

2022
INTEGRATED REPORT



Integrated Report

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SAFRAN AT A GLANCE

3rd global aerospace group, excluding airframers*

€19,035 million

REVENUE⁽¹⁾
up 24.8% (15.8% on an organic basis) on 2021

€2,408 million

RECURRING OPERATING INCOME⁽¹⁾
up 33.4% (28.0% on an organic basis) on 2021

€2,666 million

FREE CASH FLOW
up 59% on 2021

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

A FULLY DEBT-FREE GROUP

€1,540 million

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

€498 million

CAPEX

83,276

EMPLOYEES
(at December 31, 2022)

2022 KEY FIGURES

OUR CORE PURPOSE

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

Our activities



€9,506 million

REVENUE⁽¹⁾

€1,710 million

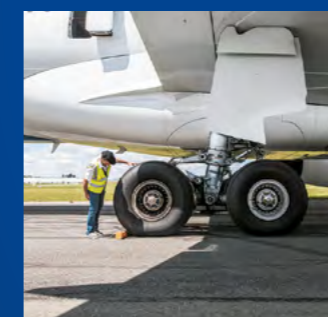
RECURRING OPERATING INCOME⁽¹⁾

18.0%

RECURRING OPERATING MARGIN



AEROSPACE PROPULSION



€7,535 million

REVENUE⁽¹⁾

€874 million

RECURRING OPERATING INCOME⁽¹⁾

11.6%

RECURRING OPERATING MARGIN⁽¹⁾



EQUIPMENT & DEFENSE



€1,978 million

REVENUE⁽¹⁾

€(140) million

RECURRING OPERATING INCOME⁽¹⁾

(7.1)%

RECURRING OPERATING MARGIN⁽¹⁾



AIRCRAFT INTERIORS

* Classification criteria: revenue – Source: Safran.
(1) Adjusted data. See section 2.1.1 of the 2022 Universal Registration Document for a reconciliation of the consolidated income statement with the adjusted income statement and a breakdown of the adjustment.

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

“Amid the recovery in air traffic, Safran is well positioned to leverage its advanced capabilities and robust business model to pursue its growth.

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

— **ROSS McINNES**
CHAIRMAN OF
THE BOARD OF DIRECTORS



“Our dedicated workforce and unwavering focus on operational excellence, serving the strategic priorities of low-carbon aviation and sovereignty, give us every confidence in our ability to fulfill our financial trajectory by 2025.”

— **OLIVIER ANDRIÈS**
CHIEF EXECUTIVE OFFICER



Safran delivered a remarkable economic performance in 2022, posting solid revenue and profit growth and generating cash flow that exceeded our expectations. **The year was marked by a challenging operating environment** – the war in Ukraine, surging inflation, rising energy prices in Europe and supply chain capacity difficulties – and **the strong results achieved demonstrate the resilience of Safran’s business model.**

After the demand-side shock caused by the Covid-19 crisis, we are now seeing a supply-side shock.

While we expect industry-wide challenges to continue near-term, **2023 is set to be a strong year for customer demand.**

We expect continuing positive trends in global air traffic, with China reopening gradually. Air traffic in the short-and medium-haul segment should return to its 2019 level during 2023, a good catalyst for our aftermarket businesses, in both civil engines and equipment.

To ensure customer satisfaction, **our main challenge will be to ramp up production** – especially for the LEAP engine – in a context of ongoing supply chain constraints.

The climate crisis and increasing geopolitical tensions have revealed the world’s vulnerability. The aviation sector is at the heart of these issues. Today, we are at a turning point in our history, facing unprecedented challenges.

This is a pivotal time for Safran, a Group that has always been fully aware of its responsibilities and focused on the transformation of its sector. Today, **Safran is once again assuming its role as a world leader at the forefront of technological disruption**, developing **solutions that will pave the way for carbon-free aviation and play a decisive role in the world of tomorrow**: ultra-efficient propulsions systems to reduce aircraft fuel consumption, sustainable fuels, electrification and lower-emission operations.

The future of air transport will also depend on its ability to attract travelers, through constantly **reinventing and enhancing a safer, greener and more comfortable in-flight experience.** Thanks to their expertise in all areas of the aviation sector, and driven by operational excellence and digital transformation, Safran’s teams are supporting all the Group’s customers through an unrivaled capacity for innovation.

To pave the way for a less uncertain future, it is critical to **protect citizens through defense solutions** that effectively equip the armed forces to prevent danger and ensure geopolitical stability. **Another** essential challenge is to **ensure European space sovereignty.**

With our diverse and talented employees throughout the world, united by an unparalleled team spirit, a passion for overcoming obstacles and a desire to write a new chapter in the history of aviation, we can sustainably change aviation and build the world of tomorrow.

We would like to thank you for your trust and hope you enjoy reading this report.
Regards,

Ross McInnes
and **Olivier Andriès**

Safran: a comprehensive offering

Present across the whole aircraft, Safran aims to build the future of the global aerospace sector and be the preferred partner of airframers and airlines.

Safran products are designed to ensure flight safety. They have common features that contribute to the resilience of its business model: its position as a tier-one supplier to airframers and airlines, high technology content and leadership positions in its main business segments.

A fully-fledged engine manufacturer⁽¹⁾, Safran supplies airframers with engines for commercial aircraft, military aircraft, regional transport aircraft, business jets and helicopters. To increase cost efficiency and share risks, engine manufacturers often develop their engine programs in partnership. Safran has primarily partnered with GE since the 1970s, when they set up the 50-50 joint venture CFM International that develops the CFM56[®] and LEAP[®] engines. The partnership has been

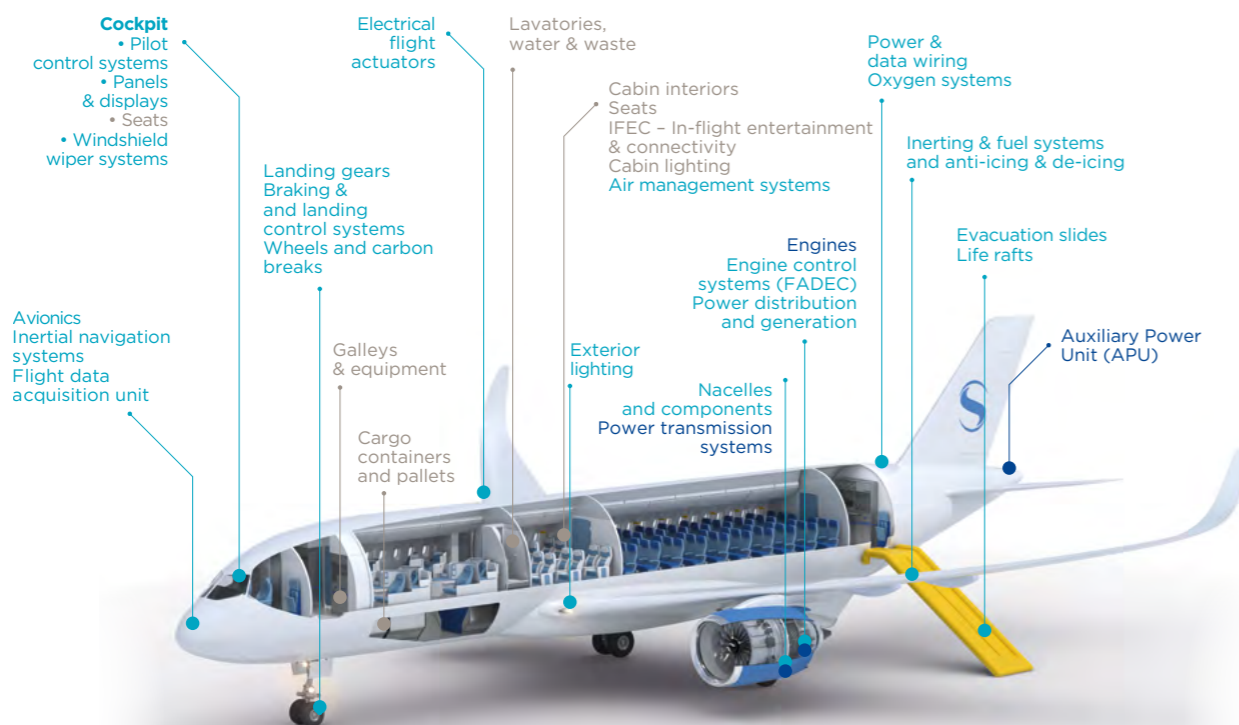
extended through to 2050. Safran also contributes to access to space through its 50% stake in the ArianeGroup joint venture, the prime contractor for the Ariane 5 and Ariane 6 launchers.

Safran supplies a wide range of aircraft equipment including landing and braking systems, nacelles and related electrical systems and engineering solutions. **Aerosystems:** Safran is one of the world's leading players in aerosystems, supplying equipment that provides essential aircraft functions and aircraft safety: safety systems (evacuation slides, oxygen masks, etc.); cockpit systems; and fluid management systems (fuel, pneumatic and hydraulic circuits). **Defense:** In addition to the above-described engines, Safran provides solutions and services in optronics,

avionics, navigation systems, tactical drones, electronics and critical software for civil and defense markets.

To ensure passenger safety and optimize comfort, Safran develops cabin interiors (overhead bins, lavatories, galley and catering equipment, etc.), passenger and crew seats, water and waste management systems, in-flight entertainment systems (RAVE[™]), and interior retrofit for commercial aircraft. The aircraft interiors business addresses both airframers (under the SFE⁽²⁾ model) and airlines (BFE⁽³⁾ model).

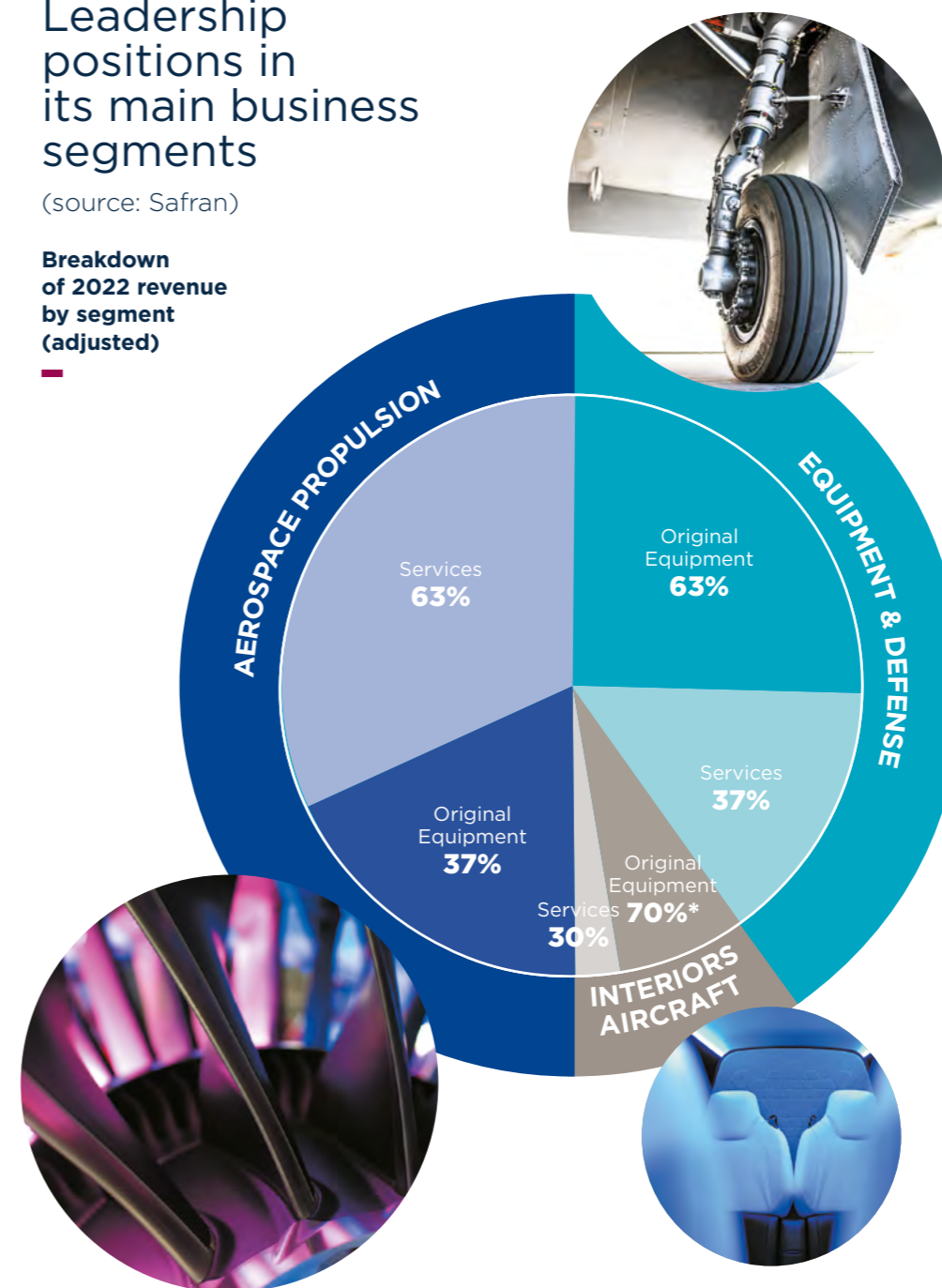
(1) A fully-fledged engine manufacturer is present in all engine components and all propulsion market segments.
 (2) Supplier Furnished Equipment: equipment specified and purchased by the airframer.
 (3) Buyer Furnished Equipment: equipment specified and purchased by the airline.



Leadership positions in its main business segments

(source: Safran)

Breakdown of 2022 revenue by segment (adjusted)



40%
 €7.5 BILLION
 39,637
 EMPLOYEES

No. 1 worldwide

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

No. 2 worldwide

- oxygen systems
- nacelles and power transmission systems

No. 1 in Europe

- navigation and optronics



10%
 €2.0 BILLION
 15,171
 EMPLOYEES

* Including retrofit activities.



50%
 €9.5 BILLION
 25,260
 EMPLOYEES

No. 1 worldwide

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

No. 1 worldwide

in helicopter turbine engines

Strong positions

in European military programs (combat and transport)

No. 1 worldwide

in cabin interiors (mainly SFE⁽²⁾)

No. 2 worldwide

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

Civil aviation 73%

Military aviation 14%

Civil and military helicopter turbines 13%

A leading global player

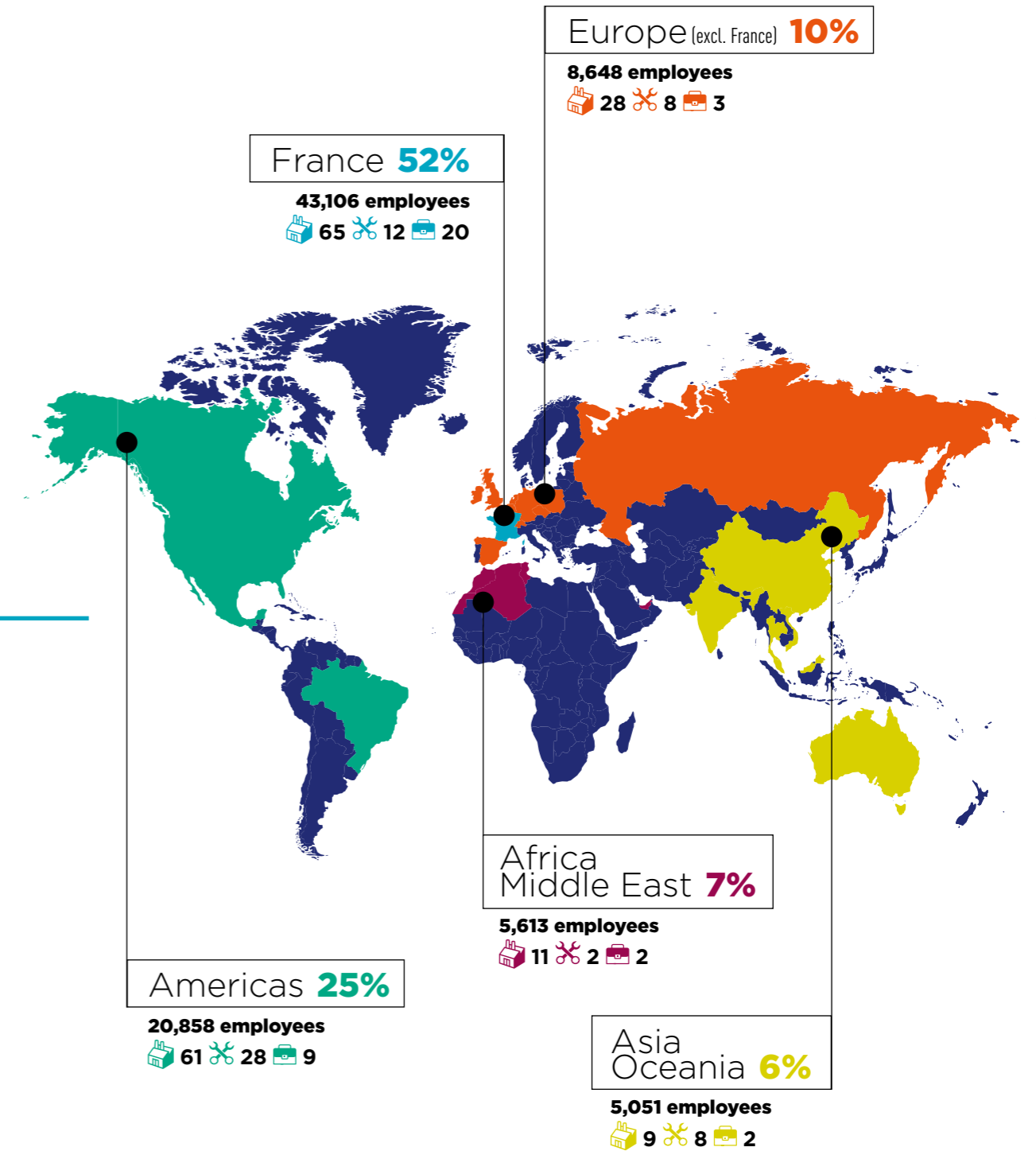
Since its creation in 2005, Safran has expanded internationally, with around 83,300 employees in 26 countries.



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

(1) Illustration of the countries where the sites of Safran's consolidated companies were located at December 31, 2022. Further to the sanctions decided against Russia by the US and European authorities, Safran has suspended all exports and services to Russia and halted its manufacturing joint ventures' operations in the country until further notice.

(2) Each site corresponds to a legal entity covering one or more tertiary, production, service or maintenance sites.



Geographic spread of employees and sites at end-2022⁽¹⁾

Percentage of employees
% of employees in the total Group workforce

Number of sites⁽²⁾

 R&D and production activities

 Service and maintenance activities

 Commercial and administrative activities and representative offices

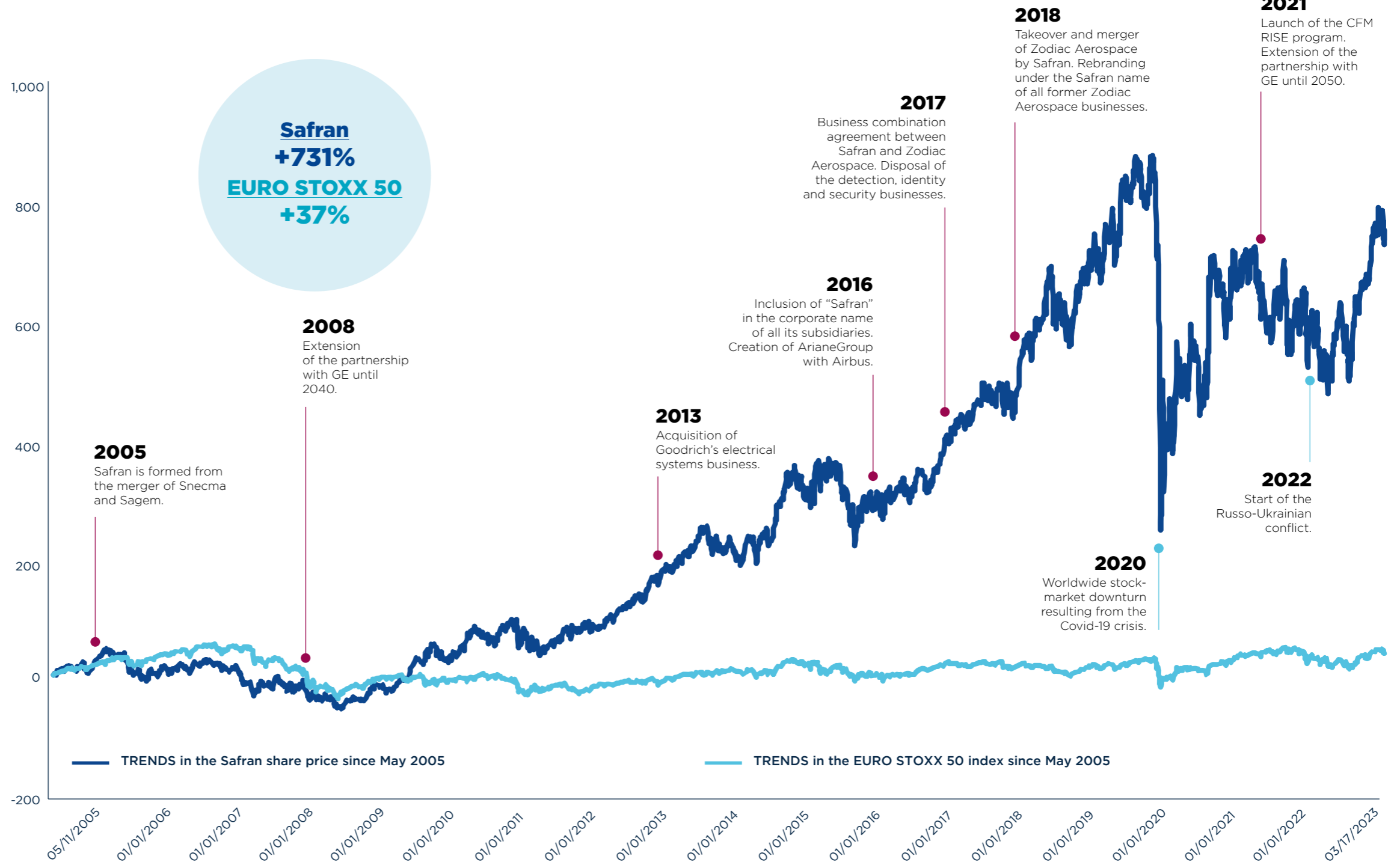
A look back at our history

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

- 1905**
Société des Moteurs Gnome is founded in the Paris suburb of Gennevilliers. Gnome rotary engines become the standard for planes around the world.
- 1912**
Creation of Société des Moteurs Le Rhône, Gnome's main competitor before being taken over by its rival.
- 1924**
Creation of Société d'Applications Générales d'Électricité et de Mécanique (Sagem) that will mainly manufacture cameras and artillery equipment and go on to design the world's first infrared guidance system for air-to-air missiles.
- 1945**
Gnome & Rhône is nationalized and renamed Snecma (Société Nationale d'Étude et de Construction de Moteurs d'Aviation).
- 1945-2002**
Several aerospace companies join Snecma: Hispano-Suiza, a specialist in power transmission for aircraft engines, followed by Messier-Hispano-Bugatti, a specialist in landing gear.
In 2000, wiring specialist Labinal and its helicopter engine manufacturer subsidiary Turbomeca join Snecma.
In 2002, nacelles specialist Hurel-Dubois joins Snecma.
- 1974**
Snecma becomes a civil aircraft engine manufacturer through a cooperation agreement with GE for the manufacture of the CFM56 engine.

TRENDS IN THE SAFRAN SHARE PRICE AND THE EURO STOXX 50 INDEX

(in %) (May 17, 2005 to March 17, 2023)



Engage for the Future, a CSR⁽¹⁾ strategy rooted in a collectively defined ambition

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

Close attention to stakeholder expectations

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

BUSINESS COMMUNITY

Customers (airframers, airlines, etc.)
Suppliers and subcontractors
Partners (industrial companies, research laboratories, etc.)

Main expectations

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

PUBLIC PARTNERS

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

Main expectations

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

through the development of innovative technologies.

EMPLOYEES AND EMPLOYEE REPRESENTATIVES

Main expectations

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

CIVIL SOCIETY

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

Main expectations

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

FINANCIAL COMMUNITY

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

Main expectations

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



No.1

DECARBONIZE AERONAUTICS

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



1. Make carbon neutral aircraft the R&T priority

2. Reduce CO₂ emissions throughout our value chain

3. Involve employees in the reduction of their carbon footprint

No.2

BE AN EXEMPLARY EMPLOYER

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



4. Accelerate training in the skills and professions of tomorrow

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

6. Encourage equal opportunities and promote diversity

No.3

EMBODY RESPONSIBLE INDUSTRY

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



7. Uphold the highest standards of ethics

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

9. Respect the environment and natural resources

No.4

AFFIRM OUR COMMITMENT TO CITIZENSHIP

Get involved with our local communities and contribute to their development



10. Be at the forefront of innovation to protect citizens

11. Develop partnerships for training and research

12. Enhance professional and social integration

2022 HIGHLIGHTS

• Safran's climate objectives validated by the Science-Based Targets initiative (SBTi) as compatible with the Paris Agreement



• Organization of the Safran Supplier CO₂ Day, where the Group shared its climate strategy and ambitions with the 400 suppliers contributing the most to its supply chain carbon footprint

• Ongoing rollout of Safran's operating roadmaps to reduce CO₂ emissions from its operations

• SRI certification for the Group employee savings plan and the collective retirement savings plan in France

• Launch of the Digital Academy for all employees

• First edition of the Group-wide Inclusion Barometer

• New Diversity and Inclusion roadmap

• Health, safety and environment leadership training for Group executives

• New training modules in aviation safety and anticorruption

• Group human rights risk mapping

• Reinforcement of ESG criteria in the supplier selection evaluation matrix

• Best Business Practice Award at the EcoBalance 2022 International Conference, for the quality of the ecodesign approach

• Number one French applicant for European patents

• Leading employer of PhD students through industrial training-through-research agreements (CIFRE) in France

• New program to support startups in hydrogen-related technologies

• Recruitment of interns, work-study students, apprentices and young graduates in Europe stepped up, with 6,753 hires

• Safran Foundation for Integration: nearly €630,000 in donations to 39 non-profits

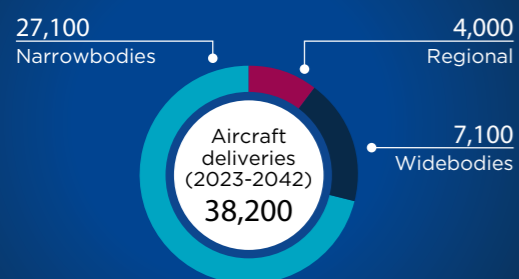
• Creation of a Philanthropy Department bringing together Group Foundations and sponsorship and skills sponsorship programs

(1) Corporate social responsibility.

Main markets

The underlying air traffic development fundamentals remain solid and should continue to drive strong long-term growth in the global commercial aircraft fleet and in the aftermarket.

New planes expected over the next 20 years



Source: Safran

Civil aviation

Air traffic levels improved more quickly in 2022 than in the previous year, across most of the industry.

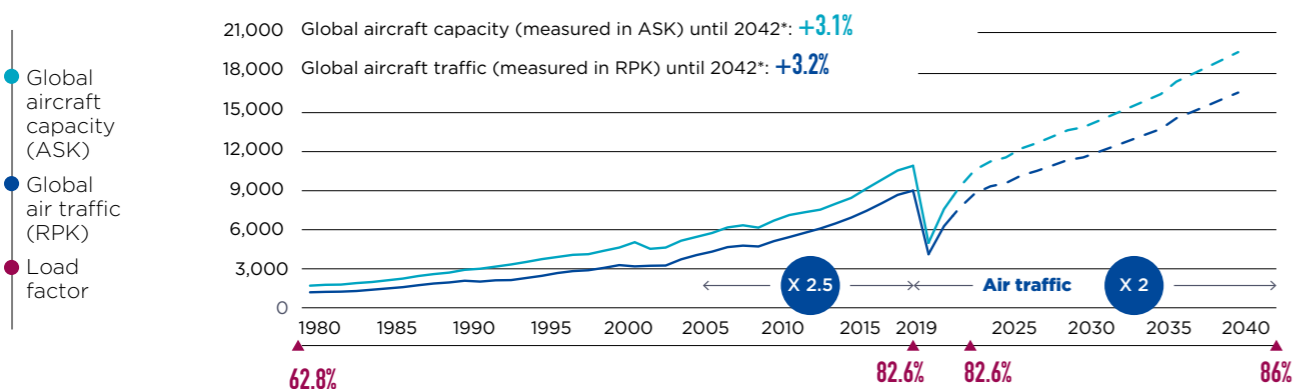
Short/medium-range air traffic continued to recover in 2022, with capacity in ASK (available seat kilometers) increasing from 76% of 2019 levels at end-2021 to 88% at end-2022. All regions posted solid growth throughout the year, with the exception of China. Travel restrictions in the country, with the local application of a very strict “zero-Covid” policy until December 2022, weighed heavily on domestic air traffic.

Resumption in **long-range** air traffic was less marked, with capacity in ASK rising from 61% of 2019 levels at end-2021 to 75% at end-2022, amid a combination of factors: health restrictions in most regions in the early part of the year, the major impact of the war in Ukraine (which resulted in an increase of almost one-third in the distance of direct flights between Europe and Asia), and the blockage of routes between the main Asian countries, in particular China.

Safran forecasts a return to 2019 traffic levels in 2023 for short- and medium-haul aircraft and by 2025 for long-haul aircraft.

COMMERCIAL AVIATION, GLOBAL PROJECTIONS

The long-term growth outlook remains solid, despite the short- and medium-term impact of the Covid-19 crisis on air traffic.



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

Source: Safran



Business jets* and helicopters

Despite the growing demand for new aircraft in the business aviation sector, deliveries in 2022 remained below 2019 levels, chiefly because of difficulties in ramping up a supply chain that has been disrupted by the impact of the geopolitical context and the Covid-19 crisis.

Though there is no shortage of new models and developments, their certification processes are under pressure.

Further new developments are expected, especially in response to environmental challenges. Entry into service for the Gulfstream G700 and the Dassault Falcon 6X is slated for 2023.

At the end of 2022, there were around 22,500 business jets in service.

The **helicopter market was lively in 2022**, largely as a result of sustained demand in military, healthcare and public service applications. A total of 52,000 helicopters were in operation worldwide in 2022. Sales of light and medium helicopters are growing, and several new platform projects are underway.

Defense and space

2022 brought sharp increases in defense and space budgets in Europe and internationally, against the backdrop of war in Ukraine and global geopolitical tensions.

The United States, the largest defense spender, announced a budget of nearly USD 800 billion for 2023, up 8% on 2022. In France, a budget topping €400 billion has also been announced for the French army for the period 2024-2030.

The defense sector remained very active in 2022, with major advances in European military cooperation programs. The Organisation for Joint Armament Cooperation (OCCAR) notified an order for 60 Eurodrones (including 12 for France), on behalf of the French Directorate General of Weapons Procurement (DGA) and its German, Italian and Spanish counterparts. On the Future Combat Air System (FCAS), the DGA notified award of phase 1B (demonstration preparation and operation), following the agreement reached between the project's industrial partners, including EUMET, a joint venture between Safran and MTU.

We also observed substantial growth in the space sector, with sharp budget increases, ambitious projects and many new players. **In late 2022, the European Space Agency (ESA) approved a**

record budget of €16.9 billion for the next three years. The funding will support, for example, the Ariane 6 and Vega launch vehicles, the Prometheus and Themis reusable systems, and the Galileo navigation satellite and Copernicus observation satellite projects.

Furthermore, mini-launcher initiatives are being developed at the national level, including in France with MaiaSpace, a new subsidiary of ArianeGroup.

International space cooperation brought highly visible results in 2022, with launch of the James Webb telescope and the NASA-led Artemis I lunar mission, which will be extended in various versions including a future manned flight.

However, such prolific and ambitious endeavors face major challenges at European level.

With the suspension of Soyuz launches by Arianespace, the end of production on the Ariane 5, delays in Ariane 6 development and failure of the Vega flight in December 2022, European access to space is being severely tested.

To uphold sovereignty in access to space, prompt and effective answers are needed from Europe and all the actors involved.



* Business aircraft fitted with turbojet engines.

Aerospace industry transformation

The air traffic sector was among the hardest hit by the Covid-19 crisis, and its recovery has been heavily impacted by supply chain difficulties and inflation (especially on energy prices). However, it has also demonstrated a strong capacity for adaptation and resilience, driving confidence in the outlook for a lasting recovery in growth. Safran operates in a robust but changing industrial landscape that looks somewhat different from the pre-crisis era.

1

Environmental challenges

The societal and political revolution regarding environmental and, in particular, global warming challenges gained further global momentum in 2022, growing in many new regions. This is the case in the United States, which, after its return to the 2015 Paris Agreement, adopted a proactive policy on these issues, through its Buy American Act and Inflation Reduction Act. The latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) have also confirmed the need for rapid and large-scale reductions in CO₂ emissions (aiming for neutrality by 2050), emphasizing the need to reason in terms of overall emissions not to be exceeded if the Paris Agreement global warming objectives are to be met. The entire air transport sector, including Safran, has accordingly committed – through the Air Transport Action Group (ATAG) – to achieving carbon neutrality by 2050.

2

Technological disruptions and next-generation aircraft

Innovation has been a cornerstone of the aerospace sector from the outset. Fuel consumption per passenger kilometer has been reduced five-fold since the emergence of commercial jet aircraft, chiefly through engine improvements. Civil aviation, which brings people together, is one of the world's safest means of transport today. To tackle climate change and continue to reduce transport costs and improve safety, disruptive innovations are being developed for forthcoming platforms, including digital technologies, connectivity, autonomy, widespread application of onboard electrical energy, hybrid and/or electric

propulsion, distributed propulsion, new materials (metallic materials, composite, ceramic), artificial intelligence, sustainable fuels (biofuels, fossil kerosene e-fuel alternatives, hydrogen), etc. Such innovations bring new engine and aircraft architectures, new technologies, and new ways of manufacturing and maintaining aircraft. They also address the needs of new players and new use cases, such as new urban mobility solutions. All of this work and these innovations are paving the way for the next generation of aircraft platforms, which will need to make a leap in performance to address climate change challenges.

3

Shifts in the aerospace industry

Airlines have been resilient throughout the Covid-19 crisis, in part because of support received in many countries, but also because of a strong capability for rapid adaptation. The resumption in traffic throughout 2022, despite headwinds, shows that travelers want to fly again, bringing the prospect of a return to 2019 levels for short- and medium-haul flights during 2023 and for long-haul flights by 2025. Airlines are preparing for sustained resumption, keeping aircraft withdrawals from fleets below historical levels. In addition, aircraft leasing companies took on fuller roles in managing the impacts of the Boeing 737 MAX grounding and the Covid-19 crisis. They

account for a growing proportion of total airframer orders: more than 50% of short- and medium-haul civil aircraft delivered are financed by leasing companies. Consolidation is under way in the sector, as with the 2021 merger of AerCap and GECAS, the number one and two market players respectively, and the 2022 acquisition of Goshawk by SMBC, creating the new world number two. Aircraft manufacturers, who adapted their production to cope with the Covid-19 crisis, are continuing to ramp up production rates, especially for short- and medium-haul aircraft, while facing difficulties throughout the supply chain.

5

Stronger role of national authorities

Although air transport remains one of the safest means of transport in the world, the two Boeing 737 MAX accidents, in 2018 and 2019, sharpened certification authorities' attention on safety throughout the aircraft life cycle. The re-authorization process for the Boeing 737 MAX, which began in 2020 and continued in 2021 and 2022, concluded at the end of 2022 with approval from the Chinese authorities for the aircraft to return to service. Changes in aviation safety requirements – and thereby in certification processes for our products – have been introduced, a fundamental challenge shared by all Safran companies. That aside, we are seeing a reinforcement of the role played by national authorities in the aviation sector, as regards certification rules, management of border openings, health measures for passengers, support for airlines, and regulations encouraging decarbonization for the aerospace industry.

4

Geopolitical risks

The aviation sector and aerospace industry are impacted by geopolitical and commercial tensions, primarily through reduced international trade. In 2022, tensions resurfaced between Taiwan and China, and exploded with the war in Ukraine. With each new crisis, air traffic reacts and contracts, reflecting the caution of travelers and operators. That said, judging from the substantial activity seen in the summer of 2022, the conflict in Ukraine has not significantly slowed the resumption in traffic. The conflict has had other impacts on the aviation business, such as inflation in energy costs and therefore fuel prices, and discontinued in-service support for the fleet of Western-built aircraft in Russia, as demanded by international sanctions. Heightened geopolitical tensions have prompted a toughening in defense policies and increases in defense budgets around the world, such as in Europe (Germany, France, the United Kingdom), India, and the United States.

Safran's ambitions

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

Main assumptions for the 2023 outlook

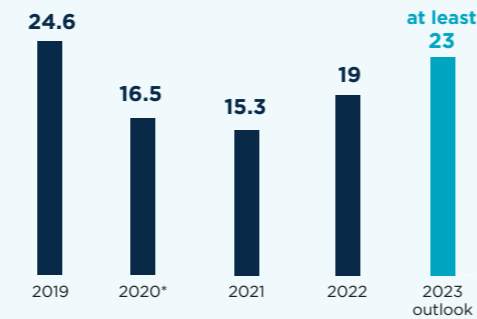
- No further disruption to the world economy
- Air traffic: narrowbody ASK back to 2019 level in the course of 2023
- LEAP engine deliveries: increase by c.50%
- Civil aftermarket revenue: up in the low twenties (in USD)

The main risk factor remains the supply chain production capabilities.

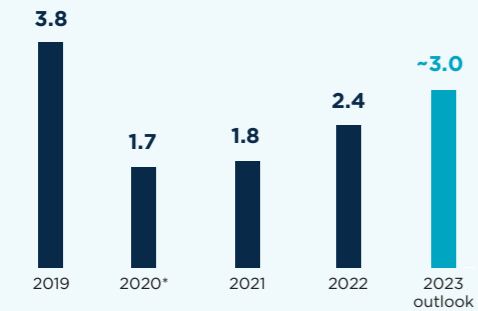
2023 OUTLOOK

(EUR/USD spot rate of 1.05 and EUR/USD hedge rate of 1.13 at constant scope)

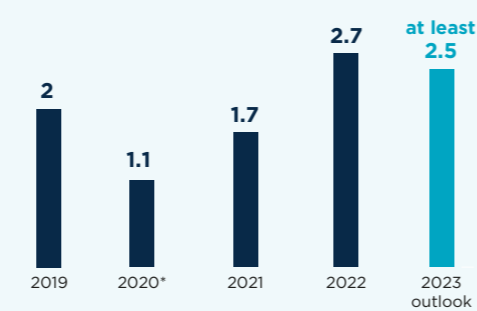
Adjusted revenue (in € billions)



Adjusted recurring operating income (in € billions)



Free cash flow (FCF) (in € billions)



Medium-term ambitions

Safran is on track to meet its 2025 financial objectives, as presented at its 2021 Capital Markets Day (EUR/USD spot rate of 1.20 and EUR/USD hedge rate of 1.16).

ADJUSTED REVENUE
Average annual growth rate over 2021-2025 of

10+%
confirmed

RECURRING OPERATING MARGIN
(as a % of adjusted revenue)
confirmed for 2025 at

16%-18%

FREE CASH FLOW GENERATION

> €10 billion

on a cumulative basis over the period 2021-2025, **above** the 2021 Capital Markets Day target

* In the context of the Covid-19 pandemic, an unprecedented crisis for the aerospace industry.
** Safran is present in all engine components and all segments of the propulsion market.



A CLEAR ROADMAP

Aerospace Propulsion



Be at the forefront of air transport decarbonization.

Manage the ramp-up in OE deliveries for both civil and military applications.

Ensure a smooth aftermarket transition from CFM56 to LEAP.

Consolidate our position as a fully-fledged engine manufacturer**.

Equipment & Defense



Prepare technologies and materials for greener, lighter aircraft.

Leverage our strengths to grow organically and expand our portfolio further.

Be the leader in electrical/hybrid propulsion for regional aircraft and new air mobility solutions.

Aircraft Interiors



Propose and provide unequalled solutions in passenger experience.

Achieve double-digit profitability when the topline returns.

Safran's business model



Our strengths

The Group's strategy is rooted in its key customer-oriented strengths:

A BALANCED BUSINESS PORTFOLIO

- 50% AEROSPACE PROPULSION
- 40% EQUIPMENT & DEFENSE
- 10% AIRCRAFT INTERIORS

CLOSELY TAILORED, DIFFERENTIATING SOLUTIONS

A RESILIENT BUSINESS MODEL

A SOLID FINANCIAL POSITION

COMMITTED AND TALENTED EMPLOYEES

Our strategy

In line with the four pillars of its CSR strategy, Safran has stepped up its efforts in two areas (decarbonizing its products and operations and strengthening its role in sovereignty businesses), leveraging the major assets at the heart of its DNA.

CSR PILLARS

Decarbonize aeronautics (page 20)

Be an exemplary employer (page 26)

Embody responsible industry (page 28)

Affirm our commitment to citizenship (page 24)

Driving innovation for sustainable growth for our customers

STRATEGIC FOCUSES

NO. 1
DECARBONIZE ITS PRODUCTS AND OPERATIONS (page 20)

NO. 2
STRENGTHEN ITS ROLE IN SOVEREIGNTY BUSINESSES (page 24)

MAJOR ASSETS

Step up sustainable innovation (page 30)

Strengthen operational excellence by leveraging digital technology (page 32)

Ensure flight, customer, employee and product employee safety (page 28)

Our value creation for our stakeholders

CUSTOMERS

- €19.0 billion (2022 adjusted revenue)
- Safe, reliable, available, efficient, innovative and competitive products and services

EMPLOYEES

- €5.8 billion (2022 personnel costs)
- Attractive working conditions and social model

SUPPLIERS

- €11.7 billion (2022 purchases)
- Sustainable Procurement and Supplier Relations Label

SHAREHOLDERS

- TSR⁽¹⁾ 2005-2022: +12.7% per year
- 2022 dividend (paid in 2023): €1.35/share*

DEBT HOLDERS

- One of the best industry financial signatures worldwide
- Long-term credit rating: A- with stable outlook (S&P)

GOVERNMENTS

- €0.8 billion (2022 taxes and adjusted income tax expense)
- The world's best technology serving national and European sovereignty and French nuclear dissuasion

INVESTMENTS FOR FUTURE GROWTH

- 5% of revenue invested in self-funded R&D in 2022
- 81% of R&T investment focused on environmental efficiency

* Subject to shareholder approval at the Annual General Meeting of May 25, 2023.

TRENDS

Air transportation recovery and growth

Decarbonization of aeronautics

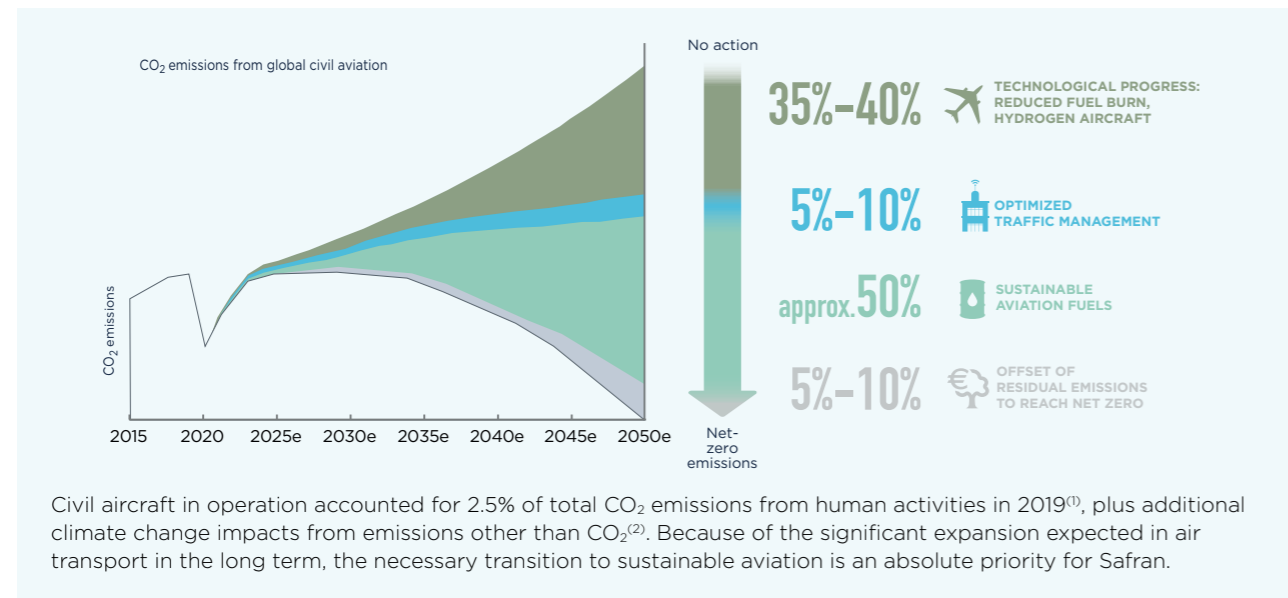
Defense/sovereignty global dynamic

STRATEGIC FOCUS NO. 1

Decarbonize its products and operations

Safran's climate change strategy is aligned with the aviation sector's roadmap to reach net-zero emissions by 2050, as adopted by the International Civil Aviation Organization (ICAO) in 2022. With its position in most aircraft system segments, and all energy systems in particular, the Group spearheads the technological response to the decarbonization of the aviation sector.

An ambitious commitment for the aviation sector



CLIMATE CHANGE: RISKS AND OPPORTUNITIES

The transition to low-carbon aviation calls for **innovation in more efficient, more lightweight products**, which presents opportunities for Safran.

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

- **physical risks** concerning the impact of weather and climate phenomena on the Group's business; and
- **transition risks** resulting from decarbonization trends in the economy and the aviation sector.

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

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

GOVERNANCE ADAPTED TO CHALLENGES

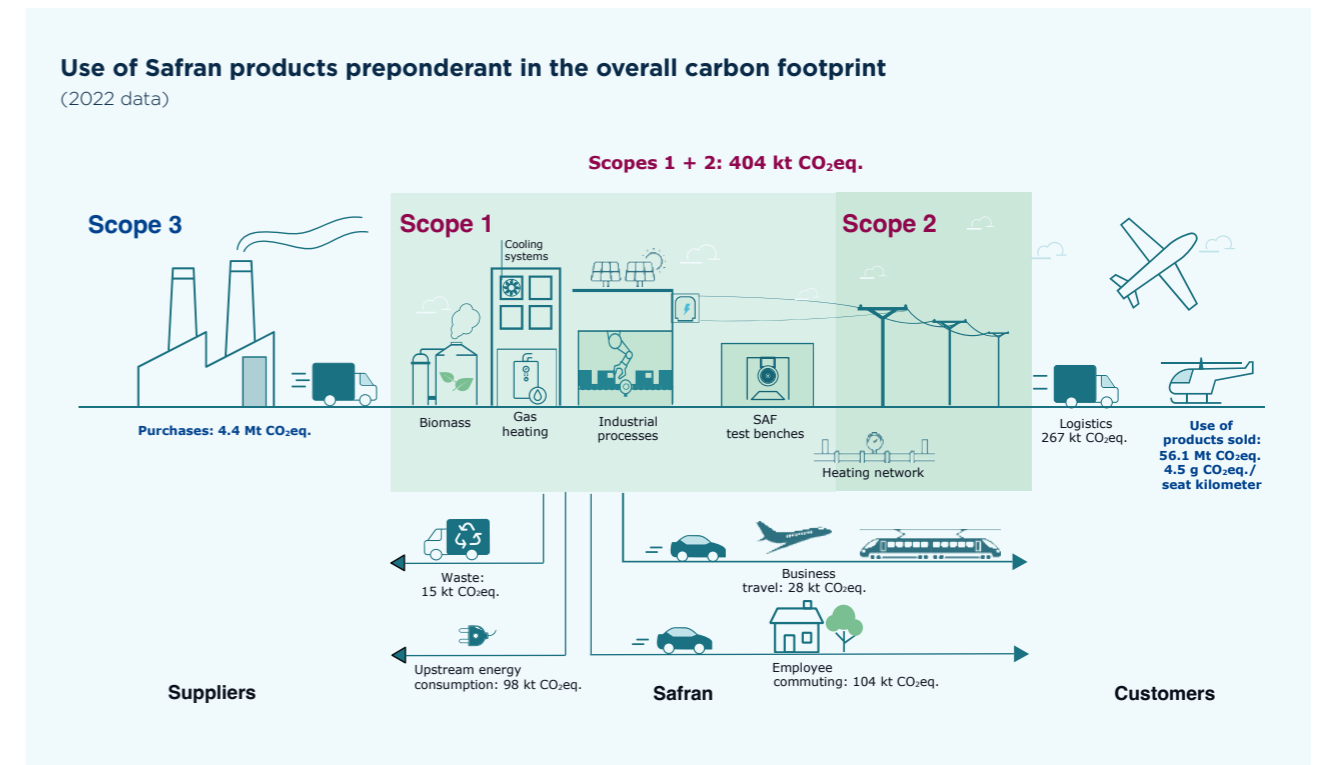
Since 2021, the Innovation, Technology & Climate Committee has been responsible for overseeing Safran's climate change strategy and action plan. The Committee's Chairman, Patrick Pélat, was also appointed as the Director responsible for monitoring climate issues, and presented the Group's climate strategy at the 2022 Annual General Meeting.

(1) Data from the International Energy Agency (IAE), the International Council on Clean Transportation (ICCT), including global emissions relating to land-use changes.
 (2) These effects concern NO_x and particulate emissions in particular, as well as contrails.

Safran's climate strategy

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

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



DECARBONIZATION OBJECTIVES ALIGNED WITH THE PARIS AGREEMENT

In January 2023, the Science-Based Targets initiative (SBTi) validated Safran's greenhouse gas emissions reduction targets. Safran is one of the first aerospace companies in the world to obtain SBTi validation, certifying that its **greenhouse gas emission reduction targets are compatible with meeting the objectives of the Paris Agreement**.

Its greenhouse gas emissions reduction targets, validated by the SBTi, cover direct (Scope 1) and indirect (Scope 2) emissions from the energy consumption of the Group's operations, as well as emissions related to the use of its products (Scope 3).




	GREENHOUSE GAS EMISSIONS TARGETS	2018 DATA (reference year), in kt CO ₂ eq. ⁽¹⁾
Scopes 1 & 2*	30% reduction by 2025 and 50.4% reduction by 2030 vs. 2018 , in line with a 1.5°C scenario	579
Scope 3** Use of products sold	42.5% reduction in Scope 3 emissions from product use per seat kilometer by 2035 vs. 2018*** 75% of R&T focused on the environmental performance of products	113,800 5.9 g CO ₂ /seat kilometer
Scope 3** Purchases of goods and services	Mobilize our 400 main suppliers on meeting the commitments under the Paris Agreement (emissions trajectory compatible with keeping global warming below 2°C, or even 1.5°C)	4,961
Scope 3** Business travel and employee commuting	50% reduction by 2030 vs. 2018 , in line with a 1.5°C scenario	187

* Direct (Scope 1) and indirect (Scope 2) emissions related to energy consumption from Safran's operations.
 ** Indirect emissions.
 *** The target covers both emissions directly related to product use and emissions indirectly related to product use.

(1) Audited data. See sections 5.3.3.2, 5.3.3.3 and 5.3.3.4 of the Universal Registration Document.

DECARBONIZING ITS PRODUCTS

Safran considers that its primary challenge is to reduce CO₂ emissions arising from the use of its products (referred to as Scope 3 indirect emissions in the GHG Protocol⁽¹⁾). For that reason, the Group dedicated 81% of its R&T efforts in 2022 to improving the environmental performance of its products.

INNOVATION FOCUSED ON DECARBONIZING AVIATION	
TECHNOLOGY ROADMAP	ACHIEVEMENTS IN 2022
<p>1 Future ultra-efficient short- and medium-haul aircraft for 2035</p>  <ul style="list-style-type: none"> Ultra-efficient propulsion (20% more efficient than the LEAP engine) Aircraft electrification Lightweight design (additive manufacturing, new materials, etc.) 	<ul style="list-style-type: none"> Agreement with Airbus on flight demonstration for CFM's open fan engine architecture Electric drive system for nose landing gear Inauguration of SAMC Additive Manufacturing Campus
<p>2 Extensive use of sustainable fuels (SAF)⁽²⁾</p>  <ul style="list-style-type: none"> Future engines compatible with 100% drop-in⁽³⁾ SAF (biofuels, synthetic fuels) Work on the hydrogen propulsion chain 	<ul style="list-style-type: none"> Ongoing flight testing with 100% sustainable fuels Investment in Ineratec Chairmanship of the Aviation Chamber of the European Renewable and Low-Carbon Fuels Value Chain Industrial Alliance Agreement with Airbus on in-flight demonstration of a hydrogen engine on an A380
<p>3 Electric/hybrid propulsion for short-range travel</p>  <ul style="list-style-type: none"> More efficient electric motors Integrated management of electric/hybrid systems 	<ul style="list-style-type: none"> Agreements with CAE, VoltAero, Diamond Aircraft and Aura Aero to equip their aircraft with the ENGINEUS™ electric engine Inauguration of Safran Electrical & Power's center of excellence in electrical engineering Partnership with Cranfield Aerospace on fuel-cell propulsion

1 Contributing to the development of a new generation of ultra-efficient engines compatible with carbon neutrality

Accelerating the transition to carbon neutrality means “skipping a generation” in efficiency terms and going much further than the 10% to 15% improvement in fuel consumption usually achieved with each new generation of aircraft compared to the previous one. This is the aim of the Revolutionary Innovation for Sustainable Engines (RISE) technology development program, led by Safran and its partner GE Aerospace, which is preparing the next generation of engines for short- and medium-haul aircraft. **Safran is aiming for a breakthrough in terms of fuel consumption, with an engine that delivers an improvement of over 20% in fuel consumption compared with the LEAP engine** (which is 15% more efficient than the CFM56, the previous generation engine). Safran is also helping to improve the efficiency of future aircraft through its equipment, cabin interiors and seats businesses. Lighter cabins made using new materials and optimized electrical systems are key to making progress in these areas.

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

TWO NEW DEMONSTRATORS IN 2022

In 2022, Safran and GE Aerospace, through CFM International, signed partnership agreements with Airbus to fly two demonstrators: one testing the RISE open-fan engine architecture, and the other a hydrogen engine. Demonstrations are planned for the middle of the decade on an A380.

DECARBONIZING ITS OPERATIONS

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

- reduction of site energy consumption, as with the Group-wide phase-in of an energy management system based on the ISO 50001 standard;
- heat production from renewable sources such as biomass, urban heating networks and geothermal energy;
- on-site electricity production and self-consumption: solar photovoltaic production facilities were installed in 2021 (Sydney and Massy sites), with projects underway at various other sites;
- supply from low-carbon energy sources (solar energy purchase contract to supply all Group sites in Mexico, 20% sustainable aviation fuels in the fuel used in engine acceptance tests at the end of 2022).

In response to the energy crisis in Europe, Safran introduced an energy sobriety plan in 2022, designed to cut gas and electricity consumption at European sites by 10% by 2024 (compared with 2019). The plan concerns all Group employees and is based around simple rules on setting temperatures, eco-friendly actions, turning off equipment at the end of a shift, and work organization.

Safran is also working to reduce indirect emissions related to its operations (Scope 3).

In particular, in July 2022 the Group launched a campaign to get its 400 most emissions-intensive suppliers to commit to plans to reduce emissions by 2025 in line with targets compatible with the Paris Agreement. Carbon maturity and an internal carbon price are now factored into the supplier selection process.

2 Sustainable fuels: an important solution in the short term

As a supplier of engines and fuel system equipment, Safran is working on lifting the technical obstacles to enable 100% incorporation of drop-in sustainable fuel with forthcoming engine generations, and to cross the 50% threshold on present-day engines. This primarily involves evaluating the behavior of certain fuel-circuit equipment and ensuring optimum combustion performance. Aircraft systems aside, development of sustainable fuels (currently three times more expensive than kerosene) calls for public policies encouraging investment in production processes. At the request of the European Commission, Safran is chairing the Aviation Chamber of the European Renewable and Low-Carbon Fuels Value Chain Industrial Alliance, which is mobilizing the entire value chain to encourage investment in new production facilities in Europe. Safran supports technological innovation upstream in the fuel industry, and, in early 2022 invested in the German start-up Ineratec, which develops reactors to produce synthetic fuels. Safran is also working on hydrogen technologies for 2035 for short- and medium-haul and smaller aircraft, in particular by harnessing the expertise available within the ArianeGroup. The hydrogen option is more ambitious in relation to CO₂ emissions reduction, and requires disruptive innovations in storage (in the form of liquid hydrogen) and the fuel circuit.

3 Electric and hybrid propulsion: a solution for short distances

The short- and medium-term outlook for developments in battery energy density means electric and highly hybrid propulsion will be limited to short-distance flights in low-capacity aircraft: training aircraft, small shuttles, regional aircraft (in the medium term), and new VTOL⁽¹⁾ or STOL⁽²⁾ aircraft for urban or suburban transport. Hybrid propulsion for future aircraft and helicopters will contribute to meeting the highly ambitious objectives on reducing fuel consumption. **Safran holds a leading position in all-electric and hybrid architectures, developing a range of electric-system products** (engines, turbogenerators and energy management systems) and working with innovative companies on batteries. In 2022, Safran signed several agreements to equip CAE's Piper Archer aircraft, VoltAero's Cassio 330 hybrid electric aircraft prototype and Diamond Aircraft's eDA40 electric aircraft with its ENGINEUS™ electric motors. Safran is also working with Aura Aero on the architecture and electric propulsion of the INTEGRALE training aircraft and the ERA regional jet. In September 2022, it also opened a new center of excellence in electrical engineering in Créteil (France), and invested in Cranfield Aerospace to collaborate on the development of a hydrogen fuel-cell electric aircraft.

(1) Vertical Take-Off and Landing aircraft.
 (2) Short Take-Off and Landing aircraft.
 (3) Megawatt-peak is the unit of measurement used to describe the power output of photovoltaic panels under optimal conditions.

SOLAR POWER GENERATION FOR SAFRAN SITES

In 2022, Safran began installing solar panels at 17 key French sites – mainly in parking lot roofs – to produce part of the electricity consumed in operations. These projects represent nearly 50 MWp⁽³⁾ and will cover an average of 15% of the sites' consumption. In Morocco, the Safran Nacelles site in Casablanca inaugurated a 1.7-MWp solar power facility in December 2022, which will cover more than 20% of the site's energy consumption and save 2,000 metric tons of CO₂ emissions per year.

STRATEGIC FOCUS NO. 2

Strengthen its role in sovereignty businesses

Sovereignty is a fundamental in Safran's mission and business model.

Be at the forefront of innovation to protect citizens

Through the long-term and independent provision of solutions at the cutting edge of technology, manufacturers like Safran play an instrumental role in preserving sovereignty, defined as "the capacity to guarantee the security and autonomy of a state's decisions and actions". Beyond this political vision, sovereignty is also the ability to guarantee security of supply, freedom of use and freedom to export to strategic allies. It is therefore underpinned by top-level industrial capacity that is mature and well managed, together with a strong base of innovative technologies. As well as spanning

the Group's defense and space activities, the notion of sovereignty also extends to security and continuity across all its businesses, from engineering and production to the supply chain and support. Safran's sovereignty businesses are therefore an important factor in its societal commitment to protect citizens. Amid persistent tensions in the international landscape, several countries have increased their defense budgets, creating opportunities for players in the defense sector to offer sustained support through contributions to national defense and partnerships.

Sovereignty, an integral element of Safran's business model

Safran's sovereignty businesses contribute to the Group's economic performance. They help to ensure long-term viability of the Group's technical and industrial skills, so that we can continue to prepare for the future in both military and civil markets. Safran's sovereignty businesses are therefore developed with a view to enriching its dual technology pools. Beyond technological considerations, this duality also extends to skills, industrial resources and the supply chain. This model of duality between civil and military activities, which is characteristic of the sector, is shared with most of its competitors, and is a key factor in competitiveness.

Defense revenue approx. €4 billion/21%

of adjusted Group revenue in 2022



Safran is a responsible player in a highly regulated defense industry.

Regulations/
export control

STRICT COMPLIANCE

Safran complies with the international regulations signed by France: the Missile Technology Control Regime, the Non-Proliferation of Nuclear Weapons Treaty, the Convention on Cluster Munitions, the Convention on Anti-Personnel Mines, the Wassenaar Arrangement, the EU Common Position on Arms Exports and the Arms Trade Treaty. Safran implements procedures in compliance with export control laws and regulations (related to the Group's businesses, including French, EU, UN and US regulations) across all Group companies.

Controversial weapons NO

Safran is not involved in any activities related to "controversial weapons", such as anti-personnel landmines, cluster munitions, chemical and biological weapons, blinding lasers, autonomous lethal weapons systems, depleted uranium ammunition or white phosphorus weapons.

FUTURE COMBAT AIR SYSTEM (FCAS)

On December 15, 2022, the French, German and Spanish governments awarded the contract for the next phase of the FCAS to EUMET (a 50-50 joint venture created in 2021 between Safran Aircraft Engines and MTU Aero Engines), Dassault Aviation, Airbus Defense & Space and Indra. The landmark contract will cover technological and conceptual work until mid-2026.

It marks a significant acceleration in R&T work, particularly for the engine that will power the New Generation Fighter (NGF) for the FCAS, a major - and emblematic - program for the European defense industry. The work on the engine for the NGF will be done in cooperation with our industrial partners MTU Aero Engines and ITP Aero.

Safran is responsible for the design, integration and hot parts of the NGF engine.



Safran's sovereignty areas

accordance with its compliance and ethical commitments, and with approval from the authorities. For example, Safran contributes to several US platforms on major systems such as the Boeing V22 landing gear, the Bell V-280 Valor landing gear, and Boeing Chinook electrical systems.

BY MAJOR PROGRAM

Safran supplies many of the Rafale's essential components, including engines, landing gears and brakes and electrical, fuel, hydraulic and navigation systems. It also supplies the landing gears for the US F18 and V22, and wiring for the F15. In addition, Safran is involved in several military transport platforms. On the European A400M, for example, it supplies the TP400 engine (as part of the EPI consortium), the complete landing gear system, wiring, hybrid inertial GPS navigation, and the fuel system. Additionally, the Group supplies the wheels and brakes for the US C17 and the engine (through the CFM joint venture) for the US P8 Poseidon. Safran has been selected to supply the complete landing gears, wheels and brakes system for the MALE

BY GEOGRAPHIC AREA

- First and foremost, Safran helps to ensure France's military and space sovereignty, chiefly through developments in inertial navigation, plasma thrusters, space surveillance and launch vehicles (through its 50% stake in ArianeGroup).
- Safran is also a major industrial player in Europe, guaranteeing European independence in several key areas as a leading figure in major European programs, such as the A400M, Ariane and, since the 2021 agreement, the engine for the FCAS.
- Safran also supplies sovereignty building blocks to non-European nations, meticulously selected in

FRENCH NUCLEAR DETERRENCE

Safran makes an indirect contribution, through ArianeGroup (a 50-50 joint venture with Airbus), to France's nuclear deterrence (M51 program). The program helps maintain the peace, security and independence of France and Europe. Safran and ArianeGroup do not manufacture nuclear warheads for M51 missiles.

CSR PILLAR

Be an exemplary employer

Because its people are key to digital transformation and the decarbonization of the aviation sector, the Group places huge importance on developing their skills. Safran upholds its fundamentals as a responsible employer by promoting a culture of inclusion, stepping up efforts on diversity, and protecting the health and safety of its employees.

Preparing employees for tomorrow's jobs

Skills development and employee mobility are keys to maintaining employability and prerequisites for the Group's transformation and agility. Knowledge transfer and skills development are also powerful forces driving employee commitment. Strategic training contributes to everyday operational excellence, digital transformation and leadership at all management levels. Safran is highly attentive to the aspirations of all its employees, and offers diversified career paths

adjusted to each stage in their careers. Many initiatives address young people in particular, generating employment openings and facilitating recruitment through internships, work-study programs, international corporate volunteer programs, academic research, etc.

In 2022, Safran was certified by the French Qualiopi label, attesting to the quality of the processes in its internal training organization.

**approx.
2 million**

hours of training
(on-site and distance)
worldwide
in 2022

90%

attendance at one or more
training sessions in 2022
among all employees
worldwide

Diversity and inclusion as performance drivers

Aware that diversity and inclusion are powerful drivers of creativity, innovation and collective performance, Safran is committed to its policy to promote equal opportunity and combat all forms of discrimination. Safran has been a signatory to the Diversity Charter since 2010, and takes a proactive approach to ensuring that its principles are applied at all its sites.

In 2022, Safran addressed all Group employees with its first Inclusion Barometer, the findings of which were used to plot a Diversity and Inclusion roadmap, validated by the Group Executive Committee in 2022. The roadmap aims to instill and develop a culture of inclusion through action in four key areas: gender balance, equal

opportunity, multicultural workforce and employment of people with disabilities.

Safran runs a dynamic policy of promoting professional equality, with many actions carried out at all levels of the Group. Its Gender Equality European & International Standard (GEEIS) label was renewed in 2022, with a significant increase in its maturity score.

Safran runs a proactive policy on the inclusion of people with disabilities, covering four objectives: keeping employees with disabilities on the payroll, hiring people with disabilities, working with sheltered workshops and disabled-staffed companies, and developing disability-friendly workplaces (to the Afnor standard).

28.5%

women
in the workforce

34.4%

women among
new hires

17%

women among
senior executives

83,276

employees, including
17,354 new hires in 2022

A recognized employer brand

Safran has a recognized employer brand: fourth place in *Forbes'* ranking of the World's Best Employers in the aerospace and defense sector in 2022, and fifth place in *Capital* magazine's ranking for the Aeronautics, Rail and Naval category in 2023. For the third year running, the Group was awarded the "most welcoming companies" label by *Engagement Jeunes* in 2022, thanks to very positive ratings by young recruits in Group companies in France.

To help attract the best talent, Safran promotes its employer brand on social media and recruitment websites, and through various specific events. Safran forges long-term partnerships to strengthen ties with schools and universities running courses in aerospace-related subjects. In 2022, more than 25% of graduate positions in Europe were filled by young people who had completed an internship, a work-study program, academic research or an international corporate volunteer program within the Group.

Employee involvement in the Company's success

In 2022, 6.8% of Safran's share capital was held by employees and former employees. This proportion, one the highest among CAC 40 companies, is the outcome of a long-standing policy on encouraging employee share ownership, through permanent measures such as the Group employee savings plan (PEG) and the collective retirement savings plan (PERCOL) in France, and one-off operations such as the Safran Sharing 2020 plan.

The PEG and PERCOL investment vehicles were reviewed in 2022 to benefit from a socially responsible investment (SRI) label as of January 1, 2023, with the exception of funds invested in Company securities.

Health and safety, a corporate culture

Safran nurtures a prevention-oriented culture of health and safety among all its stakeholders. The health, safety and environment (HSE) policy, updated and signed by the Chief Executive Officer in 2021, contributes to making Safran a sustainable leader in its sector.

It involves everyone in the Group: company CEOs, senior executives, managers and employees. Appraisals of senior executives, especially in industrial areas such as production, support and services, include a health, safety and environment objective.

Safran is constantly strengthening its HSE culture. In 2022, it set up a partnership with the Institute for an Industrial Safety Culture, and an HSE Leadership training course for Group managers. HSE culture diagnostics are also carried out at Group companies.

3.7%

absenteeism rate

2.1

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

CSR PILLAR

Embody responsible industry

Safran is committed to exemplary safety and ethical practices throughout the Group, and extends its responsible practices for take-up by its suppliers and subcontractors.

Business ethics and anticorruption

Safran ensures that its activities are conducted with honesty, integrity and professionalism consistent with the highest international standards of business ethics, as promoted by the International Forum of Business Ethical Conduct (IFBEC), which includes the world's major international aerospace and defense companies.

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

The French strategic intelligence agency ADIT renewed its certification for Safran Aero Boosters' anticorruption program in 2022. ADIT certification for Safran Nacelles' anticorruption program is also under renewal. The certification attests to the robustness of the anticorruption programs, the requirements of which are aligned with the most rigorous international standards: US Foreign Corrupt Practices Act, UK Bribery Act, OECD Convention, the French Sapin II Act, the tenth principle of the United Nations Global Compact, and ISO 37001.

Aviation safety, an absolute priority Group-wide

Aviation safety is an absolute priority for all Group employees. To strengthen and propagate a culture of aviation safety, Safran applies its Safety Management System (SMS) and Enterprise Risk Management (ERM) systems. In accordance with European regulations, the SMS was extended to design and production activities in 2022.

The network of SMS liaison officers contributes to the adoption of a positive aviation safety culture through the use of shared tools among all Group

companies. Awareness-raising and training sessions on aviation safety are run in all Group companies; an e-learning course the SMS is now available to all employees, in all job functions.

In addition, any employee (including external or occasional employees), customer or supplier can report any deviation or unusual or non-compliant situation, through the various channels provided for this purpose by each Group company.



€11.7 billion

in purchases, from approx. 15,500 suppliers

Holder of the Sustainable Procurement and Supplier Relations Label since 2017

Supply chain performance: a responsible relationship with suppliers and subcontractors

Through its responsible purchasing policy, Safran seeks to work with suppliers that guarantee high performance, reliability and strict compliance with all applicable national and international regulations. Suppliers are required to comply with international trade regulations and with all applicable requirements on environmental protection, personal health and safety, ethics and labor relations.

Safran is phasing in climate change requirements for its suppliers, and encourages them to take up trajectories towards a low-carbon future. In 2022, Safran invited the 400 suppliers that contribute the most to its carbon footprint to Safran Supplier CO₂ Day, an event on reducing CO₂ emissions in the value chain. At the event, the Group set out its strategy on reducing supply chain greenhouse gas emissions, along with its expectations on suppliers' decarbonization efforts.

Since 2022, the scoring matrix used for each call for tenders has included the following CSR criteria: degree of maturity in the decarbonization approach, product carbon footprint, signature of the responsible purchasing guidelines or implementation of a specific CSR program, and the proportion of employees with disabilities on the payroll. Since 2020, Safran has been a signatory to the charter of commitments on customer-supplier relationships within the French aerospace industry. In contributing to the financing of SMEs impacted by the recent crises, the Group actively participates in the restructuring and consolidation of the industrial fabric of the French aerospace sector. In 2020, Safran also obtained renewal of its Sustainable Procurement and Supplier Relations Label.

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



A Group-wide project to advance in ecodesign

The Group applies ecodesign for its products to limit their potential impacts over their life cycle, such as resource depletion or ecotoxicity, and plans ahead for regulatory and customer requirements.

Safran applies several approaches to ecodesign, drawing on an internal ecodesign standard, which ensures compliance with the requirements of ISO 14001, and the Technology Readiness Level (TRL) standard, which includes requirements and methods for ensuring that ecodesign is incorporated as the technology matures. At the 2022 International Conference on EcoBalance, Safran won the Best Business Practice Award for the quality of its TRL standard.

Safran is also actively involved in the European Clean Sky 2 project, with a series of ecodesign demonstrator projects.

Moving towards a global biodiversity strategy

Safran is aiming to draw up a global biodiversity strategy, integrating the various challenges faced by its business and value chain. To this end, in 2022 it launched a study to examine its main biodiversity impacts and dependencies, and the consistency of actions underway within the Group in these areas.

Among these actions, the biodiversity plan run at Safran Aero Boosters' Belgian sites was awarded the Nature Network label for the Milmort site in 2021.

MAJOR ASSET

Step up sustainable innovation

In a rapidly shifting landscape, defining the new state of the art in aerospace is a strategic challenge. Safran places a premium on mastering disruptive innovation and technological excellence to give our customers a decisive edge.

The competitive performance of Safran's products depends largely on the Group's innovation capabilities, especially in the technological field. Its capabilities for breakthrough technological innovation are demonstrated across a breadth of products such as composite 3D-woven fan blades, hemispheric resonator gyros, and the LiSafe™ full optical fuel gage. The Group is also implementing an innovation strategy firmly focused on efficient engineering and research serving all its businesses.

This strategy draws on a dedicated and shared R&T management system, plus an internal organization that fosters involvement of Group companies in shared and proprietary developments. In addition, cooperation with Safran's scientific, technological and innovation ecosystem is organized around strategic partnerships, scientific networks, academic chairs, collaborative innovation with suppliers, and investment in the share capital of innovative startups.

More than ever, development and protection of intellectual property is an essential factor in the Safran's strategy, as it pushes ahead with efforts on differentiating the Group through innovation.

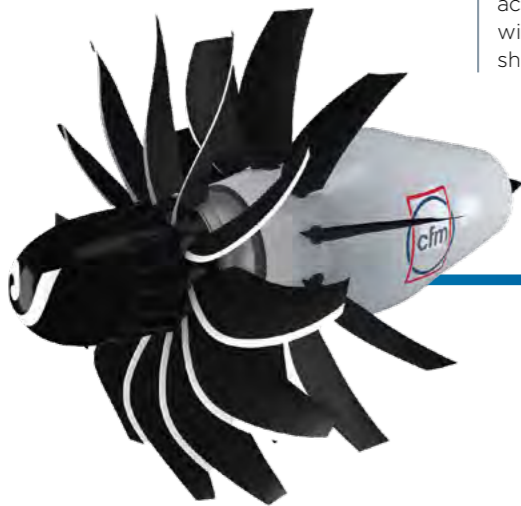
With 540 patents filed in Europe, Safran is the number one French applicant for European patents

according to the annual report of the European Patent Office (EPO).

More than 14,000 inventions are covered by more than 50,000 industrial property titles.

Safran is also one of the world's 100 most innovative companies, according to the 2022 Top 100 Global Innovators ranking.

Safran filed more than 1,200 initial patent requests worldwide, placing the Group among the leading patent applicants in the French rankings.



THE NEXT GENERATION OF ULTRA-LOW ENERGY ENGINES

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

Safran is a leading driver of change in the industry – due to its position in many aircraft system segments, including propulsion and on-board energy systems – and has demonstrated its commitment by focusing around 75% of its R&T budget on improving the

environmental impact of air transport. Its work chiefly concerns propulsion, electrification, lightweight equipment and sustainable fuels.

On June 14, 2021, Safran and its partner GE unveiled CFM RISE (Revolutionary Innovation for Sustainable Engines), an ambitious technology program that lays the foundations for developing a future engine that is 20% more fuel-efficient than the latest-generation LEAP engine, and 100% compatible with sustainable fuels or hydrogen. By combining these two advances, the aircraft will be able to cut CO₂ emissions by more than 80%.

High-performance materials and processes

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

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

Higher turbine running temperature is another key factor in improving engine performance. Ceramic matrix composites can withstand extremely high temperatures, while being three times lighter than the metallic materials used today. They are developed by the Safran Ceramics center of excellence, which has unique resources and expertise in space technologies.

The quest for very high temperatures and fast speeds, along with lighter components, calls for new metallic materials: new nickel-based and single-

crystal alloys for turbine and compressor disks and blades withstanding extreme conditions, and very high performance steels for compact, long-life gearboxes.

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



Aircraft electrification

For the past two decades, **Safran has been focusing its strategy on more electric aircraft**, first in the area of non-propulsive energy (onboard power management and distribution), then more recently in propulsion power. Progress in technologies such as electric motors, power converters, generators, batteries and fuel cells paves the way to development of complete electric propulsion solutions, initially for small vehicles. Openings in electric propulsion for aeronautics primarily concern deliverable power, capability for operation at altitude, capability for ensuring the required safety levels and, above all, power density, i.e., how compact and lightweight a solution is per unit of delivered power. Many new players have appeared on the electric vehicle market in recent years to prepare this type of solution in applications such as VTOL (Vertical Take-Off & Landing) and STOL (Short Take-Off & Landing). Safran Electrical & Power has developed technology building blocks and complete solutions,

either integrated or integrable, and is a major player in this emerging market, offering complete propulsion chain subsystems including rotating generators, battery management systems, power converters and motor control systems. **In 2022, Safran began work on certification for the 100-kW engine range (ENGINEUS 100), a major step forward in aerospace applications,** and is developing a complete industrial process to achieve sustained production rates at the highest quality and cost levels. In 2022, Safran signed several agreements to equip CAE's Piper Archer electric aircraft, VoltAero's Cassio 330 hybrid electric aircraft prototype and Diamond Aircraft's eDA40 electric aircraft with its ENGINEUS™ electric motors.

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

25%
of Safran's engine parts will eventually be made using additive manufacturing



MAJOR ASSET

Strengthen operational excellence by leveraging digital technology

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

One Safran: a management system for optimizing all processes

Safran is pushing ahead with its One Safran initiative, launched more than six years ago to develop Group-wide take-up of a common corporate management system, company processes and performance indicators, and to deploy operational excellence standards in order to ensure product quality and reliability.

One Safran is developing existing best practices throughout the Group, with a view to widespread take-up under a continuous improvement process involving several cross-functional initiatives:

- participative innovation initiatives enabling employees in all sectors to put forward ideas for improving their companies' performance. More than 167,000 employee ideas were taken up across all the Group's business sectors in 2022;
- Lean Sigma, with Green Belts, Black Belts and Master Black Belts driving the Group's transformation through a structured and standardized approach to managing transformation projects;
- QRQC⁽¹⁾, initially developed across industrial and technical operations in all Group companies, and now also being phased in across support functions.

Voice of the customer, a Safran priority

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

It also calls for acute understanding of and close attention to customers' businesses, so that product and service solutions can be matched to their latest expectations and needs. Performance quality for services is founded on constantly listening to and anticipating customer needs. Maintenance centers have been located to ensure maximum proximity to customers, and the Group has also developed remote maintenance solutions for immediate and appropriate troubleshooting and action. To ensure its competitiveness in the aviation maintenance market, Safran must develop commercial offerings that are tailored to customer expectations. Safran Landing Systems, for example, has launched Landing Life™, which brings together support and services for landing gear and wheels and brakes, and Safran Electrical & Power is expanding its range of electrical equipment services with ePower Life™, a brand covering all services in wiring, generators, distribution equipment and electric engines.

A NEW MAINTENANCE, REPAIR AND OVERHAUL (MRO) FACILITY FOR CFM LEAP ENGINES IN INDIA

The new MRO center, the largest in the network, is scheduled to start operations in 2025, with maintenance capacity growing to 250 to 300 engines per year. It will strengthen Safran's worldwide maintenance network and ensure a closer response to the needs of CFM customers, as air travel in India and the region intensifies.

Digital transformation as a performance driver

Continuous improvement and ongoing innovation, both deeply embedded in Safran's history, have been driven for many years now by digital technology, such as aerosimulation, production automation and flight data analysis. In early 2021, Safran launched an intensified, large-scale digital transformation initiative, using all the drivers provided by the latest digital technologies. A Digital Department has been created at the level of the Group Executive Committee, supported by teams in each company comprising nearly 250 key skills that are tasked with onboarding energies across the Group. An extensive digital action plan is being rolled out in four major areas: Engineering 4.0, Manufacturing 4.0, Aftermarket and Services 4.0 and Employee Experience 4.0, plus a cross-functional Data 4.0 initiative.

ENGINEERING 4.0 helps us significantly shorten development time-to-market, and connect the complete design-industrialization-production-support chain throughout the product life cycle. It relies on the use of digital continuity tools, advanced simulation management and new collaborative and agile model-based engineering methods. It also addresses demand from customers, partners and suppliers for the co-design and supply chain optimization approaches needed to develop increasingly complex and integrated systems.



MANUFACTURING 4.0 deploys 3D digital continuity, in engineering and the supply chain in particular, implementing technology levers such as augmented reality to facilitate assembly, cobotics, image processing based on artificial intelligence for non-destructive testing and the processing of data from production line sensors. New applications in workshops will bring significant improvements in management and operational performance - in terms of cycles, costs and product quality - in a continuation of the Factory of the Future program.

AFTERMARKET AND SERVICES 4.0 covers techniques for diagnosing and forecasting the condition of aircraft equipment and systems, bringing high value for Safran product customers, as regards both operational considerations (by increasing aircraft availability and optimizing maintenance) and fleet management support. Latest-generation portals are deployed to offer premium digital services including health monitoring and remote assistance: Engine Life™ portal, Landing Life™ portal, etc.

DATA 4.0 helps the Group to manage and process a growing mass of data collected throughout the life of its products, such as simulation and test data, manufacturing data and data from products in service. Safran's expertise is compelling, thanks largely to Safran Analytics, which brings together state-of-the-art resources and a team of leading data scientists, but also to the new data governance organization. The objective is a heightened capacity to factor in the actual behavior of our products in operation into new developments and to optimize the availability, maintenance and life of our products for our customers.

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

Focus on one of the key strengths of Safran's business model: CFM56/LEAP engines

CFM International (a 50-50 joint venture between Safran and GE) is a leading supplier for Airbus A320ceo and A320neo and Boeing 737 NG and 737 MAX, boasting 40 years of commercial success.

Long-term prospects

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

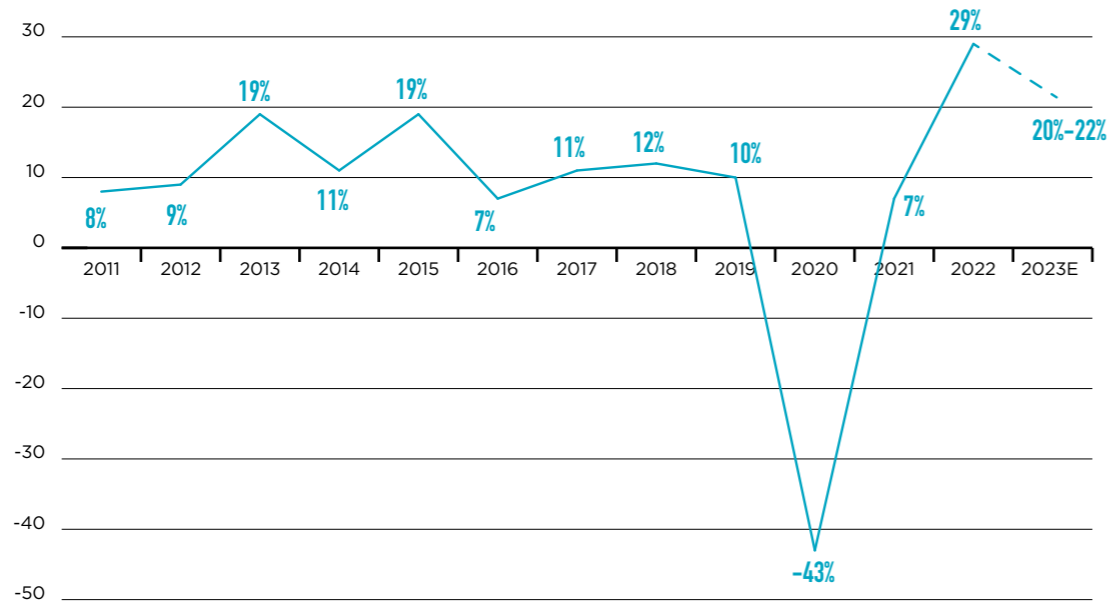
- Given the size of the engine fleet in service, **Safran has substantial growth potential.**
- The Group has been developing long-term service contracts for a number of years, in response to customer demand, which now apply to the LEAP engine. As a result, the business model

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

Long-term service contracts are expected to account for 60% to 70% by 2030 for LEAP, before slowly decreasing over time. Aftermarket services for the LEAP engine will gradually take over from those for the CFM56 engine from 2025.

CIVIL AFTERMARKET TRENDS⁽¹⁾

Growth rate vs. Y-1



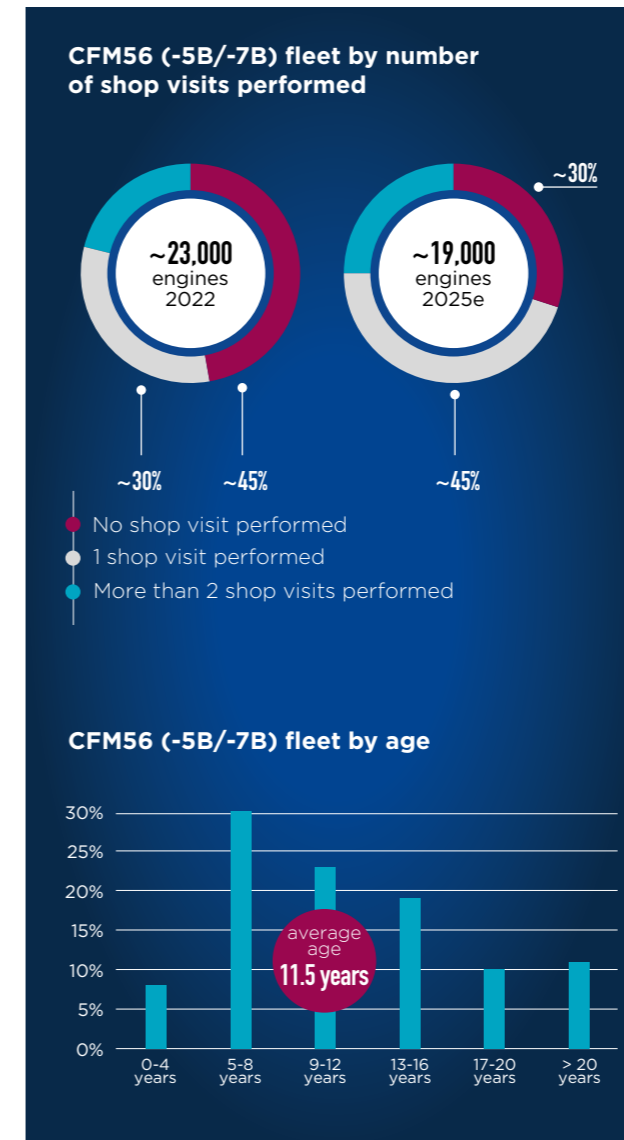
(1) Civil aftermarket (expressed in USD) is a non-audited performance indicator comprising spare parts and maintenance, repair and overhaul (MRO) revenue for all civil aircraft engines from Safran Aircraft Engines and its subsidiaries only.

A large CFM56 fleet in service

With an in-operation base⁽¹⁾ of more than 31,800 engines at the end of 2022 (including approximately 23,000 CFM56-5B/-7B), the CFM56 engine is the biggest commercial success in the history of civil aviation.

It will continue to generate service activities for Safran over the next 20 years.

The fleet of second-generation CFM56 engines (-5B/-7B) is young and boasts proven in-service reliability, which means retirement and part-out risks remain relatively low, despite the environmental pressure pushing large operators towards newer aircraft.



LEAP, following through on the CFM56 success story

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

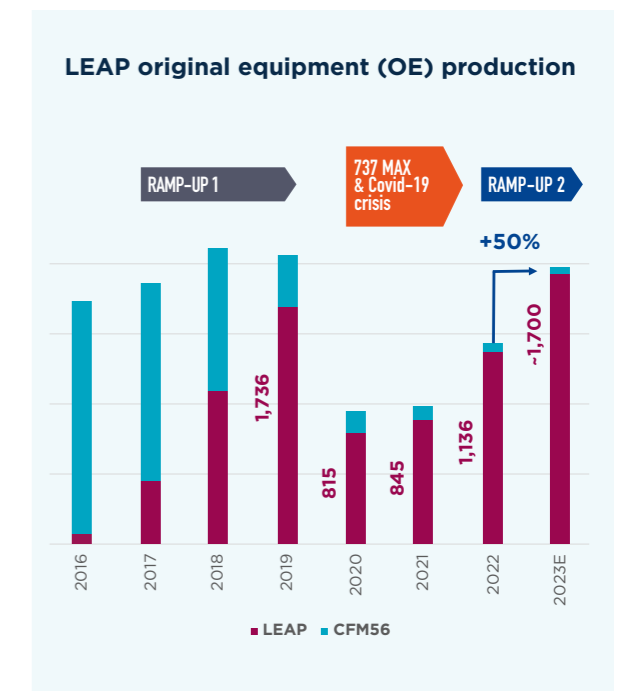
The LEAP is a commercial success, with an order backlog⁽²⁾ of around 10,000 units at the end of 2022.

It has been selected for three aircraft:

- LEAP-1A for the Airbus A320neo, which entered into service in August 2016 (59% of firm orders at December 31, 2022);
- LEAP-1B for the Boeing 737 MAX, which entered into service in May 2017⁽³⁾ (sole source);
- LEAP-1C for the Comac C919 (exclusive Western source).

Safran is ready for the second LEAP production ramp-up and expects 2023 production to be around 50% up on 2022, at around 1,700 LEAP engines.

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



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

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

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

Safran's Enterprise Risk Management and its monitoring

Safran operates a robust Enterprise Risk Management (ERM) set-up.

Safran's ERM is rooted in a risk management culture that applies across all company processes. This culture is firmly embedded throughout the Group and widely shared by all teams, in all entities and at all levels of the organization. The ERM thus provides valuable insights for strategy development.

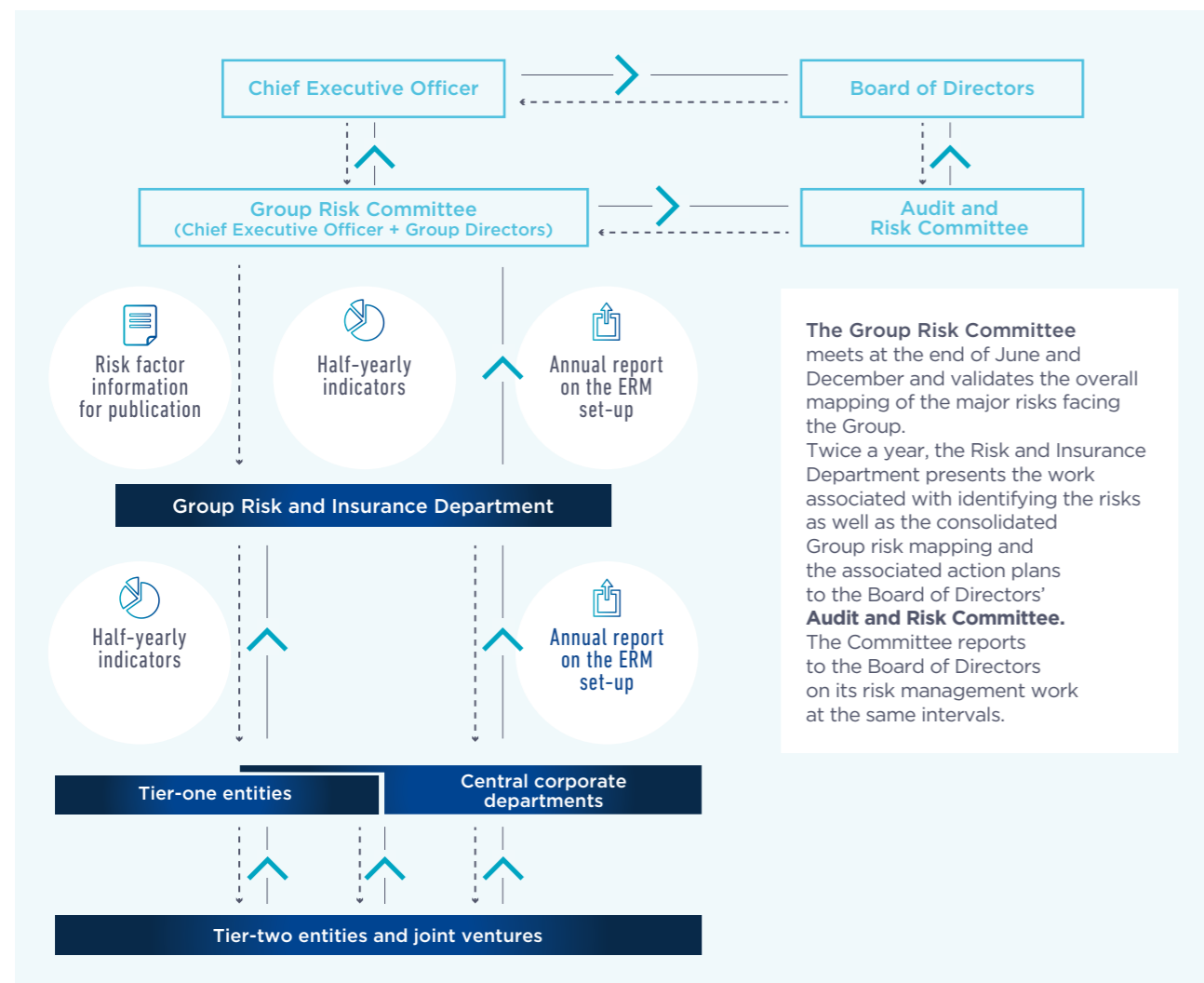
ERM has become one of the Group's key performance drivers. Full details on the system can be found in chapter 4 of the Universal Registration Document.

Identification, appraisal, processing and control of major risks is regularly updated by the risk committees of tier-one

entities, the central corporate departments, and ultimately the Group Risk Committee.

The **Risk and Insurance Department** reports to the Chief Financial Officer. It comprises the Risk and Insurance Department director and Corporate Risk Managers, and is responsible for implementing the Group's ERM set-up. It develops methodological techniques and processes to ensure consistent handling of risks by tier-one entities and central corporate departments. Each **tier-one entity** has a **Risk Manager** who consolidates the risk map and liaises constantly with the Risk and Insurance Department. Risk Managers are

tasked with implementing the risk management process for their entire operational scope, i.e., in their respective tier-one entities, including their subsidiaries and investments. Each of Safran's **central corporate departments** also prepares a map of the main risks in their scope. All these risk maps are then consolidated by the Risk and Insurance Department into a **comprehensive map of the Group's major risks and the associated action plans**, thereby ensuring the overall consistency of risk assessments and the associated action plans together with the level of control exercised over the risks.



Main risks

The risks identified by Safran as material are grouped into a limited number of categories and ranked by their degree of criticality (in terms of probability of occurrence and potential impact).



Risks relating to the environment in which the Group operates

- Geopolitical risks and supply chain capacity difficulties
- Risks related to inflation
- Competitive risks and cycle effects
- Financial market risks (foreign currency risk, interest rate risk, counterparty risk, liquidity risk)
- Health risks
- Environmental (excluding products), social and governance risks
 - Environmental challenges (excluding products)
 - Social challenges
 - Governance challenges
- Legal and regulatory risks
- Risks of negative media coverage

Risks relating to Group operations

- Aviation safety risks
- Risks relating to Group products and services
- Program profitability risks
- Risk of dependence on government procurement contracts
- Partner risks
- Supplier and subcontracting risks
- Personal safety, property and occupational health and safety risks

Risks relating to the Group's strategic development

- Risks relating to technological innovation and the decarbonization of aeronautics
- Risks relating to digitalization
 - Data confidentiality
 - Cyber threats
 - Cyber products
- Human resources risks
- Acquisition and restructuring risks

FOCUS ON RISKS RELATING TO TECHNOLOGICAL INNOVATION AND THE DECARBONIZATION OF AERONAUTICS

Safran designs, develops and manufactures products and services renowned for their advanced technological innovations.

The Group is thereby exposed to the risk of competitors developing products that offer a better technical performance, are more competitive or are marketed earlier than those it develops. In particular, Safran has to contend with the risk inherent in its choice of certain emerging cutting-edge technologies to develop a low-carbon aviation sector. If these choices subsequently prove to be unsuitable, this could affect Safran's activities or financial position. (See section 4.3.3.1 of the 2022 Universal Registration Document).

A Board of Directors incorporating best governance standards into its activities

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

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

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

LEAD INDEPENDENT DIRECTOR

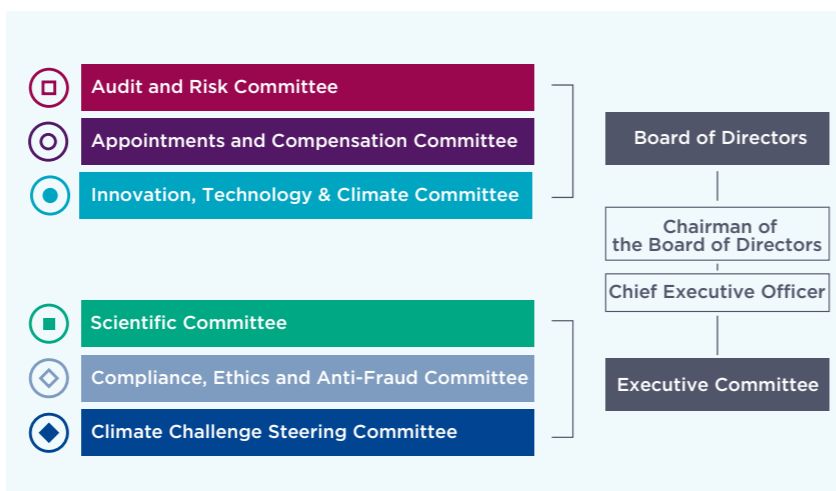
In 2018, the Board decided to appoint Monique Cohen as Lead Independent Director and define her duties. Although the position of Lead Independent Director is not indispensable because the Company has separated the roles of Chairman of the Board and Chief Executive Officer, the Board felt that having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

DIRECTOR RESPONSIBLE FOR MONITORING CLIMATE ISSUES

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

INDEPENDENT DIRECTORS

The aim of having independent Directors on the Board is to provide all shareholders with the assurance that the collegiate body of the Board comprises members who have total independence to analyze, judge, take decisions and act, always in the Company's interests. Highly engaged and involved in the Board's work, their freedom of judgment and expression contributes to the quality of the Board's discussions and decisions. Their professional and personal experience provides an external view that is beneficial for the Group.

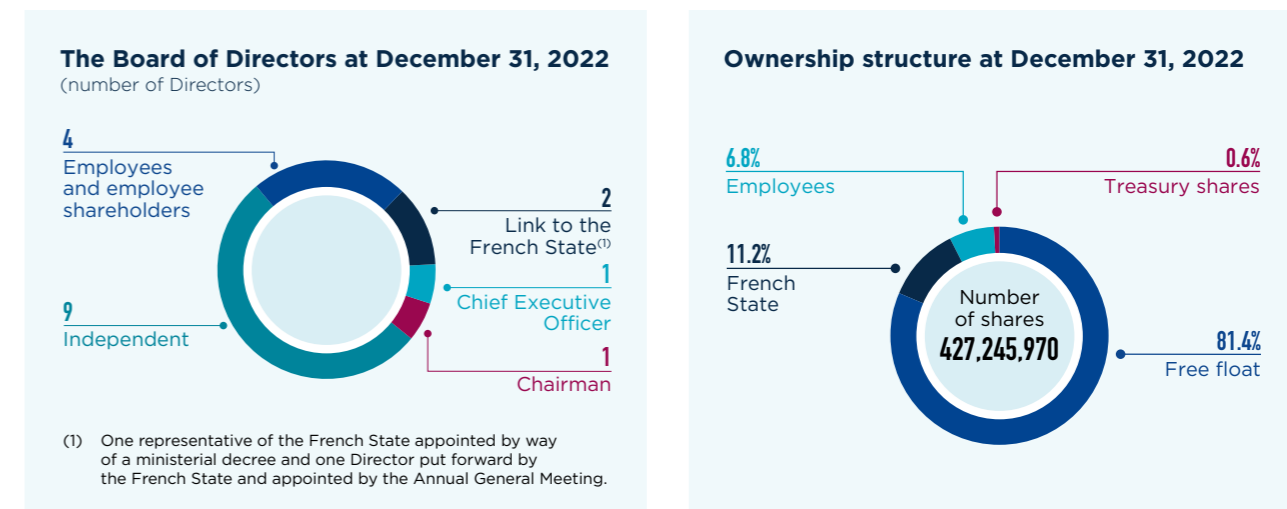


ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

In late 2022, the Board conducted its annual assessment of its operating procedures. It expressed positive observations on its functioning and membership structure, as well as on the organization of its work and meetings. The Board reviewed the areas of improvement identified in the 2021 assessment by an independent third-party firm, and was satisfied with the actions taken in 2022 to address the expectations expressed. No new expectations were identified.

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

A Board membership structure that is consistent with Safran share ownership.



A diverse range of profiles, expertise and skills within the Board

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

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

Committees addressing the Group's strategic challenges

(2022 key figures)

AUDIT AND RISK COMMITTEE
 6 meetings
 6 members
 92% attendance
 80% (4 out of 5) independent⁽²⁾

APPOINTMENTS AND COMPENSATION COMMITTEE
 5 meetings
 7 members
 94% attendance
 83.33% (5 out of 6) independent⁽²⁾

INNOVATION, TECHNOLOGY & CLIMATE COMMITTEE
 2 meetings
 6 members
 100% attendance
 80% (4 out of 5) independent⁽²⁾

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

Membership structure of the Board of Directors and the Board Committees

(AT MARCH 31, 2023)

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

 <p>ROSS McINNES Chairman of the Board of Directors</p>	 <p>ANNE AUBERT Director representing employee shareholders</p>	 <p>I ACC ITCC JEAN-LOU CHAMEAU Independent Director</p>	 <p>ITCC ALEXANDRE LAHOUSSE Director put forward by the French State</p>
 <p>OLIVIER ANDRIÈS Chief Executive Officer</p>	 <p>ARC MARC AUBRY Director representing employee shareholders</p>	 <p>ACC CHRISTÈLE DEBARENNE-FIEVET Director representing employees. She joined the Board on December 19, 2022, replacing Daniel Mazaltarim.</p>	 <p>I ARC FABIENNE LECORVAISIER Independent Director</p>
 <p>I ACC MONIQUE COHEN Lead Independent Director Chair of the Appointments and Compensation Committee</p>	 <p>I ARC ITCC HÉLÈNE AURIOL POTIER Independent Director</p>	 <p>ARC ACC CÉLINE FORNARO Director representing the French State on the Board of Directors. She joined the Board on February 17, 2023, replacing Stéphanie Besnier.</p>	 <p>I ACC ITCC PATRICK PÉLATA Chairman of the Innovation, Technology & Climate Committee Director responsible for monitoring climate issues</p>
 <p>ITCC HERVÉ CHAILLOU Director representing employees</p>	 <p>ITCC PATRICIA BELLINGER Independent Director</p>	 <p>I ARC ITCC LAURENT GUILLOT Chairman of the Audit and Risk Committee Independent Director</p>	 <p>I ARC ROBERT PEUGEOT Independent Director</p>

Perspectives – Annual General Meeting of May 25, 2023

Re-appointment, appointment and ratification proposals

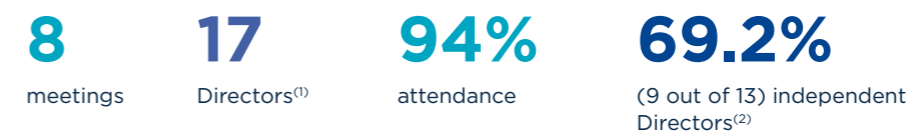
The Board will propose the following to the 2023 Annual General Meeting:

- the re-appointment of Ross McInnes as a Director, and, assuming the Annual General Meeting votes in favor, his re-appointment as Chairman of the Board for the duration of his term as a Director, as already announced by the Board of Directors;
- the re-appointment of Olivier Andriès as a Director, the Board of Directors having already confirmed his re-appointment as Chief Executive Officer at the close of the Meeting;
- the appointment of Fabrice Brégier as an independent Director, replacing Jean-Lou Chameau;
- the re-appointment of Laurent Guillot as an independent Director;
- the ratification of the appointment of Alexandre Lahousse on July 27, 2022 and his re-appointment as a Director put forward by the State;
- the ratification of the appointment of Robert Peugeot on December 19, 2022.

As of the end of the Annual General Meeting of May 25, 2023, subject to shareholder approval of the resolutions put to the vote, the Board of Directors will have 16 members, as follows:

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

Board of Directors (key figures at December 31, 2022)



* Excluding Directors representing employees and Directors representing employee shareholders.
 (1) As of February 28, 2023, the number of Directors decreased from 17 to 16 following the resignation of Sophie Zurquiyah as an independent Director, for personal and professional reasons, effective as of that date. She has decided to re-direct the focus of her work to the United States. She has not been replaced.
 (2) In accordance with the AFEP-MEDEF Code, Directors representing employee shareholders and Directors representing employees are not taken into account when calculating the percentage of independent Directors.

CLIMATE ISSUES TAKEN INTO ACCOUNT UNDER APPROPRIATE GOVERNANCE

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

Operationally, a dedicated Climate Department was formed in early 2021 to steer the Group's climate strategy. Roadmaps are defined by a Climate Challenge Steering Committee, chaired by the Chief Executive Officer. Progress on the action plan is reviewed quarterly by the Group Executive Committee.

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

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

- The Executive Committee ensures that Safran's strategy is implemented consistently across all Group entities. It also monitors its operational performance and facilitates interaction with the various Group companies.
- The Executive Committee comprises the Chief Executive Officer, the heads of cross-business functions, and the heads of the Group's main operating companies. This membership structure provides for balanced representation of the Group's businesses and cross-business support functions.
- Under the authority of the Chief Executive Officer, the Executive Committee meets as often as is necessary and at least once a month. It has 18 members.

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

COMPLIANCE, ETHICS AND ANTI-FRAUD COMMITTEE

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

SCIENTIFIC COMMITTEE

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

CLIMATE CHALLENGE STEERING COMMITTEE

This Committee, chaired by the Chief Executive Officer, brings together several members of the Executive Committee as well as all the Group departments involved in climate action (Strategy and Research & Technology, Public Affairs, Finance, Operations, Corporate Social Responsibility and Communications) to define Safran's focuses and, in particular, to endorse objectives and roadmaps for each type of CO₂ emissions.

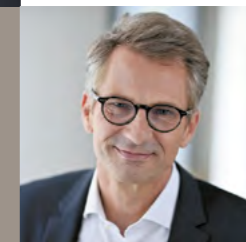
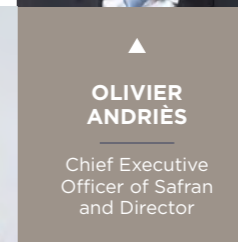
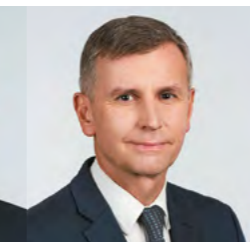
PASCAL BANTEGNIE
Chief Financial Officer

ÉRIC DALBIÈS
Executive VP R&T and Innovation



STÉPHANE DUBOIS
Executive VP Corporate Human and Social Responsibility

MARJOLAINE GRANGE
Executive VP Production, Purchasing and Performance



OLIVIER ANDRIÈS

Chief Executive Officer of Safran and Director

FRÉDÉRIC VERGER
Executive VP Chief Digital and Chief Information Officer

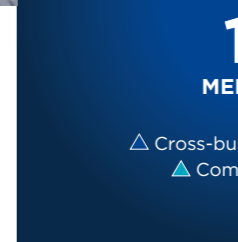
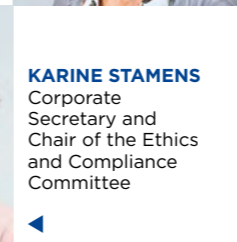
KATE PHILIPPS
Executive VP Communications



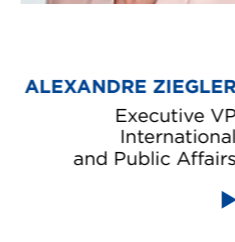
Executive Committee members

18
MEMBERS

▲ Cross-business functions
▲ Company CEOs

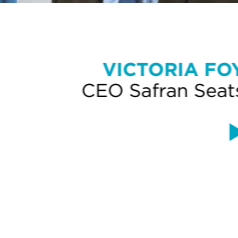
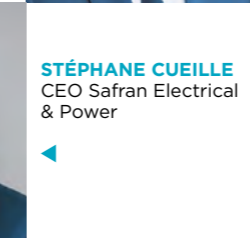


KARINE STAMENS
Corporate Secretary and Chair of the Ethics and Compliance Committee



ALEXANDRE ZIEGLER
Executive VP International and Public Affairs

JEAN-PAUL ALARY
CEO Safran Aircraft Engines



STÉPHANE CUEILLE
CEO Safran Electrical & Power

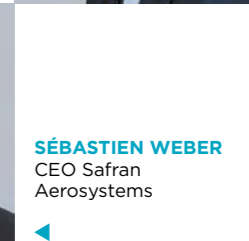
VICTORIA FOY
CEO Safran Seats

VINCENT CARO
CEO Safran Nacelles



CÉDRIC GOUBET
CEO Safran Landing Systems

FRANCK SAUDO
CEO Safran Helicopter Engines



MARTIN SION
CEO Safran Electronics & Defense

JORGE ORTEGA
CEO Safran Cabin

SÉBASTIEN WEBER
CEO Safran Aerosystems

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

Corporate officer compensation policies

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

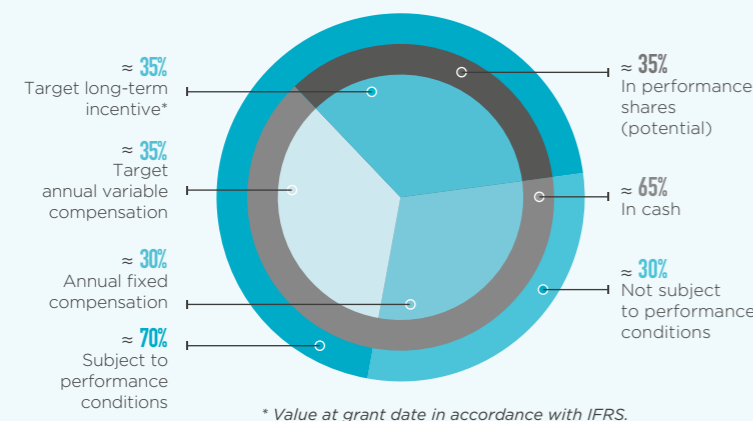
Chairman of the Board of Directors' compensation policy and structure

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

Chief Executive Officer's compensation policy and structure

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

Chief Executive Officer's recurring compensation structure



PAY RATIO
In France, pay ratios between the level of compensation of Safran's corporate officers (Chairman and Chief Executive Officer) and the average compensation of Safran's employees in 2022 were 8.3 and 48.8 respectively.

CLIMATE ISSUES INCLUDED IN COMPENSATION POLICIES

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

2023 compensation policy for the Chief Executive Officer

The compensation policy for the Chief Executive Officer proposed by the Board for 2023 comprises the same compensation components as in 2022.

FIXED COMPENSATION

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

ANNUAL VARIABLE COMPENSATION

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

Specific targets on CSR⁽¹⁾/climate issues for 2023 are as follows:

- safety: frequency rate of lost-time accidents maintained at the same level, amid the ramp-up in business;
- diversity & gender equality: objectives linked to increasing the number of women among senior executives and within the Group Executive Committee

and companies' management committees - Implementation of the inclusion/diversity roadmap;

- HR: initiatives to develop Safran talent and executives over the long term;
- climate - low-carbon:

- ensuring the rise in maturity of the energy management system, with the aim of all sites achieving Silver status (analysis of the main sources of consumption and energy performance, robust energy saving action plan),

- implementing the Energy Sobriety Plan in Europe,

- taking ongoing steps to achieve the action plan to reduce CO₂ emissions by 30% by 2025 (compared to 2018), with 75% of the actions completed, the remaining 25% on track, and sufficient margins identified to deal with contingencies,

- establishing an action plan for each key company to achieve a 50% reduction in emissions by 2030 (compared to 2018) and integrating financing of the plans into the Group's medium-term plan,

- mobilizing the main suppliers to increase their maturity on decarbonization, with the objective of conducting a carbon assessment for the 400 main suppliers.

LONG-TERM INCENTIVE PLAN - PERFORMANCE SHARES

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

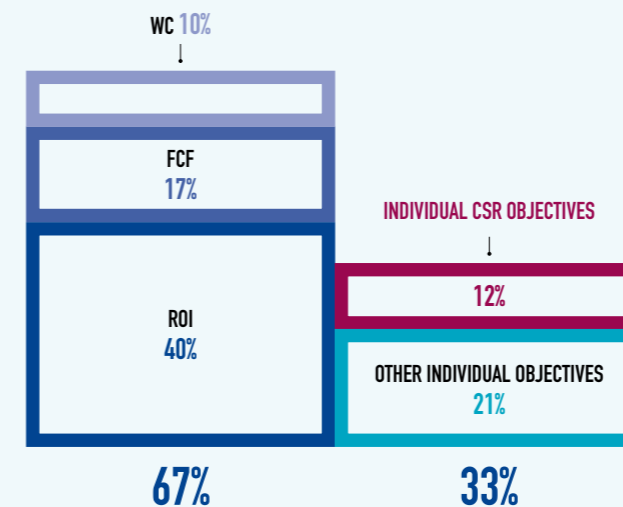
Performance share grants are:

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

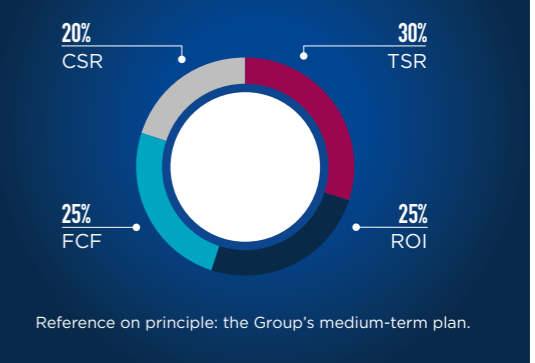
By way of illustration, the non-financial performance conditions for 2023 will cover objectives on:

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

Objectives in the Chief Executive Officer's variable compensation⁽¹⁾ (in 2023)



Chief Executive Officer's LTI performance criteria⁽¹⁾



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

Key performance indicators

Key non-financial performance indicators presented based on the four pillars of the CSR strategy

DECARBONIZE AERONAUTICS	2021	2022	2025 OBJECTIVE
Scope 3 (product use): R&T investment focused on environmental efficiency. Choose technologies (engines and equipment) contributing to ultra-efficient aircraft for 2035, targeting carbon neutrality for 2050, with 100% sustainable fuels	75%	81%	75% in 2025
Scope 3 emissions (product use) (in g CO ₂ /seat kilometer) Change in Scope 3 emissions (product use) compared with 2018	5.1 -13%	4.5 -24%	-42.5% by 2035 (vs. 2018*), i.e., an average of 2.5% per year
Scope 1 and 2 emissions, market-based method (t CO ₂ eq.) Change in Scope 1 and 2 emissions compared with 2018	403,113 -30.3%	403,730 -30.2%	-30% by 2025 (vs. 2018) -50% by 2030 (vs. 2018)
Facilities achieving the five zero targets roadmap			
2021: zero non-recycled paper	100%**	100%**	100% by 2025
2022: zero machines or equipment running unnecessarily	N/A	50%***	
2023: zero single-use plastic cups or dishes	N/A	N/A	
2024: zero foodservice offers without local and seasonal products	N/A	N/A	
2025: zero non-eco-friendly green spaces	N/A	N/A	

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

** At end-2021 and end-2022, supply contracts for white and/or color paper in France and Belgium included recycled paper only.

*** At December 31, 2022, more than one-third of the Group's sites had identified 17,000 machines and equipment that should be labeled to indicate how to turn them off. Approximately half had the correct labeling.

BE AN EXEMPLARY EMPLOYER	2021	2022	2025 OBJECTIVE
Number of training hours per employee per year (excluding employees on long-term absence)	21	25	26
Frequency of lost-time work-related accidents (number of accidents per million hours worked)	2.1	2.1	2
Proportion of employees worldwide benefiting from a minimum level of health cover (medical, optical and dental)	79%	77%**	100%
% of women among senior executives*	15.1%	17%	22%

* Members of the Executive Committee and employees are classified into four categories ("bands") based on their level of responsibility.

Responsibilities increase from category 4 to category 1. This classification is linked to the Willis Towers Watson Global Grading System (GGS) method.

** The 2022 indicator has been calculated based on a larger scope.

EMBODY RESPONSIBLE INDUSTRY	2021	2022	2025 OBJECTIVE
Proportion of senior executives and exposed and affected people trained in anticorruption*	89%	77%**	100%
Proportion of purchases made from suppliers that have signed Safran's responsible purchasing guidelines or that have equivalent guidelines of their own	32.4%	59.3%	80%
Proportion of facilities classified as "Gold" based on Safran's HSE standards	33%	41%	100%
Waste recovery ratio	70.2%	69.2%	> 2019 ratio (68.3%)

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

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

AFFIRM OUR COMMITMENT TO CITIZENSHIP	2021	2022	2025 OBJECTIVE
Number of new PhD students	47	80	> 63
Percentage of facilities with more than 100 employees running at least one social or professional integration initiative	45.3%	76%	100%

Key financial performance indicators

	2021	2022	2023 OBJECTIVE
Organic growth in adjusted revenue	-5.4%	+15.8%	Adjusted revenue: at least €23 billion
Adjusted recurring operating margin	11.8%	12.6%	Recurring operating income: approx. €3 billion
Adjusted ROI to FCF conversion	93%	111%	Free cash flow: at least €2.5 billion
Dividends Payout ratio	€0.50/share 28%	€1.35/share 40%*	

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

Key governance indicators





	2021	2022
Average attendance rate at Board meetings	98%	94%
% of Chief Executive Officer compensation subject to performance conditions	approx. 70%	approx. 70%
% of independent Directors on the Board of Directors after the Y+1 AGM	69.2%	66.7%*
% of women on the Board of Directors after the Y+1 AGM	46.15%	41.7%*

* Assuming adoption of the resolutions at the Annual General Meeting of May 25, 2023.

Long-term credit rating: strong balance sheet

A- with stable outlook (S&P)

Non-financial ratings: a recognized CSR performance

	Safran	Peer comparison
MSCI  Rating from "CCC" to "AAA" ("AAA" being the highest).	A	Above the average of 33 companies in the A&D sector <i>October 2022</i>
SUSTAINALYTICS  Rating evaluating ESG risk level, with the lowest rating corresponding to the best non-financial performance.	23.2 Medium risk	3rd out of 100 companies in the A&D sector <i>December 2022</i>
MOODY'S ANALYTICS  Rating from 0 (lowest) to 100 (highest).	64/100 Advanced level	1st out of 47 companies in the Aerospace sector <i>June 2022</i>
CDP  Understanding of environmental challenges for the company. Rating from "D" to "A" (A being the highest).	A-	Among the top 20% of companies in the Transport OEMs (Original Equipment Manufacturer)-EPM (Engine Parts Manufacturer) sector <i>March 2023</i>

OTHER PUBLICATIONS

Capital Markets Day 2021

www.safran-group.com, Finance section
Presentation of the Group's strategy and mid- and long-term financial objectives.

Corporate presentation

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

Website

www.safran-group.com, Group section
Presentation of the Group's profile, its roles and its governance.

Finance section
(Share price, Publications and results, Regulated information, Analysts and investors, Individual shareholders, Annual General Meeting).
Presentation of financial and non-financial information.

2022 Universal Registration Document

www.safran-group.com, Finance section
Document prepared in accordance with French and European regulations and notably including the annual financial report, the Board of Directors' report, the consolidated and separate financial statements for the fiscal year, all corporate, social and environmental information concerning Safran, and the resolutions presented to the Annual General Meeting for approval.



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

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