



GLOBAL COMPACT Good practices 2019 (Financial Year 2018)

Dassault Aviation is among the major players in the global civil and military aircraft industry.

A reasonably sized and financially secure private international group, with a presence in more than 70 countries across 5 continents, Dassault Aviation has been profitable ever since its creation in 1936.

Structured to adapt its production to market cycles, Dassault Aviation encompasses a rich industrial network of high-tech companies in France, Europe, and many countries worldwide.

In order to achieve its objectives in a highly competitive and increasingly global economy, Dassault Aviation builds on strong values, a clear identity and strict ethical standards.

Its values are customer spirit, human qualities, technological excellence and innovation, economic performance, openness to the world, environmental protection measures.

Commitment

Dassault Aviation joined the UN Global Compact initiative in 2003.

The Group, whose Chairman and Chief Executive Officer is Mr Eric Trappier, supports the ten principles relating to human rights, labour standards, environmental protection and the fight against corruption. It is through this commitment that Dassault Aviation has progressively incorporated the Global Compact principles into its strategy, culture and daily operations, thus actively contributing to 8 of the 17 UNO sustainable development goals.

The following 'Good Practices' document illustrates a few actions undertaken by the company as a commitment to the Global Compact.

Dassault Aviation renews its commitment to the Global Compact for 2018.

The CEO, Mr Eric Trappier

A handwritten signature in blue ink, appearing to be "E. Trappier", written over a horizontal line.

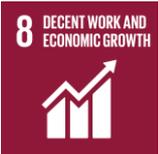
Contribution to the UNO Sustainable Development Goals



The Dassault Aviation Group, through its corporate agreements and EHS policy, is committed to the well-being of its employees. Many actions to improve workplace conditions and reduce occupational risks are carried out with the support of physicians, prevention specialists and the HR function. In addition, the Parent Company is committed to the replacement of the main hazardous substances used in its activities



Convinced that diversity is a major issue and a performance factor for the company, we affirm our commitment to the prevention of discrimination. We also strive to promote equality of opportunity and treatment through the implementation of company agreements.



We develop close links with regional and international industrial fabrics, thus contributing to the sustainable economic growth of the global aviation industry. In addition, the Dassault Aviation Group is committed to maintaining and developing the skills of its employees, taking into account its operational needs and the individual desires of its employees. Dassault Aviation holds a Code of Ethics which pays a particular attention to respect for human rights.



As part of our “Leading Our Future” transformation plan, we are modernizing our industrial tools through the use of better performing and more environmentally friendly technologies.



Optimizing resource and energy consumption and controlling and managing waste are fundamental elements of our EHS policy.



The innovations made by Dassault Aviation’s teams in aviation design contribute to reducing the impact of the air sector on the environment in a permanent quest for customer satisfaction.



The zero tolerance policy, the strengthening of procedures and resources for fighting against corruption characterize our search for rigorous business ethics. Dassault Aviation establishes an oversight plan to control the risk of serious violation in areas of human rights and fundamental freedoms.

Human rights (principles 1 & 2)

Dassault Aviation whose main facilities are located in France and the United States is committed to the respect of Human Rights as stated in principle 1 and 2 of the Global Compact, to the respect of international laws and regulations especially as regards occupational health and safety of employees and non-discrimination in the workplace (for more explanations see measures principles 3-6).

Dassault Aviation holds a Code of Ethics which reflects these commitments.

Pursuant the Law of March 27, 2017 concerning the duty of vigilance of parent companies and companies placing orders, Dassault Aviation is strengthening its process through the establishment of an oversight plan to control the risk of serious violation (in areas of human rights, fundamental freedoms, the health and safety of humans and the environment).

Dassault Aviation's general purchasing conditions require its suppliers and service providers to comply with the Code of Ethics.

Under our purchasing and supply chain security policy the evaluation procedure for suppliers and service providers in place since 2007 now incorporate parameters for evaluating respect for human rights.

Environmental risks are also taken into account to respect the right to a healthy environment of a sufficient quality to live in dignity and comfort in accordance with the 1992 Rio Declaration.

Finally the Ethics department, an independent body attached to the CEO, is required to intervene in the internal alert procedure for any report that it receives, especially when harassment and discrimination are involved.

For further explanations, see annual rapport pages 90, 110 / contribution to SDGs 8 and 16.

Labour (principles 3 - 6)

A number of measures taken in 2018 are illustrative of a strong and steady orientation in favour of social progress and equality at work (principles 3 and 6). They also belong to principle 1 (human rights) of the Global Compact.

In order to improve sex equality in an industrial sector that has only still 17,98% (16,85% in 2014) of women employees, Dassault Aviation had set a target for hiring women at 20% for non-management and 25% for management level employees. In 2018, these hires accounted for over 24,3% for non-executives and 26,1% for executives.

In addition, on 2 october 2017, the company signed an agreement for 2018, 2019, 2020 with the unanimous consent of its social partners, on equality in the workplace and equal salaries for women and men, and thus pursues its policy to develop general diversity in the company and particularly in the technical and industrial

businesses. Through this agreement Dassault Aviation intends to pay particular attention to the training and career development of women, notably by continuing its policy of providing access to Dassault Institute management training, and promoting women to position of responsibilities. In order to increase employee awareness, Dassault Aviation organized a campaign on professional equality for men and women titled “equality and diversity”.

Dassault Aviation has also encouraged its female employees to join two major in-house management and leadership training programs (“Dassault Management” and “Dassault Leader”) to increase the number of female employees in the management pool.

Dassault Aviation is a founding member of the association “elles bougent” (“moving up”) which helps women discover engineering and technical careers. Over 54 female employees of Dassault Aviation are sponsoring this association and provide mentoring to female school and university students. In 2018, the Company has established a network of men and women to act ambassadors to promote our technical careers among female students. This network strengthens the parallel actions of the association “elles bougent”.

For further explanations see annual report pages 90, 91, 92, 93, 95 and 96 / contribution to SDGs 3,5,8,10.

Regarding handicapped employees, Dassault Aviation has signed on 9 June 2017 a new agreement (for 2018-2019-2020) with union representatives for promoting the employment of handicapped persons, including hire policy, adaptation of working conditions (post / time), allowance for vacation days gift to parents with seriously ill children. Dassault Aviation raised the share of handicapped employees from 7,5% in 2010 to 7,45% in 2018. In France, the minimum share of handicapped employees in the workforce has been fixed by law at 6% but the effective rate is closer to 4% which make Dassault Aviation among the most dedicated to the employment of handicapped persons. This pro-active policy is supported by a strongly mobilized internal network comprising coordinators, leading committees, local oversight commissions and a specific budget.

For further explanations about diversity, see annual report page 96.

In addition, Dassault Aviation is a founding member of HANVOL, a non-profit organisation helping the training and employment of handicapped persons in the aircraft industry.

For further explanations about employee relations, see annual report pages 90 to 99).

For Dassault Aviation good practices relating to health and safety at work (occupational risk prevention, workplace conditions, ergonomic improvements in all relevant sectors) see annual report pages 71, 72.

For further information, please follow these links

<https://www.dassault-aviation.com/en/group/finance/publications/>

<https://www.dassault-aviation.com/en/group/about-us/>

<https://www.dassault-aviation.com/en/group/careers/>

Environment (principles 7 - 9)

In 2018, Dassault Aviation has taken several environmental steps related to principles 7, 8 and 9 of the Global Compact and contributing to UNO SDGs 9, 12 and 13.

Dassault Aviation is developing "green aviation" by improvement of the environmental performance of its products.

We are funding our own research into "Future Falcons" based on innovative technologies such as integrated systems, advanced composites and aerodynamics.

Over the past 40 years, technological progress with regard to engine efficiency, aerodynamics and weight saving has considerably reduced fuel consumption, CO2 emissions and noise levels from our aircraft.

Dassault Aviation is pursuing this path and has subscribed to the reduction objectives defined by the Advisory Council for Aeronautics Research in Europe (ACARE):

- 50% reduction of noise levels on the ground in 2020 and 60% in 2050,
- 50% reduction in CO2 emissions in 2020 and 75% in 2050,
- 80% reduction in NOX emissions in 2020 and 90% in 2050
- reducing the environmental impact created by the production and withdrawal from service of aircraft.

As member of the Clean Sky program since 2007, we are part of the Smart Fixed Wing Aircraft (SFWA) and Ecodesign Integrated Technology Demonstrators (ITD). In the follow-on program Clean Sky 2, whose ambitious research will continue through 2022, we are contributing to the development of the future aircraft configuration, in particular as coordinator of the aerostructures facet.

Through the follow-on Clean Sky 2 program, we are developing a second generation of materials and manufacturing, maintenance and recycling technologies that will further reduce environmental impact.

Dassault Aviation is also working to reduce the environmental impact of aircraft through involvement in several projects through the CORAC (the French Civil Aviation Research Advisory Council):

- for the development of the "more electric" aircraft (GENOME project),
- for the development of biocide coatings without Chrome VI (RING project).

The results obtained at the end of CleanSky show that, for the concept of the “2020 business aircraft”, the CleanSky technologies permit reduction in CO2 emissions of around 30% and a 50% reduction in the number of persons exposed to the operations, compared with the reference “2000 business aircraft”.

For several years, Dassault Aviation has gradually developed an environmental policy and an organizational structure that helped reinforce environmental considerations at all its sites.

In 2005, Dassault Aviation production sites obtained the ISO 14001 certification. In 2007, the whole company processes were certified. And in 2009, Dassault Aviation obtained integrated quality and environmental management ISO certification.

The ISO 14001 certification, version 2015 (improvement of the risk approach, consideration of stakeholders and consideration of the environment within the supply chain) has been successfully obtained in 2018, July.

Hence, Dassault Aviation has already achieved major actions in favour of the environment, as illustrated in its 2018 Environmental Report, and keeps a highly responsible environmental policy.

Improving the higher level is now at the agenda, with the following actions undertaken in 2018:

- continuation plan of setting up a central management to enhance energy consumption and identify axes of progress based on the results of energy audits on all Parent Company sites in 2015, which will be updated after the 2019 energy audits campaign;
- plans for “greening” industrial processes to substitute the most environmentally impacting processes such as chemical machining or surface treatments by friendlier ones;
- optimisation of power consumption by replacement of energy intensive equipment: lighting, furnaces, air heaters, air dryers, motors and compressors;
- thermal insulation and building phonics;
- water consumption decrease, especially by rehabilitation of water networks and installation of meters to reinforce the monitoring of water consumption;
- reduction of industrial processes through oiling cabins, VOC-free paint gun washers, replacement of chemical machining by mechanical machining and renovation or construction of paint cabins with high environmental performance;
- development of new technologies, which involves replacing metal parts with composite parts and developing new processes such as direct manufacturing, which consumes less raw material.

Over the last five years, the mitigation and preservation plans for environmental impact have obtained results such as 11% decrease in gaz consumption and reducing waste at the source has resulted in a decrease of 15% by weight. The recycling rate for waste has been over barely 80% in 2018, especially with stronger

practices for selective sorting of scrap metal and rejecting it into the raw material sector, according to circular economy principles.

Dassault Aviation is measuring the environmental risks within the supplier approval process with IAEG's standardised surveys (within the frame of the French law "Devoir de vigilance" / Duty of vigilance) and recommends to its suppliers to respect the 10 principles of the Global Compact and to follow the ISO 14001 recommendations. Dassault Aviation helps its main suppliers to improve environmental awareness through conducting on-site environmental audits.

Compliance with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) European Union Regulation has again been a priority in 2018. Based on transparency and precaution, REACH is to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. It also calls for the progressive substitution of the most dangerous chemicals when suitable alternatives have been identified.

Since 2012, actions for substituting substances of concern (substitution plans for chromates, cadmium and lead) and for reducing chemical risks were reinforced, particularly with regard to the processes using hexavalent chromium-based mixtures. Since 2013, for instance, we have replaced, or are in the process of replacing 339 products.

Dassault Aviation is also one of the founder members of the IAEG (International Aerospace Environmental Group) created in 2011. IAEG is a non-profit corporation comprised of a global group of aerospace companies, established to facilitate harmonization of compliance amongst aerospace companies and their supply chains with the existing and emerging laws and regulations protecting human health and the environment. IAEG will achieve that by promoting the development of voluntary consensus standards published by an independent standards organization harmonizing environmental requirements applicable to aerospace companies. IAEG aims to address such issues as chemical material declarations and reporting requirements, greenhouse gas reporting and management, and to create a forum for dialog and information exchange on industry optional approaches for implementation of environmental requirements.

In 2018, the main lines of work of the IAEG were focused on:

- Standardisation of all chemicals throughout the supply chain,
- Determination of which chemical substances to be substituted as a priority,
- Greenhouse Gas inventories,
- Standardisation of REACH autorisation process,
- Standardisation of suppliers' environmental evaluation,
- Iso 14001:2015 Implementation Guide,
- Reach Registration 2018.

For further information, please follow these links:

<https://www.dassault-aviation.com/en/group/finance/publications/>

<https://www.dassault-aviation.com/en/group/about-us/environmental-responsibility/>

Anticorruption (principle 10)

Dassault Aviation follows a proactive policy against corruption. This is compliant with the French law which, ever since 2000, has enacted and applied stringently numerous international conventions under the OECD, the UN and the European Union against foreign corruption practices.

The Dassault Aviation policy is stated in its Chart of Ethics and is in accordance with principle 10 of the Global Compact.

For many years, the Company has implemented strict internal procedures to prevent corruption and ensure the integrity, ethics and reputation.

Dassault Aviation completed and updated its process by implanting specific measures: an Anticorruption Code with an Anticorruption Guide, an Internal Alert Procedure, a risk mapping intended to identify, analyse and rank the risk of exposure to corruption, procedures for assessing the situation of clients, first - tier suppliers and intermediaries in the mapping of risks, specific training sessions for the managers and personnel most exposed to risks of corruption and influence peddling.

For further explanations, see annual report pages 111,112 / contribution to SDGs 16.

In order to promote business ethics, Dassault Aviation has initiated within the AeroSpace and Defence Industries Association of Europe (ASD), a committee in charge of elaborating European business ethics standards. These "Common Industry Standards" have been approved by the Council of the ASD and signed by Dassault Aviation.

Within GIFAS, the French aerospace industries association, Dassault Aviation contributes to good governance standards through several committees.

In 2012, Dassault Aviation joined the international Forum of Business Ethical Conduct (IFBEC).

The purpose of IFBEC is to:

- promote and foster through "the Global Principles", the development of global, industry-wide ethical standards for the companies that are active in the aerospace and defense business sector,
- organize opportunities for industry and relevant stakeholders to exchange information and best practices concerning ethical business challenges, practices and opportunities worldwide.

The IFBEC organized its 9th international conference in Paris, France (14-15 November 2018) in association with the Aerospace and Defense Industries Association of Europe (ASD) and the Aerospace Industries of America (AIA). The purpose of this conference was to share best practices and interact with representatives from various industry stakeholders such as NATO, SFO, the Basel Institute of Governance and OECD.

The IFBEC has published in 2014 a “Public Accountability Report”. This Report provides both members and non-members with data on IFBEC members compliance with “the Global Principles” and best practices that align with “The Global Principles”.

For further information, please click here: www.ifbec.info

Dassault Aviation participated in building up the Global Principles or shared ethics principles between European and American industry professionals, which is under ratification.

For the Dassault Aviation values, ethics, reports, please click:

<https://www.dassault-aviation.com>

Attached documents:

-2018 annual report

-Dassault Aviation Ethical Charter