

PRESS RELEASE

Paris, 16 April 2020



Naval Group specifies its action plan to protect its employees' health, mitigate the impact of the Covid-19 crisis and serve its clients' interests best

- **Presentation yesterday to the trade unions during an exceptional Central Social and Economic Committee meeting (CSEC) of Naval Group's action plan designed to support client navies' and the group's missions, as well as secure Naval Group future, while protecting employees' health which remains the group's top priority.**
- **Implementation of health measures in all shipyards to allow a gradual and controlled resumption of Naval Group's activities.**
- **An agreement with three trade unions based on the values of fairness, solidarity and exemplarity has been signed to adapt Naval Group's operations and creates of a solidarity fund, replenished by the group and aiming at maintaining a full pay for employees in partial unemployment.**
- **Cost saving measures to ensure the financial resilience of the group.**

Facing the current health and economic crisis, Naval Group presented yesterday during an extraordinary CSEC the measures taken both to ensure the health and safety of its employees and to meet the needs of its customers, who, more than ever, need its support to carry out their missions in the service of their national defence. These measures are intended to mitigate the crisis' impact in the medium and long terms, and to enable the group to continue its activity under the best possible conditions.

The crisis' impact has led Naval Group to put in place a fair action plan that will foster solidarity between employees, the company and its shareholders in order to maintain employment, skills and the capacity to invest, continuing the virtuous circle that the company has known for several years.

Maintaining employment and full pay for all employees thanks to solidarity

Due to the slowdown of its activities, Naval Group has filed applications for partial activity and is committed to maintain employees' revenue for the second half of March, as well as their base salary and variable pay elements. This commitment goes beyond the legal and conventional provisions, in particular for workers, employees, technicians and supervisors. These measures are made possible thanks to a soon to be solidarity fund. The creation of a solidarity fund is part of the agreement to adapt the working schedule signed by the management and three representative trade unions on April 2nd, after a responsible and constructive dialogue. The company will contribute half. The other half will be contributed by donations of days off from employees, on a voluntary and confidential basis. In order to set the example, each member of the Executive Committee will donate five days.

In addition, in view of the slow-down in activity, all employees who are not required to work full-time in April must take days off or rest. This will help restore the normal work flow after the crisis.

Caroline Chanavas, Director of Human Resources, declared: "I am proud that we have been able to reach an agreement with the social partners. I salute all the social partners, with whom we have worked closely to reach a common agreement in a particularly short timeframe and in such a difficult context."

A cost-saving and resilience plan that enables the group to preserve its capacity to invest for its future

While the productive activity of all Naval Group's shipyards has been reduced, Naval Group is launching a savings plan to prepare for the future and to preserve the group's investment capacity.

This savings plan involves first of all the reduction of the cost base, in connection with the foreseeable reduction of the revenues. A series of cost-saving and cash management measures will include cancelling seminars and conventions, limiting travel, reducing the use of temporary staff and subcontractors, prioritizing training and recruitment related to production activities and critical skills, limiting external service orders to what is strictly necessary, and postponing non-priority investment projects.

A controlled increase of activity while applying the strict health instructions

Having fulfilled the essential missions of its defence customers, Naval Group continues to implement, within the framework of a sustained social dialogue, health measures in all its sites to boost its industrial activities, in parallel with the already widely deployed teleworking. These health measures include the organisation of work in separate teams, the redesign of workspaces to respect a distance between people, and the wearing of masks for operations in confined spaces.

The ramp-up of activity will be gradual and will respect the recommendations of the authorities in the framework of national solidarity. It will be carried out in permanent relationship with our customers whom we thank for their availability, their listening and their support in this difficult period for the group.

The mobilisation of Naval Group's teams to carry out this action plan is exceptional and will enable the company to stay the course in this unprecedented crisis.

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About Naval Group

Naval Group is the European leader in naval defence. Naval Group uses its extraordinary know-how, unique industrial resources and capacity to arrange innovative strategic partnerships to meet its customers' requirements. As a system-integrator and prime contractor, the group designs, produces and supports submarines and surface ships. It also supplies services to shipyards and naval bases. In addition, the group offers a wide range of marine renewable energy solutions. Attentive to corporate social responsibility, Naval Group adheres to the United Nations Global Compact. The group reports revenues of 3.7 billion euros and has a workforce of 15,168 (data for 2019).

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