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# COMBATTING CORRUPTION AND INFLUENCE PEDDLING

at **NAVAL GROUP**

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INTEGRITY AT THE HEART  
OF OUR INDUSTRIAL  
EXCELLENCE

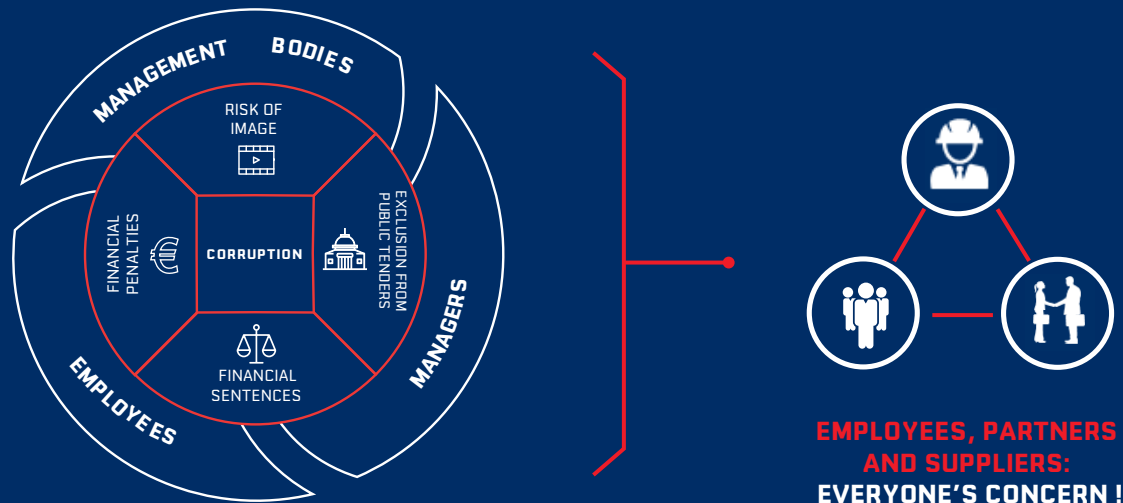


# 01

## A COMPLIANCE PROGRAM ARRAYED AT ALL LEVELS OF THE COMPANY

### COMMITMENT OF THE STAKEHOLDERS

Through its **corruption and influence peddling (“Compliance”) risk mapping** updated yearly, Naval Group takes into account these stakes in its internal functioning as well as in its long term strategic positioning. The group thus deploys a **Compliance program** requiring the vigilance and the active participation of its internal and external stakeholders.



### « TONE OF THE TOP »

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

**ZERO TOLERANCE**

### REPORTING TO TWO SUB-COMMITTEES OF THE GROUP BOARD OF DIRECTORS

Remunerations, appointments, ethics and CSR committee



Audit, accounting and risk-management committee

2014

Membership of the United Nations Global Compact

MARCH 2015

Appointment of a group compliance referent

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

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

<b>1</b> <b>CHIEF COMPLIANCE OFFICER</b> (COMPLIANCE REFERENT) APPOINTED BY THE GROUP CEO	<b>5</b> EXPERTS	<b>3</b> CENTERS	<ul style="list-style-type: none"> <li>Definition of the program</li> <li>Operational deployment (France and international)</li> <li>Internal control and investigations</li> </ul>
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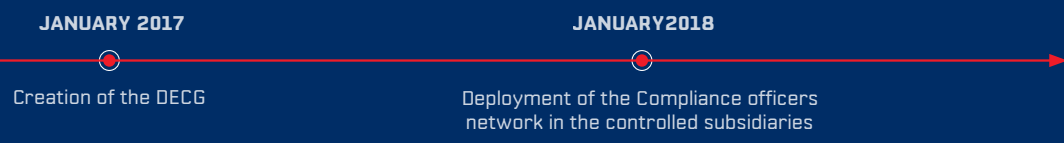
A network of compliance officers deployed as close as possible to the operational teams:

<b>23</b> COMPLIANCE OFFICERS ON THE SITES AND IN THE DEPARTMENTS IN FRANCE	<b>8</b> COMPLIANCE OFFICERS IN SUBSIDIARIES ABROAD
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**3 GOALS**

<p><b>PROMOTE</b> A CULTURE OF INTEGRITY</p>	<p><b>STRENGTHEN</b> VIGILANCE OVER THE FIGHT AGAINST CORRUPTION</p>	<p><b>SUPPORT</b> THE EMPLOYEES' PROJECTS</p>
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THE FIGHT AGAINST CORRUPTION AND INFLUENCE PEDDLING

## 02

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

### A SPECIFIC DOCUMENT REPOSITORY

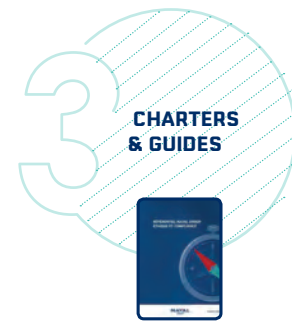
In the framework of its Compliance program, Naval Group has developed a repository that is in conformity with LAW No. 2016-1691 of 9 December 2016 regarding transparency, the fight against corruption and the modernisation of businesses, the so-called French “Sapin II” law, and based on international reference documents such as the United Nations Convention against corruption.



Clear and enforceable rules, applicable to all group employees and managers.



Measures incorporated into the Department decision processes.

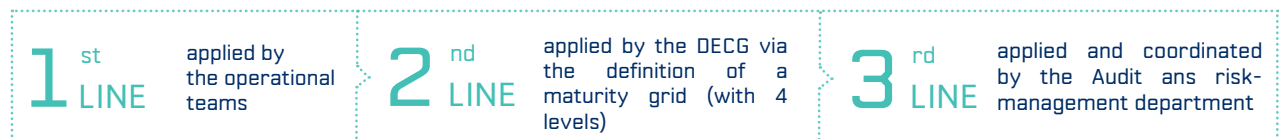


Explanatory documents included in the everyday practice of employees.

AVAILABLE ONLINE OR IN PAPER FORMAT IN 4 LANGUAGES

### 3 LINES OF CONTROL TO GUARANTEE THE EFFECTIVENESS OF THE PROGRAM

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



2014

Creation of an ethics and compliance repository

MARCH 2015

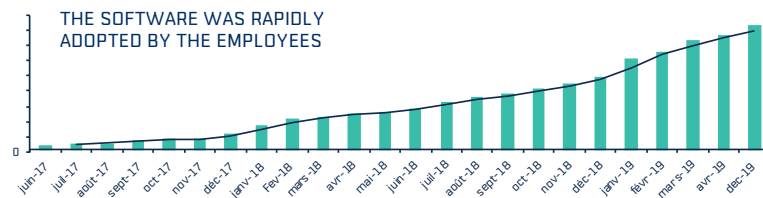
Appointment of a group compliance referent

## TECHNICAL TOOLS AND HUMAN RESOURCES TO MATCH THE CHALLENGES

### COMPLIANCE SOFTWARE

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

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



Progression of reports submitted via the compliance software over the period 2017-2019



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

### CONFLICTS OF INTERESTS

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

### WHISTLEBLOWING LINE

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

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



**ethics@naval-group.com**

**AN EFFECTIVENESS MONITORED BY**  
**20 PERFORMANCE AND MANAGEMENT INDICATORS UPDATED**  
**EVERY MONTH**

APRIL 2017

JUNE 2017

The whistleblowing line becomes "ethics@naval-group.com"

Deployment of the compliance software

# 03

## MULTIPLE IMPACTS ON EMPLOYEES' DAILY WORK

### COLLECTIVE ADOPTION

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



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

### SPREADING GOOD PRACTICES BEYOND THE BORDERS OF THE COMPANY

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

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



E-LEARNING



INTRANET (NAVISTA)



BROCHURES/GUIDES



EVENTS

EACH YEAR, NAVAL GROUP PERFORMS AN INTERNAL SURVEY OVER A PANEL REPRESENTING **10% OF EMPLOYEES** TO QUANTIFY THE PERCEPTION OF THE MEASURES DEPLOYED BY THE PROGRAM.

APRIL 2017

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

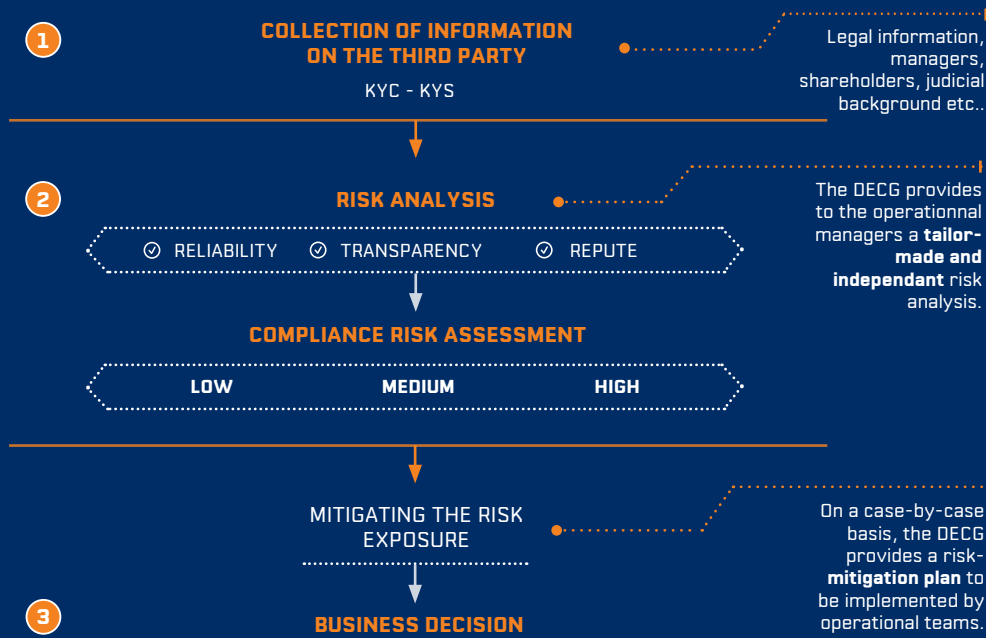
DECEMBER 2017

1st Ethics and Compliance awareness Day

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

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

### STEPS AIMED AT IDENTIFYING AND REDUCING NAVAL GROUP RISK EXPOSURE



### COMPLIANCE DUE DILIGENCE PROCESSES TAILORED TO ALL TYPES OF PROJECT



### RESULTS

- LONG-TERM RISKS WITH OUR PARTNERS THAT CAN BE MONITORED AND ANTICIPATED
- DECISION-SUPPORT FOR MANAGERS AT THE MOMENT OF CONTRACTUALISATION

APRIL 2019

Organisation of an *Ethics and Compliance Awareness Day* in all subsidiaries

JULY 2019

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

# OUR AIMS (2020 → 2025)

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

Lifting Naval Group to be amongst the most committed defence-sector actors in terms of the fight against corruption and influence peddling through:

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

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