



COMBATTING CORRUPTION AND INFLUENCE PEDDLING

at **NAVAL GROUP**



INTEGRITY AT THE HEART
OF OUR INDUSTRIAL
EXCELLENCE

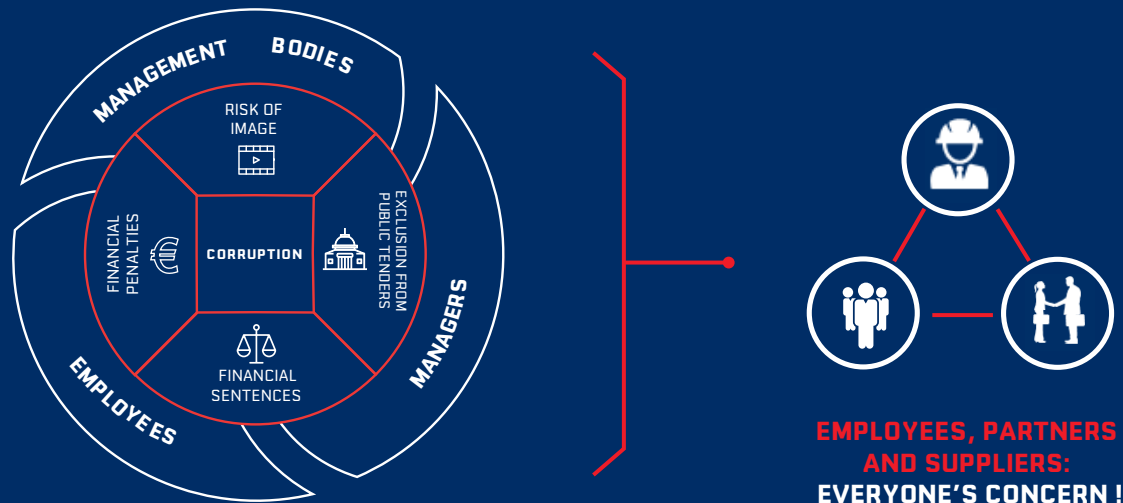


01

A COMPLIANCE PROGRAM ARRAYED AT ALL LEVELS OF THE COMPANY

COMMITMENT OF THE STAKEHOLDERS

Naval Group implements a program to **fight corruption and influence peddling** that is directly integrated in its management system and its processes. It applies to all companies controlled by the group. This program is based on a corruption risk map that is updated at least annually, mobilising vigilance and the active participation of all its internal stakeholders.



A CULTURE OF EXEMPLARITY

The **anti-corruption policy** that is directly supported by the CEO, with respect to its shareholders and stakeholders, commits the group to the application of a ZERO tolerance principle with regard to acts of corruption. This commitment implies a regular monitoring of the anti-corruption program by the group's governance bodies.

**ZERO
TOLERANCE**

AN ANTICORRUPTION PROGRAM MONITORED BY THE GROUP GOVERNANCE BODIES



2014

Membership of the United Nations Global Compact

MARCH 2015

Appointment of a group compliance referent

THE ETHICS, COMPLIANCE & GOVERNANCE DEPARTMENT : A TASK FORCE DEDICATED TO FIGHTING CORRUPTION IN ALL PLACES WHERE THE GROUP OPERATES

The Executive Committee has decided on the creation of the Group Ethics, Compliance & Governance Department (DECG). It is made up of:

1 CHIEF COMPLIANCE OFFICER (COMPLIANCE REFERENT) APPOINTED BY THE GROUP CEO

5 EXPERTS

3 CENTERS

- Definition of the program
- Operational deployment (France and international)
- Internal control and investigations



A network of compliance officers deployed as close as possible to the operational teams:

22 COMPLIANCE OFFICERS ON THE SITES AND IN THE DEPARTMENTS IN FRANCE

8 COMPLIANCE OFFICERS IN SUBSIDIARIES ABROAD



3 GOALS



PROMOTE

A CULTURE OF INTEGRITY



STRENGTHEN

VIGILANCE OVER THE FIGHT AGAINST CORRUPTION



SUPPORT

THE EMPLOYEES' PROJECTS

JANUARY 2017

Creation of the DECG

JANUARY 2018

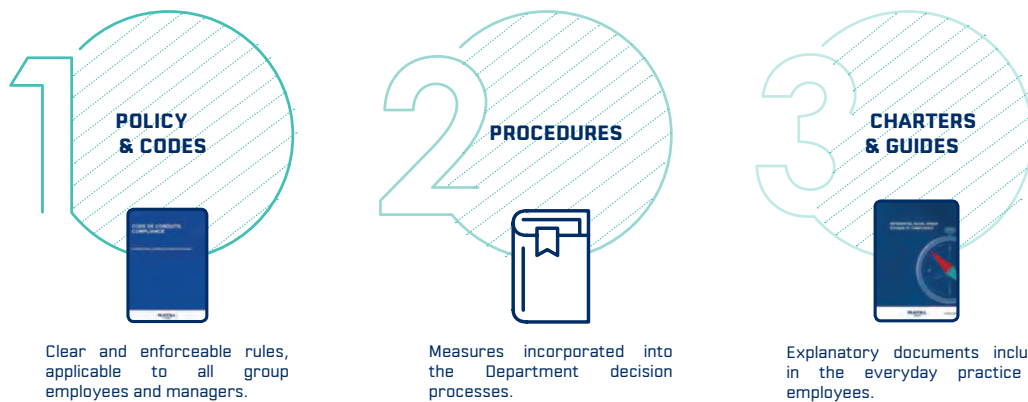
Deployment of the Compliance officers network in the controlled subsidiaries

02

A SET OF RULES COMPLIANT WITH APPLICABLE LAWS AND WITH INTERNATIONAL REFERENCE CONVENTIONS

A SPECIFIC DOCUMENT REPOSITORY

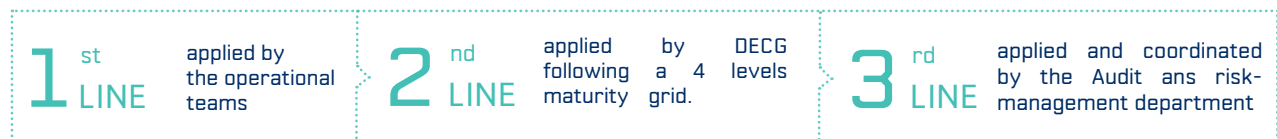
Naval Group has developed an anti-corruption repository in compliance with Law No. 2016-1691 of 9 December 2016 regarding transparency, the fight against corruption and the modernisation of businesses, the so-called French “**Sapin II**” law, and based on international reference documents such as the **United Nations Convention against corruption**.



AVAILABLE ONLINE OR IN PAPER FORMAT IN 4 LANGUAGES

THREE LINES OF CONTROL TO GUARANTEE THE EFFECTIVENESS OF THE PROGRAM

Naval Group is deploying, via three lines of control, an internal **control plan** in France and in the controlled international subsidiaries guaranteeing strict compliance with the rules it has defined. This plan also enables a precise monitoring on the maturity of the compliance program based on an approach of **continual improvement**:



2014

Creation of an ethics and compliance repository

APRIL 2017

The alert line is renamed "Ethics@naval-group.com".

TECHNICAL TOOLS AND HUMAN RESOURCES TO MATCH THE CHALLENGES

COMPLIANCE SOFTWARE

Naval Group has developed internal software to facilitate the mandatory procedures for employees with regard to:

- **Reporting meals and hospitalities** given to/received from third parties,
- Requests for membership of **a professional association**.



MORE THAN 1400
STATEMENTS MADE IN THE SOFTWARE SINCE 2017 (OF WHICH 700 IN 2020).

 GIFTS	 MEALS
 HOSPITALITIES	 MEMBERSHIP OF A PROFESSIONAL ASSOCIATION

REPORTING :
A REFLEX THAT HAS BEEN FULLY ADOPTED
GUARANTEEING INCREASINGLY
TRANSPARENT COMMERCIAL PRACTICES

CONFLICTS OF INTERESTS

Each employee declares upon their honour at the time of recruitment that they are not in a situation of conflict of interest and undertakes to inform the group whenever this is no longer the case. For the most exposed positions, due diligence are conducted in addition to this declaration.



ethics@naval-group.com

WHISTLEBLOWING LINE

Naval Group provides its employees and stakeholders, affected by or witnessing inappropriate behaviour within the group, with dedicated contact persons and a whistleblowing line, guaranteeing:

- **Access to all** employees and external stakeholders wherever they are,
- **The strict confidentiality** of the data handled,
- The **impartial handling** of submitted reports thanks to a group procedure,
- The possibility to speak in **complete confidence** without the risk of retaliation.

THE EFFECTIVENESS OF THE PROGRAM IS MONITORED BY 30 PERFORMANCE AND MANAGEMENT INDICATORS UPDATED EVERY MONTH.

JUNE 2017

Deployment of the compliance software

MARCH 2018

Publishing of the practical guide for ethical behaviour

03

MULTIPLE IMPACTS ON EMPLOYEES' DAILY WORK

COLLECTIVE ADOPTION

Naval Group, with the support of its managerial hierarchy and the network of compliance officers, is **raising the awareness** of and training its employees in the best practices for the fight against corruption and influence peddling. To this end, it is deploying a **training plan** aimed in particular at the personnel that are the most exposed to the risk of corruption, in accordance with the risk mapping established.



EMPLOYEES AND STAKEHOLDERS
TRAINED AND EMPOWERED
REGARDING RISKS OF
CORRUPTION
=
HIGH-RISK SITUATIONS
TO BE AVOIDED

SPREADING GOOD PRACTICES BEYOND THE BORDERS OF THE COMPANY

Through a **communication plan** using several types of media, the compliance program is directed to all Naval Group's stakeholders (employees, consultants, suppliers, fournisseurs, subcontractor etc.).

NAVAL GROUPS IS CERTIFIED
AT THE LEVEL "ADVANCED"
BY THE GLOBAL COMPACT
OF THE UNITED NATIONS



E-LEARNING



INTRANET (NAVISTA)



BROCHURES/GUIDES



EVENTS

DURING THE SURVEY CONDUCTED IN DECEMBER 2020, **71% OF THE EMPLOYEES SURVEYED** SAID THEY WERE CONCERNED BY THE FIGHT AGAINST CORRUPTION IN THE WORKPLACE.

AUGUST 2017

Start of the deployment of the awareness-raising and training plan

DECEMBER 2018

2nd Ethics and Compliance awareness Day

COMPLIANCE DUE DILIGENCE A DECISION-MAKING TOOL FOR THE OPERATIONAL TEAMS

Naval Group requires that any at risk opportunity (as defined in the corruption risk mapping) of contract with a third party is subject to **compliance due diligence** in order to obtain a compliance risk assessment on the project. A compliance due diligence is updated *a minima* every 36 months following the contractualization process.

STEPS AIMED AT IDENTIFYING AND REDUCING NAVAL GROUP RISK EXPOSURE



NAVAL GROUP CONDUCTS COMPLIANCE DUE DILIGENCES TAILORED TO ALL TYPES OF PROJECT:



RESULTS

- BETTER ANTICIPATION OF CORRUPTION RISKS,
- DECISION-SUPPORT FOR MANAGERS AT THE MOMENT OF CONTRACTUALISATION

JULY 2019

Winning of the "Mention spéciale" award in the Compliance category from the "trophées du Droit"

OCTOBER 2020

The group reaches level 3 of mastery (out of 4) its anti-corruption program.

OUR AIMS (2020 → 2025)

Supporting the group's international growth through a stringent approach to business ethics.

Maintaining Naval Group as one of the most committed defence-sector actors in the fight against corruption and influence peddling through:

- The granting of **ISO 37001** certification in relation to anticorruption management system
- Membership of French and international bodies contributing to the definition and dissemination of relevant best practices (Global Compact, MEDEF, *Cercle Ethique des Affaires (CEA)*, *IFBEC...*)

Contact : groupcomplianceoffice@naval-group.com