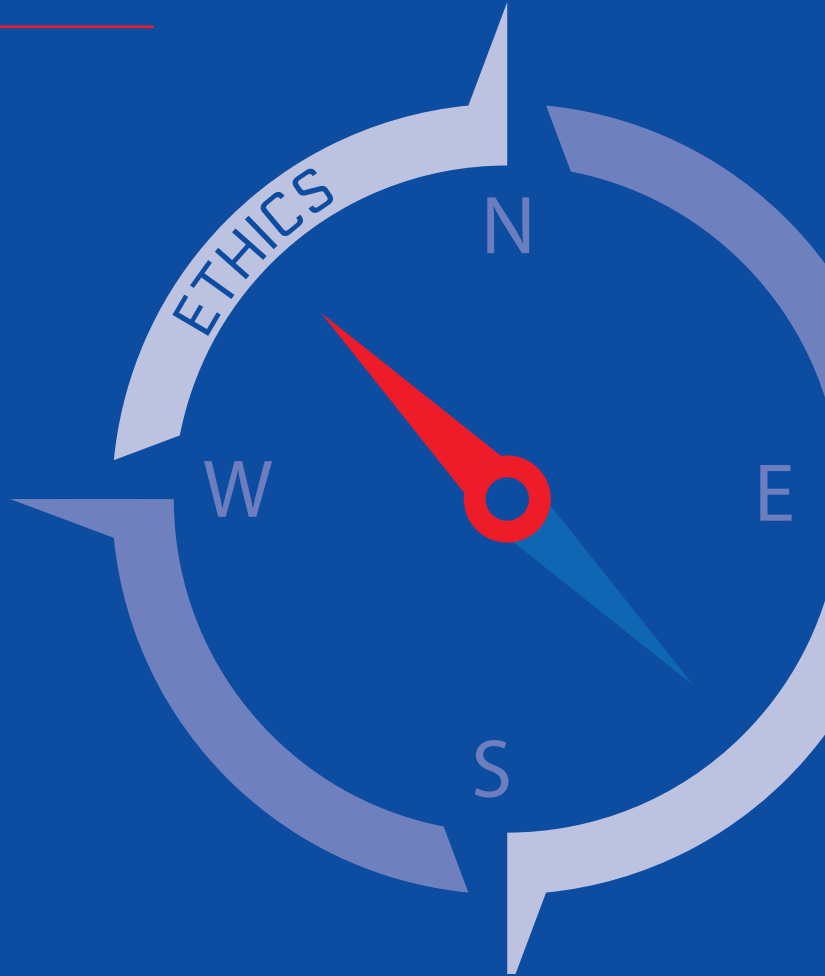




PRACTICAL GUIDE TO ETHICAL BEHAVIOUR





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NOTES

1/ The terms marked with an asterisk are defined in the glossary located in the appendices of this document.

2/ All the situations presented in the guide are fictional.

3/ The situations presented are not exhaustive and shall not be understood to be a limiting list of behaviours to adopt.

4/ Reference documents are available on Navista and/or the Business Management System (BMS).

5/ Unless specified, the texts mentioned refer to the French law and apply to all French and foreign workers, employees or detached employees within Naval Group SA. Workers employed by one of the group's foreign subsidiaries must refer to the applicable legislation.

6/ The instructions and policies stated in this document are applicable to French and foreign workers employed by Naval Group SA as well as their stakeholders. Each group subsidiary provides its employees with a version of these instructions adapted to local law.

7/ The purpose of this guide is to raise the awareness of personnel with regards to situations at risk and by no means are they intended to negate the freedom of opinion or free will of individuals.

8/ Both the content and the form of this document are the property of Naval Group. It is formally prohibited to use, copy, modify, translate, disclose or perform all or part of this document without obtaining Naval Group's prior written consent or authorization.

9/ "The company" hereafter designates Naval Group, with all its elements, in the consolidated subsidiaries sense, including all subsidiaries and participations whether direct or indirect, held exclusively by any entity from the group or jointly with a third party*, controlled exclusively by any entity from the group or jointly with a third party*, under construction or established either permanently or temporarily, without consideration of their legislative form (company, association, consortium), for profit or not.

INTRODUCTION



COMPANY ETHICS : WHY COMMIT?

Naval Group has chosen to align its development strategy with its values in terms of the company's social responsibilities (CSR) and ethics. This demanding objective has led us to define company ethics specific to Naval Group, based on compliance with laws and human rights. We are currently pushing this commitment on an international scale with the United Nations Global Compact of which we are proud to be an advanced level member.

Far from simple posture, this commitment implicates the **individual behaviour** of all workers both internally, in our daily relations with colleagues, and externally to the group, when communicating with our suppliers, customers and partners. Sharing a **solid ethical reference system** and ensuring it is implemented means that this is not only a legal obligation but also a **moral obligation** for us all.

This is why, in addition to the Naval Group code of ethics, I wanted this "**practical guide to ethical behaviour**" to be conceived as a base shared by all co-workers. It presents concrete situations in which we could all find ourselves over the course of our working lives, so that everyone can learn the right reflexes to adopt.





This non-exhaustive guide calls on the commitment and **personal ethics** of each individual and is a reminder that we are all **responsible for our actions** and decisions. I will therefore be strict in the application of a **zero tolerance policy** for any person found guilty of an infraction or adopting inappropriate behaviour.

“

The reputation of an international group is measured in terms of personal behaviours

”

The reputation of an international group is measured in terms of personal behaviours. Naval Group’s business ethics, just like our know-how, is a guarantee of our credibility, attractiveness and durability which we must conserve.

Achieving this collective aim will require everyone to be vigilant, and I am counting on you to read this guide, to consult it in the event of any doubt, and to follow its recommendations.



Hervé Guillou

Chairman and Chief Executive Officer



ETHICS

WITHIN NAVAL GROUP

A/ WHAT ARE COMPANY ETHICS?

For Naval Group, ethics refers to the self-questioning before making an individual or managerial decision, relating to conformity with a recognised baseline which includes respect for others, respect for property (material and immaterial) and the business ethics rules. Therefore, trying to adopt ethical behaviour is first and foremost a desire to take full responsibility for one's actions and decisions. It is for this reason that practising ethics within the group is translated into a "corporate social responsibilities (CSR) and ethics policy" intended for co-workers* as well as the Naval Group stakeholders.

B/ WHAT IS THE CSR?

Corporate social responsibility (CSR) is the search by a company for a positive impact on society from their activities. A company's CSR is a balance created between the company's directorate and its internal and external stakeholders. Naval Group's CSR policy is a voluntary initiative which goes beyond the imposed legal scope.

This policy requires collective and individual commitment to shared values and implicates an ethical behaviour at all levels of responsibility.

C/ THE ETHICS AND CSR POLICY IN FORCE WITHIN THE GROUP

The Committee for Ethics and CSR (CERSE*) is the group's governing body who set the general orientations in terms of ethics and corporate social responsibility while ensuring good practises are implemented within the group.

A code of ethics has been developed by the group and is supported by a network of ethics relays (RRE) in France and internationally. The code promotes a collection of recognised rules and behaviours, guaranteeing the integrity and exemplary nature of Naval Group, which are supported by the five group values and can be broken down into four essential directions:

- ethics with regards to customers, suppliers and subcontractors,
- ethics with regards to co-workers*,
- ethics with regards to shareholders and media,
- ethics with regards to one's environment.

Naval Group considers that “responsible development” is an objective positioned at the same level as the growth and profitability of the activity. For this reason, the group’s ambition is to figure amongst the best companies for their sectors of activity in terms of compliance*, to commit stakeholders to their values and to prove their commitment to a more efficient and legible CSR on a daily basis.

In accordance with the international conventions and texts in force (or international best practises in this regard), this Naval Group policy revolves around five focal points.



RESPECT FOR HUMAN RIGHTS

Naval Group complies with international law relating to human rights, contributes to its promotion in the scope of its activities and ensures it is never complicit in any human rights violations.



WORKING CONDITIONS

Naval Group:

- › ensures the freedom of association and the right to collective negotiation,
- › contributes to eliminating forced or mandatory labour,
- › contributes to the effective abolishment of child labour,
- › contributes to the elimination of any discrimination in terms of employment and profession.



ENVIRONMENTAL PROTECTION

Naval Group would like to control and reduce the environmental impact of their activities and products from a life-cycle perspective. The environmental stakes are the subject of an environmental policy deployed throughout the group and supported by objectives covering three-year periods.



HEALTH AND SAFETY AT WORK (H&SW)

H&SW is a priority for the group. Naval Group pursues its commitment to continued improvement of the means for inspecting major risks and preventing accidents and incidents involving persons working under their responsibility.



COMBATING CORRUPTION AND INFLUENCE PEDDLING

Naval Group has developed a compliance system which focuses on the prevention of corruption* and influence peddling in all its forms (see page 15).

Supported by its ethics and CSR policy, Naval Group has adopted the Global Compact. Launched in 2000 by Kofi Annan, the United Nations Global Compact is currently the largest global network of organisations committed to social responsibility. With its adoption of the Global Compact in June 2014, Naval Group undertakes to integrate **ten universally recognised principles** into its strategy and activities, and to promote them within its sphere of influence. The group reports on the progress of its initiative annually.

D/ THE ETHICS AND CSR CONTRIBUTORS WITHIN NAVAL GROUP

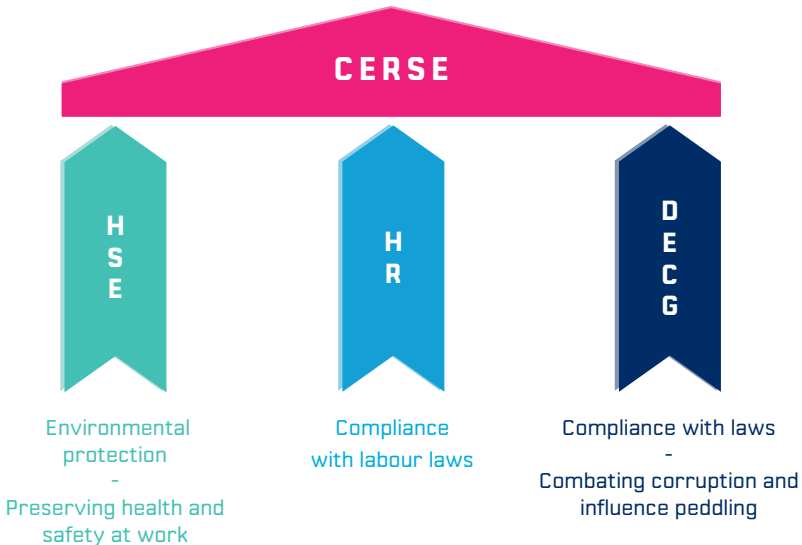
The Committee for Ethics and CSR (CERSE) sets the general orientations in terms of ethics and corporate social responsibility while ensuring good practises are implemented within the group.

The CERSE exists since 2009 and meets on a monthly basis. It has male-female parity and includes one elected member from the Social and Economic Committee and the director of Group Ethics, Compliance* and Governance as president.

In its mission and for its work, the CERSE is supported by the network of ethics relays.

The ethics relays are appointed on each site in France and in the controlled companies. These ethics relays have an advisory role with the management of each site or subsidiary, and are one of the priority contact points for co-workers* to provide responses concerning the ethics domains.

Within Naval Group, CSR relies on internal bodies dealing with health and safety at work, environmental protection, human resources, anti-corruption and influence peddling.



WHAT IS CORRUPTION AND INFLUENCE PEDDLING IN A COMPANY?

According to a UN report, “corruption* results in reduced prosperity, less respect for rights, less services and a reduced number of jobs”. Far from being a past phenomenon, corruption is present in all countries, including the richest, and involves stakes that concern us all. Even though it is not easy to evaluate it with precision, the following are some statistics which illustrate its extent.

In 2017,

the IMF evaluated the annual cost of global corruption at between **1500 and 2000**

billion USD



or 2%

of the wealth produced worldwide (GDP).

Within
the European Union,

this cost is somewhere



between 179 and 256

billion euros

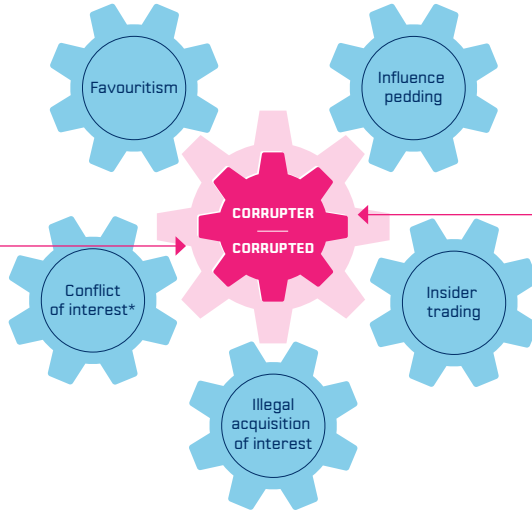
per year according to the European Parliament.

1/ WHAT IS CORRUPTION?

Corruption* is defined as “requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or prospect thereof, which distorts the proper performance of any duty or behaviour required of the recipient of the bribe, the undue advantage or the prospect thereof” (Excerpt from article 2 – Civil Law Convention on corruption by the Council of Europe). Corruption in a company often goes hand-in-hand with other infractions which are all reprehensible and punished by law.

THE CORRUPTION MECHANISM

« The corrupted » is the person who requests or accepts an unfair advantage* or promise of an advantage in exchange for compensation. The simple act of accepting this type of proposal constitutes a “passive corruption” infraction.

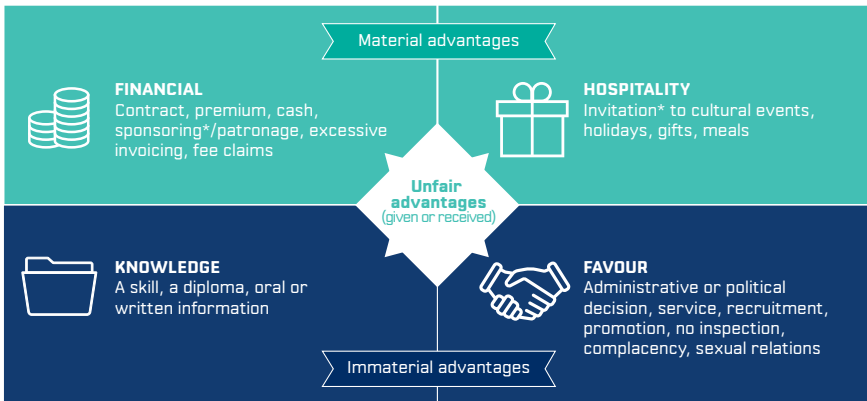


“The corrupter” is the person who offers or promises an unfair advantage to another, in return for compensation. The simple act of making the proposition constitutes an “active” corruption infraction.

2/ WHAT IS INFLUENCE PEDDLING?

Corruption is comprised of a visible part (via material compensations) but is more often invisible, which comprises influence peddling. Influence peddling is defined as “the act of directly or indirectly proposing, offering or giving any unfair advantage as a form of compensation to anyone who states or confirms that they are able to exert influence with regards decision making by a public officer” (Excerpt from article 2 – Influence peddling - Civil Law Convention on corruption by the Council of Europe).

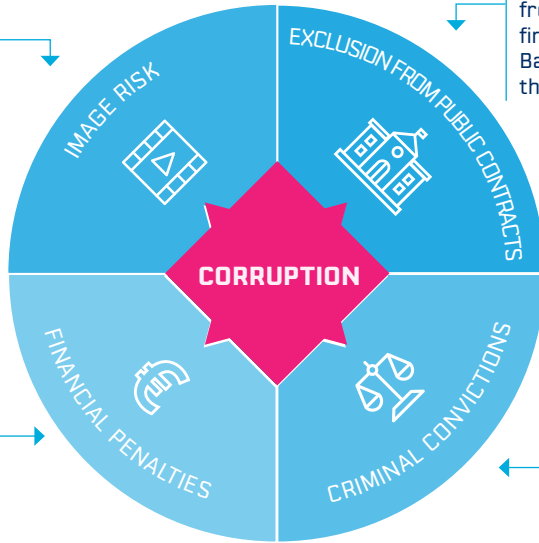
THE “UNFAIR ADVANTAGES” GIVEN OR RECEIVED MAY COME IN MULTIPLE FORMS



3/ WHAT ARE THE RISKS FOR THE COMPANY?

A study carried out by the World Economic Forum (WEF) indicates that a company's reputation represents **up to 25% of its value**. The commercial consequences of a conviction can be felt even 10 years later.

In 2012, several subsidiaries of Alstom Group **were debarred** from contracts financed by the World Bank for a period of three years.



In 2008, Siemens was ordered to pay **1.3 billion euros** in penalties, i.e. 775 million euros in Germany and 800 million dollars in the United States.

In 2000, France transposed into its domestic law the 1997 OECD Convention on corruption* of foreign public officials*. The law of December 6, 2013 hardened the applicable penalties for corruption.

INDIVIDUALS

Corruption of public officials (France/abroad)

Max. penalty 10 years in prison + €1 million fine (or double the profit from the offence)

Private corruption

Max. penalty 5 years in prison + € 500,000 fine (or double the profit from offence)

LEGAL ENTITIES

Corruption of public officials (France/abroad)

Max. penalty 10 years in prison + €5 million fine (or 10 times the profit from the offence)

Private corruption

Max. penalty €2.5 million fine (or 10 times the profit from the offence)

An additional ineligibility penalty was introduced by **the 9 december 2016 "Sapin II" Act** for persons guilty of corruption. The penalty is not automatic but the courts must now give reasons for failing to impose it.

4/ WHAT ACTIONS ARE CARRIED OUT BY NAVAL GROUP TO COMBAT THESE RISKS?

The Naval Group commitment to combating corruption* and influence peddling is an integral part of the ethics and CSR policy. Combating corruption therefore means ensuring that the behaviour of co-workers* at all levels in the company complies with the rules which are clearly defined and applicable to all.

Aware of the risks for the company and co-workers, Naval Group has implemented a **compliance program** in accordance with the French regulations ("Sapin II" law) and meets the requirements of the best international standards in this regard. This program is applicable within Naval Group SA and its controlled companies and is comprised of eight concrete measures:

The creation of a dedicated department (Group Ethics, Compliance and Governance, DECG), in charge of creating and implementing the compliance program within the group and its controlled subsidiaries. The head of DECG* is the group referent for all compliance matters.

1

The creation of compliance code of conduct which establishes the zero tolerance policy for any act of fraud or corruption committed within the company or influence peddling.

2

The creation of a risks map intended to identify, analyse and prioritise risks of corruption and influence peddling to which Naval Group is exposed.

3

The implementation of instructions defining the rules applicable to co-workers in the framework of their relations with stakeholders.

4

The development of tools made available to co-workers to facilitate their initiatives and improve traceability (see the compliance software).

5

The deployment of a training system and raising the awareness of personnel most exposed to the risks of corruption.

6

The Naval Group alert system ensuring it is possible to report events confidentially (see page 18).

7

The implementation of regular internal accounting checks/audits and an evaluation system intended to ensure the compliance system and its instructions are carried out correctly.

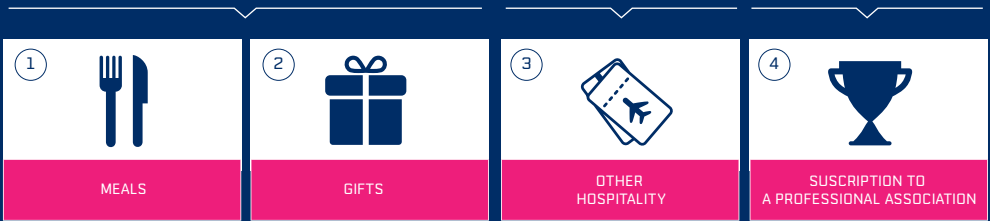
8

5/ THE COMPLIANCE SOFTWARE

The company guarantees the conformity of projects and contract established with third parties as well as the individual behaviour of its workers.

It is for this reason specific instructions (000123102) have been implemented at the group level, which rely on a **compliance software**. It allows each Naval Group SA co-worker to:

- › declare gifts, meals and hospitality received and given. *(see sheets B1, B2)*
- › declare invitations* to professional events which have been received or given. *(see sheet B3)*
- › validate subscription to a professional association in the name of Naval Group. *(see sheet B7)*



Within some Naval Group subsidiaries, the compliance software can be replaced by a register.

WHY DECLARE?

- › Declaring a gift, a meal or hospitality means proving that there is no ambiguity in the gesture and that it is perfectly accountable.
- › Declaring also guarantees traceability.
- › Declaring means complying with a group instruction applicable to all Naval Group SA co-workers*.

DECLARING MEANS PROTECTING MY INTEGRITY

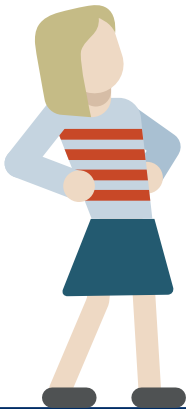
WHEN TO USE THE COMPLIANCE SOFTWARE?

All gifts offered or received, with the exception of goodies, must be **previously recorded** in the compliance software and must have been validated by the line manager. Gifts received and accepted must be declared within 48 hours following their acceptance.

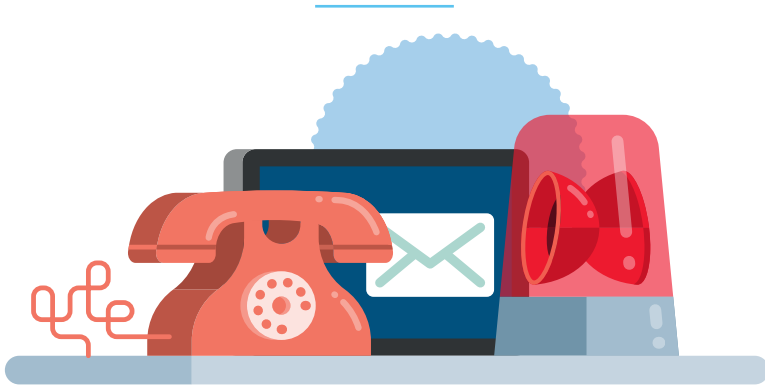
In order to promote transparency in business practises, co-workers* are recommended to record business meals to which they are invited or that they offer in the compliance software, **regardless of their cost**.

This declaration is easy, quick and confidential.

Below a certain amount, the validation by the compliance software is automatic. These amounts are available on DECG's* Navista webpage or with your Compliance Officer.



THE NAVAL GROUP ALERT SYSTEM



Naval Group has made dedicated contact persons and an internal alert system available to co-workers* and stakeholders who are victims or witnesses of inappropriate behaviour within the group, allowing them to issue a report and to express themselves with confidence.

IN WHICH CASES SHOULD I ISSUE A REPORT?

In the event of behaviour or a situation opposite to the Code of Ethics, notably from one of the following sectors:

- › corruption* or influence peddling,
- › the financial, accounting or banking sector,
- › anti-competitive practises,
- › discrimination and harassment,
- › ethics and CSR.

DO I HAVE THE RIGHT TO ISSUE A REPORT?

Any Naval Group co-worker or stakeholder (customer, supplier, partner, etc.) may issue a report.

One must act in good faith, that is to say, without malice or expectation of a personal counterpart and have reasonable elements to presuppose the veracity of their report.

Abuse of the alert system may expose the perpetrator to disciplinary sanctions and / or legal proceedings.

Conversely, its use in good faith will not expose the author to any sanction even if the facts reported are not materially established after treatment and investigation.

Facts, information or documents, whatever their form or medium, covered by national defense secrecy, medical confidentiality or the secrecy of relations between a lawyer and their client are excluded from the alert system.

WHO CAN I CONTACT?

In all cases, the line manager and/or Human Resources representative are the contacts to be prioritised.

The person raising the alert can also turn:

- › at their worksite, according to the issue, to a specific interlocutor: discrimination expert, ethics relay, Compliance Officer,
- › at the corporate level, to the Committee for Ethics and Corporate Social Responsibility (CERSE*) using the following alert address: **ethics@naval-group.com**

Please refer to the alert system page on Navista for more information.

WHO HAS ACCESS TO THE MESSAGES SENT TO THE ALERT SYSTEM?

E-mails in the alert system are only accessible to the president and the secretary of the CERSE via secure access. The anonymity of the whistleblower* is strictly maintained throughout examination of the affair as well as during deliberations.

The Committee for Ethics and Corporate Social Responsibility (CERSE*) ensures:

- › the eligible alerts are processed impartially and confidentially,
- › its decisions are independent from all levels within the company.



DID YOU KNOW?

Since the “Sapin II” law, French law recognises a specific “whistleblower*” status which guarantees their reinforced legal protection.

HOW IS A REPORT PROCESSED?

- › Any report is handled by a qualified person bound by a confidentiality obligation.
- › The process aims to ensure, as much as necessary, the protection of the identity of the issuer, the persons concerned and the nature of the facts.
- › If necessary, an investigation is conducted.
- › The investigation is based on facts and must aim to determine the reality and the materiality of the reported facts.
- › Depending on the findings of the investigation, disciplinary proceedings or legal proceedings may be initiated.

A

THE INTERPERSONAL BEHAVIOURS WITHIN NAVAL GROUP



CONTEXT AND STAKES



If the difference in treatment between two co-workers* can sometimes be explained, this must be reported immediately when it leads to established discrimination, so that it can be corrected without delay.

Risks associated with this situation:

- › Not detecting suffering at work and becoming an indirect accomplice;
- › Incurring one's civil and/or criminal liability faced with a situation of established discrimination;
- › Exposing the company judicially and/or to the media.



PRACTICAL CASE

“A colleague from another department comes to see me spontaneously and tells me about a discriminatory situation they are in with their line manager. The manager apparently criticised my colleague's obesity saying it would prevent them from reaching their professional goals. In addition this apparently leads to many jokes in front of witnesses.”

RECOMMENDED BEHAVIOUR

- 1/ I try to understand the nature of the problem more clearly based on hard facts.
- 2/ I ask this colleague to overcome isolation by raising the subject with his/her colleagues, and/or human resources, and/or the occupational physician, and/or the discrimination expert, his/her line manager or directly with his/her superior (N+2), etc.
- 3/ I make sure that this person is in a position to take the previous initiative. If this is not the case, I offer to support him/her in this initiative and/or contact the discrimination expert or refer to the ethics alert system (ethics@naval-group.com / see page 18).

USEFUL INFORMATION

Several discrimination criteria are currently recognised by French law, and include:

- origin,
- sex,
- morals,
- sexual orientation,
- gender identity,
- age,
- family situation,
- pregnancy,
- genetic characteristics,
- particular vulnerability resulting from their economical situation, either visible or known to the perpetrator,
- belonging or not belonging, true or alleged, to an ethnic group,
- nationality,
- presumed race,
- political opinion,
- trade union or mutual activities,
- religious convictions,
- physical appearance,
- family name,
- place of residence,
- state of health,
- loss of autonomy,
- handicap,
- banking domiciliation.

Discrimination can be:

- direct, when it is clearly visible, or even displayed or claimed. For example, if a job advertisement refuses women with children;
- or indirect, when apparently neutral measures actually disfavour significantly a category of persons.

It results in apparently neutral provisions, criteria or practices that can lead to a particular disadvantage for persons compared with other persons.

The fight against discrimination is everyone's business. Everyone must watch over the physical and moral health and safety of their surrounding co-workers*. Every discriminatory situation I witness must be denounced. Please refer to your HR contact person if you need the list of the discrimination experts.

REFERENCE DOCUMENTS

- Naval Group code of ethics
- Managerial charter
- French labour code: articles L.1131-1 and subsequent
- Criminal code: articles 225-1 to 225-4
- Naval Group SA diversity agreement
- Instruction on receiving and managing reports regarding behaviours contrary to Naval Group Ethics and CSR referential



CONTEXT AND STAKES



Moral harassment is characterised by repeated acts causing significant deterioration of the victim's working conditions.

In accordance with the law, Naval Group strictly prohibits these acts, both between co-workers* and with respect to third parties, whether during or outside working hours, and inside and outside the workplace. Faced with a situation of established harassment, any co-worker may incur their civil and/or criminal liability and may be subject to disciplinary measures.

To face with moral harassment, you first have to know how to detect it in order to avoid:

- › suffering at work likely to undermine the rights and dignity of a person, affect their physical or mental health or even compromise their professional future;
- › becoming an indirect accomplice;
- › exposing the company judicially.

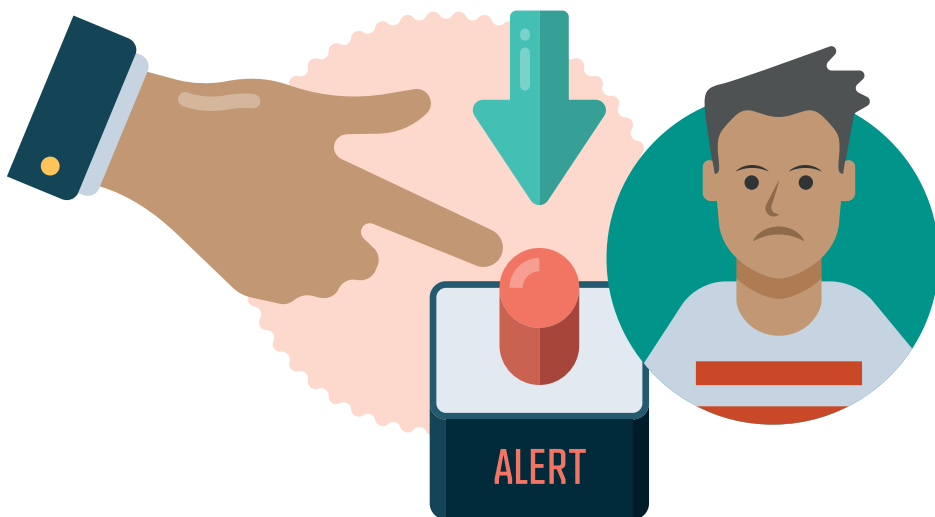


PRACTICAL CASE

“During work meetings, I note that a colleague from another department is repeatedly subject to scathing accusations by their line manager. The manager publicly challenges my colleague's work without having examined it and makes fun of their personality. My colleague regularly shows their suffering during these meetings.”

RECOMMENDED BEHAVIOUR

- 1/ I try to understand the nature of the problem more clearly based on hard facts.
- 2/ I ask this colleague to overcome the isolation by raising the subject with their colleagues, and/or human resources, and/or the occupational physician, their line manager or directly with their superior (N+2) or the ethical expert.
- 3/ I make sure that this person is in a position to take the previous initiative. If this is not the case, I offer to support them in this initiative and/or give the alert by referring to the human resources alert system or the ethics alert system. (see page 18)



USEFUL INFORMATION

Aside from the alert system handled by the CERSE*, human resources harassment investigators have been designated for each Naval Group site in order to, when necessary, conduct a confidential investigation into each situation reported to a member of the human resources department.

In case of referral, a confidential procedure is put in place to establish the facts and decide on any further action to be taken while preserving the anonymity of the issuer of the alert and with complete impartiality.

To put an end to a harassment situation, the first step consists in talking to a person of trust.

Do not face this situation on your own.

If I am trusted with a situation by someone, I must help. Knowing the company's process in such a situation is the way to efficiently alleviate a person's suffering.

REFERENCE DOCUMENTS

- Naval Group code of ethics
- Managerial charter
- French labour code: Art. L.1152-1 and subsequent
- French criminal code: Art. 222-33-2 and subsequent
- Instruction on receiving and managing reports regarding behaviours contrary to Naval Group Ethics and CSR referential
- Alert line page on Navista



CONTEXT AND STAKES



Sexual harassment is established as soon as repeated remarks or behaviour with a sexual connotation are noted or when a serious form of pressure, even non-repetitive, is applied with the actual or apparent aim of obtaining a sexual act.

There are many consequences of this behaviour on persons:

- › infringement of rights and dignity due to its degrading or humiliating nature;
- › creation of an intimidating, hostile or offensive situation;
- › deterioration of physical or mental health;
- › threat to a future career.

This behaviour is strictly prohibited, with respect to third parties, and even outside working hours or the company. Faced with a situation of established sexual harassment, any co-worker shall incur their civil and/or criminal liability and may be subject to disciplinary measures.

Faced with this situation, taking action also limits the risks of:

- › becoming an indirect accomplice;
- › exposing the company judicially and/or to the media.

PRACTICAL CASE



“One of my co-workers* informs me they feel uncomfortable faced with the repeated seductive behaviour and suggestive remarks from another colleague.”

RECOMMENDED BEHAVIOUR

- 1/ I try to understand the nature of the problem more clearly based on hard facts.

- 2/ I ask this colleague to avoid isolation by raising the subject with their colleagues, and/or human resources, and/or the occupational physician, and/or social assistant, their line manager or directly with their superior (N+2), etc.
- 3/ I make sure that this person is in a position to take the previous initiative. If this is not the case, I offer to support them in this initiative and/or give the alert by referring to the human resources alert system or the ethics alert system (ethics@naval-group.com).

USEFUL INFORMATION

Other notions, close to sexual harassment, are also forbidden.

- › Sexist behaviour*: any behaviour relating to a person's sex, the purpose of which is to attack their dignity or create an intimidating, hostile, degrading, humiliating or offensive environment.
- › Sexual assault: a non-consensual sexual act imposed under physical or psychological constraint.

REFERENCE DOCUMENTS

- Articles L.1142-2-1 and L.1153-1 of the french labour code
- Articles 222-22 and 222-33 of the french criminal code
- Company regulations on site
- Instruction on receiving and managing reports regarding behaviours contrary to Naval Group Ethics and CSR referential



FOR MORE INFORMATION

<http://www.stop-harcelement-sexuel.gouv.fr/>
<http://travail-emploi.gouv.fr/droit-du-travail/relations-au-travail/harcelement-discrimination/article/le-harcelement-sexuel>
<http://travail-emploi.gouv.fr/IMG/pdf/kit-sexisme.pdf>

FAILURE TO COMPLY WITH HEALTH, SAFETY AND ENVIRONMENT RULES

CONTEXT AND STAKES



Naval Group is committed to protecting the health and safety of persons working under its responsibility. This is a non-negotiable priority because it affects individuals beyond their professional context. The environment is also a major issue for the company insofar as the production sites are close to sensitive natural environments.

Failure to comply with Naval Group's rules can lead to:

- › serious or fatal accidents;
- › irreversible pollution;
- › skill losses;
- › financial penalties;
- › a negative impact on the group's brand image;
- › deterioration of the industrial tool.



PRACTICAL CASE

“On an external passageway, I note that an operator alone is using mobile scaffolding to work on the heat insulation of piping suspended between two buildings, without marking out the work area and without locking the wheels of the structure.”

RECOMMENDED BEHAVIOUR

- 1/ In a hazardous situation, regardless, I intervene with the persons concerned to inform them of the hazard;
- 2/ If I have the means and skills, and without putting myself in danger, I take corrective action;
- 3/ I share this hazardous situation by preparing a “hazardous situation report”;
- 4/ I comply with Naval Group's 10 golden rules.

REFERENCE DOCUMENTS:

- The welcome booklet available on each site
- The welcome on site (e-learning available on the Learning Management System (LMS))
- Naval Group's 10 golden safety rules
- Naval Group's safety and environment standards
- Labour code, Part four
- Environment code



THE 10 GOLDEN RULES OF SAFETY

- 1/** Keep yourself safe and your work colleagues safer,
- 2/** Stop – call – wait when facing an unsafe situation,
- 3/** Adopt ergonomical posture,
- 4/** Comply with coordination instructions,
- 5/** Prepare, set up and maintain good housekeeping of your work area,
- 6/** Hold the required training and competency for the task,
- 7/** Wear appropriate personal protective equipment,
- 8/** Use dedicated alleys and comply with traffic rules,
- 9/** Delineate your work area; and comply with warning signs and barricading,
- 10/** Use only appropriate and compliant tools or equipment.



CONTEXT AND STAKES



The General Data Protection Regulation (GDPR), applicable since 25 May 2018, is a major issue, involving a change of culture and the real accountability of each contributor. This regulation significantly increases the operational, financial and brand image stakes.

In the event of non-compliance with the law, penalties since 25 May 2018 can reach 4% of world-wide revenue (payment of fines, compensation for damages to possible victims, etc.).

Furthermore, civil and criminal proceedings before the courts can lead to fines and prison sentences.

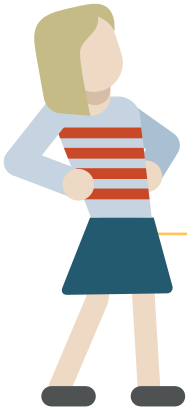
PRACTICAL CASE



“I note that a file has leaked containing the yearly performance assessments, including comments by the managers concerning the assessed persons and notably data relating to their state of health.”

RECOMMENDED BEHAVIOUR

- 1/ I report the situation to the Data Protection Officer (privacy@naval-group.com).
- 2/ I destroy the file to stop the data breach.



USEFUL INFORMATION

The law defines principles regarding the gathering, use, disclosure, storage and deletion of personal data (data processing life cycle).

- Define the processing objectives: before any gathering and use of personal data, the processing manager must inform the persons concerned precisely what the data will be used for.
- Check the pertinence of the data: only the data strictly necessary for achieving the objective can be gathered.
- Limit data storage: once the objective of the data gathering has been achieved, there is no need to retain the data and they must be deleted.
- Respect the rights of persons: data concerning persons can be gathered on the essential condition that the persons were informed of this operation.
- Secure the data: the processing manager must take all necessary measures to ensure the security of the data that they have collected, and also ensure their confidentiality, i.e. make sure that only authorised persons have access to the data.

REFERENCE DOCUMENTS

- The "Privacy" page on Navista: <https://navista.marium.int/web/sg/privacy>
- The census sheet: is used to perform a conformity analysis and to issue any recommendations (remediation plan) for making compliant.



B

THE BEHAVIOUR TO ADOPT TOWARDS THIRD PARTIES



CONTEXT AND STAKES



Receiving or giving gifts and/or hospitality is a gesture that can fully form part of commercial practices between two partners. However, the limit between courtesy and corruption* is sometimes difficult to perceive. Naval Group has thus established clear rules applicable to everyone, so that there can be no ambiguity associated with this practice.

Faced with this situation, I remain alert in order to avoid:

- › being influenced, losing my independence and exposing myself to possible subsequent pressure;
- › generating mistrust with my contact and losing a business opportunity;
- › exposing myself to disciplinary measures;
- › exposing my company and myself to prosecution which can lead to criminal and financial penalties;
- › seriously undermining the company image.



PRACTICAL CASE NO. 1

“Following the organisation of a successful business meeting with a high-ranking foreign official, I wanted to thank the official’s assistant by offering them a perfume worth €100.”

RECOMMENDED BEHAVIOUR

- 1/ I consider the legitimacy of such a gift and ask my line manager to validate this initiative. I consult Naval Group’s policy regarding gifts and hospitality*.
- 2/ Because this gift given to a public official is worth more than €50, I declare it in the compliance software (see page 16) with the help, if necessary, of my site’s Compliance Officer, in order to be validated by the Group

Ethics, Compliance* and Governance department (DECG*). I refrain from any action before receiving formal validation by the DECG.

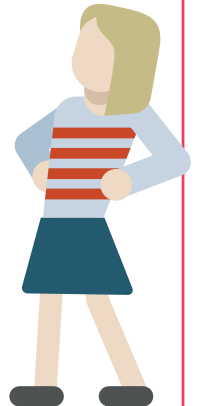
- 3/** Offering a gift worth €100 to a foreign public official* can be considered to be active corruption*. This gesture can be wrongly interpreted and my contact may have to refuse the gift, or it may even put him in an embarrassing situation. In this case, I refrain from giving such a gift, or offer a gift of modest value.

PRACTICAL CASE NO. 2

“After concluding a contract with a supplier, the supplier offers me a box of chocolates to thank me for my involvement in the matter.”

RECOMMENDED BEHAVIOUR

- 1/** I consider the legitimacy of me receiving such a gift. Can this influence a future decision? I try and assess the value of this gift and I consult the relevant Naval Group policy.
- 2/** Although it is worth less than €100, I declare it in the compliance software.
- 3/** This gift is of modest value and appears to be devoid of intention to corrupt. I can therefore accept it without asking for authorisation from my line manager or from the DECG, as long as the total amount of the gifts offered by this supplier during the year does not exceed €200.



USEFUL INFORMATION

I should always consider the true intentions that motivate my contact through the gift that they offer, **regardless of its worth**. Similarly, it is essential to ask myself how my contact would interpret the gift that I offer them. Before acting, I ask myself a few simple questions:

- › Is it legal to offer or accept this gift? If yes, what are the conditions to be obeyed? What are the laws and company regulations applicable to my contact?
- › Does or could this gift put my contact in an uncomfortable situation? Does it imply reciprocity? Do I feel easy to talk about it?
- › What is it worth? How do I protect myself and avoid any ambiguity?

Each case is individual and must be analysed rigorously. **Declare, to protect your integrity.**

With the exception of goodies, which are considered to be of modest value, all gifts given or received must be recorded in the compliance software. Above a value of €50, gifts must be validated by the line manager. Above €150, they must also be validated by DECG*. **There is no “petty” corruption***. Any gift received or given as undue advantage is prohibited.

REFERENCE DOCUMENTS

- Naval Group compliance* code of conduct and code of ethics
- Instruction relating to gifts, invitations* and other forms of hospitality
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers
- Country data sheets relative to applicable local regulations (available on Navista)
- Summary table of authorised thresholds on gifts and business meals
- Transparency International document “Refuse corruption”
- Naval Group supplier code of conduct



FOR MORE INFORMATION,
please refer to DECG’s Navista webpage

BUSINESS MEALS GIVEN OR RECEIVED WITH THIRD PARTIES

CONTEXT AND STAKES



Although they are often considered common practice, business meals that a co-worker shares with a customer or a business partner can, in some cases, be considered an undue advantage which can notably constitute a corruption offence.

It is of utmost importance to be aware that this practice can undermine my professional integrity and generate risks such as:

- › being influenced, losing my independence and exposing myself to possible subsequent pressure;
- › exposing myself to disciplinary measures;
- › exposing my company and myself to prosecution which can lead to criminal and financial penalties;
- › seriously undermining the company image.



PRACTICAL CASE NO. 1

“My institutional customer would like to celebrate the completion of a milestone of the current contract. I suggest that we dine in a restaurant although this expenditure is not scheduled in the initial contract.”

RECOMMENDED BEHAVIOUR

- 1/ I consider the risks associated with taking charge of this meal: notably, I consider whether this meal calls for a compensation or not, and ask advice from my Compliance Officer.
- 2/ After obtaining approval from my line management, I make a preliminary request in the compliance software (see page 16) and wait for validation before issuing the invitation*.
- 3/ I choose a restaurant that has prices that will not exceed the thresholds authorised by Naval Group, and where applicable, the thresholds authorised by the customer’s company regulations.

PRACTICAL CASE NO. 2

“Following a work session on my supplier’s premises, the supplier proposes that we dine in a pricey restaurant.”

RECOMMENDED BEHAVIOUR

- 1/** I consider the risks associated with accepting such a meal. Is this proposal out of line compared with the usual framework of my work sessions?
- 2/** If so, I refuse the invitation* or I choose to pay for my meal.

USEFUL INFORMATION

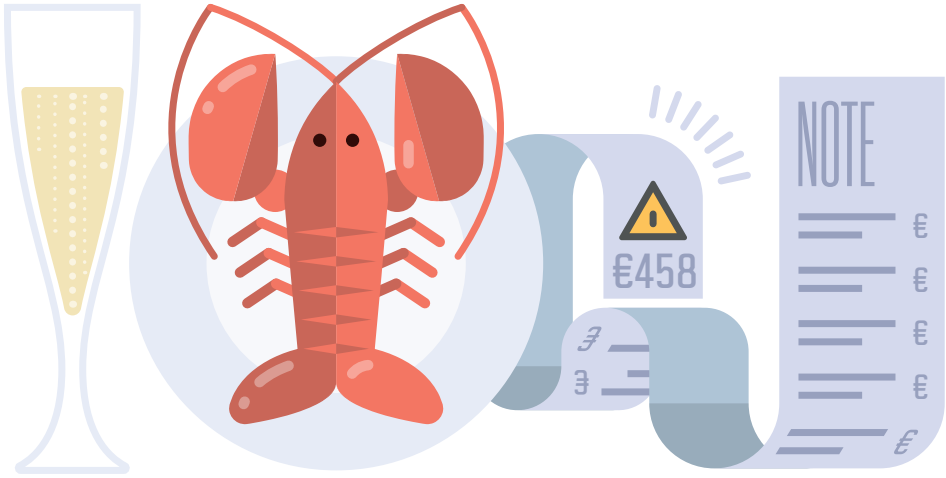
Naval Group puts in place **clear company regulations applicable to all**, intended to avoid risky situations and establish greater transparency.

Within the scope of my business relations, I can accept or propose meals from/to third parties occasionally and if they are of reasonable value. Under a certain threshold specified in a Naval Group SA’s instruction, the declared meal will be automatically validated by the compliance software. Information concerning these thresholds can be downloaded from DECG’s* page on Navista. For any question please contact your Compliance Officer.

Before acting, I ask myself a few **simple questions**:

- › Is it legal to offer or accept this meal? If so, what are the conditions to be obeyed? What are the laws and company regulations applicable to my contact?
- › Does this meal put me, or could it put my contact, in an uncomfortable situation? Does it imply reciprocity? Do I feel easy to talk about it?
- › What is it worth? How do I protect myself and avoid any ambiguity?

The right reflex is to always declare a meal offered or received regardless of the situation.



REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Instruction relating to gifts, invitations* and other forms of hospitality
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers
- Summary table of authorised thresholds on gifts and business meals
- Transparency International document "Refuse corruption*"
- Naval Group supplier code of conduct



FOR MORE INFORMATION,
please refer to DECG's* Navista webpage

INVITATIONS AND OTHER HOSPITALITY GIVEN OR RECEIVED

CONTEXT AND STAKES



Because it can be the source of serious abuse, giving or accepting invitations* and hospitality is a closely supervised practice in France and abroad. If it is essential to know how to welcome our customers and business partners in good conditions, it is also necessary to distinguish between hospitality and undue advantage.

Faced with this situation, there is a risk of:

- › losing my independence and impartiality;
- › being blamed for influencing my contact and being excluded from the business discussions in progress;
- › exposing me to disciplinary measures;
- › exposing my company and myself to prosecution which can lead to criminal and financial penalties;
- › seriously undermining the company image.



PRACTICAL CASE

“A representative of a potential South American institutional customer, with whom I am in discussion, asks me to take charge of all the travelling and accommodation costs for a delegation of 10 persons desiring to visit Naval Group’s France sites.

This representative specifies that the delegation asks to travel first class.”

RECOMMENDED BEHAVIOUR

- 1/** I consider the legitimacy of such an invitation* and consult my line manager to obtain their approval. I contact the Compliance Officer of my site to determine the regulations applicable to the members of the delegation;
- 2/** I complete an invitation request in the compliance software with the help if necessary of my site’s Compliance Officer, in order to be validated by the Group Ethics, compliance* and Governance Department (DECG*) - see page 16;

3/ I communicate with my contact and explain Naval Group's compliance* policy to them.

USEFUL INFORMATION

If I take charge of certain expenses I sometimes take the risk of contravening our customers' company regulations or the legislation applicable in its country. DECG* is there to help me make the right decision: obtaining an opinion from the latter (via the compliance software) **protects me and protects the company.**

- Whatever happens, the invitation given or received must not include any direct payment or exchange of money with the third party* and must not be used with the aim of obtaining an undue compensation.
- Any invitation* offered or received that does not directly concern the professional sphere or is addressed to acquaintances of the invited person, is strictly prohibited by Naval Group.
- If I am in a position where I must decline an invitation or a request for invitation, I politely refer to our supplier relations charter or customer relations charter, available on the Naval Group internet site.



DID YOU KNOW?

An American engineering company was fined \$400.000 for having authorised the upgrade of a plane ticket to first class and for having paid the subsistence expenses of the wife of a foreign public official*.

REFERENCE DOCUMENTS

- Naval Group compliance code of conduct and code of ethics
- Instructions relating to gifts, invitations* and other forms of hospitality
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers
- Country data sheets relative to applicable regulations
- Transparency International document «Refuse corruption*»



CONTEXT AND STAKES

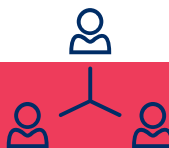


A conflict of interest* can be defined as a de facto situation which places the co-worker opposite two diverging interests: the general interest - linked to the mission that they must fulfil for the company - and their own interest which could influence or appear to influence the way in which they fulfil their missions.

The influence linked to my own interest can for example depend on my family responsibilities, professional links, political affiliation, or concern my personal assets, my financial investments or even my debts.

Certain conflicts of interest are likely to involve facts constituting criminal offences such as illegal taking of interests, favouritism*, corruption* or influence peddling.

PRACTICAL CASE



“I am a specifier and I participate in the preparation of a consultation for a security guard contract. The list of companies consulted includes the company that employs my brother as commercial director.”

RECOMMENDED BEHAVIOUR

- 1/ I inform my line management of my potential link with this company. My manager can contact the Legal Department in order to qualify the nature of the particular interest and the associated risk.
- 2/ Where applicable, and with the assent of my superior, I can pull out from dealing with relations with this supplier and from any decision making.



USEFUL INFORMATION

There are two types of possible situations:

- The conflict of interest* can be “real”: when it is established that my particular interest effectively conditions or influences the way in which I fulfil my mission within the company. A co-worker that unduly benefits from their position to draw a personal interest from it would commit a “disloyal act” with respect to the company (refer to C2 “Duty of loyalty”).
- The conflict of interest can be “potential”: when my personal interest is not yet likely to influence the way in which I fulfil my mission, but where a change of function or responsibility could modify this situation.

It is always better to raise an ambiguity and declare a conflict of interests, even potential, rather than allow an unclear or uncomfortable situation to settle in. With a concern for transparency, I declare my situation.

The conflict of interest can arise from a gift or from hospitality accepted from a third party* (refer to B1 “Gifts given or received” and B3 “Invitations* and hospitality”).

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers
- Transparency International practical guide to conflicts of interest in the company



SPONSORING*/PATRONAGE/ PHILANTHROPIC ACTIVITIES

CONTEXT AND STAKES



The sponsoring*, patronage and philanthropic activities contribute to Naval Group's influence in the world. However, this type of project displaying an ethical, environmental or humanitarian finality can sometimes hide quite different objectives or interests. In accordance with the law, Naval Group therefore supervises these activities rigorously and makes sure that the persons approved to conduct these projects are familiarised and follow a strict protocol.

The risks of failing to comply with the protocol are:

- › going against the communication plan defined by Naval Group;
- › imposing unexpected expenses or unfavourable contractual conditions on Naval Group;
- › jeopardising the reputation and the political neutrality of the company;
- › exposing the company and myself to administrative penalties or even criminal prosecution.

PRACTICAL CASE



“A member of an award committee for a public invitation* to bid for which Naval Group is a candidate, asks me to make a donation from the group to a charitable association of which they are the chairperson. They make it clear that all the companies participating in the invitation* to bid have made generous contributions.”

RECOMMENDED BEHAVIOUR

- 1/** I obtain information on the association in question and ask for all the legal information concerning it. Where applicable, I ask for advice from the Compliance Officer of my site or my department regarding the steps to be taken.
- 2/** In collaboration with my line manager and the Communication Department, I validate the interest and the coherency of this type of operation for the group.
- 3/** After gathering the necessary substantiating documents, I fill in the form

relative to the charity, philanthropic, patronage and sponsoring* activities, and send it to DECG*.

4/ I do not sign any binding deed with the third party* without having obtained a favourable opinion from DECG, and where applicable, I apply any associated recommendations or reservations.

In this case, a financial contribution, even symbolic, could be seen as an attempt at active corruption* so as not to be excluded from the invitation* to bid. I take care to refuse this proposal in writing, based on the customer relations charter available on the Naval Group internet site.

USEFUL INFORMATION

The commercial or cultural interest or the humanitarian aspect associated with a sponsoring* or patronage event must not hide the risks to which the company is exposed: a project with an association which is indirectly linked to a political party or, where the directors of which are close to the ruling power, would endanger Naval Group's political neutrality (see sheet C10) and could be interpreted as political positioning, opening the door to suspicions of corruption or influence peddling.

Each project must be covered by a **contract or an explicit agreement** between the two parties, that must specify the expected compensations. These contracts must be reviewed systematically by the group's Legal Department.

Similarly, no sponsoring*, patronage or philanthropic activity can be conducted without the favourable opinion of DECG.

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers
- Instructions related to participation in political projects and participation in lobbying, charity, philanthropic, patronage or sponsoring* activities



INTERVENTION DURING AN INVITATION TO BID ISSUED BY NAVAL GROUP

CONTEXT AND STAKES



Naval Group bases its industrial excellence on its suppliers, with which the group is committed to equal treatment and transparency in the selection process. Ignoring these principles could harm Naval Group's brand image and attractiveness with respect to suppliers.



PRACTICAL CASE

“During supplier selection, in the frame of an invitation* to bid, one of my relations asks me to select a company which does not correspond to the specification criteria, but which they recommend earnestly.”

RECOMMENDED BEHAVIOUR

- 1/ I give a firm reminder of the invitation* to bid and consultation process rules; I remind my relation that the selection is made on the basis of the supplier qualification process and on a response in compliance* with the specification entered in the invitation to bid.
- 2/ I do not provide any information concerning current invitations* to bid to third parties.
- 3/ I inform my line management and study with them, whether objective reasons could justify in the interest of Naval Group and in compliance with ethics, re-launching the invitation to bid and consultation process on new bases.

USEFUL INFORMATION

During its invitations to bid, Naval Group undertakes to inform suppliers of the selection criteria for the best bid and their weighting (cost, technical performance, quality deadline, maintainability, etc.).



According to the type of purchase to be made, these criteria can in addition be amended by taking into account additional risks, applicable to each supplier:

- › linked to the regulatory constraints (export control, research tax credit, offsets, etc.)
- › and/or linked to their situation (shareholding, industrial tool, supply chain, Corporate Social Responsibility (CSR), etc.).

The risks associated with the regulatory constraints are assessed upstream and during the supply consultation process.

The risks associated with the supplier's situation are assessed during their qualification, then during the periodic performance assessments during execution of their contracts with Naval Group.

Naval Group holds the **“Responsible purchasing and supplier relations”** label, a guarantee of sustainable and balanced relations with their suppliers, and proof of Naval Group's equity and transparency with respect to their suppliers.

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers
- Responsible purchasing and supplier relations label
- Naval Group supplier code of conduct



SUBSCRIPTION TO A PROFESSIONAL ASSOCIATION UNDER THE NAME OF NAVAL GROUP

CONTEXT AND STAKES



Naval Group authorises their co-workers* to engage in club activities on a private basis, to the extent that they in no case commit Naval Group in any way or form. Naval Group also allows their co-workers to subscribe to professional associations under their name, on the condition that strict rules are complied with.



PRACTICAL CASE

“I have been asked to subscribe to a professional association that supports the families of military personnel in a foreign navy in the name of Naval Group, and which happens to be one of Naval Group’s customers. The yearly subscription is €900.”

RECOMMENDED BEHAVIOUR

- 1/ I obtain information on the association in question and ask my contact to provide me with all the legal information concerning it; if necessary, I ask the Compliance Officer of my site/department for the steps to be taken.
- 2/ I ask my line management to validate this project.
- 3/ After gathering the necessary substantiating documents, I fill in a subscription request and send it to DECG*, via the compliance software available on the IT portal.
- 4/ I do not sign any binding deed with the third party* without having obtained a favourable opinion from DECG, and where applicable, apply any associated recommendations or reservations.

In this particular case, there is a risk of this subscription generating a conflict of interest* (see sheet B4) to the extent where certain beneficiaries of this association can have decision making functions within the scope of contractual relations with the customer. Although modest, this subscription could also be seen as a channel of active corruption* toward Naval Group’s customer.

USEFUL INFORMATION

Whether they are paying or not, all subscriptions to professional associations under the name of Naval Group must first be authorised by the line manager and by DECG* through a request made via the compliance software. Before any subscription, this initiative is used to verify:

- the political and religious neutrality of the entity concerned and of its representatives;
- that the subscriptions are proportionate to the scope and type of activities of the association;
- that Naval Group's potential displayed through this entity corresponds to the company's brand image strategy;
- that this subscription is not likely to be qualified by a third party* in good faith as a form of corruption* or influence peddling and that it does not generate a potential or real risk of conflict of interest* with respect to my functions;
- that this subscription is beneficial to the department to which I belong or to the group as a whole.

Note : in compliance* with the group's purchasing process, subscriptions amounting to more than €5.000 necessarily result in an order prepared by the Purchasing and Supplier Relations Department.

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance code of conduct
- Instruction related to participation in political projects and participation in lobbying, charity, philanthropic, patronage or sponsoring* activities
- Transparency International practical guide to conflicts of interest in the company



CONTEXT AND STAKES



The information that I hold within the scope of my responsibilities can have a strategic value for third parties without me realising. The interactions that I have with my personal and professional acquaintances can lead me into revealing sensitive information.

Carelessness on my behalf can make the company vulnerable to many threats such as:

- › the theft of intellectual property* (see sheet C5);
- › the leakage of protected information, industrial espionage;
- › the spreading of inaccurate information likely to affect the company's brand image (see sheet C9).

In some cases, I risk disciplinary measures or even criminal prosecution.



PRACTICAL CASE

“During a meal with friends, I am asked about a newspaper article or a rumour concerning a project in progress, conducted by Naval Group. I am asked in a “friendly manner” to provide details of these facts or to give my personal opinion.”

RECOMMENDED BEHAVIOUR

- 1/** I remain cautious and stick strictly to public information available on the Naval Group internet site, without giving details seen on Navista or heard from my colleagues. I am aware of my obligation for discretion and loyalty towards my employer.
- 2/** I do not behave as spokesperson for the company. If a journalist asks me questions, I do not reply directly and send their contact details to the Communication Department.

3/ In a public place, I do not announce that I belong to Naval Group.

4/ I report suspicious advances that are made to me to my manager and to the group Security Department.



USEFUL INFORMATION

Generally, if I am invited to express myself orally or in writing in public, I make sure that my belonging to Naval Group cannot be identified.

I am careful in the presence of unknown persons or even friends and unauthorised colleagues. Freedom of expression does not exclude the obligation for discretion and loyalty.

Questions from my acquaintances may be self-serving and some approaches (for example, paid invitations* to conferences and seminars) can be likened to attempts at corruption* (see sheet B3).

If in doubt, I talk to my manager.

REFERENCE DOCUMENTS

- Vade-meCom
- Security memo
- Company regulations for your site



C

THE ETHICAL BEHAVIOURS WITHIN THE COMPANY



MISSION: PROTECT THE COMPANY

BEHAVIOUR UNDER THE INFLUENCE OF DRUGS OR ALCOHOL

CONTEXT AND STAKES



Occasional or repeated consumption of psychoactive substances (alcohol, drugs, medication, etc.) results in behaviour which may endanger the health and safety of co-workers* and persons present, and can cause accidents.

Risks associated with this situation:

- › leaving the person to take risks for themselves and others (risk of personal accident, risk of traffic accidents in the event of travel, risk of occupational accidents, etc.),
- › damage to the company's image and reputation.



PRACTICAL CASE

“I participate in a meal with colleagues outside the company. When it comes time to return to work, I notice that one of my colleagues has visibly had too much alcohol to drink and is behaving incoherently.”

RECOMMENDED BEHAVIOUR

1/ I make sure the person is taken care of by competent persons (infirmary, emergency services, police, etc.) so they receive the necessary monitoring and rest.

2/ I categorically refuse to allow the person to drive or to isolate themselves in any way.

In all of these hypotheses, I try to act with the help of one or more colleagues if possible, in respect for the person concerned.

USEFUL INFORMATION

These situations carry a risk for the person themselves as well as for their colleagues and any other person who may be affected by their actions (e.g. road accident) and should always be taken seriously.

REFERENCE DOCUMENTS

- Naval Group code of ethics
- Company regulations for your site

CONTEXT AND STAKES



The loyalty obligation results from the obligation to carry out the contract in good faith. To this end, employees with a work contract must not cause harm to their employer, in particular by providing unfair competition through a personal company. They must abstain from any act which goes against the company interests and, in particular, any act of unfair competition.

Risks associated with this situation:

- › being in a situation with a conflict of interest*, if the company is developing in a satisfactory manner in a field which starts competing with Naval Group or a subcontract in which I intervene as specifier;
- › distorting the rules of competition between this company and other Naval Group suppliers (manufacturing products, subcontracting, intellectual services, etc.);
- › divulging or using confidential Naval Group information in order to make decisions in the new company;
- › applying its civil and criminal liability.

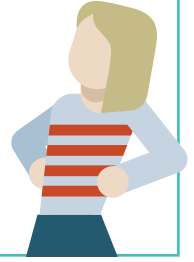
**PRACTICAL CASE**

“I am contacted by a friend who would like to associate me with the start (or capital) of the company they are planning to create. The field of activity of their project may, in time, lead to the development of technologies of interest to Naval Group.”

RECOMMENDED BEHAVIOUR

- 1/ In general, I refuse to play the expected role in this new company regardless of the level of the potential conflict of interest (see sheet B4) between this company and Naval Group.
- 2/ If I can see no obvious conflict of interest, I present the affair in a transparent manner to my hierarchy and request explicit prior approval.

- 3/** I complete an individual conflict of interest* declaration which must be kept up to date and transferred to my hierarchy in order to identify any particular interest likely to interfere in the decisions relating to my functions both now and in the future.



USEFUL INFORMATION

Unfair competition is the result of misconduct and manoeuvring contrary to the loyalty desired by the standards or commitments made regarding competition, committed by a professional, a company or employee against another professional or company currently suffering in their economic activity.

In addition, using work time for occupations other than performing one's professional functions may be punishable by disciplinary action as well as possibly constituting an offence relating to a breach of trust.

Co-workers* must also abstain from voluntarily making prejudicial remarks concerning their employer with an aim of damaging the company's image and reputation.

REFERENCE DOCUMENTS

- Naval Group code of ethics
- Charter on relations with suppliers and sub-contractors
- Charter on relations with customers



EMBEZZLEMENT AND CONSUMPTION OF COMPANY PROPERTY

CONTEXT AND STAKES



Embezzlement consists in illegally transferring, either directly or indirectly, property from the company's assets to a person's assets. It may concern the treasury, but can also concern any other company asset, goods and equipment.

Risks associated with this situation:

- › exposing myself to prosecution for theft or fencing and to disciplinary measures;
- › deviating company goods from their purpose and disrupting the company's smooth operation if the embezzled property is required for the activity.



PRACTICAL CASE

"I am emptying the rooms in my workshop for renovation and find several tools at the back of a cupboard which don't seem to have been used for a long time. I am tempted to take them home with me where they could be useful because they appear to be obsolete here."

RECOMMENDED BEHAVIOUR

- 1/ I try to find out who these tools belong to.
- 2/ I inform the person they belong to or my manager in all honesty of the precise nature and possible value of the goods.
- 3/ I obtain their formal approval before taking them. If it is company property, this approval (preferably written) is granted by the management from the entity to which I report.

USEFUL INFORMATION

Embezzlement can come in different forms, in particular the use of company software for personal reasons, or the printing of a high number of hard copies. In principle, any theft committed in the workplace constitutes a real and serious reason for dismissal or, depending on the case, serious misconduct.

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Company regulations for your site
- Article 311-1 of the criminal code

CONTEXT AND STAKES



Communication and information technologies are at the forefront of the company's activities today. Naval Group is thus exposed daily to new risks of cyber attacks: information theft, remote hacking of IT systems, sabotage, etc.

A cyber attack can be defined as a malicious act committed against a system via a cybernetic network which may originate from isolated persons, a group of hackers or, more recently, organisations with a political agenda.

It is possible to act in the face of cyber criminality, and the first contributors to this daily combat are the users.

Avoiding some very simple notions can prevent serious incidents, such as:

- › the downloading and execution of malicious code;
- › the compromising of the company's information system;
- › the leaking of information, intellectual property* or trade secrets;
- › damaging the company's image and reputation.

PRACTICAL CASE



“After the day's work I find a USB drive next to my car in the Naval Group car park. This USB drive may belong to a co-worker and contain useful or even sensitive information. I pick it up and tell myself that its contents may help me identify the owner.”

RECOMMENDED BEHAVIOUR

- 1/ I connect no peripheral equipment (USB stick, hard drive, electronic cigarette, telephone, etc.) of unknown origin or from a person from outside my circle of trust. I pay particular attention to this rule in the scope of my travels and during external training courses, meetings and conferences I participate in.



2/ I do not keep the USB stick for personal use as it may contain information belonging to Naval Group and/or represent a security risk.

3/ I leave the USB stick at the local Industrial Security and Defence Department (DSID), and indicate when and how I found it.

USEFUL INFORMATION

A removable USB peripheral system contains a microcontroller programmed by its integrated firmware. This firmware can be modified in such a manner as to deviate the USB device from its original use.

For example, companies have previously declared that they suffered infections from an electronic cigarette charger.

This kind of attack can be implemented by attackers with a low level of resources and a moderate level of skill.

REFERENCE DOCUMENTS

- Naval Group information systems usage charter: BMS 000121750 - D
- Awareness of cyber-security on Intranet eLearning <https://intranet.marium.int/intranet/web/e-learning/cybersecurite>
- ANSSI (French Agency For Cybersecurity) MOOC on cybersecurity : <https://secnumacademie.gouv.fr>



CONTEXT AND STAKES



Naval Group intellectual property* is a major asset for the competitiveness and durability of the group and constitutes an element of sovereignty.

Not controlling or protecting our intellectual property leads to a risk which may result in:

- › loss of market shares today or tomorrow with heavy financial repercussions as a consequence;
- › attacks from third parties if Naval Group uses information for which they do not have intellectual ownership;
- › criminal prosecution if the information provided is outside the scope of regulatory authorisations (prior authorisations and CIEEMG (Inter-ministerial Commission for the Study of Military Equipment Exports) reservations);
- › organisational or operational overcosts;
- › weakening of the group's position in strategic agreements.

PRACTICAL CASE



“During a visit in France or during a mission abroad, my contact person looks to amicably obtain information of a technical, industrial or commercial nature exceeding the planned limits. I am tempted to divulge the information for once.”

RECOMMENDED BEHAVIOUR

- 1/** I do not hesitate to remind them of the confidentiality linked to the nature of our activities (military and security, etc.), confidentiality owed to our customers (French Navy, export customers, etc.) and suppliers or partners and the protection of our own intellectual property.
- 2/** I can also write down the question of my contact person and propose an answer at a later date. If the request is insistent, I note the contact details for the person and inform the Intellectual Property Department or the Security Department.
- 3/** I resist the temptation to please them, to shine or simply to share my knowledge.

USEFUL INFORMATION

Controlling intellectual property is a strategic issue in the context of the group's internationalisation.

Precious information can be obtained indirectly through cross-referencing. For example, the pressure borne by a pipe may reveal the diving depth of a submarine.

Each co-worker is responsible individually, legally, contractually and ethically with regards to the group.

Information distributed essentially for internal use can also be divulged outside of the group to persons who need this information in the scope of contractual relations with the group, via specific confidentiality provisions or the implementation of a confidentiality agreement. The time, space and desired objectives of confidentiality agreements are defined.



REFERENCE DOCUMENTS

- Naval Group code of ethics
- Instruction 240763: protect and promote intellectual property
- Instruction 110962: Instruction for marking and protecting sensitive Naval Group information



CONTEXT AND STAKES



Even though co-opting is one of the factors of success in the integration of new co-workers*, it is necessary to guarantee thorough transparency concerning the selection process for employment candidates.

In the event I am contacted directly by someone I know, I make sure:

- › I do not use my position in the company to prioritise or favour the candidate. Several other candidates for this job have perhaps already succeeded;
- › the favour cannot be interpreted as an unfair advantage* granted to a third party*;
- › I do not feel obliged to respond positively and refuse any form of pressure or compensation applied or proposed in this sense.

PRACTICAL CASE



“A neighbour asks me to employ their daughter in my team on a fixed-term contract.”

RECOMMENDED BEHAVIOUR

- 1/ I explain the internal rules to my neighbour concerning job openings, the selection process and welcoming the chosen candidate. Even though I can note their request, I must obey these rules and they will be informed of the response.
- 2/ I raise the subject with my line manager and the Human Resources manager in order to make a shared decision. I do not give the response directly and make sure it is addressed and sent by the Human Resources Department.

USEFUL INFORMATION

Recruiting a candidate first and foremost requires objective appreciation of skills with regards the characteristics of the proposed job. With this in mind, Naval Group has developed and applied a rigorous internal procedure. I never try to replace the Human Resources by communicating with the candidate and do not try to influence the recruitment process for the candidate as this runs the risk of infringing the rights of the other candidates and exposing me to disciplinary measures.

REFERENCE DOCUMENTS

- Recruitment procedure in force (Navista/BMS)

CONTEXT AND STAKES

**The risks in this situation:**

- › being suspected of speculating on the shares of publicly traded companies on the basis of information obtained from within, i.e.: insider information;
- › being prosecuted for insider trading;
- › exposing myself to administrative or criminal measures.

PRACTICAL CASE

“I have heard that the group would soon be acquiring a publicly traded company whose share price is likely to rise due to this. This is an important and currently confidential operation. Furthermore, I recently inherited some money that I would like to invest in shares.”

RECOMMENDED BEHAVIOUR

- 1/** I protect the confidentiality of the “insider” information currently not known by the public.
- 2/** I do not proceed with this purchase, either directly or indirectly.
- 3/** I do not allow anyone to benefit from this information.

USEFUL INFORMATION

Insider trading is a market offence that a person commits when buying or selling securities on the basis of confidential information that others do not have. The use or communication of insider elements may enable illicit gains during stock transactions which are prohibited by the financial markets control regulations.

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Article L.465-1 of the Monetary and Financial Code

NON-COMPLIANCE* WITH ADMINISTRATION RULES

CONTEXT AND STAKES



Reliable accounting and financial information is necessary in order to ensure optimal decision making for Naval Group interests.

Contravening the rules established by the group exposes me to the following risks:

- › providing an untrue image of the accounts and financial situation of the company;
- › exposing the company and its management to legal risks in the scope of regulations concerning the control of financial data;
- › encouraging a lack of rigour in reporting and non-compliance with the internal checking rules.

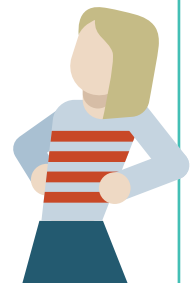


PRACTICAL CASE

“In order to achieve the announced objectives at the end of the year, a manager asks me to report an order that we hope to be able to complete before next January 15th.”

RECOMMENDED BEHAVIOUR

- 1/ I remind them that, regardless of the amount in question, the conditions defined in the group’s applicable administration rules are not met, so this company order cannot be recorded.
- 2/ I remind them that the reporting of economic and financial information must be accompanied by the corresponding justifications which will be checked and challenged if non-compliant with the group’s applicable administration rules.
- 3/ If the request is maintained, I inform the Administrative and Financial Department and the management inspectors.



USEFUL INFORMATION

The purpose of the financial status reports is to provide information concerning the financial situation, performance and variations in the financial situation of a company, which must be useful to a large assortment of users for economic decision making purposes. To be of use, the information must be reliable.

Note, in particular, that “to be reliable, the information contained in the financial status reports must be neutral, i.e. without bias. Financial status reports are not neutral if, through the selection or presentation of the information, they influence the decisions or judgement in order to obtain a predetermined result or outcome.”

REFERENCE DOCUMENTS

- Naval Group code of ethics and compliance* code of conduct
- Financial guides and instructions



CONTEXT AND STAKES



The greatest caution is required when publishing information of a professional nature on the internet or social networks (articles, comments, opinions, etc.). By definition, the impact and distribution level of my publications on these media cannot be controlled.

They may be used or misused against me or the company and pose significant threats such as:

- › identity theft and industrial espionage;
- › damage to my image or the company's image;
- › the distribution of protected information (see sheet B8);
- › disciplinary measures or even criminal prosecution for me.



PRACTICAL CASE

“I am registered on a social network with a pseudonym. My profile, in which I indicate both my employer and role without details, is only visible to my group of contacts. In a private discussion group with former colleagues, I observe inaccurate statements concerning Naval Group. I am tempted to intervene.”

RECOMMENDED BEHAVIOUR

- 1/** I refuse any action and do not behave as spokesperson for the company. If the statements are damaging to the Naval Group image, I save a screen-shot of the page and transmit it by e-mail to the Communication Department.
- 2/** I limit my exposure on the internet, particularly when my affiliation to Naval Group is identifiable. I am aware that any information that I publish, even on a “private” page, can be more widely distributed and is not protected by the confidentiality of correspondences.
- 3/** If publishing my CV, I do not describe the group's organisational details or missions assigned to me.



USEFUL INFORMATION

- › I am responsible for what I publish and must be able to control statements;
- › What I publish both during and outside of working hours does not always concern private matters;
- › In the event of any difficulty or doubt, I inform my manager and the Communication Department immediately.

Naval Group has the protection of its activities at heart, whilst also respecting the freedom of speech of its co-workers* and stakeholders. To prevent risky situations, I learn the instructions in the "using social media" charter which is accessible to everyone.

REFERENCE DOCUMENTS

- Charter for using social media
- Vade-meCom
- Security memo
- French Labour Code, articles L. 1222-1, L. 1222-5, L. 1227-1, L. 1235-1
- French Court de Cassation decision No. 11-19.734



CONTEXT AND STAKES



Naval Group respects the freedom of conscience and individual commitment of their co-workers* and stakeholders to participate, privately and as citizens, in political activities. However, Naval Group maintains strict political, religious and philosophical neutrality, and this is why the Naval Group co-workers* and stakeholders are required to comply with this neutrality in the scope of their functions in order to prevent:

- › any lack of objectivity and impartiality in their decision making and any risk of a conflict of interest*;
- › offending or provoking a colleague;
- › creating a tense situation likely to have a negative effect on the functioning of a department;
- › associating the responsibility or image of Naval Group with a controversy and thus compromise relations with customers or partners.

PRACTICAL CASE



“I am part of an environmental protection association with a political representation and would like to organise a conference during the lunch break, in the Naval Group premises, in order to raise my colleagues’ awareness of these questions.”

RECOMMENDED BEHAVIOUR

- 1/ I ask myself about the merging that this initiative may lead to with my functions and responsibilities within Naval Group.
- 2/ I contact the Communication Department and Human Resources Department in order to inform them of my project and obtain their written approval.
- 3/ Even though environmental protection is a value defended by Naval Group, internal events such as this can only be organised by a representative from the Communication Department. Public speaking may be interpreted as a speech time afforded to a political party who support my cause and lead to confusion of roles. Naval Group therefore cannot authorise my initiative.

USEFUL INFORMATION

It is strictly forbidden for co-workers to make contributions of any nature whatsoever in the name of Naval Group to electoral candidates, political representatives or any political party or organisation operating at a local, regional, national or international level. In the scope of these activities I must therefore ensure that:

- › my participation in politics is strictly personal. I am therefore prohibited from using the Naval Group resources, name, image and brand to support my convictions;
- › I only participate in politics during my free time, outside of working hours;
- › I do not call on co-workers, during their working hours, to finance a political organisation or its representatives or to convince them to subscribe to my convictions;
- › I respect the opinions of individuals and the resulting freedom of conscience by not displaying my personal convictions in any manner which may offend the sensibilities of others.

REFERENCE DOCUMENTS

- Naval Group code of ethics
- Company regulations for your site
- Article L1321-2-1 of the Labour Code



APPENDICES



GLOSSARY

- C - **CERSE** : the Committee for Ethics and CSR

Compliance notice: written response following a risk analysis through which a Compliance Officer communicates their opinion concerning the degree of compliance risk relating to a project submitted to them. Where appropriate, their opinion may be favourable, favourable with reservations, or unfavourable, and may communicate recommendations to be applied by the co-worker in charge of the file, in order to finalise the project.

Compliance: a set of processes aimed at enforcing - within the company - French and international legislation related in particular to the fight against corruption and influence peddling.

Conflict of interest: "a conflict of interest involves a conflict between the public duty and private interests of a public official, in which the public official has private-capacity interests which could improperly influence the performance of official duties and responsibilities" according to OECD 2004.

Corruption: "requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or prospect thereof, which distorts the proper performance of any duty or behaviour required of the recipient of the bribe, the undue advantage or the prospect thereof" (Excerpt from article 2 - Definition of corruption - Civil Law Convention on corruption by the Council of Europe).

Co-workers: all persons employed by Naval Group whether they are directly employed or are members of personnel made available to Naval Group.

- D - **DECG:** Group Department of Ethics, Compliance and Governance.

- F - **Favouritism:** tendency to grant unfair or illegal favours to someone. In public contract law, favouritism is an action by a public or elected officer which distorts free competition.

Foreign public official: any person fulfilling a paid function within a public organisation as well as any person holding a legislative, administrative or judicial mandate in a foreign country, any person performing a public function for a foreign country, including for a public organisation or company, and any civil servant or official from a public international organisation.

- I - **Illegal acquisition of interest:** the act, by a public or elected officer, of taking or conserving interests in a company for which they are in charge of surveillance,

administration, liquidation or payment.

Intellectual property: the purpose of intellectual property is to protect and add value to inventions, innovations and creations, particularly in the industrial sector.

Invitation: intangible advantage intended to show the attention being paid to another.

-S- **Sexist behaviour:** any behaviour relating to a person's sex, the purpose of which is to attack their dignity or create an intimidating, hostile, degrading, humiliating or offensive environment.

Sponsoring: financing of a sporting, cultural or economic event by a company with the purpose of advertising compensation.

-T- **Third party:** designates Business Advisers, key industrial partners, consultants, offset partners, suppliers designated prior to signing the sales contract, patrons and sponsors. Generally speaking, any physical or moral person or entity wishing to enter into business relations with Naval Group.

-U- **Unfair advantage:** may take several forms: money, services or goods, gifts, voyages, entertainment, hospitality, promotion or distinction, contract or title awards, administrative decisions, etc.

-W- **Whistleblower:** an individual acting in a disinterested manner and in good faith, who discloses or reports a crime or offense, a serious and manifest violation of an international commitment duly ratified or approved by France, a unilateral act of an international organization adopted on the basis of such commitment, a statute or regulation, or a serious threat or harm to the general interest, of which such individual has become personally aware.



*For better definitions, a more thorough ethics and compliance glossary is available in English and French from the DECG Navista page or directly from your Compliance Officers and ethics relay.

THE NAVAL GROUP CHARTERS AND GUIDES PROVIDED FOR CO-WORKERS*

Charter on relations with customers

Nuclear safety charter

Charter on relations with suppliers and sub-contractors

Managerial charter

Charter on computers systems usage

Human rights charter

Charter on social media usage

Security memo

Export control guide

Vade-meCom

Memo of aboard missionary

NAVAL GROUP VALUES





For more information, visit us on the group website
www.naval-group.com