts to better understand and more accurately quantify non-CO₂ effects, such as persistent contrails, and their potential impact on climate change.

> TECHNOLOGICAL DISRUPTIONS AND NEXT-GENERATION AIRCRAFT

Innovation has been a cornerstone of the aerospace sector from the outset. Fuel consumption per passenger kilometer has been reduced five-fold since the emergence of commercial jet aircraft, chiefly through engine improvements. Civil aviation, which brings people together, is one of the world's safest means of transport today. To tackle climate change, further improve safety performance and enable everyone to travel, disruptive innovations are being

developed for forthcoming platforms. These include digital technologies, connectivity, autonomy, extended application of onboard electrical energy, hybrid and/or electric propulsion, distributed propulsion, new metal, composite and ceramic materials, artificial intelligence and sustainable fuels, such as biofuels and e-fuels, to replace fossil-derived aviation fuel. Such innovations are supporting the development of new aircraft architectures,

new technologies, and new ways of manufacturing and maintaining aircraft in service. They also address the needs of new players and use cases, such as new urban mobility solutions. All of this work and these innovations are paving the way for the next generation of aircraft platforms, which will have to make a breakthrough in performance if the industry is to meet its commitment to carbon-neutral aviation in 2050.

> STRONGER ROLE OF NATIONAL AUTHORITIES

Although air transport remains one of the safest means of transport in the world, the two Boeing 737 MAX accidents, in 2018 and 2019, sharpened certification authorities' attention on safety throughout the aircraft life cycle. The interactions between certification authorities, delegated organizations and airframers were once again called into question. Changes in aviation safety requirements - and thereby in certification processes for our products - have been introduced, a fundamental challenge shared by all Safran companies. That aside, national authorities are playing a broader role in the aviation industry, in such areas as certification rules and standards, airline support programs and regulations encouraging industry decarbonization.

Safran's ambitions

Safran is well positioned to meet accelerating trends in the aerospace industry thanks to its global leadership positions, unique technology portfolio, operational excellence, accelerated investments in low-carbon aviation, strong employee engagement and solid financials.

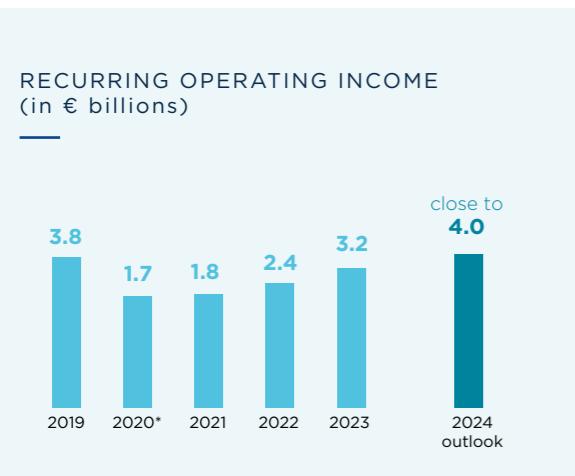
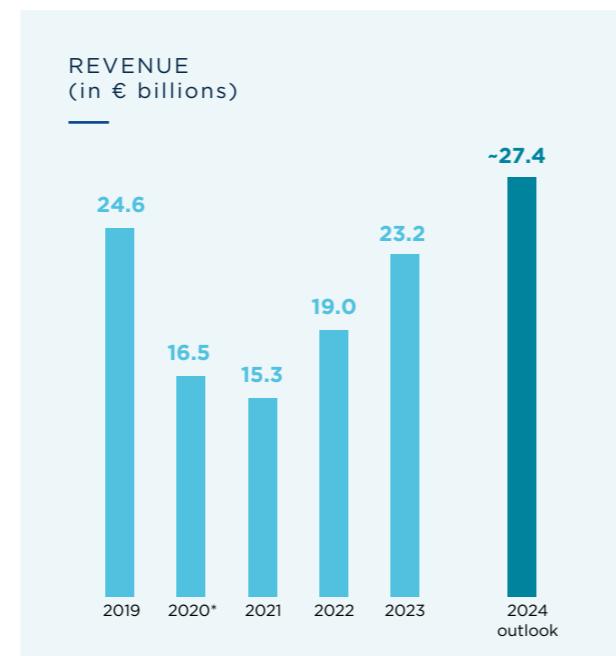
MAIN ASSUMPTIONS FOR THE 2024 OUTLOOK

- LEAP engine deliveries: up by 20-25%;
- Civil aftermarket revenue (in USD): up by around 20%;

The main risk factor remains the supply chain production capabilities.

OUTLOOK 2024

(at constant scope of consolidation;
EUR/USD spot rate of 1.10,
hedge rate of 1.12)



* In the context of the Covid-19 pandemic, an unprecedented crisis for the aerospace industry.

** Safran is present in all engine components and all segments of the propulsion market.

A CLEAR ROADMAP



AEROSPACE PROPULSION

- Be at the forefront for air transport decarbonization.
- Manage the ramp-up in OE deliveries for both civil and military applications.
- Ensure a smooth aftermarket transition from CFM56 to LEAP.
- Consolidate our position as a fully fledged engine manufacturer**.



EQUIPMENT & DEFENSE

- Prepare technologies and materials for greener, lighter aircraft.
- Leverage our strengths to grow organically and further expand our portfolio, focusing on critical equipment.
- Be the leader in electrical & hybrid propulsion for regional aircraft and new air mobility solutions.
- Capitalize on global sovereignty dynamics.
- Enable competitive access to space and provide associated services.



AIRCRAFT INTERIORS

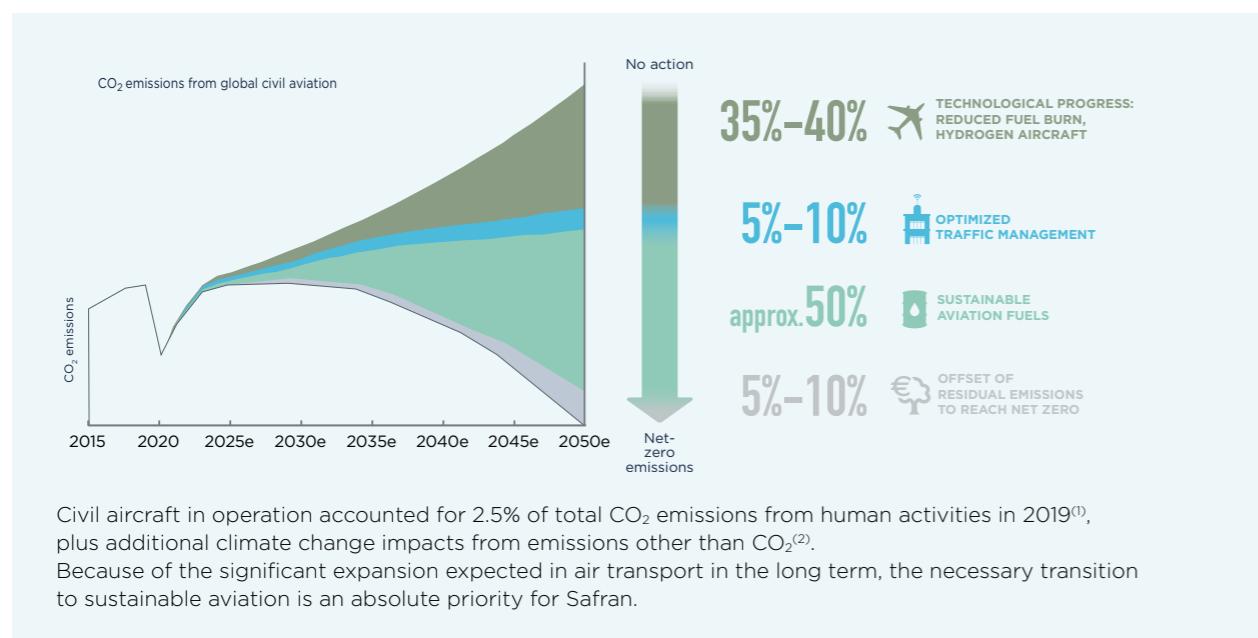
- Propose and provide unequalled solutions in passenger experience.
- Achieve double-digit profitability.
- Provide lighter and recyclable materials for a more sustainable experience.

STRATEGIC FOCUS NO. 1

Decarbonize its products and operations

Safran's climate change strategy is aligned with the aviation sector's roadmap targeting net-zero emissions by 2050, as adopted by the International Civil Aviation Organization (ICAO) in 2022. With its strategic position in a wide range of aerosystems, including all of an aircraft's energy systems, the Group is a core provider of technological solutions to decarbonize aviation.

AN AMBITIOUS COMMITMENT FOR THE AVIATION SECTOR



CLIMATE CHANGE: RISKS AND INNOVATION CHALLENGES

The transition to low-carbon aviation requires innovation to develop lighter, more efficient products, which open up new opportunities for Safran.

Climate change poses two categories of risk for Safran's businesses:

- physical risks concerning the impact of weather and climate phenomena on the Group's operations; and
- transition risks resulting from the shift to a carbon-free economy and aviation industry.

(1) Data from the International Energy Agency (IEA), the International Council on Clean Transportation (ICCT), including global emissions relating to land-use changes.

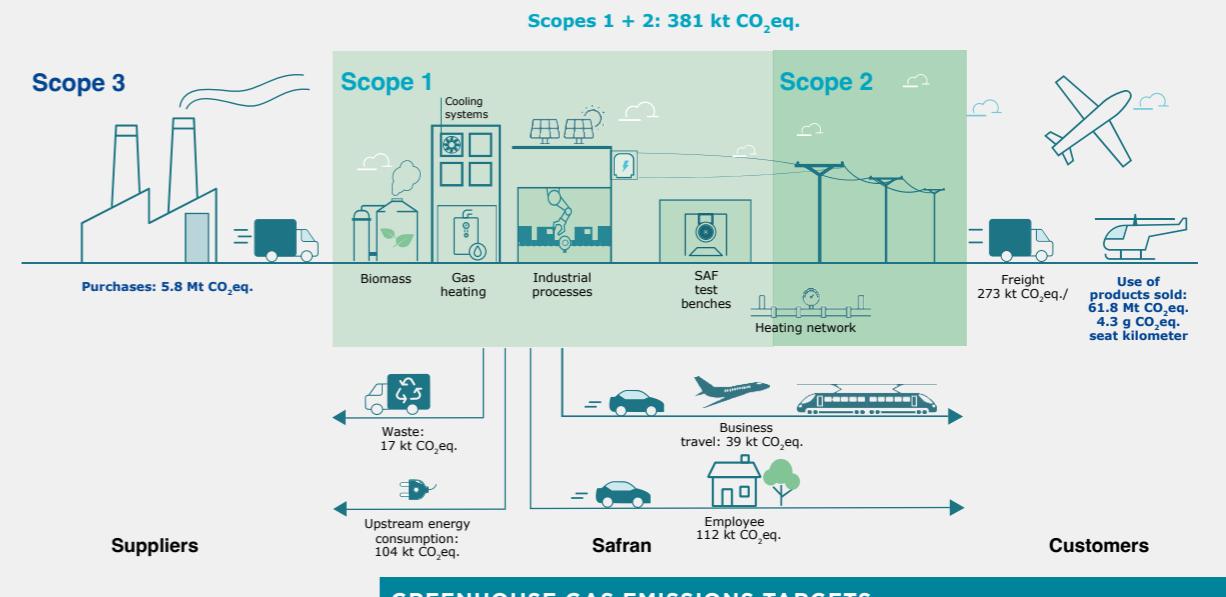
(2) These effects concern NOx and particulate emissions in particular, as well as contrails.

SAFRAN'S CLIMATE STRATEGY

Safran intends to lead the way in the decarbonization of the aviation sector, through a climate strategy with two focuses:

- reducing emissions from operations, including upstream supplier operations;
- reducing emissions from the use of its products.

USE OF SAFRAN PRODUCTS PREPONDERANT IN THE OVERALL CARBON FOOTPRINT (2023 data)⁽¹⁾



Scopes 1 & 2*

30% reduction by 2025 and 50.4% reduction by 2030 vs. 2018, in line with a 1.5°C scenario

Scope 3** Use of products sold

42.5% reduction in Scope 3

Emissions from product use per seat kilometer by 2035 vs. 2018***

75% of self-funded R&T expenses focused on the environmental performance of products

Scope 3** Purchases of goods and services

Mobilize our 400 main suppliers on meeting the commitments under the Paris Agreement (emissions trajectory compatible with keeping global warming below 2°C, or even 1.5°C)

Scope 3** Business travel and employee commuting

50% reduction by 2030 vs. 2018, in line with a 1.5°C scenario

* Direct (Scope 1) and indirect (Scope 2) emissions related to energy consumption from Safran's operations.

** Indirect emissions.

*** The target covers both emissions directly related to product use and emissions indirectly related to product use.

LOW-CARBON AVIATION BY 2035, TOWARDS NET-ZERO EMISSIONS BY 2050

In October 2022, all world governments, through the ICAO, took up the **objective of net-zero carbon emissions by 2050** for the aviation industry. Ambitious and feasible, this commitment seeks to associate the industry in worldwide efforts to comply with the Paris Agreement and limit mean surface temperature warming to below 2°C, and preferably 1.5°C, by the end of the century. Global adoption of the objective will mobilize engagement across all public and private players, whose collective commitment is essential to the success of the sector's decarbonization endeavor.

DECARBONIZATION OBJECTIVES ALIGNED WITH THE PARIS AGREEMENT

In January 2023, the Science-Based Targets initiative (SBTi) validated Safran's greenhouse gas emissions reduction targets. Safran is one of the first aerospace companies in the world to obtain SBTi validation, certifying that its emission reduction targets are compatible with meeting the objectives of the Paris Agreement. Its greenhouse gas emissions reduction targets, validated by the SBTi, cover direct (Scope 1) and indirect (Scope 2) emissions from the energy consumption of the Group's operations, as well as emissions related to the use of its products (Scope 3).

GOVERNANCE ADAPTED TO CHALLENGES

In 2023, the Climate Department was transferred to the new Group Sustainable Development Department, represented on the Executive Committee, to increase its visibility and ensure that sustainability issues are addressed in the Group's decisions. In addition, a Climate Steering Committee is chaired by the Chief Executive Officer and the Board of Directors has set up an Innovation, Technology & Climate Committee to review, examine and issue recommendations concerning Executive Management's proposed strategy.

DECARBONIZING ITS PRODUCTS

Safran has determined that its major priority is to reduce carbon emissions from the use of its products, i.e. its indirect Scope 3 emissions as defined in the GHG Protocol⁽¹⁾. This is why in 2023, the Group dedicated 88% of its self-funded research and technology spend to improving the environmental performance of its products.

INNOVATION FOCUSED ON DECARBONIZING AVIATION

	TECHNOLOGY ROADMAP	ACHIEVEMENTS IN 2023
1 	<ul style="list-style-type: none"> Ultra-efficient propulsion (20% more efficient than the LEAP engine) Lightweight design (additive manufacturing, new materials) 	<ul style="list-style-type: none"> Extensive technology testing as part of the CFM RISE open-fan technology development program, including the launch of wind tunnel tests at ONERA on a reduced-scale open-fan demonstrator. Coordination of the Open Fan for Environmental Low Impact of Aviation (OFLIA) demonstration program with European partners as part of Clean Aviation Ongoing programs to lighten aircraft interiors Optimization of the eTAXI system's architecture and streamlining of its structure
2 	<ul style="list-style-type: none"> Future engines compatible with 100% drop-in⁽³⁾ SAF (biofuels, synthetic fuels) Work on the hydrogen propulsion chain 	<ul style="list-style-type: none"> 20 test flights on a 100% SAF-fueled A321 neo/LEAP-1A Investment in Avnos, an American start-up specializing in direct air capture (DAC) of CO₂ and in the United Airlines Ventures Sustainable Flight Fund, which is dedicated to technological building blocks for SAF projects Re-election of Safran as Chair of the Aviation Chamber of the European Renewable and Low-Carbon Fuels Value Chain Industrial Alliance Test of the first hydrogen turboprop for light aircraft as part of the BeauHyFuel project
3 	<ul style="list-style-type: none"> More efficient electric motors Integrated management of electric/hybrid systems 	<ul style="list-style-type: none"> Electric propulsion partnerships with Aura Aero, Archer, Voltaero and Electra EASA Design Organisation Approval (DOA) awarded for the ENGINeUS™ electric motor Inaugural hybrid flight of the EcoPulse demonstrator, fitted with a distributed electric propulsion system.

(1) Greenhouse Gas Protocol.

(2) Sustainable aviation fuel.

(3) Drop-in fuels are fuels that can replace all or some of conventional kerosene without any operational impact, i.e., without requiring modification to infrastructures (at airports, for example) or to aircraft or engines, whether existing or under development.

1 PREPARE TECHNOLOGIES FOR THE DEVELOPMENT OF NEW ULTRA-FUEL EFFICIENT, CARBON NEUTRAL-COMPATIBLE AIRCRAFT BY 2035

As part of the transition to carbon neutrality, Safran is developing technologies that drive a clear reduction in energy consumption when its products are used. This is the aim of the Revolutionary Innovation for Sustainable Engines (RISE) technology development program, led by Safran and its partner GE Aerospace, which is preparing the next generation of engines for short- and medium-haul aircraft.

Safran's objective is to achieve a breakthrough in efficiency by developing an engine that delivers a reduction of over 20% in fuel consumption compared with the LEAP engine (which is itself 15% more efficient than the CFM56, the previous generation engine). Future engines and equipment developed as part of the RISE program will also be fully SAF-compatible. Safran is also

contributing to improving the efficiency of future aircraft through its activities in the fields of equipment, cabin interiors and seats. Several key areas for progress have been identified, such as reducing the weight of cabins by using new materials and improving the energy efficiency of non-propulsion equipment by gradually electrifying it.

2 ENABLE EXTENSIVE USE OF SUSTAINABLE AVIATION FUELS

As a supplier of engines and fuel system equipment, **Safran is working on removing the technical obstacles to enable 100% incorporation of drop-in sustainable fuel with future engine generations, and to cross the 50% threshold on present-day engines**. This primarily involves evaluating the behavior of certain fuel-circuit equipment and ensuring optimum combustion performance. Besides the aircraft themselves, sustainable fuel development (currently more expensive than kerosene) requires public policies to boost investment in the production processes. Safran actively supports the development of a fuel production value chain. In 2023, for example, Ineratec, the Group's investee start-up in Germany, pursued its expansion with the groundbreaking of its production unit in Frankfurt. Safran is also working on hydrogen technologies for 2035 for short- and medium-haul and smaller aircraft, in particular by harnessing the expertise available within ArianeGroup. This approach, while more boldly cutting carbon emissions, poses major technical challenges and requires both upgrades to airport infrastructure and radical innovations in liquid hydrogen storage and the fuel circuit.

3 ELECTRIC AND HYBRID PROPULSION: A SOLUTION FOR SHORT DISTANCES

The short- and medium-term outlook for developments in battery energy density means electric and highly hybrid propulsion will be limited to short-distance flights in low-capacity aircraft: training aircraft, small shuttles, regional aircraft (in the medium term), and new VTOL⁽¹⁾ or STOL⁽²⁾ aircraft for urban or suburban transport. Hybrid propulsion for future aircraft and helicopters will contribute to meeting the highly ambitious objectives on reducing fuel consumption.

Safran's expertise across the energy chain and close collaboration with innovative battery producers have made it the unrivaled leader in hybrid and all-electric architectures. In 2023, the Group delivered a number of advances in this area, in particular by contributing to the first flight of the hybrid EcoPulse demonstrator, which uses a distributed electric propulsion system. Safran has also established partnerships with players such as Aura Aero, Archer, Voltaero and Electra in the field of electric propulsion. A major milestone has also been achieved with the European Aviation Safety Agency (EASA) Design Organization Approval (DOA) for its ENGINeUS™ electric motor, an essential step towards engine certification.

(1) Vertical Take-Off and Landing aircraft.
(2) Short Take-Off and Landing aircraft.

DECARBONIZING ITS OPERATIONS

To reduce emissions from its facilities and its energy consumption (Scopes 1 and 2), **Safran is leveraging a number of drivers, including:**

- reducing site energy consumption, including a Group-wide phase-in of an energy management system based on the ISO 50001 standard;
 - replacing natural gas-fired boilers with heating networks, electrifying heat generation and recovering waste heat;
 - self-supplying power from on-site facilities. In 2023, Safran commissioned several solar power installations to self-supply sites in France, Morocco, the United States and the United Kingdom;
 - purchasing electricity from low-carbon sources. In 2023, Safran signed a power purchase agreement (PPA) in Poland that will supply 80% of its needs in the country. Safran has also signed a virtual power purchase agreement (VPFA) for the purchased supply of electricity from a solar power plant in the United States, which will cover all the needs of the US-based facilities starting in 2026.
 - blending up to an average of 20% sustainable fuels in the aviation fuel used for aircraft and helicopter engine test benches. The energy efficiency plan launched in 2022 enabled Safran to reduce energy consumption at its European sites by 21% in 2023.
- Safran is also working to reduce indirect emissions related to its operations (Scope 3).** In 2023, Safran pursued its objective of getting its 400 most emissions-intensive suppliers involved, by 2025, in action plans consistent with the Paris Agreement, based on a maturity matrix similar to the one used by the CDP. The Group also applies its internal carbon price in assessing supplier tenders.

SOLAR POWER GENERATION FOR SAFRAN SITES

In late 2023, Safran commissioned the solar power plant at its site in Le Havre, France. The plant is one of the largest self-supply PV arrays in a manufacturing facility in France. A total of 5.4 GWh a year will be self-supplied to the site, covering more than 25% of its needs.

STRATEGIC FOCUS NO. 2

Strengthen its role in sovereignty businesses

Sovereignty is fundamental to Safran's corporate mission and business model.

BE AT THE FOREFRONT OF INNOVATION TO PROTECT CITIZENS

Sovereignty is the capacity to guarantee the autonomy of a state's decisions and actions, so as to ensure its internal and external security and independence. Beyond this geopolitical vision, it is also the ability to pioneer innovation and to guarantee security of supply, freedom of use and freedom to trade with strategic allies. It is therefore underpinned by advanced and resilient industrial capacity that is mature and well managed, together with a strong base of

innovative technologies that Safran is supporting through its defense and space activities. More broadly, for Safran, sovereignty also extends to security and continuity across all its businesses, from engineering and production to the supply chain and support services. As a result, for Safran, sovereignty activities are an important factor in its social responsibility commitment to protecting citizens.

SOVEREIGNTY, AN INTEGRAL ELEMENT OF SAFRAN'S BUSINESS MODEL

Safran's sovereignty businesses contribute to the Group's economic performance. They help to ensure long-term viability of the Group's technical and industrial skills, so that we can continue to prepare for the future in both military and civil markets. Safran's sovereignty businesses are therefore developed with a view to enriching its dual technology pools. Beyond technological considerations, this duality also extends to skills, industrial resources and

the supply chain. This model of duality between civil and military activities, which is characteristic of the sector, is shared with most of the Group's competitors, and is a key factor in competitiveness. Amid persistent tensions in the international landscape, several countries have increased their defense budgets, creating opportunities for players in the defense sector to offer sustained support through contributions to national defense and partnerships.



REGULATIONS/EXPORT CONTROL

STRICT COMPLIANCE

Safran complies with all the international treaties and instruments to which France is a party, with all other applicable international provisions, such as United Nations Security Council resolutions and European regulations, and with national laws and regulations. Safran has put disciplined procedures and checks in place to ensure the compliance of all the activities of its member companies.

* Engines and equipment for military aircraft and helicopters and the defense activities of the Equipment & Defense division. Excluding ArianeGroup, its 50-50 joint venture with Airbus, of which Safran consolidates 50% of the net profit in its recurring operating income and receives dividends in proportion to its interest.

FUTURE COMBAT AIR SYSTEM (FCAS)

In late 2022, the French, German and Spanish governments awarded EUMET (a 50-50 joint venture created in 2021 between Safran Aircraft Engines and MTU Aero Engines), Dassault Aviation, Airbus Defense & Space and Indra the contract for Phase 1B technological and design work on the Future Combat Air System (FCAS). In particular, the contract, which runs through mid-2026, covers the Next Generation Fighter (NGF) engine, a core FCAS component being developed in cooperation with industrial partners MTU Aero Engines and ITP Aero, with Safran responsible for design, integration and the hot parts. In June 2023, Belgium announced that it would join the FCAS program with observer status.

SAFRAN'S SOVEREIGNTY AREAS

First and foremost, Safran helps to ensure France's military and space sovereignty through developments in such areas as inertial navigation, optronics, plasma thrusters, drones, tactical and cruise missile propulsion systems, combatant systems, space surveillance and launch vehicles (through its 50% stake in ArianeGroup). Safran supplies many of the Rafale's essential components, including engines, landing gears and brakes and electrical, fuel, hydraulic and navigation systems. Safran is the prime contractor for the Patroller multimission tactical drone, designed for homeland security and maritime surveillance missions.

Safran is also a major industrial player in Europe, guaranteeing European independence in several key areas as a leading figure in major European programs, such as the A400M, the A330MRTT, Ariane 6 and the Future Combat Air System (FCAS) engine. It is also

involved in the engine for the European Next Generation Rotorcraft Technology (ENGRT) helicopter. Safran has been selected to supply the complete landing gear, wheels and brake system, and airborne optronic system for the medium altitude long endurance (MALE) Eurodrone and to develop the engine for the Franco-British (Future Cruise/Anti-Ship Weapon (FC/ASW) project.

In helicopters, Safran supplies engines for a number of French and European platforms from Airbus (Tiger, H160 and NH90) and Leonardo, as well as flight control, navigation, detection and optronic surveillance systems, wiring and hydraulics. Safran participates in the European Commission's defense initiatives, primarily through calls for projects by the European Defense Fund (EDF).

Safran supplies sovereignty building blocks to non-European nations,

meticulously selected in accordance with their compliance commitments and with approval from the national authorities. For example, Safran contributes to major systems on several Boeing platforms, such as F18 and V22 landing gear, F15 electrical wiring, C17 wheels and brakes, the P8 Poseidon engine (through the CFM joint venture) and Chinook electrical systems. It also supplies the landing gear system for the Bell V-280 Valor. Safran is also a long-standing partner of the Indian armed forces.

The Group is also a leader in high-performance space optics through its subsidiary Safran Reosc. Safran produces the disruptive new plasma thruster technology for several European satellites, as well as the new generation of electric satellites for Boeing. Lastly, Safran leads the way in satellite detection and tracking systems through its subsidiary Safran Data Systems.

FRENCH NUCLEAR DETERRENCE

Through ArianeGroup, its 50-50 joint venture with Airbus, in particular, Safran contributes to France's nuclear deterrent, with responsibility for the Strategic Ocean Force's M51 submarine-launched ballistic missile program. The M51.3 variant, which will equip France's SNLE nuclear-powered ballistic missile submarines, was successfully test-fired for the first time in November 2023. France's strictly defensive strategy is aimed at deterring any aggressor from seeking to harm the country's vital interests. Safran and ArianeGroup do not manufacture nuclear warheads for M51 missiles.

Step up sustainable innovation

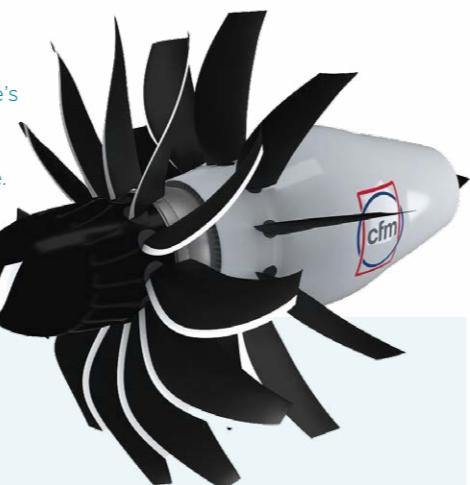
In a rapidly shifting landscape, Safran places a premium on mastering disruptive innovation and technological excellence to give its customers a decisive edge.

The competitive performance of Safran's products depends largely on the Group's innovation capabilities, especially in the technological field. Its capabilities for breakthrough technological innovation are demonstrated across a breadth of products such as composite 3D-woven fan blades, hemispheric resonator gyros, and the LiSafe™ full optical fuel gage.

The Group is also implementing an innovation strategy firmly focused on efficient engineering and research serving all its businesses. This strategy draws on a dedicated and shared R&T management system, plus an internal organization that fosters involvement of Group companies in shared and proprietary developments. In addition,

cooperation with Safran's scientific, technological and innovation ecosystem is organized around strategic partnerships, scientific networks, academic chairs, collaborative innovation with suppliers, and investment in the share capital of innovative startups. More than ever, development and protection of intellectual property is an essential factor in Safran's strategy, as it pushes ahead with efforts on differentiating the Group through innovation.

With more than 1,300 inventions patented in 2023, Safran was France's leading applicant with French patent office INPI and number two in the aerospace industry worldwide.



THE NEXT GENERATION OF ULTRA-LOW ENERGY ENGINES

Through sustained self-financing efforts and backing via the French national plan to revitalize the aerospace industry under the CORAC (French Civil Aviation Research Council) program, and the France 2030 investment plan, Safran has maintained its R&T endeavors with the objective of accelerating towards "green, digital and connected aircraft".

Safran is a leading driver of change in the industry – due to its position in many aircraft system segments, including propulsion and on-board energy systems – and has demonstrated its commitment by focusing more than 75% of its self-funded R&T expenses on decarbonizing air transport. Its work chiefly concerns propulsion, electrification, lightweight equipment and sustainable fuels.

The CFM RISE technology program, for example, is developing an engine that is 20% more fuel-efficient than the LEAP and fully compatible with sustainable fuels or hydrogen. The combination of these two advances will enable an equipped aircraft to cut its carbon emissions by more than 80%.

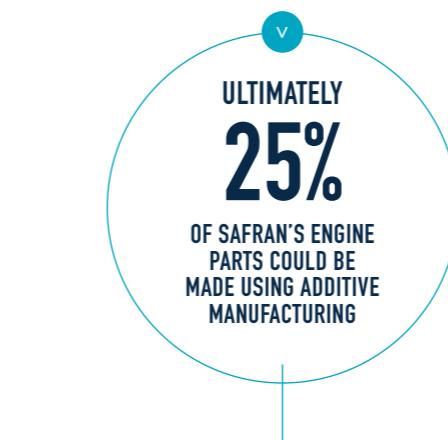
TECHNOLOGICAL MATURITY > GROUND AND FLIGHT TESTS > ENTRY INTO SERVICE BY THE MIDDLE OF THE NEXT DECADE

CFM RISE PROGRAM

(launched in mid-2021 with our partner GE)

A breakthrough innovation for sustainable engines, targeting a 20% reduction (versus the LEAP engine) in CO₂ emissions

- Development of unducted architecture
- Advanced materials
- 100% compatibility with sustainable fuels and hydrogen
- A new standard in propulsion efficiency
- Electric hybridization
- Mature technologies with proven reliability



HIGH-PERFORMANCE MATERIALS AND PROCESSES

Reducing aircraft and equipment weight requires increased use of new materials, such as composites. Safran engines and equipment (nacelles, landing gear and brakes) are also characterized by increasingly heavy mechanical loads.

Organic matrix composites, including 3D woven composites, a proprietary Safran process, combine strength and lightweight properties, and make a major contribution to the success of the LEAP engine family, bringing performance gains with the legendary reliability of the CFM56. They are necessary for breakthrough propulsion architectures capable of reducing fuel consumption, especially through the use of wide-diameter blades, and will lead to weight reductions on a wide range of other equipment, including seats and cabin interiors.

Higher turbine running temperature is another key factor in improving engine performance.

Ceramic matrix composites can withstand extremely high temperatures, while being three times lighter than the metallic materials used today. They are developed by the Safran Ceramics center of excellence, which has unique resources and expertise in space technologies.

The quest for very high temperatures and fast speeds, along with lighter components, calls for new metallic materials: new nickel-based and single-crystal alloys for turbine and compressor disks and blades withstanding extreme conditions, and very high performance steels for compact, long-life gearboxes.

Additive manufacturing processes bring improvements in compactness, weight, raw material consumption and manufacturing cycles for many components of the Group's engines and equipment. In 2021, Safran set up the Safran Additive Manufacturing Campus, a center of excellence in additive manufacturing pooling all research, industrialization and production activities to support all Group entities.



AIRCRAFT ELECTRIFICATION

For the past two decades, Safran has been focusing its strategy on more electric aircraft, first in the area of non-propulsive energy (onboard power management and distribution), then more recently in propulsion power. Progress in technologies such as electric motors, power converters, generators, batteries and fuel cells paves the way to development of complete electric propulsion solutions, initially for small vehicles. Many new players have appeared on the electric aircraft market in recent years to prepare this type of solution in applications such as VTOL (Vertical Take-Off & Landing) and STOL (Short Take-Off & Landing).

Safran is a major participant in this emerging market, in particular through its Safran Electrical & Power subsidiary, which has developed technological building blocks and end-to-end solutions across the propulsion chain, from engines and generators to power distribution and network protection systems, harnesses and power converters. In late 2023, Safran successfully completed the first ground test campaign for its GENeUS™ 300 engine-generator, designed to hybridize new generation propulsion systems. The tests confirmed that the GENeUS™ 300 is capable of delivering 300 kW of power, with an efficiency of around 96%. For the certification of its ENGINeUS 100 range of 100-kW motors, Safran earned Design Organisation Approval (DOA) from the EASA in 2023, a major milestone for the engine's upcoming certification.

These solutions are widely applicable to sovereignty applications, and also open the way to hybrid applications for turboshaft engines (helicopters) or next-generation turbofan engines on the CFM RISE program.

Strengthen operational excellence by leveraging digital technology

Safran aims to become its customers' preferred supplier by offering world-class products and services.

ONE SAFRAN: A MANAGEMENT SYSTEM FOR OPTIMIZING ALL PROCESSES

Designed to support take-up of a common corporate management system, business processes and performance indicators across every Group company, the One Safran initiative is enabling the Group to deploy its operational excellence standards to help ensure consistent product quality and reliability.

Continuous improvement is being impelled by a number of cross-functional initiatives:

- participative innovation, which offers any employee the opportunity to share their ideas and become an agent of progress in improving the Group's performance;
- Lean Sigma, with Green Belts, Black Belts and Master Black Belts driving the Group's transformation through a structured and standardized approach to managing transformation projects;
- QRQC⁽¹⁾, initially developed across industrial and technical operations in all Group companies, and now also being phased in across support functions.



DIGITAL TRANSFORMATION AS A PERFORMANCE DRIVER

Deeply embedded in Safran's history, the continuous improvement and ongoing innovation programs are constantly being aligned with the ever-evolving digital landscape. The digital transformation program launched in 2021 is being led by the Digital Department at Group Executive Committee level.

The digital transformation program covers six areas, all of which made major progress in 2023:

ENGINEERING 4.0 helps us significantly shorten time-to-market, and connect the complete design-industrialization-production-support chain throughout the product life cycle. It relies on the use of digital continuity tools, advanced simulation management and new collaborative and agile model-based engineering methods. It also addresses demand from customers, partners and suppliers for the co-design and supply chain optimization approaches needed to develop increasingly complex systems, integrated into the extended enterprise. Important advances in 2023 included the initial moves to SaaS solutions, the broadening of the approach to digital technology for ecodesign, the implementation of the first data-driven simulation models and the use of generative artificial intelligence (GenAI) to support knowledge management.

MANUFACTURING 4.0 deploys digital continuity from engineering to each shopfloor workstation, while capturing manufacturing process data. Since 2022, the Diagnostics 4.0 assessment method has been deployed on 200 production lines by more than 230 trained employees. The assessments have enabled the identification of more than 450 use cases, known as Levers 4.0, of which almost 50% are now operational and helping to improve working conditions and operational performance in our component manufacturing and assembly plants. Examples include cobots performing assembly activities, artificial intelligence systems helping to control parts and connected IOT objects tracking and tracing parts as they move along the line. Deployment of the data lever was pursued over the year, supported by digital continuity, to track and manage any process variances.

SUPPLY CHAIN 4.0 The new Supply Chain 4.0 process was created in April 2023. During the year, Group companies prepared their roadmaps, for deployment starting in 2024. The stream also includes measures to improve logistical activities in our warehouses.

AFTERMARKET AND SERVICES 4.0 covers techniques for diagnosing and forecasting the condition of aircraft equipment and systems, which create considerable added value for our customers, both in operations (by increasing aircraft uptime and optimizing maintenance) and in fleet management support. Latest-generation portals are deployed to offer premium digital services including health monitoring and remote assistance: Engine Life™ portal, Landing Life™ portal, etc.

EMPLOYEE EXPERIENCE 4.0 is supporting Safran's digital transformation by making each employee a key agent in the process. It is designed to enable everyone to seize the opportunities offered in their job families and to develop the skills and capabilities they need to thrive in the new ecosystem. To this end, the stream provides (i) a digital, collaborative, secure work environment (Digital Workplace); (ii) continuously enriched and updated training and acculturation curricula to understand the impact of digital technology on our job families (Digital Academy); (iii) support in identifying new Data and Digital skills; and (iv) a new digital culture instilling appropriate managerial attitudes and practices (Attitudes 4.0).

DATA 4.0 helps the Group to manage and process a growing mass of data collected throughout the life of its products, such as simulation and test data, manufacturing data and data from products in service. Safran has implemented an ambitious GenAI plan built on three pillars: (i) extensive training in the new culture and skills acquisition; (ii) deployment of a robust technological base; and (iii) the identification and launch of products capable of creating value in every job family. Managing and processing the growing mass of data collected throughout the life of our products remains at the heart of our Data 4.0 strategy. Our expertise, as demonstrated by Safran Analytics and other units, enables us to better understand the behavior of our products in use and to optimize their availability, maintenance and service lives. With a first-rate team of data scientists, a dedicated data governance organization and the deployment of a digital factory, Safran is well positioned to continue innovating by capitalizing on opportunities offered by AI and more recently generative AI, which is being implemented via a fast-track adoption plan.

(1) Quick Response Quality Control is a management method based on everyday performance monitoring and rapid, robust problem-solving at appropriate management levels.

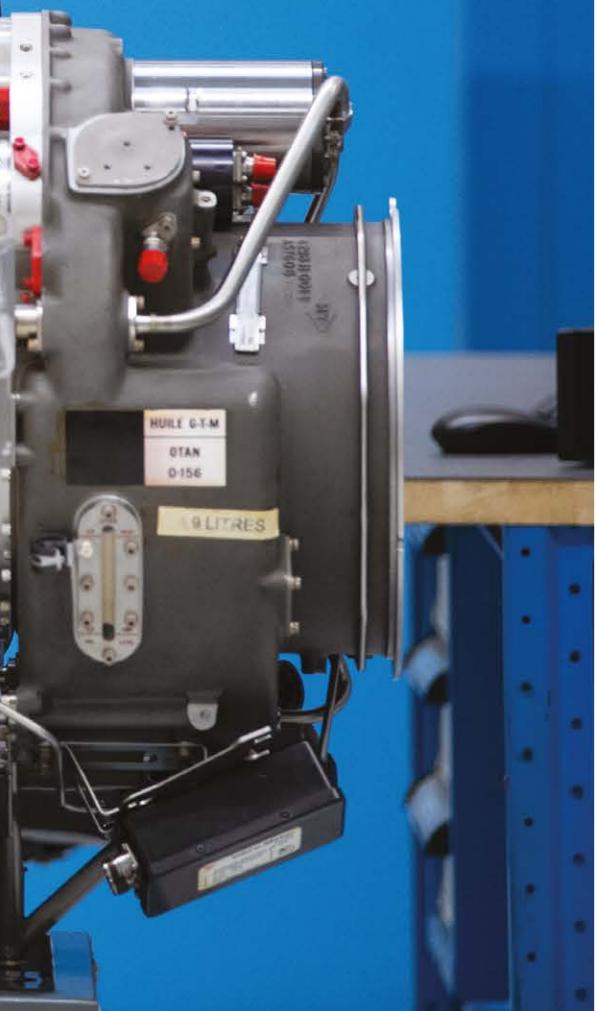


Stakeholder engagement

- 44 Close attention to stakeholder expectations
- 46 Be an exemplary employer
- 48 Embody responsible industry

- 1. Detail of the LEAP-1A fan casing on the rolling line
- 2. Endoscopic inspection and parts inventory on a Makila engine





Close attention to stakeholder expectations

Safran takes its stakeholders' expectations, particularly regarding exemplary governance, into account in constructing, deploying and improving its CSR strategy. Listening to stakeholders is key to ensuring sustainable growth and long-term value creation.

BUSINESS COMMUNITY

Customers (airframers, airlines, etc.)

Suppliers and subcontractors

Partners (industrial companies, research laboratories, etc.)

MAIN EXPECTATIONS

- **Customers:** safe, reliable, available, efficient and innovative products and services, plus CSR commitments made across all the Group's businesses.
- **Suppliers and subcontractors:** relationships rooted in trust, shared long-term vision, and the fulfillment of reciprocal commitments, including CSR commitments.
- **Partners:** pursuit of continuous innovation and protection of their intellectual property.

PUBLIC PARTNERS

Government bodies and local authorities, European and international bodies and certification authorities

MAIN EXPECTATIONS

- Ethical business conduct, social commitments both within and outside the Company.
- Safe products that comply with standards.
- Contribution to implementation of the European Green Pact in the aviation sector, and to the carbon neutrality goal of the International Civil Aviation Organization (ICAO), through the development of innovative technologies.

> EMPLOYEES AND EMPLOYEE REPRESENTATIVES

MAIN EXPECTATIONS

- Rewarding career paths, with regular skills development.
- Consideration given to the impact of rising inflation on employees' living conditions.
- Strong focus on quality of life at work, including working conditions, health and safety.
- Strong commitment to decarbonizing the aviation sector.
- Compliance with national and international labor conventions.

> CIVIL SOCIETY

Academia, local community, associations and non-governmental organizations (NGOs)

MAIN EXPECTATIONS

- Training for young people and exchanges between academic and business worlds to promote aerospace industry professions.
- Interactions between companies and academia on the energy transition.
- Consideration of environmental, social and societal challenges in the Group's strategy and throughout the value chain.

> FINANCIAL COMMUNITY

Institutional investors, individual shareholders and employee shareholders, financial analysts and financial rating agencies

MAIN EXPECTATIONS

- Attractive shareholder value creation.
- Transparency in the management of the Company, compliance with our financial and non-financial commitments, the long-term strategy and its implementation, and consideration of CSR criteria.

Be an exemplary employer

Safran employees are key to the successful transformation of the company and in particular digital transformation and the decarbonization of the aviation sector. To support them in this transition, the Group places huge importance on developing their skills, while upholding its fundamentals as a responsible employer, including a strong culture of inclusion, a wide array of diversity initiatives and particular care for employee health and safety.



ENCOURAGING THE INCLUSION OF ALL FORMS OF DIVERSITY TO SUPPORT BETTER INNOVATION

Aware that diversity and inclusion are powerful drivers of creativity, innovation and collective performance, Safran is committed to its policy to promote equal opportunity and combat all forms of discrimination. Safran has been a signatory to the Diversity Charter since 2010, and takes a proactive approach to ensuring that its principles are applied at all its sites. A Diversity and Inclusion roadmap, based on the findings of the 2022 inclusion survey and approved by the Group Executive Committee that year, is now being actively deployed. It is designed to instill and develop a culture of inclusion through action in four key areas: gender balance, equal opportunity, multicultural workforce and employment of people with disabilities. To encourage gender equality in the workplace, the Group has launched a wide array of initiatives

to support women's career development and upskilling, while helping to change mindsets. To address quality of worklife and work-life balance issues, a parenthood in the workplace agreement is now in place, while a number of awareness-raising sessions were offered during the year on unconscious bias and everyday sexism. While this cultural change will take time, Safran's score on the gender equality index in France is already improving, to 91/100 in 2023 from 89/100 in 2020.

Safran runs a proactive policy on the inclusion of people with disabilities, covering five objectives: keeping employees with disabilities on the payroll, hiring people with disabilities, working with sheltered



workshops and disabled-staffed companies, developing disability-friendly workplaces (certified to Afnor standards) and providing skills training for disability policy stakeholders. Many initiatives also address young people in particular, generating employment openings and facilitating recruitment through internships, work-study programs, international corporate volunteer programs, academic research, etc. Lastly, believing that its performance stems from the synergy among a wide range of backgrounds, Safran strives to maintain a generational balance, in particular by retaining experienced employees. In 2023, a dedicated agreement was signed in France to prepare for generational renewal and ensure the transmission of skills.

HEALTH AND SAFETY, A LEVER FOR IMPROVING OPERATIONAL PERFORMANCE

Preserving employee health, safety and quality of worklife is a priority for Safran. The health, safety and environment (HSE) policy, updated and signed by the Chief Executive Officer in 2021, contributes to making Safran a sustainable leader in its sector. It involves everyone in the Group from company CEOs and senior executives to managers and employees. Appraisals of senior executives, especially

in industrial areas such as production, support and services, include a health, safety and environment objective. In 2023, Safran surveyed employee perceptions of the health and safety culture, with 40,000 employees responding. In addition, more than 100 group interviews were conducted to enhance the findings, which will be used to strengthen preventive actions and the health and safety culture.

3.15%
absenteeism rate

2.1
frequency rate of lost-time work accidents (number of accidents per million hours worked)

A RECOGNIZED EMPLOYER BRAND

Safran has a recognized employer brand, ranking first in the aerospace and defense industry among *TIME* magazine's World's Best Companies 2023, fourth in *Forbes'* ranking of the World's Best Employers in the aerospace and defense sector in 2022, the fifth most attractive employer among engineering students in the 2023 Universum survey and the fifth favorite employer in *Capital* magazine's ranking in the Aeronautics, Rail and Naval category in 2023. For the fourth year running, the Group was awarded the "most welcoming companies" label by *Engagement Jeunes* in 2023, thanks

to very positive ratings by young recruits in Group companies in France. To help attract the best talent, Safran promotes its employer brand on social media and recruitment websites, and through various specific events. With the support of 260 employee ambassadors, the Group forges long-term partnerships to strengthen ties with schools and universities running courses in aerospace-related subjects. In 2023, more than 25% of graduate positions in Europe were filled by young people who had completed an internship, a work-study program, academic research or an international corporate volunteer program within the Group.

NEARLY
92,000
EMPLOYEES

more than 18,000 new hires under permanent contracts in 2023

EMPLOYEE INVOLVEMENT IN THE COMPANY'S SUCCESS

In 2023, 6.1% of Safran's share capital was held by employees and former employees. This proportion, one of the highest among CAC 40 companies, is the outcome of a long-standing policy on encouraging employee share ownership, through permanent measures such as the Group employee savings plan (PEG) and the collective retirement savings plan (PERCOL) in France, and one-off operations such as the Safran Sharing 2020 plan. The PEG and PERCOL investment vehicles were reviewed in 2022 to benefit from a socially responsible investment (SRI) label as from January 1, 2023, with the exception of funds invested in Company securities. In 2023, €600 million was recognized for statutory and optional profit-sharing.

NEARLY
2.7 million

hours of training (on-site and distance) worldwide in 2023

91%

attendance at one or more training sessions in 2023 among all employees worldwide

SUPPORTING EMPLOYEE SKILLS DEVELOPMENT

Training plays a critical role, first in nurturing employee engagement and maintaining employability and second in driving the decarbonization of aviation and the digital transformation. This is why the Group ensures that its training solutions are carefully aligned with each employee's career path and aspirations, as well as with its own strategic needs. In 2023, to help employees become more accustomed to digital technology, for example, the Digital Academy training platform was opened to self-service access. It offers more than 450 courses on such topics as cybersecurity, personal data protection and sustainable digital practices, as well as programs tailored to each job family.

Embody responsible industry

AVIATION SAFETY, AN ABSOLUTE PRIORITY GROUP-WIDE

Aviation safety is an absolute priority for all Group employees. To strengthen and propagate a culture of aviation safety, Safran applies its Safety Management System (SMS) and Enterprise Risk Management (ERM) systems. In accordance with European regulations, the SMS was extended to design and production activities in 2022. The network of SMS liaison officers contributes to the adoption of a positive aviation safety culture through the use of shared tools among all Group companies. Awareness-raising and training sessions on aviation safety are run in all Group companies; an e-learning course on the SMS is now available to all employees, in all job functions. In addition, any employee (including external or occasional employees), customer or supplier can report any deviation or unusual or non-compliant situation, through the various channels provided for this purpose within Safran.

SERVING OUR CUSTOMERS

VOICE OF THE CUSTOMER, A SAFRAN PRIORITY

Customer confidence and satisfaction is dependent on the Group meeting its commitments to quality-cost-delivery and the safety of its products and services.

It also calls for Safran to have a deep understanding of and pay close attention to its customers' businesses, so that products and services can be matched to their latest expectations and needs. Performance quality for services is founded on constantly listening to and anticipating customer needs. Maintenance centers have been located to ensure maximum proximity to customers, and the Group has also developed remote maintenance solutions for immediate and appropriate troubleshooting and action.

To ensure its competitiveness in the aviation maintenance market, Safran must develop tailored commercial offerings.

Safran Landing Systems, for example, has launched Landing Life™, which brings together support and services for landing gear and wheels and brakes, and Safran Electrical & Power is expanding its range of electrical equipment services with ePower Life™, a brand covering all services in wiring, generators, distribution equipment and electric engines.

In the civil engine segment, Safran has initiated a plan to increase its global capacity to seamlessly manage the flow of CFM engine shop visits and parts repair activities. It involves both the creation of new facilities, such as the new maintenance center now being built in Hyderabad (India), and the extension or consolidation of existing production capacity in Europe, the Americas and Asia.

NEW PROVIDERS OF LEAP ENGINE MAINTENANCE, REPAIR AND OVERHAUL (MRO) SERVICES

CFM has developed an open MRO network, capable of meeting the needs of the fast-growing LEAP engine fleet, and offering customers a competitive ecosystem to hold down total cost of engine ownership. CFM has deployed a licensing system built primarily on CFM-Branded Services Agreements (CBSAs) signed with certain market-respected MRO service providers, selected mainly on the basis of their technical skills, business performance and other objective criteria. CBSA licensees benefit from CFM's high-quality support and training, as well as access to certain maintenance and repair technologies, enabling them to offer operators end-to-end MRO solutions. Some of these CBSA licensees, such as Air France-KLM, Lufthansa Technik and Delta TechOps, are backed by airlines, which have purchased and operate LEAP engines. CBSAs have also been extended to other aerospace manufacturers, such as Standard Aero and ST Engineering, who joined the CFM network in 2023.

SUPPLY CHAIN PERFORMANCE: A RESPONSIBLE RELATIONSHIP WITH SUPPLIERS AND SUBCONTRACTORS



€14.1 bn
IN PURCHASES

AROUND
15,500
SUPPLIERS

Safran has held the Sustainable Procurement and Supplier Relations Label since 2017

Through its responsible purchasing policy, Safran seeks to work with suppliers that guarantee high performance, reliability and strict compliance with all applicable national and international regulations. Suppliers are required to comply with international trade regulations and with all applicable requirements on environmental protection, personal health and safety, ethics and labor relations. To encourage as many employees as possible to embrace best practices, since 2020, Safran has supported the charter of commitments on customer-supplier relationships in the French aerospace industry. In 2020, the Group renewed its Sustainable Procurement and Supplier Relations Label.

Deeply interwoven into the industrial fabric of the French aerospace industry, Safran contributes to the financing of locally based small and mid-sized companies, from which it sourced nearly 86% of its procurement in 2023.

Safran is attentive to supply chain capacities for managing the production ramp-up, and has set up a risk management system accordingly.

Since the aviation industry can only be decarbonized with the engagement of every stakeholder, Safran is phasing in climate change commitments for its suppliers and encouraging them to lead their own environmental transition. In 2022, Safran invited the 400 suppliers that contribute the most to its carbon footprint to a Safran Supplier CO₂ Day, an event focused on reducing CO₂ emissions in the value chain. At the event, the Group set out its strategy on reducing supply chain greenhouse gas emissions, along with its expectations on suppliers' decarbonization efforts. Since 2022, the scoring matrix used for each call for tenders has included the following CSR criteria: degree of maturity in the decarbonization approach, product carbon footprint, signature of the responsible purchasing guidelines or implementation of a specific CSR program, and the proportion of employees with disabilities on the payroll.



BUSINESS ETHICS AND ANTICORRUPTION

In line with its belief that responsible business management helps to improve the Group's competitiveness and attractiveness, Safran ensures that its activities are conducted with honesty, integrity and professionalism consistent with the highest international standards of business ethics, as promoted by the International Forum of Business Ethical Conduct (IFBEC), which includes the world's major international aerospace and defense companies.

85%
of senior executives
and exposed and
affected people trained
in anticorruption⁽¹⁾

Safran's policy for the prevention and detection of corruption risks is based on the principle of "zero tolerance" for any corrupt practice. The Board of Directors, its Chairman, the Chief Executive Officer and the members of the Executive Committee subscribe unconditionally to this principle, for themselves and on behalf of their employees. Safran has devised a robust program to foster exemplary behavior by all employees. A new training program for senior executives and exposed persons was developed in 2022 and a new e-learning was launched, with modules specific to different business areas.

In 2023, several Group companies earned ISO 37001 certification, which recognizes the quality of their anticorruption management systems. The French strategic intelligence agency ADIT renewed its certification for Safran Nacelles' anticorruption program, attesting to its robustness. The program's demands are aligned with the most rigorous international standards, including the US Foreign Corrupt Practices Act, the UK Bribery Act, the OECD Convention, the French Sapin II legislation, the tenth principle of the United Nations Global Compact, and ISO 37001 standards.



ECODESIGN AND CIRCULAR ECONOMY APPROACHES

A Group-wide project to advance in ecodesign

To improve the environmental performance of its products, in 2015 Safran developed an ecodesign process based on two fundamentals: an internal ecodesign standard, which ensures compliance with the requirements of ISO 14001, and the Technology Readiness Level (TRL) standard, which includes requirements and methods for ensuring that eco-design is incorporated as the technology matures. To take this process to the next level, in 2023 the Group rolled out a plan to transform its ecodesign activities, by creating a dedicated governance structure and network, supporting employee upskilling and developing shared methods and tools.

A circular economy approach

In 2023, Safran created a Circular Economy Department to address the challenges of reducing the consumption of non-renewable natural resources. Safran's circular economy approach is structured around the three phases of the life cycle of manufactured products: before use, during use and after use. It is supported by the eco-design approach and the establishment of an innovation roadmap for sustainability and recyclability by the R&T teams. In 2023, an initial project focused on titanium was launched.



ENGAGING WITH LOCAL COMMUNITIES

Safran actively engages with local communities in every host region, supporting a wide range of association-run and other initiatives. This corporate citizenship commitment is expressed through the two corporate foundations (the Safran Foundation for Integration and the Safran Foundation for Music), corporate philanthropy and volunteer skills-sharing programs, and local actions led by sites and employees. These initiatives comprise all forms of material, human and financial assistance undertaken directly by Safran or by employees in partnership with non-profits or local authorities. Their overall goal is to encourage sites to strengthen their positive impact on their host communities. In 2023, more than 600 initiatives were under way, primarily to address social, health and environmental issues.

In all, Safran's philanthropic activities through its foundations contributed nearly €1 million in financial support to associations in 2023. In September 2023, €1 million was also given to support the Moroccan people affected by an earthquake.



(1) Purchasing, HR, Sales, Legal, Finance, Audit & Internal Control, Compliance & Business Ethics, Risks and Communications Departments.



Corporate governance

54 A Board of Directors incorporating best governance standards into its activities

55 An experienced Board of Directors taking up the Group's strategic challenges

58 An Executive Committee implementing the Group's strategy and managing its operations

60 A compensation policy supporting short- and long-term value creation
62 Key performance indicators

1. Gears
2. Assembling
the Arriel 2D engine



A Board of Directors incorporating best governance standards into its activities

Safran refers to the Corporate Governance Code of Listed Corporations drawn up jointly by the French business associations, AFEP and MEDEF. Safran's Board of Directors determines its strategy and oversees its implementation.

SEGREGATION OF DUTIES BETWEEN THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Since 2015, the Board has chosen to separate the roles of Chairman of the Board and Chief Executive Officer. The complementary profiles, expertise and careers of the Chairman of the Board of Directors, Ross McInnes, and the Chief Executive Officer, Olivier Andriès, constitute a major factor in ensuring smooth governance, based on transparency between Executive Management and the Board, and a balanced, measured split between the roles of Chairman and Chief Executive Officer.

LEAD INDEPENDENT DIRECTOR

In 2018, the Board decided to appoint Monique Cohen as Lead Independent Director and define her duties. Although the position of Lead Independent Director is not indispensable because the Company has separated the roles of Chairman of the Board and Chief Executive Officer, the Board felt that having such a Director would be good practice.

DIRECTOR RESPONSIBLE FOR MONITORING CLIMATE ISSUES

Fully aware of the strategic importance of climate issues for the aerospace industry, in early 2021 the Board of Directors appointed Patrick Pélata as Director responsible for monitoring climate issues, and defined his roles and responsibilities. Patrick Pélata also chairs the Innovation, Technology & Climate Committee whose roles and responsibilities in relation to climate issues have been formally defined.



ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

In late 2023, the Board carried out its annual assessment of its operating procedures, based on a comprehensive questionnaire and individual interviews conducted by Monique Cohen, Lead Independent Director and Chair of the Appointments and Compensation Committee, with the support of Ross McInnes, Chairman of the Board. It expressed positive observations on its functioning and membership structure, as well as on the organization of its work and meetings. The assessment was presented to the Appointments and Compensation Committee and then discussed by the Board, which offered a variety of comments and new suggestions.

(1) Excluding Directors representing employee shareholders and Directors representing employees, in accordance with the AFEP-MEDEF Code.

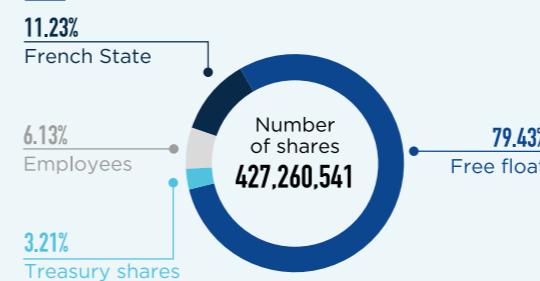
An experienced Board of Directors taking up the Group's strategic challenges

A Board membership structure that is consistent with Safran share ownership

THE BOARD OF DIRECTORS AT DECEMBER 31, 2023 (number of Directors)



OWNERSHIP STRUCTURE AT DECEMBER 31, 2023



A DIVERSE RANGE OF PROFILES, EXPERTISE AND SKILLS WITHIN THE BOARD

The Board of Directors has a wide range of experience, making it well equipped to deal with strategy and performance challenges. It regularly considers the desired balance and diversity of its membership structure and that of its Committees. Its diversity policy is structured around principles and objectives related to the size of the Board, the representation of the Company's various stakeholders, the proportion of independent Directors, the depth and fit of the Directors' skills, expertise and career experience, particularly outside France, and gender balance. Together with the Appointments and Compensation Committee, the Board regularly reviews the list of criteria (behavioral skills, experience, expertise and other criteria) considered useful and necessary for determining the profiles sought in the selection of Directors and enabling the implementation of its diversity policy.

Experience and specific positions exercised by Directors in different sectors and activities	Number of Directors
Aerospace industry	11
Other industries and business sectors	16
Innovation, R&T, development and engineering	13
International career and experience	11
Strategy, competition and M&A	12
Finance and management control	10
Digital - New technologies	5
Governance and compensation	10
HR - Sustainability - CSR	13
Climate	9

COMMITTEES ADDRESSING THE GROUP'S STRATEGIC CHALLENGES

(2023 key figures)

> Audit and Risk Committee

5 meetings
6 members
96% attendance
80% (4 out of 5) independent⁽²⁾

> Appointments and Compensation Committee

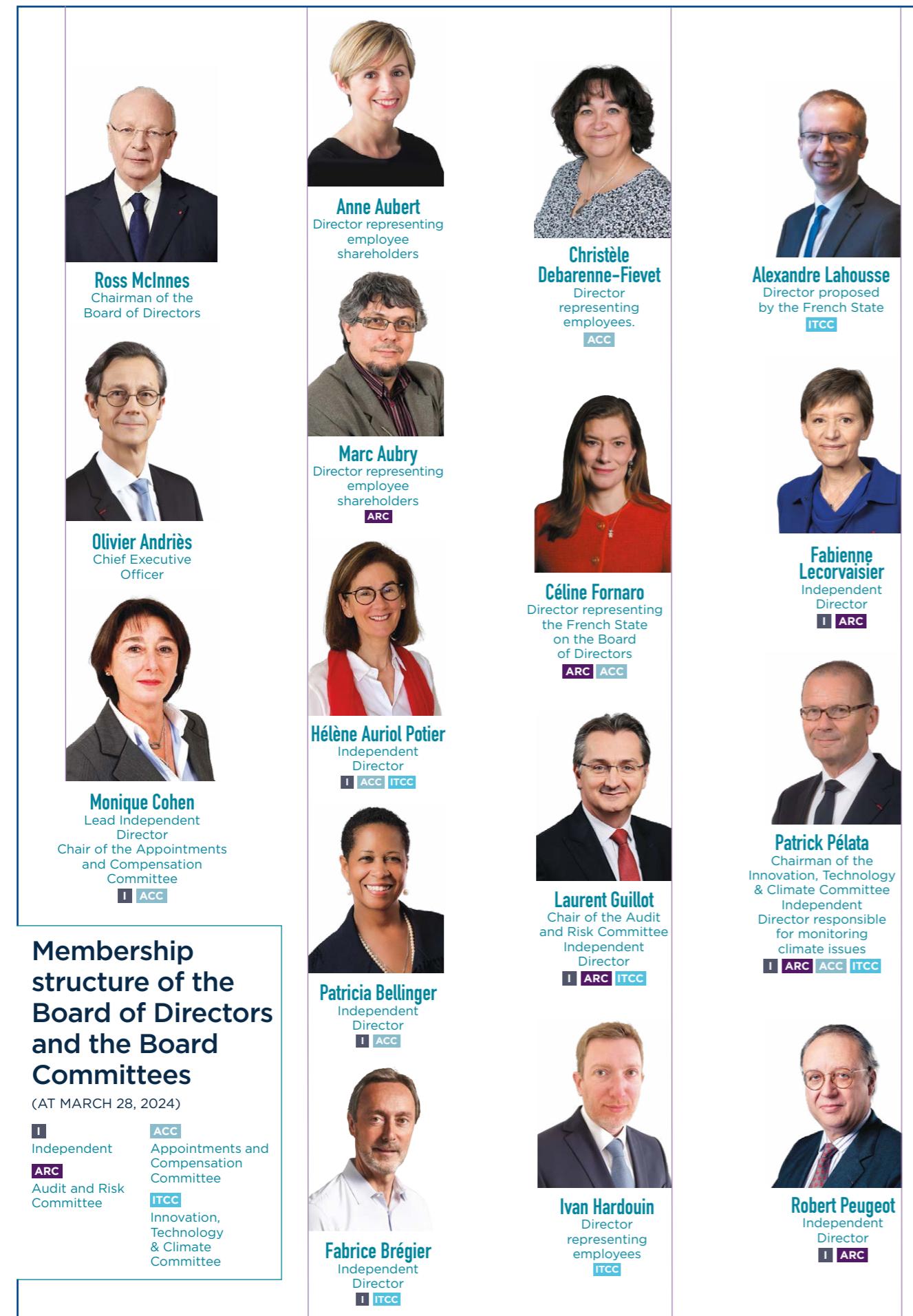
3 meetings
6 members
90% attendance
80% (4 out of 5) independent⁽²⁾

> Innovation, Technology & Climate Committee

3 meetings
6 members
94% attendance
80% (4 out of 5) independent⁽²⁾

(1) One representative of the French State appointed by way of a ministerial decree and one Director put forward by the French State and appointed by the Annual General Meeting.

(2) Excluding Directors representing employee shareholders and Directors representing employees, in accordance with the AFEP-MEDEF Code.



Membership structure of the Board of Directors and the Board Committees

(AT MARCH 28, 2024)

! Independent	ACC Appointments and Compensation Committee
ARC Audit and Risk Committee	ITCC Innovation, Technology & Climate Committee

> Outlook - Annual General Meeting of May 23, 2024

Appointment and re-appointment proposals

The Board will propose the following to the 2024 Annual General Meeting:

- the re-appointment of Patricia Bellinger for a new four-year term as independent director. Assuming she is re-elected by shareholders, the Board has already decided to re-appoint her as member of the Appointments and Compensation Committee;
- the appointment of Pascale Dosda for a four-year term as director representing employee shareholders, replacing Marc Aubry whose term of office is expiring;
- the re-appointment of Anne Aubert for a new four-year term as director representing employee shareholders.

As of the end of the Annual General Meeting of May 23, 2024, subject to shareholder approval of the resolutions put to the vote, the Board of Directors will have 16 members, as follows:

- **66.7%* of Directors will qualify as independent;**
- **41.7%* of Directors will be women.**

Board of Directors

(key figures at December 31, 2023)

16

Directors

66.7%

(8 out of 12)
Independent
Directors⁽¹⁾

10

meetings

98%

attendance

> CLIMATE ISSUES ADDRESSED BY APPROPRIATE GOVERNANCE

In view of the challenges that climate change raises for Safran, the Group reinforced its governance on the issue in 2021, with the Innovation, Technology & Climate Committee now responsible for overseeing the climate change strategy and action plan. The Chairman of the Committee has been appointed as Director responsible for monitoring climate issues. Safran's climate strategy and action plan are presented each year at the Annual General Meeting.

Since early 2021, the deployment of the Group's climate strategy has been led by a dedicated Climate Department, which is now integrated into the new Group Sustainable Development Department created in 2023. Climate strategy roadmaps are defined by a Climate Challenge Steering Committee, chaired by the Chief Executive Officer. Progress on the action plan is reviewed quarterly by the Group Executive Committee.

* Excluding Directors representing employees and Directors representing employee shareholders.
(1) In accordance with the AFEP-MEDEF Code, Directors representing employee shareholders and Directors representing employees are not taken into account when calculating the percentage of independent Directors.

An Executive Committee implementing the Group's strategy and managing its operations

The Executive Committee is in charge of conducting Safran's business in line with the strategy defined by the Board of Directors.

- The Executive Committee ensures that Safran's strategy is implemented consistently across all Group entities.

It also monitors its operational performance and facilitates interaction with the various Group companies.

- The Executive Committee comprises the Chief Executive Officer, the heads of cross-business functions, and the heads of the Group's main operating companies

(tier-one entities). This membership structure provides for balanced representation of the Group's businesses and cross-cutting support functions.

Under the authority of the Chief Executive Officer, the Executive Committee meets as often as is necessary and at least once a month.

To maximize the Group's strengths, which are integral to its success, the Executive Committee is supported by a number of committees, including the Compliance, Ethics and Anti-Fraud Committee, the scientific council and the Climate Challenge Steering Committee.

COMPLIANCE, ETHICS AND ANTI-FRAUD COMMITTEE

The Compliance, Ethics and Anti-Fraud Committee is tasked with supervising employee respect for the general framework governing compliance with the rules laid out in Safran's Ethical Guidelines and any changes in the system deployed by the Group. It is chaired by the Group's Corporate Secretary, but all of the Group's departments are responsible for ensuring that their teams respect the compliance criteria. Its other permanent members are the Chief Financial Officer, the EVP International and Public Affairs, the EVP Corporate Human and Social Responsibility, the Chief Legal Officer, the Group Ethics and Compliance Officer, the Group Chief Security Officer, the Head of Audit and Internal Control, the EVP Production, Purchasing and Performance, the EVP Chief Digital and Chief Information Officer and the Head of Group Internal Control.

SCIENTIFIC COUNCIL

Led by the EVP Strategy and Chief Technology Officer, the scientific council is tasked with helping Safran to deploy a world-class scientific research policy. It assesses, in particular, the excellence of scientific partnerships and the relevance of the long-term R&T plan. The scientific council also contributes to Safran's technological differentiation by identifying new areas of research. The scientific council comprises nine top-level academics and holds three plenary meetings a year. Recent work includes approximately 15 theme-based reviews in three major areas (software and systems engineering, materials and structures, and sensors and signal processing). These reviews ensure the Group is advancing in the right direction.

CLIMATE CHALLENGE STEERING COMMITTEE

Chaired by the Chief Executive Officer, the Climate Challenge Steering Committee brings together several members of the Executive Committee, the tier-one entity CEOs and all the corporate departments involved in climate action (research & technology, climate & environment, strategy, public affairs, finance, investor relations, operations, corporate social responsibility and communications) to define Safran's vision and, in particular, to endorse objectives and roadmaps for each type of carbon emissions.

PASCAL BANTEGNIE
Chief Financial Officer

ÉRIC DALBIÈS
Executive VP, Strategy and Chief Technology Officer

STÉPHANE DUBOIS
Executive VP Corporate Human and Social Responsibility

PHILIPPE ERRERA
Executive VP International and Public Affairs

Executive Committee members

19
MEMBERS

△ Cross-business functions
△ Company CEOs

NATHALIE STUBLER
Chief Sustainability Officer

FRÉDÉRIC VERGER
Executive VP, Chief Digital Officer and Chief Information Officer

JEAN-PAUL ALARY
CEO Safran Aircraft Engines

FRANÇOIS BASTIN
CEO Safran Landing Systems

VINCENT CARO
CEO Safran Nacelles



STÉPHANE CUEILLE
CEO Safran Electrical & Power

VICTORIA FOY
CEO Safran Seats

CÉDRIC GOUBET
CEO Safran Helicopter Engines

JORGE ORTEGA
CEO Safran Cabin



FRANCK SAUDO
CEO Safran Electronics & Defense

SÉBASTIEN WEBER
CEO Safran Aerospace



A compensation policy supporting short- and long-term value creation

CORPORATE OFFICER COMPENSATION POLICIES

In the interests of Safran and its stakeholders, the compensation policies must be competitive in order to attract, motivate and retain the best profiles and talent (which may come from within or outside the Group) for key positions.

Chairman of the Board of Directors' compensation policy and structure

In line with his position as a non-executive Director and the specific duties conferred on him, the Chairman receives fixed compensation. He does not receive any variable compensation or compensation under a long-term incentive plan. He does not receive any compensation in his capacity as a Director (formerly "attendance fees"). The Chairman is covered by the supplementary pension schemes and personal risk insurance plan implemented by the Group.

Chief Executive Officer's compensation policy and structure

The structure of the Chief Executive Officer's compensation package comprises fixed compensation, annual variable compensation, and performance shares awarded under a long-term incentive (LTI) plan. The Chief Executive Officer is covered by the supplementary pension schemes and personal risk insurance plan implemented by the Group. The underlying aim is to closely align the Chief Executive Officer's interests with those of the Group and its shareholders, by achieving a balance between short- and long-term performance, as assessed by the Board. Compensation subject to performance conditions accounts for the largest percentage of the overall compensation package.

CLIMATE ISSUES INCLUDED IN COMPENSATION POLICIES

Making the climate challenge a priority for senior executives is also fostered by including climate objectives in compensation policies. Annual variable compensation for the Chief Executive Officer and members of the Executive Committee is partly conditional upon the achievement of objectives on the implementation of the climate strategy. Since 2022, LTI performance share plans for all beneficiaries also include a non-financial performance condition on the implementation of the climate strategy.

2024 COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER

The compensation policy for the Chief Executive Officer proposed by the Board for 2024 comprises the same compensation components as in 2023.

FIXED COMPENSATION

The Chief Executive Officer's annual fixed compensation takes into account the responsibilities required for this type of corporate office as well as the individual qualities of the holder of the position and the benchmark surveys carried out by the Company.

ANNUAL VARIABLE COMPENSATION

The Chief Executive Officer's annual variable compensation is contingent on achieving economic (ROI, FCF and WC)⁽¹⁾ and individual, financial and non-financial, quantitative and qualitative performance objectives, consistent with the Group's overall business.

Specific targets on CSR⁽¹⁾/climate issues for 2024 are as follows: CSR & human capital (qualitative and quantitative):

- Safety:** Frequency rate of lost-time accidents maintained at the same level, amid the ramp-up in business
- Human resources/diversity and gender equality:** Objectives related to increasing the number of women senior executives and developing talent in the industrial sector
- Implement new reporting requirements** (in line with the CSRD)

Climate:

- Continue to take steps to achieve the action plan target to reduce Scopes 1 and 2 CO₂ emissions by 30% by 2025 compared to 2018, aiming to complete 95% of the plan's actions by 2024,
- Continue to take steps to achieve the target to reduce Scopes 1 and 2 CO₂ emissions by 50% by 2030 compared to 2018, taking into account the Group's growth,
- Ensure that the Group's sites become increasingly energy efficient, achieving the Energy Management System Gold Standard,
- Pursue the Group's Energy Sobriety Plan to reduce its worldwide energy consumption by 10% in 2024 compared to 2019, taking into account the Group's growth,
- Mobilize our suppliers to become more low-carbon, ensuring that our TOP400 suppliers have Scopes 1 and 2 CO₂ emissions reduction targets and that they have communicated these.

LONG-TERM INCENTIVE PLAN - PERFORMANCE SHARES

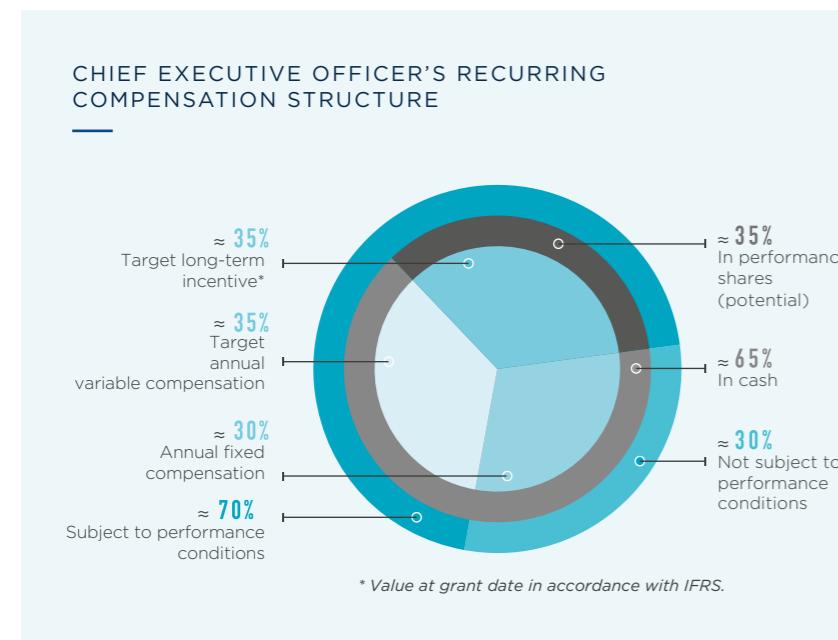
This mechanism is particularly well adapted to the Chief Executive Officer position given the level of direct contribution expected from him to the Group's long-term performance. This system helps promote the alignment of management's interests with those of the Company and shareholders.

Performance share grants are:

- made across the Group's senior managers, high potential employees and key contributors;
- conditional on the achievement of demanding internal (financial and economic performance and, since 2022, non-financial performance) and external (TSR) performance conditions, measured over three years.

By way of illustration, the non-financial performance conditions for 2024 will cover objectives on:

- environmental and climate issues: reduction of CO₂ emissions;
- gender equality: percentage of women senior managers within the Group;
- safety: reduction in lost-time accident frequency.



PAY RATIO

In France, pay ratios between the level of compensation of Safran's corporate officers (Chairman and Chief Executive Officer) and the average compensation of Safran's employees in 2023 were 7.3 and 46.8 respectively.

OBJECTIVES IN THE CHIEF EXECUTIVE OFFICER'S VARIABLE COMPENSATION⁽¹⁾ (2024)



CHIEF EXECUTIVE OFFICER'S LTI PERFORMANCE CRITERIA⁽¹⁾



Reference on principle: the Group's medium-term plan.

- (1) TSR: Total Shareholder Return, corresponding to dividends plus the change in the share price.
ROI: recurring operating income.
FCF: free cash flow.
WC: working capital.
CSR: non-financial criteria – corporate social responsibility.

Key performance indicators

KEY NON-FINANCIAL PERFORMANCE INDICATORS

DECARBONIZE AERONAUTICS	2022	2023	2025 OBJECTIVE
Scope 3 (product use): self-funded R&T investment focused on environmental efficiency. Choose technologies (engines and equipment) contributing to ultra-efficient aircraft for 2035, targeting carbon neutrality for 2050, with 100% sustainable fuels	81%	88%	75% in 2025
Scope 3 emissions (product use) (in g CO ₂ /seat kilometer) Change in Scope 3 emissions (product use) compared with 2018	4.5 -24%	4.3 -27%	-42.5% by 2035 (vs. 2018*), i.e., an average of 2.5% per year
Scope 1 and 2 emissions, market-based method CO ₂ Change in Scope 1 and 2 emissions compared with 2018	405,664** -30%	380,973 -34%	-30% by 2025 (vs. 2018) -50% by 2030 (vs. 2018)

* Scope 3 emissions (product use): 5.9 g CO₂/seat kilometer in 2018.

** 2022 emissions figures, which included estimated data for fourth-quarter 2022, were revised in 2023 to reflect the actual data.

BE AN EXEMPLARY EMPLOYER	2022	2023	2025 OBJECTIVE
Number of training hours per employee per year (excluding employees on long-term absence)	25	31	26
Frequency of lost-time work-related accidents (number of accidents per million hours worked)	2.1	2.1	2
Proportion of employees worldwide benefiting from a minimum level of health cover (medical, optical and dental)	77%	77%	100%
% of women among senior executives*	17%	19.5%	22%

* Members of the Executive Committee and employees are classified into four categories ("bands") based on their level of responsibility. Responsibilities increase from category 4 to category 1. This classification is linked to the Willis Towers Watson Global Grading System (GGS) method.

EMBODY RESPONSIBLE INDUSTRY	2022	2023	2025 OBJECTIVE
Proportion of senior executives and exposed and affected people trained in anticorruption*	77%**	85%	100%
Proportion of purchases made from suppliers that have signed Safran's responsible purchasing guidelines or that have equivalent guidelines of their own	59.3%	72%	80%
Proportion of facilities classified as "Gold" based on Safran's HSE standards	41%	47%	100%
Waste recovery ratio	69.2%	71%	> 2019 ratio (68.3%)

* Purchasing, HR, Sales, Legal, Finance, Audit & Internal Control, Compliance & Business Ethics, Risks and Communications Departments.

** The compliance training policy was reviewed in 2022, with a new structure and a larger pool of people to be trained (increase of more than 35%, from more than 4,000 to more than 6,500 people).

AFFIRM OUR COMMITMENT TO CITIZENSHIP	2022	2023	2025 OBJECTIVE
Number of new PhD students	80	73	> 63
Percentage of facilities with more than 50 employees carrying out at least one community initiative	76%	76%	100%

KEY FINANCIAL PERFORMANCE INDICATORS

	2022	2023	2024 OBJECTIVE
Organic growth in revenue	+15.8%	+23.6%	Revenue: around €27.4 billion
Recurring operating margin	12.6%	13.6%	Recurring operating income: close to €4.0 billion
ROI to FCF conversion	111%	93%	Free cash flow: around €3.0 billion
Dividends Payout ratio	€1.35/share 40%*	€2.20/share 40%**	

* Of adjusted net profit (excluding the contribution from the French government in the form of short-time working, the contribution of employees in 2022 (abondement), and the impairment of Aircraft Interiors goodwill).

** Of adjusted net income excluding the goodwill depreciation for Cabin and Seats.

KEY GOVERNANCE INDICATORS

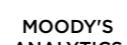
	2022	2023
Average attendance rate at Board meetings	94%	98%
% of Chief Executive Officer compensation subject to performance conditions	approx. 70%	approx. 70%
% of independent Directors on the Board of Directors after the Y+1 AGM	66.7%	66.7%*
% of women on the Board of Directors after the Y+1 AGM	41.7%	41.7%*

* Assuming adoption of the resolutions at the Annual General Meeting of May 23, 2024.

LONG-TERM CREDIT RATING: STRONG BALANCE SHEET

A- with stable outlook (S&P)

NON-FINANCIAL RATINGS: A RECOGNIZED CSR PERFORMANCE

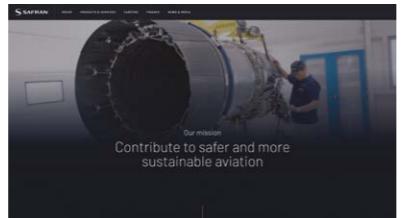
	Safran	Peer comparison
 CDP DISCLOSURE INSIGHT ACTION	Understanding of environmental challenges for the company. Rating from "D" to "A" (A being the highest). A Leadership level	In the top 2% of the more than 23,000 respondents February 2024
 MSCI	Rating from "CCC" to "AAA" ("AAA" being the highest). A	In the top 60% of 37 companies in the A&D sector October 2023
 SUSTAINALYTICS	Rating evaluating ESG risk level, with the lowest rating corresponding to the best non-financial performance. 23.9 Medium risk	3rd out of 99 companies in the A&D sector February 2024
 MOODY'S ANALYTICS	Rating from 0 (lowest) to 100 (highest). 66/100 Advanced level	Above average in the A&D sector June 2023

OTHER PUBLICATIONS



CAPITAL MARKETS DAY 2021

www.safran-group.com,
Finance section
Presentation of the Group's strategy and mid- and long-term financial objectives.
Safran will host a *Capital Markets Day* event on December 5, 2024.



WEBSITE

www.safran-group.com,
Group section Presentation of the Group's profile, its roles and its governance.
Finance section
(Share price, Publications and results, Regulated information, Analysts and investors, Individual shareholders, Annual General Meeting). Presentation of financial and non-financial information.



CORPORATE PRESENTATION

www.safran-group.com,
Media/Publications section
Overview of Safran's activities and commitments.



SECTION(S) OF THE 2023 UNIVERSAL REGISTRATION DOCUMENT

www.safran-group.com,
Finance section
Document prepared in accordance with French and European regulations and notably including

the annual financial report, the Board of Directors' report, the consolidated and separate financial statements for the fiscal year, all corporate, social and environmental information concerning Safran, and the resolutions presented to the Annual General Meeting for approval.

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All financial information pertaining to Safran is available on the Group's website at www.safran-group.com, in the Finance section.



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