4. NON-FINANCIAL PERFORMANCE DECLARATION ("NFPD")

4.1. General Policy and Sustainable Development Goals (SDGs)

Since joining the United Nations Global Compact in 2003, Dassault Aviation has committed itself to an active Corporate Social Responsibility (CSR) policy. This policy, which has been enhanced over time, demonstrates the Group's commitment to its employees, environment and suppliers.

Built on current CSR issues and backed by industry standards and rules, Dassault Aviation's CSR policy is built on five pillars.

With this approach, Dassault Aviation is putting the social, environmental, and societal aspects of its business first.

The commitments thus made at the Group level reflect the sustainable development challenges adopted by the UN in 2015. The actions taken in this respect mostly contribute to 8 of the 17 Sustainable Development Goals (SDGs).

Contribution of the Dassault Aviation Group to the Sustainable Development Goals

PEACE, JUSTICE AND STRONG INSTITUTIONS

The zero tolerance policy, the strengthening of procedures and resources for fighting against corruption characterize our search for rigorous business ethics.

CLIMATE ACTION

The innovations made by Dassault Aviation's teams on its activities and products, both on technological research and optimization of flight or on SAF use, contribute to reduce the air sector impact on the climate.

GOOD HEALTH AND WELL-BEING

The Dassault Aviation Group, through its CSR policy, is committed to the well-being of its employees, the workplace conditions improvement and the occupational risks reduction.

GENDER EQUALITY

Convinced that diversity is a major issue and a performance factor for the company, we affirm our commitment to promote diversity and gender equality at work.

RESPONSIBLE CONSUMPTION AND PRODUCTION

Optimizing resource and energy consumption, controlling emissions and managing waste are fundamental elements of our CSR policy.

REDUCED INEQUALITIES

The Dassault Aviation Group strives to promote diversity, equality of opportunities and treatment and prevent discriminations through the implementation of company agreements.

DECENT WORK AND ECONOMIC GROWTH

Close links developed with regional and international industrial fabrics contribute to the sustainable economic growth of the global aviation industry.
The Dassault Aviation Group is also committed to improve its employees' skills, consistent with its operational needs and the individual desires of its employees.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

As part of its "Leading Our Future" transformation plan, Dassault Aviation is modernizing its industrial tool through the use of better performing and more environmentally friendly technologies.

4.2. CSR organization

A Group CSR manager, appointed by Dassault Aviation's CEO, is responsible for defining a CSR policy based on the main issues and risks identified and for overseeing its application.

This manager and his or her team within the Total Quality Management Department relies on a network of CSR officers assigned to each department of the Parent Company and each Group subsidiary.

4.3. Listening to the Company's stakeholders and meeting their expectations

Listening to external and internal stakeholders and meeting their expectations is of fundamental importance for Dassault Aviation.

One of our chief concerns is listening to our customers; trade shows and customer days are an opportunity to do precisely that.

Events are also held regularly with our shareholders and suppliers.

We are actively involved in aviation industry bodies both in France (GIFAS, UIMM, AFEP, AFNOR, etc.) and internationally (ICAO, GAMA, EBAA, ASD, IAEG, IAQG, etc.).

We also maintain close ties with the academic community and with students in aeronautical disciplines through the various initiatives carried out (see Section 4.5.1 "Attracting and retaining talent").

Listening to our internal stakeholders is equally important. It is facilitated by meetings of the central or local Economic and Social Committee (CSE), of the central or local Health, Safety and Working Conditions Committee (CSSCT), commissions and thematic committees (economic, training, employment/gender equality surveys, disability, etc.), or at various annual events.

The special relationships we forge with our stakeholders enable us to identify their expectations and factor them into our products, services and CSR policy.

4.4. Identification of non-financial risks

To identify and prioritize non-financial issues and risks, which are the building blocks of the CSR policy, the Parent Company performs a materiality assessment assisted by the network of CSR officers. The assessment includes:

- mapping of the main Company risks (see Section 2 Risk factors),
- CSR issues identified for aerospace companies by the Sustainability Accounting Standards Board (SASB),
- a summary of CSR issues identified in a panel of comparable national and international companies in terms of activity,
- a non-financial risk assessment that takes into account the impact of issues for both Dassault Aviation and its stakeholders.

The materiality assessment was updated in 2023 based on new requirements of the Corporate Sustainability Reporting Directive (CSRD). This updated version will be used to draft the next version of the CSR policy and its implementation through new action plans.

Following this identification, the following issues and risks were selected in the Non-Financial Performance Declaration:

Challenges	Risk factors (risk exposure)	Policies	2023 key performance indicators (reference 2019)	Sustainable Development Goals (SDGs) affected
Attractiveness, employment and skills	Section 2.2 Risks related to personnel (moderate)	Section 4.5	% of staff trained: 75.8%	
Health, safety and working conditions	Section 2.2 Risks related to personnel (moderate)	Section 4.6	Frequency rate of work-related accidents: 7.14 (target: 7.50) Severity rate of work-related accidents: 0.29 (target: 0.33)	
Climate change	Section 2.2 Environmental risks (moderate)	Section 4.7.1 Section 4.7.2 Section 4.7.4	Energy consumption by source: - Gas: -21.5% (target in 2024: -8.0%) - Electricity: -8.0% (target in 2024: -8.0%) Greenhouse gas emissions (scope 1 excluding kerosene and scope 2): -20.8% (target in 2024: -8.0%)	
Traceability and obsolescence of hazardous substances	Section 2.3.2 Compliance (low)	Section 4.7.2	Number of substituted hazardous products: 494	
supply chain: customer duty	Section 2.3.1 Corporate social responsibility (moderate)	Section 4.8.3 Section 4.8.6	% of new suppliers processed: 100% (target: 100%) % of suppliers with a negative opinion: 0.8%	
Business ethics	Section 2.3.1 Corporate social responsibility (moderate)	Section 4.8.7 Section 4.8.8	Number of acts of corruption: 0 (target: 0) Number of people trained: 755 (2393 since 2018)	

4.5. Offering an attractive and motivating employment model

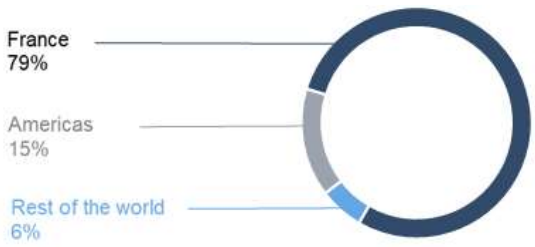
Contribution to SDGs

The development of the Dassault Aviation Group is based on the quality and commitment of its people. They are its main source of wealth. This principle is enshrined in the Code of Ethics.

Changes in registered headcount	**Headcount as at 12/31/2023**	Headcount as at 12/31/2022
Dassault Aviation Parent Company	**9,778**	9,201
Dassault Falcon Jet	**2,052**	1,878
Dassault Falcon Service	**571**	556
Sogitec	**288**	272
DABS FBO/DABS	**373**	434
ExecuJet	**471**	427
Total	**13,533**	12,768

Changes in active headcounts	**Headcount as at 12/31/2023**	Headcount as at 12/31/2022
Dassault Aviation Parent Company	**9,347**	8,825
Dassault Falcon Jet	**2,046**	1,862
Dassault Falcon Service	**508**	500
Sogitec	**279**	262
DABS FBO/DABS	**359**	416
ExecuJet	**461**	419
Total	**13,000**	12,284

More than 96% of the Group's employees are on open-ended contracts.
The geographical distribution of the Group's headcount is as follows:



4.5.1. Attracting and retaining talent

The Group's Companies invest in preparing the talents who will join us after completing their studies or retraining.

The Group thus works in cooperation with the academic and research community.

In this context, the Group's companies:

- support students during their studies through internships, work-study programs and France's international business volunteer program (VIE – Volontariat International en Entreprise). In 2023, the Group's companies took on 489 interns (35 VIE participants) and 344 work-study students, thus demonstrating the willingness to support the training of young people in our businesses and facilitate their entry into professional life. More than 45% of French subsidiary apprentices were hired at the end of their apprenticeships.
- participate in consultations on how to adapt curricula to the medium and long-term needs of the aviation industry. These consultations are carried out within professional bodies such as GIFAS, and with educational institutions and organizations (engineering colleges, universities, vocational high schools),
- encourage their staff to take part in vocational or multidisciplinary courses and examination boards and to supervise technical projects,
- make their recruiters available to educational institutions several times a year to prepare future graduates for recruitment interviews,
- promote an awareness of our business lines by organizing meetings (forums, Group presentations, etc.) and visits to our sites for pupils, students and their advisors (teachers, career counselors, principals, etc.). Targeted actions for middle school and high school students have been carried out to foster diversity within technical and scientific professions.

We also contribute to the general skills development of future technicians, engineers and researchers by creating or participating in teaching and research chairs. This takes the form of financial support, which we supplement with the participation of our experts in the development of educational and research projects for the benefit of the academic and scientific community.

Due to the major recruitment demand for manufacturing staff for the Dassault Aviation Parent Company, around ten training programs have been set up with external bodies to "build skills" and support people undergoing retraining with professional certification in metallurgy at the end of the course (CQPM - Certificat de Qualification Paritaire de la Métallurgie). A school of mechanics was created in April 2023 at Dassault Aviation's Argonay site. This specific and made-to-measure training course was designed by our teams and is taught by in-house trainers and partner organizations: AFPI-Etudoc and IMAA.

Measures undertaken in India

The Indian government-approved Dassault Skill Academy was created in 2018 to develop new training courses in India for the aviation industry. It was designed to be a two-year training course equivalent to the French professional aviation diploma (Baccalauréat professionnel aéronautique). Since the start of the 2019/2020 school year, the training has been based in a public high school in Nagpur (Maharashtra State). The high school teachers were trained by French teachers and are now qualified to take over. Building on this success, the project was then rolled out in two new professional high schools in the state of Maharashtra. Since then, all graduates have been recruited by various aviation companies in Maharashtra and Telangana.

In 2023, the Indian government signed a partnership agreement with our subsidiary in India for the creation of the "Dassault Aviation Center of Excellence for Aeronautical Vocational Training" within the National Skill Training Institute in Kanpur (state of Uttar Pradesh). This center of excellence will help prepare future Indian teachers for the widespread roll-out of this training.

With regard to higher education, a network of excellence bringing together Nagpur's VNIT (Visvesvaraya National Institute of Technology - the city's largest engineering school), CESI (the Nanterre school of engineering in France) and Dassault Aviation, was founded in 2023 through the signing of partnerships. These partnerships will allow both schools to set up academic and research exchanges and also bring Indian students selected by Dassault Reliance Aviation Limited (DRAL) to France to complete the final year of their studies. An academic semester at CESI followed by an internship at Dassault Aviation

prepares students for recruitment at DRAL, giving them a taste of the products, tools, processes and the Dassault culture in general.

Paris Le Bourget Air Show

During the International Paris Le Bourget Air Show, the Group's companies took part in the fifth edition of the "Careers Plane." Almost 50 Group employees presented their professions - fitters, layout fitters, system architects, structural mechanics and maintenance engineers - to inspire young people to enter the trade.

During the Paris Le Bourget Air Show, the Group also took part in the Paris Air Lab, an exhibition dedicated to innovation, where our specialists presented the "FalconWays" project, a flight optimization tool which allows pilots to select the most efficient route to reduce CO_2 emissions.

During the "L'Aéro Recrute" recruitment event, organized by GIFAS, more than 80 Group employees welcomed a great number of visitors, providing them with information and advice to guide them in their career choices.

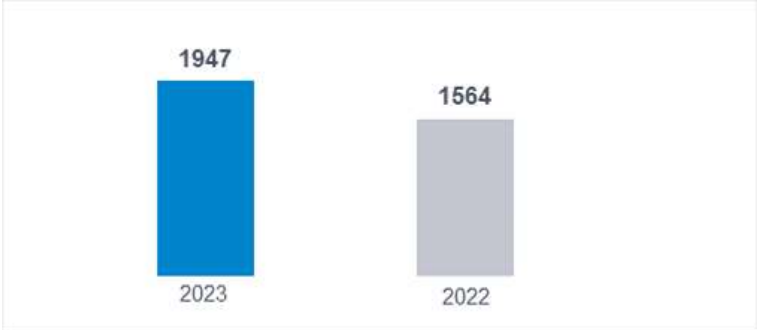
Communication initiatives

To enhance its employer brand image, the Group has bolstered its presence on social media and become more vocal about its recruitment needs, increasing the number of actions to be more visible at a national and local level.

In 2023, the Parent Company once again featured in the TOP 5 of the Universum France ranking of the 130 best places to work, across all sectors, according to engineering students. It was also ranked number one in the "Aerospace, rail, naval" sector of the Statista rankings for the economics magazine CAPITAL (out of 39 companies ranked in the sector).

Despite the pressures on the job market in 2023, the Group continued recruiting by seeking the best possible match between costs, headcount and skills requirements.

As a result of this policy, 1,947 employees were recruited in 2023.



To facilitate the integration of their new hires, the Group's companies have put in place programs that explain their business, set-up and operation.

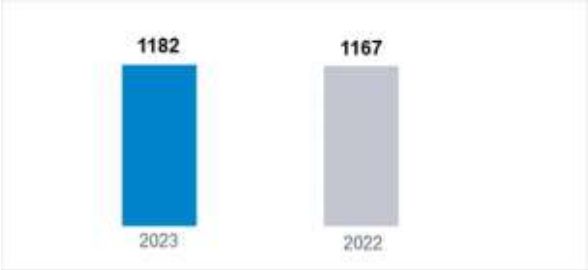
Dassault Aviation has significantly improved its employee onboarding process with the launch of two new schemes:

- "Les Journées Envol" (Take-off Days) allow new hires to discover Dassault Aviation's history and business alongside Directors and pilots,
- The Dassault Defense Academy presents the geopolitical context, France's defense policy, the structure of the national army corps and the role of the military in Dassault Aviation's DNA.

DFJ invites all new employees and interns to take part in the "Welcome to Dassault Falcon Jet Passport" program. This scheme provides access to a LinkedIn Learning platform where employees can access more than 16,000 courses taught by industry experts covering sales, innovation and technology subjects.

Recruitment and onboarding initiatives are essential. They help prepare for the future and facilitate the intergenerational transfer of skills.

Employees leaving the Group



Among employees leaving the Group, the resignation rate is around 3% of the workforce.

4.5.2. Development and transfer of skills

Individual development of each employee is an essential condition of collective success. With 75,8% of employees trained in 2023, the Group has demonstrated its commitment to maintaining and developing its employees' skills.

Vocational training

Group companies continue to develop distance learning in the skills development plan. These measures also address the constraints of geographical dispersion and optimize future skills development for employees. The initiatives took into account the operational needs of the Group's companies, the development of the roles and technologies, and individual development preferences. Professional training represents 293,275 hours of training.

Dassault Falcon Jet also relies on a tuition assistance plan to enable its employees to join a higher education program that will develop their skills. This program, directly related to the position held by the employee, reflects his or her career development prospects. A total of 337 employees have benefited from this scheme since it was set up.

Skills Conservatory and support for digital tools

As part of its skills conservatory, Dassault Aviation launched a pipe fitter training course in 2023 that had been tested at the end of 2022. This course rounds out the range of training courses for professions such as process planners and assemblers. Moreover, the functional business lines also have targeted courses covering business-specific issues, such as the Purchasing Passport and the Supply Chain Academy. The latter focuses on synergies between all vocations that work in the supply chain.

Strengthening the Group's management

Strengthening its management is a priority for the Dassault Aviation Group, which guides the development of its managers throughout their career. The Dassault Institute has continued to hold training courses for the Group's French subsidiaries. In 2023, 492 managers or future managers of the Group's French companies were trained.

More specifically, Dassault Aviation launched a support plan for its managers to help them communicate and inform their teams about the impact of the new collective bargaining agreement for the metallurgy industry that has been in force in France since January 1, 2024. A total of 1,128 managers were thus trained under this plan.

In 2023, DABS continued with its "Shaping our Future" program which was launched in 2022. A total of 90% of managers therefore started the Managerial Training Cycle covering the first two themes: the role of manager and the manager coach. Five other themes will be covered during 2024.

4.5.3. Promoting diversity and equal opportunities

The Group promotes diversity in the workplace and is highly committed to the principles of non-discrimination. Firmly believing that diversity is a major issue and a performance factor for the company, the Group restates its commitment to preventing discrimination and is committed to promoting equal opportunities and treatment in compliance with national regulations.

This commitment is reflected in the signing of company-level agreements in the following areas:

- professional equality between women and men,
- employment and retention in employment of persons with disabilities,
- careers of staff representatives.

Gender equality at work

The Group pursues its policy of developing gender balance in the company by implementing specific measures, particularly in the technical, industrial, management and aircraft maintenance professions.

The Group is facing the issue of fewer women enrolling in initial technical and industrial training courses. The development of scientific and technical careers among women is therefore an important issue.

Various initiatives are aimed at girls in middle school and high school to encourage them to take vocational courses relevant to the aviation sector; Dassault Aviation is a founding member of the association "Elles bougent" ("Girls on the Move").

On March 8, 2022, Dassault Aviation signed the charter "Féminisons les métiers de l'aéronautique et du spatial" ("Women in the aeronautics and space industry"). Signatories to the charter can share best practices and take part in initiatives organized by Airemploi to showcase career opportunities in the aviation industry and debunk stereotypes and prejudices. By signing the charter, Dassault Aviation has underlined its commitment to gender diversity within the industry.

DFS and Dassault Aviation also took part in the "Women in the Aeronautics Industry" drive launched for the Paris Le Bourget Air Show.

Women account for 18.9% of the Group's workforce, a slight increase from 2022. As a result of the Group's proactive policy, women made up 22.2% of all recruits in 2023 (excluding apprentices).

Concerning the French companies of the Group, this percentage is 23.7%, and 24.2% for Dassault Aviation Parent Company.

In this regard, the recent appointment of a woman at the head of Technical Management Department could serve as a fresh source of inspiration for a great many women within the Group or interested in joining it.

The Group also pays particular attention to the training and development of women's careers, helping to promote them to positions of responsibility, particularly in management and senior management.

The Group is also mindful of gender equality in its compensation and promotion policies. The French companies have a compiled gender equality score of 87 out of 100. This is well above the regulatory threshold of 75.

The Group's French Companies all have an agreement on gender equality and equal pay. Priority is given to initiatives to recruit women in all professional categories and to support their career development so that they can go on to hold positions of responsibility.

Employment and retention in employment of persons with disabilities

The Group continues its policy of recruitment and retention of persons with disabilities. The Group's French Companies all have an agreement on hiring and retaining people with disabilities.

Regular communication initiatives are carried out, particularly with the academic community, local organizations for the employment of disabled people and disability-friendly companies. The Group's companies participate in specialized forums and organize awareness-raising actions with employees and recruiters.

Dassault Aviation is a member of the association Hanvol, which offers a unique training scheme for the return to work of disabled people with diverse backgrounds and skills but a shared goal: to work in the aerospace sector.

Concrete measures are being taken to modify workstations and to facilitate and encourage formal recognition of the status of employees with disabilities and renewal of that recognition. The Group relies on cooperation between its HR teams, medical professionals from occupational health services, EHS staff and ergonomists to institute the necessary initiatives and arrangements to retain employees with disabilities. The Parent Company has earmarked an annual budget of EUR 400,000 for the period 2021-2023.

An awareness campaign focused on disability in sports was launched in November 2023 during European Disabled Workers Week across all nine of the Parent Company's facilities. The campaign featured role plays, quizzes, and demonstrations of adaptation solutions to raise awareness surrounding disability.

The Group is also committed to ensuring that employees with disabilities benefit from the same opportunities for pay increases and career advancement as other employees.

In late 2023, the Dassault Aviation Group employed 607 disabled workers, compared to 578 in 2022. The Group has a disabled employment rate of more than 6% across the three entities, in compliance with French employment law.

Careers of staff representatives

Dassault Aviation and Dassault Falcon Service are implementing agreements signed in 2019 on social dialog to facilitate the functioning of union organizations and staff representative institutions. More specifically, those agreements provide a career monitoring mechanism for the careers of staff representatives to ensure equal treatment.

Furthermore, the French Companies of the Group give employee representative institutions many additional resources compared to those provided for by law.

4.5.4. Offering attractive compensation and benefits

The Dassault Aviation Group is committed to attracting talent and keeping its employees highly motivated by offering them stimulating projects along with an attractive compensation policy.

This compensation policy rewards and inspires loyalty among its employees, while adapting to the economic situation and the economic environment to maintain the Group's competitiveness in a highly competitive market. Employee retention is illustrated by the average length of service of 13.3 years.

The average annual pay of Group employees in 2023 was EUR 62,480.

The average annual gross salary for a non-managerial employee was EUR 39,644 in 2023, which is 1.9 times the French minimum wage (SMIC). To this is added any team bonuses and overtime (or other) which represent on average nearly 10% of the salary.

Dassault Aviation has a redistribution policy that is fully in keeping with its value-sharing philosophy. Dassault Aviation has chosen not to have a share award policy; instead it has opted for a direct contribution to the company's performance through an attractive redistribution policy based on profit-sharing and incentive schemes. The Group's French companies have signed profit-sharing opt-out agreements and particularly advantageous incentive agreements, enabling employees to have a share in the profits. In all, 78.6% of the Group's employees benefit from these schemes. The amounts awarded over the last five years have represented on average 3.1 months of salary for the employees of Dassault Aviation Parent Company.

The average annual pay of the Group's French Companies, including profit-sharing and incentives, was EUR 77,875. For Dassault Aviation, the lowest salary was EUR 37,465, including the profit-sharing paid in 2023 relative to 2022, and EUR 35,215, including the average profit-sharing paid for the last 5 years.

These companies also promote employee savings by offering company savings plans with a wide choice of investments, as well as a group pension plan.

The Group offers all its employees medical cover.

The Group's French companies paid more than EUR 30 million (i.e. more than 5% of the payroll) to the social and economic committees at their facilities, enabling employees to enjoy numerous social and cultural activities. The budget will also fund various sports associations for the benefit of all employees who want to play sports or do physical exercise.

4.5.5. Constructive employee relations

The Group has an employee relations policy which is built on trust, compromise, and mutual respect.

Trade unions representing the professional interests of employees are present in all French subsidiaries and DFJ Do Brasil. They cover more than 78% of the Group's workforce.

In Group entities with employee representative bodies, regular negotiations give rise to constructive social dialog based on the search for collective agreement.

In 2023, 24 agreements and amendments were signed. These notably covered subjects including pay, pensions, gender equality, hiring and retaining people with disabilities, the roll-out of the new branch collective bargaining agreement and the organization of professional elections.

Regular constructive discussions with social partners mean that any changes which the Group is going through can be taken into account accordingly. For the Group's French companies, 2023 saw the continuation of discussions with social partners regarding the challenges and roll out of the new branch collective bargaining agreement which was signed in February 2022.

This social dialog within the Group helps to maintain a climate conducive to the proper functioning of the companies. For the French companies, more than 130 meetings were held between the Management and members of the social and economic committees and more than 46 meetings between the Management and the Health, Safety and Working Conditions Committees. Social dialog is also expressed at joint committee meetings during which plans for the organization of the Group's companies, questions of employment and gender equality, and issues around health, safety and working conditions, among others, are discussed. This social agenda provides a framework for employee relations and allows staff representatives to stay up to date on the issues facing the Group.

In addition, some Group entities that do not have staff representatives have set up direct communication channels with senior management.

4.6. Ensuring a high-quality, safe and healthy work environment

Contribution to SDGs

4.6.1. Fostering an effective culture of prevention throughout the company

The Group continued developing a safety culture in 2023, in line with the CSR policy defined in 2020. This involves the sustainability of practices and tools that promote proactive management of occupational health and safety and the training and awareness-raising of those involved in prevention.

Since 2022, the Parent Company has had a fully operational environment, health and safety (EHS) training course for new managers, consisting of four modules. Moreover, EHS aspects are being gradually incorporated into vocational training courses so that they can be applied in practice.

At the end of 2023, a managerial roadshow including EHS aspects was launched to improve daily good practices.

In this respect, Dassault Aviation has designed an EHS management framework built around four levels of maturity, in line with the ISO 45001 and ISO 14001 standards, with level one corresponding to basic proficiency and level four to operational excellence. At the end of 2023, six Parent Company facilities, representing 81% of staff, had achieved, or were very close to achieving level three status. Actions plans remain underway at the other facilities.

4.6.2. Continuing to reduce occupational risks and improve working conditions

Controlling the risk of workplace accidents and occupational diseases means reducing physical and chemical risks.

Actions to manage chemical risk are ongoing. In 2023, the Company continued with efforts to provide additional collective protection, such as the installation of new bonding booths for canopies and windshields, the installation of extractor hoods and equipment for paint touch-ups, and the improvement of local extraction systems.

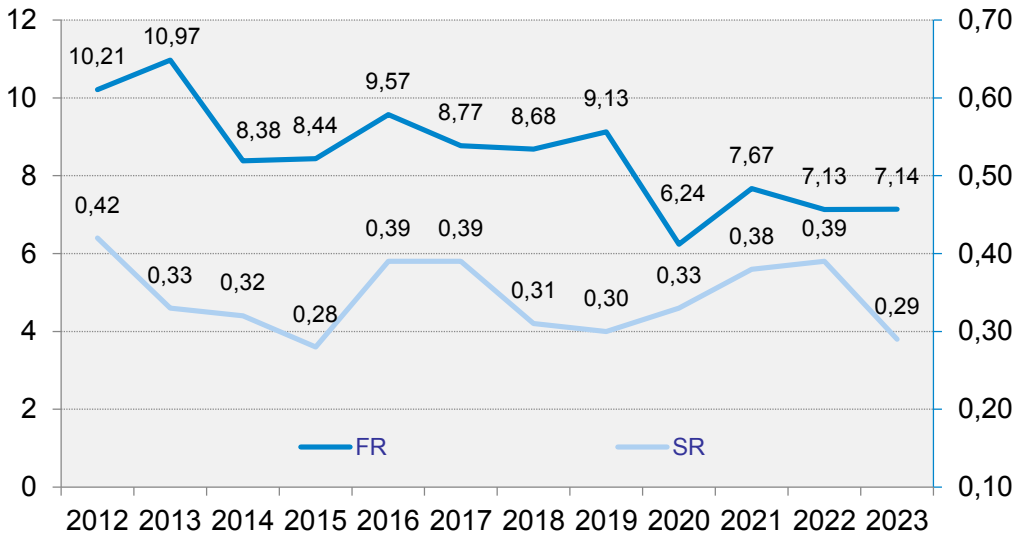
Efforts continued to make working at height safer, ensuring that this work is carried out safely on the Falcon production line or on the roofs of buildings.

Group-wide, absenteeism in 2023 was 96,866 days from all causes, compared with 112,843 in 2022, excluding maternity and parental leave.

The number of work-related accidents with lost time was 149 in 2023. The corresponding number of days lost was 6,005 days.

The Group frequency rate (FR) has decreased over the past ten years, from 10.97 in 2013 to 7.14 in 2023.

The severity rate (SR) dropped from 0.39 to 0.29.



In 2023, 28 occupational illnesses were identified by the various competent authorities, compared with 15 in 2022. These were primarily musculoskeletal disorders.

4.6.3. Developing quality of life at work and fostering employee well-being

Ergonomics and working conditions

To promote a culture of ergonomics and ensure that ergonomic considerations are factored into new projects and programs, training courses are held. Moreover, more than 80 ergonomics officers have been trained across all sites.

Ergonomics are taken into account in the industrialization phase via a specific "EHS/ergonomics" training module delivered by the Dassault Aviation conservatory; this is an integral part of the vocational course for process planners and toolmakers. A total of 56 employees have been trained since it was set up in 2021.

Lastly, a network of 15 trainers specializing in risk prevention during physical activities and in body posture and movement provide training at the Parent Company's facilities. In 2023, 220 employees attended these training courses, learning about what actions they can take to prevent musculoskeletal disorders.

At the same time, the workplace transformation to take better account of ergonomics continued in 2023, focusing on:

- reducing the risk of accidents linked to manual load handling by purchasing suitable equipment (trolleys, stacker trucks, lifting platforms, hoists, etc.), reorganizing storage facilities, and redesigning tools to make them more lightweight,
- addressing the causes of musculoskeletal disorders (setting up and equipping workstations, workbenches and desks so that they can be raised, lowered and/or reclined, using pivotable tripods and testing exoskeletons for the thumb, neck, back and arms/shoulders),
- The reduction of noise pollution in shared offices: provision of active noise-reduction headphones (6,000 employees to be equipped over three years – 2023/2025),
- accommodating disabilities; adapting workstations, purchasing suitable equipment, etc.

Preventing psychosocial risks

A renewed focus has been placed on psychosocial risks. In 2021, the Parent Company introduced a system for assessing collective psychosocial risks in the workplace in order to gauge the risk and take the necessary corrective measures.

When the Quality of Life and Working Conditions agreement was renegotiated and signed on February 14, 2023, the Parent Company undertook to introduce a new mechanism in 2024 to assess psychosocial risks for each company employee. Specific support will be offered to managers to analyze the results of this assessment and launch any necessary action plans.

The system will supplement the detection and monitoring of individual psychosocial risks carried out by internal or inter-company occupational health services.

Dassault Aviation has an agreement in place with the Psychological Support and Resources Institute (IAPR), which offers a listening and support system for employees who are victims of workplace stress and psychological trauma.

To prevent harassment, sexist behavior, sexual assault and discrimination at work, the Group's companies have introduced internal mechanisms for identifying and dealing with problematic situations.

Formalized procedures have been published, notably at Dassault Aviation and ExecuJet, covering more than 75% of employees.

In 2023, the Parent Company also continued the practice launched in 2022 of arranging meetings enabling employees to discuss with their manager what actions could be taken to work together better. Nearly 900 meetings were held in 2023. This long-term approach is part of the agreement relating to quality of life and conditions at work.

Quality of life at work

The Group has long encouraged a work/life balance, particularly through schemes to help parents.

Some Group companies provide access to an inter-company crèche.

Since 2021, Dassault Aviation has implemented a digital and physical corporate concierge scheme, offering employees local services that are readily accessible and that help them manage personal tasks. The services available are regularly updated to meet employees' needs. The digital concierges will now be offering one-off physical onsite services (such as bike repair, etc.).

Working hours also contribute to quality of life at work. Tailoring working hours to accommodate the personal needs of individual employees leads to a more flexible organization and improves shift management within the Group's French Companies. All Group companies offer part-time hours, subject to the manager's approval. More than 78% of the Group's workforce has a "working time account" to help employees manage their annual leave.

The Group's French Companies have signed company-level agreements on remote working, balancing personal and professional life while maintaining collective efficiency.

In terms of societal challenges, mobility is also a matter of concern for employees. The Parent Company has introduced a sustainable mobility scheme, through which the company contributes up to EUR 200 toward the purchase of a manual or electric bicycle. In 2023, 328 bonuses were paid through this scheme. The Parent Company's facilities are improving their infrastructure to accommodate bicycles and ensure their safe use.

Medical monitoring of employees

The Dassault Aviation Group has autonomous occupational health services or assistance programs at all of its sites.

Employees in high-risk positions or who are expatriates or on mission receive specific monitoring and specialized additional support. This includes more regular medical check-ups and additional examinations paid for by the Group.

Prevention and awareness campaigns, local or Group-wide, are organized, periodically or occasionally, on a variety of themes, professional or public-health related:

- influenza (awareness campaign and free vaccinations),
- heat wave-related risks,
- low back pain and injuries from carrying heavy loads,
- help with addiction (tobacco, alcohol, psychotropic products, games, cyberdependency),
- food hygiene,
- psychosocial risks,
- cardiovascular diseases,
- organ donation,
- sleep disorders.

4.7. Improving the environmental performance of our activities and products

Contribution to SDGs

The environment is the core focus of Dassault Aviation's CSR policy. The aim is to reduce the footprint of the Group's products and activities, while mitigating the risks of pollution and environmental damage. The policy takes the form of an environmental methodology ("Eco-démarche") consisting of projects and actions to improve environmental performance throughout the life cycle of our products.

Reducing our environmental footprint means factoring EHS requirements into aircraft development programs, into contracts with suppliers and partners, into the search for new processes and materials, into plans for new infrastructure or production facilities, and into the operational support given to our customers.

The Group has been committed to this proactive environmental approach for more than 15 years, relying to that end on the ISO 14001 management standard. The Group's research offices and production facilities are certified. This includes all Dassault Aviation sites, the Dassault Falcon Jet facility in Little Rock and the Dassault Falcon Service locations in Le Bourget and Mérignac. Together the certified sites represent almost 90% of the Company's total workforce.

4.7.1. Factoring eco-design into the search for innovative technical solutions

Over the past 40 years, technological progress with regard to engine efficiency, aerodynamics and weight saving has reduced fuel consumption, CO_2 emissions and noise levels from our aircraft.

The Group is continuing on this path, both in the search for technological innovations and in the optimization of the aircraft in operation.

To support this strategy, the Group has long embraced the goals set in 2000 by the Advisory Council for Aeronautics Research in Europe (ACARE) and participates in European studies that contribute to them, such as the CleanSky program and its successor, Clean Aviation.

In France, Dassault Aviation, as a member of the Civil Aviation Research Guidance Council (CORAC), is involved in the studies conducted in that framework. Dassault Aviation is also on the steering committee for the air transport value chain (Article 301 of the French Climate and Resilience Act) and contributed to the publication of the road map for decarbonizing air transport presented to the French government on February 14, 2023.

Dassault Aviation reiterated its commitment in June 2023 during the International Paris Le Bourget Air Show by signing a statement with six other major aviation players (Airbus, Boeing, GE Aviation, Pratt & Whitney, Rolls Royce and Safran), acknowledging their shared objective of achieving net zero carbon emissions by 2050 and underlining the importance of the production and availability of sustainable aviation fuel to achieve this objective. In October 2022, the International Civil Aviation Organization (ICAO) invited Member States to achieve the same target for international civil aviation. In September 2023, the ICCAIA (International Coordinating Council of Aerospace Industries Association) set out the commitment of manufacturers to supply products that are 100% SAF compatible by 2030.

Environmental footprint of aircraft

The environmental footprint is modeled using a life-cycle analysis (LCA) approach, in accordance with ISO 14040 and ISO 14044, for the Falcon 8X, Falcon 7X and Falcon 2000. The modeling identifies the impact of each stage in the aircraft's life cycle, from the extraction of raw materials to its end-of-life solution. Various indicators are used: the potential for global warming, the depletion of natural resources, the depletion of the ozone layer, the potential for acidification and the eutrophication of water.

These studies show that aircraft use accounts for more than 95% of greenhouse gas emissions over the entire life cycle, while highlighting the significant contribution of the kerosene production phase. On that basis, Dassault Aviation has directed most of its efforts toward improving energy efficiency during the operational phase and promoting the use of sustainable aviation fuels (SAF), while also maintaining projects to improve other environmental aspects, such as the choice of bio-sourced materials in the fittings of Falcon cabins.

The long service life of aircraft (potentially more than 30 years) means that life cycle constraints must be anticipated in the design phase. To achieve this, Dassault Aviation takes an innovative approach, supported by efficient digital industrial processes such as Product Lifecycle Management.

The aircraft sold by Dassault Aviation are repairable throughout their operation and offer significant end-of-life recyclability potential (85%, according to the ISO 22 628 standard defining the calculation methodology for road vehicles, in the absence of a similar standard for aircraft). This is due to the reusable equipment and the materials used (such as aluminum in particular).

Technological aircraft innovation

Dassault Aviation is engaged in European and national initiatives (Clean Sky and Clean Aviation) and leads or participates in concept and development studies in conjunction with the entire aviation sector.

These studies relate to:

- reducing the weight of primary structures with new materials and processes (new metal alloys, composites),
- reducing the weight of some complete equipment and components and lowering the "buy to fly ratio," i.e., the ratio between the quantity of materials of a part and the quantity of materials purchased and transported to make it (metal additive manufacturing, thermoplastics),
- consolidating the principles of design and manufacture of surfaces with increased laminar flow and performance, achievable due to the drag reduction thus obtained,

- using sustainable aviation fuels, which must be compatible with fuel systems and engines when blended with conventional kerosene at high percentage levels, with the aim of achieving 100% SAF operation,
- optimizing flight planning and management to reduce fuel consumption, launched under the commercial name FalconWays,
- optimizing take-off and landing trajectories to reduce ground noise,
- researching concepts and technologies for noise reduction at source, without adversely affecting aircraft mass and/or aerodynamic drag.

In addition, work on the "certifiability" of disruptive technologies, with specific demonstrations and associated numerical modeling, is being done as part of Clean Aviation's Concerto project, coordinated by Dassault Aviation in partnership with the European Aviation Safety Agency (EASA).

Methods and processes

The Dassault Aviation Group is pursuing its efforts to improve efficiency and reduce the environmental footprint of its design methods, production processes and maintenance services by harnessing the tools offered by digital technology:

- co-engineering methods are tested and implemented to ensure the best trade-offs between design, production and support,
- the optimization of the entire testing process (new types of instrumentation, processing and data analysis) and hybridization of simulation models and test data reduces the number of development flight tests and the processing cycle for any adjustments,
- advances in digital technology help demonstrate why the aircraft meets the certification criteria,
- efforts to optimize the production cycle are taking the form of research into eco-design, new materials, additive manufacturing and waste recycling,
- alternative solutions are being sought for the treatment and protection of parts against corrosion, such as the removal of chromates from the processes,
- the development of algorithms for automated fleet data processing aims to increase predictive maintenance capabilities.

Optimization of aircraft in operation

Thanks to its longstanding contribution to French (CORAC) and European (SESAR, CleanSky/CleanAviation) research programs, as well as through its own self-funded research, Dassault Aviation is capable of developing and integrating the most advanced technologies in its aircraft to minimize the environmental footprint of the Falcon fleet and in particular its CO_2 emissions: preparation and optimization of flight planning, flight assistance systems such as FalconEye cameras/head up displays, navigation and communication systems.

We share best practices and flight optimization recommendations with Falcon fleet operators. The aim is to maximize the environmental efficiency of flight operations. This includes optimizing loads on board, the flight profile in terms of speed and altitude and flight paths. These practices are supported by on-board digital tools made available to pilots, such as the new FalconWays solution. This software takes into account real-time weather data to allow pilots the option of adjusting flight plans to optimize the use of winds at different altitudes and thus reduce fuel consumption and therefore the associated emissions.

For optimal flight efficiency, it is also important that aircraft maintenance is carried out according to a set schedule. Our teams work actively on a daily basis at our maintenance centers around the world to carry out operations which keep Falcon aircraft operating at peak operational and environmental efficiency. Our maintenance centers, as Group subsidiaries, are also committed to reducing their carbon footprint in line with the CSR policy. This is achieved through the implementation of energy saving plans targeting the heating and electricity supply of the centers, but also through the gradual introduction of carbon-free maintenance resources, such as electric runway generators and airfield tractors.

Pilots working for our Falcon customers are made aware of these best practices and environmental issues at special meetings or at events during international trade shows and forums.

Sustainable Aviation Fuel (SAF)

Falcon models are already SAF (Sustainable Aviation Fuel) compatible and certified for a blend limit of 50%.

Dassault Aviation is working with the engine and equipment manufacturers of its aircraft currently in development to validate the feasibility of 100% SAF in its new models for the entry into service of the Falcon 10X. The same goal is shared by the VOLCAN project, in which Dassault Aviation is involved in partnership with Airbus, ONERA, Safran and the DGAC (Direction Générale de l'Aviation Civile – the French Civil Aviation Authority). We are preparing all of our models currently in production for the use of SAF above the current blend limit of 50%, in line with the industry-wide objective of achieving compatibility with a 100% blend of sustainable fuel by 2030.

The SAF plan, which was launched in 2022, continued in 2023 and will continue in 2024. As a result, we are using SAF for our operations out of French airports Le Bourget and Bordeaux-Mérignac, as well as from our Little Rock facility (United States). Levels of SAF uplifted currently varies between 25% and 35% depending on our suppliers' capacities, with this percentage substantially ahead of the ReFuelEU European Directive which is targeting 2% SAF in 2025 and 6% in 2030. This demonstrates the commitment of the business aviation industry to decarbonize as quickly as possible.

A total of 413 flights were operated with SAF in 2023, representing a reduction of 681 $TCO_{2eq.}$

The overall reduction in CO_2 emissions over the life cycle of SAF (production followed by use in flight) is close to 80-90%, according to international benchmarks. During their combustion, SAF also release fewer pollutants into the atmosphere, such as sulfur, and could help to limit the production of condensation trails.

SAF supply chains are taking shape. Dassault Aviation is committed to promoting the use of SAF in its own operations and in those of its customers, working closely with GAMA, NBAA and EBAA.

Dassault Aviation has been a member of the RLCF (Renewable and Low-Carbon Fuels Value Chain Industrial Alliance) since its creation in 2022. The alliance, launched by the European Commission, is the industrial pillar of the ReFuelEU Aviation initiative, which aims to phase in progressively SAF by 2050.

4.7.2. Reducing our environmental footprint according to the principles of the circular economy

As part of its CSR policy, Dassault Aviation has set three-year targets for reducing its environmental footprint. The desired performance improvement targets energy consumption, water consumption, air emissions and waste recovery.

The targets initially set for 2021-2023 based on the available performance analysis were revised in 2022 to reflect guidance on energy saving from the French government. The year 2020, disrupted by the Covid-19 crisis, is not representative of the Company's activities. The year 2019 was therefore chosen as the reference year.

Themes		2024 targets (Ref. 2019)	Group performance 2023	2022	Like-for-like change since 2019*
Optimize consumption of resources	Electricity (GJ)	-8%	**499,936**	500,596	-8.0%
	Self-produced renewable electricity (GJ)	40,000	**1,006**	Not available**	NA
	Gas (GJ)	-8%	**281,471**	312,634	-21.5%
	Other sources – heating oil and diesel (GJ)	Stability	**7,297**	7,804	-56.7%
	TOTAL	-8%	**789,710**	821,034	-13.5%
	Kerosene (GJ)	NA	**411,770**	506,992	-26.0%
	SAF 30% (m3)	2,900	**1,016**	369	N/A
	Water (m3)	Stability	**215,654**	230,401	-11.4%
Minimize the use of hazardous chemicals	Hazardous products removed or substituted	NA	**494 (since 2013)**	405 (since 2013)	138.00
Reduce waste generation and discharges into the water and air	VOC (T)	Stability	**97**	110	-41.3%
	Non-hazardous waste (T)	Stability	**7,207**	6,187	0.9%
	Hazardous waste (T)	Stability	**1,788**	1,425	-34.1%
	Total waste (T)	Stability	**8,995**	7,629	-8.3%

*The subsidiaries DABS and ExecuJet have only been consolidated since 2020, so there is no reference data for 2019.

**Production began in 2022 and is currently in the test phase; consolidated data as of 2023.

Energy consumption

The energy management system is integrated with the ISO 14001 certified environmental management system. There is no plan for ISO 50001 certification.

A network of energy experts, trained in 2022, was set up at the Parent Company level to improve energy performance management and the rollout of improvements, particularly those resulting from the energy audits carried out at Dassault Aviation facilities in late 2019. Regulatory energy audits were carried out in 2023 and will contribute to improving action plans.

Energy is mostly consumed within the framework of the industrial activity of the production sites (electricity and gas), and the aviation activity (kerosene).

Electricity consumption remains stable compared to 2022 despite an increase in the number of hours worked, as a result of the energy-saving efforts made by all of the Group's entities, including behavioral change, reducing equipment operating ranges, optimizing temperatures in server rooms, installing LED lighting and optimizing consumption management.

Gas consumption decreased significantly owing to the beneficial impact of temperature reduction recommendations, the improvement in technical building management, and recovering of heat from server rooms undertaken under the energy saving plan.

In response to the appeal from the French government, a large-scale energy saving plan was launched in September 2022. The aim is to reach the target of 10% less consumption by 2024 relative to the base year (2019). Coordinated by an energy saving manager appointed at Group level and by energy saving advisors at each French facility, the plan focuses on several areas:

- reducing electricity and gas consumption by following government guidance on heating and air conditioning,
- optimizing the energy efficiency of systems and equipment such as technical aeration plants, compressors, datacenters and computer workstations,
- switching from conventional lighting to LED lighting,
- introducing technical energy management and technical building management as standard at all facilities,
- producing renewable energy by installing photovoltaic panels at all facilities where this is technically feasible.

Communication was ramped up to facilitate buy-in and rally all employees behind these goals, both within the company and outside it.

The first results from this energy saving plan were noted in the consumption readings as of the end of 2022, as a result of the immediate implementation of organizational and behavioral measures. The first technical measures, including the widespread use of LED lighting and the introduction of technical energy management at certain facilities, were implemented in 2023, confirming the positive effects of this plan. The plan will reach its full potential by 2025 once photovoltaic panels and technical energy management is rolled out at all facilities.

66% of other combustion energies are consumed by a single site following its relocation in 2022 to new premises, resulting in the use of heating oil. The remaining consumption is related to the use of diesel during operational testing of the sprinkler system motor pump units and during the operation of emergency generators.

In the context of new construction and renovation of buildings, energy and environmental performances are systematically sought in the interests of economic balance. New building designs factor in the requirements of the applicable French thermal regulations.

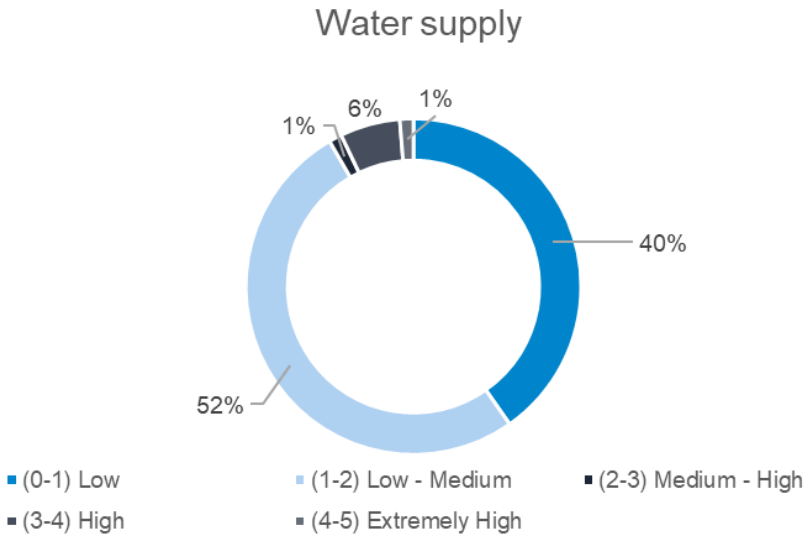
Several of the Dassault Aviation Group's activities require aircraft fuel consumption, in both the civil and military sectors (ground and flight tests as part of new programs, end of production tests, ferry flights, demonstrations, pilot training, commercial flights). Consumptions varied depending on these activities in 2023 but they all contributed to an overall reduction in kerosene consumption. Conversely, SAF consumption increased, underlining the Group's commitment to working to decarbonize the sector of activity.

Water consumption

To date, all of the Dassault Aviation's facilities as well as those of its subsidiaries have access to a sufficient quantity and quality of water. Most water comes from public water supply networks, and to a lesser extent from groundwater pumping (nearly 5% in 2023). Most water is used for non-industrial purposes.

In 2023, water consumption was down by more than 10% on a like-for-like basis relative to 2019. This was due to the introduction of remote working, a partial move away from irrigating green spaces, the installation of flow restrictors in toilets and the fixing of leaks.

According to the WRI's (World Research Institute*)* Aqueduct Water Risk Atlas, four facilities are located in high risk or extremely high risk zones. The consumption of facilities in these zones at risk of water stress represent 7% of the Group's water supply.



The main objective over the next few years is to maintain the current level of water consumption, since most of the savings were achieved in the past (consumption of more than 700,000 m3 before the 2000s for the Parent Company alone and stable at the Group level since 2011 at around 200,000 m3). Particular attention will nevertheless be paid to water management in high risk zones.

Raw materials

Aluminum, titanium, steel and composites are the materials most widely used for the manufacturing of our products. By weight, aluminum is the predominant material used in the structure of our aircraft. For example, it accounts for more than 75% of the structural weight of a Falcon 8X. Dassault Aviation works with suppliers that are part of the sector's efforts to promote the increasing integration of recycled raw materials.

The search for a reduction in raw material consumption is a permanent objective, which includes:

- the development of new technologies, such as composite or direct plastic and metal fabrication, which consumes less raw material. The Group's main direct metal fabrication unit is now fully operational at the Argonay facility,
- the use of centralized platforms to regulate raw material volumes consumed,
- selective sorting of scrap metal and composites, and returning them to the raw materials value chain, according to circular economy principles. A recycling process for composite by-products was set up in 2022 with the participation of Dassault Aviation.

Paper consumption was down 35% compared with 2019, and stable compared with 2022, a testament to the sustainability of dematerialization efforts made during the Covid-19 crisis.

Chemicals

For several years, actions aimed at limiting the use of hazardous chemicals have been carried out for CMR products (Carcinogens, Mutagens, Reprotoxics) subject to the REACH regulation (chromates, nonylphenols, siloxanes, terphenyls, etc.).

The modernization of the machinery fleet and the changes in processes contribute to the optimization of the quantities of chemicals used.

This optimization involves the qualification and deployment of alternative processes such as: replacement of chemical machining by mechanical machining, removal of chromates in surface treatment processes (Anodic Chromic Oxidation replaced by Anodic Sulfuric Oxidation, stripping without chrome VI), substitution of chromated paint primers and removal of octylphenols from sealants.

We have taken future REACh regulations into account in our Company strategy: terphenyls in sealants, bisphenol A in epoxy resins, lead in electronics, PFAS restriction proposals which could have a major impact across all business sectors. As part of the European Chemical Strategy for Sustainability, the recasting of chemicals regulations (REACH, F-GAS, ODS, etc.) are also being monitored.

A Chemical Product Unit has been in place for more than ten years to advise on new products used in production or maintenance. This makes it possible to select, early on, the least hazardous chemicals for our industrial processes and to anticipate regulations so as to avoid the risks of obsolescence in the long term.

Since 2013, 494 hazardous products have been removed, replaced or are being substituted.

At the same time, Dassault Aviation informs its customers about the presence of hazardous substances in aircraft via REACH – Article 33 declarations and maintenance manuals that specify the substances contained in certain aircraft components (chromates, lead, cadmium, bisphenol A, terphenyl, etc.). The potential risk during specific operations is thus identified, allowing the appropriate measures to be taken depending on local regulations.

Wastewater

The production sites likely to generate industrial wastewater are equipped with detoxification stations or wastewater treatment installations of the "zero liquid discharge" type. For heavy metals, these installations have discharge rates lower than the value limits set by the regulations.

Out of all the sites involved in the monitoring of the Release of Hazardous Substances in Water (RSDE), only Mérignac is subject to continuous regulatory monitoring.

Volatile Organic Compounds (VOCs) and other atmospheric releases (excluding GHGs)

Production activities require the implementation of chemical products, including solvent-based paints and cleaning products that emit VOCs. These VOC emissions are monitored under solvent management and facility emission control plans.

The more than 40% decrease in emissions compared with 2019 is the result of using products containing fewer solvents and efforts to prevent their evaporation.

Fight against food waste and insecurity

The Group has not identified any challenges for this issue.

Waste

The 2023 fiscal year saw a major increase in the production of non-hazardous waste, compared with 2022, but the production of this waste is stable compared with 2019, in line with objectives. This mainly included metal waste generated by the machining activity at the Secline site, which is growing rapidly in line with the Company's planned ramp-up.

Development of the circular economy

Themes		2023 targets (Ref: 2019)	Group performance		
			2023	2022	Like-for-like change since 2019*
Developing the circular economy, in particular through the recovery of waste	% recovery total waste	**80.0**	**85.5**	86.0	9.0
	% recovery non-hazardous waste	**90.0**	**91.7**	90.7	5.5
	% recovery hazardous waste	**50.0**	**60.6**	65.4	10.1

*The subsidiaries DABS and ExecuJet have only been consolidated since 2020, so there is no reference data for 2019.

According to the principles of the circular economy, sites identify their hazardous and non-hazardous waste streams and seek the most suitable recovery and disposal solutions for their local environment, such as new recycling channels for furniture, sorting densification and landfill limitation.

The increasing integration of composite materials in aircraft provides significant weight saving, which means a reduction in CO_2 emissions during the operational phase. A share of production residues generated by these new activities are now considered as by-products and reused as raw materials in a dedicated branch set up in 2022.

Five main processes are used for the end-of-life of our by-products and waste:

- recycling of by-products, notably for composites,
- reuse, mainly through collections set up with furnishing, electric and electronic eco-organizations,
- recycling of metal, paper, cardboard and plastics,
- energy recovery, the main sector for hazardous waste and mixed non-hazardous industrial waste,
- bio-waste recovery.

4.7.3. Keeping industrial accident risks to a minimum

In order to prevent accidental pollution, the sites are equipped with oil separators, fitted dumping areas and containment basins for fire-extinguishing water.

Sites located over water tables have instituted monitoring of the water quality (piezometer) when their activities so require.

Each site has a collection area specifically designed for the storage of its waste to avoid accidental pollution.

Soil pollution diagnostics are carried out prior to civil engineering works or when land or buildings are sold. If historical pollution is identified, technical solutions are put in place to render the soil compatible with the intended use.

The risks of fire and explosion are assessed in each facility, and are covered by action plans to minimize them. The actions carried out as part of these plans include risk segregation, automatic fire detection and protection, and organizational measures.

The Group's French industrial sites are subject to ICPE (Classified Installations for the Protection of Environment) legislation. They hold the required administrative authorizations and none are classified as SEVESO.

4.7.4. Strengthening the company's low-carbon plan in response to climate change

Tackling climate change is a priority for the Company's CSR policy. GHG emissions reduction targets are set over three-year periods.

To align those targets with the 2050 trajectory, in 2021 Dassault Aviation worked with an expert company in this field. Accessible climate scenarios and an associated climate transition plan are currently being drawn up while measures have already been launched, as described in the previous sections.

In 2023, a Corporate Social Responsibility performance indicator was defined and is included in the corporate governance report. The low-carbon plan is one element of this indicator.

Themes		2024 targets (Ref. 2019)	Group performance		
			2023 ($TCO_{2eq.}$)	2022 ($TCO_{2eq.}$)	Like-for-like change since 2019*
Control GHG emissions	Scope 1 Non-kerosene	-8%	**18,516**	21,030	-14.7%
	Scope 1 Kerosene + SAF	NA	**27,186**	34,057	-27.8%
	Scope 2	-8%	**18,706**	18,643	-26.2%

*The subsidiaries DABS and ExecuJet have only been consolidated since 2020, so there is no reference data for 2019.

Scope 1 and 2 emissions

The greenhouse gases taken into account are those covered by the Kyoto Protocol. Their emissions are expressed in metric tons of CO_2 equivalent. Emissions are calculated in accordance with the GHG Protocol.

Greenhouse Gas (GHG) emissions are derived for scope 1 from direct emissions from the Group's air activity, combustion plants, the use of company vehicles and refrigerant leaks.

Year on year, scope 1 emissions are down due to the reduction in industrial energy consumption resulting from the launch of the energy saving plan and the implementation of the first phase of the SAF plan.

Dassault Aviation has decided to speed up the replacement of its fleet of company and service vehicles above and beyond the regulatory requirements laid down in the French Mobility Orientation Law (Loi sur l'Orientation des Mobilités). The fleet, historically composed of diesel and gasoline vehicles, is thus transitioning toward hybrid and electric vehicles.

At the end of 2023, low-emission electric and hybrid vehicles accounted for 43% of the Company's car fleet, representing an increase of 20% compared to the previous year.

In parallel with the replacement of the vehicle fleet, more than 360 charging points were also installed during 2023.

Emissions associated with kerosene combustion are directly related to our aircraft activity. The Group's SAF plan implemented since July 2022 (see Section 4.7.1) continues and has been extended, contributing to the mitigation of these emissions. A total of 413 flights were operated with SAF in 2023; representing a reduction of 681 $TCO_{2eq.}$, i.e., an increase of 169% compared with 2022.

As in previous years, CO_2 emissions reports required for the Emissions Trading Scheme were produced for the Group's aviation business in France, Switzerland and the United Kingdom.

Scope 2 emissions from electricity consumption were stable in 2023.

In accordance with regulatory requirements, the last GHG assessments and energy audits were carried out at eligible sites in France at the end of 2023.

Corporate Social Responsibility performance indicator

This indicator covers the Parent Company's Scope 1 and 2 emissions excluding kerosene, expressed as a function of worked hours and reference meteorological conditions. In 2022, carbon emissions within this scope were 15,144 T. In 2023, these emissions were 14,055 T representing a decrease of 7.2%.

Scope 3 indirect emissions

In 2021 and 2022, Dassault Aviation carried out studies in collaboration with a firm of experts to identify decarbonization opportunities for its indirect emissions that could contribute to its low-carbon strategy. In 2023, work continued with all Executive Management teams to build the foundations of the climate transition plan.

Purchases of products and services

This category was quantified using the methodology developed by the IAEG (International Aerospace Environmental Group) as part of the low-carbon plan.

Initiatives have also been launched to raise the awareness of the supply chain to climate and environmental issues, including through specific contractual clauses and a supplier approval process incorporating environmental aspects.

Dassault Aviation is a signatory to a commitment charter on relations between customers and suppliers in the aviation industry. As such, the company contributes to the work led by GIFAS (French Aerospace Industries Group) to rally the industry behind the shared goals of reducing the carbon footprint of aviation.

Dassault Aviation is involved in IAEG Working Group 11 (WG11), which is tasked with rolling out ESG (environmental, social and governance) standards within the aviation supply chain. One of the missions of this group was to select a platform capable of assessing and sharing information on supplier practices and which includes a carbon component. The EcoVadis platform is thus currently being rolled out within the aviation sector. Dassault System is studying the possibility of integrating this platform into its current assessment process.

Upstream and downstream freight transport

Logistics platforms contribute to the optimization of transport flows and the associated CO_2 emissions.

Environmental criteria, mainly relating to greenhouse gas emissions and the climate transition, were tightened in the Parent Company's invitation to tender for transport services when it was last revised at the end of 2023.

Moreover, discussions took place in 2023 with innovative companies to consider groundbreaking transport solutions, notably transatlantic freight transit by sail.

Business travel

Travel remains below 2019 levels. The intensive use of collaborative tools and videoconferencing is contributing to this decline.

The Parent Company's travel policy encourages the use of trains for journeys of less than three hours.

Under the terms of vehicle rental agreements for business trips, electric vehicles must be provided wherever possible, which at the Parent Company level resulted in an increase from less than 1% of journeys using electric vehicles in 2022 to 4.7% in 2023.

Use of Falcon products sold

The reduction in fuel consumption and the corresponding carbon footprint is a historic concern of Dassault Aviation. Falcon aircraft are recognized as being among the least-emitting aircraft on the market with an equivalent range. To go further, many actions are being taken both in the technical and operational fields and in alternative fuels (see Section 4.7.1).

Modeling studies of emissions from Falcon aircraft delivered during the year are ongoing, according to the "GHG Protocol" method, taking into account the ramp-up of the SAF. Indeed, given the significant potential for reducing the carbon emissions of these fuels, the progressive use of the different

generations of SAF in the air activity of business aviation makes it possible to consider a significant reduction of the carbon footprint over the aircraft lifetime.

Travel to and from work

The employee mobility survey conducted during the first quarter of 2022 provided input for the Quality of Life and Working Conditions agreement signed on February 14, 2023 and which now includes a sustainable mobility component.

Several measures implemented under this agreement help mitigate carbon emissions. For example, the formalization of remote working, on a regular basis or exceptionally when necessary, as well as the promotion of three virtuous modes of transport: bicycle, carpooling and low-emission vehicles, while continuing to encourage the use of public transport.

Impacts of climate change

Work to identify physical risks related to climate change adaptation was undertaken by the Group. The aim of this work is to identify whether the sites of the Dassault Aviation Group, its subsidiaries and its supply chain are exposed to climate risk either currently or in the medium and long term using climate modeling scenarios.

Actions to reduce the environmental footprint of the Group's products and activities help mitigate the transition risks linked to climate change described in Chapter 2 "Risk factors", particularly market risks.

These elements are the input data for our transition plan.

4.7.5. European Green Taxonomy

Regulatory context

To promote transparency and a long-term vision of economic activities and to direct capital flows toward sustainable investments, the European Union has created a common classification system for business activities to identify economic activities considered sustainable. This system is defined in Regulation (EU) 2020/852 of June 18, 2020 (the "Taxonomy Regulation") and is applicable since publication on the 2021 financial statements.

To determine whether an activity can be considered sustainable (aligned), it must:

- Contribute substantially to one or more of the following environmental objectives:
  - climate change mitigation,
  - climate change adaptation,
  - the sustainable use and protection of water and marine resources,
  - the transition to a circular economy,
  - pollution prevention and control,
  - the protection and restoration of biodiversity and ecosystems.
- Comply with technical screening criteria established by the Commission,
- Not significantly harm any of the environmental objectives,
- Be carried out in compliance with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights (minimum social safeguards).

Companies must disclose the share of their net sales, capital expenditure and operating expenditure associated with "eligible" (i.e. classified in the European Taxonomy) and "aligned" or "sustainable" economic activities (according to the rules listed above).

The publication of new Delegated Regulations 2023/2485 and 2023/2486 in November 2023 make new economic activities, including aviation activities, eligible for the six environmental objectives. These activities are set out in Delegated Regulation 2023/2485 and only meet the objective of mitigating climate change. For the 2023 fiscal year (2024 publication), only eligibility must be published for these new activities which were added in 2023.

Scope of analysis

The net sales, capital expenditure and operating expenditure considered cover all the activities of the Dassault Aviation Group and correspond to the scope of consolidation of the financial statements defined in Note 2 of the 2023 consolidated financial statements.

As a result, the ratio calculations presented below do not take into account the entities over which the Dassault Aviation Group has joint control or significant influence, in accordance with the delegated act referred to in Article 8 of the Taxonomy Regulation published on July 6, 2021.

Eligible and aligned activities under the taxonomy

The Dassault Aviation Group has reviewed its activities in all sectors defined:

- in Annexes I and II of the supplementary Taxonomy Climate Delegated Act, including its amended version following the publication of Delegated Regulation 2023/2485
- in Annexes I to IV of Delegated Regulation 2023/2486 relating to the four environmental objectives.

The addition of aviation in Delegated Regulation 2023/2485 classes Dassault Aviation Group's main activity as eligible for the objective of mitigating climate change.

The analysis of the eligibility and alignment of CapEx and OpEx also focused on "individual measures" (i.e., other than those related to aviation), enabling the target activities to become low-carbon or to achieve greenhouse gas reductions, as defined in the Taxonomy Regulation. Nevertheless, the share of expenses related to these activities is deemed non material.

As a result, all net sales, CapEx and OpEx are attributed to the aircraft manufacturing activity and are therefore 100% eligible.

The aircraft manufacturing activity will be included in the acts published in 2023 and is not subject to alignment criteria for the current fiscal year.

Procedures for determining eligibility and alignment ratios

The financial ratios were defined in accordance with the definitions given in Annex I to the Delegated Act of July 6, 2021.

With regard to net sales:

- as the aviation Delegated Act has been published, all net sales are declared as eligible under the "3.21 Manufacturing of aircraft" activity (cf. Note 15 to the Consolidated company financial statements).

With regard to capital expenditure (CapEx):

- The denominator is taken directly from the Group's IFRS consolidated financial statements (after elimination of intra-group transactions). The scope covered corresponds to the entire scope of the consolidated financial statements, excluding associates and joint ventures accounted for using the equity method. Capital expenditure includes inflows of property, plant and equipment and intangible assets during the fiscal year under review, before depreciation, amortization and revaluation, and inflows of property, plant and equipment and intangible assets from business combinations.
- The numerator is equal to total capital expenditure included in the denominator as related to assets associated with the eligible activity.

In total, eligible CapEx is valued at EUR 440 million and represents 100% of Group CapEx (see Note 4 to the consolidated company financial statements).

With regard to operating expenditure (OpEx):

- The denominator is taken directly from the Group's IFRS consolidated financial statements (after elimination of intra-group transactions). The scope covered corresponds to the entire scope of the consolidated financial statements, excluding associates and joint ventures accounted for using the equity method. The denominator covers direct non-capitalized costs that relate to research and development, building renovation, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.
- in terms of the numerator, it is equal to the total expenditure listed in the denominator as related to the eligible activity. However, this expenditure is insignificant (10%) in relation to the Group's overall operating expenditure (see consolidated income statement). Consequently, the Group considers that the eligible OpEx is not material for its business model and its business sector[1].

[1] Pursuant to Commission Delegated Regulation 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

Proportion of net sales from products or services associated with Taxonomy-aligned economic activities (in million euros)

Financial year N	2023			Substantial Contribution Criteria								DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turn-over (3)	Propor-tion of Turn-over (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	H	
of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) [2]																			
Manufacturing of aircraft	CCM 3.21	4 805	100%	100%	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4 805**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**4 805**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		-	-																
Total (A+B)		**4 805**	**100%**																

[2] All net sales are related to the eligible activity (3.21 Manufacturing of aircraft) for which the alignment disclosure is not required with respect to the 2023 fiscal year. By convention, these eligible net sales without alignment analysis were declared in line A.2 – *Eligible but non-sustainable activities*.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities (in millions euros)

Financial year N				Substantial Contribution Criteria								DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	2023 CapEx (3)	Propor -tion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	H	
of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) [3]																			
Manufacturing of aircraft	CCM 3.21	440	100%	100%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**440**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**440**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		-	-																
Total (A+B)		**440**	**100%**																

[3] All Capex are related to the eligible activity (3.21 Manufacturing of aircraft) but for which the alignment disclosure is not is not required with respect to the 2023 fiscal year. By convention, these eligible Capex without alignment analysis were declared in line A.2 – *Eligible but non-sustainable activities*.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities (in millions euros)

Financial year N																				
		2023			Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')								
Economic Activities (1)	Code (2)	OpEx (3)	Propor-tion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-		-	-	-	-	-	-	-	-	-	-	-	-		
of which Enabling		-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	H	
of which Transitional		-	-	-												-	-		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-		-	-	-	-								-		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		-	-	-		-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES [4]																			
OpEx of Taxonomy-non-eligible activities		597	100%																
Total (A+B)		**597**	**100%**																

[4] All Opex are related to the eligible activity. However, these expenditures appear insignificant (<10%) compared to all of the Group's operating expenses (see Consolidated income statement). Consequently, the Group considers that the eligible OpEx are immaterial with respect to its business model and its sector of activity. By convention, these eligible Opex were declared in line B – *Non-eligible activities*.

Level of eligibility and alignment of indicators by environmental objective in 2023

	Proportion of CapEx/Total CapEx		Proportion of Turnover/Total Turnover		Proportion of OpEx/Total OpEx	
	Taxonomyaligned per objective	Taxonomyeligible per objective	Taxonomyaligned per objective	Taxonomyeligible per objective	Taxonomyaligned per objective	Taxonomyeligible per objective
CCM : Climate Change Mitigation		*100%*		*100%*		*Non material*
CCA : Climate Change Adaptation						
WTR : Water and Marine Resources						
CE : Circular Economy						
PPC : Pollution Prevention and Control						
BIO : Biodiversity and ecosystems						

4.7.6. Biodiversity

Preservation of biodiversity is taken into account when challenges require it. Accordingly, whenever new buildings are constructed at the Group's facilities, action is taken to avoid and mitigate any impacts on biodiversity.

Where avoidance and mitigation are insufficient, environmental offsetting measures are used, such as reforestation or restoration of wetlands and habitats of protected species.

Dassault Aviation does not however limit its commitment to controlling the impact of its new buildings on biodiversity. Dassault Aviation is thus a Patron of Maubuisson forest (Val d'Oise, Ile-de-France region). The Maubuisson project is unprecedented in the Ile-de-France region, with the planting of a million trees of 30 different species. This 1,340 ha of forest will benefit a population of 100,000 people in seven neighboring communities as well as the 12 million inhabitants of the Ile-de-France region.

4.7.7. Respect for animal welfare and responsible food

The Dassault Aviation Group's activities have no impact in these areas.

4.8. Adopting a responsible approach

Contribution to SDGs

4.8.1. Safety culture

Airworthiness and Safety

The Group works closely with the French and international airworthiness authorities, both civil and military. It has set up an organization to meet airworthiness requirements in design, production, maintenance and training for civil (PART 21, PART or FAR 145) and military (EMAR 21-G and EMAR/FR 145) aircraft.

The Group is regularly audited by the authorities (the French Department of Civil Aviation, the French Defense Procurement Agency, etc.), which verify compliance with the regulations on design, production and testing, maintenance, and safety management.

In an ongoing effort to improve the safety of its civil and military aircraft, Dassault Aviation has introduced a Safety Management System (SMS) based on ICAO recommendations, covering the entire aircraft life cycle.

An Executive Aviation Safety Officer coordinates the Safety Management System, promotes the safety culture and provides an independent assessment of all flight safety issues for civil and military aircraft and related activities for the entire Company and its subsidiaries.

The SMS was implemented by DFJ and DRAL in 2022. This roll-out continued in 2023 in the MRO subsidiaries of the Parent Company.

Moreover, the Parent Company strives to promote the SMS culture at the suppliers of its supply chain.

Safety and Security

The Safety/Security organization within the Company is structured around three areas:

- Defense and Industry Security aimed at protecting the Company's assets (tangible and intangible), natural persons (employees) and legal persons (image, reputation).
- Information System Security (ISS), relating to the protection of digital assets, IT systems, personal data and intellectual property rights.
- Product Safety, covering protection with regard to aircraft safety, continuity of flight operations, operational maintenance of aircraft, continuity of service to Falcon passengers and the property of product users, such as personal data.

For each area, an officer from the Parent Company is appointed to oversee the activities.

4.8.2. Military aircraft production and export policy

Dassault Aviation designs, manufactures, sells and supports military aircraft: Rafale, Mirage, ATL2, multi-mission Falcon.

Linked to the government's foreign and defense policy, the production and export of war materiel are activities:

- strictly regulated by French laws (since the Second World War),
- carried out in accordance with European and international commitments entered into by France.

Companies involved in the manufacture or sale of war materiel may not do business unless they have authorization from the State and are under its control.

In the interests of sovereignty, the State has granted authorization to Dassault Aviation for the manufacture and sale of military aircraft. It also grants it export licenses through a robust and strictly enforced procedure.

On that basis, Dassault Aviation:

- has a manufacturing and trade authorization granted by the French Ministry of Armed Forces for a maximum period of five years; the authorization is renewable, if necessary following investigation by the police, gendarmerie and prefecture in the areas where its plants are located,
- cooperates with regular site inspections and document checks carried out by officials from the relevant ministries,
- includes on its Board of Directors a government commissioner appointed by order of the French Ministry of Armed Forces,
- carries out its design and production under the supervision and/or project management of the DGA (Direction générale de l'armement du ministère des Armées – French Defense Procurement Agency).

For exports of war materiel in particular, two general principles apply in France:

- principle of prohibition: arms exports are prohibited, unless an exemption is granted by the State and subject to its control (there is no freedom of enterprise or trade in this respect); the exemption is applied by granting export licenses for war materiel;
- principle of interministerial coordination: the Prime Minister bears ultimate responsibility for export controls.

By law, the State is responsible for the evaluation of France's military customers via a strict authorization process overseen by three regulatory bodies:

- the CIEEMG (Commission interministérielle pour l'étude de l'exportation des matériels de guerre – Interministerial Commission for Scrutiny of War Materiel Exports); the interministerial aspect ensures that export license applications undergo proper scrutiny5;
- the SGDSN;
- the DGA.

The provisions of Articles L. 2335-1 et seq. of the French Defense Code define the legal framework for authorization.

Export transactions are examined retrospectively to ensure that they comply with the authorization granted by the CIEEMG. This procedure, which contributes to the robustness of the scrutiny process, includes manufacturers' compliance with any conditions imposed when the export license was issued.

Consequently, the selection and evaluation of military customers, as well as the export of military aircraft manufactured by Dassault Aviation (with the associated after-sales support), are subject to the strict supervision of the French authorities. They have the sovereign power to decide in which countries and under what conditions Dassault Aviation is authorized to enter into a contract with a military customer of the State.

Interestingly, the Rafale aircraft of the French Air and Space Force and the French Navy contribute to the French nuclear deterrence policy through their ability to deploy the ASMP-A nuclear missile. This capability and this missile cannot be exported, in compliance with France's non-proliferation commitments.

The French Parliament is kept regularly informed of the activities of defense companies during parliamentary debates and through the publication of an annual report that addresses the need for transparency. The French Senate and National Assembly also hold select committee hearings at which defense company executives are asked questions. The Chairman and Chief Executive Officer of Dassault Aviation attends such hearings several times a year.

4.8.3. Upgrading our approach to sustainable procurement

Due to the specific features of its sector of activity, and in accordance with its purchasing policy, Dassault Aviation is committed to sustainability processes in the choice of its partners.

In the framework of its industrial and purchasing activities, the Dassault Aviation Group:

- supplies, manufactures and integrates all the constituent elements of its aircraft,
- builds the interior fittings of Falcon business jets according to its customers' requirements,
- controls its supply chain,
- installs replacement and maintenance equipment that ensures the best service for customers,
- ensures the operational availability of the aircraft.

These activities are based on an extensive supply chain with a strong national component, with a significant economic and social impact at the territorial level.

[5] The CIEEMG examines applications for export and transfer licenses from manufacturers. The Commission, chaired by the SGDSN (Secrétariat général de la défense et de la sécurité nationale – Secretariat-General for Defense and National Security), brings together representatives of the French Minister for Defense, Minister for Foreign Affairs and Minister for the Economy. Where appropriate, favorable opinions expressed by the CIEEMG may be accompanied by conditions, as well as the requirement for a non-re-export clause and an end-use certificate. The Prime Minister's decision, taken on the advice of the CIEEMG, is notified to Customs, which then issues any approved licenses.

SMEs and intermediate-sized enterprises

Against the backdrop of an economic crisis, Dassault Aviation:

- is involved, under the aegis of GIFAS, in monitoring the actions implemented within the framework of the "Charter of commitment on customer and supplier relations within the French aeronautics sector,"
- is continuing to support its suppliers, focusing on financial aspects such as reducing payment times and taking into account - on a case-by-case basis - measures adapted to energy price changes.

For several decades, the Dassault Aviation Group has worked with and supported a broad network of aerospace companies and contributes to the evolution of many SMEs. The very nature of Dassault Aviation's products and the related services entails a long-term relationship with its suppliers.

Active participation in professional bodies such as GIFAS and CIDEF allows Dassault Aviation to support SMEs and intermediate-sized enterprises in the French aerospace supply chain in their plans to improve competitiveness and reduce their environmental footprint, etc.

Dassault Aviation is a signatory to the SME Defense Pact membership agreement with the French Ministry of the Armed Forces. The Group is involved in the updating of this agreement, underlining its commitment to advancing French SMEs and intermediate-sized enterprises in the Defense sector, and to strengthening good business practices.

Dassault Aviation also contributes to the ACE Aéro Partenaires investment fund. This fund aims to support SMEs and intermediate-sized enterprises in the aviation industry. In the prospective countries, Dassault Aviation involves SMEs and intermediate-sized enterprises in cooperation and offsets.

Purchasing policy

Dassault Aviation's purchasing policy is designed to secure the Group's supply chain by improving the structural assessment of suppliers. This assessment is performed when referencing or monitoring a supplier to ensure that it is maintained in compliance with the guidelines. Structural risks are now taken into consideration in the Purchasing Policy.

The supplier approval procedure has been in place since 2007. It has been changed to include the provisions relating to the "Sapin 2" and "Duty of Care" laws, as well as cyber-security challenges.

To allow the referencing of a supplier, a structural assessment consists of five components:

- Financial health,
- Security,
- Cyber-security,
- Management of health, safety in the workplace, the environment and chemical products,
- Compliance (anti-corruption, human rights and fundamental freedoms).

Supplier monitoring, which takes into account these same themes, is performed regularly through semi-annual campaigns, or when a significant event occurs.

For example, Dassault Aviation carried out almost 500 structural analyses of 100% of new suppliers approved in 2023.

The collaborative work with suppliers is based on the deployment of the "BoostAeroSpace/Air Supply" digital platform, which is the aviation industry standard. Dassault Aviation is reinforcing this approach with the commitments set out in the recovery plan and the Supplier Charter.

Dassault Aviation pays particular attention to the management and performance of its supply chain particularly through the supply chain committee, which defines the strategy in this area.

Volume of purchases

In 2023, the order commitments of the Dassault Aviation Group were in the region of EUR 4.4 billion. France accounts for almost 80% of purchases.

4.8.4. Territorial influence

The Dassault Aviation Group has a significant French and international territorial network:

- Dassault Aviation: nine sites in France,
- Dassault Falcon Service: two sites in France,
- Sogitec: two sites in France,
- Dassault Falcon Jet and its subsidiaries: five sites, four in the United States, and one in Brazil,
- Dassault Aviation Business Services: four sites in Europe,
- ExecuJet MRO Services: nine main sites, one in South Africa, two in Belgium, one in Malaysia, one in the United Arab Emirates and four in Australia/New Zealand,
- Dassault Reliance Aerospace Limited: one site in India.

The Falcon maintenance subsidiaries also have several international technical divisions which are not listed because their size does not warrant it.

All these entities rely on a large number of suppliers who contribute to the local economy.

Dassault Aviation is a certified Approved Economic Operator.

The Group actively participates in local bodies, competitiveness clusters and regional professional bodies:

- In France: Chambers of Commerce and Industry, Territorial Economic and Social Councils, Environment Committees, Aerospace Valley, SAFE in Provence-Alpes-Côte d'Azur, BAAS, Aérocampus, ESTIA campus, Agency for Development and Innovation (ADI), Alpha Route des Lasers (Alpha RLH), Bordeaux Technowest, PDIE and AEROTEAM in the Nouvelle Aquitaine region, ASTech in the Ile-de-France region and CESI (the Nanterre school of engineering in France).
- In the United States: Little Rock Regional Chamber of Commerce, State of Arkansas Work-force Development, Delaware River Administration, and the Arkansas, Delaware and New Jersey Economic Advisory Committees.

4.8.5. Inclusion, humanitarianism and culture

Through sponsorship agreements and charitable actions, the Dassault Aviation Group supported various non-profit organizations and institutions in 2023, including: Hanvol, Elles bougent, la Fondation des Œuvres Sociales de l'Air, l'Association pour le Développement des Œuvres Sociales de la Marine, l'Association des Anciens de l'École Navale, l'École d'Enseignement Technique de l'Armée de l'Air et de l'Espace, le Syndicat Mixte d'Aménagement de la Plaine de Pierrelaye-Bessancourt, Aviation Sans Frontières, Rêves de Gosses, la Course du Cœur, la Fondation Foch, l'Ordre de la Libération, l'Association de la Flamme sous l'Arc de Triomphe, la Fondation des Ailes de France, l'Académie de l'Air et de l'Espace, la Fondation de l'Académie des Technologies, le Musée de la Marine, l'Association pour le Grand Prix de l'École Navale, Cultivate Women in Business, Women in Aviation, Habitat for Humanity, Arkansas Food Bank, American Red Cross, Muscular Dystrophy Association.

4.8.6. Duty of care

With its Code of Ethics and decision to support the UN Global Compact in 2003, Dassault Aviation affirmed its commitment in this area very early on.

A system for assessing the risks at Group level (see Section 3.3 Risk management procedures) identifies the main risks and manages their potential consequences for the company and its stakeholders.

In parallel with this system, a Group-wide vigilance plan was drawn up in 2017 to assess the risks of serious breaches in the areas of the environment, occupational health and safety, human rights and fundamental freedoms. The plan covers all suppliers with whom the Group has an established business relationship.

General framework

Through its organization and internal processes (Human Resources, CSR, Ethics and Compliance, etc.), Dassault Aviation takes into account the risks generated by its activities and services that come under its duty of care.

The risks of serious breaches directly related to the Group's activities are addressed by the Company Risk Committee.

An evaluation and monitoring mechanism for production sub-contractors, which was extended to Europe and India in 2019 and covers environmental and occupational health and safety risks, is also in place. Since then, 261 production sub-contractors have been evaluated, with 35 identified as being at risk. Those sub-contractors have undergone surveillance audits and taken part in awareness-raising.

The subsidiaries of the network of service centers were also evaluated on this basis.

Specific framework supplementing the Duty of Care law

An additional vigilance plan, in accordance with the requirements of Law No. 2017-399 of March 27, 2017 relating to the duty of care, is in place to deal with the Group's supply chain and identify suppliers at potential risk.

The main components of this vigilance plan are:

- risk mapping by country, taking into consideration environmental criteria, rights and freedoms of work, and health, safety and working conditions. It is based on global indicators published periodically by specialized organizations such as Yale University, UNICEF and ILO,
- risk mapping by activity (industrial, tertiary, completion, infrastructure, etc.),
- a risk assessment by supplier, incorporated into the approval and oversight process, based on standardized IAEG and GIFAS questionnaires and questionnaires specific to the company,
- an onsite evaluation process that may result in an audit for high-risk subsidiaries and suppliers,
- a mechanism for the internal reporting of potentially risky situations detected among suppliers that gives anyone outside the Company an additional opportunity to use one of the existing means of communication to submit any reports. This is part of the Company's whistleblowing procedure,
- a "vigilance" commission which examines aggregated reports.

The vigilance plan has been implemented within the main subsidiaries: Dassault Falcon Service, Sogitec and Dassault Falcon Jet.

Themes		Group performance		
		Objective	2023	2022
Anticipate supplier risks, especially for sub-contracted activities	Number of suppliers processed	All suppliers in the process of approval or follow-up	397 (100%)	533 (100%)
	% of suppliers with a high-risk location or business	-	15%	20%
	% of progress in the assessments of production sub-contractors at risk	100%	84%	87.5%
	% of suppliers with a negative opinion	-	0.8%	0.6%
Anticipate the supplier risks of subsidiaries	Number of suppliers processed by subsidiaries	-	385	240

Since the scheme was introduced in 2018, the Group has not detected any supplier with an immediate significant risk. Nevertheless, among the assessments carried out, a few suppliers had weaknesses in one of the areas assessed. They are placed under supervision and action is taken (e.g. on-site audits) proportionate to the risk identified. Three audits were carried out in 2023.

In parallel, a campaign to raise buyers' awareness of CSR issues was carried out to enhance their contribution to risk management. This module, which is part of the Purchasing training course, has raised awareness among 121 buyers since 2021.

The Total Quality Management Department coordinates the vigilance plan and ensures the correct operation and effectiveness of the process in place. In 2021, an audit was conducted by the Internal Audit and Risks Department of Dassault Aviation on the Parent Company's compliance with Law 2017-399 of March 27, 2017, governing the Duty of Care.

Conflict minerals (tin, tungsten, tantalum and gold)

Although Dassault Aviation does not source directly, the Company is particularly vigilant about the origin of certain minerals (such as tin, tungsten, tantalum and gold) used in its products, in accordance with US regulations derived from the Dodd-Frank Act and Regulation (EU) 2017/821.

To share information with its customers, Dassault Aviation has set up an organization to compile information from its supply chain on the provenance of such minerals. This topic is included in the supplier evaluation questionnaire during the accreditation stage. In addition, a CMRT (Conflict Minerals Reporting Template) has been collected annually since 2020, mainly from electronics suppliers likely to use these minerals in the manufacture of their components (386 suppliers questioned in 2023).

We also collected information on other controversial minerals (cobalt, mica) using the EMRT (Extended Minerals Reporting Template) and CRT (Cobalt Reporting Template).

In 2023, we received 465 supplier reports (294 CMRT and 171 EMRT or CRT). For 2024, the aim is to compile information on cobalt systematically and to expand the panel of suppliers targeted.

4.8.7. Respect for human rights

In line with OECD Guidelines (updated in 2023), Dassault Aviation is committed to responsible business conduct for the respect of Human Rights.

The Group has introduced a comprehensive system to manage human rights-related risks: Code of Ethics, dedicated internal organization, due diligence and vigilance plan which details the measures put in place to prevent and mitigate the risks around human rights in compliance with international conventions and the French Duty of Care Law (Loi sur le Devoir de Vigilance) of March 27, 2017.

The Dassault Aviation Group, whose main facilities are located in France and the United States, is committed to the respect of all national and international laws and regulations regarding human rights, especially as regards occupational health and safety of employees and non-discrimination in the workplace. It acts in conformity with the Universal Declaration of Human Rights, and the provisions of the OECD and the International Labour Organization relating to Human Rights.

Dassault Aviation joined the UN Global Compact in 2003 and adopted the 10 principles, including the principle relating to Human Rights.

The Dassault Aviation Group has a Code of Ethics that reflects these commitments. This Charter is available on the Dassault Aviation website and on the Dassault Aviation Intranet; it is always distributed to new hires.

The Code also pays particular attention to respect for human rights and fundamental labor rights and to the proper application of essential principles:

- non-discrimination on grounds of origin, morals, gender, sexual orientation, disability, political or religious opinions, trade union membership;
- respect for the individual and his or her private life;
- maintenance of a safe working environment and conditions (see Section 4.6).

In accordance with our General Purchasing Conditions, our suppliers and service providers undertake to comply with our Code of Ethics when they execute their orders.

Since 2017, under our purchasing and supply chain security policy, the evaluation procedure for suppliers and sub-contractors has included criteria for evaluating respect for human rights. They are evaluated on the basis of a completed questionnaire, the answers to which will allow Dassault Aviation to decide whether to embark on a business relationship with them.

Lastly, the Ethics and Compliance Department handles any reports of violations of the law and international conventions on human rights, as part of its internal whistleblowing procedure.

4.8.8. Preventing risks of corruption and upholding business ethics

In strict compliance with the recommendations of the French Anti-Corruption Agency, the Group has introduced a system to address the risks of corruption with appropriate measures to prevent and detect, in France and abroad, acts of corruption or influence peddling in accordance with Law 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernization of the economy.

Dassault Aviation has chosen to entrust an independent body, the Ethics and Compliance Department, with the implementation and supervision of the anti-corruption system. This department reports directly to the Chairman and Chief Executive Officer. Within the Dassault Aviation Group and its subsidiaries, this department ensures that the Company fulfills its legal and regulatory requirements.

Strict business ethics

Through its Code of Ethics, the Dassault Aviation Group asserts the values that serve to unite the actions of all its employees. This charter also sets out a code of conduct that the Group applies with its customers, partners, suppliers and sub-contractors. It is supplemented by an anti-corruption code and an anti-corruption guide describing real-life situations that employees might encounter.

Observing a strict code of ethics, the Group commits to acting in accordance with the Convention of the Organization for Economic Cooperation and Development (OECD), the United Nations Convention and national laws. The Parent Company takes part in the OECD's Annual Anti-Corruption and Integrity Forum.

Dassault Aviation is a signatory to numerous international commitments on the prevention of corruption (Global Compact, Common Industry Standards, Global Principles). It is also a member of several associations and forums on ethical business conduct and corporate responsibility at the national, European and international levels (see website www.dassault-aviation.com, Ethics section). Dassault Aviation is a member of the IFBEC (International Forum on Business Ethical Conduct) and adheres to the standards of the ASD (AeroSpace and Defence Industries Association of Europe) with a view to maintaining its anti-corruption system at the highest level.

A training policy for all staff

The Ethics and Compliance Department organizes specific training sessions for the managers and personnel most exposed to risks of corruption and influence peddling. The purpose of this training is to give staff the essential tools to detect potential risks and instruct them in the vigilance and behavior required in such situations.

In line with its 2022 action plan, the Ethics and Compliance Department trained 755 employees in 2023 through 21 sessions dedicated to the Sapin 2 program.

The content of each session is set in consultation with the Ethics and Compliance Department and the concerned department, with regard to mapping the risks of breaches of probity. These sessions must allow the fundamental principles of the Sapin 2 Law to be acquired based on concrete situations covered by the risk mapping scenarios.

In addition to longer training sessions for functions considered more at risk with regard to their specific nature (buyers and sellers for example), the Ethics and Compliance Department organizes awareness sessions for less exposed staff. These awareness sessions enable it to reach out to more employees on anti-corruption issues and related corporate policies.

Sessions covering other areas relating to business ethics have also been run by the Ethics and Compliance Department. This was the case in particular for sessions covering the GDPR and Duty of Care law. These compliance training sessions have also been proposed to the Group's subsidiaries and overseas offices.

A Sapin 2 e-learning module aimed at all employees was launched during 2023 and has already been used to train 3,033 members of staff. This e-learning module was a fun way of validating the knowledge of all new Company employees.

A robust compliance system

For many years, the Dassault Aviation Group has implemented strict internal procedures to prevent corruption and ensure the integrity, business ethics and reputation of the Group in its industrial and commercial relations.

Pursuant to the law of December 9, 2016 concerning the fight against corruption, the Dassault Aviation Group supplemented and strengthened its process to prevent and detect corruption and influence peddling at the level of both the Parent Company and its subsidiaries under the leadership of the Chairman and Chief Executive Officer who promotes a zero-tolerance policy.

The Ethics and Compliance Department is tasked with implementing and auditing procedures related to the fight against corruption and influence peddling. As a result, risk maps on the fight against corruption and influence peddling have been developed and deployed within the Group in consultation with the various operational units and are regularly updated. These risk maps are designed to identify, analyze

and prioritize the risks of the Group's exposure to corruption and influence peddling, taking into account internal processes, risks factors, the nature of the civil and military activities, and the geographical areas in which the company operates. These maps serve as the basis for the Group's compliance policy, which led the Dassault Aviation Group to strengthen existing anti-corruption procedures.

In addition to the Code of Ethics, an Anti-Corruption Code - specifically dedicated to the prevention and fight against corruption - had been updated. This Code defines and illustrates, using practical examples and scenarios, the different types of employee behavior to be proscribed as likely to constitute acts of bribery or influence peddling. It is integrated into the internal rules of Dassault Aviation's various sites. Any violation is therefore punishable.

Since the "Whistleblower" law of March 21, 2022, the Internal Whistleblowing Procedure allowing employees and external contractors to report any breach of the Code of Ethics and Anti-Corruption Code has been extended to the reporting of any crime or offense, including human rights abuses. The Ethics and Compliance Department is responsible for receiving and processing internal whistleblowing reports. For this purpose, a dedicated email address with an encryption system guaranteeing confidentiality is available to all employees. In fiscal year 2023, no acts of corruption or influence peddling were brought to the attention of the Ethics and Compliance Department.

The procedures for evaluating the situation of customers, suppliers, sub-contractors and consultants in the light of the risk map have been strengthened. Before the Dassault Aviation Group agrees to do business with them, special committees are tasked with going through the various stages to ensure that they comply with its business ethics.

Special internal and external accounting control procedures intended to ensure that the books, ledgers and accounts do not mask acts of corruption or influence peddling are deployed within the Finance Department, thus reinforcing the existing procedures implemented by the Ethics and Compliance Department.

Throughout the 2023 fiscal year, the Ethics and Compliance Department performed level 2 controls:

- of evaluation procedures for tier 1 suppliers and sub-contractors, civil aircraft customers and consultants,
- of accounting procedures in association with the Financial Department,
- and of gifts relating to the Communication Department.

These follow-up missions confirmed that evaluation procedures covering the Sapin 2 Law had been put in place and were working.

The compliance program deployed by Dassault Aviation and its subsidiaries demonstrates our commitment to effectively combating corruption and influence peddling.

A page dedicated to the Ethics and Compliance Department is available on the Parent Company intranet site. This page outlines the company's policy on business ethics, provides details of contacts within the Ethics and Compliance Department, and gives a list of reference documents (in French and English), including the Anti-Corruption Code, the Anti-Corruption Guide and the Internal Whistleblowing Procedure.

A page dedicated to ethics and compliance is also accessible on the Group's website.

4.8.9. Promoting the Nation-Army bond

The strong historical links between Dassault Aviation and the French Army are part of our Group's DNA. This is reflected in the commitment of our Chairman and Chief Executive Officer, Éric Trappier, who served for several years as an officer of the French Navy's operational reserve and is currently Naval Captain of the French military reserve.

Dassault Aviation grants its reservist employees an annual leave of absence of 12 calendar days in respect of their deployment or training activities in the military operational reserve (the minimum legal period is 10 working days).

Moreover, in 2023, Dassault Aviation introduced the "Dassault Defense Academy" for new manager-level recruitments: three days of training with high-level conferences and visits to military sites.

Finally, Dassault Aviation is patron of several defense-related institutions and charities, including:

- Ordre de la Libération,
- Association de la Flamme sous l'Arc de Triomphe,
- Fondation des Ailes de France,
- Musée de la Marine,
- Association pour le Grand Prix de l'École Navale.

4.9. Complying with European, national and local regulations

Contribution to SDGs

The main Group entities have regulatory oversight systems that make it possible to identify or anticipate the requirements applicable to their activities and carry out compliance actions when it is necessary.

In 2023, several major regulatory measures on climate change and sustainability were drafted and published:

- delegated acts on the climate component of the European environmental Taxonomy, and on four other environmental objectives,
- the CSRD (Corporate Sustainability Reporting Directive), along with the related ESRS,
- the "Fit for 55" legislative package,
- a new draft EU directive - the Corporate Sustainability Due Diligence Directive, etc.

To supplement the regulatory oversight systems put in place, Dassault Aviation participates in activities, studies and work carried out by aerospace organizations. This enables the Group to anticipate the regulations applicable to its activities.