

2022 ATR Sustainability Report

Accelerating Sustainable Connections



ATR

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Foreword

It has already been over a year since I was appointed CEO of ATR, following the most difficult geopolitical climate the world has seen in years.

In that first year, my focus has, of course, been on the recovery of ATR deliveries and bringing the ATR fleet back to full utilisation but not only. I have discovered a company with fantastic assets:

- Our products, which brings together communities offering connectivity in the most responsible, reliable, and affordable way.
- Our people, all very engaged and proud to be part of the ATR story
- Our stakeholders, shareholders and suppliers which for most of them have supported ATR since the beginning and for more than 40 years, offering stability and continuity in what we deliver and supporting constant innovation
- Our customers, operating our aircraft everywhere in the world and sometimes in very remote and complex environments, for which a trustful relationship with ATR is of utmost importance

Our positioning in the aviation market is unique and led us to become the leader in the regional aviation market. As a leader, we have a clear responsibility to continue to drive the necessary changes allowing each and everyone to travel always even more sustainably in the future, allowing our people to effectively contribute, in their daily activities to making our planet more sustainable. We truly feel that responsibility and we need to everyday act in that direction. In that respect, our corporate social responsibility strategy reflects in concrete terms our commitments to this priority goal.

For us at ATR, a responsible company means looking after our people, limiting the impact of our business and products on the environment, ensuring we uphold the highest standards of safety and quality, behaving in an ethical & compliant manner as well as embed and advance respect for human rights.

We, at ATR, will continue to “accelerate sustainable connections for people, communities and businesses around the world, no matter how remote, by delivering and supporting the most efficient, lowest emission regional aircraft on the market.”

You can count on me and the ATR management team to support the initiatives which bring this vision to life.

Nathalie Tarnaud Laude
ATR Chief Executive Officer



WORLD NUMBER ONE REGIONAL AIRCRAFT MANUFACTURER



ATR is the world's number one regional aircraft manufacturer providing a new generation of turboprops up to 78 seats. The unifying vision of the company's employees is to help everyone, no matter where they are in the world, to connect and develop in a responsible manner. Thanks to the efficiency of turboprop technology and the benefits of the company's focus on continuous innovation, ATR aircraft open more than 140 new routes every year, burn less fuel and emit less CO₂ than regional jets.

Established in November 1981 and based in Toulouse, ATR is a joint partnership between two major worldwide aeronautics players, Airbus and Leonardo.

1.1 Vision

We accelerate sustainable connections for people, communities and businesses around the world, no matter how remote, by delivering and supporting the most efficient, lowest emission regional aircraft on the market.

1.2 Values

ATR people are powered by four core values:



One ATR

The mindset to build our future

- We are proud to be ATR
- We act as one team
- We strive for excellence
- We are open-minded



Trust

The building block of our relationships

- We are transparent
- We are compliant
- We are reliable
- We work honestly and efficiently



Ambition

The propellant of our activity

- We lead
- We innovate
- We improve
- We listen
- We act



Respect

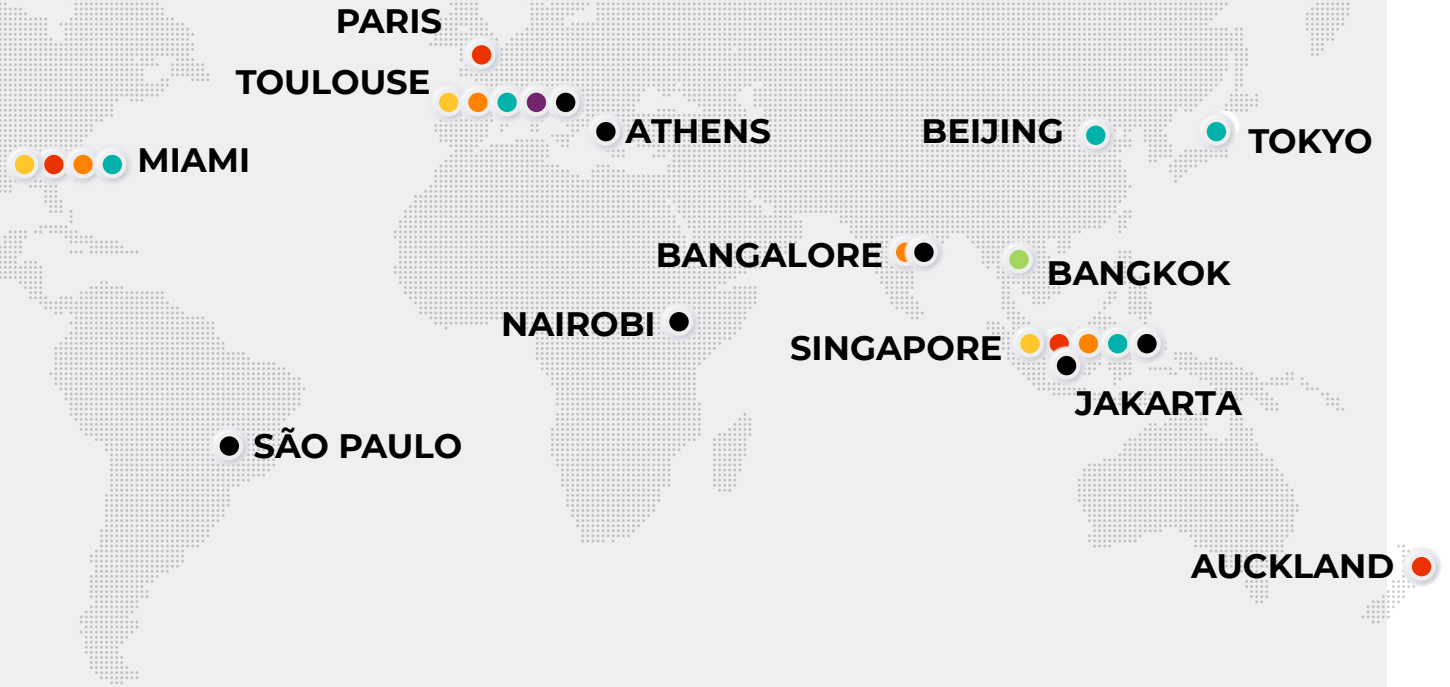
For everything and everyone

- For our customers
- For the environment
- For our teams
- For our suppliers
- For our rules and regulations
- For ourselves

1.3 At a glance

Operating on a global scale

- Headquarters & Final Assembly Line
- 5 Commercial Offices
- 4 Customer Service Centres
- 4 Spare Parts Warehouses
- 7 Regional Customer Support Offices
- 3 Training Centres
- 1 Training Partnership



13

ATR sites



+1,200

people worldwide



+1,800

aircraft sold



+1,600

deliveries

1.4 Activities and expertise

For more than 40 years, ATR has been at the cutting edge of technology, developing and manufacturing a family of regional turboprop aircraft for 30 to 78 passengers.

Created by pioneers, continuous innovation is the essence of ATR. Today, as in the past, our teams are constantly striving to push the boundaries of regional air transport. ATR introduced the first composite wing, the first head-mounted displays and the first enhanced vision system on a commercial aircraft.

ATR aircraft are suitable for all business models and all regions of the world, in any conditions (cold, hot, high-altitude runways, harsh environments), and a wide range of airports (steep approach, unpaved airfields, short or narrow runways).

The lowest emission aircraft on the regional market

ATR -600s have the best environmental credentials compared to other turboprops and regional jets, and we continue to improve our environmental footprint.



European aircraft assembled in France



Support & services

With a fully dedicated organisation to support our operators and products worldwide with 3 centres open 365 days of the year, 24 hours a day. We offer our customers 360° support: maintenance, retrofit, spare parts, material management, fleet enhancements, engineering services and training.

ATR's aircraft family

Versatile family of aircraft

ATR / 42-600



The ideal local commuter

ATR / 72-600



Leader in the regional segment

ATR / 42-600S



A shorter runway to wider horizons

ATR / 72-600F



Born to be a freighter



ATR'S APPROACH TO SUSTAINABILITY

ATR's vision is to 'accelerate sustainable connections for people, communities and businesses around the world, no matter how remote, by delivering and supporting the most efficient, lowest emission regional aircraft on the market.'

The Company designs, manufactures and delivers aircraft and associated services to customers helping to create value and drive growth. The Company is deeply aware of its responsibility to society and future generations.

To this end, ATR defined its CSR strategy in 2022 and embodied it as an integral part of its overall strategy.

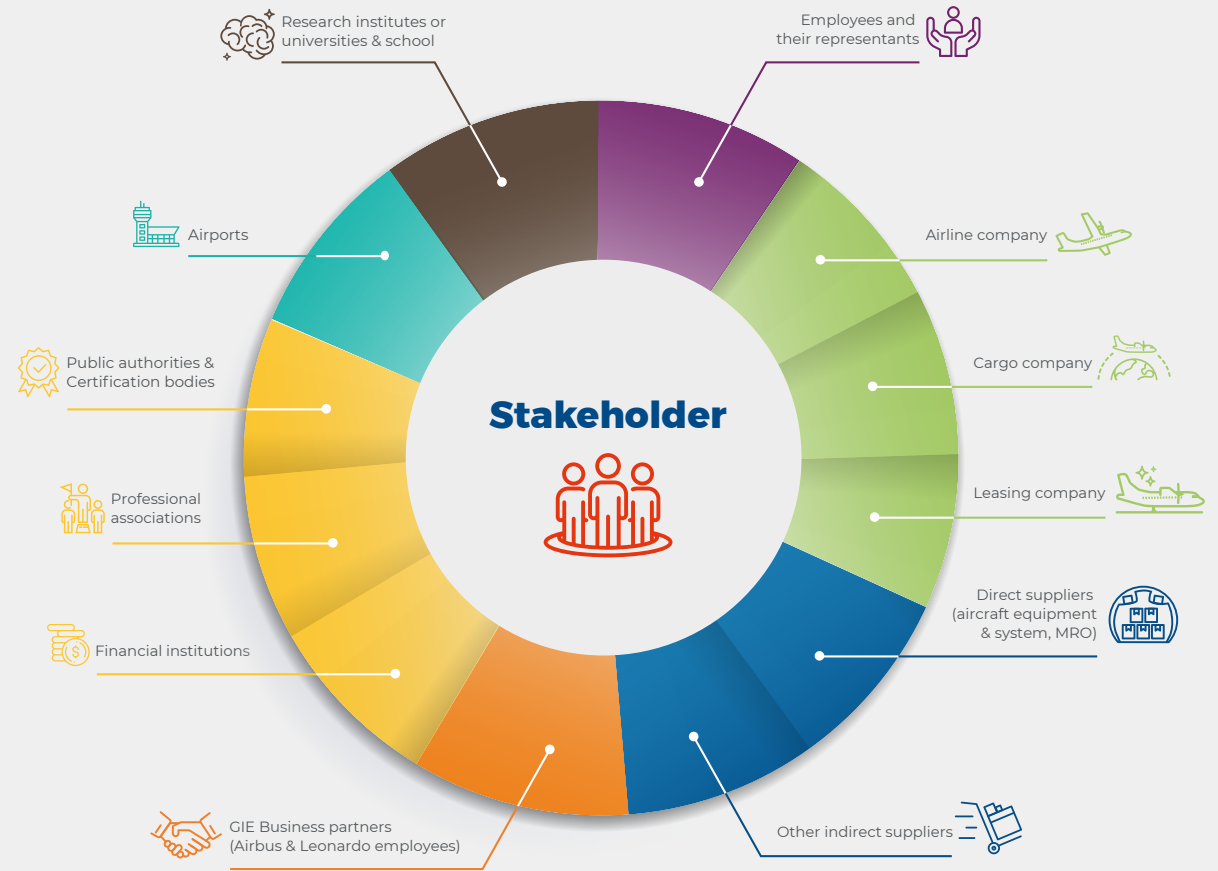
2.1 CSR approach

Stakeholder identification & dialogue

Stakeholders play a fundamental role in developing a more sustainable product and service offering, improving our decision-making processes and implementing more sustainable practices.

Identifying the stakeholders involved in our business and sphere of influence, understanding their interests and expectations, and maintaining an active dialogue with them are essential to conducting our business and continuing to strengthen ATR's approach to sustainability.

To carry out a materiality exercise, the following key groups of stakeholders have been identified:

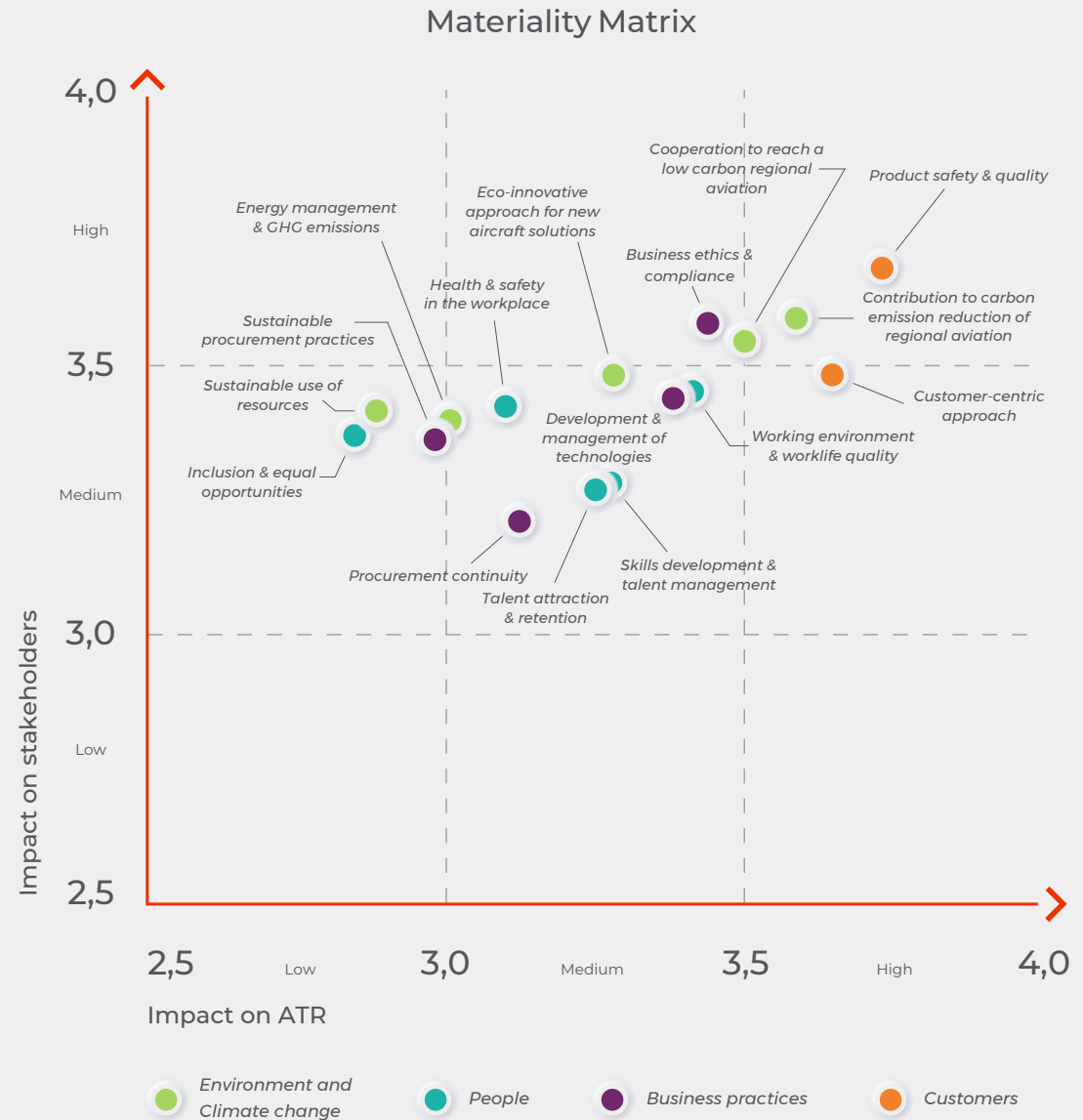


2022 CSR materiality consultation

To build a relevant and effective CSR strategy, ATR conducted a broad consultation on CSR issues in 2022, proposed to both its internal and external stakeholders. More than 850 people, representing the 12 sub-categories of stakeholders mentioned above, responded to this survey.

In accordance with the standard materiality guidelines, each of the CSR issues put forward for consultation was assessed by a panel of experts. Each issue was evaluated to define ratings for its level of importance and level of performance.

The results were carefully reviewed to validate the Company's priority CSR issues and related initiatives to be implemented. The materiality matrix serves as a frame of reference in identifying the main CSR issues that structure ATR's CSR strategy.



2.2 CSR strategy

Our 4 strategic pillars

Based on the results of the materiality analysis and its business model, ATR has defined its sustainability strategy around the four pillars that include the priority CSR commitments listed below and that apply across its entire value chain.

This strategy was approved by the Executive Committee in 2022.



Environment & climate change

Lead the way towards sustainable regional aviation

- > Drive the transition towards net-zero carbon emissions by 2050 in the regional aviation ecosystem
- > Develop sustainable products and services leveraging innovation and eco-design
- > Reduce the environmental footprint of our activities
- > Promote a sustainable use of natural resources throughout our value chain



People

Engage our people to unleash full potential

- > Boost a safe working environment focused on open dialogue and work-life balance
- > Nurture an inclusive culture based on respect and equal opportunities
- > Attract and develop the talents of today and tomorrow



Business practices

Act with purpose in everything we do

- > Demonstrate uncompromising commitment to ethics & compliance
- > Offer cutting-edge and affordable technologies to meet market needs
- > Strengthen responsible supply chain management



Customers

Build customer trust based on safety and quality

- > Promote the highest standard of safety
- > Uphold a stringent quality culture
- > Exemplify customer-centricity

Commitments & targets

ATR's ambition, and that of its stakeholders, is to contribute to aviation that is more inclusive, more sustainable, and more responsible.

The Company's CSR strategy is deployed through an operational roadmap including global ambition, targets, dedicated actions, and initiatives, as well as quantitative key performance indicators (KPIs).

Here are our main objectives:

Commitments	Performance Indicator(s) - KPIs	Targeted value & time horizon	
Lead the way towards sustainable regional aviation			
Drive the transition towards net-zero carbon emissions by 2050 in the regional aviation ecosystem	100% SAF certification	Certification obtained	2025
Develop sustainable products and services leveraging innovation and eco-design	Percentage of new products developed with eco-design requirements	100%	2030
	Complete Life Cycle Analysis (LCA) of our ATR 72 aircraft	LCA completed	2025
Reduce the environmental footprint of our activities	Reduction of total gross CO ₂ eq emissions - Scopes 1 & 2 (compared to 2018)	-30%	2025
	Percentage of residual emissions of Scopes 1 & 2 neutralised by permanent removal / sequestration	100%	2030
	Percentage of gross waste reduction (compared to 2018)	-20%	2025
Promote a sustainable use of natural resources throughout our value chain	Percentage of non-hazardous waste recycled	55%	2025

¹ CO₂ equivalent

² Science Based Targets initiative

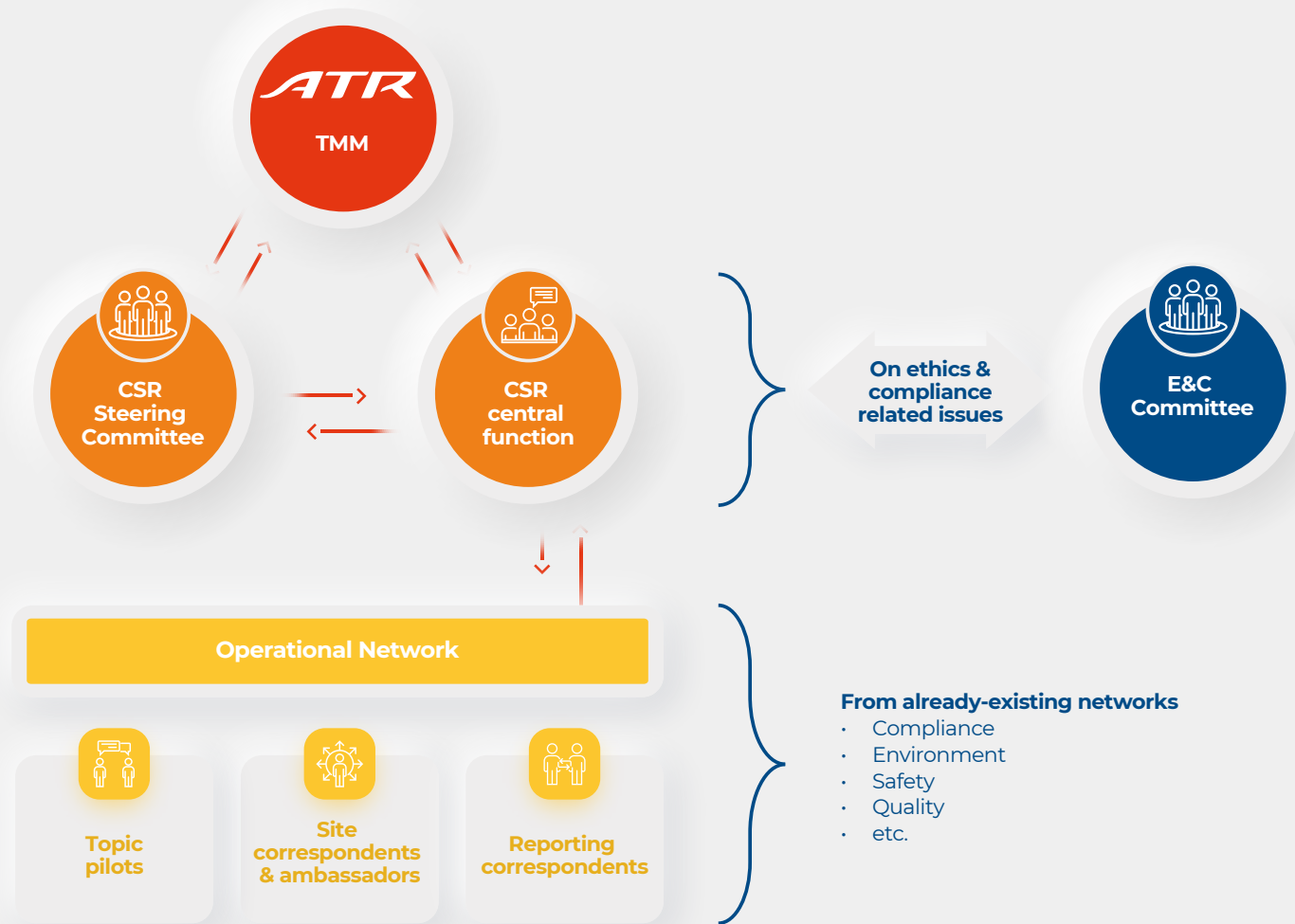
Commitments	Performance Indicator(s) - KPIs	Targeted value & time horizon	
Engage our people to unleash full potential			
Boost a safe working environment focused on open dialogue and work-life balance	Frequency rate	<4%	Yearly basis
	Employee engagement level rate	80%	2025
Nurture an inclusive culture based on respect and equal opportunities	Percentage of women among the Manager population	25%	2025
Attract and develop the talents of today and tomorrow	Percentage of newcomers attending an onboarding session	100%	2023
Act with purpose in everything we do			
Demonstrate uncompromising commitment to ethics & compliance	Number of employees (incl. exposed functions) within the Group trained on ethics & compliance-related topics every two years	100%	2023
Offer cutting-edge and affordable technologies to meet market needs	Number of partnerships with suppliers, laboratories and universities regarding R&D activities	13	2024
	Percentage of existing suppliers having signed our SCOC ³ (or who commit to equivalent principles)	100%	2025
Strengthen responsible supply-chain management	Percentage of identified high-risk suppliers ⁴ , who have undergone a sustainability assessment	100%	2026
	Percentage of response rate from suppliers for the last CDP Climate Change questionnaire	100%	2027
Build customer trust based on safety and quality			
Promote the highest standard of safety	Percentage of increase in the use of Flight Data monitoring each year	10%	From 2023
	Percentage of employees who followed the ATR e-learning on product safety	100%	From 2023
Exemplify customer-centricity	Number of opened routes each year	150	Permanent
	Percentage of annual events involving customers that include a CSR slot	100%	From 2024

³ Supplier Code Of Conduct

⁴ Based on 2022 risky suppliers (see details in § 5.3.2.2. Supplier assessment/risk mapping).

2.3 CSR Governance

2022 has been a transition year that allowed ATR fostering CSR vision into its strategy. To fully support the actions towards a more sustainable Company, ATR has defined a dedicated CSR Governance that has been implemented in early 2023. Two governance bodies have been created, the CSR Steering Committee and the CSR central function. In the meantime, other existing instances have been strengthened.



CSR Steering Committee

From 2023, the Top Management Committee will delegate CSR implementation and oversight to the CSR Steering Committee which is composed of the CSR central function as well as the Corporate Secretary and General Counsel, Senior Vice President of Engineering, Senior Vice President of Operations & Procurement, Senior Vice President of Commercial, and Head of Human Resources. Other extended executive members will be invited when necessary, such as Quality, Safety, Support, Programmes, Communication, or Finance. The CSR Steering Committee reports directly to the Top Management Committee and will meet quarterly. The role of the CSR Steering Committee will be to:

- Ensure the overall monitoring of the CSR strategy
- Guarantee the respect of commitments and the consistency between projects at Group level
- Propose future strategic orientations
- Provide overall internal sponsorship of the strategy.

CSR function

The CSR Central function was also created in early 2023 to support implementation of the new CSR strategy. The role of the CSR Central function will be to:

- Provide CSR expertise and benchmark best practices
- Coordinate and follow the deployment of the CSR roadmap
- Manage the CSR reporting
- Represent the approach externally
- Ensure training and awareness actions within ATR
- Ensure the communication plan in coordination with the Communication Department

This CSR central function is led by a CSR manager and strongly supported by an operational network.

Due to the nature of the Company activities, the CSR Central Function will cooperate with the Ethics & Compliance (E&C) Committee and remain separate bodies.

Operational network

A network of topic pilots, site correspondents and ambassadors, and reporting correspondents already existing within ATR, such as Compliance, Environment, Safety and Quality. Topic leaders for each CSR issue have been nominated among the Extended Executive Committee. They will take responsibility at their level for the topic management and roadmap progress and ensure proper deployment of the roadmap for their topic(s).



An aerial photograph of ocean waves crashing onto a sandy beach. The water is a deep green color, and the foam is white and frothy. The waves are breaking in a series of parallel lines, creating a rhythmic pattern. The beach is visible as a narrow strip of sand between the waves.

**ENVIRONMENT
& CLIMATE
CHANGE**

Lead the way towards sustainable regional aviation

Global context

Air transport accounted for approximately 3% of Greenhouse Gas emissions and around 12% of the transport sector emissions* at world level in 2018. As far as passenger aviation is concerned, 60% of emissions came from international travel and 40% from domestic services. 80 % of these emissions came from flights over 1,500 km⁵.

International agreements in the aviation sector

In 2022, **the International Civil Aviation Organisation (ICAO)**, United Nations' specialised agency for aviation, agreed to reinforce cooperation on the decarbonisation of the aviation sector by adopting the Long-Term Aspirational Goal (LTAG⁶) in addition to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA, 2019).

As an active member, ATR is fully committed to contributing to aviation's net-zero emission goal for 2050, **Waypoint 2050**, signed in 2021 under ATAG⁷'s authority. **To decarbonise the sector, three key issues must be addressed:** the efficiency of the aircraft, the use of sustainable energy and the improvement of Air Traffic Management.

ATR's environmental approach

In line with our vision and the commitments of the Paris Agreement, ATR aims to **'to deliver and support the most efficient and lowest emission regional aircraft on the market'** and to drive the transition of regional aviation towards net-zero.

We not only track and measure the **environmental impact of our sites, products, and services**, we also **work in cooperation with our supply chain to drive more effective environmental management, decarbonise our industry and optimise resource utilisation**.

To this end, we have set four key environmental ambitions:

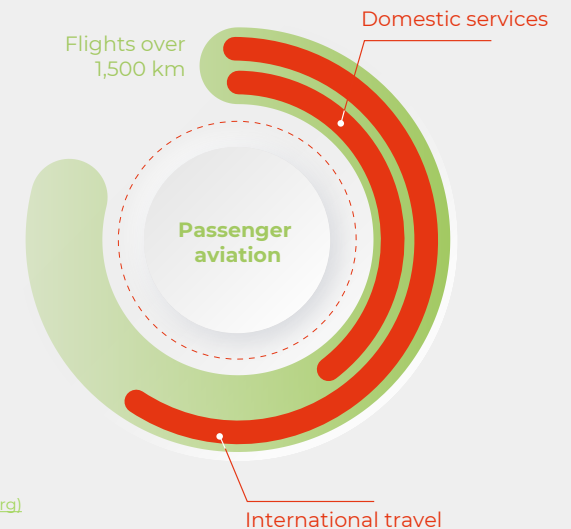
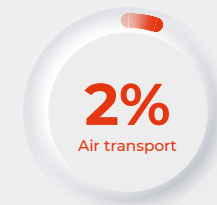
1. Drive the transition towards net-zero carbon emissions by 2050 in the regional aviation ecosystem
2. Develop sustainable products and services leveraging innovation and eco-design
3. Reduce the environmental footprint of our activities
4. Promote sustainable use of natural resources throughout our value chain.

⁵ Covering emissions from passenger travel (81%) and freight (19%) as well as domestic and international aviation ; [CO₂ emissions from commercial aviation, 2018 \(theicc.org\)](https://www.theicc.org/)

⁶ [Long term global aspirational goal \(LTAG\) for international aviation \(icao.int\)](https://www.icao.int/)

⁷ The Air Transport Aviation Group is an organisation with representation from all the aviation stakeholders. [Waypoint 2050: Aviation: Benefits Beyond Borders \(aviationbenefits.org\)](https://www.aviationbenefits.org/)

Greenhouse Gases



3.1 ATR's environmental policy (ISO14001)

As the world leader in regional aviation, ATR must set an example in all its areas of activities, including its environmental policy. Our three **French sites are certified ISO 14001**.

This policy considers every stage of our products' lifecycle and relies on innovation to improve the performance of our aircraft and services. Through this, we reaffirm our commitment to contributing to more inclusive and responsible aviation.

For us, this means:

- Respecting compliance obligations;
- Constantly monitoring and improving the overall environmental performance of our sites and products;
- Exceeding customers' expectations through continuous innovation, for both our products and services;
- Preventing and managing environmental pollution.

Beyond our compliance with the applicable requirements and our commitment to maintaining an Environmental Management System in line with ISO 14001, we have set ourselves ambitious objectives for 2025. The policy and objectives are available on our website⁸.

Our environmental policy is based on **three areas**:

- Reducing greenhouse gas emissions to fight against climate change
- Preserving natural resources and protect biodiversity
- Managing the environmental issues associated with the use of hazardous substances

⁸ [EN-ATR-Environment-Quality-Policy.pdf \(atr-aircraft.com\)](#)

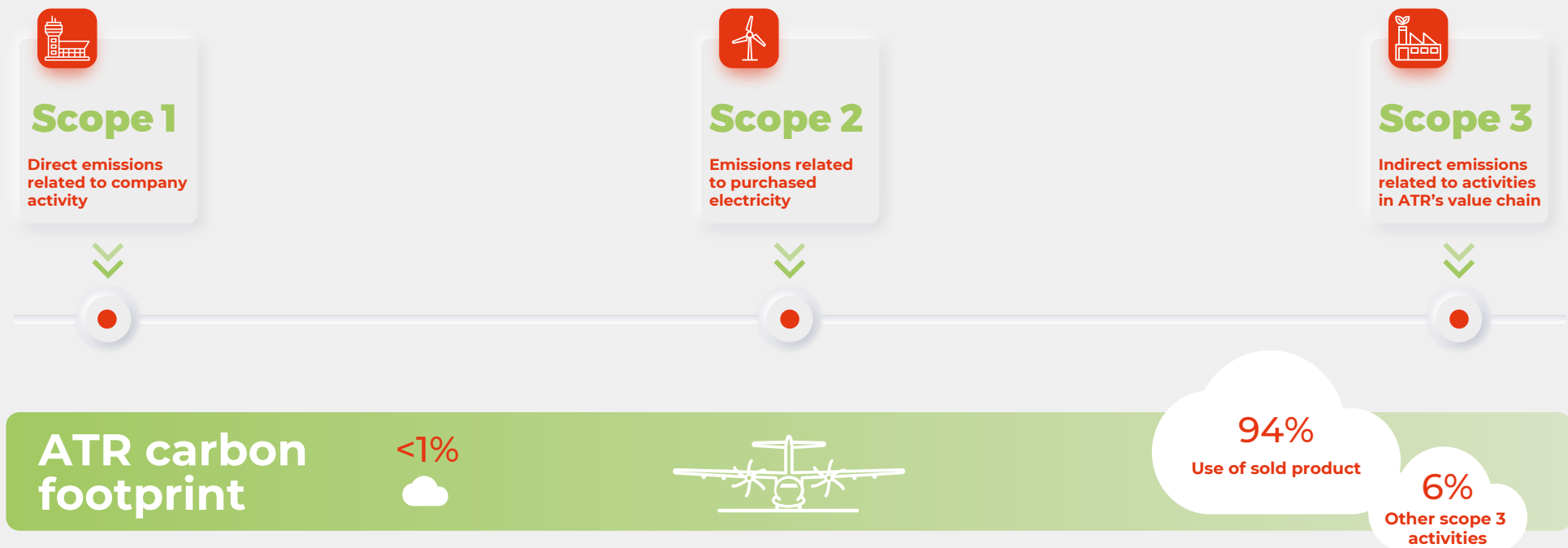


3.2 Drive the transition towards net-zero carbon emissions by 2050 in the regional aviation ecosystem

ATR is committed to contributing to the Paris Agreement targets and wants to take a leading role in the decarbonisation of the regional aviation sector, in cooperation with all stakeholders. In order to reach this net-zero emission objective and to reduce its greenhouse gas emissions, ATR has adopted a clear roadmap.

3.2.1 ATR's carbon footprint

While Scope 1 & 2 account for less than 1% of total emissions, the Scope 3 category – Use of sold products during their entire life cycle – has been identified as highly impactful for ATR, representing over 94% of total emissions. The second highest source of emission is related to 'Purchased goods and services'.



3.2.2 ATR's decarbonisation objectives aligned with the Paris Agreement

To achieve the aviation industry's goal of net-zero carbon emissions by 2050 and address the impact and consequences of climate change, ATR has defined its Low Carbon strategy. It is aligned with the 1.5°C target set by the Paris agreement.

In 2022, ATR has submitted its near-term greenhouse gas emissions reduction targets for Scopes 1&2 and Scope 3 (related to the use of sold products) to the Science Based Targets initiative (SBTi) to demonstrate that its strategy is aligned with the latest scientific knowledge and compliant with the objectives of the Paris Agreement. Feedback from SBTi is expected by the end of 2023.

Key metrics

Scopes 1&2	2022	Goal	Year
Reduce CO₂ emissions by 50% by 2030 vs 2018 with an intermediate target of -30% by 2025 (absolute figure)	-48%	-50%	2030
Neutralise residual emissions of Scopes 1&2 by permanent removal / sequestration by 2030	100%	100%	2030
Scopes 3	2022	Goal	Year
Define ATR's target reduction for Scope 3 in line with SBTi (Science Based Targets initiative)	-	Scope 3 target reduction	2024
Continue to neutralise business travel emissions	100%	100%	2030

We are determined to further promote turboprop technology as the lowest emission solution available on the market today. To contribute to further reducing emissions, especially during flights, ATR intends to foster innovation towards limiting fuel burn and introducing new technologies.

3.2.3 ATR's Low-Carbon Strategy & Governance

Governance

In view of the challenges imposed by global warming, ATR has implemented a reinforced structure to deploy its low-carbon strategy defined in 2022 and handle all related topics.

A dedicated governance and steering committee have been set up, chaired by the CSR/Environment Manager. The objective of this steering committee is to involve support functions in order to:

- > facilitate the collection of data to update ATR's carbon footprint,
- > collaborate on the deployment of actions related to CO₂ reduction targets.

By 2023, financial incentives will be established by ATR's Top Management Committee to encourage managers to participate and reach our company's decarbonisation objectives.

Global warming: Risks and Opportunities

We are currently undertaking our first Climate risks analysis. Through a list of 28 foreseen climate-related hazards, in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) and the Green taxonomy, we will:

- 1 Evaluate the exposure of our activities and those of our suppliers and customers to external physical factors¹⁰ (such as fires, droughts, sea level rise, etc...) and identify associated risks (supply chain disruption, unplanned investments, hindrance in operations, reputation, etc...) and opportunities (product differentiation, cost reduction, internal process optimisation).
- 2 Assess our vulnerability and capabilities to adapt to those risks.

¹⁰ According to SSP5-8.5 of IPCC

Reduction of CO₂ emissions (market-based)

ATR Low Carbon strategy 

February 2022

2023

Submission of the reduction targets to SBTi 



Intermediate target

 **-30% tCO₂eq: SCOPE 1 & 2****

2025

2030

Near-term target

 **-50% tCO₂eq: SCOPE 1 & 2****

Neutralise residual emissions scopes 1 & 2

 **Target reduction currently being validated: SCOPE 3****

Net zero emission 

2050

Voluntary Offsetting

Offsetting is essential for ATR to achieve its ambition to contribute to the net-zero emission goal set by the aviation sector for 2050. As net-zero refers to the balance between the amount of greenhouse gas (GHG) produced and the amount removed from the atmosphere, it can only be achieved through a combination of emissions reduction and removal.

To do so, ATR's main commitment is to neutralise the residual emissions of scopes 1&2 and business travels, through sequestration or permanent removal by 2030.

According to the assessment of our carbon footprint, we need to offset the following amount of tCO₂eq¹¹ in 2022:

- Scopes 1 and 2: 2533 tCO₂eq (taking into account deductions from renewable electricity and biomethane)
- Scope 3 business travels: 1000 tCO₂eq (the non-CO₂ effects are excluded)

ATR's offsetting projects

Since 2020, ATR has been offsetting its Scope 1 and 2 emissions as well as those from business travel through certified projects outside its value chain. The French-based certifying organism EcoCert delivers a climate neutral certification, which provides ATR with credits that comply with the world's most widely used greenhouse gas (GHG) crediting programme, 'Verified Carbon Standard'.

¹¹ Tonnes of CO₂ equivalent

ATR is:

- Supporting brick manufacturing from biomass residues rather than wood to limit deforestation in Serragem (Brazil). This new design uses biomass residues (açai seed and sawdust). Thanks to the overall project, 1,773 hectares of forests are protected. In addition, the activity has a direct positive social impact for local communities.



- Supporting mangrove protection, restoration, and growth management in Sujawal (Pakistan). This overall project will make it possible to protect 102,000 hectares of mangrove forests and plant additional 225,000 hectares in the Sindh province which is home to 95% of Pakistan's mangroves. In addition to creating 21,000 full-time jobs, it helps preserve areas which are key for biodiversity.

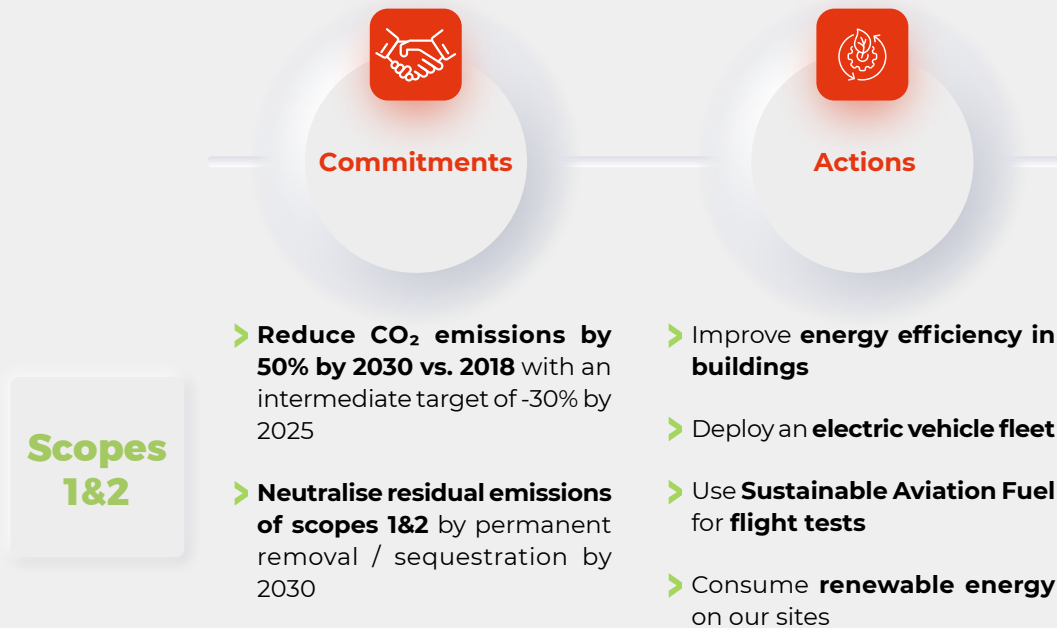


3.2.4 Reducing emissions of Scopes 1&2

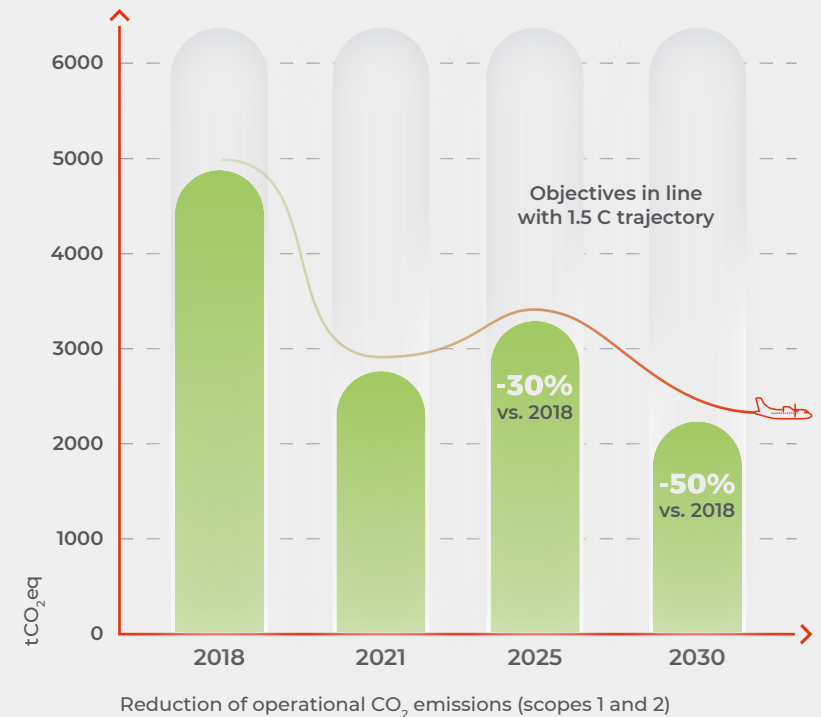
Even though emissions related to production activities represent only a small percentage of emissions in the life of an aircraft, in 2022 we set ourselves clear reduction objectives.

Our commitments

Direct and indirect emissions related to ATR internal operations refer to emissions coming from the consumption of energy (scopes 1&2). These targets are aligned with the 1.5°C trajectory (using Science-Based Target methodologies) and are expressed in absolute terms with reference to 2018.



Reduction of operational CO₂ emissions (scopes 1 and 2)



ACTION PLAN

Since 2021, a specific action plan to reduce operational emissions on ATR's French sites has been introduced and will continue to be implemented.

Improving the energy efficiency of our buildings

In 2019:

- demolition of a very energy-intensive building to enable the construction of a new one that is 40% more efficient than the latest French Thermal Regulation.
- replacement of a hangar door on one of our sites to improve insulation
- replacement of boilers and water heaters.

In 2020:

- optimisation of outdoor and indoor lighting through the use of LEDs
- installation of motion sensors to reduce electricity consumption.

In 2022:

- replacement of one of our site terminals by more efficient ones.

¹² Biomethane emits up to 10 times less CO₂ than natural gas.

Using renewable energy sources

In 2021, ATR subscribed to a 100% renewable electricity contract for two of our three sites in France, along with a biomethane¹² contract, with origin certificates.

As a direct physical connection with biogas facilities is not possible, and transport of biogas from its production is still necessary, the emission factor for gas consumption has not been modified compared to natural gas.

Transitioning to a fleet of electric vehicles

In 2020, ATR started replacing its fleet of company vehicles with electric cars and built charging stations. At the end of 2022, 25% of company cars had been replaced with electric ones. This enabled us to prevent the emission of 5.67 tonnes of CO₂ between 2021 and 2022.



3.2.5 Scope 3: Decarbonise ATR products

ATR produces the regional aircraft with the lowest fuel burn on the regional market, and we intend to further reduce their footprint, in order to contribute to regional aviation’s carbon emissions reduction.

Our ambition is to leverage innovation to reduce the environmental impact of aircraft during flights, especially focusing on limiting fuel burn, introducing new technologies, and working on incremental innovations.

Our commitments



As an aircraft manufacturer, ATR considers that its primary challenge is to reduce CO₂ emissions arising from the use of its products (referred to as ‘Scope 3 indirect emissions’ in the Greenhouse Gas (GHG) Protocol). To be aligned with the 1.5°C Paris Agreement goal, we have set ourselves the objective of reducing our Scope 3 CO₂ emissions (Use of sold products) by 30% (in absolute value) by 2030.

ACTION PLAN

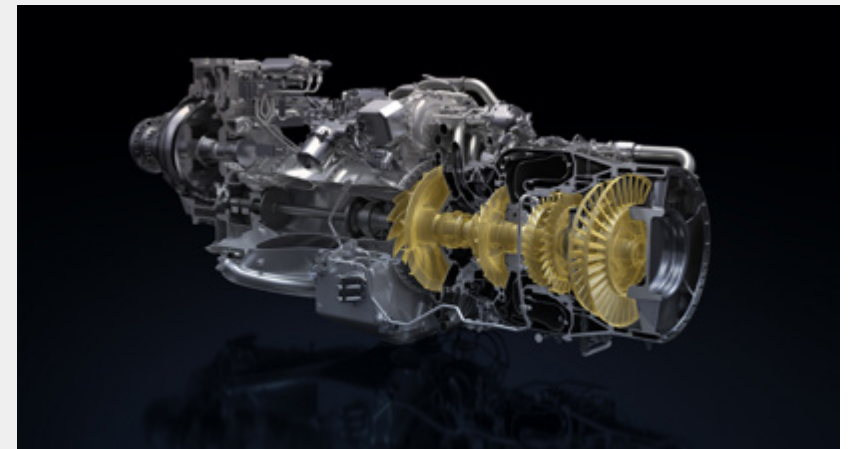
Our product policy fully integrates these decarbonisation targets.

PW127XT engine: -3% Specific Fuel Consumption (SFC)

To reduce our aircraft emissions, we have improved our propulsion technology and therefore the performance of our engines, in collaboration with our supplier.

Since 2022, the PW127XT engine has become standard for our entire aircraft family. With this engine, ATR sets new standards for fuel consumption carbon and NOx emissions and operating economics for regional aviation. ATR customers now benefit from 40% additional flight time, bringing the engine overhaul to 20,000 hours and resulting in fewer events during the aircraft’s lifecycle.

Thanks to the technologies it incorporates, the PW127XT improves energy efficiency by 3%. It consumes more than 45% less fuel than similar-size regional jets and emits over 45% less CO₂. The engine is compatible with sustainable aviation fuels (SAF), in line with ATR’s ambition to achieve 100% SAF compatibility by 2025 and helps ATR customers meet their sustainability commitments to achieve the 2050 net zero-emission target.



ATR 'EVO'

ATR is conducting a feasibility study for its next generation aircraft family, called ATR 'EVO'. The aim is to develop enhanced engine/propeller technologies and systems to further reduce our aircraft carbon footprint with hybrid capabilities. **ATR is targeting a 20% reduction of CO₂ emissions by 2030** with this technology.

The ATR 'EVO' will be 100% SAF-compatible and its manufacturing process will integrate eco-design requirements, in order to reduce emissions related to both its production and operations.



Sustainable Aviation Fuel

ATR engines are certified to fly with a 50% SAF blend, and ATR is actively working on lifting the technical obstacles to enable the incorporation of 100% sustainable fuel on its aircraft, with the aim of achieving certification by 2025.

The development of sustainable fuels (currently three times more expensive than kerosene) calls for public policies encouraging investments in production processes.

By using biomass residues, SAF are a lever to decarbonise the aviation sector in the short to medium term, while disruptive propulsion technologies will be the solution in the long term.

The American Society for Testing and Materials (ASTM) defined normalised specifications for Aviation Turbine fuels called 'Jet A1', and more recently for Aviation Turbine Biofuels (SAF).



The Perfect Flight

ATR, Swedish regional airline Braathens, Neste and Air BP performed a commercial flight in 2019, where every element in the flight management process had been optimised to keep carbon emissions to a minimum. This initiative, a first in regional aviation, resulted in 46% fewer emissions compared to a traditional flight, including through the use of a 50% SAF blend.

After this success, ATR performed another flight test in January 2022 with one our prototype flying with 100% SAF in one engine and 50% SAF in the other. This blend enables a 64% reduction of emissions.

In June 2022, we made history when we performed the first ever flight with 100% SAF in both engines of a commercial aircraft, in partnership with Braathens, and Neste, for an expected emissions reduction of 80%.

The objective of these initiatives is to prove that, by encouraging all air transport stakeholders to work together (manufacturers, airlines, airports, fuel producers) and by using currently available technology, it is already possible to significantly reduce CO₂ emissions in the air transport sector.



Establishing partnerships

ATR is committed to working with all necessary stakeholders, including engine manufacturers, to ensure that our current aircraft are certified to fly safely with 100% sustainable aviation fuels by 2025 (up to 80% lower net CO₂ emissions). This ambition relies on two actions:

- Establishing partnerships with energy producers to progress on the 100% SAF certification, such as the one set up with Neste for the first-ever 100% SAF flight.
- Liaising with relevant stakeholders and authorities to ensure availability of SAF for our operations.

The French Government, Occitanie Region, Toulouse-Blagnac Airport, Airbus, ATR and Aerospace Valley signed a joint declaration on 27 January 2023 to accelerate the development, production and use of sustainable aviation fuel (SAF) in Occitanie and contribute to the decarbonisation of the air transport sector. While the European regulation foresees the progressive incorporation of an increasing proportion of SAF (from fossil-free sources) in aircraft fuel, the collective commitment from the Occitanie region players is to accelerate this, with targets that are twice as ambitious as those set by the European Union.

[\(See the joint declaration\)](#)

Air Traffic Management (ATM) innovations

ATM is the dynamic, integrated management of air traffic and airspace including air traffic services, airspace management and air traffic flow management.

ATR supports initiatives aimed at reducing ATM inefficiencies while working on disruptive practices. This means:

- Integrating any further functionalities enabling optimised flight management processes while reducing carbon emissions to a minimum.
- Developing new services to help ATR operators reduce their fuel consumption, and therefore their carbon emissions.



3.2.6 SCOPE 3: Reducing other emissions

SUPPLY CHAIN ENGAGEMENT

The purchase of goods and services (PG&S) is ATR's second most impactful activity in terms of carbon emissions. The calculation is made using emission factors associated with each of ATR's procurement categories, as well as the 'spent-based' methodology defined by the International Aerospace Environmental Group (IAEG).

A dedicated roadmap has been defined in 2022 to begin reducing emissions coming from our supply chain (see § Sustainable procurement 5.3.2). We expect our suppliers to:

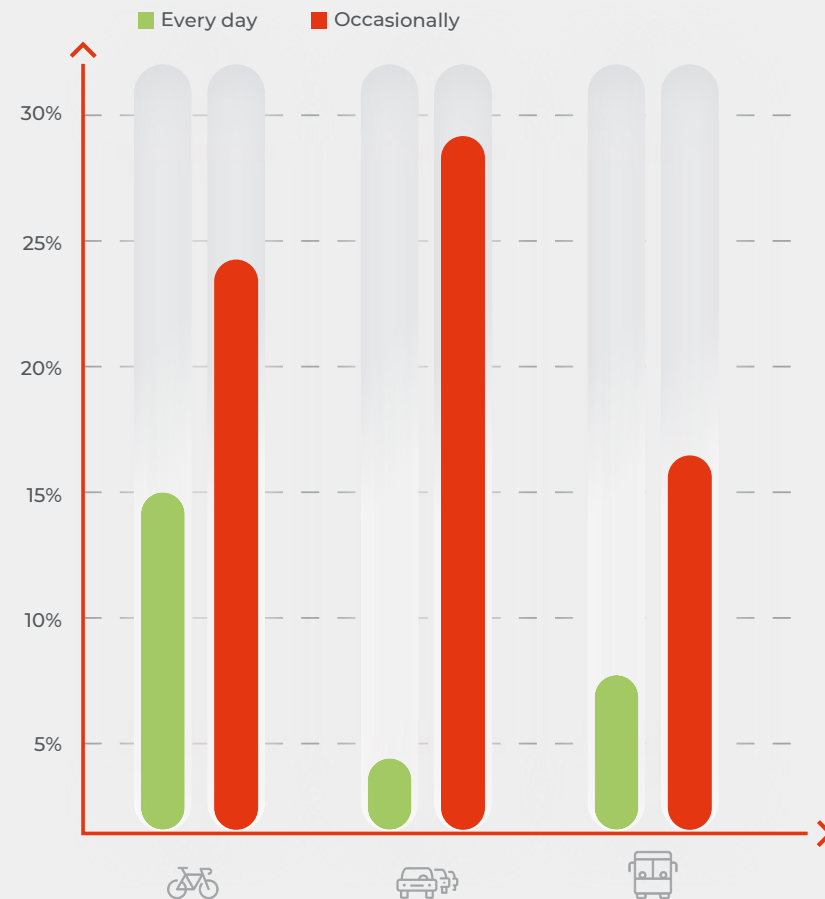
- Measure their carbon footprint;
- Commit to a decarbonisation target; reduce their CO₂ emissions;
- Communicate on their progress and clearly identify the carbon footprint of ATR-related activities.

COMMUTING

With the aim to decarbonise commuting, and therefore limit the use of single-occupancy vehicles, ATR has been promoting alternatives to help its employees decrease their carbon footprint.

- **Bicycle:** ATR offers several bike parking locations and lockers incorporating battery charging terminals.
- **Public transport:** ATR fully refunds the cost of public transport annual passes.
- **Carpooling:** ATR has partnered with other local companies to create a network of carpoolers, also providing access to a digital app designed by KAROS, to boost carpooling.
- **Remote working:** ATR supports and encourages up to two days of teleworking a week for all employees who can perform their activities remotely.

To measure the impact of these actions, ATR conducts a survey every year among its employees to compare the evolution in the use of these different means of transport. With a participation rate of 29% (338 respondents), the 2022 commuting survey showed the following results:



3.3 Develop sustainable products and services leveraging innovation and eco-design

As a responsible aircraft manufacturer, ATR aims to develop products and services by integrating environmental impact considerations into design processes, namely **eco-design**, for new products (e.g., materials choice, substances impact assessment).

3.3.1 Eco-design approach

ATR is strengthening its **eco-design approach** to limit the impacts of its products over their entire life cycle and ensure their recyclability. By doing so, we are anticipating new regulatory and customer requirements.

Key metrics

	Goal	Year
50% of ATR's new products and services developed with eco-design requirements by 2025	-50%	2025
100% of the EVO family new products developed with eco-design requirements by 2030	100%	2030

To deploy this approach, in 2022 ATR defined a set of eco-design requirements described in procedures and guidelines, along with dedicated tools to develop new products. Moreover, we are asking our suppliers to integrate these requirements into their new designs. Dedicated engineers will be trained in eco-design principles by 2024.

3.3.2 Life Cycle Assessment (LCA)

Key metrics

	Goal	Year
Life Cycle Assessment (LCA) of the ATR 72-600 aircraft	LCA completed	2025

To improve the overall environmental footprint of its aircraft, ATR aims to perform the Life Cycle Assessment (LCA) of its best-selling ATR 72-600 version by 2025.

To perform this assessment, ATR plans to involve its entire supply chain to obtain the inventory of the energy and materials required.

At the end of 2022, ATR began to work on the life cycle analysis of four types of equipment: cabin seats, blades, nose landing gear and lifting cranes.

The results of this holistic approach will be used to provide a framework to make environmentally conscious design choices to reduce the footprint of new products and optimise aspects such as product end-of-life management and the use of critical raw materials.

3.4 Reduce the environmental footprint of our activities

Due to the industrial nature of its operations, ATR's activities may have adverse impacts on the environment. We strive to reduce these impacts in compliance with applicable standards, laws and regulations.

3.4.1 Energy consumption

In line with its environmental policy and objectives, ATR is committed to reducing its energy consumption:

Key metrics

Gaz consumption (intensity figures: KWH/m2/DJU)	2021	2022	Goal	Year
Reducing gas consumption by 55% in our headquarters by 2025 versus 2018	-53%	-48%	-55%	2025
Reducing gas consumption by 45% in our flight test site by 2025 versus 2018	-41%	-31%	-45%	2025
Electricity consumption (Absolute figures)	2021	2022	Goal	Year
Reducing electricity consumption by 20% in our headquarters by 2025 versus 2018	-15%	-9%	-20%	2025
Reducing electricity consumption by 3% in our flight test site by 2025 versus 2018	+1%	-13%	-3%	2025

For several years, ATR has been implementing actions to reduce its energy consumption associated with its activities. See § 3.2.4 Reducing emissions of Scopes 1&2.

In response to the energy crisis in Europe, ATR introduced an energy sobriety plan in 2022, designed to cut gas and electricity consumption at French sites by 10% by 2024 (compared with 2019). It is available on the ATR [website](#).

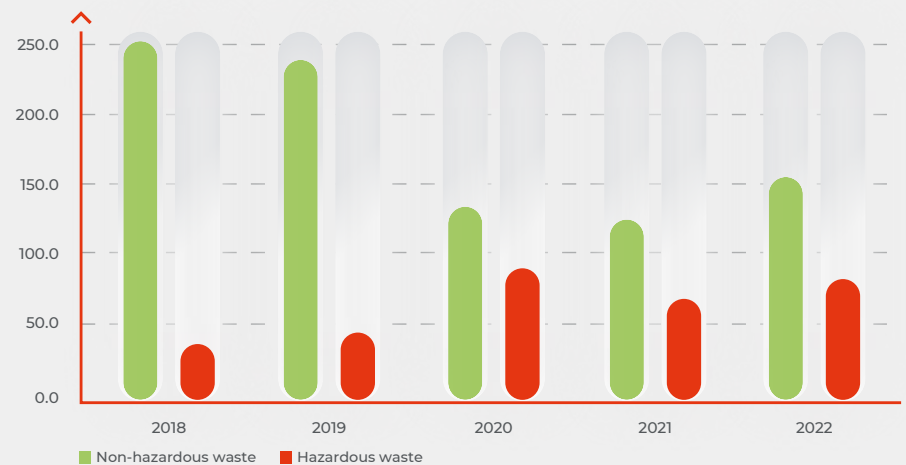


3.4.2 Reduce, reuse, and recycle waste

ATR recognises the challenges associated with depleting natural resources, and it is one of our top priorities to manage the waste related to our own industrial operations.

Key metrics

Waste	2021	2022	Goal	Year
Reducing waste production by 20% by 2025 versus 2018	-32%	-17%	-20%	2025
Ensuring 55% of non-hazardous material recovery rate (excluding exceptional waste) by 2025 versus 2018	53%	62%	55%	2025



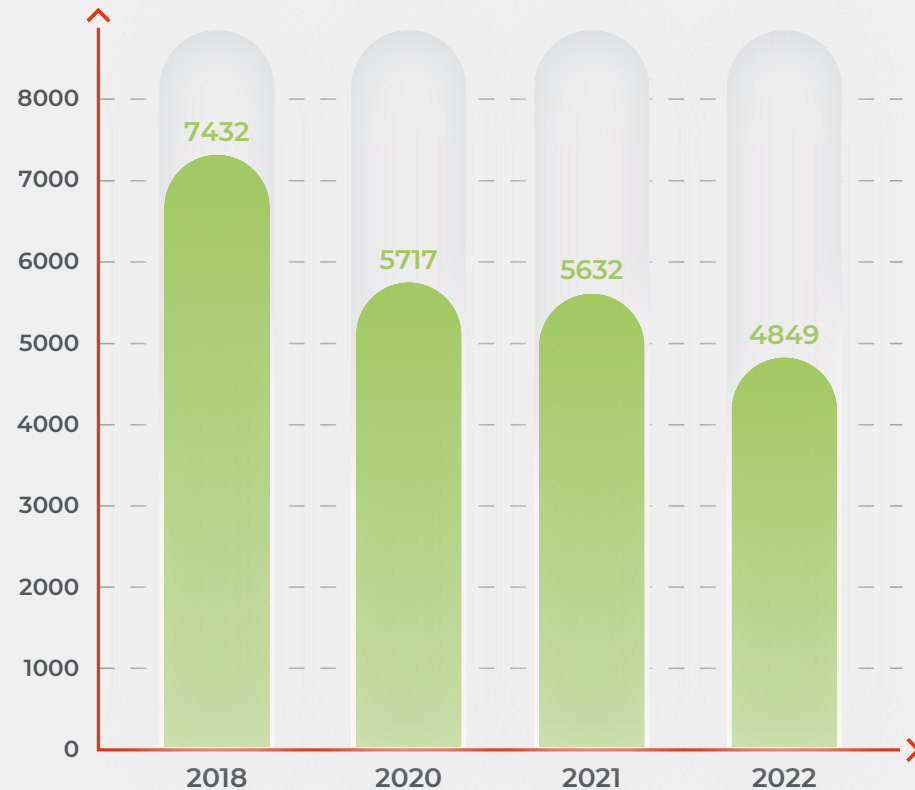
To improve ATR's performance on waste treatment and to reduce the production of waste, we have implemented several actions:

- > selective sorting of waste
- > raising staff awareness of sorting rules
- > looking for recycling channels or optimal treatment channels with our supplier
- > promoting behavioural changes (printing policy, reuse of cardboard and other packaging)

In 2022, around 500kg of WEEE (Waste from Electrical and Electronic Equipment) was donated to 'Les ateliers du Bocage'. This member of the Emmaus network takes action for the reuse of obsolete devices.

3.4.3 Water consumption


Water usage within ATR is mostly linked to sanitation and the cleaning of its buildings and aircraft. Despite the low level of consumption, resulting from optimised management plans (staff awareness, elimination of leaks, the replacement of equipment consuming considerable amounts of water, etc.), water resource management remains a subject of attention for ATR.



How we have switched to the waterless cleaning of our aircraft

In the past, 3,000 to 4,000 litres of water were previously used to wash an ATR aircraft. Since 2021, significantly reduce this water consumption, we have used a solution based on biodegradable essential oils applied with reusable dry-cleaning wipes, resulting in only 30 to 40 litres used per aircraft wash.

Since 2018, the purchased water volume has decreased by



-35%

3.4.4 Prevention of pollution

ATR identifies situations that may present a pollution risk and handles them through tools, dedicated equipment, and procedures. Emergency exercises are conducted annually.

We also raise staff awareness of chemical storage rules and emergency situations to avoid accidental spills or leaks of chemicals or fuel or reduce their impact.

3.4.5 Preserving biodiversity

Although its impact on biodiversity is low, ATR has implemented dedicated actions to protect species and their habitats.

This involvement is reflected in the installation of beehives on the roof of our Training centre, insect hotels to promote the development of pollinating species, and the planting of flowered meadows to preserve local plant species and microfauna (insects and pollinators).

This project aims to reduce the carbon footprint of our site by abandoning carbon-based maintenance methods, maintaining a diverse flora, and promoting hardy animal species. As such, the maintenance of our green spaces is certified zero phyto¹³.

¹³ No phytosanitary products.



3.5 Promote a sustainable use of natural resources throughout our value chain

Many impacts of ATR's activities lie in the upstream phases of the value chain, which ATR cannot directly handle. This is why we aim to support our supply chain to face and reduce the environmental pressure, to promote a sustainable use of natural resources throughout the whole value chain and to reduce the use of hazardous substances.

3.5.1 Hazardous substances and obsolescence

The increasing number of environmental regulations results in to the limitation or even prohibition of certain chemical substances.

In the aerospace industry, regulations on substances impact key processes and products, such as surface treatments, paints, and fire protection and this leads to a growing risk that a piece of equipment or a system can no longer be manufactured or maintained throughout its life cycle.

This is why ATR has rolled out a proactive approach based on anticipating risks and implementing the necessary actions to move towards the replacement of such hazardous substances in products and processes.

ATR relies on a dedicated organisation to manage them:

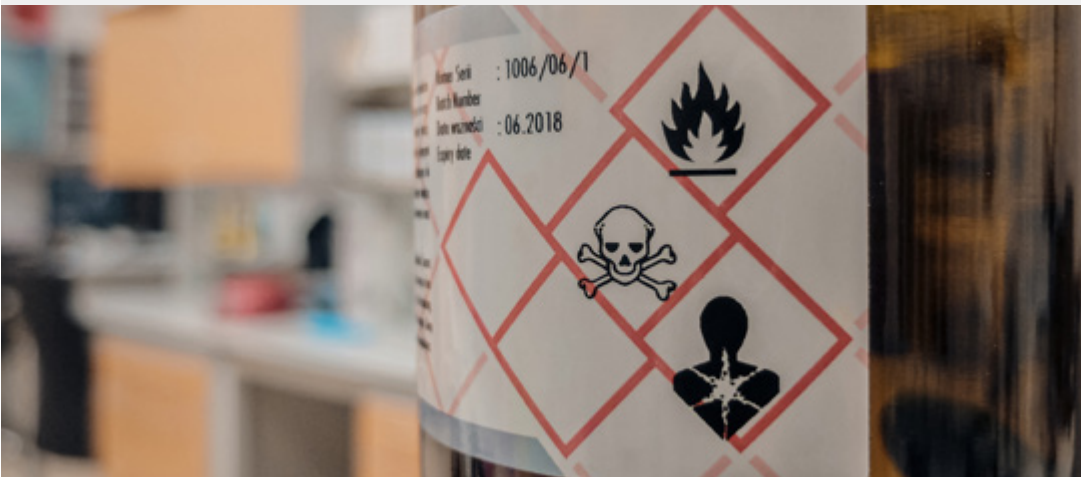
- We collect **data** relating to the substances which are present in chemical products as well as in the components and sub-assemblies used in the products and systems.
- **A cross-functional substance analysis team assesses the impact** of current and ongoing regulations on the chemical products ATR uses or on the substances contained in the various parts ATR uses to build aircraft.
- We work with our partners and suppliers to identify and deploy new alternative solutions that avoid the use of hazardous substances (e.g., chromates) whilst meeting airworthiness, certification and performance requirements.

3.5.2 Dismantling

ATR promotes the development of a circular economy model, and is proactive in seeking ways to recover, reuse and recycle materials beyond their initial life.

As an aircraft manufacturer, ATR is heavily involved in maintenance and end-of-life management. Aircraft recycling is a key priority to reduce our environmental footprint by minimising natural resources consumption. Through a partnership with Tarmac Aerosave, ATR is able to dismantle and **recycle or reuse more than 85% of its aircraft parts.**

In 2019, ATR dismantled two ATR 42-500 with Tarmac Aerosave. Up to 12 aircraft are to be recycled in the coming years as part of this partnership.



 **PEOPLE**

ATTR
CUSTOMER CARE



Engage our people to unleash full potential

At ATR, **people** are always **our first priority**.

We strongly believe that the sum of the uniqueness of each of our people defines ATR's identity, fostering innovation and creativity in our daily work.

We value diversity, multiculturalism, and differences between people. These differences, including in education, personalities, skills, and experience, enrich our business.

At ATR, we are committed to providing a safe working environment focused on open dialogue and work-life balance. We nurture an inclusive culture based on respect and equal opportunities, through our values and leadership model allowing our people to express their full potential.

Our individual development and career path policies, as well as our partnerships with schools, are designed to attract and develop the talents of today and tomorrow.

Skills development and employee mobility are key elements at ATR, both as a lever of commitment and as a guarantee of maintaining operational excellence.



4.1 Boost a safe working environment focused on open dialogue and work-life balance

4.1.1 Further develop health and safety culture

Occupational Health and Safety (OHS) is an integral part of ATR's priorities and one of its objectives is to ensure a safe and healthy working environment. Since 2019, ATR has implemented an Occupational Health and Safety Management System in preparation for ISO 45001 certification, which recognises the necessary measures implemented to reduce the number of accidents or occupational illnesses.

Therefore, ATR has set itself four commitments:

- Maintain best practices to eliminate hazards and reduce physical and psychosocial risks
- Involve all its employees and social partners in its OHS prevention approach
- Comply with regulations and professional recommendations;
- Seek to improve ATR's performance in the areas of safety and the protection of physical and mental health

In 2022, ATR continued to maintain the highest levels of occupational health and safety through three pillars: **consolidation of safety culture, strengthening of risk prevention and management of risks related to co-activity.**

Metrics	2022	2022 Target
Frequency rate (TF1)	2,34	<5,75%
Absenteeism from skills training	4,76%	<5%
Attendance at Workshop related to the prevention of psychosocial risks	100%	100%



Four events marked the year 2022:

- **The Health & Safety Day** took place in April. This event aimed to raise safety awareness via virtual reality. On this occasion, a competition was offered to employees with more than 150 participants.
- **The 'Quality of Life at Work' week** was held in June 2022. Two webinars were conducted by Opus Fabrica on the theme of 'the meaning of work and meaning at work'.
- A **Cancer Awareness Day** was held as part of the 'Pink October' programme.
- The **Cardiovascular Day** was held in December 2022, in partnership with the MSAE (mutual insurance company) and cardiologists.

Strengthen risk prevention

Occupational Health and Safety network

On the French sites, ATR has set up an organisation in charge of assessing occupational risks and updating the Single Occupational Risk Assessment Document (French 'DUERP'), raising awareness of the risks, and participating in the company's major projects to eliminate the risks at the design stage.

The Occupational Health and Safety Officers have specific expertise in areas such as chemical risks or psychosocial risks and work in close collaboration with management and employees at the final assembly line. In addition to meeting the legal objective of identifying risks and associated action plans, they are responsible for raising awareness and training operational teams to make them aware of the issues relating to their workstation.

Regular internal audits

To strengthen the safety culture and risk prevention, a certain number of initiatives were continued in 2022. ATR carries out safety audits in the Operations department and all departments, conducted by Occupational Health and Safety Officers.

21 audits were carried out in 2022, 8 covering the service sectors and 13 covering the production sectors. Several points are addressed, including storage and cleanliness, the wearing of personal protective equipment (PPE), labelling of chemical products, accessibility of emergency exits and fire equipment, compliance with Health & Safety procedures, etc.

At the end of the audits, an audit report is formalised and communicated to the teams and an action plan is drawn up to monitor the non-conformities of each department. These audits enable the teams to progress in monitoring the resolution of anomalies.

Thus, 100% of the anomalies noted during the fire audits were corrected in the month following the audit.

Metrics	2022	2022 Target
All the anomalies identified during Security Audits fixed within a month	75%	100%
All the anomalies identified during Fire Audits fixed within a month	100%	100%



Training sessions and awareness

Employees have the necessary authorisations or training (electrical, working at height, CACES, etc.) for their activity. In addition, general risks are presented to new employees during information sessions as part of the onboarding process and their understanding is checked by means of a survey at the end of the day. All employees (including temporary workers and trainees) who work regularly in the production sector receive awareness training on the risks associated with industrial activity. In 2022, two new digital training courses were created: one aimed at welcoming an employee after a work interruption of more than 30 days, the other on raising awareness of the use of Personal Protective Equipment.

In 2022, more than 2,000 hours of training were delivered on the following topics:

- Electrical manipulation accreditation (initial and/or renewal)
- First aid at work
- Stacker training
- ISO14001 awareness sessions
- Other technical training

Management of risks related to coactivity

ATR carries out part of its activities with its partners and/or subcontractors. As such, ATR has drawn up 524 Prevention Plans used to identify and prevent coactivity risks between ATR and external companies working on its premises. This regulatory document is mandatory when the company carries out a mission involving risky activities for 400 hours or more per year. In 2022, 100% of in situ subcontractors benefited from a prevention plan.

In the short term, ATR's ambition is to obtain ISO 45001 certification for all its French sites. Developed by the International Organisation for Standardization, this is a standard for management systems to ensure the safety of employees, reduce risks in the workplace and create better and safer working conditions.

Obtaining this certification will help to embed the safety culture within ATR.



4.1.2 Promote well-being at work through open dialogue and work-life balance

Gather employee feedback and leverage collective intelligence

As part of the company's approach to valuing employees and their engagement as a key success factor, in 2022 ATR initiated, a major project to measure the level of employee engagement, in partnership with the French Centre Nationale de la Recherche Scientifique (CNRS, National Centre for Scientific Research). The objective is to measure all aspects of employee engagement and well-being to identify the strengths and levers for improvement and implement related action plans. This project also aims to understand the impact of the unprecedented health and economic crisis on the state of mind of our employees. Eight themes are addressed through this survey: performance, commitment, motivation, well-being at work, satisfaction of fundamental psychological needs, involvement with the company, leadership, and justice.

A first survey was conducted in the spring of 2022 and resulted in a remarkable response rate of 69%. This participation rate demonstrates the desire of employees to express themselves in terms of their working conditions and their attachment to the company. At the end of 2022, employees who expressed a desire to get involved in cross-functional projects during their 'development Interviews' joined a working group responsible for improving well-being at work, by developing innovative initiatives through collective intelligence. A second survey will be conducted in 2023 in order to analyse the data and implement the action plan developed by this working group dedicated to well-being at work.



Strengthen teleworking and 'hybrid working'

The COVID-19 situation has led to new expectations from employees, particularly when it comes to combining teleworking days with on-site working days.

Since the beginning of 2022, ATR has initiated an experimental phase of 'hybrid working': Employees benefit from 2 days of telework per week (the home office policy concerns all employees whose position is compatible with this type of work). To maintain the teams' dynamic, the planning of teleworking is decided collectively.

Promote social dialogue

All employees are covered by the collective agreement for metallurgy. ATR has chosen to integrate the social perimeter of the Airbus group in France. As such, ATR is included in the field of application of the agreements negotiated at this level. This decision is motivated by the company's desire to benefit from a balanced social status, a source of both performance for its organisation and advantageous social policies for its employees.

On the other hand, in order to respond to the specificities of the company, ATR favours a constructive dialogue with trade union partners, in order to best meet the expectations of its employees and managers. In France, ATR consults the Works Council (CSE) on any subject relating to the working environment and the well-being of employees.

ATR has recently embarked on a major effort to simplify and standardise compensation, benefits, and job positions to make them more understandable for all employees and to allow everyone to feel treated fairly, thus fostering a sense of belonging to the organisation.



4.2 Nurture an inclusive culture based on respect and equal opportunities

At ATR, every voice is welcomed, heard, and respected. We value diversity, multiculturalism, and differences between people. These differences, including in education, personalities, skills and experience, enrich our business.

Currently, 25% of ATR's staff are women, and the company is actively pursuing the recruitment of female candidates as part of its commitment to increasing this percentage, including through a proactive human resources policy with a particular focus on the recruitment and career development of women

As such, ATR is proud to fully support the STEM (Science, Technology, Engineering, and Mathematics), initiative, which encourages girls and women to start a career in science, technology, engineering, and mathematics through local initiatives in schools and partnerships with universities.

Metrics	2022 results	Target	Year
French gender equality index (out of 100)	83	93	2023

A collaborative approach

To nurture its ambitions in 2022, ATR created an organisation dedicated to diversity and inclusion based on the company agreements signed with the social partners, which serves as a guideline for any campaigns related to employees development such as salary policy or promotion plan.

Also, beyond the company agreements, ATR wants to co-construct an inclusion and diversity strategy with the collaboration of employees. Thus, at the end of 2022, ATR organised a workshop with volunteer employees to define together the notions of diversity and inclusion, and to elaborate the priorities and concrete actions to be implemented within the company.

Give all generations a voice

For the first time in its history, ATR is experiencing the coexistence of all generations within the company. These generations have different approaches and expectations of their work. Convinced that individual difference brings creativity and better collective performance, ATR wishes to support all employees in their individuality.



Committed to gender equality

For many years, ATR has been committed to a voluntary and sustainable approach to equality and professional diversity, beyond the legal and regulatory obligations in this area. It aims to promote a balance between family life and professional life and to guarantee a principle of fairness between the progression of women and men and equal treatment for equivalent qualifications, skills, and experience.

A 2019 legislative reform has introduced the publication by companies of an index of professional gender equality, reflected in the award of an overall score on 100 points, and aimed at measuring the company's situation regarding this approach and existing obligations. ATR's overall positive score of 83% reflects the importance given to this approach within ATR and highlights the concrete actions implemented in recent years on this topic.

ATR is committed to actively pursuing its efforts and reaffirms its commitment to maintaining policies and actions that make it possible to apply the principle of equal treatment between men and women in practice throughout their professional careers within the company. Objectives have been set to improve its score regarding the index of professional equity in the coming years.

The index is calculated from 5 indicators, which are detailed below:

Index of indicators of professional equality between men and women	2022 results	Progress target for 2023
1- Gender pay gap (calculated from average pay, by age group and equivalent job category)	38/40	-
2- Gender pay gap in individual pay increases (excluding promotions)	20/20	-
3- Difference in promotion rates between women and men	10/15	+5
4- Percentage of women employees who received an increase in the year	15/15	-
5- Number of employees of the under-represented gender among the 10 highest paid employees	0/10	+5
Overall score	83/100	93/100

ATR is pursuing an ambitious policy of equality and gender diversity, which was followed by concrete positive achievements in 2022:

- 36% recruitment of women in the engineers and executive population (for a target of at least 35%)
- 22% of women recruited in the technicians, shopfloor, and shopfloor supervisors' categories (with a target of at least 15%)
- With 44% women among our work-study hires and internship offers, we are promoting a greater professional mix from the outset of the career path



Promote women

According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO), women represent only 35% of all higher education students enrolled in STEM (Science, Technology, Engineering, and Mathematics) related fields of study. The aviation industry in particular suffers from a lack of female candidates.

For several years, ATR has developed and reinforced relations with schools and associations to promote the feminisation of aeronautical professions. In particular, the collaboration with the French association 'Elles bougent' aims to feminise technical professions by encouraging vocations among middle and high school girls.

In March 2023, ATR decided to join the French label 'féminisons les métiers de l'aéronautique' ('Let's feminise the aeronautical professions') created by the French association Airemploi. With this signature, the company demonstrates its desire to join forces to contribute to the challenge of the feminisation of the aeronautical professions by implementing concrete actions to raise awareness of the professions and the training courses to access them and to continue to work on promoting inclusion in the technical fields.



Raise awareness on disability

Building on the success of the 2021 event, ATR renewed the organisation of Disability Week in November 2022 on all three French sites. In partnership with PREVALY, ATR proposed awareness-raising activities on job retention and hearing risks.

The 2022 edition brought together a large number of participants among employees around activities aimed at lifting the taboo on the subject of disability. One of the employees with a disability spoke about his continued employment and the support provided by ATR, with the support of an ecosystem of professionals (a social worker and the occupational medicine department), both in terms of administrative aspects for the recognition of his disability, and cognitive aspects to be able to express his disability to his colleagues. This testimony highlighted the role of the multidisciplinary team and the existing programmes to better support individual situations.

Additionally, for the first time within ATR, some employees participated in 'Duoday', allowing employees to spend a day with a disabled person.

All employees play an essential role in making the inclusion of all diversities within ATR a success, starting with management. This is why it is a priority to train managers on this subject.

By 2023 100% of managers will have received training on diversity and inclusion.

Example of inclusion initiative 'Support carers'

For ATR employees who are 'family carers', in 2022, ATR set up dedicated training sessions to support them and enable them to find a better balance. Through these sessions, employees are informed of their rights, can discuss their situation, and can set up an action plan to improve their situation. Training to support 'family carers' has also been developed for the human resources team.

4.3 Attract and develop the talents of today and tomorrow

ATR is a human-sized company of 1,200 people that promotes local teams and accessible management. Internal contact is easy. Everyone knows the importance of their role, sees the impact of what they do and does their job according to a strong set of values: versatility, cross-functional approach, diversity and responsibility. The fact that it is equally owned by two major aerospace groups, Airbus and Leonardo, gives ATR a unique multicultural identity and strength based on the best experience and expertise.

Through an active and dynamic Human Resources policy, ATR offers each employee a proactive role in their own career development. ATR encourages excellence, value creation and performance, both individually and collectively. ATR optimises this approach by using digital solutions that facilitate the interaction of employees, human resources team and managers, allowing each employee to manage his/her professional development and to build his/her career within the company.

Following the COVID-19 health crisis, ATR must guarantee the continuity of its activities and preserve its performance. Investing in critical and future skills that will strengthen the professions of tomorrow is a major strategic line of its recruitment policy.

Metrics	2022 results	Target	Year
Number of interns and apprentices	88	123	2023

The year 2022 was marked by a strong recovery in activity post COVID-19, which resulted in an increase in the pace of the operations and a growing need for workforce. The manufacturing and assembly sectors have required a growing workforce over the past year.

Foster the integration of younger generation

ATR reinforces its commitment to the development of students, as they represent a privileged pool for its recruitments. Every year, ATR opens many opportunities for students in apprenticeship and internship programmes to integrate into an enabling environment for learning new skills with our teams. These work-study and internship offers are in line with the new skills linked to the transformation of the aeronautics market (digital, technological, new ways of working).

To achieve this ambition, ATR develops privileged partnerships with reference schools and universities such as the French Institut Supérieur de l'Aéronautique et de l'Espace (ISAE-SUPAERO), the French Ecole National d'Aviation Civile (ENAC), AIRBUS high school, Saint-Exupéry high school in Blagnac, and Toulouse Business School (TBS).

In 2022, more than seventy young people, including work-study students and interns, were part of the company.



Develop ATR people's skills

Career development is based on professional opportunities in technical expertise, project management and people management. ATR employees have access to a wide range of high-level development solutions (training sessions, coaching, mentoring, co-development, etc.) that promote hard and soft upskilling: free access to a digital platform of training offers, internal training centre, specific partnerships with prestigious academic institutions and access to external training, etc.

ATR implements training plans aimed at securing the technical skills needed for industrial projects over a three to five-year horizon. In parallel, from 2021, ATR has revised its development interview process to give employees the opportunity to identify and share their strengths and areas of development with their managers. This allows employees to be part of the construction of their development plan.

ATR has developed specific training to support managers in their role, give them the keys and tools to federate their teams and to detect any work-related issues in their teams, and provide the basics of labour law. For senior managers, training takes the form of coaching sessions whose objectives are to support their development and increase their leadership skills.

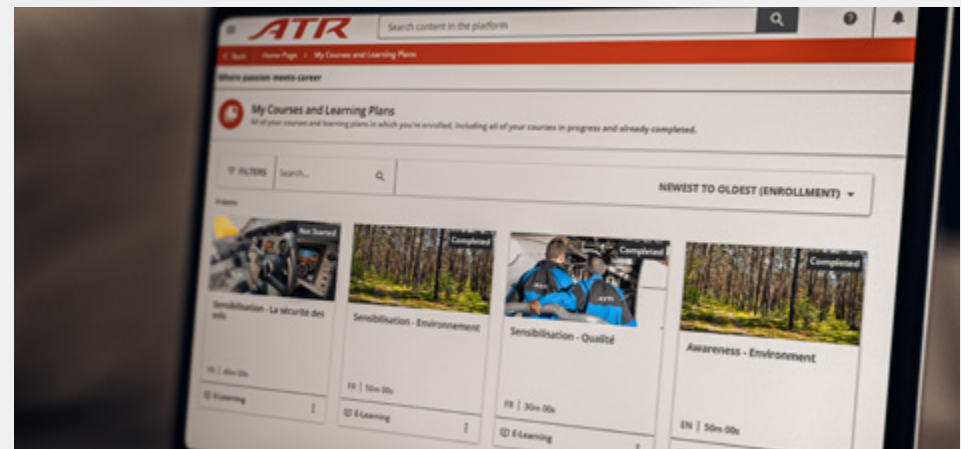
ATR aims to develop leadership behaviour among all employees. To do so, the Company has identified 6 key soft skills (see below): human-centric, inspiring, exemplary, humble, entrepreneurial and innovative.

Encourage internal mobility

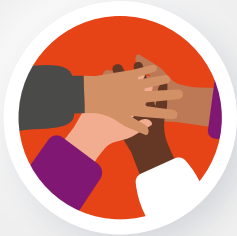
ATR encourages the internal mobility of its employees to develop their skills and their network within the organisation.

To implement this internal mobility, ATR relies on the Mobility Committee, which meets every month to review vacancies and identify employees who are moving from one function to another.

This process provides employees with greater transparency on the opportunities available within the company. As a result, **25% of positions were filled through internal employee mobility in 2022.**



Focus on leadership skills within ATR



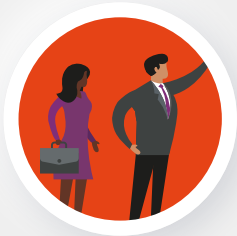
Human-centric

- Active listening
- Valuing and developing diversity and inclusion
- Encouraging cooperation and mutual support
- Fostering a culture where people feel valued



Humble

- Paying attention
- Appreciating others
- Acknowledging mistakes
- Being willing to learn



Inspiring

- Being true to oneself
- Keeping promises
- Persuading by communicating
- Generating enthusiasm and energy
- Gaining trust



Entrepreneurial

- Putting ATR first
- Adopting customer-centric approach
- Promoting excellence
- Confronting and managing complexity and uncertainty
- Delegating and encouraging collaboration
- Being reliable



Exemplary

- Keeping commitments
- Acting with integrity
- Addressing and resolving conflict situations
- Promoting and embodying ATR's values



Innovative

- Challenging the status quo and promoting change
- Testing new ideas
- Simplifying



 **BUSINESS
PRACTICES**

Act with purpose in everything we do

As the world leader in regional aviation, ATR is committed to exemplary ethical practices throughout its activities, to continue to propose incremental, reliable and affordable innovation and extends its responsible practices to its supply-chain.

5.1 Demonstrate uncompromising commitment to ethics & compliance

ATR is committed to a responsible business model built around core values. We have developed a comprehensive Ethics & Compliance programme that provides guidance and principles on how to conduct business in compliance with all applicable laws and regulations and in line with the highest ethical standards.

The Ethics & Compliance (E&C) department is under the responsibility of the Corporate Secretary and General Counsel.

Key metrics

Metrics	2022 results	Target	Year
Number of newcomers trained on E&C related topics within their 12 first months as part of the onboarding path	N/A	100%	2023
Number of employees in exposed functions trained on E&C-related topics every two years	<90%	100%	2023
Number of employees trained on E&C-related topics every two years	<90%	100%	2023
Number of annual training sessions or certifications passed by each member of the ATR E&C team	N/A	>2	2023
Yearly frequency of the E&C Committee and network meetings	4	>4	2023
Percentage of new suppliers and customers that have been subject to a due diligence process, according to the internal programme/directives (KYC/KYS policy)	N/A	100%	2023

5.1.1 ATR's Code of conduct

ATR's Code of Conduct, endorsed by our Assembly of Members, is one of the cornerstones of our E&C programme and is necessary to make integrity and compliance an inherent part of our business culture. The Code was revised in September 2022. It is available on our corporate website.



The Code sets out the key principles and values that must be implemented and followed by each employee, trainee, external co-worker (interim, subcontractor, etc.) of ATR and any entities over which ATR has control.

The Code of conduct covers seven topics: 'Combating corruption', 'Fair competition', 'Import & export control', 'Product safety & quality', 'Corporate citizen', 'Assets & information', 'Working environment'.

Links to applicable policies and procedures (e.g. Business Development, Anti-Corruption, Gifts & Hospitality, Conflict of Interest, Export Control, Flight Safety, Quality & Environment and Sponsorship & Donation) are included in the Code.

In addition to the changes made to the Code, the Know Your Customer/ Know Your Supplier (KYC/KYS), Sponsorships and Donations, Gifts and Hospitality and Conflicts of Interests procedures were revised and issued in September 2022 with a view to strengthening the compliance programme. Quick Reference Guides highlighting the procedures' key points have been made available to all employees.



Click&Comply

With the support of the IT Department, the E&C team has developed 'Click&Comply', a compliance-dedicated digital platform to support the implementation of the procedures via electronic forms and automated approval workflows.

Click&Comply is currently available for Gifts & Hospitality and Conflicts of Interests. Further developments will be implemented in 2023 with the objective of integrating KYC/KYS requests and Sponsorships and Donations.

Enhancements were also made to ATR's travel and expenses claim system to reinforce controls on Gifts and Hospitality, including a requirement to document the pre-approval of gifts or hospitality provided to third parties prior to submitting expense claims.

5.1.2 Risk mapping

In compliance with the French Sapin II law, the E&C department performs periodic assessments and updates of ATR's compliance risk mapping.

In 2022, interviews and workshops including ATR employees from all directorates, subsidiaries and regions were organised to better understand our risk exposure. The E&C team has reviewed the list of existing risks and included associated scenarios as per the French Anti-Corruption Agency's requirements.

An action plan is currently being drafted to identify risk-prone activities or departments and build the associated control framework. Subsequent second and third-level controls will be launched in 2023.

5.1.3 Improving empowerment on E&C issues: activities

Training

In 2022, all employees followed a general awareness session on E&C. Enhanced training sessions were provided either by the E&C team or external providers for the most exposed populations. The average attendance rate was 75% (see breakdown in the below table).

Training sessions	Nb of participants	Target population completion rate
General Awareness (Mandatory training)	857	83%
Deep Dive E&C (Enhanced training for most exposed functions and E&C Focal Points)	193	86%
FAL Compliance training	126	81%
Export Control US Basics	230	57%
Export Control US Deep Dive	107	43%
Deep Dive Export Control (Europe)	12	100%

In addition, more than 80% of our employees had completed the E&C e-learning modules as of 31st December 2022.

Promote 'Speak up' culture

In line with French Sapin II law, ATR promotes a trustworthy environment, where open and constructive dialogue can take place between co-workers and with management. It is our responsibility to maintain and nurture a compliance culture based on 'Speak Up'.

We do not tolerate any retaliation or attempted retaliation against people who have made reports in good faith or who are assisting investigations of suspected violations of ATR's Code of Conduct or applicable laws and regulations.

In 2022, six Speak Up reports were received by the E&C Team via the different channels available (including the Open line).

E&C Network

The E&C team relies on an E&C network of 39 focal points, appointed in all directorates and subsidiaries to support the E&C department in the implementation of the compliance and export control programme.

Their roles and responsibilities consist in:

- Being the first points of contact to support the function and liaise with the Compliance and Export Control team;
- Providing first-level E&C recommendations;
- Identifying and escalating to the Compliance and Export Control team any potential Ethics, Compliance or Export Control violations or risks;
- Supporting the E&C network by reinforcing key messages and values;
- Supporting the deployment of the Compliance & Export Control Programme.

In 2022, E&C Focal Point meetings were organised on a quarterly basis. We also launched the 'Focal Point of the Year Award'. In addition, we joined the international celebrations of Anti-Corruption Day on 9 December. Various communications actions were launched including a quiz to assess ATR employees' knowledge of the anti-corruption programme.



5.1.4 Conduct business with reputable stakeholders

ATR has implemented policies aimed at ensuring that we only conduct business with reputable stakeholders who are involved in legitimate business activities.

Since 2021, we have enhanced our internal processes by adding 'Know Your Customer (KYC)' and 'Know Your Supplier (KYS)' procedures to ensure that comprehensive third-party due diligence is completed before contracting.

In 2022, the E&C team performed a total of 521 KYC/KYS analyses. Out of these:

- five were escalated to Top Management for review and approval of remediation actions:
 - three related to Sanctions and Corruption
 - one related to Money-laundering
 - one related to Fraud.
- One KYC was rejected in accordance with the Commercial team, following fraud allegations.

5.1.5 Export Control activities

ATR complies with all applicable export control laws and regulations. The Export Control team specifically focuses on:

- providing recommendations and support to any directorates regarding sanctions, embargoes and import/export control related aspects;
- coordinating with relevant authorities to prepare and support the export licence issuance process;
- supporting ATR subsidiaries with export control matters;
- issuing and updating policies, procedures and guidelines with respect to export control matters;
- organising awareness and training sessions for all employees;
- classification of tangibles and intangibles to obtain required licences and authorisation before any import/export is carried out;
- performing sanction checks via third-party screening and confirmation on the end-user, end-use and destinations;
- marking of intangibles (e.g. documentation);

In 2022, the team analysed the current export compliance programme and mapped out areas that needed to be strengthened or created. These assessments will help building export control roadmap and priorities for 2023.

Outlook

In 2023, the E&C Team will focus on enhancing the compliance culture across all levels of the organisation and strengthening the anti-corruption control framework.

Other projects include the review of existing policies and procedures and the enhancement of existing compliance digital tools.



5.2 Offer cutting-edge and affordable technologies to meet market needs

ATR delivers the most responsible and economical aircraft in its market segment and will continue to do so long into the future. We are committed to:

- offering innovative and efficient solutions to our customers, leveraging new disruptive technologies;
- enhancing digitalisation of processes, systems and offers around our aircraft;
- continuously and incrementally improving the efficiency of our aircraft;
- guaranteeing affordability of developed technologies for customers and maintaining our competitive advantage on maintenance and various services provided by ATR;
- developing key partnerships for Research and Development (R&D) projects.

Metrics	2022 results	Target	Year
Number of key partnerships	8	13	2024

5.2.1 Innovating to offer cutting-edge technologies & efficient solutions

An aircraft family in expansion

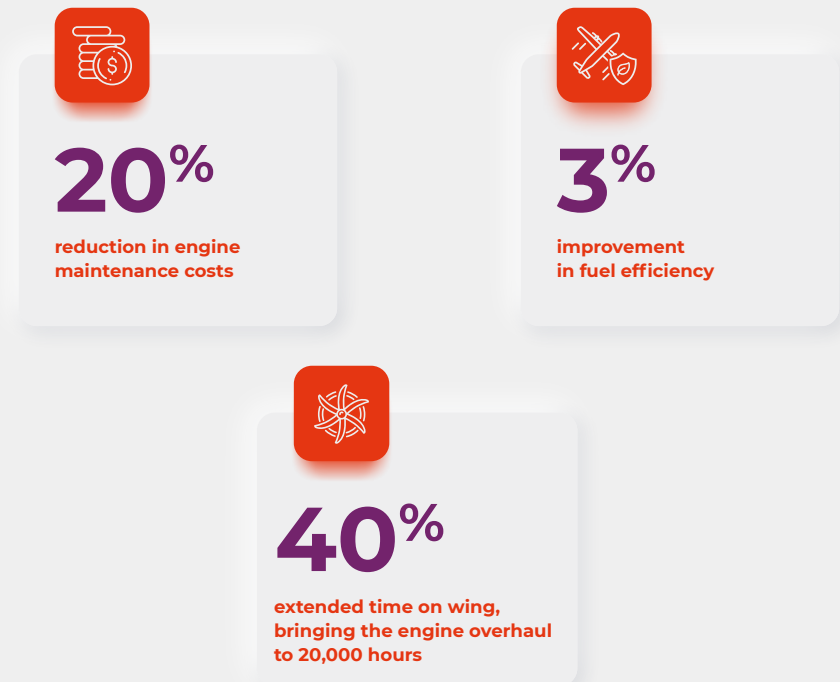
ATR recently expanded its aircraft family with the ATR 72-600F, our purpose-built regional freighter, and is currently developing the ATR 42-600S (Short Take Off and Landing variant) that is due to enter into service in 2025.

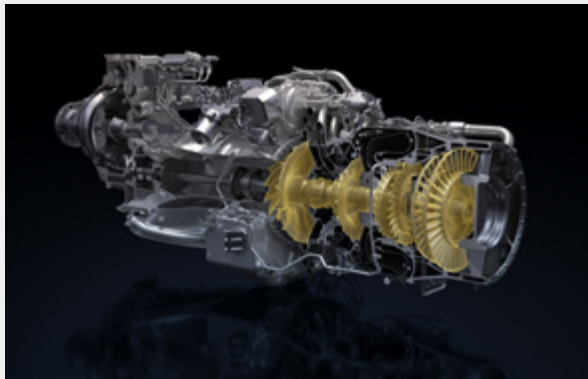
100% Sustainable Aviation Fuel (SAF) certification

ATR aims to achieve the 100% SAF certification of its entire aircraft family by 2025. The first test flight with 100% SAF in one engine was performed in January 2022. Following this success, we performed the first flight in history with 100% SAF in both engines on a commercial aircraft in June 2022, with BRA and Neste. (See section 3.2 'Drive the transition towards net-zero carbon emissions by 2050 in the regional aviation ecosystem' for more information).

Latest generation engine

In November 2021, ATR introduced the PW127XT engine series at the Dubai Air Show. It boasts the latest materials and technologies available on the market, enabling next level efficiency and extra time on wing for its aircraft. The PW127XT engine enables:





The engine sets new standards for fuel consumption, carbon and NOx emissions, and operating economics in regional aviation.

This version has reduced turbine operating temperatures and a new high-pressure turbine module. This means more efficiency and durability for ATR's customers.

The PW127XT engine is also fully compatible with Sustainable Aviation Fuel.

ATR 'EVO'

In May 2022, ATR announced its plans for the next generation of its best-selling family of regional aircraft by 2030, the ATR 'EVO'.

The plan foresees advanced design features and a new powerplant with hybrid capability to offer customers the next generation of ATR aircraft. Incorporating a new eco-design that includes new propellers and enhanced cabin and systems, it remains a two-engine turboprop that can be powered by 100% Sustainable Aviation Fuel (SAF).

Through the ATR 'EVO', our ambition is to offer both lower operating costs and lower carbon and NOx emissions, to enable our operators to play a tangible part in the decarbonisation of aviation.

The feasibility study is ongoing, and ATR is currently working with airlines, engine manufacturers and systems providers. (See section 3.2 'Drive the transition towards net-zero carbon emissions by 2050 in the regional aviation ecosystem' for more information).

New Avionic Suite

ATR is also constantly working on improving the avionic suite of its aircraft. Standard 4 is set to optimise fuel consumption during descent and approach. It is estimated that such improvements will make it possible to reduce fuel consumption by 10% during these flight phases.

Additionally, a Flight Management System (FMS) will monitor and optimise fuel consumption throughout the flight.

New powerplant with hybrid capability

20%
overall fuel improvement*

20%
less CO2*

20%
maintenance cost reduction*

100%
non drop-in SAF

Double digit
operating cost savings

Entry into service before 2030

Improved performance
in terms of time to climb and one engine inoperative ceiling*

Improved Cabin
with increased use of lighter, bio-sourced materials*

End-to-end lifecycle



5.2.2 Developing key partnerships for Research and Development (R&D) projects

ATR is constantly working in partnership with other Research and Development stakeholders to ensure that regional aviation, and regional aircraft, remain at the higher edge of technology.

Clean Sky 2 Regional Aircraft Initiatives: cabin demonstrator assembly ongoing

Clean Sky aims to develop more responsible air transport technologies for earliest possible deployment. That means integrating, demonstrating and validating technologies capable of reducing CO₂, NOx and noise emissions by 20 to 30% compared to 'state-of-the-art' aircraft which entered into service as of 2014. The project is financed by the European Commission and private partners.

For ATR it means validation at full scale of innovative structural technologies and improvement of the physical cabin environment in terms of comfort and well-being on board for Regional Aircraft interior items. It will induce CO₂ emissions reductions as a consequence of a lower fuel consumption due to a weight decrease and an increased recyclability of material.

CORAC

ATR contributes to the work of 'the CORAC' (Conseil pour la recherche aéronautique civile), being in charge of the roadmap for the regional aviation.

Partnerships with laboratories and universities

Due to having its headquarters at the heart of France's aeronautic cluster, ATR closely works with laboratories, universities, and start-ups. Their performance and specificities make ATR aircraft the ideal platforms to test and implement new technologies. Such partnerships are ongoing in the above-mentioned projects with ISAE Sup Aero' and INSA, France's leading universities and research laboratories in the aeronautics sector.



5.3 Strengthen responsible supply chain management

The Procurement function sits at the heart of ATR’s strategic challenges and strives to make environmental and social responsibility a core element of its procurement strategy.

ATR deals with more than 150 direct suppliers (parts or services related to the aircraft such as engines, propellers for ATR final assembly line or spares and repair services) and about 800 indirect suppliers (other services).

In 2022, ATR’s total spend was €1 billion and involved 100 suppliers. About 75% of the total spend came from European suppliers, mainly based in France. Asian partners represented around 5% of the total spend and were mostly involved with repair services.

5.3.1 Procurement & Supply Chain Strategy

The Procurement function aims to ensure ATR maintains its competitive advantage at global level, focusing on transparency, innovation, operational excellence and sustainability.

ATR’s Procurement & Supply Chain Strategy is based on four pillars:



Relationship

- Communication
- Collaboration
- Transparency
- Anticipation



Sustainability

- Environment & climate
- Social & people
- Business Practices



Industrial excellence

- On-Time Delivery
- On-Quality Delivery
- Uphold a stringent quality culture: Quality First



Competitiveness

- Remaining competitive on prices & maintenance costs
- Keeping an affordable profitability level for customers & operators
- Innovation



Engaging our suppliers and partners is a key factor in achieving our ambitions and making sure the products and services ATR buys generate benefits, not only for the company, but also for the environment, society and the economy. ATR is therefore committed to promoting sustainable growth, developing mutually beneficial relationships and engaging its supply chain in its CSR Strategy. Sustainability criteria are now systematically added to the standard criteria for business relationships.

In 2022, the Procurement and Environment teams confirmed the sustainable supply chain ambition through the priorities defined below:



Environment & climate

- Decarbonisation of Supply Chain to reach net-zero ambition
- Promote eco-innovative approach
- Reduce environmental footprint within supply chain
- Ensure transparency on substances in product & process
- Reduce hazardous substances



Social & people

- Foster Human rights (no forced labour, no use of conflict minerals)
- Promote safe workplace environment
- Support local suppliers, when relevant



Business practices

- Act in full respect of ethics & compliance principles
- Establish zero tolerance for corruption
- Screen suppliers

All managers from Procurement have taken part in the training on Sustainable Procurement Practices, and all Buyers received an awareness session on Sustainable Procurement practices in 2021 and 2022.

Key metrics

	2022 results	Target	Year
Percentage of direct and indirect suppliers assessed through the risk mapping methodology	-	100%	2023
Percentage of existing indirect suppliers having signed our Supplier Code of Conduct (or committed to equivalent principles)	32%	100%	2025
Percentage of existing direct suppliers having signed our Supplier Code of Conduct (or committed to equivalent principles)	48%	100%	2025
Percentage of response rate from suppliers for the last CDP Climate Change questionnaire	-	100%	2027
Percentage of top 20 direct suppliers ¹⁴ that are ISO 14001-certified	83%	90%	2025
Percentage of most environmentally impacting indirect suppliers ¹⁵ that are ISO 14001-certified	56%	90%	2025
Percentage of identified high risk suppliers ¹⁶ , who have undergone a sustainability assessment	-	100%	2025
Percentage of received MDFs (Material Declaration Form) from direct suppliers	-	100%	2024

¹⁴ Top 20 direct procurement suppliers based on amount spent.

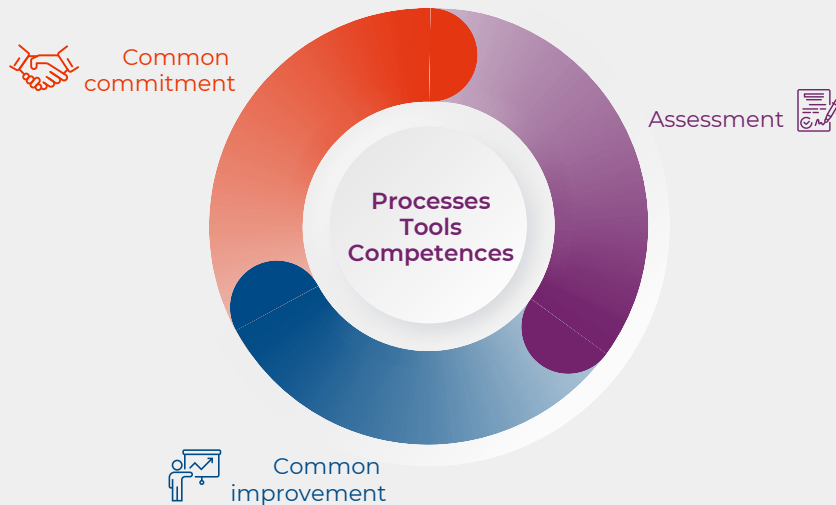
¹⁵ Suppliers whose activity has a significant environmental impact for ATR according to the environmental risk mapping.

¹⁶ Based on 2022 risky suppliers (see details in § 5.3.2.2. Supplier assessment/risk mapping).

5.3.2 Sustainable Procurement Roadmap

In 2022, ATR developed a roadmap for a sustainable supply chain based on three areas: Commitment, Assessment and Development.

This approach, detailed below, is progressively integrated into the processes, tools and organisation of ATR to embed our sustainable ambition.



Supplier commitment to sustainable business practices

- ATR Supplier Code of Conduct
- Sustainable clauses in our contract / specification

Supplier assessment

- Supply base risk mapping to define priorities
- CSR assessment of overall sustainability maturity
- Specific assessment of Carbon maturity (CDP) Carbon Disclosure Project
- On-site audits

Supplier development

- Follow-up action plan to improve sustainable maturity



Supplier commitment to sustainable business practices

Supplier Code of Conduct

In 2022, ATR defined a Supplier Code of Conduct (SCoC) that provides all the requirements ATR expects its suppliers to comply with, to guarantee high performance, reliability and strict compliance with all applicable national and international regulations, along with responsible business practices and sustainable development.

Modelled on the International Forum on Business Ethical Conduct, ATR's SCoC is the document of reference for responsible supplier management that reflects our values. [Supplier Code of Conduct - digital version](#).

We ask our suppliers and subcontractors to commit to applying and cascading across their own supply chain the principles of the ATR SCoC, or to confirm their own practices are aligned with the principles set out in this Code.

ATR has set as a target that 100% of its addressable suppliers (direct and indirect suppliers accounting for more than 50,000 USD as a yearly turnover) will have signed the SCoC by end of 2025.

The SCoC was communicated to all suppliers in Q2 2022. As of end 2022, 32% of existing indirect suppliers and 48% of existing direct suppliers have signed the ATR SCoC (or committed to equivalent principles). **As of end 2022, the acceptance of the SCoC has become a pre-requisite for any new contracts signed.**

Sustainable clauses in contracts & specifications

Since 2021, ATR has been gradually integrating sustainability in call-for-tender processes by including environmental and CSR criteria in the scoring matrix used for suppliers' bid evaluations. Only the suppliers who meet these criteria, including compliance with the ATR's Supplier Code of Conduct, can participate in our call-for-tender procurement process.

In 2022, we strengthened and added four topics in our contractual clauses, including ISO14001 certification, decarbonisation, eco-design and hazardous substance management.

ISO 14001 certification

We encourage our suppliers to implement an Environmental Management System based on the ISO14001 standard or equivalent.

By end of 2025, ATR expects 90% of its Direct Suppliers and 90% of most environmentally impacting indirect suppliers to be certified under ISO 14001.

Decarbonisation

Enlisting suppliers to work alongside ATR in the fight against climate change is one of the key commitments of our sustainable procurement strategy.

Our Carbon footprint being significantly impacted by that of purchased Goods and Services, we are encouraging our suppliers to set a course towards a low-carbon future.

To do so, we will first evaluate the level of engagement of our Supply Chain, then drive action plans to align them with the Paris Agreement goal.

This action plan, which will be deployed until 2027, provides that suppliers:

- evaluate their carbon maturity through a 'carbon questionnaire';
- calculate their carbon footprint including scopes 1, 2, and 3;
- implement a reduction strategy, in line with the Paris Agreement;
- effectively reduce CO2 emissions with a dedicated action plan.



Eco-design

ATR is committed to developing an eco-design strategy for its new products and services. For further details, see 3.3 'Develop sustainable products and services leveraging innovation and eco-design'.

This ambition obviously involves suppliers. We are currently integrating eco-design requirements into our Request for Proposal (RFP) processes to promote sustainable innovation. By 2026, these eco-design selection criteria will be mandatory for all new EVO products.

Hazardous substances management

ATR is committed to engaging its suppliers to increase transparency about hazardous substances in order to be compliant with applicable laws (e.g. REACH regulation), to manage and reduce the use of the most hazardous substances.

In 2023, ATR will launch a campaign to collect Material Declaration Forms – a document in which a supplier will provide information on chemical substances used in manufacturing processes and contained in every product delivered to ATR (covering both hazardous substances and conflict minerals).

By the end of 2024, ATR expects 100% of Material Declaration Forms to be completed by its suppliers.

Know Your Supplier (KYS)

In compliance with the French Sapin II law, ATR has developed a '**Know Your Supplier (KYS)**' due diligence process to ensure that all suppliers we interact with embrace the highest standards of integrity. Suppliers may therefore be asked to provide evidence of their commitments in particular in the fields of business ethics, anti-corruption, human rights (e.g., fight against human trafficking and child labour), labour standards and environmental sustainability.

As part of this process, suppliers should cooperate by providing information related to **their corporate structures, compliance programmes, commitments in terms of business ethics and sustainability**, and any other relevant information in order to satisfactorily conclude the KYS process.

Supplier assessment

Risk mapping

In 2022, ATR's Procurement and CSR departments carried out a CSR risk mapping of the purchasing commodities based on a methodology and tools taking into account risk indexes linked to the location and type of activities performed by suppliers as well as their level of financial dependence on ATR.

ATR's objective is to assess 100% of its direct and indirect supplier commodities by 2023.

The aim is to define priorities within our supply chain to deploy all CSR-related actions. A supplier producing parts with a risk of environmental impact in a country with human rights risks will be managed first.

In 2022, 41 direct suppliers were identified as Priority 1 (High-risk) suppliers, 116 as Priority 2 (Medium-risk) suppliers and 45 as Priority 3 (Low-risk) suppliers. This risk mapping will be finalised for indirect purchases by the end of 2023.

CSR assessment

IAEG (International Aerospace Environmental Group), signed a partnership with ECOVADIS (a third party specialising in evaluating the CSR maturity of suppliers) in early 2023 to create a voluntary standardised approach to sustainability assessments for suppliers, aiming at building a more transparent and sustainable supply chain together within the aerospace sector.

ATR, as a member of IAEG, will join this initiative, starting CSR assessment in the third quarter of 2023.

ATR's objective is to assess 15% of our supply chain by 2023 (addressable scope) with an objective to obtain 100% of the addressable scope by 2025.

Carbon Disclosure Project (CDP) assessment¹⁷

In 2023, ATR aims to encourage its top suppliers to set a course towards a low-carbon future by requesting them to respond to the CDP climate change questionnaire, within the scope of the CDP Supply Chain programme.

ATR's objective is to see 100% of its most emissive suppliers complete their CDP assessment by the end of 2027, with intermediate objectives of 20% by 2023 and 40% by 2025. 131 of our top suppliers will be contacted to complete the CDP questionnaire in 2023.

The results will enable us to identify our suppliers' strengths and potential areas of improvement and to engage with non-responsive suppliers.

ATR also evaluated the carbon footprint of its supply chain in 2022, by applying the methodology developed by the IAEG. More information in 3.5 'Promote a sustainable use of natural resources throughout our value chain'.

Outlook

Our sustainable supply chain roadmap will evolve to actively mitigate sustainability risks in our supply chain, adapt to evolving requirements and support our ambition to be more sustainable.

Actions to be continued in 2023/2024 include:

- following up the adoption of ATR's Supplier Code of Conduct;
- continuing to perform the external decarbonisation assessment through CDP;
- performing supplier CSR assessments and following up associated actions. If the results of the CSR assessment are insufficient, ATR may carry out audits at our suppliers' sites;
- completing the Material Declaration Form campaign and improving the monitoring of the traceability of chemical substances;

¹⁷ CDP is an international not-for-profit charity organisation that runs the global disclosure system for investors, companies, cities, states and regions to calculate and manage their environmental impacts (climate impact in particular) through their answers to the various CDP questionnaires.

- continuing to integrate sustainability elements into procurement processes;
- developing specific training modules on sustainability to support internal awareness in purchasing commodities.

2022 Supplier event

CDP is an international not-for-profit charity organisation that runs the global disclosure system for investors, companies, cities, states and regions to calculate and manage their environmental impacts (climate impact in particular) through their answers to the various CDP questionnaires.

ATR's ambitions and new sustainability requirements were communicated during our Supplier event in October 2022, attended by 150 of our major suppliers. We introduced our sustainable procurement strategy with an important focus on reducing greenhouse gas emissions across our supply chain.

For the first time, we rewarded one of our suppliers, Michelin, for its continuous efforts in ensuring the respect of human rights throughout its large rubber supply chain.





 **CUSTOMERS**

Build customer trust based on safety and quality

Regional air connectivity supplies essential links between regional hubs and the wider world, which would otherwise require the development of expensive and challenging ground infrastructure or result in long ground travel.

ATR Customers are playing a key role by offering vital connections **for local communities** in isolated or remote regions while boosting the economy, providing better access to education, health and culture.

ATR contributes to the mission of its customers by manufacturing aircraft with unparalleled economics and flexibility enabling affordable, responsible and inclusive air transport.

6.1 Promote the highest standard of safety

As the world's leading regional aircraft manufacturer, ATR seeks to achieve the highest level of safety on regional flights. Regional aviation safety is characterised by the specificities of remote destinations and less adapted infrastructure. ATR has developed international expertise, based on continuous improvement, to address these demanding operational environments.

The company has set up a **Flight Safety Policy**, including:

- an **Accident / Serious incident investigation process**,
- a **Safety Management System (SMS)**,
- and a **Regional Safety Plan (RSP)**.

ATR defines Flight Safety as the fundamental principle of any aviation activities, and our Flight Safety Policy is designed as a cross-functional structure.

Governance

The **Company's Safety Management System (SMS)** is aligned with ICAO Annex 13, European Regulation 376/2014, 996/2010 and the French Civil Aviation Code (Code de l'Aviation Civile).

Our Flight Safety policy is governed through four bodies:

- the **'Flight Safety Board'**,
- the **Regional Steering Committee**,
- the **Investigation Committees**,
- and the **Local Committees**.

The **Flight Safety Board (FSB)** is the highest ATR Committee dedicated to safety. The FSB meets quarterly and can also be triggered on request, subject to the importance or severity of a topic. The FSB is chaired by the Flight Safety Officer and composed of the ATR CEO, Head of (HO) Programmes & Customers Services, HO Engineering, Corporate Secretary and General Counsel, Chief Engineer, HO Flight Test, Flight Safety Board secretary.

The Investigation Committee is divided into two different parts.

The **Investigation Committee – Part 1** is based on ICAO Annex 13 requirements and composed of the ATR lead investigators, the Safety Manager, and the relevant HO functions of the directorates according to the type of event (Engineering, Programmes & Customer Services, Quality, Corporate Secretary & General Counsel and Human Resources).

During Accident or Serious incident investigations, it intervenes during procedures associated with safety management. It leads ATR's participation in investigations by identifying the potential safety issues and preventing their recurrence. It also supports business continuity when possible.

The **Investigation Committee – Part 2** is dedicated to voluntary reports issued by employees and issues raised by the Safety Management System (SMS) representatives to assess safety risks, define actions and promote safety activities.

The **Regional Steering Committee** coordinates activities to provide support to ATR's customers with external institutions. The committee meets on monthly basis with HO Customer Care, HO Flight Operations Support, the three Regional Safety Managers, HO Training, HO Legal, Airworthiness representative. The objectives of this committee are to identify customers that may require additional operational or maintenance support and prioritise appropriate actions.

Accident / Serious incident investigation process

The objective of the investigation process is the prevention of any incident recurrence through an intensive identification of the cause and risks factors. It then implements the necessary actions and provides feedback to operators and the aviation safety community, to ensure effective follow-up of safety recommendations.

ATR Safety Management System (SMS)

ATR's corporate Safety Management System manages safety risks generated within ATR's core activities of design, production, and support. It consists in identifying hazards, collecting, and analysing data and continuously assessing safety risks.



ATR's SMS is based on the four International Civil Aviation Organisation (ICAO) pillars: safety policy and objectives, safety risk management, safety assurance, and safety promotion. The SMS is facilitated by an appointed Corporate SMS Officer and SMS Officers per function with support from a network of nominated SMS Representatives throughout the Company.

ATR's SMS anticipates and responds pro-actively to safety critical items. It is also a means to innovate for the benefit of safety, as it contributes to the current and future product design, new technologies, flight operation procedures and training sessions. It also enhances and expands the ATR Flight Safety Culture by engaging employees in the implementation of related safety actions.



Regional Safety Plan

The Regional Safety Plan structures the cooperation of local authorities, operators, manufacturers, and other agencies. We actively participate in relevant industry safety initiatives and programmes, such as reinforcing aviation professional training or promoting new available technologies. Internally, we coordinate regional safety actions with the Flight Safety Managers in our subsidiaries in Singapore, Miami, and other worldwide locations. The Regional Safety Plan seeks to identify and manage Safety Risks as well as ensure dissemination of lessons learnt and promotion of best practices among our customers. It closely supports them in achieving the highest safety standards through a proactive approach.

Key metrics

	Target	Year
Percentage of increase in the use of Flight Data monitoring each year	10%	From 2023
Percentage of employees who followed the ATR e-learning on product safety	100%	From 2023

Activities

Ensuring Safety from aircraft entry into service

For more than 20 years, the ATR Training Centre has been delivering the highest training standards for all flight operators: pilots and cabin crews, maintenance and flight operations professionals, lessors, and MROs. We support our operators during the entry into service of their aircraft to ensure safe and efficient operations. All training sessions are certified by the European Aviation Safety Agency (EASA). Additionally, some prerequisites exist, including minimum qualifications for technicians and pilots. If necessary, a bridging course is offered to bring them up to standard. Thanks to the reference training tools and their expertise, our instructors can support any fleet and any options (including legacy aircraft).

Developing a Safety culture through Communication

Continuous and active safety communications (internal and external) are a central part of the safety culture implementation, through platforms like the ATR Safety website, ATRactive, Intranet, dedicated sessions, or the ATR Flight Safety conferences.

ATR holds forums twice a year with customers who present events occurred and share feedback.

The Flight Safety culture is also disseminated to all ATR employees, as part of our top-level goals. It has been developed according to the following core principles:

- Safety engagement
- Alertness, led by example
- Reporting and sharing
- Trust and credibility

Voluntary reporting offers our employees a means to proactively share potential hazards, events, or opportunities for safety enhancement. This is fully aligned with the French 'Sapin II' law (see dedicated section 5.1 'Demonstrate uncompromising commitment to ethics & compliance').



Supporting flight safety institutions

ATR is a vocal and active member of regional safety groups around the world. Due to our valued experience in regional aviation safety issues, we play an active role in the evolution of the sector's standards and regulations through our participation in the main international organisations, including International Aerospace Quality Group (IAQG), European Aerospace Quality Group (EAQG), Certification Body Management Committee (CBMC) and European Plan for Aviation Safety (EPAS) implemented by the European aviation authority with all Member States.

We focus on:

- expanding and strengthening ATR's participation within the aviation safety community to implement industry-wide safety initiatives and take a leadership role where necessary;
- launching every year, in each region, one new initiative typically including but not limited to:
 - Navigation infrastructure
 - Airfield/airport infrastructure
 - Training
 - Individual / dedicated airline project
 - Data analytics (Flight Operational Analysis);
- participating in the ICAO Global and Regional Aviation Safety Programme and similar programmes;
- cooperating with regional safety institutions and NGOs;
- actively contributing to the definition of International Safety standards.

Our Regional Safety Plan (RSP) Director is part of the ICAO regional Steering Committee. Our Flight Safety Officer is a member of the NGO AVIASIST Board to improve Flight Safety in Africa through training and awareness sessions. Our Flight Safety Director is a member of the SGS club, which brings together companies located in the Toulouse area to discuss fair culture, safety performance, indicators, and the latest regulations. She is also a member of a working group within the French 'Groupement des industries Françaises Aéronautiques et Spatiales' (GIFAS) on the integration of the Supply Chain into safety topics.

Example of initiatives: Satellite Guidance through Instrument Flight Rules (IFR)

In 2021, ATR initiated a project with the Pan-American Regional Aviation Safety Group (RASG-PA) to convert Colombia's Guapi Airport from Visual Flight Rules (VFR) to Instrument Flight Rules (IFR). This shift is part of our continuous drive to boost flight safety in every region we serve. Located on the Pacific coast, Guapi is only accessible by aircraft or boat and is served by Satena airlines, which currently operates four ATR 42-500 and three ATR 42-600. The introduction of IFR will improve the consistency of flight approaches and allow the flight crew to benefit from the on-board technology to maximise safety margins.



6.2 Uphold a stringent quality culture

To achieve its ambition to be recognised by the industry as a quality benchmark, ATR relies on key actions serving our five strategic leads. A strong Quality policy supports our CSR policy, enables cost savings throughout our value chain, reinforces customer trust and ensures a customer-centric approach through our Quality Management System.

Quality is a top priority for all ATR employees. Our commitments to excellence include:

- building a mutually profitable relationship with our customers, ensuring their long-term success thanks to safe operations and reliable products;
- fostering a culture of quality with the objective of developing, manufacturing, and providing products, services and behaviours that are trusted and preferred by our customers;
- being proactive with regards to inherent risks to our activities and identifying opportunities to exceed our objectives and make continuous progress;
- complying with relevant laws and regulations as well as internal requirements;
- encouraging the integrity of what we deliver to our customers internally and externally;
- promoting quality amongst employees and stakeholders through effective communications.

Our quality policy, as well as our environmental policy, have been developed and set as the cornerstone of our CSR strategy. The policy integrates every stage in the lifecycle of our products and relies on innovation to improve the performance of our aircraft and services.



Respecting compliance obligations



Exceeding customers' expectations through continuous innovation for ATR's products and services



Constantly monitoring and improving the overall quality and environment performance of our sites and products



Controlling and preventing environmental pollution

ATR's Quality Policy

Our quality policy is structured around three main commitments:

Increase customer satisfaction

Meeting customer requirements is the highest priority for ATR, in an increasingly competitive market environment. We are committed to fulfilling our customers' needs and delivering solutions that meet their expectations in a responsible way. We innovate and enhance operations to offer an improved customer experience while adhering to all applicable standards and approvals.

Increase global performance quality

We believe in fair, responsible and ethical competition, and are preparing our future pursuing our strategic objectives through continuous improvement of efficiency, processes and working environment. We are committed to improving our global performance to ensure our sustainable development as well as that of our customers.

Develop and maintain competences

In order to meet our commitments, we pledge to periodically review and update our plans to maintain our staff competences and skills, to implement improvements to ensure alignment with future needs and to reinforce the Quality culture within the company. (See dedicated chapter 4.3 'Attract and develop the talents of today and tomorrow').

Implementation of the Quality culture

Quality is essential to achieving ATR's ambition to remain the undisputed world leader on the regional market.

ATR is committed to building mutually beneficial relationships with its customers in order to ensure their long-term success through safe operations and reliable products.

To achieve this ambition, the company focuses on four main areas:

- ATR's Quality Management System (QMS),
- Developing skills and strengthening Lean management,
- Promoting a quality culture,
- Boosting Corporate Audits and supporting the CSR policy.

Reinforce Customer trust and customer focus through ATR's Quality Management System (QMS)

Since 2015, design, manufacturing, sales, marketing, and customer support activities for our ATR 42 & 72 aircraft have been certified under ISO9001 for our three French sites.

Our Quality Management System is therefore fully aligned with the ISO9001 standard and consists in strategic management throughout the assembly line, providing a sound basis for sustainable development initiatives.

In 2022, we updated our quality related KPIs to further demonstrate our performance and identify levers for improvement. Our objectives have been built with the support of every Executive Committee member. As required by ISO9001, the quality-related KPIs are followed-up monthly during the business review.



Develop quality skills through the strengthening of Lean management

ATR call on its network of more than 140 internal Quality employees to ensure the quality of its operations and provide the necessary competences. Lean Management is included in our training plan. To deliver greater value to our customers, we have been implementing the Lean methodology for several years. This methodology enables us to focus on improving every aspect of a work process by optimising resources, involving all levels of the company. 30% of ATR employees have followed a Lean Management training – white, yellow, or green belt.

Promote a Quality culture

To promote a Quality culture among its employees, ATR relies on regular communications. We believe that effective, transparent, and regular communications are an important means to convey quality policies and strategy, and also to inform stakeholders about ATR's QMS initiatives. Our communications are supported by the following channels:

- **Seminars on Quality:** ATR holds biannual seminars during which an overview of the different quality initiatives is shared and discussed
- **Quality Operational Meetings (QOM):** QOMs are held on a monthly basis. These Quality Forums enable operational teams to meet and exchange on best practices and cross-disciplinary topics.
- **Newsletters:** issued every two months to share the latest news within ATR.

Moreover, an internal portal called the 'ATR Quality Portal' is available to all employees and includes key information on quality operations development.



Boost Corporate Audits

According to the EN9100 standard, yearly external audits must be carried out on critical processes, such as Engineering, Final Assembly Line (FAL) or Procurement. The other processes must be audited every three years. The ATR management system is therefore periodically audited by third-party certifying bodies. We also rely on our internal auditors to identify room for improvement through audits conducted on a regular basis.

With regard to EN9100, internal audits are approached as preparations for external audits in order to identify risks or vigilance points and revise procedures to be fully aligned with the standard requirements.

To ensure the relevance of audits conducted, internal audits are carried out by function, and internal auditors are specialised in specific activities and agreements (e.g., ISO9001, ISO14001). Sixteen internal auditors are able to carry out audits within ATR on these two standards. Their valuable knowledge of our processes and standard requirements enables us to identify risks and propose relevant improvements.

In 2023, ATR plans to train three more internal auditors to be able to lead complementary audits, in addition to preparing for external audits.



6.3 Exemplify customer-centricity

Thanks to its regional organisation, ATR offers comprehensive experience to its customers. ATR's main ambitions are to build lasting and trust-based relationships with customers and orient actions towards customer dialogue and satisfaction.

Governance

ATR provides both aircraft and services to its customers. We have four customer support centres: Toulouse (headquarters), Miami, Singapore and Bangalore.



- Headquarters & Final Assembly Line
- 5 Commercial Offices
- 4 Customer Service Centres
- 4 Spare Parts Warehouses
- 7 Regional Customer Support Offices
- 3 Training Centres
- 1 Training Partnership

Key metrics

	Target	Year
Number of opened routes each year	150	Permanent
Percentage of annual event involving customers that include a CSR slot	100%	From 2024

Implementation/Activities

360° support and services

ATR offers its customers 360° support: maintenance, modifications, spare parts, material management, fleet enhancements, engineering services and training. We have a fully dedicated organisation to support our operators and products worldwide.

We have developed innovative and competitive support solutions to complement our operators' own capabilities, meeting various requirements and providing a cost-effective level of maintenance services, off- and on-aircraft¹⁸.

All support services meet the highest standards, including:

- dedicated Aircraft On Ground services with specialists permanently on call located in Toulouse, Miami and Singapore handling urgent deliveries of spares;
- enhanced spares logistics and support thanks to our Centralised Customer Order Desk working 24 hours a day;
- ongoing product evolution via service bulletin developments;
- state-of-the-art training programmes and technical publication services.

Sharing ATR's manufacturer expertise to ensure safe operations

The ATR Training Centre's objective is to provide the highest training standards for flight crews, maintenance, and flight operations professionals, as well as comprehensive operations support to all ATR operators, lessors and MROs (Maintenance, Repair and Overhaul organisations).



¹⁸ 'Off-aircraft' refers to all the necessary maintenance services not on the aircraft, 'on-aircraft' the opposite.

ATR offers various training solutions, with highly qualified instructors, to the latest training standards and technologies that only the aircraft manufacturer can provide. With an international network of training centres located in Toulouse, Miami and Singapore, ATR trains over 3,500 aviation professionals every year. Thanks to this regional positioning, Full Flight Simulators (FFS) and training standards are made accessible. Furthermore, training can be provided in ATR's premises, at customer base or through e-learning and virtual classrooms.

Engaging customers in Greenhouse Gas reduction

While ATR offers the lowest emission aircraft on its market segment, we constantly encourage our customers to reduce the Greenhouse Gas (GHG) emissions of their operations, through several programmes. ATR can offer support to increase fuel efficiency, through several levers, such as using the most direct routes, avoiding routes that could cause delays, or using Sustainable Aviation Fuels (SAF).

Raising awareness

To engage its value chain even further, ATR wants to raise the awareness of its customers. Several times a year, we hold conferences and webinars for our customers to discuss forward-looking topics. We also encourage airlines to use Sustainable Aviation Fuel (SAF).

Data Analysis Library (DALI) platform

To support GHG reductions, ATR has developed a platform to optimise flights and associated fuel consumption. The Data Analysis Library (DALI) is a web-based application, accessible from anywhere, helping customers to monitor their flight data. Using the data provided by the airlines regarding their routes, quantity of fuel burnt and flight phases, the platform provides recommendations to further optimise flights.

Eco-flight

ATR also seeks to enhance awareness and foster training among customers through the eco-flight training module recently developed.

Engage customers in product development

Customer feedback is important for improving ATR's products. This is why we have implemented an Advisory Board for our EVO aircraft concept, including customers with different profiles, so as to be the most representative in terms of region and business model. We expect this Customer Advisory Board to help define development targets in order to achieve the best compromises between performance and emissions reduction.

'ATRactive' platform

ATRactive is the 24/7 ATR Customer Portal which provides a full set of online support and services to ATR customers and stakeholders. Customers can ask the ATR staff any questions and follow the status of their queries, stay informed about the resolution progress status for the main technical subjects, manage their warranty online and find useful information on warranty processes. Airlines can also find training materials and get the latest news about ATR and full listings of our events.

Customer satisfaction

ATR's role is to offer a tailored-made solution to all its customers from startup airlines to the most mature ones. For instance, ATR increasingly supports airlines in network definition to identify where to operate in order to serve communities efficiently.

ATR periodically measures the satisfaction index of Customers. This index is assessed globally through an in-depth analysis of the Satisfaction Survey, embracing all aspects of Product Support & Services.

Our Customer Satisfaction Improvement Plan is the resulting action plan derived from this analysis. It embraces all relevant functions for which a need for improvement has been identified. The actions are agreed with the stakeholders of each function and followed up by the Customer Support Directors globally.



Data verification

No independent third parties performed a review of this Non-Financial Statement.

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