



SAFRAN RESPONSIBLE PURCHASING GUIDELINES

RESPONSIBLE PURCHASING GUIDELINES BETWEEN SAFRAN AND ITS SUPPLIERS AND SUBCONTRACTORS

PURPOSE

The relationship between Safran and its suppliers and subcontractors is an important component to building business success. Safran expects from them full compliance with all applicable laws and regulations of the countries in which operations are managed or services provided.

These Guidelines are designed to present Safran's expectations of its suppliers and subcontractors. It embodies Safran's ambition to establish CSR¹ as a permanent selection criterion with the same degree of importance as the cost, quality, services, innovation and risk-control criteria.

Through these Guidelines, Safran aims to share its commitments with its suppliers and subcontractors, as major players in the Group's success, and to secure their involvement in sustainable development. These Guidelines are part of the contractual provisions entered into with Safran or its companies.

SAFRAN'S UNDERTAKING

As part of the company's sustainable development policy, Safran is committed to implementing a CSR strategy, a cornerstone of the Group's strategy, along nine key principles:

1. Promote and respect human rights
2. Develop human potential;
3. Sustain the culture of integrity within the Group;
4. Comply with global import and export regulations
5. Maintain accurate records;
6. Protect information;
7. Consistently strive for excellence in life and property safety/protection;
8. Develop innovative products and processes with the lowest impact on the environment (CO₂, energy, waste);
9. Involve our suppliers and partners in rolling out this CSR strategy.

In accordance with the CSR strategy, Safran implements a Purchasing Policy with the aim of making its purchases a sustainable advantage over the competition, while maintaining a balanced relationship with its suppliers and subcontractors. The Purchasing Policy is conducted:

- In compliance with the Group's Ethical Guidelines (<http://www.safran-group.com/commitments-0>) and the best practices set forth in the Intercompany Mediation Charter (Charte de la Médiation Interentreprises) to which Safran is a party (http://images.cdaf.fr/cdaf/UtilisateursFichiers/201408/140827-CHARTER_FOR_RESPONSIBLE_SUPPLIER_RELATIONS-.pdf)
- In compliance with the *Model Supplier Code of Conduct* of the IFBEC², to which Safran is also a party (<http://ifbec.info>)
- In compliance with Safran's commitments to governments, trade associations and other partners;

PRINCIPLES... Building on the implementation of its CSR strategy, Safran expects suppliers and subcontractors to make a commitment and support it on the basis of the principles below:

I. PROMOTE AND RESPECT HUMAN RIGHTS

Safran suppliers and subcontractors shall comply with the fundamental Conventions of the International Labor Organization (ILO) and any regulations applicable to their activities in the area they operate in. Safran expects its suppliers and subcontractors to promote and respect human rights in their sphere of outreach.

¹ Corporate Social Responsibility

² International Forum on Business Ethical Conduct



A. Child Labor

Safran shall not work with suppliers or subcontractors who make use of child or forced labor. Safran suppliers and subcontractors must ensure that illegal child labor is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed provided the legal age is consistent with the minimum working ages defined by the ILO.

B. Human Trafficking, including Forced or Indentured Labour

Safran suppliers and subcontractors must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. They must refrain from violating the rights of others and address any adverse human rights impacts of their operations.

II. DEVELOP HUMAN POTENTIAL

Safran suppliers and subcontractors are expected to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture.

A. Harassment

Safran suppliers and subcontractors are expected to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

B. Non-discrimination

Safran suppliers and subcontractors are expected to put an end to any forms of discrimination as regards access to employment and career development. They shall also foster the integration of staff excluded from employment (people with disabilities for example).

C. Working-Time

Safran suppliers and subcontractors are expected to comply with legal provisions governing maximum working time in the country or countries in which they operate.

D. Wage and Benefits

Safran suppliers and subcontractors must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted.

E. Social dialogue

Safran suppliers and subcontractors are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. They are also expected to recognize and respect any rights of workers to exercise lawful rights of free association, including joining or not joining any association of their choosing.

III. SUSTAIN THE CULTURE OF INTEGRITY WITHIN THE GROUP

In accordance with its Ethical Guidelines, Safran selects its suppliers and subcontractors on the basis of objective criteria and demands that they ensure it is fully able to meet its own expectations and those of its clients. Safran



expects its suppliers to adopt the principles of these ethical guidelines and apply them to their own suppliers and subcontractors.

A. Anti-Corruption Laws

Safran suppliers and subcontractors must comply with the anti-corruption laws, directives and regulations that govern operations in the countries in which they do business. They are required to refrain from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law. Personal safety payments are permitted where there is an imminent threat to health or safety. Safran suppliers and subcontractors are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of intermediaries such as agents or consultants.

B. Illegal Payments

Safran suppliers and subcontractors must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of sums of money or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.

C. Fraud and Deception

Safran suppliers and subcontractors must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the company, a customer or any third party, and any kind of misappropriation of property.

D. Competition and Anti-Trust

Safran suppliers and subcontractors must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. They must refrain from participating in a cartel.

E. Gifts/Business Courtesies

Safran suppliers and subcontractors are expected to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, suppliers and subcontractors must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient's organization, and are consistent with reasonable marketplace customs and practices.

F. Insider Trading

Safran suppliers, subcontractors and their personnel must not use any material or non-publicly disclosed information obtained in the course of their business relationship with Safran as the basis for trading or for enabling others to trade in the stock or securities of any company.

G. Conflict of Interest

Safran suppliers and subcontractors are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. They are expected to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of Safran and personal interests or those of close relatives, friends or associates.



IV. COMPLY WITH GLOBAL IMPORT AND EXPORT REGULATIONS

A. Import

Safran suppliers and subcontractors must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

B. Export

Safran suppliers and subcontractors must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data. They shall provide truthful and accurate information and obtain export licenses and/or consents where necessary.

C. Responsible Sourcing of Minerals

Safran suppliers and subcontractors must comply with applicable laws and regulations regarding Conflict Minerals which include tin, tungsten, tantalum and gold. Additionally, they should establish a policy to reasonably assure that the tin, tungsten, tantalum and gold which may be contained in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Safran suppliers and subcontractors should exercise, as may be directed by law, due diligence on the source and chain of custody of these minerals and therefore at a minimum require the same from their next tier suppliers.

D. Counterfeit Parts

Safran suppliers and subcontractors are expected to develop, implement, and maintain effective methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. In addition, they shall provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

V. MAINTAIN ACCURATE RECORDS

Safran suppliers and subcontractors are expected to create accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on the applicable retention requirements.

VI. PROTECT INFORMATION

A. Confidential / Proprietary Information

Safran suppliers and subcontractors shall properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g. advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner of the information.

B. Intellectual Property

Safran suppliers and subcontractors must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

C. Information Security



Safran suppliers and subcontractors must protect the confidential and proprietary information of others, including personal information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Safran suppliers and subcontractors must comply with applicable data privacy laws.

VII. CONSISTENTLY STRIVE FOR EXCELLENCE IN LIFE AND PROPERTY SAFETY AND PROTECTION

Industrial excellence is an indispensable condition of the economic and business performance of Safran's suppliers and subcontractors. They are encouraged to establish a Health, Safety and Environment Management System in order to

guarantee that the risks of their activities are identified and assessed and that every possible measure has been taken to eradicate or control them.

Safran suppliers and subcontractors should protect the health, safety, and the welfare of their employees, contractors, visitors and others who may be affected by their activities. They shall comply with all applicable environmental, health and workplace safety laws and regulations.

VIII. DEVELOP INNOVATIVE PRODUCTS AND PROCESSES WITH THE LOWEST IMPACT ON THE ENVIRONMENT (CO₂, ENERGY, WASTE)

Safran suppliers and subcontractors shall make every effort to develop and produce innovative technologies, items and processes which have the lowest environmental impact possible throughout their lifecycle. They shall particularly endeavor to:

- minimize their consumption of water, materials, paper and energies and the amounts of waste generated;
- introduce local and international logistics processes that restrict these impacts and particularly the carbon footprint of the related activities;
- preserve natural resources;
- recycle their waste.

IX. INVOLVE OUR SUPPLIERS AND PARTNERS IN ROLLING OUT THIS CSR STRATEGY

A. Protection of employee raising an alert

Safran suppliers and subcontractors are expected to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. They are also expected to take action to prevent, detect, and correct any retaliatory actions.

B. Consequences for violating these Guidelines

In the event that the expectations of these guidelines are not met, the business relationship with Safran may be reviewed and corrective action pursued subject to the terms of the related procurement contract(s).

C. Ethics Policies

Commensurate with the size and nature of their business, Safran suppliers and subcontractors are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed within these responsible guidelines. Safran suppliers and subcontractors are encouraged to implement their own guidelines or code of conduct and to flow down their principles to the entities that furnish them with goods and services. Safran expects their suppliers and subcontractors to maintain effective programs to encourage their employees to make ethical, values-driven choices in their business dealings - beyond compliance with laws, regulations and contract requirements.

SUPPLIER AND SUBCONTRACTOR COMMITMENT



By accepting the principles of these guidelines, Safran suppliers and subcontractors undertake to support Safran in the deployment of its CSR strategy and agree to be assessed by Safran on the principles set forth above.

They agree to take the necessary steps to comply with these guidelines and to apply the content hereof to their own suppliers and subcontractors.

Company name	Name and title of the signing officer	Date	Signature