



2023



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PROFILE

The Daher Group benefits from a balanced business model that is balanced between industry and services. Its four complementary businesses – aircraft, industry, industrial services and logistics – enable it to respond effectively to these sectors' needs.

Across 15 countries, Daher designs, develops and operates global, technical and/or customized value-added solutions. In a complex environment, these products and services enable its leading industrial, manufacturing and aerospace equipment manufacturer customers to focus on their core businesses and improve their operational performance.

In 2023, **Daher celebrated its 160th anniversary**. A brand with a long history, demonstrating its stability and capacity for innovation.

Two major events symbolized this milestone:

- **The launch of the Take Off 2027 strategic plan**, defining the Group's guidelines for the 2023–2027 timeframe;
- **An active presence at the Paris Air Show**, highlighting progress and achievements - particularly in the area of decarbonization.

The **Take Off 2027 strategic plan** has already led to profound transformation, resulting in:

- The roll-out of the Daher Leadership Model, which has instilled an ambitious management culture throughout the Group and provides a common set of core principles for over 1,100 trained managers;
- The acquisition of AAA (Assistance Aéronautique et Aérospatiale) and its integration within the Group, making Daher a leader in industrial services for the aerospace and defense industries;
- The implementation of an ambitious innovation and decarbonization roadmap, culminating in the successful first flight of the EcoPulse hybrid-electric demonstrator;
- the launch of the D# project, aimed at aligning Daher's legal organization with its four core businesses; and
- An in-depth reflection on a number of topics, including organization, processes, IT and quality - particularly in view of the integration of the Stuart plant and AAA.

These developments took place against a backdrop that remains complicated: supply difficulties, a strained supply chain, unprecedented pressure in recruitment, lower margins due to inflation and energy costs, etc.



HISTORY



DAHER, 160 years of success

Throughout its 160-year history, Daher has constantly reinvented itself to meet the different challenges of each era, while maintaining the company's strong values. Its expertise as a designer and operator of logistics services for aerospace and advanced technology industries is the fruit of these many years of experience, transformed by the men and women who make up Daher's teams in the field today.

- 1863** Founding of Daher as a shipping company
- 1921** Transportation for the first Middle Eastern pipeline project
- 1930** Transport of locomotives, wagons and railcars begins
- 1954** Inaugural flight of the Morane-Saulnier 760 Paris, the first business jet
- 2001** Daher joins the Falcon 7X program as designer and manufacturer of the upper fuselage
- 1999** Daher becomes a manufacturer with the acquisition of Lhotellier Montrichard
- 1989** Transportation company for Airbus's oversized loads program
- 1972** Construction partner for the French nuclear power program
- 2009** Daher becomes a Tier 1 aircraft and aerospace equipment manufacturer with the acquisition of the Socata plant in Tarbes.
- 2017** Signature of the contract to manage all Airbus logistics flows in France
- 2019** Acquisition of U.S. aircraft manufacturer Quest (Kodiak), and thermoplastic composite welding specialist KVE Composites in the Netherlands
- 2023** Transports Chabrillac, specialists in aerospace transport, joins Daher. With the acquisition of AAA, Daher is positioned as a leader in industrial services for the aerospace and defense industries.
- 2022** Acquisition of an aerostructures production unit in Stuart (Florida, USA) and launch of two new aircraft: the TBM g60 and the Kodiak g00.

GOVERNANCE

Corporate Governance Report

Supervisory bodies (as of December 31, 2023)

Group Executive Committee



- 1 **Didier Kayat**
Chief Executive Officer
- 2 **Jérôme Leparoux**
General Secretariat
- 3 **Alain-Jory Barthe**
Industry Division
- 4 **Julie de Cevins**
Corporate and Social Responsibility Department
- 5 **Pascal Laguerre**
Technology Department
- 6 **Patrick Jeanroy**
Services Division
- 7 **Jean-Philippe Grégoire**
Finance Department, Transportation and Projects Business, Nuclear Business
- 8 **Nicolas Chabbert**
Aircraft Division

Board of Directors

- | | | | |
|---|-------------------------------------|--|--|
| Patrick Daher
Chairman of the Board of Directors | Anne Brachet
Director | Frédérique Kalb
Director | Lise Nobre
Director |
| Didier Kayat
Director and Chief Executive Officer | Damien Daher
Director | Éric Lefebvre
Director representing Bpifrance Participations | Thibault Scaramanga
Director |
| Estelle Roux
Director representing a legal entity (COREDAHER) | Olivier Genis
Director | Thierry Minvielle
Non-voting Board Member | Cécile Tandeau de Marsac
Director
Secretary:
Jérôme Sarragozi |
| | Michel Giannuzzi
Director | | |

Statutory Auditors

Odycé Nexia SAS – member of Nexia International, represented by **Sylvain Lavagna**, Mazars SA, represented by **Gaël Lamant**.

A dynamic and mobilized Governance structure

BOARD OF DIRECTORS



12 Directors, 5 of whom are women

1 non-voting Board member
33% Independent Directors
6 meetings during 2023
99% attendance rate

Guided in its decision-making by 3 specialized Committees



BOARD OF DIRECTORS AND BOARD COMMITTEES

A balanced governance model

The Board of Directors of Compagnie Daher is made up of members of the family Group of shareholders of COREDAHER, Bpifrance and shareholder representatives, and independent directors. On May 17, 2023, the Company Shareholders' Meeting reappointed Patrick Daher, Olivier Genis and Frédérique Kalb as directors for three-year terms, which expire at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025. The Shareholders' Meeting also appointed a new director, Damien Daher, to replace Yves Magnan, whose term of office had expired, for a three-year term, which expires at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025. Lastly, the Shareholders' Meeting appointed Thierry Minvielle as non-voting board member to replace Damien Daher following his appointment as director.

On May 17, 2023, the Company's Board of Directors reappointed Patrick Daher as Chairman.

The Board is responsible for managing the Group and setting and controlling the delegations of authority given to the Chief Executive Officer. The functions of Chairman of the Board of Directors and Chief Executive Officer are separate: Patrick Daher is Chairman of the Board of Directors and Didier Kayat is Chief Executive Officer. The Board of Directors appoints the members of the Strategy Committee, the Governance Committee and the Audit Committee. For information, Eric Lefebvre, representing Bpifrance Participations, has been participating

in the work of the Governance Committee since July 8, 2022. The work of the Board is regulated by a set of internal rules originally introduced on July 7, 2015, and revised on February 19, 2019.

The governance structure adopted by Compagnie Daher and its subsidiaries Daher Aerospace and Daher Technologies takes the form of a French limited liability company (société anonyme) which is the most commonly used structure for major companies. This company form is also the most appropriate for supporting the expansion of growing companies. Daher Industrial Services (formerly Assistance Aéronautique et Aérospatiale), acquired in 2023, will continue to operate as a *société par actions simplifiée* (simplified joint stock company).

As is the case for Compagnie Daher, and to ensure a balance of powers, the functions of Chairman of the Board of Directors and Chief Executive Officer are separate in Daher Aerospace and Daher Technologies. To comply with regulations on gender parity, the Boards of Directors comprise a balanced number of men and women, and a director representing employees sits on the Board of each entity.

	Status	First Appointment	Reappointment	Appointment Expiration
PATRICK DAHER	Chairman of the Board of Directors		May 17, 2023	Meeting called to approve the 2025 financial statements
DIDIER KAYAT	Director Chief Executive Officer	April 13, 2016 February 18, 2016	April 26, 2019 May 18, 2022	Meeting called to approve the 2024 financial statements
Anne Brachet	Director	May 18, 2022		Meeting called to approve the 2024 financial statements
DAMIEN DAHER	Director	May 17, 2023		Meeting called to approve the 2025 financial statements
OLIVIER GENIS	Director	April 29, 2020	May 17, 2023	Meeting called to approve the 2025 financial statements
Michel Giannuzzi	Director	May 18, 2022		Meeting called to approve the 2024 financial statements
FREDERIQUE KALB	Independent Director	April 29, 2020	May 17, 2023	Meeting called to approve the 2025 financial statements
ÉRIC LEFEBVRE (representing Bpifrance Participations)	Director representing a legal entity	April 15, 2015	May 5, 2021	Meeting called to approve the 2023 financial statements
YVES MAGNAN	Director	May 30, 2002	April 29, 2020	Meeting called to approve the 2022 financial statements
LISE NOBRE	Independent Director	April 15, 2015	May 5, 2021	Meeting called to approve the 2023 financial statements
ESTELLE ROUX (representing COREDAHER)	Director representing a legal entity	May 30, 2002	May 5, 2021	Meeting called to approve the 2023 financial statements
THIBAUT SCARAMANGA	Director	April 22, 2014	May 18, 2022	Meeting called to approve the 2024 financial statements
CECILE TANDEAU DE MARSAC	Independent Director	April 26, 2019	May 18, 2022	Meeting called to approve the 2024 financial statements
JÉRÔME SARRAGOZI	Secretary	July 17, 2019		

Strategy Committee

On April 29, 2020, the Board of Directors resolved to reintroduce a Strategy Committee to replace the ad hoc Strategy and Development Committee. The Strategy Committee meets at least twice a year to analyze and decide on the strategic issues submitted to it. The Group's strategy is presented and discussed at dedicated Board of Directors' meetings.

Governance Committee

The Governance Committee analyzes and proposes to the Board of Directors the level of compensation for the Chief Executive Officer and members of the Executive Committee. It is also responsible for planning future developments in the Group's governing bodies, proposing governance guidelines and evaluating the work of the Board of Directors. Its name and role were changed on February 19, 2019. It now has responsibility for overseeing the Corporate Social Responsibility (CSR) policy and compliance with business ethics standards.

Audit Committee

The role of the Audit Committee in terms of analyzing internal audit/control and risk management procedures involves:

- Being informed by Executive Management about internal rules and procedures for collecting and verifying information that guarantee data reliability; - examining the Group's internal audit plan and the work program of the Statutory Auditors;

- Meeting with internal control managers in order to learn about their work programs based on the defined objectives and obtain company or Group internal audit reports or a summary of those reports;
- Together with the Group's operating managers, regularly reviewing all major risks (operational, financial, legal, environmental, human resources, IT, etc.);
- Examining any issue likely to have a material impact on the Group's financial position or results;
- Reviewing any transactions that could lead to a conflict of interest.

The Audit Committee proposes the appointment of the Statutory Auditors and is responsible for monitoring their work. It oversees the analysis and assessment of the main risks affecting the Group, as well as the analysis of interim and annual financial statements before they are presented to the Board of Directors. The committee may seek the advice of the Statutory Auditors or any independent expert it deems necessary.

The Board of Directors met five times in 2023, and each of its committees between one and four times, depending on the matters analyzed.

EXECUTIVE COMMITTEE AND SUPPORT COMMITTEES

Active management for global performance

Executive Committee

The Executive Committee defines and implements the Group's strategy. It fixes objectives, coordinates Group projects, allocates resources to operations and manages the Group's organization. It monitors operational performance and assesses the extent to which objectives have been met. It also coordinates Group-wide, strategic projects.

The committee ensures that the Group's internal control policy is effectively applied by coordinating and monitoring internal control work within the Group. In particular, it monitors action plans and the annual summary of internal audit reports. The committee meets two times a month.

Investments and Commitments Committee

Each subsidiary or sub-subsidiary of the Group either has a Board of Directors and an Investments and Commitments Committee, or simply an Investments and Commitments Committee.

Where a subsidiary has a Board of Directors, the Board appoints the members of the Investments and Commitments Committee from among the Company's directors and the Group Executive Committee members at the proposal of the Group Chief Executive Officer (by default, the subsidiary company directors are members of the Investments and Commitments Committee). The Investments and Commitments Committee issues opinions on the commitments submitted to it by the Chief Executive Officer, and, if it issues a favorable opinion, the authorizing decision must be incorporated into the minutes of the following Board of Directors meeting.

When a subsidiary has no Board of Directors, the members of the Investments and Commitments Committee are appointed based on a recommendation of the Chief Executive Officer of the Group (by default, subsidiary directors are also members of the Investments and Commitments Committee). The Investments and Commitments Committee validates the delegations of authority granted to the Chairman of the subsidiary, gives authorizations if they are to be exceeded and appoints or dismisses the subsidiary company Chairman.

The Head of the Group Legal Department coordinates the decisions taken by the Executive Committee outside the Investments and Commitments Committee, and guarantees that all Group procedures are duly applied. Members of the Board and the Investments and Commitments Committee express an opinion as often as is necessary by e-mail or any other means, and meet at least once per quarter. The Head of the Group Legal Department is responsible for summarizing their work.

Risk Committee

Group risk management is supervised by a Risk Committee which comprises the Executive Committee and the Head of the Group Legal department. The Risk Committee was set up in 2009 and its organization is described in the Risk Management section.



A BUSINESS MODEL THAT SHARES VALUE FOR ALL STAKEHOLDERS

CONTROLLING OUR RESOURCES

Teams

- **13,000** FTEs **+31.5%** (+31% vs 2022)
- **150** researchers and experts
- **1,900** hires
- **15** partnerships with start-ups
- **500** design office engineers

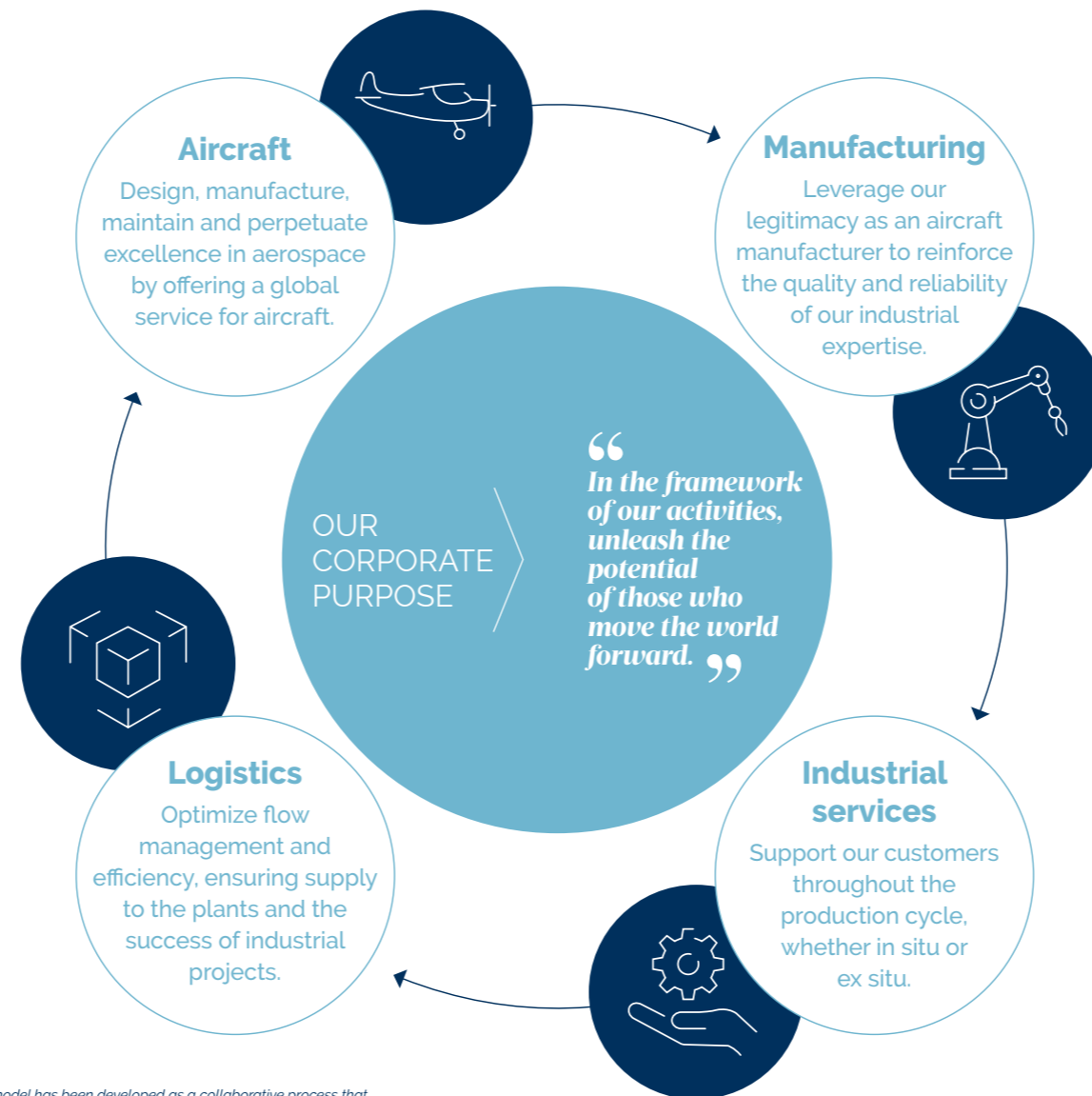
Boldness

- **75%** R&D investment toward decarbonization
- **54** patents filed for sustainable innovation
- **15** CORAC projects, including seven as a leader
- **80%** managers trained in anti-corruption internationally
- **€100,000** endowment for social projects
- **100%** of operating divisions are certified to at least one of the following standards: ISO 9001, ISO 14001, ISO 45001, ISO 50001, EN9100, EN9110, EN9120
- CSR criteria account for **16%** of a supplier's assessment in the selection process
- **100%** of supplier audits conducted take CSR criteria into account
- **22.7 T CO₂e/€M** carbon intensity in France, i.e. **-13%** vs 2022
- **77,382 MWh** energy consumption in France, i.e. **-17%** vs 2022
- **100%** of proprietary sites screened by AXA Climate for five climate hazards by 2030 and 2025 according to the IPCC scenarios
- Integration of results into a **risk map**

Responsible capitalism

- **3,709** hours of training for family shareholders
- **18 years** of BPI France shareholding
- Financial partnerships with French and European Union institutions: **7** banking partners – **4** institutional partners – **1** British banking partner
- **American investors:** 1 banking partner – 2 institutional partners
- **1** CSR policy since 2018, **1** CSO Directorate within the Executive Committee and structured governance
- Consultation with stakeholders in the materiality analysis:
- **926** online consultations and **47** interviews
- **€100 million** investment for operational efficiency
- Integration of AAA (industrial services) and Transports Chabrillac
- **+57%** international revenue in 2023

OUR STRATEGY



The Daher business model has been developed as a collaborative process that benefits from the input of many in-house experts. This is also the result of a particular posture that involved basing its foundations on the model used by its dominant business sectors – aerospace and defense – thereby prioritizing clarity, at the same time as offering a better understanding of the value creation element. Nuclear business activities are therefore intentionally excluded from this model.

TAKE-OFF 2027

With Take Off 2027, the Group's ambition is to become a major profitable international company developing through **four complementary businesses**.



“We believe that crucial progress must be made to decarbonize our entire business, and that the “reinvention” of the aerospace industry will begin with general aviation. We also strongly believe that this reinvention, which is conceivable and achievable before the middle of the 21st century, will be beneficial and sustainable for mankind. We are bold enough to believe that the Daher team has a crucial role to play in this new “industrial revolution,” as it has done since 1863.”



SHARING THE VALUE

Teams

- **25.5%**: percentage of women in the Group
- **83/100** gender equality index
- Providing training and employment opportunities for young people with **390** work/study trainees



Boldness

- **1 site** among the first to be awarded the “Vitrine Industrie du Futur” (future industry showcase) label
- **100** R&D personnel
- **13.6** occupational accident frequency rate
- **5 Energy Gemba Walks** completed to target energy waste
- Analysis and integration of climate risk in response to calls for tender



Responsible capitalism

2027 TARGETS

We aim for revenue of more than **€2 billion** and EBITDA of more than **10%**, with an ROCE of more than **15%**

DIVERSIFICATION STRATEGY

€550 million for aircraft,
€700 million for manufacturing
€700 million for logistics, and
€350 million for industrial services
in 2027



JOINT INTERVIEW

ON TRACK TO MEET THE CRUCIAL CHALLENGES OF 2024... AND BEYOND



Patrick Daher
Chairman of the Board
of Directors

”

For the entire sector, 2024 will be a continuation of 2023, with major challenges to be met, together.

”

What is your view on 2023?

Patrick Daher: In 2023, Daher celebrated its 160th anniversary. It was an opportunity for us to collectively recall the milestones in our long history and the bold metamorphosis initiated at the dawn of the 2000s. In just over two decades, we have undergone a spectacular transformation: from our original core business of logistics, we have become a manufacturer and have turned toward the aerospace industry. In just 20 years, we have become one of the world's top 50 aerospace companies. It was a daring gamble, but today we are recognized as a major player.

At a time when the aerospace industry is undergoing a colossal transition to decarbonize, we are playing a key role – with our dual expertise as an aircraft and equipment manufacturer – in the major research projects that will allow us to achieve the goal of bringing “ultra-clean” commercial aircraft to the market by 2030, and of being “Net Zero CO₂” by 2050.

Didier Kayat: We demonstrated this key role with the emblematic first flight of the EcoPulse hybrid-electric aircraft demonstrator, developed together with Airbus and Safran.

Beyond this success, 2023 was a rather paradoxical year for the sector as a whole: the sharp upturn following the health crisis is creating a major need for highly skilled workers, which we are struggling to meet despite a record hiring rate – 25,000 people across the sector, of which nearly 2,000 were for Daher in 2023, and similar projections for 2024.

Added to this is the persistent disorganization of the supply chain, procurement difficulties and an unprecedented level of inflation – in energy, raw materials, wages, subcontracting, etc. – which has not been seen in several decades, all compounded by a turbulent geopolitical context.

Patrick Daher: It was a paradoxical year indeed: a fantastic 2023 Paris Air Show and a full order backlog, but major difficulties in production and delivery for the reasons given above, and the need to deal with the environmental transition, the cost of which looks like it will be enormous.

Against this backdrop, where does the “Take Off 2027” strategic plan stand one year after its launch?

Didier Kayat: The first assessment is undoubtedly positive. At the start of 2023, we embarked on profound transformations to achieve our ambition “to become a major profitable international company developing four complementary businesses” by 2027. Firstly, with the acquisition and integration of AAA, which positions us as a leader in industrial services for the aerospace and defense industries. “Industrial services” have officially become our fourth core business. They create a link between our industrial activities and logistics, strengthening our robust business model, which is balanced between manufacturing and services, as well as our positions within the aerospace value chain. It is a powerful asset.

We then went on to make a particularly strong showing in the “innovation and decarbonization” area, with the EcoPulse of course, but also through the advances made by our tech centers – Shap’in, Log’in and Fly’in – whose mission is to accelerate our transformation and provide our customers with concrete technological solutions.

Daher also has successfully embarked on the transformation of its managerial culture, with the rollout of the “Daher Leadership Model” to all executives and managers, who now share the same management principles throughout the Group.

Lastly, we have launched a large-scale project, dubbed D#, aimed at creating four major legal structures – one for each business – each with a Chief Executive Officer who will have all the means at their disposal to steer the business autonomously, in order to achieve the objectives set by “Take Off 2027.”

We must continue in this direction, but with one prerequisite on which all our efforts must now be focused: improving our economic profitability.

This is an imperative of “Take Off 2027” and, more than ever, our priority.

We have already entered into commercial renegotiations with our customers to obtain price adjustments in order to absorb the various inflations, and we will continue to do so.

What is the outlook for 2024?

Patrick Daher: For the entire sector, 2024 will be a continuation of 2023, with major challenges to be met, together. On the one hand, we need to secure production ramp-ups, i.e. make our entire supply chain reliable, and recruit and train as many people as necessary. And secondly, we need to accelerate decarbonization in order to meet our environmental commitments. More than ever, solidarity and a highly collaborative approach will be required to achieve this.

Didier Kayat: At Daher, we are on track to achieving these key objectives. We have hired extensively and implemented the necessary training programs to ensure that our operators are properly qualified, while at the same time raising (or renewing) awareness among all employees of safety and quality issues through internal communication campaigns.

We are striving to make dual sourcing systematic in securing our supplies and better meeting our delivery deadlines, with major efforts under way to improve our operational efficiency.

And we are ramping up the decarbonization process. For our products, this involves the reiterated commitment to launch a low-carbon aircraft on the market as early as 2027, drawing on the lessons learned from the EcoPulse program, as well as the development of lighter, recyclable aerostructures that we will be able to offer to our customers for future commercial aircraft programs. For our activities, it involves more virtuous production processes, more eco-responsible logistics operations, reduced energy consumption within our buildings, along with projects to recycle our production scraps, etc. The creation of the Sustainable Development Department is part of this desire to better structure and accelerate the actions already under way, and to more strongly assert our responsible commitment.



Didier Kayat
Director
and Chief Executive Officer

”

At the start of 2023, we embarked on profound transformations to achieve our ambition “to become a major profitable international company developing through four complementary businesses” by 2027.

”

CSR: FURTHER, FASTER, STRONGER



Julie de Cevins
Director of Sustainable Development since January 1, 2024

“We are going to make non-financial performance a real tool for monitoring our CSR activities – with objectives, KPIs and regular reporting at the Executive Committee level.”

How would you assess the evolution of CSR within the Group?

CSR is playing an increasingly important role in Daher's business. It is driven by a common and growing commitment on the part of shareholders, employees, managers and even our customers. We can also see it in the increasing awareness of the climate change challenges all around us, and the need to take into account two inseparable aspects – mitigating our carbon footprint and adapting to climate impacts in our business, which we must all work on.

This ramp-up means that we need to adapt the way in which we instill our CSR culture, both on a larger scale and by taking into account the specific characteristics of our points of contacts. Because we have invaluable representatives in the field – both employees and managers – each business line and territory is in a position to take ownership of ESG performance. For them, as for the Group as a whole, this performance represents genuine added value.

What are the emblematic initiatives that show just how essential responsibility issues have become at Daher?

In 2023, a number of initiatives highlighted Daher's ability to move in the right direction as part of a complex supply chain. This was the case at the Paris Air Show, where the topic of decarbonization stood out, in particular with EcoPulse – the TBM-based hybrid-electric aircraft demonstrator. This project was led by CORAC in collaboration with Airbus and Safran.

The same is true of our Log'in tech center, dedicated to new logistics technologies. It welcomes start-ups wishing to test their solutions for improving and optimizing logistics activities. A number of innovations are helping reduce the carbon footprint of logistics flows within or between warehouses, such as EasyMile, which is developing autonomous vehicles for port areas, or Trucks'nB, whose project consists of offering reception solutions for drivers – with sanitary facilities, reserved spaces and a secure site.

Another emblematic project is the installation of the first PUR-XTL biofuel tank for our truck fleet at our Cornebarrieu site. And, of course, we continue to work with our customers on projects to reduce the carbon footprint of aircraft, notably by lightening the weight of aerostructure and engine parts, but also by improving their recyclability.

We are also committed to being a socially engaged player in our local communities, working with associations focused on young people and better integration. Examples are the Aviation Sans Frontières organization's "Les Ailes de l'avenir" (Wings of the Future) program; "Elles bougent," for greater gender diversity in the industrial and technological sectors; "C'Possible," which is aimed at young people in vocational training – as well as with our employees on health and QLWC issues.

At the sites, CSR is also on the move...

Our increasingly motivated CSR ambassadors have also played an essential role since 2018, identifying and promoting local initiatives. Their dual role in both the regions and the business allows us to implement effective actions tailored to each site. Their relationships with their managers have also been strengthened, in particular through the provision of guidelines that offer invaluable support in instilling this CSR culture. In particular, the ambassadors have supported projects involving the use of consumables made from recycled materials or biomass, as well as sporting challenges to promote team cohesion. Finally, by conducting a first-year inventory of the

biodiversity of the heavily wooded Tarbes site, thanks to one of our ambassadors and the "Aéro biodiversité" initiative, Daher clearly shows that the company is active in all areas of CSR.

These are just a few examples...

In addition, the introduction of the Daher Leadership Model – which establishes a new managerial culture – contributes to the cohesion of our teams, aligned with the Take Off 2027 strategic plan and the wishes of our shareholders and family. While it aims to implement a common framework to optimize our results, it also provides the keys to help us achieve our CSR objectives. It anchors the CSR strategy, enhances its value, and will allow managers to adopt it more efficiently. It is through them that ESG performance management will become more effective. CSR has become everyone's business, whatever their role at Daher.

How do you intend to further instill CSR in all your sites?

We are going to use an ESG maturity grid to assess the environmental, social and governance impact of all new projects: machine equipment acquisitions, new logistics warehouses, transfer of activity from one site to another, etc. This will encourage the reflection on ESG impacts and help to ensure that these issues are taken on board by all business lines and employees, including at our foreign sites where the culture may differ.

Mutual assimilation should be encouraged, as the integration of AAA has demonstrated.

How will the management of the CSR function evolve over the coming months?

In 2024, the creation of a sustainable development department, now under the auspices of Daher's Executive Committee, will be an unprecedented contribution to involving all employees at all levels. Together, we will be working to go further, faster and stronger. CSR now plays a vital role within the company, on a par with human resources, finance and technology. We are going to make non-financial performance – which I prefer to call ESG performance – a real tool for monitoring our CSR activities, with objectives, KPIs and regular reporting at the Executive Committee level.

This development is a concrete response to the expectations of our stakeholders and shareholders, in line with legislation and the wishes of employees, and reflecting society's expectations. As we know, there is still much to be done, and we need to step up our investment, whether in the areas of carbon, water or social issues.

THE CSR STRATEGY *Shaping the future together*

3 commitments and 12 challenges to become a sustainability leader of tomorrow's industry



COMBINING RISK MANAGEMENT WITH CSR STRATEGY

CSR AND RISK MANAGEMENT: A CONSTRUCTIVE SYNERGY

At Daher, ESG risk management and the definition of CSR challenges go hand in hand. This collective action, coordinated between the players within the Risks, Audit and Sustainable Development Department, helps to ensure the company's long-term viability. The integrated approach is based on the definition of priority CSR

responses to identified non-financial challenges, risks and opportunities. By organizing itself in this way, Daher ensures better control of the external positive and negative influences of its activity.

RISK GOVERNANCE: STRENGTHENED CAPACITY

Responsible for identifying, processing and monitoring risks, risk governance is led by the Chief Sustainability Officer (CSO) (decision-making and validation), the risk manager (steering and coordination), risk owners (processing and mitigation actions) and risk leaders (identification of risks specific to each business line) – each acting within their own area of responsibility. Three of these functions (CSO, risk leader and risk owner) were created in 2023, reflecting the growing importance of risk governance within the Group. Non-financial risks are identified by harmonizing the Group's exposure to economic, social and governance issues with the operational realities of our businesses.

This has allowed Daher to identify both stability in relation to the risks identified in the previous year, and more robust risk management systems for 2023.

To ensure that actions are synchronized, the Risk Owners Steering Committee, which meets quarterly, reports its findings to the Risk and CSR Committee, in the presence of the Executive Committee.

Daher has based its CSR strategy on the identification of ESG risks in order to minimize the negative impact of its business. With its CSR strategy, the Group also wants to maximize its positive impact.

This table summarizes the alignment between ESG (non-financial) risks, CSR issues, policies and key performance indicators.

ESG risks	CSR challenges	Policies	Performance indicators
Loss of human capital/ Demotivation/Workforce unrest	Employee and management commitment	Foundation formed by current agreements	Annual social barometer survey response rate
	Increasing the presence of women in top management roles	Equal Opportunities Guide	% of women among executive managers and top managers
Gaps in talent, expertise and skills	Improving the employability of our employees	Employment and Career Management (GEPP) agreement	Strategic Workforce Planning process coverage rate
Violations of human rights and environmental protection violations in our supply chain	Strengthening our responsible procurement commitment	Responsible Procurement Policy	Percentage of the Procurement community trained in the duty of care
Threats to the health and safety of our employees	Improving employee health and safety	Health and Safety Policy	The lost-time occupational accident frequency rate
Environmental impact	Minimizing our environmental impacts	Environment Policy	Percentage of employees working in ISO 14001-certified facilities
Inadequate ESG performance commitment in the Group's activities or products	Minimizing our climate impact	Climate Strategy	Scope 1 & 2 CO2e emissions Scope 3 Transport CO2e emissions Scope 3 Procurement CO2e emissions
Fraud and corruption	Respecting business ethics and combating corruption in all its forms	Code of Ethics and Good Conduct	Percentage of executive managers and persons working in exposed functions trained in business ethics

MATERIALITY MATRIX

CSR CHALLENGES IN LINE WITH DAHER'S STRATEGIC CHOICES

In 2023, Daher carried out its second materiality analysis after the one carried out four years earlier: a formal process of listening to and consulting with its stakeholders on its CSR challenges. This new exercise in dialog was conducted with the expert firm Des Enjeux et des Hommes in all the regions where the Group operates (Europe, the Americas and North Africa). It is the result of a widespread consultation with Daher's stakeholders.

During the preparatory phase, new ESG issues were identified and the Group's stakeholder map was updated. The list of 26 CSR challenges was drawn up on the basis of the materiality exercise performed in 2018, prior interviews conducted with key internal stakeholders, internationally recognized CSR standards, primarily the CSRD, a detailed literature review and a comparative study of peer companies.

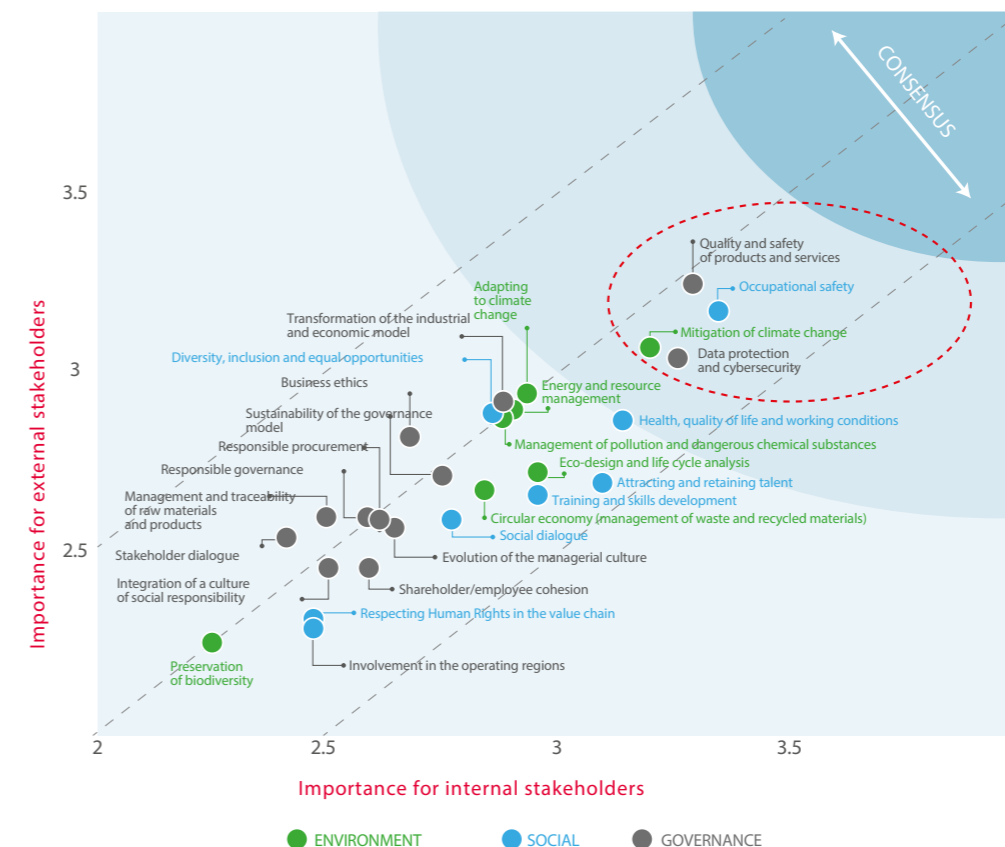
50 detailed interviews ("qualitative" consultation) led the consultative phase, complemented by an online survey ("quantitative" consultation), accessible to almost 11,500 employees and over 9,500 external stakeholders. The ratings for each major stakeholder family were equally weighted. Once analyzed, the results were used to rank each

issue by cross-referencing the responses of internal and external stakeholders represented in the materiality matrix.

The position of ESG issues in this matrix reflects a high level of consistency between the assessment of material issues for the Group by its internal stakeholders and that of external stakeholders. The issues are well positioned in the "consistency corridor."

The comparative analysis confirms the importance of the "Employee health and safety" issue, and sees the emergence of "Quality and safety of products and services," "Data protection and cyber security" and "Climate change mitigation" as priority issues. In general, the relative importance of environmental issues linked to climate change and energy has increased significantly: a development consistent with Daher's strategic choices.

* "Product quality/safety" and "cyber" risks have been included in risk mapping for several years as major operational risks, without the additional "ESG" qualification. They have therefore not yet been addressed within the SNFP. Some of the major achievements of 2023 are nevertheless presented in this report. They will be treated as such in 2024, and their policies and indicators will be audited.



Spotlight

Climate change mitigation

This risk has its roots in negative public opinion on the subject of air travel and the industrial manufacturing model as a result of their combined carbon footprints. The continued roll-out of the Climate Strategy, as well as the importance given in the new strategic plan to the challenge of decarbonization, has enabled Daher to structure its responses and the level of commitment required to implement a low-carbon policy that covers not only operations at all its sites, but also procurement, employee mobility and its products and services policies.

STRATEGIC GUIDELINES

EMBARKING ON TRANSFORMATIONS TO WRITE OUR FUTURE

Finalized in 2022, the Take Off 2027 strategic plan defines the Daher Group's roadmap for the next five years. While remaining in line with previous objectives, this plan is designed to take Daher into a new dimension by integrating employees, customers and partners into a single ambitious dynamic.



Thanks to the previous strategic plans, we have made great strides:

- We have become an industrial company
- We have accelerated our growth and achieved critical mass
- We have become a robust champion, responsible, innovative and visible
- We have become a North American player and a benchmark for innovation and digital technology in our markets

Take Off 2027 now affirms our ambition to become a major profitable international company developing through four complementary businesses.

The creation of a fourth business line, Industrial Services, is at the heart of Daher's development. This full-fledged business line – alongside Aircraft Manufacturing, Industry and Logistics – strengthens Daher's presence in the aerospace value chain.

The integration of AAA in July 2023 is a major step forward, positioning Daher as a leader in the highly dynamic services market.

4 COMPLEMENTARY BUSINESSES FOR 2027

For each business, Take Off 2027 sets ambitious targets to be achieved by 2027:

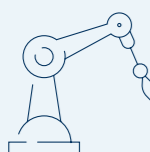
AIRCRAFT



- >> Become **one of the leaders in the general aviation market**
- >> Continue developing **Kodiak** and **TBM**

- >> **Launch a decarbonized product** by 2027 and finalize the decarbonization roadmap
- >> **Develop services**

MANUFACTURING



- >> **Develop assembly**
- >> Increase the outsourced share to **70%**

- >> **Make its dual-sourcing systematic** (internal and/or external)
- >> **Limit risky development**

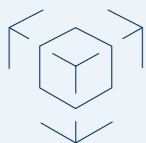
INDUSTRIAL SERVICES



- >> Become the Group's **fourth business**

- >> **Develop this area** as a business in its own right

LOGISTICS



- >> **Renew** development contracts

- >> **Develop revenue** in the United States

MAJOR TRANSFORMATIONS

Improving profitability, identified as an imperative in Take Off 2027, will be Daher's priority in 2024. This is necessary if we are to pursue all the transformations we have embarked on, and entails satisfactory commercial renegotiations in view of the complicated operating context for the entire aerospace industry (international crises, inflation, energy costs, supply chain tensions, recruitment difficulties, etc.).

This has resulted in the Group-wide roll-out of the Daher Leadership Model. More than 1,100 managers have benefited from this training designed to instill a managerial culture focused on working better together. The model will be integrated into HR processes, and all teams will benefit from it by 2024.

Decarbonization was also a focus for the four business lines in 2023. R&D, for which the budget has quadrupled compared with the previous strategic plan, is tasked with making a significant contribution

to the sector's efforts, with a view to achieving "Net Zero" impact by 2050 (Paris agreements). 90% of R&D projects are focused on decarbonizing aviation, and Daher's three innovation centers (Shap'in, Log'in and Fly'in) have made it possible to increase the number of constructive partnerships with customers, start-ups and innovative companies, with progress for all of Daher's activities (logistics, structure, engines, etc.).



>> IMPROVED ECONOMIC PERFORMANCE

With revenue of €1.65 billion in 2023 – 35% of which in the United States – Daher's results are in line with the objectives of its "Take Off 2027" strategic plan. However, the context (inflation, geopolitics) is having a major impact on the Group's profitability, which remains below target.

>> TRANSFORMATION OF OUR MANAGERIAL CULTURE

The roll-out of the Daher Leadership Model has transformed our managerial culture, with over 1,100 managers trained to share the same management principles across the Group.

>> INNOVATION FOR OUR CUSTOMERS AND DECARBONIZATION

Daher has defined and implemented an ambitious decarbonization roadmap, with notable progress such as the first flight of the EcoPulse hybrid-electric demonstrator aircraft.

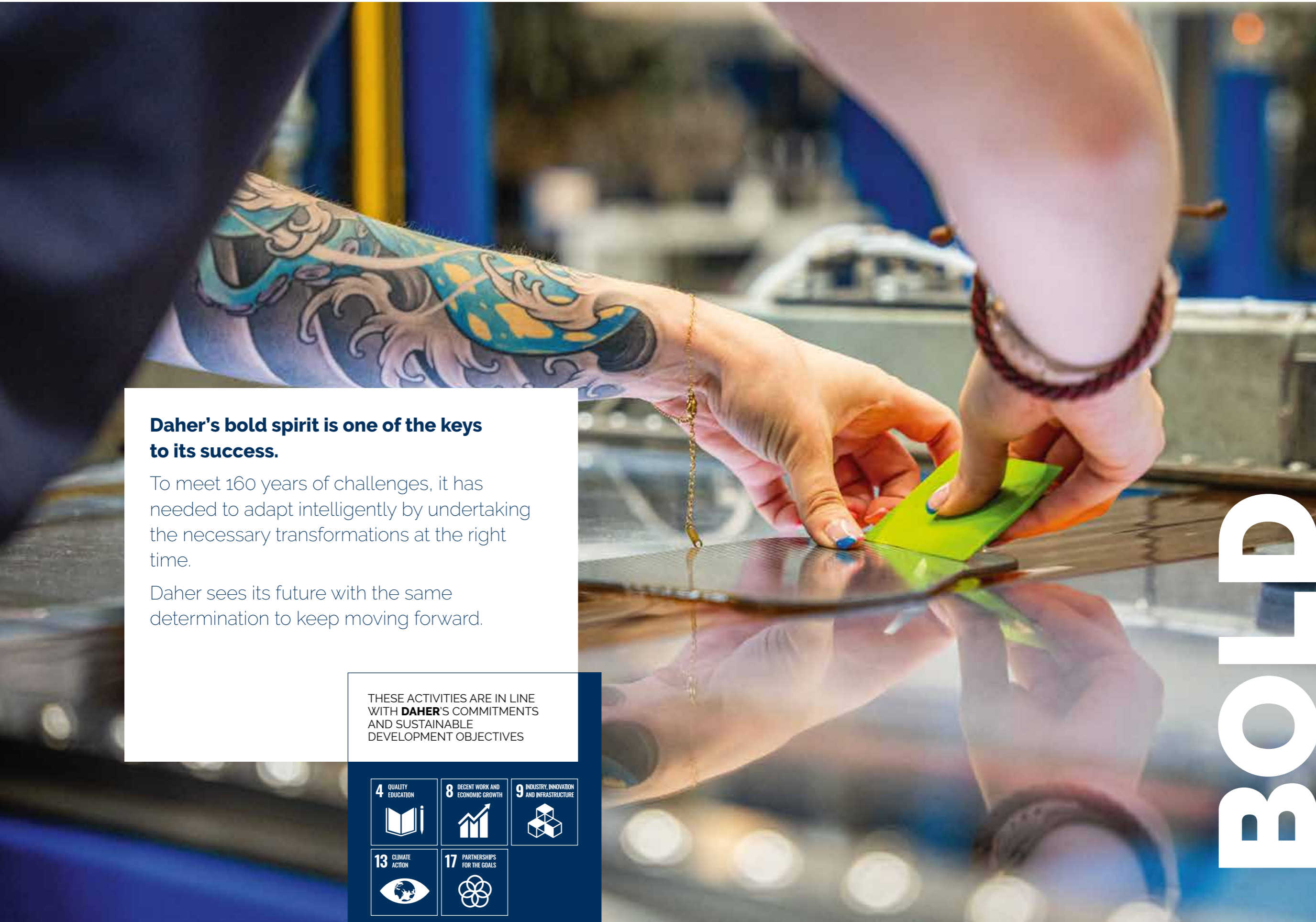
>> INTEGRATION AND DEVELOPMENT OF ACQUISITIONS

The integration of the Stuart plant and AAA illustrates our ability to effectively develop and integrate our acquisitions.

>> MAKE DAHER VISIBLE AND KNOWN

Our efforts to raise our profile were crowned with success, notably at the Paris Air Show: official visits, the spotlight on EcoPulse, the signing of key partnerships in the field of decarbonization, etc.





Daher's bold spirit is one of the keys to its success.

To meet 160 years of challenges, it has needed to adapt intelligently by undertaking the necessary transformations at the right time.

Daher sees its future with the same determination to keep moving forward.

THESE ACTIVITIES ARE IN LINE WITH DAHER'S COMMITMENTS AND SUSTAINABLE DEVELOPMENT OBJECTIVES

4 QUALITY EDUCATION 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION 	17 PARTNERSHIPS FOR THE GOALS 	

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INDUSTRIAL SERVICES HAVE EVOLVED FROM A NICHE BUSINESS TO A TRULY STRUCTURED ONE

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ACTIONS TAKEN IN 2023

BOLD

INTERVIEW

INDUSTRIAL SERVICES HAVE EVOLVED FROM A NICHE BUSINESS TO ONE THAT IS TRULY STRUCTURED



Cédric Eloy
Chief Executive Officer of the Industrial Services division

“ This new strength guarantees robust performance for our customers, while giving us greater legitimacy – and therefore, agility.

Why is the integration of AAA's activities within the Daher Group so important in the development strategy of the Industrial Services business?

Making Industrial Services Daher's fourth core business is one of the objectives of the Take Off 2027 strategic plan. The acquisition of AAA, which was finalized in July, was a key factor in accelerating our development, allowing us to reach critical mass in this market very quickly. This new strength guarantees robust performance for our customers, while giving us greater legitimacy, and therefore agility. This activity generated revenue of over €270 million in 2023, and we anticipate significant growth in 2024. It employs around 3,000 people at various sites, including in Asia – where AAA has been working with Airbus for more than 10 years. In this way, we are becoming a leading global benchmark player: a goal we need to step up even further.

How did the integration go?

After six months of working together, we've had a positive response from the AAA teams. Our employees and social partners understand our ambition to draw on their skills and expertise in order to further the development of industrial services. While we share the same DNA, the integration process is continuing, with adjustments to support functions, a closer alignment of company bylaws and active communication to maintain a constructive spirit of proximity.

How is Daher positioned in this sector, and what services can the company now offer?

Thanks to AAA, industrial services have gone from being a niche business to a truly structured one, capable of responding to the sector's rising production rates. With our combined know-how and in-depth knowledge of the aerospace industry, we are in a position to provide our customers with comprehensive, high value-added solutions at every stage of the production cycle. We're here to help with OSW, flightline work (preparation for flight), cabin installation and outfitting, conversion and retrofit operations, maintenance, manufacturing engineering and quality.

“ This is a great opportunity for AAA to improve its processes and join a major group like Daher. ”

Philippe Auniord
AAA Procurement Manager

“ Daher is going to bring us something we didn't necessarily have before: research and development for our industrial tools or for support functions such as HR. ”

Stéphane Lambert
AAA Team Coordinator

“ I'm very happy to be joining Daher, quite simply because my company is diversifying into logistics, aerospace, manufacturing and services. ”

Paul Vidal
AAA Project Manager

“ Integrating Daher will allow us to expand in all four business lines and ramp up the synergies that are now evident. Daher and AAA were sometimes competitors, sometimes partners... Together, we can all move in the same direction for the success of our major projects. ”

Stéphane Lambert
AAA Team Coordinator

“ This will give AAA greater visibility and impact, both in France and internationally. It will also give us more opportunities for career development within the Daher family. ”

Ouahiba Zabechi
AAA Assistant Recruitment Manager



2023 ACTIONS

DAHER INAUGURATES ITS HEADQUARTERS IN FORT LAUDERDALE



Daher is strengthening its international organization, in line with the Take Off 2027 strategic plan. This was reflected in the inauguration of Daher's Fort Lauderdale headquarters in early 2023. The site is a shared resource for all North American operations: it brings together the heads of Daher's North American operations and of its Finance, IT and Human Resources departments. The headquarters is located in Florida, at the heart of the region's activities: just a few minutes from the Pompano Beach operation of the Aircraft division, the Stuart aerostructures plant and the airports serving Fort Lauderdale and Miami. It also benefits from direct access to Interstate 95, which is the main north-south highway on the U.S. East Coast.

At the official inauguration of Daher's new premises, Didier Kayat (Chief Executive Officer), Jérôme Leparoux (Company Secretary and Chief Human Resources Officer) and Nicolas Chabbert (CEO of the Aircraft Division) were on hand to cut the ribbon and present the Group's strategy in North America.

100th THE STUART SITE TAKES FLIGHT

In July 2022, Daher acquired the aerostructure production plant in Stuart, Florida. This important step marks the Group's determination to strengthen its presence in North America as a Tier 1 supplier to aircraft manufacturers. The plant, which specializes in the assembly of large, complex metal or composite aerostructures, passed the symbolic milestone in 2023 of producing its 100th wing center section for the Boeing KC-46A tanker used by the U.S. Air Force.

Shap'in by DAHER WRITING THE FUTURE OF AEROSTRUCTURES

Daher has set up several innovation centers (tech centers) to ramp up the Group's technological advancement in its various activities. One of these centers, Shap'in, meets Daher's ambitions in the field of aerospace equipment. On the Nantes/Saint-Aignan de Grandlieu site in France, at the heart of the Jules Verne Industrial Innovation Center, the 1,600-square meter tech center is now contributing to the technological maturity of aerospace structural components in next-generation composite materials. The proximity of the plant, which specializes in thermoplastic aerospace parts, is a real advantage.

In particular, Daher wants to develop "pre-development" resources, midway between the laboratory and mass production facilities. The studies carried out in this context focus in particular on reducing carbon footprints and production costs, but also on improving performance. This facility, which is shaping the future of aerostructures, is also dedicated to training young people.

Building on the strength of this unprecedented tool, Daher and the Nantes metropolitan area signed a responsible economic development agreement in September 2023. This new step confirms Daher's ambition, via its tech centers in particular, to support regional ecosystems to meet social and environmental challenges.



74 AIRCRAFT DELIVERED IN 2023: A STABLE ASSESSMENT

In 2023, 74 single-engine turboprop aircraft from the Daher product line were delivered. More specifically, these involved:

- 55 TBM 960s;
- 1 TBM 910;
- 18 Kodiaks.

"These figures, similar to 2022, reflect the stabilization of the market with strong demand for TBM and Kodiak aircraft," estimates Nicolas Chabbert, the CEO of Daher's Aircraft Division.

43 TBM 960 deliveries were made in the USA, and two in Canada. Three TBMs were delivered to customers in Latin America: one to Brazil, one to Mexico and one to Bolivia. Demand remained strong in Europe, with seven deliveries: three to Germany, two to France and two to the UK. Daher also recorded a delivery to a new customer in Central Asia.

Deliveries of the Kodiak 100 Series III and the more recent Kodiak 900, introduced in 2022, were mainly in North America. In 2023, the State of North Carolina's Forest Service Aviation Division was one of the new customers for this multi-mission aircraft, this time used to transport equipment in support of aerial tankers that are deployed for wildfire suppression. This customer benefited from the new five-blade composite propeller, enhancing the aircraft's performance and durability. Compared with the four-blade metal version, this technology reduces noise by 6.6 dB, weight by 6 kg and take-off roll by 6%.

IMAGINEERING BY DAHER: ON THE ROAD TO NEW TRANSFORMATIONS

Open innovation is undoubtedly a vector of transformation. This is the ambition of Imagineering by Daher, a new program launched in 2023 to respond to technological and decarbonization challenges against a backdrop of vulnerability (international crises, health crisis, etc.). "We need to propose a new ambition at the sector level in order to anticipate more, take (or renew) collective action and ramp up the industrial roll-out of innovations by strengthening the links between Daher and its innovative ecosystems," explained Sébastien Leroy, Daher's Director of Open Innovation, at the program's presentation during the Paris Air Show.

Imagineering by Daher has taken the reins from DaherLab, with over a hundred industrial projects since 2014 and with the aim of accelerating the movement. This action, geared toward more cross-functional and multi-local innovation, relies on the three techcenters:

Log'in: The acceleration platform dedicated to the logistics of the future – Toulouse;

Shap'in: The center of excellence dedicated to next-generation composite aerostructures – Nantes;

Fly'in: The anticipation program dedicated to the general aviation of the future – Tarbes.

"Imagineering is a powerful and daring new tool that will allow us to explore new avenues, forge more solid relationships, and test and roll-out increasingly bold ideas more quickly," confirms Gabriel Raffour, Imagineering by Daher Program Manager.



5 focuses of Imagineering by Daher:

- #explore
- #connect
- #test
- #scale
- #communicate

THE JUMEL PROJECT HELPS TO SEE THINGS MORE CLEARLY

During the Transport and Logistics Innovation Week (*Semaine de l'Innovation du Transport et de la Logistique*, SITL) in March, the JUMEL project won the "Logistics 4.0" call for projects. This "Universal Digital Twin to Model and Optimize Warehousing and Logistics," a genuine decision-making and steering tool simulating complex logistics scenarios, aims to improve the competitiveness of the logistics chain, while allowing for a better anticipation of the economic, social and environmental impacts of logistics flows. Developed within the Log'in by Daher platform in Toulouse, JUMEL is a collaborative innovation that requires four years of development, including the creation of AI algorithms and a method for sharing data between companies. It is fully aligned with the Take Off 2027 strategic plan.



SAFRAN INNOVATION AWARD



At the Paris Air Show, Daher was awarded one of the three Safran Innovation Awards for the best innovations in decarbonization. Among the 160 Safran suppliers in the running, Daher stood out for its compression molding process, which allows composite parts to be produced in an economically competitive way and with low CO2 emissions. This alternative to traditional production in France is particularly beneficial to the overall carbon assessment.

RESPONSIBLE

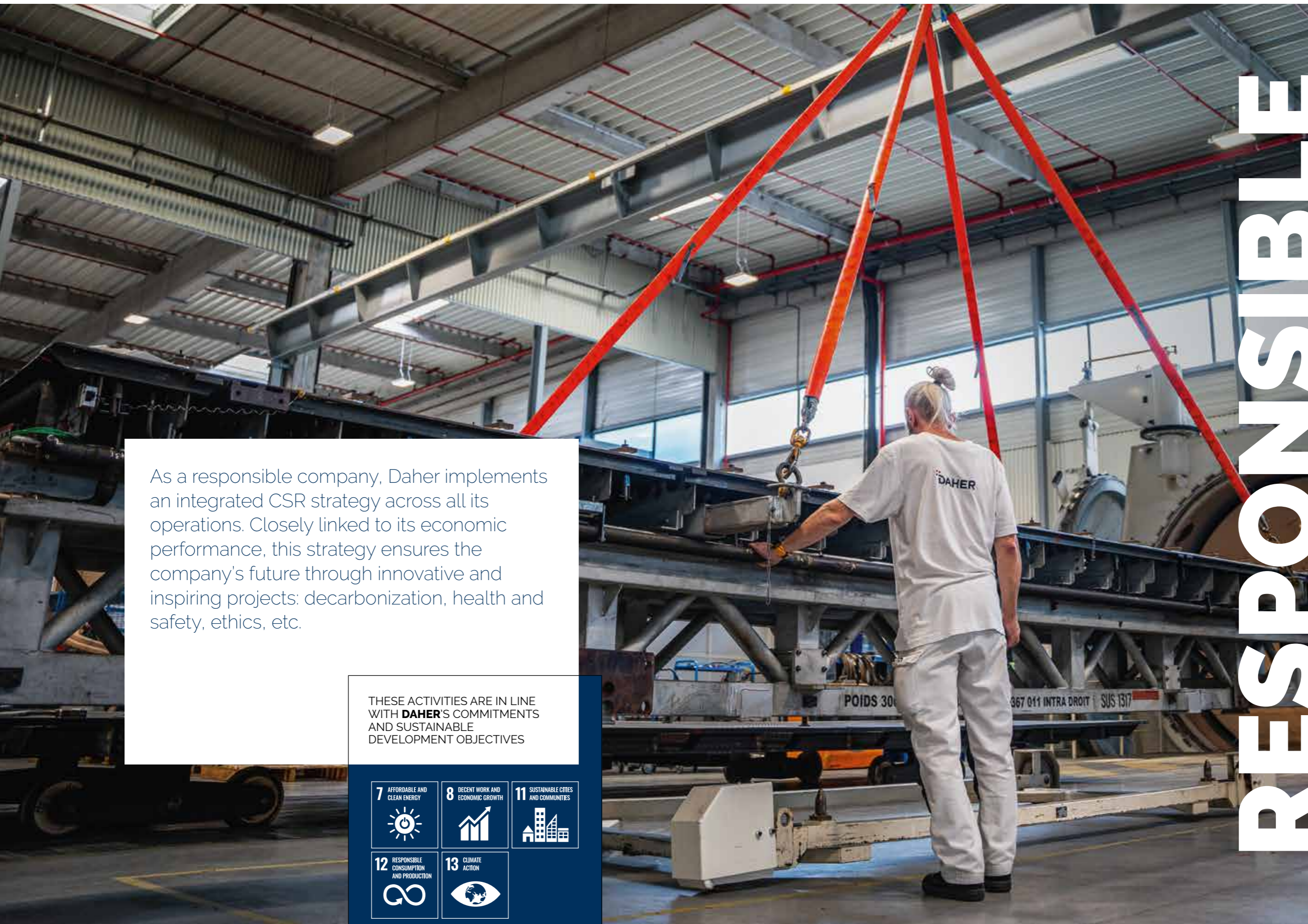
As a responsible company, Daher implements an integrated CSR strategy across all its operations. Closely linked to its economic performance, this strategy ensures the company's future through innovative and inspiring projects: decarbonization, health and safety, ethics, etc.

THESE ACTIVITIES ARE IN LINE WITH DAHER'S COMMITMENTS AND SUSTAINABLE DEVELOPMENT OBJECTIVES

7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	11 SUSTAINABLE CITIES AND COMMUNITIES 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	

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MAINTAINING OUR DECARBONIZATION INNOVATION MOMENTUM WILL CONTRIBUTE TO OUR FUTURE SUCCESS.

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ACTIONS TAKEN IN 2023



INTERVIEW

MAINTAINING OUR DECARBONIZATION INNOVATION MOMENTUM WILL CONTRIBUTE TO DAHER'S FUTURE SUCCESS.



Pascal Laguerre
Daher Chief Technology Officer



Together with the entire industry, we remain committed to maintaining the momentum that will allow us to achieve “Net Zero” carbon emissions by 2050.



In terms of decarbonization, what were the most significant advances in 2023?

The year was marked by a number of events, starting with the official opening of our Shap'in tech center in March. Following on from the logistics-focused Log'in tech center, launched in 2022, and in anticipation of the inauguration of Fly'in at the end of 2024, Shap'in opens up a wealth of opportunities for innovation in both the short and longer term. This driver of innovation focuses on composite materials, with an emphasis on wing components and the engine environment. Our projects have focused in particular on thermoplastic composites and new thermoset resins. Proof of the approach's success: numerous visits are organized with customers and partners, including the French Civil Aviation Authority, which supports our research projects via CORAC. All agree that progress has been made on elements that will play a decisive role in future aircraft and engine programs, which are key to the decarbonization of commercial aviation.

General aviation is not to be outdone by EcoPulse, which has been the focus of attention all year and will continue to be so in 2024. Thanks to the maiden hybrid-electric flight at the end of November of this distributed electric propulsion technology demonstrator built with our partners Airbus and Safran, we can now test some of the technological building blocks that may make up our future hybrid aircraft of 2027.

The Paris Air Show featured EcoPulse and other Daher success stories...

EcoPulse is indeed a symbol of more responsible aviation. But it wasn't the only one: at the Paris Air Lab, we showcased our expertise in composites and their recyclability. Thermoplastic composites and welding technologies are particularly strategic in a context where we need to offset the increased weight resulting from longer wings and larger engine diameters on aircraft of the future. The recycling of thermoplastic scraps from the Nantes plant was also highlighted: this allows us to use this material to produce other parts, such as the rudder pedals on TBMs. This approach will become widespread in 2024 as we look for other relevant uses for this solid material that reduces our carbon footprint.

What other measures will help you achieve your Net Zero carbon objective by 2050?

In general, together with the entire industry, we remain committed to maintaining the momentum that will allow us to achieve this goal. It is this determination that has always driven the aeronautics industry, making it one of the most innovative.

It should be noted that our commitment to decarbonizing goes beyond our aircraft manufacturing and industrial activities: in addition to the actions mentioned above, we are also taking steps to make our logistics business more virtuous, for example by working on the digital twin, the automation of operations and eco-responsible packaging. And our Information Systems Department is picking up the pace on artificial intelligence and Green IT!

2023 ACTIONS

ECOPULSE HERALDS THE FUTURE OF HYBRID-ELECTRIC AIRCRAFT



Developed with Airbus and Safran since 2019, the EcoPulse distributed hybrid-electric propulsion demonstrator made its first public appearance at the Paris Air Show, with a presentation at the Paris Air Lab. At the end of the year, it made its first hybrid-electric flight. Based on a TBM platform, this demonstrator is synonymous with numerous advances, including reduced CO2 emissions and lower noise levels. This major collaborative project for the decarbonization of aviation, with the goal of reaching its targets by 2050, is co-financed by France Relance, the European Union and the French Civil Aviation Authority through the French Civil Aviation Research Council (Conseil pour la Recherche Aéronautique Civile – CORAC). In the development of EcoPulse, Daher is in charge of equipment and systems installation, flight testing, overall design, safety analysis and the regulatory approach.

Risks

COMPLYING WITH HUMAN RIGHTS, AND THE IMPACT WITHIN OUR SUPPLY CHAIN ENVIRONMENT

For suppliers or subcontractors, a human rights breach can generate a risk within the supply chain, as well as in terms of image. Compliance with social and environmental regulations and laws by Group suppliers requires Daher to adhere to a Supplier Code of Ethics and to exercise due diligence. These approaches are integrated into our Responsible Procurement policy.



DAHER OBTAINS THE RFAR LABEL FOR ITS RESPONSIBLE PROCUREMENT POLICY

Daher has been pursuing an ambitious Responsible Procurement Policy, particularly since 2020 and the inclusion of CSR criteria in the purchasing functions reorganized at that time. The proof? It obtained the RFAR (Relations Fournisseurs et Achats Responsables – responsible supplier relations and procurement) label in March 2023. In so doing, the French Ministry of the Economy recognized the efforts made to achieve annual targets in the areas of sustainable development, supplier relations management, mediation and support in strengthening the sector.

Sophie Pardi, Daher's CSR manager, responded to the good news: "This label offers additional credibility in the eyes of industrial customers who also are committed to a responsible procurement approach in which they are required to involve their suppliers."

In preparation for the renewal audit in three years, Daher has launched a plan of **150 actions** to be taken for further improvement. There's no stopping progress!

THERMOPLASTIC COMPOSITES:

100% WIN-WIN RECYCLING



The circular economy is an excellent way of reducing carbon footprints while ensuring greater profitability. The Saint-Aignan-de-Grandlieu plant, near Nantes, is proving this once again by recycling its thermoplastic composite production scraps. Previously buried in landfills, the five to ten tons of material annually will be crushed and granulated to manufacture new parts, such as rudder pedals. The goal is to obtain the necessary certifications to use this recycled material in other aerospace parts, among other applications...

Why are thermoplastics a revolution?

- Lightweight
- Weldable without the use of mechanical parts
- Recyclable
- Repairable
- Resistant
- Easy to store (without refrigeration)
- Do not require a clean room environment
- No expiration date
- Usable after curing for 5 to 10 minutes at 350 to 450°C (compared to several hours at 180°C for the typically-used thermoset materials).

DAHER SWITCHES TO SAF, SUSTAINABLE FUELS

Sustainable aviation fuels are one of the keys to successfully decarbonizing the sector. Daher's flight operations at the Tarbes hub have therefore adopted this solution, which reduces greenhouse gas emissions by up to 30% over the fuel's life cycle, and requires no modifications to infrastructure, aircraft or engines. A 40% SAF blend, produced from renewable waste and residual raw materials, is used for customers' test flights, connecting flights and training flights, as well as for the maintenance, repair and modification of civil and military aircraft and helicopters.

A CLEANER TRUCK FLEET IMMEDIATELY



Daher relies on PUR-XTL biofuel to reduce CO2 emissions from its fleet of vehicles. The first 30,000-liter tank was installed at the Corlog logistics site (Toulouse) in February 2023, followed by a second at Roissy in 2024. This equipment will allow trucks to benefit from the biofuel on 100% of the Toulouse-Hamburg routes, representing 60% of the kilometers covered each year. German stations allow refueling with PUR-XTL.

2,000 tonnes of CO2: the savings expected by 2025 with the use of PUR-XTL biofuel for all routes, including Toulouse-Hamburg.

EMPLOYEES WITH DISABILITIES

Daher's employment policy is based on equality, diversity and equal opportunities. Company agreements provide a framework for this commitment, notably through measures such as "Santé Social Prévention" (health, welfare and prevention), which assesses multi-disciplinary needs and provides workstation adjustments, particularly for disabled workers. Partnerships with associations such as Cap Emploi facilitate this approach. Recent changes have allowed for greater flexibility in working hours and locations, particularly for employees with health issues. The company's social services department informs and supports employees in their efforts to obtain recognition as a disabled worker, and acts as a liaison with the company for disabled employees. Several Daher sites work in close collaboration with ESATs (establishments and services providing assistance through work), which are involved in on-site activities integrated into production processes.

7.78% Employment rate of disabled employees (2023 estimate)

Risks

ENVIRONMENTAL IMPACT

Daher ensures compliance with European regulations on the handling, storage and transport of hazardous materials and goods in its industrial and logistics activities. The Group strives to contain and reduce the environmental footprint imposed by its business activities. Its commitment to protecting the environment is integral to Group general policy. Its environmental policy guarantees full regulatory compliance, monitoring of environmental indicators, and the achievement of continuous improvement based on clearly defined priorities.

MULTI-FUNCTIONAL TEAMS ARE RAMPING UP THE LOW CARBON INITIATIVE

Reducing the carbon footprint of the aviation industry also means getting people on the ground involved. With this in mind, Daher has set up multi-functional teams (MFTs). At five production sites (Saint-Aignan, Malville, Montrichard, Tarbes and Tangiers), these teams of around ten people are tasked with rethinking production organization and processes, with a view to reducing CO2 emissions.

At the same time, a Group-wide Low Carbon MFT is being established. In charge of the global measurement of CO2 emissions, this team provides support to local teams in leading their decarbonization roadmap, providing them with a catalog of applicable solutions and assisting them in obtaining funding for their actions and investments. This Low Carbon MFT also supports Daher sites wishing to embark on a similar approach.

CYBERSECURITY: THE CONCRETE ACTIONS TAKEN

Daher has obtained AirCyber certification. The aim of this GIFAS initiative is to increase the skills of all industry players in the area of cybersecurity, with a particular focus on the exchange of sensitive data.

More than 3,600 people have completed the Daher Cyber awareness module in Workday. This was the first edition of the program.

HSE CHALLENGE: ENCOURAGING INSPIRING BEST PRACTICES

In order to encourage best practices in safety, ergonomics and the environment, Daher has launched the HSE Challenge. PPE, fire prevention, high-temperature management, office ergonomics, management of outside companies... the topics covered are numerous.

On a voluntary basis and supported by local HSE teams, employees can present their initiatives for the benefit of their colleagues. The best practices that go on to win the challenge are promoted on the Intranet and in monthly HSE newsletters to inspire as many people as possible.

ERGONOMICS IN 2023

- **6 webinars** dedicated to screen work
- **7 industrial and logistics sites** (58 people) trained in ergonomics
- **11 training sessions** on muscle warm-ups at 11 sites (46 people)
- **8 physical activity preparation trainers (PRAP)**, 34 PRAP participants trained



COMBATting FRAUD AND CORRUPTION

Daher pays close attention to the loyal and honest behavior of all its employees, managers and partners, in strict compliance with internal procedures and applicable laws. Unethical actions (corruption, influence peddling, etc.) may result in financial and/or legal sanctions being applied to the Group and/or its corporate officers, as well as a loss of contracts. The Daher Code of Ethics and Good Conduct is the cornerstone of the system implemented to minimize this risk.

COUNTERING THREATS TO THE HEALTH AND SAFETY OF EMPLOYEES

Employee health and safety are central to the Group Corporate Social Responsibility policy, because these crucial issues are material challenges for our manufacturing and logistics activities. In 2022, COVID-19 vigilance was maintained and emphasis was placed on ergonomics and stretching and warming up the muscles before starting work. The Group's challenge was to capitalize on the momentum of the Safety@work program launched in 2021 and to promote safety in all our operations through the application of its safety policy.



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THE DAHER LEADERSHIP MODEL ESTABLISHES A RESULTS APPROACH

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A PARTNERSHIP OF TRUST TO SHAPE DAHER'S LONG-TERM FUTURE

At Daher, employees, shareholders, family and partners work together to meet every challenge.

They are all united by the company's values: working toward a fairer society, improving working conditions, rallying around major causes, investing in the environment...

THESE ACTIVITIES ARE IN LINE WITH DAHER'S COMMITMENTS AND SUSTAINABLE DEVELOPMENT OBJECTIVES

<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>4 QUALITY EDUCATION</p>	<p>5 GENDER EQUALITY</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>	

THE DAHER LEADERSHIP MODEL ESTABLISHES A RESULTS-ORIENTED APPROACH



Jérôme Leparoux
Company Secretary & Chief
Human Resources Officer

“

It's by using a common vocabulary, while taking into account the specific characteristics of each team, that we'll be able to move forward effectively.

”

Why did you launch the Daher Leadership Model initiative?

Decarbonization, innovation, growth, internationalization, development of four complementary businesses... Daher is at a key moment in its history, with a number of major transformations underway. While the Take Off 2027 strategic plan provides an outlook for the years to come, the Daher Leadership Model brings it to life, offering us the keys to achieving our objectives and adapting to all these changes. It defines how we want to operate, taking into account new hires, the internationalization of the Group and our desire to invest in new activities with a view to decarbonizing the sector, while preserving our identity, which has been our strength for over 160 years.

How is the Daher Leadership Model changing management?

It is establishing a results approach, whereas before we were more in a culture of means. To achieve results, trust is essential, whether in relation to our customers or our employees. These two notions – results and trust – are at the heart of the seven dimensions defined for our leadership model.

What was the action plan to share this model throughout the company?

In 2023, the Daher Leadership Model was the focus of an extensive communications campaign. For 12 weeks in the spring, we created events around this topic. Playful and energizing, the events appealed to, and convinced, the many participants who took advantage of the opportunity to better know their colleagues and obtain a deeper understanding of the business lines. The members of the Executive Committee all rallied together to support these sessions in the field, attesting to the importance of applying common operating rules to all sites.

What are the current prospects?

As we all know, changing management culture is a long-term process. We are continuing to instill our principles on a day-to-day basis, and would now like to bring them even closer to our colleagues in each of our divisions. It's by using a common vocabulary, while taking into account the specific characteristics of each team, that we'll be able to move forward effectively.

Booklet 3 of the Daher Leadership Model, incorporating case studies from the collaborative workshops, will soon be available to managers and employees to help them manage the nine key moments in the life of a company: recruitment, integration of a new employee, yearly reviews, team meetings, etc. Individual performance reviews will also be conducted using the seven principles of the model as a common thread.

2023 ACTIONS

Talk'in

THE TALK'IN 2023 SURVEY: THE QUEST FOR IMPROVEMENT IN QLWC

For the very first time, the Talk'in survey asked all employees about the quality of life and working conditions (QLWC) within the company. From May 22 to June 30, 2023, 4,862 people responded, i.e. a participation rate of 59%. This satisfaction survey, with a broader scope than previous surveys, highlights the effectiveness of the measures taken in terms of QLWC. For example, Daher's employee net promoter score jumped by 21% compared with the survey two years ago. By cross-referencing the information collected, employee commitment is rated at 66% and the ability of teams to innovate at 84%.

Other figures offer useful insights:

- For **85%** of employees, health and safety is a priority for everyone in their team;
- **56%** of teams find it easy to work together at Daher;
- **61%** of respondents feel appreciated and valued for the work they do;
- Finally, **79%** of respondents are satisfied with their work-life balance.

These assessments led to the development of action plans presented to general management at the end of October. The objective is, of course, to move toward continuous improvement in QLWC, an essential implementer for building loyalty and attractiveness.

DAHER'S HR POLICY REWARDED WITH THE TOP EMPLOYER LABEL



By obtaining Top Employer France 2023 certification, Daher benefits from a renowned recognition and joins a club of companies recognized for their efforts. With 255 questions on HR practices, the demanding audit conducted by the Top Employers Institute highlighted the excellence of the HR policies, practices and tools implemented within Daher. Talent management, employee acquisition and retention, training and workplace quality of life are the strong points highlighted by the audit.

GIRL POWER AT DAHER



By signing a partnership agreement with Elles Bougent in June 2023, Daher made an even greater commitment to the inclusion of women on its teams. The aim of this association, which is sponsored by six French governmental ministries, is to increase gender diversity in companies operating in the industrial and technological sectors by raising awareness among more than 40,000 female students in middle schools, high schools and colleges.

At Daher, this joint action relies on some 20 mentors and representatives. These volunteers, with their diverse backgrounds, work together to inform young women of the many future opportunities offered by scientific and technical careers. In the Nantes, Toulouse, Tarbes and Ile-de-France areas, Daher held presentations at middle schools, high schools and job fairs and organized tech center visits. The Paris Air Show also was an opportunity to convey this positive message. The sponsors were able to back up their words by explaining their career paths and professions.

In particular, this measure is a response to the challenges the sector's professions face in terms of recruiting and attractiveness, since the requirement has been high since the post-COVID period. Technical professions (aerostructures assemblers, composites technicians, mold and die makers, etc.) are particularly sought-after by Daher: new profiles are therefore essential.

1,000: Approximately 20 people have volunteered to help educate young women about scientific and technical careers at Daher: the overall target is 1,000 meetings/year (i.e. 50 meetings/year per volunteer).

REAL MEASURES TO IMPROVE EMPLOYABILITY



Daher has a responsible employment policy that strives to better anticipate personnel requirements while safeguarding existing employees. Among job market tensions and the sector's rising production rates, this topic has become a key strategic priority for the company. To fulfill this ambition, various complementary tools are used with a view to continuous improvement:

- The **Employment and Career Management Agreement (GEPP)** offers employees better visibility and greater means to develop their employability and secure their careers. With a series of updated resources, the agreement provides more support for effective career development and geographical mobility;
- The **Strategic Workforce Planning** tool provides a three-year forecast of personnel requirements for each Daher entity. Its goal is to ensure that everyone has the right skills, in the right place, at the right time;
- The **Group Skills Development Plan** is an annual implementation process that sets out Daher's strategic guidelines in relation to the Strategic Workforce Planning forecasts. Through it, employees wishing to transition to an in-demand career opportunity within the Group receive the training they need to expand or acquire the appropriate skills;
- The **Talents Program** helps to identify the leaders of tomorrow, and offers them a specific support program;
- The **Expert Channel** aims to make greater use of the specialist expertise within Daher: structuring its development, highlighting it (particularly in the contract bidding process) and giving presentations at specialist business events in France and abroad.

Risks

GAPS IN TALENT, EXPERTISE AND SKILLS

Since the Group operates in four key areas of business, it requires a broad range of skills, talent and expertise. These are essential for it to fulfill its contractual commitments. Changes in these sectors, and thus in their associated skills, risk the emergence of an unanticipated gap between the expertise required and the expertise available. To address this problem, Daher has implemented the Strategic Workforce Planning system as part of an Employment and Career Management (GEPP) agreement.

THE CSR AMBASSADORS' NETWORK WEAVES ITS WEB



CSR ambassadors fly the flag for Daher's CSR policy. Appointed on a voluntary basis, these highly motivated individuals kick-start projects in the regions by getting employees, managers and executives involved. This role was created in 2021 and there are now 52 ambassadors. They represent the diverse nature of the company's businesses and are present throughout France and Morocco. Sophie Pardi, CSR Manager, leads regular meetings with the ambassadors to share best practices that can then be rolled out to all sites.

FONDAHER TAKES MORE ACTIONS



FondaHER, Daher's endowment fund, was created in 2012 and helps increase cohesion between employees and shareholders, cementing long-term stability. Becoming a "Family and Corporate" foundation in 2018, with shared governance between family members and company employees, it aims to promote long-term access to employment for vulnerable groups. This goal directly relates to the CSR strategy deployed.

FondaHER worked on several projects during the year. Work continued through the *Les Ailes de l'Avenir* (Wings of the Future) program with Aviation Sans Frontières. Over the course of a year, school dropouts were able to discover aviation professions through the construction of a two-seater aircraft. Other initiatives were also launched, for example through the association ETRÉ – École de la Transition Écologique (school of ecological transition), which allows young people to work on repairing wind turbines or photovoltaic panels. FondaHER also worked to help those affected by the war in Ukraine as well as the victims of the earthquake in Syria and Turkey in February, and of the earthquake in Morocco in September. And just as in previous years, the One Daher Award motivated employees and Daher family members to make a difference. Participation rates were very high this year with 24 projects (revolving around inclusion, schooling, combating poverty, or recovering from environmental risks) presented, compared with 11 the previous year.

FAMILY DAYS: SHARING WITH PRIDE

Daher Family Days, organized every year and supported by the Social and Economic Committee, are an opportunity to have some family fun in the workplace. Several sites opened their doors to the relatives of Daher employees: Tarbes, Tours, Saint-Vallier, Belaïa and the Shap'in techcenter in Saint-Aignan-de-Grandlieu. In addition to guided tours and opportunities to learn about trades and expertise from the past and the future, numerous activities are also always organized, such as workshops for children. The success of this initiative, a true vector for cohesion, shows that employees are proud to be part of the extended Daher family.

C'POSSIBLE HELPS YOUNG PEOPLE GET STARTED



Professional integration, especially with regard to the youngest workers, has been a key focus area for several years. To further this, Daher signed a sponsorship agreement with C'Possible. Distinct from the

apprenticeship reform, this Nantes-based association supports students from vocational high schools, providing them with attractive professional prospects. Within this framework, the company invites young people to discover trades and encourage vocations. Daher employees in the region sponsor skills throughout the school year. This joint initiative, which currently reaches more than 650,000 students, is an additional way of limiting school dropout rates.

Risks

RESPONDING TO LOSS OF HUMAN CAPITAL / DEMOTIVATION / WORKFORCE UNREST

When an employee layoff plan is implemented, the resulting changes can result in disengagement, demotivation and workforce unrest. This in turn can lead to lower productivity and more attrition (domino effect). The quality of social dialogue and the delivery of continuous improvements via the Workplace Quality of Life (WQL) roadmap are essential elements for managing this risk.



INTERVIEW

A PARTNERSHIP OF TRUST TO SHAPE DAHER'S LONG-TERM FUTURE



Agnès Tournier
Senior Banker, Société
Générale

Daher would like to thank Agnès Tournier, a representative of Société Générale, for her time and support.



Daher expertise is recognized throughout the value chain.



Société Générale has provided Daher with banking services over many years. What are the keys to this strong partnership?

Agnès Tournier: Indeed, we have been building a relationship of trust for a very long time. This regular dialog is seen in real operations: financing, flow management, foreign exchange hedges, long-term rental for vehicle fleets, real estate leasing, etc.

Daher's stability, as a family business with controlled governance, is an asset when it comes to implementing a comprehensive long-term strategy.

Jean-Philippe Grégoire: Patrick Daher, Didier Kayat and myself regularly organize discussion days. Moreover, our financial partners are among those who helped construct our Take Off 2027 strategic plan. Every five years, we need them to help us invest, transform and so on. It's natural that we should move forward together.

What are the banks' expectations in terms of CSR and how are Daher's initiatives in this area perceived?

A.-T.: As a bank, we have made serious commitments to reduce our carbon footprint and that of the Group's activities and we invest in the development of innovative solutions and partnerships that can make a greater impact. Daher, as an aeronautical industrial player, is also on the right path. Its clear governance and proactive CSR approaches are favored. The work carried out with suppliers to reduce CO₂ emissions, R&D projects like EcoPulse and advances in thermoplastic materials, social commitment and so on. There is work still to be done but Daher is fully committed.

J.-P.-G.: The views of banks and insurers are important since European legislation relies on them to implement CSR standards and indicators. Financial organizations help us understand regulatory expectations and how to monitor progress. Agnès's appreciation of our efforts shows they are effective.

A.-T.: Our role is to support and advise companies on their transition trajectory and our specialized teams propose sustainable financing products where relevant (in particular in relation to their maturity with respect to CSR topics and the projects they wish to finance).

J.-P.-G.: Financial organizations coach us in investing for the future. Meeting CSR criteria creates future value. And then it also meets everyone's criteria: attracting talent, satisfying family shareholders who care about these issues, encouraging customers who want to construct a virtuous supply chain and so on. Our entire ecosystem is moving in this same direction.

The revolving credit line was revised in 2023. What factors are behind this operation?

J.-P.-G.: The last few years have been marked by significant acquisitions to boost our business development (KVE, Kodiak, Stuart, AAA, for example). These significant investments have increased the daily operational needs financed by our revolving credit facility (RCF). In 2014, it was €130 million. Our revenue is now two and a half times greater, incurring growing needs for our operational financing. With contracts soon reaching maturity with our various banking partners, we opted to get ahead of the game and renegotiate this financing as of 2023 in order to obtain €250 million for five years, through a consolidated pool of partners.

This sum will enable us to meet our working capital requirements, linked to the significant cash flow gaps in our sector, and help us maintain our momentum.

A.-T.: We are obviously delighted to support Daher in this need for funding. Our partnership also continues for other operations and services: disintermediated financing, cash management, asset financing, for example.

J.-P.-G.: In addition, Société Générale offers us an expert eye on market opportunities for acquisitions or disposals. Every quarter, we share our situation and positioning to see what relevant transactions might be envisaged.

What key challenges lie ahead where Société Générale can move forward with Daher?

A.-T.: There are so many development opportunities for companies in the aeronautics sector: the challenges of decarbonizing aircraft, productivity increases that lead to recruitment issues, and continued strong competition for products and services.

J.-P.-G.: Take Off 2027 encompasses our challenges for the future: to become a major profitable international company. Each word in our mission is important and propels us every day. It is time for controlled and profitable growth.

A.-T.: Daher's expertise is certainly recognized and bolstered at every stage of the value chain. In addition, its family roots ensure that it has time to lay down clear objectives. We are therefore very glad to be one of its trusted partners, helping to write the next chapters of this beautiful story.



Jean-Philippe Grégoire
Chief Financial Officer /
Mergers & Acquisitions



It is time for controlled and profitable growth.



CSR INDICATORS

ESG risks	Challenges	Policies	Performance indicators	% SNFP coverage	2023	2022	2021
ONE DAHER							
Loss of Human Capital/Demotivation/Workforce Unrest;	Employee and management commitment	Foundation formed by current agreements	Social barometer survey response rate	109% SNFP *France only	59%	48%*	31%*
			Absenteeism rate	France	3.3%	4.6%	4.3%
	Increasing the presence of women in top management roles	Equal Opportunities Guide	% of women among top managers	98% SNFP *executive managers only	16%	20%*	17%*
			Women as a percentage of all employees	Group	25%	25%	25%
			Women as a percentage of all managers	France	29%	26%	26%
			Percentage of women on the Executive Committee	Group	11%	22%	22%
			Women as a percentage of all those identified as talents	Group	35%	24%	21%
			Women as a percentage of all experts	France	22%	22%	22%
			Gender Equality Index	France	83/100	88/100	88/100
				Employees with disabilities as a percentage of all employees	France	7.78%	7.8
Number of training hours received by shareholding family members				Group	3709	3203	1457
Number of projects supported as a result of the Annual Call for Projects				France	10	9	9
TOGETHER							
Skills gaps and lack of expertise	Improving the employability of our employees	Employment and Career Management (GEPP) agreement	Strategic Workforce Planning process coverage rate	100% SNFP	96.7%		
			Percentage receiving regular personal and career development appraisals	86% SNFP *France only	82%	88%*	78%*
Violations of human rights or environmental protection measures in our upstream supply chain	Strengthening our responsible procurement commitment	Responsible Procurement Policy	Percentage represented by work/study trainees	France	4.8%	2.7%	1.6%
			Percentage of the Procurement community trained in the duty of care	95% SNFP *France only ** 2022 SNFP scope	72%	67%**	73%*
DAHER WAY							
Threats to employee health and safety	Improving employee health and safety	Health and Safety Policy	Lost-time accident frequency rate	110% SNFP	13.6	14.0	13.4
			Accident frequency rate without lost time	110% SNFP	19.1	15.5	14.4
Environmental impact	Minimizing our environmental impacts	Environment Policy	Percentage of employees working in ISO 14001-certified facilities	100% SNFP	61%	63%	52%
			Hazardous waste weight (metric tons)	France	727	667	670
			Non-hazardous waste weight (metric tons)	France	2742	2967	3330
Societal and environmental acceptability of our business activities	Minimizing our climate impact	Climate strategy	Scope 1 & 2 CO₂e emissions (metric tons)	98% SNFP *Scope: France, Morocco, Mexico	21,284	19,987*	19,260*
			Scope 3 Procurement CO₂e emissions (metric tons)	96% SNFP		231,956	
			Scope 3 Transport CO₂e emissions (metric tons)	96% SNFP		2,766	
Risk of damage to the Group as a result of internal/external fraud	Respecting business ethics and combating corruption in all its forms	Code of Ethics and Good Conduct	Percentage of executive managers and exposed persons trained in business ethics	95% SNFP *France only	80%	31%	38%*
			Number of whistleblowing reports	95% SNFP	0	0	2
			Number of reports resolved	95% SNFP	0	0	2
			Overall headcount	Group	13,173	10,013	9,341
			SNFP overall headcount	SNFP	10,083	9,332	9,291
			% of employees on permanent contracts	Group	79%	78%	81%
			Percentage of employees at management grade	France	21%	16%	16%

METHODOLOGY

Scope

The scope of the Group Statement of Non-Financial Performance is as follows:

FRANCE
COMPAGNIE DAHER
DAHER AEROSPACE
DAHER NUCLEAR TECHNOLOGIES
DAHER TECHNOLOGIES
DAHER VALVES
DAHER TRANSPORTS
FOREIGN SUBSIDIARIES
GERMANY:
DAHER AEROSPACE GmbH
DAHER LOGISTIK GmbH
MEXICO:
DAHER AEROSPACE SA de CV
MOROCCO:
DAHER AEROSPACE MAROC
UK:
DAHER AEROSPACE LTD
USA:
DAHER AIRCRAFT Inc.
KODIAK AIRCRAFT Inc.
DAHER AEROSPACE Inc. (Mobile, Alabama sites)

The international scope of the 2023 SNFP includes **77%** of the Group's average total headcount at the end of December 2023 or **91%** excluding the 2023 acquisitions that are not yet included in the Group's ESG reports (AAA companies in France and Germany).

Inclusion/exclusion from the scope of the Statement of Non-Financial Performance:

- In France, all companies employing staff are included, with the exception of Logistics Operations. The Group standard reporting requirements are not applied to this entity. In accordance with the Group methodology, where a site is opened or closed during the reporting year, the headcount data shown for these scopes are the average for the year.
- For the international scope outside of France, we took into account scopes with more than 100 average FTEs for at least two years and companies with a mature reporting system based on KPIs.

The scope of the Statement of Non-Financial Performance includes 13 ICPE-classified facilities.

The internationalization of ESG reporting was a priority for 2023 but progress was not consistent in all areas. Consequently, the social indicators cover 100% of the scope before acquisition but the environmental indicators cover only the SNFP scope.

Relevance of indicators/Indicators not adopted

The seven significant non-financial risks are covered by policies, action plans and key performance indicators. Additional information has been included voluntarily in order to present a more precise and concrete overview of Daher's CSR strategy implementation.

Daher supports sports training with CSR ambassadors helping employees get involved in sports events in the operating regions.

Daher supports the fight against food waste, with CSR ambassadors implementing concrete actions at its one catered site.

Daher supports the commitment of employees who have informed the company of their status as reservists.

Only the following areas of information not relevant to the business activities of the Group have been omitted from this report: combating food poverty, the commitment to promoting animal welfare and responsible, equitable and sustainable food.

CONCORDANCE TABLE FOR THE STATEMENT OF NON-FINANCIAL PERFORMANCE

Items of the statement of non-financial performance	Links to report chapters
Items of the Statement of Non-Financial Performance Links to report chapters Business model	• Pages 10-11
Risk analysis	• Managing the Group's non-financial risks • Page 16-19 • Non-financial risk • Page 43-45
Corporate Social Responsibility Policy	• Social dialog actions • Page 37 • Skills development actions • Page 36 • Responsible procurement actions and vigilance measures with regard to supplier activities • Page 29 • Occupational health and safety actions • Page 31 • Ethics and compliance actions • Page 29 • Environmental actions – reducing pollution and taking climate change into account • Pages 30-31

Key performance indicators • CSR indicators • Page 40

Period

The reporting period covered by these social responsibility data is the 2023 Calendar Year. Where indicators were included in the 2021 and 2022 CSR reports, they are presented relative to the corresponding 2023 data. There is one exception: the CO₂e (Scopes 1 & 2) emissions indicator is measured on the basis of energy consumption (gas, electricity and fuel) over 12 months from November to October, because data for the final two months of the year were not available at the time this document was prepared.

Consolidation and control

The "occupational accident frequency rate" is based on data for accidents that result in days off work. Occupational accidents are recorded as and when they are entered into the ATOnLine system or on the Scorecards used by International subsidiaries, and consolidated monthly. The number of events is adjusted on the basis of classifications/refusals to ensure non-occupational accidents are not included. Hours worked in 2021 have been deducted from the significant level of part-time working hours made necessary by the pandemic (Covid).

The ethical indicator of the "percentage of employees trained in the Code of Ethics and good Conduct" is based on the precise definition of the population at risk, which is derived from the corruption and influence peddling risk analysis. It covers the sales (for aircraft maintenance, transportation & logistics projects and services), procurement, and finance functions as well as the divisional management committees and the various influencing functions. JobIDs and HRIS codes are used to catalog all Group functions. The result does not take into account trained employees who are not part of the population identified as at risk. The Responsible Procurement indicator for the "Percentage of procurement staff trained" is built on the same model, targeting only the Procurement business.

The social barometer participation rate is a new audited indicator with the goal of enabling a better response to the ESG risk of Loss of human capital/demotivation. It comes directly from the consultation tool provided by IPSOS, using data from the Group's detailed workforce.

The training rate could not be audited and published for 2023 due to the change in LMS (Learning Management System). The indicator will be assessed in 2024 and the 2023 data reintegrated. The Strategic Workforce Planning (SWP) coverage rate indicator is a system process indicator to further improve the company's response to the ESG risk of Skills gaps and lack of expertise. It measures the regional response rates over the financial year and therefore the coverage rate of the analysis. It is based on the number of FTEs in a region. It could not be audited within the framework of the SNFP.

The "Scope 1 & 2 CO₂e emissions" indicator is derived, for France, from source data provided directly by energy suppliers, and, for foreign subsidiaries, directly from consumer sites on the basis of invoices. "Fuel" data is centralized thanks to the widespread use of gasoline cards for our heavy goods and commercial vehicles. "Heating oil" data is centralized thanks to digital purchase invoices stored in the ERP. The emission factors used to calculate the CO₂e values for Scope 1 & 2 are from the ADEME database and adapted to the user country. Changes in emission factors are incorporated over time.

Carbon intensity, measured in tCO₂e/€ million, is the ratio between the Scope 1 & 2 emissions as defined above for France and the value added of the emitting sites. A site is deemed to be an emission source when it has a supply contract of its own. This excludes in-situ services in particular. Value added is calculated in line with the usual definition in

the *Plan Comptable Général* (French generally accepted accounting principles).

The CO₂e "Scope 3 Procurement" and "Scope 3 Transport" emissions indicators are based on procurement data extracted from the ERP. They are classified by ADEME product family and the corresponding monetary ratios. The "Transport" data is supplemented by the supplier declaration.

The percentage of women applies to the Group's Top Managers, which corresponds in the international HRIS to the first-level subordinate members of the Executive Committee (excluding assistants) and to the executive managers in France. For EuroPP commitments, the figure of 17.6% women at the end of 2023 is calculated using the same basis for the Group's Top Managers, which is restricted to the first-level subordinate members of the Executive Committee (excluding assistants) in the international HRIS.

Three indicators are used by our financial partners to index the cost of our financing: the frequency rate for the entire Group, percentage of female managers from the France and international HRIS and the Scope 1 & 2 CO₂e emissions in France.

GLOSSARY

Hazardous waste

Industrial waste that poses a health and/or environmental risk at the time it is produced, and which requires appropriate treatment as required under national legislation.

Non-hazardous waste

All forms of solid or liquid waste, excluding effluent.

Full-time equivalent (FTE) headcount

The month-end headcount, excluding staff on long-term absence, pro-rata the contractual working hours for part-time employees. The employment contracts concerned are permanent, fixed-term, work/study and temporary contracts.

GEPP

Daher Employment and Career Management agreement (Gestion des Emplois et des Parcours Professionnels).

ICPE

A French classification used to identify facilities with the potential of posing environmental risks (Installation Classée pour la Protection de l'Environnement).

GDPR

The EU General Data Protection Regulation.

CSR

Corporate Social Responsibility.

Occupational accident frequency rate

Number of lost-time accidents x 1,000,000 / total number of hours worked.

INDEPENDENT THIRD PARTY REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE INCLUDED IN THE MANAGEMENT REPORT

Financial year ended December 31, 2023

To the shareholders,

In our capacity as independent third party and member of the Mazars network, the Statutory Auditors of Compagnie Daher, and accredited under number 3-1895 by the French National Accreditation Body COFRAC Inspection (list of sites and scope of the accreditation available at www.cofrac.fr), we have carried out the work required to formulate a reasoned opinion providing limited assurance on the basis of the historical information (observed or extrapolated) contained in the consolidated statement of non-financial performance (hereinafter respectively referred to as the "Information" and the "Statement"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the accounting year ended December 31, 2023, provided as part of the Management Report of Daher (hereinafter the "Company" or "Entity"), as required by the legal and regulatory provisions set out in Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

On the basis of our work, as described in the "Nature and scope of the work" section, and of the information we obtained, we have not identified any material misstatement that would cause us to call into question the fact that the Statement of Non-Financial Performance complies with the applicable regulatory provisions and that the Information, taken as a whole, has been fairly presented in accordance with the Reporting Framework.

Remarks

Without prejudice to the conclusion expressed above, and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we would make the following remarks:

- The reporting scope is neither exhaustive nor uniform across all the key performance indicators. It covers between 77% and 100% of the scope of the Group. The precise scope for each indicator is described under Methodology in the Statement of Non-Financial Performance.
- As mentioned in Paragraph 4, Materiality matrix, the "Data protection and cyber security" and "Quality and safety of products and services" risks were categorized as major risks during the 2023 ESG risk mapping. However, they are not covered by a policy and associated key performance indicators.
- The Daher Group has chosen to stop publishing the "Percentage of FTEs completing at least one training program" KPI to track how the "Gaps in talent, expertise and skills" risk is addressed. This indicator has been replaced by the "Strategic Workforce Planning process coverage rate" indicator, which is a means indicator and not a key performance indicator.

Preparation of the statement of non-financial performance

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

Limitations inherent in preparing the information

As indicated in the Statement, the Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Certain Information is sensitive to the methodological choices, assumptions and/or estimates used to prepare the Information presented in the Statement.

Responsibility of the company

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with regard to those risks, and the outcomes of those policies, including key performance indicators;
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error;

The Statement has been prepared in accordance with the Entity's Guidelines as mentioned above.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to formulate a reasoned opinion providing limited assurance regarding:

- the compliance of the Statement with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) presented in accordance with the third paragraph of Articles R. 225 105 I and II of the French Commercial Code, namely the outcomes of policies, including key performance indicators, and actions implemented in respect of the principal risks.

We have carried out the work required to formulate a reasoned opinion providing limited assurance on the basis of the observed or extrapolated historical information.

Since we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as doing so may compromise our independence.

It is not our responsibility to comment on:

- the Entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the duty of care plan and combating corruption and tax evasion);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors (CNCC) applicable to such engagements, as well as with ISAE 3000 (Revised).

This report is prepared in accordance with the RSE_SQ_Programme de vérification_DPEF audit program.

Independence and quality control

Our independence is defined by the provisions contained in Article L. 822-11 of the French Commercial Code and the Code of Ethics applicable to Statutory Auditors. In addition, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with all applicable legal and regulatory texts, the rules of business ethics and professional standards set by the French Institute of Statutory Auditors, as they apply to this engagement.

People and resources

Our work involved the skills of four people and was conducted between December 2023 and February 2024 over a total period of three weeks.

We conducted ten interviews with people responsible for preparing the Statement, representing among others the risk management, compliance, human resources, health and safety, environment and procurement departments.

Nature and scope of the work

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed based on our professional judgment have allowed us to provide a limited assurance conclusion.

- We reviewed all the entities included in the scope of consolidation, and the main risks;
- We assessed the appropriateness of the Reporting Framework in terms of its relevance, completeness, reliability, neutrality and understandability, taking account of the relevant industry best practices, where relevant;
- We verified that the Statement covers each category of information required by paragraph III of Article L.225 102-1 in terms of social and environmental considerations;
- We verified that the Statement provides the information required in section II of Article R. 225-105 where such information is relevant to the main risks, and includes, where applicable, an explanation of the reasons for the absence of information required in paragraph 2 of section III of Article L. 225 102-1;
- We verified that the Statement presents the business model and describes the main risks relating to the business activities of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by their business relationships, products, services, policies, actions and results, including those key performance indicators that relate to the main risks;
- We consulted documentary sources and conducted interviews in order to:
 - Assess the process used to select and validate the main risks as well as the consistency of the results, including the key performance indicators adopted in relation to the main risks, and
 - Corroborate the qualitative information (actions and results) provided in Appendix 1. For all risks, our work was conducted at consolidating Entity level;
- Where applicable, we verified that the Statement covers the scope consolidated, namely all entities included within the scope of consolidation in accordance with Article L. 233-16 within the limits specified in the Statement;

- We reviewed the internal control and risk management procedures implemented by the Entity concerned and have appraised the completeness and accuracy of the related information;
- For those key performance indicators and other quantitative results presented in Appendix 1 that we considered most important, we have applied:
 - Analytical procedures to verify the correct consolidation of the data collected and the consistency of their change over time;
 - Detailed sampling-based tests consisting of verifying correct application of definitions and procedures, and reconciling the data with supporting documents. This work was conducted with a selection of contributing entities and covers 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement with our knowledge of all those entities included in the scope of consolidation.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors (CNCC); a higher level of assurance would have required a more extensive review.

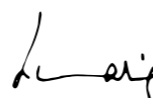
Independent third party, Mazars SAS

Paris La Défense, March 20, 2024

Gaël Lamant,
Partner



Souad El Ouazzani,
CSR
& Sustainable Development
Partner



APPENDIX: INFORMATION REVIEWED IN DETAILED TESTS

Qualitative information regarding the main risks

- Loss of Human Capital/Demotivation/ Workforce Unrest;
- Skills gaps and lack of expertise;
- Violations of human rights and environmental protection measures in our supply chain;
- Threats to the health and safety of our employees;
- Environmental impact;
- Insufficient/Inadequate ESG performance commitment in the Group's activities and products;
- Damage to the Group as a result of internal/external fraud.

Quantitative indicators, including key performance indicators

- Annual consumption of electricity, gas, fuel oil and biodiesel;
- Carbon Assessment Scopes 1 & 2;
- Scope 3 emissions (Procurement of products and services; Upstream and downstream transport);
 - Percentage of women among executive managers and on management boards;
- Percentage of employees working in ISO 14001 sites;
- Average no. of FTEs (excluding temps)
- SWP coverage rate;
- Social barometer survey response rate;
- Percentage of buyers trained;
 - Percentage of at-risk employees trained in business ethics;
- Frequency rate (Fr);

EuroPP ESG criteria

- Accident indicator: Frequency rate (in France);
- Carbon footprint indicator: Carbon intensity in metric tons of CO₂e/value added of Scopes 1 & 2 (in France, in-situ services excluded from Value Added);
- Diversity indicator: Percentage of women among executive managers and on management boards (in France).



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