



### **NAVANTIA GROUP**

Sustainability Report





# **TABLE OF CONTENTS**

# NAVANTIA, GENERATING SUSTAINABLE VALUE



- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# 2 CORPORATE COMMITTEE



- > Governance body commitment
- > Navantia future: risks and opportunities
- Navantia Policies
- > Compliance, ethics and transparency

# 3 OUR ROLE IN SUSTAINABLE TRANSITION



- > Environmental protection and management
- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment

# 4 PEOPLE AS DRIVERS OF CHANGE



- > The value of diversity
- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

# 5 NAVANTIA, CREATING OPPORTUNITIES



- Customer relations
- > Value chain
- Social initiatives and contribution to the environment
- > Tax information



### ANNEXES



- > About this report
- > Materiality analysis
- Creating long-term value with stakeholders
- > GRI-law content



- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

NAVANTIA,
GENERATING
SUSTAINABLE VALUE

Navantia, at the helm of the future



Business model: blue and green waters

Trends: the Navantia horizon

The sustainable ambition: ESG full steam ahead

Navantia activity impact





- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# Navantia, at the helm of the future

Navantia is a shining example of a future-looking company without forsaking its past in the way it goes about its day-to-day activities. At our company, challenges are tackled enthusiastically and responsibly, in the knowledge that our shipbuilding industrial sector leadership and experience is our mark of identity.

The history of Navantia is the history of naval industrialisation in Spain. Our beginnings date back over three hundred years when in 1717, the Quartermaster General of the Navy, José Patiño, ordered the building of the first modern shipyard in Spain, that of La Carraca in San Fernando, duly followed by those of the Ría de Ferrol and the Dársena de Cartagena.

This past is today navigating the course marked by Navantia as the path to an exciting future; one in which our company is expanding internationally, diversifying its business model and moving forward with a staff that is firmly committed to the goals, principles and values that mark our route.





# > Navantia, at the helm of the future

- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# Navantia at present

Since its foundation in 2005, our company has remained true to its essence, anticipating the wind changes that have altered the course of the shipbuilding industry, albeit without losing sight of our guiding star: those traditional values that have accompanied our brand over time.

Accordingly, Navantia has managed to respond to the different challenges presented by its sector by driving actions and undertaking successful projects, adding value to the different branches of its corporate activity, even to the extent of diversifying them, despite the troubled waters met along the way.

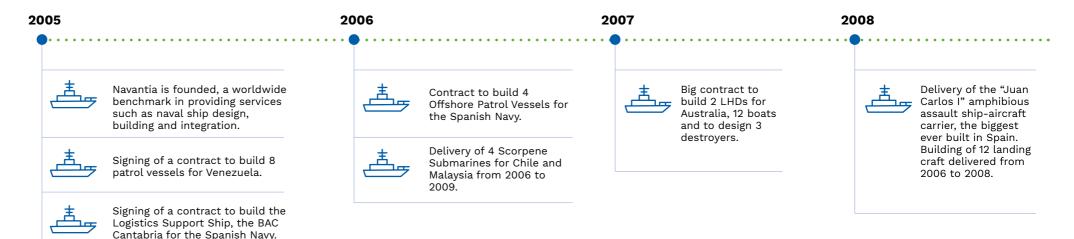
Moreover, the company has continued to play its role as leader and driver of the shipbuilding sector, constituting as it does a strategic benchmark as an operator in this market. A leadership that has extended to those countries where it operates, given its capacity to grow and diversify.

Indeed, this diversification capacity has served to consolidate its ship building line of business, while also seeing the company excellently specialise in the digital transformation and systems line of business, to finally commit to the opening of a new green energy line of business in 2021.

The foregoing, without Navantia failing to underscore its commitment to its ESG driven (environmental, social and governance) sustainability, which is at the core of its internal decision-making, and externally present with respect to its value chain, stakeholders and society as a whole. The 2040 Navantia Decarbonisation Plan clearly reflects the company's determination to contribute to the goal set in the European Green Deal and the Spanish Law on Climate Change to decarbonise the economy by 2050 at the latest

Our steady and firm course would not be possible without a crew, our staff, not only taking on, but actively driving and developing the company strategy within the framework of the **Navantia Strategic Plan**. In this regard, at the end of 2021, compliance with the aforementioned plan resulted in a number of new contracts reaching 74% of the target envisaged in the plan; an investment of €411 million and 376 new jobs.

### Navantia historical evolution and growth





- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

2010 2013 2014 2015



Completion of the building of 5 frigates for Norway



Delivery of the F105, the last of the 5 frigates built for the Spanish Navy



Contract with the United States of America to maintain 4 of its naval ships at Rota



Navantia closes a partnership agreement with Iberdrola and enters the offshore wind power market, signing the first contract to build 29 jackets and a substation for Wikinger offshore wind farm (Germany)



Contract to build 2 Offshore Patrol Vessels for the Spanish Navy



Offshore wind power: Contract with Statoil (Equinor) to build 5 floating structures for the Hywind project

2016 2018 2019 2021



Contract with Australia to build 2 Auxiliary Oiler Replenishment Vessels



Offshore wind power: Contract with Iberdrola to build 42 jackets and a substation for the East Anglia One offshore wind farm (United Kingdom)



The company signs a contract with Saudi Arabia to build five corvettes, which will create thousands of direct and indirect jobs every year



Offshore wind power: Contract to build floating offshore wind platform for Windfloat Atlantic (EDPR)



Offshore wind power, contract with the Cobra Group to build 5 floating offshore wind power platforms for Kincardine offshore wind farm (United Kingdom)



Navantia was awarded the contract to build the substation for the Norwegian company, Aibel



Signing of the Performance Contract with the Spanish Navy to build 5 cutting-edge F110 frigates



Offshore wind power: Contract with Iberdrola to build 62 jackets for the Saint-Brieuc offshore wind farm (France)



Offshore wind power: Contract for 4 jackets for the Nissum Brending offshore wind farm (Siemens)



Navantia launches a new division that specialises in Green Energies



Launching of the first unit of the S81 submarine



Navantia sets up the first IndesIA Artificial Intelligence consortium with Telefónica, Microsoft and Repsol to speed up its digitalisation processes and improve productivity.



Navantia embarks on its Sustainability Strategy and the 2040 Navantia Decarbonisation Plan future

**∼** Navantia

## > Navantia, at the helm of the

- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

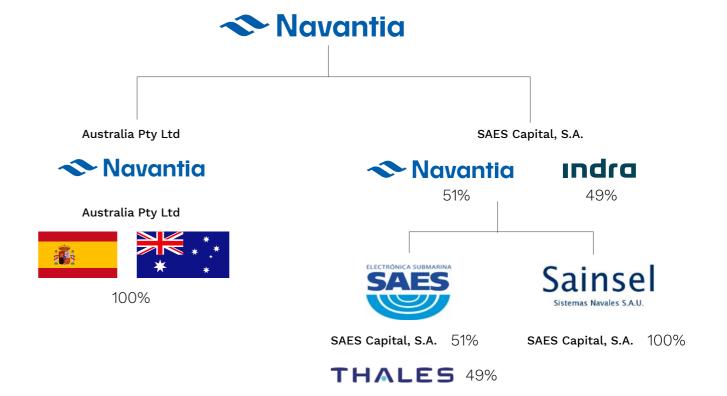
# Business model: blue and green waters

(BRI) 102-2, 102-3, 102-4, 102-6, 102-7

Navantia is 100% owned by the state holding company, Sociedad Estatal de Participaciones Industriales (SEPI), which is in turn attached to the Ministry of Public Finance and Public Administration. Within the same, two companies form part of the Navantia Group for consolidation purposes: Navantia Australia Pty. Ltd. (hereinafter "Navantia Australia") and SAES Capital, S.A., S.M.E. which in turn has a stake in two subsidiaries: Sociedad Anónima de Electrónica Submarina, S.M.E. (hereinafter "SAES") and SAINSEL Sistemas Navales, S.A.U., S.M.E (hereinafter "SAINSEL").

In terms of national defence, Navantia is considered to be a strategic company. It is aligned as far as its corporate pursuits are concerned with UN Sustainable Development Goals and plays an important territorial cohesion role owing to its capacity to create jobs and drive the economy in those places where it has shipyards.

Pursuant to the foregoing, we at Navantia have undertaken projects in over twenty countries. Our over 4,300 employees work at company facilities in Ría de Ferrol, Dársena de Cartagena and Bahía de Cádiz, at our head office in Madrid, as well as at company subsidiaries and our international branch offices.



future

green waters

> Navantia, at the helm of the

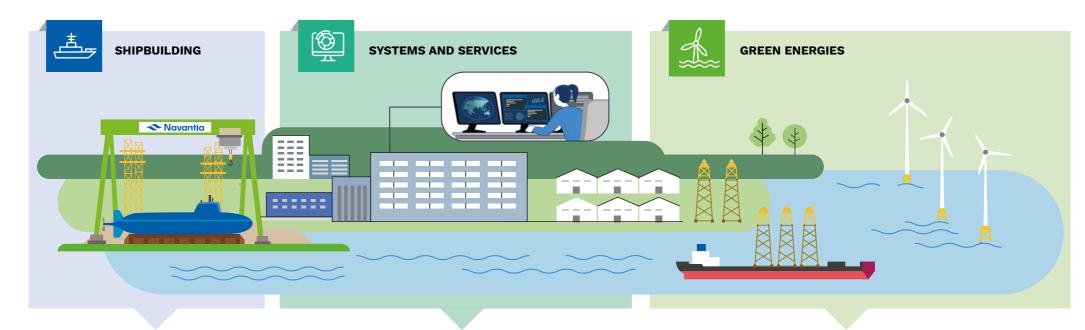
> Business model: blue and

 Trends: the Navantia horizon
 The sustainable ambition: ESG full steam ahead
 Navantia activity impact



### **Lines of business**

Navantia is a benchmark and partner that can be relied on to respond to any need within our sphere of operation. Accordingly, as a mark of reference, Navantia adopted a Strategic Plan for 2018-2022 to respond, efficiently, effectively and sustainably to the challenges facing it. The following lines of business are contained within this plan:



Navantia can design, build and maintain all types of naval platforms (surface vessels and submarines):

- Naval shipbuilding for the Spanish Navy
- Naval shipbuilding for foreign naval forces
- Commercial vessel shipbuilding
- Repairs and transformations of naval and commercial ships
- Technology transfer as a niche business

Navantia has consolidated as a supplier of high technology and smart services, including, among others:

- Design and manufacturing of systems (combat, control, navigation, communications systems, etc.) for naval ships, submarines and unmanned vessels, including intelligence and simulation (digital twin) systems and training in their use.
- Development of ship's bridge consoles, Warship Electronic Display and Information System (WECDIS) navigation systems (Certified) and platform control consoles (ships and submarines).
- Lifecycle support (maintenance, training, obsolescence, spares).
- Development and construction of propulsion systems (motors, turbines, etc.).

Market with great growth generation potential and quality qualified jobs in offshore wind, hydrogen and other alternative power related activities.

- International leader in the offshore construction sector: Navantia has completed 11 offshore wind power projects for 5 different countries since 2014.
- Specialist in fixed and floating foundations and electrical substations for offshore wind power facilities.
- In the hydrogen field, the company has leveraged its market leadership in the development of the Air-independent propulsion (AIP) system for S-80 submarines as a springboard to grow in the field of hydrogen technology, which will be a key contributor to the decarbonisation of the shipping sector, among others.
- With production facilities at Fene, Ferrol, Puerto Real, Cartagena and Saint Brieuc (France), not to mention a Green Energy Centre of Excellence as a project in progress, which will have three offices.



# > Navantia, at the helm of the future

- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# Organisational culture and values

Navantia has a solid culture of values that are known by and shared with all those people who work for the organisation, while also applying to collaborators and other stakeholders. The company is particularly attentive to all ethical and commitment related matters, without neglecting other key issues such as innovation and sustainability.

### **VISION**



To be a sustainable, strategic and international company in the shipbuilding sector

### **MISSION**



To develop competitive shipbuilding programmes and serve national security

### **VALUES**



**Commitment to results** 

Technology leadership

**Teamwork** 

**Customer focused** 

**Ethical conduct** 

Responsibility



**∼** Navantia

- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

### Close to its customers

Navantia provides its customers with comprehensive solutions, given it has the necessary capacity and infrastructure to successfully develop any operational programme anywhere in the world, delivering fully operational ships, and renewable energy infrastructures and systems, not to mention the requisite support throughout the product's lifecycle.

In keeping with the export capacity of its business, Navantia has subsidiaries, offices and branches abroad that enable it to remain close to its customers and partners in strategic markets. Moreover, Navantia has consolidated its operating presence in Spain through seven shipyards.





Navantia 🔷

# Main milestones in 2021

### > Navantia, at the helm of the future

- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

### **JANUARY**

### 25 January:

Navantia is awarded the new US Navy maintenance contract in Rota

### **APRIL**

### 22 April:

His Majesty the King of Spain presided over the ceremony to launch the S-81 in Navantia Cartagena

### JUNE

15 June: Navantia. together with six other big enterprises, creates IndesIA, the first industry artificial intelligence consortium in Spain

### **SEPTEMBER**

### 15 September:

cruise ships

Navantia and Windar are to collaborate with Harland & Wolff in the offshore wind farm market in the United Kingdom

22 September: Repairs at Bahía

de Cádiz are set to reach an occupancy record with eight



## **DECEMBER**

### 4 December:

Navantia launches the fifth corvette for Saudi Arabia in Bahía de Cádiz



### MARCH

3 March: Telefónica and Navantia are to collaborate in offering cybersecurity to Defence



### MAY

20 May: The AOR 'Stalwart' sets out for Australia from Navantia Ferrol



### **JULY**

2 July: Iberdrola closes a framework agreement with Navantia and Windar for future offshore wind farms, worth €400 million



**27 July:** The Norwegian Ministry of Defence congratulates Navantia for its success in tropicalising the F-311 frigate



### **OCTOBER**

### 5 October: The Green

Energies division is created



### **NOVEMBER**

### 5 November:

Ministry of

Defence and Navantia sign the performance contract to build the BAM-IS

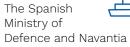
### 3 November:

Navantia and Fincantieri

sign a memorandum of understanding at the FEINDEF international trade fair to drive their collaboration in European Defence







Navantia Navantia

# > Navantia, at the helm of the future

- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# **Trends: the Navantia horizon**



# As a result of its market position, Navantia is directing its activity towards those sectors where a present can be seen with a promising future.

Nothing is left to chance, rather an in-depth study is always behind the course we set, especially given our status as a public sector company. Notwithstanding the current economic situation, caused by the standstill brought about by COVID-19, Navantia never loses sight of the path to be taken in the near future, one we have already seen confirmed by EU and Spanish Government Roadmaps and Strategies, in addition to those marked out by the Autonomous Communities and Local Governments, as well as market analyses, which can be summarised as follows:



# Improving competitiveness through technological innovation and sustainability

The digitalisation of systems and processes, as well as the ESG-driven sustainable approach, constitute the basic pillars of the European Green Deal, which have become key factors in the distribution of NextGenEU Funds. Accordingly, our work centres are focusing on improving competitiveness and on the stand-out technological characteristics of our products and processes, such as the integrated implementation of the sustainability variable, thus committing to the European energy transition framework.

Consequently, that knowledge and innovation be generated is vital, as is an increase in the digital skills of staff. Moreover, it is not only our company, but our value chain and our stakeholders that are also committed to going down the sustainability approach route.



# Consolidation of renewable energies

Likewise, the commitment to sustainability through the promotion of renewable energies is an essential requisite to meet Paris Agreement goals. Both renewable offshore power and green hydrogen serve as key building blocks to consolidate both the European Green Deal and the European Climate Law (as well as national legislation). The roadmaps for both renewable energy sources confirm this and will, likewise, play an important part in Navantia managing to decarbonise.



# State of affairs in the military and commercial naval sector

Militarily speaking, a tendency can be observed in the European Union to encourage a genuine strategic independence, which should naturally lead to a rise in defence expenditure. This will entail spending more efficiently and seeking to maximise potential synergies. Recently there has been a relative curb on spending in the naval sector, where demand is mainly concentrated in countries like Germany, Norway, Indonesia, Brazil and Italy.

As far as commercial shipbuilding is concerned, 2021 witnessed a notable rise in contracts for merchant ships: 95% up on last year. Growth was particularly noteworthy in the cargo and offshore segments, as well as in container ships.



### COVID-19

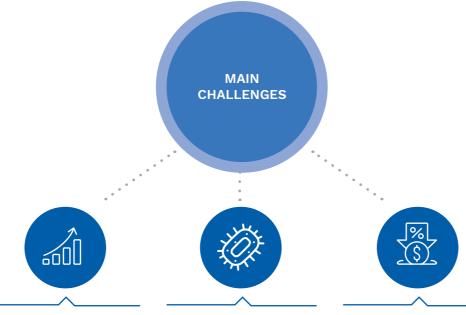
Over the last few years, the context of crisis and the changes brought about by COVID-19 threw up unprecedented economic and social challenges. European authorities responded by launching a Recovery Plan, without overlooking the social measures our health area has been undertaking, thereby transcending the company sphere.



shipbuilding industry.

### Main challenges and opportunities identified for the naval sector

- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact



Price rises in energy and raw materials on account of uncertainty related to costs, input logistics and shipping industry supply chains. Unequal and incomplete recovery in the shipping sector after the pandemic. Whereas merchant shipbuilding has grown sharply, the passenger market has not recovered from the effects of the pandemic.

Prioritising public spending on activities with a bigger impact in the short term, which especially results in a drop in spending on military programs, is delaying the contracting of new naval ships.

Implementation of incentive programmes in European countries, where Spain can benefit over the next few years from the €140,000 million in direct aid and loans for green and digital transition projects.

Commitment of the economic stimulation in the national territory.

Acceleration of the Government of Spain to need to digitalise traditionally poorly and the localisation of jobs digitalised sectors, one of which is the



Navantia

- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# On the basis of an analysis of the Sustainable Development Goals (SDGs), as well as the needs of stakeholders, a group of priority areas has been defined for social, environmental and governance areas, with respect to which a series of targets, actions and indicators have been set to monitor their development.

# The sustainable ambition: ESG full steam ahead

Navantia is firmly committed to sustainability, constituting as it does a core principle in corporate culture and values. This sustainability ambition has been given great impetus by the company Sustainability Strategy, the development of which has involved employees and which has been the focus of considerable effort throughout 2021. To this end, 2021 saw the setting up of a Working Group on which all business areas are represented, in addition to the launching of the ESG Committee to oversee the performance of the actions and the meeting of goals by the same.

Signed up to the Spanish Global Compact Network since 2019

Navantia is strongly committed to Moreover, Navantia is commi

protecting the people and the planet, taking on board global challenges as its own. Accordingly, in 2019 the company signed up to the biggest worldwide initiative for business sustainability by participating as a member of the United Nations Global Compact.

In keeping with this commitment, Navantia ensures the alignment of its business model with the Ten Principles defined by the United Nations with respect to conduct and action in the fields of business and human rights, labour standards, the environment and anti-corruption. Moreover, Navantia is committed to social responsibility based on these principles and to annually reporting its progress in a Progress Report or Sustainability Report.

The United Nations Global Compact is a call to companies and organisations to align their strategies and operations with the Ten Principles and holds a UN mandate to promote the Sustainable Development Goals (SDGs), which are aligned with the 2030 Agenda, in the private sector.



Pacto Mundial Red Española



### Navantia's sustain

Navantia's sustainability strategy is ESG driven: the environment, the social dimension (internally, geared towards our staff and externally as social outreach) and governance are the pillars around which its corporate action revolves.

The pillars of the Navantia Sustainability Strategy

- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# Waitonnent (E) & Marine **PROPÓSITO** Misión Valores Compliance

### ENVIRONMENT

### Circular Navantia and ecodesign

Drive towards ecological transition and the circular economy developing a company DNA based on reducing its environmental impact.

### Climate change

By means of adopting climate change mitigation and adaptation measures, among which the creation of a Decarbonisation Plan for Navantia to become Net Zero is particularly noteworthy.

### Biodiversity and the marine environment

Implementing GHG emission compensation programmes through reforestation and blue carbon capture projects. Not to mention the application of the Taskforce on Nature-related Financial Disclosure (TFND) criteria to corporate biodiversity.

### PEOPLE

### Equality, diversity and inclusion

Implementing measures to promote equal opportunities, the home-work life balance and staff rejuvenation.

### Talent and employment

Driving professional development and internal mobility by generating new skills and career plans.

### Health and safety

Ensuring a safe work environment at all locations, as well as the physical and emotional well-being of company employees.

### **GOVERNANCE**

### Reporting and transparency

Ensuring the proper informing of stakeholders through the adaptation of ESG reporting to legislative developments and the market situation, as well as an appropriate engagement strategy.

### Ethical and responsible management

New ESG governance, developing the compliance plan and incorporating risks into sustainability analysis, as well as guaranteeing compliance with human rights.

#### Compliance

Coordination, implementation and monitoring of the code of conduct related to anti-corruption and criminal compliance systems and promoting the in-house crime prevention system via the whistleblowing channel.

### **SOCIAL ACTION**

### **Partnerships**

Encouraging relations that enable Navantia to incorporate new capabilities, as well as to expand knowledge and the sustainability strategy.

### Shipbuilding culture

Commitment to the shipbuilding culture by means of the ongoing dissemination and generation of knowledge and support for museums.

#### Commitment

Creation of voluntary groups and launching corporate volunteering activities.

Annual

Stamp

### Navantia

### ESG full steam ahead







Good governance

- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

#### **JANUARY** MARCH

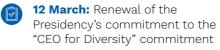


1 March: Ría Ferrol Cultural Asset Assessment Project with the University of A Coruña





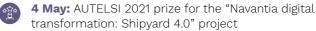








3 May: Opening of the Navantia Training Centre (NTC) San Fernando



12 May: Holding of the "Diversity Awareness" course at the Navantia Virtual Classroom

14 May: Launch of the new Navantia "Sustainability" website

Day in Puerto Real and Ferrol

18 May: Participation in the "Partnership for Vocational Training", Ministry of Education and VT

Campaign in Navantia

21 May: Micro plastics detection in seawater project, "Isaac Peral" Chair Cartagena

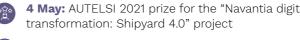
Seed Bank, Cartagena

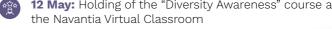


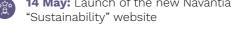


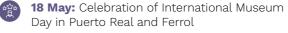
### MAY

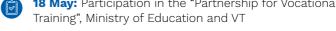




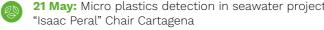


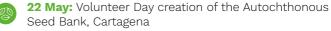












### **FEBRUARY**



10 February: Improvement of the company's position in the Defence Companies Index

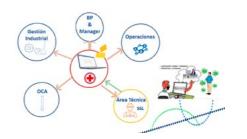
25 February: "Global Digital Talent" Prize 5th edition



### **APRIL**



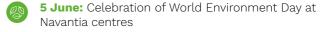
28 April: V Seminar on Occupational Health and Safety (SSL)



### JUNE



3 June: Planting new trees at Puerto Real on World Environment Day



**7 June:** Promote Sustainable Mobility Initiative in Navantia

8 June: Celebration of World Oceans Day

15 June: IndesIA consortium project, use of data and artificial intelligence







Environmental



Social



Good governance

## > Navantia, at the helm of the future

- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

### JULY



**1 July:** International Women in Engineering Day



**1 July:** Green hydrogen development projects with Enagas



**27 July:** Participation in the Inspiring Girls Foundation Week (Cádiz)





### **OCTOBER**



**14 October:** Launch of a SAP tool to manage sustainability profitability and performance



**19 October:** Cartagena Polytechnic (UPCT), Navantia "Honorary Fellow" for its students' work practices



**25 October:** Navantia received an award at the VIII edition of the Galicia Energy Awards for the best innovation project



27 October: First meeting with the joint venture UTE Tecnalia-Factor to draw up the Navantia Decarbonisation Plan





### **DECEMBER**



21 December: Navantia issues its carbon footprint for 2020 which has been externally verified by Bureau Veritas. It was reduced by 37%



**22 December:** Navantia presents its Sustainability Strategy and goals for 2022



**22 December:** First meeting of the Navantia and Cruz Roja Agreement Working Group

### **SEPTEMBER**



**6 September:** "Green Engines" project initiative in Cartagena



**27 September:** Survey on Commitment to Navantia 2021, future and cultural development





### **NOVEMBER**



**3 November:** Navantia and the University of Cartagena renew the "Isaac Peral" Chair



**4 November:** Navantia and Telefónica Tech present their collaboration initiative in cybersecurity and cyber defence



**1- 4 November:** Navantia participates in Glasgow COP26



**5 November:** Navantia presents its future centres of excellence at FEINDEF



**11 November:** Approval of the Sustainability SAP in the Innovation Group and in the Investment Committee



**16 November:** Cartagena obtains ISO 45001 Occupational, Health and Safety certification renewal



**29 November:** Launch of the first ESG Sustainability newsletter





Navantia

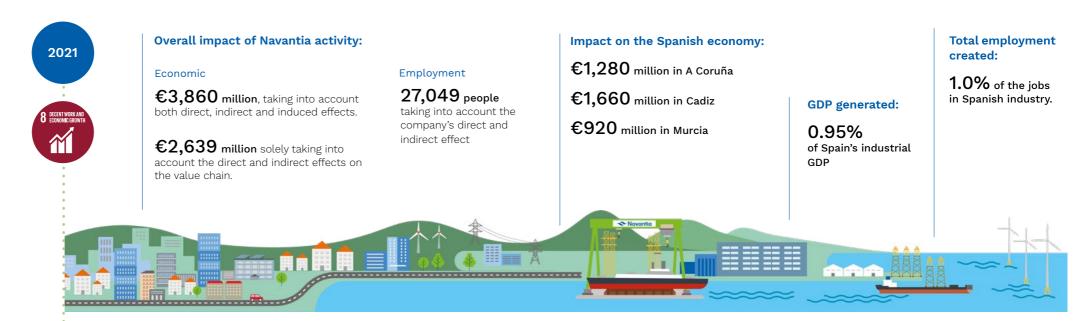
- > Navantia, at the helm of the future
- > Business model: blue and green waters
- > Trends: the Navantia horizon
- > The sustainable ambition: ESG full steam ahead
- > Navantia activity impact

# Navantia activity impact

(BRI 102-14, 102-15)

The military shipbuilding industry has a key role to play as far as generating returns and job creation are concerned. In this regard, Navantia is a key driving force in the generation of wealth and high quality jobs wherever it is present.

Navantia uses a tool based on the input-output methodology to quantify the positive impact of the company as regards those geographical areas where its production centres are located.



### In those provinces with Navantia centres:

### **GDP** generated

	GDP	Industrial GDF	
Cádiz	2.2%	23.9%	
A Coruña	1.4%	13.8%	
Murcia	0.9%	6.8%	

### Impact generated in terms of employment:

	Employment	Industrial jobs
Cádiz	2.7%	24.6%
A Coruña	2.0%	15.1%
Murcia	1%	7.5%

Navantia production centres are located in three areas with structural economic problems, namely: Ferrol, Cartagena and Bahía de Cádiz. In this regard, it should be pointed out that all the people employed by the company in these three areas, as well as the employees of most its subsidiary companies either come from and/or reside in the aforementioned areas, thereby further consolidating Navantia's commitment to these areas.



- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

# 2 CORPORATE GOVERNANCE

Governance body commitment

Navantia future: risks and opportunities

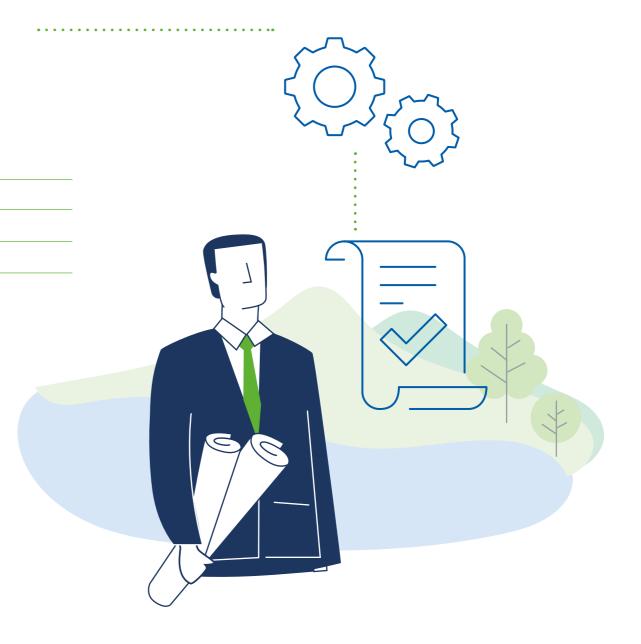
Navantia Policies

Compliance, ethics and transparency









> Governance body

> Navantia future: risks and

> Compliance, ethics and

commitment

opportunitiesNavantia policies

transparency

# **Governance body commitment**

(m) GRI 102-18, 102-22, 102-26

Navantia has a corporate governance model that establishes the basic principles of company strategy and contributes to the integrity, efficiency and agility of its management. This model buttresses activity supervision and control systems, risk management and staff development, thus ensuring compliance with both internal and external requirements.

The development of an appropriate corporate governance structure is a core element in the Navantia strategy, which explains the aim of defining a common reference framework based on the highest standards of good governance and corporate social responsibility.

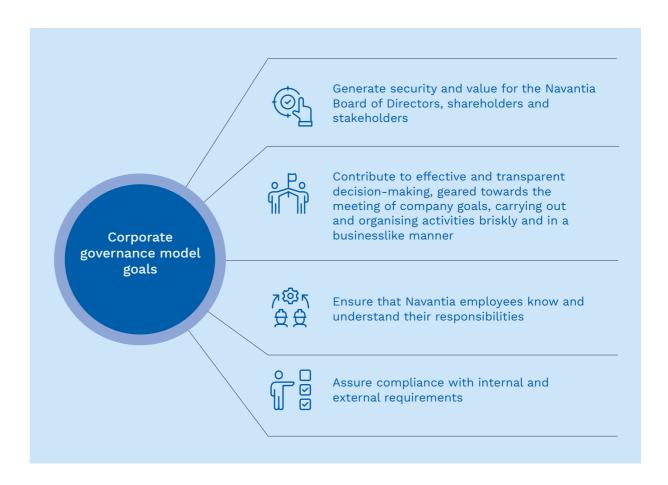
The company also has a Corporate Governance Code in place that contains all the policies, rules and other regulations, as well as establishing the framework to develop the structure and functioning of the Navantia Management System.

66

Navantia Good Governance advocates transparency and drives the growth and generation of sustainable value by means of developing its strategy and the participation of its stakeholders."

From the outset of implementing its Strategic Plan, Navantia began to work on this Corporate Governance model based on continuous improvement and on the collaboration of all company employees with a view to keeping it updated.

Within this framework, the company focuses on generating security and value for its shareholders, for the Board of Directors and for its stakeholders in general.



opportunities > Navantia policies

transparency

> Navantia future: risks and

> Compliance, ethics and

# **Corporate governance structure**

Navantia organisation and management policy is vital to its proper functioning as a company. The Navantia Board of Directors meets regularly. It held 11 meetings in 2021. At 31 December 2021, the Board of Directors was made up of fourteen members, as specified below:

"Navantia, S.A., S.M.E." BOARD OF DIRECTORS - 31/12/2021

**CHAIRMAN** 

Ricardo Domínguez García-Baquero

Chairman of Navantia, S.A., S.M.E.

MEMBERS



**Enrique Moreno** de Acevedo Sánchez

23 November 2021

Deputy Director of SEPI Investees



Pablo Rupérez Pascualena

23 November 2021

Director of the Office of the Secretary of State for EU, Ministry of Foreign Affairs, European Union and Cooperation



Ms. Marta Obrero Loma

Advisory Member - National Accounts Preparation Div. National Comptroller Office General State Administration Ministry of Public Finance and Public Administration



Ministry of Public Finance and Public Administration

P.A.\*



Ramón J. Buendía Madrid 16 June 2021

Secretary General Navantia Inter-centre Trade Unions-CC.00.



**Aniceto Rosique** 

15 June 2020

Admiral-in-Chief of Logistics Support of the Navy Ministry of Defence



Galo Gutiérrez Monzonís

15 June 2020

Director General of Industry and SMEs Ministry of Industry, Trade and Tourism



Manuel Romasanta Pavón

15 June 2020

Deputy Director General of Recruitment and Career Guidance Ministry of Defence



Santiago Ramón González Gómez

15 June 2020

Director General of Arms and Materials Ministry of Defence



Roberto Moisén Gutiérrez

24 November 2020

Director of the Territorial Coordination Div. Dept. of Services and Territorial Coordination Public Finance Undersecretariat -Ministry of Public Finance



José Manuel Lago Peñas

15 December 2020

Economic Advisor to the Minister's Office of the Ministry for Labour and Social Economy



P.A.\*

Head of the Defence Sector of CC.OO. Industry Trade Union - CC.OO. Trade Union Section

**SECRETARY** 



Miguel Orozco Giménez

Board Secretary (non-director) of Navantia, S.A., S.M.E.

<sup>\*</sup> Pending appointment







### **NAVANTIA GROUP**

- > Governance body commitment
- > Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

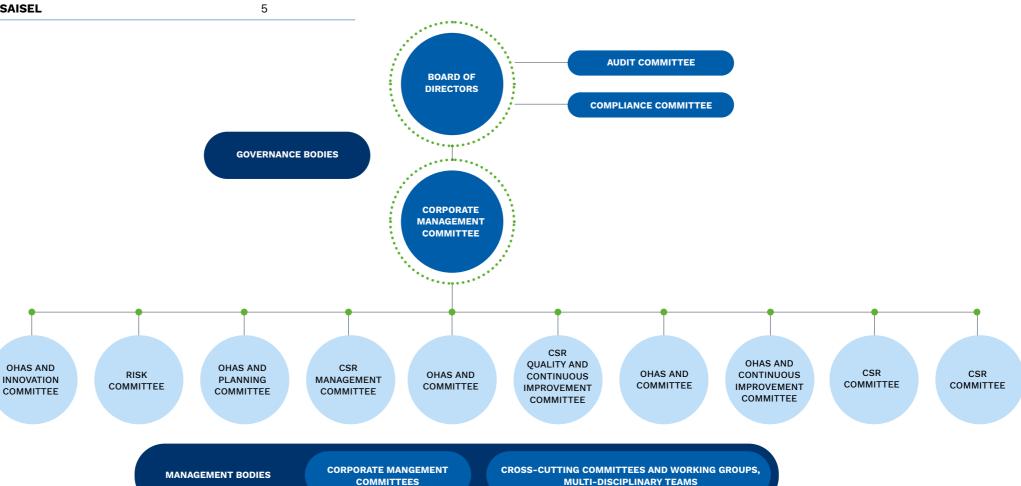
Sustainability Report



Board of Directors	Number of members (31 December 2021)		
Navantia Australia	5		
SAES CAPITAL	5		
SAES	5		
SAISEL	5		

The development of a new integrated Corporate Governance model is a Navantia Strategic Plan 2018-2022 initiative, one that is committed to businesslike, transparent and efficient management.

The Navantia governance model is based on/organised into committees that are arranged in accordance with their main areas of company management. In 2021, the organisation chart for Navantia governance bodies and these management committees is as follows:



### **NAVANTIA GROUP**

- Governance body commitment
- > Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

Sustainability Report



### Navantia Management Committee



> Governance body

> Navantia future: risks and

> Compliance, ethics and

commitment

opportunities

> Navantia policies

transparency



# Navantia Management System

Navantia senior management has committed to developing, maintaining and improving an integrated management system as a key tool to generate sustainable value, improve performance and provide a solid base that makes it possible to ensure compliance with its internal and external requirements, facilitate its employees' understanding of their responsibilities and contribute to the brisk and businesslike pursuit of its activities.

### Three core principles underpinning the Navantia Management System



### Integrity and hierarchy

Maintain a fully consistent Navantia Management System, applying uniform criteria.



# Simplicity and accessibility

Streamline the Navantia Management System regulatory documentation to facilitate its understanding and how to apply it by its addressees.



# Continuous improvement and updating

Measure and monitor the evolution of the Navantia Management System.

This is done by integrating and developing the three pillars that serve as the Navantia Management System building blocks:



**Committees.** Compliance with Navantia strategy via governing and management bodies. Each one regulates its own matters and maintains two-way relations with the others, thus ensuring multi-disciplinary work and person integration.



**Processes.** These form the basis of the management system. Inputs and outputs are defined in each process, as are key indicators to measure and monitor them. Accordingly, each process map is linked to a procedure and, occasionally, detailed instructions for related subprocesses.



**Document structure:** pyramid-shaped and integrated according to policies, rules, procedures and instructions.

These three pillars are integrated within a regulatory framework presided over by the Navantia Code of Governance, which also contains company mission, vision and values.



# > Governance body

- Navantia future: risks and opportunities
- > Navantia policies

commitment

> Compliance, ethics and transparency

# A new impetus for ESG transparency

Navantia is committed to sustainability as a strategic priority, which accounts for it ensuring its commitment to ESG matters in all business units

In this regard, the company has begun to develop and implement an ESG governance model through which it promotes sustainability management throughout the organisation.

The drive towards ESG transparency is another priority Navantia goal, which has begun to adapt this year's sustainability report to the latest trends and best practices in non-financial reporting.

Moreover, with a view to generating trust and transparency, in 2021, the company started to launch a communication programme and define a channel for regular engagement with different stakeholders.



# Remuneration of the Board of Directors and Management Committee

Remuneration conditions for Navantia directors are established in accordance with Royal Decree 451/2012 of 5 March regulating the remuneration scheme for directors and senior management in the public business sector and other entities.

In 2021, average director remuneration, including its variable component, amounted to €115,815.83, while their total remuneration with expenses was to the order of €1,876,076.45. In the case of Navantia Australia, the average remuneration for their Management Committee members amounted to \$194,685 (excluding expatriates).

In the case of SAES, its Board of Directors has five members, one of whom holds a remunerated position. In 2021, this remuneration amounted to €104,574.15.

For its part, the Board of Directors of SAINSEL likewise has five members. Two of these are appointed by Indra and three by Navantia. SAINSEL directors are not remunerated.

Directors' expenses are governed by the Ministry of Public Finance and Public Administration Ministerial Order of 8 January 2013. Those expenses provided for therein apply to SAES and SAINSEL (Group 2 and Group 3 respectively).

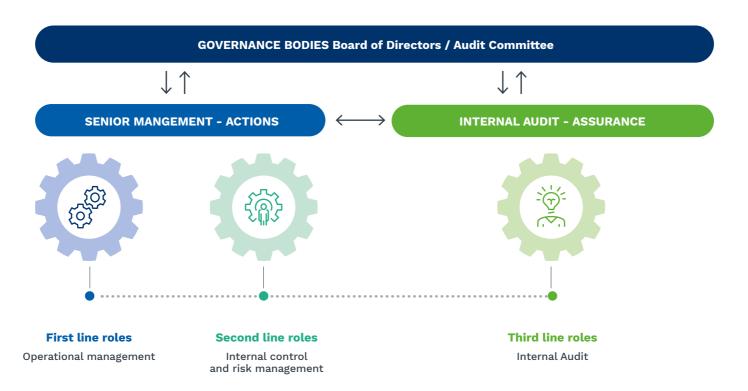


# Navantia future: risks and opportunities

(BRI) 102-15, 102-30, 102-16

Navantia bases its internal control and risk management system on an assurance model along three combined lines, taking international best practices as a reference. This principle-focused model has been adapted to organisation circumstances and goals, representing coordination, cooperation, alignment and feedback between the different parts of Navantia to contribute collectively to creating and protecting value, thereby achieving better risk coverage and control functions.

### Navantia principle-based model:



> Governance body

> Navantia future: risks and

commitment

opportunitiesNavantia policies



- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

## PRINCIPLE 4

### 3rd line roles:

Internal Audit Management (IAM) at Navantia proactively supervises the proper functioning of the organisation and the maximisation of resources, internal control, risk management and Navantia governance systems.

Checks that the mechanisms established by the 1st and 2nd line functions work properly and cover the intended objectives.

The Internal Audit regulation is approved by the Navantia Company Board of Directors and establishes its principles, goals, functions, powers, responsibilities, duties and powers.

#### Governance:

**PRINCIPLE 1** 

As a state-owned company, Navantia governance is organised into appropriate structures and processes that enable the:

- Rendering of accounts by the Board of Directors.
- Board to take actions to pursue strategic plan goals by risk and resource allocation based decision-making.
- Assurance and advice given by the internal audit team as a generator of trust by promoting and facilitating continuous improvement.

### **PRINCIPLE 2**

### **Governance body functions:**

The Navantia Board of Directors:

- Ensures alignment between organisation goals and activities with stakeholders' interest
- Delegates responsibility and provides management bodies with resources.
- Establishes and oversees the independent, objective and competent internal audit function to provide clarity and trust.

### **PRINCIPLE 3**

### First and second line functions:

**1st line:** The Navantia management team and professionals directly manage entity risks.

2nd line: The main assurance functions at Navantia are: the Compliance Unit, which is in charge of overseeing the effective functioning of the compliance system, quality managers, legal advice, management control, corporate risk control, HR control, etc.

### Independence of the 3rd line:

**PRINCIPLE 5** 

To ensure its independence, Internal Audit Management answers hierarchically and functionally to the Navantia Board of Directors through the Audit Committee. Moreover, it reports to the Board of Directors and the sole shareholder, SEPI, through the Audit Committee.

Guarantees are in place to ensure that it is endowed with sufficient resources and unrestricted access to the people, resources and data required to do its work, and the absence of prejudices and interferences when providing its services.

### PRINCIPLE 6

### Value creation and protection:

Navantia's success lies in all roles being mutually aligned and collectively contributing to value creation and protection and always taking into account the priority interests of stakeholders.

This is achieved through communication, cooperation and collaboration, which guarantees the reliability, coherence and transparency of the information required for risk-related decision-making.



- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

# Risk management at Navantia

The risk management system at Navantia is geared towards preventing and minimising the negative effects of uncertainty and making the most of opportunities as they arise, as these are also uncertainty management related.

The company has a Risk Management System in place that makes it possible to identify, assess, manage and monitor the main risks in accordance with the Risk Policy. The basic principles involved are:

- Management leadership, which provides the resources required and ensures that the organisation works to these principles.
- Ensure that the main risks are duly identified, analysed, managed, controlled and/or mitigated and reported.
- Apply risk management and opportunity identification using proportionality criteria between the level of exposure to the risk opportunity and the cost of mitigating or pursuing it.
- Ensure that those governance bodies with the greatest responsibility at Navantia are duly informed of the identified risks and opportunities to enable decisions to be made briskly in time and form.
- Senior management shows its commitment to the Risk Policy, which enables it to work towards and meet the set goals, ensuring its continuous adaptation to the Company Vision, Mission and Values, taking into account stakeholders' needs and expectations, with a view to assuring its continuous improvement.

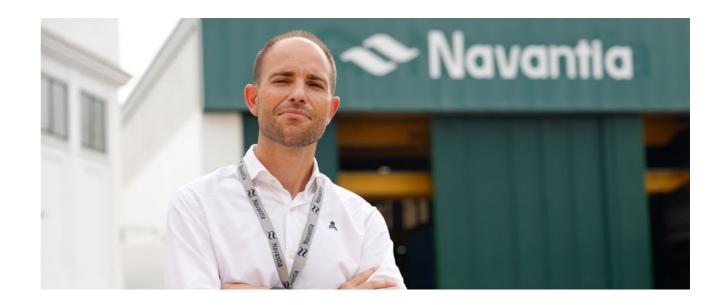
# **Opportunities for Navantia**

The risk management system in place at Navantia makes it possible to identify opportunities linked to risks that contribute to creating value in the company. Broadly speaking, the following opportunities have been identified that focus on:

- Investment in strategic markets that make it possible to increase contract award levels and the future return on programmes.
- Participating in European projects that make it possible to be ideally placed to increase contract award levels and best position the company in the European defence market.
- Obtaining synergies by collaborating with industries and organisations that share Navantia corporate pursuits to increase knowledge and apply best sector practices.

- Digitalising processes that increase productivity, develop more expeditious processes, automate processes, improve efficiency and boost investment returns
- Making the most of the lessons learned that help to enhance efficiency levels, minimise the appearance of new risk events, reduce costs and completion times and increase programme quality, where appropriate.

The impetus provided by opportunities will basically serve to improve efficiency, sustainability and profitability to place the company in a better position to tackle demanding market conditions.





- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

# Navantia: an integrated approach to risks and opportunities

Risks and opportunities (R&Os) are identified connectedly at Navantia, taking into account the risk management carried out by management bodies, business units and programmes by applying the internal regulation in place for this purpose.

R&O identification procedures follow a top-down methodology conducted by Corporate Management Committee members and the bottom-up methodology used by operational management bodies, business units and programmes. This identification process is regulated by corporate regulation N-003 Risks and by the quality procedure P-C-CAL-008 Risk programme operational management.

The aforementioned R&Os are identified by the risk and opportunity owner and are scaled up to corporate level depending on their risk value, the economic impact involved and the nature of the risk (reputational risk, health and safety risks, environmental risks and, where appropriate, compliance and crime risks).

Identified R&Os are represented on a map in accordance with the likelihood of them occurring and their potential impact on the company. These risks are managed in an ongoing fashion.

The Corporate Management Committee and the parent entity, SEPI, are regularly informed of the management of the most critical R&Os at Navantia, which are classified into good governance, ethical and compliance, corporate, financial, operational/business unit risks.

All types of R&Os are managed in an integrated fashion using an R&O management tool that is fed and managed by management bodies, business units and programmes.

# How are risks controlled at Navantia subsidiaries?



**SAES** has the 61-002539-AO standard in place to identify and process corporate risks. Risk identification procedures are developed in the standard, but the risks themselves have not been identified.



**SAINSEL** has a Risk Management Procedure that describes risk identification, assessment, classification and monitoring. Identified risks are represented graphically in a risk map and are monitored, depending on their impact and likelihood of occurrence, by the different committees: Management, Quality, Projects and/or Crime Risk Prevention, which review, analyse and take actions to close or mitigate the risks in question.



### **NAVANTIA GROUP**

Sustainability Report

Navantia

Programmes' Risks

and Opportunities:

deadline, economic

by cost, delivery

factors

### Diagram of risk scaling at Navantia:

**Compliance Risks** 

> Governance body commitment

- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency





Reputational, Cybersecurity

and Cross-cutting)

**Risks and Opportunities managed at Navantia** (Management Bodies, Business Units and Programmes)

Opportunities

Opportunities (Health and

Safety, Environmental)

CORPORATE STANDARD

Risks and Opportunities managed in Programmes

PROGRAMMES' QUALITY PROCEDURE

opportunitiesNavantia policies

transparency

> Navantia future: risks and

> Compliance, ethics and



# Diagram of risk scaling at Navantia:

Navantia updated the company's risk management model in 2021 in accordance with best business practices and new trends, considering among other aspects: the risk governance model, environmental, social and governance (ESG) risks' management, risk appetite and risk tolerance determination, as well as the risk assurance map.

The main Navantia risks, classified according to the estimated impact period are indicated below:

	GENERAL RISKS	FINANCIAL RISKS	OPERATIONAL RISKS/ BUSINESS UNITS
	Cybersecurity	■ Credit risk	<ul> <li>Dependence on and assurance of supplies from key suppliers</li> </ul>
	<ul><li>Country risk</li></ul>		Programme contracts
SHORT TERM			Risk of another COVID-19 outbreak
			<ul><li>Delay in making investments</li></ul>
			<ul> <li>Deviation of programme margins</li> </ul>
MEDIUM TERM	<ul> <li>Not being able to participate in European projects</li> </ul>		
	<ul> <li>Liability for hidden defects and accidents</li> </ul>		



### A. GENERAL RISKS

These are cross-cutting risks, affecting as they do several corporate management bodies, and may impact on company strategy and reputation, and on cybersecurity. Moreover, they refer to those not found in the other risk classifications.

### SHORT TERM

**Cybersecurity:** lack of a suitable level of protection against undue access to information, inadequate control mechanisms, slow and unreliable response to cyber attacks and ineffective vulnerability management. An insufficient level of cybersecurity jeopardises company reputation, impairs the profit and loss account and capital structure and may cause a partial or complete suspension of activities. The actions carried out focus on reinforcing the level of protection, adequate access to information, rise in cybernetic vigilance and better response to and management of vulnerabilities.

**Country Risk:** this is related to operating or maintaining a business relationship with a particular country where there may be political instability, social unrest, poor macroeconomic conditions, currency shortages, poor country reputation, possibility of default, as well as a significant deterioration in sovereign credit ratings.

#### **NAVANTIA GROUP**

Sustainability Report



### 0—0 888

### MEDIUM TERM

> Governance body commitment

> Navantia future: risks and opportunities

- > Navantia policies
- > Compliance, ethics and transparency

Not being able to participate in European projects:

this refers to the difficulty in identifying and accessing European funded projects, as well as the *a posteriori* justification of funding use to the corresponding administration bodies. As a mitigating measure, among other actions, consortia have been created with other European sector companies to participate in European projects.

**Liability for Hidden Defects and Accidents:** risk linked to the possible charges or liability for possible Navantia ship, systems or product hidden defects or accidents. Among the mitigation measures is having all the technical information available in due time and form to accredit the proper and safe production/construction of company products.

### **B. FINANCIAL RISKS**

These risks are understood as those arising from adverse financial consequences, such as those that affect company liquidity and its capital structure, customer debts and market risks, which encompass exchange and interest rate risks.

# 0-0

### SHORT TERM

**Credit risk:** risks arising from customer debts owing to possible loss on account of a customer breach of contract conditions and the risk of the undue calling-in of guarantees or bonds that have been given to customers under signed contracts.

These refer to risks that are inherent to the production process and are associated with failures to meet deadlines, the cost and quality of its programmes/projects/processes, the technological complexity of its products and services and information technologies. Moreover, they also encompass environmental and

### BBB SHO

### SHORT TERM

Dependence on and assurance of supplies from key suppliers: on the one hand, the risk associated with over-dependence on suppliers or a lack of diversification in the supplier portfolio; and on the other hand, this risk refers to the management of the supply chain regarding the assurance of the supply of goods, raw materials and energy on time and suitably priced, as well compliance with ESG standards in the supply chain.

occupational health and safety risks arising from business activities.

C. OPERATIONAL/BUSINESS UNIT RISKS

**Programme contracts:** risk related to insufficient contracts on account of, among other things, unsuccessful sales actions, product and services catalogue failing to meet market demand, price imbalance and target customer budgetary difficulties.

**COVID-19 outbreak risk:** early stages of the pandemic brought production to a halt, negatively impacting on Navantia's income statement. To mitigate this risk, among other actions, work has been done on strengthening personal health and safety by increasing the number of COVID tests done to avoid potential outbreaks and to adequately attend to business by reducing quarantine times. Moreover, a Living with COVID-19 Plan was defined, in addition to the continuous updating of the different sections in the Occupational Health and Safety protocol.

Delays in making investments: risk related to a possible delay in making an investment required owing to insufficient economic, material or human resources, technical difficulties in making the investment properly, failing to meet administrative deadlines which, in short, negatively impact on following through on the Strategic Plan.

### **Deviation from margins in programmes:**

inadequate risk planning, management and/ or performance related to unique projects or ones that are highly complex, delays, cost overruns, suspension of operations, contract breaches, etc., that may lead to deviations from budgeted programme margins. Margin deviations can jeopardise the successful completion of programmes, causing a drop of returns in the income statement and a weakening of company capital structure.

- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

# Navantia measures to tackle business risks

Business risks related to Navantia customers and potential customers are mitigated via due diligence procedures and internally regulated procedural instructions. Moreover, especially for situations involving major customer turnover – such as repairs – there is a credit worthiness verification procedure in place conducted by Financial Management on a case-by-case basis. There is a regulated approval process for suppliers by way of a questionnaire that must be completed, which also contains a due diligence procedure.

SAES, for its part, mitigates risks in its relations with customers and potential customers via due diligence procedures and internally regulated procedural instructions. As far as suppliers are concerned, it has a regulated approval process in place by way of completing a questionnaire. Moreover, this includes a due diligence procedure for major turnover suppliers.

With respect to its business relations with its suppliers, SAINSEL sends them Due Diligence questionnaires, which once completed and returned are then passed on to the Crime Risk Prevention Committee for analysis. Furthermore, Confidentiality Agreements are signed to avoid the risk of any disclosing of information between them.

# Risk management and assessment procedures

The risk management procedure is regulated under the Corporate Risks and Opportunities Policy in accordance with the standard, ISO 31000:2009 Risk management - Principles and guidelines.

Moving down a level in the regulatory hierarchy, the corporate standard N-003 develops the Navantia risk management procedure in greater details, dealing with the identification of risks by both Management Committee members and operational and business unit/programme management bodies.

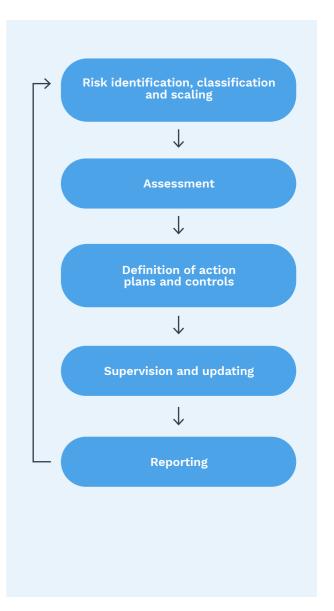
Once identified, the risks are assessed in accordance with the likelihood of their occurring and the impact they would have on the company.

Mitigating action plans are defined for the risks identified, which are geared towards avoiding, reducing, sharing or tolerating the risk, and indicators are established to make it possible to determine their evolution to adopt or, where appropriate, review them.

Risks are monitored to verify their evolution and, where appropriate, determine new ones or modify already existing ones.

Certain scaling criteria are applied to risks to include them, where appropriate, as part of the corporate risk category. Quality procedure P-C-CAL-008 comprehensively regulates how the programme risks must be managed from the precontractual stage up to programme completion.

The most important management body and programme risks are regularly reported to company governance bodies to adopt the advisable corrective measures and assign the necessary resources with a view to mitigating the risks and more effectively following through on company strategy and meeting company goals.



- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

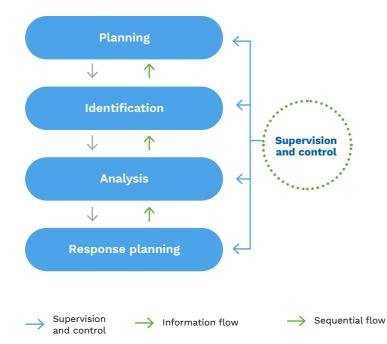
The SAES Risk Management procedure seeks to establish the guidelines to be followed in the organisation to manage risks, thus a Risk Management Plan is prepared aimed at minimising the likelihood of them occurring.



Guidelines are established to implement the risk management process, which include:

- A. Planning risk management.
- B. Identifying the risks.
- C. Analysing risks.
- D. Planning the response to risks.
- E. Supervising and controlling risks.

The following diagram graphically illustrates the SAES risk management process.



SAINSEL has a Risk Management Procedure that describes risk identification, assessment, classification and monitoring. Identified risks are represented graphically in a risk map and are monitored, depending on their impact and likelihood of occurrence, by the different committees: Management, Quality, Projects and/or Crime Risk Prevention, which review, analyse and take actions to close or mitigate the risks in question.



The risks identified in SAINSEL are basically grouped into:

Corporate Crime risks

Business area risks



opportunities> Navantia policies

> Navantia future: risks and

> Compliance, ethics and transparency



# **Navantia Policies**

(BRI) 102-15, 102-30, 102-16]

On the basis of this Corporate Governance model, Navantia commits to following cutting-edge good governance practices with a view to maintaining and improving stakeholder trust, attracting talent and boosting brand image.

Navantia has a set of corporate policies in place that constitute a statement of commitment that defines the general framework for actions in each of its respective areas of application, which in turn impact on the perceived image of the company.



# Anti-corruption and Compliance

This policy cuts across all business activity and reflects the Navantia Board of Director's and Senior Management's commitment to inculcating its ethical values and legal compliance in all those countries where it operates. Moreover, the Compliance Management System makes it possible to ensure firm control over company information and processes.



### **Purchases**

Through this policy
Navantia commits, among other objectives, to applying the principles of publicity, competition, transparency, confidentiality, equality and non-discrimination to its procurement procedures, thereby assuring that contracts are awarded to the best price-quality ratio tenders.



## Quality, Prevention and Environment

Navantia intends, with respect to these three policy areas, to assure that the quality of its processes, products and services enable it to meet customer requirements, thus driving towards its goal of achieving 'zero defects'. Moreover, Navantia is committed to providing healthy and safety working conditions, as well as to protecting the environment and fighting against climate change to further consolidate it as a sustainable, strategic and international shipbuilding company.



### **People Management**

The company seeks to define and implement a model that allows it to attract, drive and retain talent, while also fostering the personal and professional growth of all company employees. Through this policy, Navantia advocates the development of a new people-centred company culture.



### Privacy

Through this policy the company attests to its unequivocal commitment to the right to privacy of everybody, staff, suppliers and customers to whose personal data it has direct or indirect access.





- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency



### Investment and innovation

This policy is based on principles such as driving digital transformation, promoting R&D&I activities, espousing new technologies and disruptive business models, progressing towards an increasingly more innovative culture that extends throughout the entire value chain.



# Corporate Social Responsibility

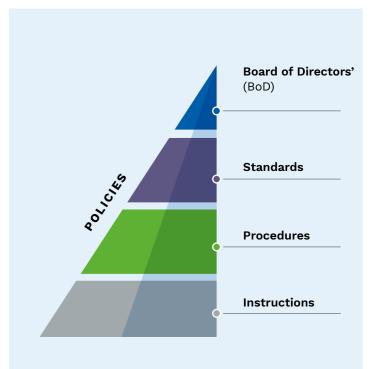
This policy seeks to align the corporate strategy with the 2030 Agenda and its 17 Sustainable Development Goals by integrating them into the organisation and committing to strategies based on responsible business management.



### **Risks**

This policy is underpinned by Board leadership, which must ensure that the organisation work to ensure that the main risks threatening the Navantia strategy are identified, analysed, managed, controlled and/or mitigated and reported, through risk management, while also identifying opportunities.

These policies constitute the cornerstone of the Navantia document structure, which also comprises standards, procedures and instructions. Company documentation taken as a whole, and its continuous adapting to company needs and development, helps the company to follow a clear and successful course to enable it to meet its goals.



Committees and processes are specifically detailed in a document structure, comprising policies, rules, procedures and instructions



### Security

Protection of the physical safety and security of Navantia personnel, company land and port facilities are covered by this policy, with a view to contributing to the normal undertaking of company activities. It also deals with digital security to ensure the normal operation of systems and networks and information security, to protect information classified as official or sensitive for Navantia.



# Economic and financial planning

Navantia, through this policy, establishes medium- and long-term economic goals and operating budgets, the monitoring and meeting of which are of the utmost importance for the company, while always acting in accordance with certain basic principles.



### Bidding

Navantia participates in a wide range of procurement competitions and tender processes in its different lines of businesses, offering global and competitive solutions that can be adapted to customer needs and which are developed to meet changing market requirements.



## Compliance, ethics and transparency

(BRI) 103-2; 102-16; 205-1; 205-2; 205-3; 419-1

> Governance body commitment

Navantia future: risks and opportunities

- > Navantia policies
- > Compliance, ethics and transparency

and controls implemented to prevent and mitigate crime-related risks. The Navantia Compliance Manual contains the Compliance System implemented in the company from a Spanish Criminal Code perspective. This manual applies to all employees, executives and persons that answer to Navantia and its subsidiaries, as well as to its legal representatives and de jure or de facto directors.

prevent crime and has unified procedures

Navantia has developed a model to

providing for relevant information that affects it.

Besides the Compliance Manual, Navantia has a Code of Conduct that specifies the standard of conduct that Navantia wants to be observed in all of its business activities, reflecting in writing the company commitment to its principles and values.

The Code of Conduct is addressed to those people and entities that provide services to Navantia as directors, executives or workers. Moreover, customers, suppliers, advisers and all other people or entities professionally related to or that do business with Navantia must familiarise themselves with its Code of Conduct.

#### **Compliance committee:**

This is the independent control body, the task of which is to promote and coordinate the implementation, supervision, monitoring and control of the Navantia Code of Conduct and its Crime and Anti-Corruption Compliance Systems. Its comprises the Chief Compliance Officer and the directors of Human Resources, Legal Advice and Finance. The Chief Compliance Officer chairs the Committee, coordinates its functioning, and defines the annual work plans to supervise, monitor and control the Navantia Code of Conduct and its Crime and Anti-Corruption Compliance Systems.

#### Whistleblowing channel

After duly and confidentially identifying themselves, a person can report allegedly unlawful conduct, breaches of the code of conduct or any unwarranted or irregular conduct against Navantia interests. Inquiries conducted will respect the principle of the presumption of interest and other procedural guarantees, while also ensuring the confidentiality and anonymity of whistleblowers, as well as keeping them free from reprisals. The Chief Compliance Officer and the Head of Integrity and Crime Compliance are in charge of analysing and assessing the reports received.

#### Email:

Law 19/2013 of 9 December on transparency, access to public information and good governance applies to Navantia on account of

canaldenuncia@navantia.es

#### **Transparency:**

Navantia espouses active publicity, publishing as it does organisational, economic, budgetary planning and statistical information. In this way, it meets the right of the general public to access public information, which can also be requested by:

Post from Navantia, S.A. S.M.E. Calle Velázquez 132, 28006 Madrid.

#### Email:

<u>buzontransparencia@navantia.es</u> or over the transparency web portal.

- Governance body commitment
- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

Sustainability Report



## Corruption and money laundering

The Navantia Code of Business Conduct expressly prohibits any corrupt practice. Accordingly, no Navantia employee or representative can promise, offer, pay, make or receive gifts and payments to/from third parties, either in cash or in kind, with a view to:

- Influencing any act or decision.
- Speeding up payments, regardless of whether or not local law permits such actions.
- Inducing a third party to take, or omit to take, any action that constitutes a breach of their duties.
- Assuring any undue advantage.
- Inducing any third party to use their influence and sway the decision of another agent so that Navantia, its employees, representatives and related persons obtain or maintain any type of business relationship.

As far as the remuneration of suppliers, agents, intermediaries or any other third party is concerned:

- Payments must reasonably and rationally reflect the value of the services provided.
- Those receiving payment must have an accredited track record in the business in question.
- Suppliers, agents or intermediaries must not have been referred on, or recommended by, public officials.
- The services provided must be lawful and the nature and prices of the same must be indicated in a contract or purchase order, have been accepted beforehand by the Procurement Committee or, where appropriate, the Management Committee as per internal regulations.
- It is forbidden to make any type of corrupt payment through intermediaries and to knowingly make a payment to any third party which, either wholly or, in part, will be directly or indirectly channelled to a public official

It is not permitted to establish business relations with persons under any of the following circumstances:

- Legal and/or natural persons with a public police or criminal record, or with persons prohibited from trading, or with respect to whom information is available that contains compelling evidence of them being involved in criminal activities, especially those related or linked to corruption.
- Legal and/or natural persons with respect to whom evidence has been detected, or there is well-founded suspicion, that they have been convicted of, or been in found in breach of regulations regarding, corruption, money laundering or the financing of terrorism.

#### ISO 37001:2016 certification

The Navantia Anti-corruption System is certified under ISO 37001:2016, which can be smoothly integrated into other management systems, thereby assuring prevention against bribery by applying the best international practices.



## > Governance body commitment

- Navantia future: risks and opportunities
- > Navantia policies
- > Compliance, ethics and transparency

## Crime risk map

The Navantia risk management process is defined in its Risk Policy and in the Risk Management Standard, as are the crime risks. Notwithstanding, crime risk at SAES and SAINSEL is managed through the Compliance and Criminal Risk Prevention Manual and the Criminal Risk Prevention model respectively. As the services provided by Navantia Australia are controlled directly or indirectly by the Commonwealth, it is deemed unnecessary to implement a formal crime risk assessment process.

To prioritise the crime risks to which Navantia is exposed and to be able to determine their importance according to the higher exposure level associated with them, risks have been categorised taking into account criteria used to assess the impact and probability of their occurrence, as well as the opinion of Navantia directors, in such a way as to bring together the greatest knowledge possible and better adjust them to the company reality.

Crime risk assessment takes the following topics into account:

- **Impact:** The damage that the occurrence of a particular risk would have on Navantia goals. This is scored on a scale of 0 to 5.
- **Likelihood of occurrence:** Probability that the risk occurs before factoring in the controls implemented to mitigate the inherent risk. The number of functions that are exposed to the risk occurring and the company record are taken into account when calculating probability. This is scored on a scale of 0 to 5.

To properly control crime risks, risk managers are in constant communication with the prevention body, reporting incidents, seeking clarification about doubts regarding the risks inherent to a particular activity, as well as with respect to other issues that may affect them. On the basis of such ordinary communications, the prevention body gets to know the evolution of the control system and its different procedures and may identify, where appropriate, areas for improvement.

As a result of the re-assessment of crime risks, and also owing to the updating of regulations during the year to adapt to the new organisation structure defined in the company, a comprehensive review was conducted on the controls defined in company procedures, their adaptation to the new organisation, while also identifying new managers to implement and supervise them.

This action, essential to controlling and monitoring the compliance risks identified, was successfully conducted in the course of the year, resulting in the incorporation of the updated controls into the IT tool (SAP-Governance Risk) that facilitates their appropriate control and monitoring.





## Respect for human rights

The Navantia Code of Business Conduct, readily available on our website, dedicates Chapter III therein to Respect for people, which is a core principle for all Navantia actions. Respectful treatment of people and strict observance of human rights figure prominently in both the Code of Conduct and in company values.

Navantia is committed to the abolition of child labour and the elimination of forced or compulsory labour, an aspiration it likewise makes clear in Chapter III of its Code of Conduct. Furthermore, labour rights, freedom of association and the right to collective bargaining are copper-fastened and regulated in the I Inter-centre Agreement, thereby fully complying with International Labour Organization (ILO) Convention framework. The company ensures that all of its employees are equally treated and not discriminated against on account of their race, colour, religion, gender or sexual orientation, nationality, age, pregnancy, degree of disability and other legally protected circumstances.

Further to the foregoing, no report or breach of human or labour rights was reported in 2021.



> Governance body

commitment

> Compliance, ethics and transparency

> Navantia future: risks and



# OUR ROLE IN THE SUSTAINABLE TRANSITION



- > Environmental protection and management
- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment

**Environmental Protection and Management** 

Circular Navantia and Ecodesign

Biodiversity and the Marine Environment











> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



# **Environmental Protection** and Management

(BR) 102-11, 102-15, 103-2, 302-1, 302-4, 302-3, 303-1, 303-5, 305-7

Navantia contributes to the fight against climate change by advocating a sustainable shipbuilding industry, managing its factories in such a way as to minimise environmental impact by designing and building products to the most demanding international standards to protect the environment in general, and the marine environment in particular.

The company, mindful as it is of growing social concern about protecting our planet, identifies and assesses existing environmental aspects and the associated risks to control and avoid or reduce the impacts its activities may cause.

To articulate to this approach, the company has a Quality, Occupational Health and Safety and Environment Policy in place that establishes its commitment to protecting the environment as a core strategic requirement. This policy contains explicit commitments such as compliance with legal requirements, continuous improvement and the fight against climate change.

Likewise, the Navantia Corporate Social Responsibility Policy expressly refers to company environmental commitments such as those to:

- Reduce the carbon footprint of its processes and drive initiatives to offset it.
- Pursue a circular economy approach and encourage initiatives that foster greater environmental responsibility.
- Include respect for the environment in the criteria it uses to design its products and services.
- Support actions that foster the conservation and sustainable use of the oceans and seas.



- > Environmental protection and
- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment

management

Sustainability Report



Instruction and training in, and awareness raising to, environmental issues is essential for both its staff and those of the auxiliary companies that work at its facilities to effectively control the impact of Navantia activities on the environment, as are the resources allocated to these matters:



#### Data on environmental training for company staff (2021)

Geographical centre	No. of training activities undertaken	No. of attendees at training actions	Hours of environmental training
Ría de Ferrol	28	243	2,491
Dársena de Cartagena	11	49	534
Bahía de Cádiz	16	160	1,235
Madrid	10	43	196
Navantia	65	495	4,456



### Number of employees who receive the onboarding seminar on environmental matters (2021)

Geographical centre	No. of auxiliary company employees who receive the onboarding seminar
Ría de Ferrol	1,816
Dársena de Cartagena*	1,885
Bahía de Cádiz	3,649
Madrid	79
Navantia	7,429

<sup>\*</sup> Total number of employees who receive the onboarding seminar (At Cartagena Auxiliary Industry and Temp companies are registered jointly)



## Total effort in the Environment Area and number of people dedicated to environmental management (€ in thousands)

Environment effort (€ in thousands)	2021	2020
Total Environment effort	6,116	6,303
Allocated provisions	18	18
Expenditure (provisions net)	4,439	4,351
Investments made	1,659	1,934

No. of people		2021	2020
Dedicated to Environmental management		24	22
	Ría de Ferrol	10	9
Per work centre	Dársena de Cartagena	6	5
	Bahía de Cádiz	8	8

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



To attest to its commitment to the regions where Navantia operates, the company is designing a decarbonisation plan to develop initiatives geared towards reducing and offsetting its carbon footprint. Based on its sustainability strategy, the company has set the goal of reaching carbon neutrality by 2040.

With a view to contributing to these goals, Navantia has already taken the first steps to create an energy model based on energy saving, energy efficiency and on the distributed generation of renewably sourced energy at its facilities. Moreover, it has defined other goals related to waste management and the reduction of its impact on biodiversity and the marine environment as a result of its activity.

Furthermore, Navantia has successfully passed Bureau Veritas Certification audits on the "Zero Waste to Landfill Commitment" at all of its production centres, thus accrediting the organisation's commitment to allocating a high a percentage as possible of waste recovery and recycling instead of sending it off for dumping at landfills.



Sustainable Development and Climate Change Awards

Navantia received the Corporate Social Responsibility Award for the Environment given by the Department of the Environment of the Autonomous Community of Murcia at the X Sustainable Development and Climate Change Awards. The award given to Navantia was in recognition for projects, activities and commitments voluntarily undertaken by companies and organisations in relation to the environment and climate change in terms of Corporate Social Responsibility.



Navantia carries the Government of Andalusia Environmental Quality Mark in recognition of the excellence of its environmental management model.



## Promoting clean energy

Navantia participates in the generation of clean energy by building platforms for the offshore wind power industry, which harnesses the constant sea wind conditions to obtain this energy. In keeping with this activity, the company has participated in recent years in the building of fixed and floating structures and installations required by offshore wind farms. By way of these initiatives, Navantia boosts its commitment to the energy transition, green recovery and employment associated with future renewable energy projects.



> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment

#### Environmental assessment and certification

The company has a Corporate Environmental Management Manual, which is the basic document that describes the environmental management measures taken by Navantia.

The company has opted for a unified environmental management model for all Navantia businesses and facilities to implement its Environmental Management System. This model has the following advantages:

- Alignment of the different organisation policies and goals.
- Harmonisation of different management criteria.
- Simplification of the Environmental Management System document structure.
- Less global effort to train personnel.
- Greater effectiveness and efficiency in implementing and maintaining the Environmental Management System.
- Integration of management control and information.
- Leverage of the synergies at the different facilities.

The end goal of the Environmental Management System is to continuously improve environmental performance, providing guarantees that legal and regulatory requirements are met and kept permanently up-to-date. The scope of application of the system is all those geographical locations where the company conducts its operations.





## Preventive and investment approach to environmental improvements

The methodology used to prevent environmental risks at Navantia is the one described in the UNE 150008 standard, in addition to other prevention and mitigation measures adopted on a case-by-case basis. By applying this standard the company intends to create the conditions for those agents involved in the analysis, assessment and processing of the environmental risk to work to a uniform method and use a standard vocabulary.

Moreover, Navantia has tools to identify and assess environmental risks arising from its corporate activities and to establish the basis for the effective management of the said risks.

A key part of environmental risk prevention is the regular carrying out of environmental emergency simulation exercises.



## Emergency simulations by geographical centre (2021)

Geographical centre	Simulations carried out
Ría de Ferrol	5
Dársena de Cartagena	3
Bahía de Cádiz	3
Navantia	11

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment

## The precautionary approach at Navantia

Navantia took out a €10 million insurance policy for 2021 as a financial guarantee to cover any possible environmental liability the company might incur as a result of the industrial activities undertaken at its facilities.

Moreover, an Environmental Risk Analysis (ERA) was carried out to quantify the financial guarantee at its San Fernando, Cádiz, Puerto Real, Ferrol and Fene work centres. A provision of €18,000 has been made for liabilities with regard to a risk of polluted ground declaration at Navantia – Cádiz.

## Pollution reduction and prevention

Navantia promotes the design and building of less contaminating vessels, which greatly exceed the requirements demanded to comply with the applicable international standards, to conserve and sustainably use oceans, seas and marine resources for sustainable development.

This commitment is not only related to the design, but also extends to the construction phase by means of the appropriate selection of materials to facilitate their secure and environmentally sustainable recycling.

## Prevention and control measures against atmospheric emissions

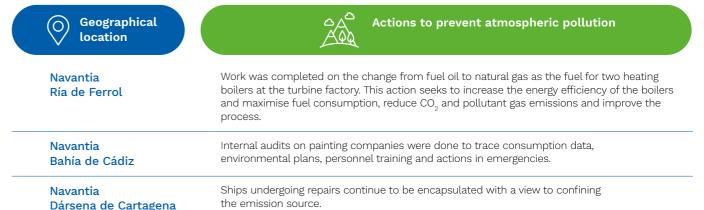
There are procedures in place at Navantia that define the process to be followed to control pollutant chemical emissions into the atmosphere, which also contain both identification of emission sources as well as the measurements to be done so that, should it prove necessary, the appropriate preventive and/or corrective measures can be established.



#### Measurement of emission sources into the atmosphere (2021)

Geographical centre	Measurements done	Measurements within the legal limit
Ría de Ferrol	19	19
Dársena de Cartagena	27	27
Bahía de Cádiz	5	5
Navantia	51	51

The company took the following actions to enhance the different practices and resources used in relation to atmospheric pollution prevention activities:



Moreover, these procedures implement the process to be followed to monitor and control noise emission sources caused by the activities done at the facilities, which are or may be emitted, to the surrounding area.

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



### Noise and light contamination prevention measures

The main sources of noise at Navantia are generated by the following activities:

> Shot blasting and pickling and descaling work

Machinery and crane movement

Part packaging Extractions from ships and workshops and forced air conditioning of confined spaces Ambient noise is a significant issue only at those facilities that are located very near populated areas. In such cases, organisational measures implemented to restrict noisy work at nighttime is normal practice when planning the work. These measures are stipulated in the Prevention and Environment Plans for each works project.

The following noise measurements were taken in 2021:



#### Noise measurements (2021)

Geographical centre	Noise measurements	Measurements within the legal limit
Ría de Ferrol	6	6
Dársena de Cartagena	1	1
Bahía de Cádiz	6	6
Navantia	13	13

Section 3 on Light Pollution of Law 7/2007 of 9 July on the Integrated Management of Environmental Quality excludes port activities' lighting from its scope of application.

Regardless of the foregoing, the following measures should be pointed out that are geared towards minimising light pollution.

- Changeover to lamps that do not emit light to the upper hemisphere in their installation position.
- Control of switching on/off of outdoor night lights.
- Training and instruction for company and collaborator company personnel on the need to optimise the use of natural lighting systems to avoid the unnecessary use of artificial lighting.



Circular Navantia and ecodesignBiodiversity and the marine

management

environment

### Water consumption

The following table shows water consumption by type. It covers both freshwater consumption as well as water from other sources, which encompasses regenerated water from Wastewater Treatment Plants at Cádiz and Puerto Real work centres.

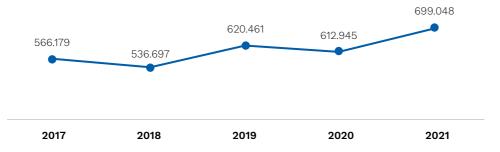


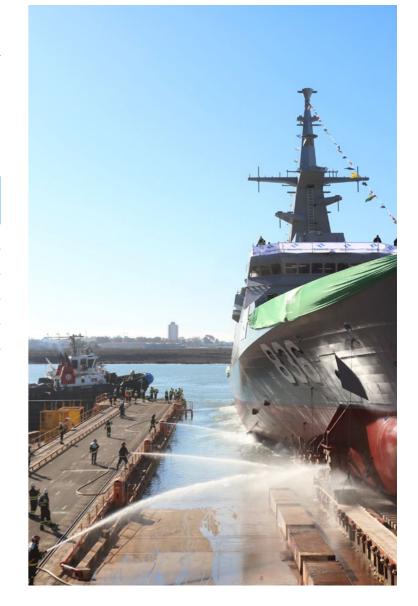
#### Water consumption by geographical centre (2021)

Geographical centre	Freshwater consumption (m³)	Water from other sources (m³)	Total water consumption (m³)	Tot. water cons. per work hrs. (l/h)
Ría de Ferrol	209,839	0	209,839	38.4
Dársena de Cartagena	46,708	0	46,708	10.7
Bahía de Cádiz	414,811	26,411	441,222	53.9
Madrid	1,278.87	0	1,278.87	3.0
Navantia	672,637	26,411	699,048	37.9



#### Annual evolution of water consumption (m³)









- > Environmental protection and management
- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment



#### Navantia Ría de Ferrol

Fitting of sensor controlled, automatic closing taps at toilet and bathroom works at medical services facilities in Fene and Ferrol.

Improvement works to water supply and drainage networks to enhance water use.

Study of water use at Ferrol Tube Workshop facilities to optimise its consumption.

Presentation of rainwater use project at the block factory.

#### Navantia – <u>Dárse</u>na de Cartagena

Use of water saving devices - automatic closing taps - at changing rooms.

Re-use of water used for water tests on S80 tanks.

Study of water use and consumption at Navantia Cartagena facilities conducted by CETENMA.

Fitting of more water meters.

Monitoring of repairs.

Pipe replacements.

#### Navantia Bahía de Cádiz

Extension work was done on the Marpol plant in 2021, which will result in an increase in wastewater treatment, thus making it possible to use more regenerated water in flushing processes.

The use of water to irrigate green spaces at the centre has been included in the application of Navantia Cádiz to renew its drainage authorisation.

A demineralising plant project has been undertaken to treat water generated by plasma machines at the Puerto Real work centres to later channel it to the Wastewater Treatment Plant for subsequent use as irrigation water for work centre green spaces.

## Drainage prevention and control measures

The company manages the wastewater drainage caused by work centre activity at each geographical location.





Drainage prevention and control actions

#### Navantia Ría de Ferrol

Connection and wastewater drainage authorisation is held for Ferrol facilities. A study has been started to improve the integrated wastewater drainage network at Fene facilities to eliminate current wastewater drainage into the Ría de Ferrol estuary.

#### Navantia Bahía de Cádiz

Wastewater generated at Navantia Cádiz and Puerto Real is channelled to the Wastewater Treatment Plant at the shipyard. For its part, Navantia – San Fernando has a network in accordance with centre drainage authorisations: authorisation for drainage into public domain landsea and authorisation to drain into the municipal sewage system.

#### Navantia Dársena de Cartagena

Since May 2020, Navantia – Dársena de Cartagena has obtained Integrated Environmental Authorisation pursuant to which it is still authorised to drain cooling water into the sea. Supervision and control plans were drafted by a Public Administration Collaborating Entity.

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



## **Climate Change**

The EU aims to become a  ${\rm CO}_2$  neutral economy by 2050, which envisages the investment of £100 billion from 2021 to 2027 to meet this goal. Spain's National Energy and Climate Plan (PNIEC) contains ambitious, total gross, greenhouse gas emission reduction goals to the order of 90% by 2050, to which end it has set 2030 as a milestone for 20% emission reduction, while also aiming to generate 74% of its power from renewable energies.

Accordingly, it is putting the finishing touches to a risk and opportunities map, which specifically contains those arising from climate change.

To align itself with this context, Navantia, through its creation of a new Sustainability Strategy has marked out the goals to be met, consisting of reaching 55% decarbonisation by 2030 and 100% by 2040 (scopes 1 and 2), committing itself to measuring and reducing the carbon footprint caused by its activity.

This measurement has been taken annually since 2018 in accordance with the ISO 14064 standard:

#### **SCOPE 1**

Direct GHG emissions.
For instance, fuel emissions caused by boilers, furnaces, vehicles etc., which are owned or controlled by the organisation.

#### SCOPE 2

Indirect GHG emissions associated with the generation of acquired and used electricity.

#### **SCOPE 3**

(GRI 305-1; 305-2; 305-3; 305-5; 201-2)

Indirect GHG emissions associated with the generation of electricity and other indirect emissions, such as the extraction and production materials acquired by the organisation and business trips.

Every year Navantia verifies its carbon footprint for subsequent inclusion in the Carbon footprint, offset and carbon dioxide sink projects register of the Ministry for Ecological Transition and the Demographic Challenge.



Circular Navantia and ecodesignBiodiversity and the marine

management

environment



### Greenhouse gas (GHG) emissions

Carbon footprint results for 2020 and 2021 are indicated below. It should be pointed out that 2021 data may vary as the data extracted after the external, ISO 14064 based verification must be considered.



### Total and geographical centre GHG emissions

#### 2020

Geographical centre	Scope 1 (t CO <sub>2</sub> eq)	Scope 2 (t CO <sub>2</sub> eq)	Scope 3 (t CO <sub>2</sub> eq)	Total emissions (t CO <sub>2</sub> eq)
Ría de Ferrol	3,939.99	0	67.53	4,007.52
Dársena de Cartagena	1,988.28	0	74.58	2,062.86
Bahía de Cádiz	2,245.59	0	74.88	2,320.47
Madrid	93.40	218.08		311.48
Navantia, S.A. SME	8,267.26	218.08	216.99	8,702.33

#### 2021

Geographical centre	Scope 1 (t CO <sub>2</sub> eq)	Scope 2 (t CO <sub>2</sub> eq)	Total emissions (t CO <sub>2</sub> eq)
Ría de Ferrol	8,651.11	0.00	8,651.11
Dársena de Cartagena	1,812.37	0.00	1,812.37
Bahía de Cádiz	15,398.40	0.00	15,398.40
Madrid	119.08	0.00	119.08
Navantia, S.A. SME	25,980.96	0.00	25,980.96

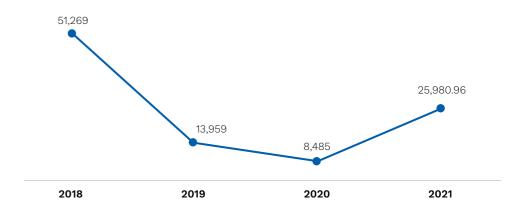
In 2021, Navantia generated a total of 25,980.96 t of CO<sub>2</sub> equivalent, corresponding to direct emissions. There were no indirect emissions from the generation of the electricity consumed. Neither were any scope 3 CO<sub>2</sub> emissions generated from bioethanol decomposition, as none of the latter was used.

The rise with respect the last two reporting years is basically due to the fuel required for seaworthiness tests. Carbon footprint reduction is calculated by considering the first year for which data were made available, 2018, and assessing the evolution of scopes 1 and 2.



#### Annual evolution of greenhouse gas emissions

(t CO<sub>2</sub> eq - scopes 1 and 2)





#### Intensity of GHG emissions

Geographical centre	2018 (kg CO <sub>2</sub> eq/h <sub>tr</sub> )	2019 (kg CO <sub>2</sub> eq/h <sub>tr</sub> )	2020 (kg CO <sub>2</sub> eq/h <sub>tr</sub> )	2021 (kg CO <sub>2</sub> eq/h <sub>tr</sub> )
Ría de Ferrol	2.02	0.63	0.676	1.584
Dársena de Cartagena	2.02	0.814	0.548	0.415
Bahía de Cádiz	2.42	0.979	0.244	1.881
Madrid	0.83	0.999	0.74	0.276
Navantia, S.A. SME	2.21	0.707	0.445	1.412

NAVANTIA GROUP		
<ul><li>Environmental protection and management</li></ul>		
<ul><li>&gt; Circular Navantia and ecodesign</li><li>&gt; Biodiversity and the marine environment</li></ul>		

#### Sustainability Report

#### **∼** Navantia

#### Reduction measures

Three types of different actions stand out with respect to the measures geared towards reducing greenhouse gas emissions:



#### **Energy consumption**

- The Madrid office has joined the rest of the work centres, as it is now fully supplied by renewable energy.
- Ría de Ferrol has replaced its fuel oil boilers with natural gas ones.
- Work continued on replacing conventional lighting for LED lighting in offices, workshops and the exterior roadways at the Ría de Ferrol and Bahía de Cádiz plants.
- Installation of movement sensors in vending machine and rest areas at the Bahía de Cádiz plant.
- Elimination of the diesel engine emission test point at the Recorridos GGCC workshop.
- Consolidation of the IT energy management, monitoring and optimisation system at the Bahía de Cádiz plant.



#### Sustainable mobility

- Navantia participated in an initiative to promote the use of the bicycle in April as a sustainable mobility alternative, registering 3,808 km cycling by employees, which translates into a saving of 0.95 t CO2 being released into the atmosphere.
- In June, it launched the "Move with Navantia" project to foster sustainable mobility by mean of gaming and incentives over the www.navantiasemueve.com website. Throughout 2021, Navantia participants in the initiative travelled a total of 49,592 sustainable kilometres, thereby avoiding the release of 12,198 kg of CO2 into the atmosphere.
- Work continues on the installation of charging points for electric vehicles at Dársena de Cartagena and Bahía de Cádiz. Moreover, the tricycle fleet has risen, thus reducing the use of engine-driven vehicles at Dársena.
- Dissemination among the entire staff of the Calls for MOVES II and III Aid (aid for Sustainable Mobility in the Murcia Region).
- Gradual replacement of Navantia vehicles at Bahía de Cádiz for electrical and hybrid



#### **Management Actions**

- A course was given on Climate Change and the Carbon Footprint to the Ría de Ferrol factory staff.
- Integrated Environmental Authorisation (AAI) requirements have been incorporated in the procedure at Dársena de Cartagena to control the plant's emissions into the atmosphere.
- Participation of Navantia in the seminar on promoting sustainability at the Institute of Business Innovation in the Balearic Islands, a Balearic Island Government Department of Industry entity, at which it shared the initiatives the company carries out in relation to climate change and its carbon footprint.
- Publication of the Navantia Forest initiative at Cabo Prior for World Environment Day on 5 June.
- Transfer of the Mobility Study (carried out in 2020 by the "Isaac Peral" Chair) to the sustainable mobility commission of Cartagena city (in which Navantia participates).
- Bahía de Cádiz work centre membership of the Puerto Real City Council Municipal Plan against Climate Change forum is formalised.
- Participation in the Energy and Sustainable Climate Action Institutional Forum (PACES) of the Cádiz City Council.
- Participation in the institutional presentation of the Andalusian Climate Change Plan held in Seville and presided over by the Minister for Agriculture, Livestock, Fishing and Sustainable Development of the Autonomous Community of Andalusia.

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



### **Energy consumption**

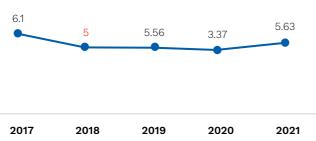
Energy consumption figures are presented also taking into account the annual work hours to make the relationship with the workload in the different processes more reliable.

In 2021, the Head Office has signed up with the rest of the geographical locations: Ría de Ferrol, Dársena de Cartagena and Bahía de Cádiz in consuming energy that is guaranteed to come from a renewable source.

Geographical centre	Electricity consumption (kWh)	Electricity consumption per hour worked (kWh/htr)
Ría de Ferrol	43,568,729	7.98
Dársena de Cartagena	19,292,560	4.42
Bahía de Cádiz	39,795,230	4.86
Madrid	879,600	2.04
Navantia	103,536,119	5.63

## Annual evolut consumption

Annual evolution of electricity consumption per hour worked (kWh/htr)



### Energy efficiency improvement measures

Against the background of the Decarbonisation Plan, in 2021 work was done towards quantifying Navantia energy demand, taking account production processes at facilities, buildings (not used for production, such as offices, warehouses, etc.) and the electricity supply to moored ships. The energy demand will be quantified taking into account electricity and emerging energy vectors that may in the future compete with electricity, such as green hydrogen, for example, with a view to planning, in the first stage of the Decarbonisation Plan, the Navantia energy balance for two time horizons (2030 and 2040) and two reference scenarios.

To this end, two energy audits done in 2020 at all production centres (Ría de Ferrol, Dársena de Cartagena and Bahía de Cádiz) were used as a basis, in accordance with that which is provided for in Royal Decree 56/2006. The scope of these audits included all the energy sources used at the aforementioned facilities: electricity, natural gas, propane, diesel and petrol.

The end purpose of the audits is to detect a set of energy saving opportunities at each facility that will serve as a key to define and plan energy saving measures at each production centre, which will be included in the 2022 Environmental Goals Programme currently being defined.

Regardless of the foregoing, in 2021, the following actions were undertaken to improve energy efficiency:

- Replacement of quite inefficient lighting and halogens with LED lighting:
- Installation of movement sensors in communal areas;

- Information on energy use and improvements for proper energy efficiency management has been included in onboarding chats and training given at all Ría de Ferrol and Bahía de Cádiz centres:
- Biological treatment at the Cádiz wastewater treatment plant has been replaced with physicochemical treatment by coagulation – flocculation processes. This new treatment, in addition to obtaining a higher quality of regenerated water, does not require the continuous aerating of bacterial culture using blower motors and the general shipyard air network, thus minimising electricity consumption. A study is being done to implement it next year at the Navantia Puerto Real wastewater treatment plant;
- Replacement of transformers and heating systems at Cartagena;
- Installation of photovoltaic panels to generate electricity at the Cartagena Tests Workshop and the carrying-out of a feasibility study on an increase of power at Cartagena Repairs photovoltaic installations, which has been determined as feasible:
- Study of the feasibility of installing heat exchangers on the chemical cleaning tanks at the Cartagena Motors Factory;
- Awareness raising campaigns have been conducted at the Bahía de Cádiz shipyards by means of work chats at Auxiliary Companies on the use of low-consumption lighting in their equipment and at centre facilities.

#### Navantia

### Offsetting measures

Though generated at a specific point, greenhouse gas emissions (GHG) spread globally into the atmosphere. Consequently, GHG emissions in Spain have the same effect as emissions anywhere on the planet.

Offsetting is the process of voluntarily investing in GHG emission reduction projects under official standards that really accredit the existence of these reductions.

Over the years, Navantia has offset its emissions in different projects, which are entered in the Carbon footprint, offset and carbon dioxide sink projects register.



Navantia - Dársena de Cartagena is signed up to the Life Forest CO<sub>2</sub> programme that seeks to promote sustainable forest management and systems as a tool to mitigate climate change.

- > Environmental protection and management
- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment

#### 2018

An emission offset (11 t) was carried out through a forest repopulation action in the Sierra de Gredos mountains.

#### 2020

Navantia - Bahía de Cádiz entry in the Andalusian Emission Offset System (SACE) Register was formalised.

#### 2019

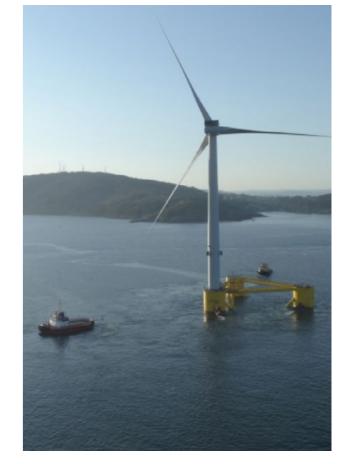
An emission offset (80 t) was carried out through a forest repopulation project in Negreira (A Coruña)

#### 2021

Navantia has carried out offset actions focusing on the voluntary purchasing of carbon credits with a view to avoiding the emission into the atmosphere of CO<sub>2</sub> eq through reforestation projects in Spain.







Offsets in 2018 and 2019 were done by actions focusing on the voluntary purchasing of carbon credits with a view to avoiding the emission into the atmosphere of CO2 eq through reforestation projects in Spain in 2020 and 2021.

All of the foregoing has made it possible for Navantia to be annually included in the "I Compensate" stamp.

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



## Circular Navantia and Ecodesign

#### (B) GRI 301-1, 306-2

### **Ecodesign**

Ecodesign consists in incorporating environmental criteria into the initial design stages, in such a way that it is considered as just another project requirement to ensure its feasibility and success.

Navantia corporate goals in terms of ecodesign comprise: the commitment to the environment as a premise for design and production activity; the need to be at the cutting edge of technological advances to enhance its future market positioning and competitiveness; and the industrial transition towards the design of sustainable, non-pollutant, circular, competitive and environmentally neutral projects. The following are the main actions that have been taken in pursuit of these goals:

 Analysis of the lifecycle of the standard ship to make it possible to identify critical product points and facilitate decision-making geared towards introducing environmental improvements into the design. In this first stage, the study has been restricted to the upstream phase, which includes the manufacturing of parametric materials used to build the ship. Neither the use phase nor the end-of-life use has been considered.

- Study of the different specific sector regulations that apply to environmental matters, such as the main Ship Classification Societies' classification standards and MARPOL and IMO requirements.
- Modular design methodology, which endows the platform with greater flexibility, thereby making possible savings on material and emission reductions, where possible by using the same platform to undertake increasingly more missions.
- Identification of the equipment installed on board that consumes most and contributes to emissions.



#### Navantia eco indicators:



Carbon footprint: The results of the Lifecycle Analysis were used to calculate it, the scope of which is described above. It is expressed in kg CO<sub>2</sub> equivalent obtained by ship's ton, thereby standardising the index and its application can be generalised to the rest of the ships.

## <u></u>

### Energy Efficiency Design Index (EEDI):

It is calculated on the basis of the IMO regulation, which measures a ship's emissions by its capacity. This regulation is geared towards merchant ships, so its application to navy ships is excluded from the regulation, requiring adaptation of the calculation to our activity.

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment



## Waste management

The new circular economy model represents the first opportunity to generate a change in the way we produce and consume since the industrial revolution, seeking as it does to decouple economic growth from resource consumption and the environmental impact to thereby assure a prosperous society.

Human health and the environment are the major core principles of our waste policy. Waste policy actions work to the following order of priority: prevention (in waste generation); preparation for re-use; recycling; other types of recovery (including energy) and, lastly, waste elimination. These actions are covered by Navantia prevention, re-use, reduction, recycling and waste recovery policies.

Navantia promotes circular economy related projects, mindful as it is of its importance as a key element in transforming towards a more innovative, competitive and responsible growth and development model. A model that makes it possible to maximise the resources available so that they remain for longer in the productive cycle and reduce waste generation, fully leveraging that waste the generation of which it was impossible to avoid.

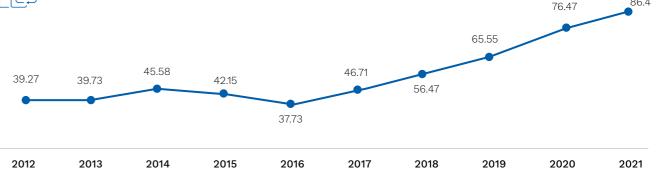
On the basis of these premises, Navantia's goal is to recycle and recover as big a variety and amount of non-hazardous waste as possible instead of sending it to landfills. Accordingly, the waste recovery index is defined as the percentage of waste recovered from the total waste generated.



#### Waste generation and recovery indicators (2021)

	Ría de Ferrol	Dársena de Cartagena	Bahía de Cádiz	Navantia
Hazardous waste generated (t)	2,982.95	881.54	3,867.91	7,732
Hazardous waste recovered (t)	2,295.67	687.7	3,292.42	6,276
Non-hazardous waste generated (t)	9,396.41	6,515.67	17,816.27	33,728
Non-hazardous waste recovered (t)	6,434.20	6,182.53	16,929.82	29,547
Total waste generated (t)	12,379	7,397	21,684	41,461
Total waste recovered (t)	8,729.87	6,870.23	20,222.24	35,822
Waste generated per hour worked (kg/h)	2.27	1.69	2.65	2.30
Waste recovery index (%)	71	93	93	86

#### **Evolution of waste recovery index**



The aforementioned figure shows the evolution of the recovery index, defined as the percentage of waste (both hazardous and non-hazardous) recovered. As can be seen, in 2021 the index downward trend continues, now standing at 86.4%.

- > Environmental protection and management
- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment

#### Sustainability Report

cy Report Navantia

The following table shows the waste generation trend over the last five years. There was a 10% reduction in waste generation in 2021 with respect to 2020.

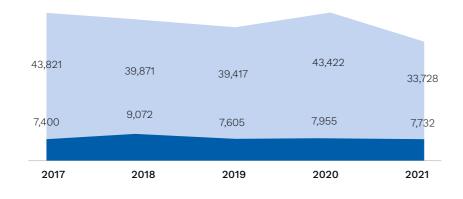


Hazardous waste

generated (t)

#### Annual evolution of waste generation





Non-hazardous waste

generated (t)

In relation to waste management and prevention, the company took part in the CEOE Foundation campaign "Sustainable Digitalisation" by donating equipment IT equipment for use by NGOs. As part of this solidarity action, Navantia donated over a hundred unused items of equipment, including monitors and peripherals. In this way, apart from contributing to the development of the circular economy via the re-use of electrical and electronic appliances at the end of their lifecycle, universal access to technology is fostered, thus generating new opportunities for people at risk of exclusion.

The activities undertaken at each Navantia production centre differ and, therefore, specific actions have been designed to manage waste at each one:



#### Navantia - Ría de Ferrol

- At Navantia Ría de Ferrol waste from civil engineering works is controlled by the Construction and Demolition Waste Instruction (CDI), which obliges those works that entail technical project approval to plan for the waste to be generated by means of a CDI Management Plan. Recycling is always prioritised in end management. Therefore, CDI traceability is implemented up to waste end management.
- The preferential use of recycled materials is included as a stipulation in civil engineering works that involve prior paving filling.
- Wooden pallets are used to package waste to be dispatched, and paint containers are
  used to send waste paint with solvent to the authorised manager, while empty oil drums
  are reused to collect used oil inside the facilities.
- Internal training is given in waste management and separation and the company participates in external training in the Circular Economy, Carriage of Dangerous Goods (CDG) and Zero Waste.
- Cleaning is enhanced in several areas of the Ferrol facility with the removal of waste and unused machinery.
- Individual paper baskets continue to be gradually removed from offices to avoid the poor separation of light packaging and other non-hazardous waste.
- Environmental management system documentation was updated, particularly instructions, I-MA-RF-415 Construction and Demolition Waste and I-MA-RF-421 Catering Waste Management and Removal Plan from International Means of Transport.

> Environmental protection and

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment

4

#### Sustainability Report

#### Navantia – Bahía de Cádiz

- Residual metal shot is one of the biggest waste items generated at a shipyard. This metallic shot, iron for the most part, was traditionally sent to landfills. Notwithstanding, in 2013 successful tests were done to send the shot produced at Navantia Bahía de Cádiz to a cement works for use as a contribution to the making of clinker, an intermediate product in the production of cement. Accordingly, dispatches of shot are sent to the cement works as per its production needs. In 2021, 1,343 t was recovered as opposed to the 480 t of shot recovered at Bahía de Cádiz in 2020.
- As a result of expanding the scope of the Environmental Management System (EMS) at Bahía de Cádiz, the services provided by Navantia at the Navantia Training Centre (NTC) and the maintenance of USN ships at the Naval Base in Rota, procedures have been drawn up in the EMS to manage waste produced from maintaining the ships there, as well as to manage waste at the NTC, along with a Manual of Best Environmental Practices at the NTC.
- Improvements have been made to the hazardous and non-hazardous waste warehouses at San Fernando and Cádiz work centres. Investment has been approved to carry out the necessary adaptation and improvement work on the non-hazardous waste warehouse at the Navantia Puerto Real work centre.
- Information on the new selective collection of waste is given to auxiliary industry personnel at onboarding seminars.
- To better manage waste at the San Fernando work centre, environmental separation indicators by workshop have been implemented in the Systems Business Unit, an action initiated some years before at the Puerto Real work centre.

## 4

#### Navantia - Dársena de Cartagena

- The Procedure to know, handle and manage waste has been updated in accordance with Integrated Environmental Authorisation requirements.
- Different waste items have been tagged with QR codes to speed up, facilitate and enhance the request for removal by the different production centres.
- Training talks were given to Auxiliary Industry companies' environment managers on the EMS, waste separation and lifecycle.
- Several waste items such as moulding sand, shot and scrap were researched into scientifically by the "Isaac Peral" Chair to assess their recovery and inclusion within the company's circular economy.
- Re-use of all the scrap considered to be useful in casting processes at our facilities.
- The moulding sands used are recovered by a recovery machine that makes it possible to filter the sand used, to the point of making it possible to replace new sand in the making of cores and moulds.
- Part of the water from the different hydraulic tests that are carried out on the S-80 submarine during its construction has been used once again this year, on this occasion for maintenance civil engineering works at the facility.

## Manners of recovery and waste disposal

Navantia 🗬

Navantia facilities have temporary waste warehouses and a wide range of containers and tanks to separate the different type of waste that is generated, mostly during the production process of ship repair and maintenance work. Moreover, Navantia has infrastructures to treat oily water, which would fall under Annex I to MARPOL waste.

As far as waste management is concerned, Navantia centres are entered on the Register of Hazardous and Non-hazardous Waste Producers in each of the Autonomous Regions where they are based and also hold Waste Management Authorisation where mandatory.

Lastly, Navantia has signed agreements with authorised waste managers to process waste that may be generated in our production processes or which is generated by ships.

> Environmental protection and

Circular Navantia and ecodesignBiodiversity and the marine

management

environment

Sustainability Report

Navantic

## **Consumption of raw materials**

The most important raw material consumption rates are indicated below.



#### Raw materials consumed (2021)

Geographical centre	Paint consumption (l)	Natural gas consumption (kWh)	Diesel consumption * (A, B and C) (l)	CO <sub>2</sub> consumption (kg)	Steel consumption** (t)
Ría de Ferrol	396,527	12,951,581	2,248,102	177,319	4,164
Dársena de Cartagena	14,745	5,515,481	201,998	101,075	1,345
Bahía de Cádiz	301,121	2,724,980	1,349,881	317,055	582
Navantia	712,393	21,192,042	3,799,981	595,449	6,091

<sup>\*</sup> This includes exempt B diesel used in tests for ships.

The following measures adopted to enhance efficiency in the use of raw materials are worthy of particular mention:



#### Navantia - Ría de Ferrol

- Reduction in the consumption of non-recycled paper in the Environment and Engineering Departments.
- Reduction in the consumption of paper at the Engineering and IPSO Departments in Ferrol and at the Production Departments in both Ferrol and Fene.
- Reduction in the number of hard copy photocopies as a result of using IT systems at the PoySe Department.
- Reduction in the consumption of toner at the Engineering Department in Ferrol.
- Re-use of stocks of natural materials from excavation works in other works as filler.



#### Navantia - Dársena de Cartagena

- Casting sand recovery unit.
- Closed water circuits for hydraulic tests.
- Re-use of casting process surplus.
- Commitments to reducing wood, cardboard and plastic for packaging by 2% a year.
- Documentation and process digitalisation.



#### Navantia – Bahía de Cádiz

- Putting into operation of the new paint warehouse at the Puerto Real work centre.
- Cutting fluid equipment treatment for re-use San Fernando Systems.
- Inclusion in the Drainage Authorisation being applied for at Navantia Cádiz to use water to irrigate green spaces at the centre.
- Whenever possible, always have larger containers available for paint and solvents, thereby reducing the generation of small containers.
- Use of hydro blasting to treat ships' hulls thus reducing the use of shot.

<sup>\*\*</sup> This includes the consumption of plates and bars, pending confirmation by piping.



## **Biodiversity and the Marine Environment**

(BRI 304-2, 304-3

> Environmental protection and management

- > Circular Navantia and ecodesign
- > Biodiversity and the marine environment

Navantia is committed to conducting its activities in a biodiversity conservation compatible fashion and to be proactive in pursuing this goal. In this way, the company has established the protection of marine and coastal ecosystems as a goal, while also promoting scientific research into marine technology.

Since 2020, the company has been signed up to the Convention on Biodiversity, with the Biodiversity Foundation, a body attached to the Ministry for the Ecological Transition and the Demographic Challenge, with a view to attesting to Navantia's commitment to the conservation and sustainable use of biodiversity.

The Biodiversity Foundation and Navantia have also decided to study ways to collaborate under the framework of the LIFE INTEMARES project which is part of Natura 2000 network

Moreover, Navantia actively works for biodiversity by publishing data over the Global Biodiversity Information Facility (GBIF) network, something made possible owing to the joint work done with the National Biodiversity Information Node (GBIF.ES), which is sponsored by the Ministry of Science and Innovation and managed by the Spanish National Research Council (CSIC).

Specifically, through this action, data on benthic fauna present in the marine ecosystem near Navantia facilities have been published, based on the receiver environment monitoring plans managed by the Environment Area.





Worthy of special mention is the company's participation in the following biodiversity preservation and recovery actions carried out throughout 2021:



- Navantia participated in an International Union for Conservation of Nature (IUCN) event held on 25 November at the Aula de Mar Marine Interpretation Centre in Málaga to learn of the benefits and opportunities to be had by reducing and offsetting the carbon footprint through coastal wetland and sea meadow projects.
- Navantia was a member of the panel of discussion along with Red Eléctrica Española, Fundación Cepsa and Grupo Eulen. Navantia explained its climate strategy based on the annual calculation, verification and registering of the organisation's carbon footprint, the decarbonisation plan currently being drawn up, which will establish emission reduction goals and offsetting initiatives, with respect to which actions geared towards ecosystem conservation near company facilities are prioritised by Navantia.





> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment

## Preservation and recovery measures

Navantia establishes environment friendly measures and contributes to the preservation of biodiversity by controlling the possible impact of its activity, especially on the marine environment.

To this end, Navantia worked throughout the year in putting its "Navantia Ecosystem" project into operation. With respect to emission offsetting, work continued on Navantia Forest, an initiative that implements reforestation projects for land around our centres. This led to holding institutional meetings with the respective city councils to rubber stamp the collaboration agreements required for land concession to roll out the project.

The Navantia Ecosystem approach broadens this initial vision; firstly, and tightly bound up with the Navantia corporate purpose, it is beginning to prepare blue carbon sink projects, i.e. offsetting projects associated with marine and coastal ecosystems to support their conservation; and secondly, with respect to the former, our role not only addresses offsetting our carbon footprint, but also, in keeping with the approach espoused in the draft version of the Corporate Sustainability Report Directive, we will be linking our projects to the good state of conservation of the spaces where we carry out them out.

On account of the geographical location of its facilities, Navantia is implementing environmental risk identification and assessment methodologies aimed at preventing and mitigating potential environmental accidents.

One of the Navantia priorities consists in strengthening the link between biodiversity conservation and the fight against climate change by means of participating in  ${\rm CO_2}$  sink projects that favour the creation of forest masses to reinforce biodiversity and mitigate the effects of climate change.

## Volunteer environmental initiatives at Navantia

Ever since 2019, volunteering initiatives have been undertaken at Navantia - Dársena de Cartagena in which employees collaborate with NGOs that fight to protect the environment in that area.

Two of these environmental volunteering events were held in 2021:

At the first of these, a group of volunteers from Human Resources at Dársena de Cartagena participated in the reforestation project to create an autochthonous species Seed Bank for the area, some of which are under threat of extinction. This action took place at the Spanish navy facilities at the La Algameca Naval Base and was promoted by the CreecT association, which is a citizen's group in Cartagena basically dedicated to recovering the forest population of the local hills.

The second volunteering event took place at Bahía de Portmán, known for being the site of one of the biggest environmental disasters in the Mediterranean. Volunteers were tasked with removing exotic invasive plants and waste from the area, which is of great help to facilitate subsequent recovery actions. The activity was proposed by the Bahía de Portmán Residents Association, under the auspices of the Autochthonous Forest Recovery Association (ARBA).

> Circular Navantia and ecodesign

> Biodiversity and the marine

management

environment

## Other important biodiversity protection projects

Ever since 2019, volunteering initiatives have been undertaken at Navantia - Dársena de Cartagena in which employees collaborate with NGOs that fight to protect the environment in that area.

#### Navantia - Dársena de Cartagena



Nest boxes have been placed to facilitate the settling of several protected bird species that normally nest at Navantia – Dársena de Cartagena facilities, in addition to monitoring and controlling them. The nesting bird populations in question are: the common swift (Apus apus), the pallid swift (Apus pallidus) and the common house martin (Delichon urbicum).

Moreover, the Navantia – Dársena de Cartagena facilities signed up to the European LIFE PortSound Eurovertice programme in February 2021.

#### Puerto Real Town Council



Tree replanting event in the town of Puerto Real, tied up with a citizen's participation act in collaboration with the Town Council on 5 June.

#### Ría de Ferrol



An educational video was made on marine environment best practices at Ría de Ferrol to coincide with World Oceans Day on 7 June.

#### San Fernando -Cádiz



A volunteer action was undertaken at San Fernando to clean up package waste in the marshes on both sides of the Carraca road.

#### Interior Sea Plan

The geographical locations of Navantia facilities bring with it the responsibility for undertaking activities in the environs of protected areas. Accordingly, the company has environmental accident prevention and mitigation plans in place, particularly to tackle accidental hydrocarbon spills.

Each centre has its Interior Sea Plan to avoid or alleviate the risks arising from sea pollution caused during hydrocarbon handling operations to ships.

The Interior Sea Plan (ISP) makes it possible to coordinate the prevention, control and effective tackling of a spill of hydrocarbons or hydrocarbon by-products, or of any other hazardous substance into the waters for which it is responsible. Simulations are done to check the process to tackle accidental pollution and test the ISP response, as well as to assess its adequacy.





# PEOPLE AS DRIVERS OF CHANGE



> The value of diversity

> Navantia talent

> Work organisation

> Safe and healthy work environment

The value of diversity

Navantia talent

Organisation of work

Safe and healthy work environment













> Safe and healthy work

> Navantia talent

environment

> Work organisation



(RI) 401-3

## The value of diversity

Navantia understands diversity as a value-generating asset that boosts innovation and enriches its employees both personally and professionally. Moreover, the company considers its staff as key players in achieving company goals and success.

Accordingly, diversity is not only considered in terms of gender, but also culturally, generationally, ideologically and in terms of sexual orientation, abilities, skills and different capacities, as well as any other personal, physical or social condition.

Navantia's gender equality and diversity strategy attests to this policy; a strategy in which a series of objectives have been set:

- Encourage diversity as a source of talent.
- Promote an open, non-discriminatory and flexible culture throughout the organisation.
- Do away with barriers that hinder the professional development of women.
- Leverage talent to the maximum.
- Contribute to raising awareness in society to this matter by sharing our best practices and participating in fora of interest.

Navantia is committed to fair gender equality, striving as it does day-by-day to consolidate gender equality through different professional development programmes that encourage the participation of women and promote their recruitment at all organisation levels.

To further endorse this commitment and in compliance with that which is provided for by law, on 4 December 2019 the II Navantia Equality Plan was signed, which gives added impetus to the company to oversee compliance with the equality and diversity ethical principles and values that must govern company conduct in labour relations.

By means of this new Equality Plan, Navantia is committed to increasing the presence of women in executive positions within the organisational structure; correcting possible gender related staff imbalances that hold in different professional groups and to abolish the wage gap that may exist between men and women.

To this end, the promotion of equality and diversity has been integrated into all of its human resources policies with a view to offering development and talent retention tools for all of its employees.



> The value of diversity

- > Navantia talent
- > Work organisation
- Safe and healthy work environment

#### Sustainability Report



This plan covers all organisation levels and contains different measures and specific objectives regarding several areas of action:

- Culture, communication and business image.
- Equal pay.
- Recruitment.
- Professional training and development.
- Home-work life balance and flexibility.
- Prevention of gender-based harassment at work.

#### The following stand out among these measures:

- Measures to change the working day, such as the time for time work scheme, or the shift scheme.
- Measures to protect maternity/paternity.
- Paid leave to care for minors or dependent family members, leave to study, leave of absence to care for family members, recognition of the right to adapt or reduce the working day.
- Home-work life balance measures for the victims of gender violence that considerably improve on the legally recognised labour rights.

Moreover, with a view to implementing a new more flexible organisation system, on 21 October 2021 Navantia Management and the Employees' Works Committee signed an Agreement to Regulate Working from Home to take a further step in the digital transformation of Navantia and to favour home-work life balance.

After the adoption of the aforementioned agreement, over 400 employees have opted to work from home.

An Equality Committee was set up to oversee the development of and compliance with the initiatives contained in the new Equality Plan. This committee is made up of members from different areas who will oversee the actions and compliance of objectives under this plan.



22.6% of new recruits in 2021 were women.



The goal is to achieve 30% women in management and deputy management positions (levels A and B). 2021 closed with 23% women in these A and B positions.



27.7% of the total amount of women on the staff hold positions of responsibility.



- > The value of diversity
- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

#### Sustainability Report

As stipulated in its Code of Conduct, Navantia prohibits and takes action against harassment, including sexual harassment, in the workplace. To properly tackle these situations, it has prevention and action protocols in place for cases of sexual or gender-based harassment at all of the companies that are the subject matter of this report and which have been signed by common agreement between Management and works committees.

These protocols consider two basic aspects: harassment prevention and the employer's response to reports of harassment, with respect to which two types of actions have been taken:

- The establishing of measures geared towards raising awareness, preventing and avoiding harassment situations or those open to being interpreted as such;
- The establishing of an internal action procedure for cases in which, even though trying to prevent such actions, a report or internal complaint of harassment is made by an employee.

Navantia has implemented a Whistleblower Channel that is available to all Corporate Code of Conduct addressees for anyone who comes to have knowledge of some breach or infringement of the same that they may witness in the performance of their work activity.

The purpose of this agreement is to boost cooperation between the parties in order to develop awareness raising actions about gender violence. To this end, the Ministry commits to collaborate with SEPI in driving and developing awareness measures, particularly in the labour environment and to facilitate information material for entity personnel on the rights of women who are the victims of gender violence. For its part, SEPI and by extension SAINSEL, commit to collaborating in the dissemination of awareness and gender violence prevention campaigns, both at internal entity level, as well as externally.

At the time of writing this report, Management has not received any internal report or complaint of sexual or gender-based harassment.

#### **∼** Navantia

## Home-work life balance and flexibility

Navantia wishes to provide its employees with appropriate working conditions that enable them to satisfactorily combine and strike a home-work life balance. This commitment has been embodied in a set of specific plans, policies and measures to favour this balance and flexibility.

Flexible work environments are promoted by driving measures geared towards self-management of working hours that contribute to and favour productivity.

These measures revolve around three areas of action:



#### 1. Flexibility

- Flexible working hours
- Working from home (up to 2 days a week)
- Time off recognised in the labour calendar
- Continuous working day throughout the year
- Online training programmes
- Flexible working hours for pregnant women or employees with family dependants



#### 2. Job quality

- Job stability: 89.90% permanent contracts
- Social benefits: scholarships, flexible remuneration plan
- Health and well-being: health care at company facilities, health insurance, "Embarking on Health" Healthy Company Programme
- Mobility: initiatives that foster sustainable mobility: "30 days by bike" in April 2021
- Action protocol in the event of labour, sexual or gender-based harassment



### 3. Home-work life balance

- Extend and enhance legal leave
- Supporting the family (leaves of absence, time off and flexible working hours to care for family members, aid for dependant family members)
- Measures to fully protect women victims of gender violence

> Navantia talent> Work organisation> Safe and healthy work environment

Navantia makes the effort required to properly disseminate those agreements reached in these matters using, among other communication channels, Navantia Contigo. Moreover, the Navantia Guide to home-work life balance contains details on all those measures developed to date.

Most flexible working hours measures developed by Navantia contribute to fostering the coresponsible exercise of home-work life balance by men and women. In this regard, company employees can count on a continuous working day throughout the year.



Employees can count on a continuous working day throughout the year."

As far as paid leave is concerned as established in the Collective Bargaining Agreement, this improves on legal obligations in these matters, among others by recognising a right to 2 hours leave by men and women from work to care for offspring under twelve months old. Moreover, an employee can opt to replace this entitlement with a daily reduction of their working day by an hour for the same purpose or its accumulation into a 15-day leave at the end of the suspension of the job contract for paternity or maternity leave.



#### Flexible working hours

₩ 🖸	Nava	ntia	Sain	sel	Saes		
	Female	Male	Female	Male	Female	Male	
Maternity/paternity	13	74	2	=	4	5	
Breastfeeding accumulation	2	9	1	-	2	2	
Reduction of the working day for child care	3	1	-	-	2	-	
Leave of absence for child care	2	17	-	-			
Pregnancy at risk	-	-	2	-			
Voluntary leave of absence	_	=	-	=	1	-	
Voluntary leave of absence	-	-	-	-	1	-	



> Safe and healthy work

> Navantia talent

environment

> Work organisation

## **Inclusive management**

Navantia is committed to hiring only the best talent to join its staff, regardless of their condition. Pursuant to the General law on the rights of people with a disability and their social inclusion (LGD), in 2021 the company had an annual average of 78.6 people employed with a recognised disability.

Likewise, all work centres comply with accessibility legislation to ensure that there are no barriers to limit access to them for people to be able to do their job. Accordingly, at all Navantia work centres, infrastructures are adapted to remove mobility obstacles.

There is a particular plan at each work centre to evacuate the sick, injured, people with a disability



or pregnant women, in the event of an emergency. Notwithstanding the foregoing, Navantia goes beyond mere legal compliance in these matters through specific policies to seek genuine equality:

- Economic aid to employees with a family member with some type of disability.
- Internal dissemination over the company intranet of activities carried out in these matters to do away with possible prejudices people may still have.
- In the event of unexpected, non-disabling disability, assigning these employees to jobs or posts compatible with the disability in question, with advice from the Medical Service and informing of the same to the Works' Committee involved.

Specifically, the following training and awareness actions were carried out for staff in 2021:

- Higher equality agent training of over 125 hours: 5 people trained
- Intermediate equality agent training of over 40 hours: 9 people
- Launch on 8 March 2022 of the Equality Plan awareness raising and home-work life balance action through gaming-based training
- 13 awareness pills on Diversity.

## Staff rejuvenation and renewal plan

Navantia has been implementing a 2019-2022 staff rejuvenation and renewal plan aimed at recruiting new professionals to meet company transformation and internationalisation goals to ensure company competitiveness, sustainability and diversity.

This plan offers stable and quality employment, which not only seeks to boost the company, but to favour the professional development of all new recruits and current Navantia staff members.

Within the framework of its employment plan, over 400 external vacancies were advertised in 2021 so aspiring candidates could participate in the Navantia recruitment process.

> Safe and healthy work

> Navantia talent

environment

> Work organisation



## Navantia talent

(m) 102-8, 103-2, 401-1, 404-1, 404-2, 405-1, 405-2

For Navantia, having the best talent on its staff and equipping them with the tools required to grow the company is a core element of the Navantia personnel management strategy.

The necessary procedures and policies are in place to this end, with a view to working on: attracting and retaining talent; professional training and development; encouraging an equal opportunities work environment; and stable, quality jobs, among other aspects.

At 31 December, Navantia has a staff of 3,984 people, the average age of which is 48. In 2021, under the 2018-2022 Strategic Plan approved to rejuvenate and renew staff, 376 new people were hired, 22.6% of which were women and 43.5% of which were aged under 35.

Moreover, the company actively participates in job fairs to offer vacancies to recent graduates; employment impetus seminars and events are also organised, such as the "Empower Your Future" event, or the ITINERE seminars to try and increase the number of young, recent graduates, and women, on the staff.

Navantia promotes technical and scientific careers among women.



376 new recruits



85 women



**163** aged under 35





- > The value of diversity
- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

#### Sustainability Report

Big efforts are underway at Navantia to boost the recruitment of women on the staff, in a traditionally male dominated sector:

	Total people	Female	Male
Navantia Staff	3,984	15.76%	84.24%
Navantia Australia Staff (PTY)	179	15.6%	84.4%
SAES Staff	101	19.8%	80.2%
SAINSEL Staff	40	20%	80%

	Nav	vantia	Navantia	Australia	SA	NES	SAINSEL		
	Male	Female	M	F	M	F	M	F	
2019	3,364	501	105	24	63	20	28	7	
2020	3,293	576	115	28	68	19	28	8	
2021	3,356	628	151	28	81	20	32	8	





> The value of diversity

- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

Sustainability Report



## Total number of employees, broken down by gender, age and professional category in 2021 (at 31/12/2021)

		No. of Females	No. of Males	% of Females of the staff total	% of Males of the staff total	% Total staff	Total
	Senior technicians	421	1,079	10.6%	27.1%	37.7%	1,500
	Employees	185	906	4.6%	22.7%	27.4%	1,091
Navantia	Labourers	22	1,371	0.6%	34.4%	35.0%	1,393
	Total	628	3,356	15.8%	84.2%	100.0%	3,984
	Senior technicians	20	134	0.5%	3.4%	3.9%	154
Navantia	Employees	8	16	0.2%	0.4%	0.6%	24
Navantia Australia	Labourers	0	1	0.0%	0.0%	0.0%	1
	Total	28	151	0.7%	3.8%	4.5%	179
	Senior technicians	16	71	0.4%	1.8%	2.2%	87
CATC	Employees	4	2	0.1%	0.1%	0.2%	6
SAES	Labourers	0	8	0.0%	0.2%	0.2%	8
	Total	20	81	0.5%	2.1%	2.5%	101
	Senior technicians	7	23	0.2%	0.6%	0.8%	30
	Employees	1	0	0.0%	0.0%	0.0%	1
SAINSEL	Labourers	0	9	0.0%	0.2%	0.2%	9
	Total	8	32	0.2%	0.8%	1.0%	40



Navantia	Navantia Australia	SAES	SAINSEL
558	58	15	8
1,583	76	60	24
1,843	45	26	9
3,984	179	101	40
	558 1,583 1,843	Navantia         Australia           558         58           1,583         76           1,843         45	Navantia         Australia         SAES           558         58         15           1,583         76         60           1,843         45         26



Navantia is firmly committed to stable employment, with nearly 93% of its staff on permanent contracts



#### Total number and distribution of types of job contract

			Nava	ıntia				Na	vantia <i>l</i>	Austra	lia					SAE	S					SAINS	SEL		
	Sen techni		Emplo	oyees	Labou	urers	Seni techni		Emplo	yees	Labou	irers	Gr	aduate	es	Administ stat		Labou Techni		Seni techni		Employ	/ees	Labou	rers
	M	F	M	F	M	F	М	F	M	F	M	F	N		F	M	F	M	F	M	F	M	F	M	F
Permanent	979	359	845	149	1,232	18	0	0	0	0	0	0	60	)	13	0	4	0	0	15	5	0	0	6	О
emporary	100	62	61	36	139	4	134	20	16	8	1	0	1	1	3	0	0	4	6	8	2	0	1	3	0
otal	1,079	421	906	185	1,371	22	134	20	16	8	1	0	7	1	16	0	4	4	6	23	7	0	1	9	0

		Permanent			Temporary					
	Under 35	Between 36 and 50	Over 50	Under 35	Between 36 and 50	Over 50				
Navantia	221	1,521	1,840	337	62	3	3,984			
Navantia Australia	0	0	0	58	76	45	179			
SAES	4	54	25	12	5	1	101			
SAINSEL	2	15	9	6	8	0	40			

- > The value of diversity
- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

#### Sustainability Report



#### Number of redundancies by gender, age and job category

In 2021, 229 people at Navantia were affected by the early redundancy plan, through a wholesale redundancy procedure that affected people aged over 61: 23 women (10.04%) and 206 men (89.96%); 107 were labourers, 81 employees and 41 graduates.

At SAES in 2021, 7 people left, 2 took leaves of absence and 1 person was sacked (3 women and 7 men), all of whom were graduates/engineers. Nobody was sacked at Sainsel or Australia.

## Average remuneration and evolution thereof broken down by gender, age and job category

The company remuneration policy is governed internally by fairness and adequacy between salary and level of responsibility. There are two remuneration systems, one for people under the collective bargaining agreement and another for those who hold management and deputy management positions in the organisational structure.

#### > The value of diversity

- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

		Navantia		
2021	Male	Female	General average	Wage gap
< 35 years	27,439	29,804	28,068	-8.62%
Employees	23,421	24,488	23,717	-4.56%
Labourers	23,567	23,029	23,553	2.28%
Senior Technicians	31,003	30,880	30,958	0.40%
36 to 50 years	39,290	40,038	39,433	-1.90%
Employees	40,578	36,748	39,789	9.44%
Labourers	36,267	39,494	36,319	-8.90%
Senior Technicians	41,532	41,225	41,437	0.74%
> 50 years	46,389	50,776	46,805	-9.46%
Employees	45,797	48,461	46,154	-5.82%
Labourers	43,817	41,112	43,781	6.17%
Senior Technicians	52,498	54,567	52,862	-3.94%

	Na	vantia Australia	ı	
2021	Male	Female	General average	Wage gap
< 35 years				
Employees	117,500	-	117,500	-
Senior Technicians	95,946	99,500	97,723	-3.70%
36 to 50 years				
Employees	108,444	77,929	93,186	28.14%
Senior Technicians	135,351	111,415	123,383	17.68%
> 50 years				
Employees	150,000	91,666	120,833	38.89%
Senior Technicians	129,989	124,096	127,042	4.53%

N.B.: average remuneration is not indicated for the labourer category as there is only one person in this category in this segment.



#### SAES

		JALJ		
2021	Men	Female	General average	Wage gap
< 35 years	26,201	-	26,197	-
Labourers and Technicians	-	-	-	-
Administration	-	-	-	-
Graduates/Engineers	26,735	-	26,689	-
36 to 50 years	36,115	32,719	35,374	9.40%
Labourers and Technicians	29,053	-	29,053	-
Administration	-	-	-	-
Graduates/Engineers	37,289	32,719	36,169	12.26%
> 50 years	53,899	37,629	50,145	30.19%
Labourers and Technicians	25,449	-	25,449	-
Administration	-	27,576	27,576	-
Graduates/Engineers	57,060	57,735	57,128	-1.18%

#### SAINSEL

2021	Men	Female	General average	Wage gap
< 35 years	27,514	27,419	27,490	0.35%
Graduates/Engineers	34,877	35,485	35,029	-1.74%
Voc. Ed. and Admin.	20,150	19,354	19,951	3.95%
Aged 36 to 50	36,291	33,754	35,850	6.99%
Graduates/Engineers	41,836	33,754	39,934	19.32%
Voc. Ed. and Admin.	24,278	-	24,278	-
> 50 years	52,134	51,859	52,103	0.53%
Graduates/Engineers	52,134	51,859	52,103	0.53%
Voc. Ed. and Admin.	-	-	-	-



- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

> Safe and healthy work

Navantia talentWork organisation

environment



## **Creating opportunities for the future**

### The 'Rumbo' Programme

Navantia has created the 'Rumbo' Programme to bring together all its initiatives geared towards enhancing the development of its professionals. The programme comprises different actions that focus on accompanying and providing the requisite tools for organisation staff to grow professionally.





#### Development interviews

Conversations between managers and team members to learn of mobility concerns, explore strengths and areas for improvement and training needs, among others, with a view to establishing an appropriate action plan.

#### **Development committee**

This is a forum to share the assessment of the potential of company employees and guide the appropriate actions to facilitate their professional development.

#### **Development plans**

These are personal reflections that contain employees' ambitions and interests, for which the requisite actions are planned to be able to achieve and drive them.

#### Training

Designing training plans to enable to adapt and update staff technical knowledge, and other areas that serve to develop their personal and professional skills and abilities.

#### Leadership programmes

These seek to acquire the tools needed to manage teams, as well as own emotions and those of the employees' for whom the leader is responsible; to strengthen communication skills and to practice the appropriate leadership style for each situation.

#### Mentoring and reverse mentoring

This entails a transfer of values and culture between the mentor and mentee based on a relation of trust and accompaniment in which both parties share their experiences to help the mentee tackle different situations.

Furthermore, and with a view to contributing to closing the generation gap, accompaniment actions are encouraged between juniors and more experienced company staff, so the former can share their generation's knowledge of, among other areas, trends, new working methods and technology.

#### **Mobility plans**

.....

This is the job opportunity that Navantia offers its employees to change their job in the same organisation, for one that offers new challenges and contributes to their professional development.

#### Succession plan

A plan to work in an orderly fashion on, and to anticipate needs arising from, generation change at the company.

#### 360° assessment

A feedback process to employees from the different perspectives that go to make up their work ecosystem, which serves to identify their main strengths and areas for improvement.

> Safe and healthy work

> Navantia talent

environment

> Work organisation



#### Continuous training plan

Navantia encourages employee training as a means to contributing to both their personal and professional development to enable them to tackle the complex, innovative and constantly changing technological, economic and business reality and to make the company a sector benchmark, supporting strategic actions and technical and cross-the-board needs that arise with training plans. The Strategic Plan identifies it is a line of action, while the current rejuvenation and renewal of the staff has converted it into a priority.

The Training Plan is geared towards implementing strategic actions to buttress the transformation of Navantia into a modern and sustainable enterprise. Cross-cutting training plans are also developed for the entire staff; plans which are of great importance for the company, dealing with areas such as cybersecurity, compliance, the General Data Protection Regulation, etc. Likewise, leadership model, open training programmes in soft skills, accompaniment and executive development or language programmes, also contribute to fostering continuous training at the company.

Neither should areas like prevention and the environment be overlooked, as these are also the focus of training plans, accompanying the company strategy with over 3.000 students in 2021.

The Navantia training model concentrates on enhancing employees' quality and experience by facilitating their access to training. By adopting new tools, training dynamics, delocalising and globalising the process and offering numerous options, the company provides several alternative ways to access training. COVID-19 has accelerated transformation by driving a change towards an online training model.

Moreover, the company participates in student working practice programmes at several training centres with a view to enhancing their training and giving them an insight into the reality of the world of work.

Training hours for 2021, broken down into professional categories, are indicated below:

	Employees	Labourers	Senior Technicians
Navantia	32,436	37,539	82,890
Navantia Australia	2,847	-	2,831
SAES	113	-	1,161
SAINSEL	28	-	482



> Safe and healthy work environment

> Navantia talent

> Work organisation



(m) 102-43, 403-1, 403-2, 102-41, 403-4

## **Organisation of work**

Navantia respects the rights of its employees to the full as regards collective bargaining, promoting and observing the rights to freedom of association and collective bargaining. Indeed, the company has a standing engagement mechanism in place with the works committee, recognised by the company as a key stakeholder. The entire Navantia Group works to its own and sector Collective Bargaining Agreements.

All Navantia employees are covered by the I Navantia Inter-centre Collective Bargaining Agreement, unanimously subscribed to by all trade unions with a seat on the negotiation committee. The working day established under the said agreement is 1,676 hours work a year, while the ordinary working day is a continuous working one starting in the morning, from Mondays to Fridays. This is a measure particularly appreciated by company employees, as are the latest collective agreements reached to regulate flexible working hours or working from home.

This agreement came about to respond to a triple challenge, which has been gradually met since its approval back in 2018.

- **1. Standardise the working conditions** for all Navantia employees, creating a new labour framework that would favour the recruitment of new professionals into the company.
- 2. Modernise the basis on which work is organised to adapt the Navantia labour framework to the reality of a constantly changing environment, one very different to the one to which the previous collective bargaining agreements applied.
  - The goal pursued by this challenge was to reach an agreement that would make it possible to meet the current production flexibility and safety need for Navantia to become a more competitive company.
- **3. Develop a new professional classification** to standardise the different remuneration systems into which results-tied productivity and variable remuneration parameters were incorporated for the entire staff.

Moreover, a sub-contracting protocol was drawn up the basic aim of which is to ensure that contractors collaborating with Navantia comply both with their labour and occupational health and safety obligations to employees, and to implement an adequate coordination of OHAS prevention activities on those projects on which they work at our centres.

For its part, Navantia Australia applies current legislation to labour matters. Although there is no collective bargaining, expatriate employees are signed up to the Navantia Inter-centre Collective Bargaining Agreement.

Company Management meets regularly with the works committee to dialogue, listen to suggestions and negotiate matters of interest to employees, while also providing them with relevant information on issues such as working conditions, strategic goals, financial results and findings about the work atmosphere situation, among others.

The rights of employees to representation and to participate in issues related to occupational health and safety at work are channelled through the prevention officer via the Central Occupational Health and Safety Committees at each centre and through the Navantia Occupational Health and Safety Committee, in accordance with that which is established in the trade union governance model agreed in the Navantia Occupational Health and Safety and Environment Regulation.

For their part, SAINSEL employees are signed up to the improved version of the Autonomous Region of Madrid Metal Industry, Services and Facilities Collective Bargaining Agreement. The legal representative of SAINSEL employees consists of 3 staff members workers with whom Corporate Management and the HR area meets to deal with issues proper to the said representation (annual working year, personnel recruitment, OHAS activities, etc.).

Lastly, SAES employees are signed up to the I Sociedad Anónima de Electrónica Submarina Collective Bargaining Agreement.

- > The value of diversity
- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

Sustainability Report



#### Social relations

Within the framework of the negotiations for the currently in force Collective Bargaining Agreement signed in 2018, negotiating parties faced a challenge to embark on a process to standardise the working conditions of all Navantia personnel; conditions that were still pending since 2000 (three different agreements later) with respect to key matters in any company, as are social benefits, professional classification and salary structure.

To undertake this working conditions standardisation process, a set of central working committees were created, comprising Management and trade union representatives, attesting to a clear commitment to favour collective bargaining as the most fit-for-purpose formula to implement any agreements and commitments arising from the Collective Bargaining Agreement.

The main functions and agreements of each of the Central Working Committees are indicated below:

#### 1. Central Employment Committee:

This committee was set up to develop an Employment Plan in which the necessary conditions were defined to promote the recruitment of the new workers with respect to whom agreement had been reached on the Navantia Strategic Plan Board, with a view to rejuvenating and renewing the staff and adapting the profile of its professionals to new market needs.

From among the most important agreements reached by this Central Employment Committee two stand out in particular:

- The 2019-2022 Employment Plan Agreement, in which the number of vacancies were established to be filled under the Strategic Plan (1,658 recruits), as were the profile of the recruits and the types of contracts to be given.
- The Selection Processes Agreement to cover the vacancies advertised and to cover hiring needs, thereby complying with the principles of publicity, equality, merit and ability, to which our company is subject as a public company.

After the agreement reached by the Central Employment Committee, Local Employment Committees were set up at each work centre, which will be commissioned with organising the job announcements.

#### 2. Central Salary Policy Committee:



Basically this Committee seeks to implement a new professional classification structure and unify remuneration concepts to be applied to the new Collective Bargaining Agreement salary table.

To date, in the transition towards harmonising the different salary systems and professional classification systems, the following agreements reached are particularly noteworthy:

- Agreement to the professional framework for the Senior Technicians group (GP1-GP2)
- Promotion agreement for the Employee and Labourer groups (GP3-GP4)
- New Variable Remuneration Procedure for Senior Technicians signed on 07/05/21
- Agreement to enforce the salary rise arising from the process to professionally classify Senior Technicians signed on 20/10/21.
- Agreement to Unify Remuneration Concepts.

> The value of diversity

> Navantia talent> Work organisation> Safe and healthy work environment

Sustainability Report

#### **∼** Navantia

## 3. Central Training Committee:



Set up to monitor the Annual Training Plan.

## 4. Productivity Committee:



Set up to generate new productivity indicators, develop new working methods and the Navantia digital transformation process.

Among the most important agreements signed by this committee in 2021 were the Working from Home Agreement and the Digital Disconnection Protocol

## 5. Equality Committee:



Set up to update the Equality Plan signed in 2019 and to monitor the actions and indicators contained in the plan, the term of which extends until 2023.

#### 6. Auxiliary Industry Ordering Committee:



Set up in 2021 to define a protocol for subcontracting in which the obligations to be met by the contracted companies working at our facilities are laid down and in which the activities and services to be outsourced are specified.

By means of all of these central working committees composed of equal representation on behalf of the company and on behalf of employees, our company is progressing towards a unique labour relations framework that favours organisational flexibility and contributes to driving a cultural development process committed to diversity and making Navantia an attractive company for which to work and one that offers stable and quality employment.

> Safe and healthy work

> Navantia talent

environment

> Work organisation



#### **Absenteeism**

The number of hours not worked due to absenteeism in 2021 throughout the Navantia Group are those indicated below:

## 000

#### Number of absenteeism hours in 2021

	Number of hours
Navantia	545,816
Navantia Australia	4,202
SAES	4,489
SAINSEL	5,311



## Implementation of disconnection policies

Navantia recognises the right of employees to digitally disconnect as a basic factor in achieving a better ordered work time with a view to respecting private and home life, improving the home-work life balance and contributing to maximising the occupational health of all working people.

In keeping with the foregoing, the company has developed an internal digital disconnection policy that is consistent with the company home-work life balance policies, and one which seeks to develop flexibility, home-work life balance and job quality measures that enable progression towards an efficiency and goal-meeting based work organisational culture.

The following stand out among the measures developed by Navantia in relation to its commitment to implement disconnection policies:

- Foster the rational ordering of working time and its flexible application, as well as the use of technologies and planning tools.
- Promote an efficient and rational use of email and the corporate telephone, not requesting a reply outside working hours nor during rest times, leaves, time off or holidays, except in the case of force majeure or exceptional circumstances.
- Drive a results and enhanced productivity focused culture, doing away with the workplace presence culture.
- Carry out awareness raising actions throughout the organisation to disseminate and enforce the right to digital disconnection, expressly recognising this right for those who provide their services remotely.

Digital disconnection is configured as a valid home-work life balance tool, without undermining the organisational flexibility promoted by the company.

### DESCONEXIÓN DIGITAL

Navantia Navantia

#### SE RESPETARÁN LOS TIEMPOS DE DESCANSO Y VACACIONES

Se evitará en la medida de lo posible el envío de comunicaciones y llamadas telefónicas profesionales finalizada la jornada laboral del emisor o la de los destinatarios.



## 51

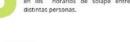
#### SI ES IMPRESCINDIBLE...

Si es imprescindible la lectura inmediata de una comunicación se le avisará por otro medio que le permita al destinatario conocer de su envio (llamada telefónica, mensajería instantánea etc..)



#### En CASO DE... En caso de distir tratarán de mante en los horarios distintas personas

#### En caso de distintos husos horarios se tratarán de mantener las comunicaciones en los horarios de solape entre las





#### USO DE HERRAMIENTAS DIGITALES

Se hará uso racional de las herramientas digitales de trabajo que la compañía pone a disposición del trabajador.



## CORREOS ELECTRÓNICOS Cuando se envien correos electró

Cuando se envien correos electrónicos fuera del horario de trabajo se utilizará preferentemente la configuración de envio retardado para hacer llegar los mensajes dentro del horario laboral del destinatario.



#### Dur. indi que cues

#### **DURANTE LAS VACACIONES**

Durante las vacaciones es recomendable indicar los datos de contacto de compañeros que están disponibles y puedan atender las cuestiones que se requieran en ausencia de la persona trabajadora.



> Safe and healthy work

> Navantia talent

environment

> Work organisation



## Safe and healthy work environment

Navantia considers the Occupational Health and Safety of all of its employees as the prime criterion to be taken into account in the pursuit of their activities, along with protecting the Environment where these activities are conducted. Indeed, both strategically important elements. Risks to safety and possible environmental impacts are identified and assessed, putting the appropriate preventive measures into place to avoid damage being done and checking their effectiveness, with a view to achieving ZERO ACCIDENTS.

Navantia's commitment to healthy and safe working conditions to prevent injuries and impairment of health is given proper form to in its Quality, Occupational Health and Safety and Environmental Policy.

Responsibility for occupational health and safety must be a commitment and value, both individually and as a function of the position the employee holds, as well as for company workers and those of any other pertinent stakeholder, integrating preventive actions in their activities and decisions throughout the organisational structure.

Maximum importance is given to protecting people's physical integrity and health and preventing any type of risk for them at the workplace. The company complies at all times with the applicable laws in every country where it operates and drives a comprehensive occupational health and safety policy in keeping with the activity conducted at each work centre. Moreover, it is clearly committed to informing all those addressees of this code of conduct of occupational health and safety rules and procedures.

Navantia and Navantia Australia have an Occupational Health and Safety Management System externally certified under ISO 45001. Accordingly, it has an annual preventive activities programme, scheduled internal and external audits to verify compliance with the Management System and its corresponding procedures and instructions.



	2021	2020
Internal	54	40
External	12	19

A series of prevention objectives have been established to improve workers' occupational health and safety, among which the following for 2021 are particularly noteworthy:

- Extension of the preventive leadership campaign to the line of command.
- Establishing an Occupational Health and Safety Plan for recruits to the working environment.
- Global assessment of Collaborating Industries' performance.
- Planning and drafting of Healthy Company Reports for subsequent certification.
- Review and updating of the Living with COVID-19 Plan in keeping with business needs.
- Reactivation of the manoeuvres group.
- Review and updating of the skills/training matrix in occupational health and safety matters, emphasising recruits and changes of positions.
- Organisation by Cross-cutting Processes.

SAES and SAINSEL have an outsourced occupational health and safety service to oversee workers' health and safety.

> Safe and healthy work

> Navantia talent

environment

> Work organisation

#### Healthy Company

Navantia aspires to become a benchmark in occupational health and safety, to which end it has set itself the goal of obtaining certification as a Healthy Company. On 9 September 2021, the Technical Committee on Assessing Best Practices in Promoting Company Health of the Spanish Network of Healthy Companies agreed to award Navantia with the Recognition of Bests Practices in Occupational Health and Safety. The aforementioned recognition was received on 3 December 2021 at the VI Conference of the Spanish Network of Healthy Companies.

The following particularly stand out among the campaigns conducted:

- Healthy eating: Eating times and the reading of food labels and the shopping basket.
- Ergonomics: Ergonomics in daily life.
- Addictions: Giving-up smoking.

The Action Protocol to Prevent Addictions (APPA) seeks to develop an action framework that enables us to prevent addiction and ensure a healthy and safe working environment for everyone who works at Navantia work centres. The Inter-centre Occupational Health and Safety and Environment Committee established the formalisation of collaboration agreements with entities at the different Navantia geographical locations:

- Dársena de Cartagena: Proyecto Hombre Drug Addiction Rehabilitation Programme
- Ría de Ferrol: ASFEDRO Drug Addiction Association
- Bahía de Cádiz: Proyecto Hombre Drug Addiction Rehabilitation Programme
- Madrid: Spanish Red Cross

## Promoting Gender Health and Equality

Equal opportunities and gender equality have come to play an important role in decision-making in different areas, and of course, for the Healthy Company area as well. Accordingly, we have carried out several actions in 2021 in this aspect:

- Workshops on promoting gender health. A stand-out workshop on breast cancer streamed to the entire staff.
- Study of psycho-social risks by gender.
- Accident rate indicators by gender.

Healthy Company data are given in the following table:



#### **Healthy Company data**

	2021	
PSA studies	193	
Thyroid hormone study	126	
Specific protocols (PS)	7,036	
Flu vaccines	69	
Giving-up smoking	26	
Iron study	375	

#### **COVID-19 Management**

Navantia was off the mark from the outset of the COVID-19 pandemic, advancing the application of protection measures to guarantee the health and safety of both company employees and those of collaborating industries. In 2021, the company actively worked on reviewing and improving the Living with COVID-19 Plan in line with business needs by way of the following actions and indicators:



#### **Actions/Indicators**

Meetings with different businesses to asses their needs with respect to COVID-19

Staff survey to assess pandemic fatigue and analyse the results

Certification Audit on the Living with COVID-19 Plan

Monitoring particularly susceptible employees

Monitoring implementation of the COVID Protocol

Inter-centre committees to monitor COVID

Flu vaccines campaign

Monitoring staff immunity

> Safe and healthy work environment

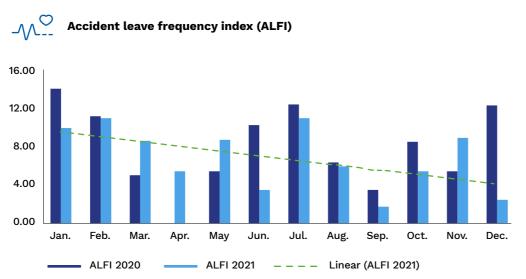
> Navantia talent

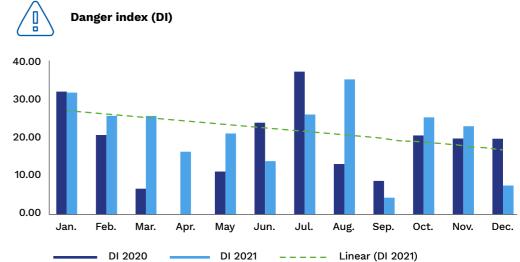
> Work organisation



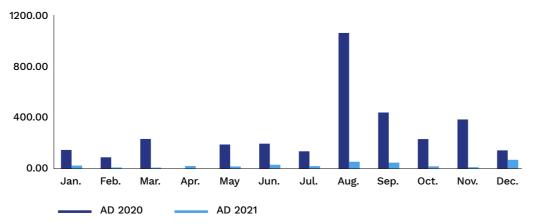
#### Staff accident rate

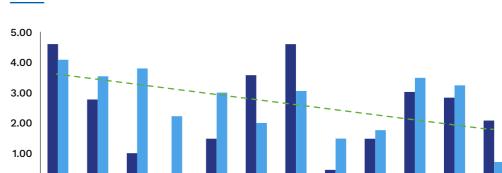
Navantia indicators of its staff accident rate show significant improvement with respect to last year, thereby continuing a positive trend





#### Average duration (AD)





Jun.

Jul.

Sep.

Oct.

Nov.

Aug.

--- Linear (II 2021)

May

II 2021

Apr.

Incident index (II)

Feb.

II 2020

Mar.

- > The value of diversity
- > Navantia talent
- > Work organisation
- > Safe and healthy work environment

#### Sustainability Report

**∼** Navantia

There were a total of 107 accidents in 2021, while no occupational diseases were registered during the year.

	Female	Male
Accidents with sick leave	2	40
Accidents without sick leave	8	57
Total accidents	10	97
Frequency rate	:	21.20
Severity rate		0.11

Note: There were no accidents with sick leave registered at Navantia Australia, SAES or SAINSEL. Accident rates are not presented by gender as data on female accidents are considered immaterial with respect to the total





## 5

## NAVANTIA, CREATING OPPORTUNITIES



**Customer relations** 

Value chain

Social initiatives and contribution to the environ-

ment

Tax information



> Customer relations

> Value chain

 Social initiatives and contribution to the environment

> Tax information



## **Customer relations**

(BRI 416-1, 102-44)

Navantia looks after its customers and constantly strives to meet their needs. To this end, the company has a methodology to measure and monitor customer perceptions and to assess the degree to which their needs and expectations are met. Based on these measurements, plans are designed and actions taken that are considered necessary to improve these perceptions and expectations. Customer Satisfaction Measurement is a key indicator to assess the organisation's global performance.

In 2021, 45 surveys were sent to customers in all Navantia areas of activity to find out the satisfaction level. Based on their results, the different Management Areas developed and implemented specific actions geared towards its improvement. Accordingly, the main programmes on which surveys were carried out and interviews held were related to national defence and security customers, as well as to civil sector customers.

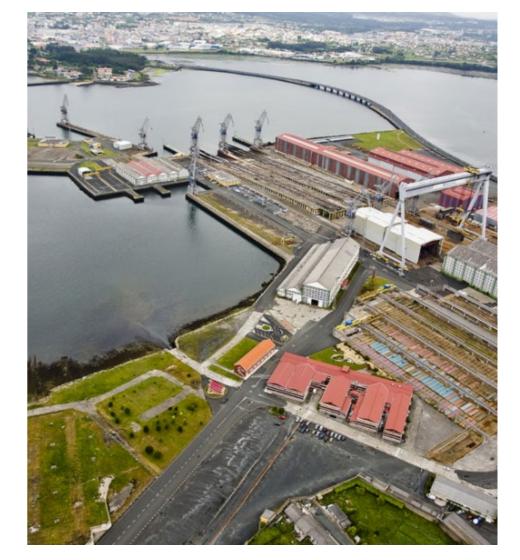
## **Complaint management**

Navantia has a procedure in place to properly process complaints, through which it manages their reception, distribution, assignment of responsibilities, resolution and closure to ensure that they are all duly controlled and efficiently dealt with. This procedure is carried out by each specific programme lead to offer closer customer engagement.



There were 78 customer and Ministry of

Defence Quality Assurance Manager (QAM) complaints received in 2021, which were managed as non-conformities in the SAP-QM information system.



> Customer relations

Social initiatives and contribution to the

> Value chain

environment

> Tax information



## Service quality assurance

#### Strategic decision

Adopting a quality management system is a strategic decision taken by Navantia; one that is senior management driven and led. There is a genuine commitment to develop, maintain and continuously improve an effective and efficient quality management system, something which benefits all stakeholders, while also helping to enhance the company's global and sustainable performance.

Navantia has Quality, Occupational Health and Safety and Environment Policies that apply to both Quality Management as well as all other areas, and which are in keeping with the organisation's strategic direction and context."

Accordingly, all Navantia products and services undergo quality controls and management procedures to mitigate their possible negative impact. Products (ships, submarines, wind farms, motors, systems' products) and services (ships' repairs, product lifecycle support) are designed and customised to customer requirements, working to the national and/or international standards that apply to each case.

#### **PECAL standards**

PECAL standards comprise publications that specify Spanish Ministry of Defence requirements (NATO requirements) to manage quality standards that must be complied with by suppliers under Defence contracts.

- The PECAL 2210 standard establishes NATO software quality requirements.
- The PECAL 2310 standard establishes NATO quality assurance requirements for aviation, aerospace and defence suppliers.

#### ISO standard

The **UNE EN 9100** standard establishes quality requirements for aviation, aerospace and defence suppliers and is applied to Shipyard and Systems Management at Dársena de Cartagena.

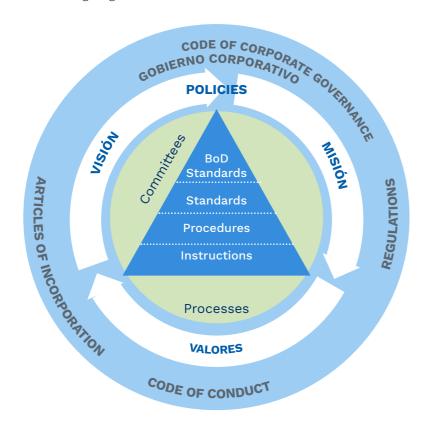


#### > Customer relations

- > Value chain
- Social initiatives and contribution to the environment
- > Tax information

### The Navantia quality management system

The Navantia quality management system is developed in accordance with the requirements of the following standards: ISO 9001:2015 (Quality Management System Requirements) and PECAL 2000 series (NATO quality assurance requirements), which is embodied in a specific document structure comprising Policies, Rules, Procedures and Instructions as per the following diagram:



Moreover, Navantia has developed its Management System based on the identification and interaction of its processes, thus it is a working system aligned with the organisation's strategy and focused on pursuing continuous improvements in activities and increasing customer satisfaction. Corporate **quality targets** for 2021 were proposed by the Director of Quality and Continuous Improvement and subsequently approved by the Central Quality Committee. This body ensures that targets take into account applicable requirements, that the targets are measurable and consistent with the quality policy and pertinent for product conformity. The scope of the quality management system covers the **Management of Programmes**, **Design**, **Development**, **Production**, **Construction**, **Repairs**, **Transformation**, **Installation and Lifecycle Support** in **Shipbuilding**, **Systems and Industrial Equipment** areas:

**Shipbuilding**. Ships, ship areas, submarines, floating installations, small vessels: quality targets established by Navantia. This planning takes into account internal and external issues, as well as the interests of the pertinent stakeholders.

**Industrial equipment.** Land and sea propulsion systems, electrical cogeneration plants with diesel motors, electrical substations, turbines, wind generators, weapons components, industrial metal structures and installations and the parts for the same. Casting.



**Systems**, including Logistics Support Development (software). Combat, communications, platform control, navigation and surveillance systems. Weapons and gunsights. Precision mechanics.

Navantia Australia and the subsidiaries, SAES and SAINSEL, are certified under the following standards: ISO9001, 91000 and PECAL AQAP 2110, which are adapted to the peculiarities of, and the contracts in progress, at each of these organisations. Moreover, the Quality Management System of these three companies is comprised, documentation wise, of the Quality Manual and by General and Particular Procedures, which are subject to annual monitoring and renewal audits.

> Customer relations

Social initiatives and contribution to the

> Value chain

environment

> Tax information

Sustainability Report

#### **∼** Navantia

## **Quality audits**

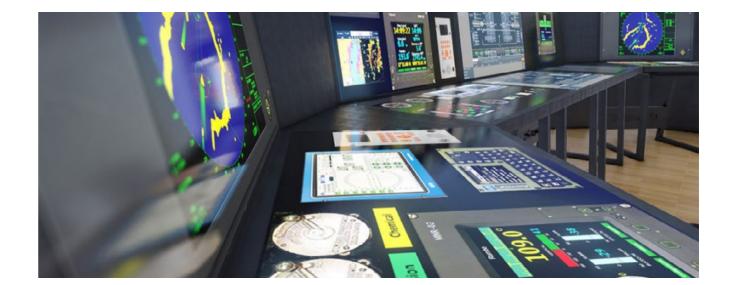
Navantia conducted internal quality audits in 2021 to assess conformity with the QMS and to analyse its level of implementation and adequate maintenance to foster continuous improvement. This enabled it to successfully prepare for external monitoring audits on currently valid certificates:

- ISO 9001:2015 which applies to Navantia, valid up to 12/12/2023
- PECAL AQAP 2110-2210-2310, valid up to 12/03/2024
- EN 9100:2019 which applies to Shipyard and Systems at Dársena de Cartagena, valid up to 12/12/2023

## Cybersecurity

The projects that fall under the Cybersecurity Strategy at Navantia for 2021 were developed with a view to improving company capabilities in surveillance, protection and response to cyber attacks. Moreover, an awareness raising and training plan for employees was developed on considering this aspect to be a key element to enhance the organisation's cyber resilience.

At the end of the year, Navantia renewed its ISO27001, Cyber Essentials and Cyber Essentials Plus certifications, in which its IT security management system was reviewed to ensure compliance with the security requirements established in the said certificates.



- > Customer relations
- > Value chain
- Social initiatives and contribution to the environment
- > Tax information



## Value chain

Navantia's commitment to sustainability extends to its value chain. To this end, the required mechanisms are established to ensure responsible relations with third parties in accordance with the company's own business principles.

Accordingly, Navantia legally reviews those collaborators with which it maintains or envisages maintaining a business relationship. Therefore, prior to hiring the services of the third party, Navantia studies its level of compliance with the applicable anti-corruption laws.

Likewise, during the term of the contract, Navantia adopts control measures to enable it to assess potential corruption risks and, where appropriate, to rescind the contract and/or take other measures to defend its interests.

With a view to determining the due level of control, the supplier company's reputation in anti-corruption and money laundering where the operations are to be carried out is analysed, as is whether or not the end customer is a public or private entity. In this way, before contracting a collaborator, the procurement risk level involved for Navantia is studied, which is classified into three categories:

HIGH RISK

**EDIUM RISK** 

**LOW RISK** 

- A public law body in countries with a "CPI" score of under 50 points.
- A private law body with registered address in countries with a "CPI" score of under 40 points.
- A private law body with registered address in countries considered to be tax havens.
- A public law body in countries with a "CPI" score of equal to or over 50 points.
- A private law body with a registered address in countries with a "CPI" of equal to or over 40 points.
- A European Union public law entity.
- A private law body with a registered address inside the European Union.
- A public law body in a third country with a Transparency International Corruption Perception Index (CPI) of equal to or over 80 points.
- A private law body with a registered address in countries with a "CPI" of equal to or over 60 points.

Other factors to be taken into account would be the third party's experience and reputation in the industry, its size and that of the transaction, the relationship of the third party with public officials or its business record with Navantia. In 2021 the Compliance Committee has done:

GRI 103-2; 308-1; 308-2; 414-1; 414-2

+15 Due Diligence on business partners

Due Diligence on agents, including new candidates, renewals and prior to the corresponding payments



Approximately 150

due diligence questionnaires to be answered by suppliers

SAINSEL, for its part, conducts a due diligence process every year on its "top ten" suppliers according to their turnover. Moreover, it has reached an agreement with Dow Jones to request economic-financial reports on companies' risks and corruption, which provides it with a high level of trust with its customers.

- > Customer relations
- > Value chain
- Social initiatives and contribution to the environment
- > Tax information



## Inclusion of social and environmental questions in the procurement policy

Navantia is expressly subject to Book III of Law 9/2017 of 8 November on Public Sector Contracts, the principles of which are incorporated into Internal Procurement Instructions, as well as all internal procurement regulations.

This law provides that procurement bodies must make sure that the design of award criteria enable the obtaining of works, supplies and services of a high quality by means of including qualitative, environmental, social and innovative aspects tied to the subject matter of the contract.

In this regard, Navantia establishes as part of its assessment criteria: fostering the social integration of people with a disability; disadvantaged people; and members of vulnerable groups, among those people assigned to perform the contract.

As far as environmental aspects are concerned, these are appraised in the assessment process prior to procurement. Occupational health and safety and environmental aspects regarding the work done at Navantia shipyards are monitored during contract performance. Moreover, audits are done on suppliers/subcontractors at their facilities, especially when these are critical to the execution of some programme and are particularly important environmentally speaking.

Navantia has different strategies and tools in place to improve its relations with suppliers:

- Supplier portal: this platform facilitates the interchange of information with suppliers (work procedures, documentation requirements to control access, etc.).
- It has two offices basically dedicated to relations with suppliers: the Auxiliary Industry Access Control Office and the Coordination Office.
- E-procurement portal: with a view to facilitating relations with suppliers with respect to contracts, and to make the process more transparent and traceable, this platform is used to assess suppliers and their capacities in the performance of more important projects and to process tenders, orders and billing.
- Publication of tenders: to favour transparency and competition, tenders are published both on the Public Sector Procurement Platform (PLACSP) and the Transparency Portal whenever necessary.
- The Navantia procurement process is subject to regular internal and external audits to detect weak points, on the basis of which action plans are established to enable continuous improvement.
- The procedure, identification register and certified environmental aspects are verified in supplier supervision and audit systems.



- > Customer relations
- > Value chain
- Social initiatives and contribution to the environment
- > Tax information



In 2021, 5,288 suppliers were approved.



## Social initiatives and contribution to the environment



Navantia is firmly committed to society and the environment where it pursues its activity. Accordingly, the organisation focuses on establishing lasting partnerships and associations that contribute to sustainable development, creating opportunities for young people and other groups, as well as on promoting the shipbuilding culture through educational and knowledge generation actions.

The financial contributions made by Navantia in 2021 are indicated below:

CONTRIBUTIONS	
FUNDACIÓN MUSEO NAVAL	A private institution committed to supporting Naval Culture and History Body activities, thereby contributing to the protection and dissemination of the historical legacy of the Spanish Navy.
FUNDACION MUSEO DEL EJÉRCITO	A private cultural organisation the purpose of which is primarily to carry out all types of activities in favour of the defence culture related to the Spanish Army.
FUNDACIÓN CONSEJO ESPAÑA AUSTRALIA	A private entity that forms part of the network of Spanish Ministry of Foreign Affairs, European Union and Cooperation (MAEC) Fundaciones Consejos network, with a view to fostering and deepening bilateral relations with Australia.
FUNDACIÓN CONSEJO ESPAÑA ESTADOS UNIDOS	A private entity that forms part of the network of the MAEC Fundaciones Consejos network, with a view to fostering and deepening bilateral relations with the USA.
FUNDACIÓN EXPONAV	Foundation created under Spanish Navy sponsorship to promote knowledge of shipbuilding and maritime activities.
FUNDACIÓN PRINCESA DE GIRONA	Foundation that works with young people on all aspects critical to their future.
FUNDACIÓN ISAAC PERAL	Multi-sector foundation that seeks to drive technological cooperation between large enterprises and SMEs in the Murcia Region.
TOTAL CONTRIBUTIONS	€82,000

> Customer relations

Social initiatives and contribution to the environment
 Tax information

> Value chain



## 間 国 ASSOCIATIONS

TEDAE	Association of Spanish companies involved in the Defence, Security, Aeronautics and Aerospace sectors.
CLANER	Association dedicated to representing and defending the Andalusian renewable energies sector.
CLÚSTER MARÍTIMO ESPAÑOL	Institution that encompasses all sea-related Spanish industries, services and economic activities in a single organisation.
ACLUNAGA	Galician Shipbuilding Sector association created on the initiative of the Regional Government of Galicia.
CLÚSTER MARITIMO NAVAL DE CADIZ	Business association to promote, drive, boost and develop the shipbuilding sector in the province of Cádiz.
CLUB DE EXPORTADORES E INVERSORES	Multi-sector business association to represent and defend the interests of its members in their international business activity.
CADIZ-PORT	Association to promote the port of Bahía de Cádiz.
COIN COLEGIO DE INGENIEROS NAVALES	Public law entity that brings together members of the shipbuilding and ocean engineers group.
SEA EUROPE	European association of civil shipyards and equipment makers.
ASD	Private European aeronautics, aerospace, defence and security association.
NRC	Repairs' shipyards' club, not organised formally. It meets twice a year to deal with issues of common interest.
WIND EUROPE – THE EUROPEAN WIND ENERGY ASSOCIATION	Association of entities that promote the use of wind energy, especially in Europe, though they also do so worldwide.
NAVY LEAGUE US - MADRID COUNCIL	Madrid branch of the US Navy League.
CÍRCULO DE CONFIANZA	Group of personalities that represent all Spanish political, economic and social spheres and which forms part of the Nueva Economía Fórum organisation.
CTN CENTRO TECNOLÓGICO Y NAVAL	Association set up by several sea and shipbuilding sector companies in the Murcia Region.
AGACOM ASOCIACIÓN GALLEGA DE COMPLIANCE	Association that seeks to contribute to the development, fostering, promotion and dissemination of compliance in Galicia.
ASOCIACIÓN THE LEGACY	Organisation dedicated to showcasing the importance of Spain's historical and cultural contribution to the United States of America with a view to boosting and promoting links between both countries.
CCI CENTRO DE CIBERSEGURIDAD INDUSTRIAL	International organisation with the mission of driving industrial cybersecurity and contributing to its improvement.
ISMS FORUM SPAIN	Organisation to promote the information security development, knowledge and culture in Spain.
CESUR ASOCIACION DE EMPRESARIOS DEL SUR DE ESPAÑA	Private and independent association of businessmen and women and senior directives from southern Spain.
AEC ASOCIACIÓN ESPAÑOLA DE CALIDAD	Private entity the mission of which is to promote quality as a driver of competitiveness and sustainability for professionals, companies and the country.
ADDIMAT	Spanish Association of Additive Manufacturing and 3D Technologies that brings together organisations interested in developing and promoting additive manufacturing on an industrial scale.

- > Customer relations
- > Value chain
- > Social initiatives and contribution to the environment
- > Tax information

- > Customer relations
- > Value chain
- Social initiatives and contribution to the environment
- > Tax information

#### Sustainability Report



間 日日 ASSOCIATIONS 見聞	
IAI INSTITUTO DE AUDITORES INTERNOS	Professional not-for-profit association that acts as a voice for the Internal Audit profession.
AEE ASOCIACIÓN EMPRESARIAL EOLICA	Wind Business Association that promotes the use of wind power.
APPA MARINA	Spanish Association for Renewable Energy Companies.
FORÉTICA	Spanish association to promote the culture of ethical and socially responsible management in organisations.
UNITED NATIONS GLOBAL COMPACT	World pact that promotes implementation of the universally accepted Ten Principles to drive sustainable development in areas such as: human rights and business, labour standards, environment and the fight against corruption in companies' business activities and strategy.
ASOCIACIÓN ATLANTICA ESPAÑOLA	Association dedicated to the supporting the efforts of collective defence and maintaining the peace and security by NATO.
REAL LIGA NAVAL ESPAÑOLA	Institution that brings together the four sea fleets: Navy, Merchant, Fishing and Sports.
CÁMARA DE COMERCIO HISPANO TURCA	Private association the primary goal of which is to foster business, economic and cultural relations between Turkey and Spain, and to serve the interests of its members.
CÁMARA DE COMERCIO HISPANO NORUEGA	Private association the primary goal of which is to foster business, economic and cultural relations between Norway and Spain, and to serve the interests of its members.
TOTAL CONTRIBUTIONS	€312,675.12

SPONSORHIPS	
FME Legion Monument	FAS Veterans Choir
FME Army Awards	Damas del Carmen Raffle
Inspiring Girls Awards	Sponsorship of the Executive Forum 2021 Lunch
ACEDE Conference (Cartagena)	Navy Golf Championship 2021
SAIL GP	
TOTAL SPONSORSHIPS	€53,000

For its part, SAINSEL contributes to not-for-profit organisations, specifically, this year it donated €346.28 to the Nuestra Señora del Carmen Association in Madrid. SAES made donations to the order of €4,803 to the Naval Museum and the Betania Old People's Home.

> Customer relations

> Social initiatives and

contribution to the

environment

> Tax information

> Value chain

## Technology in the service of health

The NAVANTIA Additive Manufacturing Centre of Excellence (CEFAN), located in Bahía de Cádiz shipyard has used its technology in 2021 to help children and the blind.

"Hospital 3D" Project: Navantia has been collaborating since 2019 with the University of Cádiz and the Virgen del Rocío and Puerta del Mar hospitals in Seville and Cádiz, respectively, on the manufacturing of 3D parts that help children with orthopaedic problems. At the request of these hospitals, in 2021 it built eighty orthopaedic parts that have benefited seven children.

"Kits for the blind" Project: the idea of this project is to represent several astronomic concepts, such as a black hole, a galaxy or a planet, by means of additive manufacturing so that, by touch, the children can get an idea of these concepts which are so abstract for them. The project was undertaken throughout 2021 by the Navantia Additive Manufacturing Centre of Excellence, resulting in the delivery of 4 kits.

#### **Health Initiatives**

Navantia Bahía de Cádiz has signed up to the "Sumamos Salud + Economía" Plan to speed up the vaccination process against COVID-19: the campaign was carried out by the Department of Health and Families and the Department of Employment, Training and the Self-Employed of the Government of the Autonomous Region of Andalusia in which the medical services of the participant companies, the National Federation of Associations of the Self-Employed (ATA) and the Business Observatory to Achieve the 2030 Agenda (OECA) took part.

Over 100 Navantia employees at Bahía run against cancer: staff from the three Navantia shipyards in Bahía de Cádiz supported the Spanish Association Against Cancer (AECC) in organising the "VII Ongoing race against cancer".

**Blood donation campaign at Navantia Cartagena:** over fifty donations were made.

### Sharing experience

The University of Coruña and Navantia
present their Astillero 4.0 research: the Mixed
Research Unit (UMI) formed by Navantia and
the University of A Coruña have presented
their advances in the work done to renew Navantia work
centres.

Navantia and the University of Cartagena renew the "Isaac Peral" Chair: Navantia will make a series of scholarships available for students; will organise awards for theses; and will promote shipbuilding-related research projects, as well as the use of 3D printed and artificial intelligence to detect microplastics in Cartagena Port.

Navantia signs up to the Alliance to consolidate Vocational Education: through this measure Navantia adheres to the commitment to endow continuity to those policies that favour the promotion of Vocational Education.

**"From Magellan-Elcano mapmaking to satellite systems" Course:** Navantia participated in this course organised by the Menéndez Pelayo International University (UIMP) in collaboration with the Chile-Spain Foundation.

Navantia, "Honorary Fellow" of the Faculty of Business Sciences at the UPCT: in recognition of the collaboration of the company with the educational institution in offering the chance of work practice for its students.

#### Navantia Navantia

### Navantia with society

Bahía de Cádiz renews its agreement with Proyecto Hombre: On 26 February, Navantia signed a collaboration agreement with the Spanish Foundation for Solidarity (Proyecto Hombre) to continue the relationship both parties maintain for several years now at Bahía de Cádiz shipyards.



Navantia Ría de Ferrol renews its commitment to its cultural heritage: the large number of cultural assets to be found at Ría de Ferrol factories has led Navantia to setting up a project to evaluate them in collaboration with the University of A Coruña.

New collaboration between Navantia and the Spanish Red Cross: Navantia signed an agreement with the Madrid branch of the Spanish Red Cross to carry out educational actions about addictions and collaborating in joint projects and activities at the company's head office.

Navantia Ría de Ferrol and Asfedro collaborate to combat addictions: Navantia and the Ferrol Association for Drug Dependencies (ASFEDRO) signed an agreement to fight against the problems caused by addictions, which envisages the development by ASFEDRO of the "Addiction prevention at Navantia" programme to be implemented at Ría de Ferrol work centres.

Collection of Christmas products and food for the Cartagena Shipyard Food Bank: the Dársena de Cartagena shipyard carried out a collection campaign in December of products such as: oil, jars of baby food, preserves, pulses, pastas, milk and flour, along with personal hygiene and cleaning products.

## Women engineers at Navantia promote STEAM careers among young students: Navantia

Working for diversity

engineers collaborate with secondary schools in Ría de Ferrol, Cádiz, Cartagena, Madrid, the Canary Islands and Santander by giving talks to draw the attention of current students and future professionals to the company. Moreover, the presence of women engineer colleagues at these talks boosts the numbers of women opting for STEAM careers and drives diversity, inclusion and equality in the world of work. Furthermore, Navantia women employees took part in the conferences held for International Women's Day organised by the Naval School of Madrid in 2021.

Navantia celebrates International Women in Engineering Day: Navantia held an "Empower your future" event with university students and recent graduates at which several employees related their professional experience at the company.

Navantia supports the Inspiring Girls Foundation Week: on the occasion of the "Mujeres de los Martes" event, Navantia collaborated in activities aimed at promoting marine sector related careers.

## Caring for the environment

#### Navantia volunteers help to clean the polluted surroundings of Portmán



beach: this initiative consisted in removing exotic invasive plants and waste from the area. The work of these volunteers helped facilitate subsequent recovery actions.

Navantia collaborates with Ferrol Town Council in creating a forest at Prior headland: Navantia and the Ferrol Town Council are working together to reforest land surrounding company facilities. This project enabled Navantia to offset part of the greenhouse gases (GHGs) generated by its activity.

## San Fernando organises an environmental volunteer activity:

Navantia and the Eryteeia Scout Troop joined forces in carrying out a volunteer activity comprising the collection of waste left in the marshes on both sides of the Carraca road, which gives access to Navantia - San Fernando and the Arsenal de La Carraca shipyard and naval base.

> Customer relations

> Social initiatives and

environment

> Tax information

contribution to the

> Value chain

## **Partnerships**

Navantia participates in establishing a broad network of partnerships to drive sustainable development. These joining of forces arise from inclusive and all-encompassing collaborations between the public and private sectors that result in agreements to mobilise human, intellectual and economic resources.

## Commitments to promote sustainable development



The **Global Compact** seeks to generate an international movement of sustainable companies to create the type of world we want. It also has an extraordinary capacity to bring together companies with other actors to work on driving sustainable development: governments, civil society and the United Nations. Navantia signed up to the Compact in 2019.

#### forética

As a **Forética** member, Navantia has clearly set itself the goal of boosting the integration of social, environmental and good governance aspects into its strategy and management, while it also participates, for example, in the Sustainability and CSR Action Group in public companies.

Forética's mission is to foster the integration of social, environmental and good governance aspects in the strategy and management of companies and organisations. With one goal: attaining a sustainable future.



Navantia is a partner in the Ministry for the Ecological Transition and the Demographic Challenge **Biodiversity Foundation** to work to strengthen its commitment to protecting biodiversity.

#### Universities and research centres

Navantia's eagerness in pushing innovation has seen it create a collaboration environment in which universities and research centres come on board the company's innovation programme and contribute to its being at the forefront of technological innovation through different collaboration initiatives.

#### José Romero Landa Chair



#### José Patiño Rosales Chair



#### Cosme Álvarez de los Ríos Chair



#### Isaac Peral Chair



> Customer relations

> Social initiatives and

contribution to the

environment

> Tax information

> Value chain

- > Customer relations
- > Value chain
- > Social initiatives and contribution to the environment
- > Tax information

Sustainability Report



#### Foundations and other associations

As part of its commitment to society, Navantia makes donations to and sponsors not-for-profit organisations and events. Accordingly, in 2021 the company collaborated with:



Fundación Museo Naval: A private institution to protect and disseminate the historical legacy of the Spanish Navy.



Fundación Museo del Ejército: A private organisation the purpose of which is to carry out activities in favour of the defence culture related to the Spanish Army.



Fundación Consejo España Estados Unidos: Private entity to foster and deepen bilateral relations with the United States of America



Fundación Consejo España Australia: Private entity to foster and deepen bilateral relations with Australia.



Fundación para la Biodiversidad: Foundation dedicated to protecting Spain's natural heritage.



Fundación Exponav: Foundation to promote knowledge of shipbuilding and maritime activities.



Fundación Princesa de Girona: Foundation to aid in young people's development.



Fundación Isaac Peral: Foundation to drive technological cooperation between large enterprises and SMEs in the Murcia Region.



Fundación Empresa Universidad Gallega: A foundation that specialises in the transfer of knowledge, innovation and technology from the Galician university system to the world of business and society in general.



Alianza para la FP Dual: Participation in the state network of educational centres, companies and other institutions committed to improving young people's employability.



**CEO por la Diversidad:** This alliance seeks to drive innovation in diversity, fairness and inclusion strategies in Spanish companies.



**Luxembourg Declaration:** This declaration seeks companies to commit to accepting and implementing basic occupational health promotion goals and to use them to guide its strategies



## **Shipbuilding culture**

Navantia is a company committed to promoting shipbuilding culture related values. This commitment is articulated, among other actions, through showcasing its cultural, industrial and archival legacy in collaboration with the local communities where it operates. Accordingly, the company is mindful of its close ties with the communities where its shipyards are located, which makes it essential to strengthen synergies between them through the extensive dissemination of the company's heritage. Moreover, the 17 SDGs seek to reinforce these partnerships to achieve their objectives, which serve as an inspiration and goal for this specific action in the Navantia strategy.

## The Dike Museum (Puerto Real)

What is known as the "El Dique" historic complex in the eastern area of the current Puerto Real shipyard constitutes a space in which several different inherited buildings harmoniously combine, all of which date from the important growth the area underwent at the end of the 19th century and early 20th century. Standing on the Trocadero peninsula, the site was selected on account of its ideal location, offering as it did shelter against the Atlantic winds, with the nearby bay fairway greatly favouring the easy entry and departure of ships.

Today, the museum surroundings preserve buildings and facilities that attest to the importance of the shipbuilding industry in the province of Cádiz, while also reflecting the impact it has hand on the local economy and society.



#### Shipbuilding Museum (Ferrol)

This museum has its origins in the creation of the Fundación Exponav in 1995, sponsored by the Spanish Navy with a view to fostering knowledge of shipbuilding and maritime activities. Navantia has been a foundation trustee from the outset. After years of defining the project and raising funds, mainly from donations, the museum was recognised by the Government of Autonomous Region of Galicia in 2017 as the "main maritime museum in Spain dedicated to shipbuilding" and came to occupy its rightful place among the Galicia Museums Network.

The ironworks building of the Ferrol Arsenal houses the museum. This building forms part of the original project back in 1761 to build four manufacturing buildings in what was known as the "Dike Arsenal", which have all been preserved and still function today as Navy and Navantia facilities. Mid-19th century it came to be used as the Navy School of Engineers, a function for which its served until 1988. Comprehensive restoration work was undertaken in 2001 to return it to its original 18th century structure. It was inaugurated as the Shipbuilding Museum by Their Majesties the King and Queen of Spain in 2008.

In addition to its role as a foundation trustee, Navantia is also a friend and neighbour of the museum, and one of its main donors of pieces for display. The Navantia Room, opened in the museum in 2018, attests to the fruitful collaboration between Navantia and Exponav.

This room takes visitors on a journey of shipbuilding at the Ferrol shipyard since the beginning of the 20th century. Navantia has contributed human, financial, technical and material resources to the museum, not to mention some of its most historically valuable exhibits which it had preserved at the shipyard with a view to confirming its commitment to showcasing the cultural heritage of the shipbuilding industry and of bringing it to the community to whom it belongs.



99

> Customer relations

> Social initiatives and

contribution to the

environment

> Tax information

> Value chain



## Tax information



## Results by country

The Navantia Group results for 2021 returned a loss of €86,156,772.75 after taxes.

Broken down by country, these losses corresponded to: Spain €93,529,613.04; Saudi Arabia €1,570,517.41; and India €379,332.95.

Profits were distributed as follows: Australia €8,708,825.41; Turkey €539,731.24; and France €74,134.



#### Capital gains tax

The Navantia Group paid the following capital gains tax in 2021: €7,966,303.05 in Australia; €41,787 in France; and €58,313.96 in Turkey.

None of the other Navantia Group companies paid capital gains tax in 2021.

The Navantia Group received no subsidies in 2021.



> Customer relations

> Social initiatives and contribution to the

> Value chain

environment > Tax information

## A

## **ANNEXES**



About this report

**Materiality analysis** 

Creating long-term value with stakeholders

**GRI-law content** 







> Materiality analysis

> Creating long-term value with stakeholders

> GRI-law content



## **About this report**

This report is the Navantia Group Non-financial Information Statement for the financial year closed on 31 December 2021. Navantia is 100% owned by the state holding company, Sociedad Estatal de Participaciones Industriales (SEPI), which is in turn attached to the Ministry of Public Finance and Public Administration. Two companies form part of the Navantia Group for consolidation purposes: Navantia Australia Pty. Ltd. and SAES Capital, S.A., S.M.E. which in turn has a stake in two subsidiaries: Sociedad Anónima de Electrónica Submarina, S.M.E. and SAINSEL Sistemas Navales, S.A.U., S.M.E.

This document has been drafted to respond to requirements under Law 11/2018 of 28 December on Non-financial reporting and diversity. Moreover, Navantia seeks to anticipate the change to be called for by the current Proposal for a Corporate Sustainability Reporting Directive, both with respect to the metrics to be indicated as well as regards information verification. As pointed out by the European Commission the current regime needs to be updated to strengthen companies' sustainability commitment, aligning it with the ambitious European Green Deal aims and, of course, with UN Sustainable Development Goals. The aforementioned anticipation of change will enhance company competitiveness, not only as regards potential standardised measurements, but likewise as regards the additional funding to drive company activity-based projects, thereby boosting our sustainable efforts and responsibility.

Selected Global Reporting Initiative (GRI) standards, as well as Law 11/2018 of 28 December on Non-financial reporting and diversity, were used to ensure that the content of this report reflects the company's sustainability performance, as was a materiality analysis, the purpose of which is to detect relevant issues for the business with a view to reflecting those important economic, social and environmental impacts during the financial year closed on 31 December 2021.





- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content

## **Materiality analysis**

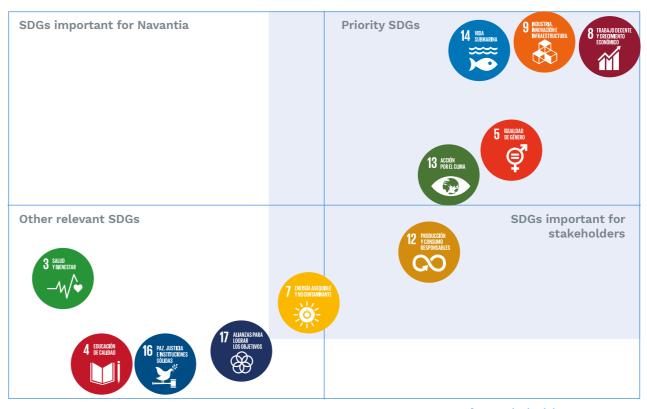
Importance for Navantia

Navantia has conducted a SDG-based materiality analysis to identify and define those issues the nature of which are important to company business and activity. This study made it possible to identify priority areas from both an in-house and stakeholder perspective.

Moreover, the analysis has enabled Navantia to prioritise sustainability plan actions, as well as to manage and report the information according to its importance for both internal and external stakeholders. Furthermore, Navantia intends to continue developing this analysis exercise in future reporting years.

An in-house created, two-dimensional analysis method was used to conduct this materiality analysis based on the importance given by external opinion leaders to the SDGs and their internal relevance via the perceptions collected from a working group created for this purpose.

The following matrix shows the position of the different SDGs according to their internal and external importance.



Importance for stakeholders

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content



## **Creating long-term value** with stakeholders

Navantia has a "Stakeholders and context analysis procedure" in place to identify the stakeholders with which it engages, as well as to determine their needs and/or expectations and tools to meet them. Moreover, each centre manages its relations with local entities and agents.

On implementing this procedure, relationships with local community actors are conducted as indicated in the following table:

STAKEHOLDERS	NEEDS AND/OR EXPECTATIONS	TOOLS/ACTIONS TO CATER FOR NEEDS/EXPECTATIONS
Navantia Employees (1)	<ul> <li>Job contract compliance</li> <li>Work safety and guarantees</li> <li>Work load and assignment</li> <li>Professional development (motivation, training and talent management)</li> <li>Business ethics and anti-crime compliance</li> <li>Working at an environment-friendly organisation</li> <li>Occupational health and safety</li> <li>Data protection</li> <li>Control of access to information</li> <li>Digital identity management</li> <li>Diversity and inclusion</li> </ul>	<ul> <li>Labour agreements</li> <li>Occupational Health and Safety Management System</li> <li>Environmental Management System</li> <li>Compliance Management System</li> <li>Compliance Committee</li> <li>Target driven system</li> <li>Succession Plan</li> <li>Training programmes</li> <li>Corporate University</li> <li>Talent Management</li> <li>Knowledge Management Plan</li> <li>Code of Conduct - Whistleblowing channel</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Data protection regulation</li> <li>Cybersecurity awareness raising</li> <li>Access control by two-step authentication</li> <li>Digital identity management</li> <li>Information Security Management System (ISMS)</li> <li>Exercise of fundamental rights; Privacy and Data Protection Management System processes</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content

- > About this report> Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content

Sustainability Report



STAKEHOLDERS	NEEDS AND/OR EXPECTATIONS	TOOLS/ACTIONS TO CATER FOR NEEDS/EXPECTATIONS
Subsidiaries (1)	<ul> <li>Information</li> <li>Cooperation</li> <li>Transparency</li> <li>Business ethics and anti-crime compliance</li> <li>Unification of corporate image and corporate processes</li> </ul>	<ul> <li>Boards of Directors</li> <li>Normal business relationship</li> <li>Code of Conduct - Whistleblowing channel</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Compliance Committee</li> <li>Privacy and Data Protection Management System</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
Shareholders: SEPI (1)	<ul> <li>Transparency</li> <li>Compliance</li> <li>Profitability</li> <li>Business ethics and anti-crime compliance</li> <li>Risk management</li> </ul>	<ul> <li>Board of Directors - Audit Committee</li> <li>Regular passing on of information</li> <li>Bilateral meetings</li> <li>Code of Conduct</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Compliance Committee</li> <li>Privacy and Data Protection Management System.</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
Customers: Spanish Navy, foreign navies and merchant navies, shipbuilders, wind power sector customers, etc. (1)	<ul> <li>Contractual compliance, agreements and regulations</li> <li>Information</li> <li>Cooperation</li> <li>Strategic partnerships</li> <li>Performance guarantee</li> <li>Transparency</li> <li>Contract guarantees</li> <li>Business ethics and anti-crime compliance</li> <li>Data protection</li> <li>Control of access to information</li> <li>Digital identity management</li> <li>Information on relevant cybersecurity incidents</li> <li>Contract information security</li> <li>Security, continuity and speed of information and communication systems</li> <li>Product/service safety</li> <li>Recycling/waste management</li> <li>Smooth communication channels with the company to resolve conflicts and meet contract-related needs</li> </ul>	<ul> <li>Corporate business relations procedures and standards, customer satisfaction and trade fair impact</li> <li>Code of Conduct - Whistleblowing channel</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Customer satisfaction survey and interview</li> <li>Cybersecurity awareness raising</li> <li>Access control by two-step authentication</li> <li>Digital identity management</li> <li>Cybersecurity incident management</li> <li>Privacy and Data Protection Management System.</li> <li>Corporate Data Protection and Privacy Regulation</li> <li>Smooth communication channels with the company to resolve conflicts and meet contract-related needs</li> </ul>

- > About this report> Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content

Sustainability Report



STAKEHOLDERS	NEEDS AND/OR EXPECTATIONS	TOOLS/ACTIONS TO CATER FOR NEEDS/EXPECTATIONS
Quality Assurance Representative (QAR) (1)	<ul> <li>Compliance with quality system requirements</li> <li>Compliance programme/contract quality requirements</li> <li>Safety guarantees</li> <li>Transparency and communication</li> <li>Data protection</li> <li>Control of access to information</li> <li>Digital identity management</li> <li>Information on relevant cybersecurity incidents</li> <li>Security, continuity and speed of information and communication systems</li> </ul>	<ul> <li>Quality Management System</li> <li>Code of Conduct</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Customer satisfaction surveys</li> <li>Cybersecurity awareness raising</li> <li>Access control by two-step authentication</li> <li>Digital identity management</li> <li>Contingency and disaster recovery plans</li> <li>Cybersecurity incident management</li> <li>Privacy and Data Protection Management System.</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
Suppliers: Supplies and services providers, Auxiliary Industry (1)	<ul> <li>Occupational health and safety and the environment regulation compliance</li> <li>Contract compliance</li> <li>Procurement continuity</li> <li>Business ethics and anti-crime compliance</li> <li>Information security in contract relations</li> <li>Security, continuity and speed of information and communication systems</li> <li>Product/service safety</li> <li>Waste management</li> <li>Data protection</li> <li>Control of access to information</li> <li>Digital identity management</li> <li>Energy consumption</li> <li>Guarantee of the required training to take part in internal management processes</li> <li>Full integration into project planning</li> <li>Assessment of supplier information security</li> </ul>	<ul> <li>Corporate procurement procedures and regulations</li> <li>Quality management procedures</li> <li>Supplier communication channel</li> <li>Occupational Health and Safety Management System</li> <li>Corporate Environmental Management System</li> <li>Code of Conduct</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Other one-off tools</li> <li>Cybersecurity incident management</li> <li>Suppliers Panel</li> <li>Information Security Management System</li> <li>Privacy and Data Protection Management System.</li> <li>Corporate Data Protection and Privacy Regulation</li> <li>Guarantee of the required training to take part in internal management processes</li> <li>Full integration into project planning</li> <li>Assessment of supplier information security</li> </ul>

- > About this report> Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content





STAKEHOLDERS	NEEDS AND/OR EXPECTATIONS	TOOLS/ACTIONS TO CATER FOR NEEDS/EXPECTATIONS
Trade Unions (1)	<ul><li>Transparency</li></ul>	<ul><li>Negotiations</li></ul>
	<ul><li>Cooperation</li></ul>	<ul><li>Bilateral meetings</li></ul>
	<ul> <li>Response to demands</li> </ul>	<ul><li>Labour agreements</li></ul>
	<ul><li>Job security and guarantees</li></ul>	<ul><li>Code of Conduct</li></ul>
	<ul> <li>Business ethics and anti-crime compliance</li> </ul>	<ul> <li>Corporate Compliance, Transparency and Good Governance Standards</li> </ul>
	Freedom to join trade unions	
Spanish administration,	<ul><li>Transparency</li></ul>	<ul><li>Trade relations</li></ul>
City Councils and	<ul><li>Information</li></ul>	<ul> <li>Bilateral and multi-lateral meetings</li> </ul>
Corporations. Foreign government authorities.	<ul><li>Cooperation</li></ul>	<ul> <li>Code of Conduct - Whistleblowing channel</li> </ul>
(2)	<ul> <li>Regulatory compliance. Commitment</li> </ul>	<ul> <li>Corporate Compliance, Transparency and Good Governance Standards</li> </ul>
	<ul><li>Business ethics and anti-crime compliance</li><li>Information on relevant cybersecurity incidents</li></ul>	<ul> <li>Environmental Management System (identification and assessment of legal requirements)</li> </ul>
	Smooth communication channels	<ul> <li>Cybersecurity incident management</li> </ul>
		<ul><li>Information Security Management System (ISMS)</li></ul>
		<ul><li>Privacy and Data Protection Management System.</li></ul>
		<ul> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
Companies, institutions,	<ul><li>Information</li></ul>	<ul><li>Trade relations</li></ul>
associations and clusters.	<ul><li>Cooperation</li></ul>	<ul> <li>Bilateral and multi-lateral meetings</li> </ul>
Universities and Research Centres. Classification	Regulatory compliance	<ul> <li>Navantia representation in entities, in its own name or through national</li> </ul>
Societies (BV, LR, DNV GL,	Strategic partnerships	and international associations
ABS, etc.). European and	<ul><li>Sponsorship</li></ul>	<ul><li>Membership in and sponsorship of entities</li></ul>
multi-lateral bodies (EU,	<ul> <li>Business ethics and anti-crime compliance</li> </ul>	<ul><li>Code of Conduct - Whistleblowing channel</li></ul>
NATO, EDA, SEA EUROPE, DCCAR, etc.) (2)	Smooth communication channels	<ul> <li>Corporate Compliance, Transparency and Good Governance Standards</li> </ul>
Financial institutions (2)	I oan collection	■ Trade relations
(2)	Financial guarantee compliance	Bilateral and multi-lateral meetings
	<ul> <li>Business ethics and anti-crime compliance</li> </ul>	Retaining fees
	Financial risk management	Code of Conduct
	Data protection	<ul> <li>Corporate Compliance, Transparency and Good Governance Standards</li> </ul>
	p	<ul> <li>Privacy and Data Protection Management System.</li> </ul>
		Corporate Data Protection and Privacy Regulation

- - > About this report
  - > Materiality analysis
  - > Creating long-term value with stakeholders
  - > GRI-law content





STAKEHOLDERS	NEEDS AND/OR EXPECTATIONS	TOOLS/ACTIONS TO CATER FOR NEEDS/EXPECTATIONS
Media (2)	<ul> <li>Information flow</li> <li>Transparency</li> <li>Truthfulness</li> <li>Business ethics and anti-crime compliance</li> <li>Appropriate and timely information</li> </ul>	<ul> <li>Corporate Communication Regulation</li> <li>Code of Conduct</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Privacy and Data Protection Management System</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
Social environment: nearby and remote geographical areas of influence (society, NGOs, social groups) (3)	<ul> <li>Regulatory and environmental compliance</li> <li>Positive impact of Navantia activity, particularly in terms of noise, landscape, environmental pollution, communication channels, employment</li> <li>Business ethics and anti-crime compliance</li> <li>Display of socio-cultural legacy (museums, exhibitions, guided visits, etc.)</li> <li>Inequality prevention</li> </ul>	<ul> <li>Navantia website and social networks</li> <li>Code of Conduct - Whistleblowing channel</li> <li>Corporate Compliance, Transparency and Good Governance Standards</li> <li>Environmental Management System</li> <li>Collaboration agreements with local universities</li> <li>Privacy and Data Protection Management System</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
External control and supervision bodies (Audit Office, State Comptroller, Tax Office, Regulatory bodies: National Competition Commission, Dept. Social Security, etc.), Control, Investigating and Sanctioning Authority (Spanish Data Protection Agency and European Data Protection and Privacy Authorities)	<ul> <li>Information</li> <li>Cooperation</li> <li>Transparency</li> <li>Legislative requirements compliance</li> </ul>	<ul> <li>Corporate regulations</li> <li>Passing on of information through the established channels</li> <li>Bilateral meetings</li> <li>Exercise of fundamental rights; Privacy and Data Protection Management System processes</li> <li>Corporate Data Protection and Privacy Regulation</li> </ul>
Website (digital) users. Any individual who engages with Navantia over our website		<ul> <li>Website users data protection and privacy policy</li> <li>Corporate data protection and privacy regulation</li> </ul>

## **GRI-law content**

CODE	NON-FINANCIAL INFORMATION LAW REQUIREMENTS	GRI LINKS	RESPONSE TO REQUIREMENTS			
0. GENER	0. GENERAL INFORMATION					
0.A	A brief description of the group's business model	102-2 Activities, brands, products and services 102-3 Location of headquarters 102-4 Location of operations 102-6 Markets served 102-7 Scale of organization 102-14 Statement from senior decision-maker (vision and strategy with respect to managing the significant economic, environmental, and social impacts) 102-18 Governance structure 102-22 Composition of the highest governing body and its committees 102-26 Role of the highest governing body in setting purpose,	pgs. 3-13, 20-25			
0.B	A description of the policies applied by the group regards the said questions	values and strategy  103-2 The management approach and its components	pgs. 35-36			
0.C	The results of these policies	103-2 The management approach and its components 103-3 Evaluation of the management approach	Indicated in detail in the following sections of this table			
0.D	The main risks related to these questions	102-15 Key impacts, risks and opportunities 102-16 Values, principles, standards and rules of behaviour 102-30 Effectiveness of risk management processes	pgs. 26-34			
0.E	Key indicators of non-financial results that are relevant with respect to specific business activity and which meet the comparability, materiality, relevance and reliability criteria.	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach 102-54 Claims of reporting in accordance with GRI standards	pgs. 102-103 and indicated in detail in the following sections of this table			

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content





CODE	NON-FINANCIAL INFORMATION LAW REQUIREMENTS	GRI LINKS	RESPONSE TO REQUIREMENTS			
1. ENVIRO	1. ENVIRONMENTAL MATTERS					
1.1 GEN	ERAL INFORMATION					
1.1.1	On the current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	-	pgs. 41-44			
1.1.2	On environmental assessment or certification procedures	-	p. 45			
1.1.3	On resources dedicated to environmental risk prevention	-	pgs. 43-44			
1.1.4	On the application of the precautionary principle	102-11 Precautionary principle or approach	p. 46			
1.1.5	On the amount of provisions and guarantees for environmental risks	-	p. 46			
1.2 POL	LUTION					
1.2.1	Measures to prevent, reduce or remedy emissions that severely affect the environment; taking into account any form of activity-specific atmospheric pollution, including noise and light pollution	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	pgs. 46, 50-54			
1.3 CIRC	CULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT					
1.3.1	Measures for waste prevention, recycling, re-use, and other forms of waste recovery and disposal	306-2 Waste by type and disposal method	pgs. 55-58			
1.3.2	Actions to combat food waste.	No material for Navantia activity				
1.4 SUS	TAINABLE USE OF RESOURCES					
1.4.1	Water consumption and water supply in accordance with local limits	303-1 Interaction with water as a shared source 303-5 Water consumption	pgs. 48-49			
1.4.2	Consumption of raw materials and measures taken to improve the efficiency of raw material use	301-1 Materials used by weight or volume	p. 59			
1.4.3	Direct and indirect energy consumption	302-1 Energy consumption within the organisation	p. 53			
1.4.4	Measures to improve energy efficiency	302-3 Energy intensity 302-4 Reduction of energy consumption	p. 53			
1.4.5	Use of renewable energies	302-1 Energy consumption within the organisation (broken down into renewables and non-renewables)	p. 54			

>	About this report
>	Materiality analysis
>	Creating long-term value with stakeholders
>	GRI-law content

CODE	NON-FINANCIAL INFORMATION LAW REQUIREMENTS	GRI LINKS	RESPONSE TO REQUIREMENTS
1.5 CLIM	MATE CHANGE		
1.5.1	Important greenhouse gas emission elements generated as a result of the company's activities, including the use of the goods and services it produces.	305-1 Direct (Scope 1) GHG emissions 305-2 Energy Indirect (Scope 2) GHG emissions 305-3 Other Indirect (Scope 3) GHG emissions	pgs. 50-51
1.5.2	Measures adopted to adapt to the consequences of climate change	201-2 Financial implications and other risks and opportunities due to climate change	pgs. 51-52
1.5.3	Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions and the means implemented in this regard	305-5 Reduction of GHG emissions	p. 52
1.6 PRO	TECTING BIODIVERSITY		
1.6.1	Measures taken to preserve or restore biodiversity	304-3 Habitats protected or restored	pgs. 60-62
1.6.2	Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products and services on biodiversity	p. 62
2. SOCIAL	AND PERSONNEL MATTERS		
2.1 EMP	LOYMENT		
2.1.1	Total number and distribution of employees according to representative diversity criteria (gender, age, country, etc.)	102-8 Information on employees and other workers 405-1 Diversity of governance bodies and employees	pgs. 71-72
2.1.2	Total number and distribution of types of employment contracts, average annual number of permanent, temporary and part-time contracts by gender, age and job category	102-8 Information on employees and other workers	p. 72
2.1.3	Number of redundancies by gender, age and job category		p. 73
2.1.4	Average remuneration and evolution thereof broken down by gender, age and job category or equal value	-	pgs. 73-74
2.1.5	Wage gap, remuneration for equal jobs or average remuneration at the company	405-2 Ratio of basic salary and remuneration of women to men	p. 74
2.1.6	Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments, broken down by gender	-	p. 25
2.1.7	Implementation of disconnection policies	-	p. 80
2.1.8	Employees with a disability	405-1 Diversity of governance bodies and employees	p. 68
2.1.0	Employees with a disability	Too 1 Diversity of governance bodies and employees	p. 00

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content





CODE	NON-FINANCIAL INFORMATION LAW REQUIREMENTS	GRI LINKS	RESPONSE TO REQUIREMENTS		
2.2 OR	2.2 ORGANISATION OF WORK				
2.2.1	Organisation of work schedule	-	pgs. 77-79		
2.2.2	Number of hours of absence	403-2 Types of accidents, accident rate, occupational diseases, days lost, absenteeism and number of deaths per occupational accident or occupational disease	p. 80		
2.2.3	Measures aimed at enhancing work-life balance and encouraging the enjoyment of work-life balance by both parents	401-3 Parental leave	pgs. 66-67		
2.3 HE	ALTH AND SAFETY				
2.3.1	Occupational health and safety conditions		pgs. 81-84		
2.3.2	Workplace accidents, in particular its frequency and severity, as well as occupational diseases; broken down by gender.	403-2 Types of accidents, accident rate, occupational diseases, days lost, absenteeism and number of deaths per occupational accident or occupational disease	p. 84		
2.4 SO	CIAL RELATIONS				
2.4.1	Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff	102-43 Approach to stakeholder management 403-1 Workers representation in formal joint management–worker health and safety committees	pgs. 78-79		
2.4.2	Percentage of employees covered by collective bargaining agreements by country		p. 77		
2.4.3	Taking stock of collective bargaining agreements, particularly in the sphere of occupational health and safety		pgs. 81-84		
2.5 TRA	2.5 TRAINING				
2.5.1	Training policies implemented	404-2 Programmes for upgrading employee skills and transition assistance programmes	pgs. 75-76		
2.5.2	Total training hours by professional category	404-1 Average hours of training per year per employee	p. 76		
2.6 UNI	2.6 UNIVERSAL ACCESSIBILITY FOR PEOPLE WITH A DISABILITY				
2.6.1	Universal accessibility for disabled people	-	pgs. 67-68		

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content





CODE	NON-FINANCIAL INFORMATION LAW REQUIREMENTS	GRI LINKS	RESPONSE TO REQUIREMENTS		
2.7 EQU	2.7 EQUALITY				
2.7.1	Measures taken to promote equal treatment and opportunities for women and men	401-3 Parental leave	p. 68		
2.7.2	Equality plans (Chapter III of Organic Law 3/2007 of 22 March on the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with a disability	-	pgs. 64-67		
2.7.3	Policy against all types of discrimination and, where appropriate, diversity management policy	-	p. 64		
3. RESPE	CT FOR HUMAN RIGHTS				
3.1 HUN	IAN RIGHTS				
3.1.1	Implementation of human rights due diligence procedures	102-16 Values, principles, standards and rules of behaviour	_		
3.1.2	Complaints relating to human rights breaches	419-1 Non-compliance with laws and regulations in the social and economic area			
3.1.3	Promotion and enforcement of the provisions of International Labour Organization core conventions concerning respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour.	406-1 Incidents of discrimination and corrective actions taken	p. 40		
4. FIGHT	AGAINST CORRUPTION AND BRIBERY				
4.1 COR	RUPTION AND BRIBERY				
4.1.1	Measures taken to prevent corruption and bribery	102-16 Values, principles, standards and rules of behaviour 102-17 Advice mechanisms and concerns about ethics 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	pgs. 37-38		
4.1.2	Measures to combat money laundering	-	p. 38		
4.1.3	Contributions to foundations and non-profit entities	201-1 Direct economic value generated and distributed	pgs. 92-94		

- > About this report
- > Materiality analysis
- > Creating long-term value with stakeholders
- > GRI-law content





CODE	NON-FINANCIAL INFORMATION LAW REQUIREMENTS	GRI LINKS	RESPONSE TO REQUIREMENTS
5. COMPANY INFORMATION			
5.1 COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT			
5.1.1	The impact of the company's activity on local employment and development	413-1 Operations with local community engagement, impact assessments and development programmes	pgs. 95-99
5.1.2	The impact of the company's activity on local communities and the territory	413-1 Operations with local community engagement, impact assessments and development programmes	pgs. 95-99
5.1.3	Relations with local community actors and methods of engagement with them.	102-43 Approach to stakeholder management 413-1 Operations with local community engagement, impact assessments and development programmes	pgs. 104-108
5.1.4	Partnership or sponsorship actions		pgs. 98-99
5.2 SUBCONTRACTING AND SUPPLIERS			
5.2.1	Inclusion of social, gender equality and environmental issues in the procurement policy	-	p. 91
5.2.2	In relations with suppliers and subcontractors, consideration of their social and environmental responsibility	308-1 New suppliers that have been screened using environmental criteria 414-1 New suppliers that were screened using social criteria	pgs. 90-91
5.2.3	Monitoring and audit systems and audit results		p. 90
5.3 CONSUMERS			
5.3.1	Consumer health and safety measures		pgs. 86-89
5.3.2	Complaint systems, complaints received and its resolution	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 86
5.4 TAX INFORMATION			
5.4.1	Profits by country	-	_
5.4.2	Income tax paid	-	p. 100
5.4.3	Public subsidies received	201-4 Financial assistance received from government	



