

NAVAL

20

Corporate Social  
Responsibility  
Report

22

GROUP

**NAVAL**  
GROUP



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Corporate Social  
Responsibility  
Report

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## Pierre Éric Pommellet

Chairman and Chief Executive Officer



Faced with today's ecological and social transitions, Naval Group's commitment to Corporate Social Responsibility (CSR) is more relevant than ever.

To meet societal challenges, Naval Group has undertaken multiple initiatives in the scope of its ambitious CSR strategy. I am proud to present the actions undertaken in 2022 in this report.

First of all, you will be able to discover our Purpose, "Giving the navies the means to achieve their power goals", the upshot of a collective thought process carried out within the group. Our Purpose affirms the utility of our action and our contribution to the collective interest.

People lie at the heart of our concerns. In 2022, our social policy was marked by a number of strong commitments to ensure that the group reflects society, by integrating diverse profiles. Accordingly, alongside 152 other companies, we joined the #StOpE initiative to push back against everyday sexism and contribute to greater inclusion of women within the group.

We also signed the LGBT+ Engagement Charter to ensure equal rights and treatment for all employees, regardless of their sexual orientation and gender identity. Many other initiatives are presented hereinafter.

Naval Group is pushing forward the ecological transition by taking concrete action to limit the impact of its activity on the environment. Thanks to the involvement of our employees, in 2022 we reduced our energy consumption by 10%. Naval Group is also conducting an in-depth review of its production processes to make them cleaner and more resource-efficient.

In all of these areas, we must keep up the enthusiasm that drives and motivates us, and do even better in 2023. Let's do the necessary for future generations!

## Géraldine Le Maire

General Secretary



2022 was marked by the publication of the Corporate Sustainability Reporting Directive (CSRD) in the Official Journal of the European Union.

This directive reinforces the obligations to publish social, environmental and governance-related information by introducing standardised requirements, as with finance.

Increased regulatory pressure should not be seen as a compliance requirement that would merely increase red tape without any further benefit for the company. More than anything, these new standards represent the opportunity to question our business model by placing people and the planet in our decision-making sphere.



# 2022 KEY FIGURES

Naval Group, an international group  
at the cutting edge of innovation

## 10 sites in France

**Angoulême-Ruelle**  
Equipment, simulators and  
training, ship management  
and navigation systems

**Bagneux**  
Systems

**Brest**  
Services

**Cherbourg**  
Submarines

**Lorient**  
Surface ships

**Nantes**  
(Indret, Technocampus  
Ocean - TCO)  
Energy/propulsion, R&D,  
innovation

**Ollioules**  
Systems, Cybersecurity,  
Computer Emergency  
Response Team (CERT)

**Paris**  
Head Office

**Saint-Tropez**  
Underwater weapons

**Toulon**  
Services

## 18 countries

Saudi Arabia / Australia / Belgium / Brazil / Chile / Colombia  
Egypt / United Arab Emirates / France / Greece / India / Indonesia  
Italy / Malaysia / Mexico / Netherlands / Philippines / Singapore



## 5,750 BNE

in orders  
taken during  
FY 2022



## 4,353 BNE

in 2022 revenues



## 15,3 BNE

order book  
in France  
and abroad



## 16 029

FTE employees\*

\*full-time  
equivalent



## 50 navies client

around the world



## 40 000

direct, indirect  
and induced  
jobs



## Shareholders

0,92 %  
Naval Group

62,25 %  
Government  
shareholding  
agency

1,82 %  
Naval Group  
employees

35 %  
Thales



# PURPOSE

Our Purpose: a collective thought process.

In autumn 2021, many of our employees volunteered to join or lead working groups tasked with defining Naval Group's Purpose. For six months, their reflection on Naval Group's contribution to society prompted a great many suggestions, on which nearly 8,000 employees expressed their views in a survey conducted in May 2022. The Purpose comprises a summary sentence and an explanatory text containing all the terms that aroused strong support from employees. Defining our Purpose means affirming what Naval Group brings to society.

## Purpose and PACTE law.

It was France's Action Plan for Business Growth and Transformation (*Plan d'Action pour la Croissance et la Transformation des Entreprises - PACTE*) of May 2019 that gave companies the opportunity to develop a Purpose, or "raison d'être". This allows them to define their contribution to the common good, rather than merely limiting their Purpose to the search for profit.

This Purpose "comprises the principles which the company has established and for the respect of which it intends to allocate resources in carrying out its activity". By clarifying the meaning of our action, we allow Naval Group's stakeholders to decide whether or not to engage with us. This is not a given; the defence industry is often challenged. Although this industry helps to protect us and, as current events clearly demonstrate, is necessary, defence is not yet perceived as an activity that contributes to the collective interest. Naval Group seeks to take part in this debate and recall its utility for the world of today and tomorrow.

\* Article 1835 (translated) of the French Civil Code.

Juliette Muyl, CSR Director

# "Giving the navies the means to achieve their power goals"

In line with our "Power at sea" slogan.

The environment in which most of us work and in which the crews operate on board our products.

We have the sovereign expertise that is essential for allied countries.

The sea brings us together. Naval Group, a sovereign industrial player, is at the service of the crews who protect their country, and an essential player in the French deterrent force. Building on the diversity and commitment of its talents and a long-established industrial tradition, Naval Group designs, builds and maintains efficient, durable and reliable ships, systems, equipment and services to guarantee fleet superiority and availability. Thanks to the excellence of its know-how and its drive for innovation, Naval Group responsibly builds the naval defence of tomorrow.

"Talents" are our Group employees. Our activity is possible thanks to their diversity and commitment, as well as their daily involvement.

Ever since it was founded, Naval Group has been ceaselessly contributing to deterrence.

Together, we are preparing for the future in a responsible manner, notably by limiting our impact on the environment, and combating corruption and influence peddling.

# THE CSR STRATEGY



**Juliette Muyl**  
CSR Director

“Naval Group responsibly builds the naval defence of tomorrow”: corporate social responsibility lies at the heart of Naval Group’s Purpose.

In 2022, Naval Group stepped up its concrete actions and made some significant commitments. No single action is sufficient, but all are necessary!

This 2022 CSR report attests to the involvement of our Executive Committee, the mobilisation of our employees and the joint effort with our stakeholders to contribute to the social and environmental transition. Encouraged by the positive results of 2022 and aspiring for global, sustainable and profound change, we will continue to drive this momentum in 2023.

Juliette Muyl, CSR Director

## INTERNAL STAKEHOLDERS

EMPLOYEES	INNOVATIVE GENERATION COMMITTEE (COGITE)
DEPARTMENTS: HUMAN RESOURCES, PURCHASING, FINANCE, COMMUNICATION, TECHNICAL, OPERATIONS AND PERFORMANCE, OCCUPATIONAL HEALTH & SAFETY AND THE ENVIRONMENT (H&SW/E)	
SITE CSR MANAGERS	SITE DIRECTORS
CSR PROJECT LEADERS	CENTRAL ECONOMIC AND SOCIAL COMMITTEE, AND ECONOMIC AND SOCIAL COMMITTEE

## A four-pillar CSR strategy

Sponsored by members of the Executive Committee

- 01 Governance
- 02 Social commitment
- 03 Environmental protection and environmental resilience
- 04 Responsible industrial partner

20 CSR projects managed by specialists in the topics concerned

## BOARD OF DIRECTORS

### EXECUTIVE COMMITTEE

#### GENERAL SECRETARIAT

#### CSR DIRECTION

#### GROUP CSR DIRECTOR

#### CSR SPECIAL ADVISOR

## EXTERNAL STAKEHOLDERS

NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND ASSOCIATIONS	CSR NETWORKS (C3D, ORSE, Global Compact, Comité 21, etc.)
CLIENTS	SUPPLIERS AND SUBCONTRACTORS
SCHOOLS, UNIVERSITIES	INDUSTRIAL PARTNERS
PUBLIC AUTHORITIES, INSTITUTIONS, REGIONS	EXPERIENCE CHANNELS
	MEDIA, JOURNALISTS

# THE CSR STRATEGY

Naval Group has been *Advanced* level in the United Nations Global Compact since 2014.

The United Nations proposes 17 Sustainable Development Goals (SDGs), which constitute a global call to action by 2030  
To find out more : [www.agenda-2030.fr](http://www.agenda-2030.fr)

Naval Group contributes to achieving these objectives.



## The Group is also committed to addressing the seven issues in the ISO 26 000 standard.

This standard, which represents an international consensus, provides guidelines for organisations so that they may act ethically and transparently to contribute to sustainable development, while taking into account stakeholder expectations, applicable laws and international standards of conduct.



## Social responsibility

An organisation's responsibility for the impacts of its decisions and activities on society and the environment, resulting in ethical and transparent behaviour that:

- contributes to sustainable development, including the health and well-being of society;
- takes into account the stakeholders' expectations;
- complies with applicable laws while being consistent with international standards of conduct;
- is integrated throughout the organisation and implemented in its relations.

Extrait d'ISO 26 000 : 2010





# Part 01

Our social  
policy



▼

Respecting the dignity  
and individuality  
of each person

▲



# ACHIEVING GENDER EQUALITY

Like many industrial companies, Naval Group still has too few women: they account for 20% of our workforce (workers and employees 9%, technicians and supervisors 25%, engineers and executives 24%). As a major industrial group, we have our role to play in convincing women that all industrial professions are accessible to them. In order to progress, actions have already been put in place: promoting diversity in our recruitment, encouraging our female employees in their career advancement, and meeting female talent through our 258 “Elles bougent” contacts.



«**Elles bougent**», (literally, “Girls on the go”), a national association aiming to encourage scientific and technical vocations among adolescent girls.

Organisation of the “Les Elles de l’Océan” event to present Naval Group’s trades in Cherbourg (20 middle school students) and Lorient (35 high school students). 40 students were then invited to the Lorient site as part of Industry Week.

Talk by the Saint-Tropez site representatives with 40 middle and high school students from the “Les cordées de la réussite” programme, enabling them to discover professions that they did not know or thought were inaccessible.



Signing of the **Women’s Empowerment Principles** (unwomen.org), i.e. 7 principles to promote gender equality. Signatory companies become members of a community that shares best practices and influences.



Partnership with the **Assises de la Parité** (Gender Equality Forum) sponsored by UNESCO. Presentation of the actions taken in the sphere of parity during a round table on “transformation and new jobs: the end of gender-based jobs?” and organisation of a conference on equal representation mentoring.



**Youtube**  
“Les femmes de l’industrie navale” (Women in the naval industry)

Video link



**19,7 %**  
women in new hires



**Conferences**  
Organisation of conferences on women's leadership at the Brest site



**89/100**  
Equality index F/M



**E-learning**  
Creation of an e-learning course on sexual harassment and sexist behaviour



**16,8 %**  
women managers



**COMEX**  
Following the group’s reorganisation decided at the end of 2022, 5 out of 14 COMEX members are women as at 01/01/23 (35.7% vs. 22.1% in 2022)



**12,8 %**  
of women in executive management



## Three portraits of women and men who push things forward!



**Deborah**  
Welder at Naval Group for 4 years, national gold medallist in welding (Worldskills France – LA compétition des métiers)

Her message to young women: “I would tell young women to pursue their dreams, give themselves the means to achieve them, and not to feel alone in the male world. I would also tell them that there are more and more women, and that being a woman in a profession considered for men is no longer a trivial matter”.



**Pierre**  
Engineer in Bagneux

Since mid-2021, the law has allowed fathers to take 28 days of paternity leave, including 7 mandatory days, in order to combat gender inequalities by involving fathers more in childcare and domestic tasks, and reducing the effects of the arrival of a newborn child on women's professional careers. Pierre testifies: “In January 2023, I had the opportunity to become a service manager at Naval Group, and in February 2023 father to a second son. My management team supported me in my decision to take all my paternity leave (28 days) right from my son’s birth. This allowed me to support my wife in the first few weeks: whilst I am clearly unable to breastfeed, there are plenty of other things to do to help. Extending paternity leave is a necessary source of help for mothers who are already largely preoccupied before and after birth.”



**Sandrine**  
Manager of the AUX department, manager of the Toulon mechanical workshop

“My job as a manager in a production department composed mainly of men is neither a challenge nor a peculiarity. My role is to set the course and to provide the teams with the necessary resources and my trust. It also involves regularly raising my demands in order to obtain the best from everyone. Even if things can sometimes be complicated, we have the strength to pull through together, regardless of the diversity of our profiles, and thus respond to the operational needs of our customers. My teams are committed and follow me quite simply because they trust me. I have earned this legitimacy over time, thanks to my work and our collective successes”.



# PROMOTING DIVERSITY, ENSURING INCLUSION



The diversity and inclusion policy is a priority for the group, which wants the company to resemble society by integrating genuinely diverse profiles (in terms of social mix, background and training, generations, origins, skills and talents, but also in terms of life pathways). Naval Group has a duty to prevent and sanction any form of unfavourable treatment against its employees, candidates and partners which could be based on personal characteristics (age, gender, disability, name, physical appearance, etc.).

Signing of the **LGBT+ Commitment Charter** which commits Naval Group to ensuring equal rights and treatment of persons, regardless of their sexual orientation and gender identity, supporting victims of discriminatory words or acts, sanctioning discriminatory behaviour, measuring progress and sharing good practices.

In the words of Pierre Éric Pommelot, Chairman and CEO of Naval Group: "Today I am proud to sign the LGBT+ Charter of the Other Circle, our commitment to promoting the inclusion of LGBT+ employees in the professional sphere.

As industrialists, we have a real job to do to ensure a respectful and inclusive working environment for all, in which everyone can fully be themselves, feel supported and heard regardless of their sexual orientation and gender identity [...] All of our employees and, naturally, those who identify as LGBT+, must be able to thrive at work and, if they so wish, talk about their private life, their marriage and their parenting, either with their colleagues or the human resources team to access entitlements and rights that are open to everyone in the company. This in turn contributes to the well-being to which everyone is entitled."



Appointment of **9** discrimination experts.

**6 %** of seniors among new hires.

Creation of **8** practical fact sheets on diversity and inclusion:

how to best integrate a disabled person into one's team, react in the event of a situation of discrimination, get involved in favour of diversity and inclusion or promote an inclusive culture.

Training of **200** managers

in the module entitled "J'ai des stéréotypes mais je me soigne" (I have my stereotypes, but I'm working to improve myself).



Participation of employees from the Brest site in race dubbed **La Solidaire**, a charity event for the benefit of inclusive sport.

**Diversity of profiles** in recruitment: workers, technicians and managers, in all production specialities (electricity, welding, metalwork, etc.).

Signing of the "**Charte Entreprise et Quartiers**" (Company and Neighbourhoods Charter) with the Var Prefecture to contribute to education, school guidance, employment, integration and training.

National poster campaign recalling the commitments in favour of inclusion as well as Naval Group's **zero tolerance** with regard to any inappropriate or discriminatory behaviour.

**Awareness-raising sessions about preventing discrimination** for recruiters, HR partners and managers.



**Trophy for the best diversity and inclusion strategy** at the first edition of the "Sommet de la transformation durable" (Sustainable transformation summit) organised by the Leaders League group. Caroline Chanavas, group Human Resources Director, said: "We are very proud to receive this award which symbolises the commitment of all employees who help to make Naval Group a more inclusive company. Attracting and retaining talent from all walks of life is an essential challenge for Naval Group. Offering each of our 16,000 employees the opportunity to develop, progress and thrive in the four hundred trades that comprise naval defence is a priority for us".

\*Jean-Luc France has been appointed Naval Group Human Resources Director since April 2023.



Organisation of the **Diversity and Inclusion Week** in Brest, which served to present our very diverse technical professions, encourage meetings with young people from "Our neighbourhoods have got talent" associations and the local mission, and raise awareness of visual and auditory deficiencies, stereotypes, etc.





# SUPPORTING THE EMPLOYMENT OF PEOPLE WITH DISABILITIES



Naval Group has a strong policy in terms of recruiting people with disabilities, adapting positions, supporting professional retraining and promoting recognition as disabled workers.



€3,6 million

Revenue generated by adapted companies and work-based support establishments and services.

6,1 %

Employment rate of people with disabilities (2022 data for reference year 2021). Their share of new hires is 1.8%.

### Partnerships:

- Handisup Normandie (support for young students with disabilities at the start of their career),
- "Osons l'égalité": professionalisation of young people with disabilities by orienting them towards training that corresponds to the trades under tension in the naval defence industry,
- "Tremplin": action in favour of equal opportunities,
- "Millau 2ISA" vocational rehabilitation centre: access for young people with disabilities to training and employment,
- GESAT - "Groupement des établissements et services d'aide par le travail" (grouping of employment assistance establishments and services).

The group is attentive to the share of its purchases from the protected sector, particularly for industrial services.



Group participation in the DuoDay scheme as part of the European Week for the employment of people with disabilities.

### In Cherbourg:

- stands on recognition of the disabled worker status and continued employment,
- presentation of workstation layouts and exoskeletons,
- disability simulation: "living with a constraint for the time it takes to have a meal",
- Conference by Sébastien Bichon, Paralympic medallist at the Sydney Olympics: "making your difference a strength".

### On the Paris and Lorient sites:

- "vis ma vie" (live my life) on different types of disability.

### In Angoulême-Ruelle:

- 5 workshops led by external speakers (ergonomic equipment, dys disorders, etc.).

### Creation of the "job retention" brochure

to prevent any difficulties in fully occupying the work position due to one's physical or mental health.

### Pays de la Loire 2022 integration trophy

in the "work-study recruitment" category, which rewards the group's proactive policy in the field of recruitment and integration of people with disabilities.

### Creation of a disability quiz

enabling employees to test their knowledge and gather their perceptions of the subject.



### Quarterly duty with Cap Emploi

Establishment of quarterly duties in Angoulême-Ruelle with Cap Emploi (public service mission organisation for the employment of people with disabilities).



# FIGHTING HARASSMENT

Naval Group seeks to allow everyone to thrive within the company, and is committed to sanctioning any inappropriate behaviour in the workplace: disciplinary sanctions up to and including dismissal, or criminal and/or civil sanctions provided for by law.

The group also has zero tolerance for sexual harassment and sexist behaviour.



Signing, by Pierre Éric Pommellet, of the

## “Stop everyday sexism in the workplace”

commitment aimed at putting an end to sexist behaviour and comments in the workplace.



Appointment of **sexual harassment and sexist behaviour experts** whose names are permanently displayed on each site:

- one expert designated by the company,
- one expert designated by the Economic and Social Committee.

These experts have been trained in the legal definitions of sexual harassment and sexist behaviour, the responsibilities and penalties incurred as well as the procedure for processing reports.

Organising **awareness-raising actions** for the group's social relations managers, legal experts and human resources.

Organisation of a **workshop on harassment in Singapore** during which real cases of workplace harassment were presented to the team along with the various aids available to them.

**Alert hotline** accessible to all employees and stakeholders. Distribution of a practical and legal investigation guide to the **internal investigators** appointed in the context of the reporting of potential situations of sexual harassment, moral harassment and/or discrimination (monitoring of the stages of the investigation, practical advice for conducting interviews, mail templates, reports, minutes, legal definitions of the notions of sexual and moral harassment and discrimination).

Training of 35 internal investigators from all Naval Group sites.

**Raising awareness among managers** in the context of preventing situations of sexual harassment and sexist behaviour.



Acting for  
well-being  
at work





# ENSURING THE WELL-BEING OF EMPLOYEES AND SUPPORTING THEM IN TIMES OF CRISIS

The agreement on Quality of Life at Work (QWL) adopted in 2021 confirms the group's focus on the development of its employees: social measures, work environment conducive to well-being, work-life balance, commitment to a supportive and civic approach.

During critical periods such as the Covid 19 crisis or the end of the Australian Future Submarine program, Naval Group protects its employees from the potential impacts.

## Sustainable mobility assistance package

Further means of transport eligible for the sustainable mobility assistance package in addition to cycling (carpooling, scooters and electric scooters, etc.). This package represents €400 and a 70% reimbursement of public transport costs.

## Repositioning solutions

offered to the hundreds of employees impacted by the **termination of the Australian Future Submarine (AFS) program** (650 employees in France and 350 in Australia): temporary suspension of recruitments to give priority to AFS employees, task force of 50 HR employees to receive the people concerned in France, mobilisation of the HR team in Australia in connection with the group and Australian stakeholders, including the Commonwealth of Australia which opened a Talent Pool at the ASC Australian shipyard.

**Cycling**, the second-ranking means of transport for commuting to and from work in Cherbourg (20% of employees come to work by bicycle, 4 times more than the national average).



Initiatives around **cycling** in Paris - Bagneux, Toulon, Angoulême-Ruelle, Cherbourg, Lorient: installation of bicycle repair workshops, partnerships with BeeToGreen (e-bikes for hire, advice), creation of bicycle garages, strengthening of ground markings.

Numerous initiatives in relation to **carpooling** at the Cherbourg, Lorient and Brest sites (development of dedicated car parks, partnerships with the Lorient conurbation and that of Cotentin, which pays Cherbourg employees €2 per passenger transported).



First prizes for the Lorient site in the Regularity and Distance categories as a team in the **"Tout à vélo" challenge** organised by the Syklett association (where 170 employees covered 19,053 kilometres).



The Toulon site appointed **winner of the Mobility Challenge** organised by the Toulon Provence Méditerranée metropolis for its actions around cycling.

Opening of **office bike rooms** in Nantes-Indret, Brest and Cherbourg allowing employees to take part in a light physical activity while working, thereby avoiding sedentary and reducing stress.



Organisation of the **QWL week** à Brest et à Lorient. in Cherbourg (650 employees attended raising-awareness sessions about nutrition, sleep and the environment), Angoulême-Ruelle (e-bike tests, presentation of public transport offers), Brest and Lorient.

Appointment of a **QWL expert** on the Paris site.

QWL initiatives on the Brest and Ollioules sites: establishment of a **conciERGE service**, installation of **lockers** in company restaurants and outdoor tables, improvement of mobile telephone reception in the buildings.



Signing of an agreement on **social protection** to reinforce the existing provisions regarding the reimbursement of health costs, which are more advantageous than those provided for in the new collective agreement, and to strengthen provident insurance: remuneration maintained at 100% in the event of long-term illness and extended from 90 to 180 days, all provident insurance options now include an education allowance for children in the event of death.

Certifying training of the first class of **internal professional mediators** (prevention and resolution of conflicts aimed at restoring quality relations between employees). Other volunteers will be gradually integrated into the scheme.

35% of employees who **telework** (compared to 4% in 2019).

Creating comics around the **Forward engagement survey** and the importance of feedback.

Installation of **book boxes** on Ile-de-France sites.

Inauguration of a **collective vegetable garden** at the Bagneux site.

Opening of a **rest room** in Ollioules equipped with nap cocoons and massage seats.



# FOSTERING DIALOGUE

Naval Group is particularly concerned about the quality of its social, direct and constructive dialogue.

The group goes beyond legal obligations in terms of transparency, the involvement of social partners in the company's organisational development projects, and contractual policy, where precedence is given to consultation and negotiation rather than unilateral measures. The number and duration of meetings with staff representatives and the agreements concluded attest to this.

2022 was marked by the signing of the new collective bargaining agreement for metallurgy, a major event in the group's social ecosystem, which will come into effect as of 1 January 2024. Naval Group and the trade union organisations have signed an agreement defining the framework and procedures for consultation and negotiation on the application of this new collective agreement.

By strongly mitigating the impact of the health crisis, the group has resumed its usual contractual dynamics, as demonstrated by the signing of the following agreements, among others:

- agreement on quality of life at work,
- agreement on diversity and inclusion,
- amendment no. 3 to the company agreement,
- agreement relating to the NICT tools used within the Naval Group economic and social unit (Unité Economique et Sociale - UES) by trade union organisations,
- agreement on the scope of the UES,
- wage agreement,
- 2021-2022-2023 incentive agreement,
- Consolidated group agreement on healthcare and provident insurance reimbursement schemes.



## Pay equity ratio: 2.07%

(2022 data for reference year 2021).



The dialogue and consultation process initiated in January 2020 to identify areas for progress in the operation of the Central Economic and Social Committee (*Comité Social et Economique Central - CSEC*), Economic and Social Committee (*Comité Social et Economique - CSE*) and commissions has also resumed, resulting in changes implemented under the new 2022/2026 mandate.



Ensuring health  
and safety  
at work





# ACTING FOR THE H&SW OF OUR EMPLOYEES AND SUBCONTRACTORS

Screening campaigns for skin, breast and colorectal cancers. **Vaccinations** against flu.

Completion of a survey on psychosocial risks among 12,000 employees. **Free and anonymous** psychological support at Paris sites.

Naval Group Research's innovative operations and human factors team implements measures concerning the **effects of the use of new technologies on humans**. Adaptation of human-machine interfaces to operator fatigue.

Testing of **exoskeletons** on all sites, large-scale deployment on the Lorient site and partial deployment on the Cherbourg and Brest sites.

Development by the Angoulême-Ruelle site's Innov'Factory of a robotic **modular handling system** greatly facilitating the handling of certain equipment, hitherto manual.

Development in Cherbourg of **augmented reality glasses** to check the positioning of certain equipment before its installation on board submarines, providing operators with greater comfort and safety.

Broadcast of a video on **ergonomics** at work and creation of a training course on tertiary ergonomics entitled *click and move* in e-learning mode accessible to all employees.

Implementation of **muscle awakening** services at the workstation on production sites, as well as actions in favour of physical activity by the CSE.



Naval Group undertakes to provide all its employees and subcontractors with a calm working environment that preserves their physical and mental health.



Continuation of **safety culture diagnostics** launched in 2021 on the pilot sites in Cherbourg and Lorient.

**External interventions** on all sites to raise awareness of the personal and professional consequences of an occupational accident.

**Training of external emergency services** and subcontractors on all sites in order to become familiar with the complex industrial environment of Naval Group and to save precious time in the event of any real intervention.

Distribution of **golden rule books** for all employees on production sites.

Deployment in Lorient, Cherbourg, Toulon and Brest of **radio frequency identification (RFID) geolocation chips** on the helmets of employees working on board ships, making it possible to monitor their presence in real time in the different areas of the ship, thereby guaranteeing their safety in case of an emergency evacuation. These chips do not emit waves and identification remains anonymous

Design of a **safety box** in Cherbourg: an educational space enabling employees and subcontractors to experience fun and varied role-playing situations around H&SW.

**164 occupational accidents** with lost time.

**Frequency rate** (accidents with lost time per million hours worked): **6,4** compared to 15.5 in the metallurgy sector.

**Severity rate** (ratio between days lost as a result of accidents and hours worked): **0,17** compared to 1.1 in the metallurgy sector.



Launch of the **Occupational Health and Safety and Environment (H&SW/E) Awards** which, in particular, rewarded the Toulon site for its absence of occupational accidents with lost time for 4 years running within the Vauban production department, and for 8 months running on the mid-life renovation of the Lafayette frigates.

Creation of an **H&SW/E passport** classifying our suppliers into three categories based on their performance (number of occupational accidents, severity, etc.) and their management of H&SW/E topics.



Deployment of around one hundred **fire prevention** recommendations on all sites.

Drafting and deployment of the **fire-fighting repository** on all sites.

Creation by Cherbourg of a **fire vulnerability grid**.

Awarding of the maximum score during the **two safety and fire prevention audits** conducted by SQFIMAR on the full cycle docking (FCD) of *Le Terrible*.



Developing  
skills





# PERPETUATING KNOW-HOW BY PROMOTING ITS TRANSMISSION



Committed to the transmission of knowledge, Naval Group develops initiatives so that everyone can share their experience or skills, regardless of their age or seniority

Establishment of **skill-based sponsorships** : transmission of an employee's skills for two years before their retirement (one year at Naval Group then one year on a general interest mission within an association or a part-time activity within an association at Naval Group).

**Maintaining of the rare and critical skills** relating to the *Charles de Gaulle* aircraft carrier (first and only nuclear-powered surface ship built in Europe, one of the most complex industrial objects in the world) thanks to in-service monitoring of the ship and preliminary project studies of its successor. Throughout the Group, reinforced management of the 6 sovereign families of critical skills.



Development of **on-the-job-training** particularly within the Toulon mechanical workshop, which encourages and trains young machining workers who seek to learn to work on new, more technological machines.

First class of **equal representation mentoring**: 27 mentees benefited from the support of the group's experienced mentors over the course of one year to develop their skills.



Creation of a **school village** on the Brest site bringing together 6 school sites. These projects are based on learning in a work situation.

They serve to train in technical procedures by encouraging the transmission of know-how, in particular as part of the re-insourcing of certain new activities for employees.

In 2022, 29 school projects were deployed on 7 sites: Cherbourg, Brest, Nantes-Indret, Toulon, Saint-Tropez, Angoulême-Ruelle, Lorient.

Creation of a **new onboarding program** to accompany the employee throughout their first year at Naval Group (orientation day, induction day, e-learning, games).

Contribution to the development of the Naval Industries Campus (**Cinav**) whose purpose is to create naval training courses (specific to the naval environment).

Creation of the **Digital Academy** , digital platform dedicated to a same community of learners, offering training pathways and a sharing forum to promote transmission and learning among peers.



Signing of a **partnership** with the Union of Metallurgy Industries and Trades (*Union des Industries et Métiers de la Métallurgie - UIMM*) Loire-Atlantique aimed at strengthening a 20-year collaboration in the field of skills management and training.

Signing of a **framework agreement** with the French Atomic Energy Agency (CEA) and Framatome contributing to the sustainability and development of skills essential to the success of nuclear defence programs.





# CONTRIBUTING TO EMPLOYEE DEVELOPMENT

Naval Group offers its employees numerous training opportunities, enabling them to gain in skills and develop by seizing the many opportunities for mobility offered by the group, if they so wish.

## Training of company coaches

(27 team coaches and 7 individual coaches).

## Training of employees

at the Institute of Advanced Studies in National Defence (Institut des Hautes Études de Défense Nationale - IHEDN).



Creation of an **industrial performance school** on the Brest site to train more than 200 employees in the industrial performance culture.

Experimentation with **training cabins** next to the Brest, Cherbourg and Angoulême-Ruelle sites, enabling employees to follow an e-learning course as close as possible to their workplace.

Gradual deployment of **Naval Skills**, a skills detection and management platform that serves to match an employee's skills with the opportunities available, and to initiate group-tailored development plans.

Deployment of **immersive training** (using headsets or virtual reality software) on cross-functional and technical subjects: learning to pitch, following up on awareness of diversity and inclusion, addressing auditory disabilities or practising technical techniques.



The **professional mobility** (Mobility Tour) campaign, inviting participants to discover Naval Group professions and discover opportunities on the French and international sites.

Signing of a new **mobility agreement** with Technic Atome, extending that of 2017.

Renewal of the **intrapreneurship program** that gives all employees who act like entrepreneurs the chance to develop a product or service that could engender a new activity or innovation for the company. Coaching of intrapreneurs by the Village by CA Paris, based on start-up management methods.





## PROMOTING PROFESSIONAL INTEGRATION AND ACCESS TO EDUCATION

For many years, Naval Group has been promoting professional integration and access to education.

In particular, the group has an ambitious work-study policy.



Support by the Toulon site (member of the Board of Directors of the "Entreprendre Var" network) for the Entrep' program (support for students with a **business creation project**).



Participation in the opening, in Cotentin, of the first **Haute école de formation de soudage** welding school to speed up the training of new welders in response to the needs of the nuclear and naval sectors: a hundred or so students will be trained every year in realistic reconstructions of submarines and nuclear environments.



Participation of Angoulême-Ruelle in a meeting with students from the first class of the **42 Angoulême programming school** in the scope of partnerships developed by the group to promote professions in the marine industry and, in particular, professions currently under pressure.



Working groups in **boot camp** mode between managers of the Nantes-Indret site and students from Audencia to meet the challenges of the group's digitisation and modernisation: development of new visual management ideas 2.0.

Development of the **School Partners** program enabling employees to act as points of reference and share their enthusiasm.

Development of **mentoring** for young people overseen by volunteer tutors with, for example, the signing of a partnership between the Nantes-Indret site and the *La Joliverie* vocational school.

Participation in the LinkedIn initiative dubbed "**a network for all**" to compensate for the absence of a network for young graduates and job seekers by putting them in contact with Naval Group employees.

Support for **university theses**.



### 80 positions to be filled

Participation of the Cherbourg site in the "**objectif alternance**" (**work-study objective**) forum

### Recruitment of 1 000 young people

under the age of 30, including 530 work-study students (80% in the design and production professions).



# Part 02

Our environmental  
policy



# Our objectives



# OUR OBJECTIVES

## Energy and waste

REDUCTION	Annual target	Achieved (2022)
<b>Of emissions linked to energy consumption *</b> (gas, electricity, etc.): scope 1 & 2	5 %	9,2 %
Of which electricity		3,2 %
Of which natural gas		13,3 %
<b>Of emissions linked to mobility</b> : scope 3	5 %	as from 2023
<b>Of the volume of waste</b>	3 %	8 %
RECOVERY		
<b>Waste material recovery rate</b>	80 %	78 %

\* Relevance of objectives confirmed by a study by the French Environment and Energy Management Agency (ADEME). 2050 target vs. 2020: 80% reduction in emissions.



### ISO 14 001

The environmental management system has been certified since 2008.



### Carbon balance

In connection with its ambition to reduce the GHG emissions of its sites, Naval Group has chosen to draw up an annual carbon balance sheet, available in the appendix.



## Eco-design

Studying the environmental impact of our main ships through life cycle analyses. Sourcing environmentally responsible technologies to improve our impact on the environment.

Annual target	Achieved (2022)
5 %	9,2 %
	3,2 %
	13,3 %
5 %	as from 2023
3 %	8 %
80 %	78 %

### United Nations – Paris Agreements

Alignment of the Naval Group's carbon trajectory with the Paris agreements (COP21 of 2015).

"To significantly reduce global greenhouse gas (GHG) emissions with the goal of limiting global warming to 2°C in the current century, while continuing to further limit global warming to 1.5°C."

### United Nations – IMO

The International Maritime Organization (IMO) is a specialised UN institution responsible for ensuring the safety and security of maritime transport as well as preventing pollution of the seas by ships.

The group is committed to meeting the **low-carbon targets set by the IMO** by 2050:

- phasing out GHG emissions from international shipping as soon as possible over the course of the century,
- reducing CO2 emissions per transport activity by at least 40% by 2030, continuing efforts to achieve a 70% reduction between 2008 and 2050,
- reducing the total volume of annual GHG emissions by at least 50% between 2008 and 2050.



Contributing to the  
environmental transition





# IMPROVING THE GROUP'S ENERGY PERFORMANCE



“From an environmental point of view, our employees have rallied round to implement **the group’s energy efficiency plan**. Thanks to the adoption of eco-gestures, the results are positive and we have collectively achieved the 10% reduction in energy consumption requested by the government”.

Pierre Éric Pommellet, Naval Group Chairman & Chief Executive Officer.

Installation of **air destratifiers** in the mechanical workshop of the Toulon site. By limiting the accumulation of hot air under the roof and directing the air downwards, these destratifiers make it possible to homogenise the temperature of the workshop and thus reduce heating-related energy consumption.

Deployment of **energy performance** software on the Nantes-Indret and Lorient sites, with the aim of equipping all sites by 2023.

In Lorient, the software showed a reduction in gas consumption of 43%, in CO2 emissions of 52% and in water consumption of 29%.

**Heat pumps** are currently being installed on the Nantes-Indret site.



Heating limited to **19°C** on all sites.



Promotion of **7 eco-friendly gestures** during the group’s “**Energy Sobriety**” campaign.

**10 %** reduction

in **gas energy consumption** on the Angoulême-Ruelle site thanks to the optimisation of its heating resources: replacement of energy-intensive boilers, continuation of water-based regulation systems.



Participation in the **digital sobriety** working group of the IT Club for Large French Companies. The calculation of the group’s information system footprint shows a certain maturity with some areas for improvement: responsible IT purchasing policy (source of 75% of the information system’s carbon footprint) and optimisation of software use. Regular dissemination of good practices on digital simplicity.



Presentation in April of the measures of the Brest site to limit its CO2 emissions, following the signing of the **Tomorrow charter** (joint commitment of the Brest metropolis and its local players):

- replacement of gas boiler units by a connection to the urban heat network (5 buildings connected in 2022, 14 by 2025, saving 900 tonnes of CO2 emissions per year, i.e. 30% of the site’s fossil energy consumption),
- establishment of a fleet of company vehicles that is 50% electric within three years,
- incentive for carpooling, provision of electric bikes.

**Eco-design of the group’s first datacentre** on the Nantes-Indret site.

The servers and IT equipment have been streamlined and installed in a new room set up according to current best practices. Thus, for example, the computer cabinets and their equipment have been reorganised in order to balance heat vents. Electricity consumption has been optimised thanks to the streamlining of equipment and the urbanisation and air conditioning of the new room.

Completion of the installation of **LED lighting** in all of the Brest site’s workshops. Continuation of lighting replacement projects in Cherbourg and Lorient.

Financing by ADEME of an **EXPEDITE study** to help Naval Group define its decarbonisation strategy.

Validation by the Energy Regulation Commission of the Lorient site’s **solar panels** project. Contracts currently being drawn up for solar panels on the Nantes-Indret and Angoulême-Ruelle car parks. Consultations under way for the roofs of Ollioules.

Establishment of a network of **energy managers**.



# REDUCING OUR TRAVEL-RELATED CARBON FOOTPRINT

Business travel, commuting and site-based travel represent a significant source of GHG emissions.

In 2022, the target for reducing the carbon footprint of mobility by 5% per year was set.



Implementation of measures aimed at reducing the carbon footprint of **employees'** business travel:

## substitution of air travel

by train for journeys that take less than 4 hours

## removal of diesel vehicles

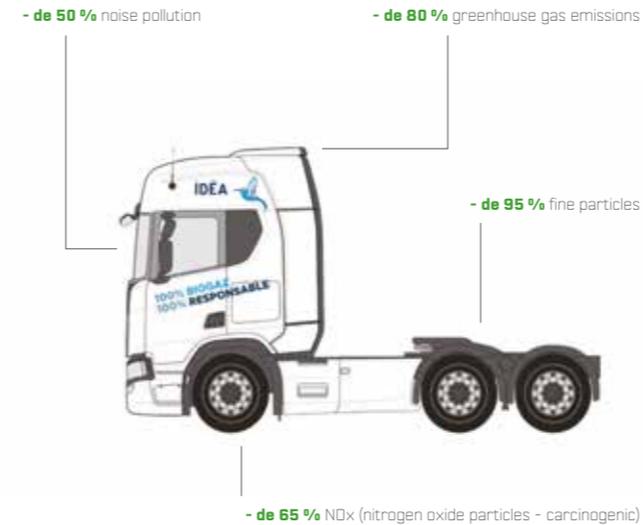
from the company vehicle catalogue and introduction of electric and hybrid vehicles, with the aim of increasing their proportion in the fleets

## installation of electrical charging points

launch of the project to install more than 100 electric charging points by the end of 2023

Search for **lower-emission freight transport solutions** with the group's partners. For example, co-financing and co-development, with logistics provider IDEA, of a biogas truck to provide internal transport in Brest.

For **home-work travel**, see QWL procedures on the "Ensuring the well-being of employees" page.





## ACTING TO PRESERVE BIODIVERSITY

The sea is central to Naval Group's activities and ambitions in the naval sector. In addition to fighting global warming, the challenge inherent in Naval Group's environmental policy is to protect marine biodiversity.



Partner, since 2008, of the **"clean harbour"** operation in Toulon, initiated by the Maritime Prefecture. Naval Group installs skips to collect waste found at sea by French Navy divers, before removing and processing it via an appropriate process.

Organisation of an **awareness-raising session on marine biodiversity** with François Sarano, a specialist on the seabed at Nantes-Indret



Cleaning of hulls (submerged parts of the hull) during the 2022 technical shutdown of the *Charles de Gaulle* aircraft carrier with **Ecosubsea, an innovative company that specialises in underwater hull cleaning.** The principle: an underwater drone controlled from a quayside cabin sends a flow of pressurised water to the hull using adjustable nozzles. This flow is then sucked up to the cabin to be filtered. Paint residue and organic matter are then removed by the logistics teams and the water discharged into the sea without soiling.



**Signing of an agreement with the Grimaldi shipping company** which provides a ship to test certain solutions of the European project dubbed PIAQUO - Practical Implementation of AQUO (Achieve QUIeter Oceans), overseen by Naval Group since 2019.

The ten French, Italian and Swedish partners are seeking to reduce the impact on marine biodiversity of underwater noise pollution generated by maritime traffic, which has increased sharply over the last fifty years (due to the growth in trade and ship tonnage). The research focuses on more discreet propellers, embedded systems for real-time self-estimation of the level of radiated noise, or shipowner awareness programs to reduce noise emissions.



Ritualisation in Toulon of **rapid analyses** by the internal laboratory making it possible to have quantified data, within 24/48 hours, on the **quality of the dry dock effluent generated by the sites** and thus be able to control the impact of these releases on the environment. This practice, welcomed by the authorities (naval base and maritime prefecture) goes beyond the requirements applicable to the management of water from dry docks.

Arrangements aimed at **reducing the impact of maintenance activities on Suffren-type Ship Subsurface Nuclear (SSN)** in Toulon:

- separation of washing water from the submarine hull and cooling water from the nuclear reactor compartment in the MY01 dry dock,
- treatment of this water collected in a dedicated pit before it is discharged into the natural environment.



Supporting the circular economy and eco-design



# REDUCING, REUSING AND RECYCLING WASTE

Waste management is an essential part of environmental protection. In order to limit its impact, the group must reduce waste at source, reuse it and recycle it.



**EDF Reutiliz** Experimentation with the **EDF Reutiliz platform** which, in early 2023, led to **Reuse**, Naval Group's circular economy web platform used to sell or donate unused goods to internal or external professionals, the benefits of which are both environmental (recovery of goods and reduction of waste) and financial.

2022 examples: planing machine, boring and milling machine, high pressure fan, elevating platform.

The Lorient site's collaboration with the Audélor agency to give a **second life to composite waste**, where certain production offcuts and unused materials are made accessible to construction sites via a so-called give box.

**Donation** to University Institutes of Technology specialised in materials science and engineering (Bordeaux, Brest, Saint Brieuc) of the **unusable stock** of certain materials subject to numerous rules and a limited lifespan.

**Reuse** since 2021 of IT equipment replaced on ships in Toulon.  
Conduct of a reuse study for new equipment installed during modernisation operations.

Donation to the "L'Arche à Brest" association of **70 non-recoverable** laptops that no longer meet security standards.

Replacement of brown paper bags (500 distributed daily) with **reusable bags** at the Lorient company restaurant.

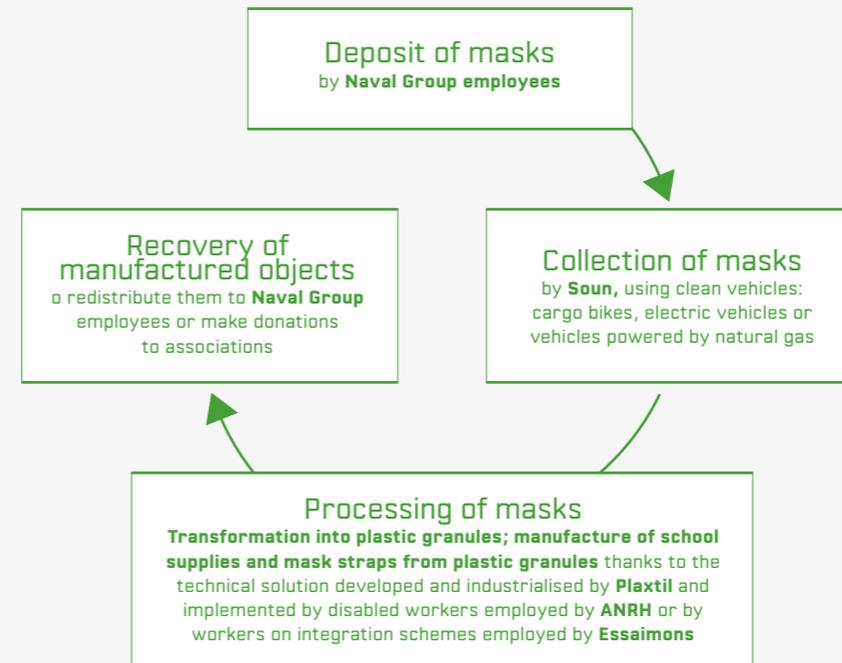


Raising awareness among employees in Cherbourg and Brest about the impact of small waste (cigarette butts, packaging etc.) discarded on public roads and transported into the sea via rainwater networks. Display of thirty or so stickers labelled " **Ici commence la mer (The sea begins here)** " in strategic locations of the sites.

**Collection of waste** by employees from green spaces, roads and car parks on the Nantes-Indret site. One-hour collection of 300 litres of waste and 3,000 cigarette butts. Following the success of this first collaborative and fun edition, another operation will be proposed. Collection of the same type in Brest.



**Recycling of surgical masks** from Paris and Bagneux with service providers offering a circular, solidarity-based solution, in addition to being ecological: Plaxtil, Essaimons, Soun and the Association for the professional and human insertion and reinsertion of the disabled (*Association pour l'insertion et la réinsertion professionnelle et humaine des handicapés - ANRH*).



Development of the **additive manufacturing process** on the Toulon site to reduce unnecessary waste by eliminating excess materials during 3D printing. On-demand manufacturing also serves to eliminate transport flows and storage areas, thus reducing the carbon footprint.

Collection of **more than 800 unused IT devices** for World Cleanup Day: 229 screens, 171 mice, 168 keyboards, 115 landline telephones, 43 laptops, 38 PCs, 23 smartphones and hundreds of kilos of cables. Reuse of functional equipment. Delivery of broken or obsolete equipment to partner ATF Gaïa in order to recycle or destroy it.

**Recycling et recovery of more than 550 tonnes of material from the deconstruction site** of the Ship Subsurface Ballistic Nuclear submarine (SSBN) *Le Foudroyant* launched in September 2021 in Cherbourg for 18 months.

Installation, on two-thirds of our sites, of **voluntary collection points** comprising 3 sorting bins (paper/cardboard, bottles and plastic containers, cans and metal pods) in order to recover office waste.

Acquisition, in Brest, of a **new paper mill** enabling the recovery of 20 to 30 tonnes of paper sheets per year via a recycling channel.



# DEVELOPING ECO-DESIGN TO REDUCE IMPACTS



Support for the **Pépite Sorbonne Université**, project, a program in which students and industry work together to promote the emergence of concrete and disruptive solutions to major societal challenges. For Naval Group, the goal of this partnership is to improve the treatment of food waste and food packaging during an underwater patrol.



Sponsorship by Naval Group of the first **meetings for a sustainable and eco-responsible industry (Rencontres pour une Industrie Durable et Écoresponsable - RIDE)**, initiated by the EMC2\* division of which Naval Group is one of the initiators.

RIDE helps industrial players understand societal challenges and identify innovations for an eco-responsible industry.

For more than 10 years, Naval Group has been innovating to reduce the environmental impacts of ships throughout their cycle, from their design to their deconstruction, and including their operation, manufacturing and maintenance. The group is ISO 14001 certified.

Presentation, at the Euronaval 2022 trade show, of Naval Group's latest ship concept, the **Blue Shark**, an eco-designed front-line combat ship that integrates around twenty promising eco-technologies which effectively address environmental challenges without penalising superiority in combat.



The impact on the environment is taken into account throughout the ship's life cycle: manufacture, use for forty years, maintenance, dismantling and deconstruction. The architects have focused on energy consumption, GHG emissions, ocean emissions, reducing the impact on biodiversity and the use of scarce resources. CO2 emissions are halved compared to current frigates.



Participation in the **Sea Tech Week®**, an international event dedicated to marine science and technology organised by the Brest-Iroise Technopôle:

- presentation of Naval Group's eco-design approach and work on climate resilience during the round table on adaptation to climate change,
- signing of a cooperation agreement between Naval Group and the Indian Institute of Technology Goa as part of an exchange programme for teaching, research and innovation in the field of marine sciences and technologies.



Launch of **life cycle analyses** on 4 programs in order to identify and reduce the preponderant impacts.



Creation of an **eco-design e-learning course**.

Commitment with the French State and the maritime sector in:

- the **T2EM coalition** (maritime energy transition),
- its **MEET2050** (Maritime Eco-Energy Transition toward 2050) institute, launched in 2022 with the objective of synchronising efforts towards the technological breakthroughs required for "zero-emission ships and ports". Presentation of the **Blue ship** R&D project aimed at integrating the life cycle of ships based on an economy of resources and circular autonomy concepts, where the main objective is to optimise on-board energy.

Participation of Naval Group in the ultra-competitive Small Modular Reactor (SMR) race. **The Nuward small modular reactor**, the result of a partnership between EDF, TechnicAtome, the French Atomic Energy Agency and Naval Group, aims to use nuclear energy to help combat climate change.



Making each  
employee an agent  
of change





# RAISING AWARENESS AMONG OUR EMPLOYEES AND DEPLOYING THEIR IDEAS

Naval Group seeks to integrate its employees into its environmental policy by raising their awareness of current issues and facilitating the implementation of their ideas.

Organisation in Nantes-Indret of a **green hackathon** where employees share their ideas on three topics:

- **Green Ship:** how can we make our ships greener?
- **Green Attitude:** how can we make our organisation, our sub-contractors and our behaviour more sober?
- **Green Facility:** how can we reduce the ecological impact of our infrastructures?

**60**  
ideas were submitted,

9 teams selected to develop their ideas during the creative sprint day, 3 of which won prizes.

Creation in Ollioules of a **low-carbon steering committee** that, each quarter, brings together employees, the Innovative Generation Committee (*Comité de Génération Innovante - Cogite*), the expression group for being eco-responsible in the office, and the site's Management Committee.

Inclusion in the **2021-2023 incentive agreement** of the target for a 5% reduction in emissions linked to energy consumption for scopes 1 and 2.



**350 ideas**

from employees shared on the Energic application.



Participation of volunteer employees in the **Energic environmental challenge**, an application used to calculate your carbon footprint, get informed and suggest ideas for the environment. Thanks to the employees registered, nearly €1,300 was donated to the Planète Mer association, which works to promote a sustainable balance between marine life and human activities.



Broadcast of **"Cap environnement"**, a three-episode video campaign aimed at raising employee awareness of the need to preserve the environment and to get everyone mobilised to fulfil our commitments made with the IMO.



Organisation of **Climate Fresk** training sessions for employees and members of the Management Committees (e.g. Nantes-Indret). Integration of the Climate Fresk in the Naval Group training catalogue, and training of employees in running these workshops on each site.

Organisation of a **low-carbon seminar** bringing together environment managers, energy correspondents, CSR correspondents and other employees involved for one day. This seminar engendered numerous proposals for GHG reduction actions and the creation of a Citadel community.



# Part 03

Governance for  
the benefit of CSR



# Complying with regulations





## SUPERVISING THE CONTROL OF EXPORTS AND CUSTOMS

As an exporter of products and services for military use, Naval Group and its suppliers are required to comply with national and international export control regulations which aim in particular to protect the national security of democratic states and to combat the diversion or proliferation of weapons.

The Export Control and customs formalities Department (ECD) supports the operational departments (Sales, Programs, Purchasing and Supply Chain in particular) through process updates, the training and awareness catalogue available to them, advice and audits.

This system as a whole ensures compliance with legislation. In 2022, the ECD completed its internal control plan by self-assessing and verifying compliance with export control and customs requirements, in coordination with the group's other departments.



## PROTECTING PERSONAL DATA

The protection of personal data is consistent with the values of ethics, respect for human rights and protection of stakeholders.

The regulations provide a protective framework for the personal data processed by the company, whether this be the data of its employees, its subcontractors or its other partners.

Beyond the legal framework, Naval Group's compliance with the General Data Protection Regulation (GDPR) allows it to build a relationship of trust. It also ensures that the process for collecting and processing data does not contribute to the discrimination of stakeholders.

In 2022, the group reaffirmed its commitment to data protection: strengthening of its privacy network, deployment of a dedicated group process (methodologies and procedures), and continuation of awareness-raising actions, in particular by launching e-learning available in French and English.



## COMBATING CORRUPTION

Naval Group applies a zero-tolerance principle in terms of corruption and influence peddling. The group conducts its activities in strict compliance with the conventions, laws and regulations applicable to it, in particular the provisions of the French "Sapin II" law.

The cornerstone of the anti-corruption system consists in identifying and assessing the risks of corruption and influence peddling. It also includes a document repository, the foundation of which is a compliance code of conduct, supplemented by more operational instructions.

An alert hotline is available to Naval Group employees and stakeholders to collect and process reported incidents. The group Compliance department relies on a network of Compliance Officers appointed by the entity directors.

The group has been ISO 37001 certified since 2021. In 2022, the group's anti-corruption policy was revised, the risk map updated, and the training plan enhanced (module dedicated to specifiers). In addition, an international day dedicated to compliance was organised, suppliers of subsidiaries re-assessed, and internal control verifications carried out in France and in the subsidiaries.



## RESPECTING THE DUTY OF VIGILANCE

Naval Group publishes its vigilance plan every year.

The group assesses its suppliers (see page "Listening to stakeholders") and implements actions to prevent and mitigate risks related to human rights and fundamental freedoms, the health and safety of people and the environment.

The 2022 vigilance plan is available in the financial report published on the [naval-group.com](http://naval-group.com) website.



Co-constructing  
with stakeholders

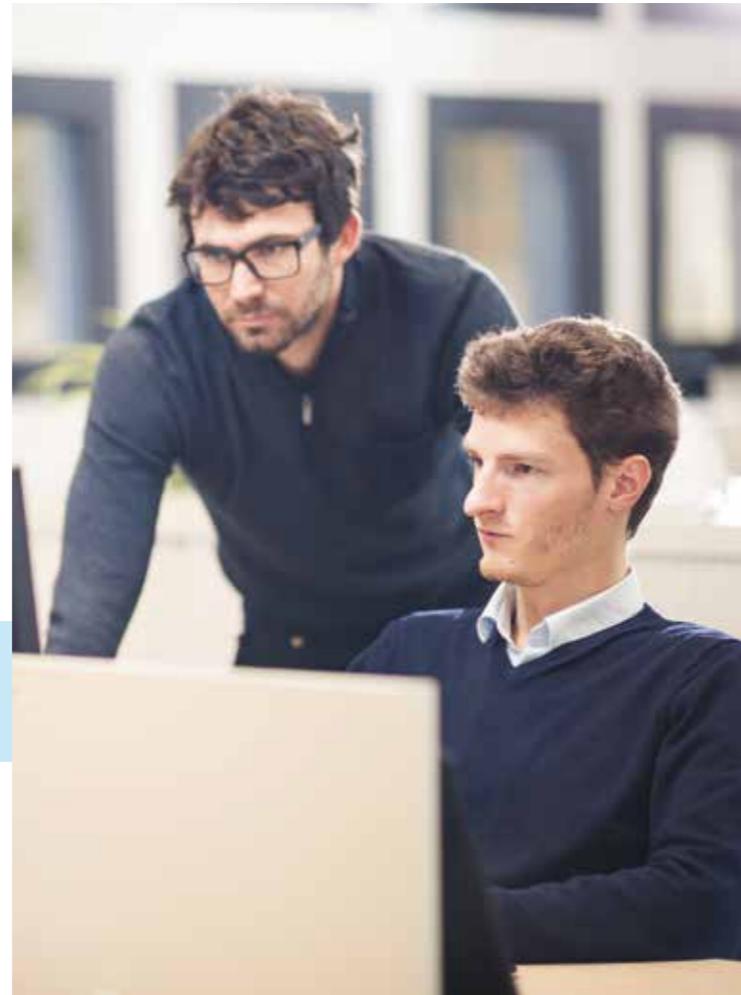




# LISTENING TO STAKEHOLDERS

Naval Group fosters a culture of dialogue and partnership with each stakeholder. The group is increasing its ability to understand their expectations by listening to them and by consulting them. Relations with several stakeholders (employees, associations, schools, etc.) have already been developed in the “Our social policy” section of this report, as well as in “Our environmental policy” (partnerships, etc.).

Naval Group is also very attentive to relations with its suppliers and young employees.



## More than 280 suppliers and partners

convened at the *Naval Partners Meeting*, to share the challenges that face the group and its entire supply chain. During this event, 12 trophies were awarded to suppliers that had distinguished themselves in the fields of safety and CSR, among others. There were also two talks on the decarbonisation of purchases and H&SW.

Since 2021, particular attention has been paid to what the group's young employees have to say, through the **innovative generation committees (Cogite)**, comprising young people representative of the sites. Their mission is to provide a fresh perspective and to express their thoughts to the local Management Committee in order to advance the practices and organisation on the pillars of the Naval 2025 transformation program (growth, innovation, talents and performance).

In particular, the Cogites were called upon during discussions about the company's Purpose with, for example, working groups on the Cherbourg and Saint-Tropez sites made up of Cogite members and site volunteers.



### Pierre Éric Pommellet

The Chairman and CEO of Naval Group is also Chairman of the French Maritime Industry Group (*Groupement des Industries de Construction et Activités Navales* - GICAN). Moreover, since 1 January 2023, he has been Chairman of the French Defence Industries Council (*Conseil des Industries de Défense Françaises* - CIDEF).

The responsible purchasing policy implemented by Naval Group to ensure sustainable and balanced relations with its suppliers, while contributing to the control of the risk of corruption or conflict of interest, has earned it the RFR label since 2014.

This label became the **RFAR label** in 2017, giving it international reach since it is associated with the ISO 20400 standard. This label and the ISO 20400 certification were renewed in 2022.

Among Naval Group's strengths, the certifying committee noted the integration of the responsible purchasing policy into its CSR roadmap, the actions taken for the benefit of SMEs and critical industrial sectors to consolidate the defence industrial and technological base, as well as its contribution to the development of the territory, in particular thanks to the group's strong involvement in the Cinav initiative.

Naval Group's objective is to **assess** all the suppliers in the panel, i.e. around 1,000 companies, by independent organisations. The commitment of the group's suppliers to strictly comply with the code of conduct helps to ensure that Naval Group respects its commitments with its customers, particularly in terms of CSR.

In the event of an insufficient CSR assessment, an action plan is implemented with the suppliers. The CSR assessment is included in a supplier assessment sheet which also addresses the standard safety, quality, delivery and cost (SQDC) criteria.

Pilot buyers have been **trained** to learn how to get their suppliers involved in the approach undertaken by Naval Group, as well as to manage the action plans requested from suppliers when their CSR assessment is insufficient. All Naval Group buyers were also made aware of the issues associated with CSR during a tour of the sites.

## 72 % of buyers

have already followed the **e-learning** course on human rights set up in 2022.



# SUPPORTING EMPLOYMENT AND LOCAL DEVELOPMENT

Naval Group is a driver of the French naval industry and an essential player in the vitality of the **employment areas** within which it operates. It exercises its responsibility with regard to its entire ecosystem. Its activities generate more than 40,000 indirect jobs and its growth brings in its wake that of the entire naval defence sector, i.e. that of the suppliers and subcontractors that depend on this activity.

The group is a major local contractor: around 85% of purchases are ordered from companies located in France, and nearly two thirds from SMEs.

The Purchasing department develops its relations with SMEs over the long term, in accordance with its responsible purchasing development approach. The aim is to ensure the continuity of critical suppliers, whose skills are unique, and encourage them to innovate so that they develop their industrial performance.

This commitment is part of the SME Defence Pact signed in 2013 by the French Ministry of Defence and Naval Group, and renewed in November 2020 ("plan Action PME"), as well as the SME Pact established by the French Ministry of the Economy, of which Naval Group is a signatory, in order to support the development of SMEs internationally.

In coordination with the French Defence Procurement Agency (*Direction Générale de l'Armement - DGA*) and the Directorate General for Enterprise (*Direction Générale des Entreprises - DGE*), Naval Group has identified the suppliers to be supported and is undertaking various actions with them to ensure the longevity and diversification of their order book.

At the same time, the group carries out continuous improvement actions in order to best support its supplier base. In this context, since 2020, in its general terms and conditions of purchase, it has applied a payment period reduced to 30 days for SMEs and VSEs.



Naval Group manages the **sea competitiveness centre (pôle compétitivité mer)**.



# BEING A SUPPORTIVE COMPANY



Naval Group is a partner of the **armed forces youth prize (prix armées jeunesse)** rewarding projects carried out jointly by military entities and young people within civil organisations, local authorities, youth or memorial associations and with the aim of promoting professional integration, carrying out social actions and events of an educational or memorial nature.



The group sponsors the **Naval School Grand Prix (Grand Prix de l'École Navale - GPN)**, a flagship event for competitive sailing that has been held for the past 20 years, and that welcomes participants from all walks of life (high school students, university students, young people in difficulty, athletes with disabilities, sailing enthusiasts, French and foreign military personnel). It promotes the values of equal opportunity, crew spirit, surpassing oneself and ambition.



Sensitive to actions taken for the benefit of the families of injured or deceased sailors, Naval Group has been supporting the **Entraide Marine - Adosm association** for many years. It helps the families of civilian and military personnel who serve in the Navy when they experience serious difficulties.



Naval Group encourages and supports **the commitment of its reserve employees** who benefit from ten days of absence fully paid by the Group to carry out their military activities, as well as a reactivity clause in their reserve contract allowing the armed forces to mobilise them on a notice period of only fifteen days.

Organisation of conferences and meetings with Naval Group reservists on the occasion of the **National Reservist Days**.

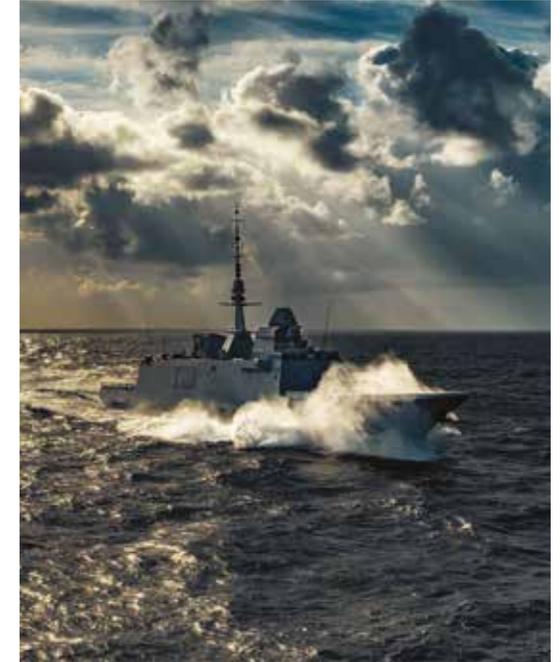
Signing of the renewal of the **framework agreement for cross-exchanges of personnel** with the French Navy Military Personnel Department (*Direction du Personnel Militaire de la Marine - DPMM*), promoting better knowledge of the respective working environments and the issues that face each person.



Naval Group sponsors the **renovation of France's National Navy Museum** at the Palais de Chaillot in Paris, which is scheduled to reopen in October 2023 and will showcase nearly four hundred years of naval innovation for future generations.



Signing of **partnerships with the departmental fire and rescue service (Service Départemental d'Incendie et de Secours - SDIS)**: late arrival authorisations and two days of additional training for volunteer fire-fighter employees (*Sapeurs-Pompiers Volontaires - SPV*), operational advice from the SDIS, provision of the Naval Group SPV training centre.





# Appendices



As part of its ambition to reduce the greenhouse gas (GHG) emissions of its sites, Naval Group has chosen to assess its carbon footprint annually. This annual measurement serves to regularly ensure the effectiveness of the actions implemented as part of the low-carbon project. Once analysed, it also allows the group to validate its priorities and, if necessary, to define new actions.

## A. Description

The assessment concerns the 2022 calendar year. It covers all of Naval Group’s activities carried out on the sites and premises in France. It does not take into account the activities carried out by subsidiaries in France or abroad.

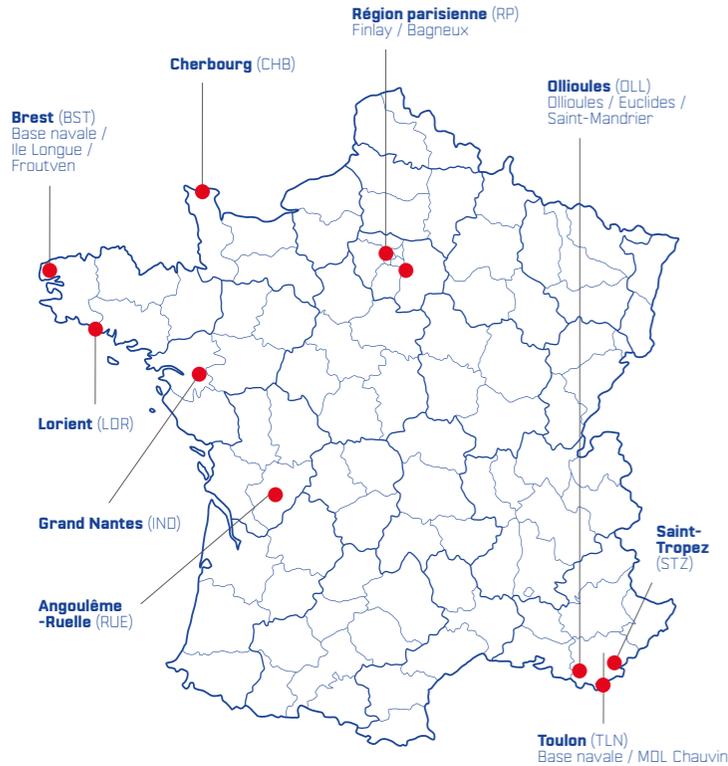


Fig. 1 : The carbon footprint at Naval Group sites

The main changes compared with the 2021 assessment are the measurement of the following items:

- fixed assets for digital equipment (scope 3 – item 10);
- hazardous waste (scope 3 – item 11).

In the absence of complete or reliable data, we are unable to assess:

- upstream freight (scope 3 – item 17);
- purchases (scope 3 – item 9);
- the use and end-of-life of finished products sold during the year (scope 3 – items 18 and 19).

## B. Results

Based on the source data collected and verified, and by applying the relevant emissions factors, Naval Group SA’s 2022 carbon footprint is close to **64,000 tonnes of CO2**. This figure includes all categories.

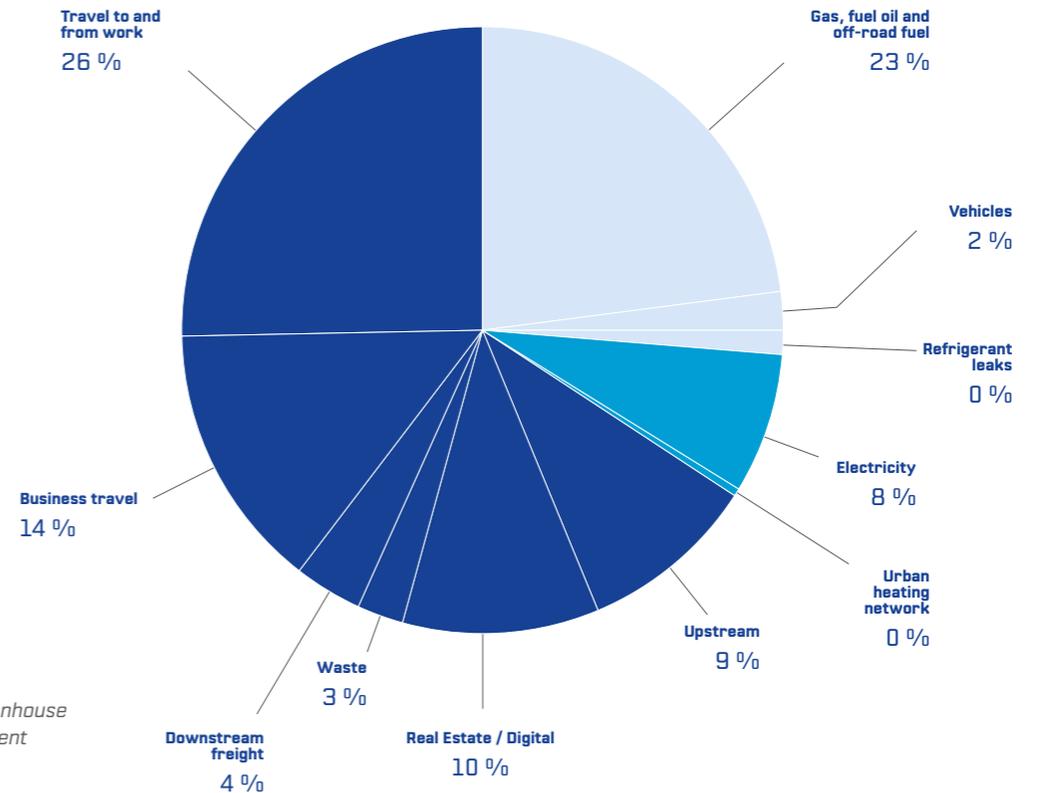


Fig. 2 : Regulatory greenhouse gas emissions assessment

The detailed figures are given in the table below, which represents the assessment of Naval Group’s GHG emissions in France in the regulatory format.

SCOPE	NUMBER	EMISSION ITEM	GHG emissions	
			Total (t CO <sub>2</sub> e)	Uncertainty (t CO <sub>2</sub> e)
Direct GHG emissions	1	Direct emissions from stationary combustion sources	14 736	329
	2	Direct emissions from mobile combustion engine sources	1 354	228
	3	Direct emissions from non-energy processes	0	0
	4	Direct fugitive emissions	834	129
	5	Emissions from biomass (soil and forests)	0	0
	<b>Subtotal</b>		<b>16 925</b>	<b>420</b>
Indirect emissions associated with energy	6	Indirect emissions related to electricity consumption	5 047	231
	7	Indirect emissions related to the consumption of steam, heat or cold	139	0
	<b>Subtotal</b>		<b>5 186</b>	<b>231</b>
Other indirect GHG emissions	8	Energy-related emissions not included in items 1 to 7	5 961	125
	9	Purchases of products or services	0	0
	10	Property assets	6 558	1 510
	11	Waste	1 553	257
	12	Upstream freight transport	2 287	0
	13	Business travel	9 217	0
	14	Upstream leased assets	0	0
	15	Investments	0	0
	16	Transportation of visitors and customers	0	0
	17	Downstream freight transport	0	0
	18	Use of products sold	0	0
	19	End of life of products sold	0	0
	20	Downstream deductible	0	0
	21	Downstream leasing	0	0
	22	Commuting to and from work	16 256	1 806
	23	Other indirect emissions	0	0
	<b>Subtotal</b>		<b>41 833</b>	<b>2 371</b>

Tab 1 : Regulatory greenhouse gas emissions assessment for 2022

## C. Operational criterion of the profit-sharing agreement

In order to support Naval Group’s efforts to reduce GHG emissions, an operational criterion relating to the reduction of these emissions has been added to the profit-sharing agreement. The objective was to reduce scope 1 and 2 GHG emissions by 5% between 2021 and 2022, at constant load.

This objective applies to items 1, 2 and 6 of the regulatory BEGES.

“At constant load” means that the change in hours worked and outdoor temperatures between 2021 and 2022 must be taken into account. Between 2021 and 2022, the hours worked by Naval Group employees and on-site service providers and suppliers remained stable. The unified degree days (*Degrés Jours Unifiés* - DJU) in 2021 were 17,517 (sum of the unified degree days of all Naval Group sites). In 2022, the unified degree days totalled 15,762. This represents a drop of more than 11% in heating requirements.

Note: the DJU for one year corresponds to the sum, for each day of the year, of the difference between a reference temperature (18°C) and the average temperature for the day. For example, if the average temperature for the day is 15°C, add 3 (18-15) to the DJU for the year.

By applying these correction factors to the raw data from the carbon balance, the performances presented in the table below are obtained:

2021 RAW DATA AND 2022 CORRECTED DATA			Gross		Net	Perf.
			t. CO <sub>2</sub> eq			
SCOPE	NUMBER	EMISSION ITEM	2021	2022	2022	
Direct GHG emissions	1	Direct emissions from stationary combustion sources	16 813	12 946	14 451	- 14 %
	2	Direct emissions from mobile combustion engine sources	1 514	1 307	1 313	- 13,3 %
Indirect emissions associated with energy	6	Indirect emissions related to electricity consumption	5 286	5 047	5 126	- 3 %
	<b>Total</b>		<b>23 614</b>	<b>19 300</b>	<b>20 890</b>	<b>- 11,5 %</b>

Tab 2 : 2021 balance vs. 2022 – Performance

## D. Analyses

The performance achieved in 2022 vs. 2021 for items 1, 2 and 6 is the result of the actions implemented as part of the low-carbon project and, in particular, the efforts made by industrial coordination and site management in relation to energy.

In order to maintain the group's objective of reducing GHG emissions by 5% per year on scopes 1 and 2, the low-carbon project is being stepped up.

Following a study carried out with the French Environment and Energy Management Agency (ADEME), Naval Group has validated the relevance and feasibility of the greenhouse gas emission reduction objectives.

The actions and technologies to meet the objectives are as follows:

- reducing the consumption of buildings and industrial facilities;
- developing renewable energy solutions (photovoltaic, etc.);

- changing heating technologies to reduce the share of natural gas (biomass, heat pumps);
- implementing energy management software;
- optimising the vehicle fleet to increase the share of non-internal combustion engines.

To go further, the low-carbon project already includes projects related to scope 3 (freight, mobility, digital and waste). In order to underscore the scope 3 reduction actions, an objective of -5% per year for mobility items (items 13 and 22) has been defined.

Naval Group has launched a working group to measure the carbon footprint of its purchases.

The aim is twofold:

- meet the regulatory requirement to include the scope in the greenhouse gas emissions assessment;
- identify the priority issues and the most important areas for improvement for decarbonising our purchases.



As an international player in naval defence and beneficiary of French naval know-how, Naval Group is a partner of States in the control of their maritime sovereignty. Naval Group develops innovative solutions to meet the needs of its customers. Present throughout the life cycle of ships, it designs, builds, integrates, provides through-life support for, and modernises submarines and surface ships, as well as their systems and equipment, through to their dismantling and deconstruction. It also supplies services to shipyards and naval bases. As a high-tech manufacturer, Naval Group draws on its exceptional expertise, unique design and production resources and its ability to set up strategic partnerships, particularly in the context of technology transfers. Attentive to Corporate Social Responsibility, Naval Group adheres to the United Nations Global Compact.



For more information:

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