5 NON-FINANCIAL PERFORMANCE

In this chapter, Safran presents its non-financial information statement (NFIS) in accordance with Article L.225-102-1 of the French Commercial Code (*Code de commerce*). This statement outlines Safran's corporate social responsibility (CSR) approach, highlighting its policies, commitments, achievements and results. The Integrated Report includes a presentation of Safran's stakeholder relations and business model.

Chapter 5 takes into account the following French legislative requirements in particular:

- government *ordonnance* (order) 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017 transposing into national law the European directive of October 22, 2014 on the disclosure of non-financial information by companies;
- law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and contracting companies;
- French law no. 2016-1691 of December 9, 2016 on transparency, anticorruption measures and modernization of the economy ("Sapin II").
- Regulation (EU) 2020/852 of June 18, 2020, known as the Taxonomy Regulation, and its Delegated Acts.

Safran has also initiated the necessary steps to prepare for the implementation of Directive 2022/2464 of December 14, 2022 (Corporate Sustainability Reporting Directive, or CSRD), as transposed into French law by French government order 2023-1142 of December 6, 2023, on the publication and certification of sustainability disclosures and the environmental, social and corporate governance obligations of commercial companies. These provisions, which came into force on January 1, 2024, will be implemented in Safran's sustainability report, which will be published for the first time in 2025.

This chapter is a part of the management report provided for in Article L.225-100 of the French Commercial Code. It is verified by an independent third party, whose report is presented in section 5.7.7. Its opinion expresses a mandatory limited assurance conclusion on certain quantitative indicators, as required by law, but also a voluntary higher level of assurance, known as "reasonable assurance", on indicators marked with the symbol **[AR]**.

5.1 ORGANIZATION AND MANAGEMENT OF NON-FINANCIAL PERFORMANCE

5.1.1 Stronger CSR governance in 2023

In 2023, Safran achieved its goal of taking the Group's approach to environmental and social responsibility to the highest level by creating the Group Sustainable Development Department, headed by a Chief Sustainability Officer sitting on the Group Executive Committee. The new department brings under one roof the CSR issues previously covered by the Human and Social Responsibility Department, and the Climate and Environment Department previously under the responsibility of the Strategy Department, with added responsibility for circular economy issues.

The CSR roadmap is presented annually to the Group Executive Committee and to the Board of Directors. CSR issues are addressed, where appropriate, in the various committees reporting to the Group Executive Committee (Compliance, Ethics and Anti-Fraud Committee) or the Board of Directors (Audit and Risk Committee, Appointments and Compensation Committee, and Innovation, Technology & Climate Committee) (see section 6.3.6.3). The CSR strategy is also included in the presentation of the Group's strategic challenges to employee representative bodies. Safran's governance bodies and the separation between Executive Management and the Board of Directors are described in chapter 6 of this document.

To respond effectively to the CSRD requirements, the Finance and Sustainable Development departments have formed a multidisciplinary project team. It has worked to analyze areas where Safran deviates from the new standard and to identify the Group's material issues (dual materiality analysis).

A network of CSR coordinators from each of the Group's companies contributes to the implementation of the CSR strategy. These coordinators, accompanied by experts from Group departments, take part each year in meetings of several committees dedicated to each pillar of the CSR strategy.

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

5.1.2 "Engage for the Future", a CSR approach at the heart of Safran's strategy

"Engage for the Future" supports the Group's global strategy and aims to ensure its sustainability. This approach, which combines profitability and responsibility, is a driver of value creation in the short-, medium- and long-term, which in turn is a performance driver for the Group.

5.1.2.1 A CSR strategy co-constructed with all stakeholders

Safran developed its CSR strategy in consultation with all of its stakeholders (suppliers, customers, shareholders, employees, employee representative bodies, etc.). Expectations and challenges in terms of corporate social responsibility were compiled through two consultations: one to develop a materiality matrix and another to form working groups involving employees. "Engage for the Future" illustrates the commitment shared by the Company and its employees to strive towards a sustainable future in our day-to-day actions.

Definition of the non-financial challenges through the materiality matrix

Safran updated the materiality matrix plotting its non-financial challenges in 2020. The 2020 matrix was based on the Group's risk mapping, studies on the challenges facing the aerospace industry, and an in-depth analysis of reference frameworks such as the UN Sustainable Development Goals (SDGs), non-financial reporting requirements and recommendations, and international frameworks such as the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI). Further to this analysis, 37 challenges were identified.

These challenges were subsequently submitted to more than 600 senior executives from all Group companies worldwide, to members of the Group Executive Committee, and to a panel of 70 external stakeholders representing each major category (business community, financial community, public partners and civil society). The consultation comprised 25 interviews and an online survey.

The matrix shows:

- on the X-axis, challenges classified according to their importance for Safran employees;
- on the Y-axis, challenges classified according to their importance for external stakeholders.

It represents a snapshot of respondents' opinions and perceptions at a given point in time. A consensus emerged, both internally and externally, on Safran's nine priority challenges and on how respondents' expectations have changed. This work enriched the CSR strategy.

The nine challenges appear in the circle in the upper right-hand corner of the matrix. They are:

- quality and safety of products and services (see section 5.5.1.1);
- customer satisfaction and trust;
- the promotion of business ethics and the fight against corruption (see section 5.5.1.3);
- reduction of atmospheric emissions and the carbon footprint linked to the use of products and services (see section 5.3);
- innovation and eco-design of products and services (see section 5.5.3.1);
- technological developments (see section 5.3);
- attractiveness of Safran and talent recruitment (see section 5.4.1.3);
- skills development and talent retention (see section 5.4.1);
- health and safety in the workplace (see section 5.4.2.1).

Each year, challenges defined previously are compared with the Group's risk mapping for confirmation, and to ensure their alignment with the material risks to which the Group is exposed (see section 4). In 2024, dual materiality analysis will be conducted in preparation for the CSRD requirements.

Materiality matrix of non-financial challenges

5.1.2.2 "Engage for the Future", Safran's CSR strategy

Safran's CSR strategy, "Engage for the Future", is the outcome of a collective effort involving all stakeholders and reflects Safran's core purpose (*raison d'être*).

"Engage for the Future",
a strategy based on 4 pillars, with 12 key commitments

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."

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 CO_2 emissions throughout our value chain
3. Involve employees in the reduction of their carbon footprint

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

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

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

5.1.2.3 Key objectives aligned with the UN Sustainable Development Goals

To achieve its ambitions and create value, Safran has set objectives enabling it to track progress on each pillar of the CSR roadmap annually. The Scope 1 and 2 greenhouse gas emissions reduction objective is for 2030, while that for Scope 3 emissions from product use is for 2035. All other objectives are to be achieved by 2025. All of the indicators mentioned below relate to a Group scope unless otherwise stated (see section 5.7.2). Indicator definitions and methodologies are described in section 5.7.4 and 5.7.5.

Safran supports the United Nations Sustainable Development Goals (SDGs) and is contributing to their achievement through its "Engage for the Future" strategy, which is built on clear and measurable targets.

DECARBONIZE AERONAUTICS

Be recognized as a leader in the decarbonization of the aviation sector

Objectives	2021	2022	2023
2025 OBJECTIVES	**75%**	**81%**	**88%**
#1 Keep 75% of self-funded R&T investment focused on environmental efficiency *(Scope 3 – product use)*[7]			
2035 OBJECTIVES	**-13%**	**-24%**	**-27%**[3]
#2 Reduce greenhouse gas emissions from product use (Scope 3), based on seat kilometers, by 42.5% by 2035 compared with 2018[1] *(in g CO_2eq./seat kilometer*[2]*)*[7]			
2025-2030 OBJECTIVES	**-30.3%**	**-30.2%**	**-34%**[4][5]
#3 Reduce greenhouse gas emissions (Scopes 1 and 2) by 30% by 2025 and then by 50.4% by 2030 compared with 2018 *(in t CO_2eq.)*[5]	(403,113 t CO_2eq.)	(405,664 t CO_2eq.)	(380,973 t CO_2eq.)
2025 OBJECTIVES			
#4 100% of facilities to have achieved the zero targets roadmap			
■ Zero machines or equipment running unnecessarily (from 2022)	**N/A**	**50%**	**90%**[6]

Contribution to the Sustainable Development Goals

SDG 13 – CLIMATE ACTION – TARGETS: 13.1, 13.2, 13.3

Safran aims to lead the way in the decarbonization of the aviation industry, see section 5.3:

- R&T investment focused on environmental efficiency, choice of technologies contributing to ultra-efficient aircraft by 2035 and use of sustainable aviation fuel (SAF), etc.
- Climate strategy – Scopes 1, 2, 3 (see section 5.3.3.1)
- Reduction of CO_2 emissions throughout our value chain, particularly Scope 3
- Adherence to the Climate-related Financial Disclosures (TCFD) recommendations on climate reporting
- Certification of Safran's GHG reduction trajectory by the Science-Based Targets initiative (SBTi) in 2023. Safran is one of the first aerospace companies to have achieved a level of ambition recognized by SBTi as aligned with the goals of the Paris Climate Agreement

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SDG 7 – AFFORDABLE AND CLEAN ENERGY – TARGETS: 7.2, 7.3

Safran is committed to energy efficiency and the decarbonization of its consumption (see section 5.3):

- Implementation of an energy management system with a network of energy officers
- 10% reduction in gas and electricity consumption for all sites worldwide in 2024 compared with 2019. In 2023, Safran reduced the energy consumption of its European sites by 21%
- Use of low-carbon energy sources
- On-site production and self-consumption of renewable energy
- Employee awareness-raising on eco-friendly practices

N/A: data not available.

(1) *2018 was chosen as the earliest reference year to take into account the emissions of the former Zodiac Aerospace, acquired by Safran that year.*

(2) *As from 2022, the calculation is made per seat-kilometer as opposed to passenger-kilometer (see section 5.7.5).*

(3) *In 2023, Safran Cabin's non-propulsion catering and freight activities were sold. They generated indirect emissions representing an average of 4.86% of Scope 3 emissions from product use over the 2018-2022 period.*

(4) *In 2023, Safran Cabin's non-propulsion catering and freight activities were sold. On average, they represented less than 1% of Scope 1 and 2 emissions over the 2018-2022 period.*

(5) *Change in Scope 1 and 2 emissions compared with 2018, market-based method, see section 5.7.5.*

(6) *As of December 31, 2023, 90% of the Group's 125 industrial sites had introduced labeling to identify methods for shutting down machinery and equipment. 89% of these items had been labeled by the end of 2023.*

(7) *Indicators audited voluntarily to the higher level of assurance known as "reasonable assurance".*

BE AN EXEMPLARY EMPLOYER

Be considered as an employer of choice by our employees and the talents of the sector

Objectives	2021	2022	2023	Contribution to the Sustainable Development Goals
2025 OBJECTIVES **#5** Provide 26 hours of training on average per employee[1][2]	21	25	31	**SDG 4 – QUALITY EDUCATION – TARGET: 4.4** Safran is committed to supporting work- and sector-based transformations and to meeting the aspirations of its employees: ■ Training on business skills, digital transformation, energy transition, performance and business support, managerial skills and leadership (see section 5.4.1.5) ■ Support and development tools for employees: mentoring, orientation day, specific training, etc. (see section 5.4.1.2) ■ Integration of young people into the workforce: mentoring of young people on training courses by Group employees, European agreement to promote the integration of young people into the workforce, communication campaigns on social networks and recruitment sites to promote awareness of jobs in Safran's businesses. Industrial schools have been created at certain Safran sites to train new employees in specific skills not available in the labor market (see section 5.4.1.3).
#6 Maintain a frequency rate of lost-time work accidents less than or equal to 2[1]	2.1	2.1	2.1	**SDG 3 – GOOD HEALTH AND WELL-BEING – TARGETS: 3.6, 3.8, 3.9** Safran strives to control risks and to promote a culture of prevention for the health and safety of its employees and all stakeholders (see section 5.4.2.1): ■ On-site safety roadmaps, guidelines and assessments: HSE (health, safety and environment) policy, internal HSE guidelines integrating ISO 45001, ISO 14001 and operational requirements specific to Safran, annual audits of industrial sites to verify application of the guidelines ■ Occupational health services: employee well-being, access to occupational health, vaccination, prevention of psychosocial risks, workstation ergonomics ■ Training and awareness-raising for employees on a range of subjects: road risks, specific illnesses, etc.
#7 100% of employees to benefit from a minimum level of health coverage (medical, optical and dental)[1]	79%	77%	77%	
#8 22% of women among senior executives[1][2]	15.1%	17%	19.5%	**SDG 10 – REDUCED INEQUALITY – TARGETS: 10.2, 10.4** Safran is committed to reducing workplace inequality and combating all forms of discrimination (see section 5.4.3): ■ Awareness-raising for employees on unconscious bias and stereotypes, online training on diversity, inclusion and non-discrimination ■ Implementation and management of the Diversity and Inclusion roadmap aimed at developing a culture of inclusion and accelerating momentum on strategic priorities ■ Coordination of the disability policy on all French sites **SDG 8 – DECENT WORK AND ECONOMIC GROWTH – TARGETS: 8.2, 8.3, 8.5, 8.8** Safran creates and maintains jobs (see section 5.4). In 2023: ■ 21,377 new hires, breaking down as 18,101 on permanent contracts and 3,276 on fixed-term contracts ■ 91,984 employees on 275 sites in 32 countries ■ Commitment to fair and equitable compensation, giving employees a stake in the Company's performance (see section 5.4.1.7) ■ Calculation and publication of pay ratios (see section 6.6.3.4) **SDG 5 – GENDER EQUALITY – TARGETS: 5.1, 5.5** Safran works to promote workplace equality, equity and gender balance in all positions (see section 5.4.3.2): ■ Promotion of gender balance in governance: the increase in the number of female managers is an indicator monitored directly in company management committees. This is one of the personal objectives of the Group's Chief Executive Officer ■ Educational workshops on sexism ■ Mentoring and coaching for women in their careers ■ Sites with Gender Equality European & International Standard (GEEIS) certification ■ Agreement on parenthood in France to promote work-life balance ■ Facilitation of internal women's or gender-balanced networks to promote professional development within the Group ■ Visibility of women's careers in the aerospace industry

(1) Indicator definitions and methodologies are described in section 5.7.4.
(2) Indicators audited voluntarily to the higher level of assurance known as "reasonable assurance".

EMBODY RESPONSIBLE INDUSTRY

Be the benchmark in our production methods and throughout our value chain

Objectives	2021	2022	2023	Contribution to the Sustainable Development Goals
2025 OBJECTIVES	89%	77%(1)	85%(1)	
#9 100% of senior executives and exposed or affected employees trained in anticorruption				
#10 80% of purchases made from suppliers that have signed Safran's responsible purchasing guidelines(2)	32.4%	59.3%	72%	
#11 100% of industrial facilities classified as "Gold" based on Safran's HSE standards(2)	33%	41%	47%	
#12 Increase the waste recovery ratio compared with 2019 (68.3%)	71.1%	69.2%	71%	

SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS – TARGETS: 16.4, 16.5, 16.7, 16.10

Safran is constantly striving to ramp up measures to promote transparency and combat corruption (see section 5.5.1):

- Ethics policy consisting of the Ethical Guidelines, the code of conduct for the prevention and detection of acts of corruption and the anti-fraud policy
- Zero tolerance of corruption in the Group
- Internal system to control exports of military products (see section 5.5.1.4)
- Transparency on the composition, appointment (see section 6.2) and compensation of governance bodies (see section 6.6)
- Whistleblowing system featuring various reporting channels, including a secure email address for collecting reports, managed by an independent third party, measures to protect the whistleblower
- Reinforcement of internal compliance procedures with the establishment of commitments and the automatic verification of partners' share ownership

SDG 15 – LIFE ON LAND – TARGET: 15.1

Safran complies with all applicable regulations and takes measures to protect biodiversity (see section 5.5.3.7):

- Study assessing the Group's key biodiversity impacts and dependencies
- Local impact studies on biodiversity before applying for operating permits

SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE – TARGET: 9.4

Safran aims to develop its business without undermining the capacity for natural resources to replenish (see section 5.5.3):

- Rollout of an eco-design approach
- Limitation of harmful chemical substances
- Circular economy approach with a reduction in the use of natural resources through the development of maintenance solutions and through reuse, product repairability, recycling and recovery
- Waste reduction and recovery

SDG 6 – CLEAN WATER AND SANITATION – TARGETS: 6.3, 6.4

Safran limits its impact on ecosystems and pays particular attention to water management (see section 5.5.3.6):

- Control of water consumption, used mainly for sanitation
- Treatment of water from industrial processes

SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION – TARGETS: 12.4, 12.5

Safran recycles and recovers its products and waste (see section 5.5.3.5), and maintains balanced relations with its suppliers (see section 5.5.2):

- Sustainable Procurement and Supplier Relations Label obtained in 2017
- Reduction, treatment and recovery of waste on the Group's sites
- Joint creation of Tarmac Aerosave, a company specializing in the dismantling and recycling of aircraft and recovery of aluminum shavings
- Partnership between Tarmac Aerosave and start-up Fairmat to develop a low-carbon-footprint recycling process for carbon fiber composites

(1) 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). In 2023, on the same base, 85% of senior executives and employees exposed or affected received anticorruption training, including 100% of senior executives. In 2023, following the completion of MOOCs in 2002, employees were required to take a quiz to validate their knowledge. In addition, new hires concerned by or exposed to the risk of corruption are systematically required to complete digital training.

(2) Indicators audited voluntarily to the higher level of assurance known as "reasonable assurance".

AFFIRM OUR COMMITMENT TO CITIZENSHIP

Get involved with our local communities and contribute to their development

Objectives	2021	2022	2023	Contribution to the SDGs
2025 OBJECTIVES **#13** Host more than 63 new PhD students in Safran teams each year[1]	**47**	**80**	**73**	SDG 17 – PARTNERSHIPS FOR THE GOALS – TARGETS: 17.16, 17.17 Safran contributes to skills development through scientific, technological and academic partnerships (see section 5.6.2): ■ Collaboration with institutes, university laboratories and industrial research chairs ■ Creation of training centers in the countries where Safran operates ■ Partnership with CampusFab, a consortium of industry players and employment and training organizations that trains aerospace industry technicians and engineers for the jobs of the industry of the future ■ Partnerships with innovative companies to develop emerging technologies: support for innovation and R&T projects with startups and a startup accelerator ■ Number one **French patent applicant in Europe since 2022 according to the French National Institute of Intellectual Property**
#14 100% of sites with 50 or more employees carrying out at least one community initiative	**45.3%**	**76%**	**76%**[2]	SDG 4 – QUALITY EDUCATION – TARGET: 4.4 SDG 8 – DECENT WORK AND ECONOMIC GROWTH – TARGET: 8.5 Safran carries out initiatives outside the Company (see section 5.6.3): ■ More than 600 initiatives carried out on all sites worldwide thanks to the commitment of employees on a range of issues (social, health, environment, etc.) ■ Initiatives by the Safran Corporate Foundation for Integration to help young people with disabilities and disadvantaged or marginalized young people ■ Sponsorship: support for non-profits to promote learning in mathematics and science, partnerships to develop mentoring to promote equal opportunity, etc.

(1) Indicator audited voluntarily to the higher level of assurance known as "reasonable assurance".
(2) The KPI result was maintained, despite the broadening of the scope in 2023 to include sites with 50 or more employees and their various community initiatives. 32 sites were added. The number of community initiatives increased by 13% between 2022 and 2023.

5.1.3 An approach backed by internal and external reference frameworks

5.1.3.1 United Nations Global Compact and Sustainable Development Goals

Safran became a signatory to the United Nations Global Compact in 2014. The Global Compact comprises ten principles relating to respect for human rights, international labor standards, the environment and the fight against corruption. This voluntary membership implies adherence to and promotion of these universal principles in its practices. The Group's Chief Executive Officer assumes direct responsibility for this commitment.

Safran certifies the effective implementation of these principles by posting a Communication on Progress (CoP) on the United Nations Global Compact website each year. The Group is classified as Advanced in the CoP reporting framework, the highest standard in terms of CSR performance.

Safran's CSR strategy is part of the global contribution to the achievement of the 17 Sustainable Development Goals (SDGs) set by the United Nations for 2030.

5.1.3.2 Safran's key CSR documents

Safran's key internal corporate social responsibility documents include:

- the global CSR framework agreement (see below);
- the CSR strategy (see section 5.1.1.2);
- the ethical guidelines (see section 5.1.2);
- the climate strategy (see section 5.3.3);
- the code of conduct for the detection and prevention of acts of corruption and the responsible lobbying charter (see section 5.5.1.3);
- the health, safety and environmental policy (see section 5.4.2.1);
- the responsible purchasing policy (see section 5.5.2.1);
- the Group's duty of care plan (see section 5.5.4).

These documents are applicable at all Safran sites, in all of the countries where the Group operates.

5.1.3.3 Safran's global CSR framework agreement

Safran has reaffirmed its commitment to CSR by renewing and strengthening its global framework agreement. Signed on December 4, 2023, this agreement involves the IndustriALL Global Union and was ratified by representatives of the CFE–CGC, CFDT and CGT-FO French metalworking federations.

This agreement renews and extends the initial commitments made in 2017. It applies to all companies in all countries where the Group operates, as well as to all employees, and covers relations with suppliers, taking into account social and environmental developments while respecting cultural, social and economic diversity.

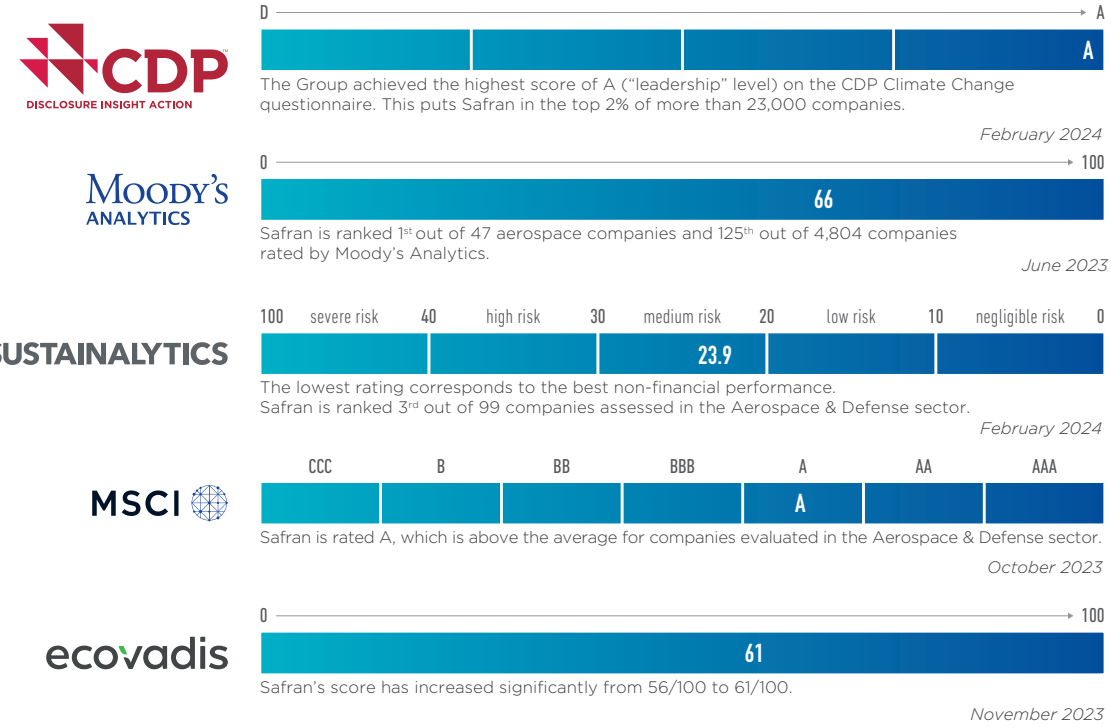
Its key objectives are to:

- place the Group's social responsibility policy within a negotiated framework in accordance with international labor conventions;
- reaffirm Safran's ambitious commitments in the fight against climate change and the preservation of the environment, notably by protecting natural resources and biodiversity, by reducing waste and promoting its recovery, and by preventing pollution risks in order to minimize the environmental impact of its activities;
- continue to implement the Group's human resources policy, which emphasizes the development of talents and skills, as well as quality of life and well-being at work, while promoting diversity and equal opportunity;
- guarantee rights to employee representation, in particular trade union rights, as well as the rights associated with freedom of negotiation and social dialogue;
- recognize Safran's commitment to ethical business practices towards its customers and suppliers. Safran is committed to fighting against all forms of corruption and regularly sharpens employee awareness through appropriate communication resources and training;
- ensure that respect for fundamental rights is a key criterion in the selection and evaluation of suppliers, subcontractors and service providers;
- take into account the impact of its activities: encourage the use of local human resources to fill available positions wherever possible in each host country.

5.1.4 Assessment of CSR performance by non-financial rating agencies

Assessments carried out by non-financial rating agencies on respect for the environment, social values, community engagement and corporate governance attest to the Group's CSR performance.

The Group's non-financial ratings



In 2023, for the first time, the Group achieved the highest score of A (leadership level) in the CDP Climate Change survey. This puts Safran in the top 2% of more than 23,000 companies.

In addition, several of our sites hold CSR certification aligned with ISO 26000 on social responsibility:

- in Morocco, the sites of Safran Electrical & Power and MATIS Aerospace (a joint venture between Safran and Boeing) have obtained the CSR label of the General Confederation of Moroccan Enterprises (CGEM) for the 2022-2025 period;
- In Mexico, in 2023, the Safran Aircraft Engines and Safran Landing Systems sites renewed their status as socially responsible companies awarded by CEMEFI (Mexican Center for Philanthropy).

5.2 MAIN NON-FINANCIAL RISKS AND SUMMARY OF NON-FINANCIAL PERFORMANCE

Chapter 4, "Risk factors" and chapter 5, "Non-financial performance" of this Universal Registration Document are linked, and cross-references are provided. Chapter 4 presents an analysis of the main risk factors and describes how they are addressed by Safran, while chapter 5 is dedicated to the main non-financial risks (listed in the table below) and the associated performance (see sections 5.3 to 5.6). These risks were assessed on the basis of the materiality matrix and key risks identified in Safran's Enterprise Risk Management system, described in Chapter 4, as well as the business model presented in Safran's integrated report. The indicators presented show the effectiveness of the policies implemented to manage the risks. All of the indicators mentioned below relate to a Group scope unless otherwise stated.

The main non-financial risks described in this section are as follows:

- risks relating to climate change;
- corruption risks;
- risks relating to shortages of skills and know-how;
- risks relating to loss or lack of attractiveness;
- health, safety and environmental (HSE) risks;
- risks relating to suppliers;
- risk relating to insufficient gender balance;
- aircraft safety risks.

In the current economic and political environment characterized by growing demand from airlines, tension in supply chains, sustained inflation and geopolitical conflicts, Safran is intensifying its care with regard to non-financial risks. Safran exceeded its recruitment targets in 2023, and is clearly not suffering from a lack of attractiveness.

RISKS RELATING TO CLIMATE CHANGE

Climate change presents a twofold challenge for Safran in terms of:

1. The impact of climate change on the Group's activities, in most regions of the world;
2. The impact of the Group's activities on climate change. Safran contributes to greenhouse gas emissions both directly, through its industrial operations, purchases, freight and employee travel, and indirectly, through customers' use of its products, particularly in the aviation sector.

Safran has identified two types of risk:

- physical risks (see section 5.5.3.8) resulting from damage caused directly by extreme weather and climate events, which could cause damage to the Group's facilities and endanger the safety of its employees. The exposure of Safran's sites and their value chains to these risks is largely dependent on their geographic location. The frequency and intensity of climate events, aggravated by the rise in global temperatures, are taken into account when deciding where to locate Safran's activities;
- transition risks stemming from economic, regulatory, labor and social changes in relation to the fight against climate change. This could include new taxes, regulatory measures to reduce the use of air transport, loss of market share or loss of attractiveness of the industry for investors or of Safran if more competitive products for decarbonization are developed by competitors.

Risks relating to technological developments and the decarbonization of aeronautics are described in section 4.3.3.1.

The challenges relating to climate change may also present opportunities for the Group, especially through the development of innovative products that improve the energy efficiency of aircraft and the energy consumption of our industrial processes.

Policies and procedures	Indicators	2018	2021	2022	2023	Year-on-year change
Strategy and action plan to combat climate change (see section 5.3)	Emissions in metric tons of CO_2 equivalent:					
	Scope 1[1][2] **[AR]**	219,790	177,317	177,299[3]	167,774[5]	-5%
	Scope 2 (location based)[1] **[AR]**	383,186	244,466	264,420[3]	269,279[5]	2%
	■ Scope 2 (market based)[1][4] **[AR]**	358,887	225,796	226,431[3]	213,199[5]	-6%
	■ Scope 3[1]:					
	● product use	113,800,000[5]	52,300,000[5][10]	56,100,000[10]	61,800,000[6][10]	10%
	● purchased goods and services;	4,961,000	2,735,000	4,392,000	5,780,000[7]	32%
	● freight	264,700	183,200	267,400	272,700[7][8]	2%
	● business travel	68,450	16,100[11]	28,100[11]	38,780[9]	38%
	● employee commuting[10];	118,600	97,100	103,600	111,600	8%
	● Upstream emissions related to energy consumption	118,591	89,785	97,500	103,705	6%
	● Emissions related to waste treatment	21,000	14,200	14,700	17,345	18%

(1) Indicator definitions and methodologies are described in section 5.7.5.
(2) Direct emissions from biogas are included in the Scope 1 calculation.
(3) 2022 emissions figures, which included estimated data for fourth-quarter 2022, were revised in 2023 to reflect the actual data.
(4) Scope 2 market-based values were reported for the first time in the 2021 Universal Registration Document and have been fine-tuned in this document, notably to take into account the emission factors of Safran's suppliers.
(5) In 2023, Safran Cabin's non-propulsion catering and freight activities were sold. On average, they represented less than 1% of Scope 1 and 2 emissions over the 2018-2022 period.
(6) In 2023, Safran Cabin's non-propulsion catering and freight activities were sold. They generated indirect emissions representing an average of 4.86% of Scope 3 emissions from product use over the 2018-2022 period.
(7) The increase in emissions is partly attributable to the resumption of operations. The increase resulting from purchases of goods and services and freight is also partly attributable to inflation, as greenhouse gas emissions are primarily measured based on monetary emission factors.
(8) In 2023, freight emissions were assessed for the first time using a hybrid method, as described in section 5.7.5.
(9) Emissions remained contained in 2023, despite the resumption of business travel.
(10) In 2021 and 2022, and to a lesser extent in 2023, Scope 3 (product use) was impacted by the decline in deliveries in the wake of the Covid-19 epidemic.
(11) Emissions related to business travel were down significantly in 2021 and 2022, also due to the Covid-19 epidemic.

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

CORRUPTION RISKS

As a global company, Safran must comply strictly with all anticorruption laws and regulations, including any extraterritorial effects.

Corruption risks cover exposure of various types, from direct and indirect active corruption to passive corruption, influence peddling and conflicts of interest.

Policies and procedures	Indicators	2021	2022	2023	Year-on-year change
Corruption risk prevention and detection program (see section 5.5.1) Ethical Guidelines (see section 5.5.1.2)	% of senior executives and exposed and affected employees trained in anti-corruption	89%	77%(1)	85%	10%

(1) The compliance training policy was reviewed in 2022, with a new structure and a larger pool of people to be trained (an increase of more than 35%, from over 4,000 to over 6,300 people). In 2023, 85% of senior executives and employees exposed or affected received anticorruption training, including 100% of senior executives. The scope covered nearly 5,500 exposed or affected employees. In 2023, following the introduction of MOOCs in 2022, employees were required to take a quiz to check their knowledge. In addition, new hires concerned by or exposed to the risk of corruption are systematically required to complete digital training.

RISKS RELATING TO SHORTAGES OF SKILLS AND KNOW-HOW

The risk of a shortage of skills and know-how may be related to:

- accelerated change in business, stemming from digital transformation or the emergence of disruptive technologies and new societal challenges;
- the challenge of matching workloads, capacity and skills to needs, with strong growth in the workforce in a dynamic business environment;
- tension on key expertise in the labor market, intense competition between business sectors and high staff turnover in certain geographic areas.

Policies and procedures	Indicators	2021	2022	2023	Year-on-year change
Talent management policy (see section 5.4.1.1)	% of Group employees who have taken one or more training courses	82%	90%	91%	2%
Safran University transformation plan (see section 5.4.1.5)	Average number of training hours per employee. **[AR]**	21	25	31	21%

RISKS RELATING TO LOSS OR LACK OF ATTRACTIVENESS

The risk of loss or lack of attractiveness for the Group may be linked to:

- long recruitment times for specialized profiles as well as for new professions for Safran, due to the shortage of skills in certain professions and regulatory constraints;
- the high concentration of industrial companies in certain pools, generating intense competition (flexibility, compensation, career paths and development) to attract skills and talent;
- a work environment specific to large industrial groups perceived as not very agile;
- the poor public image of jobs in the industry in general and in the aerospace industry in particular.

These risks are described in section 4.3.3.3.

Policies and procedures	Indicators	2021	2022	2023	Year-on-year change
Recruitment policy (see section 5.4.1.3)	Permanent departure replacement index (1)	0.82	1.5	1.8	20%

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".
(1) The replacement index for permanent departures is the ratio of external new hires to permanent departures.

HEALTH, SAFETY AND ENVIRONMENTAL RISKS

Risks relating to industrial activities:

- risks inherent to activities, such as major industrial and environmental accidents;
- risks to health (physical and mental) and safety relating to activities;
- public health risks;
- impacts of weather events on property and people.

Risks relating to new regulations:

- diverse, shifting and increasingly stringent local and international health and safety regulations and standards that are applicable to Safran's activities. Non-compliance with regulations is a risk for the Group.

Policies and procedures	Indicators/key documents	2021	2022	2023	Year-on-year change
The health, safety and environmental policy (see section 5.4.2.1)	Frequency rate of lost-time work accidents	2.1	2.1	2.1	-
	Severity rate	0.08	0.07	0.06	(14%)
HSRD pillars (see section 5.4)	Absenteeism rate	2.84%	3.7%	3.15%	(15%)

RISKS RELATING TO SUPPLIERS

In 2023, Safran purchased goods and services worth €14.1 billion[(1)], or nearly 63% of the Group's revenue, from approximately 14,000 significant suppliers[(2)]. Despite Safran's best efforts, ensuring strict compliance with all social, environmental and ethics legislation by all of its suppliers remains a challenge. The responsible purchasing policy is designed to mitigate these risks among suppliers, in particular those related to non-respect of human rights, and health, safety and environmental impacts, including those associated with climate change and corruption. By association, these supplier-related risks can impact Safran's business, image and profitability.

The management and monitoring of these risks are addressed in the duty of care plan (see section 5.5.4), prepared pursuant to French law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and contracting companies.

Policies and procedures	Indicators	2021	2022	2023	Year-on-year change
Responsible purchasing policy (see section 5.5.2.1) Duty of care plan (see section 5.5.4)	% of buyers trained in responsible purchasing methods	49.8%	48.1%	61%	26%
Safran's responsible purchasing guidelines (see section 5.5.4.2)	% of purchases made from suppliers that have signed the responsible purchasing guidelines **[AR]**	32.4%	59.3%	72%	22%

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

(1) The purchasing indicators are based on purchases managed by Safran, i.e., €11.3 billion, and not on all of the Group's purchases, which also include purchases related to administration and partners.

(2) Safran works with 25,179 suppliers, of which 13,896 generate annual purchase volumes exceeding €10,000.

RISKS RELATING TO INSUFFICIENT GENDER BALANCE

The risk of insufficient gender balance may be related to:

- insufficient representation of women in the Company, especially in senior positions, generating a risk in terms of image, attractiveness and performance. This stems from the under-representation of women in scientific and technical fields, as well as in the aeronautics sector.

Policies and procedures	Indicators	2021	2022	2023	Year-on-year change
Approach and action plan for professional equality between men and women (see section 5.4.3.2)	% of women:				
	■ in external recruitment	31.3%	34.4%	36.9%	7%
	■ in the workforce	27.9%	28.5%	29.3%	3%
	■ among senior executives **[AR]**	15.1%	17%	19.5%	15%

AVIATION SAFETY RISKS

To control the risks of aircraft accidents potentially involving its goods or services (see section 4.3.1.1), Safran has implemented aviation safety and quality policies (see sections 1.7 and 5.5.1.1) and a robust and proven safety management system (see section 1.7).

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

5.3 CLIMATE: DECARBONIZE AERONAUTICS

DECARBONIZE AERONAUTICS

Be recognized as a leader in the decarbonization of the aviation sector

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

Safran aims to lead the way in the decarbonization of the aviation industry. It has made low-carbon aircraft the priority of its research and technology (R&T) and is committed to reducing its CO_2 emissions across its entire value chain. Employees are also called on to reduce their individual carbon footprint.

5.3.1 Background and challenges

The 2015 Paris Climate Agreement set the goal of capping the increase in the Earth's average temperature at 2°C, or even 1.5°C, by the end of the century compared with pre-industrial levels. Safran is fully committed to that objective, and accordingly assesses its strategy, risks and opportunities under a range of climate scenarios(1).

In 2019, civil aircraft in operation worldwide emitted 2.5%(2) of global CO2 emissions. By 2023, global air traffic had returned to 94% of its 2019 level, according to the International Air Transport Association(3) (IATA). The need to reduce these emissions is especially urgent in view of the significant growth prospects for air traffic in the coming decades. In addition to CO2, aircraft engines produce other emissions (contrails, nitrogen oxides) that could have a further impact on global warming.

The decarbonization of air transport is Safran's main climate challenge. In 2023, emissions associated with the use of its products on aircraft accounted for approximately 90% of the Group's total carbon footprint.

In addition to the risks presented in sections 5.2 and 4.3.3.1, the challenges associated with climate change also present opportunities for Safran's business model:

- the primary opportunity is the commercial development of innovative next-generation products that help reduce emissions in the aviation sector;
- on a secondary basis, it is possible to strengthen the operational performance of the Group's industrial activities through investments aiming to reduce energy consumption and greenhouse gas (GHG) emissions. At the same time, it helps strengthen the Group's energy independence and resilience in the face of energy supply crises.

5.3.2 Climate commitment and governance

As an engine and equipment manufacturer operating in the aerospace sector, Safran has made the decarbonization of aviation one of the two pillars of its strategy alongside sovereignty, and a central part of its mission and concerns. The Group's commitment to climate change is supported at the highest level of the company:

- the **Climate and Environment Department**, which reports to the Executive Committee, **was integrated into the Group Sustainable Development Department** in 2023 in order to increase its visibility and ensure that sustainability challenges are taken into account in the company's decisions (see section 5.1.1);
- the **Climate Steering Committee**, chaired by the Chief Executive Officer. It brings together members of the Group Executive Committee representing the main businesses involved in action on climate challenges: Research and Technology, Climate and Environment, Strategy, Public Affairs, Finance, Financial Communications, Operations, Corporate Social Responsibility and Communications, as well as CEOs of the tier-one entities. It lays down the Group's focuses and endorses the objectives and roadmaps for the various types of CO_2 emissions (Scopes 1, 2 and 3). The Committee met four times in 2023;
- the **Innovation, Technology & Climate Committee** within the Board of Directors reviews, appraises and issues opinions on both the strategy proposed by the Executive Management and the action plan and indicators associated with climate issues (see section 6.3.6.3). The Committee is chaired by an independent Director tasked specifically with monitoring climate issues, Safran's strategic orientations in this area are presented at the Annual General Meeting.

The focuses and strategy overseen by these high-level committees are implemented by the Climate and Environment Department.

(1) The Sustainable Development Scenario (warming well below 2°C) and Net Zero Scenario (warming of 1.5°C) of the International Energy Agency (IEA).
(2) Data from the International Energy Agency (IEA) and the International Council on Clean Transportation (ICCT). Includes global emissions relating to change in land use.
(3) Source: www.iata.org, article published on January 31, 2024.

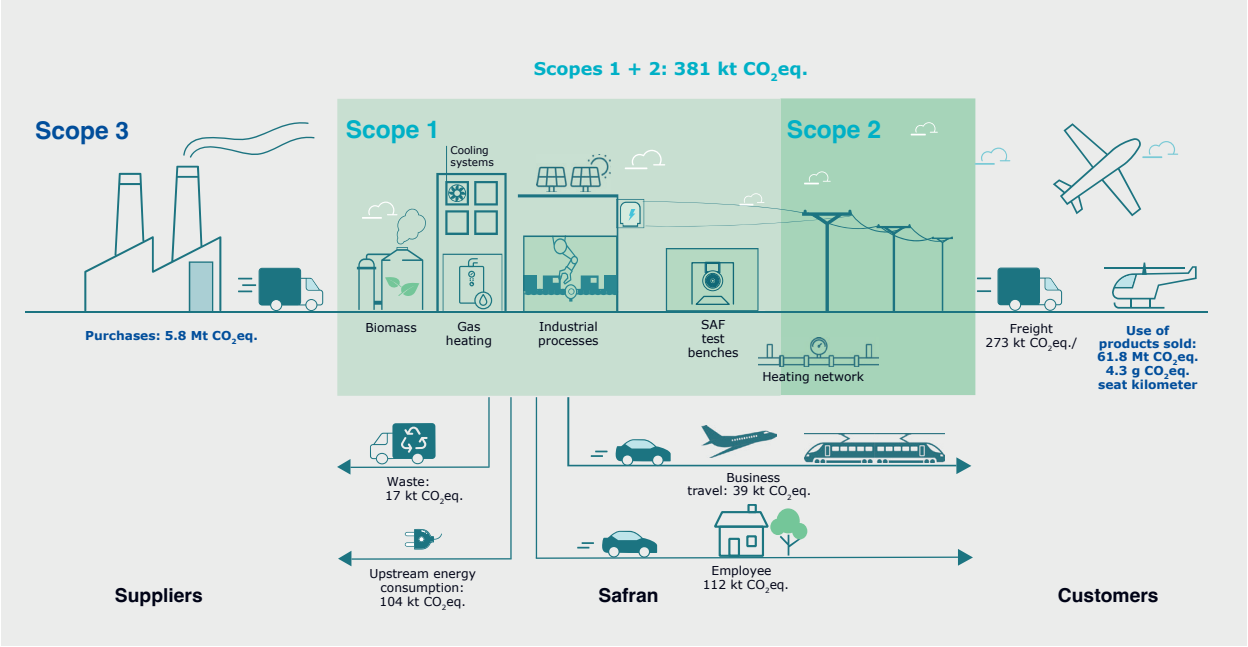
Responsibility for the implementation of the roadmap and its follow-up falls to different bodies:

- **four committees of a more operational nature**, each chaired by two members of the Executive Committee, including a tier-one entity CEO, adapt and implement Safran's climate strategy in the following areas: energy and low consumption; supply chain; employee mobility and product use;
- the operational management of actions is the responsibility of low-carbon project managers in the tier-one entities, as well as representatives in the business departments (purchasing, supply chain, energy, business travel, etc.);
- lastly, progress on the action plan is reviewed regularly by the Group Executive Committee.

5.3.3 Strategy

5.3.3.1 Strategy and objectives in the fight against climate change

Breakdown of Safran's CO_2 emissions throughout its value chain



SAFRAN'S DECARBONIZATION OBJECTIVES

For its strategic pillar of decarbonizing aeronautics, Safran has set the following objectives:

- **reduction of emissions from its operations (Scopes 1 and 2):** target reductions of 30% by 2025 and 50.4% by 2030 compared with 2018(1), in line with a global warming trajectory of 1.5°C;
- **reduction of emissions related to product use (Scope 3 – product use):** target reduction of **42.5%** in emissions per seat-kilometer by 2035 compared with 2018(1), or an average of 2.5% per year, thereby contributing to achieving net zero emissions for the aviation sector by 2050;
- **reduction of emissions associated with employee travel (Scope 3 business travel and commuting):** target reduction of 50% by 2030 compared with 2018(1), aligned with a global warming trajectory of 1.5°C;
- **reduction of emissions from the purchase of goods and services:** mobilizing its 400 main suppliers on meeting the commitments under the Paris Agreement to keep global warming to below 2°C and preferably to 1.5°C.

(1) 2018 was chosen as the earliest reference year to take into account the emissions of the former Zodiac Aerospace, acquired by Safran that year.

Safran based its targets on several scenarios compatible with the Paris Agreement:

- sector-specific scenarios, both global (ATAG Waypoint 2050, aiming for carbon neutrality by 2050) and European (Destination 2050, aiming for a 55% reduction in CO_2 emissions by 2030 compared with 1990);
- International Energy Agency (IEA) scenarios for aviation: the Sustainable Development Scenario, compatible with warming of less than 2°C, and the Net Zero Scenario, compatible with warming capped at 1.5°C.

For its GHG emission reduction targets, Safran used the absolute contraction approach(1) for reducing Scope 1 and 2 GHG emissions provided by the Science-Based Targets initiative (SBTi). It has accordingly set short-term (2025) and medium-term (2030) targets, in line with its budget projections and action plans.

Safran's climate targets are designed to help meet the European Union's objective of reducing emissions by 55% by 2030 compared with 1990 and achieving net zero emissions by 2050.

CLIMATE TARGETS ALIGNED WITH THE PARIS AGREEMENT AND VALIDATED BY THE SBTI

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In 2023, the SBTi validated Safran's GHG emission reduction targets. These targets cover direct (Scope 1) and indirect (Scope 2) emissions from the energy consumption of Group operations, as well as emissions related to the use of its products (Scope 3).

The Group is therefore one of the world's first aerospace companies to have achieved a level of ambition recognized by the SBTi as aligned with the goals of the Paris Agreement.

The SBTi is a global organization that helps companies set emission reduction targets based on the latest climate science. It is a collaborative initiative between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi independently evaluates and validates companies' CO_2 emission targets, drawing on a scientific approach and criteria.

5.3.3.2 Strategy to reduce Scope 1 and 2 emissions(2)

Safran is committed to a 1.5°C trajectory, aiming for reductions of 30% by 2025 and 50.4% by 2030 compared with 2018.

The targets apply to Safran SA and its tier-one entities(3), covering 100% of Scope 1 and 2 emissions in the reporting scope.

Safran is taking action on the energy transition at every level.

The Group has structured its action plan for reducing its Scope 1 and 2 emissions around the following strategic priorities:

- reduction of energy consumption;
- substitution of natural gas;
- use of renewable energies.

Safran has also had an internal carbon price since 2019, in the form of a shadow price (with no associated cash flow) set at 80 USD/t CO_2eq. for its investments. The Group plans to revise this price in 2024. Its aim is to raise awareness among internal investors and to promote greener financing solutions by accelerating the return on investment for the most environmentally friendly ones.

Key 2023 initiatives

To achieve these objectives, Safran SA and its tier-one entities have embarked on energy transition action plans. 2023 saw the following achievements:

- **Reduction of energy consumption:**

  To increase the energy performance of new buildings, an internal construction standard has been introduced for tertiary and industrial activities.

  Derived from regulatory standards and norms, it is based on three key parameters:

  - the building's low consumption during the operational phase;
  - the supply and/or production and self-consumption of low-carbon energy;
  - the use of building materials with low carbon content.

  The new standard, which applies to all new projects, sites and buildings, is accompanied by a requirement that no natural gas be consumed except where needed for production.

(1) The absolute contraction method aims to reduce a company's GHG emissions regardless of its growth, i.e., in absolute terms and not relative to its revenue. In other words, it commits the company to reducing its total GHG emissions, regardless of fluctuations in its production or business.
(2) Scope 1: Direct GHG emissions linked to the combustion of energy sources such as gas, liquefied petroleum gas and aviation fuel, as well as refrigerant emissions during the production phases at Safran sites. Scope 2: Indirect emissions linked to the consumption of energy, electrical power or heating/cooling at Safran sites.
(3) See the simplified organization chart in section 1.1.2.

To intensify and accelerate the reduction of site energy consumption, an internal energy management system based on ISO 50001 is currently being rolled out on Safran sites. It has three levels of maturity: bronze, silver and gold. By 2022, 90%[1] of sites had achieved bronze status. By 2023, 87% of Safran sites had achieved silver status at least, and 8% had already achieved gold status. A network of energy management officers has been created across the various entities, with local representatives at each site. An energy committee combining a range of skills is led by the Climate and Environment and Industrial Departments to share tools, methods, best practices and feedback.

In addition, the **energy efficiency plan** launched in 2022 enabled Safran to reduce energy consumption at its European sites by 21% in 2023. Thanks to the involvement of all Group employees in this approach, and despite its business growth, Safran aims to reduce its consumption from the gas and electricity network by 10% in 2024 compared with 2019[2] worldwide. Employees are made aware of eco-friendly actions such as site temperature settings, shutting down equipment at the end of shifts and work organization.

- **Substitution of natural gas:**

  Safran is accelerating the introduction of alternatives to natural gas for heating, such as:

  - connection to heat networks, as illustrated by the Gonfreville-l'Orcher site (France), which was connected to the new biomass heat network of the Le Havre metropolitan area in 2023;
  - electrification of heat production in countries with a low-carbon electricity mix;
  - recovery of waste heat (i.e., heat generated by a process whose primary purpose is not energy production), as with the Suzhou site (China).

- **Increase the use of renewable energies:**

  Safran is increasing the low-carbon energy in its mix. In Mexico, for example, a low-carbon electricity supply contract covered nearly 65% of the consumption of the Chihuahua sites and certain Querétaro sites in 2023. In addition, Safran signed a power purchase agreement (PPA) in Poland in 2023, enabling it to cover 80% of its sites' needs in the country. In the second half of 2023, Safran also signed an off-site virtual power purchase agreement (VPPA) supplying it with power from a solar power plant in the United States, based on expected total output of 247 GWh per year. The contract will run for 12 years from 2026. The project covers 100% of the consumption of sites located in the United States. Opportunities are also being explored in other countries.

  Safran is committed to sourcing sustainable fuels to be blended into the aviation fuel used for aircraft and helicopter engine approval tests on its sites. The blending rate averaged 20% in 2023 and continues to increase (average rate of 28% reached in the fourth quarter of 2023). Safran plans to increase this to 35% by 2025.

- **use on-site production and self-consumption:**[3] in 2023, Safran commissioned solar power plants for its own consumption at its sites in Morocco, the United States, the United Kingdom and France. Safran has commissioned a solar power plant at its Le Havre site in France, which will supply more than 25% of the site's needs. In total, the Group has signed contracts to install nearly 186,000 sq.m. of solar panels at 19 sites in France, some of which are already operational. In January 2024, Safran also commissioned a wind turbine and solar panels at its Herstal site in Belgium, doubling the production of renewable energy and supplying 40% of the site's electricity needs.

Outcomes

Safran estimates that 76% of the action program needed to reach the 2025 climate change target had been completed at the end of 2023, including production and self-consumption at industrial sites, streamlining of the industrial footprint and energy savings in plants. Work is in progress on the next 37% of the action program, and 14% is secured in the Group's medium-term plan.

Safran is reporting its Scope 2 GHG emissions using the market-based method. The market-based method corresponds to CO2 emissions calculated based on the emission factors for the energy suppliers under contract with Safran. Details of this method are presented in the methodology note in section 5.7.5.

(1) The energy management system applies to sites with more than 50 employees, where Safran is the industrial operator, and where infrastructure and resources are in place to promote energy efficiency. In 2023, Safran had 167 sites meeting these criteria worldwide.
(2) As 2019 is the reference year for the French government's energy sobriety plan, Safran has used the same date.
(3) Self-consumption is the consumption of electricity produced on Safran sites for its own needs.

All of the indicators mentioned below relate to a Group scope unless otherwise stated. Scope 1 and 2 indicators were voluntarily audited to the higher level of assurance known as "reasonable assurance".

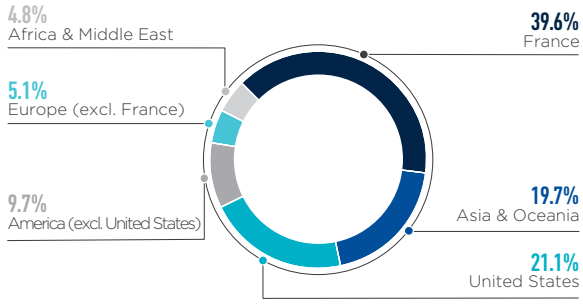
Gross Scope 1 and 2 GHG emissions[1]	2018	2021[8]	2022[2]	2023[3]
Scope 1 direct emissions[4] *(t CO_2eq.)*	219,790	177,317	174,755	167,774
Scope 2 energy-related indirect emissions, location-based method[4] *(t CO_2eq.)*	358,887	225,796	230,909	213,199
Change in Scope 1 and 2 emissions compared with 2018, market-based method	-	-30.3%	-30%	-34%
Total Scope 1 and 2 emissions, market-based method *(t CO_2eq.)*	**578,675**	**403,113**	**405,664**	**380,973**
Scope 1 biogenic direct emissions[6] *(t CO_2eq.)*	N/A[5]	N/A[5]	N/A[5]	N/A[5]
Scope 2 energy-related indirect emissions, location-based method[7] *(t CO_2eq.)*	383,186	244,466	262,243	269,279

(1) All GHG emissions reported in this document are presented on a "gross" basis, in accordance with the GHG Protocol, without taking into account the deduction of CO_2 allowances under the European Union Emissions Trading Scheme or any other carbon offsetting measures.
(2) 2022 emissions figures, which included estimated data for fourth-quarter 2022, were revised in 2023 to reflect the actual data.
(3) In 2023, Safran Cabin's non-propulsion catering and freight activities were sold. On average, they represented less than 1% of Scope 1 and 2 emissions over the 2018-2022 period.
(4) Scope 2 market-based values were reported for the first time in the 2021 Universal Registration Document and have been fine-tuned in this document, notably to take into account the emission factors of Safran's suppliers.
(5) Data not available.
(6) Biogenic carbon is the carbon contained in biomass and organic matter in soil, as opposed to carbon of fossil origin (coal, natural gas, oil).
(7) Direct emissions from biogas are included in the Scope 1 calculation.
(8) Scope 1 and 2 GHG emissions were significantly reduced due to the Covid-19 health crisis.

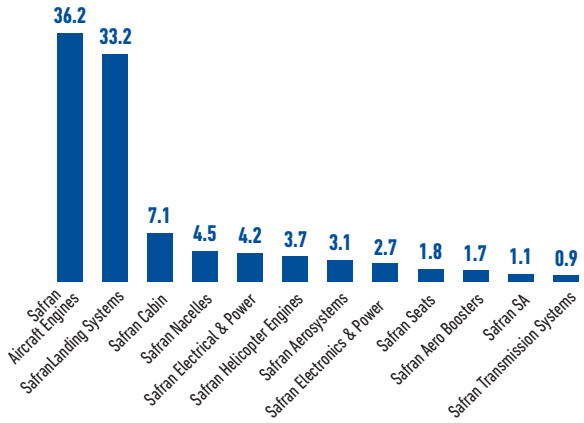
Energy	2018	2021	2022[1]	2023
Conventional and renewable electricity *(in MWh)*	1,304,597	1,073,389	1,179,449	1,182,240[2]
of which self-consumed electricity from renewable sources: PV[2] (in MWh)	*70*	*903*	*3,855*	*10,819*
of which electricity contractually obtained from renewable sources: GO, PPA, VPPA[3] (in MWh)	*0*	*210,064*	187,108	254,085[3]
Natural gas and liquefied petroleum gas – LPG*(in MWh PCS[4])*	868,910	730,381	754,572	745,715
of which biogas[3] (in MWh PCS[4])	*0*	*14,344*	*32,363*	*31,858*
Aviation fuel *(in liters)*	17,305,991	13,433,463	14,216,700	13,897,368
Aviation fuel *(in MWh HHV)*	178,094	138,242	146,303	143,016
Sustainable aviation fuel (SAF) (*in liters*)	0	870,024	1,255,923	2,739,522
Sustainable aviation fuel (SAF) *(in MWh PCS[4])*	0	8,953	12,925	28,192
Heating/steam and cooling networks *(in MWh)*	53,491	26,396	36,074	32,349
Fuel oil *(in liters)*	865,466	513,573	856,358	325,476
Fuel oil *(in MWh HHV)*	9,475	5,622	9,375	3,563
Total energy consumption *(in MWh)*	2,414,567	1,982,984	2,147,082	2,143,484
Share of total energy consumption from renewable energy (including biogas)	0.01%	11.8%	11%	15%

(1) 2022 figures, which included estimated data for the fourth quarter, were revised in 2023 to reflect the actual data.
(2) Electricity produced and consumed on sites thanks to solar panels.
(3) Voluntary renewable origin, without taking into account renewable energy sources in the energy mix of energy suppliers through specific agreements, namely guarantees of origin (GO) for renewable electricity, power purchase agreements (PPA) for the long-term supply of low-carbon energy from a new production plant, or virtual PPAs providing for the off-site production of electricity from a solar farm.
(4) MWh HHV (higher heating value) takes into account the energy released by combustion by recovering the latent heat of the steam produced by this combustion, whereas MWh LHV (lower heating value) does not. By default, the MWh indicated are LHV, unless otherwise stated.

Geographic breakdown of gross Scope 1 and 2 GHG emissions *(market-based)* in 2023



Breakdown of gross GHG emissions (Safran SA and its tier-one entities) *(as a %)* in 2023



5.3.3.3 Strategy to reduce Scope 3 emissions excluding those related to product use

Analysis of the Scope 3 emission items listed by the GHG Protocol resulted in eight of the 15 items being classified as material for the Group. The first six are discussed in below, while the last two are discussed in sections 5.5.3.4 and 5.3.3.5:

- purchased goods and services;
- upstream transportation and distribution, when managed by Safran;
- downstream transportation and distribution, when managed by Safran;
- business travel;
- employee commuting;
- upstream emissions related to energy consumption;
- use of products sold (see section 5.3.3.4);
- waste generated in operations (see section 5.5.3.5).

In 2023, Safran continued work to develop or implement operational roadmaps to reduce emissions in these areas.

In addition, the Digital and Information Systems Department has a Green IT plan to promote responsible digital technology. It aims to optimize emissions associated with digital tools, equipment and services, but also to limit resource depletion and biodiversity loss. Several levers have been identified, such as extending the life of equipment, virtualizing servers and implementing cloud-based servers.

In 2023, Safran signed the Responsible Digital Charter of the Institut du Numérique Responsable and became a member of this organization. A partnership has been established to recycle used equipment in France. Safran is also taking part in discussions on digital responsibility through Cigref, the body representing major French companies and public administrations, which is leading the conversation on digital issues. In addition to this plan, the implementation of digital tools is part of Safran's strategy to improve its operating performance. They also help to avoid a measure of employee travel, thereby reducing the Group's carbon emissions.

Purchased goods and services

To meet the challenge of climate change, Safran is engaging its 400 main suppliers, those that contribute most to the Group's carbon footprint (accounting for more than 80% of the CO_2 emissions from Safran's purchases), in its decarbonization approach and putting them on an emissions reduction path. This approach is compatible with the Paris Agreement goal of keeping global warming well below 2°C and preferably 1.5°C by 2100 compared with pre-industrial levels.

Each of these suppliers must complete a maturity questionnaire and submit a decarbonization action plan. As part of this approach, the Group organized a second Safran Supplier Day and a first edition of the Decarbonization Challenge during the Paris Air Show in June 2023. Three suppliers were rewarded for their decarbonization innovations.

Online training for suppliers, including a tool for calculating GHG emissions and another for setting emission reduction targets, is now available. To support this approach internally, online low-carbon training is provided to buyers to give them the experience and tools to support suppliers.

Safran's roadmap is based on three components:

- **Accurately assessing the greenhouse gas emissions content of its purchases:**

  In 2023, the annual assessment of greenhouse gas emissions related to purchases of goods and services was based on monetary emission factors, which are external reference data that associate a given expense with a volume of emissions. In addition to their imprecise nature, monetary emission factors pose a problem during periods of rising prices because they are not adjusted for inflation each year: with monetary emission factors, inflation mechanically increases the volume of purchases, which in turn increases the calculation of the associated greenhouse gas emissions. As such, the increase in estimated emissions from purchases of goods and services between 2021 and 2023 reflects both an increase in the volume of the Group's business and an artificial effect stemming from inflation.

  Exchanges with its 400 main suppliers are gradually enabling Safran to improve the assessment of emissions from its purchases. This approach improves the level of knowledge, awareness and commitment of suppliers with regard to their own emissions, particularly in the context of rising global energy costs in 2022 and 2023. The ultimate goal is to measure the carbon footprint of the Group's purchases as accurately as possible;

- **Getting suppliers to commit to a decarbonization trajectory:**

  In 2023, Safran continued to assess the maturity of its 400 biggest suppliers by surveying them on their decarbonization strategy. 98% of suppliers responded to the survey, enabling Safran to classify them based on three levels of maturity:

  - 90% of suppliers have undertaken a decarbonization process;
  - 40% have set Scope 1 and 2 reduction targets;
  - 22% have implemented action plans including certain Scope 3 categories;

This approach will continue in 2024.

- **Incorporating carbon considerations into the entire purchasing process:**

  Lastly, Safran ensures that carbon considerations are incorporated into the entire purchasing process, from its responsible purchasing policy to its supplier selection process. Since 2022, Safran has been monitoring the level of maturity of its new suppliers in terms of GHG emissions management. Its aim is to ensure that only committed suppliers remain on the panel and to encourage those that have not yet done so to commit to an approach compatible with the Paris Agreement. The Group also applies its internal carbon price in assessing supplier tenders. In 2023, Safran documented a low-carbon clause for its multi-year contracts, implemented from January 1, 2024. The purpose of this clause is to make contracts conditional on suppliers reaching specific levels of maturity in terms of decarbonization.

Freight

In 2023, the Group continued to identify the means at its disposal to reduce the carbon intensity of its freight activities. Following an assessment, Safran confirmed the feasibility of a decarbonization trajectory aligned with the Paris Agreement. The modal shift from air to sea and/or road transport for certain flows within the Group or to Safran's customers, as well as the modification of the most carbon-intensive industrial arrangements, are the main thrusts of the action plan currently being implemented. This action plan will be rolled out systematically throughout the Group in 2024.

Business travel

Safran sees business travel as its direct responsibility. As such, the Group has set an objective of a 50% reduction by 2030 compared with 2018, in line with its medium-term objective for Scopes 1 and 2 and a global warming trajectory of 1.5°C.

To achieve its objective, Safran plans to:

- reduce emissions in partnership with travel service providers (airlines, car rental companies, taxi companies, hotels, etc.);
- raise employees' awareness and accountability as regards the impact of their travel (reason for travel, choice of mode of transport, return on assignments, etc.);
- use a proportion of sustainable fuels in employee air travel, in line with Safran's strategy for the decarbonization of the aviation sector. In 2023, Safran continued its partnership with Air France-KLM to purchase and incorporate sustainable fuels into its operations.

Employee commuting

Similarly, Safran has set an objective of reducing its CO_2 emissions by 50% by 2030 compared with 2018, in line with its medium-term Scope 1 and 2 objectives and a global warming trajectory of 1.5°C.

The roadmap is based on two main priorities:

- **electrify company or service vehicles** under Safran's direct responsibility and offer incentives for employees to electrify their own vehicles by providing a sufficient number of charging points and access to free or low-cost charging;
- **promote collective mobility, shared transport** (carpooling, carsharing) **and soft mobility** (walking or cycling where safety conditions allow).

Scope 3 GHG emissions (excluding product use)	2018	2021[4]	2022	2023
Emissions related to purchases of goods and services *(t CO_2eq.)*	4,961,000	2,735,000	4,392,000[1]	5,780,000[1]
Emissions related to freight *(t CO_2eq.)*	264,700	183,200	267,400[1]	272,700[1][2]
Emissions related to business travel *(t CO_2eq.)*	68,450	16,100	28,100[3]	38,780[3]
Emissions related to commuting *(t CO_2eq.)*	118,600	97,100	103,600	111,600
Upstream emissions related to energy consumption	118,591	89,785	97,500	103,705
Emissions related to waste treatment *(t CO_2eq.)*	21,000	14,200	14,700	17,345

(1) The increase in emissions is partly attributable to the resumption of operations. The increase resulting from purchases of goods and services and freight is also partly attributable to inflation, as greenhouse gas emissions are primarily measured based on monetary emission factors.
(2) In 2023, freight emissions were assessed for the first time using a hybrid method, as described in section 5.7.5.
(3) Business travel emissions take into account the use of SAF (voluntary purchases with Air France-KLM) under the Book and Claim principle, similar to the approach used for renewable energy.
(4) The significant reduction in emissions in 2021 is attributable largely to the impact of the Covid-19 health crisis on Safran's business.

5.3.3.4 Strategy to reduce emissions related to product use (Scope 3)

As part of its strategy to reduce emissions associated with the use of its products (Scope 3), Safran has for several years been committed to improving the energy efficiency of aircraft, thereby contributing to the reduction of emissions in the aviation sector. The LEAP engine, the latest generation in its range, is 15% more efficient than the older CFM56 engine. The Group helps to save 120,000 metric tons of CO_2 per aircraft, over the lifetime of the latest generation of short- and medium-haul aircraft.

To achieve these targets, Safran devotes considerable effort to Research and Technology (R&T) (see section 1.4.5). In 2023, 88% of self-funded expenditure was allocated to improving the environmental impact of its products. This indicator was voluntarily audited to the higher level of assurance known as "reasonable assurance".

These improvements relate especially to decarbonization and the reduction of product energy consumption, pollution, product weight (and in turn resource consumption, indirectly contributing to the reduction of aircraft consumption) and noise. In addition to self-financing, the Group receives French and European subsidies in this area.

In 2021, Safran joined the other aviation sector players of the Air Transport Action Group (ATAG) in making a commitment to achieve carbon neutrality for civil aviation worldwide by 2050. This goal was adopted in 2022 by governments at the General Assembly of the International Civil Aviation Organization (ICAO).

For emissions associated with the use of its products, Safran has set itself the ambitious target of reducing its greenhouse gas emissions by 42.5% by 2035, on a seat-kilometer basis, compared with 2018, an average annual reduction of 2.5%. This target has been validated by the SBTi. It assumes the gradual incorporation of sustainable fuels corresponding to the trajectory in the IEA's 2020 Sustainable Development Scenario, which anticipates a share of 48% in 2050 and 63% in 2060. Safran's objective is consistent with the minimum SBTi requirement for a global warming scenario below 2°C (straight-line annual reduction of at least 2.5%).

Safran's technology roadmap to decarbonize the aviation sector is based on the following pillars:

1) Prepare technologies for the development of new ultra-efficient aircraft by 2035

As part of the transition to carbon neutrality, Safran is focusing on the development of technologies that enable a significant 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 fuel 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 compatible with sustainable aviation fuel (SAF).

In 2023, numerous technology tests were conducted on the modules of the future RISE engine, with its open fan architecture. They were rounded out by the first demonstration of a reduced-scale engine in the ONERA Modane wind tunnels in France in early 2024. This work will culminate in flight tests as part of the agreement between CFM International, the Safran-GE Aerospace joint venture, and Airbus to build a flight demonstrator to test the open fan engine architecture.

Safran is also playing a central role in coordinating OFELIA (Open Fan for Environmental Low Impact of Aviation), the European research project dedicated to new open fan engine technologies as part of Clean Aviation, a public-private partnership under Horizon-Europe, the European Commission's ninth research framework program. OFELIA brings together 26 European industrial and academic partners.

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 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.

Based on its contributions in these areas, Safran will play a big part in reducing the consumption of tomorrow's aircraft, which should use around 30% less fuel than today's. Safran is thus heavily involved in the collective effort to make aviation more fuel efficient and environmentally friendly.

2) Enable increasing use of sustainable aviation fuel (SAF)

The large-scale use of sustainable aviation fuel is critical in all industry decarbonization scenarios. Today, commercial aircraft use jet fuel derived from fossil resources (oil). There are several categories of sustainable fuels that have significantly reduced or near-zero lifecycle CO_2 emissions. SAFs include:

- **advanced biofuels:** these use complex biomass from a variety of sources, especially organic waste such as wood or waste oil. They differ from first-generation biofuels, which are made from so-called energy crops (corn, rapeseed, soy, etc.),
- **synthetic fuels** known as power-to-liquid or eFuels: these are produced using low-carbon electricity by combining CO_2 captured from the air or in industrial facilities and hydrogen produced by electrolysis.

  These two types of fuel are very similar to existing jet fuel in terms of their characteristics and can be used in existing aircraft if blended with jet fuel. In the short term, Safran is committed to removing all technical barriers on engine and fuel systems to enable the use of up to 100% sustainable fuels. In 2024, an ambitious R&D plan, including a component in partnership with TotalEnergies R&T, will continue to define the characteristics of sustainable fuels to ensure full compatibility with all systems. In the longer term, work is underway to optimize these fuels to further reduce their overall environmental impact. In 2023, the Gulfstream G600 business jet made its first transatlantic flight using only sustainable fuels. It is equipped with a Safran fuel system. In 2023, an A321neo completed more than 20 flight tests with 100% sustainable fuels as part of the VOLCAN project (French acronym for "flying with new alternative fuels"); These tests aim to measure the impact on both the equipment and the external environment.

Safran also actively supports the development of a sustainable fuel production industry. In 2021, the Group invested in German startup Ineratec, specialized in the development of synthetic fuels. In 2023, major milestones were met, including the start of construction of the production unit in Frankfurt (Germany).

In addition, in 2023, Safran, through Safran Corporate Ventures, invested in Avnos, an American startup specializing in direct air capture of CO_2. CO_2 capture is a critical technological building block in the production cycle of synthetic aviation fuels (e-fuels), which require CO_2 and decarbonized hydrogen.

To complement its existing portfolio of decarbonization investments, which include Ineratec and Avnos, Safran Corporate Ventures has invested in the United Airlines Ventures Sustainable Flight Fund, which is dedicated to technological building blocks for SAF projects.

In 2023, Safran was also reappointed to chair the Aviation Chamber of the European Renewable and Low Carbon Fuels Alliance (RLCF), a role it has held since the Alliance's creation in 2022. The RLCF coordinates more than 250 members along the entire value chain to encourage investment in new production facilities in Europe.

Safran has also voluntarily purchased sustainable aviation fuel to blend into the fuel used when testing aircraft and helicopter engines. Its purchases of nearly 3 million liters in 2023 (see section 5.3.3.2) and its voluntary participation in airline SAF programs contribute to the decarbonization of its activities and help support the sector.

At the same time, Safran is working to develop the propulsion system for a future aircraft powered by liquid hydrogen. Liquid hydrogen could be used directly in the aircraft – provided that its production is decarbonized, i.e., using water electrolysis powered by low-carbon electricity. Since it does not emit CO_2 in flight, the option of direct hydrogen combustion offers potential for considerable environmental gains. However, it presents major technical challenges requiring an in-depth study of the implications on aircraft and propulsion system architecture, safety management, and ground infrastructure and operations. Safran is actively involved in research into the impact of emissions from hydrogen combustion, particularly water vapor, with a view to integrating them into its environmental balance.

In 2023, as part of its partnership agreement with GE and Airbus, Safran took the first steps towards flight testing a hydrogen-powered engine fitted to an A380. These developments were made possible by the launch of key Clean Aviation projects such as HYDEA (preparation of a flight demonstrator) and TROPHY (Technological Research on Propulsion by Hydrogen). Safran also participates in discussions on sustainable fuels within the International Aerospace Environmental Group (IAEG). In addition, Safran and Turbotech have successfully tested the first hydrogen–fueled gas turbine engine for the light aviation market, at ArianeGroup's Vernon site in France. This test is part of the BeautHyFuel project to explore hydrogen propulsion solutions for light aviation. Supported by the French Directorate General of Civil Aviation (DGAC), BeautHyFuel is a joint project of Turbotech and Elixir Aircraft, in partnership with Safran, Air Liquide and Daher, and builds on the hydrogen expertise developed by ArianeGroup for the propulsion of the Ariane launcher.

3) Develop electric propulsion systems for use over short distances, and, more generally, hybrid aircraft propulsion

A leader in electric and hybrid propulsion, Safran is committed to developing solutions for short- and medium-haul flights. Initially, all-electric propulsion will be used mainly for short-haul flights on aircraft with a capacity of less than nine seats. Beyond that, hybrid propulsion will be used for commuter aircraft with a capacity of 19 seats or for regional aircraft with a maximum capacity of 50 seats, making it possible to cover distances of around 300 kilometers, and also helping to reduce the fuel consumption of the next generation of helicopters. In civil aviation, hybridization will play a key role in meeting the fuel efficiency targets set for the next generation of commercial aircraft.

Safran's expertise across the entire energy chain has made it a leader in hybrid and all-electric architectures. The Group works with various aircraft manufacturers in the training aircraft, commuter and VTOL segments for logistics and passenger transport.

In 2023, Safran achieved several successes in this area. The Group contributed to the first hybrid flight of the 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 been achieved with the European Aviation Safety Agency (EASA) Design Organization Approval (DOA) for its ENGINeUS™ electric engine, an essential step towards engine certification.

Finally, in 2023, Safran completed the acquisition of Thales' electrical systems businesses, allowing it to broaden its product offering in this area (see section 2.1.3.2).

Safran, a driving force in the aerospace ecosystem

Safran is deeply committed to sharing its technological vision of decarbonization within the aerospace ecosystem, and helping to draw up a consistent and shared roadmap within the sector. It achieves this commitment through various collaborations:

- in France, Safran works with the French Aeronautical and Space Industries Group (Groupement des Industries Françaises Aéronautiques et Spatiales – GIFAS) and, more specifically, the French Civil Aviation Research Council (Comité pour la Recherche Aéronautique Civile – CORAC). French industry players have developed a common roadmap for the decarbonization of aviation that integrates Safran's strategic priorities. This initiative also benefits from exceptional French government support as part of its aerospace stimulus plan;
- in Europe, Safran participates in the work of the Aerospace and Defense Industries Association of Europe (ASD), the Alliance for Zero-Emission Aviation (AZEA), the ZEROe initiative and the Business Europe R&T working group. Safran is also a member of European public-private research partnerships Clean Aviation, SESAR and Clean Hydrogen;
- globally, Safran is involved with the International Aerospace Environmental Group (IAEG), the International Civil Aviation Organization (ICAO) and the Air Transport Action Group (ATAG).

Through these collaborations, Safran plays an active role in defining strategies and standards aimed at reducing the aerospace industry's carbon footprint. The aim is to promote the transition to greener and more sustainable aviation by coordinating efforts at national, European and global levels.

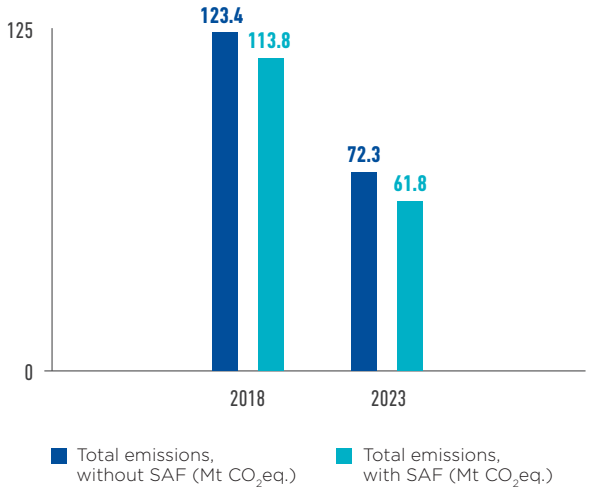
Assessment of Scope 3 emissions from product use

Due to the intensive use of commercial aircraft, emissions generated during the product use phase account for virtually all emissions associated with products sold. The product "processing" or "end of life" categories, as defined by the GHG Protocol, are negligible in terms of emission volumes.

The methodology for assessing Scope 3 emissions associated with the use of Safran products (see section 5.7.5) shows that emissions change essentially due to the following factors:

- growth in aircraft deliveries: this impact is only reflected in absolute emissions and does not affect emissions intensity per seat-kilometer;
- changes in Safran's market share: a gain in market share for the supply of equipment on existing programs would automatically increase Safran's emissions, but would not have an impact on total emissions in the market;
- technological developments of products sold: progress can be measured in terms of both platforms equipped (latest generation aircraft entering service, end of production of older aircraft) and products (e.g., lighter seats between two generations of the same aircraft);
- development of sustainable fuels: this would allow increasing incorporation rates to be taken into account in measuring emissions in the coming years.

Impact of SAF on total emissions



NON-CO_2 EFFECTS OF AVIATION

In addition to CO_2, aircraft engines emit components (nitrogen oxides (NOx), sulfur components, water vapor and particulates) that, depending on weather conditions, can cause physicochemical or atmospheric phenomena such as persistent contrails. These phenomena, known as "non-CO_2 effects", can contribute directly or indirectly to climate change. They involve various parameters ranging from the chemical composition of fuels to aircraft technology (propulsion systems in particular) and flight conditions. They can be either warming or cooling, depending on conditions. The scope of these effects is still difficult to quantify. Climate scientists currently estimate the warming power of these phenomena to be at least that of CO_2, but with considerable uncertainty as to the values to be considered.

In recent years, the scientific community and aerospace companies, including Safran, have stepped up their efforts to better understand and more accurately quantify these non-CO_2 effects, such as persistent contrails, and their potential impact on climate change. Safran is developing technologies to significantly reduce NOx and particulate emissions from its engines and is working hard to promote the widespread use of sustainable aviation fuel (SAF).

Safran is participating in the VOLCAN project (French acronym for "flying with new alternative fuels"), and, in 2023, 20 test flights of an A321 Neo, equipped with Leap engines and powered exclusively by SAF with different compositions, made it possible to measure emissions and characterize contrails. Other than data analysis, the aim is to model emissions and their climate impact and to correlate them with emissions measurements carried out on the ground in 2022.

In collaboration with several major players in research and industry, Safran is also looking into operational solutions that would involve making minor adjustments to certain flight paths at specific times of day to avoid areas prone to the formation of persistent contrails. This would involve verifying that such adjustments would indeed reduce a flight's overall climate impact, even if its flight path were longer and consumed more fuel.

In addition to contributing to advancing scientific knowledge of these effects through targeted partnerships with French (CERFACS, Météo-France, ONERA, IPSL) and international (UP Montréal) universities and research centers, Safran has included preliminary measures aimed at reducing non-CO_2 climate effects in its strategic focuses, on top of its existing decarbonization initiatives.

Scope 3 GHG emissions – product use	2018	2021[2]	2022	2023[1]
Emissions directly related to the product use phase *(t CO_2eq.)* – engines	31,400,000	14,700,000	16,300,000	19,500,000
Emissions indirectly related to the product use phase (*t CO_2eq.*) – other equipment sold	82,300,000	37,600,000	39,800,000	42,300,000
TOTAL EMISSIONS RELATED TO THE PRODUCT USE PHASE	**113,800,000**	**52,300,000**	**56,100,000**	**61,800,000**
Total emissions related to the product use phase, based on passenger traffic on aircraft equipped with Safran products *(g CO_2/seat kilometer)*	5.9	5.1	4.5	4.3

(1) In 2023, Safran Cabin's non-propulsion catering and freight activities were sold. They generated indirect emissions representing an average of 4.86% of Scope 3 emissions from product use over the 2018-2022 period.

(2) The significant reduction in emissions between in 2021 is attributable largely to the impact of the Covid-19 health crisis on Safran's business.

ENGAGE FOR THE FUTURE – CSR OBJECTIVES:

- **#1** Keep 75% of self-funded R&T investment focused on environmental efficiency by 2025.
- **#2** Reduce greenhouse gas emissions from product use (Scope 3), based on seat kilometers, by 42.5% by 2035 compared with 2018 (in g CO_2eq./seat kilometer).
- **#3** Reduce greenhouse gas emissions (Scopes 1 and 2) by 30% by 2025 and then by 50.4% by 2030 compared with 2018 (in t CO_2eq.).
- **#4** 100% of facilities to have achieved the five zero targets roadmap by 2025.

5.3.3.5 Sites concerned by the European CO2 quota trading system (EU ETS)

In 2023, no Safran site subject to the European Union Emissions Trading System had to purchase allowances on the carbon market.

5.3.3.6 Safran follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in its climate reporting

Cross-reference table with the TCFD principles

TCFD principles		Sections
1.	**Governance**	
1.1	Describe the Board's oversight of climate-related risks and opportunities	5.2, 5.3.1, 6.3.3
1.2	Describe management's role in assessing and managing climate-related risks and opportunities	5.3.2
2.	**Strategy**	
2.1	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	5.2, 4.3.3.1
2.2	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	4.3.3.1
2.3	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	5.3.3
3.	**Risk management**	
3.1	Describe the organization's processes for identifying and assessing climate-related risks	4.3.3.1, 5.2
3.2	Describe the company's processes for managing climate-related risks	4.3.3.1, 5.2
3.3	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4.3.3.1, 5.2
4.	**Metrics and targets**	
4.1	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	5.3.3
4.2	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	5.3.3
4.3	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	5.3.3

5.3.4 Application of the EU taxonomy to Safran's activities

Safran is subject to Regulation (EU) 2020/852 of June 18, 2020, also known as the Taxonomy Regulation, which establishes a framework to facilitate sustainable investment. Delegated Regulations (EU) 2021/2178 and 2021/2139 supplemented this regulation in 2021, and were amended by Delegated Regulation (EU) 2022/1214, known as the Complementary Climate Delegated Act, of March 9, 2022.

The new Commission Delegated Regulation (EU) 2023/2485 of June 27, 2023 amended Delegated Regulation (EU) 2021/2139 relating to the climate component, incorporating new economic activities including aircraft manufacturing and their associated criteria.

The second new Delegated Regulation (EU) 2023/2486 also supplemented Regulation (EU) 2020/852 on the same date, specifying the activities and their criteria for contributing to the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems.

This section sets out the application of this regulation to Safran in 2023, the third year of application of the system.

Eligibility and alignment of Safran's activities in 2023 and key indicators

Safran has analyzed its own activities in order to identify those to be disclosed in accordance with the Taxonomy Regulation for 2023. This analysis was carried out in accordance with the criteria of substantial contribution, the "do no significant harm" principle (DNSH) and the minimum safeguards (such as compliance with the OECD Guidelines and the United Nations Guiding Principles on Business and Human Rights).

Safran's main activities fall into three areas of economic activity, namely aerospace, defense and space. The aviation sector is Taxonomy-eligible from 2023, but disclosure of its alignment is not mandatory until 2024. The defense and space sectors are not currently covered. It is important to note that the absence of these sectors does not necessarily imply a particularly negative environmental impact. It simply indicates that the European Union has not yet defined objective criteria to assess whether economic activities in these sectors contribute substantially to the Taxonomy's environmental objectives.

In accordance with the Regulations and new Delegated Acts, Safran is disclosing the following information for 2023:

- **eligible activities:**
  - aerospace manufacturing activities (manufacturing and aftermarket service activities are subject to the same criteria as the commercial aircraft manufacturing activity);
  - secondary activities such as real estate, electric or hybrid vehicles, renewable energy production, etc.

The main objectives to which these activities contribute are climate change mitigation, and to a lesser extent, transition to a circular economy, and sustainable use and protection of water resources.

- **aligned activities:**
  - secondary activities such as real estate, electric or hybrid vehicles, renewable energy production, etc.

The main objective to which these activities contribute is climate change mitigation.

Turnover

Under the new Delegated Acts of June 2023, which now include the aircraft manufacturing sector, Safran's eligible turnover (revenue) for 2023 was €21,522 million, or 91% of Safran's total turnover. This turnover includes the manufacture of aircraft engines and equipment, as well as associated services, including maintenance.

Fiscal year		Year		Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, prior year (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover from environmentally sustainable activities (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	H	
of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Aircraft manufacturing	**CCM 3.21,** CE 1.2, CE 5.1, CE 5.2	21,522	91%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover from Taxonomy-eligible but environmentally unsustainable activities (A.2)		**21,522**	**91%**	**91%**	**%**	**%**	**%**	**%**	**%**								**0%**		
Turnover from Taxonomy-eligible activities (A)		**21,522**	**91%**	**91%**	**%**	**%**	**%**	**%**	**%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover from Taxonomy-non-eligible activities		**2,129**	**9%**																
TOTAL (A + B)		**23,651**	**100%**																

The table below shows the share of eligibility and alignment of Safran's turnover for the six objectives independently:

	Share of turnover/(total turnover)	
	Aligned	Eligible
Climate change mitigation (5)	0%	**91%**
Climate change adaptation (6)	0%	0%
Water and marine resources (7)	%	0%
Circular economy (8)	%	**9%**
Pollution (9)	%	0%
Biodiversity and ecosystems (10)	%	0%

A small proportion of aircraft manufacturing turnover, relating to the Group's electrical and electronic businesses, is also eligible for the circular economy objective.

Capex

Taxonomy-eligible Capex amounted to €1,086 million in 2023, representing 75% of the Group's capital expenditure.

Following the publication of the Delegated Acts making the aviation sector eligible, Safran included €974 million in capital expenditure related to its main aircraft manufacturing activity (3.21) in its Capex in 2023. This amount includes capitalized R&D expenditure on programs, as well as related investments. These new activities are in addition to the previously published secondary activities.

Disclosure for the alignment of Capex related to Safran's main activity (aviation) is not mandatory until 2024. With regard to the alignment of secondary activities, Safran does not believe that the real estate projects included in eligible Capex meet the highly ambitious energy criteria set out in the Taxonomy Regulation. However, other investments relating to water treatment, renewable energies, energy efficiency or electric vehicle charging stations, in the amount of €44 million, are aligned with these criteria.

As a result, Taxonomy-eligible Capex for 2023 amounts to €1,086 million, representing 75% of the Group's capital expenditure, while aligned Capex amounts to €44 million, equivalent to 3% of the Group's total capital expenditure.

Fiscal year		Year		Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of Capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, prior year (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Water supply, sewerage, waste management and remediation activities: Urban waste water treatment	CCM 2.2	1	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Electricity generation using solar photovoltaic technology	CCM 4.1	3	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Production of heat/cool from geothermal energy	CCM 4.22	1	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Production of heat/cool using waste heat	CCM 4.24	2	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	15	1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Installation, maintenance and repair of instruments and devices for measuring	CCM 7.5	1	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	17	1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	

Fiscal year		Year		Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of Capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, prior year (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
Capex on environmentally sustainable activities (A.1)		**44**	**3%**	**3%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**2%**		
of which enabling		41	3%	3%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	0%	E	
of which transitional		3	0%							Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Aircraft manufacturing	**CCM 3.21,** CE 1.2	974	67%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CCM 7.2	40	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Acquisition and ownership of buildings	CCM 7.7	26	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4%		
Capex on Taxonomy-eligible but environmentally unsustainable activities (A.2)		**1,042**	**72%**	**72%**	%	%	%	%	%								**5%**		
Capex on Taxonomy-eligible activities (A)		**1,086**	**75%**	**75%**	%	%	%	%	%								**7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex on Taxonomy-non-eligible activities		**355**	**25%**																
TOTAL (A + B)		**1,441**	**100%**																

The table below shows the shares of eligibility and alignment of capital expenditure (Capex) of Safran's activities for the six environmental objectives independently:

	Share of Capex/(total Capex)	
	Aligned	Eligible
Climate change mitigation (5)	3%	75%
Climate change adaptation (6)	0%	0%
Water and marine resources (7)	%	0%
Circular economy (8)	%	**3%**
Pollution (9)	%	0%
Biodiversity and ecosystems (10)	%	0%

A small proportion of aircraft manufacturing Capex, relating to the Group's electrical and electronic businesses, is also eligible for the circular economy objective.

Opex

Taxonomy-eligible Opex amounted to €1,509 million in 2023, representing 80% of the Group's operating expenses. Following the publication of the Delegated Acts making the aviation sector eligible, Safran included €1,509 million in operating expenses related to its main aircraft manufacturing activity (3.21) in Opex in 2023. This amount includes R&T, R&D recognized as expenses, as well as upkeep and maintenance expenses for fixed assets associated with the nature of the aircraft manufacturing activity. These Opex represent 80% of the Group's total operating expenses (see section 3.1, Note 7, "Breakdown of the other main components of profit from operations").

Opex related to secondary activities is not material. Disclosure for the alignment of Opex related to Safran's main activity (aviation) is required from 2024 only.

Fiscal year	Year		Substantial contribution criteria						Do no significant harm (DNSH) criteria								
Economic activities (1)	Code(s) (2)	Absolute Opex (3)	Proportion of Opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, prior year (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Opex on environmentally sustainable activities (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
of which enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0%**	E	
of which transitional		**0**	**0%**							Y	Y	Y	Y	Y	Y	Y	**0%**		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Aircraft manufacturing	**CCM 3.21**, CE 1.2	1,509	80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Opex on Taxonomy-eligible but environmentally unsustainable activities (A.2)		**1,509**	**80%**	**80%**	**%**	**%**	**%**	**%**	**%**								**0%**		
Opex on Taxonomy-eligible activities (A)		**1,509**	**80%**	**80%**	**%**	**%**	**%**	**%**	**%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex on Taxonomy-non-eligible activities		**370**	**20%**																
TOTAL (A + B)		**1,879**	**100%**																

The table below shows the shares of eligibility and alignment of Opex of Safran's activities for the six environmental objectives independently:

	Share of Opex/(total Opex)	
	Aligned	Eligible
Climate change mitigation (5)	0%	80%
Climate change adaptation (6)	0%	0%
Water and marine resources (7)	%	0%
Circular economy (8)	%	2%
Pollution (9)	%	0%
Biodiversity and ecosystems (10)	%	0%

A small proportion of aircraft manufacturing Opex, relating to the Group's electrical and electronic businesses, is also eligible for the circular economy objective.

Eligibility and alignment developments for Safran's activities from 2024

Pursuant to the recommendations of the new Delegated Regulations for disclosures to be issued in 2024, the alignment of Safran's activities will be analyzed based on the aircraft programs to which these activities relate:

- For commercial aircraft manufacturing, alignment with the Taxonomy will depend on compliance with the emissions criteria set by the ICAO for the certification of new aircraft, with a set amount of leeway. Pending the release of a detailed list of aligned aircraft programs, it appears that the vast majority of latest-generation aircraft would meet these criteria, in particular A320neo, A330neo and A350 for Airbus, and 737 MAX, 787 and 777-X for Boeing.
- In addition, the new Delegated Regulation states that alignment must be confined to fleet renewal (in view of the emission reductions provided by new aircraft compared with those they replace), thereby excluding aircraft contributing to the expansion of the fleet in service. For the aerospace industry, this will result in the application of a cross-sectional ratio representing the proportion of aircraft delivered that contributed solely to fleet renewal over the last ten years, for which the assessment still needs to be clarified, to the aggregates measured.

5.3.5 Employee engagement

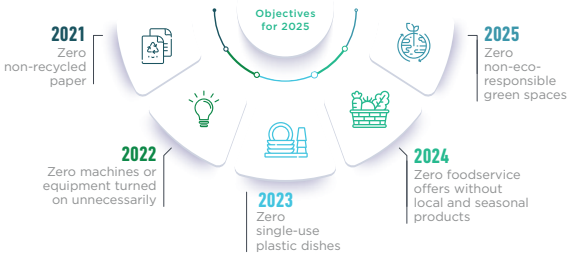
Safran's commitment to the sector's and its own decarbonization also involves daily initiatives and actions by its employees, and the collective "five zero targets" approach.

The five zero targets

The Group has set itself the goal of achieving five "zero" targets for everyday activities, allowing employees to contribute directly to Safran's commitment to fight global warming.

The five zero targets aim to ensure that 100% of the Group's sites progressively achieve the following objectives:

- zero non-recycled paper used at Safran: 100%[1] in 2023;
- zero machines or equipment running unnecessarily from 2022[2]: 90% in 2023;
- zero single-use plastic tableware used at Safran sites: 56% in 2023;
- zero foodservice offers without local and seasonal products, this target will be rolled out from 2024;
- zero non-eco-friendly green spaces at Safran sites, this target will be rolled out from 2025.



Engagement in eco-friendly actions, awareness-raising and training

As part of its 2022 Energy Saving Plan, Safran has been raising awareness among its employees through videos, signs and posters on how to reduce and optimize energy consumption in their daily lives. Numerous actions are now in place at sites, such as regulating building heating and optimizing site lighting. Employees are also mobilized through training (Sustainable Aviation MOOC, etc.), awareness-raising (climate fresco workshops, use of digital technology, etc.) and talks.

Safran Innovation Awards

The open innovation program, showcased through the annual Safran Innovation Awards, rewards internal innovations that contribute to the energy transition and reduce the Group's carbon footprint. There is a specific energy transition category. In 2023, 16 applications and 4 finalists were selected in the low-carbon category.

Safran SA and its tier-one companies also offer employees the opportunity to take part in collective challenges to reduce the carbon footprint of their sites and products. Each challenge results in hundreds of employee-driven ideas for practical improvements and innovation.

(1) As from December 31, 2023, supply contracts for white and color paper in France and Belgium included recycled paper only.
(2) As of December 31, 2023, 90% of the Group's 125 industrial sites had introduced labeling to identify methods for shutting down machinery and equipment. 89% of these items had been labeled by the end of 2023.

5.4 HUMAN RESPONSIBILITY: BE AN EXEMPLARY EMPLOYER

BE AN EXEMPLARY EMPLOYER

Be considered as an employer of choice by our employees and the talents of the sector

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

Safran is committed to being an exemplary employer towards its employees, an indispensable resource. The Group therefore invests in developing the skills of all employees, promotes health and safety, continually improves quality of life at work, maintains dynamic social dialogue adapted to current social challenges and promotes diversity and equal opportunity.

Our commitment takes shape through the ambitions and work of the Group Human and Social Responsibility Department (HSRD). The HSRD has four key focuses:

- developing skills and creating development opportunities;
- ensuring a quality work environment;
- encouraging equal opportunity and promoting diversity and inclusion;
- promoting collaboration and mutual support.

These key focuses act as catalysts for collective performance, stimulating creativity, vitality and innovation within the company.

The analysis of risks associated with human responsibility is presented in sections 4.3.3.3 and 5.2.

Indicators – Workforce

All of the indicators mentioned below relate to a Group scope unless otherwise stated.

	2021	2022	2023	
TOTAL	**76,765**	**83,276**	**91,984**(1)	
Europe	49,520	51,754	56,249	61%
■ of which France	41,346	43,106	46,887	51%
Africa and Middle East	5,084	5,613	6,651	7.2%
Americas	18,186	20,858	24,239	26.3%
Asia and Oceania	3,975	5,051	4,845	5.3%
% of men employees	72.1%	71.5%	70.7%	
% of women employees	27.9%	28.5%	29.3%	
% of managerial-grade employees (Managers & Professionals)	40.7%	41.9%	42.5%	

(1) The increase in the workforce reflects higher recruitment amid the business recovery.

5.4.1 Accelerate training in the skills and professions of tomorrow

In terms of innovation in the aerospace value chain, Safran is positioned as an architect of comprehensive solutions, products and services. This positioning generates numerous needs in terms of operational and strategic resources, both expert and managerial. In a context of major digital transformation and a commitment to decarbonize aeronautics, skills and careers are in the throes of a profound shift. Preparing and supporting these changes is a major challenge for the Human Resources function. Safran must guarantee the availability, in terms of both quality and quantity, of the skills required to respond to changes in the sector. These skills are the foundation of the Group's longevity.

5.4.1.1 Talent management policy

Safran offers its employees career development opportunities aligned with their personal aspirations and the company's needs, and seeks to improve the candidate and employee experience throughout their careers within the Group.

Safran is committed to developing the skills of its employees through a dynamic policy that:

- anticipates future skills needs;
- takes into account the aspirations of all employees;
- strengthens expertise;
- prepares the senior executives and leaders of tomorrow.

Skills requirements are identified through a process of forward-looking management of jobs integrated into a medium-term plan (MTP) and built on five-year industrial and financial forecasts.

This information is consolidated at Group level in order to build a comprehensive vision of the change in professions and skills that can be blended into support plans. This vision is based on a job description repository divided into four sections, 35 business lines and more than 160 benchmark jobs, which serves as an interpretive and analytical framework.

5.4.1.2 Roadmap

The roadmap comprises four objectives:

1) Strengthen digital skills across all business lines:

The Digital Academy training platform allows users to acquire skills related to:

- the adoption of new approaches to product modeling using Model-Based System Engineering methodology;
- Product Lifecycle Management (PLM) and its optimization through digital continuity;
- the application of Lean 4.0 methods to support the transition to the industry of the future, such as augmented reality for quality control and assembly assistance, the use of cobots and robots for physical assistance, and closed-door machining;
- the use of data science across all business lines. This includes health monitoring, predictive maintenance and artificial intelligence for image recognition in a wide range of areas including cybersecurity, software development, and systems and technical architecture.

2) Support employees as they progress within the Group:

- implementation of a thorough integration process;
- promotion of a robust corporate culture based on Safran's values and leadership model;
- development of personalized career paths for all people across all of the Group's businesses.

3) Preserve and strengthen know-how:

- transmission of key knowledge between generations, particularly in the fields of mechanics, avionics and materials;
- promotion of the network of experts;
- reinforcement of skills associated with ecological transition: electrical, power electronics, energy management, systems, airworthiness and sustainable fuels.

4) Identify high-potential employees and support them in their professional development:

- establishment of a transparent and joint policy for the management of high-potential employees;
- development of programs, including mentoring, to sharpen business and behavioral skills;
- inclusion of high-potential employees into succession plans.

5.4.1.3 Recruitment and employer brand

Safran is continuing to develop its employer brand worldwide in order to increase the Group's attractiveness. The Group strives to ensure that its approach is consistent across its various host locations, where labor market needs differ and recruitment requirements are specific.

Safran has implemented a recruitment policy with the following key objectives:

- **recruit graduates who have completed internships, work-study programs, doctorates or international corporate volunteer programs** within the Group. In 2023, more than 43% of graduate positions in Europe were filled by former interns, work-study students, doctoral students or international corporate volunteers within the Group. Safran is committed to supporting this recruitment through its European framework agreement to support young people in transitioning from school to work;
- **diversify the profiles of new hires;**
- **increase the recruitment of engineers with doctorates;**
- **prioritize the recruitment of experienced profiles specialized** in fields such as materials, special processes, electrics and power electronics, as well as information and data technologies.

These objectives demonstrate Safran's commitment to attracting and integrating a diverse range of talents, from graduates to experienced professionals, to meet the technological challenges and needs of the aerospace industry. In 2023, Safran experienced a significant upturn in recruitment, bringing on board 21,377 employees worldwide, breaking down as 18,101 on permanent contracts and 3,276 on fixed-term contracts.

Numerous communication campaigns are run on social media and recruitment platforms to promote awareness of the Group's jobs of the future. These campaigns have sparked great interest. The number of subscribers to Safran's LinkedIn showcase page rose by 22% from 812,000 at the end of 2022 to 985,700 at the end of 2023. Aware of the impact and importance of employees reaching out online, the Group supports employees volunteering to become e-ambassadors and promote Safran on social media through its Employee Advocacy program.

A system for allowing employees to put forward names of people for vacant positions has been introduced in France, the United Kingdom and the United States.

In 2023, the Group employed 7,630 trainees, representing 14% of its workforce in Europe. Every year, this commitment enables a large number of employees to mentor a trainee in their company. Safran's partnership with the Global Apprenticeship Network is helping boost its appeal among young people.

Events for students, including forums, roundtables, conferences, mock interviews and CV coaching by experienced recruiters and site visits, are organized on a regular basis. The many partnerships signed with target engineering, business and management schools and universities (including 19 partnerships in France) are managed dynamically; in 2023, they received support from an active network of more than 250 Safran employee ambassadors. The ambassadors participate in the design of the educational content of their schools, and organize or participate in numerous events between Safran and their partner school. The Group is strengthening its attractiveness in new digital skills thanks to partnerships with specialized schools, and data and cybersecurity masters programs, as well as via a communication campaign with recruitment targets and new digital ambassadors.

The Group has chosen to focus its employee skills sponsorship and charitable work on the social and professional integration of young people, see section 5.6.3.

Safran features in the following rankings:

- *Time Magazine:* first place in the Aerospace and Defense sector and number 59 worldwide in the "best employer" category of the World's Best Companies 2023 ranking[(1)];
- Forbes: twenty-eighth best global employer and fourth best in the aerospace and defense sector in 2022;
- Universum: #5 ranking among the preferred companies of engineering school students and #9 ranking among the preferred companies of engineering school graduate managerial grade employees in France in 2023;
- Capital: #5 ranking in the "Aerospace, Rail and Marine" category in France in 2023;
- Recognized as a top employer for young people by *Engagement Jeunes* for the fourth year running, Safran is also the top ranking company in the "Tutoring" dimension thanks to very positive ratings by young recruits in Group companies in France.

5.4.1.4 Mobility and career management

The mobility of employees and their ability to improve their skills are both a key to maintaining their employability and a prerequisite for the Group's transformation and agility.

To offer varied and adapted pathways to each person, the HSRD relies on several elements:

- performance and professional development interviews completed by 96% of employees in 2023, with access to a digital interview system;
- career committees in the operating companies;
- 12 business line committees, which meet several times a year to discuss the medium-term plan (MTP), the creation of career paths and HR issues related to changes in the business lines.

A central mobility coordination team regularly brings together mobility officers from all Safran subsidiaries. It identifies needs, shares information between companies and assures the correct application of mobility rules. At the same time, another body deals specifically with the mobility of senior executives in companies.

5.4.1.5 Training

Training plays an essential role in supporting the company in its countless transformations, helping make it more agile, digital, innovative and attractive. It is a major source of enduring growth and enables employees to acquire the knowledge and skills needed to adapt to rapid change, fostering adhesion and engagement among employees while maintaining their employability. Safran has accordingly founded a university, Safran University, and five campuses. Safran University draws up the training roadmap and provides part of the training hours of all employees worldwide (nearly 17% of training hours in 2023). Safran is certified by Qualiopi, a French label that recognizes the quality of its internal training organization's processes.

Safran University has three main goals:

- **Define a strategic training offer to develop skills within the various business lines in the fields of operational excellence, digital transformation, energy transition, business performance and support, managerial skills and leadership, diversity and inclusion.**

  Safran offers 230 training programs. The roadmap includes comprehensive retraining programs for jobs in demand, such as those related to software, operational safety, control systems and electronic card programming. For example, employees who were previously system architecture engineers with some knowledge of electronics have been retrained in software development and FPGA (field-programmable gate array) or programmable logical device design. The Group supports professional development and reorientation towards new jobs (data scientists, enterprise architects, CQPM metallurgy qualification certificate for autonomous production unit technicians, Industry of the Future learning expeditions, etc.). In addition, training is provided on social responsibility issues including awareness-raising on corruption, the climate, psychosocial risks and diversity.

  In collaboration with the Group's Digital and Information Systems Department, whose director is a member of the Group Executive Committee, an Employee Experience 4.0 initiative to support digital transformation. One of the goals of this approach is to develop individual and collective skills for all of Safran's business lines in the major "4.0s": Engineering 4.0, Manufacturing 4.0, Customer, Sales, Support and Services 4.0, Data 4.0 and Employee Experience 4.0.

  In 2023, extensive work to train employees on digital challenges was supported and facilitated through free access to the Digital Academy training platform, which offers more than 450 courses of digital-related content (e–learning modules or face-to-face training courses) spanning cybersecurity and personal data protection, digital responsibility and hybrid work, in addition to personalized training courses adapted to various jobs.

- **Develop innovative, high-performance educational solutions focused on the user experience through best–in–class training tools and in-house content production.**

  Teaching focuses on the employee, with learning methods resulting from the latest technological and neuroeducational advances. Safran University promotes the "learning enterprise" approach through an educational and digital innovation plan and the implementation of methods related to social learning and the workplace, such as mentoring and tutoring. These courses are backed up by a range of teaching approaches and a variety of resources ranging from e-learning content on the 360 Learning platform (1,500 courses available, excluding courses dedicated to digital), virtual and face-to-face classes, immersive learning or learning in a work situation, with e-tutoring or the transmission of professional skills for example. Among these innovations, Safran provides employees with tools to produce training content internally and on an independent basis, and to become more professional in the field of digital training. The "Safran teaches Safran" principle is being rolled out to facilitate the

(1) https://time.com/collection/worlds-best-companies-2023/

creation and transmission of knowledge within the Group. In addition, an English-language learning platform, available 24/7, enables employees to practice English anywhere, from a workstation, tablet or phone.

- **Roll out a more efficient and international organization to support the growth of training.**

  In 2023, a Safran University campus opened in Casablanca, Morocco.

ENGAGE FOR THE FUTURE

- **2025 CSR objective #5:** provide 26 hours of training on average per employee.

2023 key training figures:

- Internationally:
  - 31 hours dedicated to training per employee on average **[AR]**,
  - 91% of employees have taken at least one training course,
  - 2,668,830 hours of training,
  - of which 10% in distance formats (e-learning, MOOCs and virtual classes);
- France:
  - 1,083,564 hours of training,
  - 4% of the payroll.

5.4.1.6 Indicators – Training, hirings and separations

All of the indicators mentioned below relate to a Group scope unless otherwise stated.

	2021	2022	2023
BREAKDOWN BY TYPE OF CONTRACT			
% of permanent contracts(1)	97%	95.4%	95.2%
% of temporary contracts(1)	3%	4.6%	4.8%
TRAINING			
Average number of training hours per employee(1)	21	25	31
% of employees having completed at least one training course(1)	82%	90%	91%
WORKFORCE BY AGE GROUP			
% of people aged under 30 in the workforce	14%	17%	19%
% of people aged 30 to 39 in the workforce	30%	29%	29%
% of people aged 40 to 49 in the workforce	27%	27%	26%
% of people aged over 50 in the workforce	29%	27%	26%
Average age	42 years	41 years	41 years
HIRINGS AND SEPARATIONS			
Total new hires – world	8,039	17,354	21,377(2)
% of men new hires	68.7%	65.6%	63.1%
% of women new hires	31.3%	34.4%	36.9%
Number of definitive departures	9,760	11,541	11,826
Of which retirements	1,760	1,286	1,151
Of which resignations and other voluntary departures	4,985	7,423	7,056
Of which dismissals and other involuntary departures(1)	3,015	2,832	3,619
Workforce turnover rate(1)	11.3%	19%	20%
Attrition rate(1)	6.47%	9.4%	8.2%
Permanent departure replacement index	0.82	1.5	1.8
Absenteeism rate	2.84%	3.7%	3.15%

(1) Methodology for calculating the indicators described in section 5.7.4.
(2) In 2023, Safran recruited 21,377 employees, breaking down as 18,101 on permanent contracts and 3,276 on fixed-term contracts.

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

5.4.1.7 Compensation and giving employees a stake in company performance

To boost its appeal, Safran is committed to compensating its employees fairly and equitably, and to guaranteeing attractive additional benefits such as employee savings plans, health insurance, profit-sharing and supplementary pensions, in accordance with the agreements in force.

Compensation

Safran is committed to compensating its employees in such a way as to:

- take into account local situations (local standards and laws in the various employment areas) and support mobility and promotions to encourage risk-taking and initiative. Close attention is paid to jobs subject to shortages, gender equality, starting salaries and employees beginning their careers. Specific sums are set aside to make up for any wage gaps;
- build compensation partly on the basis of employees' individual performance and level of responsibility, but also partly on the collective performance of each company and the Group. In addition to Group agreements, Safran encourages the negotiation of local collective agreements in line with the applicable legal framework;
- offer differentiating and attractive benefits.

COMPENSATION PACKAGE OBJECTIVES AND STRUCTURE

** TSR: Total Shareholder Return.*

Safran's overall compensation policy is aligned with market practices and complies with legal minimums in the 32 countries where it operates. Safran analyzes the consistency of its employees' compensation, both internally and externally, using positioning and compensation surveys provided by a benchmark provider, in order to attract potential applicants and retain employees. The payroll represented 28.6% of consolidated revenue in 2023 (see section 2.1.1).

Compensation helps drive the Group's operational, economic and non-financial performance. In addition to operational and economic objectives, variable compensation is set partly on objectives linked to CSR criteria:

- the Chief Executive Officer's variable compensation for 2023 was partly dependent on CSR and HR objectives related to safety, diversity, gender balance, and climate and low-carbon outcomes (see section 6.6.3.2b). These objectives represented 36% of his personal objectives. This compensation was determined in accordance with the compensation policy established by the Board of Directors with the assistance of the Appointments and Compensation Committee and subsequently approved by the 2023 Annual General Meeting;
- the variable compensation of Executive Committee members is also based in part on CSR indicators, notably those on employee safety and carbon emission reductions;
- 20% of the Long-Term Incentive Plan has been indexed to objectives in the fields of employee safety, the reduction of carbon emissions and the number of women senior executives (see section 6.6.5.2.1).

In 2023, global compensation trends were in line with local market trends in an environment characterized by the mounting inflation.

Employee profit-sharing

Various profit-sharing schemes give employees a share in their company's results.

Profit-sharing

In France, all employees are eligible for the Group's French profit-sharing agreement, which gives them a share in financial results achieved in France.

Optional employee profit-sharing

In France, companies and their employees benefit from optional profit-sharing agreements based on economic, operational and non-financial performance criteria.

Savings and employee shareholding plans

Since 2006, Group agreements have made it possible to develop employee shareholdings through:

- permanent schemes: the Group employee savings plan (PEG) in France and international plans (PEG) outside France (Germany, Belgium, Canada, Mexico, United Kingdom, United States and Morocco, excluding former Zodiac entities). These schemes allow employees to build up savings thanks to employer contributions (suspended in 2023 pursuant to the agreement on the post-Covid-19 working environment). The international plan covers sums invested in company mutual fund units invested in Safran shares. The employer contribution is capped at €2,000 per year and per employee;
- one-off initiatives, such as:
  - the 2012 leveraged employee stock purchase plan, the 2014 classic employee stock purchase plan with matching contribution, and the "Safran Sharing 2020" leveraged employee stock purchase plan with capital guarantee, multiplied upward performance and ratchet thresholds to protect any potential gains,
  - the Board of Directors' decision to grant 10 free shares to all Group employees in 2023 (see section 8.2.2.2 of the 2022 Universal Registration Document);
- the holding of 6.1% of Safran's share capital by employees and former employees as of December 31, 2023, mainly through mutual funds. This represented one of the highest employee shareholding rates of CAC 40 companies;
- employees in France can build up savings through the collective retirement savings plan (PERCOL). The matching employer contribution to the scheme represents up to €1,000 per employee per year. The bonus for senior employees is €1,800 in their last two years of service ahead of retirement. The Company's top-up contribution to invested employee savings for 2022 and invested in 2023 under the agreement on the post-Covid-19 working environment (see section 5.4.2.2) has been suspended.

The PEG and PERCOL investment mechanisms benefit from a socially responsible investment (SRI) label as from January 1, 2023, with the exception of funds invested in Safran shares.

Indicators – Compensation

All of the indicators mentioned below relate to a Group scope unless otherwise stated.

(in € millions)	for 2021	for 2022	for 2023
Statutory employee profit-sharing[(1)(3)]	132	154	202
Optional employee profit-sharing[(2)(3)]	22	174	207
Matching contributions (World scope)[(3)] (amount paid as PERCO, PEG and PEGI matching contributions for all employees)	2	2	94
Employee savings (Total amount paid in respect of statutory and optional profit-sharing [France scope] and related contributions [World scope] [including the corporate social contribution])	122	369	572

(1) For French companies, the minimum salary used to calculate the individual amount of statutory employee profit-sharing is 1.2 times the annual social security ceiling (PASS) (i.e., €52,790.4 for a full-time employee in 2023). Employees who received lower salaries during the year under consideration will receive the minimum amount (pro-rated to the period of their employment).

(2) For French companies, the amount of optional employee profit-sharing may total up to 7% of payroll, depending on the agreement and the company's performance. However, in accordance with the provisions of the Activity Transformation Agreement, the amount of optional profit-sharing for French companies for 2021 has been capped so that the sum of statutory and optional profit-sharing does not exceed 4% of the company's reconstituted gross payroll.

(3) Amount from the consolidated financial statements of companies included in the scope of consolidation, as defined in section 3.1, Note 38.

Employee benefits and social protection

Safran is committed to providing all of its employees worldwide with access to a minimum level of health coverage, including medical, optical and dental services. In 2023, 77% of employees had access to medical, optical and dental services. Employees in certain countries do not have access to this minimum level of healthcare coverage as defined in this indicator. However, as is the case in Mexico, these employees have access to free medical centers on Safran sites.

Special attention is paid to healthcare and personal risk insurance plans through the implementation of single, harmonized plans for all Safran companies in a given country, notably in the United States, Canada, India and Morocco.

ENGAGE FOR THE FUTURE

- **2025 CSR objective #7:** 100% of employees worldwide to benefit from a minimum level of health coverage (medical, optical and dental).

In France, since 2009, employees have been enrolled in a single mandatory life and healthcare benefits plan covering short- and long-term disability, death and supplementary healthcare costs. The plan offers generous benefits for employees themselves and for their dependents. Including dependents, 111,359 people were covered by the healthcare plan in 2023, as well as 24,653 retirees (dependents included). Since 2018, the Group has also offered carer assistance, plus entirely free medical teleconsultations since 2020. From January 2024, Safran will pay a larger share of the contributions to the healthcare plan in order to limit the impact on employees of the overall increase in contributions to the plan.

In France, Safran established a mandatory retirement savings plan (PERO), which replaced the defined contribution supplementary pension plan known as the "Article 83 plan" in 2022 (see section 6.6.1.3 of the 2021 Universal Registration Document).

5.4.2 Ensure health and safety of employees, improve the quality of life at work and maintain a thriving social dialogue

5.4.2.1 Health and safety challenges, policies and guidelines

Challenges

Preserving employee health and safety and the quality of life at work is a fundamental priority for Safran. On industrial sites, employees are exposed to various risks inherent in activities through the use of production equipment, load handling, variable working hours, the use of chemicals and working at heights. Equal attention is given to mental and physical health, fostering an environment where everyone can thrive and work effectively.

Maintaining the attention paid by all teams to preserving the health and safety of employees and on-site partners, in all of the Group's host countries, is central to Safran's prevention culture.

The policy and reference framework relating to health and safety and the environment are described in section 5.4.2.1, the three themes being combined in Safran's HSE framework documents. In addition, initiatives related to respect for the environment and natural resources are specifically set out in section 5.5.3.

Health and safety policy and culture

The Group is committed to nurturing a risk management approach and a culture of prevention to defend the health and safety of its employees, supplier partners, customers and all other stakeholders concerned by its operations, in a spirit of transparency and sincerity. The HSE policy is an integral part of the Group's operational performance. It reflects its commitment to health, safety, the environment and the fight against climate change. It contributes to making Safran a sustainable leader in the global aerospace industry.

The health and safety policy and culture are aimed at all Group stakeholders, from company CEOs and senior executives to managers and employees. They are circulated at all levels via various training courses:

- an awareness-raising seminar for the Safran Executive Committee in 2022;
- dedicated health and safety leadership training for the Group's 600 senior managers in 2023-2024;
- specific training on day-to-day health and safety management for managers, particularly in industrial areas such as production, support and services;
- health and safety site inductions and workstation training for all employees.

Site HSE Guidelines and audits

The HSE policy is rolled out on the basis of global internal HSE Guidelines.

These Guidelines have been endorsed by an external organization as meeting the requirements of environmental management (ISO 14001) and occupational health and safety management (ISO 45001) standards. They also meet Safran's specific operational requirements.

The HSE Guidelines lay down various standards and their applicable requirements, including in terms of:

- risks and impacts, compliance with regulatory obligations;
- stakeholder involvement (employees and on-site providers), commitment and managerial leadership;
- best practice in respect of physical and chemical risks, health and working conditions, ergonomics, road risk, etc.

The guidelines apply to all Group entities, and are part of the "One Safran" management system (see section 1.7). A maturity matrix is used to assess the maturity level on each standard and to set specific improvement objectives. All sites conduct an annual self-assessment in respect of these standards and their HSE operational performance.

For industrial sites, the application of the guidelines' requirements is also subject to annual audits carried out by internal auditors or an external certification body. These audits measure maturity with respect to the guidelines. They validate the level of maturity achieved, from bronze (basic level) to gold (mandatory target level). Audit reports are reviewed by the Group Certification Committee, in the presence of a representative of the external certification body. The Committee certifies the maturity achieved by each site on all standards, at the Bronze, Silver or Gold level. The objective is for 100% of industrial sites to achieve Gold-level classification by 2025. A first wave of 126 sites[1] concerned by this objective is the subject of the "Gold 2025" roadmap, which is reviewed quarterly by the Group Executive Committee.

- 47% of sites were classified as "Gold" based on Safran's HSE standards in 2023, i.e., 59 sites[2].

Prevention of psychosocial risks to promote well-being at work

The Group's "One Health!" roadmap promotes occupational, physical, mental and general health.

There are three levels of prevention in mental health:

- primary prevention: preventive measures to maintain good health over the long term. They are based on the assessment of psychosocial factors by dedicated steering committees at the sites. In 2023, 52 of these psychosocial risk prevention committees were trained in primary prevention;
- secondary prevention: training, awareness-raising and publications on psychosocial factors regularly made available to employees (detection and support for people in difficulty, prevention of harassment and violence in the workplace, prevention of at-risk or addictive behavior). Awareness-raising webinars organized in 2023 brought together nearly 900 participants to discuss these various topics. The psychosocial risk prevention MOOC, updated in 2023, has been followed by more than 13,000 Group employees worldwide since its creation in January 2022;
- tertiary prevention: the management of work-related unhappiness by internal health services.

Safran uses the questionnaire devised by the EVREST health observatory from the Center for Research on Experience, Age and Populations at Work (CREAPT). It is a tool that allows the Group to gather data on employees' experience and health, and which informs action plans aimed at improving well-being at work. Indicators such as workload, recognition, quality of working relationships, psychological and physical health are regularly shared. By the end of 2023, 111 sites worldwide had rolled out the EVREST observatory.

Listening to employees

In 2023, at the request of the Executive Committee, Safran conducted an international survey of all employees' perceptions of the health and safety culture. The response rate was over 85% for all eight Group companies involved in the first edition of the survey; 47,000 employees responded. In addition to the questionnaire, over a hundred group interviews were conducted to enrich the responses. The results of the analysis will be taken into account by each of the companies concerned, and will be used to strengthen preventive measures and the Group's health and safety culture. A second edition of the survey is planned for 2024 for companies that were unable to participate in 2023.

(1) The Group Executive Committee validated the modification of the initial target from 149 sites to 126 sites based on various industrial reorganizations (divestments, business transfers, etc.).
(2) Methodology for calculating the indicator described in section 5.7.4.

Workstation ergonomics to put people at the heart of production systems

Within the Group, 80% of reported illnesses are attributable to musculoskeletal disorders (MSDs). Safran is maintaining its process of continuous improvement of workstations, notably to prevent the specific problem of MSDs. The HSE standard relating to the ergonomics of workstations sets out the tools, training, skills and organization of the ergonomics network. The Group's "ergonomics" roadmap reflects its determination to step up the mapping and reduction of risks. Each Group company adapts the roadmap, with a view to implementing appropriate actions that are consistent with its specific characteristics and challenges. In 2023, a steering committee was created with process representatives (development, industrialization, manufacturing, quality and HSE) to reinforce the cross-functional rollout throughout the Group. Given the predominantly manual nature of activities on Safran's production lines, greater effort is required to optimize workstation ergonomics from the design and industrialization phases.

The ergonomics network allows risks present in workstations to be detected, and contributes to their elimination. This network, comprising more than 200 ergonomics officers, 1,000 ergonomics representatives in design and 17 full-time ergonomists, analyzes and continually improves workstations. It has already produced more than 400 best practices. Employees performing ergonomics-related risk assessments and proposing improvements are trained in accordance with the PRAP program (prevention of risks linked to physical activity) developed by the National Institute for Research and Safety (INRS). Awareness-raising campaigns are also provided for management teams and key players in design teams.

Emphasis is placed on the risks associated with poor posture, load carrying and repetitive work, which are the main sources of workplace accidents and occupational illnesses. This approach applies to existing positions, as well as to any design project for workstations. The analyses carried out cover all organizational and human factors, from cognitive demands to organizational constraints.

By integrating ergonomic studies of work situations into the design phase of workstations, particularly in the context of the company's digital transformation, the industrialization of work situations aims to eliminate any risk to health while promoting sustainable and optimal performance.

Preventing road risks

Employees are exposed to the risk of traffic accidents during business trips and when commuting. The HSE Guidelines feature a road risk standard, showing that preventing road risks is an integral part of the Group's overall prevention approach. A road risk prevention charter covers all sites worldwide. However, four of Safran's employees died on their way to work in 2023.

In France, Safran reaffirmed its membership of the national movement of "employers committed to safer roads" in 2023, encouraging its sites to organize local prevention initiatives along various lines:

- training (in an actual vehicle or in a simulator) to raise awareness among the teams at risk;
- improvement of infrastructure and services;
- investigation of accidents to raise awareness of prevention;
- optimization of travel conditions to reduce the risk of tiredness;
- prevention of risks associated with soft mobility. Thanks to various partnerships, a number of Safran sites have organized awareness-raising sessions on good practices for cyclists and scooter users.

Health and safety objectives and indicators

All of the indicators mentioned below relate to a Group scope unless otherwise stated.

	2021	2022	2023
% of sites classified as "Gold"[1] **[AR]**	33%	41%	47%[2]
Frequency rate of lost-time work accidents[1]	2.1	2.1	2.1
Severity rate of work-related accidents[1]	0.08	0.07	0.06
Fatal work-related accidents	0	0	0
Number of occupational illnesses (France)	49	60	72
Number of occupational illnesses (United States and Mexico)	5	24	8

(1) Methodology for calculating the indicators described in section 5.7.4.
(2) In 2023, the initial target was reduced from 149 to 126 sites. The reduction was validated by the Group Executive Committee in view of various industrial reorganizations (divestments, transfers of activities, etc.).

ENGAGE FOR THE FUTURE – 2025 CSR OBJECTIVES:

- **#6** Maintain a frequency rate of lost-time work accidents less than or equal to 2.
- **#12** 100% of facilities classified as "Gold" based on Safran's HSE standards.

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

5.4.2.2 Social dialogue

A culture of labor relations

Since its creation, Safran has made social dialogue a major focus of its corporate culture, contributing to the regulation of labor relations within the Group. As a shared foundation for labor policy, collective agreements demonstrate the Group's commitment to its employees and contribute to the success of the entire organization and to economic performance.

The Group undertakes to guarantee the proper representation of all its employees, freedom of association and respect for trade union rights in accordance with international standards (notably the ILO conventions) and local laws, through:

- membership of the United Nations Global Compact since 2014, see section 5.1.3.1;
- application of a global framework agreement on corporate social responsibility (see section 5.1.3.3).

The quality of the social climate is the result of ongoing dialogue between management, employees and their representatives. All dialogue is carried out with unfailing respect for trade union rights as defined by the ILO, the United Nations Global Compact, the OECD guidelines and local laws in each country, while maintaining an unbiased attitude towards the various trade union organizations. Social dialogue takes place at the global, European, country, Group, company and subsidiary levels. At the highest level, Safran's Board of Directors includes two employee representatives. More than 75% of employees have access to local employee representation bodies in their company.

Social dialogue bodies

Social dialogue bodies are adapted to local practice.

In Europe, social dialogue mainly revolves around the European Works Council (EWC) and the application of two agreements covering all European Union countries, plus Switzerland and the United Kingdom.

At the global level, social dialogue is conducted through the monitoring committee for the global CSR agreement, with IndustriALL Global Union representatives (see section 5.1.3.3).

In 2021, a European framework agreement was signed between IndustriALL Europe(1) and Safran, with the aim of preserving jobs by developing skills and securing professional careers. Safran is committed to ensuring the employability of all employees by increasing access to training, defining an annual number of hours of training per employee, and facilitating mobility. To that end, an annual European occupational observatory facilitates the sharing information on medium-term changes in jobs and skills in line with the Group's strategy and discussing ways of preparing and adapting the workforce to these changes.

Support for transformation in the Group

In a resolute dynamic of sharing and listening, partner unions are regularly informed or consulted on the company's strategy, including industrial processes, employment, digitalization, financial issues, health and safety, CSR strategy and new projects.

Since 2020, social dialogue has intensified against the backdrop of the health and economic crisis stemming from the Covid-19 pandemic. It enabled the implementation of adaptation measures, including long-term furlough arrangements(2), which ended in 2023. Social dialogue remained active and constructive within each subsidiary in 2023, in keeping with a complex economic and social context, including a return to very sustained activity, a resumption of hiring and tensions on wages. In addition, specific measures were implemented to address mounting inflation (see section 5.4.1.7).

In France, 2023 was marked by the unanimous signing of several agreements granting rights to employees and aimed at continuously improving working conditions:

- Safran and its employee representative bodies signed an agreement to provide better support for parenthood in all its forms and to offer a framework adapted to social realities and the evolution of families, including, for example, harmonization of maternity and parental leave benefits without seniority conditions, provisions for the second parent in a medically assisted procreation program, pay rises upon return from parental leave, part-time assistance upon return from maternity, paternity or childcare leave to allow a gradual return to work, and support in the event of a spontaneous termination of pregnancy. Safran also seeks to promote work-life balance. Depending on their company and sites, employees may also have access to sports equipment, childcare assistance and concierge services. They can also choose to work part-time;
- an agreement in favor of experienced employees and another on transitional rights related to the French pension reform were also signed in 2023. These two agreements improve the social rights of employees by allowing a gradual reduction in working hours while maintaining a certain level of pay, a transition between working life and retirement, and a co-financed adjustment in the event of delayed retirement.

Agreements at each level of employee representation

Social dialogue takes place with representative bodies and trade unions at the country, company and local levels. It is reflected in agreements signed at global, European, country (for France) and local levels. The rollout of these agreements is monitored with employee representatives through a number of dedicated committees.

(1) IndustriALL Europe is a European association of industrial trade unions. It is partnered with IndustriALL Global Union, which brings together unions in the metal, chemical, energy, mining, textile and related industries.

(2) The long-term furlough system was designed to support companies that continued to be affected by a sustained decline in their business during the recovery phase. It allowed employers to access government support to cover part of employees' wages.

Overview of company agreements and their scope:

Agreements and themes	Scope
Global CSR Framework Agreement (see section 5.1.3.3), among the topics covered: ■ Respect for trade union rights in accordance with international standards (notably the ILO conventions) and local laws ■ Fight against climate change and protection of the environment	100% of employees
Local company agreements: ■ Comprehensive local multi-year collective bargaining agreements: very broad scope within the company ■ Agreements signed with employee representative bodies: specific subjects and variable durations (working hours, optional employee profit-sharing, work-from-home arrangements, working conditions, union rights, gender equality, etc.)	75% of employees ■ United States, Canada, Mexico, Czech Republic, etc. ■ France, Belgium, Germany, Netherlands, United Kingdom, Switzerland, Morocco, Tunisia, Poland, Spain, Singapore, China
Collective bargaining agreements	■ France (collective bargaining agreements of the metallurgy and rubber industries) ■ Germany (Hesse state Tariff agreement) ■ Belgium (joint commissions 209, 111 and 315; 01) ■ Netherlands (Metaal Unie) ■ Brazil (SIMMEC, SEAAC) ■ South Africa (National Textile Bargaining Council)
European collective agreements: ■ Development of skills and securing of career paths ■ Professional integration of young people	Europe 61% of Group employees
18 agreements applicable in France, including: ■ experienced employees; ■ employee savings; ■ pensions and personal risk insurance; ■ parenthood; ■ disability; ■ training and management of jobs and career paths; ■ prevention of stress at work; ■ development of social dialogue.	Applicable to companies in France 51% of Group employees

5.4.3 Encourage equal opportunities and promote diversity

5.4.3.1 Make Safran a more inclusive company

Safran opposes all forms of discrimination and seeks to create an inclusive corporate culture. Diversity and inclusion are a marker of the Group's identity. They promote well-being, development and engagement by allowing everyone to feel respected, valued and free to be themselves. They are also catalysts for innovation and success for the Group.

Diversity and inclusion are among the fundamental focuses of the Human and Social Responsibility Department. Safran is aligned with the principles of the United Nations Global Compact, including the elimination of all forms of discrimination in employment. Safran's Ethical Guidelines state that the Group does not tolerate any form of discrimination, whether based on gender, disability, family status, age, sexual orientation, religious beliefs, trade union activity or ethnic, social and cultural background, whether internally or externally.

As a signatory of the Diversity Charter since 2010, Safran is committed to applying its principles at all of its sites, and in all of its human resources, management and decision-making processes. Safran renewed its commitment in 2021 when the Chief Executive Officer signed this Charter[1]. To mark the occasion, Olivier Andriès said: "Scientific studies have demonstrated, and experience has taught us, that diversity in all its dimensions including opinions, experience or cultures, is a driver of innovation and success. This applies at all levels from small teams all the way up to the whole company. We all have the responsibility to welcome and respect differences between our Group's employees."

In 2022, Safran conducted its first inclusion survey of all Group employees to gather their perceptions and expectations regarding diversity, inclusion and non-discrimination. The survey will be repeated in 2025 to allow comparison with the 2022 results and to provide a basis for monitoring and improvement.

The survey and the issues identified were used in the Diversity and Inclusion roadmap, validated by the Group Executive Committee, which aims to drive change, awareness and anti-discrimination initiatives with two main objectives:

- instill and develop a culture of inclusion;
- accelerate momentum on strategic priorities: gender, equal opportunities, multiculturalism, disability.

(1) The Diversity Charter is available on the safran-group.com website.

The CEO of Safran Electrical & Power is the roadmap's sponsor, a member of the Executive Committee, who is also tasked more broadly with diversity and inclusion issues within the Group.

All employees are regularly made aware of stereotypes and non-discrimination. Since 2022, nearly 18,000 employees in France have completed the online training course "From non-discrimination to living together in harmony."

5.4.3.2 Gender equality

Gender equality in the workplace is essential for the Group, broadening visions to ensure that Safran is able to respond to future challenges. However, Safran is confronted with the persistent reality of the low number of female engineers in the aerospace industry. To remedy this lack of gender balance and the under-representation of women in positions of responsibility within the Group, Safran is committed to implementing a dynamic policy to promote professional equality, equity and gender balance at all levels of the company, from executive management down. Safran also carries out internal and external awareness-raising initiatives on gender stereotypes and prejudices.

Safran takes action in three main areas to:

- bring about lasting change in corporate culture, in favor of greater inclusion and gender balance in the workplace;
- accelerate the professional development of women and their access to senior positions;
- increase its attractiveness among women.

The objectives are reflected at the highest level, with an individual objective for the Chief Executive Officer assessed on the increase in the number of women executives.

Progress on gender equality is presented annually to the Board of Directors and regularly monitored by the Group Executive Committee. The management committees of Safran SA and its tier-one entities also regularly discuss the initiatives taken and their outcomes. The Group Human and Social Responsibility Department (HSRD) and the human resources departments of each Group company directly and cross-functionally supervise and coordinate the promotion of equality and gender balance.

Among initiatives to promote career and skills development for women in 2023, mentoring is a lever used and developed at the Group and company level. The number of women in leadership development programs has increased. Ten sessions of the Talent Boost women's leadership program were held in 2023. In addition, awareness-raising campaigns on unconscious bias and the fight against ordinary sexism have been undertaken in the entities, through theatrical sketches followed by discussions and debates with employees.

The Women@Safran network brings in personalities to talk about issues such as the place of women in business and the work-life balance. This network operates in France, the United Kingdom, Morocco, the United States, Mexico, China and Singapore. It is adopting the principles of gender balance.

Lastly, Safran has introduced a new parenthood agreement in France, effective from October 1, 2023, with a particular focus on gender equality (see section 5.4.2.2).

Despite the tight job market, the number of women moving into senior management positions was up 13.8% compared with 2022. The proportion of women in senior executive succession plans is also increasing (28% in 2023). All HR processes have been reviewed to strengthen the identification of women talent pools and facilitate gender equality at all levels and in all business lines, through career committees, succession plans and recruitment.

Safran also continues to adapt job titles and recruitment offers to make them more inclusive. This editorial practice is aimed at changing mentalities, fighting representations conveyed by habit and avoiding unconscious bias. Numerous job descriptions are also published to demonstrate the breadth of jobs available within the Group, in particular on February 11 (Unesco International Day for Women and Girls in Science) and June 25 (International Day for Women in Engineering).

Safran is accelerating the pace of its transformation in terms of gender balance within the company. In 2023, women accordingly represented:

- 29.3% of the workforce;
- 19.5% of senior executives **[AR]**;
- 26.3% of Group Executive Committee members;
- 41.67% of Board of Directors members (see section 6.2.4.2).

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

ENGAGE FOR THE FUTURE

- **2025 CSR objective #8:** 22% of women among senior executives[(1)].

Gender Equality European & International Standard (GEEIS)

Since 2018, Safran has had GEEIS certification for some of its entities. In 2023, three new entities were certified. This demonstrates the Group's resolute commitment to gender equality in the workplace. Audits are carried out every two years to examine all policies, processes, managerial practices, actions and corporate culture in order to guarantee compliance with the requirements of the GEEIS certification. The certification has notably served to strengthen the management of the gender equality policy. The following entities have received the label: Safran SA for the Group policy, Safran Electrical & Power France, Germany and the United Kingdom, Safran Aircraft Engines France, Safran Transmission Systems France, as well as the entities of Safran Aerosystems France and one of its entities in the United States.

In 2023, Safran Aircraft Engines Services Morocco received the GEEIS-SDG Trophy awarded by the Arborus endowment fund[(2)] for its "Merit Scholarship" project, which supports employees in their roles as parents by contributing to the financing of higher education for the children of employees on lower incomes, on the basis of the child's merit.

Gender equality index in France

Safran's objective is to ensure an equitable compensation policy for men and women worldwide. The French legal index relating to the pay gap between men and women provides a means to manage this issue for all French legal entities. The Group's overall rating in France was 91/100 as of March 1, 2024.

Promotion of gender diversity within its ecosystem

Safran carries out initiatives outside the Company to combat stereotypes and encourage women to enter the technical scientific professions. With 566 Elles Bougent sponsors in its ranks, Safran promotes the place of women in the aerospace industry among schoolgirls, high school students and university students (see section 5.6.3.2). This internal network takes part in school forums and workshops, and organizes Safran site visits. Safran also partners with the Fondation CGénial, with 107 employees giving time to take classes and give school talks about Safran's business lines (see section 5.6.3.2). In 2023, Safran opened its doors for the 12th edition of Industry Week. In partnership with non-profit organizations Elles Bougent and CGénial, many of the Group's sites welcomed middle and high school students and teachers to introduce them to the aerospace industry and promote gender balance in technical professions. Many professionals also took part in job-dating events and forums.

The Safran ambassador network also takes part in school and university forums. Safran speaks at conferences, including those of the International Aviation Womens Association, the Council of European Aerospace Societies (the Women in Aerospace Conference), and the Aviation Gender Summit organized by ICAO, and also for the Women in Aviation & Aerospace Charter in the United Kingdom. Initiatives for women in all Group companies aim to combat discrimination in all its forms: "Illuminate" in the United States, "Young Women's Day" in Mexico and "Future en Tous Genres" in Switzerland. Since 2019, Safran Helicopter Engines Brasil, through its declaration of support for a United Nations entity in Brazil – UN Mulheres – has been promoting gender equality increasing the number of young women in the technical and scientific sectors. In addition, the Safran Aerosystems Mexico City and Chihuahua teams in Mexico obtained equal employment and non-discrimination certification using a standard that is not mandatory in the country.

5.4.3.3 Equal opportunities

Social and professional integration of young people

Safran is committed to the social and professional integration of young people, offering them orientation, training or employment opportunities (see section 5.4.1.5).

A European agreement was first signed between Safran and IndustriALL in 2013. It has three main objectives:

- contribute to vocational training for young people;
- ensure capacity development and skills renewal;
- promote gender balance and equality.

In 2023, more than 43% 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.

Safran also participates in numerous guidance and training initiatives, notably to promote technical professions, in schools and universities or by inviting young people to its sites. Safran is a partner of Article 1, a non-profit working to build a society where academic choices and success, and professional integration are not dependent on social, economic and cultural origins. At Safran, 90 mentors are actively involved in supporting these young people (see section 5.6.3).

(1) Indicator defined in the methodology section (see section 5.7.4).
(2) https://arborus.org

Seniors

To maintain a balance between generations, the Group is committed to helping them stay in work. Safran maintains various agreements in place since 2011 and has implemented special end-of-career measures, such as work-from-home arrangements, flexible working hours and part-time work.

In 2023, Safran signed an agreement in France to strengthen the employment of experienced employees, prepare for generational renewal and ensure the transmission of skills. The agreement provides for at least 10% of people hired each year on permanent contracts in France to be aged over 50 until 2025. It also includes several measures to ensure possible professional retraining within the Group, such as career support from specialized coaches and specific training recommendations linked to professional projects. The agreement also features end-of-career adjustment measures taking employees' physical experience into account and allowing for a gradual reduction in activity to ensure a smooth transition to retirement.

5.4.3.4 Disability: inclusion and job retention

Since 2010, Safran has been running a proactive policy on the inclusion of people with disabilities, set out in a "disability" agreement applicable across all of Safran's facilities in France. The fourth Handicap agreement was kicked off in 2023. Mission Handicap, which is part of the Recruitment and Talent Development Department, is tasked with implementing this agreement and coordinating the network of more than 100 disability correspondents and liaison officers on the various sites. Their main role is to implement the disability policy in their company and site. They also play a role in supporting employees on a day-to-day basis and raising awareness among managers and within teams.

The disability policy has five main focuses:

- job retention through:
  - multidisciplinary units to study individual situations and prevent the risk of incapacity,
  - the adaptation of workspace or provision of disability compensation tools (hearing aids, etc.),
  - training for company staff who assist employees with disabilities,
  - assistance for employees with the administrative procedures involved in obtaining recognition of disability status;
- recruitment through:
  - the implementation of a process for promoting applications from people with disabilities,
  - the establishment of a disability unit to create a pool of potential candidates,
  - the development of partnerships with non-profits and specialized recruitment firms,
  - the development of partnerships with online job boards specialized in disabilities and participation in forums and fairs for the employment of people with disabilities;
- collaboration with the sheltered and adapted sector (see section 5.5.2.2) through:
  - the development of partnerships and subcontracting with organizations and services providing assistance through work. Purchasers make use of these structures whenever possible. The use of the sheltered and adapted sector is also a criterion in purchasing scoring matrices. In France, the useful revenue (total cost of labor) spent by the Group with sheltered workshops and disabled-staffed companies exceeded €3.7 million[1] in 2023;
- improved inclusion on sites with the rollout of the Afnor "disabled-friendly organization" compliance approach. This approach incorporates disability into all company processes. Close to 30 sites made a commitment to the process in 2023;
- training to improve the skills of people involved in disability policy (recruiters, HR, managers, IRP, etc.) on various topics, and awareness raising throughout the year to ensure an inclusive environment.

- The Group employed 2,028 disabled people in France[2].
- The employment rate of people with disabilities was 5.23%[2].

These indicators cover all employees with disabilities in France, regardless of the type of their employment contract. However, they only take into account those employees wishing to declare their disability and have it recognized, as not all employees concerned wish to do so systematically. In view of the differences in legal frameworks in different countries, Safran's data are not consolidated worldwide.

In addition, certain initiatives with a broader social focus, carried out directly by the sites or by the Safran foundations, promote the professional and social integration of people with disabilities, see section 5.6.3.1.

(1) Amount in the process of being validated at the time of publication of this document.
(2) The employment rate is calculated each year for the previous year.

5.4.3.5 Indicators – Diversity

All of the indicators mentioned below relate to a Group scope unless otherwise stated.

	2021	2022	2023
INTEGRATION OF YOUNG PEOPLE ON TRAINING			
Number of interns – Europe	2,037	2,364	2,576
Number of work-study trainees (including apprentices)[1] in Europe	3,512	4,090	4,751
Number of PhD students[1] in Europe	232	271	255
Number of young people on international corporate volunteer programs in Europe	21	28	48
DIVERSITY AND EQUAL OPPORTUNITIES			
% of women employees	27.9%	28.5%	29.3%
% of women hires	31.3%	34.4%	36.9%
% of women managerial-grade employees (Managers & Professionals)[1] among total managerial-grade employees (Managers & Professionals)	25.1%	25.7%	26.2%
% of women among senior executives[1][4] **[AR]**	15%	17.1%	19.5%
% of women on the Group Executive Committee	11%	16.7%	26.3%
% of women on the Company's Board of Directors[2] (see section 6.2.4.2)	42.86%	46.15%	41.67%
Number of disabled workers – France	2,155	2,028	2,028[3]
Employment rate of workers with disabilities (France agreement scope[1][3]	5.23%	5.25%	5.23%[3]

(1) Indicators defined in the methodology section (see section 5.7.4).
(2) Excluding Directors representing employees and Directors representing employee shareholders as provided for under French law (see section 6.2.4.2).
(3) The number of people with disabilities and the employment rate are calculated each year for the previous year.
(4) [AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".

5.5 ETHICS, RESPONSIBLE PURCHASING AND THE ENVIRONMENT: EMBODY RESPONSIBLE INDUSTRY

EMBODY RESPONSIBLE INDUSTRY

Be the benchmark in our production methods and throughout our value chain

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

To "Embody responsible industry", Safran is committed to demonstrating exemplary ethics, providing safe equipment, engines and services, strengthening responsible supply chain practices, supporting its suppliers, and preserving the environment and natural resources.

5.5.1 Uphold the highest standards of ethics

5.5.1.1 Safety of products and services

Aviation safety has always been an absolute Group-wide priority for Safran. Aviation safety is the responsibility of all Group employees. As a leading global aerospace industry player, Safran places great importance on safety, as the lives of passengers, crew and those on the ground under flight paths depend on it. Safran reasserts its commitment to assuring all its stakeholders that the products and services it supplies to its customers are safe, an imperative that influences everything Safran does. It is applied across the entire company.

This commitment is expressed in the Group's aviation safety and quality policies and falls within the scope of the Group Quality Department, which is overseen by the EVP Industrial, Purchasing and Performance, who is a member of the Executive Committee. The Group's Quality Management System (see section 1.7), Safety Management System (SMS), and Enterprise Risk Management (ERM) set-up (see section 4.3.1.1) are geared to this purpose.

Aviation safety considerations are factored into the design phase of products and services, and are adapted to all phases of the product life. The safety management system meets international regulatory and industry requirements, enabling the Group to continuously improve aviation safety through procedures and tools designed to compile and manage safety risks with a reactive, preventive and proactive approach. It facilitates the integration of feedback into company processes. To accelerate the consolidation of the aviation safety culture, the network of SMS liaison officers creates training courses and tools shared among all companies. Awareness-raising and training sessions are gradually being rolled out to all Group employees. Safran also offers training and awareness-raising sessions to its suppliers.

In addition, any employee, occasional or external collaborator, customer or supplier can report any deviation or unusual or non-compliant situation through the various channels set up by each company, or through the Group's aviation safety whistleblowing channel, aviationsafety@safrangroup.com.

Safran participates in the French Aerospace Industries Association (GIFAS) Quality Commission and also takes an active role in work carried out within the industry, notably through involvement in the Aerospace, Security and Defence Industries Association of Europe (ASD) and the International Aerospace Quality Group (IAQG).

5.5.1.2 Ethics whistleblowing policy, program and system

Safran's Chief Executive Officer has made an unequivocal and continuous commitment to ethics in the conduct of Safran's policies and operations as outlined in Safran's Ethical Guidelines: "To ensure that all our commitments are upheld, each and every one of us must play our part. Irrespective of our role in the Company, the entity to which we belong or the country where we work, we must all be irreproachable in the performance of our duties. No breach of ethics can be tolerated at Safran, or among any of our partners."

A policy built on the Ethical Guidelines

Safran's ethics policy is set out in its Ethical Guidelines[1], a baseline for internal policies and rules, notably including a code of conduct for the prevention and detection of acts of corruption, a charter for the prevention and management of conflicts of interest, an anti-fraud policy, responsible purchasing guidelines, a personal data protection policy and a policy on health, safety and the environment.

(1) Safran's Ethical Guidelines can be consulted on the safran-group.com website.

Employees are all required to be fully acquainted with the Ethical Guidelines, to comply with them, and to ensure that others comply with them. The Ethical Guidelines cover:

- adherence to fundamental principles (respect for laws and regulations, duty of care, respect for fundamental freedoms and human rights);
- adoption of appropriate business practices (fairness and integrity, zero tolerance for corruption and discrimination, compliance with import and export regulations, fair competition);
- promotion of honest and stringent management of information (protection and control of information);
- climate impact reduction and environmental protection (taking environmental challenges into account to ensure sustainability, combat global warming and protect the environment);
- providing an attentive ear for stakeholders: shareholders, suppliers, customers, partners and civil society.

The 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 the Ethical Guidelines and any changes in the system. It is chaired by the 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 Advisor, the Group Ethics and Compliance Officer, the Group Chief Security Officer, the Head of Audit and Internal Control, the EVP Industrial, Purchasing and Performance, the Chief Digital and Information Officer, and the Head of Group Internal Control. The Committee met twice in 2023.

Whistleblowing system

The whistleblowing system meets all legal requirements on duty of care and the French Sapin II law. It is described in our Anti-Fraud Policy and Code of Conduct. Employees who suspect that a practice or incident may be illegal or in violation of the Group's rules of business conduct have the right to notify or request guidance from their managers, the Head of Internal Control, the Head of IT Security, the Security Officer, the Head of Human Resources, the Ethics and Compliance Department, the Legal Department, the Finance Department, the Quality Department, the Audit and Internal Control Department, the Compliance, Ethics and Anti-Fraud Committee or the Group's ethical whistleblowing channel, safran@alertethic.com. They can use the alert method of their choice.

A Group-wide procedure is in place to collect and handle allegations of unethical behavior or fraud. It describes the conditions under which staff members as well as occasional or external personnel of Group companies can make a report in good faith. It also sets out a number of requirements, including:

- the collection and processing of reports follows a step-by-step process, the various stages of which are defined and traced;
- whistleblowers acting in good faith and without direct financial consideration may not be subject to any disciplinary or retaliatory measures. Their identity must be strictly protected;
- whistleblowers are kept informed of the progress of the investigation. At its conclusion, they are informed of the findings;
- all people involved in the report are presumed innocent; their identities are strictly protected;
- the information collected during the investigation of a report is kept confidential and stored in such a way as to preserve the integrity of the information gathered (secure server, restricted access). Personal data is collected and processed in strict compliance with applicable regulations;
- individuals who are the subject of a report are informed in confidence of the allegations against them to enable them to provide any evidence in their defense. They are informed of the conclusions of the investigation when it is complete;
- once a report has been processed, the conditions for archiving and destruction are defined in detail.

The organization implemented at Group level is described and formalized. The organization within tier-one entities is currently being formalized.

The issues that may be reported are:

- any fraud or attempted fraud;
- any conduct or situation contrary to Safran's code of conduct[1] for the prevention and detection of acts of corruption;
- more broadly, any serious and manifest violation of applicable laws and regulations, notably those bearing on human rights and fundamental freedoms, including discrimination of any kind, issues relating to health, personal safety and the environment, as well as any violations relating to the duty of care in respect of suppliers or a threat or serious prejudice to general interest.

The various channels for reporting fraud or unethical behavior include the secure and multilingual email address, safran@alertethic.com, which can be used to file, anonymously or openly, any good faith report of a breach of the principles enshrined in the Group's Ethical Guidelines. It is available to all – employees as well as external and occasional employees, customers and suppliers. The collection of alerts is managed by an external and independent third party.

In 2023, Safran received 56 reports through this system (20 from external or anonymous whistleblowers and 36 from internal whistleblowers):

- after their initial characterization, 21 reports were qualified as beyond scope and closed;
- 26 reports concerned HR matters (allegations of inappropriate behavior or behavior non-compliant with Safran rules and values). After analysis and investigation, action was taken in six cases, 18 cases were closed without action, and two are under investigation;
- seven reports concerned alleged fraudulent behavior: action was taken in one case, four cases were closed without action, and two are under investigation;
- two reports relate to allegations of non-compliance with anticorruption rules: one was held to be unfounded after investigation, the other is under investigation.

(1) The Safran Code of Conduct is available on www.safran-group.com.

5.5.1.3 Business ethics and prevention of corruption risk

Safran ensures that its activities are conducted with high standards of honesty, integrity and professionalism that are consistent with the highest international standards of business ethics, promoted by the International Forum of Business Ethical Conduct (IFBEC), which includes the world's major international aerospace and defense companies. The Group believes that responsible business management helps preserve its reputation and contributes to the competitiveness and attractiveness of the organization. Safran sees corruption as a serious risk, and addresses it by backing up its anticorruption policy with appropriate governance and processes. Safran is at the forefront of the fight against corruption, participating in initiatives led by national and international professional bodies such as the French Aerospace Industries Association (GIFAS), the French Employers' Federation (Medef), the IFBEC and the European Business Ethics Forum.

In 2023, Safran's anticorruption program was certified ISO 37001 in recognition of the quality of its anticorruption management system. Safran SA, Safran Aerosystems, Safran Electrical & Power, Safran Landing Systems, Safran Seats and Safran Transmission Systems were certified.

Policy of zero tolerance of corruption

Safran's policy for the prevention and detection of corruption risks is based on the principle of "zero tolerance" for any corrupt practice.

Commitment of the Executive Management and company CEOs

The Board of Directors, its Chairman, the Chief Executive Officer and all members of the Group Executive Committee have pledged, for themselves and on behalf of their employees, to be exemplary in their behavior. Maintaining business integrity and refusing all forms of corruption are non-negotiable, even if it means losing contracts and revenue. This is the only way for the Group to secure its sound, sustainable growth and retain the trust of its stakeholders. This commitment involves:

- the monitoring of corruption risk and the anticorruption program by the Board of Directors' Audit and Risk Committee;
- a representation letter on integrity and the fight against corruption, signed each year by the CEOs of all Group entities, CEOs ensure that the letter is also signed by their subsidiaries;
- a half-yearly presentation of anticorruption issues to the Group Executive Committee;
- regular updates of the situation in the various entities with the Chief Executive Officers of each tier-one entity.

A robust corruption risk prevention and detection program

The program's aim is to instill a Group-wide culture of honesty, as laid out in Safran's Ethics Guidelines, and to see that every employee embraces exemplary conduct in this regard.

It integrates all the requirements of international conventions and national regulations applicable to its activities, including the requirements of the Sapin II law. It comprises a series of standard operating procedures applied by each subsidiary in accordance with local legislation applicable to its organization, products and markets. It is also proposed to the Group's minority-owned affiliates.

The program thus addresses two main concerns: (i) promoting responsible behavior among management and employees, and (ii) protecting Group assets through risk management. It is based on the following pillars:

- **Anticorruption pillar no. 1 – Leading by example: "Tone at the Top"**

  The anticorruption commitment is led by Safran's management and companies.

- **Anticorruption pillar no. 2 – Dedicated organization**

  The anticorruption organization is overseen by the Group Ethics and Compliance Department, which reports to the Group's Corporate Secretary, member of the Executive Committee and Chair of the Compliance, Ethics and Anti-Fraud Committee, who in turn reports to the Chief Executive Officer. A network of Trade Compliance Officers (TCOs) implements the anticorruption program throughout Safran SA, its tier-one entities and operationally-managed subsidiaries. The TCOs work with Trade Compliance Managers or Correspondents (TCMs or TCCs), appointed in each of their company's subsidiaries or divisions.

- **Anticorruption pillar no. 3 – Corruption risk maps**

  Corruption risk maps are integrated into the Group's consolidated risk map (see sections 4.1.1 and 4.3.2.5) and cover the operational corruption risks to which the Group and all its subsidiaries are exposed. They also reflect the level of maturity of contributors to the analysis, processing and in turn control of such risks.

  As stated in section 4.1.1, all of the Group's central corporate departments and the tier-one entities review their exposure to corruption risks at least once every six months. Corruption risk maps are updated accordingly and form the basis of risk consolidation work for the Group's consolidated risk map. The work of identifying, mapping and addressing corruption risks serves to determine areas for improvement, prepare training and prevention plans and implement the controls needed to fight corruption.

  Lastly, the back-testing required by the Enterprise Risk Management (ERM) system (see section 4.1.1), the results of second level controls and the annual internal and external audits contribute to the continuous improvement of these systems. The demands of the anticorruption program are aligned with the most rigorous international standards: US Foreign Corrupt Practices Act, UK Bribery Act, OECD Convention, the French Sapin II law, the tenth principle of the United Nations Global Compact, and ISO 37001.

- **Anticorruption pillar no. 4 – Risk prevention and detection program**

  The program comprises a procedure setting out the roles and responsibilities of the various players, the methodology for mapping corruption risks, and the program components: prevention, detection, control and disciplinary measures:

  - **a code of conduct for the prevention and detection of acts of corruption** defines and illustrates the various types of behavior that are prohibited because they could be construed as corruption, based on the risks identified in the risk mapping. It is integrated into all the entities' internal rules and welcome packs, and is applicable to all employees;
  - **a guide to assessing the integrity of third parties** sets out the rules to be applied in assessing the various categories of third parties according to criteria common to all Group companies and adapted to the risk level of each third party. All business partners of Group companies are systematically subject to internal and external due diligence and validation by the Ethics and Compliance Department. The procedure includes approving, managing and monitoring lobbyists, who must comply with Safran's responsible lobbying guidelines[1]. In 2023, the assessment process for high-risk third parties was digitalized;
  - **a guide and reference framework for anticorruption accounting controls** set out the methodology for identifying, implementing, reinforcing and formalizing anticorruption accounting controls (first and second level), to ensure that the level of control is appropriate in light of the issues and risks identified;
  - **the procedures for gifts and hospitality** and other sponsorship expenses given to or received from customers, suppliers and other stakeholders, as well as the corporate **patronage charter**, are designed to avoid any violation of current legislation or any potential conflict of interest. A digitized register of gifts, hospitality and sponsorship expenses is made available to all employees, allowing them to self-declare any benefit offered or received, regardless of its value.

  Anticorruption is also an integral part of procurement practice:

  - an ethics clause is included in Safran's general purchasing and sales conditions;
  - intellectual services to be subcontracted are systematically subject to the written opinion of the Trade Compliance Officer (TCO) of the company concerned;
  - Safran's responsible purchasing guidelines[2] incorporate the terms of the IFBEC Supplier Model Code of Conduct for the aerospace and defense industry (see section 5.5.4.2).

- **Anticorruption pillar no. 5 – Information and training program**

  Regular and appropriate information is distributed to all members of the Group Executive Committee, the executive management teams of the Group companies and all employees directly or indirectly involved in preventing corruption risk. A variety of tools are used to promote a culture of corruption prevention within the Group, including a fortnightly anticorruption "observatory", a weekly business ethics newsletter, and specific country regulation reviews.

  International Anticorruption Day is an opportunity to mobilize all members of the Ethics and Compliance network on the fight against corruption.

  Training dedicated to the prevention of corruption risk is mandatory for all senior executives, all people in the Group exposed directly or indirectly to the risk of corruption, as well as for new hires among managerial-grade staff or those belonging to the target populations. Senior executives and exposed people must complete the training each year. E-learning is offered. It features a core model, 14 specific business modules and a relevant knowledge test. In 2023, buyers and sellers received face-to-face training. The management committees of Safran subsidiaries are also briefed each year. These courses are designed to give every employee concerned adequate knowledge of regulations applicable to his or her activities and a full understanding of Group procedures and how to apply them in performing his or her duties.

  The compliance training policy was reviewed in 2022, with a new organization and the pool of people to be trained expanded by more than 35%. In 2023, 85% of senior executives and employees exposed or affected received anticorruption training, including 100% of senior executives[3].

ENGAGE FOR THE FUTURE

- **2025 objective #9:** 100% of senior executives and exposed or affected employees[4] trained in anticorruption.

- **Anticorruption pillar no. 6 – Control and monitoring of procedures**

  Safran has a control framework for its corruption risk prevention and detection program. As part of its due diligence, the Audit and Internal Control Department conducts annual management audits of entities; they systematically include work on ethics verification and trade compliance.

- **Anticorruption pillar no. 7 – Internal alert system (see section 5.5.1.2)**

(1) *Available on www.safran-group.com.*
(2) *Available on www.safran-group.com.*
(3) *The compliance training policy was reviewed in 2022, with a new organization and the pool of people to be trained expanded by more than 35% (from more than 4,000 to more than 6,300 people). In 2023, 85% of senior executives and employees exposed or affected received anticorruption training, including 100% of senior executives. The scope covered nearly 5,500 exposed or affected employees. In 2023, following the introduction of MOOCs in 2022, employees were required to take a quiz to check their knowledge. In addition, new hires concerned by or exposed to the risk of corruption are systematically required to complete digital training.*
(4) *Exposed or affected employees in the Purchasing, Human Resources and Labor Relations, Legal, Finance, Audit and Internal Control, Ethics and Compliance, Commercial, Programs, Risk and Insurance and Communications departments.*

5.5.1.4 Complying with export control laws, and sanctions and embargoes

As stated in its core purpose, Safran "designs, builds and supports high-tech solutions to contribute to a safer world". Safran buys and sells "dual-use" components, equipment and technologies (i.e., those that can be used for both civil and military purposes) in more than 30 countries to protect the interests of France, its allies and the European Union. Safran accordingly complies with all applicable export control regulations for military equipment, dual-use products and civilian equipment, and related technologies and services. Safran is particularly committed to combating the proliferation of conventional weapons, weapons of mass destruction and their means of delivery, with the purpose of preserving domestic and international security.

Safran has set up a global organization and is constantly strengthening its internal measures and procedures. The Group Export Control and Customs Department reports to the Group General Secretary, Chair of the Ethics, Compliance and Anti-Fraud Committee, who is a member of the Group Executive Committee. The system is implemented by a worldwide network of more than 400 experts and correspondents. A Group Export Control Committee also meets at least twice a year. It includes the Head of the Group Export Control Department and the Export Control managers of the main Group companies and departments. It allows for an exchange of information on the progress made, difficulties encountered and risks identified, the implementation of joint improvement actions and the sharing of information on the latest regulatory developments.

Compliance with regulatory requirements

The Group takes into account changes in the global geopolitical environment, which may result in export restrictions to countries, legal entities or individuals. Safran analyzes said changes to determine their impact on its companies' operations and ensure compliance with all requirements. It adheres scrupulously to all restrictive measures, particularly those imposed by Europe and the United States, applicable to its operations and financial transactions. Safran requires the same compliance from its suppliers through its responsible purchasing guidelines (see section 5.5.4.2). Regarding international trade, Safran also ensures compliance with applicable customs laws, and takes the most appropriate measures to guarantee the smooth running of its international operations.

As regards the Russo-Ukrainian conflict, Safran is complying with the international sanctions imposed on Russia, particularly those of the European Union and the United States of America. The sanctions notably apply to aerospace activities and products. In application of these sanctions, Safran has stopped all activities in Russia (see section 4.3.2.1). Safran is particularly attentive to the risk of sanctions evasion by entities in third countries, and has adopted the necessary verification measures.

- Safran complies with all laws and international agreements signed in each of the countries where it operates, including but not limited to the Treaty on the Non-Proliferation of Nuclear Weapons, the Convention on Cluster Munitions, the Anti-Personnel Mine Ban Convention, the Wassenaar Arrangement, the EU Common Position on Arms Exports and the Arms Trade Treaty;
- Safran is committed to applying for any governmental authorization that may be required to transfer and export defense-related products, and to comply with all conditions and caveats associated with such licenses.

Safran is not involved in any business related to the production of anti-personnel mines, cluster munitions, chemical and biological weapons, blinding lasers, autonomous lethal weapons systems, depleted uranium munitions or white phosphorus weapons.

Internal compliance program

To take into account the risks associated with export control activities (see section 4.3.2.1), Safran has established a system aimed at ensuring strict compliance with all export control regulations and laws in all Group companies worldwide. The system has been specifically adapted for Safran subsidiaries in the United States to comply with US regulatory requirements, such as the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR) and all restrictive measures imposed by the Office of Foreign Assets Control (OFAC).

The export control arm of Safran's internal compliance program is based on:

- **the identification of product export restrictions**, including transactions with countries and companies subject to sanctions or embargoes. Safran provides all of its employees with a tool to assess the compliance of operations and financial transactions involving countries, legal entities and individuals subject to sanctions or embargoes, and to obtain a better understanding of regulations. Prospective transactions are systematically subject to an analysis of export controls and the compliance of financial flows by the relevant Group company, and are then approved or rejected by the Group Export Control Department and the Group Finance Department. Internal procedures were strengthened with the implementation of compliance commitments, awareness-raising on sanction circumvention risks, and a dedicated system for automatic verification of partners' shareholdings;
- **management of export authorization and license applications;**
- **compliance with the terms and conditions of the licenses granted;**
- **identification and protection of controlled technologies;**
- **training, exchanges of good practices and awareness-raising** for the employees concerned: training and awareness-raising by the companies, the Group departments concerned and by Safran University (via a dedicated MOOC), distribution of information notes, dedicated space on the intranet site with a directory of export control network correspondents;
- **three-yearly reviews** of the maturity of the control program of the companies and Group departments concerned by an external service provider, internal control points by the Audit and Internal Control Department, and one-off audits;
- **a comprehensive twice-yearly risk review;**
- **treatment of non-compliance with applicable regulations:** Safran ensures that its companies detect, assess and report any cases of non-compliance. The companies inform the relevant authorities of each identified case and take every precaution to prevent similar cases from recurring in the future;
- **application of the compliance standard by each company:** Safran SA and all tier-one entities are responsible for ensuring the implementation and effectiveness of the control program in their own subsidiaries.

2023 KEY EXPORT CONTROL FIGURES:

- 0 penalties on disclosures closed by authorities in 2023.
- 6,299 senior executives and exposed or affected employees[1] trained in export control.

To improve understanding of national and international regulations, and proper application of them, Safran participates in a variety of working groups with public authorities and trade associations, such as the French Aerospace Industries Association (GIFAS), the Aerospace, Security and Defence Industries Association of Europe (ASD), the French employers' federation (Medef) and Business Europe. Safran chairs the GIFAS working group on French export control regulations and co-chairs the working group on foreign regulations. Lastly, Safran co-chairs the working group on international regulations with the French Directorate General of Weapons Procurement (DGA).

5.5.1.5 Tax compliance

In accordance with its Ethics Guidelines, Safran is committed to adopting the highest standards of tax compliance, namely the fight against fraud and tax evasion. In its tax policy, which is available on its website, Safran undertakes to:

- fully adhere to tax compliance and anti-tax evasion legislation in force in all countries where the Group operates;
- cooperate openly with the various tax authorities and disclose all the information they need to perform their reviews.

The tax function, headed by the Group Chief Tax Officer, works directly under the Chief Financial Officer, who is a member of the Group Executive Committee. A dedicated tax team deals with the Group's operations. Tax processes are reviewed annually through the global risk management process (see section 4.1).

The Group works proactively with tax authorities. Safran complies with the international tax principles set by the Organization for Economic Cooperation and Development (OECD): "Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations". Safran thus ensures that its intra-group transactions comply with the arm's length principle, declares its reporting on a country-by-country basis in accordance with Action 13 of the Action Plan on Base Erosion and Profit Shifting, and discloses the breakdown of its taxes and duties by major geographic area on its website.

5.5.1.6 Protecting personal data and privacy

The Group ensures that its business is conducted with respect for privacy and the protection of the personal data of its employees and contacts (customers, prospects, suppliers, partners, applicants, etc.). The compliance of Safran's personal data protection system is built on three pillars:

- **a Group policy**, which provides a framework for the governance and organization of personal data protection.

  Safran's personal data protection organization comprises a Group Data Protection Officer (DPO), DPOs in the tier-one entities, country correspondents and local correspondents for the Group's major sites. This network circulates procedures (rights of individuals, management and notification of personal data breaches, register of processing activities transferred outside the European Union), raises awareness among internal players and coordinates the compliance of activities and processes involving the processing of personal data.

  In the event of change in the Group's personal data protection policy, the new version will be made available to the people concerned, on the Group website;
- **an internal standard comprising procedures** aimed at implementing European and international regulations (and any developments therein) on personal data protection, including the binding corporate rules (BCR) that govern the transfer of personal data between the Group's international subsidiaries;
- **harmonized tools** to ensure accountability[2] and the principles of privacy by design and by default.

The Group is thus continuing to develop its compliance system through:

- awareness-raising for Group employees through e-learning and ad hoc sessions (IT, HR, etc.), and signature of an annual representation letter by the CEOs of the tier-one entities;
- reinforcement of the application of the principles of privacy by design and by default through the performance of compliance reviews and annual compliance audits by the DPO;
- transparency with regard to data subjects, mainly through access to Safran's personal data protection policy and BCR controllers on the Group's website.

In addition, through its responsible purchasing guidelines (see section 5.5.4.2) and the personal data protection clauses in its contracts, Safran also requires the same compliance from all suppliers with which personal data is shared.

(1) The employees exposed or affected are mainly from the Purchasing, Sales, Aftermarket, Programs, Technical and Industrial departments.
(2) Accountability is the obligation for companies to implement internal mechanisms and procedures to demonstrate compliance with data protection rules.

5.5.2 Strengthen responsible practices throughout the supply chain, and support our suppliers

5.5.2.1 The Group responsible purchasing policy

The Purchasing Department is the main intermediary through which Safran extends its CSR commitments through to its approximately 14,000 significant suppliers[1]. It comprises three entities: the Group Purchasing Performance Department, the Non-Production Purchasing Department, and the purchasing departments of tier-one entities in charge of bill of materials (BOM) procurement. There are approximately 1,600 purchasing employees across the Group's various geographic locations.

In 2023, total purchases amounted to more than €14.1 billion[2], or nearly 63% of Group revenue.

Nearly 48% of the purchase volume[3] was sourced from suppliers based in France, reflecting its industrial footprint, and close to 82% of the volume made in France was from French micro-businesses, SMEs and intermediate-sized enterprises.

In 2023, responsible purchasing governance was strengthened with the appointment of a CSR Purchasing Director and Deputy Director. Safran's responsible purchasing policy is geared towards the Group's objectives of operational excellence and competitiveness, and strengthens responsible practices and innovation capacity throughout the production chain. It is consistent with the Group's industrial policy and complies with the Group's Ethical Guidelines and CSR strategy. Through its responsible purchasing guidelines and its support for suppliers, particularly on issues such as decarbonization, it contributes to relaying the Group's CSR commitments.

The aim of the responsible purchasing policy is to award business to suppliers that meet Safran's demanding ethical, social and environmental requirements, along with the challenges on health and safety, competitiveness, and the rules applicable to aerospace and defense markets. Safran favors long-lasting, balanced and mutually beneficial relationships.

The responsible purchasing policy involves constant collaboration with and between Group companies: all Group buyers apply the purchasing process set out in One Safran; there are internal progress plans and a training program; and the Procure to Pay (P2P) system ensures that suppliers and subcontractors are paid on time.

Responsible purchasing is part of our duty of care (see section 5.5.4.2).

2023 KEY FIGURES:

- 72% of purchases made from suppliers that have signed the Safran responsible purchasing guidelines[4]. **[AR]**

ENGAGE FOR THE FUTURE

- **2025 CSR objective #11:** 80% of purchases made from suppliers that have signed Safran's responsible purchasing guidelines[5][6].

5.5.2.2 Actions to integrate the CSR strategy into purchasing and address the climate challenge

The scoring matrix used in the tendering process includes the following CSR criteria: maturity of the decarbonization approach, product carbon footprint, commitment to responsible purchasing (signing of the charter or CSR program), and the percentage of employees with disabilities on the payroll. The matrix is formalized in a Group process.

To address the challenge of climate change, since 2022, Safran has decided to extend its decarbonization approach to its 400 main suppliers, those that contribute the most to its carbon footprint, in order to encourage them to reduce their greenhouse gas emissions. Each of these suppliers must complete a maturity questionnaire and submit a decarbonization action plan. As part of this approach, the Group organized a second Safran Supplier Day and a first edition of the Decarbonization Challenge during the Paris Air Show in June 2023. Three suppliers were rewarded for their decarbonization innovations. Online training is available for suppliers, including a tool for calculating GHG emissions and another for setting emission reduction targets. To support this approach internally, online low-carbon training is provided to buyers to give them the experience and tools to support suppliers.

In 2023, Safran continued to assess the maturity of its 400 biggest suppliers by surveying them on their decarbonization strategy. 98% of suppliers responded to the survey, enabling Safran to classify them based on three levels of maturity:

- 90% of suppliers have undertaken a decarbonization process;
- 40% have set Scope 1 and 2 reduction targets;
- 22% have implemented action plans including certain Scope 3 categories.

This approach will continue in 2024.

[AR]: indicator audited voluntarily to the higher level known as "reasonable assurance".
(1) Safran works with 25,179 suppliers, of which 13,896 generate annual purchase volumes exceeding €10,000.
(2) The purchasing indicators are based on purchases managed by Safran, i.e., €11.3 billion, and not on all of the Group's purchases, which also include purchases related to administration and partners.
(3) This purchase volume corresponds to the volume managed by the purchasing organization; it excludes purchases related to partners and public authorities.
(4) Or have equivalent responsible purchasing guidelines of their own (see section 5.7.4).
(5) Methodology for calculating the indicator mentioned in section 5.7.4.
(6) New name for the Responsible Supplier Relations Charter in 2021.

Safran is also committed to strengthening partnerships with disabled-staff companies and organizations and services providing assistance through work. The ambition to further develop collaboration with the social economy is supported by the Group Disability Agreement (see section 5.4.3.4). In 2023, Safran spent more than €3.7 million with disabled-staff companies and organizations and services providing assistance through work[1].

In addition to the above actions on integrating the CSR strategy into purchasing, buyers can also be trained on responsible purchasing. 61% of Safran buyers completed the training in 2023.

5.5.2.3 Quality supplier relationships

Safran has been a signatory to the Sustainable Procurement and Supplier Relations Charter of the French Ministry of the Economy, Finance and Industry since 2010[2], obtaining the corresponding label in 2017. In 2020, its Sustainable Procurement and Supplier Relations Label was renewed for a further three-year period. Its renewal is scheduled for 2024. The label is awarded by the French Business Mediation Service and the National Procurement Council and recognizes companies demonstrating sustainable and balanced relationships with their suppliers. It is aligned with the ISO 20400:2017 Sustainable Procurement guidelines. As an alternative method of preventing and resolving disputes smoothly and advantageously to both suppliers and Safran, the Group appointed an internal mediator to handle interaction with Safran suppliers and companies.

- Safran's responsible purchasing maturity level, with respect to ISO 20400:2017 Sustainable Procurement, has been assessed as "mature" (level 3 out of 4, the fourth level being the "leading" level).

5.5.2.4 Support for suppliers and the aviation, defense and space industry

The aerospace industry is facing a twofold challenge: an unprecedented increase in production rates against the backdrop of a global recovery in air travel, and the need to decarbonize this sector, an objective that requires a significant mobilization of all stakeholders.

Industry-specific relief fund

Safran participates in several aerospace relief funds. Since 2020, Safran has invested €58 million in the **Ace Aéro Partenaires** fund set up under the French aerospace industry support plan. The Group also continued Aerofund I, Aerofund II and Aerofund III investment initiatives underway since 2004. In this way, the Group contributes to the financing of SMEs and ETIs, helping them to undertake major transformations, including decarbonization. Strengthening its suppliers' financial structures is a means for the Group to secure its supply chain while promoting the emergence of more robust and competitive intermediate-sized companies that can expand in the global marketplace when the crisis ends.

Suppliers crisis support unit

To deal with the economic crisis and its repercussions on the aerospace industry, (namely rising raw materials, energy and labor costs), as well as capacity constraints in the supply chain, Safran has set up a support unit to help its strategic suppliers. Its purpose is to:

- identify the suppliers most at risk, with a potential impact on the Group's businesses;
- establish a dialogue with those suppliers in order to understand the impact of the crises on them and their ability to sustain their business;
- examine alongside the suppliers possible local government aid;
- direct them towards longer-term and structural solutions such as backing from other industry players and investment funds in cases where standard measures are insufficient.

This approach is carried out in coordination with the public bodies that can offer aid, as well as with other contractors (Airbus, Dassault Aviation, Thales) within the framework of GIFAS when the supplier is shared, and can result in proposals for consolidation with the "Ace Aéro Partenaires" fund.

Closer links with suppliers in the sector

Since 2020, Safran has been a signatory to the charter of commitments on customer-supplier relationships within the French aerospace industry through the French Aerospace Industries Association (GIFAS). The Group is accordingly reinforcing its responsible purchasing approach in the French supply chain and reaffirming its use of mediation.

Safran is involved in a number of bodies and initiatives aimed at supporting the aerospace industry, which includes many SMEs, intermediate-sized businesses and startups. The Group is committed to supporting the development of its suppliers by helping them make progress on key challenges such as innovation, digitalization and cybersecurity.

Since 2010, Safran has been a member of the *Pacte PME* association and sits on its Board, in a commitment to strengthening ties between SMEs and large accounts, to supporting the development of French SMEs, and particularly to helping innovative companies get off the ground and grow. Through *Pacte PME*, Safran contributes to the Destination ETI program designed to help SMEs modernize. At the end of 2023, a new *Pacte PME* survey, entitled *Baromètre Pacte PME 2023*, was launched, focusing in particular on the various dimensions of the relationship between Safran and French SMEs. Its results will be released in 2024.

(1) Amount in the process of being validated at the time of publication of this document.
(2) New name for the Responsible Supplier Relations Charter in 2021.

Safran is also a signatory to a bilateral agreement with the Ministry of the Armed Forces as part of the SME Action Plan. This plan aims to improve SMEs' access to defense procurement contracts, establish a balanced partnership with its suppliers and subcontractors, support SMEs in their international expansion, thereby consolidating the Defense Industrial and Technological Base (DITB) and preserving France's sovereignty. In 2023, an evaluation conducted by the French Ministry of the Armed Forces and the French Directorate General of Weapons Procurement (DGA) with the various aerospace and defense manufacturers praised Safran's action during 2021 and 2022. It highlighted the remarkable level of monitoring and support for the most critical companies in the field of cybersecurity. Safran's active communication with SMEs was also highlighted in terms of innovation, its open approach to integrating startups and the use of some of the shortest payment terms in its contracts. However, Safran has taken into account the areas for improvement identified.

Safran sat on the steering committee for the GIFAS "Industrial Performances 1 and 2" and "Industry of the Future" programs, which aimed to improve performance and competitiveness in the aerospace industry. More than two-thirds of participants were Safran suppliers. They have made it possible to usher in new 4.0 technologies and successfully support the sector's transformation. An investment of €23.5 million financed in equal parts by the French government, regional authorities, GIFAS and suppliers, has benefited 246 French suppliers (SMEs and intermediate-sized enterprises). Most of these suppliers have been able to invest in state-of-the-art industrial equipment.

In 2023, Safran made a significant contribution to defining and rolling out an international framework for operational excellence aimed at the entire aerospace and defense industry. The Aero Excellence framework brings together the best practices and standards in industrial performance to help players in the sector face future challenges and boost their competitiveness.

It covers three themes – operational excellence, environment, and cyber security – across all operational activities from industrialization to repair activities. It allows companies to self-diagnose their level of maturity (bronze, silver or gold) in relation to industry best practices and then commit to a continuous improvement process. Aero Excellence is organized by GIFAS.

Lastly, the Group is a founding member of Space, a body dedicated to improving the performance of French SMEs in the aerospace industry. Safran plays an active role each year by sharing its proven methodologies and assisting in the implementation of new systems for SMEs.

Fostering innovation

Innovation throughout the supply chain is a source of added value for Safran and contributes to customer satisfaction. Safran is also developing a collaborative innovation approach with its suppliers. Regular reviews are organized with strategic suppliers to discuss innovation and share technology roadmaps.

Safran also contributes to the development of startups through its investment fund, Safran Corporate Ventures. Its mission is to develop and accelerate innovation cooperation between the Group's companies and startups. Safran Corporate Ventures accordingly puts a particular focus on the challenges of decarbonization, digitalization and New Space. Such arrangements can go as far as taking minority stakes in the capital of certain strategic startups. Startups have the opportunity to become Safran suppliers. As such, more than 30 cooperation agreements were signed in 2023 between these startups and Group companies. In addition, a support program and business accelerator have been set up (see section 5.6.2.2).

5.2.2.5 Conflict minerals

Although Safran only buys processed products, it is highly vigilant with regard to the origin of the minerals used in certain purchased products such as tin, tungsten, tantalum and gold. Purchasing volumes including such minerals are low. Safran complies with applicable laws and regulations, including the European T3G regulation, in force since January 1, 2021 (also known as the Conflict Minerals Regulation), and US regulations under the Dodd-Frank Act, to ensure that the minerals it uses do not come from conflict zones.

Safran requires its suppliers to commit to its responsible purchasing guidelines, which demand compliance with applicable laws and regulations regarding the sourcing of minerals. It requires them to establish a policy allowing them to reasonably guarantee that minerals purchases do not serve to fund, directly or indirectly, armed groups whose activities are contrary to human rights. They must also exercise due diligence in choosing the source and ensuring the traceability of minerals, and in turn impose the same requirements on their suppliers.

In addition, Safran identifies any suppliers that may use such minerals, and vets their commitments and internal policies by means of a three-yearly campaign using the Responsible Minerals Initiative's Conflict Mineral Reporting Template (CMRT).

5.5.3 Respect the environment and natural resources

The transition to sustainable aviation is a priority for Safran. In its environmental dimension, that means developing business without undermining the capacity to renew natural resources or the proper functioning of ecosystems. With a determination to lead by example in its development and production methods and throughout its value chain, Safran pays particular attention to reducing the environmental impact of its operations and products.

Safran has chosen to focus on four areas of meaningful improvement for its businesses and products:

- chemical risk (limiting the use of dangerous substances);
- noise (limitation of noise pollution);
- depletion of natural resources (reducing the use of natural resources, reusing waste in production, repairing, reusing and recycling products and waste);
- energy consumption (see section 5.3).

5.5.3.1 The adoption of eco-design principles

Safran applies eco-design practices to reduce the environmental impact of its products. For Safran, eco-design is a key factor in the systemic management of product-related environmental issues. Other eco-design objectives include:

- anticipation of changes in regulatory requirements and shifts in stakeholder, especially customer, expectations;
- inclusion of environmental criteria in technological innovation choices;
- stimulation of synergies within the Group, particularly across subsidiaries handling the same product.

In 2015, eco-design principles were introduced through an environmental management approach that is included in the eco-design standard, which is part of the HSE Guidelines. This standard ensures compliance with the ISO 14001 requirements. For example, eco-design activities are being implemented in Group companies to improve the environmental performance of certain civil and military products. Life cycle assessments (LCA) are carried out on certain products to gain a better understanding of their environmental impact and identify the most relevant areas for improvement.

A plan to transform eco-design activities was launched in 2023. Bringing together the Group Sustainable Development Department and the Group Strategy, Technology and Innovation Department, its main goals are to:

- establish Group governance for eco-design activities, notably through a network of liaison officers within the various companies;
- improve employee skills through training and awareness-raising;
- develop common methodologies and tools for environmental assessment and the implementation of eco-design practices.

This transformation plan will be implemented to ensure consistency and complementarity with other environmental approaches (climate, circular economy, hazardous substances, etc.).

In addition, the Materials and Processes Unit of the Strategy, Technology and Innovation Department will use its pivotal position in eco-design decision-making to ensure that eco-design requirements are taken into account in all decisions regarding the development of new materials and processes. Tools have been developed to carry out these environmental assessments and to use the findings to propose areas for improvement and associated solutions. The approach takes into account the degree of knowledge available at each stage of development; eco-design requirements are intended to be adapted and phased in.

Safran is actively involved in the European Clean Aviation project, contributing to a number of eco-design technology demonstrators.

5.5.3.2 Responsible management of chemical substances

Safran aims to limit the use of substances of concern on health and environmental grounds in all of its operational activities. The challenge is twofold: reduce the risks associated with the use of chemical products throughout the life cycle of Safran products, and anticipate the risks of regulatory obsolescence, notably those associated with the REACH regulation, so as to guarantee the sustainability of the business. Employees, residents living near sites and consumers all have high expectations in this area, as do customers.

The responsible management of chemical substances involves a cross-functional approach calling on several Safran departments and various businesses. It brings together a network of correspondents identified within each company, coordinated at the Group level. Substances Committee meetings are organized quarterly to ensure overall progress and set strategic guidelines. The committee brings together the Industrial, Purchasing and Performance, Programs, Technical, Materials and Processes, Product Environment and Health, Safety and Environment departments.

Safran has rolled out a responsible management approach for chemical substances, based on three principles: anticipate regulatory requirements, substitute and control. The Group accordingly conducts strategic monitoring of substances so as to identify those that pose the greatest risk as early as possible and to draw up an appropriate strategy. Any technical work needed to identify alternative solutions is coordinated at Group level, before being brought up to industrial scale within each company, in partnership with suppliers, subcontractors and customers. Residual risks that could not be eliminated through anticipation and substitution work are managed in accordance with the provisions of the Group's Health, Safety and Environment guidelines.

This organization has enabled the identification of regulatory and commercial risks related to per- and polyfluoroalkyl substances (PFAS). PFASs are used widely in Safran products due to their unique technical characteristics, in particular their resistance to temperature and chemical reactivity. Risks stem from the gradual withdrawal of certain PFAS suppliers from this market. Another risk factor is Europe's plans to introduce broad restrictions on their use. Safran has implemented an action plan to limit these risks and seek alternative solutions. In 2023, Safran mapped its use of PFASs, contributing to the comprehensive mapping of the aerospace and defense sector through the work of the *Aerospace, Security and Defence Industries Association of* Europe (ASD). This work will continue in 2024 to gain a better understanding of the functionalities of PFASs in different applications and to consider appropriate substitution solutions.

In 2023, Safran also accelerated the industrial rollout of chromium VI-free processes. Chromium VI substitution is a priority, from the search for alternative solutions to their implementation in industrial processes. Technical solutions are available for most industrial processes, and the challenge in these cases is to obtain customer approval while supporting value chain transformation to introduce new processes into production chains. Safran is mobilizing significant resources to enable these alternatives to be rolled out on an industrial scale.

At the same time, Safran is actively involved in the work at the European level as part of the Chemicals Strategy for Sustainability, through French and European bodies representing the aerospace industry. The strategy is aimed at improving the protection of human health and the environment while encouraging innovation.

5.5.3.3 Reducing noise pollution

The increase in air traffic is making aircraft noise a growing concern for residents in the vicinity of airports, as noise can undermine human health when exposure reaches a certain level. Airport resident associations are lobbying against noise.

Noise standards were first introduced in 1970, and the ICAO has regularly tightened them throughout the world ever since. Some airports also impose additional constraints determined by specific local conditions (traffic, local population, etc.). In 2012, in its Flightpath2050 vision, the European Union set the target of reducing perceived aircraft noise by 65% by 2050 compared with 2000. To meet these requirements, Safran is working to lessen the noise emissions of its engines and equipment and cooperating in research with aircraft manufacturers, helicopter manufacturers and the largest French and European laboratories, notably ONERA[(1)] and the German Aerospace Center (DLR)[(2)].

In fifty years, world aviation has reduced aircraft noise by an average of 80%. Between the most optimized versions of CFM56 engines from the early 2000s and the LEAP engine (2014), an average cumulative improvement of 12 decibels (certified level) has been achieved. The transition from the A230ceo to the A320neo results in a reduction of more than 50% of the ground noise footprint, i.e., the area affected by noise during take-off and landing.

5.5.3.4 Circular economy approach

In 2023, Safran created a Circular Economy unit within the Group Sustainable Development Department, reporting directly to the Executive Committee. The aim is 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 (see section 5.5.3.1) and the establishment of an innovation roadmap for sustainability and recyclability by the R&T teams.

1) Product manufacturing phase: reducing waste and increasing recycling rates

In 2023, a monthly steering committee meeting was set up within the Industrial, Purchasing and Performance Department to increase the recycling of scrap materials in the production phase, with a first project focused on titanium. The titanium swarf generated at the production sites of the companies that consume the most of this material, namely Safran Aircraft Engines and Safran Aero Boosters, is sorted by grade, cleaned and returned to material suppliers around the world. It can then be reintegrated into products purchased by Safran, thereby creating a circular economy loop and helping to reduce the carbon footprint of Safran products. This approach is gradually being extended to other Group companies and key suppliers.

The ultimate goal is to generalize this approach in order to significantly increase the recycling rate of production waste from other metal alloys and to reuse composite material production waste, both internally and in the supply chain. The advances identified in the Innovation Roadmap will make it possible to implement the technologies required to achieve this objective.

2) Use phase: improving repairability, reliability and lifetime as customers use Safran's products

The Group places great importance on the repairability of its products, offering MRO (maintenance, repair and overhaul) solutions worldwide. Each year, Safran experts develop and perform several hundred new repairs on an industrial scale and offer a comprehensive range of services including performance restoration, replacement of parts with a limited life, inspection and maintenance of all equipment and extending the life of equipment. In addition, the implementation of eco-design practices (see section 5.5.3.1) promotes the repairability of new products developed.

Safran also offers the use of second-hand parts. For example, CFM Materials, a joint venture between GE and Safran specializing in used parts for CFM56 engines, offers its customers access to large stocks of spare parts, to meet the needs of maintenance workshops around the world in real time.

(1) Office national d'études et de recherches aérospatiales: French National Aerospace Research Office.
(2) DLR: Zentrum für Luft- und Raumfahrt.

3) End-of-life management phase: promoting reuse, increasing recycling and recovery at the end of the product's life

This final phase of the circular economy approach aims to maximize the value of the product by promoting the reuse and eventual recycling of end-of-life products. For example, the Group offers solutions to promote the reuse of carbon brakes. When these brakes have reached their wear limit, Safran Landing Systems offers certified remanufacturing solutions that enable one new brake system to be made from two used systems. The process is known as "2 for 1." Meanwhile, the innovation roadmap for sustainability and recyclability is focusing its initial efforts on the recycling of cabin interior components. This provides a response to the technological challenges of recycling composite materials and to strong market expectations.

Since 2007, Safran has partnered with two other leading players (Airbus and Suez) to create Tarmac Aerosave, under Safran chairmanship since 2022. Tarmac Aerosave is the European leader in storage and the global leader in the dismantling of military and civil aircraft manufactured by Airbus, Boeing, ATR, Bombardier and Embraer. To improve post-dismantling recycling, it is working notably with Airbus and Safran to develop short recycling cycles for aerospace metals (titanium, inconel and aluminum). A partnership between Tarmac Aerosave and startup Fairmat aims to develop a low-carbon-footprint recycling process for carbon fiber composites.

In 2023, Tarmac Aerosave obtained dual certification from the Aircraft Fleet Recycling Association (AFRA) for dismantling and recycling, and was appointed to the AFRA Board of Directors.

5.5.3.5 Waste treatment

Safran is committed to reducing and treating waste from its production sites. Waste is broken down into seven categories (plastics, paper/cardboard, wood, composite, metallic, hazardous and other non-hazardous waste). Safran sites do not discharge any radioactive waste.

Several treatments are possible for each category of waste: material recycling, incineration with energy recovery, incineration without energy recovery and landfilling for final and hazardous waste. Depending on the type of waste, the maturity of existing channels and the countries in which Safran operates, recovery rates (material and energy) can vary from 99.6% for metallic waste to 47% for composite waste, for which treatment channels are only now taking shape. In 2023, the waste recovery rate was 71%.

ENGAGE FOR THE FUTURE

- **2025 CSR objective #13:** Increase the waste recovery ratio compared with 2019.

Waste – Water	2021	2022[1]	2023
Total waste generated *(in metric tons)*	58,256	58,812	77,173
Total waste recovered and reused *(in metric tons)*	41,403	40,689	54,678
Waste recovery *(%)*	71.4	69.2	71

(1) 2022 figures, which included estimated data for fourth-quarter 2022, were revised in 2023 to reflect the actual data

5.5.3.6 Water management

Water is used mainly for sanitary purposes. In addition, water from industrial processes that could represent a risk is discharged into continuously monitored treatment facilities or treated off-site by a service provider. The Group has commissioned independent experts to perform studies and analyses to assess any potential risk of soil and groundwater contamination at its industrial facilities. Preventive or remediation measures have been implemented wherever necessary.

Water	2021	2022	2023
Water *(cu.m.)*	2,599,461	2,780,005	3,236,413

5.5.3.7 Biodiversity

In 2023, Safran completed a study aimed at better understanding its major impacts on biodiversity and its interdependencies with it. The study also assessed the consistency of actions already undertaken within the Group. It showed that Safran's impact on biodiversity is generally greater than its direct dependency on it (for example, on water resources), mainly through indirect impacts located upstream and downstream of its value chain. Biodiversity and water risk mapping completed the study.

Now that this study is complete, the Group will focus on better understanding these indirect impacts and putting in place actions to preserve biodiversity in 2024.

Numerous initiatives have already been launched to this end, both at Group sites and along the value chain, including eco-design approaches, prevention of chemical pollution, reduction of water withdrawals, protection of natural areas on Safran sites, increased recycling and many others. Safran also complies with the environmental regulations in force for all of its projects, and carries out occasional impact studies on local biodiversity to obtain the operating permits required for its activities.

For example, Safran Nacelles in Gonfreville l'Orcher (France) completed two reforestation projects in December 2022 and January 2023; 130 trees were planted on the site, and three botanical and entomological inventories were carried out in 2023. Safran Nacelles has also supported two hedge-planting initiatives in the area where it operates. Safran Aero Boosters has also been implementing a biodiversity plan at its sites in Belgium since 2020. The aim is to create ecological networks, or connections between ecosystems in an urbanized environment, so as to allow genetic exchanges between populations and in that way to foster biodiversity. In recognition of this commitment, the Natagora association awarded the Milmort site its Nature Network label in 2021.

5.5.3.8 Control of industrial risks

Safran is committed to controlling the industrial risks associated with its activities and mitigating their impact on the environment, wherever they are carried out (see ERM methodology in section 4.1.1). Each site undertakes preventive measures to ensure the compliance of its facilities and to prevent and reduce pollution that could be generated by its activities.

The rollout of the HSE Guidelines makes it possible to cover all industrial risks and to ensure compliance with requirements through audits.

No industrial accidents with a significant impact on the environment were brought to the Group's attention in 2023.

A roadmap on the prevention of major industrial risks sets out the Group's challenges and actions through to 2028 and addresses issues including physical climate risks, chemical risks, fire safety and emerging risks such as the use of hydrogen for next-generation engines.

Physical risks related to climate change

Physical risks related to climate change, such as extreme weather events, may impact Safran in terms of HSE, property damage and business continuity.

To start with, physical risk exposure analysis is carried out for all new acquisition projects. Physical risks for existing sites are also taken into account in Safran's risk mapping.

The "major risks" roadmap takes into account physical climatic risks in light of the increasing frequency and intensity of climatic events. In 2023, as a result of the climatic events that affected the sites in previous years, "reflex tip sheets" were made available to the sites. They set out the rules and measures to be taken during episodes of heat stress, flooding, pollution and drought in order to protect the health of employees and the safety of property.

Facilities subject to operating permits

Since 2016, the Group has operated two Safran Landing Systems facilities, in Molsheim and Bidos in France, that are classified as upper-tier Seveso sites. Both facilities comply with prevailing legislation, with safety management systems, an internal operations plan and technological risk prevention plans in place. The Group also has four lower-tier Seveso sites: Safran Aircraft Engines in Corbeil and Gennevilliers (France), Safran Landing Systems in Dinard (France) and Safran Landing Systems in Gloucester (United Kingdom).

Some units operate facilities that are subject to permits, registration or reporting depending on national legislation. All of the facilities requiring an operating permit have been reported by the Group to the proper authorities. In line with French legislation, financial warranties cover the eventuality of safety and decontamination work being required if sites classified as environmentally risk-prone are decommissioned.

Fire prevention

Action plans to improve fire risk prevention are systematically implemented to continuously improve the protection of sites and the people working on them. Expansion or renovation projects undergo fire safety reviews to ensure appropriate prevention and protection actions are included.

In addition, a regular six-monthly review is performed with a fire prevention and protection firm, insurers and the Group Risk and Insurance Department. These review sessions provide a forum for discussion on past and future developments.

An annual fire audit plan, drawn up jointly with the Risk and Insurance Department, ensures that recommendations are appropriate and properly implemented. These audits make it possible to assess the level of protection against fire risk through a rating. The rating is based on several criteria such as the installation of appropriate sprinklers, documentary and operational management, and building condition and construction materials. The criteria are then weighted to give an overall score from 0 to 100 (100 being the best).

Following a fire at the Molsheim site in France in 2022, an internal Group reference manual defining fire safety rules for the surface treatment of manufactured parts has been available since 2023. The standard applies to all new projects (construction or modernization of surface treatment lines); its requirements are taken into account during technical fire prevention audits.

The indicator mentioned below relates to a Group scope.

	2021	2022	2023
Level of fire protection	68	68	67

5.5.4 Duty of care plan

Safran's duty of care plan is designed to comply with French legal requirements on the duty of care.[1] It is aligned with the Group's CSR strategy and its four pillars: decarbonize aeronautics, be an exemplary employer, embody responsible industry and affirm our commitment to citizenship. The plan covers various risks related to human rights, fundamental freedoms, health, safety, the environment and the fight against corruption. This applies both to the Group's internal activities and to relations with subcontractors and suppliers with which Safran has established business relationships.

Large French companies are required to implement duty of care plans that include the following measures:

1. **a risk map** for identifying, analyzing and prioritizing risks;
2. **procedures for regularly assessing**, with regard to the risk map, the situation of subsidiaries, subcontractors and suppliers with which there is an established business relationship;
3. **appropriate programs to mitigate** risks or prevent serious harm or damage;
4. **an alert and reporting system** on the existence or outcome of risks, put together jointly with trade unions at Group level;
5. **a system for tracking** the measures taken and assessing their effectiveness.

The duty of care plan applies to the Group's entire scope and refers to topics covered in other parts of chapter 5 of this document.

Governance

The duty of care plan is managed by the Ethics and Compliance Department, under the authority of the Group General Secretary, Chair of the Compliance, Ethics and Anti-Fraud Committee. This department coordinates and implements the duty of care plan in collaboration with the following departments: Audit and Internal Control, Climate, Industrial, Purchasing and Performance, Legal, Corporate Human and Social Responsibility, Risk and Insurance, CSR, and Health, Safety and Environment. Each department establishes policies and actions to prevent risks as effectively as possible. The plan is subject to regular review by the Compliance, Ethics and Anti-Fraud Committee (see section 5.5.1.2).

Policies and commitments

External reference frameworks

In its operations, Safran is committed to complying with the United Nations Global Compact and its ten principles relating to human rights, international labor standards, the environment and the fight against corruption. Safran has willingly undertaken to adhere to and promote these universal principles in its practices. The Group has developed its duty of care plan within the framework of the OECD guidelines, the fundamental conventions of the International Labour Organization (ILO) and the UN International Bill of Human Rights. In addition, Safran contributes to the UN Sustainable Development Goals[2] (see section 5.1.3.1).

Internal reference frameworks

In 2023, Safran renewed and strengthened a global CSR framework agreement with the IndustriALL Global Union and representatives of the French metallurgy federations of the French CFE-CGC, CFDT and CGT-FO unions (see section 5.1.3.3). It covers the entire scope of Safran's activities worldwide and applies to all employees, including relationships with suppliers. It takes into account societal and environmental developments, while respecting cultural, social and economic differences. The main objective of the agreement is to place the Group's social responsibility policy within a negotiated framework in compliance with international labor conventions.

The agreement reinforces Safran's commitment to combating climate change and protecting the environment. It also supports the implementation of the Group's human resources policy, guarantees employee representation rights, and recognizes Safran's commitments with regard to business ethics. The agreement emphasizes the importance of upholding fundamental rights, both for subsidiaries and in the selection and evaluation of suppliers, subcontractors and service providers.

It also takes into account the impact of the company's activities on the communities in which it operates, in accordance with the legal and regulatory framework of each country, in particular the principles of duty of care. The agreement stipulates that "communication to staff representatives of information relating to suppliers, subcontractors and service providers will be done in accordance with the legal and regulatory framework of each country on this subject and in particular the principles of due diligence in force."

(1) In France in particular, law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and contracting companies.
(2) The United Nations has established Sustainable Development Goals (SDGs) to address global challenges. https://unric.org/en/united-nations-sustainable-development-goals/.

Safran's internal policies aim to prevent risks relating to human rights and the environment, as identified in the table below.

RISK THEMES	Policies and commitments
Human rights	Diversity charter (see section 5.4.3.1), Global CSR framework agreement (see section 5.3.3), CSR strategy (see section 5.1.2)
Health, safety and environment (HSE)	Health, safety and environment policy (see section 5.4.2.1), Gold 2025 roadmap (see section 5.4.2.1)
Climate	Climate strategy (see section 5.1.1.3)
Personal data	Personal data protection policy (see section 5.5.1.6), internal standard comprising procedures (see section 5.5.1.6)
Ethics and corruption	Ethical Guidelines (see section 5.5.1.2), code of conduct for the detection and prevention of acts of corruption (see section 5.5.1.3), responsible lobbying charter (see section 5.5.1.3), charter on the prevention and management of conflicts of interest
Suppliers and subcontractors	Responsible purchasing guidelines (see section 5.5.2.1), Responsible purchasing charter (see section 5.5.4.2)
Safety	Safety policy (see section 4.3.2.2)

5.5.4.1 Duty of care plan related to the Group's operations

Risk map

Methodology

Risks are managed via the Group Enterprise Risk Management (ERM) set-up (see section 4.1.1). The diversity of Safran's activities and sites exposes the Group to several risks. Its ERM enables it to systematically address the operational and strategic challenges it faces. Each risk factor identified is analyzed and forms the basis for various risk scenarios that are ranked and managed within the scope of customized action plans, taking into account the impact, probability of occurrence and level of control. The impact and probability of each risk are assessed in terms of their direct and indirect potential impact on the Group's businesses. The required level of control is then determined. Each tier-one entity has a risk manager who consolidates its risk map and organizes reviews with its risk committee at least twice a year. Each of Safran's central corporate departments also prepares a map of the main risks in their scope. The Risk and Insurance Department then consolidates this data in a Group-wide risk map.

The Group's risk mapping therefore guarantees the overall consistency of risk assessments and the associated action plans together with the level of control exercised over them. It allows the identification of non-financial risks (see section 5.2). Safran has also drawn up a materiality matrix of non-financial challenges (see section 5.1.2.1), based on the Group's risk map, studies on the challenges facing the aerospace industry and an in-depth analysis of reference frameworks. This matrix highlights 37 issues relating to human rights, health, safety, the environment, anticorruption and business ethics, which are assessed by internal and external stakeholders to determine their importance.

In 2022, Safran strengthened its response to the requirements of the duty of care legislation by specifically identifying and describing risks related to human rights at Group level, with the assistance of an external body. Data from Safran SA and its tier-one entities were analyzed and supplemented by interviews with relevant stakeholders. A total of 54 interviews were conducted with the Corporate Human and Social Responsibility, Ethics and Compliance, Health and Safety, Climate and Environment, Legal, Risk, and Audit and Internal Control departments. Valuable insight into human rights risks was gained. A risk prioritization matrix was created by conducting a detailed analysis of each risk, applying certain focuses set out in the ERM, such as probability and criticality, plus an evaluation of the extent to which they might be considered irremediable, in accordance with the United Nations Guidelines.

This identification of risks has paved the way for new prevention and mitigation measures.

Identification of key risks

Challenges	Key risks	Assumptions
Human rights and fundamental freedoms	Risks relating to discrimination	Discriminatory treatment of employees
	Risks relating to non-respect for local communities	Deterioration of relations with local residents, industrial accidents affecting the environment and the health of local residents
	Risks relating to social dialogue	Discrimination against trade unions
	Risks relating to the violation of the right to privacy	Failure to protect employees' personal data
Health, safety and environment	Psychosocial risks	Work-life imbalance, excessive working hours
	Health risks	Employee exposure to harmful substances, prevalence of musculoskeletal occupational illnesses
	Safety risks	Risks inherent to activities, such as industrial accidents
	Environmental risks	Physical climate risks
Climate	Risks relating to CO_2 emissions	Failure to comply with the Paris Climate Agreement (1.5°C)
Ethics and compliance	Ethics whistleblowing	Incorrect understanding of human rights in ethics reports and whistleblowing handling processes
Suppliers and subcontractors	Risk of non-compliance with social, environmental and ethical legislation	Failure to respect the freedom of association of workers in the supply chain, lack of commitment to reducing greenhouse gas emissions

Regular assessment of subsidiary situations

In addition to the periodic ERM maturity assessment, Group companies are subject to an annual control via a dual internal audit and control system. The Audit and Internal Control Department has defined an internal control framework structured around 13 areas called internal control cycles, which are applied to all Group companies. This framework, comprising 200 control points, is designed to assess the compliance of each company's control processes and activities with the requirements of the framework, as well as their operational efficiency. A specific point is dedicated to the requirements related to the duty of care.

The annual internal audit plan is based notably on the Group's risk mapping. The internal auditors of the Audit and Internal Control Department carry out engagements that contribute to the control of Safran's activities, the efficiency of its operations and the use of its key resources. In 2023, 33 engagements were completed.

By analyzing the results of its work, the Internal Control function is able to identify and remedy non-compliance with the requirements of the framework. In 2023, controls relating to the prevention of corruption, the duty of care and the protection of personal data were extended worldwide.

The various assessment procedures enable Safran to ensure compliance with laws and regulations, application of instructions and guidelines set by Executive Management, and proper functioning of internal processes.

Human rights

Safran conducted its first Inclusion Barometer in 2022, inviting all Group employees to express themselves and provide insight into their perceptions and expectations in terms of diversity, inclusion and non-discrimination. By giving a better all-round vision of current issues, the Barometer made it possible to implement practical actions to foster a work environment in which everyone feels respected, empowered to be themselves and valued. A new Barometer will be organized in 2025 to assess changes in employee perceptions.

Health, safety and environment

HSE risks are assessed at the workstation level, in order to establish action plans for resources or the work environment. The assessments are systematically consolidated site by site, in addition to the assessment of compliance with Safran's HSE standards, aligned with the One Safran management system. In addition, all sites complete an annual self-assessment, with annual audits for industrial sites. In 2023, a survey on Health and Safety culture was conducted in eight Group companies, with a response rate of 87%, allowing action plans to be implemented (see section 5.4.2.1).

Climate

To ensure that the Group's climate strategy is properly implemented and that Safran's decarbonization targets are met, the Group's and its subsidiaries' climate commitment is supported at the highest level of the organization by the Group Sustainable Development Department and the Climate Steering Committee (chaired by the Chief Executive Officer), as well as by the Innovation, Technology & Climate Committee of the Board of Directors. The roadmap is monitored and managed by four more operational committees on the following themes: energy and low consumption, supply chain, employee mobility and product use. The operational management of actions is the responsibility of low-carbon project managers in the tier-one entities, as well as representatives in the business departments (purchasing, supply chain, energy, business travel, etc.). Lastly, progress on the action plan is reviewed regularly by the Group Executive Committee. Standards are in place to ensure the proper implementation of the action plan, such as the internal construction standard applied to all new projects in order to improve the energy performance of new buildings, and an internal energy management system, based on ISO 50001, which is currently being implemented at Safran sites to intensify and accelerate the reduction of energy consumption.

Corruption

In 2023, Safran continued to implement its corruption prevention and detection program, notably by rounding out its control framework. The Audit and Internal Control Department conducts annual management audits of entities, which systematically include verification of compliance requirements. These specific audits represent approximately half of the annual internal audit plan.

Appropriate programs to mitigate risks or prevent serious harm or damage

Based on the identification and analysis of the risks facing the Group, Safran prepares and implements risk prevention or mitigation actions in compliance with the various applicable legal frameworks and its imperatives.

Human rights

Respect for human rights is one of Safran's central commitments, embodied notably in the "Be an exemplary employer" pillar (see section 5.4). Thus, the Corporate Human and Social Responsibilities Department works to develop skills, promote mobility opportunities and guarantee a quality working environment. It is also committed to promoting equal opportunities, diversity and inclusion, while supporting collaboration, mutual aid, social dialogue and respect for trade union rights.

Diversity and inclusion is one of the four key focuses of this HR policy and actions are taken to promote equal opportunity and diversity (see section 5.4.3). In 2022, Safran launched its first Inclusion Barometer, and in 2023 an updated roadmap for 2024 was co-constructed with the various stakeholders. The roadmap's sponsor is the Chairman of a Safran company, a member of the Executive Committee.

Health, safety and environment

Safran's Health, Safety and Environment (HSE) policy is designed to develop a culture of anticipation and prevention to control the Group's risks in a process of continuous improvement. It embodies Safran's commitment to health, safety, protection of the environment and natural resources, and the fight against climate change. These commitments benefit all employees, partners, suppliers, customers and other stakeholders, in a spirit of transparency and sincerity. For example, following the development of its health/working conditions standard, the Group launched the "One Health!" roadmap, focused in particular on mental health (see section 5.4.2.1).

To achieve its objectives, Safran has defined indicators for tracking progress annually for each pillar on the Engage for the Future CSR roadmap (see section 5.1.2).

Climate

The Paris Climate Agreement set the goal of capping the increase in the Earth's average temperature at 2°C, or even 1.5°C, by the end of the century compared with pre-industrial levels. To comply with the agreement, policy, strategies and actions are drawn up and implemented by the Group Climate and Environment Department. To reduce the risks to the environment and those associated with global warming, Safran has implemented a climate strategy, which aims in particular to "decarbonize aeronautics," both internally and externally. Safran aims to become the leader in the decarbonization of the aviation industry. Its policy seeks to make carbon-neutral aircraft a research and technology priority, requiring reductions in CO_2 emissions throughout its entire value chain, and encouraging its employees to reduce their carbon footprint. A Climate Challenge Steering Committee sets targets (see section 5.3.2) and an Innovation, Technology & Climate Committee oversees the effective rollout of the climate strategy (see section 6.3.6.3).

Actions are implemented as part of the strategy to reduce Scope 1 and 2 emissions (see section 5.3.3.2), Scope 3 excluding product use (5.3.3.3) and Scope 3 product use (5.3.3.4).

Ethics and corruption

- **Code of conduct and prevention of acts of corruption:** Safran ensures that its activities are conducted with high standards of honesty, integrity and professional excellence that are in line with the international standards of business ethics, promoted by the International Forum on Business Ethical Conduct (IFBEC). Safran's business ethics policy, constructed with appropriate governance and processes, features a "zero tolerance" policy towards corruption. Safran's actions against corruption include promotion of best practices, and participation in and contributions to initiatives led by national and international professional bodies such as the French Aerospace Industries Association (GIFAS), the French Employers' Federation (Medef), the International Chamber of Commerce (ICC), the International Forum on Business Ethical Conduct (IFBEC), formed by major international aerospace and defense companies, and the European Business Ethics Network.
- **Ethical Guidelines:** Safran's Ethical Guidelines form the cornerstone of the Group's ethical commitments and apply to all employees and stakeholders. It requires adherence to fundamental principles, adoption of appropriate professional behavior, promotion of integrated management of information, environmental protection and attention to stakeholder expectations.
- **Charter on the prevention and management of conflicts of interest:** The Group's ethics policy includes a charter on the prevention and management of conflicts of interest. Safran is committed to conducting its business with honesty and integrity, while respecting the rules of its host countries. Any conflict-of-interest situation must systematically be disclosed through a declaration of conflict of interest so that the necessary measures can be taken to protect Safran's interests while respecting rules of confidentiality and protection of privacy.

Safety

Safran has a dedicated structure responsible for ensuring the **safety of all its employees** (see section 4.3.2.2) in all host countries and in all the countries to which its employees travel. The safety policy includes a country watch, training and monitoring for employees and partners, and other appropriate support systems in geographies at risk.

Personal data

Personal data protection, through a dedicated governance and organization (see section 5.5.1.6); The Group thus ensures that its business is conducted with respect for privacy and the protection of the personal data of its employees and contacts. Safran has a Group personal data protection policy.

Whistleblowing system

Safran has introduced a whistleblowing system enabling people to report any situation in breach of the principles of the Ethical Guidelines, in accordance with the requirements of France's Sapin II and duty of care laws. Details on this system appear in section 5.5.1.2.

This system is open to all of Safran's internal and external stakeholders. It specifically covers issues including human rights, corruption, health, safety and the environment. Every employee is entitled to notify or raise questions with their manager, the Head of Internal Control, the Head of IT Security, the Security Officer, the Head of Human Resources, the Ethics and Compliance Department, the Legal Department, the Finance Department, the Quality Department, the Audit and Internal Control Department or the Compliance, Ethics and Anti-Fraud Committee. They can use the alert method of their choice. Additionally, regardless of the channel used, the process of collecting and reviewing reports ensures that the identity of the whistleblower and any persons concerned is protected. The information gathered during the investigation is processed in total confidentiality by the Compliance, Ethics and Anti-Fraud Committee.

Reports can also be made, anonymously or openly, via the secure, multilingual email address, safran@alertethic.com. Each report is thoroughly investigated to determine whether it is substantiated, and appropriate action is taken as needed. Employees are kept informed on the whistleblowing system via the Group's intranet. The public web page also mentions the existence and operation of the system. The collection of alerts is managed by an external and independent third party.

System for tracking the measures taken and assessing their effectiveness

All risk prevention and remediation measures are monitored and their effectiveness assessed to determine the extent to which objectives have been achieved.

Internal monitoring and assessment of effectiveness

Progress along the Engage for the Future CSR roadmap is monitored by means of non-financial key performance indicators and their respective objectives. Certain key indicators, in particular those on environmental, social, and occupational health and safety objectives, are used to assess the actions implemented under the duty of care plan (see section 5.5.4). Environmental, social, health and safety progress, and other data are compiled as part of an annual monitoring process. Details on the collection of data relating to HSE-Climate indicators are provided in section 5.7.3.

Human rights

The indicators presented on diversity and equal opportunities in section 5.4.3.5 make it possible to measure the implementation of the actions planned. They are used to assess diversity within the Group, ensuring progress on the Diversity and Inclusion roadmap.

Health, safety and environment

The Health, Safety and Environment guidelines include the requirements of environmental management (ISO 14001) and occupational health and safety management (ISO 45001) standards, as well as Safran's standards and specific operational requirements. A maturity matrix is used to assess the maturity level on the guidelines and to set specific improvement targets. The level of maturity is an indicator of the effectiveness of the measures put in place by the Group (see section 5.4.2.1). The HSE policy includes health and safety indicators such as the lost-time accident frequency rate, to monitor the company's progress (see section 5.4.2.1).

Corruption

In 2023, 85% of senior executives and employees exposed or affected received anticorruption training (see section 5.5.1.3). In addition, Safran and its companies Safran Aerosystems, Safran Seats, Safran Transmission Systems, Safran Landing Systems, Safran Electrical & Power received ISO 37001 certification in 2023.

External monitoring and assessment of effectiveness

Non-financial rating agencies assess the measures implemented in the areas of respect for human rights, health, safety and the environment, and the fight against corruption. In 2023, Safran was rated by five major non-financial rating agencies (see section 5.1.4).

Some sites, such as the Safran Electrical & Power and MATIS Aerospace sites in Morocco and the Safran Aircraft Engines, Safran Aerosystems and Safran Landing Systems sites in Mexico, have obtained CSR certifications from external bodies.

Human rights

The receipt of the GEEIS label demonstrates the Group's determination to act in favor of professional equality. In addition, Safran's score on the French statutory gender pay gap index in France is improving, reaching 91/100 as of March 1, 2024 (see section 5.4.3.2).

Health, safety and environment

The Group's Health, Safety and Environment guidelines, on which its HSE policy is based, has been validated by an external body as meeting the requirements of ISO 14001 and ISO 45001. The maturity of its industrial sites based on these guidelines is measured by internal auditors or an external body.

Climate

In 2023, the Science-Based Targets initiative (SBTi) validated Safran's greenhouse gas emissions reduction targets as compatible with the Paris Agreement. These targets cover direct (Scope 1) and indirect (Scope 2) emissions from the energy consumption of Group operations, as well as emissions related to the use of its products (Scope 3). In addition, rating bodies (see section 5.1.4), in particular the CDP with its climate change questionnaire, evaluate Safran's strategy, action plans and outcomes in this area every year.

Corruption

In 2023, Safran Nacelles renewed the certification of its anticorruption program by the French strategic intelligence agency (ADIT) (see section 5.5.1.4). Safran has also obtained ISO 37001 certification (see section 5.5.1.3).

Lastly, an independent third-party organization, accredited by the French accreditation committee (COFRAC), produces a verification report on the non-financial performance statement. The report is provided in section 5.7.5.

5.5.4.2 Duty of care plan related to the operations of subcontractors and suppliers with which Safran has an established business relationship

Risk map

The Risk and Insurance Department consolidates and charts a comprehensive map of the Group's major risks, including those related to supplier relations (see section 4.3.1.6). This consolidation is based on data from entities' operational teams, risk correspondents and risk managers, as well as from the Group Industrial, Purchasing and Performance Department and its correspondents in the entities. Supplier relationship risks are identified, integrated into these work programs and managed.

All employees involved in supplier relations have access to duty of care handbooks examining three risks: human rights, health, safety and the environment, and corruption. Purchasing families and the suppliers concerned are identified for each risk category.

Human rights risks

Safran cross-references the geographic locations of its suppliers with a map drawn up by an independent external body that specializes in analyzing human rights risks.

Health, safety and environmental (HSE) risks

Safran has identified the activities concerned by HSE risks as well as nine types of HSE risk aligned with the HSE standards applicable to Safran sites. These types of risk include toxicology, aqueous and gaseous discharges, fires, explosions, radiation, waste, accidents and regulations. For each "activity/type of risk" pair, Safran has assessed the criticality of the risk and assigned a rating to each supplier based on the activity with the highest risk coefficient.

Corruption risks

Suppliers at risk are identified based on their geographic location and the Transparency International map.[1] Assessment of supplier integrity is based on a risk analysis, framed by the application of criteria shared by all Group companies.

Regular assessment of subcontractor and subsidiary situations

Subcontractor assessments are managed by the Group Industrial, Purchasing and Performance Department, with the help of the subsidiaries' purchasing departments. Safran also asks subcontractors to complete self-assessment questionnaires on human rights, corruption, or health, safety and the environment, depending on the nature of the activities concerned. Action plans are then prepared based on the subcontractor's compliance and the level of risk control.

Subcontractors and suppliers affected by the protection of human rights

In 2023, Safran identified 108 suppliers located in the geographies most exposed to human rights risks, out of all suppliers that generated more than €50,000 in revenue with Safran subsidiaries (excluding Group companies and suppliers belonging to a group with a public CSR policy).

These 108 suppliers received a self-assessment questionnaire focused on human rights and corruption, based on the IndustriALL Global Union questionnaire. Of them, 42 were declared compliant, while 66 are currently under investigation or monitoring as part of specific action plans following the analysis of HSE and Human Rights questionnaires deemed incomplete or unsatisfactory. The approach is shared with the Group Ethics and Compliance and Export Control departments. In addition, a regular review of the supplier base is carried out using the Visual Compliance database[2], to verify suppliers' compliance with international sanctions and embargoes, as well as any sanctions for fraud or corruption.

Subcontractors and suppliers affected by HSE challenges

Other suppliers have been identified for their involvement in one or more of the following eight critical activities: waste removal, chemical product development, surface treatments with baths, paint application, additive manufacturing, thermal spraying, buildings and public works, and radiation control.

Safran does not classify suppliers belonging to a group that applies an HSE policy as "at risk". Among the suppliers deemed the most critical:

- 326 suppliers whose activities are subject in whole or in part to the REACH regulation are considered "at risk" and therefore prioritized (priority 1 for suppliers in Europe and priority 2 for those outside Europe). Among the most critical suppliers:
  - 114 are in compliance with HSE expectations through self-declaration,
  - 33 are being monitored with action plans,
  - responses from other suppliers are being reviewed or pending receipt;
- 895 suppliers that generated more than €50,000 in revenue with Safran have a lower priority; of these, 128 are in compliance with HSE expectations and 82 have action plans. Responses from others are pending or being reviewed.

In addition, there is an annual assessment of CO_2 emissions from purchases from suppliers accounting for the majority of the CO_2 emissions (see section 5.3.3.3).

Appropriate programs to mitigate risks or prevent serious harm or damage

Policy

Rollout of the duty of care plan and anticorruption policy for the Group's suppliers and subcontractors stems from preventive actions and includes plans on risk mitigation and management. These form the basis for the Group's Ethical Guidelines (see section 5.5.1.2), code of conduct for the prevention and detection of acts of corruption (section 5.5.1.3), responsible purchasing guidelines (section 5.5.2.3), responsible purchasing policy (section 5.5.2.1), charter on the prevention and management of conflicts of interest and HSE-Climate Policy (section 5.3.3).

(1) Transparency International's Corruption Perceptions Index (CPI) ranks countries by the perceived levels of public-sector corruption.
(2) Third-party integrity validation tool.

The cornerstone of this policy is formed by the Safran responsible purchasing guidelines, the purpose of which is to obtain suppliers' commitment and involvement in complying with the Group's requirements in terms of health, safety and the environment (HSE), human rights and corruption. They incorporate the terms of the IFBEC Supplier Model Code of Conduct, see section 5.5.1.3. The nine key principles of the guidelines are:

- promotion and respect for human rights;
- development of human potential;
- maintenance of a culture of integrity within the Group;
- compliance with international import and export controls;
- accurate and reliable data archiving;
- protection of information;
- continuous efforts to achieve excellence in the security and protection of people and property;
- development of innovative products and processes with a lower environmental impact (CO_2, energy, chemicals, waste);
- involvement of suppliers and partners in the implementation of the CSR strategy.

Action plans

Safran runs specific actions to roll out the duty of care plan and anticorruption policy to suppliers and subcontractors, involving targeted prevention through responsible purchasing training, provided to all Group buyers.

Application of the CSR and duty of care strategy in purchasing procedures is also systematic:

- development of purchasing strategies, inclusion of CSR criteria in supplier selection processes, supplier approval (including mandatory signing of Safran's responsible purchasing guidelines), contracting and contract management, supplier monitoring and supplier performance metrics;
- creation of a specific communication kit on the duty of care and its distribution among Group buyers to improve their understanding of the law and the existing system, together with another communication kit on the duty of care, which is geared towards suppliers and is designed to allow buyers to raise awareness among their suppliers;
- the Buyer's Memo distributed among the purchasing community, indicating the mandatory training courses to be completed by all buyers during their career, including the "Responsible Purchasing" course.

As indicated in section 5.5.1.3, Safran applies a principle of zero tolerance to all instances of corruption, and has set up a program to prevent and detect corruption risks (see section 5.5.1.3).

Whistleblowing system

The ethics whistleblowing system consists of a reporting system open to all Safran internal and external stakeholders, via a secure email address that allows anonymity: safran@alertethic.com. The whistleblowing system is given to all suppliers in Safran's responsible purchasing guidelines and published on the website. Alerts are classified and then processed by the Group (see section 5.5.1.2).

System for tracking the measures taken and assessing their effectiveness

Management of the duty of care plan:

- additional information from other stakeholders where necessary, and requests for explanations from the supplier concerned;
- specific analysis with the supplier;
- corrective action plans to reduce risks, under the supervision of Safran's lead buyer;
- quarterly reviews with the purchasing departments to oversee the deployment plan, track action plans and make adjustments where necessary, potentially resulting in action to discontinue work with a supplier, or even terminate the business relationship completely;
- a decision by the Group Purchasing Committee, which may decide to terminate the relationship.

At each bi-monthly meeting of the Group Purchasing Committee, a review of CSR indicators and the duty of care plan takes place, with presentation of indicators and progress in the various actions underway: signature of the responsible purchasing guidelines, issue of questionnaires, collection and follow-up of responses, analysis of responses, and launch of action plans as required, etc. The Group Purchasing Committee brings together all the purchasing directors of Safran companies. Among the indicators used to monitor and evaluate the effectiveness of the measures taken, the responsible purchasing training indicator tracks the involvement of buyers in duty of care issues. In 2023, 61% of the Group's buyers were trained in responsible purchasing. 72% of purchases were made from suppliers that have signed Safran's responsible purchasing guidelines or have equivalent guidelines of their own.

Since 2020, Safran has held the Supplier Relations and Responsible Purchasing label. The label is awarded by the French Business Mediation Service and the National Procurement Council and recognizes companies demonstrating sustainable and balanced relationships with their suppliers. It is aligned with the ISO 20400:2017 Sustainable Procurement guidelines (see section 5.5.2.3).

5.6 CORPORATE SOCIAL RESPONSIBILITY: AFFIRM OUR COMMITMENT TO CITIZENSHIP

AFFIRM OUR COMMITMENT TO CITIZENSHIP

Get involved with our local communities and contribute to their development

- Be at the forefront of innovation to protect citizens
- Develop partnerships for training and research
- Enhance professional and social integration

This chapter constitutes the fourth pillar of the CSR strategy, "Affirm our commitment to citizenship". It addresses the impact on society of Safran's choices and operations, and its corporate citizenship initiatives. It also describes Safran's aim of engaging with local communities and contributing to local development. Safran is committed to being at the forefront of innovation to protect people, to developing partnerships to promote training and research, and to supporting its host regions and their communities.

5.6.1 Be at the forefront of innovation to protect citizens

5.6.1.1 Building a "safer world" through our defense business

Safran contributes to national sovereignty and security by providing state-of-the-art defense equipment. In accordance with its core purpose, Safran is committed to designing, building and supporting high-quality technological solutions to contribute sustainably to a safer world. In an increasingly unstable geopolitical environment and in the face of multiple threats such as asymmetric combat and cyberattacks, protecting the sovereignty of the French State, its allies, the European Union and their citizens requires heightened vigilance and efficient technological resources. Safran therefore offers high-tech products, services and solutions to equip armies and protect national and individual interests. Thanks to its expertise in various fields such as optronics, positioning, navigation, timing, avionics, telemetry and radio frequency, its knowledge of the needs of the armed forces and its significant investments in research and technology, Safran offers state-of-the-art equipment that delivers high levels of performance, reliability, robustness and precision in all environments, whether on land, in the air, at sea or in space. In 2023, defense activities accounted for approximately 18% of Safran's revenue. In addition to its defense business, Safran supplies an extensive range of solutions to equip rescue and civil security helicopters worldwide.

Safran's commitment to the independence and sovereignty of France and Europe is strengthened by the fact that its defense equipment businesses are located in France. As a major player in the French Defense Industrial and Technological Base (DITB), Safran has facilities in some 20 French departments, generating several thousand high value-added jobs that cannot be offshored.

Safran invests heavily in research and technology to provide the armed forces with state-of-the-art equipment adapted to increasingly complex situations. Safran's responsibility is to supply the armed forces with reliable equipment that guarantees a high level of protection and performance for military personnel and civilians. Safran's avionics, navigation, optronics and guidance systems provide soldiers with situational intelligence that reduces uncertainty during missions and contributes directly to the success of military operations and territorial defense (see section 1.2.2.5). Safran's ability to innovate provides a precise and accurate response to the needs of soldiers in the field. The industry's development also owes much to the dual use of its innovations. In addition, innovations in the defense industry also benefit the civilian world, stimulating progress in fields such as energy, space launchers and inertial measurement units fitted on aircraft.

France has made the sovereign choice of making nuclear deterrence a central pillar of its national defense. The existence of a highly efficient, sovereign industrial and technological defense industry is therefore critical. Safran participated in the establishment of France's nuclear deterrent and contributes to meeting the needs of the French deterrence policy, strictly defined within the general and sovereign framework of national consultations.

Safran's military launcher activities, including the M51 nuclear missiles of the French Strategic Ocean Force, were all transferred to ArianeGroup when it was created on June 30, 2016. ArianeGroup is a 50-50 joint venture between Safran and Airbus. Safran consolidates 50% of the net profit of ArianeGroup (which also includes civil launcher vehicle activities) in its recurring operating income, and receives dividends in proportion to its interest. Safran and ArianeGroup do not manufacture nuclear warheads for M51 missiles.

France's strictly defensive strategy is therefore aimed at deterring any aggressor from seeking to harm the country's vital interests. It is consistent with the Treaty on the Non-Proliferation of Nuclear Weapons, to which France is a signatory, and adheres to a principle of "strict sufficiency". It is based on a principle of permanence and has a delivery system structured around two components, air and submarine. Lastly, it ensures strict independence in this area, a principle of sovereignty.

French defense policy will always be reliant on the country's industrial base. France has decided to modernize its two air and submarine components, as the principle of permanence and credibility of deterrence require the most modern technologies.

To meet the priority needs of our customer governments, which comply with international treaties, Safran will continue to provide the best of its technology as a means of protecting sovereign choice in defense policy.

5.6.1.2 Compliance with laws on defense

As a defense contractor, Safran scrupulously complies with international conventions (including the International Traffic in Arms Regulation, the Oslo Convention, the Ottawa Convention, the Wassenaar Arrangement, the EU Common Military List, the Treaty on the Non-Proliferation of Nuclear Weapons, the United Nations Arms Trade Treaty, the Convention on Cluster Munitions, the Anti-Personnel Mine Ban Convention and the EU Common Position on Arms Exports), as well as with French arms legislation.

Safran complies strictly with export control laws and embargoes imposed by the governments in whose territories the Group is located, as well as the rules of international bodies. The Group applies for any governmental authorization that may be required to transfer and export defense-related products, and complies with all conditions and caveats associated with such licenses.

Safran's system for ensuring strict compliance with all arms export regulations, and its trade compliance program featuring procedures relating to business ethics and the prevention of corruption risk are described in sections 5.5.1.2, 5.5.1.3 and 5.5.1.4. Safran acts responsibly, and regularly trains its employees on these regulatory and business ethics issues. All prospective new transactions with entities, individuals and countries subject to sanctions are analyzed and either approved or rejected by the Group's Export Control and Finance departments.

5.6.2 Develop partnerships for training and research

Safran contributes to the dynamics of a broader ecosystem to develop scientific knowledge and encourage innovation. It participates in skills development through scientific and academic partnerships. By enabling students to work on thesis topics or internships in fields related to the Group's technological activities, Safran contributes to developing their knowledge and employability.

5.6.2.1 Partnerships for scientific research

Safran contributes to the development of scientific knowledge and innovation through its scientific partnerships. It facilitates the exchange of expertise and the creation of networks. As a major contracting company, Safran provides visibility to its ecosystem (manufacturers, SMEs, startups, laboratories, etc.) on the sector's challenges and outlook. This knowledge sharing in turn supports the roadmaps of other players in the aerospace, defense and space industry, and vice versa. Moreover, Safran ranks among the world's most innovative companies. Since 2022, Safran has ranked first among patent applicants in France, according to the National Institute of Intellectual Property.

Safran maintains over 300 scientific, technological and industrial research partnerships with external public and private stakeholders (see section 1.4.2). Thirty of these partnerships are seen as strategic because they carry high research and technology stakes for the Group. They are governed by framework agreements with ONERA, CNRS, École des Mines, CEA Tech and École Polytechnique de Montréal (Canada).

Safran is closely involved in 15 industrial and scientific sponsorship chairs, in competitiveness clusters (ASTech, Aerospace Valley, etc.) and in the creation of three technological research institutes as part of France's PIA Investments for the Future Program. Long-term partnerships like these, together with the coordination of thematic networks, such as the Advanced Combustion Initiative (INCA) network, serve to advance knowledge, encourage innovation, and to promote a more efficient aerospace industry with less environmental impact (see section 1.4.2). These partnerships are based on agreements involving several players or the creation of joint research centers. For example, PROTHEIS is a long-term joint research center in the field of surface treatment, founded in 2020 from the collaboration between the University of Limoges, the CNRS, Oerlikon and Safran.

ENGAGE FOR THE FUTURE

- **2025 CSR objectives: #13** Host more than 63 new PhD students in Safran teams each year

Safran also supports research through training by welcoming more than 250 PhD students and research students, by working in partnership with schools and university research centers, and through industrial chairs supported by France's national research agency. Safran was the leading employer of PhD students in France between 2018 and 2023, through industrial training-through-research agreements (CIFRE) A large number of Safran employees are involved in higher education institutions each year, teaching classes or participating in educational program guidance bodies, including over 250 "ambassador" employees (see section 5.4.1.3). This engagement in broader society helps to bring young people into the workforce in high-tech professions, and also serves to unite the academic community around concerted scientific objectives, complementing bilateral mechanisms and research chairs.

2023 KEY FIGURES

- 255 PhD students hosted by Safran teams, including 73 new PhD students(1).
- More than 300 scientific research partnerships, 30 of which are strategic.
- 258 employee "ambassadors" working with schools and universities (see section 5.4.1.3).
- France's leading patent applicant since 2022.

5.6.2.2 Partnerships with innovative companies to develop emerging technologies

Through Safran Corporate Ventures (see sections 1.4.4 and 5.5.2.4), Safran actively supports the ecosystem of young innovative companies in the aerospace and defense industries. Safran supports these companies by contributing its expertise and the financial resources (minority investments) needed for their development. Its support ranges from access to an international network of experts, and commercial and industrial exposure, to the establishment of commercial or development agreements between the startups in its portfolio and the Group's various entities, and participation in their governance to support their growth strategies. A dedicated support and development program for startups allows Safran to share its knowledge and expertise, and connect them with institutional, industrial, academic and financial players. For example, the 2022-2023 Explore H2 program identified around a hundred startups in the field of hydrogen and gave rise to practical collaborations with five of them.

These contributions are a factor of sustainability for these young companies, which are fragile in their early years. Thanks to this collaboration on innovation and R&T projects, these players become preferred partners and can ask to join the Safran supplier panel (see section 5.5.2.4), or become customers. Safran is committed to being a sustainable and responsible partner, building respectful, trust-based and win-win relationships in the interests of all parties. Safran showcased its startup partners at the Paris Air Show and at Hello Tomorrow, as well as at internal events such as the Safran Innovation Day.

To identify and support startups considered strategic for its growth, Safran is also a member of bodies including La Place Stratégique and StartAir, the club of French aerospace start-ups, through GIFAS.

5.6.2.3 Training and regional development partnerships

Safran plays a role in society by developing the knowledge and skills of the many young people who complete part of their training (through internships, work-study programs or PhDs) with the Group each year. More than 7,500 young people were welcomed on sites in Europe in 2023. Safran is developing partnerships with several schools (see section 5.4.1.3):

- in Mexico, Safran Aircraft Engines and Safran Landing Systems are involved in the Mexprotec bilateral university cooperation program, which enables Mexican senior technicians to earn a professional degree in a French institute of technology. The Group is partnered with several universities, including the National Autonomous University of Mexico (UNAM), the Aeronautical University in Querétaro (UNAQ) and the Technological University of Querétaro (UTEQ). It has collaborated with the Lycée Franco-Mexicain in Mexico City to set up a work-study program delivering a professional degree from the University of Créteil in France. Safran is also a founding member of the AeroClúster de Querétaro association;
- in Brazil, Safran Helicopter Engines promotes excellence and mobility among young students, especially in the field of science and technology. Since 2018, Safran has had a partnership agreement with the University of Brasília (UnB) to foster collaboration in research and knowledge transfer.

Safran also contributes to regional development:

- firm economic offset commitments to client governments allow Safran to support job creation by purchasing or investing directly in its host countries. The Group also contributes to strengthening the skills of talent in client countries by training qualified personnel. Safran can also participate in the development of education or health in client countries. For example, since signing the Rafale contract with India in 2016, Safran has invested in local companies each year through the purchase of production or services and training. This has led to the creation of highly qualified jobs and the development of skills, while bolstering the economy of the local ecosystem;
- at the end of 2023, Safran signed a framework agreement with the Moroccan government on a mutual commitment to support and develop the Moroccan aerospace industry ecosystem. Hand-in-hand with this long-standing partner, Safran is contributing to the development of a robust ecosystem in Morocco, notably by supporting the development of aerospace programs and the creation of joint units in partnership with Moroccan universities in the fields of engineering, R&D, test benches and simulation. Safran has been operating in Morocco for 24 years. It employs more than 4,200 people there, in eight companies or joint ventures. The Group is the leader in the country's aerospace industry and has forged strong partnerships with manufacturers in the industry, government institutions and training centers. The Moroccan plants are central to Safran's global production network.

(1) Students preparing a thesis and embarking on their first year of research at Safran.

5.6.2.4 Professional training centers created by Safran worldwide

The global CSR framework agreement, see section 5.1.3.3, stipulates that "*in each country where it operates, Safran favors local human resources to fill available jobs and whenever possible, develops local integration*". This commitment is demonstrated in the provision of vocational training for aerospace jobs to facilitate skills transmission, as well as in Safran's support for research to encourage innovation at the Group's various locations.

Training through the 54 industrial schools attached to the tier-one entities, the 4 CFM Training Centers and Safran campuses worldwide

For example:

- every year, 54 industrial schools around the world, including 34 attached to Safran's tier-one entities in France, provide training to their employees around the world;
- Safran operates in India through six companies located in New Delhi, Bangalore and Hyderabad, with more than 700 employees, a joint venture and a CFM Training Center, which allows Group employees and employees of local airlines to upgrade their skills. 384 interns were trained there in 2023. The joint venture between Safran Helicopter Engines and Indian company, HAL, provides support to national and international operators using helicopter engines, primarily the Indian air force, navy and army;
- in China, the CFM International training center trained more than 688 trainees in 2023. It is CFM's third-largest training center worldwide;
- in Morocco, Safran helped forge the partnership between the Moroccan government, the Moroccan Aeronautical and Space Industries Group (GIMAS) and France's Mining and Metals Industry Confederation (UIMM). It also supported the creation of the IMA aerospace vocational training institute and is partnering with Moroccan authorities to develop the country's research capabilities by creating doctoral programs in aerospace disciplines. Partnerships are also in place with École Centrale Casablanca and Mohammed VI Polytechnic University.

In addition, a campus with dedicated classrooms was inaugurated in Casablanca in 2023 to offer Safran University training courses to Safran employees in Morocco.

CampusFab training – preparing for the Factory of the Future

Since 2019, Safran partner CampusFab has been providing acculturation and training for aerospace and space technicians and engineers in the jobs that will be part of the industry of the future. The campus, located in France, is run by a consortium of industrial and employment stakeholders and training organizations. It is also supported by public institutions and by the French government as part of its Investments for the Future (PIA) program. CampusFab provides Safran employees with continuous training to prepare them for the challenges of tomorrow's digital factory, and to give them the knowledge needed to pilot industrial systems and manage data. Training modules are also offered to people on combined work-study programs. From their initial training, they will be ready for Industry 4.0 developments. Safran is also promoting the platform among engineering schools, with the aim of providing future graduates with a tool geared toward the Factory of the Future.

CampusFab is equipped with the technologies, industrial equipment and software solutions underpinning Industry 4.0. Digital technology is omnipresent in this modular 2,000 sq.m. space, with collaborative robots, connected objects, virtual or augmented reality, and additive manufacturing. Everything is designed and organized to monitor data continuity, from product design to completion.

In 2023, CampusFab signed a partnership agreement with Safran Aircraft Engines to make some of its premises and equipment available to its industrial school for practical training for method engineers.

CampusFab is an essential component of support for the digital transformation of the Group's operations. Working alongside industry experts, Safran University develops training programs geared towards the Factory of the Future. These programs meet the skills development needs of the Group's employees by offering certificates such as the CQPM metallurgy qualification certificate for autonomous production unit technicians, as well as programming modules and other training courses such as product design on the digital platform.

5.6.3 Commitment to regions and their 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 Safran Foundations for corporate and skills sponsorship, and through local actions led by sites and employees.

ENGAGE FOR THE FUTURE

- **2025 objective #14:** 100% of sites with 50 or more employees carry out at least one community initiative(1).

(1) In 2023, the scope of this indicator was extended to include facilities with 50 to 99 employees, adding 32 sites. Most of our initiatives are devoted to social, health and environmental issues.

This indicator maps the civic engagement of foundations, sites and employees by listing the many initiatives carried out in host regions to create a fairer society. Since monitoring began in 2021, the number of initiatives identified has increased significantly. The rate was unchanged at 76% in 2023, despite the expansion of the scope of the indicator to include sites with 50 or more employees. The total number of community initiatives across all sites increased by 13% between 2022 and 2023. 188 sites carried out more than 630 community initiatives, mainly concerning social, health and environmental issues. In 2023, a digital platform was launched to identify these initiatives and manage a community of 250 "citizen ambassadors" at the various sites.

These actions 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.

5.6.3.1 A sustained Group-wide effort on sponsorship activities in support of education and the integration of young people

Safran's philanthropic activities are structured through two foundations and direct sponsorship. Since 2004, the common thread has been a commitment to young people.

The Safran Foundation for Integration

The Safran Foundation for Integration provides support for young people with disabilities or in situations of great vulnerability. It supports professional integration projects, particularly in a mainstream environment, as well as social integration projects in the areas of housing, culture and sport.

The Foundation supports its main partners through multi-year contracts, such as the partnership with the Fratries endowment fund to create shared housing for young people with disabilities and young professionals without disabilities, and that with Rocher to support the professional integration of young people in difficulty.

The Foundation also continues its commitment to the AlphaOmega Foundation, launched in 2017 with a total endowment of €1 million. Leveraging the innovative notion of venture philanthropy, the AlphaOmega Foundation supports the scaling up of seven non-profits in the field of education, from elementary to university level, including Coup de Pouce and Article 1.

2023 KEY FIGURES

- Close to €736,000 donated to 39 charities.
- 37% of the projects receiving support were put forward by Group employees.

The Safran Corporate Foundation for Music

The Safran Corporate Foundation for Music supports talented young musicians as they start their professional journeys to become leading performers in the classical music world of tomorrow, by offering them scholarships to study or to prepare for international competitions for example. Many generations of virtuosos have also benefited from partnerships (often long-term) forged with venues that have a genuine commitment to promoting young talent. 2023 was the year of the cello for the Foundation. The Safran Foundation for Music prize was won by Thomas Martin. One of his prizes was a cello made by David Leonard Wieder in partnership with Talents & Violon'celles.

2023 KEY FIGURES

- 35 young people and 11 venues supported.
- €259,000 donated.

Group educational sponsorship

Firmly believing in the importance of education in allowing people to achieve their potential, as well as its role as a vector of integration and equal opportunity, Safran supports practical educational initiatives. Its actions, representing nearly €90,000 in 2023, are focused on improving the acquisition of mathematical and scientific knowledge.

In 2023, with the support of Safran, non-profit organizations S[cube] and Scientipole Savoirs & Société created a traveling program to teach mathematical concepts through 10 board games. The games are adapted to different levels, from 7th to 10th grade. More than 3,500 middle school students in France benefited from the initiative. Hugo Duminil-Copin, winner of the 2022 Fields Medal, is the patron of the initiative.

5.6.3.2 A wide range of community commitments

Strong employee and site involvement through multiple aid and sponsorship initiatives

Financial and material donations, along with volunteering by employees of Safran companies, help many non-profits and local communities, especially those working with people with disabilities and chronic illnesses. 2023 saw the completion of more than 630 community initiatives by all companies at their sites and by their employees around the world. They covered a range of issues, including:

- health: around a hundred blood donation campaigns were organized at sites;
- environment: recycling events and clean-up campaigns were organized, getting employees onboard to preserve biodiversity;
- disability: financial support was provided to various non-profits promoting the recognition and integration of people with disabilities within companies.

In addition, collections were held to support local food banks and provide assistance to people in need. Employees were able to complete skills sponsorship assignments with non-profits during their working time.

For example, in 2023, Safran Cabin in the United States demonstrated its commitment to the community through **Give & Grow**, a non-profit organization created by Safran Cabin in 2007. Nineteen sites took action to collect financial donations, and five sites helped renovate an elementary school. Give & Grow's purpose is to support the education of underprivileged children and young adults in the United States and Canada through initiatives such as renovating local school playgrounds and buildings, academic support and scholarships for higher education. Over 250 employees are members of Give & Grow, and volunteer their time to support its work. The non-profit's 2023 budget of $80,000 was funded by Safran Cabin's contribution, employee donations and fundraising events.

Crisis solidarity

In September 2023, €1 million was given to support the Moroccan people affected by an earthquake. This financial assistance was divided between the Moroccan government's special aid fund, the Moroccan food bank and various NGOs to contribute to reconstruction efforts. At the same time, a large number of employees at Safran sites took action by organizing charity collections (food, personal hygiene products, first aid supplies, etc.), which were sent to Morocco.

The Go Safran Engage charity and sporting challenge

In 2023, Safran launched a charity and sporting challenge involving more than 9,000 employees. Through quizzes and sporting challenges, employees covered 12,030,781 kilometers, raising funds for 23 non-profits. For example, A Tree for You received a donation of €50,000 for the restoration of mangroves in Mexico. The goal is to plant 10,000 mangrove trees to improve water quality, promote biodiversity and provide economic support for 45 fishermen and their families.

Group-wide commitments

Among the long-term initiatives supported by Safran, employees are actively involved in several non-profits:

Article 1, equal opportunity through mentoring

Safran has been promoting the social and professional integration of young people in difficulty or from underprivileged neighborhoods by contributing to Article 1 as a sponsor since 2008. Group employees have also been working as mentors, supporting young people during their studies and as they enter the workforce. In 2023, 90 Safran employees took part in one of these two mentoring programs.

CGénial, linking education and industry

The Fondation CGénial aims to develop young people's appetite for science and technology, and introduce them to related professions. Safran has been partnering with CGénial since 2017. 107 employees give classroom talks about their jobs as engineers or technicians. Safran also welcomes teachers and managers from the French national education system at its sites in France every year.

Elles Bougent, encouraging women to take up careers in engineering

The non-profit Elles Bougent works to promote the place of women in the aerospace industry among girls attending middle school, high school and university, through a variety of activities including forums, workshops and company visits. Safran has been a partner since 2005; in 2023, more than 566 of its employees were members.

Safran is also a "National Defense Partner" in France through the military reserve

Safran affirms its commitment to sovereignty by supporting French volunteer reservists in the army and the police, as well as veterans in the United States. In France, the law allows employees to devote up to 10 days of their working time each year to the military reserve. Since 2006, Safran has granted its employees an additional 10 days per year, giving them a total of 20 days of authorized paid time off to fulfill their reserve obligations. Nearly 100 employees are involved as committed citizens to help protect the country. In 2021, the Group strengthened its commitment by signing an agreement with the French Ministry of the Armed Forces to support the military reserve policy. In addition, in the United States, Safran supports veterans through fundraising, non-profit organizations and on-site initiatives, such as participation in special Memorial Day and Veterans Day events.

In 2023, Safran also renewed its agreement with the French Ministry of the Interior to "support the policy of volunteering with firefighters", allowing employees to volunteer with the fire department.

5.7 METHODOLOGICAL NOTE AND REPORT OF THE INDEPENDENT THIRD PARTY (ITP)

5.7.1 Methodology note on labor, HSE and climate indicators

The labor, HSE and climate indicators in this chapter have been defined by experts from the Group's businesses. These indicators take into account legal obligations and are adapted to changes in the Group and its operations.

The reporting period is the calendar year from January 1 to December 31, 2023.

Safran has elected to have one of its Statutory Auditors, EY & Associés, review the entire non-financial information statement (NFIS), in accordance with prevailing legislation. The nature and scope of the work of the Statutory Auditor, and their conclusions, are presented in the report of the independent third party in section 5.7.5.

5.7.2 Reporting scope

The scope of the NFIS indicator reporting covers the following entities:

- the parent company Safran SA;
- its 11 tier-one entities (see sections 1.1.2 and 1.1.3);
- the subsidiaries of companies in which Safran directly or indirectly holds more than 50% of the share capital or voting rights. The environmental and climate indicators of these subsidiaries are only consolidated if Safran is responsible for their operational management.

The geographical scope of all indicators is global, with the exception of those relating to disability (France), work-study students, interns and research students (Europe), occupational illnesses (France, Mexico and United States) and the target of zero non-recycled paper (France and Belgium).

Data from any acquired or newly consolidated entities (more than 50% interest only) are included in the scope of reporting at the date on which control is acquired. Data from any sold, liquidated or deconsolidated entities (50% interest or less) are excluded from the scope of reporting at the date of disposal, liquidation or loss of control. Introducing reporting systems in start-ups and acquisitions takes time, as the necessary tools must be installed.

In addition, the scope of the reporting process for each indicator varies slightly:

- HSE and climate reporting also includes joint ventures under Safran's operational management: MATIS Aerospace, HAL, SAE Services Morocco, Ceramic Coating Center, SAC, Famat, Saifei, Airfoils Advanced Solutions, SSAMC and Aero Gearbox International;
- environment and climate reporting covers all facilities with more than 50 employees;
- health and safety reporting covers all facilities with more than 100 employees. Facilities with fewer than 100 employees can contribute to health and safety reporting if they wish.

5.7.3 Data collection

Labor data are obtained from the SELIA HR information system, with the exception of approximately 15% of the data, which are collected from companies. They are consolidated by the Group HR Data Analytics Department. HSE and climate data are collected using another dedicated Group tool. They are consolidated by the Group Health, Safety and Environment and Climate Departments.

5.7.4 Details on key social and societal indicators

The indicators are documented in internal references. The definitions of the key indicators are presented below:

Accidents

The frequency rate of occupational accidents equals the number of incidents resulting in more than one day's lost time, divided by the number of hours worked, multiplied by one million. Hours worked correspond to theoretical hours, calculated based on a three-year average of actual hours worked. This average is calculated by country.

The occupational accident severity rate corresponds to the total number of working days lost to occupational accidents, divided by the number of hours worked, multiplied by 1,000.

Absenteeism

Absenteeism corresponds to the total number of paid or unpaid hours lost (illness, occupational accidents or work-related travel accidents, strikes and unjustified absences) divided by the theoretical number of hours worked. The rate is based on the reference headcount, excluding employees on long-term absence and expatriates/seconded workers.

Long-term absence is defined as:

- contract suspensions, downtime;
- employees on sick leave for more than six consecutive months.

Purchases made from suppliers that have signed Safran's responsible purchasing guidelines

This indicator represents the percentage of the volume of purchases in euros made by Safran SA, its tier-one entities and its subsidiaries from production and non-production suppliers that have signed the GRF-0164 responsible purchasing guidelines or have equivalent guidelines. This purchase volume corresponds to the volume managed by the purchasing organization; it excludes purchases related to partners and public authorities. Guidelines are considered equivalent (i) if they are in line with Safran's CSR requirements compliance matrix, (ii) if the supplier has signed equivalent guidelines with one of the other major GIFAS contractors (Airbus, Dassault, Thales), or (iii) if it has signed the "Sustainable Procurement and Supplier Relations" guidelines of the French Business Mediation Service or of the IFBEC.

Work-study students, interns, doctoral or research students

This indicator includes people working under work-study contracts (apprenticeship and professional training contracts), internship contracts of at least four weeks, and doctoral or research students under industrial research training contracts (CIFRE) and technological research diplomas (DRT) on the European scope.

Senior executives

Senior executives are members of the Group's 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.

Permanent and fixed-term contracts

Permanent employment contracts are open-ended contracts. Fixed-term employment contracts are temporary contracts excluding special contracts (work-study students, research students, international corporate volunteers, interns and temporary staff).

Permanent departures

Permanent departures concern the departure from the Group of members of the reference headcount for the following reasons:

- retirements;
- resignations and other voluntary departures (e.g., end of trial period at the employee's initiative, abandonment of position);
- dismissal and other involuntary departures (e.g., negotiated termination, death, end of trial period at the employer's initiative, redundancy);
- end of contract.

Reference headcount

Headcount is stated as of December 31, 2023. It includes all employees of companies included in the labor reporting scope that work under permanent or fixed-term employment contracts, and excludes other types of contracts such as work-study programs, doctoral students, international corporate volunteers, interns and temporary staff. Headcount is calculated in terms of physical persons.

Training

The indicator on training hours covers the worldwide scope and includes the hours delivered face-to-face and remotely. The indicator showing the percentage of employees that have completed a training course during the year corresponds to the number of active employees to have completed training during the year as a proportion of the number of registered employees excluding long-term absence.

High-potential employees

High-potential employees are managers who are expected to be able to successfully assume responsibilities within a management committee or equivalent, in the short to medium term.

Permanent departure replacement index

The replacement index for permanent departures is the ratio of external new hires to permanent departures.

Managers & Professionals (managerial-grade employees)/Non Managers & Non Professionals (non-managerial-grade employees)

Managerial-grade employees (Managers & Professionals) are employees who coordinate an assigned set of physical, human or financial resources with the degree of independence and responsibility required to meet targets. The management and responsibility entrusted to them can relate to a team, projects, a process, a technique (R&D or production) or a customer or supplier portfolio.

All other employees who are not identified as Managers & Professionals are classified as Non Managers & Non Professionals.

Job mobility

This indicator takes into account mobility and transfers:

- mobility is a movement corresponding to a change of legal entity within the Group;
- transfer is a movement corresponding to a change of site within the same Safran legal entity.

New hires

New hires concern the recruitment of employees on fixed-term or permanent contracts, including employees from outside the Company hired following specific contracts. Employees who join the Group further to acquisitions are not included in the indicator.

Sites classified as "Gold" according to the Group's HSE standards

In 2021, Safran committed 149 industrial sites to its "Gold 2025" roadmap, which is reviewed quarterly by the Group's Executive Committee. In 2023, this Committee validated the modification of the initial target from 149 sites to 126 sites based on various industrial reorganizations (divestments, business transfers, etc.).

Employment rate of people with disabilities

In France, Safran applies the methodology for calculating the employment rate of people with disabilities as required under French law no. 2018-771 on the freedom to choose one's professional future.

Employee turnover rate

The turnover rate is the average of departures and arrivals of employees during a given period, divided by the number of employees present at the beginning of that period.

Attrition rate

The voluntary attrition rate is equal to all resignations and other voluntary departures (end of trial period at the initiative of the employee) over a given period, divided by the average number of employees over that period. Outgoing mobility is not taken into account in this indicator.

Percentage of senior executives and exposed or affected employees trained in anticorruption

This indicator represents the percentage of senior managers and exposed or affected employees trained in anticorruption among Executive Management and in the Purchasing, Human and Labor Relations, Legal, Finance, Audit and Internal Control, Ethics and Compliance, Commercial, Programs, Risks and Insurance and Communication departments. The base was revised in 2022 but was unchanged in 2023.

5.7.5 Details on key environmental indicators

Indicator definitions and calculation methods for climate and environmental indicators are provided in the reporting tool. The main assumptions are presented below:

Waste

Waste corresponds to the total of all hazardous and non-hazardous waste.

Categories of waste are defined according to local legislation and classed as:

- recovered waste (material or energy);
- non-recovered waste (incineration without energy recovery or landfill).

Water

Reported water consumption corresponds to total water withdrawn and used for all sources, including the public water supply, surface water and groundwater.

Cooling water is not reported because it is not directly used in the industrial processes and is not physically or chemically treated before being released into the natural environment.

CO_2 emissions

Emissions are classified as Scopes 1, 2 and 3 using the regulatory methodology for greenhouse gas emissions accounting.

Scopes 1 and 2

Safran measures the carbon footprint of its activities and energy consumption on Scopes 1 and 2, in line with the general framework proposed by the GHG Protocol. The figures take into account the increase in business, which has a significant impact on electricity and gas consumption. Carbon accounting, common to all Group companies, is based on international standards, namely the GHG Protocol, the International Energy Agency (IEA), ISO 14064-1-2016 and ADEME.

Scope 1: Scope 1 includes direct greenhouse gas emissions linked to the combustion of energy sources such as natural gas, liquefied petroleum gas, heating oil or diesel, heavy fuel oil and aviation fuel, as well as emissions related to refrigerant leaks during recharging at Safran sites. Direct emissions from biogas are also included in the Scope 1 calculation.

Scope 2: Scope 2 includes indirect greenhouse gas emissions linked to the consumption of purchase of electricity, steam, heat and cold. The emission factor for electricity only takes combustion into account.

Scope 2 emissions are calculated using two methods:

- the **location-based method** corresponds to CO_2 emissions calculated based on the average emission factors for the electricity networks in Safran's host countries. These "country" emission factors are sourced from ADEME for the years 2018-2020 and from the IEA from 2021 onwards. They do not take into account the purchase of renewable electricity with guarantee of origin;
- the **market-based method** corresponds to CO_2 emissions calculated based on the emission factors for the energy suppliers under contract with Safran, including guarantees of origin.

Scope 3

Scope 3 includes other indirect emissions from Safran's operations, upstream (purchases of goods and services, business travel and employee commuting) **or downstream** (freight and use of products sold).

1) Scope 3 from the use of the products sold

In accordance with the GHG Protocol and the principles discussed within the French Aeropace Industries Association (GIFAS), Safran presents emissions resulting from the use of its products in two sub-categories, for which the methodology used is similar:

- **emissions directly linked to product use**: for Safran, this corresponds to emissions linked to the use of products in the area of propulsion (engines or engine subsystems, and nacelles); non-propulsive energy consumed by the other equipment produced by Safran is negligible;

- **emissions indirectly linked to product use:** these are emissions allocated to equipment and cabin interiors that do not consume energy, such as seats or landing gear. The use of this equipment is associated with emissions from the aircraft on which it is fitted, but the equipment itself is not the source of these emissions.

Calculating emissions requires numerous assumptions:

- **the assessment was confined to the civil aviation sector (commercial aircraft, helicopters, large business jets).** Emissions related to Safran's products in the general aviation (private aircraft) and military aviation sectors, as well as in other sectors (defense ships, armored vehicles, etc.) appear to be negligible (around 1%) due to their very low emission intensity or very limited business volume. The precise scope of reporting includes Safran's main joint ventures in the civil aviation sector, in particular CFM International (with Safran's 50% share of the corresponding engine emissions). Joint programs, in which Safran participates in the investments and shares in the profits, have also been taken into account to the extent of Safran's proportionate share. These contracts are called risk-and-revenue-sharing partnerships;
- in accordance with the GHG Protocol methodology, emissions linked to the use of Safran's products, which are intermediate goods, reflect the allocation of a portion of the emissions from the aircraft (final products) on which the Group's products are fitted. **Safran has elected to use a physical allocation ratio equal to the weight of its products over the weight of the aircraft.** This ratio is used to assess the impact of the two areas where Safran is able to take direct technological action, i.e., improving engine fuel efficiency and reducing the weight of all products. Safran used the average aircraft weight as the reference weight for calculating the allocation ratio, rather than the operational empty weight. This provides a closer reflection of the operational reality and better aligns future improvements on Safran's Scope 3 emissions with airlines' Scope 1 emissions, which could be achieved by making equipment lighter. This assumption is also the one currently recommended by GIFAS following exchanges within the aerospace sector to identify common methodologies.
- assessing emissions from the use of Safran products therefore involves developing a scenario for the use of the aircraft on which these products are fitted, facilitating the estimation of the corresponding aircraft emissions. Safran assumes the **life of a commercial aircraft to be 22 years**, which is in line with the practices of its two main customers, Airbus and Boeing. Wherever possible, Safran has used external data (2019 average load factor provided by the International Air Travel Association (IATA), open-source fleet flight data). Depending on the diversity of products, engine families have been defined to simplify the calculation, corresponding to the most popular types sold by Safran and therefore the most representative;
- estimating future aircraft emissions also involves making an assumption about the use of sustainable fuels. These fuels have gained considerable momentum since 2022, with:
  - the adoption of an incentive framework based on tax credits in the United States, as part of the Inflation Reduction Act,
  - the 2023 agreement on the European Refuel EU program, which introduces a steady increase in blending mandates,
  - the November 2023 ICAO agreement to work toward a 5% reduction in the carbon content of all aviation fuels by 2030 (CAAF/3, Third Conference on Aviation and Alternative Fuels),
  - the adoption of blending targets by many other countries, especially in Asia,
  - the signing of a large number of sustainable fuel supply agreements by Western airlines, most of which aim to achieve a blending rate of 10% by 2030.

  According to the International Civil Aviation Organization (ICAO), contracts for the purchase of sustainable aviation fuel for delivery in the coming years amounted to 52 billion liters at the end of 2023, 11 billion liters more than the total at the end of 2022. Growth in sustainable aviation fuel production continued in 2023. According to the International Air Transport Association (IATA), it ended the year at twice the level of 2022 (600 million versus 300 million liters).

  For its emissions report, Safran took as its central assumption the trajectory for increasing the proportion of sustainable fuel used, as set out in the 2020 Sustainable Development Scenario of the International Energy Agency (IEA).
- **In addition to absolute Scope 3 emissions from product use, Safran also reports its emissions in the form of intensity per seat kilometer,** which is absolute emissions divided by the volume of traffic (expressed in seat capacity) generated over the life of all aircraft delivered in the year under review and fitted with Group equipment. Following discussions with the SBTi, Safran changed its intensity indicator in 2022, which is now expressed in terms of emissions per seat kilometer as opposed to passenger kilometer, to better reflect its role as an engine and equipment manufacturer rather than airline operator. Safran has no influence on aircraft load factors (number of passengers in proportion to the number of seats), which reflect airlines' operating decisions.

Given the many uncertainties affecting the assumptions required for the calculation, the estimate of Scope 3 emissions related to product use may be improved in subsequent years.

2) Scope 3: business travel

Emissions related to business travel within the Group's scope of consolidation are taken into account using the business travel and business expense management tools. The scope covers 94% of Safran employees in 2023. All modes of transportation (plane, train, private car, taxi) are taken into account, as well as accommodation. Emissions are then calculated for each kilometer traveled depending on the mode of transportation selected. Accommodation is also estimated for each night spent depending on the hotel chosen. Business travel emissions take into account the use of SAF under the Book and Claim principle, similar to the guarantees of origin approach used for renewable energy.

3) Scope 3: employee commuting

Emissions related to commuting to and from work were calculated taking into account the distance traveled to and from work for 93% of Group employees in 2023, with an estimate for the remainder. The distance is calculated town-to-town for a number of days corresponding to the number of statutory work days during the year. The calculation is performed by estimating the modes of transportation used, which are assigned a CO_2 emission factor per kilometer for each mode: private vehicle; public transport (bus, train, tram, metro), moped/motorbike. The emissions related to commuting represent an estimate and not an exact calculation due to the availability of data and the use of numerous assumptions. The level of uncertainty remains significant and will be gradually reduced over time.

4) Scope 3: freight

This scope mainly covers internal and downstream freight. In 2023, the calculation method changed in relation to the 2018-2022 period, when it was based solely on the application of monetary emission factors. Monetary factors allow CO_2 emissions to be associated with the amount of money committed according to the mode of transportation (road, air, rail). In 2023, a hybrid method was adopted: 35% of freight-related emissions were calculated by applying the physical emission factors associated with the weight, distance and mode of transportation of the quantities transported. The remaining 65% were calculated using the monetary method. The new methodology is being phased in, as it relies on data from "carriers", the quality of which is variable. However, it reduces the uncertainty of the estimate.

5) Scope 3: purchased goods and services

The emissions induced by Safran's controlled purchases of goods and services have been estimated using monetary emission factors that associate CO_2 emissions with the value of purchases made for the different types of goods or services purchased. The scope is limited to Safran SA and tier-one entities and excludes energy purchases (gas, electricity, aviation fuel) and freight purchases.

6) Scope 3: waste

GHG emissions associated with the waste generated by Safran's activities are calculated based on the type of waste and its treatment. Seven categories of waste are used, reflecting Safran's activities: plastic, wood, cardboard/paper, composites, metal, and other non-hazardous and hazardous waste. Each type of waste is then assigned a treatment: incineration without energy recovery, incineration with energy recovery, material recycling or landfill. Each family-treatment pair is assigned an emissions factor that converts a given amount of waste treated into greenhouse gas emissions.

7) Scope 3: upstream energy

The calculation is similar to that of the Scope 1 & 2 energy use carbon footprint, except that the emission factors are different and representative of the various stages upstream of the consumption phase (extraction, transportation, distribution, line losses, etc.). The conversion factors are derived from official sources such as ADEME or the International Energy Agency (IEA).

5.7.6 Exclusions from the non-financial information statement (NFIS)

In view of its businesses, the fight against food waste and food insecurity, respect for animal welfare and social commitments in favor of a responsible, fair and sustainable food system are not major challenges for Safran.

5.7.7 Report by the independent third party on the verification of the consolidated non-financial information statement

Year ended December 31, 2023

> *This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders,

In our capacity as independent third party ("third party"), certified by COFRAC (COFRAC Inspection Accreditation n°3-1681, whose scope is available at www.cofrac.fr) and member of the network of one of the Statutory Auditors of Safran (hereinafter "Entity"), we conducted work in order to issue a reasoned opinion expressing a limited assurance conclusion on the compliance of the consolidated non-financial information statement for the year ended December 31, 2023 (hereinafter the "Statement") with the provisions of Article R.225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (observed or extrapolated) provided in accordance with Article R.225-105 I, 3 and II of the French Commercial Code (hereinafter the "Information"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), presented in the management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

It is also our responsibility to provide, at the request of the Entity and outside the scope of our certification, a reasonable assurance opinion on the indicators selected by the Entity and identified in Appendix 1 (hereinafter "A Indicators").

Limited assurance conclusion on the Statement and the Information

Based on the procedures performed, as described in the section "Nature and scope of our work on the Statement and the Information" and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Reasonable assurance opinion on the Indicators

In our opinion, the Entity's Indicators were prepared, in all material respects, in accordance with the Guidelines.

Preparation of the Statement

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, significant elements of which are presented in the Statement.

Inherent limitations in the preparation of the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare the Information presented in the Statement.

Responsibility of the Entity

Management of the Entity is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information and the Indicators;
- preparing the Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of those policies, including key performance indicators, and, if applicable, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- preparing the Statement and the Indicators in accordance with the Entity's Guidelines as mentioned above;
- implementing such internal control as it deems necessary to enable the preparation of Information and the Indicators that are free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) provided in accordance with Article R.225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes of the policies, including key performance indicators, and the measures implemented in light of the principal risks.

It is also our responsibility to provide, at the request of the Entity and outside the scope of our certification, a reasonable assurance opinion that A Indicators were prepared fairly in accordance with the Guidelines.

As we are responsible for forming an independent conclusion on the Information and A Indicators as prepared by management, we are not permitted to be involved in the preparation of the Information and A Indicators, as doing so may compromise our independence.

It is not our responsibility to comment on:

- the Entity's compliance with other applicable legal and regulatory provisions, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anticorruption and tax evasion legislation;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional standards

We performed the work described below in accordance with the provisions of Articles A.2251 *et seq.* of the French Commercial Code, our verification program comprising our internal procedures (*Programme de vérification de la déclaration de performance extra-financière* of July 7, 2023), and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular its professional guidance, "*Intervention du commissaire aux comptes – Intervention de l'OTI – Déclaration de performance extra-financière*", as well as with ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the provisions of Article L.821-28 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures to ensure the compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Means and resources

Our work was carried out by a team of eight people between September 2023 and March 2024 and took a total of 30 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around 12 interviews with people responsible for preparing the Statement, representing the Risk and Insurance, Human Resources, Health, Safety and Environment (HSE), Circular Economy, Climate, Ethics and Compliance, Talent and Skills, Compensation, CSR, Purchasing, Diversity, Inclusion and Disability and Safran University departments, as well as the new Sustainability Department.

Nature and scope of our work on the Statement and the Information

We planned and performed our work taking into account the risk of material misstatement of the Information.

We believe that the procedures that we performed, based on our professional judgment, are sufficient to provide a basis for our limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in Article L.225-102-1 III of the French Commercial Code, as well as information regarding compliance with human rights and anticorruption and tax evasion legislation;
- we verified, where relevant with respect to the principal risks, that the Statement provides the information required under Article R.225-105 II of the French Commercial Code and includes, where appropriate, an explanation for the absence of the information required under Article L.225-102-1 III, 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators related to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process for identifying and confirming the principal risks, as well as the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For certain risks (gender equality, responsible purchasing, diversity, inclusion and disability, health insurance and anticorruption), our work was carried out at the level of the consolidating entity; for other risks, our work was carried out at the level of the consolidating entity and in a selection of entities, namely: Safran Aircraft Engines, Safran Aerosystems, Safran Cabin, Safran Electronics & Defense, Safran Electrical & Power, Safran Helicopter Engines, Safran Landing Systems, Safran Nacelles, Safran Seats, Safran Transmission Systems, Safran Aero Boosters and Safran SA;
- we verified that the Statement covers the scope of consolidation, i.e., all the entities included in the scope of consolidation in accordance with Article L.233-16 of the French Commercial Code within the limitations set out in the Statement;
- we asked what internal control and risk management procedures the Entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and the other quantitative outcomes that we considered the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data, and
  - tests of details, using sampling techniques or other selection methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. The work was carried out on a selection of contributing entities as listed above and covers between 17% and 55% of the consolidated data selected for these tests (17% of employees and 55% of Scope 1 and 2 GHG emissions);
- we assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

(1) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance applicable in France; a higher level of assurance would have required us to carry out more extensive procedures.

Nature and scope of our work on A Indicators

Concerning A Indicators of the Entity, our work was similar in nature to that described above under "Nature and scope of our work on the Statement and the Information" for the key performance indicators and other quantitative outcomes that we considered to be the most important, but it was more in-depth, in particular with regard to the scope of the tests.

The selected sample represents 100% of new PhD students, 100% of facilities with a "Gold" HSE rating, 100% of women among senior executives, 100% of the average number of training hours per employee, 100% of purchases made from suppliers that have signed the responsible purchasing guidelines, 100% of R&T investment focused on environmental efficiency and 55% of Scope 1 (including refrigerant emissions) and 2 GHG emissions.

We believe that this work allows us to express a reasonable assurance opinion on the Indicators.

Paris-La Défense, March 21, 2024

The independent third party

EY & Associés

Christophe Schmeitzky

Partner, Sustainable Development

Appendix 1: information considered to be the most important

Mandatory information (limited assurance report)

* A Indicators covered by a reasonable level of assurance listed in the second table below.

LABOR INFORMATION	
Quantitative information (including key performance indicators)	**Qualitative information (measures and outcomes)**
Total headcount and breakdown of employees by gender, region, age and professional category. Number of new hires. Number of internal mobilities and transfers. Number of permanent departures. Permanent departure replacement index. Absenteeism rate. Average number of training hours per employee*. Percentage of Group employees having completed at least one training course. Number of new PhD students in the Group per year*. Percentage of woman new hires. Percentage of woman engineers and managers among total engineers and managers. Percentage of women among senior managers*. Employment rate of people with disabilities (year Y-2). Percentage of employees benefiting from a minimum level of health coverage (medical, optical and dental). Frequency and severity rate of lost-time work accidents. Number of occupational illnesses. Percentage of industrial facilities with more than 100 employees with a “Gold” HSE rating*.	Attractiveness and talent retention and compensation. Health and safety and its application in the workplace. Equal opportunities (men/women, anti-discrimination, employment of people with disabilities). Social affairs. Training.

ENVIRONMENTAL INFORMATION	
Quantitative information (including key performance indicators)	**Qualitative information (measures and outcomes)**
GHG emissions linked to refrigerant leaks: t CO_2eq.*. GHG emissions, Scope 1: t CO_2eq.*. GHG emissions, Scope 2, location-based and market-based: t CO_2eq.*. GHG emissions, Scope 3: t CO_2eq. ■ use of products sold with mass weighting; ■ purchases of goods and services; ■ freight; ■ employee commuting; ■ business travel; ■ waste; ■ upstream energy. Electricity consumption: MWh. Natural gas and liquefied petroleum gas consumption: MWh HHV. Fuel oil consumption: liters. Aviation fuel consumption: liters. Heating/steam network consumption: MWh. Cooling network consumption: MWh. Rate of renewable energy consumption (including biogas): % Total waste: metric tons. Total waste recovered and reused: metric tons. Waste recovery/reuse ratio: %. Water consumption: cu.m. R&T investment focused on environmental efficiency: %*.	Means and outcomes relating to the environmental and energy policy. Circular economy (raw materials, energy, water and waste management). Climate change (significant sources of emissions owing to operations; target reductions; adaptation measures). R&T and innovation resources.

SOCIAL INFORMATION	
Quantitative information (including key performance indicators)	**Qualitative information (measures and outcomes)**
Percentage of CSR-trained buyers (cumulative basis).	The Group's responsible purchasing policy.
Percentage of purchases made from suppliers that have signed the responsible purchasing guidelines*.	Subcontracting and supplier relations (labor and environmental challenges).
Percentage of senior executives and exposed or affected employees trained in anticorruption.	Measures taken to preserve ethics and fight against corruption and tax evasion.
Rate of sites with 50 or more employees carrying out at least one community initiative per year.	

A Indicators (reasonable assurance report)

LABOR INFORMATION	
Quantitative information (including key performance indicators)	**Qualitative information (measures and outcomes)**
Average number of training hours per employee.	
Percentage of women among senior managers.	
Number of new PhD students in the Group per year.	
Percentage of industrial facilities with more than 100 employees with a "Gold" HSE rating.	
ENVIRONMENTAL INFORMATION	
Quantitative information (including key performance indicators)	**Qualitative information (measures and outcomes)**
GHG emissions linked to refrigerant leaks: t CO_2eq.	
GHG emissions, Scope 1: t CO_2eq.	
GHG emissions, Scope 2, location-based and market-based: t CO_2eq.	
R&T investment focused on environmental efficiency: %.	
SOCIAL INFORMATION	
Quantitative information (including key performance indicators)	**Qualitative information (measures and outcomes)**
Percentage of purchases made from suppliers that have signed the responsible purchasing guidelines.	