

NAVAL

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Corporate Social
Responsibility
Report

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GROUP

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Responsibility
Report

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Pierre Éric Pommeliet

Chairman & Chief Executive Officer

Naval Group's commitment to corporate social responsibility (CSR) is reflected in our strategic choices, our innovations, our funding and also in the initiatives of our employees.

In addition to being in tune with social and environmental developments, our ambition is to contribute to the preparation of armies for climate change, particularly in terms of capabilities and operations. This is why our teams assess the environmental footprint of ships, develop onboard energy management systems, can offer Li-Ion batteries as the main source of energy on ships for export but also analyse the impacts of climate change on our activities and in our sites.

Naval Group works with academic and scientific partners to develop our knowledge of the oceans,

focusing on the seabed in particular. We are proud to be partners of the Bougainville mission, a human, scientific and environmental experiment launched in 2023, with Sorbonne University and the National Centre for Scientific Research (CNRS), to study invisible ocean biodiversity on a global scale.

After six years of work, the National Naval Museum reopened its doors last November. As the first company to join the ranks of the Builder Patrons Circle, Naval Group contributed to the renovation of the museum in order to showcase the naval industry, its history and current and future achievements to a wide audience.

In 2023, the number of reservist employees increased by 25%. To further encourage their commitment, we have decided to double the number of days they spend on their mission.

People remain at the heart of our concerns, as evidenced by our actions to promote the feminisation and diversity of our teams as well as the inclusion of each employee: organisation of *Girls can code* courses to introduce software development to female middle and high school students and thus attract more women in this field, raising the awareness of employees to different disabilities, training managers in how to deconstruct stereotypes, etc.

These are just a few examples. In this report, we invite you to explore what drives us to progress together in all these areas!



Géraldine Le Maire

Secretary General

At the end of 2023, France was the first country to transpose the European Corporate Sustainability Reporting Directive (CSRD) into national law. This directive replaces the Non-Financial Reporting Directive (NFRD), which already requires our group to publish an extra-financial statement of performance (DPEF).

The CSRD responds to the strong and legitimate expectations of society: a profound and rapid transformation of business activities.

At Naval Group, a cross-functional project team (CSR, finance, legal and risks) is now preparing for the publication of the first sustainability report in 2026 relating to the 2025 financial year. Responding to the transformative challenge and challenges posed by this new directive requires the commitment of all and requires the strong involvement of operational and support departments.

In the first half of 2024, Naval Group will train the business sectors to carry out a dual materiality analysis. This new exercise allows us to determine the list of material issues which we will have to include in our sustainability report and concerns two dimensions: the materiality of impacts (environmental, social or governance, positive or negative on our ecosystems) and financial materiality (impacts on the financial performance of the company). A gap analysis exercise will then be carried out to determine what has to be done in order to meet the requirements of the directive. The availability and reliability of information will have to be questioned with the same rigour as is done on a financial level. A major challenge will also be to ensure that our entire value chain is integrated into our analyses.

The response to this regulation is perceived within our organisation as an opportunity, a new area for progress that will allow us to increase the sustainability of our activities. The aim is to pursue our efforts at Naval Group, while relying on a framework that will structure our different approaches and offer more synergies and comparability with companies in our sector. By combining the financial and impact dimensions, the CSRD makes it possible to assess the overall performance of our group and thus to identify a roadmap and priorities.

Purpose and CSR strategy



2023 KEY FIGURES

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

10 sites in France

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

Bagneux
Systems

Brest
Services

Cherbourg
Submarines

Lorient
Surface ships

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

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

Paris
Head Office

Saint-Tropez
Underwater weapons

Toulon
Services

3,376 BNE
in orders taken during FY 2023



4,257 BNE
in 2023 revenues



14,4 BNE
order book in France and abroad



16 325
Employees*
*Average annual full-time equivalent (FTE)



18 countries

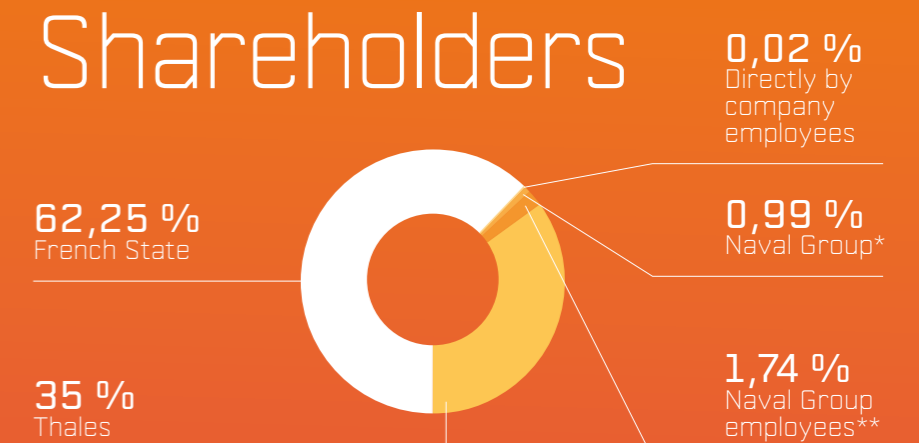
Saudi Arabia / Australia / Belgium / Brazil / Chile / Colombia
Egypt / United Arab Emirates / France / Greece / India / Indonesia
Italy / Malaysia / Mexico / Netherlands / Philippines / Singapore



50 client navies
around the world



40 000
direct, indirect and induced jobs



* The company Naval Group Shareholding.

** Current and former employees of the company and its subsidiaries via the Naval Group Shareholding Mutual Fund (FCPE Naval Group Shareholding).



Our purpose

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

In line with our "Power at sea" slogan.

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

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

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

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

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

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

THE CSR STRATEGY



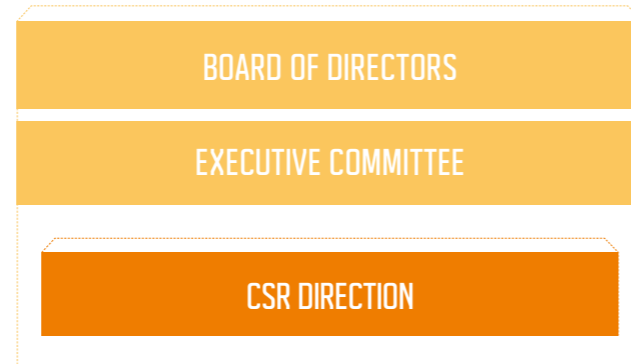
Juliette Muyl
CSR Director

"We all have a role to play in enabling future generations to respond to their needs. In addition to complying with regulatory obligations, Naval Group involves its customers, employees and suppliers in the necessary social and environmental transition. For example, in 2023, we involved our customers by presenting them with the life cycle analysis of a frigate; we encourage our employees by financing and highlighting their initiatives to promote diversity and inclusion and improve the environmental performance of our sites and our products; we involve our suppliers by inviting them to follow a decarbonisation process via our membership in the Decarbonisation Alliance of Pacte PME alongside other major contractors.

In addition, we are preparing the deployment within Naval Group of the "Climate and Defence" fresco created by the Ministry for the Armed Forces.

2023 was rich in concrete actions, proving that CSR is a means of transformation for greater competitiveness, innovation, resilience and attractiveness."

Juliette Muyl, CSR Director



A 4 pillar CSR strategy

Sponsored by members of the Executive Committee



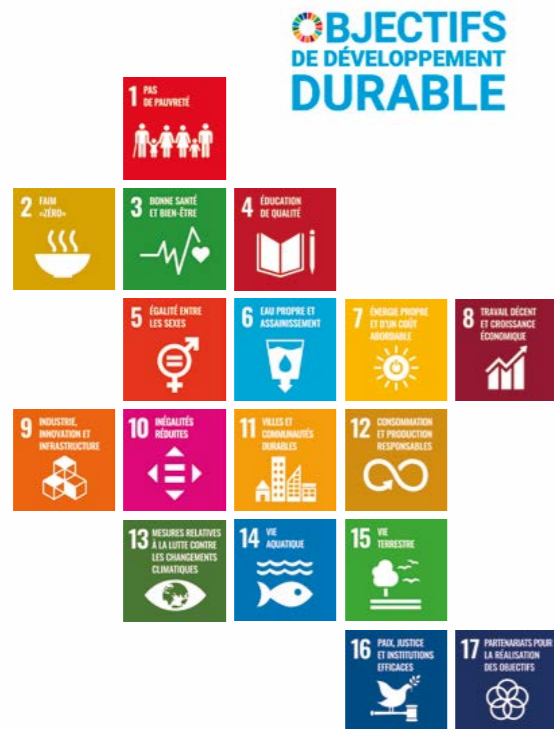
16 CSR projects led by specialists in the topics concerned

INTERNAL STAKEHOLDERS



EXTERNAL STAKEHOLDERS





THE CSR STRATEGY

Naval Group is a member of the United Nations Global Compact.

The United Nations proposes 17 Sustainable Development Goals (SDGs) that are a global call to action by 2030.

For more information: www.agenda-2030.fr

Naval Group contributes to the achievement of these objectives.



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

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

Social responsibility

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

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

Excerpt from ISO 26000: 2010



THE CSR STRATEGY

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Part I

Our social
policy



Respecting the dignity
and individuality of
each person





ACHIEVING GENDER EQUALITY

As a large industrial group, we have our part to play in convincing women that all roles in the industry and the maritime sector are accessible to them.

In order to make progress in this matter, a number of actions have already been implemented, including promoting gender diversity in our recruitment, encouraging our female employees in their career development, and reaching out to female talent through our "Elles bougent" liaison officers and godmothers.

Experimenting with "Ambition au féminin" (women's ambition) workshops on the site of Cherbourg to examine career development for women and understand and remove the human and organisational obstacles to their advancement.

- Organisation of various workshops on **International Women's Day**:
- conferences and coffeehouse debates on women's leadership at the sites of Nantes-Indret and Bagneux;
 - a photo exhibition of professions represented by women at the site of Angoulême-Ruelle;
 - discussions with "Elles bougent" godmothers at the sites of Angoulême-Ruelle, Lorient and Brest;
 - quiz on women's rights in Saint-Tropez;
 - mixed team challenge on sexism and women who have made great strides in Cherbourg;
 - round table discussion in the presence of Captain Christine Ribbe, second-in-command of the multimission frigate (FREMM), and Viviane Madinier-Ritzau, General Secretary of the association femmes@numérique, in Ollioules;
 - portraits of two female employees of the site of Toulon whose positions are strongly linked to digital, technology and innovation.

Elles bougent Naval Group is a partner of "Elles bougent", a national association aimed at stimulating scientific and technical vocations among adolescent girls.

Presentation of the activities and professions of Naval Group and the subcontractor Freyssinet to twelve high school girls during the "Elles bougent" Smart City Week organised on the site of Nantes-Indret.

A dozen or so "Elles bougent" godmothers, including four from Naval Group, spoke to more than a hundred young people in their first and second year of higher education at a Fab Academy event organised by the Union of metalworking industries and trades (UIMM) to introduce them to their careers and professions.

Anne Bianchi, Export Submarine Programs Director at Naval Group, took part in the conference organised by the Marie-Claire Think Tank "How to create a more inclusive corporate culture to enable women to evolve professionally in the world of technology, science and industry".

Signatory of the **Women's Empowerment Principles**, (unwomen.org/en), seven principles to promote gender equality

23,4% of women in recruitment

Dissemination of the **video testimonial** of Anne, Combat systems engineer, who encourages young women to follow the fields that interest them

89/100 Gender Equality Index

300 "Elles bougent" liaison officers

17,3% of women managers

30,6% of women on the Executive Committee

15,5% of women among senior executives

Audrey and Maxime discuss their commitment to gender diversity within Naval Group



"Industry and IT are sectors that offer rich and varied careers. However, the proportion of women in engineering schools or technical schools remains low and thus affects the hiring of women in these professions. For this reason, I joined the "Elles bougent" association 10 years ago, initially as a Naval Group godmother, then in 2019 as a Provence-Alpes-Côte d'Azur (PACA) regional delegate. Men are also involved in the association: Maxime is both an 'Elles bougent' liaison officer and a member of the Prologin association."



"I first became aware of the problem when I was a student in a preparatory class. I was surprised by the imbalance between the number of girls and boys. During these studies, I had the opportunity to meet Marie-Sophie Pawlak, an engineer who created the 'Elles bougent' association. She made me aware of the societal biases that can influence the career choices of certain young girls. Naturally, I joined the association to help introduce technical and scientific professions to female middle and high school students by providing them with my testimonial. In my profession as a doctor/engineer within applied mathematics, women are poorly represented. I would like there to be more diversity, to build artificial intelligences with less cognitive bias, for example. That's why, in addition to my commitment to 'Elles bougent', I organise "Girls can code" courses, allowing young girls to learn about computer programming and cybersecurity."



"'Elles bougent' aims to foster diversity in companies in the industrial and technological sectors, by meeting students and teachers, from primary to higher education, in order to encourage vocations among young girls. Naval Group participates in these events and offers site tours. In 2023, 300 employees were engaged within the association."

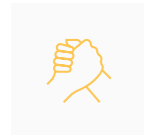


"The Prologin association offers free "Girls can code" computer internships for middle and high school girls. The objective is to discover, in a fun way, what it is possible to invent thanks to computers and to create a network. Naval Group organised two courses in Toulon and Bagneux. Employees who want to be involved, like Audrey and I, then feel supported in our approach by the group, which includes diversity in its purpose."

Audrey Hirschfeld, head of the air surface control expertise engineering department in Toulon, godmother and regional manager of "Elles bougent", and **Maxime Debert**, technical coordinator of the digital transformation, "Elles bougent" liaison officer and member of the Prologin association.



PROMOTING DIVERSITY & ENSURING INCLUSION



The Diversity and Inclusion policy is one of the group's priorities, and we want the company to reflect our society by integrating a real diversity of profiles: a mix of social backgrounds, training, generations, origins, skills and talents, as well as a diversity of life paths.

Naval Group must prevent and sanction any form of unfavourable treatment of its employees, candidates and partners, which could be based on personal characteristics (age, sexual orientation and gender identity, disability, name, physical appearance, etc.).

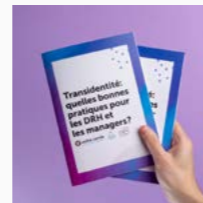


The company reaffirmed on the **International Day Against Homophobia, Biphobia and Transphobia** its desire for every employee to feel free to be themselves, to feel supported and understood irrespective of their sexual orientation and gender identity. Internal publication of employee **testimonials** on the importance of the signing of the LGBT+ Charter by Naval Group at the end of 2022.

Creation of a **new diversity and inclusion fact sheet** "I want to create an inclusive environment for LGBT+ people: how do I do this?".

Several **guides from the L'Autre Cercle association** on LGBT+ issues were made available on the group's intranet site:

- LGBT+ allies guide;
- guide on transidentity: good practices for Human Resources Departments and managers;
- guide to inclusion of lesbian women at work.



Appointment of **10** discrimination officers.

6 % of seniors in recruitment.

Providing employees with the training to fight against anti-discrimination and an e-learning discrimin'quiz.

Training of more than **750** managers

in the "Getting rid of stereotypes" module.



Organisation of a month dedicated to **interculturality** at the sites of Paris-Bagneux: themed lunches, quizzes, sharing of experiences by employees who have worked abroad or have dual nationality.



For the second year running, employees from the site of Brest took part in **the La Solidaire run**, a charity event in support of inclusive sport.



Dissemination of **a communication and poster campaign** across all sites, recalling Naval Group's zero tolerance towards any inappropriate or discriminatory behaviour.



Creation of a **"Diversity and inclusion: from general to specific" playlist**, composed of different training modules in e-learning format.



Creation and animation of a **Citadel "diversity and inclusion" community**: exchanges between employees on the subjects of disability, gender diversity, LGBT+, intergenerational issues or priority neighbourhoods of city policies.



Provision of Antidote, a spelling and grammar checking software for employees with "dys" disorders.

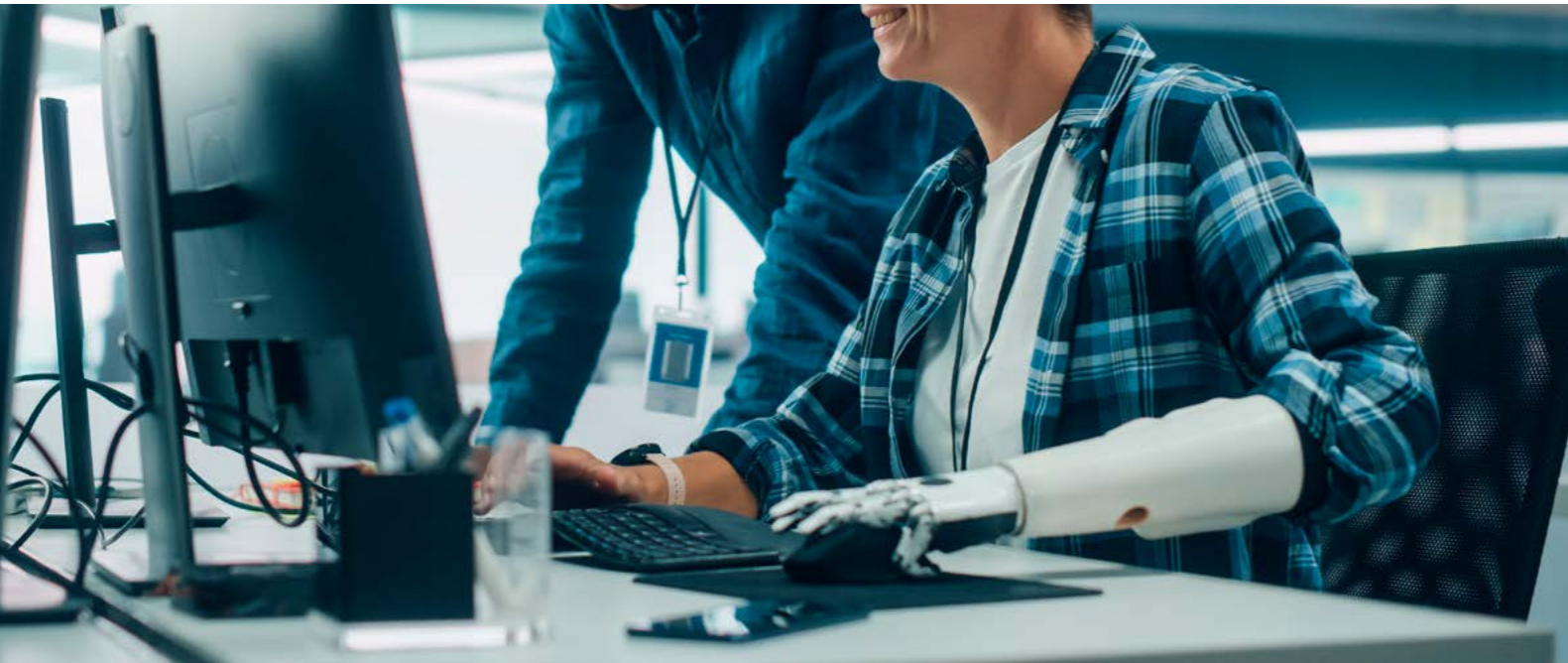




PROMOTING THE EMPLOYMENT OF PERSONS WITH DISABILITIES



Naval Group pursues a strong policy in terms of job adaptation, supporting professional retraining, recruiting people with disabilities and promoting the recognition of the disabled worker status.



3,9

million euros

Turnover achieved by adapted companies and work support establishments and services.

6,3 %

Employment rate of people with disabilities

(2023 data based on 2022 as a reference). They represent 1.8% of recruitments.

Partnerships:

- Handisup Normandie: support for young students with disabilities at the beginning of their careers.
- Dare to be equal: professional development of young people with disabilities by directing them to training that corresponds to the professions in high demand in the naval defence industry.
- Springboard: equal opportunity initiative.
- Millau ZISA vocational rehabilitation centre: access to training and employment for young people with disabilities.
- Network of vocational rehabilitation establishments (GESAT).

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



Participation in the **European Week for the Employment of People with Disabilities**.

In Cherbourg:

- photography exhibition of twelve testimonials concerning redeployment;
- invisible disability quiz;
- conference with testimonial on "dys" disorders and the use of the Antidote software and other tools suitable for these disorders (Lili lamp and sparkling glasses).

In Lorient :

- speech by Philippe Croizon at a conference entitled "Dare the impossible", during which the para-athlete spoke about his incredible journey.

In Angoulême-Ruelle :

- presentation by Grégory Cuilleron at a conference on disability awareness, surpassing oneself and team cohesion;
- disability quiz.

In Ollioules:

- reminder of the tools available to employees to learn about the subject.

In Saint-Tropez:

- meeting with high-level para-athletes: Sylvanie Logello and Yoan Argiolas.

On the sites of Paris:

- implementation of workshops on "dys" disorders.



Participation of the sites of Nantes-Indret, Toulon, Ollioules, Lorient, Brest and Angoulême-Ruelle in **Duoday**: creation of 50 pairs of able-bodied and disabled people to help them discover a work environment and professional activities.



Collaboration between **Naval Group and Avencod**, a company employing neuro-atypical or disabled consultants, specialising in services such as IT development and software testing.



Disability awareness through an online **serious game**: "Mission Grand Nord" (Far North mission). Proposal of different game modules with the aim of breaking down prejudices about disability.



COMBATING HARASSMENT

Naval Group wishes to allow everyone to flourish in the company and is committed to sanctioning inappropriate behaviour in the workplace: disciplinary sanctions up to and including dismissal in addition to the criminal and civil penalties provided for by law



Whistleblowing system accessible to all employees.

Distribution of a practical and legal investigation guide to **in-house investigators** appointed to report potential situations of sexual harassment, moral harassment and/or discrimination (monitoring of investigation stages, practical advice for conducting interviews, templates for letters, reports, minutes, legal definitions of the concepts of sexual harassment, moral harassment and discrimination).



Training of **41 in-house INVESTIGATORS** from all Naval Group sites in 2022 and 2023.

Training of the Social and Economic Committee sexual harassment and sexist behaviour officers who were appointed following the professional elections of October 2022.



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

- an officer appointed by the company;
- an officer appointed by the Social and Economic Committee;

These officers were trained in the legal definitions of sexual harassment and sexist behaviour, the responsibilities and penalties incurred and the procedure for handling reports.

Raising the awareness of **managers and the entire human resources community** of the group to situations of sexual harassment and sexist behaviour as well as prevention actions.



Raising the awareness of sexist behaviour and ordinary sexism among more than **600 employees of the site of Angoulême-Ruelle** through a production by Théâtre à la Carte of situations involving sexism and harassment in the workplace.



The group has been involved since 2022 in the **Stop Ordinary Sexism in Business (StOpE)** initiative with the aim of putting an end to sexist behaviour and comments in the workplace.



Acting for
well-being at work





ENSURING THE WELL-BEING OF EMPLOYEES

The agreement on the quality of work life (QWL) signed in 2021 confirms the attention paid by the group to the development of its employees: social measures, work environment conducive to well-being, work-life balance, commitment to a solidarity and civic approach.



Bike initiatives in Paris-Bagneux, Toulon, Angoulême-Ruelle, Cherbourg, Lorient, Brest: bike maintenance and repair workshops, partnerships with BeeToGreen (electric bikes for hire, advice), creation of bike shelters and additional spaces, reinforcement of road markings, provision of bikes for intra-site travel, with helmets and high-visibility vests.

Raising employee awareness on commuting during the **Soft Mobility Day** organised at the site of Nantes-Indret.

Electric bike loans at the sites of Brest and Nantes-Indret.

The site of Toulon, **winner for the second consecutive year** of the Toulon Provence Méditerranée **Mobility Challenge** for its cycling initiatives.

Participation of the site of Toulon in the **"Mai à vélo"** national challenge: 6,186 kilometres cycled.



Participation of the site of Lorient in the **"Tout à vélo"** challenge organised by the Syklett association.

Signing of a **mobility agreement** with the Grand Angoulême region.

Sustainable mobility package

Expansion of the modes of transport eligible for the sustainable mobility package: bicycles, carpooling, electric scooters, etc. This package amounts to 400 euros per year. Users of public transport can be compensated for up to 70% of their subscription.

Simplification of the financial funds offered to employees for the **employee savings scheme** and consideration of sustainability criteria when selecting new funds.

Top Employers certification, attesting to the excellence of the group's practices in terms of management and human resources.



Contribution to ensuring a **work-life balance** on the site of Toulon by promoting the sharing of experience and discussions on parenthood:

- "parenting coaching" sessions led by a child and adolescent expert;
- conference on the topic of sleep;
- individual consultations.

Organisation of a **Christmas party for children** at the site of Saint-Tropez: puppet show, snack, distribution of gifts, etc.

Numerous **carpooling** initiatives on the sites of Nantes-Indret, Cherbourg, Lorient, Saint-Tropez, Angoulême-Ruelle and Brest: awareness-raising, development of dedicated car parks, use of carpooling platforms Questgo, Karos and Klaxit and organisation of carpooling challenges in Brest and Lorient.

Organisation of **Family Days**:

- in Paris and Bagneux: presentation of the world of naval defence, immersive space with a "golden ears" presentation, discovery of products and an operations centre, fitting of exoskeletons, testing of a remote-controlled welding robot specially formatted for children, etc.

- in Nantes-Indret: tour of the various industrial areas and presentation of the history of the site, engineering and ships, manufacturing and assembly, the operating station, etc.

Renewal of the **conciergerie** service in Brest.

Discussions with a **nutritionist and dietitian** at the sites of Paris and Bagneux.

Installation of **lockers** for users of motorised two-wheelers in the parking lot of the site of Paris.

Certification training for the second batch of **in-house professional mediators**. This training aims to prevent and resolve conflicts in order to restore quality relationships between employees. Thirteen new mediators were trained in 2023.

Back to school: **easier schedules** and distribution of **ouchers** by the Social and Economic Committee of Paris-Bagneux.



Partnership with a new **online ticketing platform**, Emile's, for the Parisian Social and Economic Committee.



Organisation of **QWL week** on certain sites, which includes workshops, tours and debates on the theme of environmental, professional and digital transitions; sport and health initiatives (cardio boxing classes, smoochycle animation, fitness sessions, etc.); conferences on work-life balance, sophrology classes and VR relaxation sessions.



FOSTERING DIALOGUE

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

The group goes beyond legal obligations in terms of transparency, the involvement of social partners in the company's organisational development projects, and contractual policy where priority is given to consultation and negotiation rather than unilateral measures. This is demonstrated by the number of meetings held with employee representatives, the time taken to attend them and the agreements reached.

In 2023, several negotiations took place and led to the signature of the following agreements:

- Amendment No. 11: Naval Group's group savings plan of 11 January 2023;
- Amendment No. 7: Group Retirement Savings Plan (Perco) of the Naval Group social and economic unit (UES) of 11 July 2023;
- Amendment No.1: revision of the strategic workforce planning (GPEC) of 11 July 2023..

The new collective agreement for the metallurgy sector (NCCM) came into force on 1 January 2024, and marks a major event in our social ecosystem. This new agreement has required all companies in the sector to adopt a new approach both in their HR practices and in their contractual framework.

Thus, on 5 October 2022, Naval Group and the trade unions (CFDT, UNSA and CFE-CGC) signed an agreement defining the framework and procedures for consultation and negotiation on the implementation of the collective agreement for the metallurgy sector. General Management and the trade unions initiated the negotiation of an Amendment No. 4 to the company agreement, the purpose of which was to adapt and align part of the text of the company agreement with the provisions of the new collective agreement. Negotiations failed to reach agreement.



Pay equity ratio: 2.04%*

Ratio between the average annual gross full-time salary of executives, including senior managers, versus the average remuneration of workers and employees.

* 2023 data based on 2022 as reference.



Provision of the **business and employment database** and submission of **job descriptions** relating to the new collective agreement.



Election of public-sector personnel representatives on secondment (PMAD).





Ensuring occupational
health and safety
at work





PROMOTING OHS FOR OUR EMPLOYEES AND SUBCONTRACTORS

Naval Group is committed to providing all its employees and subcontractors with a serene working environment that preserves their physical and mental health.

Screening campaigns for certain cancers. Influenza **vaccinations**.

Ophthalmological diagnoses at the site of Brest and assistance in obtaining medical appointments. Creation of a similar service in **dermatology** to promote skin cancer screening.

Video testimonial of a fitter whose life was saved by personal protective equipment (PPE).

External "shock testimonial" presentations at all sites to raise awareness of the personal and professional consequences of work accidents.

Raising of awareness via **video testimonials** of the psychological impacts and individual responsibilities related to workplace accidents.

Raising awareness of addictions on all sites.



Creation of a training course on safety management **"All safety players and managers"**: giving managers and employees a sense of responsibility when it comes to accidents in the workplace.

Training in **"fire extinguisher handling"**.

Training in the **prevention of work-related musculoskeletal disorders** linked to working on screens (Click and Move).

133
work accidents
with lost time (AAA).

Frequency rate
of accidents with lost time/million hours worked:

5

Severity rate
Ratio of days lost due to accidents to hours worked:

0,13

Working group in Lorient on the **reduction of eye injuries**:

- replacement of protective goggles with complete masks with integrated cartridges and dust filters;
- collective protection, daily cleaning of PPE and weekly checks.

Studies and proof of concept of the use of a **cooperative robot**, the cobot, in two use cases whose risky operations cause musculoskeletal problems (load carrying and grinding-polishing).

Creation of working groups at each site to define measures to **reduce exposure to work-related strain**.

Appointment of a local hardship officer for each site.

Participation in the European **Safe-Pro** project: testing of bracelets manufactured by the Hungarian start-up MindRove on our operators to measure muscle fatigue.

Conclusive trials of **suction torches** to capture pollutants from welding fumes.

Road safety awareness workshops: giant road risk game to refresh driving licence knowledge and which serves as a reminder of safety rules when cycling.



Distribution of a **safety booklet** recalling the golden rules and safety instructions to be adopted when travelling to production sites.

Roll out of an OHSE passport for our partners, taking into account their performance and their management of OHSE themes.



Awareness campaign on the most recurring accidents within the group: **"OHS on display at your sites"**.

Organisation of a day at the site of Cherbourg on **the challenges of mobility and road safety**: rollover simulator and VR session, demonstration of vehicle extrication and first aid by the marine fire brigade, test of intoxication goggles and radar binoculars, trials of electric bicycles, etc.

Formation of a joint management/elected working group to guide the **prevention of psycho-social risks** at the site of Nantes-Indret and awareness-raising initiative on psycho-social risks at the site of Ollioules.

Assessment of employee knowledge of DHS rules through an **OHS quiz**: 7,000 entries, 60% obtaining perfect scores.

Organisation of the **Safety Day** in Lorient: time devoted to team discussions to remind employees of the golden rules, good practice and the importance of shared vigilance, and a collective muscle-strengthening session for the 900 employees present.

Regular dissemination of Occupational Health & Safety and Environment (OHSE) good practices:

- quarterly publication of an **OHSE-focused newsletter** by the site of Toulon;
- publication of a **weekly OHSE newsletter** on the site of Brest.



Launch of the second edition of the **OHSE Trophies**, which rewarded the site of Toulon for its 5th consecutive year without a lost-time work accident (AAA) within the propulsion workshop, and the site of Brest for the absence of a AAA for more than 2 years within the infrastructure site.



Creation of the **"draw your OHS"** operation with 300 teams on the site of Brest: creation of posters highlighting the golden rules of OHS.



Developing
skills





PERPETUATING KNOW-HOW BY PROMOTING ITS TRANSMISSION



Naval Group is committed to transmission and develops initiatives so that everyone can share their experience or skills, regardless of their age or seniority.



In-depth **on-the-job training** as part of the training plan, enabling employees to learn, perfect and deepen their skills step by step thanks to immersion periods alongside seasoned and recognised in-house professionals, thus benefiting from their experience.

Continuation of **Fridays at school**: knowledge transfer and sharing session, bringing together managers and their teams.



Strengthening of **job integration**: more than 150 job integration courses being rolled out in the hull/welding, production engineering, research and product IT fields as well as others in creation, for example in the field of mechanics.

More than **50 team and individual coaching sessions**.



Contribution to the development of the Naval Industries Campus (**Cinav**) whose objective is the creation of naval training (specific to the naval environment).

Tour of the site of Brest by about fifteen Breton officers of training organisations and CINav-certified high schools.

Reinternalisation of the training provided by the French Committee for the Certification of Companies for the Training and Monitoring of Personnel under Ionizing Radiation (CEFRI) within the Brest school site, allowing in particular the maintenance, mastery and development of skills in the key area of nuclear propulsion.

In 2023, skills development represented an investment of more than **€18 million**, or more than **440,000 hours** delivered during **65,000 training sessions**.



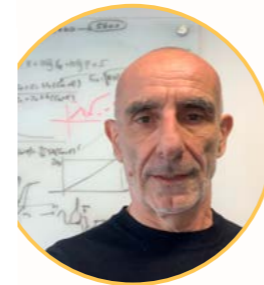
Signing of **three specific agreements** as part of the Research and Development agreement concluded in 2022 with the French Alternative Energies and Atomic Energy Commission (CEA) and Framatome, in order to increase the control of future drafts of large components and to perpetuate the know-how specific to nuclear propulsion.

Deployment of **new on-site schools** (practical training provided by an in-house trainer) at the site of Angoulême-Ruelle (maintenance) and Brest (maintenance department of the pyrotechnics department).



Continued momentum in Nantes-Indret with **7 active on-site schools**.

Creation of a **teaching and research chair** at the Institut Polytechnique de Paris on the architecture of complex systems, of which Naval Group is one of the sponsors and partners.



Portrait of Serge, Head of the underwater detection business sector, senior expert involved in the transfer of knowledge.

For years, I have been interested in the transfer of knowledge in our company, which produces complex products for demanding environments. Our know-how brings together a wide range of experiences, advanced knowledge, working methods and its acquisition can be long and difficult if it is not boosted by exchanges between experts and learners.

In order to avoid emergency situations and loss of knowledge in the field of underwater detection, we have implemented various actions such as "Fridays at school", the participation of young people in critical activities (factory or offshore tests and measurement campaigns), on-the-job training and sources of daily interaction.

Our goal is to maintain an intergenerational mix that allows newcomers to quickly acquire in-depth knowledge of the company, its technical network, its reference systems, its operations, etc.

While this is beneficial for new arrivals and facilitates their integration, it is also beneficial for the more experienced employees, who are confronted with an enriching diversity of attitudes, approaches and ways of thinking that generations X, Y, Z and so on have the secret to!"



CONTRIBUTING TO EMPLOYEE DEVELOPMENT

Naval Group offers numerous training opportunities to its employees, allowing them to gain skills and evolve by taking up the mobility opportunities offered by the group.

Employee training

at the French Institute of Advanced National Defence Studies (IHEDN)..

Training of a group of Nantes employees at the

Change fresco

as part of Naval Group's transformation program, Naval 2025.



Professional mobility campaign (Mobility Tour) inviting you to discover Naval Group's professions as well as opportunities on French and international sites.

Trial of the **performance passport**, a training course bringing together several modules to promote the culture of performance and the achievement of health, quality, cost and lead time objectives.

Trial of the **Learning Lab** e-learning platform. Proposal of playlists (set of modules) on CSR themes: "environmental awareness" and "diversity and inclusion - general to specific".

Launch of the **Open Labs** in Brest, Lorient and Ollioules, to support employees in their innovation projects.



Launch of the **Innovation Awards**, a ceremony rewarding the best innovation initiatives within the company. Three prizes awarded:

- award for the best product or service innovation;
- award for the best process or industrial innovation;
- special collaboration prize.

Organisation of the 6th edition of the **La Pérouse scientific prize**, aimed at promoting research within the group. This research grant allows the winner to pursue their project within Naval Group and/or in a high-level French or foreign laboratory.

Second place in the **French Welding Championship** was awarded to a hull welder from the site of Cherbourg.

Renewal of the **intrapreneurship program** giving all employees with an entrepreneurial spirit the chance to develop a product or service that could give rise to a new activity or innovation for the company. Coaching of intrapreneurs by the Village by CA Paris, according to start-up management methods.





PROMOTING PROFESSIONAL INTEGRATION AND ACCESS TO EDUCATION

Naval Group has promoted professional integration and access to education for many years.

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

Continued scientific, research and educational collaboration in the areas of naval systems, information systems and telecommunications between Naval Group and the schools of the Institut Mines- Télécom (IMT) Atlantique through the **signature of a 5-year agreement**.

Organisation of a **job dating session** to mark the Titans des Mers photo exhibition in Nantes: 350 applications received and reviewed by the HR Department, 80 people invited to the job dating session as potential future recruits.

Pursuit of the **partnership** between the vocational school of La Joliverie and the site of Nantes-Indret.

Recruitment of 1,000 young people

of which 515 in work-study programs and 80% in research and production professions.

Offering **overseas assignments** to work-study students: two young work-study students were able to go on assignments in Greece as well as in Abu Dhabi. These assignments were a great opportunity to put into practice both their academic knowledge and the skills acquired during their work-study programs.

66

Persons trained as part of a joint qualification certificate in metallurgy (CQPM).

CQPMs are designed to validate the professional skills required to carry out an activity, which are acquired at the end of a training course or through validation of experience.

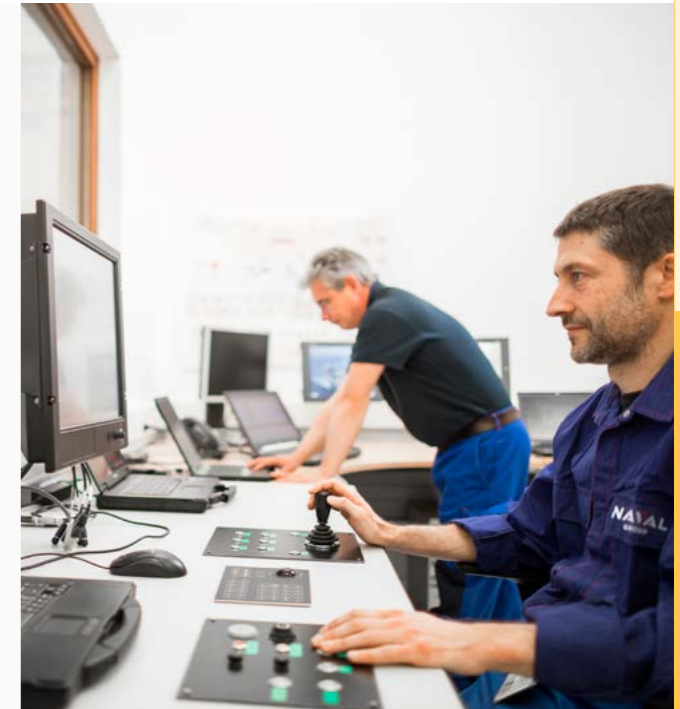


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Trial of the **Wilbi application** allowing a targeted audience – middle and high school students in orientation, students in reorientation and professionals in reconversion – to discover the day-to-day reality of professions, in a format inspired by social networks. Two of the company's professions were highlighted: a welder and a shipbuilding design technician, based at the site of Nantes-Indret.

Dissemination of **three recruitment campaigns**:

- a general recruitment campaign, "Naval Group recruits";
- a campaign dedicated to onboard IT and information systems professions;
- a campaign dedicated to work-study students, about 450 positions to be filled.





Part 2

Our environmental
policy



Our
objectives



OUR 2024 TARGETS

THEMES	INDICATORS	2024 TARGET
Environmental risks	Number of major accidents and incidents	0
	Number of accidents	2
	Number of incidents	5
Environmental impacts	Material recovery rate of non-hazardous waste	80%
	Energy consumption (electricity/gas) at constant load	-5% <i>versus</i> 2023
	Greenhouse gas (GHG) emissions - Scopes 1, 2 and home-work commute	-5% <i>versus</i> 2023
	GHG emissions – business travel	-10% <i>versus</i> 2023
	Drinking water consumption (excluding Brest and Toulon)	-5% <i>versus</i> 2023
	Number of environmental analyses on products	1



ISO 14 001-certified

The environmental management system has been certified since 2008



Carbon footprint

As part of its goal to reduce GHG emissions from its sites, Naval Group has chosen to establish its carbon footprint on an annual basis (available in the appendix).



In 2023, Naval Group exceeded its targets:

TARGETS	INDICATORS	2023 TARGET	2023 ACHIEVEMENTS
Environmental risks	Number of environmental accidents	0	0
	Number of significant environmental accidents	4	1
Environmental impacts	Material recovery rate of non-hazardous waste	76%	75%
	Energy consumption (electricity/gas) at constant load	-5% <i>versus</i> 2022	-8,70% <i>versus</i> 2022 (electricity) -19,60% <i>versus</i> 2022 (gas)
	GHG emissions - Scopes 1, 2 from sites	-5% <i>versus</i> 2022	-11,60% <i>versus</i> 2022
	Number of environmental analyses on products	3	4

United Nations – Paris Agreements

Alignment of Naval Group’s carbon trajectory with the Paris Agreements (COP21 of 2015).

“Substantially reduce global greenhouse gas emissions to hold global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C [...]”

United Nations – IMO

Specialised agency of the United Nations responsible for ensuring the safety and security of maritime transport as well as for preventing pollution of the seas by ships.

Naval Group commitment to contribute to the **low-carbon targets set by the International Maritime Organisation (IMO)** for 2050:

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



Contributing to the
environmental transition





IMPROVING THE GROUP'S ENERGY PERFORMANCE



Naval Group has set up a low-carbon CSR project aiming to reduce the carbon footprint of its sites. One of the associated sub-projects is to improve the group's energy performance, with the main levers being the reduction of energy consumption at our sites and the development of renewable energies such as photovoltaics.

Regular dissemination of **good practices** on digital sobriety: IT CSR tips, special report to mark Digital Cleanup Day, etc.

Heating limited to **19°C**
in tertiary zones, on all sites.

Air conditioning setpoint triggered from **26°C**
in tertiary zones, on all sites.

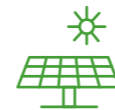


Optimisation of the heat recovery system **produced by all the cooling units**, cooling the platforms of the site of Ollioules in order to heat the tertiary zones and thus reduce the use of gas boilers in winter.

Installation of **LED lighting** at the sites of Nantes-Indret, Saint-Tropez and Ollioules.

Improvement of boiler management, in particular by optimising start-ups and cascade control at the sites of Ollioules and Angoulême-Ruelle.

Operation of the electricity sub-meters installed in 2022 at the site of Saint-Tropez in order to target sources of reduced electricity consumption.



The use of a **new logistics platform** with a roof entirely composed of photovoltaic panels for supplier acceptance and storage on the site of Brest. Ongoing study on the roll-out of such a platform at the site of Nantes-Indret.

Deployment of a **technical building management tool** to measure the energy performance of the sites of Nantes-Indret, Cherbourg, Lorient and Angoulême-Ruelle, as well as to supervise them at national level (establishment of performance ratios).

Start-up of a **heat pump** in the production building of the site of Nantes-Indret.

Ongoing studies on the deployment of **photovoltaic solutions** at all sites.

Launch of a study to optimise **the energy consumption of data centres**.



Further implementation of the measures taken as part of the signing of the **Tomorrow charter** (a joint initiative between the *Brest Métropole* and its local stakeholders): finalisation of the **connection to the urban heating network** for a number of buildings at the defence base.



Installation of **automated booster pumps** to optimise the flow of hot water in heating circuits according to weather conditions and the intrinsic performance of the network, in order to regulate the heating network of the site of Lorient.

Installation of **controllers on the water fountains** of the site of Saint-Tropez. Heating and cooling operation limited to the site's opening hours in order to reduce electricity consumption.

Campaign to **replace the windows** of the buildings at the site of Brest with double-glazed windows to improve lighting and insulation.

Water sobriety

Cleaning of the bottoms of docks (essential when dry-docking ships) with **seawater** rather than fresh water.



REDUCING OUR TRAVEL-RELATED CARBON FOOTPRINT

Business trips, home-work commutes and travel within our sites are all major contributors to GHG emissions.



Implementation of measures to reduce the carbon footprint of employee business travel:

- limiting business travel to meetings that cannot be held remotely;
- mandatory use of the train for journeys with a travel time of less than 4 hours and 30 minutes and access to first class for all employees;
- exceptional authorisation of air travel for essential journeys and for which no rail solution is possible. Must systematically be validated by the line manager.

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charging stations available throughout the sites.



Installation of **charging stations for electric scooters** at the site of Saint-Tropez.

11%

vehicles renewed in 2023 were electric vehicles.



Launch of an **employee shuttle service** at the site of Cherbourg to replace the use of internal taxis.

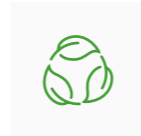
QVT

Actions to reduce the group's carbon footprint related to **commuting** can be found within the QWL approaches outlined on the "Ensuring the well-being of employees" page.

Mobility survey

Results of **the commuting mobility survey**:

- decrease in personal car use (54% in 2023 compared to 68% in 2021);
- increase in bicycle use (21% in 2023 compared to 14% in 2021);
- increase in carpooling (6% in 2023 compared to 3% in 2021).



ACTING FOR THE PRESERVATION OF BIODIVERSITY

The sea is at the heart of the group's activities and ambitions, but it remains a fragile environment. In addition to the fight against global warming, the challenge of Naval Group's environmental policy is therefore to protect biodiversity and in particular marine biodiversity.



Partner since 2008 of the "Rade propre" operation in Toulon initiated by the Maritime Prefecture. Naval Group sets up skips to collect the waste found at sea by the divers of the French Navy and proceeds to their removal and treatment through an appropriate channel.

Support for the **Bougainville mission**, during which four Sorbonne University students, "aspiring biodiversity officer volunteers", embarked on two overseas offshore support and assistance vessels (BSAOM) of the French Navy, D'Entrecasteaux and Champlain, in order to measure the ocean microbiome.



Naval Group's partnership with the team of researchers coordinated by **Esprit de Velox** was formed to understand the causes of death of a beaked whale (*Ziphius cavirostris*) stranded in Île de Ré in February 2021. The likely area of the animal's death is in close proximity to an area where a military vessel was conducting sonar tests within a marine protected area.

This interdisciplinary collaborative study resulted in the scientific publication **Les leçons de Ziphia** : *un cas d'étude pour mieux protéger les mammifères marins du bruit anthropique dans la zone économique exclusive française* (The lessons of Ziphia: a case study to better protect marine mammals from anthropogenic noise in the French exclusive economic zone). Upcoming publication in the journal *Natures Sciences Sociétés* autumn 2024.

In parallel, Naval Group initiated an **in-house working group dedicated to "noise"**, updating procedures and methods for characterising the risks associated with sonar on the various marine mammals.

In addition, Naval Group participates in various projects, the challenges of which are to preserve biodiversity:

- **SeaDetect**, is a European project to develop an automated marine mammal detection system operating both day and night, to prevent collisions between ships and cetaceans;
- **SeaSound**, a Doctoral Network project, is a set of ten theses on underwater acoustics and its impact on the environment, with the aim of increasing knowledge on the subject and training highly qualified researchers.



Continuation of the European project **Practical implementation achieve quieter oceans (PIAQUO)**, led since 2019 by Naval Group.

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

Installation of **three beehives** on the site of Angoulême-Ruelle in order to contribute to the preservation of biodiversity. Harvesting of honey with a certified beekeeper.



Creation of a **Biolab** whose objective is to implement actions to protect biodiversity and make it known at the site of Nantes-Indret.

Support for employees who have ideas to promote biodiversity, awareness-raising actions via conferences or participatory workshops over lunchtime: conference on biodiversity, its issues, ornithology and edible plant workshop, pre-inventory of the site's fauna and flora with an ecologist, potential installation of a tiny forest on the site, hive installation project, etc.

Main actions carried out in 2023:

- trials carried out by Naval Group teams on board the ship provided by Grimaldi, with the aim of reducing the number of sensors installed and estimating the radiated noise in real time;
- deployment of a buoy by Quiet-Oceans in order to record the underwater radiated noises emitted by cargo ships entering and leaving the port of Marseille;
- deployment by the partner Alseamar of underwater gliders to locate, identify and share the location of cetaceans.



Supporting the circular economy and eco-design





REDUCING, REUSING AND RECYCLING WASTE

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



- Reuse of containers** for the transport of equipment and materials:
- metal or wooden bins and crates from eco-responsible French forests for exchanges between stores and production on the sites of Lorient, Cherbourg, Brest and Nantes-Indret;
 - plastic bins and crates designed for nuclear use on the site of Nantes-Indret;
 - delivery trolleys and cases developed by the site of Saint-Tropez to deliver kits of equipment in production, specially designed to the dimensions required for the protection of each equipment;
 - 36,000 perennial cardboard bins being tested at the site of Brest to store small equipment, as an alternative to plastic bins.



- Completion of the **OURBOROS proposal** that made it possible to apply for a grant from the Horizon Europe program at the beginning of 2024;
- study on the **reuse of hull stiffeners** (long bars installed on ships during travel and work to avoid twisting);
- work with European multi-sector partners (additive manufacturing, handling), under the coordination of the Institut des Mines-Télécom (IMT) Atlantique, a French research institute;
- decision-making support through the use of an industrial digital twin and a database fed by all value chain stakeholders: the **Digital Product Passport**, which will be imposed by the European Commission between 2026 and 2030 to improve the traceability of components;
- medium-term objective: use the experience gained to renew it on other products and thus limit their environmental impact.



Interview with Aude Schaeffer, Director of the Manufacture Circulaire du Cotentin.

The Manufacture Circulaire du Cotentin is a Cherbourg-based association that aims for more environmentally-responsible textile production and consumption.

This company is known for its upcycling of professional textiles – an innovative solution for the reuse of work clothes.

It is in this context that a partnership with Naval Group was formed in 2023. 144 items of work clothing were transformed into almost 500 accessories (tote bags, cycling armbands, baskets, etc.) for employees.

The operation helped support local solidarity-based jobs (independent craftswomen working in a cooperative), allowed to save 115 kilos of fabric from destruction and created low-impact products that reflect the convictions of Naval Group.



Details of what was achieved:



Celebration of thematic days such as **recycling day** and **plastic-free day** in Nantes-Indret. Intervention of the Expedition Med association, whose mission is to support scientific research on plastic waste at sea, develop an international solidarity network, raise awareness and mobilise the general public, decision-makers and policies, as well as to promote alternative solutions to traditional oil-based plastic.

Creation of a **waste island** on the production workshop of the site of Nantes-Indret to recycle large quantities of waste. Easier sorting thanks to the use of pictograms.



Launch of **Naval Reuse**, Naval Group's circular economy web platform that allows the sale or donation of unused goods to internal (exchange of goods between services) or external (opening of the platform to external buyers in progress) professionals, with an environmental benefit thanks to the recovery of goods and the reduction of waste, as well as a financial benefit.

An example among the 145 advertisements published, is a lifting table that was given by the site of Cherbourg to the site of Brest.

Financing by the Innov'Factory Services (IFS) acceleration fund for the **recycling project involving the cleaning of caps and protective covers** for industrial tubes in the engine module assembly workshop at the site of Nantes-Indret. The aim is to transform single-use plastic consumables into reusable consumables.

Acquisition by the Toulon supply chain of a cardboard padding machine that enables **used cardboard to be reused** after being transformed into padding. This technique reduces the use of bubble plastic.



DEVELOPING ECODESIGN TO REDUCE IMPACTS



Carrying out measurements in the racks of onboard data centres on ships as part of discussions on a **thermal optimisation solution** for the design of onboard IT infrastructures..

Launch of studies within the Onboard Infrastructure and Cybersecurity Department into the **cooling of IT systems**.



Participation in the second **Meetings for a sustainable and eco-responsible industry** (RIDE), driven by the EMC2* cluster of which Naval Group is one of the initiators.

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

For more than 10 years, Naval Group has been innovating to reduce the environmental impacts of ships over their entire cycle, from design to production, operation and maintenance, right through to dismantling. The group's environmental management system is ISO 14 001-certified.



Development since 2015 of two solutions – **LeanWarShip** for surface ships, **LeanWarSub** for conventional submarines – intended to help sailors facilitate the energy management of their ships, thus improving their operational performance. The software is now ready to be installed on board ships.



Pursuit of the **Blue Ship** project, which aims to guarantee that armed vessels benefit, through the pooling of energy and the hybridisation of sources, from the energy autonomy required for all their current and future missions, in terms of energy efficiency and power, with the lowest possible environmental footprint.



Carrying out **life cycle analyses** on four programmes in order to identify the predominant impacts and then reduce them.



Signature of a Memorandum of Understanding between Naval Group and the Khalifa University of Science and Technology in Abu Dhabi to collaborate in innovative areas of research in the United Arab Emirates (UAE).



Participation in Grand Ocean, a Cherbourg-based event allowing the general public to discover, understand and better protect the marine environment.

Sharing R&D efforts to reduce our products' environmental footprint:

- use of hydrofoil to reduce the diesel consumption of defence and intervention frigates (FDI) by 10 to 15%;
- reduced emissions from diesel engines thanks to the integration of Selective Catalytic Reduction, a solution that allows the catalysis of fine particles to avoid their emission into the environment. Such a system would allow ships to comply with regulations (MARPOL IMO Tier III) and allow them access to the most environmentally-demanding ports.



Study of different projects within the framework of the Franco-Italian **Naviris** Research and Technology (R&T) program:

- assessment of available high-power fuel cell technologies for surface ships and studies of less mature technologies using innovative fuels as part of the Fuel Cell project;
- development of solutions and tools to improve the energy performance of platforms through the Energy Consumption Optimisation project. Carrying out a measurement campaign on multimission frigates (FREMM) in order to determine precisely how energy is consumed on board and to identify corrective actions.



Making each employee
an agent of change





RAISING AWARENESS AMONG OUR EMPLOYEES AND DEPLOYING THEIR IDEAS



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



Organisation of training sessions on **Climate Change** for employees and members of the Management Committees.
Training of employees from all Naval Group sites to run these workshops on each site.
 Organisation of an **awareness day** at the site of Nantes-Indret during which nearly 200 employees participated in the Climate Fresco.



Animation of the **Citadel "Carbon Sobriety" community**, bringing together employees wishing to learn about and/or get involved in environmental issues.



Awareness raising initiatives **on waste sorting** at the site of Saint-Tropez.

Proposal by Nantes employees for a project consisting in applying a **reflective coating** to the roofs of buildings in order to cool them. This initiative would improve the thermal comfort of buildings, reduce the use of air conditioning and thus reduce our impact on the environment. This project will be tested in early 2024.



Presentation of the CSR commitments implemented by employees within Naval Group through a series of videos entitled "Ils/Elles font bouger les lignes" (They are pushing back boundaries).

Presentation of **the report of the Pays de la Loire Intergovernmental Panel on Climate Change (IPCC)** by the 21 Grand Ouest Committee, which presented the evolution of climate change in the Pays de la Loire to 160 employees of the site of Nantes-Indret.



Presentation of a forum by an adventurer to raise awareness among employees at the site of Ollioules of their impact on the environment.

Sharing of a **CSR booklet** for managers of the site of Nantes-Indret to transmit to the teams (CSR roadmap, main 2022 actions, definition of CSR, etc.) and establishment of the site's **carbon footprint**.

Organisation of quarterly meetings of the **carbon-saving steering committee** created in 2022 in Ollioules, bringing together employees, the Cogite, the "being eco-responsible in the office" expression group, the Site Management Committee.

Deployment of ideas from the Hackathon green held in 2022 at the site of Nantes-Indret: example of Biolab (see page 59 "Acting for the preservation of biodiversity").
 Publication of a quarterly newsletter on the environment in Nantes-Indret.

Publication of a **quarterly newsletter on the environment** in Nantes-Indret.



Part 3

Governance for the benefit of CSR



Complying with regulations





CONTROLLING EXPORTS AND CUSTOMS AFFAIRS

Naval Group's activity involves the exchange of sensitive data and materials with foreign states. These tangible and intangible flows are strictly regulated and controlled by governments. Regardless of the country in which a Naval Group entity is located, it is subject to local regulations, including for flows between subsidiaries, as well as to US laws and regulations (ITAR and EAR) due to their extraterritorial nature. French regulations in our areas of activity are based on the general principle of prohibition, unless formally authorised by the French government, known as an export licence (or intra-European transfer licence).

The Export Control and Customs Affairs Department (DCE) ensures compliance with applicable regulations and supports operational departments (trade, programs, purchasing and supply chain in particular) through the updating of processes, training, awareness-raising, advice and audits.

This system ensures compliance with legislation. In 2023, the DCE carried out the main actions of its internal control plan. Two internal audits were conducted in 2023: one on the monitoring of war material and similar items, and the other on the export control function as a whole.



PROTECTING PERSONAL DATA

The protection of personal data is in line with our values of ethics, respect for human rights and stakeholder protection.

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

Beyond the legal framework, compliance with the General Data Protection Regulation (GDPR) allows Naval Group to build a relationship of trust. It also ensures that the data collection and processing operations do not discriminate against stakeholders.

The group implemented a number of actions in 2023:

- the adaptation of the group's privacy policy to bring personal data protection requirements into line with the new business model;
- the implementation of awareness-raising campaigns aimed at functions where privacy is a key issue;
- the deployment of a privacy compliance management tool.



FIGHTING AGAINST CORRUPTION

Naval Group applies a zero-tolerance principle when it comes to bribery and influence peddling. The group conducts its activities in strict compliance with the conventions, laws and regulations applicable to it, in particular the provisions of the Sapin II Law.

The anti-corruption system is founded on the identification and assessment of the risks of corruption and influence peddling. It also includes a documentary repository, the basis of which is the anti-corruption code of conduct, supplemented by an anti-corruption manual for the anti-corruption function. A whistleblowing system is available to Naval Group employees and stakeholders in order to collect and process reports. The group Compliance Department relies on a network of Compliance Officers appointed by the entity directors.

Naval Group's ISO 37001 certification was confirmed in 2023. Moreover, the documentary repository has been simplified with the publication of a new anti-corruption code of conduct, the awareness and training modules have been redesigned, the whistleblowing system has been digitised, the process of collecting and analysing weak signals has been continued and controls have been carried out in establishments located in France as well as in subsidiaries.



RESPECTING THE DUTY OF CARE

Naval Group publishes a Vigilance plan annually.

The law on the duty of care has led Naval Group to strengthen the group's pre-existing approach to considering the environmental and social impacts of its activities, as well as those linked to the activities of its subcontractors and direct suppliers.

The 2023 Vigilance plan is available in the financial report published on the naval-group.com external website.



Co-constructing with stakeholders



LISTENING TO STAKEHOLDERS



Naval Group promotes dialogue and partnership with all stakeholders. The group increases its ability to understand their expectations by listening to them and consulting them.

Relations with several stakeholders have already been developed in the "Our social policy" section of this report (employees, associations, schools) as well as in "Our environmental policy" (partnerships, etc.).

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



Since 2021, particular attention has been paid to ensuring that the group's young employees are heard. This is done through the **Cogite**, which is made up of a young population that is representative of our sites. Their mission is to bring a fresh view and provide feedback to the local Management Committee to advance practices and the organisation on the pillars of the Naval 2025 transformation agenda (growth, innovation, talent and performance).

In particular, the Cogite was asked to reflect on the company's purpose, with, for example, working groups at the sites of Cherbourg and Saint-Tropez made up of members of the Cogite and volunteers from the site.



Pierre Éric Pommellet,
Chairman and Chief Executive Officer of Naval Group and Chairman of GICAN (French maritime industry group). He has also been President of the CIDEF (French Defence Industries Council) since 1 January 2023.

More than 280 suppliers and partners

were brought together at the 2023 **Naval Partners Meeting** to share the challenges of the group and its entire supply chain. During this event, 14 trophies were awarded to suppliers who stood out among others in the field of CSR. Four round table discussions were held, including one dedicated to the decarbonisation of our purchased part.



Organisation of an **environmental challenge via the Energic application**, bringing together **824** Naval Group suppliers and employees for challenges and games focused on waste management and climate commitment.



As a result of the responsible purchasing policy implemented by Naval Group to ensure sustainable and balanced relations with its suppliers, the group has been awarded the **RFR label** since 2014, and allowed us to control the risk of corruption or conflicts of interest.

This label became the **RFR label** in 2017, therefore granting it an international scope since it is associated with the ISO 20400 standard. This label was confirmed during the follow-up audit in early 2023. The same was true for ISO 20400 certification.

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



In 2023, a first carbon assessment of Naval Group's purchasing part was established. An action plan is being rolled out to clarify this initial assessment.

Discussions have begun with suppliers involved in the areas of purchasing that contribute the most to the group's greenhouse gas emissions. This allows to raise awareness among those who have the greatest impact on our emissions and to work with them to identify a reduction plan. To this end, Naval Group has decided to join the Alliance for Decarbonisation launched by the SME Pact, in order to ensure that its suppliers have the appropriate means to launch a decarbonisation process.



The commitment of the group's suppliers to strictly comply with the supplier Code of Conduct helps ensure that Naval Group complies with its commitments with its customers, particularly in terms of CSR.

In addition, Naval Group's objective is to have all suppliers on its panel working on areas with high CSR risks **assessed** by independent bodies.

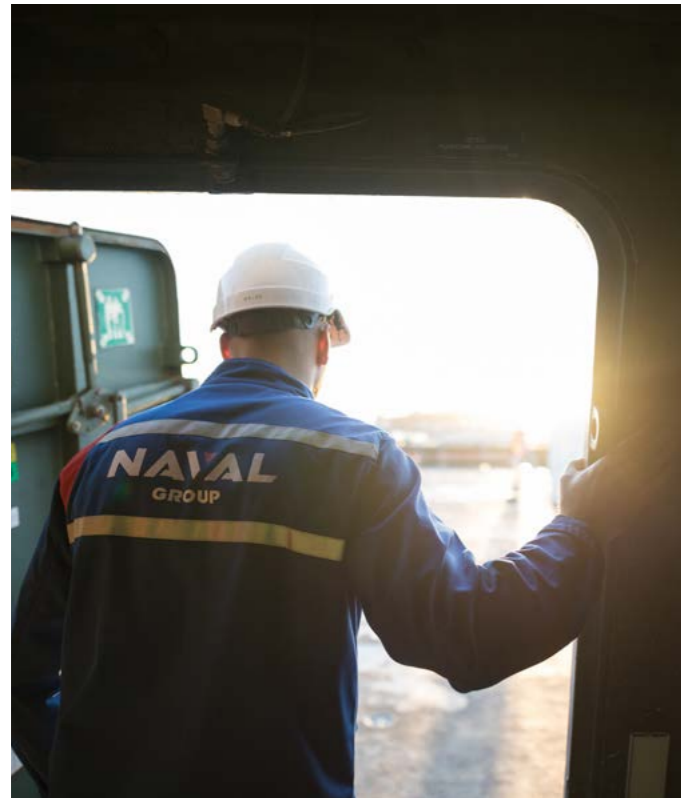
In the event of an inadequate CSR assessment, an action plan is put in place with the suppliers. The CSR assessment is integrated into a supplier evaluation sheet that also addresses the classic safety, quality, cost and lead time criteria.

Naval Groups buyers have been **trained** to learn how to encourage their suppliers to adhere to the approach taken by Naval Group as well as to steer the action plans requested of suppliers when their CSR assessment is insufficient. All our buyers have also been made aware of the issues associated with CSR at sessions organised at each of Naval Group's sites.

All employees of the Purchasing Department are also made aware of respect for human rights and the fight against corruption through dedicated e-learning courses



SUPPORTING EMPLOYMENT AND LOCAL DEVELOPMENT



Naval Group is a driving force in the French shipbuilding industry and an essential player in the vitality **of the employment areas** in which it operates. It exercises its responsibility towards its entire ecosystem. Its activities generate more than 40,000 indirect jobs, and its development brings with it the growth of the entire naval defence industry, i.e. the suppliers and subcontractors who depend on this activity.

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

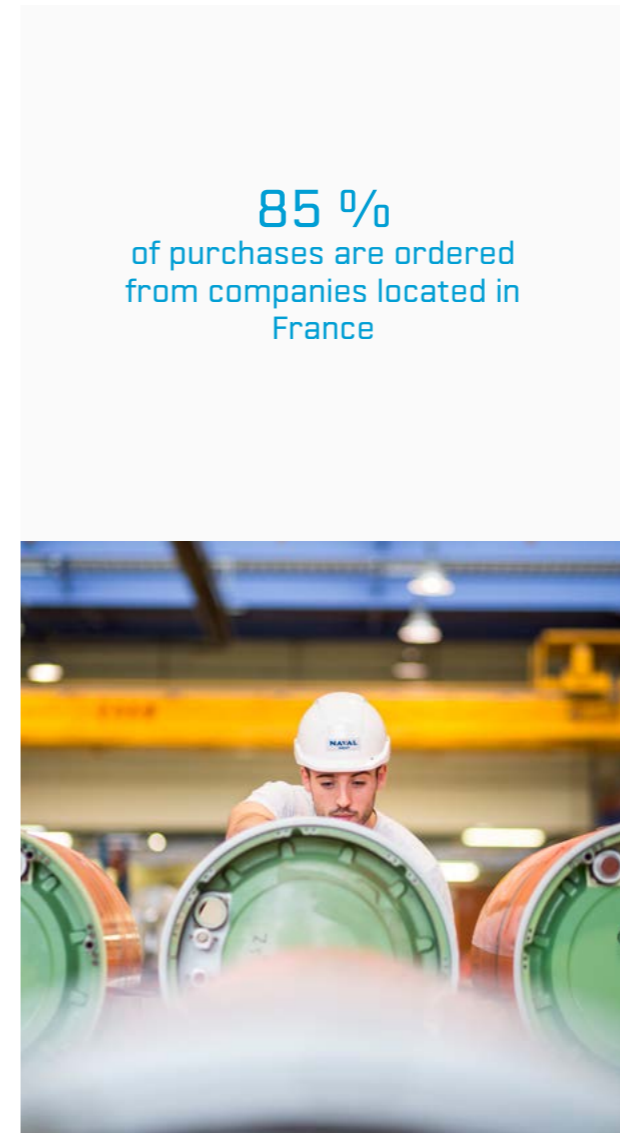
The Purchasing Department develops its relations with SMEs over time, in line with its responsible purchasing development approach. This involves guaranteeing the continuity of critical suppliers with unique skills, and encouraging them to innovate so that they can develop their industrial performance.

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

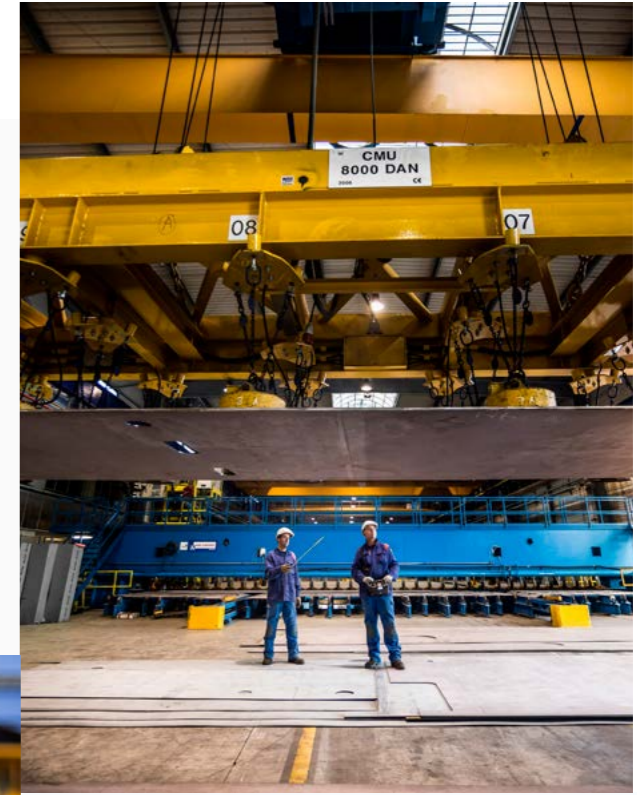


In coordination with the French Defence Procurement Agency (DGA) and the Directorate General for Enterprises (DGE), Naval Group has identified the suppliers requiring support and is undertaking several types of actions with them to sustain and diversify their order book.

The group also carries out continuous improvement actions in order to best support its supplier base. In this context and since 2020, Naval Group has applied a 30-day payment period for SMEs and micro-businesses in its general purchasing conditions.



85 %
of purchases are ordered
from companies located in
France



Naval Group manages the **Mediterranean Sea** centre.

BEING A SOCIALLY-RESPONSIBLE COMPANY



Blood donation campaigns organised at the sites of Paris-Bagneux, Brest, Nantes-Indret, Toulon, Lorient and Angoulême-Ruelle.



Support for the **Bleuet de France**, an association that helps soldiers wounded in war (both physically and mentally), soldiers deployed on overseas operations, victims of terrorist acts, war widows and widowers, wards of the Nation and bereaved families. Presentation of the association's missions at the site of Paris by its Executive Director, Pierre-Emmanuel de Laforcade.



Naval Group was a sponsor of the **renovation of the Parisian site of the Musée national de la Marine** at the Palais de Chaillot in Paris, the reopening of which in November 2023 made it possible to showcase nearly 400 years of naval innovations to future generations.



Naval Group encourages and supports the **commitment of its operational reservist employees** who benefit from a ten-day absence fully paid by the group to carry out their military activities, as well as a reactivity clause in their reserve contract allowing the armies to mobilise them with a notice of only fifteen days.



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



Signing of an agreement with the **National Sea Rescue Society (SNSM)** for the availability of personal sea rescuers from the Naval Group site in Cherbourg.

Under this agreement, volunteers can be made immediately available to the SNSM on their working time if their skills as lifeguards prove to be necessary on a rescue operation. They can also be given time off work to attend SNSM training courses or be given the rest they need before returning to work after volunteering for a sea rescue operation.

Launch of a call for applications to be a **trainer-reservist of the French Navy**.



Participation of Angoulême-Ruelle employees in the **"Les Bulles Roses"** run, in support of the fight against breast cancer.

Participation of a team of Parisian employees in the **"Course des lumières"** run, the profits of which are donated to medical research and innovation against cancer.

Signature by Naval Group Toulon of the **ProMilès manifesto** aimed at promoting and encouraging the establishment of direct links between companies and military units at the local or regional level, thus contributing to the development of national cohesion. Drawn up by the French Chief of Defence Staff and the Mouvement des Entreprises de France (MEDEF), this manifesto is part of a shared desire of armies and companies to develop reciprocal acculturation actions by multiplying exchanges and opportunities for mutual understanding.



Appendices



As part of its goal to reduce GHG emissions from its sites, Naval Group has chosen to establish its carbon footprint on an annual basis.

This annual measure regularly ensures the effectiveness of the actions implemented as part of the Carbon sobriety project. After analysis, it also makes it possible to validate the given priorities and, if necessary, to define new actions.

A. Description

The report covers the 2023 calendar year. This report covers all of Naval Group's activities carried out on sites or facilities in France. It does not take into account the activities carried out by the subsidiaries in France or abroad.

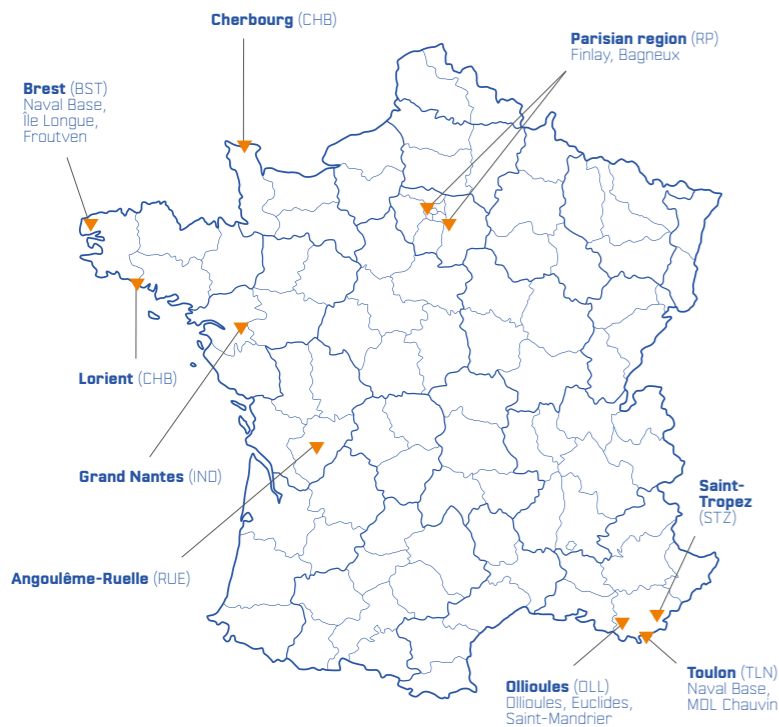


Fig. 1: Naval Group sites within the scope of the carbon footprint

There is no significant change in the scope compared to the 2022 report. Unlike 2022, item 22 (scope 3) benefits from the results of a survey of all employees, with 46% participation.

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

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

B. Results

Using source data that has been collected and verified, and applying the relevant emission factors, Naval Group SA's 2023 carbon footprint is close to **61,000 tonnes CO2e**.

This figure includes all categories.

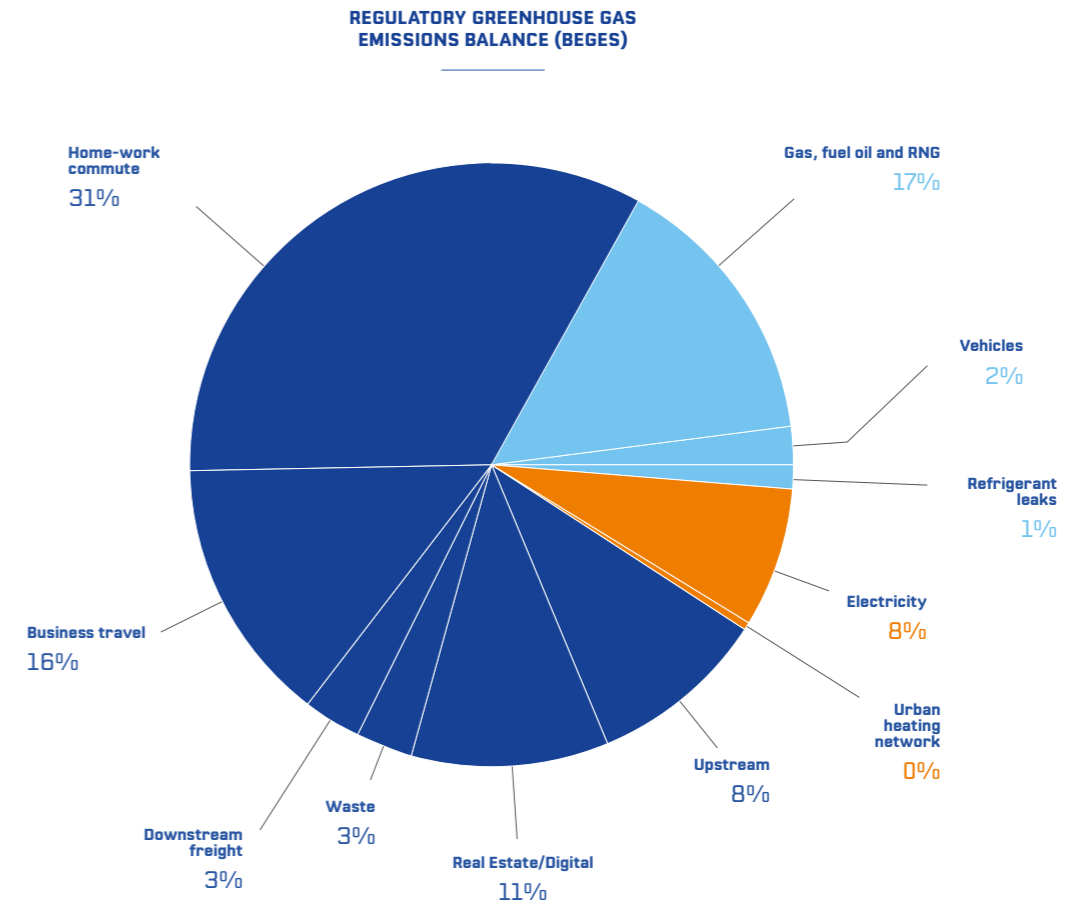


Fig. 2: View of the regulatory GHG emissions balance

The detailed figures are shown in the table below, which represents Naval Group's GHG emissions balance in France in accordance with the regulatory format.

			GHG Emissions	
EMISSION CATEGORIES	NUMBERS	EMISSION ITEMS	Total (t CO2e)	Uncertainty (t CO2e)
Direct GHG emissions	1	Direct emissions from stationary combustion sources	10 508	228
	2	Direct emissions from mobile heat engine sources	1 444	250
	3	Direct emissions from non-energy processes	0	0
	4	Direct fugitive emissions	436	69
	5	Emissions from biomass (soils and forests)	0	0
	Subtotal			12 388
Indirect emissions associated with energy	6	Indirect emissions related to electricity consumption	4 755	215
	7	Indirect emissions related to steam, heat or cold consumption	168	0
	Subtotal		4 923	215
Other indirect GHG emissions	8	Energy-related emissions not included in items 1 to 7	4 853	108
	9	Purchases of products or services	0	0
	10	Fixed assets	6 580	1 510
	11	Waste	2 097	449
	12	Upstream freight transport	1 554	0
	13	Business travel	9 892	0
	14	Upstream leasing assets	0	0
	15	Investments	0	0
	16	Transport of visitors and customers	0	0
	17	Downstream freight transport	0	0
	18	Use of products sold	0	0
	19	End of life of products sold	0	0
	20	Downstream franchising	0	0
	21	Downstream leasing	0	0
	22	Home-work commute	18 924	1 980
23	Other indirect emissions	0	0	
Subtotal		43 899	2 532	

Tab 1: Regulatory GHG emissions balance 2023

C. Operational criterion of the profit-sharing agreement

In order to support Naval Group's GHG emission reduction approach, an operational criterion of the profit-sharing agreement has been set for the reduction of these emissions. The objective was to reduce GHG emissions from scopes 1 and 2 by 5% between 2022 and 2023, at constant load.

This objective applies to items 1, 2 and 6 of the regulatory greenhouse gas emissions balance. "Constant load" means that the change in hours worked and outside temperatures, between 2022 and 2023, must be taken into account.

Between 2022 and 2023, the hours worked by Naval Group employees, temporary workers and on-site service providers and suppliers increased slightly.

In 2022, there was a total of 15,762 unified degree days (sum of the unified degree days of all Naval Group sites). In 2023, there was a total of 15,686 unified degree days. This is less than 1% difference (not significant for corrections made).

Note: the unified degree days of a year corresponds, for each day of the year, to the sum of the difference between a reference temperature (18°C) and the average temperature of the day. For example, if the average temperature of the day is 15°C, 3 (18-15) must be added to the unified degree days for that year.

By applying these correction factors to the raw data from the carbon footprint, the performance shown in the table below is obtained:

			Gross	Net	Perf	
			t CO2e			
EMISSION CATEGORIES	NUMBERS	EMISSION ITEMS	2022	2023	2023	
Direct GHG emissions	1	Direct emissions from stationary combustion sources	14 365	12 949	12 630	-12,1%
	2	Direct emissions from mobile heat engine sources	1 307	1 430	1 388	+6,2%
Indirect emissions associated with energy	6	Indirect emissions related to electricity consumption	5 047	4 755	4 621	-8,5%
Total			20 720	19 134	18 639	-10 %

Tab 2: 2022 vs 2023 Report – Performance

D. Analyses

The performance obtained in 2023 vs 2022 on items 1, 2 and 6 is the result of the actions implemented as part of the Carbon Sobriety project, and in particular the efforts made by industrial coordination and site management on the energy front.

In order to maintain the group's objective of reducing GHG emissions on scopes 1 and 2 by 5% per year, the carbon efficiency project must of course be maintained and strengthened.

Following a study carried out with the French Environment and Energy Management Agency (ADEME), Naval Group validated the relevance and feasibility of GHG emission reduction targets. The actions and technologies required to meet the objectives are already in place:

- reduction of building and industrial facility consumption;
- development of renewable energy solutions (photovoltaics, etc.);
- change of heating technologies to reduce the share of natural gas (biomass, heat pumps);
- implementation of energy management software;
- optimisation of the vehicle fleet to increase the share of non-thermal engines.

To go further, the carbon efficiency project already includes projects related to scope 3 (freight, mobility, digital and waste). In order to promote the reduction actions on scope 3, a target of -5% per year on mobility items (items 13 and 22) has been defined. This target has been raised to -10% for business travel (item 13) for 2024 and subsequent years.

A methodology for calculating the carbon footprint of purchases was defined and tested in 2023 on the basis of 2022 data. A new test must be carried out in the first half of 2024 on the basis of 2023 data. The goal is twofold:

- meet the regulatory requirement to include the scope in the GHG emissions balance;
- highlight the priority topics and the most important areas for improvement for the decarbonisation of our purchases.



As an international naval defence player and heir to French naval expertise, Naval Group is a partner for countries seeking to maintain control of their maritime sovereignty.

Naval Group develops innovative solutions to meet its customers' requirements. Present throughout the entire life cycle of vessels, it designs, produces, integrates, supports and upgrades submarines and surface ships, as well as their systems and equipment, up to and including dismantling. It also provides shipyard and naval base services. As a high-tech company, Naval Group draws on its outstanding expertise, unique design and production resources and ability to establish strategic partnerships, in particular within the framework of transfers of technology.

Ever mindful of the issues of corporate social responsibility, Naval Group is a signatory to the United Nations Global Compact.



For further information:

naval-group.com

