

## ANNUAL GENERAL MEETING OF MAY 25, 2022

### ANSWERS TO WRITTEN QUESTIONS FROM SHAREHOLDERS

Questions submitted by the French Sustainable Investment Forum (FIR)
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#### Environment

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- 1. Are you explicitly committed to aligning your revenue and investments (CAPEX/OPEX/R&D/M&A) with the Paris Agreement objective of limiting global warming to 1.5°C? How are you ensuring that revenue and investments meet this objective (please describe the methodologies used)? What are the main action plans and, if applicable, the associated investment amounts allocated to this objective in the short, medium and long term?**

Safran is committed to aligning its strategy with the objectives of the Paris Agreement to limit global warming to below 2°C and, if possible, 1.5°C. To that end, Safran has made the following commitments on its various sources of greenhouse gas emissions:

- Scopes 1 & 2 emissions: 50% reduction by 2030 compared to 2018, with a mid-point 30% reduction target in 2025, aligned with a 1.5°C trajectory;
- Scope 3 emissions from product use: 42.5% reduction in emissions per passenger kilometer by 2035 compared to 2018 and an objective of net zero emissions from the aviation sector in 2050 (a sector goal adopted by commercial aviation stakeholders through the Air Transport Action Group [ATAG]);
- Scope 3 emissions from purchased goods and services: mobilizing its 400 main suppliers on meeting the commitments under the Paris Agreement by 2025 by reducing emissions in line with the objective of keeping global warming to below 2°C and, if possible, 1.5°C;
- Scope 3 emissions business travel and employee commuting: 50% reduction by 2030 compared with 2018, in line with a global warming trajectory of 1.5°C.

Based on these objectives, Safran began the process towards obtaining SBTi certification in May 2022.

Regarding emissions from Safran's operations (Scopes 1 & 2):

- The 2025 objective is based on the implementation of a series of levers (energy efficiency, on-site renewable energy production or dedicated supply contracts, purchases of sustainable aviation fuels for engine tests, etc.). All the necessary measures have been identified and planned as part of the Group's low-carbon strategy. The associated expenditure (CAPEX/OPEX) has been clearly budgeted in the medium-term plan, thereby ensuring that it will not be impacted by the unfavorable economic context due to the Covid-19 crisis. By the end of 2021, approximately 40% of the measures required to reach the 2025 objective had been achieved.
- In 2020, Safran introduced an internal carbon price for evaluating investments, in the form of a shadow price. The price used is higher than the price indicated for 2025 by the International Energy Agency in its Net Zero by 2050 Scenario, which is compatible with keeping global warming to below 1.5°C.

For emissions from the use of products:

- Safran is investing massively in decarbonization technologies<sup>1</sup>, across almost all the reduction levers for aviation sector emissions, as identified in sector and non-sector reference scenarios<sup>2</sup>:
  - reducing the fuel consumption of the next generation of engines through new architecture, new materials, electric hybridization, etc. (RISE technology program with GE Aviation);
  - reducing equipment mass;
  - electrifying an increasing number of on-board systems to reduce mass and optimize energy demand on the engine;
  - developing sustainable aviation fuels that can be blended with kerosene (biofuels and synthetic fuels): Safran is taking action, both technically to develop solutions that will enable 100% use of these fuels (instead of 50% today), as well as through partnerships (with TotalEnergies on the formulation of the future fuels; minority investment in German start-up Ineratec, which develops production units that convert green hydrogen from renewable electricity and CO<sub>2</sub> from biomass or captured CO<sub>2</sub> into carbon-neutral fuels such as e-methane, e-diesel and e-kerosene);
  - preparing technological solutions for hydrogen aircraft;
  - developing a range of products for the electrification and hybridization of small aircraft (helicopters, general regional aviation, etc.).
- Safran dedicates 75% of its research and technology spending, upstream of development, to improving the environmental performance of its products. Self-funded R&T expenditure was €392 million in 2021, plus public financing (including from CORAC). The expenditure mainly concerned decarbonization and, to a lesser extent, the reduction of air pollutants and noise. This indicator is subject to a methodology audited by the independent third-party, as part of the review of the Group's non-financial performance statement.

With regard to aligning its revenue with the objectives of the Paris Agreement, Safran is closely monitoring the ongoing developments concerning the application of the taxonomy to the aviation sector. The manufacture of engines and equipment for aviation is not yet covered by the European taxonomy for sustainable activities but should be included in the next delegated act, which is expected to be published by the end of 2022. In its report to the European Commission, the Sustainable Finance Platform proposes the inclusion of the manufacture of conventional aircraft<sup>3</sup> as a transitional activity, subject to compliance with CO<sub>2</sub> emissions performance conditions and provided that only fleet renewal is eligible.

## **2. What percentage of your activities (expressed in revenue, net banking income, etc.) is directly dependent on biodiversity? How much do you spend on biodiversity protection?**

Safran is aware that biodiversity is a major ecological problem at the global level, but also a development, economic, security and social problem. However, it is an emerging area of risk assessment and, as such, needs to be developed in the context of a broader strategic analysis within the Group. Nevertheless, the issue has already been identified by Safran (see the materiality matrix of non-financial challenges in the 2021 Universal Registration Document, page 253).

The Group is committed to ensuring that all of its projects comply with prevailing environmental legislation. For example, it conducts impact studies as needed to assess the sensitivity of natural

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<sup>1</sup> See <https://web.safran-group.com/defi-climat/en>.

<sup>2</sup> Net Zero by 2050 Scenario of the International Energy Agency, scenarios developed by the Committee on Aviation Environmental Protection of the International Civil Aviation Organization, the Waypoint 2050 report by the Air Transport Action Group, the Destination 2050 report by European aviation industry associations in connection with the Green Deal, etc.

<sup>3</sup> Excluding zero-emission aircraft, directly aligned with the taxonomy but not yet in production.

environments in the immediate vicinity of its sites, in particular the proximity of protected areas (zones of fauna and flora). Studies are also conducted when new facilities are installed or updated when significant developments are made to an existing site (extension, new facilities or new equipment). The Group has commissioned independent experts to perform studies and analyses to assess any potential risk of soil and groundwater contamination at its industrial facilities. Preventive or remediation measures have been implemented wherever necessary.

Since 2021, a zero targets approach has been launched within the Group, as part of efforts to preserve biodiversity and combat global warming. The zero targets are part of the day-to-day of the Group's employees and include objectives, some of which contribute directly or indirectly to the preservation of biodiversity: zero non-recycled paper used at Safran, zero single-use plastic cups dishes used at Safran sites, zero non-eco-friendly green spaces at Safran sites.

**3. Can you please list the strategic natural resources that are necessary for your activities and/or those of your customers (water, energy, materials, etc.)? How do you assess and calculate the impact of the scarcity of those resources on your business models? What actions are you taking to combat supply difficulties and seize opportunities to develop "circular business models"? What are your objectives in this area?**

Depending on the activity, strategic natural resources for Safran are materials (mainly metals, including cobalt and titanium, and composites) and energy. Water is mainly used for sanitary purposes and is therefore non-strategic.

Safran sites systematically promote the recovery and reuse of waste.

Safran has implemented a recycling policy **for materials**:

- During the production process, Safran recycles shavings and used parts, etc. Thanks to the technology, at least 50% to 60% of shavings are used in the production of materials. For titanium in particular, Safran is working with Aubert & Duval to build a French industry based on 60% to 70% recycling of shavings. In carbon brakes, Safran is also working on recycling gases during the manufacturing process. For composites, recovery processes are underway, but recovery is more complex and much less circular than for metal.
- Throughout the product life cycle, repairs are encouraged on defective products, in order to limit the use of new parts.
- To recycle products at the end of their life cycle, Safran has created Tarmac Aerosave with Airbus and Suez, a global benchmark for the dismantling and recycling of military and civilian aircraft.

One of the major challenges in recycling materials is maintaining a high quality material, in order to guarantee the performance and safety of Safran products.

In addition, Safran has implemented an eco-design policy:

Since 2020, the Materials and Processes Department, part of the Strategy, Technology and Innovation Department, has required eco-design requirements to be phased in for all new materials and processes as they mature. The teams are then guided through environmental assessments of the material or process developed, and assisted in using the findings to propose areas for improvement and associated solutions. This approach takes into account the degree of knowledge available at each stage of development; eco-design requirements are intended to be adapted and phased in.

As a purchaser of processed materials (bars for machining, sheet metal for boiler making, forging billets, etc.), Safran does not directly purchase raw materials such as minerals and rare earths. In addition, Safran aims to reduce the use of certain minerals and rare earths.

However, Safran is subject to a duty of care throughout its supply chain, and in respect of the human and environmental consequences that the extraction of these materials may entail.

**Energy** plays a minor role in production, except in two targeted activities: forging and casting at the Gennevilliers site in France and the manufacture of carbon brakes.

Safran is currently deploying a systematic approach to energy management at its sites, in order to reduce consumption and move towards green energy. This approach, which is part of the Group's low-carbon plan, also applies to suppliers. Additionally, Safran's policy to reduce its carbon footprint aims to use polluting and non-renewable energies more sparingly.

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

## Corporate social

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### 4. What is the proportion of your corporate officers and employees (broken down by type) concerned by the integration of environmental and social criteria (E&S) in the determination of their variable compensation (bonus, long-term compensation, discretionary profit-sharing, etc.)? Which governance bodies are responsible for the selection and validation of these E&S criteria?

**How do they ensure that these criteria are relevant, sufficiently incentive-based and correlated with the related objectives in order to achieve the Group's environmental and social strategy? (Please specify the non-financial criteria used for corporate officers and for employees).**

**Corporate officers:** Only the Chief Executive Officer receives variable compensation, while the other corporate officers (Chairman of the Board and Directors) do not. Therefore, all corporate officers receiving variable compensation are concerned by E&S criteria.

The compensation policies for corporate officers are defined by the Board of Directors, based on recommendations issued by the Appointments and Compensation Committee, and are then put to the shareholders' vote at the Annual General Meeting.

**Bonus:** For 2022, E&S objectives account for 35% of the individual objectives accounting for one-third of the variable compensation (i.e., an overall weighting of 12%), alongside financial performance objectives. The objectives concern:

- Safety: frequency rate of occupational accidents and of lost-time accidents unchanged, despite the ramp-up in production.
- Diversity & gender equality: objectives linked to increasing the number of women among senior managers and within the Group's Executive Committee and companies' management committees, and launch of an inclusion/diversity barometer and related action plan.
- Human capital: initiatives to develop the next generation of Safran talent and executives over the long term.
- Climate – Low-carbon:
  - extending the "Scopes 1 & 2" action plan to include the newly-announced long-term objective of reducing emissions by 50% by 2030 (compared to 2018);
  - rolling out the energy management system;
  - launching a Scope 3 plan for "Purchases", targeting Safran's main suppliers;
  - setting an objective for reducing Scope 3 emissions from "Product Use";
  - making progress towards SBTi certification.

In 2021, E&S objectives accounted for 30% of the individual objectives accounting for one-third of the variable compensation. An R&T – Climate objective was also included in 2021, accounting for 30% of the individual objectives.

More information is provided in the 2021 Universal Registration Document (pages 383 *et seq.*).

Long-term incentive plan (performance share grants): As of the 2022 grant, non-financial performance conditions are included among the internal performance conditions attached to the grants. E&S conditions account for 20% of the total conditions, for the Chief Executive Officer as well as for all other beneficiaries. For the 2022 grant, there are three such conditions:

- The first condition relating to the “environment and climate” concerns the reduction of the Group’s Scopes 1 & 2 CO<sub>2</sub> emissions.
- The second condition relating to “gender equality” concerns the increase in the proportion of women among the Group’s senior managers.
- The third condition relating to “safety” concerns the frequency rate of lost-time accidents at Group level.

More information is provided in the 2021 Universal Registration Document (pages 396 *et seq.*).

Discretionary profit-sharing: Safran SA’s discretionary profit-sharing agreement includes objectives:

- related to CSR, based on the completion rate of the MOOC<sup>4</sup> *De la non-discrimination au bien-vivre ensemble* (From non-discrimination to living well together);
- related to Health, Safety and Environment (HSE ), based on the frequency rate of occupational accidents, as measured against the annual objective.

#### **Other employees:**

Bonus: The individual objectives depend mainly on the position held by the person concerned. All members of the Executive Committee in charge of managing Group companies have E&S objectives through their entity’s HSE objectives and the deployment of the low-carbon plan. As previously mentioned, E&S criteria are discussed and validated at Group level by the Appointments and Compensation Committee and then by the Board of Directors, in order to be integrated into the Chief Executive Officer’s individual objectives. The objectives are then broken down by company, approved by the Group’s Executive Committee and integrated into the individual objectives of Executive Committee members. The same process is then rolled down and deployed within the companies’ operational entities.

All managers with operational responsibilities in production or engineering, which are particularly exposed activities, have accident frequency rate objectives.

Long-term compensation: As previously mentioned, grants to all beneficiaries under the 2022 Long-Term Incentive Plan are subject to the achievement of E&S conditions accounting for 20% of the overall conditions. The three E&S conditions for the 2022 grant are listed above.

Discretionary profit-sharing: Discretionary profit-sharing agreements are signed at the level of each French legal entity.

All 20 of Safran’s discretionary profit-sharing agreements in France, covering almost all employees of tier-one French subsidiaries, include Health, Safety and Environment (HSE) criteria. These criteria are assessed every year to determine whether the objectives set in each agreement have been met.

These criteria are reviewed and amended at the time of the three-yearly renegotiation of the agreements, and their weighting may vary between different agreements. For example, the profit-sharing agreements include environmental and social criteria such as:

- frequency rate of lost-time accidents;

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<sup>4</sup> Massive online open course.

- achievement of HSE maturity standards for all the Group’s sites;
- measurement of the gaps observed, which helps anticipate and solve HSE problems.

**5. What lessons have you learned from the new ways of working developed during the Covid-19 pandemic (remote working, digital communication methods, increased flexibility, etc.) and implemented in your company in terms of how they have affected working conditions? How has your human resources strategy adapted to include these new ways of working today? What dialogue has there been with employees (agreements, joint discussions on the future of work, etc.) across your businesses and regions?**

The health crisis has made remote working more widespread within Safran companies. The pandemic has accelerated the implementation and development of remote working arrangements for office-based activities. By nature, not all industrial activities lend themselves to remote working. When making remote working arrangements more permanent, the Safran Group therefore felt that it was important to take a balanced approach, reflecting the opportunity for remote working for service and administrative positions and the impossibility of remote working for certain industrial positions. As a result, agreements have been negotiated and signed in almost all of the Group’s subsidiaries, authorizing regular remote working two days a week and an annual quota of exceptional remote working days, which varies from one company to another. The system works, is widely accepted by employees and clearly meets the aspirations of younger generations.

The process and negotiations demonstrated several key points about remote working: (i) employees expect to have remote working options; (ii) remote working contributes to the Group’s attractiveness; and (iii) particular attention should be paid to the divide created between employees who can benefit from remote working and those who cannot.

The remote working agreements signed also illustrate a desire by employees to work differently. Thus, the new work environment has become hybrid. Many employees now combine office (on-site) and remote working.

The organization of our work is also impacted by the deployment of new collaborative solutions in physical and virtual workplaces, as well as by the role of digital culture in new ways of working, which has meant rethinking the rules of teamwork and developing new collaborative approaches and attitudes.

In 2021, Safran made digital transformation one of its three strategic priorities.

“Employee Experience 4.0” is one of the five major dimensions of the Group’s digital strategy and has three focuses: the 4.0 work environment, digital upskilling of all employees and cultural and managerial change through digital transformation.

As regards the work environment, Safran has decided to deploy collaborative suite tools for all its employees (collaboration, document storage, networked working environment, etc.).

Concerning how work is organized, the new tools are enabling the switch to new modes of collaboration, fostering matrix relationships, deconstructing silos and facilitating international collaboration with several languages being used simultaneously.

From the outset of the program, a major effort has been made to keep employee representatives around the world regularly informed, at Group and company level – a key factor for success.

In connection with the deployment of these new tools, discussions have been held with employee representatives, particularly in relation to:

- protection of personal data: close collaboration with the department in charge of personal data protection, in order to obtain CNIL approval;
- the use of internal community networks: implementation of a moderation system to regulate the networks in accordance with ethical guidelines;

- confidentiality of professional data: employee training on the definition of and the rules for classifying data, as well as additional rules of practice formulated by the companies and corporate departments.
- 6. So that we can evaluate the change from one year to the next, the question asked in 2021 for which the answer was not deemed satisfactory is being asked again. Do you have a definition of a “decent wage” that goes beyond local legal minimum wage requirements? If so, what is your definition? How does your Company ensure that its employees, and its suppliers’ employees, are paid a decent wage?**

Safran is committed to implementing and monitoring a compensation policy that allows every employee and their family to live decently. Safran must therefore cover vital needs such as food, health and clothing, as well as other essential needs such as transportation, education and savings. A worldwide Group savings plan including an employer contribution has been implemented (see below).

Based on the risk maps deployed in all subsidiaries, reasonable duty of care plans are implemented for these issues. Site audits are used to verify the compliance of subsidiaries’ practices with their social commitments. For example, an audit was carried out immediately after the creation of the Safran Landing Systems plant in Malaysia, with all aspects of compliance with the Group policy and required attractiveness verified.

Safran has a competitive overall compensation policy, which is often higher than the market average in its 30 host countries and, of course, higher than legal minimum wage requirements. Safran also encourages local collective agreements in line with the applicable legal framework to be negotiated.

Safran reviews the compensation of different employee categories against that of both its internal market (to ensure overall consistency) and the external market (by participating in compensation surveys), so as to attract potential candidates and retain employees.

The Group’s Human and Social Responsibility Department provides human resources correspondents in each country with compensation surveys supplied by a leading global professional services provider, which constitute the common market reference for all entities.

Annual salary increase budgets are determined by taking into account, among other things, inflation in each country.

Safran’s policy has notably developed towards sharing the fruits of growth through Group employee savings plans in France (Group statutory profit-sharing, discretionary profit-sharing) and other profit-sharing arrangements outside of France.

Safran has also set up a specific employee savings plan in its main host countries outside of France (PEGI), with an employer contribution based on the amount invested by employees.

The employee shareholding and profit-sharing plans forms part of the overall compensation policy. With 7% of its share capital held by current and former employees at December 31, 2021, Safran is in the top five major French companies (CAC 40) in terms of employee share ownership.

To ensure that employees have access to international health cover, Safran has retained the following CSR 2025 objective: 100% of employees worldwide to benefit from a minimum level of health cover (medical, optical and dental).

Safran is also particularly vigilant about its suppliers. All suppliers are asked to sign Safran’s responsible purchasing guidelines. An objective for 2025 has been defined: 80% of purchases to be made from suppliers that have signed Safran’s responsible purchasing guidelines or that have equivalent guidelines of their own.

Safran has held the “Responsible Supplier Relationships Label” awarded by the French Business Mediation Service and the French National Procurement Council since 2014 and has also been certified under the new “Responsible Supplier Relationships and Procurement Label” since 2020.



**7. In France: apart from investments in your company's securities, what proportion of the employee savings funds offered to your employees has been certified responsible (SRI, Greenfin, CIES or Finansol labels)? How do you explain continued investment in funds that are not responsible where there is no difference in profitability and given that the Paris financial market is a leader in this area? In your other host countries: do your employee savings schemes (pension or other) also include ESG criteria? How does the Board of Directors or Supervisory Board encourage subscription to these types of employee savings funds?**

Safran's employee savings plans include the Group employee savings plan (PEG), the collective retirement savings plan (PERCOL) and the international Group employee savings plan (PEGI).

Concerning the Safran Group Savings Plan, excluding funds invested in the Company's own shares, 19% of assets held are invested in funds that are certified as responsible.

Out of the seven funds that make up the Safran PERCOL, five have a socially-responsible investment (SRI) label:

- two corporate mutual funds (FCPE) have the SRI, CIES and Finansol labels: EPSENS Actions ISR and EPSENS Monétaire ISR;
- two FCPE have the SRI label: Safran Ethique Solidaire (already included in the PEG) and Safran Retraite Actions ISR.
- one FCPE is managed under an SRI approach: Safran Retraite Obligations ISR.

Concerning the PERCOL, the five FCPEs with the SRI label represent 96% of the amounts invested. In order to encourage savings, the amounts invested in the PERCOL are matched by a maximum annual employer contribution of €1,000 (suspended in accordance with the Activity Transformation in 2021 and the agreement on the post-Covid-19 working environment in 2022 and 2023).

The PEG and PERCOL include "historical" funds that are not certified as responsible, which were set up through collective bargaining (Group agreement). These non-responsible funds are maintained at the request of the negotiators (trade unions and management), with a view to ensuring stability for the savers concerned, beyond the performance observed. However, the investment funds available for the PEG have been reviewed to maximize the number with an SRI label, with effective implementation scheduled for January 1, 2023. In particular, the "Safran Avenir Rendement" fund has been set up and is currently in the process of obtaining SRI certification. The employer contribution for amounts invested in the fund will represent up to €400 per year.

Outside France, Safran has set up an International Group Savings Plan in a number of countries, with all investments in Safran shares.

## Governance

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**8. Do you publish a charter describing your commitments to fiscal responsibility? If so, how does this fiscal responsibility fit into your broader social responsibility? Does the Board review and approve this charter? Do you report annually on the application of the principles of this charter through a fiscal responsibility report? Does this report detail the taxes paid country by country?**

Every year, Safran publishes its tax policy on its website (<https://www.safran-group.com/media/382699/download>). Safran's tax policy sets out the Group's guiding principles in taxation, which are based on three main pillars (ensuring compliance with applicable tax legislation, supporting Group operations by providing tax advice, and driving consistent tax behaviors across the Group). Safran's tax policy includes a commitment to rejecting aggressive tax planning and aligning its tax positions with the reality of the Group's commercial and operational activities. Safran's tax policy also includes a commitment to cooperating transparently with tax authorities, and to discussing issues with the authorities pre-emptively whenever possible. As an example of this commitment, Safran entered into a "tax partnership" with the French tax authorities in 2019, in order to establish a long-term working relationship between Safran and the tax authorities founded on transparency and trust. As the



partnership is only open to companies that meet their legal obligations, a compliance review was carried out before the partnership was signed. Since the partnership between Safran and the French tax authorities was signed in 2019, the Group's tax positions have been subject to regular discussions with the partnership department, to which the Group raises questions when faced with complex issues.

The principles set out in Safran's tax policy are consistent with the Group's commitment to being a committed economic player, determined to contribute to social issues. The application of the principles set out in Safran's tax policy is the responsibility of the Group's Tax Department, which reports ultimately to the Chief Financial Officer, who is a member of the Executive Committee and reports directly to the Chief Executive Officer. Compliance with the tax policy is included in the Group's overall risk monitoring framework (Enterprise Risk Management, see chapter 4 of the 2021 Universal Registration Document), and is therefore audited by the Audit and Internal Control Department.

Safran's tax policy is updated every year. The publication of the Group's tax policy provides an annual opportunity to reiterate Safran's commitments in taxation, in particular its commitments to fiscal responsibility, aligning tax positions with operational reality and transparency. In line with its commitments, Safran pays tax in the countries where the Group operates, based on the added value created in these countries. The tax paid by the Group in its host countries is not limited to income tax alone but also includes all production taxes on physical locations, especially its industrial facilities.

Since 2021, Safran has provided a breakdown of the Group's taxes in its tax policy. Profit before tax (profit before corporate income tax and other taxes and duties), current corporate income tax and other taxes and duties are broken down by geographic area. Accordingly, the disclosure provides an overview of Safran's overall tax contribution and its breakdown by geographic area. The disclosure also provides information on the respective weightings of corporate income tax and other taxes and duties and a breakdown of other taxes and duties by major category (taxes and duties on production factors, taxes and duties on compensation and other taxes and duties). The first disclosure concerned the 2020 figures and will be updated in the first half of 2022 based on the 2021 figures.

**9. Do you publish a responsible lobbying\* charter? Are you a member of any professional associations whose positions are controversial in relation to the public interest? If so, what actions are you taking to change the positions of these associations? What consolidated (i.e., throughout your geographic area) resources (human and financial) do you allocate to lobbying?**

Safran is committed to ensuring that its lobbying activities are conducted in line with all applicable laws and regulations. Therefore, the Company complies with its obligations in France (online register made available by France's High Authority for Transparency in Public Life, which is updated each year; French Act no. 2016-1691 of December 9, 2016 on transparency, anti-corruption and modernization of business practice), and at the European (Transparency Register managed jointly by the European Parliament and the European Commission) and international (US Foreign Corrupt Practices Act, UK Bribery Act, OECD Convention, the tenth principle of the United Nations Global Compact, etc.) levels. The Group also complies with the laws and regulations applicable in each country where Safran operates.

A responsible lobbying charter is applied within the Group, and is communicated to Safran employees as well as to external lobbyists who are required to familiarize themselves with it and acknowledge receipt to the Group International and Public Affairs Department, in accordance with the International Trade Compliance Procedure. All Safran employees and external lobbyists working on behalf of Safran who breach the terms of the charter are subject to disciplinary measures or contractual sanctions. The charter is also published on the Group's website. Similarly, the Group has a Code of Conduct and Ethical Guidelines that are brought to the attention of all employees.

Within the Safran Group, lobbying activities are placed under the responsibility of the Executive VP, International and Public Affairs, who sits on the Executive Committee, and specifically the Public Affairs director within his team for the France scope, and the network of regional directors for the international trade scope.

When a Group entity wishes to engage in lobbying indirectly via an external consultant, the Trade Compliance Officer (TCO) of the company concerned must be notified so that a validation application can

be drawn up for the partner by the Group International and Public Affairs Department, in accordance with the International Trade Compliance Procedure.

Based on its assessments and to the best of its knowledge, the Safran Group is not a member of any professional association whose positions are controversial in relation to the public interest. At both a French and European level, we inform the relevant authorities of all the networks to which we belong. All said information is available on their websites (e.g., the High Authority for Transparency in Public Life in France).

**10. Under the duty of care law, companies are required to prepare a duty of care plan in association with their stakeholders, including employee representatives. In addition, one of the measures of the plan is for a system for making and collecting reports on the existence or occurrence of risks to be set up, in collaboration with representative trade unions. The trade unions have local knowledge and the ability to alert the company and provide valuable information in the exercise of the duty of care.**

**How does your Group involve its employee representatives – at local and international levels – in the various stages of the preparation, updating and implementation of its duty of care plan? What resources does the Group provide to that end? How are the employee representatives involved in reporting on the effective implementation of the duty of care plan?**

A whistleblowing system exists within the Safran Group and is subject to very strict monitoring.

Employees and external stakeholders can use the system to report fraud or attempted fraud, conduct or situations contrary to Safran's Code of Conduct or, more generally, any serious and obvious violation of applicable laws and regulations, including breaches of human rights and fundamental freedoms. A description of the system and information on how to access it are provided in Safran's Code of Conduct, which is appended to each company's internal rules. This amendment to the internal rules was discussed with employee representatives during information and consultation sessions with the social and economic committees of each of the Group's subsidiaries. Responses to alerts are made in a standardized manner within a reasonable timeframe (15 days), so that factual information can be communicated to stakeholders in a timely manner.

The system is operational worldwide and well known both internally and externally (28 alerts received in 2021, the majority of which were closed without follow-up after analysis).

Safran's duty of care plan was designed as a means of consolidating and intensifying its risk prevention and management processes. As social dialogue is a major focus of Safran's culture, it deals in particular with subjects related to duty of care in relation to human rights and the protection of nature. Almost 80% of employees have access to employee representatives in their company.

The employee representatives are thus signatories to:

- framework agreements such as the framework agreement on working conditions and corporate social responsibility (signed with the IndustriALL Global Union and representatives of the metallurgy federations of the French CFE-CGC, CFTD, CGT and CGT-FO unions);
- local company agreements, for example on working conditions and professional equality;
- European collective agreements, such as the agreement on the development of skills and the securing of career paths and the agreement to promote the professional integration of young people.

Most recently, the European Works Council was asked to work on an update to the global CSR agreement.

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