

## SAFRAN TAX POLICY

Update – April 2025

Safran is a leading international high technology Group and Tier-1 supplier of systems and equipment for aerospace and defense. The main characteristics of these markets are a long lasting relationship with our private or public customers and important capital investments.

Safran believes that a fair and sustainable Group tax policy is a fundamental long-term business requirement. The principles set out in the tax policy are consistent with Safran's commitment to contribute to societal challenges. In this respect, the deployment of its tax policy aims to make Safran a responsible player in terms of taxation, and recognizes the importance of the tax contribution of companies to the budgets of the states where the group operates.

### ➤ Perimeter and Governance

Safran's tax policy applies to all Group companies on a worldwide basis<sup>1</sup>, and aims to prevent operational, transactional and reputational risks. The Group's Tax Department deploys the tax policy within Safran subsidiaries, and ensures compliance with the principles set out in this policy.

The Tax Department is placed under the responsibility of the Group Chief Financial Officer, a member of Safran's Executive Committee reporting directly to the Chief Executive Officer. In terms of internal control, compliance with the tax policy is subject to audits as part of the Audit and Internal Control Department's missions<sup>2</sup>. In addition, the tax policy updated based on the 2024 figures has been presented to the Audit and Risks Committee of Safran's Board of Directors.

### ➤ Key principles

Safran Tax Policy focuses on three key principles:

- Ensuring compliance with the various local tax legislations in all the countries where the Group operates, and managing tax risks,
- Supporting the business by providing tax advice that are aligned with the commercial and operational reality of the Group,
- Deploying a consistent tax approach across the Group, based on transparency and cooperation.

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<sup>1</sup> Safran's tax policy applies to all consolidated entities mentioned in the Group's 2024 Universal Registration Document in section 3, note 9. When Safran acquires a substantial stake in new entities, Safran gradually deploys its Group tax policy, within a time frame compatible with operational activities. In addition, the tax policy meets the requirements of the UK Finance Act 2016, Schedule 19 and applies to all UK groups and sub-groups as defined in paragraphs 5 and 11. The heads of each UK sub-group and the companies covered by this document consider the publication of this document to be in accordance with their obligations under sections 19(2) and 22(2) of the UK Finance Act 2016.

<sup>2</sup> Compliance with the tax policy is integrated into the Group's global risk monitoring framework (group global risk management policy, or "Enterprise Risk Management" - 2024 Universal Registration Document, section 4).

## 1. A TAX POLICY THAT ENSURES TAX COMPLIANCE AND RISK MANAGEMENT

### ➤ Compliance with tax laws and regulations

Safran's business activities around the world incur a substantial amount and variety of business taxes. The Group pays corporate income taxes, property taxes, customs duties, excise taxes, stamp duties, employment and many other business taxes in all jurisdictions where applicable.

Safran is committed to observe all applicable laws, rules and regulations in meeting tax compliance and reporting responsibilities in all jurisdictions where the business operates.

Due to the highly complex and constantly changing nature of taxation across multiple countries, Safran may obtain external tax advice as required to ensure correct analysis and treatment is conducted.

### ➤ Organization of the tax function

Tax function is led by the Head of Global Tax and is under the ultimate responsibility of the Group Chief Financial Officer. The tax organization is global. This ensures that tax is globally consistent and standardized wherever possible: the tax team is composed of professional, qualified tax managers to monitor and ensure compliance.

Safran supports all personnel acting on tax matters to ensure that they have the skills and technical expertise to fulfil their tax responsibilities and perform to the best of their abilities.

### ➤ Tax Risk Management

Safran has defined an Enterprise Risk Management ("ERM") policy<sup>3</sup>, the principles of which are consistent with the recommendations of the French Financial Markets Authority ("AMF"), the provisions of the AFEP-MEDEF Corporate Governance Code, and professional standards ("COSO ERM").

All businesses apply the Group's ERM system in accordance with the governance rules applicable to the Group's different entities. Risk management draws on a methodological approach common to all entities and rolled out through a network of experts.

The tax processes managed by the Tax Department are fully within scope of the Group ERM. The Risk and Insurance Group Department review them annually as part of the ERM policy. As such, compliance with tax policy is subject to audits as part of the missions of the DACI (Audit and Internal Control Department).

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<sup>3</sup> For more details, refer to the Universal Registration Document 2024, section 4.

## 2. A TAX POLICY STRATEGY THAT SUPPORTS THE GROUP'S OPERATIONAL ACTIVITIES

### ➤ Alignment of tax positions with the operational reality of the Group

Safran does not seek to achieve budgeted tax payable amounts or percentages and does not engage in aggressive tax planning.

Internal governance is not prescriptive on the levels of acceptable risk and external stakeholders have not sought to influence the level of acceptable risk.

Safran's tax strategy is aligned with the Group's commercial strategy and operational activity. The tax department assists operational staff by providing tax advice and determining the tax positions best suited to operational reality. The tax department thus contributes to protecting shareholders' assets by limiting tax risks.

The objective of the tax department is to ensure that all employees with tax responsibilities or activities that may have tax impacts comply with the principles set out in Safran's tax policy and adopt a common approach as to how tax risk is identified, assessed, reported and managed.

### ➤ Compliance with OECD tax principles

Safran complies with the OECD Transfer Pricing guidelines, by ensuring that intragroup transactions are at arm's length and that profits are allocated and taxed where the value is created.

Safran files its Country-by-Country Reporting ("CbCR") every year in accordance with action 13 of the OECD's "Base Erosion and Profit Shifting" plan ("BEPS") and reports its global amount of income taxes in the universal registration document<sup>4</sup>.

Since January 1, 2024, Safran has been subject to the "Globe/Pillar 2" rules defined at international level by the OECD/G20 inclusive framework. This set of rules ensures that a minimum tax rate of 15% is applied to multinational groups in all their countries of operation and provides for the payment of an additional tax in the event of insufficient taxation. For Safran, the minimum tax rate is exceeded in almost all countries and the estimated additional tax amount at the balance sheet date is not material.

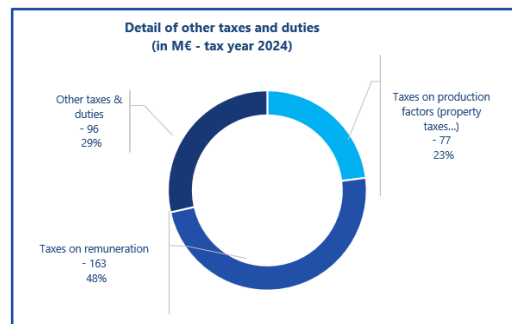
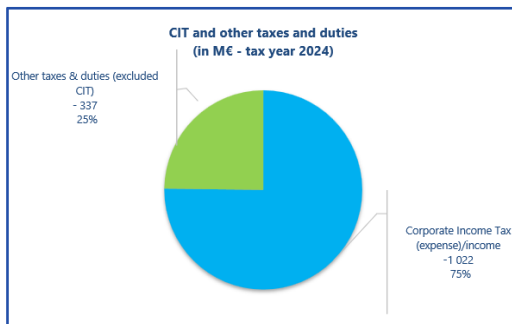
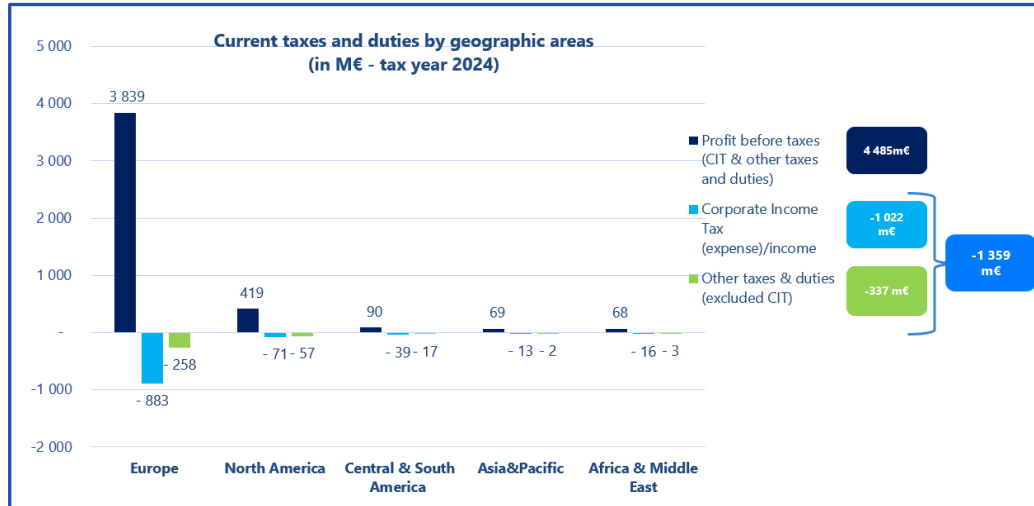
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<sup>4</sup> For more details, see the Universal Registration Document 2024, section 3, Note 5.4.

### 3. A COHERENT TAX POLICY THAT PROMOTES TRANSPARENCY AND COOPERATION

➤ Detail of the Group's current taxes

For the sake of transparency, Safran publishes every year its main tax information in the tax policy, namely profit before taxes<sup>5</sup>, corporate income tax and other taxes and duties by large geographical areas.



➤ Code of conduct

Safran undertakes to cooperate openly and transparently with the tax authorities on the Group's tax affairs and to disclose relevant information in order for them to carry out their audits.

Safran engages with tax authorities in a timely, positive and professional manner. Whenever necessary, Safran discuss issues and raises questions to the tax authorities in order to obtain clarifications in a preventive manner. In the event a tax disagreement arises, the Group works proactively to seek a consensual agreement, where possible, and reach solutions.

As an example, Safran signed an agreement with the French Government on March 14th, 2019 ("protocole de partenariat fiscal") based on transparency in the exchange of information with the French tax Authorities.

This code of conduct in terms of tax behaviours is the basis of the Group's constructive and long-term working relationship with tax authorities.

<sup>5</sup> Profit before corporate income tax and others taxes and duties. Information communicated for consolidated entities of the Group and excluding deferred taxes, based on adjusted accounts.