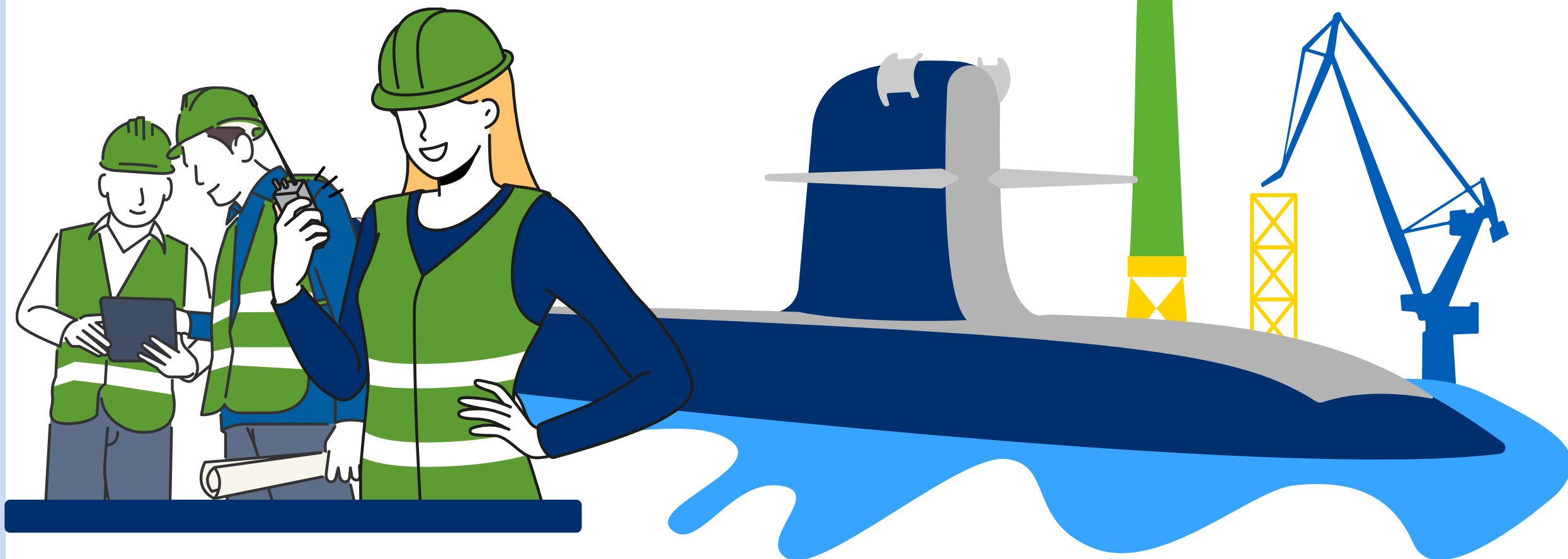


Navantia, diving into the future



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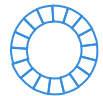
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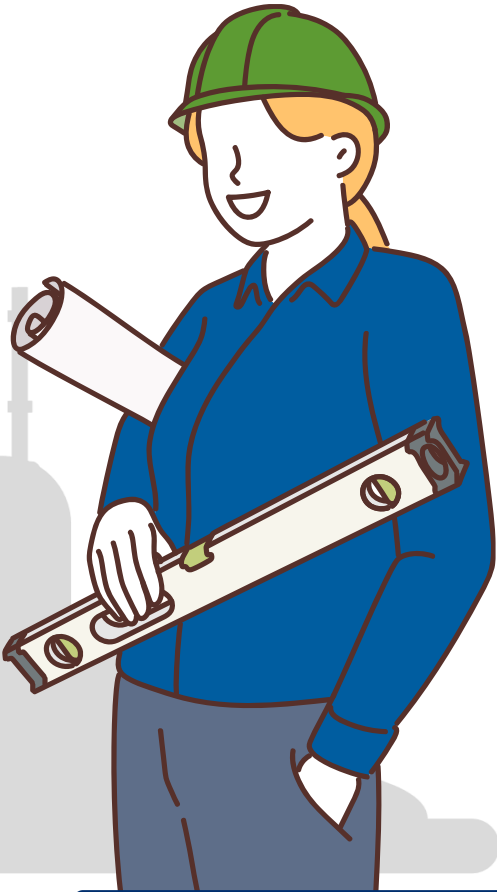
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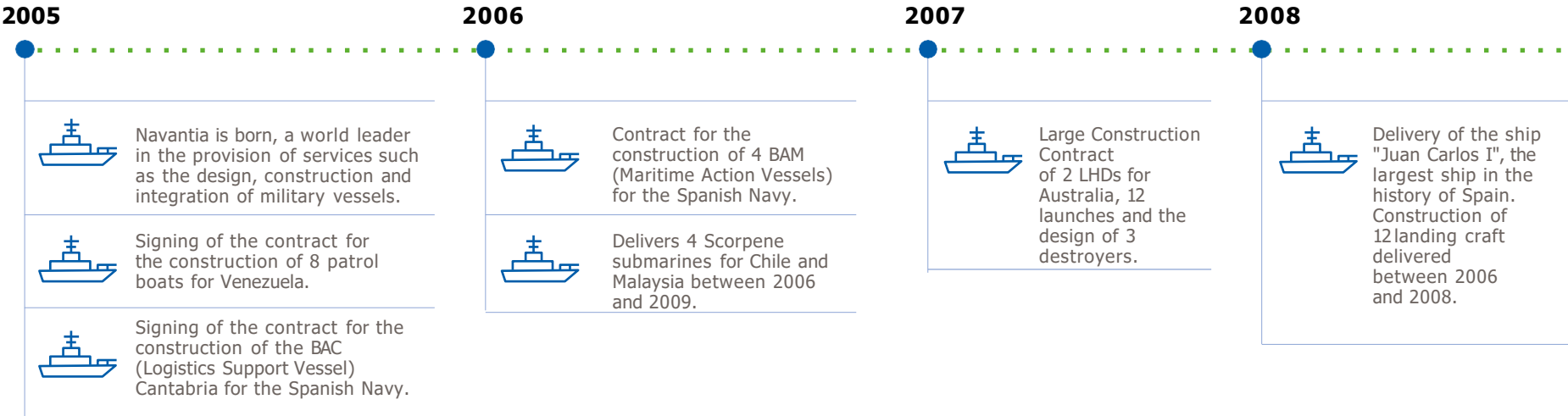
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Navantia is 100% owned by the Sociedad Estatal de Participaciones Industriales (SEPI), a body which, in turn, reports to the Ministry of Finance. Within SEPI, four companies form part of the Navantia Group for consolidation purposes: Navantia Australia Pty. Ltd. (hereinafter Navantia Australia), Navantia UK (hereinafter Navantia UK), Navantia Arabia LLC (hereinafter Navantia Arabia) and SAES Capital, S.A., S.M.E., which in turn participates 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).

Navantia's evolution is marked by the following milestones:

Navantia's historical evolution and growth



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2010-2015



Construction of 5 frigates for Norway



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



Navantia seals an alliance with Iberdrola and enters the offshore wind market by signing the first contract for the construction of 29 jackets and a substation for the Wikinger wind farm (Germany).



Contract for the construction of 2 BAMs for the Spanish Navy.



Offshore Wind: Contract with Statoil (Equinor) for construction of 5 floating structures, Hywind project

2016



Contract with Australia for the construction of 2 AORs (Logistics Support Vessels).



Offshore wind: Contract with Iberdrola for the construction of 42 jackets and a substation for the East Anglia One wind farm (UK).

2018



The company signs with Saudi Arabia the construction of five corvettes, which provides thousands of jobs generated directly and indirectly annually



Offshore Wind: Floating platform contract for Windfloat Atlantic (EDPR)

2019



Offshore Wind, Contract with Cobra Group to build 5 floating platforms for the Kincardine wind farm (UK).



Navantia is awarded the contract for the construction of the electrical substation for the Norwegian company Aibel



Signing of the Execution Order with the Spanish Navy for the construction of 5 F110, the most modern frigates.



Offshore Wind: Contract with Iberdrola to build 62 Jackets for the Saint Brieuc wind farm (France)

2021



Navantia launches a new division specialising in Green Energies



Launching of the first unit of submarine S81



Navantia creates the first Artificial Intelligence consortium (IndesIA) together with Telefónica, Microsoft and Repsol with the aim of accelerating its digitalisation processes and improving its productivity.



Navantia launches its Sustainability Strategy and the Navantia 2040 Decarbonisation Plan

2022



Navantia and Pymar as drivers of the PERTE of the Spanish shipbuilding industry



The Council of Ministers authorises the setting up of a Navantia subsidiary in the UK



Birth of Navantia Seanergies Acquisition of a 5% stake in Enagás Renovable (EGR) specialised in green hydrogen projects.



Ocean Winds awards Navantia Seanergies and Windar the construction of 14 monopiles for the Moray West offshore wind farm (Scotland).

2023



The UK Ministry of Defence formally awarded 'Team Resolute' the construction of three logistics vessels for the Royal Navy Auxiliary Fleet.



Iberdrola contracts Navantia Seanergies-Windar for the construction of 45 monopiles for its East Anglia 3 wind farm.



Navantia delivers the S-81 "Isaac Peral" submarine to the Navy, a historic milestone



The Council of Ministers authorises expenditure for the construction of two new BAMs and two hydrographic vessels by Navantia.

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Navantia in 2023

After more than 400 years of history, linked to the voyage of our Navy, Navantia expands its projection, in the current global context, to all international waters.

Our original commitment to the Armed Forces of our country is not an obstacle, but on the contrary, a platform and guarantee of the Company's work beyond our borders.

The Company's capacity to respond to the multiple challenges originates on the bridge, but is immediately replicated in each of the areas where the workforce is deployed: women and men firmly committed to a Navantia at the forefront of Defence and Security and green energy, where innovation, digital transformation and sustainability appear as horizontal axes.

This year, in the area of reporting, **Navantia is bringing forward the entry into force of EU Directive 2022/2464 of the European Parliament** and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, with regard to the reporting of sustainability information by companies.No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC.

As well as, Directive 2013/34/EU, with regard to the presentation of information on sustainability by companies, making a report much closer to the corporate sustainability report (mandatory from next year) than to the non-financial status report, although formally we must keep the name until 2025.

During 2023, many milestones have marked our journey, which has maintained a firm and determined course towards the multiple objectives that appear on the sonar of our DIVING, some of which we can highlight.

The S-80 programme, strategic autonomy and technological excellence

The purpose of the S-80 programme has always been twofold: on the one hand, to provide state-of-the-art ships that would give the Navy a technological advantage in an unpredictable environment and, on the other, to enable the national industry to design and build a type of ship that, due to its technical and technological complexity, is only within the reach of a small group of countries: the United States, France, the United Kingdom, Germany, Sweden, Russia, Japan, China and South Korea.

This is, therefore, **the greatest industrial and technological challenge ever faced by the national defence industry**. Navantia has made an enormous technological leap forward, as **for the first time it has taken on the role of Technical Design Authority and completed the cycle of technological evolution**: from building in Spain with a foreign design to building in Spain with its own design. The national collaborating companies have also been boosted.

The main dimensions of the S-80 are an overall length of about 81 metres and an autonomy of more than 50 days. In order to undertake the S-80, it has been necessary to carry out a process of transformation of the shipyard at a technical, organisational, process and management level.

The programme was a pioneer in Navantia in digitising the end-to-end production system, based on contract requirements and simulation models.

This allows the entire value chain to be paperless. It is illustrative that a Boeing 777 aircraft requires 50,000 hours of construction, while a submarine requires more than three million hours.



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A submarine is a system designed to operate in a very hostile environment where the slightest mistake can have catastrophic consequences. The necessary balance between different design parameters makes it a very compact product in which a large number of capabilities and systems need to be integrated and where components and materials require an exhaustive qualification process.

The programme contributes annually to employment in Murcia with around 2,000 direct quality jobs and jobs in the auxiliary industry. Navantia contributes in aggregate (direct, ancillary, indirect and induced) to employment in the Region of Murcia with up to 7,000 quality jobs in periods of high load, which represents 10% of industrial employment in Murcia. For each direct Navantia job, up to 4 additional jobs are created at regional level (auxiliary, indirect and induced industry).

The Atmosphere Independent Propulsion (AIP) system of the S-80 Class submarines allows these conventional submersibles to recharge their batteries while submerged, extending the time they can remain in this condition without having to snorkel to recharge them, using their Diesel-Alternator-Rectifier (DAR) engines, where the boat is most vulnerable due to their acoustic and visual signatures. This system provides a tactical advantage.

A key milestone in the technological development plan for this system was reached in 2023: the passing of the Factory Acceptance Tests (FAT) of the prototype that will be embarked on the third submarine in the series. This unprecedented success represents an international positioning in this technology, as Navantia is the first company to have a qualified third generation system (i.e. with the capacity to generate hydrogen on board instead of carrying it in storage), ready to be integrated in a submarine.

This represents Navantia's positioning in a key and differentiating technology in the conventional submarine market, which provides

a solution to the platform's fuel procurement logistics. It also represents a milestone in terms of sustainability, as it is a system based on the processing of bio-ethanol (ethyl alcohol obtained from organic matter) given its low carbon footprint, underlining Navantia's commitment to the development of its line of business in hydrogen as part of its commitment to the development of green energies through Seanergies division.

This development has meant a huge effort for the national industry, which has driven Navantia's ecosystem of suppliers and technological partners in the search for new technological solutions in the field of hydrogen generation and the use and integration of fuel cells for energy generation.

The results achieved position Navantia as an international leader in the application of these solutions in submarines (a highly demanding product), and the training obtained throughout this technological development process opens up opportunities for Navantia Seanergies in the search for new solutions and applications of the technology and in other fields of the generation of this vector that will contribute to meeting the European Union's objectives of decarbonisation of the economy and technological and energy sovereignty.

The S-80 Programme has become an industrial tractor for the Cartagena region. It generates an annual impact on the Spanish GDP (direct, indirect and induced contribution) of more than €250 M, so that:



More than **€80 million** is a **direct contribution to the regional GDP** (0.5% of the Region of Murcia's GDP).

More than **200 M€** are **total contribution to the regional GDP** (3.8% GVA industrial Region of Murcia).

For every direct euro of GDP, an additional **€2** is generated in the economy.

For every euro of Navantia's turnover, **€1.01 of GDP is generated** in the economy of the Region of Murcia.

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F-110 programme accelerates with Digital Block Factory

The F-110 programme is a vital project for the Navy, which will result in the necessary replacement of the "Santa María" class frigates, while complementing the capacity of our F-100s as basic elements for the development of the rest of the Fleet's capabilities. This transition has been possible thanks to the excellent collaborative relationship between the Navy and Navantia, which has endured through decades of joint work in a common interest in the pursuit of excellence in shipbuilding.

The F-110 operates as a transforming lever for our entire industrial and technological ecosystem, placing the Ferrol shipyard at the technological and industrial forefront, with the forthcoming construction of the digital block factory and the Digital Twin Centre of Excellence. The F-110 is a qualitative leap from the point of view of the Navy's capabilities and the industrial and technological potential of Navantia and all its collaborating industry. It thus contributes to Spain's strategic autonomy and to having a cutting-edge industrial and technological base, while at the same time opening up new export opportunities.

The programme incorporates the Digital Twin, an innovative concept that will make the Ferrol shipyard an international reference in frigates. The Digital Twin, designed in close collaboration with the Navy and the Directorate General of Armament and Material (DGAM) of the Ministry of Defence, is a virtual replica of the ship that is fed back in real time with information from the vessel and data permanently supplied by a network of sensors distributed throughout the ship, constituting a cyber-physical system that through the use of behavioural models and technologies such as Cloud Computing, Machine Learning or the Internet of Things (IoT) allows to support its maintenance and operation even thousands of miles away through the Digital Twin deployed ashore.

The F-110 programme will support around 9,000 jobs over a 10-year period, taking into account direct, indirect and activity-induced employment. Around 500 companies from all over Spain are involved.

To speed up the process, after a complex administrative procedure, **the Digital Block Factory, an intelligent workshop of more than 45,000 square metres**, was set up, of which the first stone **was laid on 16 December last in the presence of the President of the Government, Pedro Sánchez.**



The ISS system, a "nervous system" of the ship with 10,000 sensors that is easy to maintain, cyber-secure and resilient, should also be highlighted. The SSI, patented by Navantia together with the University of Vigo, has had a demonstrator at Navantia since this year that simulates the infrastructure and fitting out of a ship, with nodes distributed as they will be throughout the ship.

The F-110 frigates will be the first ships to be fitted with this world-first system, which, together with the Digital Twin, will form part of the new digital ship architecture.

It enables the development of multiple functionalities including: intelligent lighting, both exterior and interior, signalling; interior communications, telephony, general orders and sound alerts; personnel monitoring, facial recognition and biometric surveillance; positioning of people and equipment on board; connectivity, processing capacity (edge computing), including a natural language interface. Resilience, maintainability, cybersecurity and privacy are some of the main strengths of the Integrated Services System.

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Bahía de Cádiz diversifies its offer

During the year 2023, the fourth of the five corvettes was delivered to the Royal Saudi Arabian Navy (RSNF) that it has built at its shipyards in Bahía de Cádiz. In accordance with the terms of the contract, the delivery took place at the King Faisal naval base in Jeddah.

The Avante 2200 programme promotes the design of the latest generation corvettes from a shipbuilding and systems point of view. This contract, in force since November 2019, has served to strengthen Navantia's immediate future and has benefited all the company's shipyards and its auxiliary industry, especially the entire Bahía de Cádiz.

In addition, additive manufacturing, also known as 3D printing, has revolutionised the way in which parts are produced and used in a wide variety of applications, including the military naval industry where it offers numerous benefits to improve the availability and reliability of parts on board. Navantia's Centre of Excellence for Additive Manufacturing, COEX-AM in its new name (formerly CEFAN) has contributed to the KSA project with the manufacture of different elements from the design to the production phase.

Likewise, **Navantia's shipyards in Puerto Real and San Fernando have started the production phase of a Maritime Action Ship for Underwater Intervention (BAM-IS)** for the Navy and an offshore patrol vessel for the Royal Moroccan Navy in 2023.

In both cases, the manoeuvre consisted of cutting the first plate of a pilot block to fine-tune the production systems. The construction of this block, belonging to the upper part of the engine room, will allow the new digital design, control and management tools implemented in the shipyard to be put into operation and tested. The BAM-IS will be the first ship built at the Puerto Real shipyard to use these tools.

The BAM-IS, which will be named "Poseidon", will be the specialised and equipped platform for submarine rescue and salvage support. Likewise, it will be the Navy's main unit for supporting diving operations, replacing the rescue and salvage vessel "Neptune" in 2026. The manufacture of the BAM-IS responds to a need associated with the S-80 submarines in order to provide support and guarantee the safety of the crews throughout their operational life.



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Services, a cross-cutting vision

Services arises from the need to have a coordination figure for all the transversal services offered by Navantia, the main competitive advantage of Navantia Services being its experience and flexibility in offering global, integrated solutions adapted to the needs of the client. This allows us to meet the requirements of any civil or military platform to ensure 24/7 operability and availability for any mission, through high added value offers.

With the mission: "Developing and providing services adapted to the needs of the customer in a comprehensive, profitable, sustainable and technological way", Navantia Services aims to be the one-stop shop in supporting the life cycle of our products. With the motto "we do not sell a ship, we sell the life of a ship", Navantia Services diversifies into the pillars that govern integral sustainability and establishes 5 key areas that favour the fulfilment of sustainability objectives:

I. Life Cycle Support.

As technical design authorities, Navantia is highly qualified to offer all types of tasks associated with the life cycle, with a global and integrated solution that ensures maximum availability of the asset. From configuration and obsolescence management to the supply of spare parts and execution of works. During 2023, we have positioned ourselves as a benchmark in this activity.

A clear example of this is the celebration of 10 years of the first destroyer maintenance contract. A success story is our performance in support tasks for the life cycle of the US Navy's Arleigh Burke class destroyers stationed at the Rota naval base.

Likewise, all the activities carried out in Norway under the umbrella of the LCA of the Nansen class frigates designed and built by Navantia have been successfully completed. Activities that we have been carrying out since 2013, which also marks the tenth anniversary of our support tasks in Norway. Congratulations from the Norwegian Ministry of Defence for the excellent execution of the contract related to the configuration audit of the frigates in 2023.

II. Propulsion and Generation.

In the Engines area, we have a highly skilled workforce with which we can provide a comprehensive solution in propulsion and generation for naval and land-based platforms that meets customer needs in terms of performance and flexibility. This includes everything from design and production to testing, lifecycle support, and engine overhaul, all with 75 years of history.

In the engineering process and its capabilities in the engine factory, we respond to the strictest demands of our customers' applications. This has allowed us to create technological solutions for such emblematic applications as the Generator Groups of the future F-110 frigate, having passed the FAT tests, or the multipurpose ship BAM IS of the Spanish navy, designs that will contribute to a more efficient and sustainable product life.

From the Life Cycle Support area, we offer a comprehensive service for the products and our customers, following up during the whole life cycle, in compliance with an adequate maintenance scheme, ensuring materials and competent technical service to carry out interventions anywhere in the world, which increases the operability of the engines while reducing maintenance costs for the customer.

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II. Propulsion and Generation.

Thus, the Spanish Navy's Engine Sustainment Contract is our best bulwark, and it is being transferred to other navies.

With approximately 20 highly trained technicians, to date, we have achieved approximately 2,700 support days, such as on the ship Hespérides in Antarctica, Fault Analysis and Maintenance in Australia, among others.

In terms of issues to highlight, where Motores has been very present in recent times, it has been our involvement in sustainability, such as the Agreement with Repsol for the development of alternative fuels with a low carbon footprint. Initial pilot in 2022 and PERTE project (2023-2025) aligned with decarbonisation or the implementation in the engine factory of its own 50kWp photovoltaic installation, where in principle we would be avoiding about 55t of CO₂ per year, helping to reduce the carbon footprint.

III. Modernizations.

Since its creation in 2023, this area provides substantial improvements with a comprehensive solution for asset modernisation, enabling the platforms of the Spanish Navy and foreign navies to reach and extend their useful life in a mission-relevant way. As a technical authority with expertise in multiple platforms, and as an Integrator and single point of contact, we reduce risks, timescales and costs.

This year saw the launch meeting of the modernisation programme for the Navy's flagship Juan Carlos I, the starting point for the next projects in 2023 and 2024.

IV. Training.

This area offers global training for crews and external personnel in operation and maintenance of equipment, shipbuilding and training, including theoretical, practical and On Job Training, as well as the logistical management of centres and students, offering advice and 24/7 attention to all personnel who come to our facilities for such training.

Currently, this training system is operational through two important centres located in Cartagena and San Fernando in the Bahía de Cádiz (Navantia Training Center) where, in the latter, more than 700 people have been trained to date, all for the AVANTE 2200 programme for the RSNF. Specifically at the SF NTC, events are regularly held, for example, on 5 June, Environment Day, with various events associated with the subject.



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V. Smart Maintenance.

And, last but not least, the key area is smart maintenance, where we are seeing exponential growth from this 2023, and whose objectives are to reduce costs and lead times in asset lifecycle support, favour responsible production and consumption, achieve inventory reduction and quickly identify the origins of failures before they occur, minimising catastrophic failures, and therefore, mission assurance.

We will achieve this by leveraging our expertise in digital predictive maintenance projects, as we are doing in the Navy data centre, where our performance is proving crucial. Being a technical authority in design, systems, propulsion and generation equipment gives Navantia unquestionable credibility.

And to showcase all this knowledge, we have already laid the first stone in 2023 in the project for a new Centre of Excellence for Intelligent Services - CESIN (as an integrating centre for these technologies), which will consolidate the projects initiated in the field of data analysis and model development, such as:

- 1 **The development of a data analysis system for assets on land and on board for the Spanish Navy.** During 2023, we are developing at CESADAR a cutting-edge diagnostic and predictive system for our Navy, where Navantia has received the Industry 4.0 Award.
- 2 **The MEBSILPRE project, design of a scalable model as the basis of the Army's predictive logistics system, with a view to reducing costs and timescales** in intelligent support.

Digital Plant Development has worked on the first draft of the 3D model of the engine workshop, focusing on the optimisation of consumption.

Seanergies, sustained and sustainable growth

Navantia's commitment to the energy transition is evidenced by the Navantia Seanergies division, to project its experience, as well as industrial and innovation capabilities in the development of products and services in the green energy sector, such as offshore wind energy and hydrogen.

In a changing world, in the context of climate change, and in the international geopolitical situation in which we find ourselves, Europe is moving towards the goal of decarbonisation of its economy, and energy independence based on clean and sustainable energies. This change is necessary, not only for the generations of the future, but also for the generations of today.

International policies are focused on accelerating the energy transition process, to make decarbonisation and energy independence a reality within very ambitious timeframes. An unprecedented opportunity, and responsibility, is opening up for industry. The REPowerEU plan (energy policy in the EU countries' recovery and resilience plans) and the Versailles Declaration reinforce European sovereignty and the reduction of the EU's strategic dependence.

In this context, **Navantia Seanergies appears to be interwoven with the country's strategy, as a firm and solid commitment from Navantia to sustainable energies.** Energies such as offshore wind power will play an important role in the electricity supply mix in the European Union, the United Kingdom, the United States, Australia and very soon in Spain. Hydrogen technologies are undergoing strong development. And the use of marine energies, such as tides and currents, is beginning to make headway.

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Navantia is working on all of them. According to the International Energy Agency, offshore wind energy will be the largest source of energy in the European Union by 2040.

Within this framework, over the last three decades some northern European countries have begun to develop offshore wind farms. The development of offshore wind energy in Spain has not been similar to that of these countries since, unlike them, our country has a very limited continental shelf, which means that the farms have to be located at significant depths for which the technology was not prepared.

In this context, **Navantia already has extensive experience in the construction of offshore wind farms** (both substations and foundations for wind turbines), being a benchmark in hydrogen with the development of fuel cell propulsion for the S-80 submarine with the AIP system, adding industrial capacity for the manufacture of electrolyzers, as well as active collaboration with leading partners to decarbonise maritime transport.

This value proposition allows us to lead the sustainable energy sector in the marine environment and enables the Spanish maritime-naval industry to become a key player in the development of this sector.

This is a great opportunity for industrial development for the entire value chain of the sector, for the generation of economic development for the country and for the creation of high levels of qualified employment. The challenge is for all of us to join forces and take advantage of this unique opportunity.

From Navantia we can count on the collaboration of a solid chain of collaborating industry, as we have been doing for the last 400 years in the naval sector, and now also in the green energy sector.

The following milestones should be highlighted during 2023:



Procurement of 143 monopiles for 3 projects in 3 different countries: UK, Germany and Poland.



Signing of a capacity reservation agreement with OW for the period 2027-2031, with a range representing between 1.3 and 1.8 billion euros.



Start of the monopile business line with the start of production at the new monopile factory in Fene for the Moray West project. A milestone in terms of the record time in which this factory has been built, with new technology equipment and larger sizes than those existing so far in Spain.



Industry Day in February: Driving the development of the national industrial supply chain for offshore wind Navantia encourages the industrial sector to become a benchmark in offshore wind energy and to meet the existing demand.



R+D+i: Start of the ECOFOSS Project, "Zero Emissions Floating Substation" (aid granted through the Perte Naval programme); the project is being carried out by Navantia in association with Redeia, Sener, Ditrel, Uptech and Ecostructures and with the collaboration of Tecnalia and IH Cantabria. COEX Green Energies project.

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The relevant role of Navantia's subsidiaries

To complete the Company's vision in a climate of exponential growth, the role of its subsidiaries must be highlighted.



On the one hand, **Navantia Australia** provides engineering and life cycle support services to ships of the Australian Royal Navy.

It aims to continue to be a key player in the Australian defence sector and expects to pursue new shipbuilding and maintenance opportunities.

It has offices in Canberra, Melbourne, Sydney and Perth. Navantia also participates in the Spain-Australia Council Foundation, a private non-profit organisation that is integrated within the framework of the network of Council Foundations promoted and supported by the Ministry of Foreign Affairs and Cooperation, with the aim of promoting and deepening bilateral relations with Australia, a priority country in Spain's foreign policy towards Asia and the Pacific.



Navantia Arabia plays a key role in the company's growth with direct support for the KSA programme.

Navantia has a strong track record in Saudi Arabia, dating back to 2018, when the contract was signed for the supply of five Avante 2200 corvettes, in addition to the training of 700 RSNF officers, a full ILS package and through-life support for five years with an option to extend for a further five years.

The SAMI-Navantia joint venture and the subsidiary Navantia Arabia demonstrate the company's commitment, as well as its capacity for technology transfer (ToT) and localisation of production. During 2023, the corvettes of the programme built in Bahía de Cádiz have been delivered one after the other.

The latest international subsidiary created, Navantia UK, is a company created in 2022, incorporated in the UK and a wholly owned subsidiary of the Spanish company Navantia SA SME



As prime contractor for the Fleet Solid Support (FSS) programme for the UK Ministry of Defence (MoD), **Navantia UK** manages a complex defence project that includes the transfer of knowledge (ToK) to deliver a necessary naval capability.

The Fleet Solid Support (FSS) programme will provide three supply vessels for the Royal Fleet Auxiliary (RFA) to support the Royal Navy's aircraft carrier operations. The programme will create 1,200 jobs in UK shipyards and a further 800 in the supply chain.

The long-term improvement in UK shipbuilding capacity will be supported by the £77 million investment in shipbuilding infrastructure at the iconic H&W shipyard in Belfast. As a subsidiary of a Spanish company, Navantia UK is a member of the Spanish Chamber of Commerce in the UK and supports its activities. In 2023 Navantia UK supported and attended the presentation of the 5th Barometer of Spanish Investment in the UK.



On a national level, SAES has closed significant agreements in 2023, being committed to innovation, with 11 European R&D&I projects underway within its four fundamental axes: 1) Underwater defence;

2) Protection of critical infrastructures; 3) Security of ports and luxury yachts; 4) Underwater noise measurement and analysis. For its part,



SAINSEL continues to promote its activity as an engineering company specialising in the design, development and implementation of integrated

solutions for defence, surveillance and security at a global level.

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Main milestones 2023

The following infographic highlights, but is not exhaustive, some of the company's most important milestones for 2023.

JANUARY

January 12
Navantia and SH Defence sign MoU to explore the modular system "The Cube".

January 16
Construction begins on the first XXL monopile in Fene

January 18
The UK Ministry of Defense formally awarded 'Team Resolute' the construction of three logistics vessels for the Royal Navy Fleet Auxiliary.



FEBRUARY

February 2
Navantia Seanergies Industry Day brings together more than 200 companies

February 21
F-111 ship trials commence

MARCH

March 14
Navantia and PYMAR present projects worth 219 million euros to PERTE Naval

March 24
Navantia creates monodon, an innovation cell to accelerate the adoption of disruptive technologies

March 30
Ocean Winds signs a capacity reservation agreement with Navantia Seanergies for the manufacture of components for future offshore wind farms.

March 31
The submarine S-81 Isaac Peral makes its first successful static dive

APRIL

April 3
Iberdrola contracts Navantia Seanergies-Windar to build 45 monopiles for its East Anglia 3 wind farm

April 12
Amphibious ship THLD "Anadolu" handed over to Turkish Navy

April 14
Navantia is certified for the first time in emissions reduction

April 28
Norwegian Ministry of Defence contracts Navantia to carry out modifications to F-310s

MAY

May 5
Participation of Navantia Seanergies in the European offshore wind fair Wind Europe

May 11
Navantia UK achieves ISO 9001:2015 certification for its Management System

May 17-19
Navantia participates in the FEINDEF Defence Exhibition. The Minister of Defence and the Minister of the Interior visit Navantia's stand.



JUNE

June 7
Ambilamp extends its agreement with Navantia to manage all of its electric and electronic waste

June 12
Navantia participates in the latest edition of Nor-Shipping in Norway

June 28
Sistemas awarded a contract with the National Institute of Cybersecurity

June 28
Council of Ministers authorises expenditure for the construction of two new BAMs

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JULY

July 7

Navantia Seaneergies and Windar sign a contract to manufacture 77 monopiles for Baltica with Ørsted and the Polish energy group PGE for the Baltica 2 wind farm.

July 10

Navantia agrees with Larssen and Toubro to jointly bid for Indian submarine programme

July 12

Navantia and Indra sign a collaboration agreement on digital systems and solutions

July 22

Sea trials of fifth corvette for Saudi Arabia completed

July 24-28

Navantia attends the IDEF exhibition in Turkey

OCTOBER

October 3

The University of Cordoba and Navantia sign an agreement to set up the "Navantia Deeptech Chair",

October 6

The Regional Government of Andalusia grants Navantia the Comprehensive Environmental Authorisation

October 6

Navantia participates in the sixth edition of the 2E+1 Army Forum

October 19

The submarine S-81 Isaac Peral passes the last safety milestone before its delivery by sailing at maximum operational height.

October 25

Navantia Seaneergies and Ajusa, a national manufacturer of PEM fuel cells, have signed a collaboration agreement for the development of fuel cell technologies.

DECEMBER

December 5

Navantia delivers the fourth corvette built in the Bahía de Cádiz to the Royal Saudi Navy in Jeddah

December 13

Held in Puerto Real BAM-IS Preliminary Design Review

December 16

At the Ferrol shipyard, the cutting of the first plate of the F-112 frigate and the start of construction of the new digital block factory take place, in the presence of the President of the Government, Pedro Sánchez.



AUGUST

August 9

Keel laying of the first F110 frigate at the Ferrol shipyard.

August 23

The Council of Ministers authorises the start of the contracting process for Navantia to design and build two hydrographic vessels for the Navy.



SEPTEMBER

September 12

Navantia and Konsberg have extended an MoU to collaborate on the integration of NSM missiles on naval platforms.

September 15

Navantia's AIP successfully passes factory acceptance tests

November 15

Seaneergies Puerto Real cuts the first plate for its North Sea project.

September 25

F-110 frigate's mast block quality gate passed

NOVEMBER

November 7

Navantia Australia and the Australian shipyards Austal and Cvmec have teamed up to offer the Australian Government a proposal for the design and manufacture of six corvettes.

November 13

Navantia Reparaciones participates in Rotterdam at the Europort exhibition

November 14

Navantia participates in the 11th edition of the Naval Systems Seminar in Turkey

November 30

Navantia delivers the S-81 Isaac Peral" submarine to the Navy, a historic milestone



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Digital Transformation and Innovation in Navantia: towards Industry 5.0

Digital Transformation

The concept of digital transformation in companies has evolved from being an objective, to make the organisation digital, to being a process to exploit new technologies efficiently.

In this way, digital transformation is being permanently incorporated into business strategy in order to face and respond to the challenges posed by the continuous and sometimes disruptive advance of technological trends that are transforming the industrial world and society in general, in order to generate value for both the company and the customer.

For Navantia, the digital and technological transformation linked to Industry 5.0 is a strategic priority with an impact on the entire company and involves all business areas, with the aim of improving quality, saving costs and time in operations, developing new products and services, maximising the use of resources, as well as standardising solutions and taking advantage of synergies between business units.

This activity is carried out bearing in mind the technological risks posed by the implementation of new technologies in full development and the need to efficiently provide security for information, communication and operational systems.

Since 2018, Navantia has had six active lines or programmes for digital transformation, which are steadily transforming the company's processes, products and services, and contributing to resilience and sustainable development, with a fundamental impact on goals 8 and 9 of the UN SDGs.

These **six lines are integrated under the Digital Transformation Plan**, which will be responsible for guaranteeing the modernisation, competitiveness and sustainability of Navantia.

During 2023, in the product field, **work continued on the development of the SMART line of ships, with capabilities both to deal with the most modern conventional threats** and to operate in grey or asymmetric warfare zones.

Development has also continued on the definition of a naval unmanned surface vehicle (USV) with a compact and flexible design that meets the needs of the different navies and is versatile. In the field of the Digital Twin, the development of use cases and architectures to be integrated into future platforms has continued. Phase 1 of the Digital Twin sustainment demonstrator has been completed, allowing the automation of tasks on typical ship equipment to be tested.

In the services area, a new version of the telecare product was completed with its new "On Premise" solution that meets all security requirements. Lastly, it is also worth highlighting the development of a methodology for the definition of hybrid models with artificial intelligence that will enable the construction of predictive models applicable to sustainability based on real data, but also on synthetic data, generated from knowledge of the systems.

All the knowledge and experience that is being generated in the area of predictive maintenance thanks to the Digital Transformation Plan is allowing Navantia to differentiate itself in the market and open up other programmes such as predictive logistics for Armed Forces assets, with the progressive incorporation of Artificial Intelligence.

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For example, in the area of platforms and digital architecture, work is being carried out on the infrastructure and configuration of the Virtual, Augmented and Mixed Reality platform for the implementation of various initiatives; the design of the IoT architecture has been completed.

The main digital solutions have been selected and the digitisation and integration of assets for use by the Industrial Management area is continuing; or, in the area of corporate processes, progress is being made in the digitisation of the strategy, financial, legal and purchasing areas, among others, integrating new digital tools and solutions such as AI and RPA so that people can focus on the tasks that provide value.

In the area of industrial security, we continue to implement physical surveillance systems with artificial intelligence and in the area of cybersecurity, based on solutions defined in the Strategic Cybersecurity Plan, with the aim of protecting information, implementing security systems, eliminating and mitigating vulnerabilities and strengthening procedures for action in the event of an attack.

In the area of collaboration with other companies and technological entities, during this financial year, **the digital transformation area has worked on the definition, strategic alignment and implementation, in agreement** with the various business and technological partners.

The projects in which Navantia participates within the Strategic Project for the Recovery and Economic Transformation of the Naval Sector (PERTE Naval), which is financed by the European Union through the NextGenerationEU plan, and whose fundamental challenge is the diversification of the naval sector towards new products and services, its digitalisation, the improvement of its environmental sustainability and the training of employees, covering the entire value chain.

Within the PERTE, in the Digitalisation block, projects are being carried out related to Factory 5.0 for the development of solutions that enable the automation of welding, painting and dimensional control inspection processes, as well as the development of a Digital Plant and Process Twin.

Within PERTE, in the Digitalisation block, projects are being carried out related to Factory 5.0 for the development of solutions that enable the automation of welding, painting and dimensional control inspection processes, as well as the development of a Digital Plant and Process Twin. Also projects linked to the Product and Maintenance Digital Twin for research into technologies that enable the development and exploitation of digital assets connected and integrated into naval platforms, as well as the definition and development of intelligent maintenance services to increase the reliability and availability of the fleet.

In addition, it is participating in various projects of the European Defence Fund (EDF), together with SMEs, technology institutes and universities throughout Europe, in which, with the support of the Ministries of Defence, it seeks to strengthen the technological and industrial base of European defence, as well as to stimulate competitiveness and innovation capacity in this field.

All these projects promote Navantia's presence in leading national and European industrial and institutional forums, reinforcing and strengthening Navantia's role as a driving force in the naval and defence sector.

In October 2023, Navantia was awarded in the "V National Awards for Connected Industry 4.0" in the category of large industrial company, for the work carried out in the field of "Digital Twin of Sustainability" for the development of new maintenance and management solutions and services, developed on the basis of new technologies, for the integral support of the life cycle of ships and naval artefacts.

In the same month, Navantia also received the "Engineering Project" award from the General Council of Industrial Engineers for the "Digital Plant Twin" of the Ría de Ferrol, which recognises the impact of the project on the optimisation and efficiency of industrial management, operational safety and the use of 4.0 technologies.

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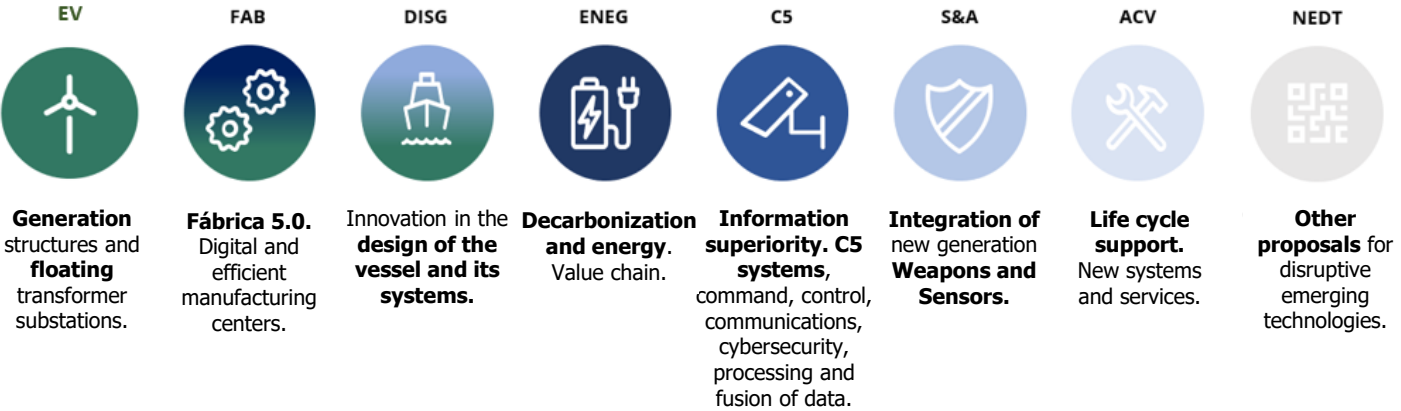
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Innovation

In the area of R+D+I, **its strategy has been renewed in 2023, including the priority lines of innovation. These are grouped into the technological areas of Smart Vessel, Digital Factory, Connected Data Systems and derived services** which, in turn, are surrounded by principles of sustainability and decarbonisation.

The foundations have been laid for the deployment of the Internal Innovation Missions programme, which establishes the context and roadmaps for each line of technological development for all areas of innovation. Three calls for proposals have been published. The objectives of the Missions are grouped around eight (8) innovation or thematic areas on which to focus in order to direct the project proposals.



For each area, the objectives, challenges and impacts expected as a result of investment in innovative actions are identified. COEX centres of excellence are being developed, focused, in their areas of expertise, on experimenting and developing projects, trials, prototypes and tests of new concepts prior to their implementation.



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The COEXs will develop their activities through multidisciplinary, adaptable and flexible work teams, being able to integrate resources from the innovation ecosystem both internally (engineering, ATD, business...) and externally (companies, technology centres and/or universities). In parallel, the innovative culture is encouraged through Hackathon-type events held in Ferrol, Madrid and the Bahía de Cádiz.

In the European Defence Fund, multiple collaborative projects have been awarded and the University of Cordoba signed an agreement with Navantia to carry out artificial intelligence activities, giving rise to the DEEPTeCH chair.

Finally, it should be noted that Navantia has created 'Monodon', an open innovation cell with the aim of promoting research and experimentation with disruptive technologies and speeding up their implementation within the company.

The 'Monodon' laboratory will experiment with deeptech technologies, with the aim of being present in the initial phases of research products and determining those technologies in which Navantia must invest in order to differentiate itself. Monodon will collaborate with research centres, universities and start-ups to detect future trends, carry out pilot projects and act as a pole of attraction for talent, establishing itself as an independent cell that will interact with Navantia's entire R&D&I structure, from the research projects linked to the programmes (including the S80 and the F110) to the network of Centres of Excellence (Navantia CoEx) linked to its different businesses.



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Sustainability in Navantia

Sustainability as a value and competitive advantage

Sustainability appears in Navantia as an integrated element in its ordinary management both at the highest level and in the daily operations of the Company. Following the approval of the Sustainability Policy by SEPI (meeting of 26 April 2023), Navantia's Sustainability Policy was approved by the Board of Directors of Navantia on 27 September 2023.

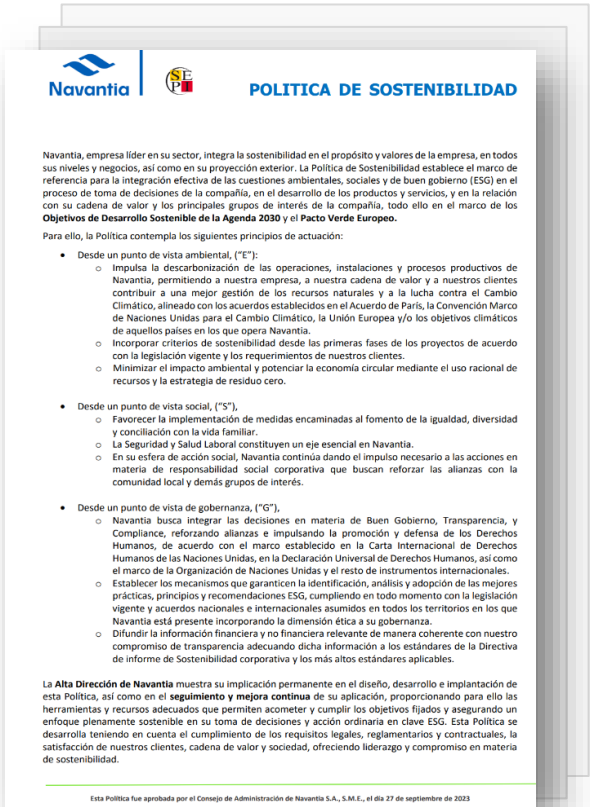
The importance of this fact is demonstrated by the holding of Navantia's first Sustainability Committee, a body attended by the members of the Management Committee, on 29 November 2023.

Sustainability appears in Navantia as an integrated element in its ordinary management both at the highest level and **in the Company's daily operations**, translating not only into corporate decision-making, but also into a wide range of ESG actions. The environmental, social and governance aspects operate as a factor in the competitiveness of our organisation, workforce, products and services, in a timeframe that combines the short, medium and long term. All of this is framed within Navantia's Strategy.

To this end, Navantia participates in various forums in which it takes part, from the outset, in the decision-making and analysis of European policies on sustainability.

In this sense, **Navantia assumes in ASD-Europe** (European association that brings together the Defence, Aerospace and Security sector industry in Europe with more than 3,000 companies) **the presidency of the Corporate Social Responsibility working group and the Vice-Presidency of the Climate and Defence working group**, in whose areas are analysed with MEPs, different organisations such as the EDA, NATO and the European Commission all the issues related to the different variables of Sustainability in the Defence sector.

To this end, Navantia is also accompanied by professionals from companies such as BAE Systems, Airbus, Thales, Leonardo, Fincantieri, Naval Group, SAAB, Dassault and Rolls Royce in this challenge.



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Likewise, Navantia participates in TEDAE's Legal Affairs Commission, actively communicating to the rest of the companies the most relevant issues that will affect our sector from Europe.

To this must be added the **active participation in the sustainability group launched by SEPI during 2022**, in which the foundations have been laid for the implementation of sustainability as a criterion for action by the state-owned public sector companies. SEPI's coordination has been joined by companies such as Tragsa, Correos, Saeca, RTVE, Enisa, Sepides and the SEPI Foundation.

The analysis of the regulatory framework and the socio-economic situation, the alignment with investors, employees and society, the setting of minimum indicators for all companies, the promotion of sustainable public procurement, as well as the need to have sustainability policies at the highest level have been issues addressed in the multiple working sessions.

In this regard, Navantia not only forms part of the Sustainability Round Table, but is also a member of SEPI's Executive Committee on Sustainability, as well as actively participating in the Sustainable Public Procurement Group, as well as in the Sustainable Finance Group launched by the main shareholder.

Navantia has also played a leading role in the training plan launched by the Spanish Association of Defence, Security, Aeronautics and Space Technology Companies (TEDAE) for its associates, coordinating and promoting it, as well as participating in various forums with presentations at SINAVAL, Forética, the United Nations Global Compact ESG Summit, Green Future Plat, and, in particular, at the NSPA Forum (NATO) in Luxembourg.



Recognition awarded to Navantia for **being one of the first seventeen Spanish companies to participate in the First Sustainable Supplier Training Programme of the United Nations Global Compact**, reinforcing its commitment to the training not only of its workforce, but also of its value chain.

The dialogue and active participation with regional and local administrations, universities, the private sector and other third sector groups highlight a real commitment to sustainability in Navantia.

The year under analysis has also entailed **the challenge of sizing existing investments in the Industrial Management Centres, combining them with the work of drawing up and implementing the Decarbonisation Plan and in the context of a demanding Naval PERTE**, which is the vehicle for a significant part of these investments and which involves the implementation of the NextGenUE Funds, in which sustainability accounts for more than eighty percent of the planned aid.

From the perspective of the Sustainability tractor project, the different initiatives have been grouped into three primary projects: ID12, on Climate Change Mitigation and Adaptation; ID13, on Circular Economy and Environmental Protection; and ID14, on Ecodesign. Navantia has also actively participated in various meetings with SEPI and MINCOTUR to shape and participate in the PERTE for Industrial Decarbonisation.

With a view to its proper integration, 2023 has meant the promotion of organisational change. In addition to continuing the work of the ESG Working Group with the representation of the different business lines, the implementation of the Sustainability Committee and the adaptation of the Sustainability Policy to the new reality of Navantia, the Human Rights and Sustainable Public Procurement working groups have been consolidated.

As a result of properly organised work with a fully committed team, **the achievement of the zero waste certificate in each of the centres**, the promotion of the eco-design of our products, the existing work on drawing up a Decarbonisation Plan, including with greater precision how to address the challenge posed by the scope 3 of our carbon footprint or in projecting a Climate Change Adaptation Plan, as well as the implementation of the projects that mark the Navantia Ecosystem, are all plausible in the environmental variable.

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The latter combines projects to offset emissions in areas adjacent to our centres with the improvement of the good state of conservation of the natural spaces in which it is carried out, resulting in a collaboration agreement with the City Council of San Fernando (Cadiz) for the reforestation of the Cerro de los Martires or the promotion of the group of companies for the promotion of Blue Carbon in Andalusia.

Navantia is a dynamic member of this group, as well as the meeting held with the Technical Office for the Recovery of the Manga del Mar Menor (a body dependent on the MITERD) to show our company's offer to participate in the actions that are developed with a view to possible participation.

In the social variable, the focus is on reducing the pay gap, improving the social inclusion and diversity of our workforce, as well as improving their skills, while highlighting the importance of occupational safety and the various awards received over the past year in the area of occupational health, with a very prominent role for the importance of emotional wellbeing.

Finally, **in the governance variable, the adaptation of our reporting to the standards of the Corporate Sustainability Reporting Directive** has been one of the main concerns. In this regard, Navantia has participated in the public consultation launched by EFRAG (European Commission advisory panel) to be a communication channel in the phase of allegations to the indicators on climate change and biodiversity.

The integration of human rights concerns, the improvement of transparency and responsible management are elements that provide a complete overview of Navantia's ESG actions.

Navantia's commitment to sustainability would have no practical sense without the regular meetings of the different areas involved, the constant dialogue with the different lines of business, the search for excellence through the training of the Sustainability team and the workforce, but above all, the unwavering search to improve Navantia to be more competitive and more connected with the needs of our time, being, as Navantia is, a strategic public sector company, a strategic Spanish and international company.



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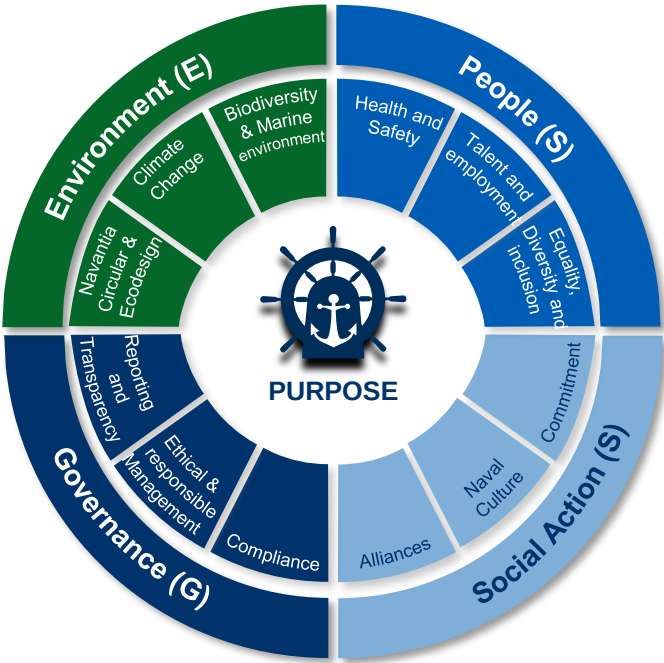
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Navantia's sustainability strategy



Purpose

"Building a safe and sustainable future through technological excellence and industrial collaboration".

ENVIRONMENT

Navantia circular & eco-design

Promoting the ecological transition and the circular economy by developing a company DNA based on reducing environmental impact.

Climate change

Adoption of measures to mitigate and adapt to climate change, highlighting the creation of a Decarbonisation Plan to make Navantia Net Zero.

Biodiversity & marine environment

Development of projects to offset GHG emissions through reforestation projects or blue carbon capture. As well as projection of TFND criteria to corporate biodiversity.

GOVERNANCE

Reporting and Transparency

Ensuring proper communication with stakeholders, through the adaptation of ESG reporting to new legislation and the market situation, as well as an appropriate dialogue strategy.

Ethical & responsible management

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

Compliance

Coordination, implementation and monitoring of the code of conduct of the criminal and anti-corruption compliance systems and promotion of the own crime prevention system through the internal complaints channel.

PEOPLE

Equality, diversity and inclusion

Implementation of measures aimed at promoting equal opportunities, conciliation and rejuvenation of the workforce.

Talent and employment

Boosting professional development and internal mobility by encouraging the generation of new skills and career plans.

Health and safety

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

SOCIAL ACTION

Alliances

Fostering relationships that allow Navantia to incorporate new capabilities, as well as expand its knowledge and sustainability strategy.

Naval Culture

Commitment to naval culture, through constant outreach work, knowledge generation and support for museums.

Commitment

Creation of volunteer groups and launching of corporate volunteering activities.

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Sustainability milestones 2023

JANUARY

- 9 January:** Navantia and the UPCT renew and extend the agreement for the Isaac Peral Chair.
- 13 January:** Navantia calculates and verifies its carbon footprint under the new version of the ISO 14064 standard.
- 17 January:** Navantia approves the new Occupational Health and Environment Regulations.
- 24 January:** SEPI Group Chairmen's Meeting on Sustainability.
- 31 January:** Navantia renews its Sustainability website.

MARCH

- 8 March:** Navantia, with International Women's Day.
- 13 March:** Navantia holds the Conference on Industrial Safety.
- 14 March:** Navantia and PYMAR present projects worth 219 million euros to the PERTE Naval.
- 15 March:** Navantia, among the 17 large Spanish companies participating in the "Training Programme: Sustainable Suppliers" of the UN Global Compact.
- 21 March:** Volunteers from Navantia Cartagena collaborate with the Bosque Romano project
- 27 March:** Navantia participates in an educational day on the International Day of Forests.
- 28 March:** Their Majesties. MM. The King and Queen of Spain visit the Museo del Dique (Puerto Real) as part of the IX International Congress of the Spanish Language (CILE).
- 29 March:** Director of Sustainability appointed First Vice-Chair of the Climate & Defence WG at ASD-Europe.

FEBRUARY

- 7 February:** Navantia launches the Captains of Science campaign.
- 8 February:** Motores receives the International Prize of the Quality Innovation Award 2022.
- 14 February:** Navantia participates in EDA Conference on compliance with ESG standards for the Defence sector.
- 15 February:** Navantia publishes its Energy Saving Contribution Plan for Large Companies 2023.
- 17 February:** Navantia, present at the 60th anniversary of the Cádiz Naval Engineering School and at the Antonio Querol awards.
- 22 February:** IES Salesianos de Cartagena recognises Navantia's commitment to Dual Vocational Training.
- 28 February:** Navantia participates with a presentation at the Seminar organised by Waterborne with the Valenciaport Foundation (Valencia).

APRIL

- 14 April:** Navantia achieves for the first time the certification of emissions reduction from the Ministry of Ecological Transition and the Demographic Challenge (MITERD), by accrediting a 33.88% decrease in the average emission intensity in the three-year period 2019-2021 compared to the three-year period 2018-2020, for scope 1+2.
- 14 April:** Navantia promotes the coordination of the III Sustainability training session for TEDAE.
- 19 April:** Three peregrine falcons are born in a crane at Navantia Puerto Real.
- 24 April:** The Navantia Next Pioneers Hackathon is held.
- 25 April:** New Chair on underwater robotics and deeptech technologies with the Polytechnic University of Madrid.
- 26 April:** SEPI approves the Sustainability Policy common to all group companies.
- 26 April:** Navantia participates in the Forética Good Governance Cluster.
- 28 April:** Navantia participates in the World Day for Safety and Health at Work.



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MAY

-  **10 May:** Navantia, at the event Digital Engineering in the A&D Industry and the Armed Forces.
-  **11 May:** Navantia UK achieves ISO 9001:2015 certification for its Management System.
-  **11 May:** Navantia participates in the European Defence Summit (Brussels).
-  **16 May:** Navantia participates in a meeting with the EDA (Madrid).
-  **18 May:** Navantia participates in the 4th Sustainability Training Round Table, held at FEINDEF.
-  **22 May:** Navantia Cartagena brings together its collaborating companies to present the performance and preventive culture objective.
-  **23 May:** The Conference of the Director of Corporate Development of Forética, Jaime Silos, on the "Challenges and opportunities of Sustainability in the Defence sector", held at Navantia, 23 May.
-  **29 May:** Navantia, at the 62nd International Congress of Naval Engineering and Maritime Industry (Bilbao).
-  **31 May:** Navantia, at the Blue Talent Day organised by the University of Cádiz.

JULY

-  **4 July:** Navantia workers join the blood donation campaigns.
-  **5 July:** Navantia Seanergies participates in the III edition of the Climate Action Sevilla Summit.
-  **11 July:** Navantia participates in the conference "Energy in Galicia: Challenges and Opportunities of the Energy Transition", held in Santiago de Compostela.
-  **11 July:** Navantia participates as a speaker in "Sustainability Reporting in public companies, from voluntary to mandatory", organised by Forética.
-  **18 July:** AJEMA visits the ISS, an integrated services system developed between Navantia and the University of Vigo.
-  **24 July:** Navantia launches its new website for the Dock Museum (Puerto Real).
-  **26 July:** Navantia receives an award at the 14th edition of the Cegos awards for its "Referentes Femeninos" programme.
-  **28 July:** Navantia Cartagena now has the first document on its Industrial and Cultural Heritage.

JUNE

-  **1 June:** Navantia Seanergies in #WindTalent for young talent.
-  **5 June:** Navantia celebrates World Environment Day with various events.
-  **7 June:** Navantia participates as a Speaker at the Clean Energy Industry Event organised by NATO-NSPA.
-  **8 June:** Navantia celebrates World Oceans Day with various events.
-  **20 June:** Colloquium talk "Illusion as the engine of transformation", an approach from science and humanism, by Dr. Mario Alonso Puig.
-  **29 June:** Navantia, winners of the 1st edition of the CMNC Awards, organised by the Cádiz Naval Maritime Cluster.

AUGUST

-  **7 August:** Navantia publishes the 2022 Sustainability Report as a boost to its transparency and competitiveness.
-  **10 August:** Navantia Seanergies allies with SeAH to explore the Korean market and H2SITE to generate clean propulsion with H2.
-  **30 August:** Navantia participates in the seminar "Implementing the Strategic Compass: challenges and opportunities", within the framework of the EU defence and foreign ministers' summits (Toledo).



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SEPTEMBER

-  **8 September:** The Navantia Forest in Cádiz achieves its registration in the Ministry's Register and begins to offset Co2.
-  **13 September:** Navantia, at the exhibition on the School of Naval and Oceanic Engineering in Cádiz.
-  **16 September:** Navantia participates in the Green Gas Mobility Summit, as well as in the Naval Meeting.
-  **22 September:** Navantia participates in Sustainability training at CESUR.
-  **29 September:** Navantia, speaker at the ESG Summit (Madrid).

NOVEMBER

-  **3 November:** Autochthonous plant species in the remodelling of the Dársena de Cartagena external car park.
-  **3 November:** The University of Cordoba and Navantia launch a chair for the development of DeepTech technologies.
-  **17 November:** Navantia Seanergies - Windar Renovables, awarded by Iberdrola.
-  **23 November:** Navantia Seanergies meets members of ECOFOSS (floating high voltage zero emission offshore electrical substation).
-  **24 November:** Active participation of Navantia in the 10th National Congress on R&D in Defence and Security, known as Desei+d.
-  **29 November:** First Navantia Sustainability Committee, with the presence of the Management Committee.
-  **29 November:** participation as a speaker in the Green Flat programme, organised by Sercobe.
-  **29 November:** Valuing the architectural heritage of Navantia to the educational community in Ferrol.
-  **30 November:** Webinar on the launch of #SOMOS, the new values of Navantia.

OCTOBER

-  **4 October:** Navantia has been awarded in the National Connected Industry 4.0 Awards in the category of large industrial company, for the work carried out in the Smart Services Programme of its Digital Transformation Plan, thanks to the development of digital and innovative services to Support the Life Cycle of its products.
-  **4 October:** Navantia launches the Quality Awareness Plan for workers.
-  **5 October:** Navantia, speaker at the Smart Energy Congress (Madrid).
-  **6 October:** Navantia obtains Integrated Environmental Authorisation for its Puerto Real shipyard following the Resolution of the Andalusian Regional Government.
-  **11 October:** The Ibero-American Naval Engineering Congress visits the Ría de Ferrol.
-  **11 October:** Chief Sustainability Officer elected Chair of CSR WG at ASD-Europe
-  **16 October:** Navantia, at the 4th Ibero-American Naval Engineering Congress (Seville), with the Chairman's keynote speech "Innovative Solutions for a Changing World".
-  **16 October:** Navantia Motores starts up its first photovoltaic power plant.
-  **17 October:** Navantia, speaker at the Green Marine Europe conference (Bilbao).
-  **20 October:** Meeting of the Navantia ESG working group.
-  **23 October:** Navantia participates in the 3rd REDEIA Sustainability Conference.
-  **24 October:** Navantia successfully passes Iberdrola and Aibel sustainability audits.

DECEMBER

-  **1 December:** Navantia participates in the Integrated Maritime Policy Committee (MITERD).
-  **5 December:** Navantia completes the administrative process to obtain the substantive authorisation (Ministry of Defence) and the Detailed Study (Ferrol City Council) for the Block Factory.
-  **12 December:** Navantia participates in the "European Digital Naval Foundation" (EDINAF), financed by the European Commission within the framework of the European Defence Fund.
-  **20 December:** Restoration of the chapel in the historic area of Navantia Puerto Real.
-  **28 December:** The "Navantia Reefs" project kicks off to increase biodiversity in the port environment as part of the Navantia Ecosystem project.

-  **25 October:** Navantia collaborates with the AECC in the 9th Race against Cancer.
-  **26 October:** 3rd edition of the Navigators for Change programme.
-  **27 October:** Navantia receives recognition for the companies that promoted the 1st edition of the "Sustainable Suppliers" programme.
-  **30 October:** Half a hundred university students take part in the second "Hackathon Next Pioneers" at Navantia's NTC.



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Naval Culture: legacy, present and horizon

Navantia's present cannot be understood without a look at its past, at the legacy that so many generations of workers have left in our Company. For this reason, the company is committed to maintaining the Historical and Artistic Heritage, in any of its manifestations, which can be found in our facilities.

The preservation of cultural heritage takes on greater importance at a time when both Navantia's facilities are facing a profound transformation of their processes and an evolution of their work spaces, in order to adapt them to new technologies, digitalisation and the profound changes that these entail in the ways of working. With regard to the dissemination and enhancement of our cultural heritage, we are working to maximise knowledge of our cultural heritage, starting with Navantia's own workers, but with a view to the areas surrounding our centres and society in general, and at a strategic level, also as an added value to Navantia's commercial activity and to enrich relations with our customers, as well as for visits by educational centres in the different areas.



Bahía de Cádiz

In Bahía de Cádiz, the Museo del Dique has been a meeting point for various visits, the culmination of which was being a meeting place during the IX International Congress of the Spanish Language held in Cádiz in the presence of Their Majesties the King and Queen of Spain, as well as carrying out maintenance, energy efficiency and stability works in the Chapel, as well as cataloguing new collections and closing some pending ones.

It is also worth highlighting the value of the heritage of Sistemas-FABA, with the added merit that the initiative has mainly come from two of the company's employees, who have dedicated their free time to recovering a large number of elements, plans, documents, photographs and negatives, starting to catalogue them and recovering the Bosque System and a Bofors 40/70 rod for exhibition, in cooperation with La Carraca.



Ría de Ferrol

In Ría de Ferrol, work is mainly carried out in two areas: the conservation of cultural, architectural and natural heritage and its dissemination and enhancement. With regard to the conservation of architectural heritage, in 2023, the work carried out in Ferrol for the conservation and integration of the old Malecón wall in the new construction project for the construction of the Digital Twin building should be highlighted.

A wall included in the heritage inventory of the military arsenal of Ferrol and which is proposed for declaration as World Heritage by UNESCO, and which will be given special prominence by allowing it to coexist with the avant-garde building that is being constructed.

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Fene (Ría de Ferrol)

At the Fene facilities, it is worth highlighting SEPTI's approval of the investment project for the refurbishment of the old Machine Shop as an emblem of the Fene shipyard's heritage, which will be dignified to house the offices of the Seanergies Business Management in the Ría.

Along these lines, in 2023 an agreement has been reached with the Exponav Foundation for the internal dissemination among the workforce of the cultural activities that this entity organises periodically, and a new exhibition project has been designed that is intended to materialise in 2024 at the Ferrol shipyard facilities.



Dársena de Cartagena

Finally, the Navantia dock in Cartagena already has a first document on Historical Industrial Cultural Heritage, both tangible and intangible, which includes the cultural assets existing in its facilities.

In total, 350 properties have been registered, each with its corresponding file, ranging from monuments to books (the oldest dates from 1890), films, photographs and Civil War shelters. After the completion of the report, the Regional Film Library of Murcia was contacted to analyse and, if necessary, recover a total of 50 films that were found during the course of the research work. The main objective of the agreement between the Filmoteca and Navantia is the custody and digitalisation of the images, so that their content can be made available to both.

All this cultural heritage not only constitutes the legacy, but also the present and future for all the Company's divisions, in which respect for maritime traditions, the legacy of our elders and the vanguard of our commitment as an unrenounceable sign of our duty as a public and strategic company at the service of Spain, Europe and the international order are integrated.

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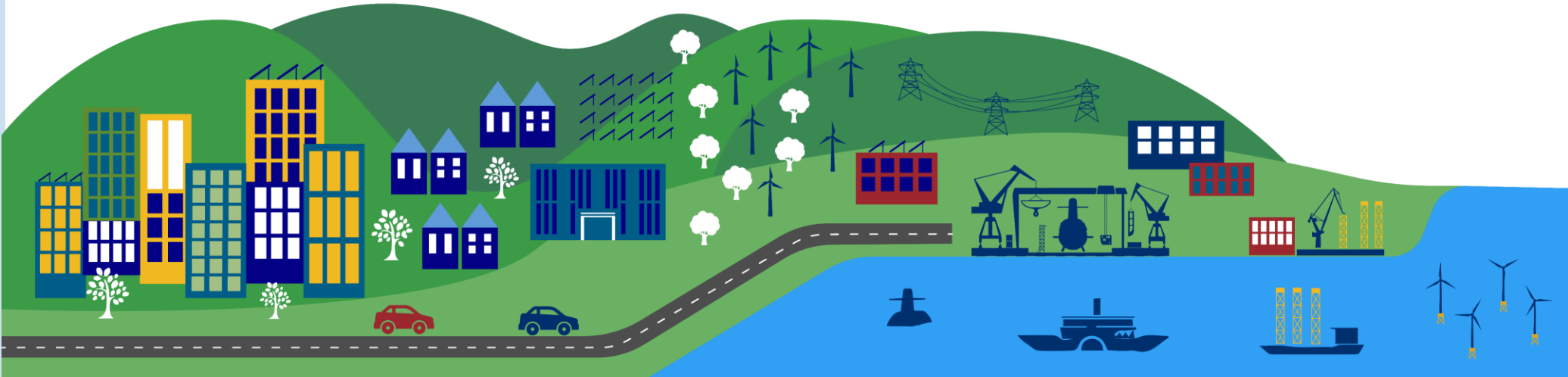
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GRI 201-1, 203-2, 3-3, 413-1, 413-2

The impact of Navantia's activity



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ESRS 2-DR 2 – General basis for preparation

About this report

General basis for the elaboration of NFRs

This report constitutes the Statement of Non-Financial Information of the Navantia S.A. S.M.E. Group for the financial year 2023 with a closing date of 31 December 2023. Navantia is wholly owned by Sociedad Estatal de Participaciones Industriales (SEPI), a body which, in turn, reports to the Ministry of Finance.

This report has been prepared with information at a consolidated level, following the granularity of information established by the financial reporting.

Navantia S.A., S.M.E. has prepared the report in accordance with the GRI Standards for this NFR 2023. Furthermore, in compliance with the contents required by Law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, in terms of non-financial information and diversity.

It should be taken into account, as it has been advanced, that Navantia seeks to anticipate the change that will be required by the current Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, with regard to the presentation of information on sustainability by companies (CSRD Directive hereinafter), both in the metrics to be incorporated, as well as in the verification itself.

In addition, the regulations applicable in the different places where Navantia has established its subsidiaries (Saudi Arabia, Australia and the United Kingdom) have been analysed.

Compliance not only reflects transparency and comparability, but also strengthens stakeholder confidence and facilitates decision-making. Although formally we must maintain the denomination of non-financial status report until 2025, this year, with an exercise very close to CSRD, incorporating the analysis of double materiality, carrying out an examination of the investments in the key of European taxonomy, as well as measuring the impact on the Sustainable Development Goals, Navantia places itself in the position of a leader in the sector, as well as measuring the impact on the Sustainable Development Goals.

Navantia is at the forefront not only when it comes to preparing the impact report, but it also transfers the soul of its Company in the form of its various achievements throughout 2023, reinforcing the transparency and comparability of indicators as required by European regulations.

Without prejudice to the reasonable assurance of information and the digitalisation of the XHTML format in accordance with the Single European Electronic Format (ESEF) Regulation, this report integrates a double materiality analysis in which the impacts, risks and opportunities are described as derived from the business model, the operations themselves and the upstream and downstream stages of the value chain.

It should be noted that, given the strategic nature of the company, as it belongs to the defence sector, some details will be omitted in the report, in order to guarantee the security and confidentiality of the information.

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ESRS 2-DR 2 – General basis for preparation



This report has been prepared on the basis of the following normative references, which ensure the integrity and traceability of the document.

- **Law 11/2018, of 28 December**, which amends the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, with regard to non-financial information and diversity.
- **Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020** on establishing a framework to facilitate sustainable investment and subsequent delegated regulations (EU Taxonomy Regulation).
- **Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022** amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.
- **Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023** supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. The outline of the indicators to be analysed refers to the so-called NEIS (European Sustainability Reporting Standards) or ESRS (European Sustainability Reporting Standards).

CROSS-CUTTING	ENVIRONMENT	SOCIAL	GOVERNANCE
GENERAL DISCLOSURES	CLIMATE CHANGE E1	OWN WORKFORCE S1	BUSINESS CONDUCT G1
GENERAL INFORMATION	POLLUTION E2	WORKERS VALUE CHAIN S2	
	WATER AND MARINE RESOURCES E3	AFFECTED COMMUNITIES S3	
	BIODIVERSITY AND ECOSYSTEMS E4	CONSUMERS AND END-USERS S4	
	RESOURCE USE AND CIRCULAR ECONOMY E5		

* The European Commission has postponed the publication of sectoral indicators until 2026.

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ESRS 2-GOV-Governance

Corporate governance

The role of administrative, management and supervisory bodies

Corporate governance structure

The organisation and management policy is fundamental in Navantia in order to achieve a correct functioning as a company. Navantia's Board of Directors meets periodically, having held multiple meetings in 2023.

As of 31 December 2023, the Board of Directors consisted of fourteen members.

CHAIRMAN



Mr. Ricardo Domínguez García-Baquero
25-04-23

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

BOARD MEMBERS



Mr. Enrique Moreno de Acevedo Sánchez
21-06-23

Deputy Director of Investees SEPI



Mr. Miguel Alonso Berrio

21-04-22

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



Ms. Marta Obrero Loma

21-06-23

National Accounts Office National Accounting Office. State Administration. Ministry of Finance



Mr. Ramón J. Buendía Madrid

21-06-22

General Secretary of the Intercentros NAVANTIA- CC.OO. Trade Union Section



Mr. Emilio José García Juanatey

16-02-22

Member of the Executive Industry Ferrol-CC.OO.



Mr. Aniceto Rosique Nieto

15-06-22

General Director of Armaments and Material Ministry of Defence



Ms. María José Muñoz Martínez

25-04-23

General Director for Industry and SMEs. Ministry of Industry and Tourism



Mr. Manuel Romasanta Pavón

15-06-22

Deputy General Director for Recruitment and Labour Guidance. Ministry of Defence



Mr. Roberto Moisés Gutiérrez

15-06-22

Director of the Territorial Coordination Division, Department of Services and Territorial Coordination. Under-Secretariat of Finance - Ministry of Finance



Mr. José Manuel Lago Peñas

15-06-22

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



Ms. Mª José Lafuente Fdez.

16-02-22

Subd. Gral. Coordination of Electronic Contracting Director of Gral. State Heritage. Ministry of Finance



Mr. Ricardo A. Hernández López.

27-01-23

Admiral Chief of Logistic Support of the Navy. Ministry of Defence

SECRETARY



Mr. Miguel Orozco Giménez
08-05-2007

Secretary of the Board and Director of Legal Affairs Navantia, S.A., S.M.E.

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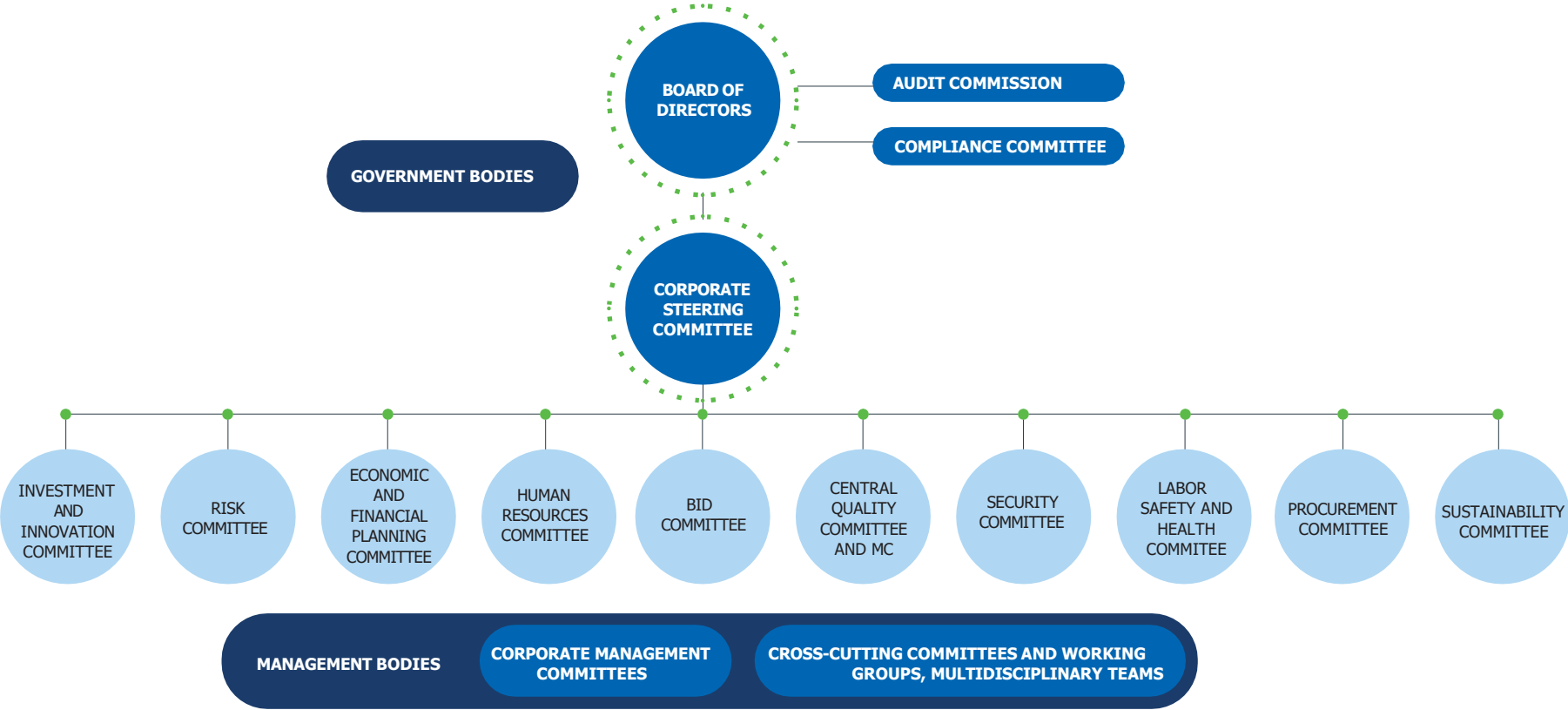
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ESRS 2-GOV-Governance

The development of a new comprehensive Corporate Governance model for Navantia was one of the initiatives of Navantia's Strategic Plan 2018-2022, in its commitment to streamlined, transparent and efficient management.

Navantia's governance model is based/organised in Committees that are distributed according to the company's main management areas. In 2023, the organisation chart that integrates the governing bodies and these steering committees of Navantia is structured according to the following scheme:



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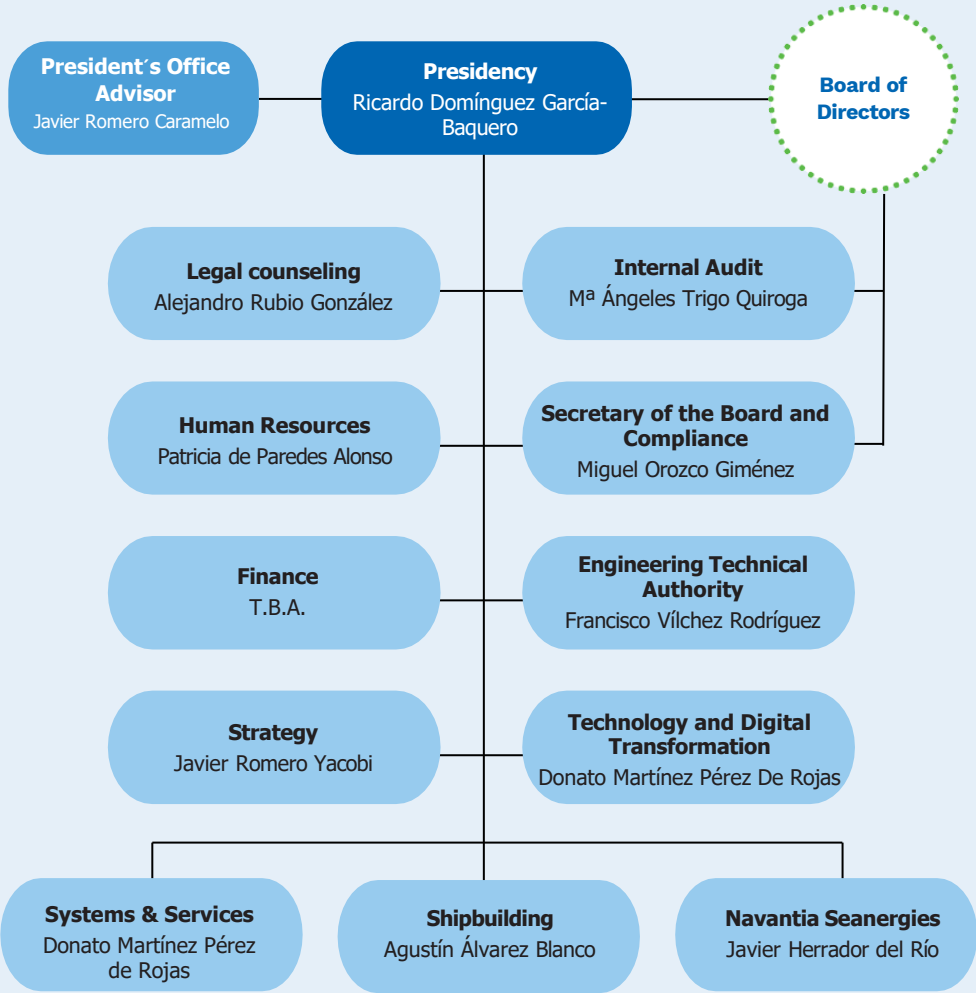
The administrative bodies of Navantia's subsidiaries are made up of the following numbers of members.

 **Number of board members (per company)**

Board/governing body Subsidiaries	Number of members (31-Dec-2023)
Navantia Australia	5
Navantia Arabia	2
Navantia UK	2
SAES CAPITAL	5
SAES	5
SAINSEL	5



Navantia Management Committee



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ESRS 2-GOV-Governance

Integrating sustainability-related performance into incentive schemes

The Board of Directors of Navantia as of 31 December 2023 consists of 3 women and 10 men including the Chairman of the Company (as of 31 December 2022 it consisted of 2 women and 10 men including the Chairman).

The amount of salaries, allowances and remuneration of any kind accrued during the financial year 2023 by the Management Committee personnel amounted to 1,953 thousand euros (1,973 thousand euros in the financial year 2022), while their average remuneration, excluding variable remuneration, was 123 thousand euros (120 thousand euros in the financial year 2022). **The sum of these items is identical for men and women on the Management Committee.**

The amount of remuneration paid to the members of the Board of Directors in the financial year 2023 amounts to 132 thousand euros (in 2022 it amounted to 125 thousand euros). The amount of compensation for attending Navantia's Board of Directors meetings is one thousand euros per director (the same amount as last year).

Of this amount, in accordance with the provisions of Law 5/2006 of 10 April on the regulation of conflicts of interest of members of the Government and Senior Officials of the General State Administration, Navantia, S.A., S.M.E. has paid into the Public Treasury 36 thousand euros corresponding to the remuneration of the Directors affected by the aforementioned Law (32 thousand euros in 2022).

Directors' allowances are governed by the Ministerial Order of the Ministry of Finance of 8 January 2013 and differ depending on whether the companies belong to Group 1 (Navantia), Group 2 (Sociedad Anónima de Electrónica Submarina -SAES-), or Group 3 (SAES CAPITAL and SAINSEL).

The Boards of Directors of SAES CAPITAL, SAES and SAINSEL are composed of five directors.



According to the provisions of their respective Articles of Association, the position of director is only remunerated in the case of SAES CAPITAL, this remuneration consisting of the payment of allowances for attending Board meetings; of the 5 directors of SAES CAPITAL, only one of them receives compensation.

Only the Chairmen of SAES and SAINSEL hold remunerated positions for their executive functions, as top managers of each company. In 2023, the average amount of their remuneration was 98 thousand euros.

In the case of Navantia UK, as it was recently created, it does not yet have a structure and there are only two administrators who do not receive remuneration there, but keep their salaries from Navantia S.A.

For Navantia Australia, the average Management Committee was AUD 205,874 (excluding expatriates).

In the case of Navantia Arabia, there are two administrators who do not receive remuneration for this, but keep their salary from Navantia.

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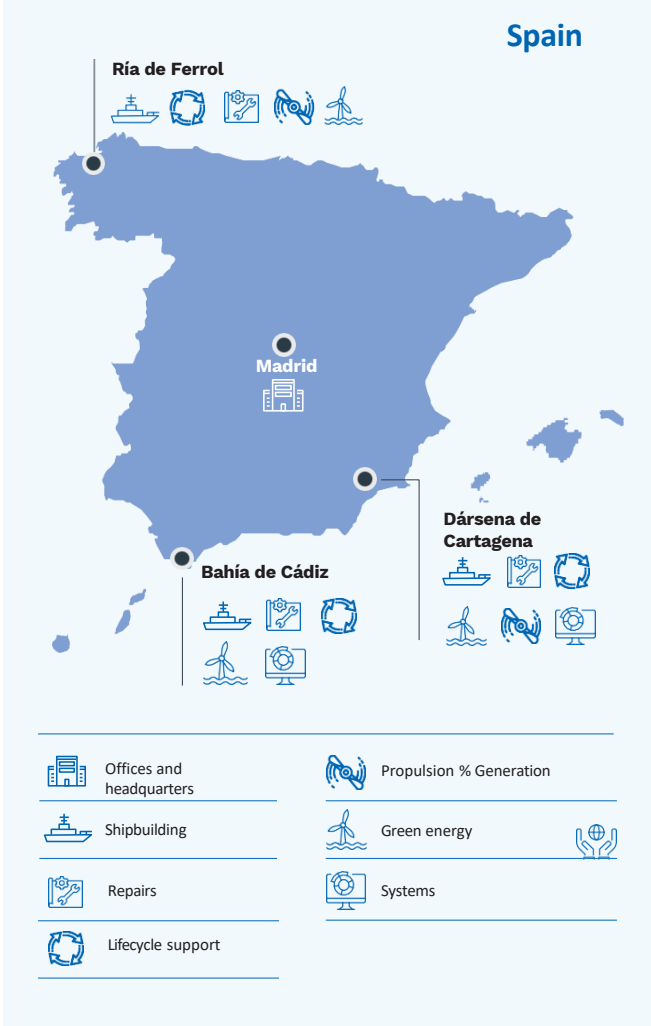
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Strategy and business model

Strategy, business model and value chain

Navantia, as a large company, has a workforce of 4,450 people, which represents an increase of 304 people compared to the workforce at the end of 2022.

The Navantia group has a workforce of 4,939 people at 31/12/2023. Navantia S.A. is wholly owned by the Sociedad Estatal de Participaciones Industriales (SEPI), a body which, in turn, reports to the Ministry of Finance.



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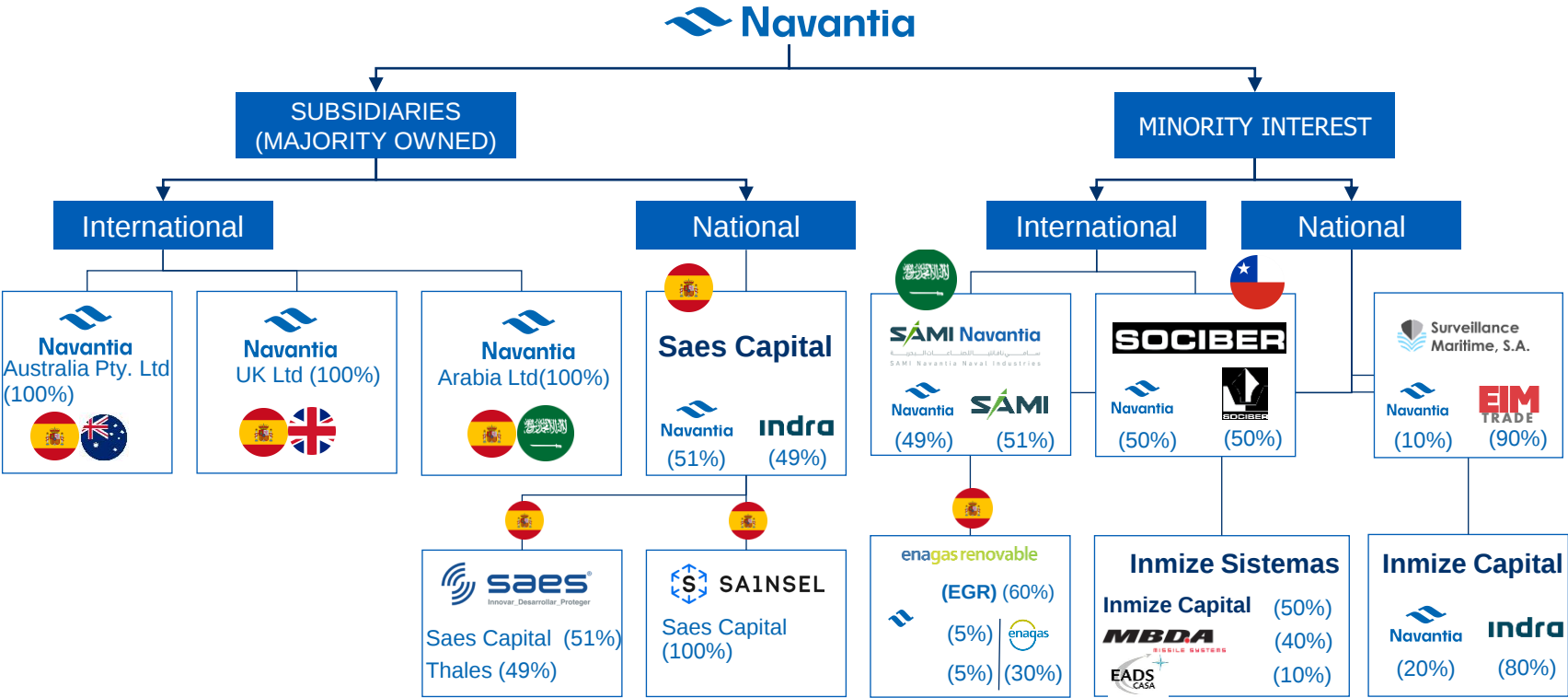
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Within it, five companies form part of the Navantia Group for consolidation purposes:



Navantia Australia Pty. Ltd. (hereinafter Navantia Australia).



Navantia UK (hereinafter Navantia UK).



Navantia Arabia LLC (hereinafter Navantia Arabia).

SAES Capital, S.A., S.M.E., which in turn participates in two subsidiaries:



Sociedad Anónima de Electrónica Submarina, S.M.E. (hereinafter referred to as SAES)



SAINSEL Sistemas Navales, S.A.U., S.M.E. (hereinafter SAINSEL).

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Navantia Strategy

Navantia's Strategic Plan 2018-2022 initiated a path of improved results and has laid the foundations for the company's transformation, to which must be added the fact that, in the current context, there are a series of disruptions and opportunities that Navantia must face.

The digital transformation and the ecological transition are presented as the two great revolutions of this first part of the 21st century and for Navantia it is essential to address them proactively.

Navantia, a public shipbuilding company, operates as a technological and strategic company for the naval defence sector, which, on the one hand, provides the industrial and technological response to the capabilities that the Government considers to affect the essential interests of Defence and National Security and, on the other, generates wealth and high quality employment, particularly in the Spanish regions where it is located, as well as contributing to Spanish exports and reinforcing the Spanish brand abroad.

In addition, Navantia can become a strategic company for the Spanish energy sector, given its industrial capabilities and its know-how in offshore wind energy.

With all these conditions, Navantia's strategy designs a Navantia as a sustainable company in its three economic, social and environmental dimensions and an internationally recognised reference in military naval systems to provide service to the Spanish Navy and export customers and to be a benchmark supplier of renewable energy products and services that support the Spanish energy transition.

Navantia's Strategy aims to consolidate the transformation process in order to lay the foundations for the company's sustainable growth and is based on 7 lines of action that include the initiatives underway in Navantia's Strategic Plan 2018.

Implications of the objectives for Navantia's Strategy

Core business growth

- Strengthen the order book in the defence and security market (both domestic and export) while enhancing our strategic positioning in Europe through alliances and participation in European projects.
- One of the most important variables will be the development of new business models related to services, which will be smart and sustainable as a priority.

Technology and innovation

- Projection of innovation in Navantia and its environment connected to Digital Transformation

Productivity and efficiency

- Operational and managerial excellence, adding the reduction of under-activity and the rationalisation of costs and training.

Navantia Seanergies

- Developing Seanergies' business in key sectors for the energy transition with high growth potential, which will be smart and sustainable as a priority.

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Strategic capabilities and talent

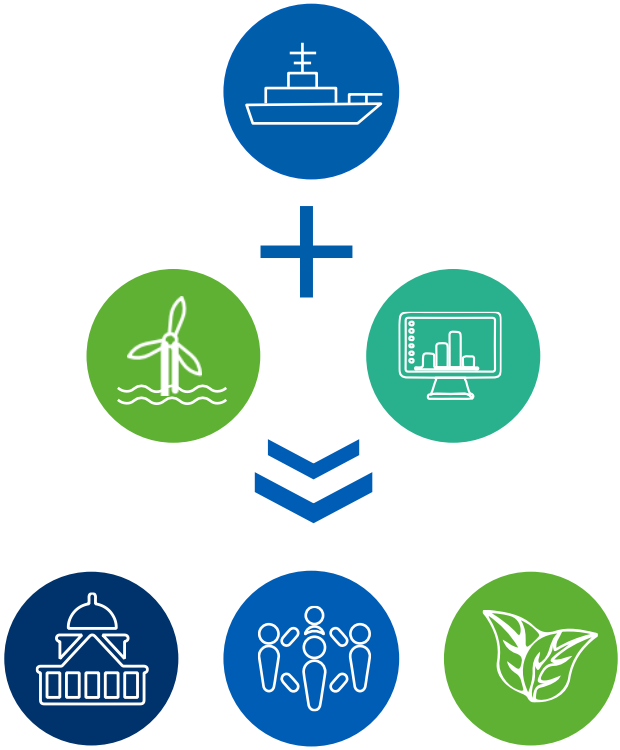
- Navantia's workforce must be sized and have the necessary capabilities to respond to Spain's defence strategy, export contracts and Spain's needs for energy autonomy.

Sustainability

- Integrating sustainability into the company's decision-making and operational management; with the promotion of the Decarbonisation Plan, improving the sustainability of our products and services as a competitive key, not only internally but throughout the value chain.

European Collaboration

- Consolidating Navantia's leadership in its strategic priorities in the face of growing collaboration between countries for the development of joint capabilities is one of the fundamental axes of H 5.0. they will be intelligent and sustainable.
- Strengthen the order book in the defence and security market (both domestic and export) while enhancing our strategic positioning in Europe through alliances and participation in European projects.



Navantia's strategy

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Business Lines

Navantia has established itself as a benchmark and trusted ally to respond to any need in its operational sphere. Its strategic and operational vision focuses on anticipating and responding to challenges in an efficient, effective and sustainable manner.

Navantia is considered a strategic company for National Defence, aligned in the achievement of its objectives with the Sustainable Development Goals proposed in the United Nations Global Compact, and playing an important role in territorial cohesion due to its capacity as a driving force in job creation and economic promotion in the geographical areas where its shipyards are located.

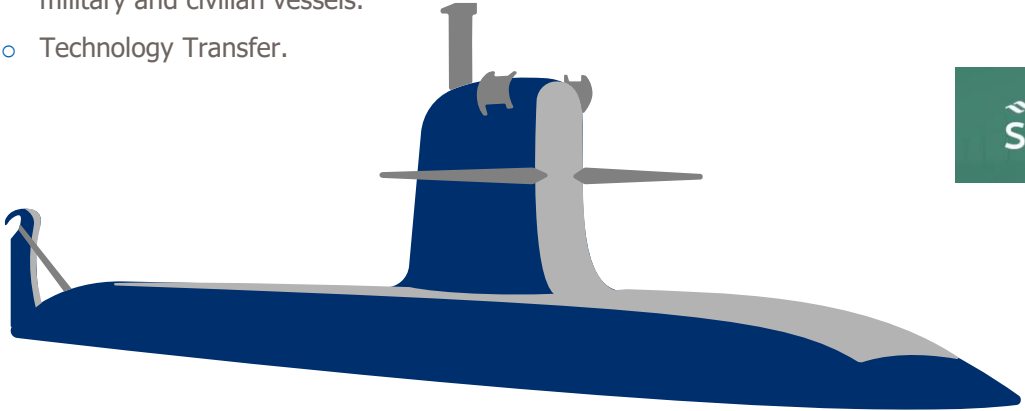
Within their activities, they operate as business lines:



Shipbuilding

Navantia has the capacity to design, build and maintain all types of naval platforms (surface ships and submarines).

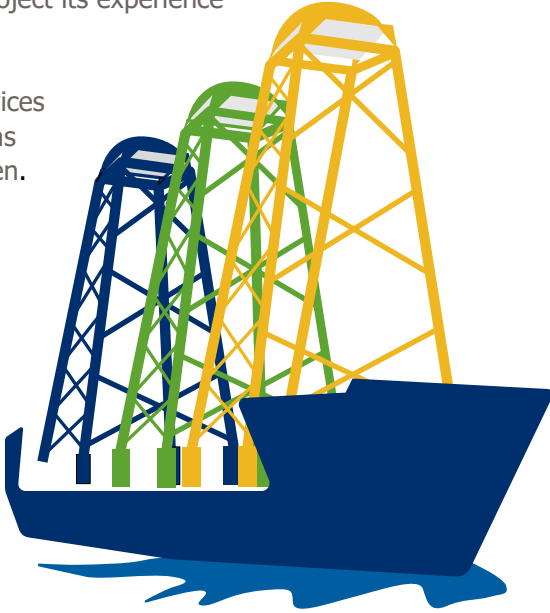
- Construction of military vessels for the Navy.
- Construction of military vessels for export to foreign navies.
- Repairs and conversions of military and civilian vessels.
- Technology Transfer.



Navantia Seanergies

Navantia's commitment to society takes on a new meaning after the presentation of the Navantia Seanergies division in 2022, to project its experience and capabilities.

industrial and innovation in the development of products and services in the green energy sector, such as offshore wind energy and hydrogen.



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Systems

Navantia, through its Systems division, generates added value to both national and European shipbuilding.

To maintain the level of investment in R+D+i, Navantia collaborates with national and international partners and technologists and relies on collaborative agreements with leading universities and technology centres in Spain.



Navantia is consolidating its position as a supplier of high technology and intelligent services, including, among others:

- Design and manufacture of systems (combat, control, navigation, communications, etc.) for ships, submarines and unmanned craft, including intelligence, simulation (digital twin) and training thereof).
- Collaborative platforms or integrated information systems.
- Automation, sensorisation, communication, robotisation and artificial intelligence of processes.
- Design or development of unmanned systems.
- Advanced manufacturing technologies and Industry 4.0, such as digital twins, among others.
- Advanced manufacturing centres.
- All this makes Navantia Sistemas a key asset for the development and generation of added value for the industry.



Services

The Navantia Services business line arises from the need to have a coordination figure for all the transversal services offered by Navantia, the main competitive advantage of Navantia Services being its experience and flexibility when it comes to offering global, integrated solutions adapted to the needs of the client.

This allows to meet the requirements of any civil or military platform to ensure 24/7 mission availability and operability through **high value-added offerings**.



The national and international projection of Navantia, the result of the effort and commitment of its organisation and workforce, promotes the promotion of the sectors of which it forms part with the greatest guarantees.

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Tax information

 Benefits by country

In the financial year 2023, the result obtained by the NAVANTIA Group has been 121,729,710.76 € of losses after taxes. Broken down by country, this result would be distributed as follows:

- Spain: -129,402,765.19 €.
- Saudi Arabia: -€ 1,663,220.46
- Australia: 10,823,201.37 €.
- France: -547,861.70 €.
- Turkey: -66,634.90 €.
- United Kingdom: 153.719,83 €.
- India: -1,026,149.71 €

 Taxes paid on profits

The Navantia Group has paid 4,588,026.64 euros in corporate income tax in Australia during the 2023 financial year. In France, it has paid 17,489 euros; in Saudi Arabia, 20,434.88 euros and in Turkey, 35,008.91 euros.

The rest of the NAVANTIA group companies have not paid any income tax during 2023.

During the financial year 2023, public subsidies amounting to 11,249,401.39 euros were received, all of which came from European funds.



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Long-term value creation with stakeholders

Navantia has a "Context and Stakeholder Analysis Procedure" to identify the stakeholders with whom it interacts, as well as to determine their needs and/or expectations.

As well as the tools available to respond to them. Relations with local agents and entities are managed through the centres.

In application of this procedure, relations with local community stakeholders are carried out as indicated in the table below:

Stakeholders	Needs and/or Expectations	Tools/Actions
Navantia Employees (1)	- Compliance with the employment contract - Guarantees and job safety - Workload and work assignment - Professional development (motivation, training and talent management)	- Compliance Management System - Compliance Committee - Management by objectives system - Succession Planning - Training programmes - Corporate University - Talent Management - Knowledge Management Plan - Code of Conduct - Whistleblower Channel
	- Business ethics and criminal compliance - Working in an environmentally friendly organisation - Prevention and safety at work - Data protection - Controlling access to information - Digital identity management - Diversity and inclusion	- Corporate Compliance, Transparency and Good Governance Standards - Data protection regulations - Cyber Security Awareness - Two-factor authentication access control - Digital identity management - Information Security Management System (ISMS) - Exercise of fundamental rights; processes Privacy and data protection management system. - Corporate Privacy and Data Protection Policy
Subsidiaries and Investees (1)	- Information - Cooperation - Transparency - Business ethics and criminal compliance - Unification of corporate image and processes	- Boards of Directors - Regular business relationship - Code of Conduct - Whistleblower channel - Corporate Compliance, Transparency and Good Governance Standards - Compliance Committee - Privacy and data protection management system. - Corporate Privacy and Data Protection Policy

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Stakeholders	Needs and/or Expectations	Tools/Actions
Shareholders: SEPI (1)	- Transparency - Compliance - Profitability - Business ethics and criminal compliance - Risk management	- Boards of Directors - Audit Committee - Regular reporting - Bilateral meetings - Code of Conduct - Corporate Compliance, Transparency and Good Governance Standards - Compliance Committee - Privacy and data protection management system. - Corporate Privacy and Data Protection Policy
Clients: Spanish Navy, foreign navy's and navies, shipowners, wind energy sector clients, etc. (1)	- Contractual compliance, agreements and regulations - Information - Cooperation - Strategic alliances - Performance guarantee - Transparency - Contractual guarantees - Business ethics and criminal compliance - Data protection - Controlling access to information - Digital identity management - Information on relevant cybersecurity incidents - Security of contractual information - Security, continuity and speed of information and communications systems - Product / service safety - Waste management/recycling - Agile channels of communication with the company in resolving disputes and meeting contract needs	- Corporate Procedures and Standards for business relations, customer satisfaction and trade fair impact - Code of Conduct - Whistleblower Channel - Corporate Compliance, Transparency and Good Governance Standards - Customer satisfaction survey and satisfaction interview - Cyber Security Awareness - Two-factor authentication access control - Digital identity management - Cybersecurity incident management procedure - Privacy and data protection management system. - Corporate Privacy and Data Protection Policy - Agile channels of communication with the company in resolving disputes and meeting contract needs

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Stakeholders	Needs and/or Expectations	Tools/Actions
RAC (Quality Assurance Representative) (1)	• Compliance with quality system requirements • Compliance with quality requirements in programmes/contracts • Security guarantees • Transparency and communication • Data protection • Controlling access to information • Digital identity management • Information on relevant cybersecurity incidents • Security, continuity and speed of information and communications systems	• Quality Management System • Code of Conduct • Corporate Compliance, Transparency and Good Governance Standards • Customer satisfaction surveys • Cyber Security Awareness • Two-factor authentication access control • Digital identity management • Contingency and disaster recovery planning • Cybersecurity incident management procedure • Privacy and data protection management system. • Corporate Privacy and Data Protection Policy
Suppliers: Supply & Service Providers, Auxiliary Industry (1)	• Compliance with prevention, occupational safety and environmental regulations. • Contractual compliance • Continuity of recruitment • Business ethics and criminal compliance • Information security in contractual relations • Security, continuity and speed of information and communications systems • Product / service safety • Waste management • Data protection • Controlling access to information • Digital identity management • Energy consumption • Ensuring necessary training for participation in internal process management • Maximum integration in project planning • Supplier Information Security Assessment	• Procedures and corporate regulations on Procurement • Quality management procedures • Communication channel with suppliers • Occupational Health and Safety Management System • Corporate Environmental Management System • Code of Conduct • Corporate Compliance, Transparency and Good Governance Standards • Other short-term tools • Cybersecurity incident management procedure • Supplier Panels • Information Security Management System • Privacy and data protection management system. • Corporate Privacy and Data Protection Policy • Ensuring necessary training for participation in internal process management • Maximum integration in project planning • Supplier Information Security Assessment
Syndicates (1)	• Transparency • Cooperation • Attention to demands • Job security and guarantees • Business ethics and criminal compliance • Freedom of association	• Negotiations • Bilateral meetings • Labour agreement • Code of Conduct • Corporate Compliance, Transparency and Good Governance Standards

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Stakeholders	Needs and/or Expectations	Tools/Actions
Spanish Administration, City Councils and Corporations. Foreign government authorities (2)	• Transparency • Information • Cooperation • Compliance with regulations. Commitment • Business ethics and criminal compliance • Information on relevant cybersecurity incidents • Agile communication channels	• Business relations • Bilateral and multilateral meetings • Code of Conduct - Whistleblower channel • Corporate Compliance, Transparency and Good Governance Standards • Environmental Management System (identification and assessment of legal requirements) • Cybersecurity incident management procedure • Information Security Management System (ISMS) • Privacy and data protection management system. • Corporate Privacy and Data Protection Policy
Companies, institutions, associations and clusters. Universities and research centres. Classification Societies (BV, LR, DNV GL, ABS, etc.). European and multilateral organizations (EU, NATO, EDA, SEA EUROPE, OCCAR, etc.) (2).	• Information • Cooperation • Regulatory compliance • Strategic alliances • Sponsorship • Business ethics and criminal compliance • Agile communication channels	• Business relations • Bilateral and multilateral meetings • Representation of Navantia in entities, on its own behalf or through national or international associations. • Affiliation and sponsorship of entities • Code of Conduct - Whistleblower channel • Corporate Compliance, Transparency and Good Governance Standards
Financial institutions (2)	• Benefit collection • Fulfilment of financial guarantees • Business ethics and criminal compliance • Financial risk management • Data protection	• Business relations • Bilateral and multilateral meetings • Equal • Code of Conduct • Corporate Compliance, Transparency and Good Governance Standards • Privacy and data protection management system. • Corporate Privacy and Data Protection Policy

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Stakeholders	Needs and/or Expectations	Tools/Actions
Media (2)	- Information flow - Transparency - Truthfulness - Business ethics and criminal compliance - Timely and punctual information	- Corporate Communication Policy - Code of Conduct - Corporate Compliance, Transparency and Good Governance Standards - Privacy and data protection management system. - Corporate Privacy and Data Protection Policy
Social environment: close and geographical areas of influence and not close (Society, NGOs, Social groups) (3)	- Regulatory and environmental compliance - Positive impact of Navantia's activity, especially acoustic, landscape, environmental pollution, communication routes, employment. - Business ethics and criminal compliance - Display of socio-cultural heritage (Museums, Exhibitions, Guided tours, etc.) - Preventing inequality	- Navantia website and RRSS - Code of Conduct - Whistleblower channel - Corporate Compliance, Transparency and Good Governance Standards - Environmental Management System - Collaboration agreements with local universities - Privacy and data protection management system. - Corporate Privacy and Data Protection Policy
External control and supervisory bodies (Court of Auditors, IGAE, AEAT, regulatory bodies: CNC, Social Security, etc.), Control, investigation and sanctioning authority (Spanish Data Protection Agency and European privacy and data protection authorities).	- Information - Cooperation - Transparency - Compliance with legislative requirements	- Corporate regulations - Information submission through the established channels - Bilateral meetings - Exercise of fundamental rights; processes Privacy and data protection management system. - Corporate Privacy and Data Protection Policy
Web (digital) users. Any natural person who interacts with Navantia through our website.	- Information - Agile communication channels - Digital identity management - Data protection	- Privacy and data protection policy for WEB users - Corporate privacy and data protection regulations

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Corporate risks and opportunities

Navantia is exposed to risks and opportunities of different nature that affect its present and future performance and are therefore managed in the most effective way.

For this reason, it has developed an internal risk management system, in which different situations are foreseen and contemplated, both for Navantia and its subsidiaries, which present risks and opportunities for them.

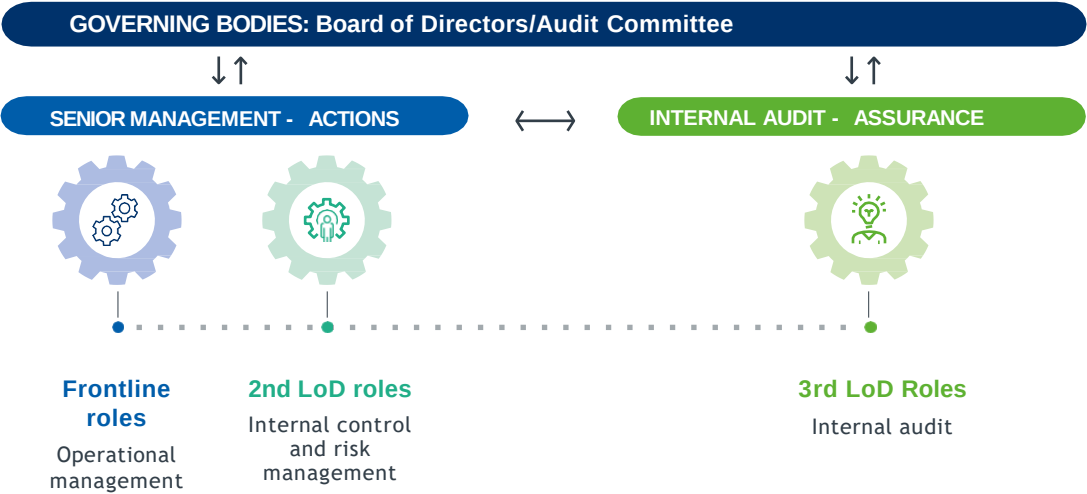
The Risk Management System (RMS)

Navantia's Risk Management System (RMS) consists of a set of corporate tools, structures and procedures that seek to contribute, through a process of identification, assessment, management and monitoring of the main risks, to the healthy and correct management of the Company, so that it is consistent with the objectives defined by the Management.

This system, defined according to international best practice, is based on three levels of control:

- **1st LoD:** operational departments identify and assess risks and implement specific actions to manage them.
- **2nd LoD:** risk management functions define risk management methods and tools, and carry out monitoring activities.
- **3rd LoD:** Internal Audit conducts independent assessments of the entire system.

Navantia has adopted a Risk Policy, which sets out the general principles it intends to follow to implement the RMS adopted by Management. The RMS, with a principle-based approach, has been adapted to the circumstances and objectives of the organisation, representing the coordination, cooperation, alignment and feedback between the different parts of Navantia to collectively contribute to the creation and protection of value, thus achieving better risk coverage and control functions.



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ESRS 2-IRO-Impact, Risks & Opportunities management

Navantia's risk management

Navantia's risk management system is geared towards preventing and minimising the negative effects of uncertainty and exploiting opportunities as they arise.

The company has a Risk Management System that enables the main risks to be identified, assessed, managed and monitored in accordance with the Risk Policy, the basic principles being as follows:

- **Management leadership:** providing the necessary resources and ensuring that the organisation works in accordance with these principles.
- **Value protection:** Risk management is a system of creating and protecting the value generated for all relevant stakeholders by aligning the acceptable level of risk with management capacity.
- **Proactivity:** proactive risk management is encouraged, which incorporates controls in the design of processes to help manage risks, implement response plans and coverage.
- **Consistency:** criteria of proportionality are applied in risk management between the level of risk exposure and the cost of risk treatment, establishing the necessary reserves.
- **Information:** the SGR ensures that Navantia's most senior governing bodies are duly informed of the risks identified.
- **Continuous improvement:** improving the efficiency and usefulness of enterprise risk management at all levels based on best practices, business context, risk appetite, learning and experience in its development.
- **Integrity:** the SGR covers the entire Navantia organisation and is incorporated in the strategic planning process, in the definition of business objectives and in the day-to-day operations to achieve these objectives.
- **Consistency:** a common definition of risk is established as "any potential event that could affect the achievement of business objectives or expectations".



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ESRS 2-IRO-Impact, Risks & Opportunities management

Opportunities for Navantia

The risk management system established in Navantia allows for the identification of the opportunities associated with the risks that contribute to creating value in the company. Broadly speaking, the following opportunities have been identified, centred on the following:



Current geopolitical situation with increased investment in defence and in ensuring energy autonomy in the European Union.



Investment in strategic markets and productivity improvements enabling increased levels of recruitment and returns on future programmes.



Participation in European projects, which puts it in the best position to increase procurement levels and position itself optimally in the European defence market.



Obtaining synergies through collaboration with industries and organisations related to Navantia that increase knowledge and the application of best practices in the sector.



Homogenisation and digitisation of processes which increases productivity, the development of more agile processes, process automation, improved efficiency and increased returns on investment.



The exploitation of lessons learned that help to improve efficiency levels, minimise the occurrence of new risk events, reduce costs, timeframes and increase the quality of programmes, where appropriate.

The boosting of opportunities will fundamentally improve efficiency, sustainability and profitability to be in a better position to cope with demanding market conditions.

Navantia: A comprehensive approach to risks and opportunities

The identification of risks and opportunities (R&O) is carried out in a coordinated manner in Navantia, taking into account the risk management carried out by the directorates, business units and programmes with the application of the internal regulations established for this purpose.

The R&O identification procedure follows the top-down methodology carried out by the members of the Corporate Management Committee and the bottom-up methodology applied by the functional divisions, business units and programmes. The risk management process is governed by corporate standard N-003 Risks and by procedures P-C-003 Risk Management and P-C-015 Programme Risk Management and instruction I-ES-005 Operational Risk Management in Predict.

R&Os are identified at any level of the organisation, assigned an owner, managed on an ongoing basis during the year, and escalated and reported at the corporate level.

Annually, the risk coordinators of all corporate divisions assess the probability of occurrence and impact of corporate risks, which are graphically represented in the Corporate Risk Map, which is discussed in the Risk Committee for subsequent approval by the Management Committee.

The Corporate Management Committee and the parent company SEPI are periodically informed of the management of Navantia's most relevant R&O risks classified into governance, ethics and compliance, general, financial, operational/business risks.

R&O management is developed in a comprehensive manner for all types of Navantia's risks, through an R&O management tool fed and managed by all directorates, business units and programs.

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ESRS 2-IRO-Impact, Risks & Opportunities management

How do Navantia's subsidiaries control their risks?



SAES has a standard for the identification and treatment of corporate risks ref. 61-002539-A1. This standard describes the processes of risk identification, assessment, planning, monitoring and control.

SAES manages the following risks: criminal, Information Security and Cybersecurity, Personal Data Protection, Occupational Risk Prevention, as well as the risks associated with the Quality System and the Programs.



SAINSEL has a Risk Management Procedure describing the identification, assessment, categorisation and monitoring of risks.

The risks identified are represented graphically on a risk map and are monitored, depending on their impact and probability, in the different Committees: Management, Quality, Projects and/or Prevention of Criminal Risks.

In which risks are reviewed, analysed and actions are taken to close or mitigate them.



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ESRS 2-IRO-Impact, Risks & Opportunities management

The universe of corporate risks

In 2023, Navantia updated the company's risk management model in accordance with best business practices and new trends, including, among other aspects, the risk governance model, ESG risk management (environmental, social, governance), determination of risk appetite and tolerance, as well as the risk insurance map.

Navantia's main risks, classified according to the estimated timeframe of the impact, are listed below:

	GEC RISKS	GENERAL RISKS	FINANCIAL RISKS	OPERATIONAL RISKS/BUSINESS UNITS
SHORT TERM	• Privacy and data protection	• Cyber-attacks and information leaks • Reliance on and securing supplies from key suppliers • Availability of talented and qualified staff • Liability for hidden defects and accidents	• Net worth insufficiency	• Programme contracting • Diversion of programme margins • Delayed implementation of investments • Difficulties in implementing technological tools
MEDIUM TERM		• Availability of a business plan		• Sustainable design and production processes • Climate change adaptation and sustainability



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A. Good governance, ethics and compliance risks

These are those arising from the integrity or responsibility of the behaviour of employees or other third parties with whom the company collaborates (partners, customers, suppliers and subcontractors) that may affect Navantia's reputation and results.

They are associated with legal provisions, regulations in general, adopted standards and codes of conduct applicable to the activity, in all the markets in which Navantia carries out its activity, and whose non-compliance may lead to sanctions or reputational damage, causing an impact on results, capital or business development expectations. These mainly include those relating to the areas of prevention of corporate crime, fraud and legal obligations arising from Navantia's activities.



SHORT TERM

Privacy and data protection: risk related to Navantia's privacy and data protection, including international data transfers, data at suppliers, data in new lines of business, as well as in the use of new technological tools.

B. General risks

These are the risks derived from Navantia's strategic position in the environment in which it carries out its activity, relations with third parties, the portfolio of products and services, planning and organisation, which may affect the fulfilment of the objectives defined in its strategic plan. These are risks that affect several organisational units across the board, and may have an impact on strategy, the company's reputation and cybersecurity.



SHORT TERM

Cyber-attacks and information leaks: risk related to possible cybersecurity attacks on Navantia's systems, including malware infection, phishing, information leaks, social engineering attacks or extortion of employees with access to sensitive information.

Dependence on and assurance of supplies from key suppliers: due to the dependence on some suppliers of key supplies and services, the chain of key supplies and services may not be secured, with possible impacts on cost, schedule or programme or business requirements targets, or delays in achieving the sustainability targets set by Navantia.

Availability of talented and qualified personnel: difficulty in attracting and providing qualified personnel to cover Navantia's training and employment plans.

Liability for hidden defects and accidents: possible imputation or liability arising from possible hidden defects or claims for ships, systems and products produced by Navantia.

Country risk: risk related to the effects of operating or maintaining a business relationship with a particular country that presents conditions of social instability or unfavourable macroeconomic conditions, currency shortages, poor reputation or the possibility of non-payment.

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ESRS 2-IRO-Impact, Risks & Opportunities management

C. Financial risks

These are risks with financial consequences, such as those affecting the company's liquidity and capital structure, debts contracted by customers, country risk and market risks (exchange rate and interest rate).

Also included are the risks associated with tax decisions, whether by Navantia or by tax or judicial authorities, which could have an impact on Navantia's financial statements or reputation.

 SHORT TERM

Insufficient equity: risk related to the occurrence of a financial situation in which it is necessary to incur a capital reduction or cause for dissolution.



D. Operational risks/ business units

These are risks caused by operational, environmental, safety or occupational health and safety events arising from business activities.

 SHORT TERM

Program contracting: insufficient programme contracting due to, among other causes, inefficient commercial action, misalignment of the catalogue of products and services to demand, misalignment of prices.

Deviation from margins in programs: non-compliance with the margins budgeted for the programmes.

Delayed implementation of investments: possible delay of investments due to insufficient resources, technical difficulties or administrative deadlines.

Difficulties in the implementation of technological tools: failure to meet deadlines in the implementation of technological tools and in the training of employees in their use.

 MEDIUM TERM

Sustainable production process design: risk related to the integration of sustainability in ship design and production leading to a sustainable product portfolio and efficient, sustainable and circular facilities.

Adaptation to climate change and sustainability: difficulty for Navantia to adapt its operations to climate change and new sustainability trends.

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ESRS 2-IRO-Impact, Risks & Opportunities management

Navantia's performance in the face of commercial risks

Risks in commercial relations with Navantia's customers or potential customers are mitigated by due diligence procedures and internally regulated procedural instructions. In addition, especially in the case of high turnover customers - such as repair customers - there is a financial solvency verification procedure carried out by the Finance Department on a case-by-case basis.

With regard to suppliers, there is a regulated approval process whereby a questionnaire is sent out and has to be duly completed, including a due diligence procedure.

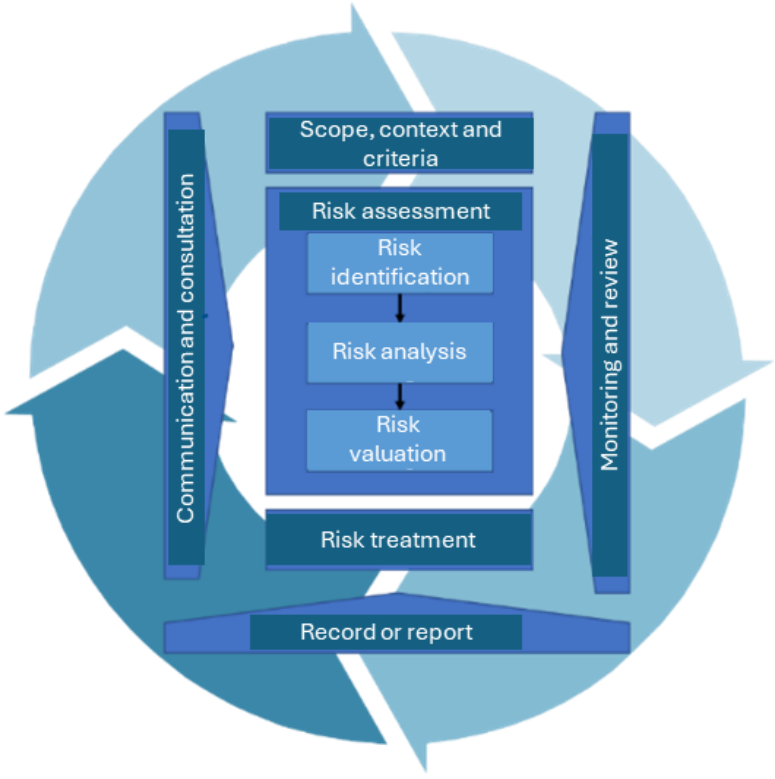
On the SAES side, in commercial relations with customers or potential customers, it mitigates risks with due diligence procedures and internally regulated procedural instructions. For suppliers, there is a regulated approval process whereby a questionnaire is completed. For large-volume suppliers, a due diligence procedure is included.

In the case of SAINSEL, in its commercial relations with its suppliers, it sends them Due Diligence questionnaires, which, once completed, are analysed by the Criminal Risk Prevention Committee. In addition, confidentiality agreements are signed to avoid risks with disclosure of the information exchanged with them.

Risk assessment and management procedures

The risk management procedure is regulated by the Corporate Risk and Opportunity Management Policy, in accordance with ISO 31000:2009 Risk management - Principles and guidelines.

Moving down the regulatory hierarchy, corporate standard N-003 Risks develops the responsibilities, the management model, the composition and functioning of the Risk Committee, the risk classification, the risk appetite and the description of the risk management process.



ESRS 2-IRO-Impact, Risks & Opportunities management

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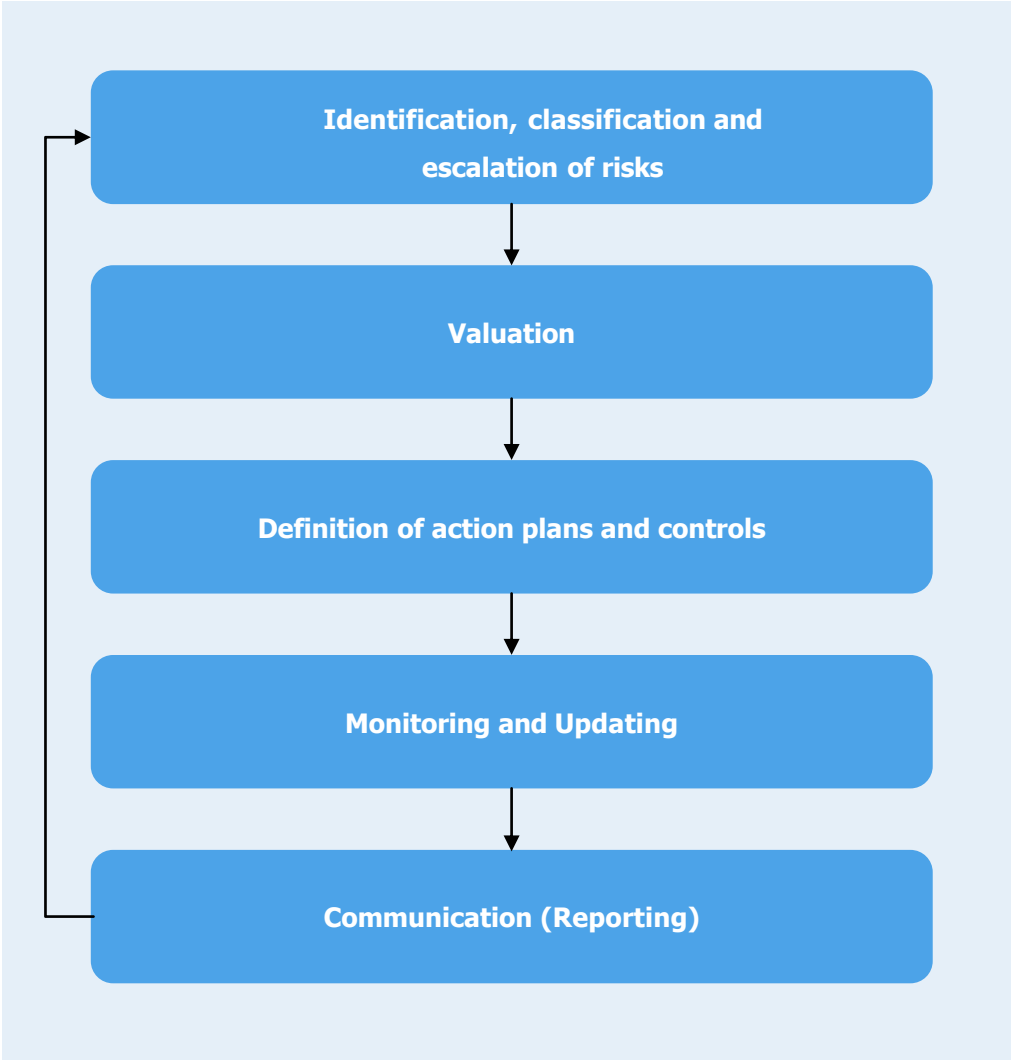
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Procedure P-C-003 Risk Management develops the planning, assessment, treatment, monitoring of risks and supervision of the effectiveness of the RMS. Procedure P-C-015 Programme Risk Management regulates in detail the programme risk management operations from the pre-contractual phase to the end of the programme.

In summary, once the risks have been identified, they are assessed according to their probability of occurrence and impact on the company and action plans are defined to avoid, mitigate, transfer or accept the risk or, similarly, to exploit the opportunities. Likewise, controls are defined to avoid the materialisation of risks and useful indicators are defined as early warnings to avoid the materialisation of these risks.

Risks and opportunities are monitored to verify the evolution of the risk, and if appropriate, reassess risks and opportunities, determine new action plans or modify existing ones.

The Risk Committee is held periodically to ensure the proper functioning of the risk management system through, among other things, the review of the risk appetite, review of the corporate risk map, approval of response plans and monitoring and control of corporate risks.

The Corporate Management Committee approves the Corporate Standard, the risk appetite and promotes the response plans. It also provides sufficient means to carry out risk management activities and to achieve the company's strategy and objectives more effectively.

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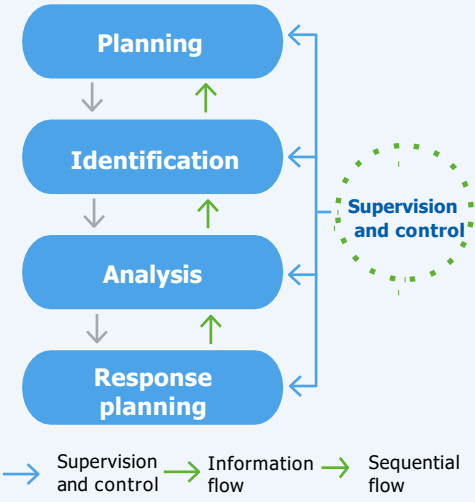


The **SAES** Risk Management procedure aims to establish the guidelines followed in the organisation for risk management in order to prepare the Risk Management Plan and minimise the likelihood of these risks materialising.

Guidelines are established for the implementation of the risk management process, which includes:

- A. Risk management planning.
- B. Risk identification.
- C. Risk analysis.
- D. Risk response planning.
- E. Risk monitoring and control.

The following figure shows graphically the SAES risk management process:



In the case of SAINSEL, it has a Risk Management Procedure, which describes the identification, evaluation, categorisation and monitoring of risks.

The risks identified are represented graphically on a risk map and are monitored, depending on their impact and probability, in the different Committees: Management, Quality, Projects and/or Criminal Risk Prevention, where they are reviewed, analysed and actions are taken to close or mitigate said risks.

The risks identified in SAINSEL are mainly grouped in the following categories:



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ESRS 2-IRO-Impact, Risks & Opportunities management

Trends in the Naval Sector

In this regard, Navantia analyses the macro trends that define the environment and context of our company, also bearing in mind our position as a public sector company. Without prejudice to the current strategic and economic situation, marked by disruptive changes and volatility, Navantia does not fail to glimpse the trajectory that marks the near future, of which we are already aware through the Roadmaps and Strategies of the European Union, the Spanish Government, the Autonomous Communities and Local Entities, as well as market analysis, which can be summarised in the following key points:



Macroeconomic scenario: evolution of activity, inflationary pressures and energy markets

The global economy improved over 2023 from the initial projections for activity and growth in 2023, showing relative resilience to the negative shocks from the wars in Ukraine and the tightening of monetary policy. As a result, global economic growth is expected to be close to 3.0% in 2023, compared to the 2.0% forecast at the beginning of the year. The greater dynamism than initially expected has been more significant in the case of the US, while the European economy was weaker.

In 2023, energy prices have been significantly reduced: the price of a barrel of Brent crude oil fell by 10% and the price of benchmark gas in Europe fell by 60%. In 2023, there has been a process of disinflation in the major economies from the inflation levels above 10% per year that they reached at the end of 2022 due to the combined impact of falling energy prices and tighter monetary policies. The process of inflation reduction in 2023 has stalled successive interest rate hikes in the second half of 2023, and reductions are expected in 2024.



Sustainability and climate change risks

Globally, sustainability has experienced a major leap in society's top concerns. This is due to the increased perception of the major social, economic and demographic impacts that the risks associated with climate change would have in the medium term.

This growing social awareness is being transferred in a very palpable way to all areas of the business environment, becoming a priority: sustainability will be a cross-cutting imperative in all sectors of activity. In this sense, the EU intends to transform its economic growth model through "The Green Pact" and has formulated highly ambitious objectives, such as making Europe the first carbon neutral continent by 2050.

Europe's energy autonomy vis-à-vis geopolitically unstable third regions can therefore only be achieved in the long term through various forms of renewable energy.

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Economic situation in the naval sector

In 2023, geopolitical and military tensions in both Europe and the Middle East again boosted expectations for revenues and profitability of the defence industrial base. In this regard, expectations continued for increases in defence spending globally, which would imply opportunities for medium- and long-term expansion of the number and scope of countries' military naval programmes.

Procurement in the military shipbuilding market in 2023 increased by 12%, with both demand from navies and supply from shipyards highly concentrated. Just 6 countries accounted for 85% of military shipbuilding demand.

In line with the moderation of freight rates, 2023 has seen a decrease in merchant shipping procurement, following the historic increase in 2021 and 2022, as a result of the post-pandemic recovery. In 2023, prices for newbuilding of merchant vessels continued to grow and remain at the highest levels of the last decade, increasing by 10% in the last year.



New scenario for the defence industrial base: between changing geopolitical order and accelerating technological change

In the coming years, the defence industry faces a scenario shaped by two major vectors.

- On the one hand, the emergence of a new geopolitical order due to China's challenge to US hegemony, in a context of armed conflicts of different intensities (Ukraine, Middle East), which drives the growth of defence spending, and therefore the enhancement of the respective defence industrial bases to respond to the need for capabilities. Likewise, in the case of Europe, there is a need to reinforce European defence capabilities, which would imply increasing efficiency and economies of scale provided by joint military programmes.
- The acceleration of technological change impacting on industry business models, and stemming from the growing importance of:
 - ❖ The data economy and hyperconnectivity.
 - ❖ Increased risks related to cybersecurity.
 - ❖ The disruptive impact on industry of Artificial Intelligence (deep learning, neural networks...).

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ESRS 2-IRO-Impact, Risks & Opportunities management

Main challenges and opportunities for the shipbuilding sector

Main challenges

Disruptive and volatile global macroeconomic scenario



The current macroeconomic scenario is characterised by instability: inflationary and supply chain tensions, crises in energy and commodity markets, growing inequality in income distribution and the risk of recession in many economies. In this regard, a process of fragmentation of globalisation has taken place in recent years, the most extreme manifestation of which is the vulnerability of trade routes that has been felt in recent months.

Risks associated with climate change and energy transition



Increased awareness of the high risks of global warming arising from its potential socio-economic and demographic impact. This accelerates global competition for control of essential raw materials for the energy transition, whose global geographic distribution is completely different from that of fossil fuels.

Technological change and increased international competition



The disruptions brought about by digital transformation and the impact of artificial intelligence on the industry could be very disruptive for the industry, combined with the increase in M&A processes, and the introduction of new international competitors in the military naval segment has accelerated in recent years.

Main opportunities

Expectations and increased defence spending as a result of the geopolitical scenario



Expectations of increased defence spending by European states due to growing geopolitical and military tensions (Ukraine and the Middle East), which would imply opportunities for the medium- and long-term expansion of the number and scope of countries' military naval programmes, as well as ensuring the security and resilience of the supply and value chains of the respective national defence industrial bases.

Strengthening sustainability



The risks of climate change and the need for energy transition encourage the public sector to promote renewable energies (including offshore wind and green hydrogen) and the location of work on national territory.

Acceleration of digitalisation and decarbonisation



Accelerating the need for digitalisation and decarbonisation of the shipbuilding sector.

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Double Materiality Assessment

During the 2023 financial year, Navantia has carried out for the first time a Double Materiality analysis with a view to identifying the relevant reporting issues, in accordance with the guidelines established by the European regulations on corporate sustainability (CSRD).

Analysis methodology

The methodology used in the analysis follows the guidance proposed by the European CSRD, integrated within ESRS 1, Section 3.3 - Double materiality, applying nuances and recommendations issued by EFRAG in the document "Implementation guidance for materiality assessment" and by the General Council of Economists of Spain through the support materials published, in order to achieve a more effective approach.

The process has been defined on the basis of the best practices established by the aforementioned entities, including the following global aspects:



As an initial part of the analysis, a process of understanding the company's context and situation in relation to the business environment has been carried out, identifying the main activities and business lines.

Once the context has been set, the main stakeholders in relation to the company and its activity have been identified through different processes, and their possible relationship with these has been analysed.

To this end, through Navantia's internal procedure system, a direct consultation has been carried out with stakeholders, who have been able to communicate their main concerns in the field of sustainability. At the same time, the Sustainability Report published by the company in the 2022 financial year was reviewed and the corresponding materiality analysis was carried out.

Once the most relevant aspects have been identified, a correlation has been established between these and the thematic blocks proposed in the aforementioned regulation, within ESRS 1 - AR16, thus generating a list of issues aligned with the subsequent reporting model, on which to assess the effect they cause on the company and the environment, in terms of double materiality (impact and financial).

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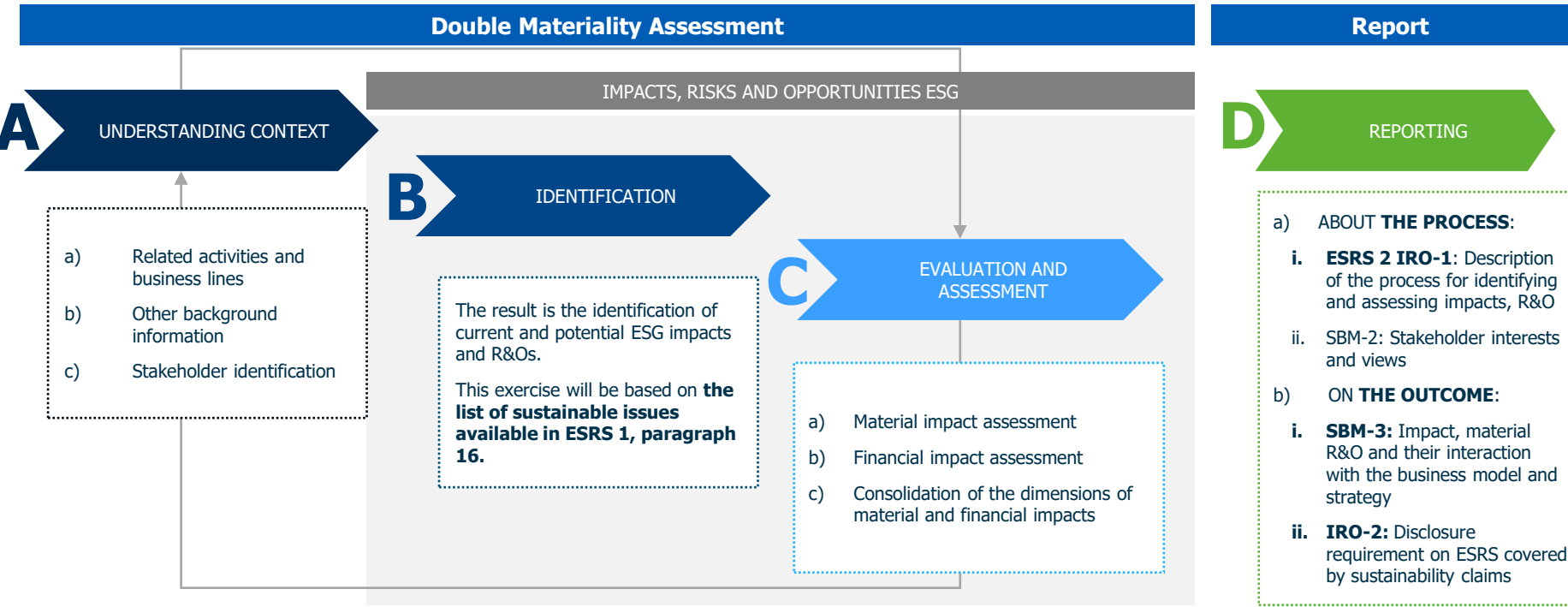
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Following this process, an assessment of the materiality of each of the issues identified will be carried out. This process will be carried out by means of interviews and surveys with the main stakeholder representatives, during which a response form will be completed to enable the results to be processed, based on the specific terms set out in the CSRD Directive.



Finally, the results will be processed by means of a data screening model, through which a materiality value will be assigned to each of the aspects assessed from both perspectives, as well as a final average value.

Through this methodology, key sustainability elements will be identified that will require more detailed reporting due to their critical materiality.

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ESRS 2-IRO 1-Description of the processes to identify and assess material IROs

Results matrix

Following the joint assessment of the issues and their impacts with the stakeholder representatives, the results will be recorded using the above-mentioned screening system, so that the assessments made on each of the aspects analysed can be grouped in separate tables for each of the axes of the matrix.

This procedure will not only facilitate the creation of the results matrix, but will also allow for a separate view of the different perspectives on each of the issues.

The distribution of the axes for the construction of the Double Materiality Matrix will be carried out as follows.

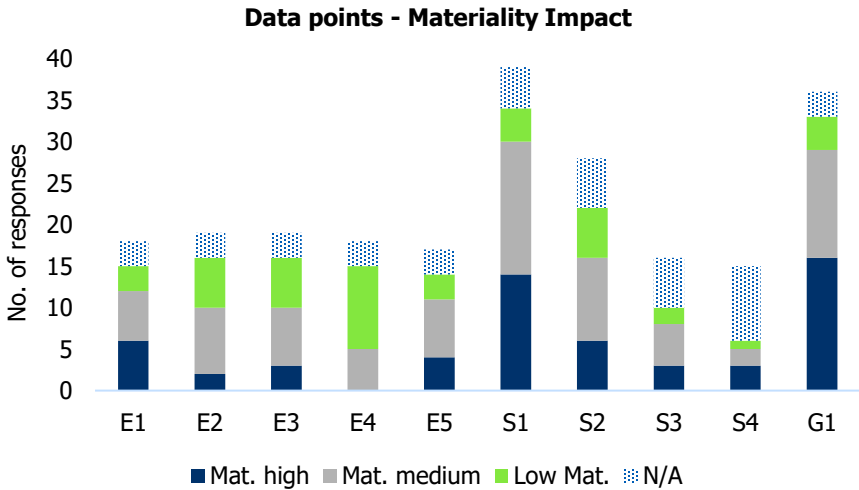
On the vertical axis, the materiality in terms of impact of each of the aspects identified in the pre-analysis as elements of interest for the company and its environment will be represented:

Impact materiality



Impact materiality results

ESRS	M_R	M_A	M_G	N/A	Total	Standard (1-10)
E1	6	6	3	3	18	8.00
E2	2	8	6	3	19	6.25
E3	3	7	6	3	19	6.25
E4	0	5	10	3	18	3.33
E5	4	7	3	3	17	7.86
S1	14	16	4	5	39	8.82
S2	6	10	6	6	28	7.27
S3	3	5	2	6	16	8.00
S4	3	2	1	9	15	8.33
G1	16	13	4	3	36	8.79



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Financial materiality

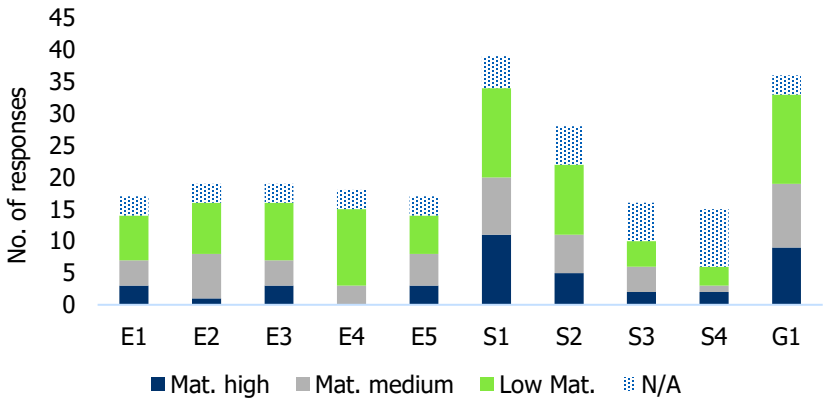


Financial materiality results

ESRS	M_R	M_A	M_G	N/A	Total	Standardised (1-10)
E1	3	4	7	3	17	5.00
E2	1	7	8	3	19	5.00
E3	3	4	9	3	19	4.38
E4	0	3	12	3	18	2.00
E5	3	5	6	3	17	5.71
S1	11	9	14	5	39	5.88
S2	5	6	11	6	28	5.00
S3	2	4	4	6	16	6.00
S4	2	1	3	9	15	5.00
G1	9	10	14	3	36	5.76



Data points-M. Financial



The correlation of these results will assign an average value (between the impact and financial effect values) to each of the aspects analysed, by which they will be placed in the graphical matrix.

To carry out this process, the data from each of the axes will be dumped into a grouped results table, which will serve as a reference for the elaboration of the matrix, as shown below:

ESRS	Topics	Materiality impact	Financial materiality	Double materiality
		Normalised (1 to 10)	Normalised (1 to 10)	Normalised (1 to 10)
E1	Climate Change	8.0	5.0	6.5
E2	Pollution	6.3	5.0	5.6
E3	Water and Marine R.	6.3	4.4	5.3
E4	Biodiversity	3.3	2.0	2.7
E5	Circular economy	7.9	5.7	6.8
S1	Own workers	8.8	7.1	7.9
S2	Value chain workers	8.7	6.0	7.4
S3	Affected communities	5.7	4.3	5.0
S4	Consumers and end-users	5.6	6.0	5.8
G1	Business conduct	8.8	5.8	7.3

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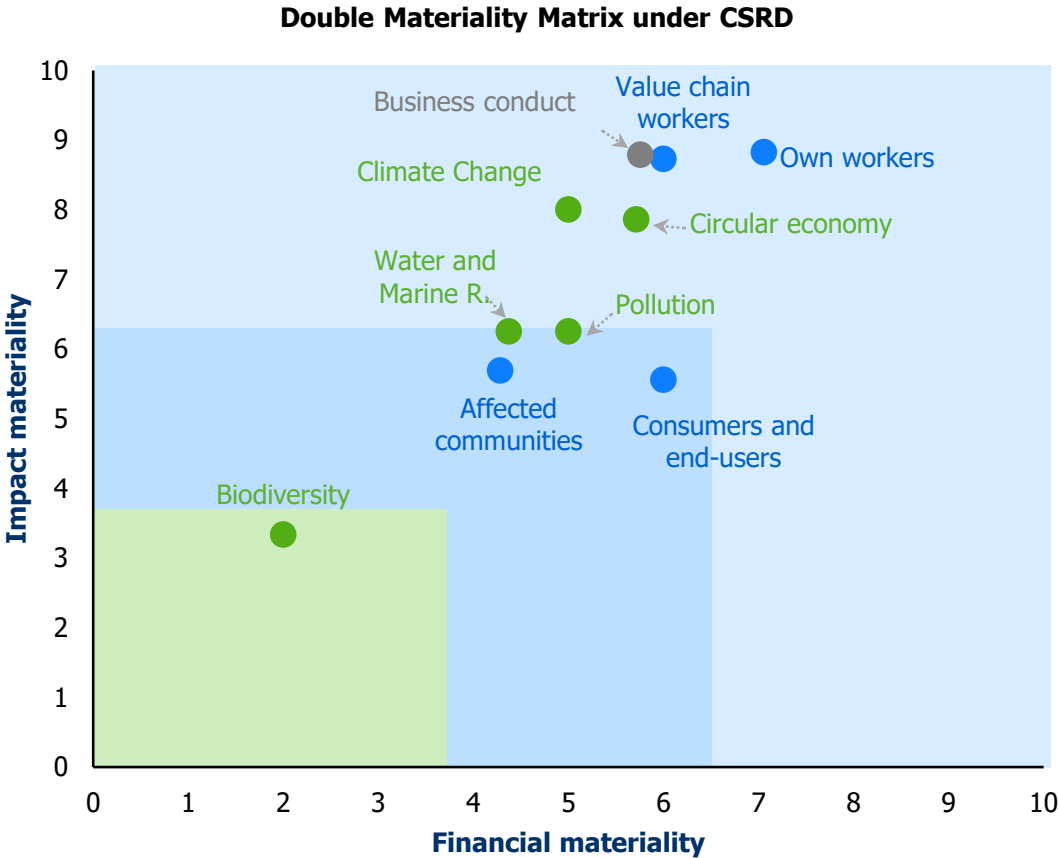
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ESRS 2-SBM 3- Material IROs and their interaction with strategy and business model

Below is the matrix resulting from Navantia’s double materiality analysis for the 2023 financial year shows and reflects the intersection between impact materiality and financial materiality of the different reporting issues raised by the CSRD Directive, which have been the main object of analysis in this process:



The resulting matrix provides a comprehensive and organised overview of the double materiality of the different issues assessed, making it a valuable tool for the company's strategic decision-making process in the field of corporate sustainability.

Conclusions

The joint evaluation process for the identification of impacts, risks and opportunities, as well as the subsequent creation of a results matrix reflecting the double materiality view of the aspects, are valuable tools for informed and strategic decision-making in the field of corporate sustainability.

The inclusion of a materiality scale that combines different perspectives and direct assessment with stakeholders reinforces the accuracy and relevance of sustainability reporting.

Within the matrix, five topics in particular stand out: Climate Change, Own Workers, Workers in the Value Chain, Circular Economy and Business Conduct. These will constitute the fundamental pillars of Navantia's reporting document (EINF) for the 2023 financial year.

In this respect, a series of conclusions on each of the different thematic blocks should be highlighted separately:

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ESRS 2-SBM 3- Material IROs and their interaction with strategy and business model

Environmental (E)

E1- Climate Change

It presents a medium materiality in financial terms as the company has been implementing measures to improve and adapt to climate change for a considerable period of time, which generates confidence among stakeholders, reducing financial reporting needs in this aspect.

Despite this, it receives a high rating in terms of impact materiality, reflecting the information needs of stakeholders, who perceive it as a relevant aspect.

E2 - Pollution

The double materiality of this factor is at a medium-low level. While it is true that the company internally attaches high importance to this issue and has implemented measures to prevent soil, air and water pollution, it does not reflect a significant need towards stakeholders in terms of information expectations.

E3 - Water and Marine Resources

The materiality of this issue is medium, both in financial terms and in terms of impact. It should be noted that this is a relevant issue for the company from an internal point of view, however, the stakeholders with whom contact has been maintained do not identify it as a priority issue in relation to their information needs and expectations.

E4 - Biodiversity and Ecosystems

It is classified as of low materiality, as the company's activities do not generate a significant distortion in the environment, and therefore do not notably affect the company's financial situation. Stakeholder representatives consider it to be of low materiality in relation to their information needs.

E5 - Resources and Circular Economy

This aspect is considered to be of medium-high materiality, as both the company and its customers attach importance to the implementation of processes that address efficient use and products based on the circular economy. The reporting expectations are reflected from both perspectives (impact-High and financial-Medium), highlighting their relevance for reporting purposes.

Climate change is one of the most relevant aspects, together with circular economy processes, standing out as two of the main issues in terms of materiality.

Pollution and Water and marine resources, despite their tangible impact, are at medium levels of materiality, reflecting moderate financial materiality, making them less prominent among stakeholders.

Biodiversity and ecosystem issues are identified as being of relatively low importance by stakeholders.

ESRS 2-SBM 3- Material IROs and their interaction with strategy and business model

Social (S)

S1- Own workers

This issue is considered of high relevance due to its impact on policy and compliance, both for the company and its environment. Although its financial impact is currently minor, it is recognised as an issue that should be emphasised in the report.

S2- Workers in the value chain

This aspect is distinguished by its high materiality, given that its influence directly affects specific stakeholders. Its impact is recognised as significant, which motivates the need to provide greater depth in the information reported on this topic.

S3- Affected communities

The materiality of this issue is medium, both in financial terms and in terms of impact. It should be noted that this is a relevant issue for the company from an internal point of view, however, the stakeholders with whom contact has been maintained do not identify it as a priority issue in relation to their information needs and expectations.

S4 -Consumers and end-users

This issue is identified as being of medium-low double materiality. It is essential to emphasise that the customer relationship is a fundamental aspect for the company, as its revenue streams depend to a large extent on this relationship.

In this sense, it is a crucial aspect for certain stakeholders such as shareholders, institutions and other public entities.

However, this issue is positioned as an issue of relatively low importance when it comes to what the company should report in its Non-Financial Information Statement, given the characteristics of the sector in which it operates.

In the social sphere, the relationship with the company's own workers stands out as a priority point, surpassing other aspects. There is an increasing demand for information related to workers in the value chain and affected communities, which reach a medium-high level of relevance in the double materiality. On the other hand, reporting on end-consumers (S3) will be carried out as far as possible, due to the particularities of the sector (defence) in which the company operates.

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Governance (G)

G1 - Business conduct

This issue is considered critical from a double materiality perspective. It is a fundamental requirement both internally and externally that the company keeps up to date with respect to exemplary business conduct and the implementation of anti-corruption practices.

This is a decisive aspect when establishing relationships with suppliers and customers, as well as for the internal management of the company's processes and activities. Therefore, this issue will be a priority when preparing the Non-Financial Information Statement, highlighting the company's internal control and compliance processes.



Finally, it remains to examine the business conduct block, which is positioned as one of the main critical issues, showing its relevance from both a financial and impact perspective.

Business conduct, in particular, is highlighted as a priority due to the public nature of the company. These findings highlight the need for a comprehensive and balanced approach to corporate sustainability reporting.

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ESRS E

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Environmental Information (ESRS E)

Environmental issues are addressed in relation to Navantia's activity. These issues are divided into climate change (E1), pollution (E2), water and marine resources (E3), biodiversity and ecosystems (E4), resources and circular economy (E5) and finally the analysis of environmental taxonomy. The information is broken down into the implementation of measures, policies and actions, showing the reflection of Navantia's commitment to sustainability.

Integration in Navantia's Sustainability Policy

The environmental information has its framework in the Company's Sustainability Policy, which is part of Navantia's own Strategy. This policy was approved by Navantia's Board of Directors on 27 September 2023. It focuses on the following lines:

- **To promote the decarbonisation of Navantia's operations, facilities and production processes**, enabling our company, our value chain and our customers to contribute to better management of natural resources and the fight against Climate Change, in line with the agreements established in the Paris Agreement, the United Nations Framework Convention on Climate Change, the European Union and/or the climate objectives of those countries in which Navantia operates.
- **Incorporate sustainability criteria from the earliest stages of projects in accordance with** current legislation and the requirements of our clients.
- **Minimize environmental impact and enhance the circular economy** through the rational use of resources and the zero waste.

To this end, we promote the decarbonisation of Navantia's operations, facilities and production processes, enabling our company, our value chain and our customers to contribute to better management of natural resources and to the fight against Climate Change, in line with the agreements established in the Paris Agreement, the United Nations Framework Convention on Climate Change, the European Union and/or the climate objectives of those countries in which Navantia operates.

We also **incorporate sustainability criteria from the earliest stages of projects** in accordance with current legislation and the requirements of our clients.

Finally, the aim is to minimise environmental impact and promote the circular economy through the rational use of resources and the zero waste strategy.

In addition, **it has a Quality, Occupational Risk Prevention and Environmental Policy which establishes the commitment to environmental protection** as an element of strategic importance and as a criterion to be taken into account from the beginning of the planning and development of all its activities.

Compliance with legal requirements, continuous improvement and the fight against climate change are also included as explicit commitments.

It is important to note that in 2023, Navantia's Intercentre Committee for Occupational Health and Safety and the Environment approved the third revision of the Occupational Health and Environment Regulations.

This document is part of the Collective Bargaining Agreement and regulates the main issues in preventive and environmental management.

Responsibility for environmental matters is demanded of each and every one of the employees, both individually and according to the position they hold, integrating preventive actions in order to adequately develop the policy.

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ESRS E-E1

Climate Change (ESRS E1)

Climate Change Transition Plan

The way in which the fight against climate change is tackled is projected on both mitigation and adaptation measures.

In the line of mitigation, **Navantia has a Decarbonisation strategy** so that, taking advantage of the context of the Naval PERTE, Navantia launched a project with the aim of increasing energy savings and efficiency in the processes associated with the construction, assembly, operation and repair of ships, by decarbonising its processes through the implementation of solar photovoltaic installations for self-consumption and new equipment, resulting in a reduction in energy consumption free of polluting emissions.

In addition, **Navantia contributes to the Plan + Energy Security, coordinated by the MITERD**, which includes among its measures, the invitation to large companies to prepare and publish energy saving contribution plans, in which they identify those saving measures, energy efficiency and substitution by renewables with greater profitability and viability in the short term, as well as those implemented so far.

In this context, Navantia has published its Energy Saving Contribution Plan, demonstrating its commitment to greater energy security and consumer protection in the current context, as well as generating a tractor effect, demonstrating the diversity of solutions in each sector of the economy.



Within the line of mitigation, it should not be forgotten that, with the **commitment to be climate neutral by 2040**, the reduction does not cover everything, so compensation mechanisms must be used, with the Navantia Ecosystem being the main figure that brings together how Navantia articulates this measure, combining the fight against Climate Change and the fight against the loss of Biodiversity.

In the variable of adaptation to Climate Change, Navantia carried out in 2023 an analysis of risks and opportunities related to climate change, in the context of the preparation of a Navantia Climate Change Adaptation Plan, made up of prioritised actions in the short, medium and long term, and which can be implemented according to key criteria such as the cost of action and inaction, increasing the resilience of the business and of each production core.

In a collaborative process, the working methodology took into account the recommendations of the Financial Stability Board (FSB). TCFD published 11 recommendations on climate-related financial risk reporting. The recommendations are divided into 4 blocks: Governance, Strategy, Risk Management and Objectives and Metrics. They provide a framework for companies to generate, integrate and transfer information related to the management of climate risks that will affect their performance.

During the process, physical risks (acute and chronic) and transition risks (political and legal, market, technological and reputational) were analysed, as well as the associated opportunities and financial impacts. The adaptation plan is based on an internal/external diagnosis, an evolutionary analysis (projections) of climate variables under different scenarios, and an assessment of risks and opportunities.

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Mitigation: energy efficiency improvement measures - Decarbonisation Plan

Navantia has developed the Decarbonisation Plan to 2040 with the aim of positioning itself as a leading company in the energy decarbonisation of the naval sector, through the progressive reduction of emissions associated with our use of energy until reaching net zero emissions in 2040 (scopes 1 and 2). The strategic framework will be developed through 6 pillars in which 15 strategic lines are grouped.

1. Monitoring

The first step is to go deeper into the quantification of the GHG emissions associated with our activity. This aspect is deeply rooted in Navantia's business culture, but the aim is to go a step further and address the calculation of energy consumption and GHG emissions from the perspective of the carbon footprint at a greater level of detail.

2. Energy efficiency

Achieving an orderly, optimal energy decarbonisation based on minimising energy consumption makes energy efficiency improvements key. Under this pillar, a range of interventions are being implemented that will have a tangible and rapid impact on reducing energy consumption.

3. Renewables

The third key pillar is a gradual increase in the consumption of energy from renewable sources, thus facilitating an ever decreasing consumption of fossil energy sources in our sites, facilities, products and services provided.

4. Innovation

The aim is to take advantage of the mechanisms linked to increased energy efficiency and the application of renewable energy systems to renew our products and technologies and to define new services.



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Mitigation: energy efficiency improvement measures - Decarbonisation Plan

5. Compensation

The GHG emissions projected to continue to be emitted in 2040 will be those associated with ship and engine testing, activities linked to the provision of key services to our customers.

We will seek to prioritise the offsetting of emissions through reforestation initiatives and the conservation and enhancement of marine biodiversity in environments close to our facilities (Navantia Ecosystem).

6. Disclosure

What is not communicated is not known. Our goal is to position ourselves as a provider of comprehensive solutions that facilitate and promote the energy decarbonisation of the sector. During the year 2023, the following actions have been carried out to improve energy efficiency:



Geographical core

Navantia
Ría de Ferrol



Actions for decarbonisation

- Replacing inefficient lighting with LED lighting
- Reduction of light consumption with presence sensors in the Ferrol test area.
- Information on the use and improvements for the correct management of energy efficiency has been included in the welcome talks and training given at all the Ría centres, both to the company's own staff and to collaborating companies.
- Quarterly sectorised monitoring of consumption and taking of actions in the areas under the supervision of the Seanergies CPO manufacturing department in Fene.
- Staff from the Department of the Environment have provided training on the ISO 50001 energy efficiency standard and on the keys to drawing up a Decarbonisation Plan to help prepare the measures to be taken.

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Geographical core



Actions for decarbonisation

Navantia
Dársena de
Cartagena

- The replacement of conventional luminaires with LED lighting in various workshops, offices and exteriors continues, achieving a reduction in electricity consumption.
- Installation of photovoltaic panels for electricity generation in multiple warehouses, such as the Large Thickness, Sections, Engines or the Repair Workshop, with each photovoltaic generation system of 50kW.
- Oil-fired boilers at Engines and Tests were replaced by more efficient generation systems.

Navantia
Bahía de Cádiz

- Study of energy efficiency and sustainable mobility measures, for example:
 - Luminaire towers in the centre of Cádiz.
 - Monitoring of lighting in the dykes, San Fernando city centre.
 - Clean point, San Fernando city centre - Systems
 - Study of the installation of photovoltaic panels in the Bahia centres.
 - Progressive replacement of halogen to LED lighting in all centres.
- Campaign for the use of LED lighting in the collaborating companies' own equipment.
- We continue to provide training to the Puerto Real programme teams leading wind projects on energy efficiency and sustainability management required by future programmes, with the aim of learning about environmental indicators to be considered for future reports.

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Geographical core



Actions for decarbonisation

Navantia
Madrid Headquarters

- In order to reduce energy consumption in the air-conditioning systems, several actions have been carried out, such as:
 - Digital thermometers in the corridors in order to be aware of the temperature and reduce unnecessary consumption.
 - Awareness-raising for workers, through awareness-raising talks, mailings and special posters for lighting, air-conditioning equipment and other electrical and electronic equipment.
- At the same time, several electricity reduction measures have been implemented:
 - Progressive replacement of conventional spotlight luminaires with LED lights at different points (continuing with those implemented in 2021 and extending the measure in 2023).
 - Reduction of lighting points and adaptation to each workstation.
 - Procurement of electrical and electronic equipment with energy labelling and performance to ensure energy efficiency.



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Economic Efforts made as part of the Transition Plan

During 2023, investments of 3,081 thousand euros (1,849 thousand euros in 2022) were made and expenses related to the improvement and protection of the environment amounted to 6,615 thousand euros (5,585 thousand euros in 2022).

The most relevant actions carried out during the financial year 2023 in the productive areas are detailed below:



The main actions carried out in 2023 in relation to the most significant systems, equipment and installations incorporated into tangible fixed assets (2,285 thousand euros), in order to minimise the environmental impact and improve the environment (1,061 thousand euros in 2022), are indicated below:

- Refurbishment and renovation** of the roofs of the Production Services Workshop (in particular the lower roof of the Modules Workshop), the Engineering Building, and a Repairs shed in the amount of 966 thousand euros.
- Renovation of the lighting** in Warehouses 1, 2, 3 and 4 of the Ferrol Processing Workshop for an amount of 80 thousand euros.
- Refurbishment of the offices** of the F-110 programme stands for an amount of 110 thousand euros.
- Renovation** with fibre cement of the façades of the Painting Cabins and the roofs of the Repairs Office Building in Ferrol, as well as the Modules Workshop and the Changing Room of the Fene Stands for an amount of 652 thousand €.
- Refurbishment of toilets and changing rooms** at the Innovation and Robotics Centre, the Training Building, Pier 9, the Turbine Building, and Prefabrication Workshop 1 for 84 thousand euros.
- 1st phase of the soil recovery project** at the former Reparaciones Fene dump for an amount of 257 thousand €.
- Incorporation** of a mobile unit of diving equipment with trailer for an amount of 136 thousand euros.

* No provisions had to be made for environmental risks. Likewise, no contingencies relating to the protection and improvement of the environment have been detected.

The expenses incurred in the financial year 2023 in the Ría de Ferrol for the protection and improvement of the environment were as follows:



Expenditure incurred environmental

CONCEPT (thousands of euros)	NFBI Ferrol	NCPO Seanergies	Machining Seanergies	Repairs Ría Ferrol	Shared Services Ría Ferrol	TOTAL
Environmental Purchasing	-	-	-	-	5	5
Other leases and royalties	-	-	-	-	8	8
Repair and Conservation	-	-	-	-	51	51
Professional services (including environmental and cranes)	-	-	-	134	55	189
Registration and classification societies	-	-	-	-	3	3
Janitorial Services:						
Environmental Management	56	53	21	466	25	621
Cleaning services	-	-	-	1,898	281	2,179
Technical Assistance	-	-	-	-	7	7
Own personnel costs	-	-	-	-	503	503
TOTAL	56	53	21	2,498	938	3,566

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ESRS E-E1

 Bahía de Cádiz

The main actions carried out in 2023 in relation to systems, equipment and installations incorporated into property, plant and equipment (407 thousand euros), (67 thousand euros in 2022) in order to minimise the environmental impact and improve the environment, are indicated below:

- San Fernando containment barrier with a value of 4 thousand euros.
- Installation of the tertiary plant at the WWTP Cádiz, with a value of 210 thousand euros.
- Perimeter fencing of the non-hazardous waste warehouse in Puerto Real, worth 176 thousand euros.
- Acquisition of environmental elements, such as the purchase of new sections of containment barrier, as well as a tank for the storage of regenerated water, both in the centre of Cádiz, with a value of 17 thousand euros.

The expenses incurred in the Bahía de Cádiz in the financial year 2023 in relation to the protection and improvement of the environment were as follows:



Actions carried out in the financial year 2023

CONCEPT (thousands of euros)	Bahía de Cádiz
Professional environmental services	121
Environmental Procurement	24
Cleaning services. Environmental Management	1,460
Other fees	2
Repair and conservation, environmental actions	-
TOTAL	1,607



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Dársena de Cartagena

The main actions carried out in 2023 in relation to the most significant systems, equipment and installations incorporated in tangible fixed assets (389 thousand euros) (721 thousand euros 2022), in order to minimise the environmental impact and improve the environment, are indicated below:



Actions carried out in the financial year 2023

INVESTMENTS 2023 FOR FINANCIAL REPORT	Thousands of Euros
Work for oily water tank in the route workshop	58
Test bed - biofuels	19
Photovoltaic installations	53
Electric tricycles	1
Containers	1
Spill-proof trays	3
ISO 14001 maintenance	12
Conductometer	4
Emission reduction materials test bed	114
LED luminaires	10
Anti-pollution barriers	40
Electric vehicle charger	16
Network of pumped water collection pipelines	45
Ashtrays	13
hp elitedisplay monitors	1
Radioactivity meter	1
Total	389.27



Environmental actions in Cartagena in 2023

CONCEPT (thousands of euros)	Dársena de Cartagena
Professional services	79.8
Overheads	37.1
Material costs environment	
Cleaning services	822.7
Own staff costs	427.3
External maintenance	71.2
Repairs and maintenance	
Audit	
TOTAL	1,442.3

Expenditure incurred in the Dársena de Cartagena in the financial year 2023 in relation to environmental protection and improvement

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- > Environmental Taxonomy

ESRS E-E1

On the other hand, the total environmental effort carried out in all Navantia's production centres is as follows:



Total environmental effort per site in 2023

Effort in Environment (K€)	Bahía de Cádiz	Cartagena	Ría de Ferrol	Total
Total effort in Environment	2,014	1,831	5,851	9,696
Provisions made	0	0	0	0
Expenditure (net of provisions)	1,607	1,442	3,566	6,615
Investments made	407	389	2,285	3,081



Total environmental effort and number of people dedicated to environmental management

Effort in Environment (K€)	2020	2021	2022	2023
Total effort in Environment	6,303	6,116	7,453	9,696
Provisions made	18	18	19	0
Expenditure (net of provisions)	4,351	4,439	5,585	6,615
Investments made	1,934	1,659	1,849	3,081

Number of people dedicated to environmental management	2020	2021	2022	2023
No. of people per workplace	22	24	24	25
Ría de Ferrol / Dársena de Cartagena / Bahía de Cádiz / Madrid	9 / 5 / 8 / 1	10 / 6 / 8 / 1	9 / 6 / 8 / 1	9 / 7 / 8 / 1

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ESRS E-E1

Policies related to climate change mitigation and adaptation

As explained above, Navantia has a Sustainability Policy, approved by its Board of Directors on 27 September 2023, in which the fight against Climate Change appears as a pivotal issue, as explained in the introduction.

Actions and resources in relation to climate change policies

Navantia, a benchmark company in its sector, carries out different actions to guarantee the sustainability of its processes:



Navantia is certified in accordance with ISO 14001:2015 in all the Production Centres: Bahía de Cádiz, Ría de Ferrol and Dársena de Cartagena, as well as in the Central Offices in Madrid. During 2023, the ISO 14001:2015 recertification audits were passed without non-conformities in each of the production centres.

In terms of climate change, Navantia submits annually to external verification the calculation of its carbon footprint (inventory of greenhouse gas emissions) based on ISO 14064, which has also included significant contributions of scope 3. This inventory has been submitted to external verification in accordance with the ISO 14064 standard, having received a declaration of conformity of the inventory of greenhouse gas emissions (carbon footprint) following the aforementioned external verification process carried out by Bureau Veritas.



- › Climate change (ESRS E1)
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ESRS E-E1

There is also a Corporate Environmental Management Manual, which is the basic document describing the measures taken by Navantia to ensure proper environmental management. For the development of the Environmental Management System, a model has been chosen which allows a unified environmental management for all Navantia's Businesses and facilities. An integrated model has the following advantages:

- Alignment of the different policies and objectives of the organisation.
- Harmonisation of the different management criteria.
- Simplification of the documentary structure of the Environmental Management System.
- Reduced overall staff training effort.
- Increased effectiveness and efficiency in the implementation and maintenance of the Environmental Management System.
- Integration of information and management control.
- Exploiting the synergies of the different facilities.

In addition, each year, an environmental report is drawn up in each centre with the following contents:

- Presentation of the organisation
- Environmental Management System
- Environmental Aspects
- Environmental Management Programme
- Environmental performance assessment
- Legal Compliance

In order to maintain effective control of Navantia's activities on the environment, it is essential to train, educate and raise awareness of environmental issues among our workforce and the auxiliary companies that work at our facilities.



Environmental training data for own staff (year 2023)

Geographical centre	No. of environmental training actions carried out	Number of people attending the training actions	Hours of environmental training carried out
Ría de Ferrol	12	90	925
Dársena de Cartagena	5	85	506
Bahía de Cádiz	10	153	1,398
Madrid	6	120	27
Navantia	52	516	2,856

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The Environment Department, in collaboration with Training, **has updated the Environment and Sustainability training courses so that they are available to all employees.** The contents of the 8-hour course "Awareness and good practices in sustainability" are currently in the final stages of being finalised. This will be launched in November and will be compulsory for both new Navantia personnel and the rest of the workforce, and must be updated at least every 5 years.

In addition, the contents of the following specific training actions have been revised, working together with "Bureau Veritas Formación":

- Sustainable procurement
- Workshop on Circular Economy and Zero Waste
- Practical workshop on environmental legislation
- Carbon Footprint Workshop

In April 2022, Navantia renewed the Environmental Quality Distinction of the Administration of the Andalusian Regional Government in recognition of excellence in the environmental management model.



No. of employees receiving environmental induction day (year 2023)

Geographical centre	No. of auxiliary company workers receiving a welcome day
Ría de Ferrol	2,293
Dársena de Cartagena	1,510
Bahía de Cádiz	4,369
Madrid	9
Navantia	8,181



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In this regard, **Navantia Puerto Real has received in 2023 the final resolution by the Andalusian Regional Government with the granting of the Integrated Environmental Authorisation (AAI)** which allows, for the purposes of environmental protection and the health of people, to operate a facility under certain conditions designed to ensure compliance with environmental regulations. This is a recognition of the efforts made by Navantia in environmental matters, while at the same time it requires reinforcing compliance with more demanding environmental requirements in order to further reduce its environmental impact

The Application for Integrated Environmental Authorisation (AAI) was also submitted for all the Ferrol facilities as of 31 July 2021, which passed the public exhibition process in July 2022 without any allegations from the interested parties, and is currently in the process of responding to the organisation's last request to rectify deficiencies, dated 7 June 2023.

On the other hand, an application for Integrated Environmental Authorisation (AAI) was submitted for all of the Fene facilities on 20 December 2021, which passed the public exposure procedure in October 2022 without any allegations by the interested parties, and is currently awaiting communication by the competent administration of its considerations in response to the response given by the organisation on 6 November 2023 to the requirement to rectify deficiencies dated 3 October 2023.

In Navantia Dársena de Cartagena, regarding its Integrated Environmental Authorisation (File No.: AAI20150024), on 2 June 2023, a request for a Non-Substantial Modification was submitted due to changes regarding the lists of emission sources, the lists of raw materials consumed and waste produced at the facilities, together with clarifications regarding the points of discharge into the sea and construction of the future "CESIN" Centre of Excellence.

In December 2023, the administration was informed by the administration that the Technical Report-Annex of Technical Prescriptions of 10 September 2023 was favourable to the modification of the authorisation subject to the conditions determined therein.

Finally, for Navantia it is important to involve its supply chain in the field of sustainability and environmental protection. For this reason, **Navantia has collaborated with the UN Global Compact in the first edition of the "Sustainable Suppliers" training programme for 2023**. Through the concept of "corporate sustainability", this programme aims to bring small and medium-sized enterprises (SMEs) a new way of doing business and approaching sustainability.

This programme aims to familiarise and train the supply chains of large Spanish companies in the field of sustainability, always taking the ten principles of the UN Global Compact and the SDGs as a reference.

Navantia has been one of the 17 driving companies encouraging our collaborating SMEs to apply for the training programme, with the aim of training them in sustainability. Navantia aims to join the companies that are building a much more sustainable and inclusive world and that its SMEs are the suppliers of the change that Navantia wants to be an active part of.

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ESRS E-E1

At Navantia, **environmental risk identification and assessment reports are available in order to:**

- Analysing and assessing the environmental risks (or environmental aspects in emergency conditions) arising from the activities carried out by Navantia.
- Establish the basis for effective environmental risk management.

The methodology used is the one described in the UNE 150008:2008 standard "Analysis and evaluation of environmental risk", with which risk sheets are recorded in each of the centres that include the accident scenarios identified, as well as risk prevention and mitigation measures in each case.

The UNE 150008:2008 standard aims to lay the foundations so that the agents involved in the analysis, assessment and treatment of environmental risk (industrial organisations, promoters or owners of activities, operators, the financial community, public administrations, interest groups, etc.) have a homogeneous methodology and vocabulary.

Thus, it describes the method for analysing and assessing environmental risk, as well as establishing guidelines that help to achieve effective risk management and facilitate decision-making in this area. Thus, the methodology for identifying and assessing environmental aspects is that described in the UNE 150008:2008 standard "Analysis and assessment of environmental risk".

To this end, procedures and instructions have been developed that transfer everything specified in this reference standard.

A fundamental part of the prevention of environmental risks is the periodic carrying out of environmental emergency drills. The following table shows the drills carried out during the 2023 financial year at the different centres:



Emergency drills carried out by geographical centre (year 2023)

Geographical centre	Simulations carried out
Ría de Ferrol	6
Dársena de Cartagena	2
Bahía de Cádiz	3
Navantia	11



Provisions and guarantees for environmental risks

In accordance with the provisions of section a) of article 26 of Law 26/2007, of 23 October, on Environmental Liability, the Insurance and Industrial Risks Directorate has taken out an insurance policy since the date of entry into force of the aforementioned Law, 10 M€ for each production centre in Spain, for the year 2023, taken out with Mapfre España, thus providing a financial guarantee to cover any environmental liability we may incur as a result of the industrial activities we carry out at our facilities.

On the other hand, Environmental Risk Analyses (ARMA) are available for all production centres to quantify the financial guarantee.

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Greenhouse gas emission reduction measures

Measures to reduce greenhouse gas emissions include the following:



Geographical core

Navantia
Ría de Ferrol



Actions to reduce greenhouse gas emissions

- Substitution of fuels / gases with a lower emission factor for conversion into CO₂ equivalent.
 - Replacement and improvement of air-conditioning and insulation systems with measures or projects that improve the energy efficiency of heating/cooling systems in the civil works carried out.
 - Installation of electric vehicle charging points for future new purchases by the centres.
 - Continuation of the replacement of conventional lighting with LED lighting in offices, workshops and exterior roads.
 - Training of the factory's personnel through the course "Main keys for the elaboration of a Decarbonisation Plan".
-
- Measures to improve sustainable mobility: The installation of recharging points for the supply of electric vehicles continues. The fleet of tricycles continues to increase, reducing the use of motor vehicles in the Dock, as well as increasing the number of bicycle racks inside the shipyard.
 - The Sustainable Mobility Commission, together with the Cartagena City Council, has continued with the phases of the Algameca Project, which is now entering its third and final phase. One of the objectives of this project is to improve access for staff and passers-by who wish to access this area by bicycle or on foot, with a wider pavement and a bicycle lane, which did not exist before. In addition, a calisthenics park has been installed for promoting sport and outdoor activity.
 - Dissemination to all staff of the MOVES II and III Aid Calls (aid for Sustainable Mobility in the Region of Murcia).



- › Climate change (ESRS E1)
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ESRS E-E1



Geographical core



Actions to reduce greenhouse gas emissions

Navantia
Bahía de Cádiz

- Participation of the Navantia Environment in the Municipal Plan against Climate Change and the Action Plan for Climate and Sustainable Energy in Cádiz (PACES).
- At Navantia San Fernando, a circulation map has been drawn up for the accesses for personal mobility vehicles (PMV) in the centre, the implementation of which has already begun.
- The technical specification has been drawn up for the project for the manufacture, supply, implementation and management of an electricity generation system for Navantia's self-consumption without disconnecting from the electricity distribution network that acts as a support, i.e. the installations would be of the Solar Photovoltaic with Grid Support type, and are included in the projects financed by the Naval PERTE.

Navantia
Madrid
Headquarters

- Measures to improve sustainable mobility: The installation of recharging points for the supply of electric vehicles continues. The fleet of tricycles continues to increase, reducing the use of motor vehicles in the Dock, as well as increasing the number of bicycle racks inside the shipyard.
- Various awareness-raising and sensitisation measures to raise awareness of the impact of the emissions generated at our facilities and to promote their reduction.
- Progressive replacement of conventional lighting with LED lighting and adaptation to each workstation to dispense with unnecessary spotlights.
- Building insulation to reduce energy consumption.

The following graph shows the intensity of GHG emissions (categories 1 and 2), expressed as the amount of CO₂eq emitted per hour worked.

GHG emissions intensity 2019	GHG emissions intensity 2020	GHG emissions intensity 2021	GHG emissions intensity 2022	GHG emissions intensity 2023
(kg CO ₂ eq / h tr)	(kg CO ₂ eq / h tr)	(kg CO ₂ eq / h tr)	(kg CO ₂ eq / h tr)	(kg CO ₂ eq / h tr)
0.7066	0.4447	1.0770	0.6533	0.6155

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Greenhouse gas emission compensation measures

Greenhouse gas (GHG) emissions, although generated at a specific point, are dispersed in the atmosphere globally. This is why GHG emissions in Spain have the same effect as emissions at any other point on the planet. Offsetting is a voluntary process, whereby investments are made in projects to reduce GHG emissions under official standards that accredit that these reductions really exist.

In 2023, Navantia has carried out compensation actions focused on the voluntary purchase of carbon credits, with the aim of avoiding the emission of CO₂eq into the atmosphere through reforestation projects in Spain. This is without detriment to Navantia's objective of having its own CO₂ absorption projects, as described in a later section on the "Navantia Ecosystem" project.

Thus, following the offsetting of emissions (80 t) carried out during 2023 in the reforestation project in San Xurxo (Ferrol), the MITERD positively resolved Navantia's application for registration in the Carbon Footprint Offset section of the Carbon Footprint Register, offsetting and carbon dioxide absorption projects. This milestone has enabled the activation of the "Offset" section of the 2021 Carbon Footprint.



This means that full certification for the three components "Calculation", "Reduction" and "Compensation" of the seal awarded by the Ministry has been achieved for the first time in 2023.

The Registry of carbon footprint, offsetting and absorption projects is a voluntary national registry, created by Royal Decree 163/2014 of 14 March 2014 by the current MITERD, whose objective is to encourage the calculation and reduction of the carbon footprint of Spanish organisations, as well as to promote projects that improve Spain's carbon sink capacity.

Navantia has been registering its carbon footprint annually since 2018. This entitles it to the use of a seal awarded by the Ministry.

The seal has three components:

- **Calculation:** For this purpose, it is a requirement that the calculation of HdC is externally verified by a third party.
- **Reduction:** It is activated when a trend of emissions reduction is observed over the years. In the case of Navantia, having registered the HdC for the first time in 2018, it was in the registration of the HdC 2021 that this part of the seal was activated for the first time.
- **Compensation:** it is activated by offsetting emissions through carbon dioxide absorption projects that have previously been registered in the MITERD. The 2018 HdC was partially offset in a reforestation project in Sierra de Gredos, the 2019 HdC was partially offset in the Galicia Rexenera 2021: Somoscuns project, located in the Municipality of Negreira, in A Coruña and both the 2020 and 2021 EoC have been partially offset in a reforestation project in San Xurxo (Ferrol).

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Moreover, Navantia – Bahía de Cádiz is also registered in the SACE Registry (Andalusian Emissions Offsetting System). This System is a scheme created by Law 8/2018 as a voluntary instrument for the reduction of greenhouse gas emissions and/or for their compensation through offsetting or self-compensation projects.

In 2023, Dársena de Cartagena continues to be part of the Life Forest CO2 programme, whose registration was formalised in 2021. The aim of this programme is to promote sustainable forest management and systems as a tool for climate change mitigation through the implementation of the European standard on accounting for emissions and removals in the land use and forestry sector.



Targets related to climate change mitigation and adaptation

The specific objectives are as follows:

- Decarbonise the energy consumption of plants.
- To reduce the CO₂ emissions generated in the production processes, and thus favour the non-appearance of the greenhouse effect.
- Generate greater energy independence, reducing the need for the electricity grid.
- Eliminate dependence on non-renewable sources, not only in relation to the environmental factor but also in relation to the economic part to which it is translated.
- Increase energy efficiency in the production process by acquiring new equipment that improves the performance of existing equipment.



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ESRS E-E1

Objectives	KPI	What are we doing?
 Target 13.1: Strengthening resilience and adaptation. Target 13.2: Mainstreaming climate change into national policies, strategies and plans. Target 13.3: Improved environmental education and awareness.		
	Sustainable centres	- Water and energy consumption / h % employees aware of initiatives - Ensuring the continuity of renewable energy consumption - Minimise energy consumption per man-hour worked by ~30%. +~90% of employees are aware of environmental initiatives.
	Sustainability Observatory	- ESG Observatory created - Develop a source of sustainability knowledge, with models that predict risk exposure and GHG emissions based on scenarios.
	Decarbonisation plan	- Detailed decarbonisation plan - Identify the energy needs for each plant - Create a strategy for self-consumption and rationalisation of energy consumption. - Scope 3 measurement at Navantia
	Definition of the EV business development plan	% decarbonisation blue carbon - Create a blue carbon decarbonisation plan
	Definition of the EV business development plan	% decarbonisation blue carbon - Create a blue carbon decarbonisation plan
	55% decarbonisation (scope 1&2)	% GHG decarbonisation - TBD Decarbonisation Plan - Tonnes emitted: TBD - Tonnes compensated: TBD
	100% decarbonisation (scope 1&2)	% GHG decarbonisation - TBD Decarbonisation Plan - Tonnes emitted: TBD - Tonnes compensated: TBD
	Navantia Ecosystem	# H_a and reforested ecosystems - Environmental information and outreach

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ESRS E-E1

Objectives	KPI	What are we doing?
13 CLIMATE ACTION 	Target 13.1: Strengthening resilience and adaptation. Target 13.2: Mainstreaming climate change into national policies, strategies and plans. Target 13.3: Improved environmental education and awareness.	
Communication plan and definition of the channel and frequency of dialogue with stakeholders.	• TBD	• Create an internal ESG dissemination plan through different channels (email, videos, intranet, events, etc.).
Sustainability reporting automation with SAP PaPM	• TBD	• Integrate NFR primary processing data into SAP format for automation.
Develop and implement ESG governance model	• TBD	• Create an ESG governance model: committee members, working team, frequency of meetings, KPIs, main objectives by dimension
Updating the risk model, including ESG risks	• TBD	• Incorporate ESG risk analysis, updating the existing ones.
Create and incorporate ESG criteria in orders and as part of the evaluation criteria.	• TBD	

- Climate change (ESRS E1)
- Pollution (ESRS E2)
- Water and marine resources (ESRS E3)
- Biodiversity and Ecosystems (ESRS E4)
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ESRS E-E1

Energy consumption and mix

The energy consumption is presented taking into account also the annual working hours in order to make the relationship with the workload in the different processes more reliable.

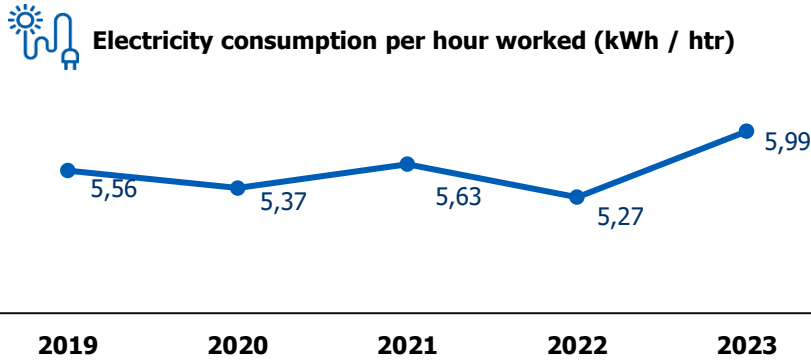
In 2023, the electricity consumed in the geographical centres of Ría de Ferrol, Dársena de Cartagena and Bahía de Cádiz was of renewable origin, supplied by Nexus Energía S.A. Similarly, in 2023, the electricity consumed in the Central Offices was also guaranteed to be of renewable origin. Consumption in 2023 consolidates the downward trend in absolute terms of the last five years.

Electricity consumption 2023

Geographical centre	Electricity consumption (kWh)	Electricity consumption per hour worked (kWh/h) _{tr}
Ría de Ferrol	45.103.151	7.18
Dársena de Cartagena	17.313.663	4.72
Bahía de Cádiz	33.981.146	5.86
Madrid	957.217	1.90
Navantia	97.355.177	5.99

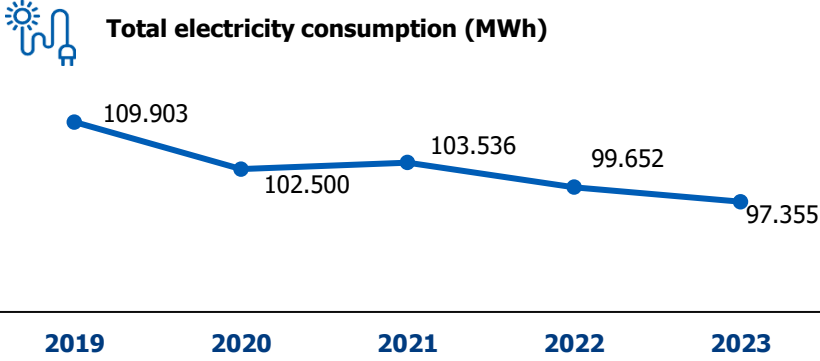
Annual evolution of electricity consumption 2023

	2019	2020	2021	2022	2023
Total electricity consumption (MWh)	109,903	102,500	103,536	99,652	97,355



Raw material consumption (year 2023)

Geographical centre	Cons. paints (l)	Cons. natural gas (kWh)	Cons. diesel * (A, B and C) (l)	Cons. CO ₂ (kg)	Cons. steel (t)
Ría de Ferrol	359,592	19,065,092	234,804	160,696	40,652
Dársena de Cartagena	42,660	5,545,445	91,184	20,820	302
Bahía de Cádiz	370,245	2,591,919	1,151,069	311,625	3,943
Madrid		500,370			
Navantia	772,497	27,702,826	1,477,057	493,141	44,595



- › Climate change (ESRS E1)
- › Pollution (ESRS E2)
- › Water and marine resources (ESRS E3)
- › Biodiversity and Ecosystems (ESRS E4)
- › Resource use and circular economy (ESRS E5)
- › Environmental Taxonomy

ESRS E-E1

Gross scope 1, 2 and 3 GHG emissions and total GHG emissions

Greenhouse gas emissions are the main cause of climate change and are regulated by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol.

Greenhouse gas emissions: policies adopted to adapt to the consequences of climate change.

Navantia's Quality, Occupational Risk Prevention and Environmental Policy includes the following points in relation to climate change:

- [Explicit commitment to combat climate change.](#)
- [Priorities are the reduction and offsetting of greenhouse gas emissions.](#)
- [Explicit commitment to verify the carbon footprint based on ISO 14064.](#)

Based on these commitments, the inventory of greenhouse gas (GHG) emissions (carbon footprint) of Navantia has been subject to external verification by Bureau Veritas since 2018, verifying the calculation annually under the ISO 14064-1:2018 standard (UNE-EN ISO 14064-1:2019). This standard, which is voluntary, contemplates the need to include a methodology for assessing indirect emissions that the organisation considers significant and estimating them.

Following the carbon footprint verification, the ISO 14064-1:2018 certificate was received from Bureau Veritas, and an application was made to register the 2022 carbon footprint in the Registry of carbon footprint, offsetting and carbon dioxide absorption projects of the Ministry for Ecological Transition and the Demographic Challenge. Scope 1 (direct greenhouse gas emissions), scope 2 (indirect emissions from electricity consumed), and scope 3 considering emissions from categories 3, 4 and 5 presented in the table below:

GHG inventory category	Subcategory	Source of emission
2. Indirect GHG emissions from power generation	Electric power	Electricity consumption
	Internal mobility	In itinere transport of employees to the workplace
	External mobility	Business travel by train or plane, taxis and rental cars
3. Indirect GHG emissions from transport	Upstream transport	Transport of materials to our facilities
	Downstream transport	Transport of finished products to the customer's door
	Transport of waste	Transport of waste to the treatment site
	Products purchased	Acquisition/Purchase/Use of raw materials
	Waste	External waste management
4. Indirect GHG emissions by products used	Procurement of services	Associated with the company's operating expenditure
	Acquisition of capital	Capital expenditure and investments associated with the physical good
5. Indirect GHG emissions associated with the use of the organisation's products.	Use of products sold	Product lifetime consumption
	End of life	Waste management of the MMPP of the products

- › Climate change (ESRS E1)
- › Pollution (ESRS E2)
- › Water and marine resources (ESRS E3)
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ESRS E-E1

Navantia's overall results for the GHG Emissions Report in 2022, according to the category inventory, are presented below.

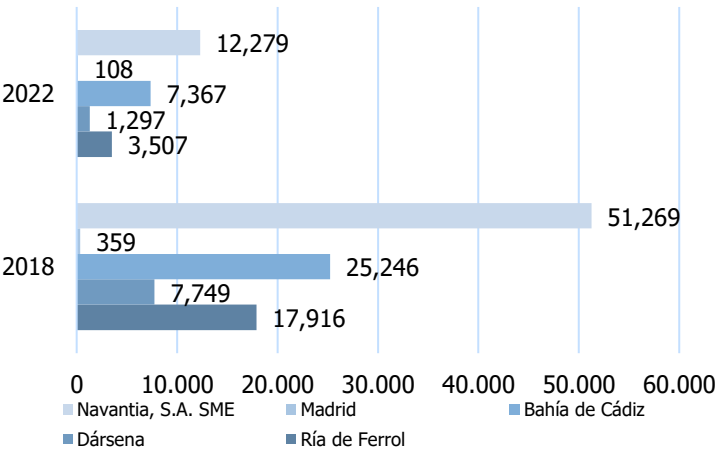
The data relating to Scope 3 of the carbon footprint (equivalent to categories 3, 4 and 5) are provided with reference to the overall data for the organisation, so that Navantia's Carbon Footprint in 2022 (t CO₂e) is summarised as follows:



Total and geographical GHG emission inventory (2022)

Geographic al centre	Category 1	Category 2	Category 3	Category 4	Category 5	Total emissions
Ría de Ferrol	3,506	0				3,506
Dársena de Cartagena	1,296	0				1,296
Bahía de Cádiz	7,367	0				7,369
Madrid	108	0				108
Categories 3, 4 and 5			7,393	143,605	862,869	1,013,868
Navantia, S.A. SME	12,278	0	7,393	143,605	862,869	1,026,147

GHG Emissions Reduction 2018-2022



During 2022 Navantia, S.A. SME has generated a total of 1,026,147.04 tonnes of CO₂ equivalent, of which 12,278.97 tonnes correspond to direct emissions and 1,013,868.07 tonnes correspond to indirect emissions.

Indirect emissions are 7,393.30 tonnes in category 3, 143,605.43 tonnes in category 4 and 862,869.34 tonnes in category 5.

Comparing Scopes 1 and 2 with 2018, taken as the base year for the purposes of the OECC CO₂ Footprint Register, 12,278.97 tonnes of CO₂ equivalent were emitted in 2021 compared to 51,269.23 tonnes in 2018.

Consequently, in relation to 2018, taken as the base year, the following reductions are noted:

- › Climate change (ESRS E1)
- › Pollution (ESRS E2)
- › Water and marine resources (ESRS E3)
- › Biodiversity and Ecosystems (ESRS E4)
- › Resource use and circular economy (ESRS E5)
- › Environmental Taxonomy

ESRS E-E1

The results of the Carbon Footprint in 2023 for categories 1 and 2 are presented below. It should be noted that these data are subject to variation, and the data extracted after the external verification process based on ISO 14064 should be considered as consolidated.



GHG emissions inventory total and by geographic centres with market approach (2023)

Geographical centre	Category 1 (t CO ₂ eq)	Category 2 (t CO ₂ eq)	Total emissions (t CO ₂ eq)
Ría de Ferrol	4,324	0	4,324
Dársena de Cartagena	1,454	0	1,454
Bahía de Cádiz	4,132	0	4,132
Madrid	92	0	92
Navantia, S.A. SME	10,004	0	10,004

The following table shows the emissions from electricity consumption with a market approach, i.e. considering the fact that Navantia purchases electricity with a guarantee of renewable origin (category 2). If we consider the location approach, i.e. if we apply the emission factor of the national electricity mix to the electricity consumed, category 2 would mean 15,379.55 tonnes of CO₂ equivalent.



GHG emissions inventory total and by geographic centres with market approach (2023)

Geographical centre	Category 1 (t CO ₂ eq)	Category 2 (t CO ₂ eq)	Category 3 (t CO ₂ eq)	Category 4 (t CO ₂ eq)	Category 5 (t CO ₂ eq)	Total emissions (t CO ₂ eq)
Ría de Ferrol	4,324	0				4,324
Dársena de Cartagena	1,454	0				1,454
Bahía de Cádiz	4,132	0				4,132
Madrid	92	0				92
Cat. 3, 4 and 5			15,416.75	247,186.8	312,856.01	575,459.5
Navantia, S.A. SME	10,004.28	0	15,416.75	247,186.8	312,856.01	585,463.8

- > Climate change (ESRS E1)
- > Pollution (ESRS E2)
- > Water and marine resources (ESRS E3)
- > Biodiversity and Ecosystems (ESRS E4)
- > Resource use and circular economy (ESRS E5)
- > Environmental Taxonomy

ESRS E-E1

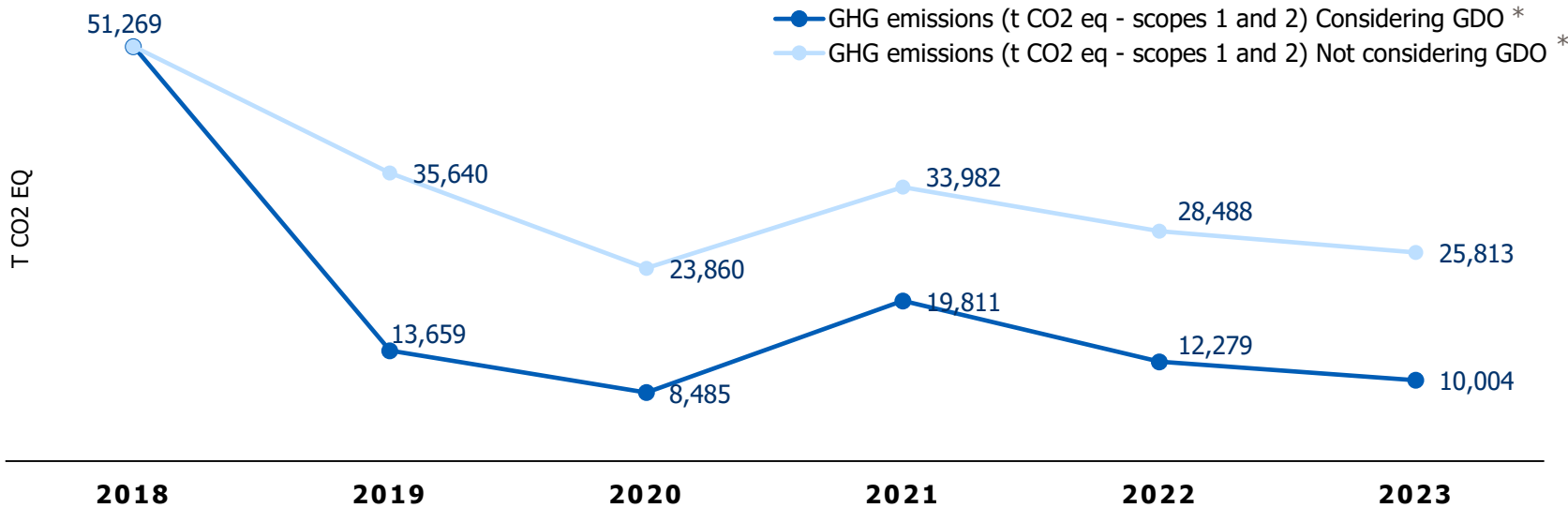
The table shows the emissions from electricity consumption with a market approach, considering the fact that Navantia purchases electricity with a guarantee of renewable origin (category 2). If we consider the location approach, i.e. if we apply the emission factor of the national electricity mix to the electricity consumed, category 2 would mean 15,808.53 tonnes of CO₂ equivalent.

In 2023 Navantia has generated a total of 585,463.8 tonnes of CO₂ equivalent, corresponding to direct emissions 10,004.28 t, with zero indirect emissions from the generation of electricity consumed, and corresponding to scope 3 (categories 3, 4 and 5), 575,459.5 t.

The graph shows the evolution of GHG emissions (carbon footprint) since 2018, taken as a base year, considering both market-based (considering the purchase of electricity with a guarantee of renewable origin) and location-based (applying the emission factor of the national electricity mix to the electricity consumed) emissions.



GHG emissions inventory total and by geographic centres with market approach (2023)



* GDO refers to "Garantía de Origen" (Origin Guarantee)

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ESRS E-E1

GHG removals and GHG mitigation projects financed by carbon credits

The results of the Carbon Footprint in 2023 are presented for categories 1 and 2. It should be noted that these data are subject to variation, and the data extracted after the external verification process based on ISO 14064 should be considered as consolidated.



Carbon footprint result (Scope 1, 2 and 3) in 2023

Geographical centre	Category 1 (t CO ₂ eq)	Category 2 (t CO ₂ eq)	Category 3 (t CO ₂ eq)	Category 4 (t CO ₂ eq)	Category 5 (t CO ₂ eq)	Total emissions (t CO ₂ eq)
Ría de Ferrol	4,325	0				4,325
Dársena de Cartagena	1,454	0				1,454
Bahía de Cádiz	4,133	0				4,133
Madrid	93	0				93
Categories 3, 4 and 5			15,417	166,376	312,856	494,648
Navantia, S.A. SME	10,004	0	15,417	166,376	312,856	504,653

As shown in the table below, thanks to the offshore wind farm development projects for 5 countries that Navantia has carried out, renewable energy has been produced with the capacity to supply 30 times the energy needs of the population of San Fernando, Cádiz.



CO2 emissions avoided in 2023

Country	Proj ect no.	Uds Nav.	Pot. MW	Offshore Wind turbine factor	MWh produced in 2023	Conversion factor (kgCO ₂ /kwh)	Ton CO ₂ avoided	Thousands Ton CO ₂ avoided
France	3	126	1,042	35%	3,193,546	49	155,111	155
Germany	2	50	460	35%	1,410,360	618	871,377	871
United Kingdom	7	132	1,490	35%	4,567,420	351	1,603,941	1,604
Denmark	1	4	28	35%	85,848	529	45,441	45
Poland	2	78	1,086	35%	3,330,902	850	2,831,967	2,832
Total	15	390	4,106	35%	12,588,076	438	5,507,836	5,508

The avoided CO₂ emissions show the total CO₂ emissions avoided after wind power generation by not producing the equivalent amount of electricity in KWh with conventional fossil fuels.

For its calculation, the MWh produced in each wind farm by the Navantia units has been taken into account. The following data have been used for this purpose:

- Offshore Wind turbine AVG capacity factor:** 35%
- Reference emissions conversion factor** (kgCO₂ /kwh) for each of the five countries where Seanergies operates in 2021.
- MWh produced in 2022** = (MW power* offshore Wind turbine AVG capacity factor*365*24)
- Ton CO2 avoided** = [MWh produced in the year 2022* Emission conversion factor (kgCO₂ /kwh) /1000

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ESRS E-E1

Expected financial impacts of material physical and transitional risks and potential opportunities related to climate change

Type of risk	Impact Description	Additional information	Financial impact
Strong winds and maximum gusts. Floods and torrential rains.	Costs for damage to infrastructure as a result of extreme weather events: high winds, torrential rains and floods.	Damage to infrastructure as a result of high winds and flooding in Navantia: +1.5M€ in the last 6 years.	Short term: -2 M€ Medium term: -€5 M Long-term: -€7m
New, stricter ESG regulations, accompanied by taxes such as CBAM or possible sanctions.	Increase in the cost of imported steel as a consequence of the implementation of the <i>Carbon Border Adjustment Mechanism (CBAM)</i> .	A 14% cost overrun is estimated for steel production, which will have an impact on the price of the product during the period 2026 - 2034. Annual steel consumption: 3,700 tonnes	-5 M€/year due to cost overruns in the purchase of steel affected by CBAM
Shifting demand to countries with fewer ESG restrictions.	Reduced revenues due to the displacement of customers to other regions that are less demanding in terms of sustainability.	A 10% decrease in sales per year is estimated. The loss is calculated assuming that the revenues of the Shipbuilding business unit are maintained at the level of sales in 2022.	-100 M€/year revenue reduction due to loss of less committed customers

- > Climate change (ESRS E1)
- > Pollution (ESRS E2)
- > Water and marine resources (ESRS E3)
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Pollution (ESRS E2)

Pollution-related policies

Navantia has established procedures that define the process to be followed to control emissions of chemical pollutants into the atmosphere, including both the identification of the sources of emissions and the measurements to be taken, so that, if necessary, the appropriate preventive and/or corrective measures can be taken and established in order to avoid as far as possible the presence of environmental impacts derived from our activities that may contribute to the environmental deterioration of the atmosphere.



Measurement of atmospheric emission sources (year 2023)

Geographical centre	Measurements made	Measurements within legal limit
Ría de Ferrol	2	2
Dársena de Cartagena	32	32
Bahía de Cádiz	7	6
Navantia	41	40

The out-of-limits measurement corresponded to channelled VOC emissions from the Marpol plant in Cádiz. As a result of this measurement, the activated carbon filters were replaced and the measurement was repeated, this time within the limits, thus verifying the effectiveness of the measure adopted.

On the other hand, these procedures develop the process to be followed to monitor and control the noise emitting sources produced by the activities carried out in our facilities, which emit or may emit noise to the outside.

Pollution-related actions and remedies

Navantia is firmly committed to sustainability and incorporates ESG criteria throughout its value chain. In this regard, Navantia has a code of conduct drawn up in the 2023 financial year, which includes criteria linked to pollution for its suppliers, customers, partners, advisors and other entities and stakeholders related to the company. These actions are detailed in the section on **Supplier Relationship Management**.



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ESRS E-E2

Pollution-related targets

Navantia's objectives and contribution to the SDGs

Objectives	KPI	What are we doing?
3GOOD HEALTH AND WELL-BEING  Target 3.9: Reduce deaths from chemical contamination and pollution.		
Paint schemes without FRAS (H350, H318, H340...)	# FRAS-free paints	- Exploring alternative non-toxic / non-polluting paints - Work with Governance to create a prohibition rule
6CLEAN WATER AND SANITATION  Target 6.4: Increase efficient use of water resources (freshwater abstraction)		
Sustainable centres	Water and energy consumption / h	Minimise water consumption per man-hour worked by ~30%.
7AFFORDABLE AND CLEAN ENERGY  Target 7.2: Increase renewable energy.		
Consolidation of EV business line	Revenues, €	Consolidate the EV business: H2, offshore wind and other energy sources in Navantia's revenues.
Sustainable mobility	T employee transport	Promote sustainable mobility with electric charging points, bicycles and improved access to public transport.

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ESRS E-E2

Air, water and soil pollution

In order to improve the practices and means of different activities in relation to the prevention of air pollution, the following actions were carried out:

Atmospheric control measures:



Navantia - Ría de Ferrol

- **Internal audits of paint application companies**, focusing on the traceability of VOC consumption data, environmental plans, staff training and emergency response.
- **Development of the hydro-jetting system (Jetpul Project)** for blasting ships under repair by replacing conventional shot blasting, which reduces particle emissions into the atmosphere.
- **Encapsulation of certain painting and blasting operations** is carried out in Repairs that minimise the diffuse emission of pollutants and their propagation to the surroundings of the installations.
- An investment action is being developed **for the construction of a blasting and painting cabin for channelling** diffuse **emissions** in the area surrounding Dock 3.
- An action to **promote the use of** non-polluting **means of transport** has been carried out within the Department of the Environment.
- On 24 May, **Navantia joined the Alianza Galega polo Clima (Galician Climate Alliance)** promoted by the Department of the Environment of the Xunta de Galicia, as a collaborative framework between private entities and public administrations to promote the reduction of GHG emissions into the atmosphere.
- Also, during the Sustainability Days on the occasion of Environment Day (5 June) and Oceans Day (8 June), **an activity was** carried out **to promote the use of cars with zero** polluting emissions through the possibility for staff to test the 100% electric cars we have in the factories.
- **Updating of the environmental management system documentation**, in particular with the instruction, I-MA-RF-451 Control of atmospheric emissions, as well as collaboration in the updating of other documents of an environmental nature at the joint level of all the facilities and other management systems at the corporate level of the company.

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Navantia - Bahía de Cádiz

- **Internal audits of paint application companies, focusing** on the traceability of VOC consumption data, environmental plans, staff training and emergency response.
- In the **centre of San Fernando**, the **adaptation of the spotlights corresponding to the blasting and painting booths** has been completed.
- At the **Cádiz centre**, a control detected a one-off exceedance of the VOC emission limit value in point 1 of the channelled emission of the gas treatment system of the Marpol plant. Once the cause had been analysed, it was decided **to replace the activated carbon as a remedial measure**, as well as to carry out an annual review of the same. Once again, the corresponding measurement was carried out, showing the normality of the values in the installation. The resizing of this gas system extraction is going to be analysed due to the volume of treatment managed at the Marpol Plant.
- At the **Puerto Real site**, due to the new wind power projects launched at this shipyard this year, **the regulatory measurements of the different declared sources have been started at the head workshops**.



Navantia – Dársena de Cartagena

- **Internal audits of paint application companies, focusing** on the traceability of VOC consumption data, environmental plans, staff training and emergency response.
- At **Cartagena Repairs, wet blasting operations** continue to be carried out to prevent the spread of particles,
- **Vessels housed at the Carenero in the** Cartagena Repairs unit **are encapsulated to confine their emission sources**.
- During the **construction processes of the Submarine**, **all blasting processes are carried out inside encapsulated enclosures**, workshops and cabins, thus avoiding the dispersion of particles.

- › Climate change (ESRS E1)
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ESRS E-E2

Noise prevention measures

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

- Shot blasting, pickling and poring works.
- Movement of machinery and cranes.
- Assembly of parts.
- Vessel and workshop extraction and forced ventilation of confined spaces.

Environmental noise is a significant aspect only in installations very close to population centres. In this case, the implementation of organisational measures to limit noisy work at night is standard practice in work planning and is included in the Prevention and Environment Plans of each construction site.

The following noise measurements were carried out in 2023:



Measurements in 2023

Geographical centre	Noise measurements	Measurements within legal limit
Ría de Ferrol	6	6
Dársena de Cartagena	3	3
Bahía de Cádiz	6	6
Navantia	15	15

All points in each workplace in an hourly period are counted as a single measurement. That is, each measurement involves sampling at several points within the installation.

Measures to prevent light pollution

The following measures have an impact on the minimisation of light pollution.

- Substitution to luminaires without emission towards the upper hemisphere in installation position.
- Outdoor night light off/on control
- Training and information for own staff and those of collaborating companies on the need to optimise the use of natural lighting systems and avoid the unnecessary use of artificial lighting.
- Automatic lumen control by means of existing daylight detectors.

Without detriment to the above, Law 7/2007, of 9 July, on Integrated Management of Environmental Quality, in its 3rd Section on Light Pollution, excludes the lighting of port activities from the scope of application of this Law.



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ESRS E-E2

Discharge prevention and control measures

The following is a brief description of how wastewater discharges resulting from the activity of each centre are managed in each geographical nucleus of Navantia:



Navantia – Dársena de Cartagena

- Since 2020 Navantia - Dársena de Cartagena has had Integrated Environmental Authorisation, Expt. AAI20150024, a document that unifies the rest of the sectorial environmental authorisations already in place. In 2023, a Non-Substantial Modification was presented with a favourable result from the Administration.
- The authorisation to discharge cooling water from the Engines Business Unit and the Centre of Excellence for Hydrogen Technologies (CEDETH), formerly known as the Section 3 Test Facility (IPS3), into the sea was maintained, and the discharge corresponding to the area of Grandes Carenas was cancelled, considerably reducing the amount of water discharged from this production centre.
- The plans for monitoring and control of the discharge into the sea of cooling water collected in the marine environment from the engine test beds, the CEDETH facilities and the large hulls have been carried out by a Collaborating Entity of the Administration, in accordance with the technical operating conditions of this authorisation.
- Likewise, the Integrated Environmental Authorisation includes the provisions of the Municipal Authorisation for Discharges to the Sewage System VE 2016/6 of 19 September 2018, which authorises the discharge of both sanitary water and water from the BARIN Wastewater Treatment Plant, when the process of Grandes Carenas is carried out, during the year 2023 there has been no activity at the centre.



Navantia - Bahía de Cádiz

- Navantia - Cádiz has had since June the "non-substantial modification" of the Integrated Environmental Authorisation, based on RD 105/2019 on the adaptation of the discharge that the Navantia Cádiz centre has.
- The wastewater generated is channelled to the WWTP located at the shipyard. The discharge authorisation specifies the parameters to be monitored and the periodicity established for each analysis.
- Although the urban wastewater generated at the centre is treated for purification prior to final discharge, in order to extend the water cycle and reduce the discharge of pollutants into the sea as much as possible, investments were made to reuse this treated water, incorporating a tertiary treatment at the MARPOL plant that allows minimum quality levels to be achieved for the reuse of reclaimed water from both the WWTP and the MARPOL plant. Subsequently, this water is reused in dams for flushing, with the new environmental procedure, extending the authorisation not only for flushing, but also for watering the green areas of the shipyard.
- At Navantia - Puerto Real, the wastewater generated is also channelled to a WWTP located at the shipyard. The discharge authorisation specifies the parameters to be monitored and the frequency established for each analysis.

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ESRS E-E2



Navantia - Bahía de Cádiz (bis)

- There is a Resolution from the Regional Ministry of the Environment authorising the reuse of reclaimed water from the WWTP, after passing through the tertiary treatment plant installed for this purpose.

An important milestone to highlight is that this year all the water regenerated at the WWTP has been reused, with a total of 3,764 m3, making it the second consecutive year that we have achieved zero discharge at the facility, using it to irrigate green areas.
- Navantia - San Fernando has a separate network for sewage and process water, which is sent to the municipal sewage system, and for rainwater, which is discharged into the Caño Sancti Petri, in accordance with the centre's discharge authorisations: authorisation for discharges into the maritime-terrestrial public domain and authorisation for discharges into the municipal sewage system.
- Analytical controls of effluents discharged into the municipal sewage system are carried out periodically.



Navantia - Ría de Ferrol

- The Ferrol facility has the authorisation for the connection and discharge of waste water, as stated in the resolution document issued on 7 August 2020 by the Ferrol City Council, and the analytical controls required by this authorisation have been carried out.
- Within these Ferrol facilities, a rinsing water treatment station is being implemented in the pipe cleaning process, which will save water consumption and minimise the possibility of inappropriate discharges.
- The port side floors of Dock 3 and Pier 13 have been waterproofed in the area managed by the Repairs Business.
- Likewise, 2 new anti-pollution barriers have been installed to reduce the risk of contamination of the marine environment, on Quay 12 of the Fene facilities and in the unloading area of Quay 13 of the Ferrol facilities. A new anti-pollution kit container has also been acquired.
- Likewise, 4 transport containers for IBCs and drums with anti-spill trays have been designed and manufactured.

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ESRS E-E2



Navantia - Ría de Ferrol (bis)

- In Fene, the Wastewater Discharge Authorisation issued by Aguas de Galicia is still in force and has not been modified and its obligations have been fulfilled.
- At the Fene facilities, progress has been made on the tender associated with the first investment of a wide-ranging project to improve the integral network of wastewater discharges (sewage and rainwater) for connection to the municipal sewerage network and, in this way, eliminate the current discharges into the Ría de Ferrol.
- During the Sustainability Days on the occasion of Environment Day (5 June) and Oceans Day (8 June), a simulation of a spill of polluting substances was carried out to inform all personnel of the emergency response operations in the event of a possible impact on aquatic environments.
- On the other hand, grey water from ships berthed at Pier 14 is managed by direct connection to the municipal network, avoiding its discharge into intermediate storage systems and the need for prior treatment or treatment as waste.



Volume of water discharged by geographical centre (year 2023)

Geographical centre	Discharged water (m³)
Ría de Ferrol	186,388
Dársena de Cartagena *	38,902
Bahía de Cádiz	49,869
Navantia	275,159

* 530,502 m3 of cooling water discharged into the sea are accounted for separately.



Expected financial impacts of pollution-related incidents, risks and opportunities

Risks, Impact, Opportunity	Description	Additional information	Financial impact
New, stricter ESG regulations, accompanied by taxes such as CBAM or possible sanctions.	Increase in the cost of imported steel as a consequence of the implementation of the Carbon Border Adjustment Mechanism (CBAM).	A 14% cost overrun is estimated for steel production, which will have an impact on the price of the product during the period 2026 - 2034. Annual steel consumption: 3,700 tonnes	-5 M€/year due to cost overruns in the purchase of steel affected by CBAM



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ESRS E-E3

Water and Marine Resources (ESRS E3)

Policies related to water and marine resources

The Policy related to water resources is embedded in the Sustainability Policy, which has been discussed above.



In relation to water efficiency, the following measures have been implemented:

Ría de Ferrol

- Installation of taps with automatic shut-off by sensors in toilets and bathrooms in the Technical Office facilities in Ferrol and in the Seanergies CPO manufacturing workshops in Fene.
- Signage reminding of the need for optimal use of taps in the Process and Quality Improvement Department.
- Works to improve water supply and sewerage networks to improve water use in both Fene and Ferrol.
- Monitoring of consumption with the sectorisation of work areas to carry out actions to reduce drinking water consumption during working hours in Seanergies Fene.
- Investment to improve the use of water in the parts washing facilities at the Ferrol Tube Workshop
- Processing of the works for the rainwater harvesting project in the block factory.

Dársena de Cartagena

- Use of automatic shut-off devices on taps in changing rooms.
- Reuse of water used in the hydraulic testing of S80 tanks.
- Installation of more water meters.
- Monitoring of water use in Repairs.
- Replacement of pipelines.
- Repair of leaks by Maintenance and replacement of those that may become obsolete.
- Isaac Peral Chair Project, in which staff from the Polytechnic University of Cartagena will carry out a study of alternatives to reduce water consumption in the facilities.

Bahía de Cádiz

- The project for the extension of the storage and Marpol plant has been initiated, the implementation of which would lead to an increase in the treatment capacity, thus allowing the use of a larger quantity of reclaimed water in the flushing process.
- Authorisation for the adaptation to Decree 109/2015 of the Cádiz centre, in which the use of water for irrigation of the centre's green areas has been included. The corresponding work has already begun to provide this service as soon as possible.
- For the second year, all the water treated at the Puerto Real WWTP has been reused, with a total of 3,764 m3, being the second time that we have reached zero discharge in the installation used for irrigation of green areas.
- Carrying out inspections of leaks and water losses in the drinking water supply network of the centres.
- Study of the main drinking water consumption processes in order to study alternatives and water from other sources.



- › Climate change (ESRS E1)
- › Pollution (ESRS E2)
- › Water and marine resources (ESRS E3)
- › Biodiversity and Ecosystems (ESRS E4)
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ESRS E-E3

Actions and resources related to water and marine resources

The geographical location of Navantia's facilities entails the responsibility of carrying out activities in the vicinity of protected natural areas. It is therefore important to have environmental accident prevention and mitigation plans in place, particularly for the accidental spillage of hydrocarbons.

An Inland Maritime Plan is in place at each site to prevent or mitigate the risks arising from marine pollution during oil handling operations on ships.

The Maritime Interior Plan (MIP) enables the coordination of the prevention, control and effective combating of a possible spill of oil, its derivatives or harmful substances other than oil in waters within its competence. In order to assess its adequacy, drills are carried out to test the accidental pollution response and response process of the MIP.

It should be noted that this year, 2023, **the Port Authority and the Maritime Harbour Master's Office have reviewed and approved the Maritime Interior Plan** for the Navantia - Dársena de Cartagena centre, as well as for Navantia - San Fernando.

In order to verify the effectiveness of each of the organisation's MIPs, and of the measures to mitigate other potential environmental emergency situations, Navantia carries out drills on an annual basis, in compliance with Order FOM/1793/2014 of 22 September, which approves the National Maritime Plan for response to marine pollution.

In 2023, drills were carried out in the Bahía de Cádiz, Cartagena Basin and Ría de Ferrol. In the Bahía de Cádiz, 3 drills were carried out associated with an emergency situation due to an oil spill at sea: Puerto Real in March, San Fernando and Cádiz in November. In Dársena de Cartagena, two exercises were carried out, one in April and the other in November. In Ría de Ferrol, 6 drills were carried out during 2023. Below is a brief description of the actions carried out in each of them:



Navantia - Bahía de Cádiz

Puerto Real

A spill into the sea was simulated in the dock, coming from a ship that was entering the dock for dry-docking. During the beaching operation, an error in the ship's ballasting operations was simulated by emptying a fuel tank and discharging it into the sea. A contingency exercise of a spill at sea was carried out, corresponding to a situation 0 (level 1), included in the PIM of the facilities.

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ESRS E-E3



San Fernando

A simulation was carried out with a spill into the sea in Dock 4 by a ship stranded there. The spillage occurred in the dock plan, and through the pump house it was expelled to the outside. During the grounding of the ship in Dock 4, an extension of residual oil was seen in the sea next to the Dock gate. A contingency exercise was carried out for a spill at sea, corresponding to a situation 0 (level 1), as described in the installations' PIM.

Cádiz

A spill exercise was carried out at the sand jetty from a vessel moored at the jetty. During the ship's stay at the sand quay, an oil slick appeared in the stern area of the ship. A contingency exercise was carried out for a spill at sea, corresponding to a situation 0 (level 1), as described in the installations' PIM.

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ESRS E-E3

 Dársena de Cartagena

The first was carried out in April and verified the review and correct functioning of the resources available in the shipyard for the fight against accidental marine pollution, thus verifying their condition, assessing possible needs and enabling their correct handling and deployment, as well as serving as training for the personnel involved on the required occasions.

In November, a full emergency drill was carried out for accidental marine pollution in situation 0 with the deployment of resources, obtaining satisfactory results and with the aim of maintaining the operational and training capacity of the personnel involved in pollution prevention and control tasks.

 Ría de Ferrol

An exercise was carried out in Stand 2, where a diesel spill caused by a waste collection truck was simulated. The drill served to check the correct chain of communications, the preparedness of the response teams and the speed of the response. It was also possible to see the logistical resources available both by land and by sea.

In the exercise, a section of the containment boom located on the reel of pier 11 was deployed to prevent the dispersion of the spill. Simultaneously, on land, the cause of the spill was eliminated and the spilled substance was recovered. The drill was carried out without mishap and lasted less than an hour. This exercise is part of the requirements of the Maritime Interior Plan for the Ría de Ferrol facilities and, in turn, forms part of the existing annual drill plan, which has been completed with 5 other exercises:

- Breakage of the pool of the plasma machine at the NFBI Ferrol Plasma Processing Workshop.
- Oil spill in Ferrol Turbines Warehouse 3.
- Fire with spillage of hazardous substances at the NFBI tube workshop in Ferrol.
- Motor oil spillage at the Seanergies CPO Modules Workshop in Fene.
- Engine oil spillage at the Bloques Curvos Viejo de Seanergies CPO in Fene.

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- › Environmental Taxonomy

ESRS E-E3

Targets related to water and marine resources

Objectives	KPI	What are we doing?
6 CLEAN WATER AND SANITATION  Target 6.4: Increase efficient use of water resources (freshwater abstraction)		
Sustainable centres	• Water and energy consumption / h	• Minimise water consumption per man-hour worked by ~30%.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  Target 9.4: Modernisation of infrastructure, clean technology.		
Eco-design strategy	• Sustainable ship design	• Application of eco-design criteria to new projects (modular frigate) • Green propulsion systems (Smart 4000, hydrographic vessels). • Wizards for digital ship twin aimed at reducing environmental impact
Sustainable centres	• Water and energy consumption / h	• Studying the design of a sustainable shipyard

- > Climate change (ESRS E1)
- > Pollution (ESRS E2)
- > Water and marine resources (ESRS E3)
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- > Environmental Taxonomy

ESRS E-E3

Water consumption

The following table shows water consumption by type. It includes both the consumption of drinking water and the consumption of water from other sources, which includes reclaimed water treated at the WWTPs of the Cádiz and Puerto Real centres.



Water consumption by geographical centre (year 2023)

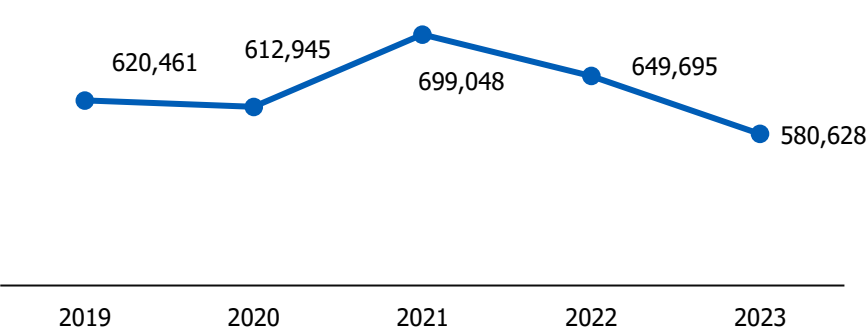
Geographical centre	Drinking water consumption (m) ³	Water consumption from other sources (m) ³	Total water consumption (m) ³	Water consumption per tr. hours (l/h)
Ría de Ferrol	219,280	-	219,280	34.9
Dársena de Cartagena	53,169	-	53,169	14.5
Bahía de Cádiz	305,756	7,133	312,889	54.0
Madrid	2,423.40	-	2,423	4.8
Navantia	580,628	7,133	587,761	36.2



Annual evolution of water consumption (m)³

	2019	2020	2021	2022	2023
Total water consumption (m) ³	620,461	612,945	699,048	649,695	580,628

Total water consumption (m3)



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ESRS E-E3

Expected financial impacts of water and marine-related impacts, risks and opportunities

Opportunities related to water and marine resources:

It is worth mentioning the restoration of marine ecosystems, associated with the protection of biodiversity and the offsetting of emissions, as described in the section on Biodiversity in which the Navantia Ecosystem project is developed.

Navantia has participated in the development of the Andalusian Strategy for a Sustainable Blue Economy, promoted by the General Secretariat for Sustainability, Environment and Blue Economy of the Andalusian Administration.

The Strategy aims to promote the sectors of economic activity linked to the seas and the coast of Andalusia as drivers of socio-economic dynamism in the autonomous community and within the framework of an innovative economy, respectful of the carrying capacity of natural ecosystems and environmental sustainability. Navantia participated in the thematic panel "[The shipbuilding industry and auxiliary industry in the framework of the Andalusian Strategy for a Sustainable Blue Economy](#)", providing technical advice and sharing the company's best practices, in order to help define the needs and boost the opportunities for growth in the blue economy.

Risks, Impact, Opportunity	Description	Additional information	Financial impact
Increased cost of basic resources and services:	Increase in operating costs caused by higher prices for resources (water) and services (treatment of hazardous and non-hazardous waste) necessary for the development of Navantia.	An average price increase of 10% is estimated for m ³ in water-stressed areas.	-700 k€/year for water consumption
Water consumption		Waste produced in 2022 = 43,157 tonnes (hazardous and non-hazardous)	-3.4 M€/year waste treatment cost overrun
External waste management		Cost of treatment or landfill per tonne of waste (~80 €/tonne)	

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Biodiversity and Ecosystems (ESRS E4)

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Navantia is part of the Biodiversity Pact, with the Biodiversity Foundation, a body under the Ministry for Ecological Transition and the Demographic Challenge, with the aim of demonstrating Navantia's commitment to the conservation and sustainable use of biodiversity. Navantia's membership of the Spanish Business and Biodiversity Initiative (IEEB) was renewed.

Navantia's commitment to the protection of biodiversity hinges on the corporate project "Navantia Ecosystem", which is part of the Sustainability Strategy derived from the Navantia Strategic Plan 2018 - 2022. "Ecosistema Navantia" aims both to mitigate climate change by offsetting emissions, increasing the absorption capacity of carbon sinks, and to preserve biodiversity.

Initially limited to Bosque Navantia, through reforestation projects on land surrounding our centres, the Navantia Ecosystem approach expands this initial vision from a double point of view:



On the one hand, closely linked to our purpose, **we will tackle blue carbon sequestration projects**, i.e. offsetting with projects associated with marine and coastal ecosystems to support their conservation;



On the other hand, our role will not only be aimed at the mere partial offsetting of our carbon footprint, but **we will associate our projects with the good state of conservation of the areas** where we carry them out.

Moreover, **Navantia has published open biodiversity data through the GBIF (Global Biodiversity Information Facility) network**. This achievement has been possible thanks to the joint work with the National Biodiversity Information Node ([GBIF.ES](#)) - sponsored by the Ministry of Science and Innovation and managed by the Spanish National Research Council (CSIC).

Specifically, data is published on benthic fauna present in the marine ecosystem near our facilities, based on the monitoring plans for the receiving environment managed by the Environment Department. These datasets contain information on organisms present in the marine environment of our facilities.

The specimens corresponding to each zoological group are detailed by means of taxonomic identification keys.

Biodiversity and ecosystem policies

Navantia has established policies linked to biodiversity and ecosystems, which constitute a key element within its business strategy (Navantia Strategy). The full integration of these policies is manifested through a wide range of actions developed in this area.

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ESRS E-E4

Actions and resources related to biodiversity and ecosystems

Reforestation and marine ecosystem restoration projects

Certificate of registration of the Navantia - Cerro de los Mártires Forest (San Fernando)

CERTIFICADO DE INSCRIPCIÓN EN LA SECCIÓN DE PROYECTOS DE ABSORCIÓN DEL REGISTRO DE HUELLA DE CARBONO, COMPENSACIÓN Y PROYECTOS DE ABSORCIÓN DE DIÓXIDO DE CARBONO

BOSQUE NAVANTIA - CERRO DE LOS MÁRTIRES (SAN FERNANDO)

Código identificador del proyecto: 2023-b073
Promotor: NAVANTIA, S.A., S.M.E.
Localización: San Fernando (Cádiz)
Superficie: 1,5 ha
Fecha de inicio del proyecto: 01/01/2023
Período de permanencia: 40 años
Breve descripción: Proyecto de reforestación con algarrobo (*Ceratonia siliqua*) con criterios de restauración ambiental en una superficie de 1,5 Ha en la zona del Cerro de los Mártires, en San Fernando (Cádiz)

Con los siguientes datos de absorciones registrados al inicio del proyecto:

Absorción prevista en periodo de permanencia:	204 t CO ₂
Absorciones registradas útiles:	41 t CO ₂ , de las que:

Abs. disponibles al inicio	37	t CO ₂	Código unidades absorción
Abs. cedidas a la bolsa de garantía	4	t CO ₂	2023-b073/00005-00041
			BIG2023-b073/00001-00004

Valvanera V

Valvanera Ulargui Aparicio
Directora General
Oficina Española de Cambio Climático
Ministerio para la Transición Ecológica y el Reto Demográfico

Fecha de inscripción: 09/08/2023

La validez de esta inscripción está condicionada a la comprobación de las correspondientes acciones de seguimiento. Se podrá consultar el estado actualizado en la página web del Registro.

Aerial view of the Navantia Forest - Cerro de los Mártires (San Fernando)



In 2023, the registration of the first "Navantia Forest" project was formalised in the MITERD, which was carried out in San Fernando. There are projects along the same lines in the surroundings of all the company's shipyards.

Navantia establishes environmentally friendly measures and contributes to the preservation of biodiversity. To this end, Navantia has worked on the implementation of the "Navantia Ecosystem" project. From the perspective of offsetting emissions, work has been carried out on the Navantia Forest, reforestation projects that revolve around the land surrounding our centres.

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The Navantia Ecosystem approach develops the initiative to strengthen the link between biodiversity conservation and the fight against climate change through participation in CO₂ absorption projects that favour the creation of forest masses aimed at both biodiversity enhancement and climate change mitigation.

This project **was the first in the province of Cádiz to be registered in the Registry of carbon footprint**, compensation and carbon dioxide absorption projects of the Ministry for Ecological Transition and the Demographic Challenge. It was also the first urban project in the region.

In the field of marine ecosystem restoration projects (blue carbon), Navantia is working with other entities to formalise a grouping agreement that will lead to the restoration of ecosystems included in the "Andalusian Catalogue of Blue Carbon Absorption Projects".

On the other hand, in 2023, and in **the context of the Navantia Ecosystem, the MOCAAS Project has begun in Cartagena** through the installation of six artificial reefs in the Repairs area, this being an innovative action in collaboration with the Cartagena Oceanography Centre (CORI) and the Polytechnic University of Cartagena (UPCT). This project, called "Arrecife NAVANTIA", aims to improve biodiversity in Cartagena port environments, creating a suitable habitat for marine fauna and flora.

This project is an example of how industry and science/research can work hand in hand with the common goal of improving the local environment. The collaboration between NAVANTIA's Environment department, CORI and the UPCT has allowed the development of an innovative project like this one.

Since 2021, the Navantia - **Dársena de Cartagena facility has been a member of the European LIFE PortSound Eurovertice programme.**



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Species protection

In terms of species protection, at Navantia - **Dársena de Cartagena**, the **installation of artificial nesting boxes and feeders has continued to be extended to facilitate the settlement of various birds of protected species** that usually nest in the facilities, as well as their monitoring and tracking, cameras have been installed to carry out visual control work on these populations, specifically for kestrels (*Falco sparverius*).

These are nesting populations of common swift (*Apus apus*), pallid swift (*Apus pallidus*) and common house martin (*Delichon urbicum*).

With regard to biodiversity control, the control of the yellow-legged gull at the facilities has continued, as it has since 2021. A census has been carried out to measure the productivity of these birds in relation to the measures applied. The removal of nests and localised and accessible nests and clutches.

At Navantia Bahía de Cádiz, in 2022, a project for the management and control of protected species in our centres was presented to the Regional Ministry of the Environment. As a result, the Department of Biodiversity of the Regional Ministry of the Environment and the centre for the recovery of endangered species (CREA) visited Navantia San Fernando to place artificial nests and thus facilitate the biodiversity of species in our centre.

It should **be noted that during this year's nesting period in Puerto Real, on 5 April**, three peregrine falcons were born on one of the Mague cranes at the Navantia Puerto Real centre.

This fact was brought to the attention of the Regional Ministry and so Environmental Agents and Technicians of the Regional Ministry of Sustainability, Environment and Blue Economy, went to the Navantia facilities and proceeded to ring three peregrine falcon chicks. The individual tagging of these specimens will allow information to be gathered about the biology and population dynamics of this species.



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Volunteering and environmental dissemination activities

The United Nations celebrates 5 June as World Environment Day and 8 June as World Oceans Day. As a result of our commitment to our environment, Navantia organised Environmental Sustainability Days at all its centres to raise awareness and sensitise everyone to this challenge.

Some of the actions carried out by Navantia have been the following:



Environmental volunteering

- **Environmental volunteering activity in Cartagena in collaboration with ANSE**, in the project for the recovery of the Marchamalo salt flats, this being an enclave of great environmental value, protected by various regional, national, European and international protection figures, such as Protected Landscape and Site of Community Interest, Special Protection Area for Birds, Specially Protected Area of Mediterranean Interest and Wetland of International Importance-Ramsar.
- In addition to this day, in Navantia - **Dársena de Cartagena**, since 2019 a volunteering initiative has been carried out in which interested workers **collaborate with different NGOs that fight for the protection of the environment in the locality**. During 2023, they have been carried out in the months of March, May and October.
- In the **Ría de Ferrol and Bahía de Cádiz**, as part of the activities of the Environmental Sustainability Days, a volunteer activity was carried out as part of the LIBERA Project **"1M2 AGAINST GARBAGE"**, which corresponds to active action against "litter", going out to collect rubbish in a natural environment and raising awareness of the importance of its conservation, in this case, in one of the coastal areas near the beach of Doniños, belonging to the City Council of Ferrol, and in the surroundings of the Bahía de Cádiz Natural Park, specifically in the Zuazo bridge, in the municipality of Puerto Real.
- **Visit of students of Marine Sciences of the UCA to the shipyard of Cádiz**. They were able to learn about the pollution control measures for ships and Navantia's facilities, and visited the Marpol plant for the treatment of oily waste.



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 Environmental volunteering

- **Presentation "Turning to the Sea",** by Francisco López Castejón, on the protection of the marine environment and some of the research that has been carried out in this area, related to coastal oceanography, numerical models and underwater robotics.
- **Presentation "Discovering the Bahía de Cádiz Natural Park",** given at the Navantia Training Centre (NTC) by Rafael Martín Ballesteros, director of the Bahía de Cádiz Natural Park. Navantia works closely with the Bahía de Cádiz Natural Park, to promote projects in the field of reforestation and restoration of marine ecosystems, known as blue carbon, which allows to strengthen the link that Navantia has with the Natural Park working on offsetting emissions and the preservation of biodiversity.
- **Dissemination activity by Ambilamp in Ría de Ferrol.** A presentation was given by members of the company AMBILAMP on the responsible management of waste electrical and electronic equipment (WEEE).

Targets related to biodiversity and ecosystems

Objectives	KPI	What are we doing?
	Target 15.1: Ensure the conservation and sustainable use of ecosystems. Target 15.2: Sustainable forest management. Target 15.5: Action against biodiversity degradation and loss.	
Navantia Ecosystem	• # H_a and reforested ecosystems	• TFND (biodiversity impact) • Reforest +~10 hectares
Biodiversity and business	• TBD	• Compensation of natural resource use with the local community

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Resource use and circular economy (ESRS E5)

Policies related to resource use and the circular economy

As part of Navantia's Sustainability Policy, in line with policies to improve the Circular Economy and based on the company's development of actions to improve the environment of its facilities and collaboration with its stakeholders.

On 17 May 2023, Navantia formally communicated its adhesion to the Pact for a Circular Economy, developed by MITERD, as a framework for collaboration between entities that wish to carry out actions aimed at promoting the Circular Economy, as well as the prevention and management of waste from their processes.

Actions and resources related to resource use and the circular economy

Navantia is committed to promoting the transition to a circular economy through the following actions:

- Making progress in reducing the use of non-renewable natural resources
- Promote life-cycle analysis of products and the incorporation of eco-design criteria.
- Promoting the effective implementation of the waste hierarchy principle
- Promote patterns that increase innovation and the overall efficiency of production processes.
- Promoting innovative forms of sustainable consumption
- Promoting a responsible consumption model

- Facilitate and promote the creation of appropriate channels to facilitate the exchange of information and coordination with administrations, the scientific and technological community and economic and social agents, so as to create synergies that favour the transition.
- Spread the importance of moving from a linear economy to a circular economy.
- Promote the use of common, transparent and accessible indicators.
- Promote the incorporation of social and environmental impact indicators derived from the operation of companies.



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Ecodesign

Navantia sets the corporate objectives relating to eco-design as follows:

- Commitment to the environment as a premise for design and production activity.
- Need to be at the forefront of technology, to improve future positioning and competitiveness in the market. Industrial transition towards the design of sustainable, non-polluting, circular, competitive and environmentally neutral projects.
- Ecodesign consists of incorporating environmental criteria in the initial stages of the design, so that this variable is considered as a requirement of the project, ensuring its viability and success. Some of the activities carried out include:
 - Analysis of the life cycle of the Type Vessel that makes it possible to identify the critical points of the product and facilitates decision-making aimed at introducing environmental improvements in the design.

Other lines of action within the project include:

- The study and selection of new materials and equipment that can replace those currently in use, reducing the environmental impact and at the same time facilitating the manufacturing process while maintaining the required properties.
- Implementation of a waste management model tool, which ensures compliance with obligations both in terms of traceability and in the WEEE waste data evaluation and information system on new ships.
- Study of different alternatives to reduce the hydrodynamic resistance to the advance of the ship and, therefore, the reduction of the energy consumption necessary for the propulsion of the ship by means of the optimisation of hull shapes and the study of new propulsion configurations or systems.
- Study of the various sector-specific regulations applicable to environmental matters. These are the class ratings of the main SSCCs and MARPOL and IMO requirements.



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In Dársena de Cartagena, a workshop was held on 10 October 2023 for the entire engineering staff of the Submarine Business, given by those responsible for Modularisation and Master Materials, and Conceptual Engineering and R&D&I. The aim is to reduce emissions under the modularisation methodology, making it possible to use the same platform to carry out an increasing number of missions.

- Design under the modularisation methodology, which gives the platform greater flexibility, making it possible to save materials and reduce emissions, as it is possible to use the same platform to carry out more and more missions.
- Identification of the most energy-intensive on-board equipment that contributes most to emissions.
- Selection of two eco-indicators that quantify the environmental impact of the design. Two eco-indicators have been chosen:
 - **Carbon footprint (The** results of the Life Cycle Assessment, the scope of which is specified above, have been used to calculate the **carbon footprint**. The result is obtained in the form of kg of CO₂ equivalent obtained per tonne of vessel, so that the index is standardised and its application can be generalised for the rest of the vessels.
 - **Energy Efficiency Index (EEDI)** Its calculation is based on IMO regulations, which measure the ship's emissions over its capacity. This regulation is aimed at merchant ships, so its application to naval vessels is excluded from the regulation, requiring the adaptation of the calculation to our activity.

The year 2023 saw the start of the ECOGES Ship project, part of the PERTE Naval programme. The aim of this project is to reduce the environmental impact of the ship by using new or existing resources more efficiently and effectively through eco-design.

To this end, and as a second stage of the life cycle analysis carried out the previous year, the scope of this analysis has been extended to include both the operation stage and the decommissioning stage of the ship. This will make it possible to identify the environmental impact produced at each stage, thus making it possible to establish measures for improvement, and to obtain eco-indicators that help to assess the new measures adopted.

Waste Management

The basic principles of European waste policy are the protection of human health and the environment.

In this line, the waste hierarchy has been established which indicates the order of priority for waste-related actions starting with waste prevention (in waste generation), preparation for re-use, recycling, other types of recovery (including energy recovery) and, finally, waste disposal.

In this regard, Navantia has a Zero Waste Strategy in all its production centres, establishing circular economy criteria in the organisation through waste prevention, reduction, reuse, recycling and valuation policies.

With them, in addition to anticipating the legal requirements in terms of waste management, Navantia hopes to invert its current pyramid, favouring actions for the reduction, prevention and recovery of the different waste generated in its plants.

Navantia has successfully passed the audits which, under the Bureau Veritas Certification specification "Zero Waste to Landfill Commitment", endorse the organisation's commitment to allocate the highest possible percentage of waste to recovery or recycling, rather than to landfill.

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In the last audits completed in November 2023, 80% of the waste generated has been accredited as an alternative management to landfill.

As part of these actions, a "Study of alternative circular solutions in terms of the design and development of new processes that avoid the condition of waste, improve its recycling or minimise its generation" has been initiated in 2023, in the context of the PERTE Naval. The objective will be to optimise the best management options in line with Navantia's Zero Waste Strategy.

This study will be based on a diagnosis of the situation in all Navantia's facilities, where, on the basis of the available data on the environmental aspects of the organisation, those aspects with the greatest potential for improvement will be identified.

Based on these premises, the objective is to allocate a greater variety and quantity of non-hazardous waste to recycling or recovery instead of landfill.

In this way, the waste recovery rate is defined as the percentage of waste destined for recovery out of the total waste generated.

Navantia's facilities have temporary waste storage facilities and a wide range of containers and bins to segregate the different types of waste generated as a result of its activity. Particularly significant is the generation of waste in the repair activity, which means that most of the waste derives from the production process of ship repair and maintenance work.

To this end, Navantia's centres are registered in the Register of Producers of Hazardous and Non-Hazardous Waste in each of the Autonomous Communities where it is located, and it has Waste Manager Authorisations where required.

On the other hand, Navantia has infrastructures for the treatment of oily water type MARPOL, in which oily waste that would be included in Annex I of MARPOL waste (bilge water) is managed.

As of 2019, Navantia Ría de Ferrol has the License with ref. L-910-N for the provision of the Port Service for the reception of waste generated by ships, liquid (MARPOL Annexes I and IV), solid (MARPOL Annex V) and related to atmospheric pollution (MARPOL Annex VI) in the name of "Navantia S.A., S.M.E.".

It should be noted that the Port Authority of the Bahía de Cádiz has granted the provisional licence for the provision of port services for the reception of liquid waste generated by ships.

Finally, Navantia has signed agreements with authorised waste managers for the treatment of waste likely to be generated in our production processes or generated by the ships.



Waste generation and recovery indicators (year 2023)

Waste indicators	Ría de Ferrol	Dársena de Cartagena	Bahía de Cádiz	Madrid	Navantia
Gen. hazardous waste (t)	2,590	907	3,133	0.561	6,631
Reclaimed hazardous waste (t)	2,277	643	2,717	0.558	5,638
Gen. non-hazardous waste (t)	12,849	16,297	15,266	2.829	44,415
Reclaimed non-hazardous waste (t)	6,344	16,260	9,424	2.829	32,031
Total waste generation (t)	15,439	17,204	18,399	3.39	51,045
Total waste recovered (t)	8,621	16,903	12,141	3.387	37,668
Production waste hour worked (kg/h)	2.46	4.69	3.17	0.0067	3.14
Waste recovery rate (%)	55.84	98.25	65.99	99.91	7.,79

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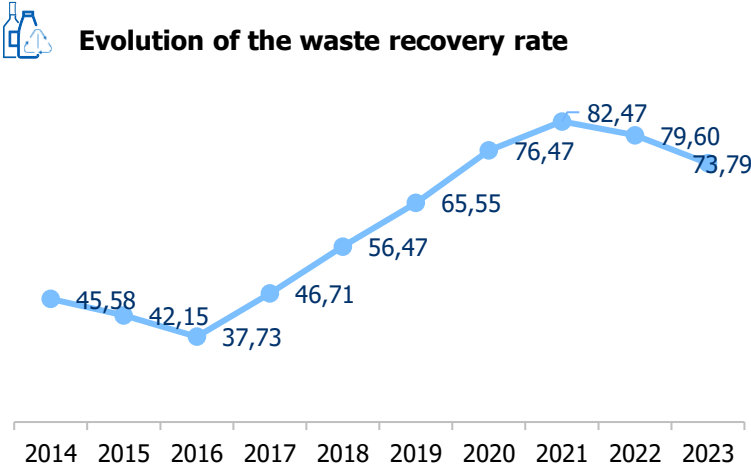
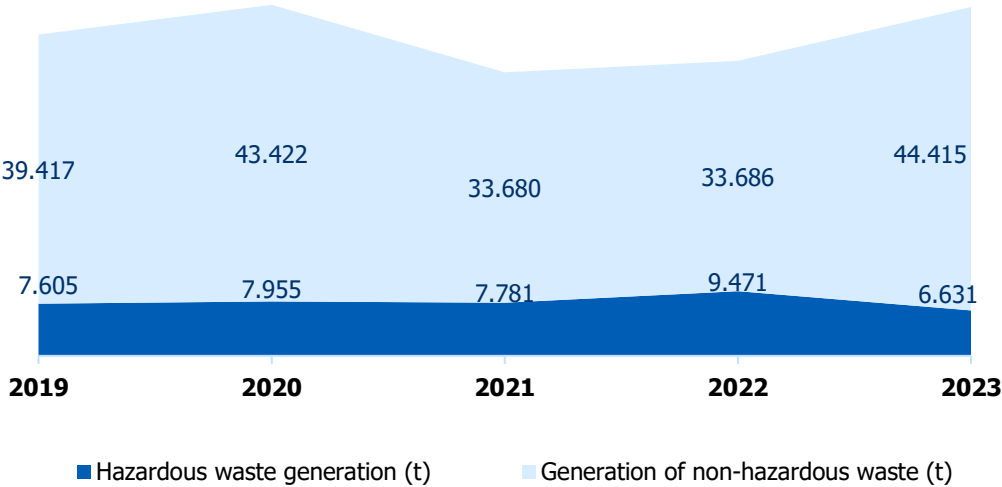
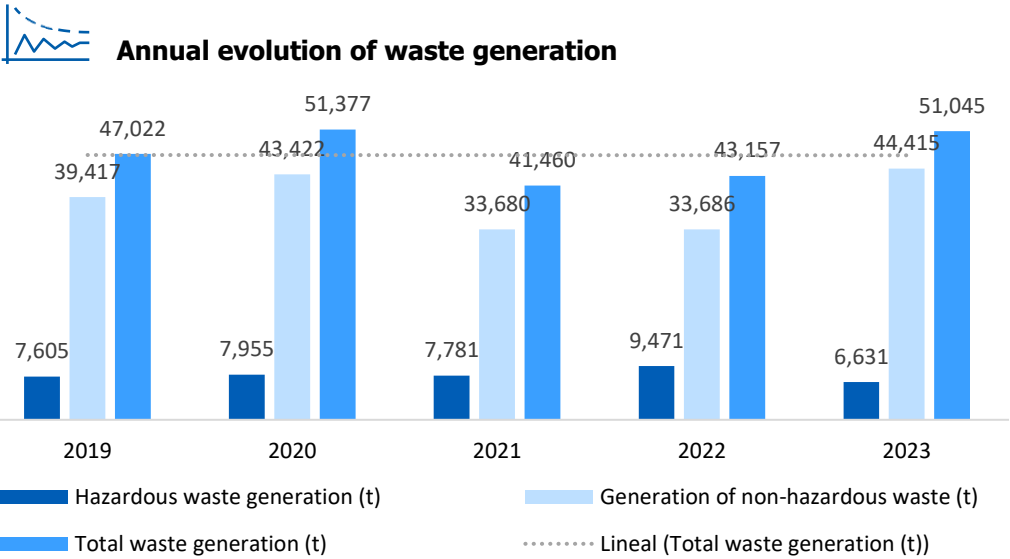
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Navantia's waste management objectives and practices

The following table shows the slightly decreasing trend in waste generation over the last five years, despite the increase in 2023.

The following is a summary of the waste prevention and waste management targets and practices implemented in 2023, as well as noteworthy developments in waste generation over the past year:

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Navantia - Ría de Ferrol

- The requirements contained in the MARPOL Licence apply;
- waste from civil engineering works is controlled;
- in Civil Works contracts involving backfilling prior to paving, preference is given to the use of materials of recycled origin (sustainable public procurement);
- priority is given to the reuse of Construction and Demolition Waste preferably within the facilities where it was generated;
- wooden pallets are reused for packaging waste shipments, as well as paint containers for shipment to an authorised waste manager for solvent-based paint and empty oil drums for reuse in collection at the used oil facilities;
- At the end of the year, an alternative management action for shot blasting waste was launched, which will facilitate its recycling and prevent it from being deposited in landfill sites, promoting recyclability and the circular economy; the number of waste containers for ships available in the Repairs Area has been increased;
- a design improvement measure has been implemented to reduce the weight of the material used by 0.5% of the vessel's weight in thread without margins, carried out by the Ferrol Engineering Department;
- the use of battery waste containers has been optimised and reduced, and segregation has been facilitated with the installation of centralised and better identified clean points;



Navantia - Ría de Ferrol

- a small collection depot for waste electrical and electronic equipment has been set up in the Process and Quality Improvement department of the Frigates and Intervention Vessels Business to improve selective collection in this area;
- the project for the recovery of the soil where the old shot blasting dump is located at the Navantia S.A. facilities in Fene (A Coruña) continues, following approval by the regional government;
- the phasing out of individual office litter bins continues to prevent poor segregation of light packaging and other non-hazardous waste; and,
- updating of the environmental management system documentation, as well as collaboration in the updating of other environmental documents for all the facilities and other management systems at the corporate level of the company.



Navantia - Bahía de Cádiz

- Linked to the circular economy, the objective of transforming waste into raw material for other production processes is materialised in Navantia with the management of residual shot (3,443 t were recovered in 2023);
- upgrading/improvements of the Hydrocarbon Water reservoirs, New Construction and Repairs;

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Navantia - Bahía de Cádiz

- location of compactors for paint containers; adaptation and improvements at the Sistemas clean point; replacement and new signage of containers at Producción Nuevas construcciones;
- study of alternatives to minimise and/or decatalyse waste in Systems;
- improvements to the fencing of the non-hazardous waste storage facility;
- improvements in the recycling rate at the recycling points of the TBC and Module Workshops;
- adaptation and improvements to containers to improve the identification and segregation of waste;
- At the Navantia Cádiz site, the project for the cleaning of industrial vehicles and equipment has begun;
- adaptation and improvements to containers to improve the identification and segregation of waste;
- the project to expand and increase the operational capacity of the Marpol plant has begun. This investment will mean an increase from 35 m3 to 100 m3 per day. It is worth highlighting the training and information given by the Environmental Technicians to departments, programmes and projects on the Environmental Management System.



Navantia – Dársena de Cartagena

- At Navantia - Dársena de Cartagena, the agreement with Ecoembes signed in 2013 is being maintained, with very satisfactory results;
- The new QR code labelling system, which speeds up, facilitates and improves the request for removal by the different production centres, is part of the Waste Management System within the EMS. This system remains in a constant process of continuous improvement, having been implemented in most of the centres and for most of the waste;
- training talks for environmental managers of the collaborating companies on the environmental management system, waste segregation and life cycle;
- reuse in smelting processes within our own facilities of steel scrap from Submarine Manufacturing that is not going to be used for the manufacture of these, reducing the amount of scrap that must be managed outside our facilities and applying a circular economy system;
- the sand from the moulds used in the foundry is recovered thanks to a reclaiming machine which allows the used sand to be purified to the point where it can replace new sand in the manufacture of cores and moulds;
- reuse of the water used for the hydraulic tests carried out on the S-80 Submarine during its construction, making it possible to save large quantities of this scarce resource.

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ESRS E-E5

Targets related to resource use and the circular economy

Objectives	KPI	What are we doing?
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Target 12.1: Implementation of sustainable consumption and production framework. Target 12.2: Achieve efficient use of natural resources.		Target 12.6: Adoption of sustainable practices in enterprises. Target 12.7: Sustainable public procurement.
Launch of Green Public Procurement	Detailed green procurement plan	- Determine the relevant green procurement criteria for Navantia - Design a strategy and awareness-raising plan with selected suppliers. - Define the critical materials for green procurement (e.g. steel).
Transfer of requirements to the supply chain	% of suppliers with commitment	- Defining the necessary requirements for collaboration with Navantia - Work with Governance to formalise criteria - Launch pilot to selected suppliers - Gather lessons from the pilot and apply criteria at scale.
55% decarbonisation (scope 1&2)	% GHG decarbonisation	- TBD Decarbonisation Plan - Tonnes emitted: TBD - Tonnes compensated: TBD
100% decarbonisation (scope 1&2)	% GHG decarbonisation	- TBD Decarbonisation Plan - Tonnes emitted: TBD - Tonnes compensated: TBD
Navantia Ecosystem	# H_a and reforested ecosystems	Environmental information and outreach
Biodiversity and business	TBD	Measuring ecosystem services
Adapt NFR according to future regulations	TBD	Transition from NFR to ISC in accordance with the Directive and internal transposition regulations.
Create and incorporate ESG criteria in orders and as part of the evaluation criteria.	TBD	

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Objectives	KPI	What are we doing?
	Target 9.4: Modernisation of infrastructure, clean technology.	
	Eco-design strategy	• Sustainable ship design • Application of eco-design criteria to new projects (modular frigate) • Green propulsion systems (Smart 4000, hydrographic vessels). • Wizards for digital ship twin aimed at reducing environmental impact
	Sustainable centres	• Water and energy consumption / h • Studying the design of a sustainable shipyard
	Target 14.2: Management of marine and coastal ecosystems. Target 14.5: Conservation of coastal and marine areas.	
	Definition of the EV business development plan	• % decarbonisation blue carbon • Joining the global blue carbon commitment
	Navantia Ecosystem	• # hectares and ecosystems reforested • Repopulating marine ecosystems (e.g. Posidonia) • Joining the global blue carbon commitment

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Expected financial impacts of impacts, risks and opportunities related to resource use and the circular economy

Risks, Impacts, Opportunities	Description	Additional information	Financial impact
Diversification of the service portfolio: Ship scrapping (scrapping as "green recycling")	Maximisation of the use of scrap. Use of scrap as raw material (steel, copper, nickel, etc.). Income from the sale of scrap to steel mills (strategic agreements) and stability due to increased production in months of low workload.	Scrap produced per year: 9,411 tonnes (Source: Navantia for each productive core, in the last 4 years (19-22), provided by Navantia). Average price of scrap: 350 €/tonne. Additional information from Navantia-Reparaciones Cartagena on the business case of ship scrapping.	Estimated revenues = - +3.5 M€/year from scrap sales - +2 M€/scrapped vessel
Access to public funding linked to ESG: PERTEs	Obtaining funding in the development of the use of new energy sources, circular economy and decarbonisation.	Total subsidies to be received, estimated by the company itself. Only potential aid for the Naval PERTE is envisaged.	10 M€ for PERTE Naval
Growth of the offshore wind segment and green energy such as hydrogen	Increased revenues thanks to the development of Navantia Seanergies and services/products related to renewable energies (e.g. electrolyzers).	Seanergies' revenue projection (H 5.0) is taken into account. The bulk will come from offshore wind, but could also come from other green H2 activities.	Revenue increase +100 M€/year

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Environmental Taxonomy

The European Commission is preparing an action plan on financing sustainable growth, presented in 2018, which will drive a package of measures to redirect and help improve the economic flow towards sustainable activities to achieve the objectives agreed in the European Green Pact, the climate neutrality of the Paris Agreement by 2050 and the implementation of the Sustainable Finance Action Plan.

The EU Taxonomy is a classification system that establishes a list of environmentally sustainable economic activities in line with the United Nations Sustainable Development Goals, pursuing in particular six environmental targets:



Climate Change Mitigation

An activity is considered to make a substantial contribution to mitigating climate change when it makes a substantial contribution to stabilising greenhouse gas concentrations in the atmosphere.



Climate Change Adaptation

Adaptation solutions that either substantially reduce the risk of adverse effects of the current climate or provide for adaptation solutions that contribute to preventing the risk of adverse effects on people, nature or other assets.



Sustainability and protection of marine waters and resources

Contribute to the development of good status of water bodies, including surface and groundwater bodies, or prevent their deterioration where they are in good status.



Transition to a circular economy

Use of natural resources, especially sustainable materials of biological origin and other raw materials, in production in a more efficient way increasing the durability and responsibility of the products.



Pollution prevention and control

By reducing pollutant emissions into the atmosphere, improving air quality levels, cleaning up waste, etc.



Protection/recovery of biodiversity and ecosystems

Achieving a favourable conservation status of natural and semi-natural habitats and species or avoiding their deterioration if their conservation status is already favourable.



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For the moment, the Taxonomy has been developed only in its environmental variable, identifying the economic activities that can contribute to the **mitigation and adaptation** of climate change, establishing a series of requirements, which, if fulfilled, will qualify an activity as sustainable. These activities will be classified as follows:

- **Eligible activities:** economic activities that are included in *Annex I* (Mitigation) and *Annex II* (Adaptation) of the delegated regulation 2021/2139.
 - ✓ *Transition activities (Annex I Mitigation):* activities that do not have low-carbon technological and economic alternatives, but support a transition to a climate-neutral economy.
 - ✓ *Enabling activities (Annex I Mitigation and Annex II Adaptation):* activities that enable others to make a substantial contribution to one or more objectives.
- **Ineligible activities:** all economic activities, which are not covered by Annex I and Annex II of Regulation 2021/2139.
- **Eligible and aligned activities:** economic activities that are eligible and meet the requirements for alignment with the Taxonomy.
- **Eligible and non-aligned activities:** eligible economic activities that do not comply with any of the alignment requirements.

Application of the European Taxonomy

Regulatory context

The European Taxonomy is a tool for classifying economic activities according to their impact potential and their contribution to sustainability.

So far, economic activities that can contribute to climate change mitigation and adaptation objectives have been identified.

The regulatory framework of the Taxonomy is currently defined by the following regulations:

- **EU Regulation 2020/852:** establishment of criteria for determining whether an economic activity is considered environmentally sustainable for the purpose of determining the degree of environmental sustainability of an investment.
- **Delegated Regulation 2021/2139:** determining the technical selection criteria for determining under which conditions a specific economic activity shall be deemed to make a substantial contribution to climate change mitigation or adaptation and for determining whether that economic activity causes significant harm to any of the other environmental objectives set out in Article 9 of Regulation (EU) 2020/852 in Annex I and Annex II to this Regulation.
- **Delegated Regulation 2021/2178:** specifying the methodology, content and presentation of information to be disclosed by companies on environmentally sustainable economic activities.

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In addition, on 21 November 2023, the following amendments to the previously mentioned Delegated Regulations were published:

- **Delegated Regulation (EU) 2023/2486:** Includes the list of taxonomic activities, as well as the Substantial Contribution and DNSH criteria for the remaining four environmental objectives.

It also includes the modifications made to RD (EU) 2021/2178 in articles 8 and 10, on reporting requirements in templates.
- **Delegated Regulation (EU) 2023/2485:** Amends Regulation 2021/2139, in particular, it publishes a number of changes to the Substantial Contribution Criteria for climate change mitigation and adaptation objectives, as well as the DNSH requirements set out in Annexes I and II of the Regulation.

This regulation establishes a number of reporting requirements for certain companies (financial market participants offering financial products and companies that are subject to the obligation to publish non-financial statements or consolidated non-financial statements in accordance with Articles 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council).

Disclosure obligations

The annual sustainability reporting requirements according to regulation 2020/852, article 8, establish a classification of sustainable economic activities of the business activity in order to improve non-financial information flows and to increase transparency with stakeholders.

Public-interest companies with more than 500 employees shall report their NFIs for the financial year 2022 with quantitative and qualitative information.

The information contained in the quantitative aspect of the report is:

- **Turnover Eligibility Percentage (NTV):** This indicator shows the relative weight of net turnover, the proportion of its turnover that comes from products or services related to economic activities that are considered environmentally sustainable and aligned with the Taxonomy.
- **Percentage of eligibility of CapEx:** This indicator shows the proportion of CapEx (investments in **fixed** assets) that corresponds to assets or processes that are associated with economic activities covered by the Taxonomy.
- **Operational expenditure eligibility (OpEx) percentage:** This indicator shows the proportion of OpEx (operational expenditure linked to infrastructure maintenance) that corresponds to assets or processes that are associated with economic activities covered by the Taxonomy.

$$KPI_{(VNN, CapEx, OpEx)} = \frac{\text{Elegible amount/aligned}}{\text{Total}}$$

In addition, they should incorporate qualitative information that facilitates the understanding of the results of these indicators through the specification of eligibility and the alignment of their economic activities.

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Outreach

Analysis of the company's economic activities

In the application of the European Taxonomy, the information available in its economic-financial systems has been analysed, with the same scope and breakdown as that used for the preparation of the entity's individual annual accounts.

By the nature of its powers and functions:



Design, construction and maintenance of all types of naval platforms (surface ships and submarines).



Provision of high technology and intelligent services.



Activities related to offshore wind, hydrogen and other alternative energies.



Eligible activities identified under the Climate Taxonomy Delegated Regulation 2021/2139 are as follows:

- **3.1 "Manufacture of renewable energy technologies".**

It is described as the Manufacture of renewable energy technologies, where renewable energy is as defined in Article 2(1) of Directive (EU) 2018/2001.

This is an enabling activity, i.e. an activity that directly enables other activities to make a substantial contribution to one or more of these objectives, provided that this economic activity:

- a) does not lead to the retention of assets that undermine long-term environmental objectives, taking into account the economic life of such assets, and
- b) has a substantially positive environmental effect, taking into account the life cycle.

- **3.2 "Manufacture of equipment for the production and use of hydrogen".**

Like the previous one, it is a facilitating activity.

- **3.3 "Manufacture of low carbon technologies for transport".**

It is a facilitating activity understood as the manufacture, repair, maintenance, renewal, reconversion and modernisation of vehicles, rolling stock and low-carbon transport vessels.

- **3.6 "Manufacture of other low-carbon technologies".**

It is described as the manufacture of technologies aimed at substantially reducing GHG emissions in other sectors of the economy, if these technologies are not covered by sections 3.1 to 3.5 of this Annex.

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6.12 "Refurbishment of vessels for the carriage of passengers and goods by sea (including coastal shipping)".

Regulation 2021/2139 describes it as the renewal and modernisation of vessels designed and equipped for the carriage of goods or passengers by sea or coastal waters, and of vessels required for port operations and auxiliary activities, such as tugs, mooring craft, pilot boats, pilots, liftboats and icebreakers.

An economic activity falling into this category is a transitional activity within the meaning of Article 10(2) of Regulation (EU) 2020/852 when it fulfils the technical selection criteria set out in this section.

Activity 9.1 "Research, development and innovation close to the market".

This is an enabling activity understood as Research, applied research and experimental development of solutions, processes, technologies, business models and other products aimed at reducing, avoiding or eliminating GHG emissions (R&D&I) and whose ability to reduce, eliminate or avoid these emissions in the targeted economic activities has been demonstrated at least in a relevant environment, corresponding at least to the level of technological maturity.

For the period 2022, the exercise carried out has consisted of the identification of eligible activities among the revenue, CapEx and OpEx items, in accordance with the requirements established for this exercise, as well as the fulfilment of the technical selection criteria to determine the alignment of eligible activities.

Phases of the calculation process

The process that has been defined for the calculation of the Taxonomy is as follows:

1	Regulatory checklist to identify the main requirements, data, structure; breakdown and identification of economic activities with their equivalence in NACE.
2	Breakdown of the company's economic activities by company and line of business, broken down by NACE codes.
3	Identification of the financial information (sources, variables, denominator and numerator criteria).
4	Construction of the eligibility and alignment decision tree; methodology for calculating KPIs and inclusion of metrics in the NFIs.
5	Definition and calculation of the KPI's of the Taxonomy.
6	Drafting of the Taxonomy section, validation and inclusion in the NFS.

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Environmental Taxonomy

Overall results

The results of eligibility and alignment reported in this report by means of the KPIs: CapEx, OpEx and Business Volume include the activities carried out by Navantia in the national context, including the subsidiaries SAES, SAINSEL, Navantia Australia, Navantia Arabia and Navantia UK.

Navantia's new Strategy places sustainability at the centre, incorporating a transversal ESG vision throughout Navantia's business model and creating and reinforcing green business lines, as is the case with Seanergies.

The turnover indicator shows 54% eligibility, the CapEx indicator rises to 92% eligibility and the OpEx indicator reaches 66% eligibility. The result obtained in the latter demonstrates the solvency of a sustainable business model.

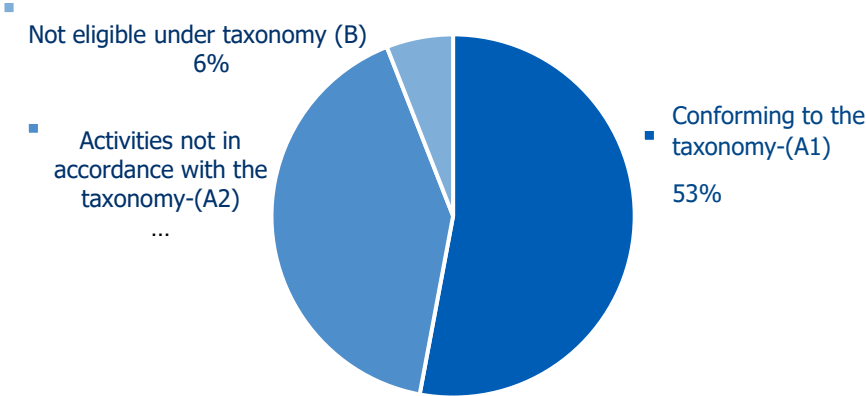
In terms of alignment, we note that not all eligible activities are 100% aligned with the EU Taxonomy after analysis of the environmental criteria (substantial contribution to at least one of the objectives, no significant harm to the other environmental objectives and compliance with the minimum safeguards).



KPI-Elegibility and Alignment-Turnover (year 2023)

	Absolute TO (Mill. €)	%S total
Conforming to the taxonomy-(A1)	709	53%
Activities not in accordance with the taxonomy-(A2)	551	41%
Activities not eligible under taxonomy (B)	80	6%
Total	1,339	100%

KPI-Elegibility and Alignment-VNN



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KPI-Elegibility and Alignment-CapEx (year 2023)

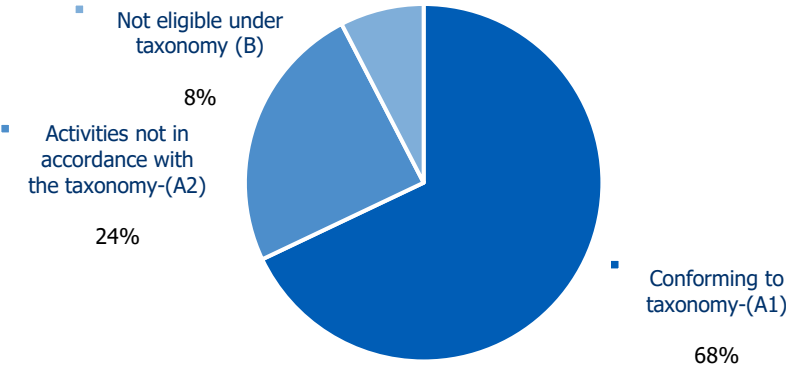
	Absolute CapEx (Mill. €)	%S total
Conforming to taxonomy-(A1)	93	68%
Activities not in accordance with the taxonomy-(A2)	34	24%
Activities not eligible under taxonomy (B)	10	8%
Total	137	100%



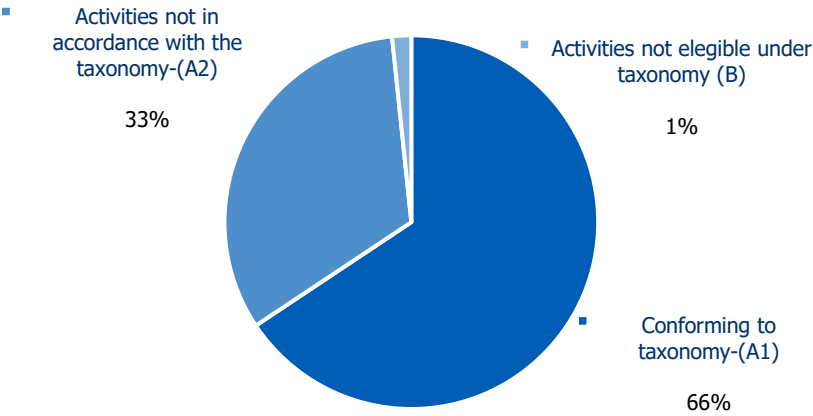
KPI-Elegibility and Alignment-OpEx (year 2023)

	Absolute OpEx (Mill. €)	%S total
Conforming to taxonomy-(A1)	57	66%
Activities not in accordance with the taxonomy-(A2)	29	33%
Activities not eligible under taxonomy (B)	1	2%
Total	87	100%

KPI-Elegibility and Alignment-CapEx



KPI-Elegibility and Alignment-OpEx



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3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES



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SOMOS" Company Values

During the year 2023, this commitment has been made clear with the launch of SOMOS, which represents the declaration of the Company's new values. Thanks to the successes achieved throughout Navantia's Strategic Plan in terms of growth and order book, the future is promising. Each challenge drives the cultural evolution of the Company and, as a consequence, to be able to update our DNA with the new values that have been key in achieving results.

The new values of Navantia are SOMOS:

SUSTAINABILITY

We are focused on achieving the best future for Navantia, the people who are part of it and the society we work for. We have a clear focus on Sustainability through Navantia Seanergies and our ESG strategy, as well as the Financial Sustainability of the company in order to remain a global benchmark for decades to come.

PRIDE

Our more than 400 years of success are underpinned by our ethical and professional way of doing things, by our commitment to equal opportunities and by being a company that accelerates the economy of our sector.

MODERNITY

We innovate on a daily basis, adapting to a constantly changing environment in which we want to be leaders. We are committed to excellence in our businesses, implementing our Digital Transformation strategy, the Centres of Excellence and the Monodon open innovation cell.

ONE TEAM

We are a global company that forms a single team focused on achieving the same goal and continuing to grow internationally. Navantia's strength lies in the diversity of its capabilities and the unity of the people who make it up.

OVERCOMING

We invest in people, to achieve high performance teams, focused on continuous improvement, developing personally and professionally.



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Policies relating to own staff

General Quality, Occupational Risk Prevention and Environmental Policy

In its General Policy on Quality, Occupational Risk Prevention and the Environment, Navantia's main commitments are in the area of occupational health and safety:

- **To provide safe and healthy working conditions** for the prevention of injuries and deterioration of health.
- **To lead actions aimed at eliminating hazards and reducing risks** in the working environment and in all its processes, providing the necessary resources for the maintenance and continuous improvement of the management systems, thereby pursuing the objective of ZERO ACCIDENTS.
- **Responsibility for prevention** must be a commitment and a value, both individually and according to the position they hold, of each and every one of their own employees or of any of the relevant stakeholders, integrating preventive actions into all their activities.

Senior management is committed to this Policy on an ongoing basis. Objectives are defined, measurable and consistent with the principles set out herein, which are widely disseminated and monitored to ensure their implementation and effectiveness.

Likewise, the necessary corrective and/or preventive improvement actions are planned and developed, in order to continuously improve the effectiveness of the Occupational Health and Safety System.

Human Rights

Navantia has an **unwavering commitment to respect and compliance with human rights in all facets of processes and operations**. Each team member is critical to the success of the company and there is a continuous effort to create an environment where dignity and respect are the norm.

Navantia adopts fair labour practices, promoting conditions that foster the well-being of the workforce, collaborating companies and the communities around us.

Our social responsibility is manifested both in concrete actions and in the determination of our company values.

In view of the above, Navantia will report the information relating to the protection of its own workforce and that of its suppliers in terms of human rights, without there being any material impact due to child labour, given that the materiality analysis does not reveal this type of practice.

Navantia has a Human Rights working group, together with the Legal Department, Compliance, Corporate Governance and the Sustainability area, where the Due Diligence Directive on Human Rights and the Environment and the Forced Labour Directive are being developed and implemented. In addition to this, the Draft Bill on which the Ministry of Social Affairs is working and the 2030 Agenda are also being developed.

On the other hand, **Navantia has joined the UN Global Compact**, reinforcing its commitment to act with leadership in the promotion and protection of human rights and aligning itself with the guiding principles of the United Nations.

Furthermore, our code of conduct, through its principle of ensuring respect for human rights, applies the OECD Guidelines for Multinational Enterprises, in addition to complying with and respecting the Charter of Fundamental Rights of the European Union.

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People management policy

The objective of the People Management Policy of Navantia, S.A., S.M.E. (Navantia) is to define and implement a model that allows us to attract, promote and retain talent and encourage the personal and professional growth of all the people who make up the Company. In order to achieve this objective, Navantia has defined the following priorities:

- **Recognise and promote diversity, equity and inclusion** as fundamental values that improve the working environment and enable people to develop their full potential in an atmosphere of tolerance and respect.
- **Supporting staff throughout their careers**, ensuring a quality induction plan, encouraging their training, lifelong learning and development, providing opportunities for internal mobility or progression and ensuring that their knowledge remains within the organisation.
- **To promote the cultural evolution of the Company** through the Leadership model, focusing on the importance of knowing ourselves, to be able to lead our teams and people, to finally lead towards the external and internal customer, being committed to the results.
- **To make available to the workforce a wide range of training**, adapted to the competencies of the jobs and to the evolution of the Company, so that people can keep up to date and learn according to their needs.
- **Developing people's talents** in a framework of equal opportunities
- **Work towards a total compensation scheme that guarantees attractive remuneration policies** based on individual performance and that values cooperation and teamwork and recognises people's contribution to the achievement of the company's results.
- **To prioritise the health and safety of all our workers in the performance of their activities**, in accordance with the Occupational Health and Safety and Environmental Policy drawn up for this purpose. Navantia is involved at the highest level in the design, development and monitoring of this Policy. Through its HR policy, Navantia promotes the development of a new business culture based on flexibility, respect and mutual commitment, in which people are at the centre of its actions.



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Diversity policy

The company's Diversity Policy includes the commitment to promote policies and measures that favour co-responsibility and work-life balance for its professionals.

We are committed to diversity as a key lever for achieving the company's objectives of attracting and retaining talent, among others. To this end, four indicators have been defined as key pillars of the project.

- Incorporate 2% of international profiles into the company.
- 25% of women in management and sub-management positions.
- Rejuvenation of the workforce: reach 25% of the workforce under 35 years of age.
- Inclusion: 2% of professionals with disabilities.
- Having diverse talent and ensuring development opportunities in Navantia.



Navantia's Commitment to Health and Safety at Work

Navantia considers the health and well-being of both its own workforce and that of its collaborating companies to be a priority. The approach to personal care is based on the concept of integral health as promulgated by the World Health Organisation (WHO), which describes that it is not only the absence of illnesses or diseases, but must include a complete state of physical, mental and social well-being.

Navantia is committed to the Sustainable Development Goals and, of course, to Goal 3 on Health and Emotional Wellbeing. As part of this commitment, Navantia was recognised by the Spanish Network of Healthy Companies (REES), part of the National Institute for Health and Safety at Work (INSST) of the Ministry of Labour and Social Economy for the good practices carried out.



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The General Quality, Prevention and Environment Policies describe:

"Navantia is committed to providing safe and healthy working conditions for the prevention of injuries and deterioration of health, as well as environmental protection and the fight against climate change, as elements of strategic importance and as the first criterion to be taken into account from the beginning of the planning and development of all its activities. It also undertakes to lead actions aimed at eliminating hazards and reducing risks in the working environment and in all its processes, providing the necessary resources for the maintenance and continuous improvement of management systems, thereby pursuing the goal of ZERO ACCIDENTS".

Within the policy itself, Navantia defines the responsibilities in preventive matters as follows:

Responsibility for the prevention of occupational hazards and the environment must be a commitment and a value, both individually and according to the position they hold, of each and every employee, whether their own or that of any of the relevant stakeholders, integrating preventive and environmental actions into all their activities and decisions.

Navantia's Commitment to Health and Safety at Work

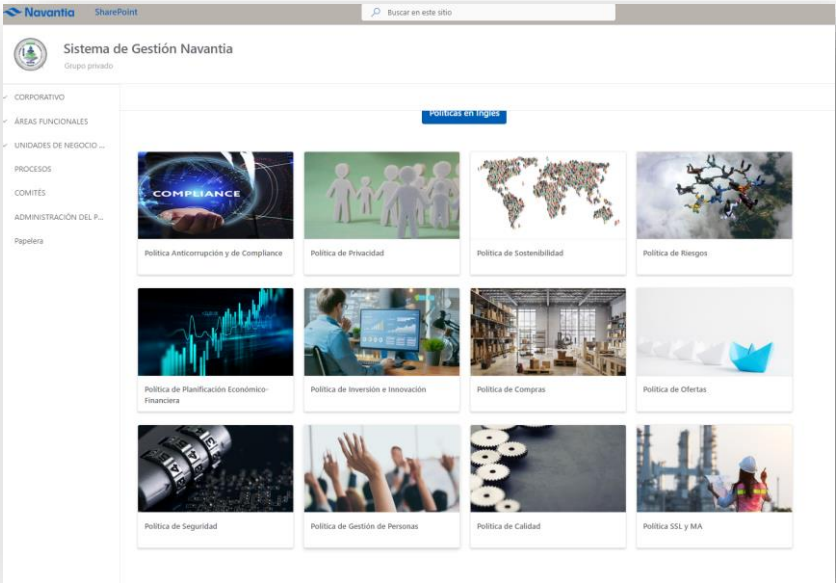
Navantia, through Article 37 of this Collective Bargaining Agreement, supplements the benefit granted by the Social Security in cases of temporary incapacity arising from common contingencies and from accidents and occupational illnesses up to 100 % of the fixed salary.

Policy communication

All Navantia employees have access to the corporate intranet where they can access the list of policies available in Navantia:

In addition to the above, policies and other relevant information are distributed through newsletters such as the Sustainability, Occupational Health and Safety newsletter and the Cuadern@ newsletter, which covers all areas and processes.

These communications are fully accessible both in the office workstations and in the production areas where connected points are located.



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Processes for collaborating with own employees and employee representatives on issues of concern

Work organisation

Navantia maintains a line of maximum respect for workers' collective bargaining rights, promoting and respecting the rights to freedom of association and collective bargaining, and to this end has permanent mechanisms for dialogue with workers' representatives, whom the company recognises as a fundamental stakeholder.

100% of the Navantia Group's workforce in Spain is covered by its own and sectoral collective bargaining agreements. In Navantia Australia, Navantia Arabia and Navantia UK, the current labour legislation is applied, and there is no collective agreement, although expatriate workers are covered by Navantia's Intercentre Collective Bargaining Agreement.

Since 2023, Navantia has been immersed in the negotiation of the II Intercentros collective agreement, with the aim of providing the company with a framework of labour stability for the coming years in accordance with the current socioeconomic context and with the needs and evolution of the company.

Along these lines, the new agreement must constitute one of the bases of the company's transformation to ensure that the company is a sustainable, robust organisation, prepared to lead shipbuilding and green energies in Spain and with the ambition of making Navantia a global benchmark, completing the process of harmonising the working conditions of the entire workforce and carrying out human resources planning that contributes to the company's competitiveness and the achievement of its strategic objectives.

As for the right to freedom of association and trade union representation, Navantia understands that these are a key factor for the company.

The trade union sections have freely elected workers' representatives, with full respect for the principle of legality and freedom of association.

In addition, the trade union sections and staff representatives in Navantia are guaranteed, in accordance with the legislation and the agreement, the exercise of their negotiation, participation and representation functions.



For their part, SAINSEL workers are covered by the Collective Bargaining Agreement for Metal Industry, Services and Installations of the Community of Madrid, improved version. Its Legal Workers' Representation is made up of 3 employees, with whom the Corporate Management and the HR area meet to deal with the matters pertaining to this representation (annual work calendar, personnel hiring, PRL activities, etc.).



Finally, SAES employees are covered by the 1st Collective Bargaining Agreement of Sociedad Anónima de Electrónica Submarina.

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Implementation of work disengagement policies

Navantia recognises the right to digital disconnection of workers as a fundamental element to achieve a better organisation of working time in order to respect private and family life, improve work-life balance and contribute to the optimisation of the occupational health of all workers.

Along these lines, it has developed **an internal policy on digital disconnection, consistent with the company's work-life balance policies**, which aims to develop measures for flexibility, work-life balance and quality of work, enabling progress towards an organisational work culture based on efficiency and the achievement of objectives.

Among the measures developed by Navantia as part of its commitment to the implementation of work disconnection policies, the following stand out:

- Promote rational organisation of working time and its flexible application, as well as the use of technologies and planning tools.

- Promote an efficient and rational use of e-mail and the corporate telephone, not requesting a response outside working hours, nor during rest periods, leaves of absence, leaves of absence or holidays, except in the case of force majeure or exceptional circumstances.
- Promote a culture focused on results and productivity improvement, eliminating the culture of presenteeism.
- Carry out awareness-raising actions at all levels of the organisation aimed at disseminating and enforcing the right to digital disconnection, expressly recognising this right for people who provide their services remotely.

Digital disconnection is a valid work-life balance tool, without undermining the organisational flexibility promoted by the Company. Processes to remedy negative incidents and channels for employees to express their concerns.



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Ethical Channel. Workplace Harassment and Sexual Harassment Protocols

Ethical Channel

Since 13 June 2023, Navantia has had a new Ethics Channel, which unifies the former whistleblowing and consultation channels. This was approved by the Board of Directors and complies with the requirements of Law 2/2023, which regulates the protection of people who report regulatory infringements and the fight against corruption.

Its purpose is to be the single communication channel for employees, suppliers, agents, business partners and other third parties related to the company to communicate with each other:

- Report irregularities, breaches or acts contrary to the principles of the Code of Conduct or the law, including reports of harassment.
- Consult on the interpretation or application of internal company rules and procedures related to Regulatory Compliance.

Those responsible for the Ethics Channel are obliged to ensure the confidentiality and, where appropriate, anonymity of the information received, as well as to protect persons who, in good faith, use the Ethics Channel.

Workplace Harassment Protocol

The protocol on harassment at work in force in Navantia aims to be a useful tool for preventing and correcting conduct and attitudes that may involve moral or workplace harassment, establishing guidelines for identifying a situation of harassment, as well as the procedure to be followed for detecting any conduct of this type.

The protocol is applicable to any situation of harassment in the workplace that may affect any person or group of persons contractually linked to Navantia, either through a commercial or employment contract.

Since the entry into force, 3 complaints have been dealt with, of which 1 was made by a woman and the other two by men. In 2023, two complaints have been made, one by a woman and one by a man.

Sexual Harassment Protocol

The protocol on harassment in the workplace in force in Navantia aims to prevent and prosecute sexual harassment or harassment based on sex against any of the company's employees.

The measures implemented have been:

- Disseminate the protocol to all staff.
- Collect the number of sexual and gender-based harassment cases filed and under resolution, ensuring the confidentiality of the data of all persons involved.

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Adoption of measures relating to material incidents concerning own staff

The value of diversity

Navantia understands diversity as a value-generating asset that fosters innovation and enriches its employees personally and professionally, making them a key element in achieving the company's objectives and success.

Diversity is therefore considered not only in terms of gender, but also in terms of cultural, generational, ideological, sexual orientation, skills and competences, different abilities, as well as any other personal, physical or social condition.

As proof of this commitment, **Navantia has a diversity and gender equality strategy**, in which a series of objectives have been established:

- Encourage diversity as a source of talent.
- Foster an open, non-discriminatory and flexible culture in the organisation.
- Eliminate barriers to women's professional development.
- Making the most of talent.
- Contribute to raising awareness in society on this issue through the dissemination of our best practices and participation in relevant forums.

Navantia is committed to gender equality in terms of equity, working every day to achieve gender **equality through various professional development programmes in which the participation of women is encouraged** and the incorporation of women at all levels of the organisation is promoted.

This plan covers all levels of the organisation and includes different measures and concrete objectives around several areas of action:

- Culture, communication and corporate image.
- Equal Pay.
- Selection.
- Training and professional development.
- Reconciliation and flexibility.
- Prevention of harassment at work and on grounds of sex.



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Female talent

Women's Mentoring Programme 2023

The main objectives of the women's benchmarking programme are as follows:

- **Promote diversity within Navantia** and involve the Management Committee.
- **To contribute to the personal and professional development** of participants by maximising their potential.
- **Improve visibility** and personal branding.
- **Focus on competencies through mentoring** with the Steering Committee.
- To have a **portfolio of profiles for managerial positions**.

This programme is aimed at women with high potential and is based on a valuable exchange of experiences between mentors with an established career and women with high potential in the midst of their professional career development. More than 30 people participated in the programme.

Navantia is participating in **training, workshops and events such as the Women in Tech Shaping the Future organised by NATO in Brussels.**

Other opportunities to nurture female talent include:

- Nebrija Management Development Programme for STEM profiles.
- Innovators and Game Changers: Women in Tech" event.
- Master Class on Mindset applications.
- Creation of video CVs.
- Collaboration in the celebration of 8 March Day



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Different Abilities

Navantia is committed to incorporating the best talent into its workforce, regardless of its characteristics. In compliance with the General Law on the Rights of Persons with Disabilities and their Social Inclusion (LGD), **in 2023 it has had an annual average of 94 employees with a recognised disability**, which represents 2% of the workforce.



Inclusion in Navantia is based on different actions:

- Accessible facilities plan: The Industrial Management and Occupational Health and Safety areas have drawn up a catalogue of accessible facilities.
- Awareness-raising through workshops on unconscious biases.
- Specific scales in the selection process and agreements with entities as a source of recruitment and training.

Alternative measures have been taken to promote inclusion:

- Starting in 2022, work is being carried out with the services of the Capacis Foundation (Madrid) as well as with the collaboration of 2 special employment centres Afanas (Bahía de Cádiz) and Sifu (Ría de Ferrol), to carry out the digitalisation of all the employment records of the Navantia workforce.
- The merit scale included in Navantia's selection process awards additional points to candidates with a disability equal to or greater than 33%.

Similarly, **all work centres comply with legislation on accessibility** to ensure that there are no barriers that may limit access to work centres for the performance of their work activities. For this reason, all Navantia's centres carry out adaptations to their infrastructure to eliminate barriers.

There is specific planning at each of its centres to deal with the evacuation of sick, injured, disabled or pregnant women in the event of an emergency situation. However, Navantia's commitment extends beyond legal compliance, with specific policies aimed at achieving real equality:

Financial assistance for employees with family members with disabilities.

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Employee Value Proposition

Navantia wants to provide its employees with the right working conditions to enable them to combine their professional and personal lives. This commitment is materialised in a series of plans, policies and specific measures that favour work-life balance and flexibility.

Flexible working environments are promoted by encouraging measures aimed at self-management of working time, which help to boost productivity. These measures revolve around three main lines of action:

Flexibility

- Time flexibility.
- Remote work (up to 2 days a week).
- Days of free disposal recognised in the working calendar.
- Continuous working day throughout the year.
- Online training programmes.
- Flexible working hours for pregnant women or people with dependent family members.



Most of the flexible working hours measures developed by Navantia contribute to promoting the co-responsible exercise of work-life balance by women and men. In this sense, its employees have a continuous working day throughout the year. The paid leave regime set out in the Collective Agreement improves on those established by law, among others, by recognising the right of both parents to 2 hours' absence from work to care for children under 12 months of age. In addition, this right may be replaced by a one-hour reduction of the daily working day for the same purpose or accumulated in a leave of 15 working days to be taken at the end of the suspension of the contract for maternity or paternity.



In the UK environment, employees are being given significant working flexibility. In this respect, the five local staff employed have significant flexibility ranging from two days a week in the office to three days a month in the office.

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Quality in employment

- Job stability: 99,57% of permanent contracts.
- Social benefits: scholarships, flexible remuneration plan.
- Health and well-being: health care on company premises, medical insurance, "Embárcate en Salud" Healthy Company Programme.
- Meal subsidy (restaurant tickets and catering services).
- Action protocol in the event of harassment at work, sexual harassment or sex-related harassment.



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Reconciliation

- Study assistance for employees' children.
- Family support (leave of absence, leave and flexible working hours to care for family members, support for dependent family members).
- Comprehensive protection measures for women victims of gender-based violence.
- Flexible Remuneration Plan: Includes health insurance, childcare, transport card and training products.

Most of the flexible working hours measures developed by Navantia contribute to promoting the co-responsible exercise of work-life balance by women and men. In this sense, its employees have a continuous working day throughout the year.

The paid leave regime included in the Collective Bargaining Agreement improves the legally established ones, among others, by recognising both parents a right to 2 hours of absence. from work to care for descendants under the age of 12 months.

In addition, this right may be substituted by a one-hour reduction of the daily working day for the same purpose or its accumulation in a leave of 15 working days to be taken at the end of the suspension of the contract due to maternity or paternity.



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Professional Development

Creating opportunities for the future - Rumbo Programme

Navantia has developed the Rumbo programme, which encompasses all the initiatives aimed at promoting the development of its professionals. This programme includes different actions focused on accompanying and providing the necessary tools so that the people in the organisation can grow professionally.

Development interviews

Discussions between manager and team members to learn about mobility concerns, explore strengths and areas for improvement or training needs, among others, with the aim of establishing an action plan accordingly.

Development Committee

This is the forum for sharing the assessment of the potential of the company's employees and directing the appropriate actions to facilitate their professional development.

Development plans

This is the individual reflection where the ambitions and interests of the employees are collected and the necessary actions are planned in order to achieve and enhance them.

Training

Designing training plans to adapt and update the technical knowledge of the staff, as well as other aspects that favour their personal and professional skills.

Leadership programmes

They aim to acquire the necessary tools to manage teams, manage their own emotions as well as those of the employees they are responsible for, enhance communication skills and practice the appropriate leadership style in each situation.



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Training

The year 2023 has been a year of consolidation of the training initiatives started in previous years. Expanding and improving the knowledge of employees is a priority for Navantia in order to contribute to their personal and professional development to meet new technological challenges. Modernisation and digital transformation and cultural evolution continues to be a priority, putting people at the centre of the transformation.

Training is a key element to achieve this and the training plans are based on the strategic actions and needs that arise. The rejuvenation of the workforce undertaken in recent years needs the support of training to reduce the learning curve for new recruits and/or internal staff movements.

Navantia invests more than **229,000 hours in training** for the entire workforce, with an **annual investment** of more than €8M. 

The Training Plan is aimed at implementing strategic actions that support the consolidation of Navantia's transformation into a modern and sustainable company.

Regulatory training is also key to transforming the company with quality and standardisation criteria and, furthermore, to guarantee compliance with current legislation. Different programmes are developed annually on cybersecurity, compliance, data protection, gender equality, etc.

The prevention of occupational risks and sustainability are present annually in the training plans. **In 2023, it has been a priority objective** of extensive programmes for the entire workforce to **adapt to the new Occupational Health and Safety Regulations** approved by the company.

With a focus on continuous development, Navantia also develops leadership programmes, management support and development, soft skills, languages...

Access to a platform of free resources is provided so that people can have continuous training according to their needs and interests.

The training model adopted by Navantia is focused on improving the quality and experience of employees by facilitating their access to training. The adoption of new tools, dynamics, delocalisation and globalisation of the process and multiple options have provided alternatives for access to training. Digital training continues to grow, although hybrid models are proving to be more successful because of the combination of synchronous and asynchronous training.

The company's new recruits are also a priority target for training. **The development of "On the Job Training" training programmes** help new junior employees to facilitate their incorporation into their jobs. The objective is to "learn by doing", thus accelerating the learning curve during the first months in the company, focusing on critical knowledge in accordance with the needs of the departments and trying to reduce the impact on production during the learning process.

On the other hand, **Navantia continues to collaborate in internship programmes for students from various training centres, both university and professional training**, with the aim of improving their training and bringing them as close as possible to the reality of the world of work.

In recent years, more than 500 students have carried out and continue to carry out their internships at Navantia through different Dual Vocational Training programmes such as mechatronics, mechanical manufacturing design, production programming in mechanical manufacturing, multimedia application design, management assistance, etc, in addition to the students who complete their studies in the former traditional Vocational Training with internships at Navantia.

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Mentoring and Reverse Mentoring

It involves a transmission of values and culture between mentor and mentee through a relationship of trust and accompaniment in which the mentor shares his/her experiences to help the mentee to face different situations.

Likewise, and in order to contribute to generational rapprochement, accompaniment is encouraged between juniors and experienced people in the organisation, so that the former can share their generation's knowledge about trends, new ways of working or technology, among others.



Mobility plans

This is the job opportunity that Navantia offers its employees to change jobs within the same organisation, so that they can take on new challenges and contribute to their professional development.



Succession planning

In order to work in an orderly manner and in anticipation of the needs arising from the generational changeover in the company.



360° evaluation

Through the process of providing feedback to employees from the different perspectives that make up their work ecosystem, in order to identify their main strengths and areas of opportunity.

Key management pillars for 2023

Dissemination of the Occupational Health and Environment Regulation

The new approved Occupational Health and Environment Regulations have been disseminated and implemented throughout this year in order to enhance and improve the following points:

- Structure of the SSL and MA Committees and Commissions, adapting them to Navantia's organisational model.
- Preventive training based on preventive leadership, preventive culture
- The figure of the Preventive Resource on site, guaranteeing their qualification and compliance with preventive regulations.
- Assistance and support to staff in the event of temporary incapacity due to common contingencies.
- Boosting the emotional well-being of the workforce.
- Dissemination to all staff has been in digital format in an attempt to reduce paper consumption, thereby reducing the carbon footprint.



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Actions against COVID-19

On 11 July, after more than three years, all Navantia workers were informed of the end of the health crisis caused by COVID-19, and the use of masks was no longer obligatory in all Navantia facilities.

However, **it is recommended**, at the slightest suspicion of respiratory or related symptoms, to keep a safe distance and wear a mask in all work areas.

The Occupational Health and Safety team took the opportunity to **thank the staff for their support and collaboration** in the most difficult and complicated situations that have arisen, both professionally and personally. Together, we have always tried to comply at all times with all the necessary measures so that our coexistence and activity has been able to develop in our work and family environment as normally as possible.

The pandemic has changed our lives in some ways, but the important thing now is to have taken **good note of the lessons learned**, and to apply the most positive aspects of our experience in the future.

The leadership exercised by the Company's management is decisive for the well-being and safety of all people, both in the Company's own workforce and in collaborating companies.

Navantia's leadership principles are:

- Demonstration of commitment to participation in preventive management and exemplary vision.
- Promotion of preventive management resources and best available practices.
- Integration of occupational health and safety in all decisions and positions in the Company.
- Establishment of annual objectives focused on continuous improvement.

Throughout the year 2023, training has continued at different organisational levels and stakeholders, in terms of leadership and preventive culture:



Course	Assistants	Hours
Preventive Leadership	129	516

Promoting a Culture of Prevention in Collaborating Companies

The evolution of the company's own workforce has meant that a significant part of the particularly hazardous activities are carried out by the Collaborating Companies. For this reason, we consider it especially relevant to transfer the preventive culture to the Collaborating Companies as a whole, and the following objective was approved by the Occupational Health and Safety Management Committee:

3. Establishment of a Plan for the evolution of preventive culture in Collaborating Businesses

Goals:

- a) Audit the 5 Collaborating Businesses of most impact in "SSL matter".
- b) Lead the implementation of the upgrade in the Subcontracting Plan in relation to the Preventive Culture promotion.

Indicator to measure compliance:

100% of actions completed before 31/12/2023

Targets have been met in accordance with the objective. On the other hand, workshops have been held in all of Navantia's geographical centres with the Collaborating Companies to promote their performance and preventive culture, in accordance with our Occupational Health and Safety Policy. Of particular note was the participation of Navantia's management and the companies' managers.

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Establishment of Psychosocial Risk Action Plans and Emotional Well-being Plan:

The health and emotional wellbeing programme has continued to be implemented in the different Navantia centres.

The project is based on the following pillars:

- **Emotional well-being team** with representatives not only from Occupational Health and Safety, but also from other members of the Company's Organisation:
 - **HRBP (Human Resources Business Partner):** The HRBP to the team is an innovative and highly effective concept not only for the implementation of **specific action plans** but also for the **management of conflicts** that may arise.
 - **Clinical Psychologist:** The addition of an experienced clinical psychologist to the staff gives us the possibility to address the different situations present such as: **conflict resolution, clinical care and immediate emotional support.**
 - **Focal Point Emotional:** As we have professionals in this area, we **link the results** of the **health surveillance** with the **psychosocial risk study** and offer **immediate care** services.
 - **Occupational Psychosociology:** We have specialists in Occupational Psychosociology in each work centre.
- **Development of Health Circles**, participation in these circles is done taking into account factors of intergenerational diversity, company positions, seniority, gender, etc.
- **Agreement with the Intercentre Occupational Health and Safety Committee**, especially on the methodologies and programmes to be used.



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The objectives are related to the following 3 areas:

- Cultural Evolution:
 - Improving team leadership.
 - Promotion of professional development.
 - Encouraging collaborative work.
- Business:
 - Focus on activity rather than conflict.
 - Reduction of absenteeism.
 - Improving corporate image.
- People:
 - Integral Health.
 - Work Motivation.
 - Addiction Treatment.



Main indicators:

Action	Participation
Psychosocial risk assessment	2,232 (54%)
Health circles	75
Psychological Assistance	52
Personal Interviews	89

Table 40: Participation in prevention actions carried out by Navantia

(*) The methodology published by the National Institute for Safety and Health at Work indicates that in addition to the genders male and female, the marking no answer/other should be offered.

Actions of the programme from a health perspective

Within this programme, value has also been placed on the promotion of a healthy lifestyle and there are specific campaigns on nutrition, prevention and treatment of addictions, anti-smoking campaigns, etc.



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Targets related to managing material adverse events, driving positive events and managing material risks and opportunities

Navantia's objectives and contribution to the SDGs

Objectives	KPI	What are we doing?
3GOOD HEALTH AND WELL-BEING 	Target 3.4: Reduce non-communicable diseases and mental health. Target 3.6: Reduction of road accidents. Target 3.9: Reduce deaths from chemical contamination and pollution.	
Creation of employee value proposition	• Proposal created	• Compiling employee benefits and creating the standard value proposition • Customise the value proposition for different jobs
10% accident rate	• Accident rate	• Improving the access road in Cartagena • Analyse the recurrence and severity of accidents by area. • Create an action plan to reduce recurrent and serious accidents
Mental health promotion	• Survey results	• Employee survey to understand their psychological health. • Enable and promote the use of psychologists.
4QUALITY EDUCATION 	Target 4.4: Increasing employability skills. Target 4.5: Elimination of Gender Disparity and Vulnerable Groups. Target 4.7: Promote global education for sustainable development.	
Sustainable centres	• % employees aware of initiatives	• +~90% of employees are aware of environmental initiatives.
30% women in A and B posts	• % women in A and B posts	• To train women with potential and the will to climb the ladder.
40% women in CDC	• % women in CDC	• To train women with potential and the will to climb the ladder.

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Objectives	KPI	What are we doing?
5 GENDER EQUALITY Target 5.5: Ensure women's full participation and equal opportunities. Goal 5.a: Ensure equal rights to economic resources. Target 5.c: Adopt policies and laws for equality and empowerment.		
Increase % women in the workforce	% women in the workforce	Ensure that new recruits have a high percentage of women.
30% women in A and B posts	% women in A and B posts	- Ensure equal opportunities for men and women. - Ensuring fair promotions based on meritocracy
40% women in A and B posts	% women in A and B posts	- Ensure equal opportunities for men and women. - Ensuring fair promotions based on meritocracy
40% women in CDC	% women CDC	Ensure equal opportunities for men and women.
8 DECENT WORK AND ECONOMIC GROWTH Target 8.2: Raise productivity through diversification, technology and innovation. Target 8.9: Achieve full employment and decent work.		Target 8.8: Protection of labour rights and safe work. Target 8.9: Promote sustainable tourism.1
Creation of employee value proposition	Proposal created	Compiling employee benefits and creating the standard value proposition
>40% Graduates	% Graduates	- Promote an increase in the percentage of graduates joining the company (currently 38%). - Promoting dual training for operators
100% competence/training matrix	Matrix created	- Promote an increase in the percentage of graduates joining the company (currently 38%). - Promoting dual training for operators

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Objectives	KPI	What are we doing?
	Target 8.2: Raise productivity through diversification, technology and innovation. Target 8.9: Achieve full employment and decent work.	Target 8.8: Protection of labour rights and safe work. Target 8.9: Promote sustainable tourism.1
	>50% Graduates % Graduates	- Ensure that new recruits have a high percentage of graduates. - To train potential and willing workers (dual training).
Flexible Organisation	# agile teams	Promote an organisation with agile dynamics and flexible staffing according to needs.
Entering the top 100 employees	Ranking position	Create an action plan on the different KPIs assessed in the ranking (e.g. talent, employee appraisal, remuneration, training).
Increase % of women in the workforce	% women in the workforce	Ensure that new recruits have a high percentage of women.
20-25% staff <35 years old	% people <35 years old	Ensure that new hires have a high % of people under 35 years old.
30-35% staff < 40 years old	% people <40 years old	Ensure that new hires have a high % of people under 35 years old.
10% accident rate	Accident rate	- Improving the access road in Cartagena - Analyse the recurrence and severity of accidents by area. - Create an action plan to reduce recurrent and serious accidents
Embedding KPI leadership with security	Defined KPI	- Define the leadership KPI with confidence - Collaborate with Governance to include the KPI in the criteria for leadership assessment

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Objectives	KPI	What are we doing?
10 REDUCED INEQUALITIES € Target 10.2: Promote social and political inclusion. Target 10.3: Ensure equality of opportunity Target 10.4: Adopt fiscal, wage and social protection policies.		
Increase % of women in the workforce	% women in the workforce	Ensure that new recruits have a high percentage of women.
20-25% staff <35 years old	% people <35 years old	Ensure that new hires have a high % of people under 35 years old.
30-35% staff < 40 years old	% people <40 years old	Ensure that new hires have a high % of people under 35 years old.
30% women in A and B posts	% women in A and B posts	- Ensure equal opportunities for men and women. - Ensuring fair promotions based on meritocracy
40% women in A and B posts	% women in A and B posts	- Ensure equal opportunities for men and women. - Ensuring fair promotions based on meritocracy
Incorporation of people with disabilities	% people with disabilities	Ensure that new hires have a minimum percentage of people with disabilities.
40% women in CDC	% women in CDC	Ensure equal opportunities for men and women.

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Characteristics of the company's employees

The total number of people in the workforce of Navantia and its subsidiaries segregated by gender is as follows:

	Total	Women	Men
Navantia Staff	4,450	18%	82%
Navantia Australia (PTY)	287	22%	78%
SAES	117	20%	80%
SAINSEL	34	18%	82%
Navantia UK	14	24%	76%
Navantia Arabia	36	17%	83%



	Navantia		Navantia Australia		SAES		Sainsel		Navantia UK		Navantia Arabia	
	M	F	M	F	M	F	M	F	M	F	M	F
2021	3,356	628	151	28	81	20	32	8	N/A	N/A	N/A	N/A
2022	3,439	707	185	41	91	22	36	8	0	1	11	6
2023	3,658	792	223	64	94	23	28	6	10	4	30	6

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Total number and distribution of types of employment contracts according to the type of professional classification:

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
Navantia	Senior Technicians	571	1,364	30%	70%	43%	1,935
	Employees	200	890	18%	82%	24%	1,090
	Operators	21	1,404	1%	99%	32%	1,425
	Total	792	3,658	18%	82%	100%	4,450

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
Navantia	Senior Technicians	24	157	13%	87%	63%	181
	Employees	40	66	38%	62%	37%	106
Australia	Operators	0	0	0%	0%	0%	0
	Total	64	223	22%	78%	100%	287

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
Navantia UK	Senior Technicians	4	10	29%	71%	100%	14
	Employees			0%	0%	0%	0
	Operators			0%	0%	0%	0
	Total	4	10	29%	71%	100%	14

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		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
Navantia Arabia	Senior Technicians	4	26	11%	72%	83%	30
	Employees	2	3	5%	8%	14%	5
	Operators		1	0%	3%	3%	1
	Total	6	30	17%	83%	100%	36
		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
SAES	Senior Technicians	19	83	19%	81%	87%	102
	Employees	4	0	100%	0%	3%	4
	Operators	0	11	0%	100%	9%	11
	Total	23	94	20%	80%	100%	117
		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
Sainsel	Senior Technicians	5	19	15%	54%	68%	24
	Employees	1	10	3%	29%	32%	11
	Operators						
	Total	6	29	18%	82%	100%	35

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Employment stability is shown in the distribution of temporary and permanent contracts:



Total number and distribution of employment contracts by type of contract:

TOTAL NAVANTIA GROUP

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	1,505	586	889	204	1,415	20
Temporary	204	62	26	16	11	1
Total	1,109	648	915	220	1,426	21

Navantia

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	1,302	537	884	192	1,396	20
Temporary	62	34	6	8	8	1
Total	1,364	571	890	200	1,404	21

SAES

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	82	19	0	4	10	0
Temporary						
Total	82	19	0	4	10	0

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Sainsel

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	17	5	0	1	9	0
Temporary	4	1	0	0	1	0
Total	18	6	0	1	10	0

Navantia UK

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	10	4	0	0	0	0
Temporary	0	0	0	0		
Total	10	4	0	0	0	0

Navantia Australia

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	94	21	3	7		
Temporary	115	23	17	6	1	
Total	209	44	20	13	1	0

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Navantia Arabia

	Senior Technicians		Employees		Operators	
	M	F	M	F	M	F
Indefinite	0	0	0	0	0	0
Temporary	26	4	3	2	1	
Total	26	4	3	2	1	0

Staff rejuvenation plan Number of redundancies by gender, age and occupational classification

In 2023, 2 people were made redundant, the two men belonging to the parent company (Navantia SA SME), an operator and a senior technician, both between 30 and 50 years of age.

Likewise, during the year 2023, 493 people have joined Navantia, of which 295 were men and 118 were women, in order to meet the transformation and internationalisation objectives set by the company, thus ensuring its competitiveness, sustainability and diversity.

This plan brings with it the guarantee of offering stable and quality employment, which seeks not only to strengthen the company, but also the professional development of both the new recruits and the personnel who were already part of Navantia.

During the year 2023, 10 people left SAES, 8 men (80%) and 2 women (20%):

- 2 retirements in the category of graduates and over 60 years of age.
- 4 in the graduate category and 4 in the mid-level category, aged between 23 and 65.

In Saincel, during the year 2023, 9 people (8 men and 1 woman), all of them belonging to the category of Graduates and all of them between 30 and 50 years of age, have voluntarily left the company. And one person left due to dismissal.

Navantia UK, Navantia Australia and Navantia Arabia have had no redundancies this year.

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Coverage of collective bargaining and social dialogue

The entirety of Navantia’s workforce, except for the Directors, Deputy Directors and Heads of Industrial Safety, **are under the scope of application of the 1st Intercentre Collective Bargaining Agreement** unanimously signed by all the trade unions that formed part of its negotiating committee.

For professionals who are outside the scope of application of the Navantia collective bargaining agreement, the regulations governing working conditions in general are the Workers' Statute.

The working day established in the agreement is 1,676 hours of work per year, the ordinary working day being a continuous morning shift from Monday to Friday.

In 2023, the 2nd Collective Agreement of Sociedad Anónima de Electrónica Submarina (SAES) was published.

This agreement applies to all SAES employees, with the exception of the members of the Management Committee in managerial and executive positions.

This new labour framework ensures internal and external equity in salaries and other working conditions, allowing for improved talent engagement at SAES and attracting new highly qualified professionals, providing stability.

This II Agreement represents an exceptional opportunity to ensure the successful execution of the main military programmes in which SAES participates, thus strengthening our contribution to national defence. In addition, this agreement allows us to launch a business strategy to obtain new contracts and open new lines of business.



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Diversity parameters

Generational Diversity

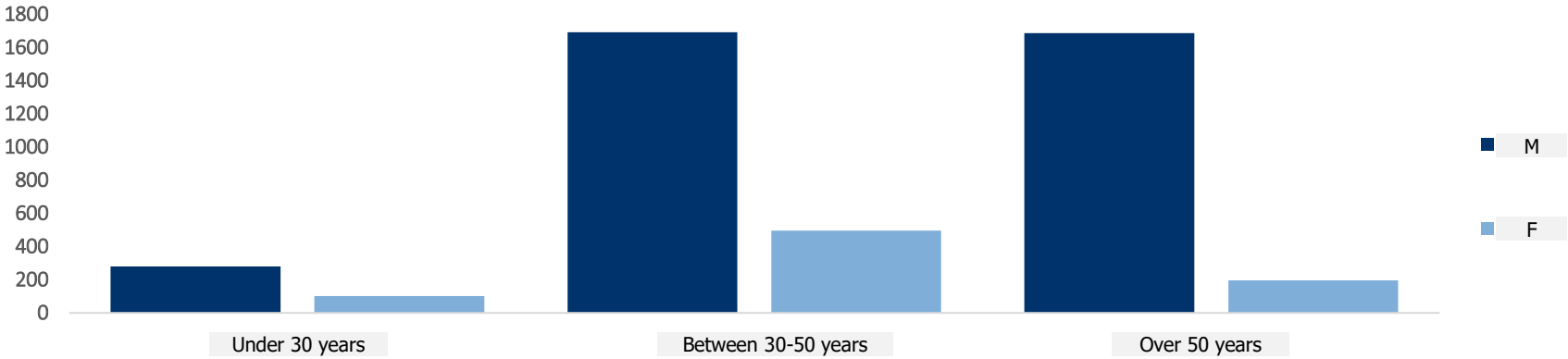
Navantia is currently immersed in a workforce rejuvenation plan initiated in 2019 that aims to incorporate new professionals to meet the transformation and internationalisation objectives set by the company, thus ensuring its competitiveness, sustainability and diversity.

This plan brings with it the guarantee of offering stable and quality employment, which seeks not only to strengthen the company, but also the professional development of both the new recruits and the personnel who were already part of Navantia.

The table below shows the distribution of staff by age:

	Navantia		Navantia AU		Navantia ARABIA		Navantia UK		SAES	SAINSEL
	F	M	F	M	F	M	F	M	Total	Total
Less than 30 years old	101	279	20	68	2	5	1	1	33	0
Between 30 and 50	495	1,692	38	110	4	17	3	2	57	22
More than 50	196	1,687	6	45	0	8	0	7	28	13
Total	792	3,658	64	223	6	30	4	10	118	35

Navantia: Breakdown of the workforce by age group



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Navantia's Diversity Plan aims to ensure that 25% of the workforce is under 35 years of age. As of 31 December 2023, the percentage of the workforce under 35 years of age is 19.77%. If we break it down by gender, we would have 33.2% of women under 35 years of age and 16.7% of men.

For Navantia, having the best talent in its workforce and providing it with the necessary tools so that it can grow with the company is a fundamental element in its people management strategy.

It therefore has practices that involve intergenerational management:

- Mentoring and Reverse Mentoring
- Intergenerational Diversity Workshops

On the other hand, Navantia's objective is to reach 25% of women in management and sub-management positions (levels A and B). By the year 2023, the target had been met, having reached 25%. The evolution of the percentages of women at these levels since the start of the Strategic Plan is as follows:

The data for women in positions of responsibility is as follows:

Year	% Management positions held by women
2020	21%
2021	23%
2022	26%
2023	25%

	Positions of Responsibility		
	Women	Total	%
2020	388	1,416	27%
2021	420	1,498	28%
2022	485	1,654	29%
2023	570	1,932	30%

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ESRS S-S1

Adequate wages and absenteeism

The average salaries categorised by age group and gender are as follows for Navantia and its subsidiaries

Navantia				
Year 2023	Men (€)	Women (€)	Overall average (€)	Wage gap
<30 years	28,150	29,759	28,578	-5.7%
Employees	26,035	25,343	25,793	2.7%
Operators	25,802	25,382	25,788	1.6%
Senior Technicians	30,575	30,715	30,628	-0.5%
Between 30 and 50 years old	40,077	42,116	40,536	-5.1%
Employees	39,257	35,557	38,320	9.4%
Operators	34,692	35,022	34,695	-1.0%
Senior Technicians	44,315	43,870	44,171	1.0%
>50 years	51,642	57,674	52,269	-11.7%
Employees	48,094	49,393	48,262	-2.7%
Operators	46,302	44,521	46,274	3.8%
Senior Technicians	65,718	66,418	65,853	-1.1%
Total	44,494	44,388	44,475	0.2%

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Navantia Australia (AUD currency)				
Year 2023	Men	Women	Overall average	Wage gap
<30 years				
Employees	88,852	87,570	88,211	-1.4%
Operators				
Senior Technicians	101,765	112,860	107,312	10.9%
Between 30 and 50 years old				
Employees	116,090	106,272	111,181	-8.5%
Operators				
Senior Technicians	142,645	141,915	142,537	-0.5%
>50 years				
Employees	115,631		114,159	-100%
Operators				
Senior Technicians	156,440	155,500	156,385	-0.6%
Average Australian remuneration (AUD)				
	Men	Women	Overall Average	
Senior Technicians		126,626	124,887	125,756
Employees		104,634	98,377	102,250

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Sainsel				
Year 2022	Men	Women	Overall average	Wage gap
<30 years				
Bachelor's Degrees, Engineers	30,969		30,969	-100%
VT & Admin.	-	-		
Between 30 and 50 years old				
Bachelor's Degrees, Engineers	50,660	38,076	44,368	-25%
VT & Admin.	32,328	20,805	26,567	-36%
>50 years				
Bachelor's Degrees, Engineers	52,806	55,344	54,075	5%
VT & Admin.	23,318		23,318	-100%

SAES				
Year 2022	Men	Women	Overall average	Wage gap
<30 years				
Employees	26,651	-	26,651	-
Operators	-	-	-	-
Senior Technicians	30,454	30,778	30,530	0.34%
Between 30 and 50 years old				
Employees	33,789	-	33,789	-
Operators	-	-	-	-
Senior Technicians	44,392	42,622	44,067	11.77%
>50 years				
Employees	31,945	-	31,945	-
Operators	-	33,981	33,981	-
Senior Technicians	57,938	54,768	57,334	14.38%

* In this case, the average remuneration of the other subsidiaries has not been included as it is not material in 2023.

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ESRS S-S1

Absenteeism data

The percentage of absenteeism in Navantia in 2023 was as follows:

YEAR 2023	Absenteeism	
	Men	Women
< 30 years	5.2%	3.7%
Between 30 and 50 years old	7.1%	7.9%
> 50 years	10.6%	8.3%
Navantia Average	8.6%	7.5%

On the other hand, the number of absenteeism hours in the subsidiaries of Navantia Australia, SAES and SAINSEL are expressed in the following table:

Entity	Number of hours
Navantia Australia*.	8,196
Navantia UK	0
SAES	3,151
SAINSEL	5,981

For SAES, the number of hours of absence totalled 3,151, while for SAINSEL a total of 5,981 hours of absence were recorded.



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ESRS S-S1

Social protection

The Navantia Group operates in multiple locations around the world, however, as can be seen in the distribution of its own employees by country, most of its own workforce operates in Spain, where the social protection of employees is guaranteed through the public protection schemes of the General Treasury of the Social Security.

The coverage offered by this body is notable for its wide range, providing social protection for employees both in the event of incurring sickness or sick leave, unemployment benefits, recognition and subsidisation of disabilities, and guarantees of retirement protection for employees.

On the other hand, in the multiple locations where Navantia operates, this is carried out through contracts that guarantee the social protection of its employees with the same conditions as in the parent company or the equivalent in the jurisdiction where it operates.

Different capacities

Navantia is committed to incorporating the best talent into its workforce, regardless of its characteristics. In compliance with the General Law on the Rights of Persons with Disabilities and their Social Inclusion (LGD), in 2023 it has had an annual average of 94 employees with a recognised disability, which represents 2% of the workforce.

Training and capacity building parameters

Hours of training (by professional category)

The following table shows the training actions by workplace.

Geographical area	F	% of no. of women in workforce	M	% of no. of men on staff	Total
Bahía deCádiz	203	81%	925	69%	1,128
Dársena de Cartagena	128	84%	643	71%	771
Madrid	115	84%	133	79%	248
Ría de Ferrol	228	76%	947	68%	1,175
TOTAL, NAVANTIA	674	80%	2,648	69%	3,322

And in number of hours per professional category:

2023	Employees	Operators	Senior Technicians
SAES	117	-	701
Sainasel	-	168	1,943
Navantia UK	-	-	-
Navantia Arabia	-	-	-

Professional group	Women	% Women	Men	% Men	Total
MS - Employees	5,252	21%	19,698	79%	24,950
OM - Operators	970	2%	48,588	98%	49,557
TS - Senior Technicians	26,593	34%	50,645	66%	77,238
Grand total	32,815	22%	118,931	78%	151,745

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Health and safety parameters

The main indicators of preventive management for the year 2023 are described below.

Total number of accidents with breakdown by gender

The accident rate of the female population is much lower than that of the male population. The following table shows the distribution of the data on accidents with sick leave, without sick leave and total accidents.

Navantia		
Accident	Men	Women
Accident with sick leave	57	5
Accident without sick leave	89	10
Total accidents	146	15

It is worth noting in this respect that no occupational illnesses with sick leave occurred in 2023.

Sainsel		
Accident	Men	Women
Accident with sick leave	0	0
Accident without sick leave	0	0
Total accidents	0	0



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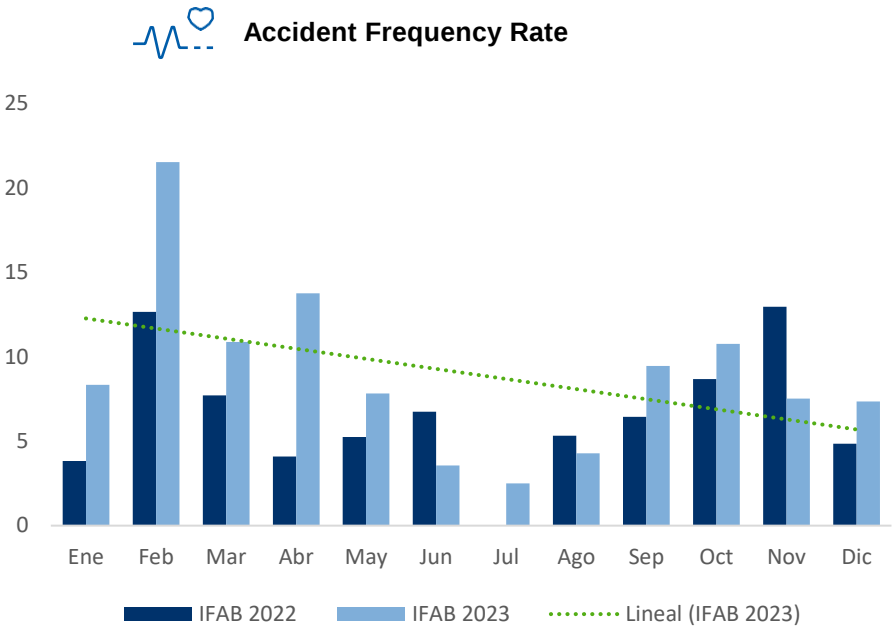
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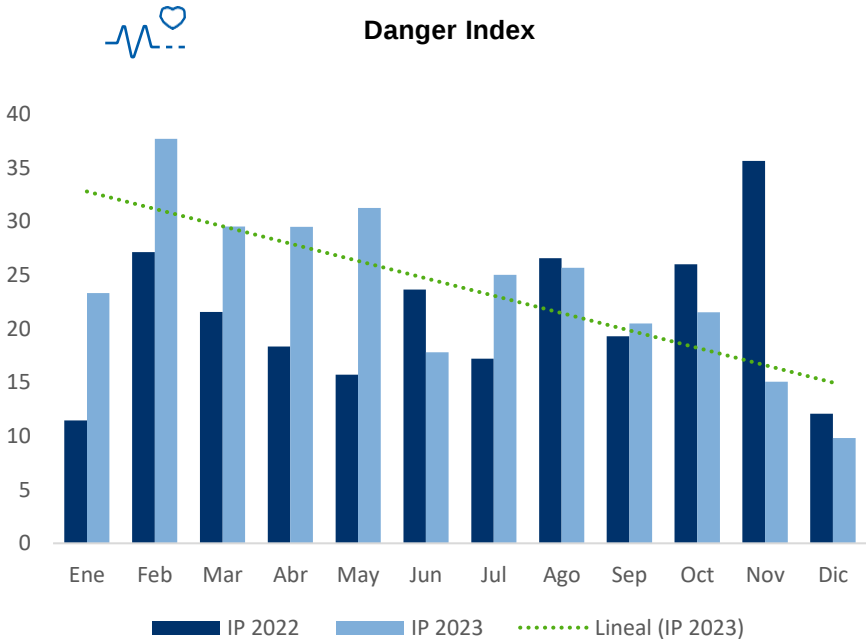
Accidentability of Staff

No lost time accidents were recorded at Navantia Australia, Navantia UK, SAES and Navantia Arabia. The accident rates are not presented by gender as the number of female accidents out of the total is not considered material.

The accident rate indicators for the company's own workforce are as follows:



$$AFR = \frac{\text{Accidents}}{\text{Hours worked}} 10^6$$



$$DI = \frac{\text{Total Accidents}}{\text{Hours worked}} 10^6$$

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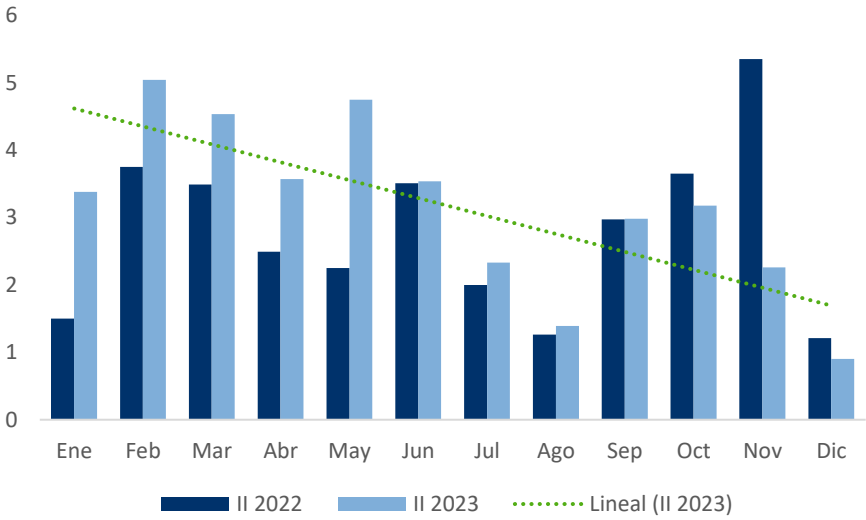
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Severity Index



Incidence Rate



$$SI = \frac{\text{Number of workdays lost}}{\text{Hours worked}} 10^3$$

$$IR = \frac{\text{Number of accidents}}{\text{Workers}} 10^3$$

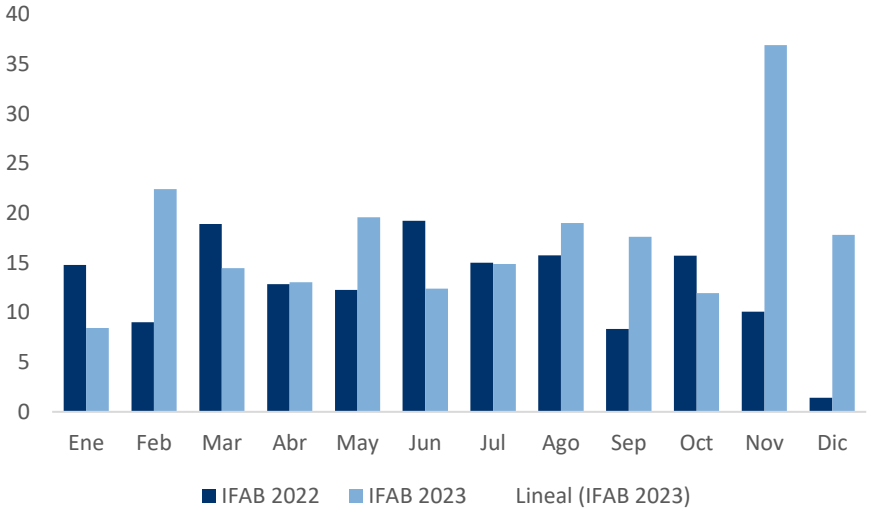
- Own workforce (ESRS S1)
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ESRS S-S1

Accidentability of the Collaborating Companies



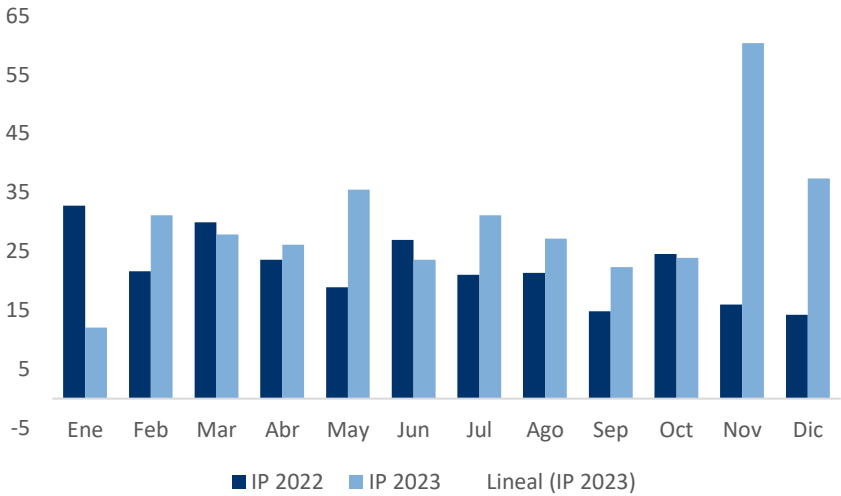
Accident Frequency Rate



$$AFR = \frac{\text{Accidents}}{\text{Hours worked}} 10^6$$



Danger Index



$$DI = \frac{\text{Total accidents}}{\text{Hours worked}} 10^6$$

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ESRS S-S1

Health Promotion with a Gender Perspective

Navantia has an Equality Plan and an Equality Commission where the objectives for the equality of the workforce are planned from all points of view. The Health Areas seek to promote health on an individual basis and develop promotional activities according to gender. All initiatives are funded by the company, notably:

Personalised:

- Thyroid hormone studies
- Nutritional recommendations
- Cardiovascular risk study: carotid ultrasound, cholesterol levels, triglycerides, weight...
- Influenza vaccination starting with the groups at risk and continuing with the rest of the workforce.
- Ophthalmologist available at the centres to treat occupational pathologies and common illnesses.

Women:

- Iron metabolism
- Annual gynaecological check-up

Men:

- Determination of total and free PSA
- Prostate ultrasound

The main indicators we manage are as follows:

Parameter analysed	Number of actions
PSA test for prostate cancer prevention	2,006
Annual gynaecological check-ups	300
Iron metabolism in women for detection of anaemias	543

In addition to the studies carried out, health workshops such as the "Menopause Workshop" have been held.

Health Promotion with a Gender Perspective

Parameter analysed	Number of actions
Hormonal Thyroid Studies	178
Specific Health Promotion Protocols	8,404
Influenza Vaccination	530
Smoking cessation	3
Diabetes prevention study (HbA1c)	1,277

SAES and SAINSEL have an external prevention service in charge of ensuring the health and safety of workers.

No lost time accidents have been recorded at Navantia Australia, Navantia UK, SAES, and Navantia Arabia.

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ESRS S-S1

Work-life balance parameters

The paid leave regime set out in the Collective Agreement improves on those established by law, among others, by recognising the right of both parents to 2 hours' absence from work to care for children under 12 months of age. In addition, this right may be replaced by a one-hour reduction of the daily working day for the same purpose or accumulated in a leave of 15 working days to be taken at the end of the suspension of the contract for maternity or paternity.

Concept	Navantia		Sainsel		Saes	
	F	M	F	M	F	M
Maternity/Paternity	33	114	-	2	1	1
Lactation accumulation	16	24	-	-	-	-
Reduced working hours for childcare	3	-	-	-	1	-
Parental leave	5	-	-	-	-	-
Pregnancy risk	-	-	-	-	-	-
Voluntary leave	9	4	-	3	-	3

Flexible Remuneration

Centre	Training	Childcare	Medical Insurance	Transport	Total
CÁDIZ	0	4	9	0	13
CARTAGENA	0	16	128	0	144
FENE	0	0	3	0	3
FERROL	0	1	80	0	81
MADRID	1	7	79	39	126
PUERTO REAL	1	4	38	1	44
SAN FERNANDO	1	10	59	2	72
SISTEMAS	0	5	82	0	87
TOTAL	3	47	478	42	570

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ESRS S-S2

Value chain workers (ESRS S2)

Commission for the Organisation of ancillary industries

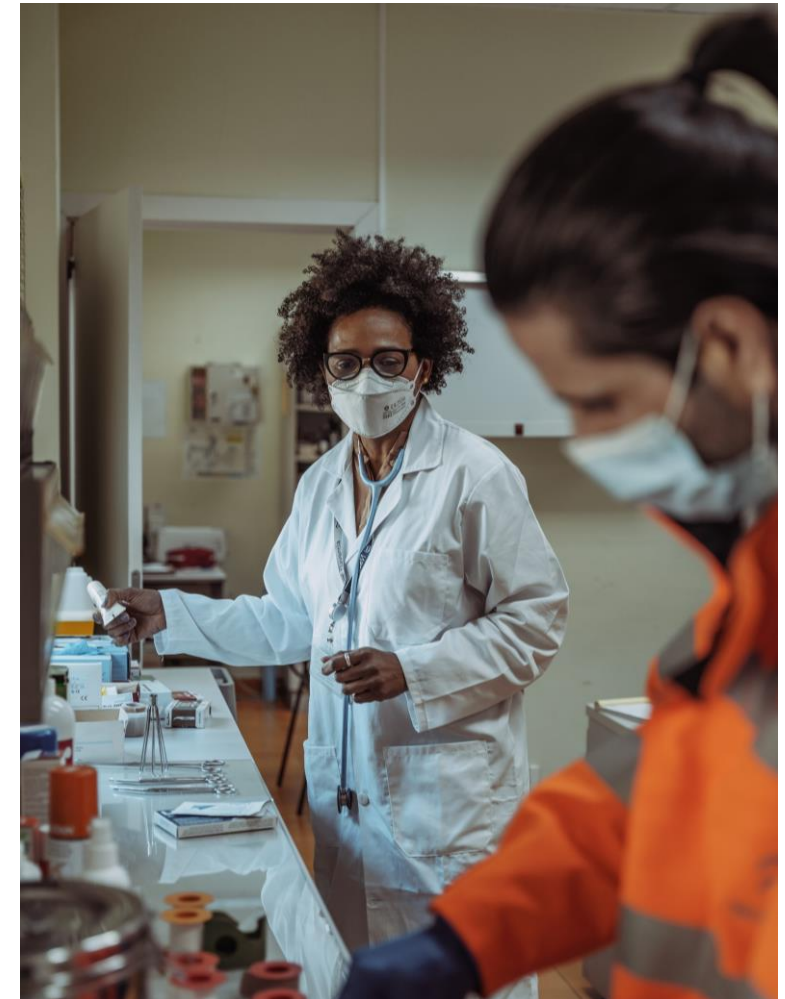
Navantia creates the **Commission for the Organisation of the Auxiliary Industry** due to the firm commitment of the signatories of the Navantia Collective Bargaining Agreement.

Collaborating companies are of strategic importance to Navantia, not only for the creation of internal value, but also for the opportunities they generate in the communities.

The Commission is the representative body for channelling trade union participation in subcontracting and ensures that companies comply with responsible and safe recruitment parameters.

Among the main objectives of this Commission are the following:

- Drawing up a subcontracting protocol.
- Communication of the criteria for determining the activities to be subcontracted.
- Monitoring of subcontractors' compliance with their employment obligations as employers.
- Share information on any incidents or possible breaches of subcontracting and make proposals for their elimination or correction.
- To be aware of possible labour disputes that may affect the normal development of Navantia's activity.
- To have the necessary information on the content and scope of contracting for activities such as cleaning, maintenance, security, etc.
- Promote all necessary improvements in occupational health and safety.



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ESRS S-S3

Affected communities (ESRS S3)

Policies related to affected groups

Navantia is firmly committed to society and the environment in which it operates. Proof of this are the long-lasting alliances and partnerships that contribute to the development of society and the environment, as well as the creation of opportunities for young people and other groups and the promotion of naval culture through the dissemination and generation of knowledge.

Furthermore, as argued in the section Respect for human rights, Navantia is a member of the UN Global Compact, reinforcing its commitment to respect and comply with Human Rights throughout its value chain, including the groups affected. It also applies the OECD Guidelines for Multinational Enterprises and respects the Charter of Fundamental Rights of the European Union based on the code of conduct.

Social initiatives and contribution to the environment

Social initiatives

- **“Hospital 3D” project:** Navantia has been collaborating since 2019 with the University of Cádiz and the Virgen del Rocío Hospital in Seville and Puerta del Mar Hospital in Cádiz in the manufacture of 3D parts to help children with orthopaedic problems. It is carried out at NAVANTIA's Centre of Excellence for Additive Manufacturing (CEFAN), located at the Bahía de Cádiz Shipyard.
- **“Blind kits” project:** the idea of the project is to represent through additive manufacturing various astronomy concepts such as a black hole, a galaxy or a planet so that children, by touching them, can imagine these concepts that are so abstract for them. In 2021, Navantia's Additive Manufacturing Centre of Excellence started the project, and in 2023 the project has been boosted the most with the manufacture of 49 kits and 735 parts.
- **Operation Kilo,** promoted by the Madrid Works Council, Operation Kilo is carried out at Christmas to collect non-perishable foodstuffs or financial donations in collaboration with the Madrid Food Bank Foundation. In 2023, 62 kilos of food were collected.



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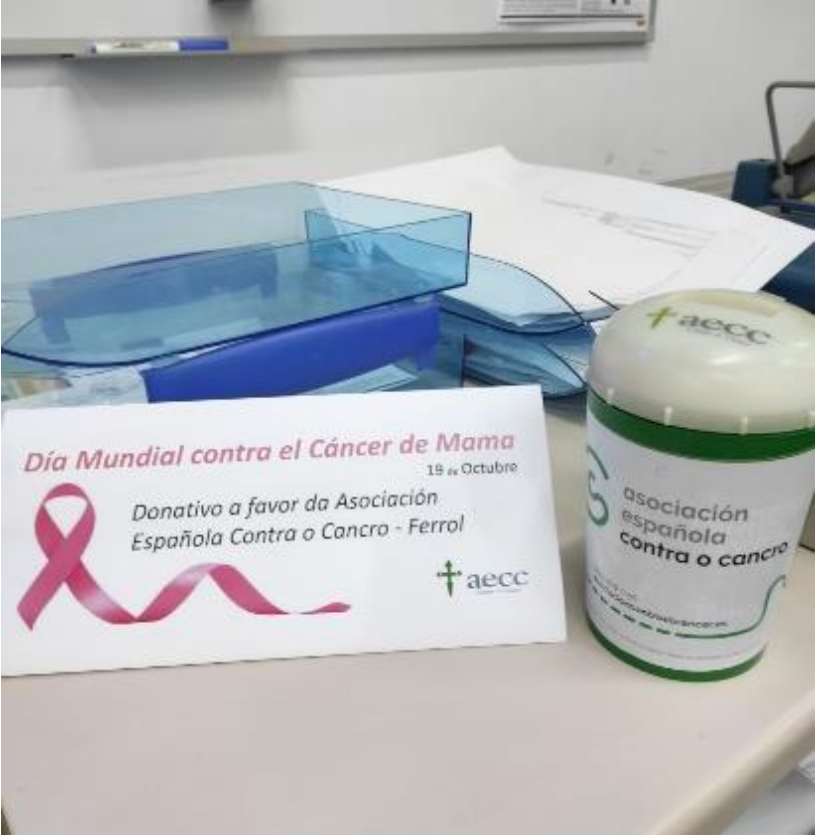
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- **Collaboration with the World Breast Cancer Day**, In the Ferrol Shipyard on 19 October, money boxes were placed at various points of the factory to raise funds for the fight against breast cancer.
- **"Reyes magos de verdad"** is a non-profit project in which we collaborate in a disinterested way to give back the illusion to children and elderly people without resources through a gift during Christmas. The important thing for these children and elderly people is not so much the gift in these familiar holidays, but to see that "someone" has listened to them, that their letter has been read, that they are loved and needed, just like other children or elderly people who do have resources or are accompanied. This project has been carried out for 6 years at the initiative of a Navantia worker in Madrid.



- **Blood donation campaigns**, promoted by Navantia's HEALTH and WELFARE department, and as in previous years, throughout 2023 blood donation campaigns have been carried out in all centres, with a growing participation that reached 232 people from Navantia.



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ESRS S-S3

Contributions 2023

Below are the financial contributions made by Navantia in the 2023 financial year:

FOUNDATIONS - NAVANTIA 2023	
NAME	DESCRIPTION
FEUGA - Galician Business-University Foundation	It specialises in the transfer of knowledge, innovation and technology from the Galician university system to the business world and society in general. There is no contribution, but an amount per student is paid for the management of the scholarship holders.
EXPONAV Foundation - Foundation for the Development of Knowledge of Shipbuilding and Maritime Activities	Foundation created under the auspices of the Navy to promote knowledge of shipbuilding and maritime activities.
Army Museum Foundation	A private cultural organisation whose purpose is, firstly, to carry out all kinds of activities in favour of defence culture related to the Spanish Army. And, on the other hand, to contribute to promoting and supporting the conservation, exhibition, restoration, dissemination and increase of the historical and artistic heritage of the Army, mainly through the Army Museum.
Naval Museum Foundation	Private institution committed to supporting the activities of the Órgano de Historia y Cultura Naval, thereby contributing to the protection and dissemination of the historical heritage of the Spanish Navy.
Foundation for Biodiversity	Foundation created in 1998, today part of the Ministry for Ecological Transition and the Demographic Challenge, whose mission is to contribute to reversing the loss of biodiversity.
Princess of Girona Foundation	The Foundation works for young adolescents in all aspects critical to their future. It focuses its action in three main areas: detection of talented referents, promotion of programmes to improve employability and training of young teachers.
Fundación Consejo España Australia	Private entity integrated within the framework of the MAEC's network of Council Foundations, with the aim of promoting and deepening bilateral relations with Australia.
Fundación Consejo España United States	Private entity integrated within the framework of the MAEC's network of Council Foundations, with the aim of promoting and deepening bilateral relations with the United States.
TOTAL CONTRIBUTIONS	88,000 €

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NAVANTIA 2023 ASSOCIATIONS	
NAME	DESCRIPTION
ACLUNAGA - Cluster of the Galician Naval Sector	The Cluster of the Galician Naval Sector created at the initiative of the Xunta de Galicia. It brings together Administration, University, Trade Unions, Sectorial Associations, etc... 125 companies participate: from shipyards and engineering companies to classification and certification companies, as well as suppliers of capital goods and supplies, qualification companies, installers and metal companies.
AAE - Spanish Atlantic Association	It is a private, non-governmental organisation dedicated to supporting the collective defence and peace and security efforts of the North Atlantic Alliance, aimed at the development of peaceful international relations.
ASIME - Association of Metal Industries and Associated Technologies of Galicia	Galician association of companies representing the following activities: automotive, metal mechanics and transport; naval, maritime and marine energies; metallic constructions and structures; aeronautics; aluminium: extrusion, carpentry and enclosures; lifts and elevators; complementary services: logistics, information and communication systems.
Cádiz-Port - Association for the promotion of the Port of the Bay of Cádiz	Association for the promotion of the Port of the Bahía de Cádiz. The Port of Cádiz, the main industries in the area, shipping agents, stevedores, shipping companies, etc. participate. It is relevant for Navantia mainly in its cruise ship repair activity.
CESUR - Association of Entrepreneurs of the South	Private and independent association of entrepreneurs and senior managers from the South of Spain.
Circle of Trust	A select group of personalities representing all the Spanish political, economic and social spheres that form part of the New Economy Forum organisation.
Exporters and Investors Club	A multi-sectoral business association whose objective is to represent and defend the interests of its members in relation to their international commercial activity.
Cádiz Naval Maritime Cluster	Business association whose objective is to promote, boost, energise and develop the maritime and naval sector in the province of Cádiz.
CME - Spanish Maritime Cluster	It is an institution that encompasses in a single organisation all the industries, services and economic activities of our country related to the sea. The cluster includes not only the shipbuilding industry, but also shipping companies, fisheries, aquaculture, recreational boating, ports, marine energy, the navy, insurance, banks, trade unions, ministries, etc.
FORETICS	Spanish non-profit association whose purpose is to promote the culture of ethical and socially responsible management in organisations. Navantia is part of the Action Group "Sustainability and CSR in Public Companies".
Royal Spanish Naval League	A centenary institution of a private nature. It brings together the aspirations and desires of the four navies: Navy, Merchant, Fishing and Sport. Its aims are the promotion and defence of Spain's maritime interests in the broadest sense.

ESRS S-S3

NAVANTIA 2023 ASSOCIATIONS	
NAME	DESCRIPTION
TEDAE - Spanish Association of Defence, Aeronautics and Space Technology Companies	Spanish Association of companies in the Defence, Security, Aeronautics and Space sectors. TEDAE's members are all the major companies in the defence sector.
ASBA - Australia Spain Business Association	Association founded in 1994 in response to the need for an organisation to promote business and cultural relations between Australia and Spain.
Official Chamber of Commerce, Industry, Services and Navigation of Spain	The Spanish Chamber of Commerce promotes SMEs, the self-employed and entrepreneurs through specialised support services and aid programmes.
Official Spanish Chamber of Commerce in the UK	The Spanish Chamber of Commerce in the United Kingdom is an institution whose main objective is to promote commercial relations between Spanish and British companies.
HISPANIC-TURKISH Chamber of Commerce and Industry	Private association whose primary objective is to promote commercial, economic and cultural relations between Turkey and Spain, and to support the interests of its members.
HISPANIC-NORWEGIAN Chamber of Commerce	Private association whose primary objective is to promote commercial, economic and cultural relations between Norway and Spain, and to support the interests of its members.
Navy League of the US -Madrid Council	Madrid delegation of the US Navy League.
The Legacy	Organisation dedicated to highlighting the importance of Spain's historical and cultural contribution to the United States of America, with the aim of fostering and promoting ties between the two countries.
United Nations Global Compact (UN Global Compact)	It is the world's largest international corporate social responsibility initiative, which promotes the implementation of Ten Universally Accepted Principles to promote sustainable development in the areas of human rights and business, labour standards, environment and anti-corruption in the activities and business strategy of companies. It is aligned with the SDGs of the 2030 Agenda for Sustainable Development.
TOTAL CONTRIBUTIONS	
165.441 €	

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For its part, Navantia Australia has made contributions in 2023 to the Spain Australia Council Foundation. This is a private entity integrated within the framework of the MAEC's network of Council Foundations, with the aim of promoting and deepening bilateral relations with Australia.



Navantia UK has made contributions to the following associations:

- **Society of Maritime Industries (SMI):** Membership fee: (1.10.2023-30.09.2024): GBP 1,510.00
- **Royal Institute of Naval Architects (RINA):** Membership fee: GBP 1,500
- **Spanish Chamber of Commerce in the United Kingdom:** Membership fee (Oct 2023-Sep 2024): 3.750 GBP



On the other hand, Navantia Arabia LLC. has carried out the following sponsorships:

- Sponsorship of the National Day of the Spanish Embassy in Arabia: 12.000SAR / 3,000€.
- Sponsorship of the National Day of the Spanish Embassy in Kuwait: 8.1000 SAR / 2,050€.
- Sponsorship of the National Day of the Spanish Embassy in UAE: 7.990 SAR / 1,995€.

* Approximate exchange rate: 1 €=4SAR

Sponsorship 2023

At the end of 2021, the General State Budget Law for the year 2022 was approved, which in its thirteenth final provision incorporates a new additional provision to Law 47/2003, of 26 November, the General Budget Law. Specifically, the twenty-fifth additional provision: collaboration and sponsorship agreements signed by the public business and foundation sector.

This additional provision has conditioned the entire Corporate Social Responsibility strategy and has therefore changed the way in which Navantia collaborated with other organisations.

In 2023, the Sponsorship Committee that was formed last year has been working, in which Navantia's participation in different sponsorships has been decided, being the following the ones that have been finally approved and advertising sponsorship contracts have been signed.

Sponsorship 2023	
NAME	AMOUNT (€)
Army Awards	10,000 €
Armada Act	3,600 €
Royal Spanish Naval League. V National Maritime Congress	1,000 €
Australian Embassy. Sponsorship	5,000 €
Cybersecurity Day	10,000 €
Infodefensa Forum	3,500 €
Concordia Summit	25,000 €
62nd International Congress of Naval Engineering	15,000 €
IV Ibero-American Congress of Naval Engineering	8,000 €
Telecoms Night	4,000 €
European Rally Trophy	14,000 €

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Alliances



- **The University of A Coruña and Navantia** present their research Astillero 4.0: the Joint Research Unit (UMI) formed by Navantia and the University of A Coruña have presented the progress of the work carried out for the renovation of their centres.



- **Navantia and the University of Cartagena** renew the "Isaac Peral" Chair: Navantia will provide a series of scholarships for students, will award prizes for final projects and will promote research projects in the naval field, such as the use of 3D printing and artificial intelligence to detect microplastics in the Port of Cartagena.
- **Navantia, "Honorary Scholar" of the Faculty of Business Sciences of the UPCT:** in recognition of the company's collaboration with the educational institution in the internships of its students.



- **Navantia with the Alliance for the consolidation of Vocational Training:** through this measure, Navantia joins the commitment to continue giving continuity to those policies that favour the promotion of Vocational Training



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



UNIVERSIDAD
DE
CÓRDOBA

- **The University of Cordoba and Navantia launch** a chair for the development of DeepTech technologies: The University of Cordoba and Navantia have signed an administrative agreement for the implementation of the "Navantia Deeptech Chair", which aims to enable the joint implementation of activities and projects in the dual field (civil and military).

This includes R&D activities related to artificial intelligence, virtual/augmented reality, Big Data analytics, RPAs, industrial robotics, additive manufacturing, autonomous vehicles, internet of things and modelling and simulation. These projects will strengthen the Navantia-UCO collaboration proposal for the future Army Logistics Base, as well as attracting, retaining and promoting talent, which is so necessary in these technological projects.

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Targets related to managing material adverse events, driving positive events and managing material risks and opportunities

Navantia's objectives and contribution to the SDGs

The main goals set by Navantia to increase the scope and positive impact of the actions in its environment and on the groups affected are as follows:

Objectives	KPI	What are we doing?
1 NO POVERTY  Target 1.3: Implementation of social protection systems		
Social volunteering	• % employed in volunteering	• Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency. • Create list of one-off collaborative initiatives
Commitment 0 food waste	• Kg of food wasted	• Create a commitment to social canteens in each community where Navantia operates.
2 ZERO HUNGER  Target 2.2: End all forms of malnutrition		
Commitment 0 food waste	• Kg of food wasted	• Create a commitment to social canteens in each community where Navantia operates.

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Objectives	KPI	What are we doing?
5 GENDER EQUALITY 	Target 5.5: Ensure women's full participation and equal opportunities. Goal 5.a: Ensure equal rights to economic resources.	
	Partnerships with universities to attract talent • TBD	• Promotion of cooperation with universities and institutes (training)
	Action plan for educational centres • TBD	• Create a STEM action plan to encourage women to want to work in industry from a young age.
8 DECENT WORK AND ECONOMIC GROWTH 	Target 8.9: Promote sustainable tourism.	
	Promotion of Navantia's heritage culture • TBD	• Promote the dissemination of Navantia's cultural heritage in its different lines of business (activities, publication of books, etc.).
	Navantia Naval Museum Network • TBD	• Support Navantia's naval museums in the different locations. • Incorporate a Green Energy section in existing museums.
10 REDUCED INEQUALITIES 	Target 10.2: Promote social and political inclusion. Target 10.3: Ensure equality of opportunity Target 10.4: Adopt fiscal, wage and social protection policies.	
	Social volunteering • % employed in volunteering	• Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency. • Create list of one-off collaborative initiatives
	Collaboration with the local community • TBD	• Building links and engagement with local communities

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Objectives	KPI	What are we doing?
11 SUSTAINABLE CITIES AND COMMUNITIES Target 11.4: Protection of cultural and natural heritage.		
Promotion of Navantia's heritage culture	• TBD	• Promote the dissemination of Navantia's cultural heritage in its different lines of business (activities, publication of books, etc.).
Navantia Naval Museum Network	• TBD	• Support Navantia's naval museums in the different locations. • Incorporate a Green Energy section in existing museums.
14 LIFE BELOW WATER Target 14.2: Management of marine and coastal ecosystems. Target 14.5: Conservation of coastal and marine areas.		
Definition of the EV business development plan	• % decarbonisation blue carbon	• Joining the Global Blue Carbon Commitment
Navantia Ecosystem	• # hectares and ecosystems reforested	• Repopulating marine ecosystems (e.g. Posidonia) • Joining the Global Blue Carbon Commitment

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ESRS S-S3

Objectives	KPI	What are we doing?
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Target 16.6: Building effective and transparent institutions Target 16.7: Promote citizen participation.	
	Social volunteering • % employed in volunteering	• Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency. • Create list of one-off collaborative initiatives
	Collaboration with the local community • TBD	• Building links and engagement with local communities
	Communication plan and definition of the channel and frequency of dialogue with stakeholders. • TBD	• Create an internal ESG dissemination plan through different channels (email, videos, intranet, events, etc.).
	Definition of Navantia's human rights policy and its value chain. • TBD	• Establish the HR strategy for Navantia and its value chain. Create a mandatory clause to be added to all future contracts that guarantees human rights.
17 PARTNERSHIPS FOR THE GOALS 	Target 17.3: Mobilisation of additional financial resources. Target 17.16: Enhance the Global Partnership for Sustainable Development.	
	Partnerships with universities to attract talent • TBD	• Promotion of cooperation with universities and institutes (training)
	Collaboration with the local community • TBD	• Building links and engagement with local communities

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ESRS S-S4

Consumers and end users (ESRS S4)

Customer relations

Navantia is constantly concerned and concerned about the satisfaction of its customers. To this end, we have a methodology for carrying out, measuring and monitoring their perceptions, as well as for assessing the degree to which their needs and expectations are met, in order to facilitate the planning and adoption of the actions deemed necessary to improve them.

Measuring customer satisfaction is a key indicator for evaluating the organisation's overall performance. The average time to resolve and implement measures for these complaints for Navantia's businesses is 110 days.

In order to find out the level of satisfaction, 46 surveys were sent to customers in all areas of Navantia's activity in 2023, with a 59% response rate.

In addition, direct interviews have been held between those responsible for quality and customers, with which greater involvement is achieved in the responses and which offer greater added value. During 2023, 3 interviews were conducted with the F110 Programme Manager, the S-80 Programme Manager and the S-80 ACV Programme Manager, and improvement actions were defined on the basis of the interviews conducted.

In 2023 Navantia launched a Customer Expectation Management Plan, with a more proactive approach. It is established prior to the signing of the contract, defining an initial approach to the elements that customers consider most important. Two actions have started in 2023, one in shipbuilding with the FSS programme and the other in Seanergies with the East Anglia Three Monopiles programme.



Processes for redressing negative incidents and channels for consumers and end-users to voice their concerns

In order to ensure the correct handling of complaints, Navantia has a procedure for managing the reception, distribution, assignment of responsibilities, resolution and closure of these complaints, in order to guarantee the efficient control and resolution of all of them. This procedure is channelled through each specific programme manager, offering the greatest proximity to the customer.

Complaints management

Throughout 2023, 225 complaints were received from customers and RAC (Quality Assurance Manager of the Ministry of Defence), which were managed as non-conformities in the SAP-QM information system.

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Targets related to managing material adverse events, driving positive events and managing material risks and opportunities

Navantia's objectives and contribution to the SDGs

The main goals set by Navantia to increase the scope and positive impact of the actions in its environment and on the groups affected are as follows:

Objectives	KPI	What are we doing?
1NO POVERTY  Target 1.3: Implementation of social protection systems		
Social volunteering	• % employed in volunteering	• Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency. • Create list of one-off collaborative initiatives
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2ZERO HUNGER  Target 2.2: End all forms of malnutrition		
Commitment 0 food waste	• Kg of food wasted	• Create a commitment to social canteens in each community where Navantia operates.

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Objectives	KPI	What are we doing?
16PEACE, JUSTICE AND STRONG INSTITUTIONS  Target 16.6: Building effective and transparent institutions Target 16.7: Promote citizen participation.		
Communication plan and definition of the channel and frequency of dialogue with stakeholders.	• TBD	• Create an internal ESG dissemination plan through different channels (email, videos, intranet, events, etc.).
Definition of Navantia's human rights policy and its value chain.	• TBD	• Establish the HR strategy for Navantia and its value chain. Create a mandatory clause to be added to all future contracts that guarantees human rights.

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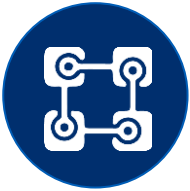
4 GOVERNANCE INFORMATION (ESRS G)

- › Business Conduct (ESRS G1)
- › Quality assurance
- › Navantia policies
- › Compliance, ethics and transparency
- › Supplier relationship management
- › Prevention and detection of corruption and bribery
- › Value chain

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Business Conduct (ESRS G1)

- Quality assurance
- Navantia policies
- Compliance, ethics and transparency
- Supplier relationship management
- Preventing and detecting corruption and bribery
- Value chain



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ESRS G-G1

Issues related to business conduct are presented in the following section, where the most relevant information related to Navantia's corporate culture and its systems of business conduct, the management of relations with suppliers and, finally, pollution prevention and control is presented.

Business Conduct (ESRS G1)

Corporate culture and corporate culture and conduct policies

Navantia Management System

Navantia's senior management is committed to developing, maintaining and improving a comprehensive management system as a key tool for generating sustainable value, improving performance and providing a solid basis for ensuring compliance with internal and external requirements, making it easier for employees to understand their responsibilities and contributing to the smooth and orderly execution of their activities.

The three fundamental principles of the Navantia Management System are:



Integrity and hierarchy: To maintain the total consistency of the Navantia Management System, using homogeneous criteria.



Simplicity and accessibility: To rationalise the regulatory documentation of the Navantia Management System in order to facilitate its understanding and application by those to whom it is addressed.



Continuous improvement and updating: To measure and monitor the evolution of the Navantia Management System.

This is achieved thanks to the integration and development of the three pillars that make up Navantia's management system:



Committees: Fulfilment of Navantia's strategy through governing bodies and management bodies.

Each regulates its own subjects and maintains two-way relations with the others, ensuring multidisciplinary work and the integration of people.



Processes: These are the basis of the management system. In each process, inputs and outputs are defined, as well as the key indicators for their measurement and monitoring.

Therefore, each process map has an associated procedure and sometimes detailed instructions for the sub-processes.



Documentary structure: pyramid-shaped and composed of policies, rules, procedures and instructions.

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- › Navantia policies
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ESRS G-G1

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

In order to guarantee access to the management system documents for the entire workforce, Navantia has a Management System Portal located on the corporate intranet, where all the corporate and specific documentation for each Business and functional area is kept up to date and organised.

During 2023, work has continued on the continuous improvement of the Portal, integrating Navantia UK and improving functionalities to speed up the search and location of documents.

In 2023, 92 corporate and functional area Management System documents have been defined or revised, which is a clear indicator of the evolution and continuous updating of the system.

CORPORATE	FUNCTIONAL AREAS			BUSINESS UNITS /CENTERS
 POLICIES	 QUALITY	 ENVIRONMENT	 SECURITY & SAFETY	 ASTILLERO RÍA DE FERROL
 CA REGULATION				 ASTILLERO BAHÍA DE CÁDIZ
 REGULATIONS	 ICT	 COMPLIANCE	 INDUSTRIAL SECURITY	 ASTILLERO DÁRSENA DE CARTAGENA
 PROCEDURES	 INTERNAL AUDIT	 LEGAL ADVISORY	 COMMERCIAL	 NAVANTIA SEAPLANES
 INSTRUCTIONS				 SYSTEMS
 STANDARDS	 PURCHASES	 COMMUNICATION	 STRATEGY	 REFERENCES
 CERTIFICATES				 SERVICES-MOTORS
 OTHER DOCUMENTATION	 FINANCIAL	 ENGINEERING INNOVATION	 PROGRAMS	 NAVANTIA AUSTRALIA
 PROCESS MAP				 NAVANTIA KSA
 MAP OF COMMITTEES	 DATA PROTECTION	 INSTITUTIONAL RELATIONS	 HUMAN RESOURCES	 SSL MA & COMMONS RÍA DE FERROL
	 GENERAL SERVICES	 DIGITAL TRANSFORM		 SSL MA & COMMONS BAHÍA DE CÁDIZ
				 SSL MA & COMMONS DÁRSENA DE CARTAGENA

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ESRS G-G1

Quality assurance

Strategic decision

The adoption of a quality management system is a strategic decision for Navantia, driven and led by top management. There is a real commitment to the development, maintenance and continuous improvement of an effective and efficient quality management system, which translates into benefits for all stakeholders, as well as helping to improve the overall and sustainable performance of the company.

"Navantia has Quality, Occupational Risk Prevention and Environmental Policies that apply to Quality Management as well as to the other areas and are compatible with the context and strategic direction of the organisation

In this regard, all Navantia's products and services are subject to quality controls and management procedures that mitigate the possible negative effects of the same. Products (ships, submarines, wind farms, engines, systems products) and services (ship repairs, product life cycle support) are designed and customised according to customer demand, following the national and/or international standards applicable to the case.

Navantia's quality management system

Regulations to which Navantia adheres in quality management

Navantia ensures quality management under the most demanding standards, through compliance with the requirements and certification in the following regulations:

PECAL Standards

- The PECAL standards integrate publications specifying the Spanish Ministry of Defence requirements (NATO requirements) for quality management to be met by suppliers in the performance of Defence contracts.
- PECAL 2110 sets out the NATO requirements for quality assurance for design, development and production.
 - PECAL 2210 sets out the NATO requirements for software quality.
 - PECAL 2310 sets out the NATO quality assurance requirements for aviation, space and defence suppliers.

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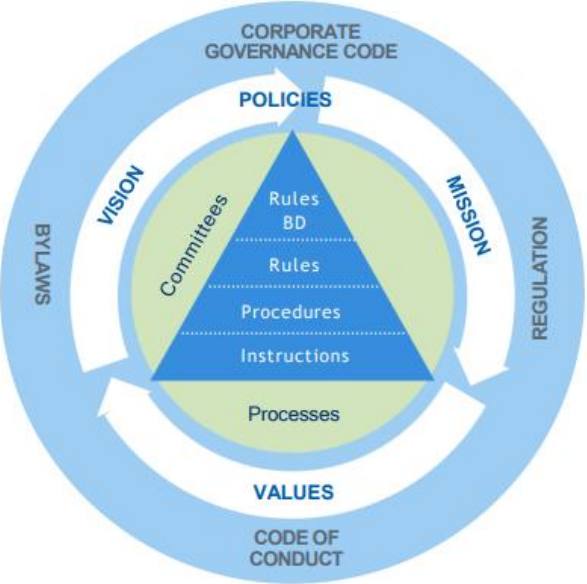
ISO Standards

The UNE EN ISO 9001 standard establishes the requirements for Quality Management Systems and applies to the whole of Navantia.

The UNE EN 9100 standard establishes the quality requirements for aviation, space and defence organisations and is applied in the Dársena de Cartagenayard and Systems Directorate.

Quality Management System

Navantia's quality management system, developed in accordance with the requirements of these regulations, takes the form of a specific documentary structure made up of Policies, Standards, Procedures and Instructions in accordance with the following scheme:



Likewise, Navantia has developed its Quality Management System based on the identification and interaction of its processes, constituting a working system aligned with the organisation's strategy and focused on pursuing continuous improvement in its activities and increasing customer satisfaction.

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ESRS G-G1

Objectives of the quality management system

The corporate **quality objectives** for the year 2023 have been proposed by the Director of Quality and Continuous Improvement and approved by the Central Quality Committee. This body ensures that the objectives take into account the applicable requirements, are measurable and consistent with the quality policy, as well as relevant to product conformity. The quality objectives have been established taking into account external and internal issues as well as the requirements of relevant stakeholders.

The scope of the quality management system covers Programme Management, Design, Development, Manufacturing, Construction, Repair, Conversion, Installation and Life Cycle Support of Marine and Industrial Products. Commercial Services Representation.

- **Shipbuilding.** Ships, Ship Zones, Submarines, Floating Artifacts, Small Craft.
- **Industrial Equipment.** Land and marine propulsion systems, Co/generation power plants with diesel engines, turbines, wind turbines, wind turbines, armament components, industrial metal installations and structures, and parts thereof. Foundry.
- **Systems.** Mission Systems, including Software Development. Command, control, reconnaissance and scout systems (Combat Systems, Firing Directions, Communications and Navigation systems), Platform Control Systems, Cyber Defence Systems, Weapons and Training and Maintenance Systems.

Navantia Australia has renewed its certification in 2023 under ISO 9001:2015 with the scope: Management of shipbuilding programmes, engineering and Life Cycle Support activities for all types of ships, submarines, platforms and Communication Control Systems. Commercial services representation. In addition, the certification audit of the OHS ISO 45001 management system has been successfully passed. The certificate was received in April 2023.

Along the same lines, Navantia Australia and its subsidiaries SAES and SAINSEL are certified under the requirements of the ISO 9001:2015, EN-9100:2018 and PECAL / AQAP 2110 (Edition 4) standards, adapted to the particularities and contracts in force of each of the organisations. Likewise, the Quality Management System of these three companies is documented in the Quality Manual and in General and Specific Procedures and is subject to annual monitoring and renewal audits.

Navantia UK has been certified in March 2023 under ISO 9001:2015 with the scope: Programme management, engineering and life cycle support for all types of ships, platforms and communication and control systems. Representation of commercial services.

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Conducting quality audits

Navantia has carried out internal quality audits during 2023, aimed at assessing the conformity of the QMS, as well as analysing its degree of implementation and adequate maintenance and promoting continuous improvement. During 2023, new programmes have been included instead of others completed or in the process of being completed, and Sistemas Ferrol has also been included as an additional site in the certification to be managed in the second half of the year.

This has made it possible to prepare for successful external audits for the renewal of certifications.



 **ISO 9001:2015** applicable to Navantia, Navantia UK and Navantia Australia. Valid until 11/12/2026.

EN 9100:2019 applicable to Sistemas and Astillero Dársena de Cartagena, valid until 11/12/2026.

 **PECAL 2110** applicable to Navantia, **PECAL 2310** applicable to Systems and Astillero Dársena de Cartagena, **PECAL 2210** applicable to Systems.

In process of renewal, valid until 12/03/2024.

 **ISO 3834:2005** applicable to Shipyards, valid until 11/12/2026.

 **EN 1090: 2009** applicable to Astillero Ferrol and Astillero Bahía de Cádiz, valid until 11/12/2026.



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Navantia policies

On the basis of this Corporate Governance model, Navantia is committed to following the most advanced good governance practices, with the aim of maintaining and improving stakeholder confidence, attracting talent and promoting brand image.

Navantia has a series of corporate policies that constitute a declaration of commitments that define the general framework for action in each of its respective areas of application, while at the same time having an impact on the perceived image of the company.



Anti-corruption and Compliance

It affects all business activity and shows the commitment of Navantia's governing body and senior management to link its ethical values and compliance with current legislation in all the countries in which it operates. In addition, Navantia has a communication channel (Ethical Channel) open to employees and third parties who have dealings with the organisation.



Shopping

Navantia is committed, among other objectives, to the application in its procurement procedures of the principles of publicity, competition, transparency, confidentiality, equality and non-discrimination, ensuring that contracts are awarded to the bid with the best value for money.



Quality, Prevention and Environment

In its three aspects, its purpose is to establish that the quality of Navantia's processes, products and services allows it to meet the requirements of its customers, favouring the achievement of the 'zero defects' objective; Navantia is committed to providing safe and healthy working conditions; as well as protecting the environment and combating climate change in order to be a sustainable company in the strategic and international naval industry.



People Management

Its aim is to define and implement a model that allows talent to be attracted, promoted and retained, as well as to encourage the personal and professional growth of the people who make up the company. Through this policy, Navantia promotes the development of a new business culture in which people are at the centre of its actions.

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Compliance, ethics and transparency

In December 2023, Navantia's Board of Directors revised the Code of Business Conduct with the aim of reinforcing its commitment to ethical actions and actions, people's rights, sustainability and respect for current legislation and good industry practices.

What is the Navantia Code of Business Conduct:

The Code of Conduct is the core that identifies the standard of conduct that Navantia wishes to observe in all its business activities. It is a more demanding standard of conduct than that defined by the legislation applicable in the different countries in which Navantia operates.

*What the Navantia Code of Business Conduct is **not**:*

The Code of Conduct is **not a** substitute for the legal rules applicable in each case and in each territory, nor for the obligations validly assumed in each specific case by contract or collective bargaining.

Nor does it constitute an exhaustive internal regulation of the company. Navantia has internal rules and standards other than the Code of Conduct which have been duly approved and disseminated within the organisation and which must therefore be known and complied with.

To whom it is addressed:

The Code of Conduct is addressed to the persons and entities that are its direct addressees and also to those who must be or may be aware of it.

The Code of Conduct is primarily addressed to all those who provide services to Navantia in their capacity as administrators, managers and workers, who must adjust their conduct to the standards established in the Code.

The Code of Conduct is also addressed to representatives, agents, agents and mediators who act in the interest or on behalf of Navantia.

The main people who are aware of Navantia's Code of Conduct are customers, suppliers, advisors and other persons or entities that have a relationship with Navantia. All these persons, in addition to being informed by Navantia in order to be aware of the code, must accept that, in their professional or business relations with Navantia, the conduct of the company and of the individuals to whom this code is addressed will be governed by the principles/values set out in the code.

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Principles and values of the Code of Conduct:

The principles of business conduct with which Navantia develops its values are as follows:

- Compliance with the law
- Integrity and objectivity in business performance
- Environmental protection
- Respect for human rights and persons
- Protection of health and physical or mental integrity
- Efficient management
- Performing well in international markets
- Use and protection of information
- Quality and innovation

Criminal risk assessment, controls and mitigating measures

Criminal risk assessment:

Navantia's risk management process is defined in the Risk Policy and in the Navantia Risk Management Standard. However, in SAES and SAINSEL, criminal risk management is developed in the Compliance and Criminal Prevention Manual and in the Criminal Risk Prevention Model respectively. On the part of Navantia Australia, as the services provided are controlled directly or indirectly by the Commonwealth, no formal criminal risk assessment process has been considered necessary.

In order to prioritise the criminal risks affecting Navantia, and to be able to determine their importance according to the level of exposure to them, the risks have been classified taking into account the criteria of impact assessment and probability of occurrence.

- **Impact:** Damage to the achievement of Navantia's objectives if the risk were to materialise as a certain event.
- **Probability of Occurrence:** The probability of the risk materialising into a certain event before taking into account the controls in place to mitigate the inherent risk and after taking into account the effectiveness of the controls for the residual risk.

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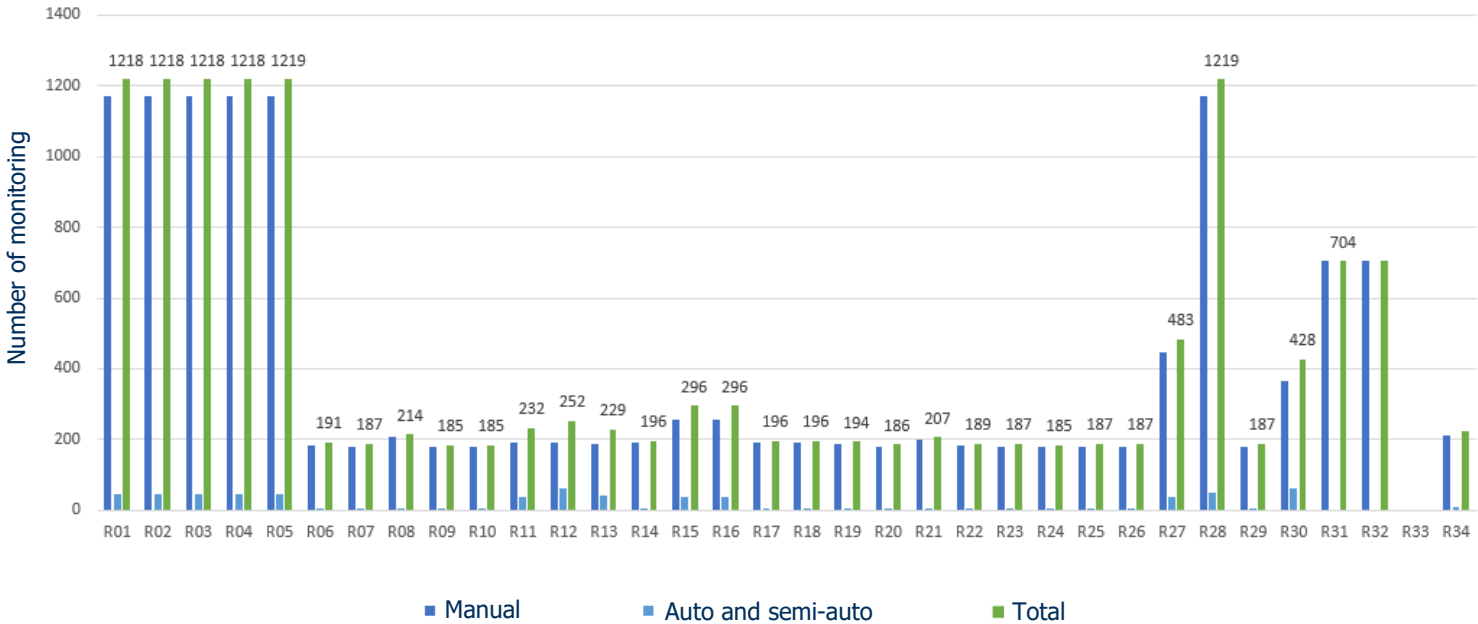
Monitoring and mitigation measures:

With a view to the correct control of criminal risks, those responsible maintain continuous communication with the prevention body, communicating incidents, doubts about the risks inherent to a specific activity and other issues that may affect them. For its part, the prevention body, through this type of ordinary communications, will be able to know the evolution of the control system of the different procedures and detect, where appropriate, areas for improvement.

As a result of the reassessment of criminal risks, and derived from both the regulatory updates carried out during the year and the adaptation to the new organisation defined in the company, an in-depth review was carried out of the controls defined in the company's different procedures, their adaptation to the new organisation and, finally, the identification of the new persons responsible for their execution and supervision.

This action, which is essential to control and mitigate the criminal risks identified, was satisfactorily carried out during the year, incorporating the updated controls into the IT tool that facilitates their proper control and monitoring (SAP-Governance Risk).

Total number of monitoring by criminal risk 2023



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Respect for human rights

Navantia is committed to sustainable, fair and inclusive development and, as a member of **the United Nations Global Compact**, assumes its commitment to act with leadership in the promotion and protection of Human Rights.

This is stipulated in Navantia's Code of Business Conduct, where section 3.3. is dedicated to respect for Human Rights and people, a fundamental principle in all Navantia's actions.

Respectful treatment and respect for human rights are at the forefront of the company's own Code of Conduct and values, and the company has internal measures in place to mitigate, manage and redress potential abuses.

Navantia is committed to the effective abolition of child labour and the elimination of forced or compulsory labour.

In 2023, there have been no reports of human rights violations.

In addition, in terms of labour rights, freedom of association and the right to collective bargaining are guaranteed and regulated in the 1st Intercentre Agreement, in compliance with the framework of ILO Conventions. The company ensures equal and non-discriminatory treatment of all its employees regardless of their race, colour, religion, sex and sexual orientation, nationality, age, pregnancy status, degree of disability and other legally protected circumstances.

For its part, and as we are convinced of the role of companies as agents of change that must respect Human Rights. Navantia has created a multidisciplinary and expert working group on Human Rights that advocates the adoption of the best national and international practices in this area.

The Human Rights Working Group, with the participation of Legal, Compliance, Corporate Governance and the Sustainability area, is working on a draft Human Rights *Due Diligence* Directive that will include a process to prevent risks associated with Human Rights violations in the entity.



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Supplier relationship management

Navantia has different strategies and tools to favour a better relationship/communication with suppliers:

- **Supplier portal**, this platform facilitates the exchange of information with suppliers (work procedures, documentation requirements for access control, etc...).
- It has **2 offices per geographical area with the fundamental task of liaising with suppliers**: Ancillary Industry Access Control Office and Coordination Office.
- **E-procurement portal**: with the aim of facilitating communication with suppliers in relation to contracts, and providing greater transparency and traceability to the process. This platform is designed to: process tenders (request and receipt of bids), evaluate suppliers and their capabilities in the performance of the most important projects, process orders, invoices, technical documentation, delivery notes and communications, in general.
- **Publication of tenders**: to promote transparency and competition, tenders, depending on how they are processed, are also published on the Public Procurement Platform. Formalised contracts are published on the Transparency Portal.
- **Navantia's purchasing process is periodically subjected to both internal and external audits** to detect weak points and, on the basis of these, establish action plans that enable continuous improvement. In the supplier monitoring and auditing systems, the procedure, identification register and certificate of environmental aspects are verified.

In 2023, 1,150 suppliers have been evaluated, of which due diligence has been requested from 70, in accordance with the anti-corruption regulations established in Navantia.



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Prevention and detection of corruption and bribery

Anti-Corruption and Compliance Policies

Navantia has an Anti-Corruption and Compliance policy that reinforces its commitment to integrate ethical values and compliance with legislation into its operational processes, with special emphasis on the commitment to prosecute crimes, with particular emphasis on those related to corruption.

This policy applies to all members of the organisation, as well as to third parties related to Navantia, including investee companies over which it has effective control.

Navantia, in its efforts to maintain a business activity based on values and to improve the trust of its stakeholders, has implemented a **Compliance Management System** based on the following pillars:

- Development of a corporate culture of ethics, honesty and transparency aimed at strengthening good corporate governance and internal control practices.
- Implementation of a system to identify, assess and manage criminal risks, including those related to potentially corrupt conduct.
- Existence of protocols or procedures that specify the process of forming the legal person's will, adopting decisions and executing them.
- The evaluation and management of Navantia's existing financial and non-financial controls.

- Continuous training of employees and managers, as well as effective dissemination of the System.
- Implementation of internal due diligence procedures on members of the organisation, as well as external due diligence procedures on the value chain.

In addition, as an essential part of the Compliance Management System, Navantia has a channel for reporting breaches open to employees and third parties who have dealings with the company, whose guarantees and principles are regulated in the Ethical Channel Policy.

Compliance Committee:

This is the autonomous initiative and control body, whose task is to promote and coordinate the implementation, supervision, monitoring and control of the Code of Conduct and the Navantia Compliance System.

It is made up of the persons holding the following addresses:

- Head of the Board Secretariat and Compliance (Chair of the Compliance Committee).
- Directorate of the Financial Directorate.
- Legal Directorate
- Human Resources Directorate.
- Directorate of Technology and Digital Transformation.

The Compliance Committee reports periodically to the Board of Directors and Management Committee of Navantia, through the Chairman of the Compliance Committee, on the activities carried out in the area of ethical compliance and criminal prevention.

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Corruption and money laundering

Navantia's Code of Business Conduct expressly prohibits any corrupt practices. In this area, no employee or representative of Navantia may promise, offer, pay, make or receive gifts and payments to/from third parties, in money or any other kind, made with the purpose of:

- Influence any act or decision.
- Streamline procedures regardless of whether or not local laws permit such payments.
- Inducing a third party to commit or omit to commit any action in violation of his or her duties
- Securing some undue advantage.
- Inducing any third party to use its influence to affect the decision of any other agent in order for Navantia, its employees, representatives and related persons to obtain or maintain any type of business relationship.

GIFTS AND HOSPITALITY

Acts of business courtesy, such as the giving of gifts and hospitality, offered to or received from customers, suppliers and other business partners, are a widespread practice in the business world to foster good relations and to show appreciation for professional treatment, and there are a number of overlapping customs in terms of both the type and value of the gift or invitation and the manner or protocol of exchange.

However, some countries do not allow the giving of any kind of gift or invitation as it is considered an act of bribery, so business courtesies should not be given without first reviewing anti-corruption legislation or knowing local customs.

With regard to the remuneration of any supplier, agent, intermediary or any third party:

- Payments should reasonably and rationally reflect the value of services rendered.
- Payees must have a proven track record in the industry concerned.
- Suppliers, agents or intermediaries must not have been referred or commissioned by public officials.
- The services provided must be legitimate and both the nature of the services and their price must appear in a contract or order, previously approved by the Purchasing Committee or, where applicable, by the Management Committee, as appropriate, in accordance with internal regulations.
- It is prohibited to make any corrupt payment through intermediaries and to make a payment to a third party knowing that all or part of the payment will go directly or indirectly to a public official.

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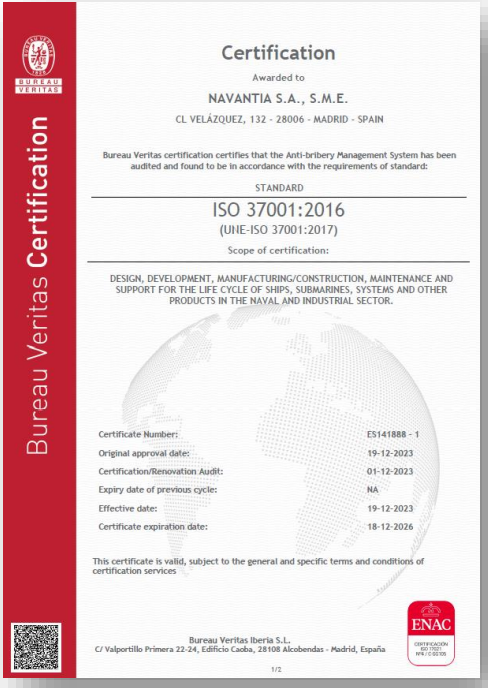
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Under no circumstances may business relationships be established with persons in any of the following circumstances:

- Natural and/or legal persons with a published police or criminal record, or linked to persons subject to an operating ban, or for whom there is information giving strong indications that they are linked to criminal activities, especially those related or linked to corruption.
- Natural and/or legal persons in respect of whom there is evidence of, or well-founded suspicion of, convictions or non-compliance in relation to corruption, money laundering and terrorist financing.

ISO 37001:2016 Certification

Navantia's Anti-Corruption System is certified with the ISO 37001:2016 standard, which can be integrated with other management systems, ensuring the prevention of the crime of bribery by applying international best practices.



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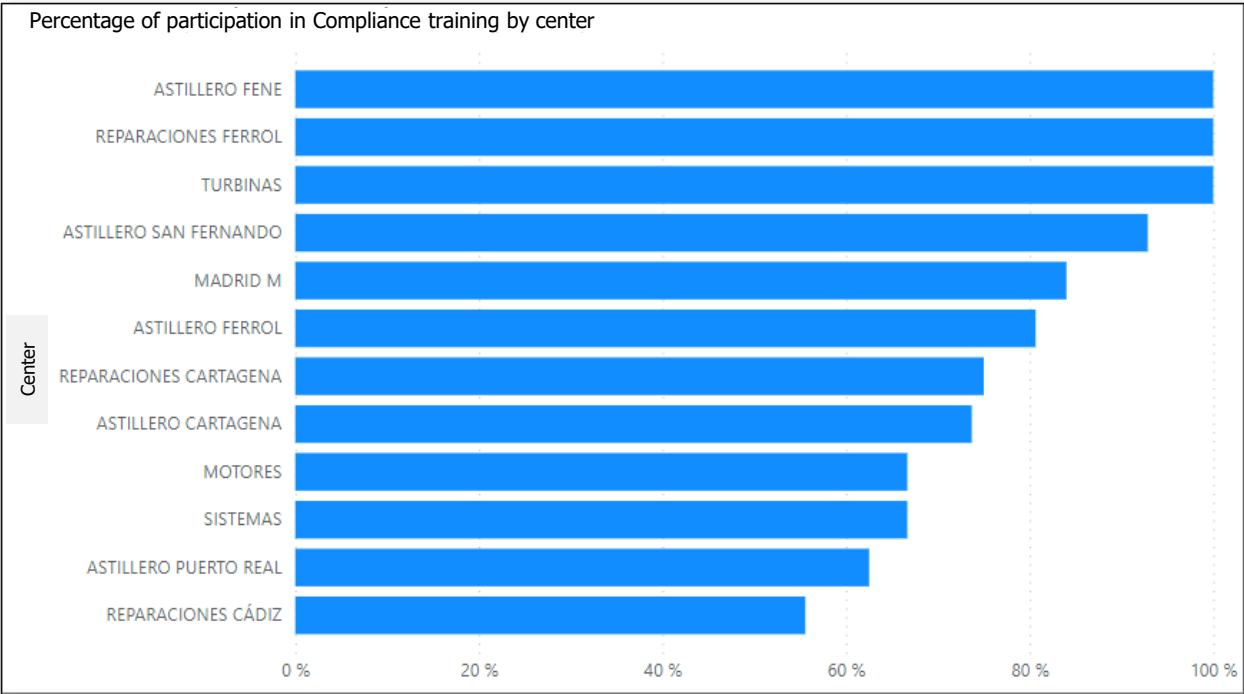
Impact of Compliance on people

Training and dissemination

Navantia carries out annual training and dissemination actions on compliance and ethics for the entire workforce.

In addition to general training, Navantia provides specialised training for those groups of its managers or workers who, due to the tasks they perform, need to have a more precise and detailed knowledge of the rules of conduct applicable to their area of activity.

During the year 2023, 7 training actions have been carried out for various employees in the following geographical areas, with a take-up rate of 78.4%:



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Ethical Channel

Navantia has a communication channel so that employees, suppliers, agents, business partners and other third parties related to the company can report possible indications or incidents that may be contrary to the law (criminal or administrative, of a serious or very serious nature) or to the actions set out in Navantia's Code of Business Conduct.

With this Channel, Navantia complies with the provisions of law 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption.

This mechanism is also available to receive queries on doubts that may arise in the application of the company's internal rules and procedures related to Regulatory Compliance.

To this end, Navantia has made available various means of communication, including the following:

Through the **Ethical Channel Portal**, by accessing the Navantia website ([Ethical Channel - Navantia](#)).

E-mail:

canaletico@navantia.es

Telephone:

[+34 810 513 626](tel:+34810513626)

Postal mail:

Navantia S.A., S.M.E. (Compliance Directorate)
C/ Velázquez 132, 28006
Madrid (Spain)

Prohibition of reprisals

Navantia guarantees that no retaliation will ever be taken against anyone who, in good faith, uses the Ethics Channel or cooperates in an investigation related to a possible violation of the Code of Business Conduct.

This guarantee does not apply to those who act in bad faith with the intention of spreading false information or harming people. Navantia will take the appropriate legal or disciplinary action against such unlawful conduct.

Confidentiality and anonymity

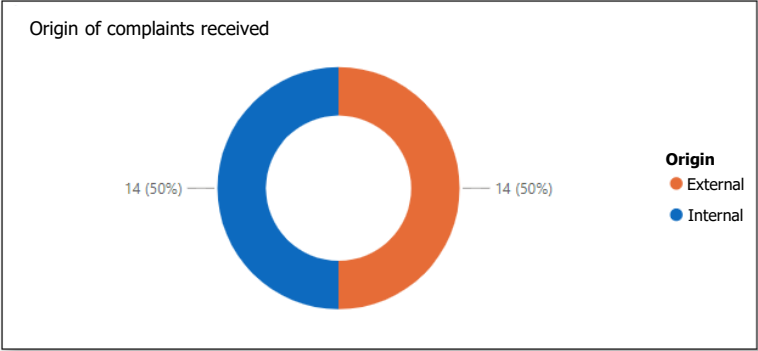
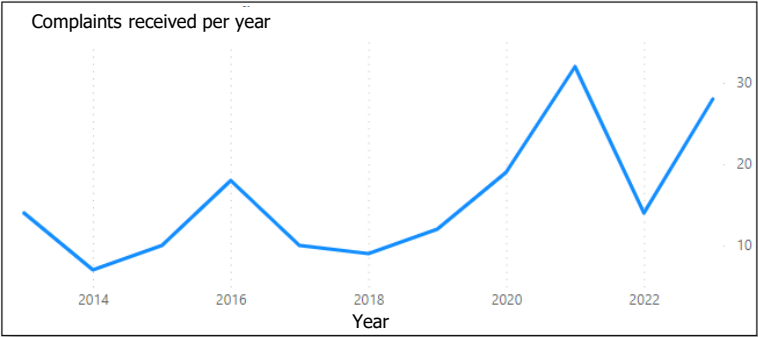
In either case, Navantia guarantees the confidentiality of the identity of the informant and of any third party mentioned in the communication, and of the actions carried out in the management and processing of the same, as well as data protection, preventing access by unauthorised personnel.

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Information on complaints

In 2023, Navantia, through its Ethics Channel, received a total of 28 communications related to possible indications or incidents contrary to the law (criminal or administrative, of a serious or very serious nature) or to the actions set out in Navantia's Code of Business Conduct. The complaints received have a quality rate of 78.57%.



It should be noted that the receipt of a complaint does not imply the actual commission of an act contrary to the law or Navantia's Code of Business Conduct.

Transparency

Navantia is included within the scope of application of Law 19/2013, of 9 December, on Transparency, Access to Public Information and Good Governance (LTABG), as it is a state trading company.

Active advertising

Navantia promotes active publicity by publishing organisational, economic, budgetary planning and statistical information. In this way it complies with the right of citizens to have access to public information through the [Transparency Portal](#)

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Right of access

Navantia promotes the exercise of the right of access to all citizens, providing them with public information held by Navantia, with the exceptions established by law and guaranteeing the rights of the persons concerned, in particular their fundamental right to data protection.

The procedure for the exercise of this right of access shall begin with the presentation of the corresponding request addressed to Navantia through one of the following channels:

Postal address: Navantia, S.A. S.M.E.
Calle Velázquez 132, 28006 Madrid

E-mail:
buzontransparencia@navantia.es

Evaluation of the Transparency Council

In the last evaluation carried out by the Council for Transparency and Good Governance (CTBG), in which Navantia appeared, consisted of the analysis of compliance with the active disclosure obligations of 75 entities in the Institutional Public Sector. The CTBG awarded Navantia a 96.7% in the Compulsory Information Index (ICIO), making it the 4th most transparent company in terms of active disclosure of the entire Spanish public sector. Since that evaluation, Navantia has continued to work on further increasing transparency.



Transparency Council's evaluation of Navantia

	Content	Form	Structuring	Accessibility	Clarity	Re-use	Update	Total
Institutional, Organisational and Planning	91.7	100.0	100.0	100.0	100.0	100.0	83.3	96.4
Economic, Budgetary and Statistical	100.0	88.9	100.0	88.9	100.0	88.9	100.0	95.2
Mandatory Information Compliance Rate	96.7	93.3	100.0	93.3	100.0	93.3	93.3	96.7

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Value chain

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

In the year 2023, Navantia has drawn up a specific Code of Conduct for Business Partners (customers, partners, suppliers, advisors and other entities related to the company), the aim of which is to make explicit and reinforce the ethical commitment through responsible and transparent management.

In addition, Navantia, in accordance with its internal policies and procedures, carries out a legal review with those third parties with which it maintains or plans to maintain a business relationship. In this way, prior to contracting this third party, the degree of compliance with the applicable laws on corruption by this collaborator is studied.

In order to determine the appropriate level of control, the reputation in terms of corruption and money laundering in the country where the operations are or will be carried out and whether the end client is a public or private body or entity is analysed. In this way, before establishing relations with a third party, the level of risk that such contracting may entail for Navantia is analysed, with the risk being graded into three levels:

120

Commercial partners

40

Agents, including new applicants, renewals and related pre-payments

+800

Navantia monitors companies included in the value chain through the alert system, in order to detect the incidence of corruption, environmental, labour, human rights and tax issues.

HIGH RISK

For businesses where the final customer is a public law entity in the European Union or third countries with a CPI score of 80 points or more, and for businesses where the final customer is a private law entity with a registered office in the European Union or third countries with a CPI score of 60 points or more.

MEDIUM RISK

For business where the end client is a public law entity from countries with a CPI score between 50 and 79 points, and for business where the end client is a private law entity domiciled in countries with a CPI score between 40 and 59 points. A private law entity domiciled in countries with a CPI score of 40 points or more.

LOW RISK

For business where the end customer is a public law entity from countries with a CPI score of less than 50 points, and for business where the end customer is a private law entity domiciled in countries with a CPI score of less than 40 points or countries considered tax havens.

Other factors to be taken into account in assessing the risk of the transaction include The Fund for Peace's "annual fragile states index" and whether there are sanctions by international bodies in the country in which the transaction is intended to operate. In the year 2023, the Compliance Committee has conducted the following due diligence a:

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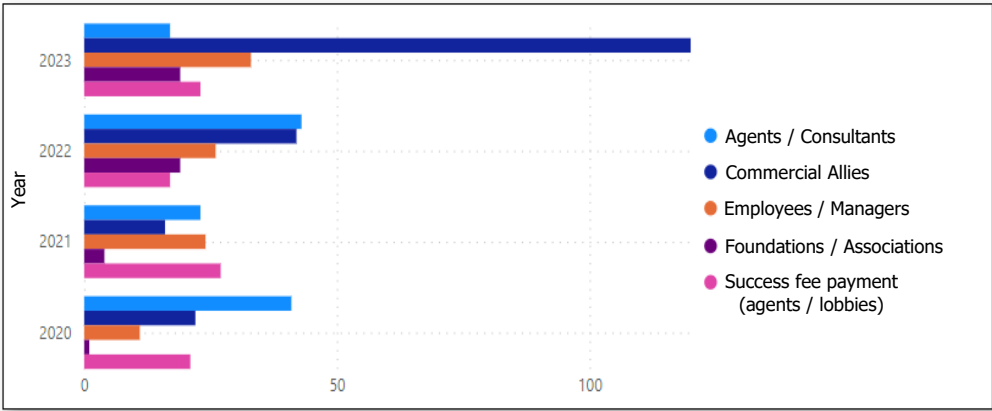
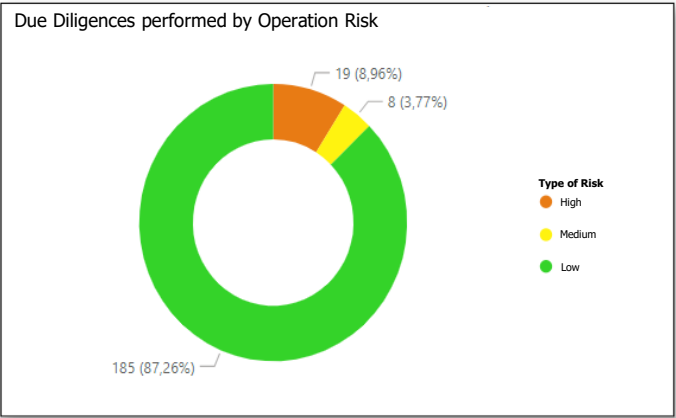
4 GOVERNANCE INFORMATION (ESRS G)

- › Business Conduct (ESRS G1)
- › Quality assurance
- › Navantia policies
- › Compliance, ethics and transparency
- › Supplier relationship management
- › Prevention and detection of corruption and bribery
- › Value chain

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SAINSEL, for its part, carries out an annual due diligence process on the "top ten" new suppliers, based on their turnover. In addition, it has reached an agreement with the Dow Jones entity for the request of economic-financial reports on risks and corruption of companies, which provides a high level of confidence with its clients.

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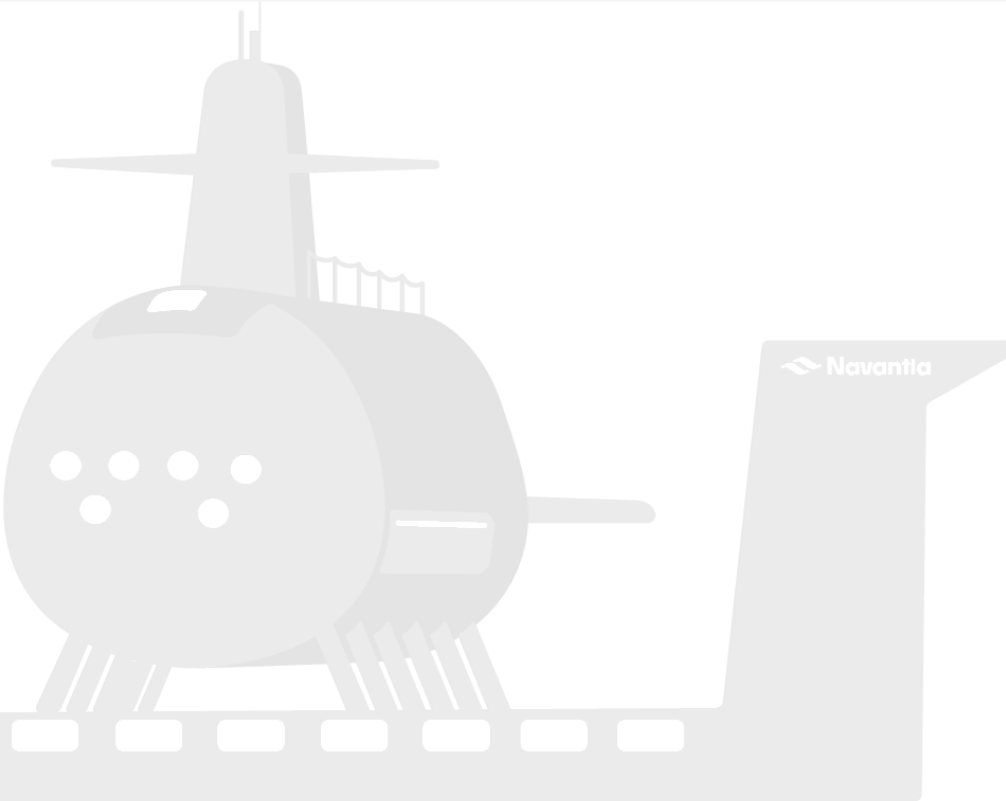
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Sustainability strategy and the SDGs



SUSTAINABLE DEVELOPMENT GOALS

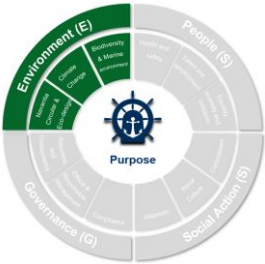


Sustainability strategy and the SDGs

Navantia is an organisation that places sustainability among its priorities; we want to build a greener and more inclusive future and, to this end, one of our reference frameworks is the 2030 Agenda through the Sustainable Development Goals (SDGs).

The sustainability strategy seeks to apply ESG policies transversally in all the company's business areas, and is made up of 4 pillars (Governance, Environment, People and Social Action) from which a series of initiatives, policies and programmes are developed in order to join forces to meet the SDGs and their targets. Depending on their nature, each of these pillars has a greater or lesser impact on each of the 17 SDGs, as set out below.

Environment (E)



One of the pillars of our strategy is to promote green energy projects. An example of this is the launch of Seanergies in 2022, which is expected to be consolidated from 2025 onwards.



Sustainability is a transversal axis throughout Navantia's business model. In this line, the **benchmark definition of sustainable ships** or the **definition of ESG requirements in our supply chain** is proposed as an objective.



Navantia has an ambitious waste management plan, and our objective is to reach the highest waste recovery threshold, keeping us in the **Zero Waste category**. To achieve this, the company is implementing circular economy, eco-design and recycling models.



At Navantia, we have created a plan to achieve **55% decarbonisation by 2030 and 100% by 2040**. This is in addition to other objectives such as the **launch of Green Public Procurement by 2022**, achieving **sustainable mobility** between 2030 and 2040 and significantly reducing electricity consumption.



Our commitment to the conservation of biodiversity and the marine environment is another pillar of our strategy. The aim is to continue promoting the **Navantia ecosystem project** and to launch a **range of ecosystem services** in the coming years.

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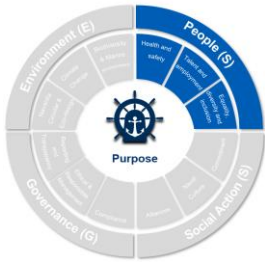
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Perople (S)



The health, safety and well-being of our employees is a priority. Consequently, at Navantia we aim to **lower accident rates, promote mental health and ensure healthy working environments** for our people. **among others.**



Education is one of the foundations for ensuring equal opportunities, as well as for understanding and promoting sustainable development. Thus, **we train all our staff in issues related to sustainability.** We also have an **action plan in educational centres** to promote inclusion and equal opportunities.



Ensuring equal opportunities and reducing the gender gap in the Spanish shipbuilding sector is a priority for Navantia. For this reason, we have incorporated programmes **to increase the number of women in the company in all spheres of responsibility and management bodies.**



We strive to promote inclusive and sustainable economic growth, employment and decent work for all. Our **aim is to be an agile and flexible organisation,** to enter the **Top 100 employees** and to guarantee **equal opportunities.** To this end, new working methodologies are being implemented, social inclusion programmes are being promoted and a value proposition for staff is being developed.



At Navantia, we are committed to increasing the **incorporation of people with disabilities,** providing **employment opportunities for older people** and **guaranteeing equality.**

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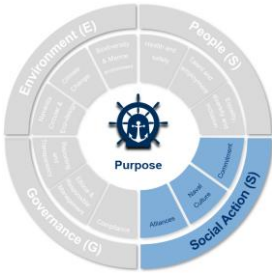
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Social Action (S)



The outbreak of the COVID-19 pandemic and the war in Ukraine have increased the problems of malnutrition in the most vulnerable families and groups. Navantia is **committed to social canteens in each community where it operates in order to put an end to hunger and provide quality food to those who need it most.**



The advancement and progress of society is strongly influenced by education. As a public company committed to the welfare of society, we **collaborate with universities and educational centres to promote universal access** and quality education, as well as to promote Spain's naval culture and heritage.



Our company promotes equal opportunities and the achievement of real gender equality. We have an **action plan in STEM educational centres with the aim of promoting the role of women in the shipbuilding industry from an early age.**



As a public company, Navantia is at the service of society and seeks to put an end to any kind of inequality. In this sense, our personnel participate in **social volunteering campaigns to help** the most vulnerable groups.



As a leading and driving company in the naval sector, we encourage and promote fair, peaceful and inclusive societies. **Collaboration with various institutions to ensure transparency and good business practices.**



Collaboration between all the actors involved in society is essential to address the systemic challenges we face today. To drive sustainable development, Navantia has a wide range of partners of different nature that allow us to create an ecosystem to **incorporate new capabilities, expand ESG knowledge and promote our sustainability strategy.**

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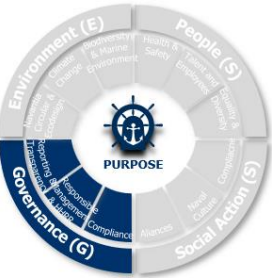
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Governance (G)



Technological innovation, together with sustainability, are the two axes that mark the future of Navantia. Consequently, we are working to build a resilient, sustainable and innovative industry. A clear example of this is the **introduction of ESG criteria for our suppliers.**



Navantia associates the present and the future with sustainability, working transversally with all the axes of our business model. In this line, we **implement ESG governance models**, we value and **include the risks associated with climate change** and we use metrics to compare our ESG policies with recognized Benchmarks.



The construction of efficient and transparent institutions, as promoted by our business policies, is a priority for Navantia, as well as **the fight against any form of corruption** and **respect for human rights.**



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ESRS		Disclosure requirements			EINF
Theme	Mate.	DR	Name	Mater.	P.
E1 (Climate Change)	YES	E1-1	Transition plan for climate change mitigation	YES	73
		E1-2	Policies related to change mitigation and adaptation	YES	74
		E1-3	Actions and resources in relation to climate change policies	YES	82
		E1-4	Targets related to climate change mitigation and adaptation	YES	90
		E1-5	Energy consumption and mix	YES	93
		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	YES	94
		E1-7	GHG removals and GHG mitigation projects financed through carbon credits	YES	98
		E1-8	Internal carbon pricing	NO	N/A
		E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	YES	99
E2 (Pollution)	YES	E2-1	Policies related to pollution	YES	100
		E2-2	Actions and resources related to pollution	YES	100
		E2-3	Targets related to pollution	YES	101
		E2-4	Pollution of air, water and soil	YES	102
		E2-5	Substances of concern and substances of very high concern	NO	N/A
		E2-6	Anticipated financial effects from pollution-related IROs	YES	107
E3 (Water and Marine Resources)	YES	E3-1	Policies related to water and marine resources	YES	108
		E3-2	Actions and resources related to water and marine resources	YES	109
		E3-3	Targets related to water and marine resources	YES	112
		E3-4	Water consumption	YES	113
		E3-5	Anticipated financial effects from water and marine resources-related IROs	YES	114
E4 (Biodiversity and ecosystems)	YES	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	YES	115
		E4-2	Policies related to biodiversity and ecosystems	YES	115
		E4-3	Actions and resources related to biodiversity and ecosystems	YES	116
		E4-4	Targets related to biodiversity and ecosystems	YES	119
		E4-5	Impact metrics related to biodiversity and ecosystems change	NO	N/A
		E4-6	Anticipated financial effects from biodiversity and ecosystem-related IROs	NO	N/A

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Theme	Mate.	DR	Name	Mater.	P.
E5 (Circular Economy)	YES	E5-1	Policies related to resource use and circular economy	YES	121
		E5-2	Actions and resources related to resource use and circular economy	YES	121
		E5-3	Targets related to resource use and circular economy	YES	125
		E5-4	Resource inflows	N/A	
		E5-5	Resource outflows	Gest. Rec.	123
		E5-6	Anticipated financial effects from material resource use and circular economy-related IROs	YES	130
S1 (Own workforce)	YES	S1-1	Policies related to own workforce	YES	139
		S1-2	Processes for engaging with own workforce and workers' representatives about impacts	YES	142
		S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	YES	146
		S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	YES	159
		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	YES	159
		S1-6	Characteristics of the undertaking's employees	YES	163
		S1-7	Characteristics of non-employee workers in the undertaking's own workforce	NO	N/A
		S1-8	Collective bargaining coverage and social dialogue	YES	169
		S1-9	Diversity metrics	YES	170
		S1-10	Adequate wages	YES	172
		S1-11	Social protection	YES	176
		S1-12	Persons with disabilities	YES	176
		S1-13	Training and skills development metrics	YES	176
		S1-14	Health and safety metrics	YES	177
		S1-15	Work-life balance metrics	YES	182
		S1-16	Compensation metrics (pay gap and total compensation)	YES	181 and 183
		S1-17	Incidents, complaints and severe human rights impacts	YES	183

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Theme	Mate.	DR	Name	Mater.	P.
S2 (Workers in the value chain)	YES	S2-1	Policies related to value chain workers	YES	184
		S2-2	Processes for engaging with value chain workers about impacts	YES	N/A
		S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	YES	N/A
		S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	YES	N/A
		S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	YES	N/A
S3 (Communities concerned)	YES	S3-1	Policies related to affected communities	YES	185
		S3-2	Processes for engaging with affected communities about impacts	YES	185
		S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	YES	185
		S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	YES	185
		S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	YES	187
S4 (Consumers and end-users)	YES	S4-1	DR S4-1 – Policies related to consumers and end-users	YES	187-191
		S4-2	Processes for engaging with consumers and end-users about impacts	YES	187-191
		S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	YES	187-191
		S4-4	Taking action on material impacts on consumers and end-users and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	YES	187-191
		S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	YES	197
G1 (Business Conduct)	YES	G1-1	Business conduct policies and corporate culture	YES	200
		G1-2	Management of relationships with suppliers	YES	211
		G1-3	Procedures to address corruption or bribery	YES	212
		G1-4	Incidents of corruption or bribery	YES	212
		G1-5	Political influence and lobbying activities	NO	N/A
		G1-6	Payment practices	YES	212

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Code	NFR-LAW Requirements	GRI 2021	Description GRI 2021	P.
0. General information				
		2-1	Organisational details	34-49
		2-6	Activities, value chain and other business relationships	
0.A	A brief description of the group's business model	2-9	Governance structure and composition	
		2-22	Sustainable Development Strategy Statement	
		2-12	Role of the highest governance body in overseeing the management of impacts	
0.B	A description of the group's policies on these issues	3-3	Management of material issues	50-62
0.C	The results of these policies	3-3	Management of material issues	50-62
		2-23	Commitments and policies	50-62
0.D	The main risks related to these issues	2-12	Role of the highest governance body in overseeing the management of impacts	
0.E	Non-financial key performance indicators that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability.	3-3	Management of material issues	63
1. Environmental issues				
1.1	General information			
1.1.1	On current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.			72-81
1.1.2	On environmental assessment or certification procedures			82
1.1.3	On resources devoted to environmental risk prevention			82
1.1.4	On the application of the precautionary principle	2-23	Commitments and policies	72-81
1.1.5	On the amount of provisions and guarantees for environmental risks			90-104
1.2	Pollution			
1.2.1	Measures to prevent, reduce or remedy emissions that seriously affect the environment; taking into account any activity-specific form of air pollution, including noise and light pollution	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions to air	90-104
1.3	Circular economy and waste prevention and management			
1.3.1	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	306-2	Waste by type and disposal method	121

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1.4	Sustainable use of resources			
1.4.1	Water consumption and water supply according to local constraints	303-1 303-5	Interaction with water as a shared resource Water consumption	108
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	93
1.4.3	Direct and indirect energy consumption	302-1 302-3	Energy consumption within the organisation Energy intensity	93
1.4.4	Measures taken to improve energy efficiency	302-4	Reduction of energy consumption	93
1.4.5	Use of renewable energies	302-1	Energy consumption within the organisation	93
1.5	Climate change			
1.5.1	Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	305-1 305-2 305-3	Direct GHG emissions (Scope 1) Indirect GHG emissions associated with energy (Scope 2) Other indirect GHG emissions (scope 3)	88-97
1.5.2	Measures adopted to adapt to the consequences of climate change	201-2	Financial implications and other risks and opportunities arising from climate change	
1.5.3	Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions and the means implemented to this end	305-5	Reduction of GHG emissions	
1.6	Biodiversity protection			
1.6.1	Measures taken to preserve or restore biodiversity	304-3	Protected or restored habitats	
1.6.2	Impacts caused by activities or operations in protected areas	304-2	Significant impacts of activities, products and services on biodiversity	115
2.	Social and personnel issues			
2.1	Employment			
2.1.1	Total number and distribution of employees according to criteria representative of diversity (gender, age, country, etc.)	2-7 405-1	Employees Diversity of governing bodies and employees	163-168
2.1.2	Total number and distribution of types of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification	2-7	Employees	163-168
2.1.3	Number of redundancies by gender, age and occupational classification	401-1	Recruitment of new employees and staff turnover	163-168
2.1.4	Average earnings and their evolution broken down by gender, age and occupational classification or equal value.			

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Code	NFR-LAW Requirements	GRI 2021	Description GRI 2021	P.
2.1.5	Wage gap, the pay for equal or average jobs in society	405-2	Ratio between basic salary and remuneration of women and men	163-168
2.1.6	The 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.			36-37
2.1.7	Implementation of work disengagement policies			142-143-172
2.1.8	Employees with disabilities	405-1	Diversity of governing bodies and employees	
2.2	Work organisation			
2.2.1	Organisation of working time			142-143
2.2.2	Number of absence hours	403-2	Hazard identification, risk assessment and incident investigation	156-157
2.2.3	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents.	401-3	Parental leave	150-151
2.3	Health and safety			
2.3.1	Health and safety conditions at work	403-3	Occupational health services	155-157
2.3.2	Accidents at work, in particular their frequency and severity, as well as occupational diseases; disaggregated by sex.	403-2	Hazard identification, risk assessment and incident investigation	
2.4	Social relations			
2.4.1	Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them	2-29	Approach to Stakeholder Engagement	170-183
2.4.1	Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them	403-1	Occupational health and safety management system	
2.4.2	Percentage of employees covered by collective bargaining agreements by country	2-30	Collective bargaining agreements	
2.4.3	The balance sheet of collective agreements, particularly in the field of occupational health and safety at work	403-4	Worker participation, consultation and communication on occupational health and safety at work	
2.5	Training			
2.5.1	The policies implemented in the field of training	404-2	Programmes to develop employee skills and transition assistance programmes	151-155
2.5.2	The total number of training hours per professional category	404-1	Average hours of training per employee per year	
2.6	Universal accessibility for people with disabilities			
2.6.1	Universal accessibility for people with disabilities			176

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Code	NFR-LAW Requirements	GRI 2021		Description GRI 2021	P.
2.7	Equality				
2.7.1	Measures taken to promote equal treatment and opportunities for women and men	401-3	Parental leave		146-148
2.7.2	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility of people with disabilities.				146-148
2.7.3	The policy against all forms of discrimination and, where appropriate, diversity management	406-1	Cases of discrimination and remedial action taken		146-148
3. Respect for human rights					
3.1	Human rights				
3.1.1	Implementation of human rights due diligence procedures; prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress possible abuses committed	2-23	Commitments and policies		206-209
3.1.2	Complaints of human rights violations	2-27	Compliance with legislation and regulations		
3.1.3	Promotion and enforcement of the provisions of the International Labour Organisation's core conventions relating to 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	Cases of discrimination and remedial action taken		
4. Fighting corruption and bribery					
4.1	Corruption and bribery				
		2-23	Commitments and policies		206-209
		2-26	Mechanisms for seeking advice and raising concerns		
4.1.1	Measures taken to prevent corruption and bribery	205-1	Operations assessed for corruption-related risks		
		205-2	Communication and training on anti-corruption policies and procedures		
		205-3	Confirmed incidents of corruption and measures taken		
4.1.2	Measures to combat money laundering				
4.1.3	Contributions to foundations and non-profit organisations	201-1	Direct economic value generated and distributed		185-190

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Code	NFR-LAW Requirements	GRI 2021	Description GRI 2021	P.
5. Information about the company				
5.1 Company commitments to sustainable development				
5.1.1	The impact of the company's activity on local populations and the territory	413-1	Operations with local community engagement programmes, impact assessments and development	185-190
		203-2	Significant indirect economic impacts	
5.1.2	The impact of the company's activity on local populations and the territory	413-1	Operations with local community engagement programmes, impact assessments and development	
		413-2	Operations with significant negative impacts - actual or potential - on local communities	
5.1.3	Relations with local community actors and the modalities of dialogue with them.	2-29	Approach to Stakeholder Engagement	
		413-1	Operations with local community engagement programmes, impact assessments and development	
5.1.4	Partnership or sponsorship actions	2-29	Approach to Stakeholder Engagement	190
5.2 Subcontracting and suppliers				
5.2.1	Inclusion of social, gender equality and environmental issues in procurement policy.			
5.2.2	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	308-1	New suppliers that have passed selection filters according to environmental criteria	206
		414-1	New suppliers that have passed selection filters according to social criteria	
5.2.3	Monitoring and audit systems and audit results	308-2	Negative environmental impacts in the supply chain and measures taken	202
		414-2	Negative social impacts on the supply chain and measures taken	
5.3 Consumers				
5.3.1	Consumer health and safety measures	416-1	Assessing the health and safety impacts of product and service categories	192
5.3.2	Complaint systems, complaints received and their resolution			
5.3.2	Complaint systems, complaints received and their resolution	418-1	substantiated complaints regarding breaches of customer privacy and loss of customer data	
5.4 Tax information				
5.4.1	Country-by-country benefits			
5.4.2	Taxes on profits paid			44
5.4.3	Public subsidies received	201-4	Financial assistance received from the government	

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Tables of results on the eligibility and alignment of the company's economic activities in terms of **Turnover**.

Fiscal year	2023			CTS						DNSH										
Economic activities (<i>TURNOVER</i>)	Code	Turnover (€ million)	Proportion of Turnover %	CC Mitigation	CC Adaptation	Water	Pollution	Circular economy	Biodiversity	CC Mitigation	CC Adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Turn. that conforms to taxonomy (YEAR N-1) %	Category Enabling activity E	Category Transition Activity T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacturing Renewable Energy Technologies	CCM 3.1	145	11%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	6%	E		
Manufacturing Low-Carbon Technologies for Transport	CCM 3.3	463	35%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	69%	E		
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	101	8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	25%		T	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		709	53%	53%							Y	Y	Y	Y	Y	Y	100%			
Of which enabling		609	45%	45%							Y	Y	Y	Y	Y	Y	100%	E		
Of which transition		101	8%	8%																
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacturing Renewable Energy Technologies	CCM 3.1	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Manufacturing Low-Carbon Technologies for Transport	CCM 3.3	192	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%			
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	358	27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		551	41%	41%													0%			
Total (A.1 + A.2)		1,260	94%	94%													100%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities		80	6%																	
Total (A + B)		1,339	100%																	

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Fiscal year	2023			CTS						DNSH						Minimum safeguards	Proportion of CapEx that conforms to taxonomy (YEAR N-1) %	Category Enabling activity E	Category Transition Activity T		
Economic activities (CAPEX)	Code	CapEx (€ million)	Proportion of CapEx %	CC Mitigation	CC Adaptation	Water	Pollution	Circular economy	Biodiversity	CC Mitigation	CC Adaptation	Water	Pollution	Circular economy	Biodiversity						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
Manufacturing Renewable Energy Technologies	CCM 3.1	42.5	31%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	19%	E			
Manufacturing Low-Carbon Technologies for Transport	CCM 3.3	43.2	31%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	62%	E			
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	8	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	7%	T			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		93	68%	68%							Y	Y	Y	Y	Y	Y	88%				
Of which enabling		86	62%	62							Y	Y	Y	Y	Y	Y	88%	E			
Of which transition		8	6%	6%														T			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Manufacturing Renewable Energy Technologies	CCM 3.1	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Manufacturing Low-Carbon Technologies for Transport	CCM 3.3	20	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	13	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		34	24%	24%													0%				
Total (A.1 + A.2)		127	92%	92%													0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy non-eligible activities		10	8%																		
Total (A + B)		137	100%																		

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Fiscal year	2023			CTS						DNSH						Minimum safeguards	Proportion of OpEx that conforms to taxonomy (YEAR N-1) %	Category Enabling activity E	Category Transition Activity T		
Economic activities (OPEX)	Code	OpEx (€ million)	Proportion of OpEx %	CC Mitigation	CC Adaptation	Water	Pollution	Circular economy	Biodiversity	CC Mitigation	CC Adaptation	Water	Pollution	Circular economy	Biodiversity						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
Manufacturing Renewable Energy Technologies	CCM 3.1	3	4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1%	E			
Manufacturing Low-Carbon Technologies for Transport	CCM 3.3	52	60%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	83%	E			
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	2	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	16%	T			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		57	66%	66%							Y	Y	Y	Y	Y	Y	100%				
Of which enabling		56	64%	64%							Y	Y	Y	Y	Y	Y	100%	E			
Of which transition		2	2%	2%														T			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Manufacturing Renewable Energy Technologies	CCM 3.1	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Manufacturing Low-Carbon Technologies for Transport	CCM 3.3	12	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	16	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%				
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		29	33%	33%													0%				
Total (A,1 + A,2)		86	98%	98%													100%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy non-eligible activities		1	2%																		
Total (A + B)		87	100%																		

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Methodology and results

Accounting policy

Non-financial corporations should specify how turnover, fixed asset investments and operating expenses were determined and allocated to the numerator, and the basis on which turnover, fixed asset investments and operating expenses were calculated, including any analysis in the allocation of income or expenses to different economic activities.

With regard to the main objectives of mitigation and adaptation, quantitative criteria are established to estimate the degree of sustainability and alignment of economic activities with the Taxonomy through KPIs.

Eligibility Percentage Turnover	CapEx eligibility percentage	Percentage of OpEx eligibility
• Total balance of turnover (denominator): includes revenue from subsidies provided by the General State Budget to finance the shortfall in tariffs for fees to operators, revenue from rentals, and other associated revenue. It excludes the amount of any rebates such as VAT and other taxes related to ordinary activities that are passed on. • Net Turnover (numerator): includes income from taxonomically eligible and/or aligned activities.	• Total CapEx figure (denominator): includes additions to tangible and intangible assets during the year, and additions to tangible and intangible assets resulting from business combinations. It excludes amortisation, depreciation and impairment charges, relating to the relevant financial year, excluding changes in fair value. • Amount of the CapEx figure (numerator): includes investments in fixed assets that are associated with taxonomically eligible and/or aligned economic activities.	• Total balance of the OpEx figure (denominator): includes non-capitalised direct costs related to research and development, renovation measures, short-term leases, maintenance, repairs, other direct costs of day-to-day maintenance of property, plant and equipment to ensure the operation of the assets. Non-financial corporations that apply national GAAP and do not capitalise right-of-use assets shall include leasing costs in OpEx. • Amount of the OpEx figure (numerator): assets or processes associated with economic activities that conform to the Taxonomy, training and other adaptation needs of human resources, and non-capitalised direct costs representing research and development.

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Alignment

Once the eligibility analysis has been carried out, each of the selected activities must be checked to ensure that they meet the requirements for alignment with the taxonomy. To do so, each of the activities must meet the following criteria:

- ✓ **Technical criterion of substantial contribution:** that they contribute substantially to at least one of the six environmental objectives defined in Article 9 of the EU Taxonomy Regulation, through standards and metrics that will qualify economic activities as substantial contributors to each of them:
 1. Climate change mitigation
 2. Adaptation to climate change
 3. Sustainable use and protection of water and marine resources
 4. The transition to a circular economy
 5. Pollution prevention and control
 6. Protecting and restoring biodiversity and ecosystems
- ✓ **No significant harm criteria:** these are called DNSH and establish a series of measures to avoid harm to other environmental objectives, through thresholds, metrics or measures.
- ✓ **Minimum social safeguards: in accordance** with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



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Substantial contribution to climate change mitigation

Each of the 6 eligible activities selected by Navantia contributes substantially to the principle of climate change mitigation by meeting the following taxonomic criteria:

Code



Evaluation Navantia Substantial contribution criteria

3.1

As established in Regulation 2021/2139, it consists of the manufacture of renewable technologies through the Seanergies business line. To this end, the economic activity of Navantia's Seanergies business consists of the manufacture of renewable energy technologies, specifically foundations for offshore wind generation (jackets, monopiles, floating, transition pieces) as well as offshore substations for offshore wind farms (both AC and DC).

In addition, Navantia's Seanergies business also participates in the renewable hydrogen sector (industrial partner for the development of electrolyzers and the integration of reformers in the naval sector and fuel cells).

Thus, Navantia Seanergies' activity makes a substantial contribution to stabilising greenhouse gas concentrations in the atmosphere through:

- a. The use of renewable energies in line with Directive (EU) 2018/2001
- b. Improving energy efficiency
- c. The implementation of the necessary energy infrastructure to enable the decarbonisation of energy systems.

3.3

It fulfils the technical selection criterion as it is an economic activity consisting of the manufacture, repair, maintenance, refurbishment, conversion or modernisation of the scenarios referred to in sections (l) and (m):

- L. vessels for the carriage of goods by sea, vessels for port operations and ancillary activities not intended for the transport of fossil fuels, which:
 - i. have zero direct CO₂ emissions (exhaust emissions),
 - ii. until 31 December 2025, are hybrid and dual-fuel vessels which derive at least 25 % of their energy from fuels with zero direct CO₂ emissions (exhaust gases) or from electricity for their normal operation,

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Evaluation Navantia Substantial contribution criteria

3.3

- iii. until 31 December 2025, and only where it can be demonstrated that the vessels are used exclusively for the provision of coastal shipping or short sea shipping services aimed at facilitating the modal shift of goods currently transported by land to sea, the vessels have direct CO₂ emissions (exhaust emissions), calculated using the International Maritime Organisation (IMO) Energy Efficiency Design Index (EEDI), 50% below the average CO₂ emission reference value defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242,
- iv. until 31 December 2025, vessels that have an Energy Efficiency Design Efficiency Index (EEDI) obtained 10 % below the EEDI requirements applicable on 1 April 2022 (87), if the vessels can run on fuels with zero direct emissions (exhaust emissions) of CO₂ or on fuels from renewable sources.
- M. sea-going passenger vessels, not intended for the transport of fossil fuels, which:
 - i. have zero direct CO₂ emissions (exhaust emissions),
 - ii. until 31 December 2025, hybrid and dual-fuel vessels obtain at least 25 % of their energy from fuels with zero direct CO₂ emissions (exhaust gases) or from electricity for their normal operation,
 - iii. until 31 December 2025, vessels that have an Energy Efficiency Design Efficiency Index (EEDI) obtained 10 % below the EEDI requirements applicable on 1 April 2022, if the vessels can run on fuels with zero direct emissions (exhaust emissions) of CO₂ or on fuels from renewable sources.
 - iv. Delegated Regulation 2023/2485 updates this description **and changes the mitigation CTS to the following criteria:**
In point (I), the following point (v) is added:
 - v. from 1 January 2026, vessels that can run on zero direct CO₂ emission fuels (exhaust emissions) or on fuels from renewable sources*1 , have an Energy Efficiency Design Index (EEDI) value obtained equivalent to a reduction of the EEDI baseline of at least 20 percentage points below the EEDI requirements applicable on 1 April 2022*2; and
 - a) can be loaded at the berth;
 - b) in the case of gas-powered vessels, demonstrate the use of state-of-the-art measures and technologies to mitigate methane leakage",

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 Evaluation Navantia Substantial contribution criteria

3.3

In point (m), the following point (iv) is added:

From 1 January 2026, vessels that can run on fuels with zero direct CO₂ emissions (exhaust emissions) or on fuels from renewable sources*3 , have an Energy Efficiency Design Index (EEDI) value obtained equivalent to a reduction of the EEDI baseline of at least 20 percentage points below the EEDI requirements applicable on 1 April 2022*4, and:

- a) can be loaded at the berth;
- b) in the case of gas-powered vessels, demonstrate the use of state-of-the-art measures and technologies to mitigate methane leakage";

6.12

It meets the contribution criteria as Navantia aims to carry out refurbishments on non-fossil fuel vessels that are not destined to transport fossil fuels:

1. Until 31 December 2025, reduce the vessel's fuel consumption by at least 10 % expressed in grams of fuel per deadweight ton per nautical mile, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations.

Delegated Regulation 2023/2485 updates this description **and changes the mitigation CTS to the following criteria:**

"The activity fulfils one or more of the following criteria:

- A. The renewal activity reduces the fuel consumption of the vessel by at least 15 % expressed in grams of fuel per deadweight tonne per nautical mile for cargo vessels, or per gross tonnage per nautical mile for passenger vessels, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations;
- B. It allows vessels to achieve an existing Energy Efficiency Index for Ships (EEXI) value at least 10% below the EEXI requirements applicable on 1 January 2023, provided that the vessels can run on fuels with zero direct emissions (exhaust emissions) or on fuels from renewable sources*1 , can be charged at the berth and are equipped with plug-in power supply technology".

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Code

 Evaluation Navantia Substantial contribution criteria

9.1

It represents one of the backbones of Navantia's new strategy to achieve a sustainable, inclusive and transformative entity. In this line, this activity meets the technical criteria of substantial contribution since:

1. It focuses its efforts on developing green energy activities, and improving the renewal of vessels for maritime transport.
2. The results of the research allow the envisaged activities to meet the criteria of substantial contribution to climate change mitigation.
3. It aims to develop new sustainable market lines and practices that are not yet commercialised, such as green hydrogen.
4. Facilitates that one or more of the activities covered by Regulation 2021/2139 meet the technical selection criteria.
5. Part of the research is devoted to activity 3.3, which is considered as an enabler.
6. Part of the research is devoted to activity 6.12, which is classified as a transitional activity.

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Do no significant harm (DNSH)

Having justified the substantial contribution criteria of each of Navantia's eligible taxonomic activities to climate change mitigation, the next step is to argue and justify that the eligible activities do not cause significant harm to any of the 5 principles to which the activities do not contribute substantially.

For this purpose, an in-depth analysis of each of the 6 activities is carried out in order to verify that it complies with the DNSH criteria set out in Regulation 2021/2139.

Target

DNSH requirements

3.1 "Manufacture of renewable energy technologies".

Climate Change
Adaptation

Navantia is currently developing a plan to assess the physical and transitional climate risks in order to adapt to the effects of Climate Change.

This plan is designed to address each of the steps set out in Appendix A of Regulation 2021/2139, so that an in-depth analysis will be made to determine the physical climatic risks that may affect the proper performance of the activity.

In case the activity in question is affected by a physical risk, an assessment of vulnerabilities and impact will be carried out and finally, an analysis of possible solutions to the detected risk will be made.

Furthermore, in 2020, the company's risk management model was updated, including ESG risks, among other aspects, including the identification and management of environmental risks.

Water and marine
resources

Navantia and Navantia Seanergies identify and address the risks of environmental degradation related to the preservation of water quality and prevention of water stress through the efficient use of water, as determined in Appendix B of Annex 1 of the Commission Delegated Regulation (EU) 2021/2139.

On the other hand, as part of the Quality, Occupational Risk Prevention and Environmental Policy, Navantia is committed to supporting actions that promote the conservation and sustainable use of the oceans and seas. Likewise, as part of the Environmental Risk Prevention Plan, the company incorporates a set of measures aimed at the efficient use of water in all its geographical centres and subsidiaries in order to prevent situations of water stress.

In addition, Navantia's facilities have completed or are in the process of completing the environmental impact assessment in accordance with Directive 2011/92/EU of the European Parliament and of the Council.

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Target

DNSH requirements

3.1 "Manufacture of renewable energy technologies".

Circular economy

The naval company's business model is committed to the responsible and efficient management of raw materials and waste. Thus, Navantia's waste policy prioritises the prevention of waste generation, its preparation for recovery through reuse, recycling or other forms of recovery and, finally, the responsible and safe disposal of waste. The company also has a plan to implement circular economy models.

On the other hand, eco-design is one of the flags that represents the entity, incorporating environmental criteria from the initial stages of design, being an essential requirement and condition when starting a new project,

Navantia Seanergies' activity is used as much as possible:

- a) The design of foundations and offshore platforms with high durability, recyclability and easy dismantling.
- b) Waste management that prioritises recycling, reuse and research into other recovery routes over disposal in the manufacturing process;
- c) It manages information on hazardous substances during production for subsequent use throughout the life cycle of the manufactured products.

Pollution

The activity of Navantia Seanergies complies with the criteria set out in Appendix C of Annex 1 to Commission Delegated Regulation (EU) 2021/2139.

Navantia Seanergies manages information on hazardous substances during production for subsequent use throughout the life cycle of the products manufactured.

Biodiversity and ecosystems

The activity of Navantia Seanergies complies with the criteria set out in Appendix D of Annex 1 to Commission Delegated Regulation (EU) 2021/2139.

Navantia has or is in the process of processing the environmental impact assessment (EIA) or prior verification, in accordance with Directive 2011/92/EU. Navantia applies the necessary mitigation and compensation measures to protect the environment.

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Target

DNSH requirements

3.3 "Manufacture of low-carbon technologies for transport".

Climate Change
Adaptation

Navantia is currently developing a plan to assess the physical and transitional climate risks in order to adapt to the effects caused by Climate Change. This plan is designed to contemplate each of the stages set out in Appendix A of Regulation 2021/2139, so that an in-depth analysis will be carried out to determine the physical climate risks that may affect the correct performance of the activity. In the event that the activity in question is affected by any physical risk, an assessment of vulnerabilities and impact will be carried out and, finally, an analysis will be made of the possible solutions to the risk detected.

Furthermore, in 2020, the company's risk management model was updated, including ESG risks, among other aspects, including the identification and management of environmental risks.

On the other hand, Navantia has environmental risk identification and assessment reports with the aim of analysing and assessing the climate risks caused by the company's business model. The methodology used is that described in the UNE 150008:2008 standard "Analysis and assessment of environmental risk".9

Water and marine
resources

Navantia identifies and addresses the risks of environmental degradation related to the preservation of water quality and prevention of water stress through the efficient use of water, as determined in Appendix B of Annex 1 of the Commission Delegated Regulation (EU) 2021/2139.

On the other hand, as part of the Quality, Occupational Risk Prevention and Environmental Policy, Navantia is committed to supporting actions that promote the conservation and sustainable use of the oceans and seas. Likewise, as part of the Environmental Risk Prevention Plan, the company incorporates a set of measures aimed at making efficient use of water in all its geographical centres and subsidiaries in order to prevent situations of water stress.

In addition, Navantia's facilities have completed or are in the process of completing the environmental impact assessment in accordance with Directive 2011/92/EU of the European Parliament and of the Council.

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Target

DNSH requirements

3.3 "Manufacture of low-carbon technologies for transport".

Circular economy

The naval company's business model is committed to the responsible and efficient management of raw materials and waste. Thus, Navantia's waste policy prioritises the prevention of waste generation, its preparation for recovery through reuse, recycling or other forms of recovery and, finally, the responsible and safe disposal of waste. The company also has a plan to implement circular economy models.

On the other hand, eco-design is one of the flags that represents the entity, incorporating environmental criteria from the initial stages of design, being a requirement and central conditions when starting a new project,

In this respect, Navantia aims to achieve, as far as possible:

- a) Vessel design with high durability, recyclability and easy disassembly.
- b) Waste management that prioritises recycling over disposal in the manufacturing process;
- c) Manages information on hazardous substances during production for subsequent use throughout the life-cycle of vessels

Pollution

Navantia's activity complies with the criteria set out in Appendix C of Annex 1 to Commission Delegated Regulation (EU) 2021/2139.

As part of the Quality, Occupational Risk Prevention and Environmental Policy, Navantia manages information on hazardous substances during production for their subsequent use throughout the life cycle of the products manufactured. As mentioned in section 3.1 of the EINF, the procedure followed also contemplates the processes for identifying the sources of chemical pollutants and defines an action plan for the hypothetical emission of polluting and harmful substances into the atmosphere.

Ships are designed to be free of lead, mercury, hexavalent chromium and cadmium in accordance with Directive 2000/53/EC of the European Parliament and of the Council.

Biodiversity and ecosystems

Navantia's activity complies with the criteria set out in Appendix D of Annex 1 of Commission Delegated Regulation (EU) 2021/2139. To this end, it has processed and/or is in the process of processing the environmental impact assessment (EIA) or prior verification, in accordance with Directive 2011/92/EU.

In this regard, the company has joined the Biodiversity Pact together with the Biodiversity Foundation, corroborating our commitment to conservation and respect for biodiversity in the areas where we operate. Navantia also publishes public data on the benthic fauna present in the marine ecosystems near our centres.

Last but not least, the public company has the Navantia ecosystem programme, which aims to develop initiatives to strengthen the link between biodiversity conservation and the fight against climate change through CO₂ absorption projects.

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Target

DNSH requirements

6.12 "Refurbishment of vessels for maritime transport (incl. coastal) passenger and freight".

Climate Change
Adaptation

Navantia is currently developing a plan to assess the physical and transitional climate risks in order to adapt to the effects caused by Climate Change. This plan is designed to contemplate each of the stages set out in Appendix A of Regulation 2021/2139, so that an in-depth analysis will be carried out to determine the physical climate risks that may affect the correct performance of the activity. In the event that the activity in question is affected by any physical risk, an assessment of vulnerabilities and impact will be carried out and, finally, an analysis will be made of the possible solutions to the risk detected.

In addition, the company's risk management model was updated in 2020, including, among other aspects, ESG risks, which include the identification and management of environmental risks.

Water and marine
resources

Navantia identifies and addresses the risks of environmental degradation related to the preservation of water quality and prevention of water stress through the efficient use of water, as determined in Appendix B of Annex 1 of Regulation 2021/2139.

On the other hand, as part of the Quality, Occupational Risk Prevention and Environmental Policy, Navantia is committed to supporting actions that promote the conservation and sustainable use of the oceans and seas. Likewise, as part of the Environmental Risk Prevention Plan, the company incorporates a set of measures aimed at making efficient use of water in all its geographical centres and subsidiaries in order to prevent situations of water stress.

In addition, Navantia's facilities have completed or are in the process of completing the environmental impact assessment in accordance with Directive 2011/92/EU of the European Parliament and of the Council.

Pollution

With regard to reducing emissions of sulphur oxides and particulate matter, the vessels comply with Directive (EU) 2016/802, and Regulation 14 of Annex VI of the IMO MARPOL Convention. The sulphur content in the fuel does not exceed 0.5 % by weight (the overall sulphur limit) and 0.1 % by weight in the Emission Control Area (ECA) designated in the North Sea and Baltic Sea by the IMO.

As regards emissions of nitrogen oxides (NOx), ships comply with regulation 13 of Annex VI of the IMO MARPOL Convention. The Tier II control requirement for NOx emissions applies to ships built after 2011. Only while operating in NO x emission control areas established under IMO regulations, ships built after 1 January 2016 comply with the more stringent (Tier III) engine requirements to reduce NOx emissions (268).

The discharge of sewage and grey water complies with Annex IV of the IMO MARPOL Convention.

Measures have been taken to minimise the toxicity of anti-fouling paints and biocides in accordance with Regulation (EU) No 528/2012 implementing into Union law the International Convention on the Control of Harmful Anti-Fouling Systems on Ships, adopted on 5 October 2001.

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Circular economy

Biodiversity and ecosystems

Target

DNSH requirements

6.12 "Refurbishment of vessels for maritime transport (incl. coastal) passenger and freight".

The naval company's business model is committed to the responsible and efficient management of raw materials and waste. Thus, Navantia's waste policy prioritises the prevention of waste generation, its preparation for recovery through reuse, recycling or other forms of recovery and, finally, the responsible and safe disposal of waste. The company also has a plan to implement circular economy models.

On the other hand, eco-design is one of the flags that represents the entity, incorporating environmental criteria from the initial stages of design, being a requirement and central conditions when starting a new project,

In this respect, measures have been taken to manage waste, both in the use phase and at the end of the vessel's service life, in accordance with the waste hierarchy.

For battery-powered vessels, these measures include the reuse and recycling of batteries and electronic products, including the critical raw materials they contain. Existing ships of more than 500 gross tonnage and new ships replacing them, the activity complies with the requirements of Regulation (EU) No 1257/2013 concerning the inventory of hazardous materials. Dismantled ships are recycled in facilities included in the European list of ship recycling facilities established by Commission Implementing Decision (EU) 2016/2323.

The activity complies with Directive (EU) 2019/883 with regard to the protection of the marine environment from the negative impacts of waste discharges from ships.

The ship sails in accordance with Annex V of the IMO MARPOL Convention, in particular to generate less waste and reduce legal discharges by managing its waste in a sustainable and environmentally friendly manner.

In addition to biodiversity and ecosystem programmes and policies. The shipbuilding and ship repair business line:

- It prevents the discharge of ballast water containing alien species in accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments.
- Adopts measures to prevent the introduction of alien species through biocorrosion of the hull and niche areas of ships, taking into account IMO guidelines in this regard.
- Reduces noise and vibration through the use of lower noise emitting propellers, hull design or engine room soundproofing, in accordance with IMO guidelines for underwater noise reduction (270).

Finally, in the European Union, the activity does not hinder the achievement of good environmental status as required by Directive 2008/56/EC, which requires appropriate measures to be taken to prevent or mitigate impacts, and as set out in Decision (EU) 2017/848 regarding the relevant criteria and methodological standards applicable to these descriptors.

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Target

DNSH requirements

9.1 "Research, development and innovation close to the market" 9.2.

Climate Change adaptation

Water and marine resources

Circular economy

Pollution

Biodiversity and ecosystems

One of the main axes of Navantia's research, development and innovation activities is sustainability. In this sense, part of the efforts of economic and human capital are aimed at studying ways to create a more responsible and resilient business model in the face of the consequences of climate change.

In this respect, the activity complies with all DNSH criteria in the regulatory framework by meeting the climate change adaptation criteria set out in Appendix A and by assessing and addressing the potential risks of eligible activities in relation to the 4 additional taxonomic principles.

Minimum social guarantees

Finally, in order to verify the alignment of eligible activities, it is necessary to comply with the minimum safeguards being the procedures applied by a company carrying out an economic activity to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions referred to in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

In this regard, the Human Rights working group, together with Legal Advisory, Compliance, Corporate Governance and the Sustainability area, is currently developing a **Due Diligence Directive** on Human Rights and the Environment and the Forced Labour Directive. In addition, the draft bill on which the Ministry of Social Affairs is working and the 2030 Agenda are also being developed.

On the other hand, Navantia has **joined the UN Global Compact**, reinforcing its commitment to act with leadership in the promotion and protection of human rights and aligning itself with the guiding principles of the United Nations.

Furthermore, our **code of conduct**, through its principle of ensuring respect for human rights, applies the OECD Guidelines for Multinational Enterprises, in addition to complying with and respecting the Charter of Fundamental Rights of the European Union.

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Double Materiality Inputs

The methodology used in the analysis follows the guidance proposed by the European CSRD Directive. To carry out this process, the context and the business situation are analysed, identifying the main activities. Stakeholders are identified, and materiality is assessed through direct consultations. At the same time, a review of the Sustainability Report for the previous year (2022) is carried out.

This process allows for a pre-analysis of the issues to be reported by the company in its Sustainability Report.

Aspectos analizados

ESG	Theme	Analysis
Environmental (E)	Climate change (E1)	• Impact Materiality: Navantia's activities in the different geographical locations generate CO₂ emissions. Despite this, Navantia implements measures to control, reduce and compensate for these emissions. • Financial Materiality: The reduction of emissions and adaptation of the systems generates risks for the company, but also business opportunities through lines such as Seanergies.
	Pollution (E2)	• Impact Materiality: Navantia's activities generate polluting, atmospheric, water and soil effects, which the company tries to mitigate and compensate. • Financial Materiality: The prevention of pollution generated by Navantia's activity has an economic impact on the company.
	Water and Marine R. (E3)	• Impact Materiality: The extraction processes, as well as the discharges generated by Navantia's activity, have a real impact on the marine resources it exploits. • Financial Materiality: Navantia has to adapt and improve the efficiency of its processes, so that they are less invasive of the environment.
	Biodiversity (E4)	• Impact Materiality: Interference of Navantia's infrastructure with biodiversity and natural habitats and use of pollutants for maintenance purposes. • Financial Materiality: Negative impact due to remediation efforts, including increased costs of alternative resources, potential penalties in case of non-compliance; increased stakeholder interest.
	Circular Economy (E5)	• Impact Materiality: Large inflows of raw and processed materials and opportunity to switch to sustainable alternatives, as well as product life cycle improvement. • Financial Materiality: Investments in sustainable alternatives (green steel today costs 40% more than raw production); Increased interest from stakeholders and taxpayers.

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ESG	Theme	Analysis
Social (S)	Own Workers (S1)	• Impact Materiality: Navantia has a large workforce, with significant manual work activities, so it has to implement different control and safety measures for work processes. • Financial Materiality: Serious injuries and accidents among employees lead to significant financial impact, public scrutiny, and damaged relationships with stakeholders.
	Workers Value Chain (S2)	• Impact Materiality: Given the large inflows and the dependence on contractors, Navantia must guarantee Safety to prevent injuries and accidents from occurring. • Financial Materiality: Serious injuries and fatal accidents among contractors' employees result in significant financial impact, public scrutiny, and deteriorating stakeholder relationships.
	Affected Communities (S3)	• Impact Materiality: The generation of employment, the construction of infrastructures and socio-cultural relations are the engine of the economic development of the areas in which Navantia carries out its activity. • Financial Materiality: Investments in the community, direct and indirect wage flows, derived from the necessary hires, encourage the development of socially responsible investment strategies
	End Consumers (S4)	• Impact Materiality: Transparency in processes, the life cycle of products, and quality assurance are determining factors to offer a satisfactory customer experience. • Financial Materiality: The aforementioned factors have a direct impact on the profitability of Navantia's processes and services.
Governance (G)	Business Conduct (G1)	• Impact Materiality: Transparency in processes, as well as corruption prevention measures, are positioned as an issue of main interest given the public nature of the company. • Financial Materiality: Failure to comply with prevention and transparency rules can damage the image and lead to penalties.

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Verification Report

Navantia's Sustainability Report for the 2023 financial year has been verified by Bureau Veritas in accordance with the requirements of current regulations.

The purpose of this Report is to describe the system followed in the verification of the information included in the statement of non-financial information of GRUPO NAVANTIA in accordance with the requirements established in Law 11/2018 and in the Regulations referenced below applicable by the organization, containing the results obtained and the comments for future consideration.

The verification carried out was based on the indications established in the law itself and the implementing regulations in its different articles.

The methodology followed is governed by Bureau Veritas Certification's internal procedures, based on conventional auditing and sampling techniques that allow sufficient confidence to be obtained about the veracity of the information and its relevance as a basis for the issuance of the professional judgment of the verification team.

The purpose of the Verification is to check:

- The veracity of the information presented, the traceability of the data and the reliability of the contents.
- Level of quality and representativeness of the data and information, as well as the sources on which they are based.
- Adequacy to the content required by Law 11/2018, Regulation (EU) 2020/852 and Delegated Regulations (EU) 2021/2178 and 2021/2139



