

# COMPLIANCE CODE OF CONDUCT

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## Message from the CEO

*Naval Group is a leading high-tech group in the naval defense sector in France and Europe and is fully committed to its international development.*

*Wherever it operates, the group promotes a culture of integrity based in particular on strict compliance with applicable regulations on the fight against corruption and influence peddling.*

*The Compliance Code of Conduct is at the heart of the documentary reference framework developed as part of Naval Group's **anti-corruption program**. Supplemented by the **Practical Guide to Ethical Behaviour** and the Code of Ethics, it is intended to provide guidelines for all our stakeholders. It also provides concrete and operational guidelines to enable employees to manage situations of risk for our company such as corruption, of course, but also influence peddling, money laundering and financing of terrorism, fraud and conflicts of interest. It requires all employees and the company's management to apply a principle of **zero tolerance** towards corruption in all its forms.*

*The Ethics, Compliance and Corporate Governance Department (ECCG) team is at your disposal to answer any questions or doubts you may have.*

*The fight against corruption is everyone's business. I am counting on you to read this code and respect its rules".*



Pierre-Eric Pommellet  
Président-Directeur général

## What is the Compliance Code of Conduct?

The Code of Conduct Compliance is our Group's reference document for all matters relating to the fight against corruption and influence peddling. It is one of the central elements of the **anti-corruption reference framework**.

Supplemented by the Practical Guide to Ethical Behaviour and the Code of Ethics, it sets out the principles and values that guide our actions and business activities and establishes **the standards of behaviour expected from all our stakeholders**.

Naval Group communicates this code to its stakeholders and discusses its principles with them so that they understand its rules of conduct and agree to abide by them.

This code is appended to the internal regulations (or any other equivalent mechanism) of each of its entities in France. The rules contained in this code do not replace applicable local or international legislation to which the Group undertakes to comply. **They must be known and applied by all**.

In case of doubt about the rules to be applied, it is the responsibility of the stakeholders concerned to seek advice from DECG.

This code also refers to other resources, instructions and documents that can be used to describe more precisely the conduct to be followed. In particular, it reminds us of the possibility to report confidentially any observed violation of the rules of our standards via a secure whistleblowing system.

## Who should use this Code?

This Compliance Code of Conduct is the common reference document for all Naval Group employees and stakeholders. It concerns all our stakeholders: controlled companies, customers, suppliers and service providers, industrial and commercial partners, who we expect to respect our principles of integrity.

We also commit the majority co-shareholders in our non-controlled companies to adopt or adapt this code.

### What « Compliance » stands for?

Compliance refers in this document to compliance with laws and regulations relating to the fight against corruption and influence peddling.

## What are our principles regarding Compliance?

- We comply with legislations and regulations applicable to our activities.
- We respect the highest level of demand regarding integrity and regarding Business ethics based on values of integrity, honesty and transparency in the conduct of our activities all over the world.
- We apply the zero tolerance for any form of corruption, passive or active, whatever the form, be it an illicit payment, presents, bonuses, favors, gifts, or any illicit transfer paid directly or indirectly to a customer, representative or to a third party, or received from a third party.
- We forbid the payments of facilitation.
- The Ethics, Compliance and Governance Department establishes and updates rules and applicable procedures regarding Compliance on the basis of a risks mapping which it sets up.
- We pay specific attention to companies controlled directly or indirectly by the Group everywhere where they are located.
- We are held informed about rules and current internal procedures regarding fight against corruption, trading of favors, money laundering and terrorism financing.
- Business lunches, invitations and modest presents of non-pecuniary nature can be proposed or accepted within the framework of normal commercial practices. They cannot in any way influence or give the impression of influencing, a commercial decision.
- We encourage an open dialogue with our employees, based on trust, at every level of the Company. Our Employees are incited to communicate openly, to discuss and to express any questions or concerns, and their hierarchy is encouraged to listen to them and to show reactivity in its answer. We are hence strengthening our common culture regarding compliance with rules, and incite each of our Employees to become a full actor of our best practice.
- We do not tolerate retaliation or attempt of direct or indirect retaliation, against a disinterested whistleblower and who has act in good faith.
- In case of doubt on the implementation of the Code or the documents which are linked to it, we invite you to get in touch with your manager, or with a member of the Ethics Compliance and Governance Department team (see "Contact details").

### What is corruption?

Corruption is promising, proposing or offering, requesting from or receiving, directly or indirectly any, monetary or other improper advantage, to/from a third party or on behalf of a third party with the aim of obtaining or preserving a business, or any other illicit advantage in the conduct of a business.

### What is a facilitation payment?

It is an unofficial payment of small amount paid to civil servants occupying modest responsibilities, with the aim to obtain or accelerate the execution of administrative routine formalities.

## What are our practices?

### Entering and maintaining business relationships

Appropriate checks (due diligence compliance) are carried out on the basis of the information collected or provided by the Third Party prior to any business relationship identified in the mapping of corruption risks. Periodic checks are also carried out during the monitoring of the relationship, in order to verify that our partners meet the technical, human, financial, regulatory and ethical requirements of Naval Group and its stakeholders.

Our suppliers, subcontractors and service providers (consultants, agents, offsets suppliers in particular) are subject to specific vigilance before entering into business relations and then in the monitoring of our relations with the latter.

In addition, Naval Group ensures that lobbyists acting on its behalf comply with the regulations applicable to lobbying activities wherever they are carried out and, where applicable, with transparency and reporting obligations.

### Gifts, hospitality

Gifts or hospitality (including meals and business travel) received or offered should not be intended to influence or be perceived to influence a business decision taken in the interest of Naval Group or a third party.

In many countries, the gifts and brands of hospitality can play an important role in the establishment and maintenance of good business relationships or on the contrary be banned.

Our employees must therefore adopt a **cautious behaviour**, appeal to their common sense in all circumstances and make an informed decision when they are required to offer or receive gifts and hospitality brands that must in any case remain a reasonable amount. The members of the Ethics, Compliance and Governance Department are at their disposal to help in that sense.

In the interest of transparency and to facilitate any audit or controls, any donation, gift or invitation is precisely recorded. Depending on their amount, prior internal validations must be obtained.

## Membership in associations

Naval Group respects the commitment of its employees in private associative activities. These activities must however remain strictly personal and not commit Naval Group in any way whatsoever.

In any case, membership in a professional association on behalf of Naval Group is permitted only if it does not contravene the strict religious, political and philosophical neutrality Naval Group observes.

Membership should not be a form of corruption or influence peddling or be likely to be perceived as such by a third party in good faith.

## Participation in political life

Naval Group respects the individual commitment of its employees to participate, in their private capacity and as citizens, in political activities. However, it is strictly forbidden for employees to make political contributions in the name or on behalf of Naval Group for elections, candidates at the local, regional, national or international level, political parties, for political representatives at the local, regional, national or international level, any organization or any entity policy at the local, regional, national or international.

Employees are required to ensure that their participation in political life remains within a **strictly private framework**. Thus their participation in political life takes place only during their free time, outside their working hours and at their own expense.

## Activities of charity, philanthropy, patronage and sponsorship

Activities of patronage and sponsorship made on behalf of Naval Group are allowed only if they are not prohibited by the applicable law of the country in which they are made and if they do not contravene the strict religious, political and philosophical neutrality Naval Group observes.

These activities are subject to prior compliance due diligence and must only be carried out in compliance with applicable laws and regulations.

## Conflicts of interest

Employees act in the best of the interests of the Naval Group and use the resources and assets of the group to the exclusive benefit of the latter. They undertake to communicate rapidly any link of interest, personal or family, which could be objectively seen as affecting their judgment or which could create a form of irregularity.

We must always put forward the interests of Naval Group and not our personal interest.

In their private activities and outside of working hours employees should not use resources of Naval Group, its intellectual property or its confidential information for personal purposes.

### What is a conflict of interest?

A conflict of interest arises when the interests of the business and personal interests overlap. Such a conflict of interest is not necessarily a problem in itself, but could become a problem if it is not quickly identified and properly managed.

## Sincerity of the accounting and financial information

We are committed to comply with the applicable laws and regulations governing our financial accounting and our reporting to shareholders. To do this, we

- classify and record our transactions and our assets in an appropriate manner,
- implement appropriate controls to present our financial data including balance sheets and P&L in a precise and consistent manner, in order to ensure the completeness of the audit,
- protect our assets properly,
- declare our objective and timely transactions,
- present commercial information or the financial forecasts of an honest and transparent manner.
- safeguard documents and financial information in accordance with the law and internal procedures of records,
- cooperate fully with any external or internal audit mission, and provide complete answers to questions and requests in a timely

## Training

We are engaged in a plan of training designed for employees and Executive leaders. This plan is updated each year. It comes in different modules:

- Face-to-face training sessions are regularly held on the various Sites and subsidiaries, in particular for workers exposed to the risk of Compliance.
- An e-learning training program is also available to employees.
- The training modules are made available in the training catalog.
- In addition, employees who so wish can also contact the Ethics, Compliance and Governance Department to receive dedicated training.

Our Code is shared and discussed with our stakeholders so that they understand and adopt its principles.

In particular, our suppliers and subcontractor agree to comply with our Supplier Code of conduct

## **What are the consequences in case of failure to comply with this Code?**

In case of failure by an employee to abide by the rules established by this Code or related procedures, his/her personal liability may be engaged and it may expose him/herself to disciplinary sanctions which are proportionate to the seriousness of the breach of the Code and are described in the Internal Rules of each site in France or in the Law in non-French Companies.

It is therefore operational responsibility, management and ethics of each, well read, assimilate and to comply with this Code.

## **How should we speak up and alert on potential violations of this Code?**

We encourage a culture of open communication where employees do not hesitate to voice their concerns and ask for advice and where supervisors listen and respond quickly. If a line manager is unable to respond to a question or concern, employees may contact another member of the Ethics and Compliance network either at Site, Management or Subsidiary level or at Group level.

In addition, the Group provides all employees or stakeholders (business partners, suppliers, service providers, etc.) with a secure and confidential communication channel that allows them to raise any questions, alerts or concerns via the following address:

**[ethics@naval-group.com](mailto:ethics@naval-group.com)**



## How to access this Code?

During their recruitment, our new employees receive a copy of this Code. Our employees receive either directly or via their manager a copy of this Code. They can consult this Code on the intranet site of the Group in the space dedicated to Ethics and Compliance as well as on the website of the Group.

The Code is built into the repository for the documents of the company concerned (for example, it is annexed to the Internal Rules for the French subsidiaries of the Group).

Translations of this code (in English, Arabic, Portuguese and Spanish) are also available on the group's internet and intranet sites.

## Points of contact

Group Ethics, Compliance & Governance Office

[GroupComplianceoffice@naval-group.com](mailto:GroupComplianceoffice@naval-group.com)