



**NAVANTIA GROUP**

Non-Financial Reporting / **NFRD 2022**

**An infinite horizon**



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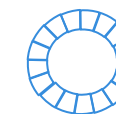
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# Navantia, an infinite horizon

Past, present, and future. Navantia stands as a leading company in the naval sector with 400 years of history, which runs parallel to the Navy's designs from the vantage point offered by the perspective of time, Navantia has not ceased to constantly scan the horizon to offer a steady and renewed course.

Always linked to the natural environment, the sea, Navantia not only becomes a major international player in the shipbuilding sector, but also diversifies its line of business with the launch of Navantia Seanergies, with a strong commitment to a sustainable future through green energy, mainly with offshore wind energy and hydrogen.

All this, in the context of a business of services and systems, where the excellence of our products is at the service of a company with an exciting present and a future that allows us to glimpse an infinite horizon.

During 2022 financial year, Navantia sets a new course, Horizon 5.0, representing the company's strategic vision for the coming years, a modern vision committed to its vocation of public service in order to promote and unite the Spanish, European and international industrial manufacturing in the naval and renewable energy sectors.

We are entering an imminent sustainable and technological future, for which Navantia has the best team available to meet the challenge we face.

As always, the feeling of pride in belonging that each one of our company's workers displays proves that Navantia will be prepared to successfully navigate the swells or storms that may appear on our course. To this end, the training of our workforce is a fundamental part of our purpose and mission.



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GRI 102-2, 102-3, 102-4, 102-6, 102-7

The digital transformation, the commitment to artificial intelligence and other disruptive technologies, the promotion of excellence centers, the organizational culture in the search for the best governance and ethical dimension, cohesion through the improvement of corporate processes and the search for the most appropriate innovation for our products and services show that, behind the words, there is serious, methodical and avant-garde work, adapted to the needs of the market and society.

Navantia continues promoting integration of sustainability in the company's decision-making process. The ESG (environmental, social and governance) variable is increasingly present in the face of regulatory challenges, pressure from competitors and investors, demands of society and even the company's own workforce.

The approval of Navantia's Sustainability Strategy for 2022 reflects the transcendence of its dimension, which binds from the company's Strategy, in Horizon 5.0.

We completed 2018-2022 Strategic Plan in which the hired workforce as of December 2022 has reached almost 80% of the initially planned target, with a deployment of 513 million euros of investments that match operational needs, as well as 1,173 new employees.

We begin a new infinite Horizon. Our corporate purpose is to build a safe and sustainable future through technological excellence and industrial collaboration. The new purpose was presented by the company's president, Ricardo Domínguez García-Baquero.



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# 2022, Navantia Brand

## The Shipbuilding-Systems and Services binomial

Navantia is committed to the country's strategy, as its name is linked to Spain and, therefore, to Europe. Trying to summarize Navantia's milestones during the year covered in this report is a difficult task, but they can be summarized in two words: enthusiasm and commitment.

Enthusiasm, as we are beginning to see results after various difficult years in which the economic situation and the Covid-19 pandemic did not allow the company's potential to unfold. Commitment of the entire workforce effort, which have been the key to reaching the heights that are beginning to be glimpsed.

Shipbuilding together with Systems and Services constitute a capital binomial for the company and, therefore, as a strategic company in the Defence sector, for the Armed Forces of our country and those with which it maintains commercial relations.

It should never be forgotten that, as Article 15 of Organic Law 5/2005 of 17 November on National Defence emphasises, "*The Armed Forces, in accordance with Article 8.1 of the Constitution, have the mission of guaranteeing the sovereignty and independence of Spain, defending its territorial integrity and the constitutional order*". Therefore, we should not lose sight of the fact that our company's contribution to reinforcing the security of our country is an axiom and framework for the performance of ESG actions not only of Navantia, but of society as a whole, especially in a context marked by the war in Ukraine and global geopolitical instability.

The F-110 program is advancing with determination and with the maximum commitment of the Spanish Government, a program in which Navantia is contributing with the best talent at the service of our country to provide the Navy and our commercial partners with the multipurpose frigates that represent a technological leap towards the intelligent ship

Incorporating Industry 4.0 technologies that will improve construction, operation, and the life cycle, as well as optimizing the use of resources by combining sustainability and digital transformation, represent a challenge to maintain Navantia's position as a world leader in the design and construction of frigates and their subsequent life cycle support.



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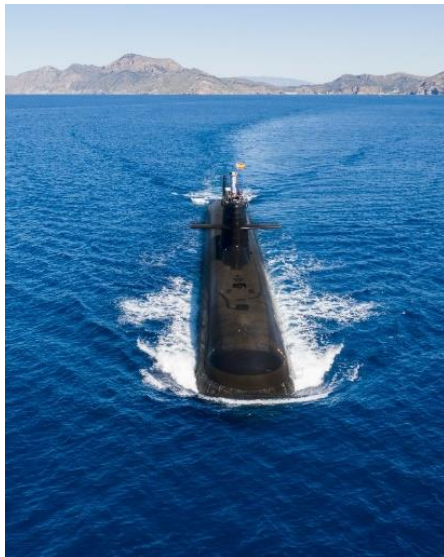
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The fact that the S-81 submarine has made its first sailing in the Bahía de Cartagena fills Navantia employees with pride

The enormous effort to have at its disposal a new generation model, with a completely Spanish design and construction, includes the third generation anaerobic AIP propulsion model called BEST (Bio-Ethanol Stealth Technology), which consists of a bioethanol reformer to produce hydrogen, which in turn reacts with oxygen in a fuel cell to generate electricity, providing the submarine with a sustainability component that is unprecedented worldwide.

This system allows it to extend its autonomy in immersion for up to three weeks, which substantially reduces its level of detectability.

We must also highlight the approval of the Initial Design Review (IPDR) of the Underwater Intervention Vessel (BAM-IS) that Navantia will build for the Navy.



The promotion of the F-110 Digital Twin programmes, the AIP propulsion model, achieving the integration of unmanned vehicles on Navy ships, successfully completing the validation tests in the real environment of the FAVENTAN R&D programme, participation in the first IndesIA forum and attendance at numerous national and international events (World Defence Show, Indopacific, Euronaval with the signing of the European Patrol Corvette memorandum) have been the touchstone of what the Navantia Brand stands for.



It has been accompanied by numerous national and international recognitions, such as obtaining the best engineering software certification, starting to chair the European Naval Industry Group in ASD-Europe, winning the Award for Innovation in Additive Manufacturing and 3D for its "3D Rudder" project, the participation of our president in the forum "the future of NATO" after the Madrid summit, participating in NATO's Dynamic Messenger exercises, receiving the Annual Gold Award from the Spanish Chamber of Commerce in the United Kingdom and being awarded the 7th "Impulso de la Industria Conectada" prize, among other milestones.

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This takes us to a higher level, in which Navantia's international projection has taken on a very prominent role. In addition to the consolidation of our subsidiaries in Australia and Saudi Arabia, Navantia UK has also been created. And the creation in 2022 has not taken long to bear fruit, as the "Team Resolute" consortium, led by Navantia UK, has been declared the successful bidder for the FSS programme for logistics vessels in the United Kingdom.

In addition, not only three corvettes have been delivered for the Royal Saudi Navy, but an agreement for another five vessels has been signed with Saudi Arabia. We also witnessed the launch of the AVT1800+PHM programme for the Royal Moroccan Navy.

Navantia's leading position is reinforced by the synergy and traction work it has been promoting since the birth of the PERTE Naval, which plans to mobilise 190 million euros in public investment.



## Navantia in the green energy sector



Navantia's commitment to society takes on a new meaning following the launch of the Navantia Seanageries division in 2022, to project its experience, industrial and innovation capabilities in the development of products and services in the green energy sector, such as offshore wind energy and hydrogen.

In an unstable 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 decarbonization of its economy, and energy independence based on clean and sustainable energies. This change is necessary, not only for next generations of the future, but also for the generations of today. The war in Ukraine is having a very tangible global socio-economic impact on society.

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 for industry.



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In this context, Navantia Seaneergies 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 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.

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 on a par with these countries because, unlike them, our country has a very small continental shelf, which means that wind farms must 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 the fuel cell propulsion of the S80 submarine with the AIP system, adding industrial capacity for the manufacture of electrolysis, as well as active collaboration with leading partners to decarbonize maritime transport.

This value proposition allows leading 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 skilled 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.

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Companies as Navantia have been able to develop floating technology has been able to develop to the milestone of being commercially available and allowing the development of offshore wind farms at increasingly greater depths, which has enabled the Spanish government to set the goal of having energy infrastructures in the marine environment capable of producing between 1 and 3 GW of wind energy by 2030. In addition to offshore wind energy, hydrogen has become the energy vector that will make it possible to solve the storage challenges currently presented by renewable energies and will be a key element in the decarbonization of transport.

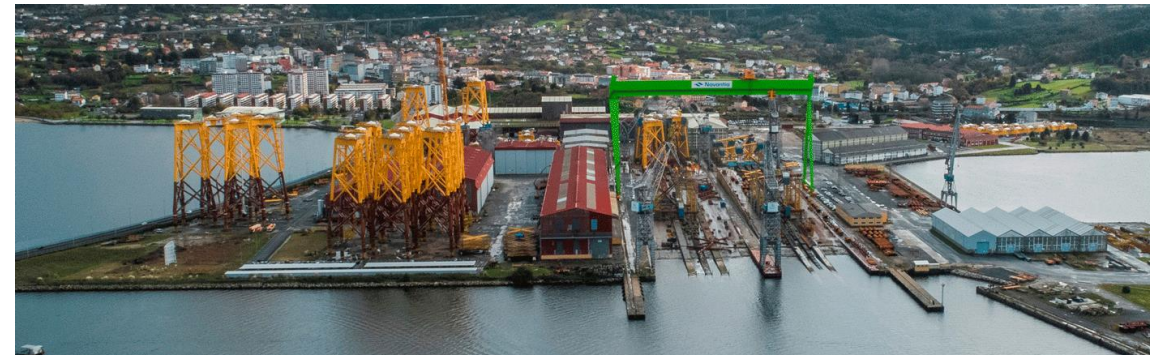
The mission of Navantia's Green Energy Centre of Excellence is to promote open innovation, knowledge transfer, training and entrepreneurship, through the development of a collaborative ecosystem made up of companies in the value chain of these energies, R&D&I agents, SMEs, etc., as a mechanism for developing national strategic capabilities and boosting competitiveness in this sector.

With a solid position in the sector's international markets, Navantia has accumulated consolidated experience in foundations and substations for offshore wind farms, with close to €1,000m in revenues (10 contracts signed since 2014 for 5 countries: France, Germany, Portugal, United Kingdom, Denmark).

As a result of this commitment, Navantia Seanergies has managed to sign the following contracts:

- Supply 62 wind turbine jackets for Dieppe Le Tréport wind farm in France in a joint venture with Windar.
- Navantia's first turnkey contract with two substation jackets for this wind farm and for the Îles d'Yeu et Noirmoutiert wind farm in France.
- A turnkey contract for the jacket of the Dogger Bank substation in the UK; Navantia's first US contract for 5 offshore structures.
- The first Monopiles contract: 14 XXL Monopiles for the Moray West field in the UK in a joint venture with Windar.
- The signing of 50 platform pieces of the Vineyard Wind field in the USA in a joint venture with Windar.
- For the Saint Briec project, the first 4 jackets delivered have been shipped, as well as the completion of the verticalization of the 64 jackets of the project.

In summary, during 2022 progress has been made on several bids of high strategic value that will be consolidated in 2023, as well as collaboration agreements with national and international industry, such as the Shyne project with Repsol in the largest Spanish green hydrogen consortium or the fact that Enagás has given Navantia a 5% stake in the capital of Enagás Renovable or that we have attended the meeting to launch the first Navantia Seanergies contracts in Puerto Real.



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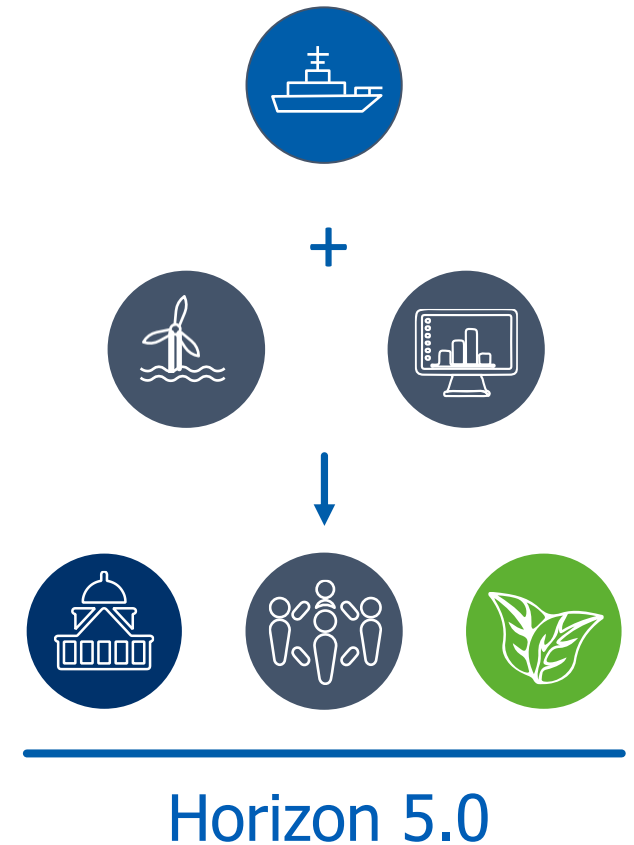
**Navantia's Strategic Plan 2018-2022** initiated a path of improved results and has laid the foundations for the company's transformation, to which must be added that, in the current context, there are a series of disruptions and opportunities that Navantia must face. The digital transformation and 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 defense sector, which provides the industrial and technological solutions to the capabilities that the Government considers to affect the essential interests of Defense and National Security and, also, 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, **Horizonte 5.0** designs Navantia as a sustainable company in its three economic, social and environmental dimensions, and as an internationally recognized 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.

H 5.0 aims to **consolidate the transformation process 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 2018 Strategic Plan.



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### Core business growth

- Strengthen the order book in the defense 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 rationalization 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.

### Strategic capabilities and talent

- Navantia's workforce must be sized and have the necessary capabilities to respond to Spain's defense 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 Decarbonization 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 defense and security market (both domestic and export) while enhancing our strategic positioning in Europe through alliances and participation in European projects.

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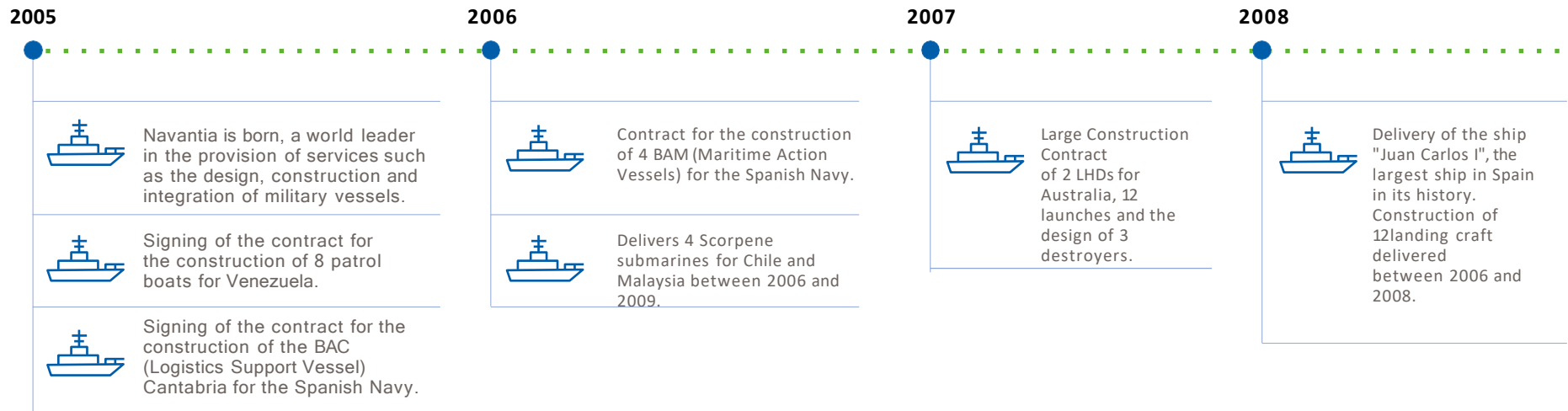
# Business model: the naval sector and the projection in renewable energies

Navantia is wholly owned by Sociedad Estatal de Participaciones Industriales (SEPI), a body which, in turn, reports to the Ministry of Finance and Public Administration. 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 Saudi 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 is considered a strategic company for National Defense, aligned in the achievement of its goals with the UN Sustainable Development Goals and playing an important role in territorial cohesion due to its capacity as a driving force in the creation of employment and economic development in the geographical areas where its shipyards are located.

As a result of this concept, at Navantia we have developed programmes in more than twenty countries and we have more than 4,100 professionals, who carry out their activities at the facilities in the Ría de Ferrol, Dársena de Cartagena and Cádiz Bay, at the central offices in Madrid, as well as at its subsidiaries and international delegations.

**Navantia's historical evolution and growth**



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## 2010-2013



End of construction of 5 frigates for Norway



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

## 2014



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 Wikingen wind farm (Germany).



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

## 2015



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 Saint-Brieuc wind farm (France)

## 2021



Navantia launches a new division specializing 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 authorizes the setting up of a Navantia subsidiary in the UK



Birth of **Navantia Seanergies**  
Acquisition of a 5% stake in Enagás Renewable (EGR) specialized in green hydrogen projects.



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

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### Business lines

Navantia is a benchmark and a trusted ally to respond to any need in our operational area. Our strategic and operational vision focuses on anticipating and responding to challenges in an efficient, effective and sustainable manner.

Navantia's greater international projection, the result of the effort and commitment of its organization and workforce, allows it to promote the defense and renewable energy sectors with the greatest guarantees.

Within it, 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.



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### SYSTEMS AND SERVICES, innovate to grow

Navantia, through its SYSTEMS AND SERVICES division, generates added value to both national and European shipbuilding.

Navantia's R&D&I investment represents 5.2% of its revenues in 2022, above the average of other industrial sectors.

This allows it to have its own key technological capacity to ensure that its products and services are efficient, competitive and exportable, and to continuously improve its processes and facilities.

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 centers in Spain. Within this framework, four chairs have been set up with universities in Madrid, Cartagena, Cádiz and A Coruña (José Romero Landa, Isaac Peral, José Patiño Rosales and Cosme Álvarez de los Ríos respectively). In addition, given the international nature of the company, it has agreements with universities and technology centers in Australia and other countries, and collaborates with other sectorial organizations of reference in various countries.

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, sensitization, communication, robotization 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 centers.

All this makes Navantia Sistemas a key asset for the development and generation of added value for the industry.





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### Navantia Seanergies

A market with a high potential to generate growth and qualified quality employment in activities related to offshore wind energy, hydrogen and other alternative energies.

- International leader in the manufacture of fixed jacket foundations and floating installations, having built 85% of the floating platforms installed in the world.
- In the field of hydrogen, it takes advantage of the development led in the AIP system of the S-80 submarines, as a growth vector in the framework of hydrogen technologies, which will be key to contribute to the decarbonization of the maritime sector (among other sectors).
- Pioneer at national level in the construction of offshore electrical substation centers the construction of the first electrical substation in Spain for an offshore wind farm, and with the ambition to consolidate its market position with this product.
- A benchmark in the development and integration of advanced technologies for the use of hydrogen, derived from its experience in developments in the defense sector.
- With production infrastructures in Fene, Ferrol, Puerto Real, Cartagena and Saint Briec (France), and with a Green Energy Centre of Excellence under development that will have three sites.
- The following [link](#) and QR code provides information about Navantia Seanergies.



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**Trends - Navantia's horizon**

Navantia, as a result of its position in the market, focuses its sphere of action on those sectors in which it sees a present with a bright future.

Nothing is left to chance, but rather our course is thoroughly analyzed, especially in our position as a public sector company. Without prejudice to the current economic situation, the result of the paralysis caused by Covid-19, Navantia does not fail to glimpse the trajectory that marks the near future, which we are already aware of through the European Union's Roadmaps and Strategies, the Spanish Government, the Autonomous Communities and Local Entities, as well as market analysis, which can be summarized in the following key points:



**Disruptions in the macroeconomic scenario - Tensions in commodity markets and inflation**

The economic environment during the first half of 2022 was conditioned by supply-side tensions stemming from increases in energy and commodity prices as a result of pressures in global supply chains, especially exacerbated after the outbreak of the war in Ukraine in February and international sanctions on Russia.

Although the prices of energy, raw materials and the global supply chain pressure index have moderated in the last few months of 2022, they are still high compared to pre-pandemic levels. This is in any case a highly volatile scenario in which both real variables (GDP growth, prices, or security of supply of inputs) and financial variables (interest rates and exchange rates) are being affected, and are recurrently changing scenarios and forecasts, and for which companies must be prepared.



**Renewed focus on sustainability - Renewable energies at the heart of Europe's energy transition and energy self-sufficiency**

At a global level, sustainability has experienced a significant leap among society's main concerns. 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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### The military and civilian naval sector

In 2022, expectations for revenues and profitability of the defense industrial base improved as increases in defense spending by European states were announced as a spillover effect of the invasion of Ukraine, especially in those with lower defense budgets as a share of GDP.

However, given the long lead times in military naval programmes, procurement in last year's global military shipbuilding market was not affected by these announcements, standing at just over \$13 billion and concentrated in four countries.

Global merchant ship trading declined slightly in 2022 in line with the moderation of shipping and freight rates.



### New scenario for the European defense industry

Several cross-cutting forces have been identified, which, enhanced by COVID-19 and the war in Ukraine, will affect and shape the strategies of defense industry companies and their business environment in the coming years:

- Mastery of technology and continuous need for innovation.
- The importance of data and hyperconnectivity.
- Increased risks related to cybersecurity.
- The need to strengthen European defense capabilities, which would not only translate into spending increases, but also into improved spending through the efficiency gains and economies of scale that joint military programmes would provide.

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Main challenges and opportunities for the shipbuilding sector

**Main challenges**

**Disruptive and uncertain global macroeconomic scenario**



High inflationary pressures (stemming from rising energy and commodity prices and pressure on supply chains), as well as their consequences on global macroeconomic stability, pose a highly volatile and complex scenario for companies.

**Industry fragmentation and uneven recovery**



Europe's defense industrial base faces challenges stemming from its fragmentation and smaller size compared to its Asian and American competitors, which also affects the military naval sector.

For its part, the post-pandemic recovery of the civil shipbuilding sector remains uneven, and less vigorous in Europe, dependent on the cruise ship industry.

**Technological change and increased international competition**



The disruptions caused by the so-called fourth industrial revolution, the increase in M&A processes, and the introduction of new international competitors in the military naval segment have accelerated in recent years.

**Main opportunities**

**Approval of the naval PERTE in '22 as part of NGEU funds for Spain**



Expectations of increases in defense spending by European states as a result of the war in Ukraine, which would imply opportunities for the medium- and long-term expansion of the number and scope of countries' military naval programmes.

**Consolidation of the commitment to green energies**



The Spanish government's commitment to stimulating renewable energies (including offshore wind and green hydrogen) and the location of work on national territory.

**Acceleration of digitalization and decarbonization**



Accelerating the need for digitalization and decarbonization of the shipbuilding sector.

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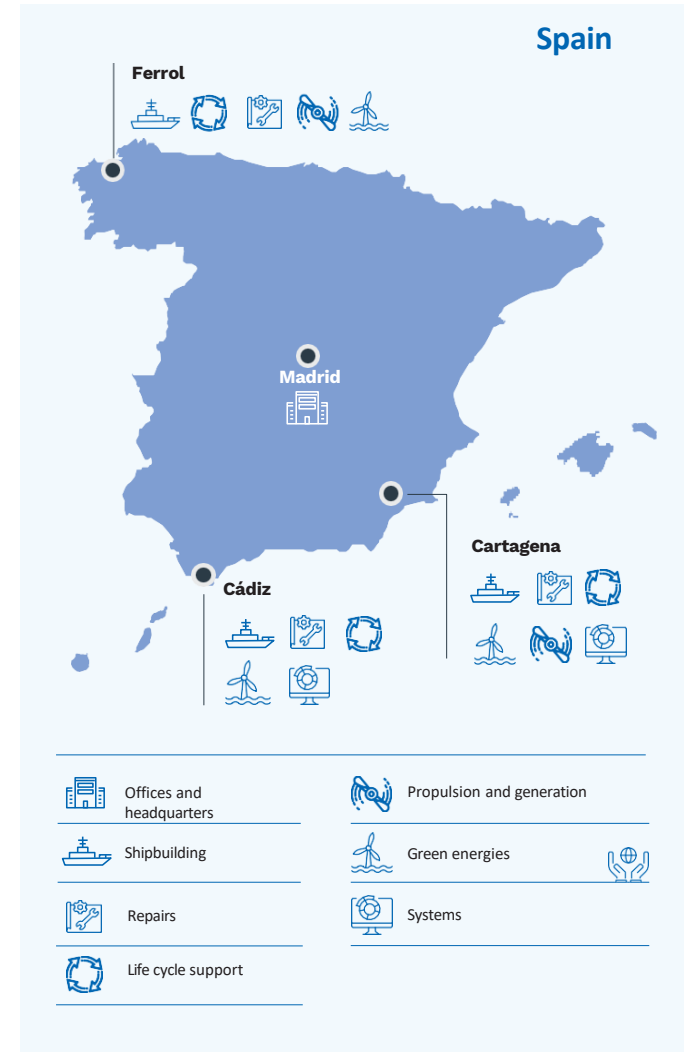
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## Close to its customers

Navantia provides comprehensive solutions to its clients, as it has the capacity and infrastructure necessary to successfully develop any operational programme in the world, delivering fully operational ships, systems and renewable energy infrastructures and providing the necessary support throughout the product's life cycle.

In line with the export capacity of its business, Navantia has subsidiaries, offices and delegations abroad that allow it to remain close to its customers and partners in strategic markets. Likewise, in Spain.

Navantia has consolidated its operational presence in seven shipyards.



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## Key milestones 2022

### JANUARY

#### 12th January

Navantia Sistemas obtains the best engineering software certification.

#### 13 January

Navantia reinforces its European strategy from its new office in Brussels

#### 21 January

SHYNE is born: Navantia collaborates with Spain's largest green hydrogen consortium

### MARCH

#### 8 March

Navantia showcases Avante 2200 and its high-tech programmes at the World Defence Show

#### 10 March

Motores develops Digital Plant Twin to revolutionize its production processes

#### 31 March

First corvette delivered for Saudi Arabia

### MAY

#### 3rd May

Navantia and MAN Energy Solutions renew their engine manufacturing partnership for the next ten years.

#### 3rd May

Navantia chairs the European Naval Industry Group in ASD-Europe.

#### 13th May

Navantia attends the Indo pacific exhibition (Australia), with a delegation headed by its President.

#### 18th May

Navantia appointed to form part of the Industry Advisory Group to NATO.

#### 25th May

King Felipe VI visits the Navantia stand at the Naval exhibition.

#### 27th May

The submarine S-81 makes its first sailing in the Bay of Cartagena.

### FEBRUARY



#### 9th February

Navantia at the first IndesIA Forum



#### 21 February

F110 programme passes the 1st Construction Design Quality Gateway



### APRIL

#### 5th April

Navantia Seanergies officially presented at Wind Europe (Bilbao)

#### 6 April

The President of the Government at the ceremony marking the start of construction of the first F-110 frigate.



#### 21 April

Meeting with the Spanish Navy to analyze the clean propulsion of the training ship Juan Sebastián Elcano.

#### 27 April

Creation of the subsidiary Navantia UK.

### JUNE

#### 2 June

The F-110 has the Ground Systems Integration Centre (Rota) and is making progress in the Digital Twin programme.

#### 6th June

Navantia Seanergies celebrates that Ocean Winds reserves capacity for the construction of substations at Navantia Puerto Real, as well as the transfer of four jackets to St. Briec.

#### 7th June

The Management Committee approves Navantia's Innovation Plan.

#### 17th June

Navantia wins the Award for Innovation in Additive Manufacturing and 3D for its "3D Rudder" project.

#### 22nd June

Navantia collaborates with the European Blue Deal project in Blue Energy.

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## JULY

### 4 July

The President of Navantia participates in the forum "the future of NATO" after the Madrid summit.

### 8 July

Navantia successfully completes the first integration of unmanned vehicles on a Navy ship.

### 19 July

Navantia Seanergies presents its Centre of Excellence to the Spanish Energy Club.

### 21 July

Navantia is participating in six projects supported by the European Defence Fund, valued at 265 million euros.

### 22 July

Ocean Winds awards the first XXL monopile contract to the new factory in Fene.

### 22 July

Navantia approves its Sustainability Strategy.

### 22 July

Fábrica de Motores assembles its first engine for the F-110.

### 26 July

Handover ceremony of the second corvette Al-Diriyah to the Royal Saudi Navy.

### 28 July

Publication of the regulatory bases of the PERTE Naval, in which Navantia is the driving force and dynamising agent of the sector with a view to its creation.

## OCTOBER

### 4 October

Navantia and Airbus sign an agreement to promote transformation and digitalisation projects in the industrial and defense sector.

### 18 October

Navantia, a leading player in the signing of the preliminary consortium agreement for the European Corvette at Euronaval.

### 18 October

The Spanish Chamber of Commerce in the UK awards its annual Gold Award to Navantia.

### 19 October

Enagás gives Navantia a 5% stake in Enagás Renovable.

## DECEMBER

### 2nd December

Navantia Seanergies will play a leading role in the 1st Spanish Offshore Wind Energy Congress.

### 3rd December

Navantia delivers the third corvette to the Royal Navy of Saudi Arabia.

### 9 December

Repsol's renewable fuels tested at Navantia prove to be compatible with marine engines.

### 21st December

Navantia Sistemas successfully completes the validation tests in the real environment of the FAVENTAN R&D programme.

### 21st December

Publication of the call for proposals for the Naval PERTE, which plans to mobilise 1.46 billion and create 3,100 quality jobs.

## SEPTEMBER

### 1st September

Navantia participates in the constitution of the TF Green Defence in ASD-Europe.

### 6th September

King Felipe VI presides over the naval parade on board the "Juan Sebastián de Elcano" for the 5th Centenary of the Circumnavigation.

### 8 September

Kick-off meeting of the AVT1800+PHM programme for the Royal Moroccan Navy held.

### 28th September

Navantia participates in NATO's Dynamic Messenger exercises.

### 28th September

The Initial Design Review (IPDR) of the Underwater Intervention Ship (BAM-IS) to be built by Navantia for the Spanish Navy has been approved.

## NOVEMBER

### 3rd November

Navantia, spokesperson for the sustainability of the naval sector at the B2B FORUM of the European Hydrogen Week 2022.

### 7th November

Navantia is part of a NATO research group on Digital Twins.

### 11 November

The Navy awarded Navantia a contract to carry out the overhaul process of four 76/62C naval guns, for the BAM series ships.

### 16 November

The consortium "Team Resolute", preferred bidder for the FSS programme for logistics vessels in the UK.

### 28th November

Ocean Winds orders 62 jackets from Navantia-Windar for its French fleet Dieppe Le Tréport.

### 29th November

Navantia, winner of the 7th Impulso de la Industria Conectada award.

### 29th November

Saudi Arabia signs an agreement with Navantia for another five ships for its Navy.

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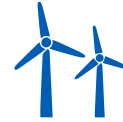
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GRI 2-1, 2-6, 2-9, 2-12, 2-22

# Sustainability at the helm of the new Horizon for Navantia

Affirming that sustainability is configured in Navantia as a vector of our purpose and action is demonstrated by tangible examples, in line with the Sustainable Development Goals (SDGs) of the 2030 Agenda, the European Green Pact and the European, state, regional and local instruments in the field of sustainability.



The highest management body of Navantia, S.A., S.M.E, approved the company's Sustainability Strategy at its meeting of 9 June 2022, within the framework of Navantia's Strategic Plan, which translates not only into its integration 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 organization, workforce, products and services, in a timeframe that combines the short, medium and long term. All of this, within the framework of Horizon 5.0, the company's strategic keystone.

With the idea of anticipating the different winds of change that are projected on Navantia, the company actively participates in ASD-Europe, the European association that brings together the Defense, Aerospace and Security sector industry in Europe, through the Environment Committee and the Corporate Social Responsibility working group. Special mention should be made of its participation in the Task Force on Green Defense, in which Navantia has been a member since its creation, with the aim of developing a roadmap for the decarbonization of the defense sector. To this end, Navantia is also accompanied by professionals from companies such as Hensoldt, BAE Systems, Leonardo and Airbus in this challenge.

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 companies of the state public sector. SEPI's coordination has been joined by companies such as Tragsa, Correos, Saeca, RTVE, Enusa, Sepides and the SEPI Foundation. The analysis of the regulatory framework and the socio-economic situation, the alignment with investors, employees and society, the establishment 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 during 2022.

Navantia has also played a leading role in the training plan that the Spanish Association of Defense, Security, Aeronautics and Space Technology Companies (TEDAE) has launched for its associates, coordinating and promoting it. During 2022, issues such as the regulatory framework posed by European standards for the sector following the European Green Pact (the Fit for 55 package, the Corporate Sustainability Reporting Directive, the Corporate Sustainability Due Diligence Directive and the Green Taxonomy Regulation) were discussed. One of the presentations that aroused most interest was the one given by Navantia, in which the main lines of the company's Decarbonization Plan were presented, being a demonstrative example for the whole sector.



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The analyzed period has also entailed the challenge of sizing existing investments in the Industrial Management Centers, combining them with the work of drawing up and implementing the Decarbonization 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.

All of this, without forgetting the participation in the different acts and events of Forética, the United Nations Global Compact or the Company-Biodiversity initiative of the Biodiversity Foundation (MITERD), as well as in the first mission of the European Commission on Adaptation to Climate Change, held in Brussels. The dialogue and active participation with regional and local administrations, universities, the private sector and other third sector groups highlight Navantia's real commitment to sustainability.

As a result of properly organized work with a fully committed team, the achievement of zero waste certification 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.

With a view to its proper integration, 2022 has meant the promotion of organizational 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, two additional working groups of maximum interest have been created. On the one hand, the Human Rights Working Group, with the participation of the Legal Department, Compliance, Corporate Governance and the Sustainability area, with the idea of anticipating the regulatory changes of the draft Due Diligence Directive on Human Rights and the Environment and the Forced Labor Directive, to which must be added the Draft Bill on which the Ministry of Social Affairs and the 2030 Agenda are working.

On the other hand, the Sustainable Public Procurement Working Group with the participation of the Legal Department, the corporate Procurement departments and the different business areas, as well as the Sustainability area, with the idea of strategically promoting the criteria of sustainable public procurement in corporate action, in order to give compliance with the different precepts of general and sectorial contractual legislation that require it, but also to offer a competitive advantage for the projection of our products, as well as to reduce the carbon footprint of our organization in scope 3.



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The latest combines projects to offset emissions in areas surrounding our centers 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 (Cádiz) 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 the 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 European company.

## Navantia's sustainability strategy

Navantia's sustainability strategy is oriented towards ESG: the environment, the social aspect (internal, aimed at our workforce; external, as social action) and governance are the pillars on which its corporate action pivots.



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## Sustainability milestones

### JANUARY

- 17 January:** Navantia awarded the CEI Mare Nostrum for its relationship with the University of Murcia.
- 19 January:** The Government awards Navantia the carbon footprint registration seal for the third consecutive year.
- 21 January:** SHYNE is born: Navantia collaborates with the largest Spanish green hydrogen consortium.
- 24 January:** NAVANTIA and EOLOS successfully carry out the first tests of unmanned autonomous vehicles applied to offshore wind power.
- 28 January:** Navantia Bahía de Cádiz and Madre Coraje sign an agreement.



### MARCH

- 2 March:** Navantia at the first annual meeting of the CEO Alliance for Diversity.
- 2 March:** Navantia and Repsol collaborate to decarbonise maritime transport.
- 5 March:** Workshop on addictions for all staff.
- 8 March:** Navantia celebrates International Women's Day.
- 9 March:** Cartagena's first marine microplastics analysed with a 3D printed microscope.
- 16 March:** The Sustainability Director participates in the CSR working group with ASD-Europe.

- 18 March:** Navantia participates in the Business Consultation on sustainable development of the United Nations Global Compact.
- 21 March:** Navantia Puerto Real launches a relaxation room for pregnant women and nursing mothers.
- 23 March:** Navantia achieves zero waste certification for the first time in all its centres.
- 30 March:** Navantia in the ASD delegation meeting with DG GROW draft Directive Due Diligence in environment and human rights.
- 31 March:** Environmental volunteering day in Cartagena.



### FEBRUARY

- 1 February:** Navantia presents its offshore wind potential in Galicia together with Iberdrola.
- 7 February:** Campus Ferrol receives the recognition of Ferrolán do Ano from the City Council.
- 9 February:** Navantia attends the first IndesIA forum
- 11 February:** Navantia Ecosystem. Signing of the San Fernando City Council Agreement on the forestry absorption project.

- 11 February:** Our professionals, protagonists of a campaign to encourage technical and scientific vocations.
- 14 February:** Navantia's Equality Commission organizes the live webinar "Women#STEAM Building the Future."



- 16 February:** Navantia reinforces its commitment to the fight against Climate Change in a meeting with the Spanish Climate Change Office.

### APRIL

- 1 April:** Navantia joins the 30 days by Bike challenge.
- 6 April:** Navantia presents its Green Energy division at Wind Europe Bilbao.
- 7 April:** Navantia and the Polytechnic University of Cartagena reactivate the Master's Degree in Underwater Technologies.
- 26 April:** Navantia Bahía de Cádiz renews its Environmental Quality Distinction.
- 28 April:** Workplace Prevention Days in all centres for World OHS Day.
- 28 April:** The second phase of the SAP Sustainability Implementation project begins.

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## Sustainability milestones

### MAY

- 3 May:** First meeting of SEPI's sustainability group.
- 4 May:** Meeting to promote sustainability at TEDAE.
- 5 May:** The President of Navantia receives the Zero Waste Certificate from Bureau Veritas.



- 6 May:** The Navigators of Change present their team projects.

- 10 May:** Presentation of the Roadmap for Navantia's Decarbonization Plan.
- 18 May:** Navantia with the International Museum Day.
- 24 May:** Navantia participates in WHEC2022, organized by UNESCO in Barcelona.
- 24 May:** Navantia promotes training in Sustainability for SEPI and TEDAE companies
- 30 May:** A blue carbon pilot project is presented with the Junta Andalucía in the Bahía de Cádiz Natural Park.
- 30 May:** Environmental Sustainability Days in all centers for World Environment Day.
- 31 May:** A survey is launched to all staff to calculate Scope 3 of the Carbon Footprint regarding commuting to work.
- 31 May:** Navantia signs up for the 3rd edition of the Target Gender Equality Accelerator Programme of the United Nations Global Compact.
- 31 May:** Navantia, a benchmark in Sustainability at SAP's Sapphire meeting.

### JUNE

- 7 June:** The Management Committee approves Navantia's Innovation Plan.
- 7 June:** Navantia participates in the first meeting of the European climate change adaptation mission.
- 8 June:** Navantia renews its commitment to the United Nations principles for a sustainable ocean.
- 9 June:** The SSC approves the Corporate Sustainability Strategy.
- 13 June:** "Move with Navantia", employees travel more than 47,000 km.
- 14 June:** The project "Help us to help you" awarded by the ORP Foundation for Preventive Management.
- 15 June:** Navantia presents the PERTE NAVAL projects to Mincotur.
- 16 June:** Navantia wins the European Digital Mindset Awards.
- 21 June:** Navantia at the Annual Assembly of the United Nations Global Compact.
- 22 June:** Navantia collaborates with the European Blue Deal project in Blue Energy.
- 23 June:** Navantia joins the International Day of Women in Engineering.
- 27 June:** Navantia's Sustainability Report/EINF published.
- 30 June:** Navantia success story in Forética's Action Group on Sustainability and CSR in public companies.

### JULY

- 6 July:** Production and dissemination of the Navantia Sustainability Strategy video.
- 7 July:** Phase 0 of the Perte Naval is closed with 3 primary projects, sustainability block is defined, and web platform is published.
- 15 July:** Navantia Seanergies and Repsol will explore opportunities in renewable hydrogen generation.
- 19 July:** Navantia Seanergies presents its Centre of Excellence to the Spanish Energy Club.



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## Sustainability milestones

### SEPTEMBER

- 1 September:** Navantia participates in the constitution of ASD-Europe's TF Green Defense.
- 22 September:** Navantia joins the SDG Ambition Accelerator initiative of the United Nations Global Compact.

- 22 September:** Navantia promotes and leads TEDAE's sustainability conferences.
- 26 September:** Navantia, one of the highest rated public companies in Transparency.



### NOVEMBER

- 3 November:** The University of A Coruña and Navantia renew their collaboration in R&D&I projects.
- 4 November:** Navantia renews its commitment to the SDGs and the 2030 Agenda with Communication on Progress on the Global Compact website.
- 8 November:** Navantia shares biodiversity data through the world's largest network.
- 8 November:** Navantia Bahía de Cádiz joins once again in the solidarity march against cancer.
- 11 November:** ASD-Europe. DBU-Defense Commission approves roadmap for the decarbonization of the defense industry.

- 25 November:** Navantia offers to participate in the MITERD in the recovery of the Mar Menor through the Navantia Ecosystem projects.



- 25 November:** All Navantia centers pass the ISO 14001:2015 audits of the Environmental Management System.

### OCTOBER

- 19 October:** Enagás gives Navantia a 5% stake in Enagás Renovable.



- 20 October:** ISO 14064 certificate received after verification of new carbon footprint standard including scope 3 for the first time.
- 21 October:** STEAM professionals from Navantia participate as mentors in the "Women and Engineering" project.
- 26 October:** Navantia projects the relevance of sustainability in the defense sector at a SAP conference.
- 27 October:** Meeting of the Navantia Human Rights Working Group.
- 28 October:** Navantia's Sustainable Public Procurement working group is set up.

### DECEMBER

- 3 December:** Passed external audit of Carbon Footprint ISO 14064, incl. scopes 1, 2 and 3.
- 4 December:** The offsetting of emissions from a reforestation project in San Xurxo (Ferrol) is registered in the Miterd registry.
- 7 December:** Navantia participates in the second edition of Innovazul.
- 9 December:** Repsol's renewable fuels tested at Navantia prove to be compatible with marine engines.
- 13 December:** Navantia Cartagena's environmental volunteers collaborate with the RESALAR project in the Mar Menor.
- 14 December:** Blood donation campaign.
- 16 December:** Meeting with the President of Navantia to transfer analysis of the internal work of the first calculation of the carbon footprint scope 3 in the 15 categories of ISO 14064:2019.
- 19 December:** Presentation of the book "Navantia 400 years of history".
- 21 December:** Navantia Ecosystem: planting of 1,650 trees in San Fernando.
- 27 December:** Motores opens its historical museum.

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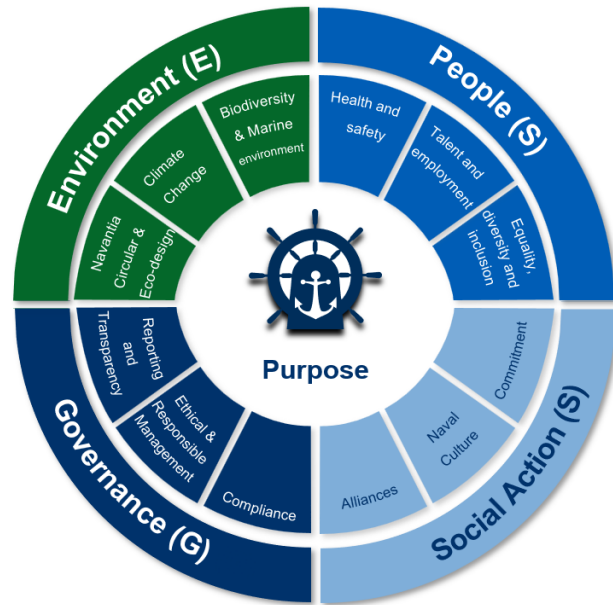
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## Sustainability strategy



### 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

Through the 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 GHG emission offset projects through reforestation or carbon sequestration projects. blue carbon. 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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# Digital Transformation and Innovation in Navantia

Navantia's Digital Transformation Plan is aimed at the harmonized deployment of projects within the framework of a major innovation programme that aims to support the goals defined in the Strategic Plan by relying on digital technologies. Since its launch in 2019, it has been consolidated as the means for the technological transformation of products, services and processes at Navantia.

During 2022, the digitization process has continued globally with technological deployments that aim not only to help reduce operating costs, streamline production processes and increase sustainability and resilience, but also to open new market niches using advanced technologies towards Industry 5.0.

During this year we have worked intensively on the proposals of our digital transformation plan within the areas of diversification, digitization and sustainability, without forgetting training and professional retraining as a transversal axis. In this sense, the approval in March of the PERTE for the shipbuilding industry gives us the opportunity to move towards the challenge of transforming the sector and the entire value chain, where we hope that synergies will emerge that will drive those cutting-edge, digital, sustainable and integrating projects that will make the transformation and modernization of our sector possible.

On the other hand, the support of the European Defense Fund (EDF) in the face of a new scenario of armed conflict, with the war in Ukraine as the main exponent, allows Navantia to consolidate its leadership in key strategic areas for its business, such as the digitization of naval platforms or the development and integration of unmanned vehicles and new generation weapons.

Regarding the development of our Plan, we have continued working on the development of the digital platform with Siemens and Accenture, continuing the validation work of the design modules in the Production environment and developing software applications to cover specific needs in naval design. This project is highly innovative as there is no similar reference implementation. We have defined a reference architecture and are continuing the migration to a new generation ERP (Enterprise Resource Planning), integrated with the digital platform, to redefine business processes and make them more efficient. During this year, the detailed designs and construction have been finalized to give way in 2023 to the different validation tests that will take us to production start-up with the new system.

We continue to work on projects as important as the digital twin, taking firm steps towards the digital twin of sustainment with projects that bring us closer to a Smart Services proposal and use cases have been tested on board a Navy ship, such as the optimization of escape routes and the automated management of the presence control of embarked personnel contemplating, in both cases, the Integrated Services System (ISS) which offers an architecture that uses lighting modules as nodes in which lighting, signaling systems, video cameras, microphones and other sensors are integrated, allowing options capable of visually identifying and locating personnel on board the ship, among others.

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We have an interactive catalogue that incorporates its smart service offer, and our engineering continues to advance in its transformation with new Smart products, with greater modularization and a lot of modelling, increasing the series started with the smart 4,000 with a new design for an amphibious vessel of approximately 19,000 tones.

In the process line, we are beginning to visualize changes being implemented in the welding process from the design phase to manufacturing and subsequent quality control and will spearhead the development of multi-purpose robotized cells for implementation in the digital block factory.

Previous steps have been taken to digitalize the Special Work Authorizations, which will speed up and optimize permit processing times, as well as improve their traceability in the identification of persons and provide information in real time.

The extensive digital transformation process in which the Engine Factory is immersed has gone a step further by digitizing processes as complex and essential as assembly, test benches and record control.

We continue with the digitization of our corporate processes, as evidenced in the areas of legal, finance and purchasing, which are incorporating new technologies such as artificial intelligence and RPA for task automation into their processes. The implementation of SAP Analytics Cloud (SAC) in these areas is allowing us to obtain dashboards that ensure reliability and unique data.

In the line of people and culture, Navantia has deployed in all its centers connected points where workshop operators without digital access until now can access the Navantia system with their own profile and carry out their formalities, as well as consult news and corporate documentation. In addition, a new mobile application has been implemented which allows our employees to obtain payroll advances immediately and which helps us to reinforce the message of "digitalization, innovation and flexibility" as well as reducing the administrative burden.

Furthermore, in 2022 we consolidated and increased collaboration with our technology partners and brought us new collaborations by exchanging best practices in technology management and digitization with other Group companies.

With Airbus Defense and Space, important synergies have been identified for the development of technology-based products and services, among them These include the generation of multi-domain services, the integration of unmanned vehicles, as well as the development of coordinated simulation environments in the air and naval domains, and demonstrators to define and validate the concept of operation of the above products.





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On the other hand, the World Economic Forum has been warning that we are in the midst of the fourth industrial revolution, probably the most disruptive in history, which aims to merge the boundaries between the digital, the physical and the biological. The massive use of mobile devices, cloud computing (*Cloud* and *Edge Computing*), artificial intelligence (AI), the internet of things (IoT), data analytics, robotics, augmented reality, 3D printing, drones, 5G, the digital twin and connected and guided vehicles have become increasingly commonplace and will undoubtedly have important implications for the development of industries, their business model and the way they interact with their suppliers and customers. In this context, innovation will be led by the speed in adapting new technologies to new business models and new products and services.

Navantia is a driving force for innovation. The contribution to R&D&I investment in 2022 was as follows:

This commitment to innovation is based on the collaboration of regional/local bodies, educational and technological centers, and with the participation of the Defense/Navy and the support of SEPI. Navantia is among the leading Spanish companies in terms of R&D investment, with 5.5% of revenues allocated to R&D&I, which is above the average for the rest of the industrial sectors in Spain.



In order to maintain the level of investment in R&D&I, Navantia relies on collaborative agreements with leading universities and technology centers in Spain, having established four chairs with universities: José Romero Landa Chair with the Polytechnic University of Madrid, Isaac Peral Chair with the Polytechnic University of Cartagena, José Patiño Rosales Chair with the University of Cádiz and Cosme Álvarez de los Ríos Chair with the University of A Coruña.

In addition, and given Navantia's international character, it has agreements with universities and technology centers in Australia.

In addition, the creation of an Innovation Hub has been launched with the aim of creating an open innovation ecosystem focused on *deeptech*, an agile, dual, open innovation model, making a prospection effort to identify potential alliances with *start-ups* and technological SMEs that can provide complementary capabilities to Navantia.



**R&D&I investment by geographical center 2022**

Centre	R&D&I (in thousands €)
Bahía de Cádiz	29.982€
Cartagena	14.941€
Ferrol	19.566€
Madrid	2.759€
<b>TOTAL</b>	<b>67.248€</b>

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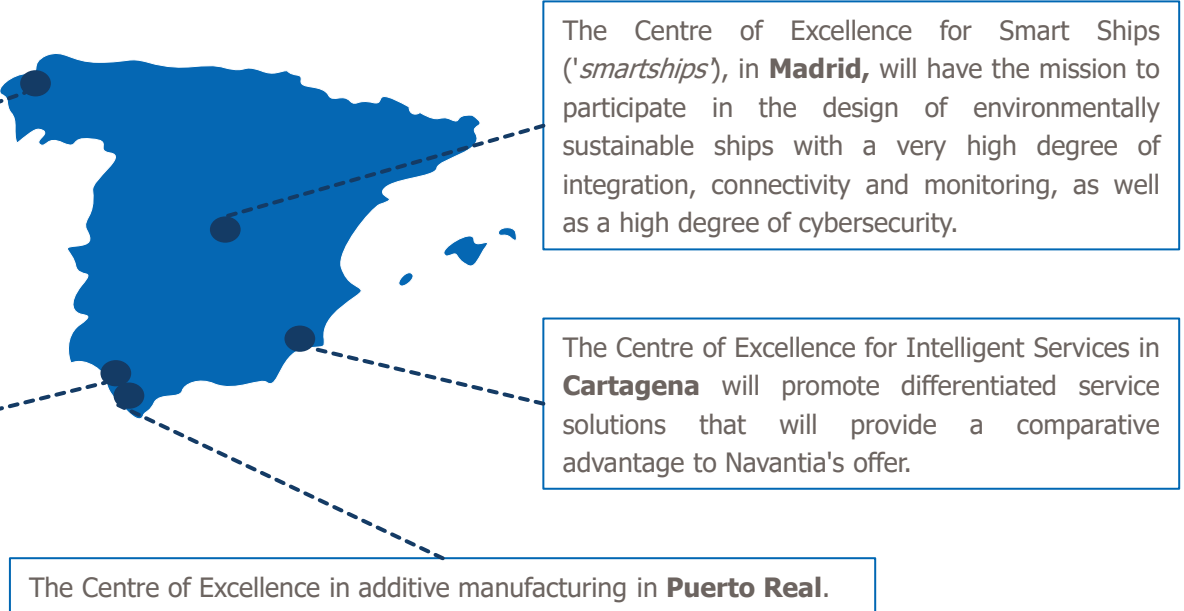
Another of Navantia's lines of action is the creation of Centers of Excellence (CoEx). Navantia's center of Excellence, in a coordinated manner, excellence in the business management of its business units, while at the same time promoting the development of capabilities, collaboration and innovation throughout its ecosystem with a national and international vocation.

The development of these centers of excellence will be a pole of attraction for talent and the promotion of qualified and quality employment, distributed throughout the country.

The proposed **Centers of Excellence** are:

The Centre of Excellence of the digital twin, in **Ferrol**, will be aimed at consolidating this tool, developed for the F-110 frigate programme, as a strategy for new Navantia products.

The Naval Systems Centre of Excellence, in Bahía de Cádiz (**San Fernando**), will be dedicated to research, innovation, development and integration of solutions in artificial intelligence and cybersecurity capabilities, applied to Navantia's products, processes and services.



Green Energy Centre of Excellence, with sites in Fene, Cartagena and Puerto Real, will include: hydrogen technologies, innovation in green energy and circular economy with a focus on substations and floating substructures for offshore wind, offshore wind energy dedicated to the development of constructive and productive solutions that optimize the efficiency of the manufacture of offshore wind structures.

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

# The impact of Navantia's activity

From the point of view of wealth and employment generation, the military naval industry is an essential component. In this sense, Navantia is a key driver for the generation of wealth and high-quality employment in those territories where it is present.

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

**2022**

**8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO**

**Total impact of Navantia's activity:**

**Economic**

3.83 billion euros of aggregate demand considering direct, indirect and induced effects.

1.3 billion euros contribution to national GDP direct, indirect and induced effects

**Employment**

24.360 persons considering direct, indirect and induced effect

**Impact on the Spanish economy:**

320 million euros of GDP in A Coruña

573 million euros of GDP in Cádiz

367 million euros of GDP in Murcia

**El empleo total generado:**

1% del empleo de la industria española

**PIB generado:**

0,87% del PIB industrial de España

Navantia's production centers are located in three areas with structural economic problems, namely Ferrol, Cartagena and Bahía de Cádiz.

In this regard, it should be noted that all the personnel employed by the company in these three areas, as well as most of the auxiliary companies, come from and/or reside in the aforementioned areas, reinforcing Navantia's commitment to these geographical areas.

**In those provinces with Navantia centers:**

	GDP		Impact generated in terms of employment		
	GDP	Industrial GDP	Employment	Ind. Employment	
Cádiz	2,4%	34,7%	Cádiz	2,5%	26,7%
A Coruña	1,1%	11,0%	A Coruña	2%	9,7%
Murcia	1,0%	8,1%	Murcia	1%	8,2%



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GRI 2-9, 2-10, 2-11, 2-12, 405-1

# Commitment of the governance bodies

## Corporate governance structure

The organization and management policy is fundamental in Navantia in order to achieve a correct functioning as a company. Navantia's Board of Directors meets periodically, with multiple meetings having been held in 2022. As of 31 December 2022, the Board of Directors was composed of thirteen members. At the date of approval of this report, there were fourteen members:

**CHAIRMAN**



**Mr Ricardo Domínguez García-Baquero**  
05-04-21

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

**BOARD MEMBERS**



**D. Enrique Moreno de Acevedo Sánchez**

23-11-21

Deputy Director of Investees SEPI



**D. Miguel Alonso Berrio**

21-04-22

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



**Ms. Marta Obrero Loma**

16-06-21

Advisor Member - National Accounts Preparation Division; National Accounting Office; General Intervention of the State Administration Ministry of Finance and Public Function



**Mr. Ramón J. Buendía Madrid**

16-06-21

Secretary General of the Intercentres Trade Union Section NAVANTIA CC.OO.



**D. Emilio José García Juanatey**

16-02-21

Member of the Executive Industry Ferrol CC.OO.



**D. Aniceto Rosique Nieto**

15-06-20

General Director of Armaments and Material Ministry of Defence



**D. Galo Gutiérrez Monzonis**

15-06-20

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



**D. Manuel Romasanta Pavón**

15-06-20

Deputy General Director for Recruitment and Labor Guidance Ministry of Defence



**D. Roberto Moisés Gutiérrez**

24-11-20

Director of the Territorial Coordination Division Department of Services and Territorial Coordination Sub-Secretariat of Finance - Ministry of Finance



**Mr. José Manuel Lago Peñas**

15-12-20

Economic Advisor to the Cabinet of the Minister Ministry of Labor and Social Economy



**Ms. M<sup>a</sup> José Lafuente Fdez.**

16-02-22

Subd. Gral. Coordination of Electronic Contracting - Director. Gral. State Heritage - Ministry of Finance and Civil Service)



**D. Ricardo A. Hernández López.**

27-01-23

Admiral Chief of Logistic Support of the Navy Ministry of Defence

**SECRETARY**



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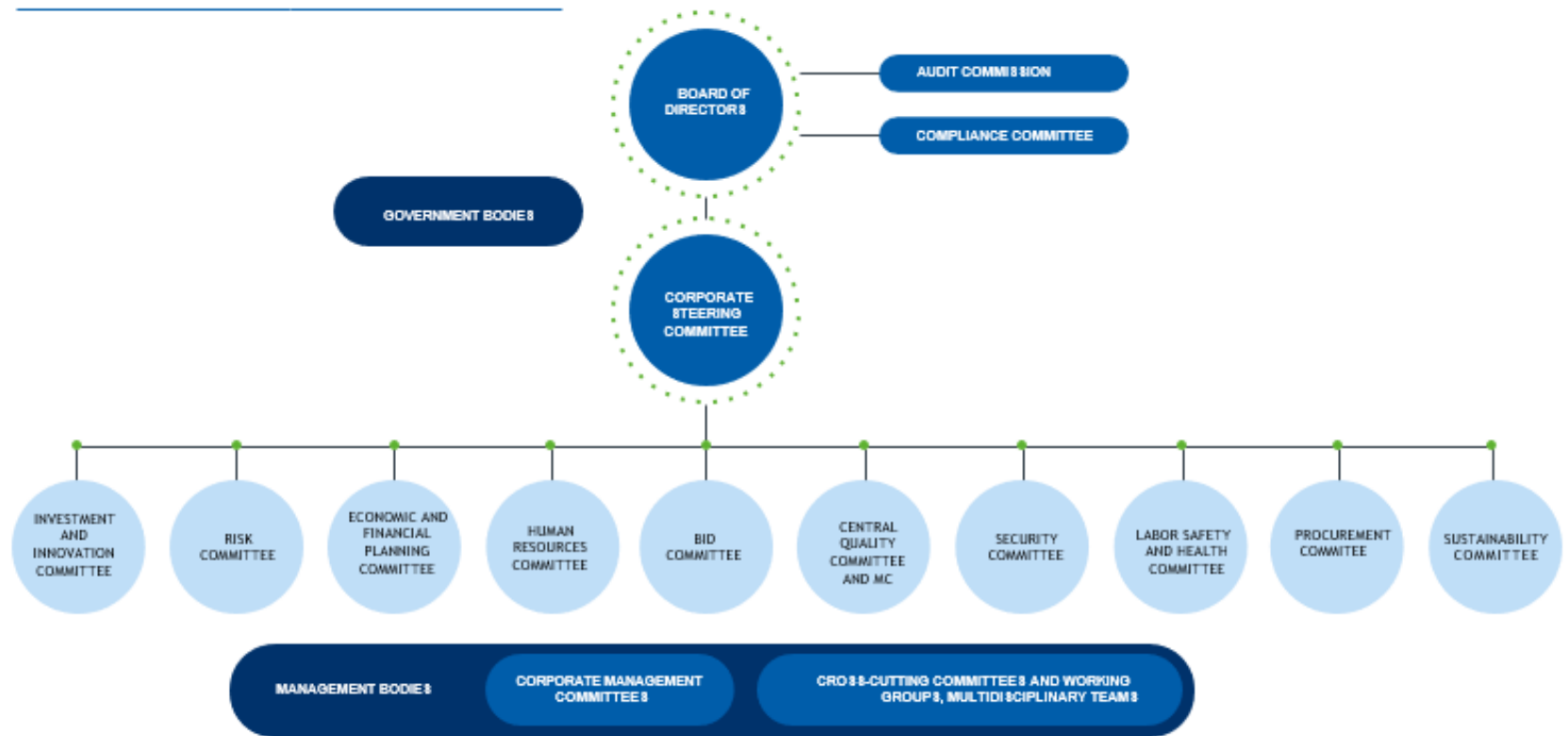
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The development of a new comprehensive Corporate Governance model for Navantia was one of the initiatives of Navantia's Strategic Plan 2018-2022, in its commitment to streamlined, transparent and efficient management.

Navantia's governance model is based/organized in Committees that are distributed according to the company's main management areas. In 2022, the organization chart that integrates the governing bodies and these steering committees of Navantia is structured according to the following scheme:



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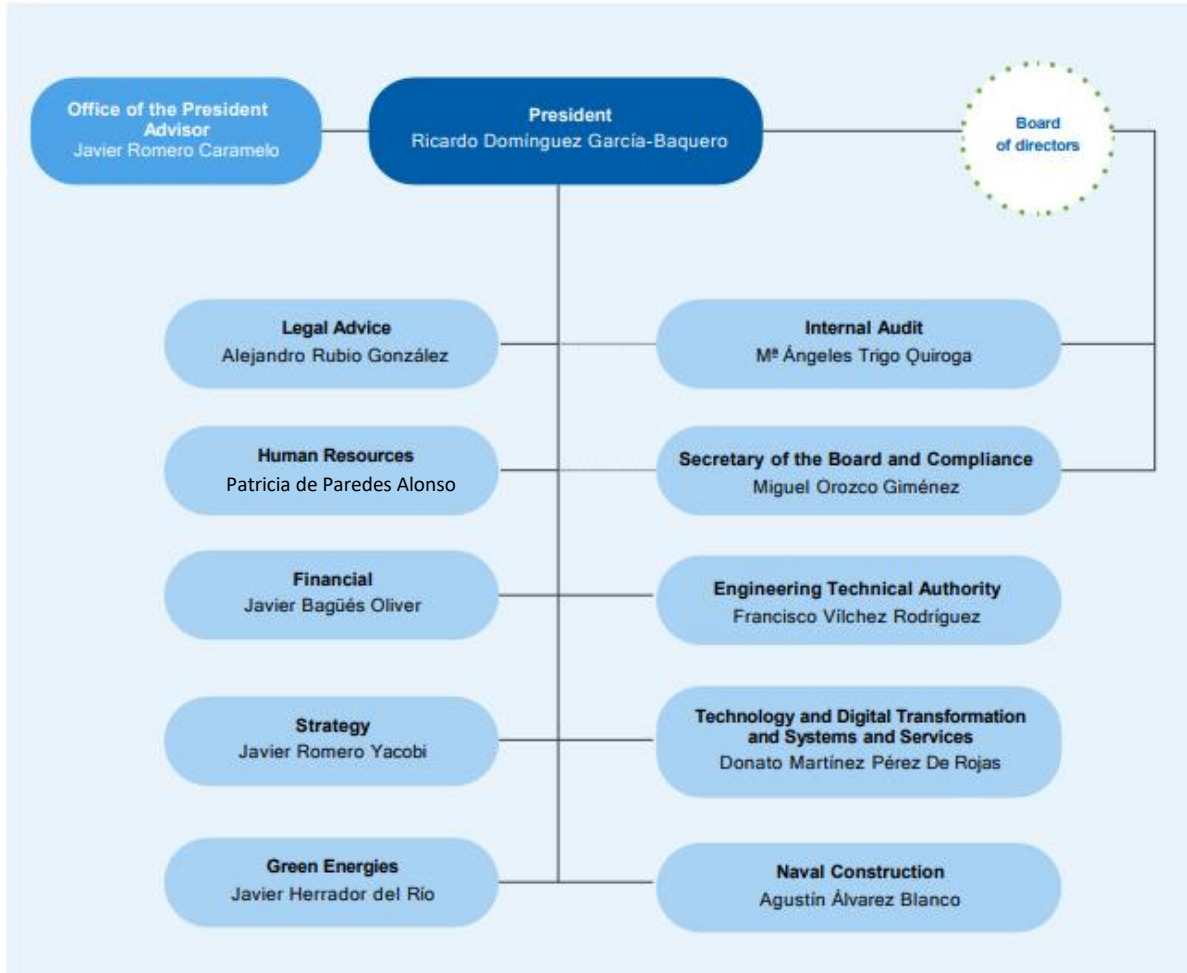
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Navantia Management Committee

The following diagram shows the company's steering committee:



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

Council/Subsidiary Management Body	Members (Dec 31, 22)
Navantia Australia	5
Navantia Saudi Arabia	0
Navantia UK	2
SAES CAPITAL	5
SAES	5
SAINSEL	5

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A new push for ESG transparency

Navantia is committed to sustainability as a strategic priority, which is why it guarantees its commitment to ESG issues in each of its business units.

In this regard, the company has begun to develop and implement an ESG governance model through which to promote sustainability management within the organization.

The promotion of ESG transparency is another priority objective for Navantia, which has begun to adapt this year's sustainability report in line with the latest trends and best practices in non-financial reporting.

Furthermore, with the aim of generating trust and transparency, in 2022 the company has initiated the launch of a communication programme and the definition of the channel and frequency of dialogue with the different stakeholders.

Navantia has been recognized as one of the top public companies in terms of transparency compliance, as shown below ([link](#)):



**Compliance rate of Mandatory Disclosures in 2022, evolution and degree of implementation of recommendations from the 2021 assessment.**

	Compliance	Difference with 2021 (% points)	Recommendations made	Recommendations implemented	Recommendations or improvements implemented in observation period
<b>SEPES</b>	100	14,4	9	9	
<b>IMBISA</b>	98,2	35,7	14	13	
<b>Food and oils</b>	97,6	55,3	12	11	1
<b>NAVANTIA</b>	96,7	36,2	13	11	
<b>CENIEH</b>	91,4	40,6	17	16	
<b>SAES Capital</b>	91,4	33,4	10	9	
<b>SEGIPSA</b>	89,5	33,6	11	9	





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### Remuneration of the Board of Directors and the Management Committee

The Board of Directors of Navantia as of 31 December 2022 is made up of 2 women and 10 men including the Chairman of the Company (as of 31 December 2021 it was made up of 1 woman and 10 men including the Chairwoman).

The number of salaries, allowances and remuneration of any kind accrued in the course of the financial year 2022 by the staff of the Management Committee amounted to EUR 1,973 thousand (EUR 1,876 thousand in the financial year 2021), while their average remuneration, excluding variable remuneration, is EUR 120 thousand (EUR 116 thousand in the financial year 2021).

Directors' allowances are governed by Ministerial Order of the Ministry of Finance and Administrations 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 amount of compensation for attendance (or per diems) to Navantia's Board of Directors is 1,090.36 euros per director (same amount as last year). The total amount of this remuneration paid to the members of the Board of Directors in the financial year 2022 amounts to 125 thousand euros (in 2021 it amounted to 122 thousand euros).

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 32 thousand euros into the Public Treasury corresponding to the remuneration of the Directors affected by the aforementioned Law (36 thousand euros in 2021).

### Composition and remuneration of the Boards of Directors of subsidiary companies

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 the top managers of each company. In 2022, the average amount of their remuneration was 94,724 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 Saudi Arabia, there is no Board of Directors and therefore no remuneration.

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### The 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 rationalize 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 Navantia's 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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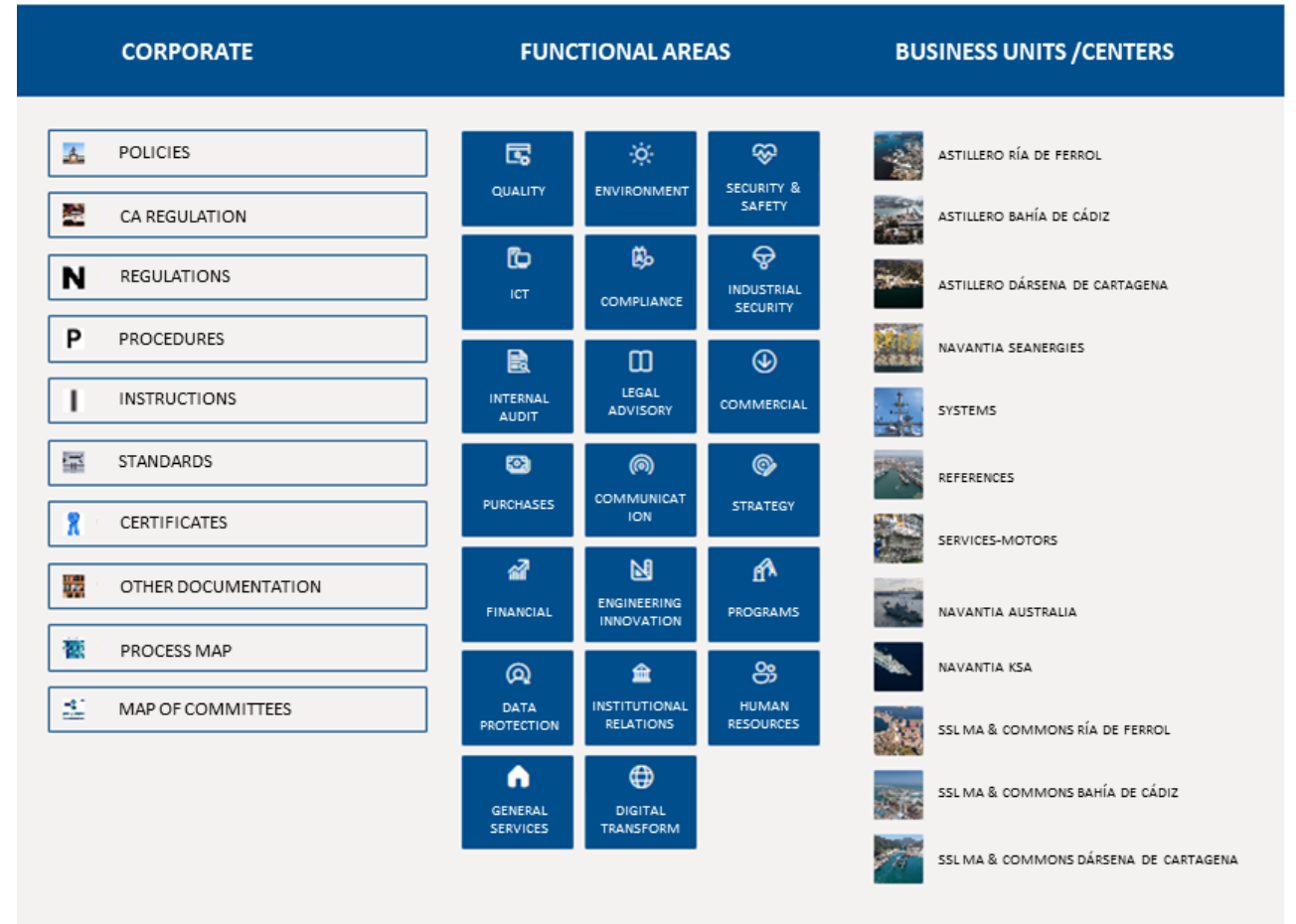
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These three pillars are integrated within a regulatory framework, presided over by Navantia's Code of Governance, which also includes the company's mission, vision and values.

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 organized.

In 2022, a new design of this portal has been carried out, integrating Navantia Seanergies and with a more modern and attractive design, in order to facilitate the search and location of documents, and in the spirit of making it a useful and enjoyable management and information tool.



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GRI 416-1

# Quality assurance of services

## 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 organization".

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, systems products) and services (ship repairs, engines, product life cycle support) are designed and customized 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

The regulations to which Navantia adheres in order to guarantee quality management are as follows:

### PECAL Standards

The PECAL standards integrate publications specifying the Spanish Ministry of Defense requirements (NATO requirements) for quality management to be met by suppliers in the performance of Defense contracts.

- The PECAL 2210 standard sets out the requirements for software quality NATO.
- PECAL 2310 sets out NATO's quality assurance requirements for aviation, space and defense suppliers.



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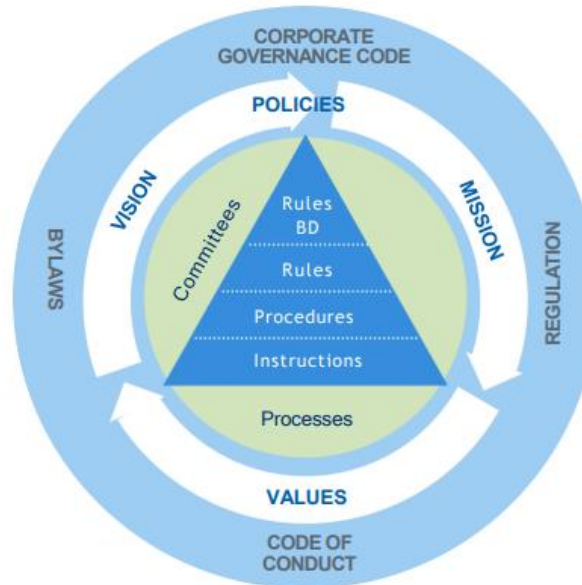
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**ISO Standards**

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 defense organizations, and is applied in the Dársena de Cartagena yard and Systems Directorate.

Navantia's quality management system is developed in accordance with the requirements of the ISO 9001:2015 (Quality Management System. Requirements) and PECAL 2000 series (NATO Quality Assurance Requirements) standards, which is specified in a specific documentary structure made up of Policies, Standards, Procedures and Instructions in accordance with the following scheme:



Likewise, Navantia has developed its Management System based on the identification and interaction of its processes, constituting a working system aligned with the organization's strategy and focused on pursuing continuous improvement in its activities and increasing customer satisfaction.

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### Objectives of the quality management system

The corporate **quality objectives** for the year 2022 have been proposed by the Director of Quality and Continuous Improvement and approved by the Central Quality Committee. This body ensures that these objectives take into account the applicable requirements, are measurable and consistent with the quality policy, as well as relevant to product conformity. The scope of the quality management system covers **Programme Management, Design, Development, Manufacturing, Construction, Repair, Conversion, Installation and Life Cycle Support** in the areas of **Shipbuilding, Industrial Systems and Equipment**:

- **Shipbuilding.** Ships, Ship Zones, Submarines, Floating Artifacts, Small Craft. quality objectives established by Navantia. In this planning, external and internal issues are considered, as well as the requirements of the relevant stakeholders.
- **Industrial Equipment.** Land and marine propulsion systems, Co/generation power plants with diesel engines, electrical substations, turbines, wind turbines, wind turbines, armament components, industrial metal installations and structures, and parts thereof. Foundry.

**Systems**, including Software Development. Combat Systems, Communications Systems, Platform Control Systems, Navigation and Surveillance Systems. Weapons and Shooting Directions. Precision Mechanics.

Navantia Australia and its subsidiaries SAES and SAINSEL are certified under the requirements of the ISO9001 and 91000 and PECAL AQAP 2110 standards, adapted to the particularities and contracts in force in each of the organizations. 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.

The subsidiary Navantia UK is working on ISO 9001-2015 certification and is expected to be certified in March/April 2023.



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Conducting quality audits

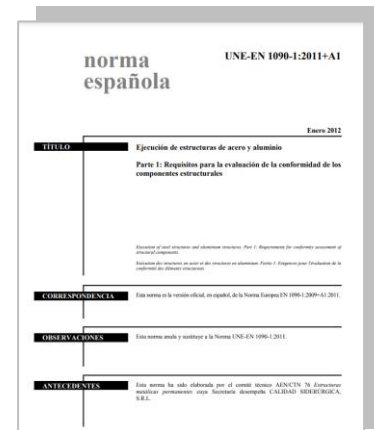
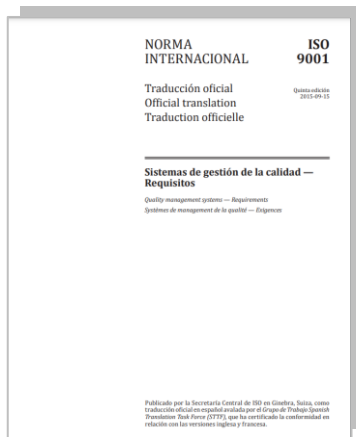
In 2022, Navantia carried out internal quality audits aimed at assessing the conformity of the QMS, as well as analyzing its degree of implementation and adequate maintenance and promoting continuous improvement. During 2022, a new approach was taken to internal audits, focusing them on processes and continuous improvement and extending them to areas less audited in the past.

This has made it possible to prepare for successful external audits to monitor the certificates currently in force:

**ISO 9001:2015** applicable to Navantia, valid until 12/12/2023.  
**EN 9100:2019** applicable to Sistemas y Astillero Dársena de Cartagena, valid until 12/12/2023.

**ISO 3834:2005** applicable to Shipyards, valid 12/12/2023

**EN 1090: 2009** applicable to Astillero Ferrol and Astillero Bahía de Cádiz, valid until 12/12/2023.



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GRI 2-12, 2-23, 201-2

# 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.

## The Risk Management System (RMS)

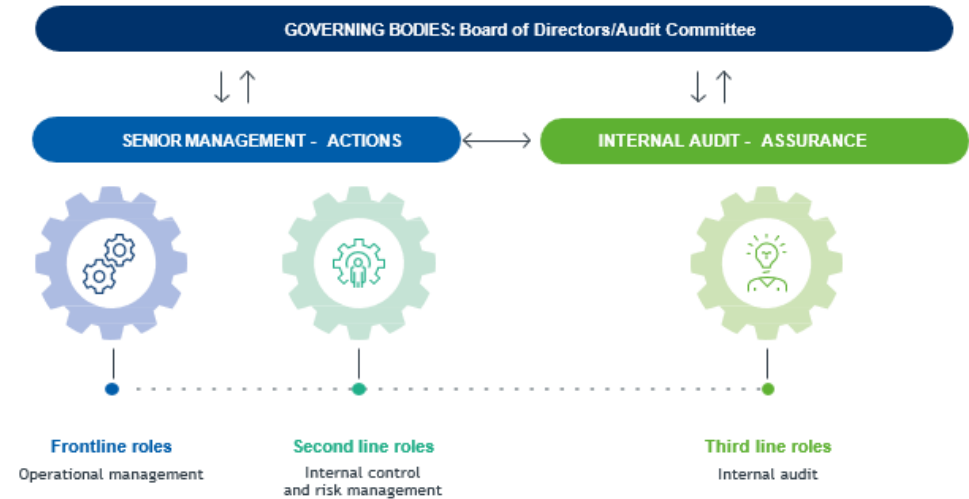
Navantia's Risk Management System (RMS) consists of a set of corporate tools, structures and procedures that seek to contribute, through a process of identification, assessment, management and monitoring of the main risks, to the healthy and correct management of the Company, so that it is consistent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

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

- **1st line:** operational departments identify and assess risks and implement specific actions to manage them.
- **2nd line:** risk management functions define risk management methods and tools and carry out monitoring activities.
- **3rd line:** 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 SGR adopted by management.

The SGR, with a principle-based approach, has been adapted to the circumstances and objectives of the organization, 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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### Navantia's risk management

Navantia's risk management system is geared towards preventing and minimizing 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 organization 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.
- **Integrity:** the SGR covers the entire Navantia organization and the incorporation in the strategic planning process, the definition of business objectives and 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".
- **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 development experience.



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### 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, centered on the following:

- Investment in strategic markets, 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 defense market.
- Obtaining synergies through collaboration with industries and organizations related to Navantia that increase knowledge and the application of best practices in the sector.
- Digitization of processes that increases productivity, the development of more agile processes, process automation, improved efficiency and increased returns on investment.
- The use of lessons learned that help to improve efficiency levels, minimize 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 holistic 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 elaborated 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.



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R&O are identified at any level of the organization, assigned an owner, managed on an ongoing basis throughout 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 programmes.



How do Navantia's subsidiaries control their risks?



SAES has standard 61-002539-AO for the identification and treatment of corporate risks. Risk identification procedures are developed in the standard, but risks have not been identified.



SAINSEL has a Risk Management Procedure which describes the identification, evaluation, categorization 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, where they are reviewed, analyzed and actions are taken to close or mitigate these risks.

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The universe of corporate risks

In 2022, 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	
<b>SHORT TERM</b>	<ul style="list-style-type: none"> <li>• Privacy and data protection</li> </ul>	<ul style="list-style-type: none"> <li>• Cyber-attacks and information leaks</li> <li>• Dependence on and assurance of supplies from key suppliers</li> <li>• Availability of talented and qualified staff</li> <li>• Liability for hidden defects and accidents</li> <li>• Risk country</li> </ul>	<ul style="list-style-type: none"> <li>• Net worth insufficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Programme contracting</li> <li>• Program margin deviation</li> <li>• Delay in the execution of investments</li> <li>• Difficulties implementing technological tools</li> </ul>
<b>MEDIUM TERM</b>		<ul style="list-style-type: none"> <li>• Availability of a business plan</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable design and production processes</li> <li>• Climate change adaptation and sustainability</li> </ul>	



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### A. Governance, ethics and compliance risks

These are those arising from the integrity or responsibility of the behavior of employees or other third parties with which 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 operates, 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 organization, which may affect the fulfilment of the objectives defined in its strategic plan. These are risks that affect several organizational 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 securing 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, 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 claims:** 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 unfavorable macroeconomic conditions, currency shortages, poor reputation or the possibility of non-payment.

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### 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

**Equity insufficiency:** 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

**Programme 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 programmes:** 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 training 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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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.

Regarding suppliers, there is a regulated approval process whereby a questionnaire is sent out and must 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.

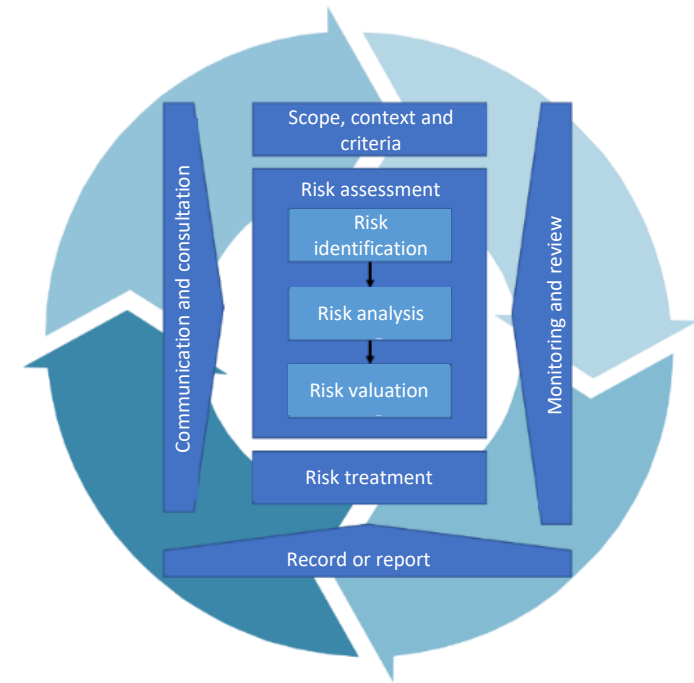
In the case of SAINSEL, in its commercial relations with its suppliers, it sends them Due Diligence questionnaires, which, once completed, are analyzed by the Criminal Risk Prevention Committee. In addition, confidentiality agreements are signed to avoid risks with disclosure of the information exchanged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

Risk assessment and management procedures

The risk management procedure is regulated by the Risk and Opportunity Management Policy.

Corporate, 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.



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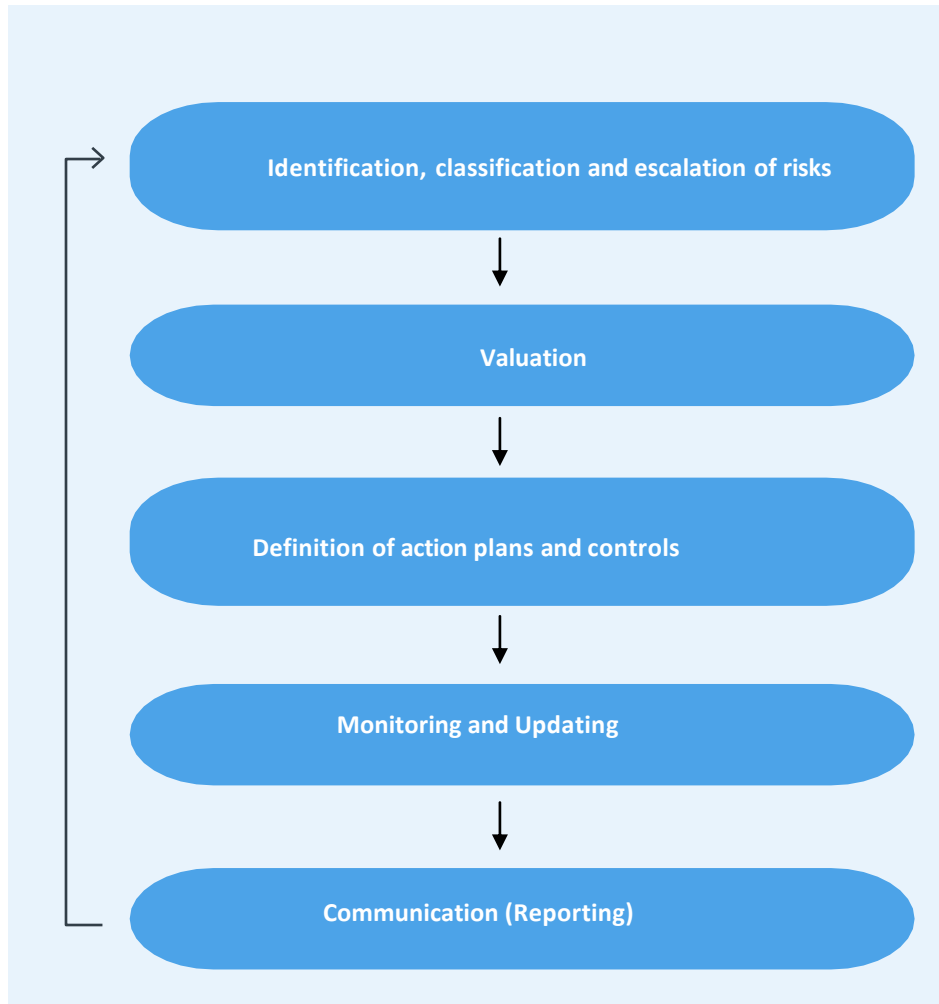
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Procedure P-C-003 Risk Management develops the planning, assessment, treatment, monitoring of risks and supervision of the effectiveness of the RMS. Procedure P-C-015 Programme Risk Management regulates in detail the programme risk management operations 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 materialization of risks and useful indicators are defined as early warnings to avoid the materialization 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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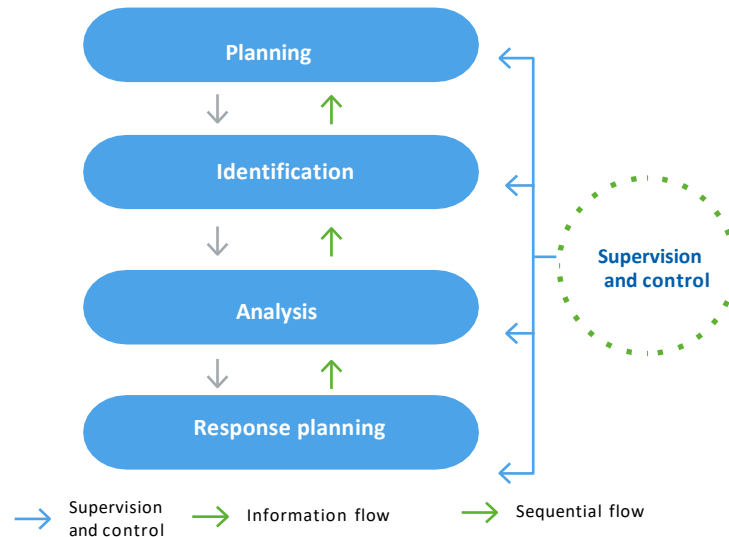
The **SAES** Risk Management procedure aims to establish the guidelines followed in the organization for risk management in order to prepare the Risk Management Plan and minimize the likelihood of these risks materializing.

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, categorization 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 Management, Quality, Projects and/or Criminal Risk Prevention Committees, where they are reviewed, analyzed and actions are taken to close or mitigate these risks.



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



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# Navantia's policies

Based on this Corporate Governance model, Navantia is committed to achieving 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 governance bodies and senior management to link its ethical values and compliance with the legislation in force in all the countries in which it operates. In addition, the Compliance Management System ensures good control of the company's information and processes.



### Procurement

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, favoring 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 fostering 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 center of its actions.

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### Privacy

The company is unequivocally committed to the right to privacy of all persons, staff, suppliers and customers to whose personal data it has direct or indirect access.



### Investment and innovation

It is based on principles such as driving digital transformation, fostering R&D&I activities, promoting new technologies and disruptive business models, moving towards an increasingly innovative culture that transcends the entire value chain.



### Corporate Social Responsibility/ Sustainability

Its purpose is to align corporate strategy with the 2030 Agenda and its 17 Sustainable Development Goals, integrating them into the organization and committing to strategies based on responsible business management.



### Risks

It is based on the leadership of the management, which will ensure that the organization works to ensure that the main risks that could threaten Navantia's strategy are identified, analyzed, managed, controlled and/or mitigated and reported, applying risk management and also identifying opportunities.



### Security

It includes physical security, to protect Navantia's people, its land and port facilities and to contribute to the normal performance of the company's activities; digital security, to guarantee the normal operation of networks and systems; and information security, to protect official classified and sensitive information for Navantia.

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Economic and planning

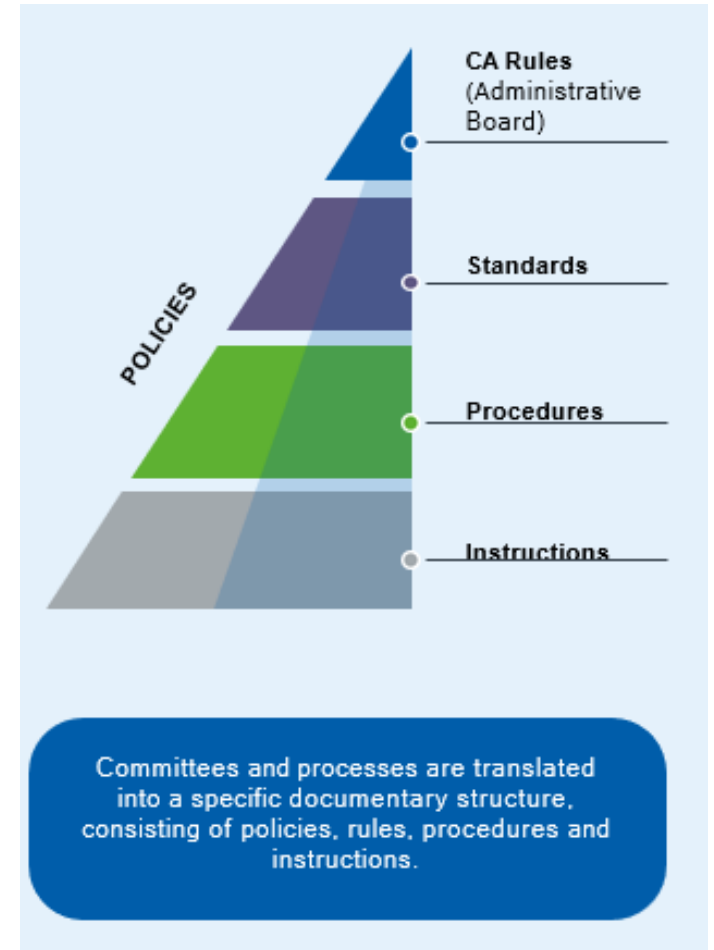
Navantia establishes medium and long-term economic objectives and operating budgets, the monitoring and achievement of which are of the utmost importance in the company's operations, always complying with some basic principles of action.



Bidding

Navantia participates in a wide range of tenders or bidding processes in its different business lines, offering global and competitive solutions that adapt and evolve according to customer and market requirements.

These policies are a fundamental part of Navantia's documentary structure, which is also made up of standards, procedures and instructions. The documentation as a whole, and its continuous adaptation to the needs and evolution of the company, helps it to have a clear and successful course in order to achieve its objectives.



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GRI 2-23, 2-26, 2-27, 201-1, 205-1, 205-2, 205-3, 406-1

# Compliance, ethics and transparency

## Compliance and ethics

In April 2013, the Board of Directors of Navantia approved the Navantia Code of Business Conduct with the aim of integrating the values and standards of behavior of all the people who make up the Company and to guide our way of working at all hierarchical levels and in all areas and work centers of the organization.

### *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 organization 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/values of business conduct to which Navantia is committed are as follows:

- Compliance with the law
- Integrity and objectivity in business conduct
- Protection of the environment
- Respect for human rights
- Protection of health and physical integrity
- Efficient management
- Correct performance in international markets
- Use and protection of information
- Quality

### Criminal risk assessment, controls and mitigating measures

#### *Criminal risk assessment*

Navantia's risk management process is defined in the Risk Policy and in Navantia's Risk Management Standard. However, in SAES and SAINSEL the 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, a formal criminal risk assessment process has not been considered necessary. In order to prioritize the criminal risks affecting Navantia, and to be able to determine their importance according to a higher level of exposure to them, the risks have been classified considering the criteria of assessment of the impact and probability of occurrence.

- **Impact:** Damage that would be caused to the achievement of Navantia's objectives if the risk were to materialize in a certain event.
- **Probability of Occurrence:** The probability that the risk will materialize in a given event before considering the controls in place to mitigate the inherent risk and after accounting for their effectiveness for the residual risk.

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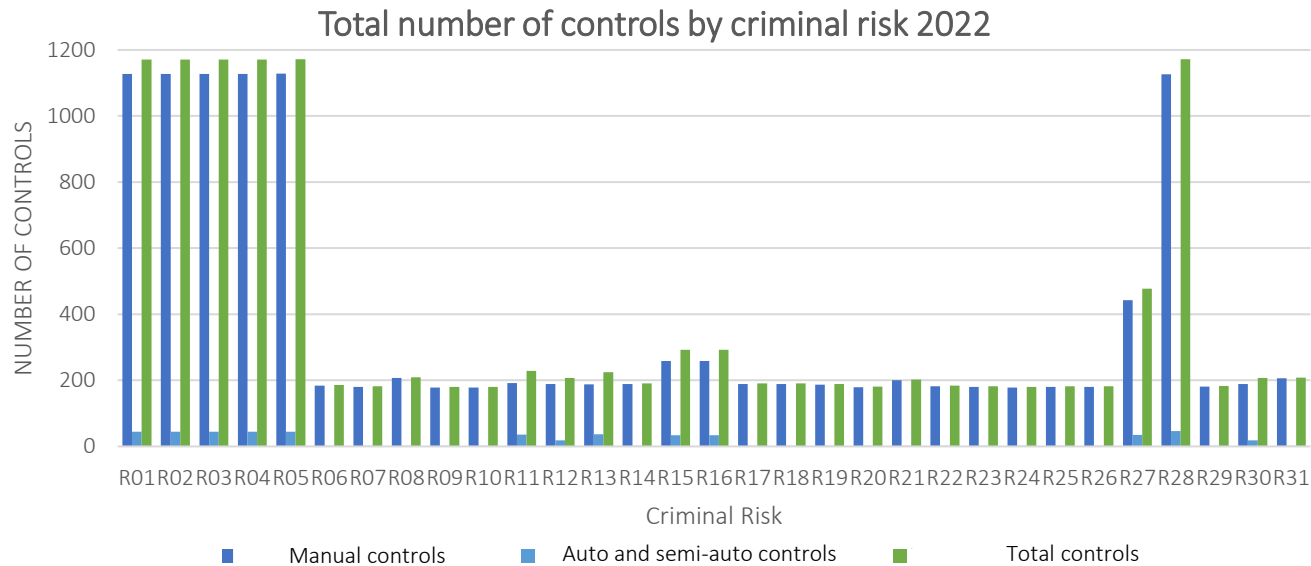
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Controls and mitigation measures:

For the correct control of criminal risks, the persons in charge 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, if necessary, 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 organization defined in the company, a thorough review of the controls defined in the different procedures of the company has been carried out, their adaptation to the new organization and, finally, the identification of the new persons responsible for their execution and supervision.

This action, essential to control and mitigate the compliance risks identified, has been satisfactorily carried out during the year, incorporating the updated controls into the computer tool that facilitates their adequate control and monitoring (SAP-Governance Risk).



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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 set out in Navantia's Code of Business Conduct, where chapter III is dedicated to respect for 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 human rights abuses.

Navantia is committed to the effective abolition of child labor and the elimination of forced or compulsory labor, as also stated in Chapter III of its Code of Conduct.

In 2022, there have been no reports of human rights or labor rights violations.

In addition, as regards labor 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, color, 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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### 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 organization, 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 for identifying, assessing and managing 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 organization, as well as external due diligence procedures on the value chain.

### 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, regarding 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 practice. 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 local laws permit such payments.
- Inducing a third party to commit or omit to commit any action in breach 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 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.

Regarding 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 be set out in a contract or order, previously approved by the Purchasing Committee or, where appropriate, by the Management Committee, as applicable 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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**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.

Under no circumstances may business relations 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.



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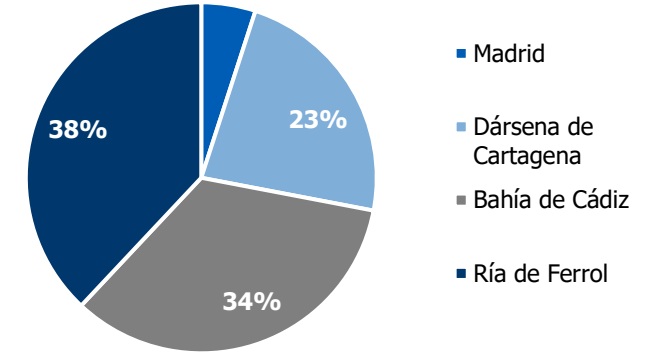
Impact of Compliance on people

Training and dissemination

Navantia will carry out training and dissemination actions on compliance and ethics for the entire workforce.

In addition to general training, Navantia will provide specialized training to those groups of its managers or workers who, due to the tasks they perform, must have a more precise and detailed knowledge of the rules of conduct applicable to their area of activity.

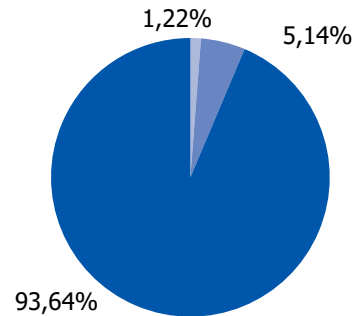
During the year 2022, a total of 880 employees have been trained, spread across the following geographical areas:



Performance management

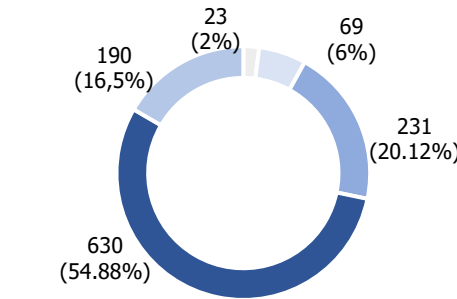
During the year 2022, a survey was carried out among Navantia employees with the aim of finding out, anonymously, their perception of the performance of Compliance in Navantia. From a total of 1297 participants, the following results were obtained:

Extensive understanding of the Code of Conduct



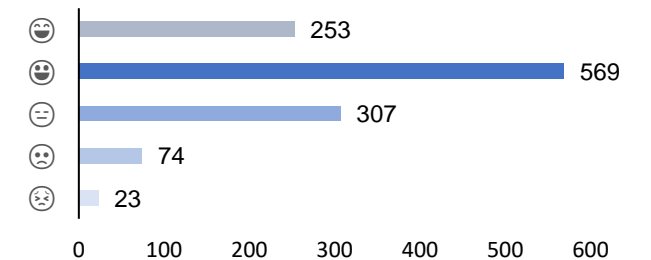
- They did not know that there was a code of conduct.
- No

Do you think that the values promoted by the Code of Conduct are effectively implemented in the company?



- Nothing
- Little
- Some
- Quite
- Entirely

Overall assessment of the management of the Compliance Area



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### Compliance Channels

#### Complaints channel:

Navantia has a whistleblowing channel where personnel and third parties related to the company must report, as soon as they become aware of any non-compliance or violation they may observe in the performance of their professional activities.

To this end, Navantia has implemented a "Complaints Channel", which can be accessed through the following channels:

The "**Complaints Channel**" application enabled on the Navantia Intranet "**Periscope**" (only for employees).

**Navantia's website** by accessing "Compliance".

#### E-mail:

[canaldenuncia@navantia.es](mailto:canaldenuncia@navantia.es)

#### Postal mail:

Navantia S.A., S.M.E. (Compliance Directorate)  
C/ Velázquez 132, 28006  
Madrid (Spain)

#### E-mail:

[comite\\_cumplimiento@navantia.es](mailto:comite_cumplimiento@navantia.es)

#### Support and advice:

Navantia has an open-door channel that allows any employee or related third party to express their doubts, concerns and collaborate in the creation of an environment where good practices prevail.

#### Prohibition of reprisals:

Navantia guarantees that no retaliation will ever be taken against anyone who in good faith brings a possible violation of its Code of Conduct to the company's attention, assists in its investigation or helps to resolve it.

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.

#### Investigation of possible violations

Navantia analyses the facts reported or communicated and subsequently initiates the investigation procedure to resolve them. In the development of these actions, and when the subject matter of the complaint makes it appropriate, it may request the collaboration of other bodies of the company, who will carry out the verification actions within the scope of their competences and in accordance with the principles of confidentiality, objectivity and independence.

The processing of the files of the Whistleblower Channel is carried out in compliance with the procedural guarantees of the investigated parties.

Finally, Navantia guarantees the confidentiality of the identity of the whistleblower, and it must not be disclosed under any circumstances except with the express consent of the whistleblower or when there is a necessary obligation imposed by law, and it results in legal proceedings.

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### 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-owned company.

#### **Active advertising**

Navantia promotes active publicity by publishing organizational, 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](#)

#### **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](mailto:buzontransparencia@navantia.es) or via the transparency web portal.

#### **Evaluation of the Transparency Council**

In the year 2022, the Council for Transparency and Good Governance (CTBG) has evaluated the compliance of 75 entities of the Institutional Public Sector, including Navantia, with their active disclosure obligations. 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.



#### Transparency Council's evaluation of Navantia

	Content	Form	Structuring	Accessibility	Clarity	Re-use	Update	Total
<b>Institutional, Organizational and Planning</b>	91,7	100,0	100,0	100,0	100,0	100,0	83,3	96,4
<b>Economic, Budgetary and Statistical</b>	100,0	88,9	100,0	88,9	100,0	88,9	100,0	95,2
<b>Mandatory Information Compliance Rate</b>	96,7	93,3	100,0	93,3	100,0	93,3	93,3	96,7

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- > Biodiversity protection: Navantia Ecosystem
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Environmental Management and Protection

Climate change

Navantia Circular and Ecodesign

Biodiversity protection: Navantia Ecosystem

Navantia Seanergies

EU Climate Taxonomy



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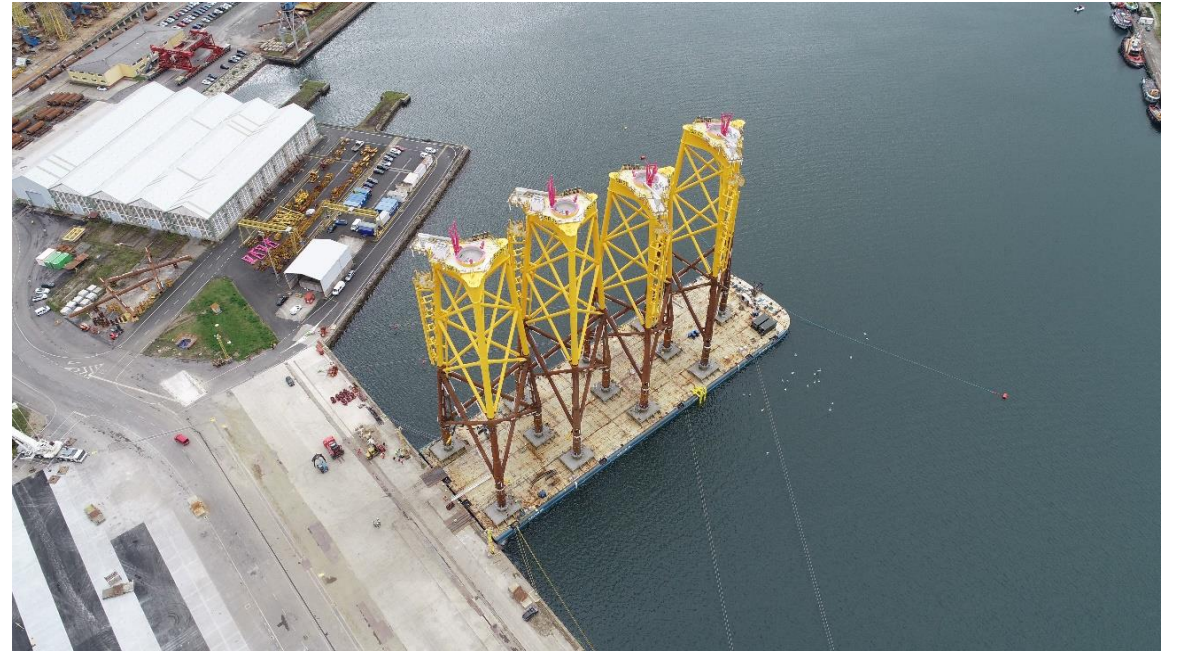
## Environmental Management and Protection

Navantia 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.

Similarly, the Corporate Social Responsibility Policy includes explicit commitments in environmental matters, such as:

- Reduce the carbon footprint of our processes and promote initiatives to offset it.
- To support the concept of circular economy and encourage initiatives that promote greater environmental responsibility.
- Include respect for the environment in the design criteria of our products and services.
- Support actions that promote the conservation and sustainable use of oceans and seas.





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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 2022)

Geographical center	No. of environmental training actions carried out	No. of attendees training acc.	Hours of environmental training carried out
Ría de Ferrol	24	174	1.962
Dársena de Cartagena	14	150	1.484
Bahía de Cádiz	20	366	1.235
Madrid	5	49	732
Navantia	63	739	5.413



### Number of workers receiving environmental introduction day (year 2022)

Geographic al center	No. of auxiliary company workers who receive a welcome day
Ría de Ferrol	3.480
Dársenas de Cartagena	1.704
Bahía de Cádiz	1.789
Madrid	28
Navantia	7001

\* Total number of workers who receive the welcome day (In Cartagena it is recorded jointly by IIAA and ETT).



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

Effort in Environment (K€)	2020	2021	2022
Total effort in Environment	6.303	6.116	7.453
Provisions made	18	18	19
Expenditure (net of provisions)	4.351	4.439	5.585
Investments made	1.934	1.659	1.849

	2020	2021	2022	
No. of people per workplace	22	24	24	
By workplace	Ría de Ferrol	9	10	9
	Dársenas de Cartagena	5	6	6
	Bahía de Cádiz	8	8	8
	Madrid			1

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

On the other hand, Navantia has successfully passed the audits at all its production centers which, under the **Bureau Veritas Certification** specification "**Zero Waste to Landfill Commitment**", endorse the organization's commitment to allocate the highest possible percentage of waste to recovery or recycling, rather than to landfill.

In the latest audits **completed in November 2022, the advanced level of commitment has been reached for the first time, which means an alternative management to landfill of more than 80% and up to 95% of the waste generated.**

In terms of climate change, Navantia submits the calculation of its carbon footprint (inventory of greenhouse gas emissions) annually to external verification based on ISO 14064.

“ 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.



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## Environmental assessment and certification

There is a Corporate Environmental Management Manual which is the basic document describing the provisions taken by Navantia in order to carry out adequate environmental management.

For the development of the Environmental Management System, a model has been chosen that allows for 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 organization.
- Harmonization 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.

The ultimate goal of the Environmental Management System is the continual improvement of environmental performance, providing assurance that legal and regulatory requirements are met and continually updated in line with changes in applicable legislation.

Likewise, the system must provide guarantees of compliance with the environmental commitments acquired in Navantia's General Policy Statement on Quality, Occupational Risk Prevention and the Environment.



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Environmental risk prevention

The methodology used is that described in the UNE 150008:2008 standard "Analysis and evaluation of environmental risk", with which risk sheets are registered in each of the centers 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 organizations, 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 analyzing and assessing environmental risk, as well as setting out 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 environmental risk prevention is the regular carrying out of environmental emergency drills.

At Navantia Australia, the risk of environmental damage is very low, given that part of the work is done in offices and the maintenance work that could give rise to environmental risks is carried out at our customers' facilities (Naval Base in Sydney and Perth).

In these cases, the environmental risk prevention system applied is that of the Commonwealth of Australia.



**Emergency drills conducted by geographical center (year 2022)**

Geographical center	Simulations conducted
Ría de Ferrol	5
Dársena de Cartagena	1
Bahía de Cádiz	2
Navantia	8



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Provision and guarantee 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 Department has taken out an insurance policy for an amount of 10 M€ for the year 2022 with Mapfre España since the date of entry into force of the aforementioned Law, thus providing a financial guarantee to cover any possible environmental liability that we may incur as a result of the industrial activities that we carry out at our facilities.

Also, Environmental Risk Analyses (ARMA) are available for all production centers to quantify the financial guarantee.

In relation to a contaminated risk soil declaration at Navantia - Cádiz, a provision of €18,000 has been made for liabilities.

Measures for the prevention and control of atmospheric emissions

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 2022)

Geographical center	Measurements	Measurements within legal limit
Ría de Ferrol	0	-
Dársena de Cartagena	5	4
Bahía de Cádiz	5	5
Navantia	10	9

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.

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:



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Geographical core

Actions for the prevention of air pollution

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 the emission of particles into the atmosphere.
- Encapsulation of certain painting and blasting operations is carried out in Repairs that minimize the diffuse emission of pollutants and their propagation to the surroundings of the installations.
- An investment action has been launched for the construction of a blasting and painting cabin for channelings 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.
- During the Sustainability Days on the occasion of the Environment Day (5 June) and the Oceans Day (8 June), a Diploma was awarded to the person who has participated the most in the company's Sustainable Mobility campaign.
- 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.

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 and, as far as possible, the vessels under repair continue to be encapsulated in order to confine the source of emissions.
- During the Submarine's construction processes, all blasting processes are carried out inside encapsulated enclosures, workshops and cabins, thus avoiding the dispersion of particles.

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 San Fernando center, the lights corresponding to the blasting and painting booths have yet to be adapted.
- In the center of Cádiz, an extraordinary measurement had to be carried out at Point 1 of the channeled emission from the gas treatment system of the Marpol Plant, due to exceeding the emission limit value.
- Once the cause had been analyzed, it was decided to replace the activated carbon as a remedial measure, as well as to carry out an annual inspection. Once again, the corresponding measurement was carried out, showing that the values in the installation were normal.

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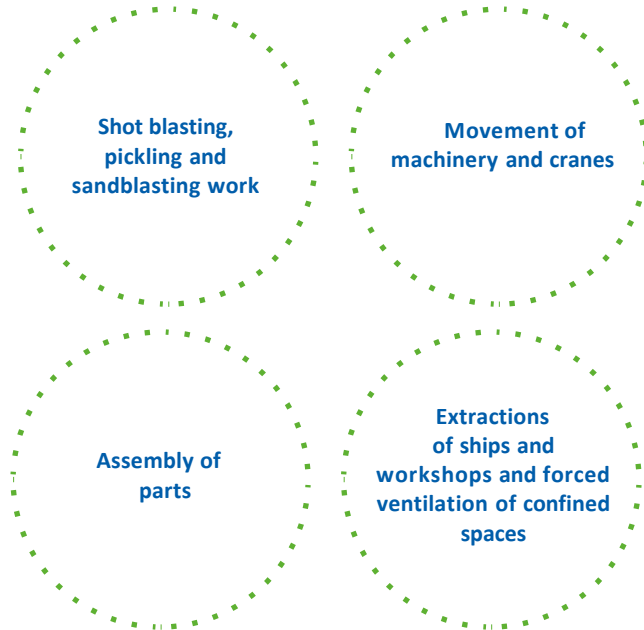
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Noise and light pollution prevention measures

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



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



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

Independently of the above, the following measures have an impact on the minimization of light pollution.

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

The following noise measurements were carried out in 2022:

Noise measurements (year 2021)

Geographical center	Noise measurements	Measurements within legal limit
Ría de Ferrol	3	3
Dársena de Cartagena	12	12
Bahía de Cádiz	6	6
Navantia	21	21

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## Water consumption

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



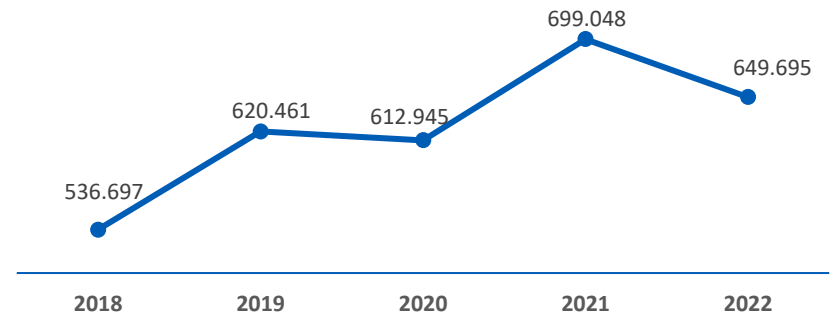
**Water consumption by geographical center (year 2022)**

Geographical center	Drinking water consumption (m ) <sup>3</sup>	Water consumption from other sources (m ) <sup>3</sup>	Total water consumption (m ) <sup>3</sup>	T. water consumption per tr. hours (l/h)
Ría de Ferrol	298.788	0	298.788	43,7
Dársena de Cartagena	51.612	0	51.612	12,2
Bahía de Cádiz	273.806	23.561	297.367	40,37
Madrid	1.928	0	1.928	4,0
Ría de Ferrol	626.134	23.561	649.695	40,0



**Annual evolution of water consumption (m )<sup>3</sup>**

	2018	2019	2020	2021	2022
Total water consumption (m ) <sup>3</sup>	536.697	620.461	612.945	699.048	649.695





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

**Navantia Ría de Ferrol**

- Installation of taps with automatic closing by sensors in toilets and bathrooms of the medical services facilities and the fire-fighting area of the Occupational Health and Safety Department (SSL) in Fene and Ferrol, respectively.
- Works to improve water supply and sewerage networks to improve water use.
- Sectorization 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 in order to optimize water consumption.
- 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.

**Bahía de Cádiz**

- The project for the extension of the Marpol plant and storage has been validated and authorized, the implementation of which would lead to an increase in the treatment capacity, thus allowing the use of a greater quantity of reclaimed water in the flushing processes.
- The renewal of the discharge authorization, which is currently being processed by Navantia Cádiz, includes the use of water for irrigation of the center's green areas.
- It should be noted that this year all the water treated at the Puerto Real WWTP has been reused, with a total of 15090 m3, being the first time, we have achieved zero discharge in the installation used for irrigation of green areas.

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Measures for water efficiency and the prevention and control of discharges

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

Geographical center	Description of wastewater discharge management
Dársenas de Cartagena	Since May 2020 it has had Integrated Environmental Authorization, Expt. AAI20150024, a document that unifies the rest of the sectorial environmental authorizations already in place.
Bahía de Cádiz	<ul style="list-style-type: none"> <li>• At Navantia - Cádiz, the wastewater generated is channeled to the WWTP located at the shipyard. The discharge authorization establishes the parameters to be controlled and the frequency established for each analysis. This is currently in the process of being adapted in accordance with Royal Decree 109/2015. Awaiting receipt of the new discharge authorization.</li> <li>• At Navantia - Puerto Real, the wastewater generated is also channeled to a WWTP located at the shipyard. The discharge authorization specifies the parameters to be monitored and the frequency established for each analysis.</li> <li>• It should be noted that this year all the water treated at the WWTP has been reused, with a total of 15090 m<sup>3</sup>, being the first time that we have reached zero discharge at the facility, using it to irrigate green areas.</li> <li>• 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 center's discharge authorizations: authorization for discharges into the maritime-terrestrial public domain and authorization for discharges into the municipal sewage system.</li> </ul>
Ría de Ferrol	<ul style="list-style-type: none"> <li>• For the Ferrol facilities, the authorization for the connection and discharge of wastewater is available, as stated in the resolution document issued on 7 August 2020 by the Ferrol City Council, and the analytical controls required by this authorization have been carried out.</li> <li>• Likewise, for the Fene facilities, the first investment has been agreed for an extensive 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. The civil works associated with this first investment are currently in the tendering phase.</li> </ul>

The following table shows the volume of water discharged in the different geographic nuclei



Volume of water discharged by geographical center (year 2022)

Geographical center	Discharged water (m) <sup>3</sup>
Ría de Ferrol	253.970
Dársena de Cartagena	39.622
Bahía de Cádiz	34.184
Navantia	327.776

\* 747,113 m<sup>3</sup> of cooling water discharged into the sea are accounted for separately.



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### Energy consumption and energy efficiency improvement measures

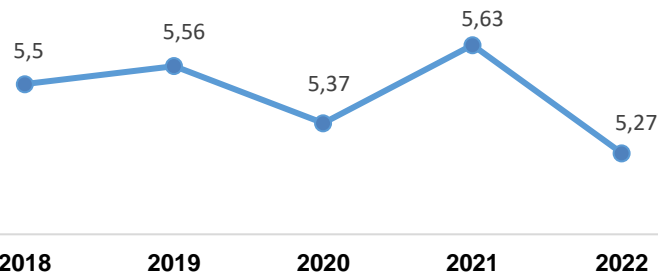
The energy consumption is presented taking into account also the annual working hours in order to make the relationship with the workload in the different processes more reliable.

In 2022, the electricity consumed in the geographical centers of Ría de Ferrol, Dársena de Cartagena and Bahía de Cádiz was of renewable origin, supplied by Nexus Energía S.A. Similarly, in 2022, the electricity consumed in the Central Offices was also guaranteed to be of renewable origin.

Geographical center	Electricity consumption (kWh)	Electricity consumption per hour worked (kWh/h) <sub>tr</sub>
Ría de Ferrol	50.667.078	7,42
Dársena de Cartagena	17.225.192	4,06
Bahía de Cádiz	30.767.250	4,18
Madrid	992.604	2,07
Navantia	99.652.124	5,27



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



### Energy efficiency improvement measures

Navantia has developed a Decarbonization Plan for 2040 with the aim of positioning itself as a leading company in the energy decarbonization of the naval sector, through the progressive reduction of emissions associated with our use of energy until we reach net zero emissions in 2040 (scopes 1-2).

The strategic framework will be developed through 6 pillars grouping 15 strategic lines.

1. **Monitoring:** The first step is to delve deeper into quantifying 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:** The achievement of an orderly, optimal energy decarbonization based on minimizing energy consumption makes energy efficiency improvements key. Under this pillar, a range of interventions will be 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 centers, facilities, products and services provided.



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

**5. Offsetting:** 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 prioritize the offsetting of emissions through reforestation initiatives and the conservation and enhancement of marine biodiversity in environments close to our facilities (Navantia Ecosystem).

**6. Communication:** 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 decarbonization of the sector.

Independently of the above, and in the year 2022, the following actions have been carried out to improve energy efficiency:

### *Ría de Ferrol*

- Replacement of inefficient lighting with LED lighting in, among other installations:
  - Turbines. Boiler making area, Warehouse 1 and Warehouse 2.
  - Engineering. Offices.
  - SSL. Fire stations of Ferrol and Fene, Medical Services Fene.
  - Repairs. Mechanical workshop.
  - Manufacturing. Offices.
  - Industrial Security. Offices.
  - HR. Offices.
- Reduction of lighting consumption with presence sensors in the engineering 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 Ria centers, both to the company's own staff and to collaborating companies.
- Replacement of opaque skylights with transparent ones and improvements to the roofs and façades of the Flat Block Workshop in Fene to facilitate the use of natural light.

### *Dársenas de Cartagena*

- The replacement of conventional luminaires with LED lighting in various workshops, offices and exteriors continues, achieving a reduction in electricity consumption.
- Replacement of the heating system in the GG.CC. workshop with a more efficient system.
- Installation of photovoltaic panels for electricity generation in the Test Workshop.

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### Bahía de Cádiz

- In Puerto Real, studies are being carried out to implement and replace the biological treatment with a physic-chemical treatment by coagulation-flocculation, like the one installed a year ago in Cádiz.
- This new treatment, in addition to implementing a higher quality of reclaimed water, does not require continuous aeration of the biological cultures through the blower motors and the general pneumatic network of the shipyard, thus minimizing the consumption of electrical energy.
- In terms of objectives in the Bahía de Cádiz, the following are mentioned:
- In Bahía de Cádiz, the temporary replacement of halogen lamps with LED lighting is continuing in all the centers.
  - Increase in the number of electric vehicle charging points at Navantia Cádiz.
  - Training has been provided to the Puerto Real programme teams leading the wind projects on energy efficiency and sustainability management required by future programmes, with the aim of learning about KPIs and environmental indicators to be considered for future reports.
  - Actions have been included in the different training courses to be given by the technical staff of the Environment to contemplate improvements for the sake of correct energy efficiency management.

### Madrid Headquarters

In order to reduce energy consumption in the air-conditioning systems, several actions have been carried out, such as:

- Placement of digital thermometers in the corridors in order to be aware of the temperature and reduce unnecessary consumption.
- Information signs in transit areas about the need to reduce energy consumption.
- Window enclosures from the outside to increase insulation.
- Temperature measurements on different floors of the building at different times to check the impact of the measures.
- 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).
- Installation of presence detectors for light in bathrooms.
- Reduction of lighting points and adaptation to the workplace.



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GRI 305-1, 305-2, 305-3, 305-4, 305-5

# Climate change

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.

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.



A new feature of this voluntary standard in its current version is the need to include a methodology for assessing and estimating indirect emissions that the organization considers to be significant.

Following the carbon footprint verification, the ISO 14064-1:2018 certificate was received from Bureau Veritas, and the registration of the 2021 carbon footprint in the Registry of carbon footprint, offsetting and carbon dioxide absorption projects of the Ministry for Ecological Transition and the Demographic Challenge was processed.

SCOPE 1	SCOPE 2	SCOPE 3
Direct GHG emissions. For example, emissions from combustion in boilers, furnaces, vehicles, etc., which are owned or controlled by the organisation.	Indirect GHG emissions associated with the generation of electricity purchased and consumed.	Indirect GHG emissions associated with electricity generation and other indirect emissions, such as the extraction and production of materials purchased by the organisation or business travel.

Based on these commitments, Navantia's greenhouse gas (GHG) emissions inventory (carbon footprint) has been subject to external verification by Bureau Veritas since 2018.

For the first time, the calculation has been performed and verified under the new version of ISO 14064-1:2018 (UNE-EN ISO 14064-1:2019).

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## Greenhouse Gas Emissions (GHG)

The data relating to external mobility is not broken down by center, providing the overall figure for the organization, so that Navantia's Carbon Footprint in 2021 (t CO2e) is summarized as follows:



GHG emissions inventory total and by geographic centers 2021

Geographical center	Category 1 (t CO <sub>2</sub> eq)	Category 2 (t CO <sub>2</sub> eq)	Category 3 (t CO <sub>2</sub> eq)	Category 4 (t CO <sub>2</sub> eq)	Total emissions (t CO <sub>2</sub> eq)
Ría de Ferrol	8.805,5	0	1.200,4	5.631,4	15.637,3
Dársenas de Cartagena	1.752,2	0	683,9	1.324,3	3.760,5
Bahía de Cádiz	9.134	0	1.536	2.668,3	13.338,3
Madrid	119,4	0	245,3	1,1	365,8
Navantia, S.A. SME	<b>19.811,2</b>	<b>0</b>	<b>4.744,6</b>	<b>9.625,1</b>	<b>34.180,9</b>



GHG emissions and offsets table 2022

Geographical center	Scope 1 (t CO <sub>2</sub> eq)	Scope 2 (t CO <sub>2</sub> eq)	Scope 3 (t CO <sub>2</sub> eq)	Total emissions (t CO <sub>2</sub> eq)
<b>GHG emissions</b>				
Ría de Ferrol	3.511,9	0,00	8.433,4	11.945,2
Dársenas de Cartagena	1.436,9	0,00	1.484,3	2.921,2
Bahía de Cádiz	7.313,6	0,00	6.191,8	13.505,5
Madrid	98,9	0,00	146,5	245,4
Total, External mobility			528,2	528,2
<b>TOTAL, ISSUED</b>	<b>12.361,2</b>	<b>0,00</b>	<b>16.784,3</b>	<b>29.145,5</b>
<b>Offset GHG emissions</b>				
Reforestation plan				
Solar panels installed			89,1	
Carbon credits purchased on the voluntary market (*)			83	
		(Acquired in 2022 and computed against the 2020 Carbon Footprint)		
<b>TOTAL, COMPENSATED</b>				
<b>% offset emissions</b>				

The results of the Carbon Footprint in 2022 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.



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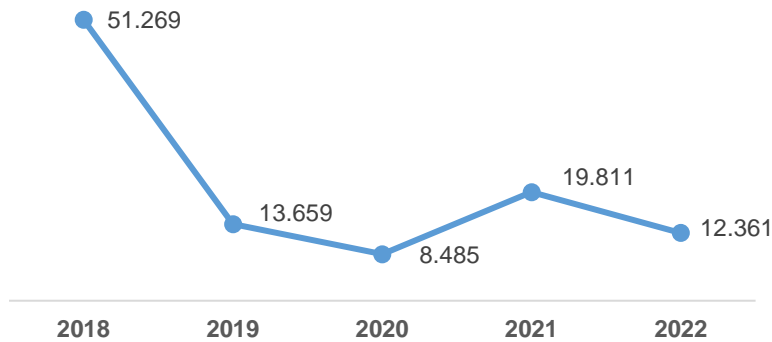
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## Greenhouse Gas Emissions (GHG)

During the year 2022, Navantia has generated a total of 29,145.56 tones of CO2 equivalent, corresponding to direct emissions of 12,361.22 tones, with no indirect emissions from the generation of electricity consumed, and 16,784.34 tones corresponding to scope 3.



**Annual change in greenhouse gas emissions (tCO<sub>2</sub> eq - Scopes 1 and 2)**



In 2022, no CO<sub>2</sub> emissions were generated from the decomposition of bioethanol, as it was not consumed.

Geographical center	Category 1 (t CO <sub>2</sub> eq)	Category 2 (t CO <sub>2</sub> eq)	Total emissions (t CO <sub>2</sub> eq)
Ría de Ferrol	3.511,8	0	3.511,8
Dársenas de Cartagena	1.436,9	0	1.436,9
Bahía de Cádiz	7.313,6	0	7.313,6
Madrid	98,9	0	98,9
Navantia, S.A. SME	<b>12.361,2</b>	<b>0</b>	<b>12.361,2</b>

The following table shows the intensity of GHG emissions (categories 1 and 2), expressed as the amount of CO<sub>2</sub>eq emitted per hour worked.



**Intensity of Greenhouse Gas Emissions**

GHG emissions intensity 2018 (kg CO <sub>2</sub> eq / h ) <sub>tr</sub>	GHG emissions intensity 2019 (kg CO <sub>2</sub> eq / h ) <sub>tr</sub>	GHG emissions intensity 2020 (kg CO <sub>2</sub> eq / h ) <sub>tr</sub>	GHG emissions intensity 2021 (kg CO <sub>2</sub> eq / h ) <sub>tr</sub>	GHG emissions intensity 2022 (kg CO <sub>2</sub> eq / h ) <sub>tr</sub>
2,2	0,71	0,44	1,08	0,6





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## Reduction measures (GHG)

Measures to reduce greenhouse gas emissions include the following:



### Energy consumption

#### Ría de Ferrol

Substitution of fuels / gases with a lower emission factor for conversion into CO2 equivalent.

Completion of the replacement of oil-fired boilers with natural gas boilers.

Continuation of the replacement of conventional lighting with LED lighting in offices, workshops and exterior roads.

#### Bahía de Cádiz

Measures to improve lighting. Replacement of luminaires with LED lighting in workshops, offices and outdoors.



### Sustainable mobility

At the Environmental Sustainability Conference, the week of 5 June, Navantia launched an internal survey to find out about and raise awareness of the emissions generated by workers' commuting to work.

#### Ría de Ferrol

Installation of electric vehicle charging points for future new acquisitions by the centres.

#### Dársenas de Cartagena

The installation of recharging points for the supply of electric vehicles continues.

Transfer of the Mobility Study (carried out in 2020 by the Isaac Peral Chair) to the sustainable mobility commission of the city of Cartagena.

#### Bahía de Cádiz

Procedure for the access of personal mobility vehicles (PMV) to the San Fernando center.

Signing of a collaboration agreement between Navantia and Grupo Solera Motor.



### Management Actions

#### Ría de Ferrol

Training of factory personnel through the Climate Change and Carbon Footprint Course.

At the Sustainability Days, a presentation was given by the Environment Department on Climate Change and the Carbon Footprint.

#### Dársenas de Cartagena

Dissemination to all staff of the MOVES II and III Aid Calls (aid for Sustainable Mobility in the Region of Murcia).

#### Bahía de Cádiz

Navantia's participation in the National Lighting Symposium. Ambilamp presents Navantia's management of electronic and electronic waste as a success story.

Adhesion to the forum of the Puerto Real Town Council for the elaboration of its Municipal Plan against Climate Change.

Participation in the Institutional Forum of the Sustainable Energy and Climate Action Plan (PACES) of the City Council of Cádiz.



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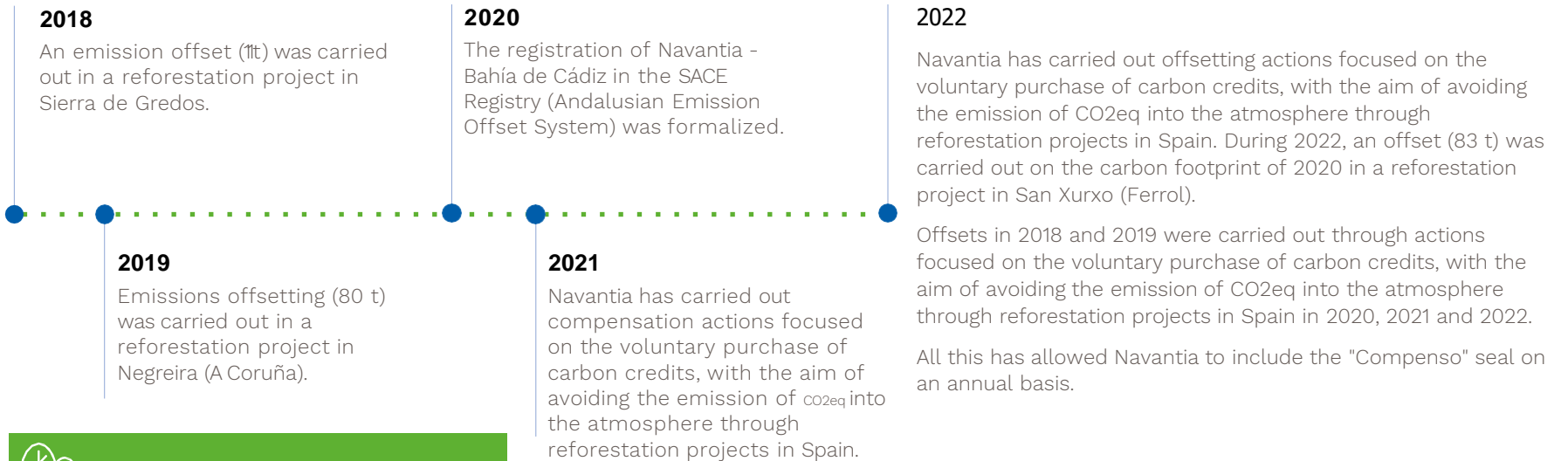
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Offsetting measures (GHG)

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 GHG emission reduction projects that are covered by official standards that prove that these reductions actually exist.



In 2022 the Dársena de Cartagena continues to be part of the Life Forest CO<sub>2</sub> programme, in which we have been enrolled since 2021, whose objective is to promote sustainable forest systems and management as a tool for climate change mitigation through the application of the European standard on accounting for emissions and removals in the land use and forestry sector.



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GRI 301-1, 301-2, 301-3

# Navantia Circular and Ecodesign

## Eco-design

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.

Eco-design consists of incorporating environmental criteria in the initial stages of the design, so that this variable is considered as another project requirement, ensuring the viability and success of the project.

Among the activities carried out are the following:

- Life cycle analysis of the Type Vessel, which makes it possible to identify the critical points of the product and facilitates decision-making aimed at introducing environmental improvements in the design. In this first stage, the study has been limited to the upstream phase, which includes the manufacture of the parametric materials used in the construction of the vessel. As a result, the environmental impacts of each material are obtained according to the EF 3.0 Method (adapted) V1.00 / EF 3.0 normalization and weighting set.

- 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.
- Design under the modularization methodology, which gives greater flexibility to the platform, 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 equipment installed on board that consumes the most and contributes the most to emissions.

Navantia's Eco indicators:

### Carbon footprint.



The results of the Life Cycle Assessment, the scope of which is specified above, have been used for its calculation.

The result is obtained in the form of kg CO<sub>2</sub> equivalent obtained per tone of ship, thus standardizing the index and making it applicable to all other ships.

### Energy Efficiency Index (EEDI)



Its calculation is based on IMO regulations, which measure a ship's emissions over its capacity.

This regulation is aimed at merchant vessels, so its application to naval vessels is excluded from the regulation, requiring the adaptation of the calculation to our activity.

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## Waste management

At European level, the basic principles of waste policy are the protection of human health and the environment. In this line, the waste hierarchy is established, which makes explicit the order of priority in waste policy actions: prevention (in waste generation), preparation for reuse, recycling, other types of recovery (including energy recovery) and, finally, waste disposal.

Navantia establishes circular economy criteria in the organization, through policies of waste prevention, reduction, reuse, recycling and valuation.

The circular economy model aims to invert the current waste management pyramid by maximizing waste prevention and recovery actions (reuse, recycling or energy recovery).

Based on these assumptions, the aim is to divert a greater variety and quantity of non-hazardous waste to recycling or recovery rather than to landfill. Thus, the waste recovery rate is defined as the percentage of waste destined for recovery out of the total waste generated.

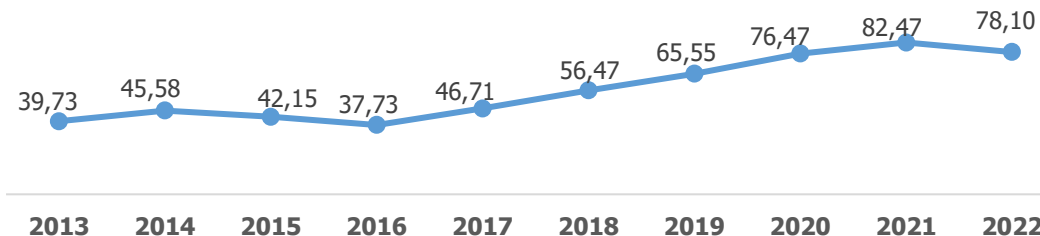


### Waste generation and recovery indicators (year 2022)

Waste indicators	Ría de Ferrol	Dársenas de Cartagena	Bahía de Cádiz	Navantia
Hazardous waste generation (t)	4.367	978	4.127	9.471
Recovered hazardous waste (t)	2.693	792	3.831	7.316
Generation of non-hazardous waste (t)	14.747	6.047	12.892	33.686
Non-hazardous waste recovered (t)	7.572	6.044	12.773	26.389
Total, waste generation (t)	19.114	7.024	17.019	43.157
Total, recovered waste (t)	10.265	6.836	16.604	33.705
Waste production per hour worked (kg/h)	2,8	1,66	2,31	2,34
Waste recovery rate (%)	54	97	98	78



### Evolution of the waste recovery rate



The figure above shows the evolution of the recovery rate, defined as the percentage of waste (both hazardous and non-hazardous) undergoing recovery.



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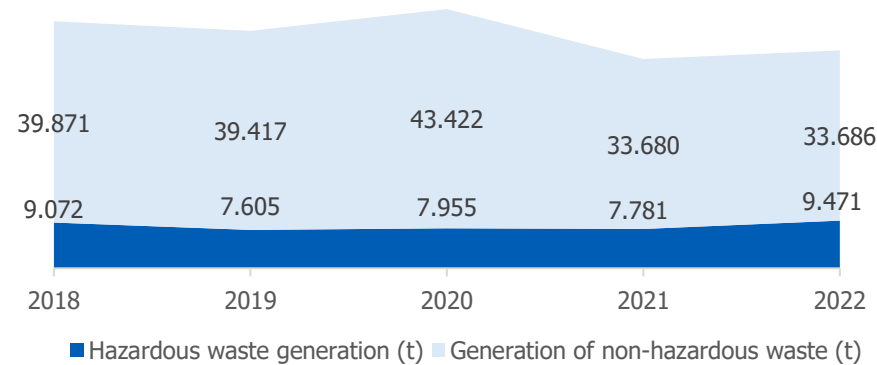
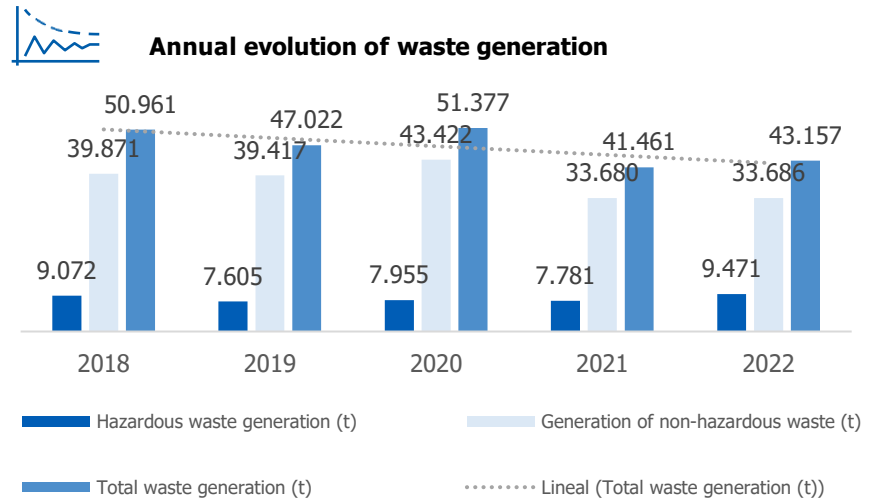
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The following table shows the downward trend in waste generation over the last five years.



Navantia's waste management objectives and practices

The objectives and practices in relation to waste prevention and waste management carried out in 2022, and those circumstances worth mentioning in relation to waste generation during the last year, are listed below:



Navantia - Ría de Ferrol

- The requirements included in the MARPOL License for Annexes I and IV (liquid waste), V (solid waste) and VI (atmospheric pollutants), granted by the Ferrol - San Cibrao Port Authority, apply to the waste concerned.
- Waste from civil works is controlled by means of Instruction I-MA-RF-451 Construction and Demolition Waste (CDW), which in some cases (works that require a technical project to be approved) requires a forecast of the waste to be generated by means of a CDW Management Plan. Recycling will always be prioritized in the final management. The traceability of CDW is therefore carried out up to the final management of the waste.
- In Civil Works contracts involving backfilling prior to paving, preference is given to the use of materials of recycled origin.
- Priority is given to the reuse of Construction and Demolition Waste, preferably within the facilities where it was generated. In the case of natural soils, the manager requesting the landfill must obtain authorization for each site from the Administration.



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### Navantia - Ría de Ferrol

- Wooden pallets are reused for packaging waste shipments, as well as paint containers for shipment to the authorized waste manager for solvent-based paint and empty oil drums for reuse in collection at the used oil facilities.
- Shrapnel waste has been analyzed in order to find alternatives to landfill, promoting recyclability and the circular economy.
- Internal training on waste segregation and management is carried out. In particular, an awareness campaign has been launched among IPSO staff.
- The number of ship waste containers available in the Repair Area has been increased.
- Training has been provided on sustainable purchasing criteria that encourages waste reduction by Collaborating Companies and suppliers.
- During the Sustainability Conference on the occasion of Environment Day (5 June) and Oceans Day (8 June), two presentations were given by members of the Directorate General for Environmental Quality and Assessment of the Department of the Environment of the Xunta de Galicia on the new Law 7/2022, of 8 April, on waste and contaminated soils for a circular economy, and on the legal obligations derived from the Integrated Environmental Authorizations required by the Royal Legislative Decree 1/2016, of 16 December, approving the revised text of the Law on Integrated Pollution Prevention and Control.
- 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) is continuing, following approval by the regional government.
- The phasing out of individual office bins is continuing to prevent the poor segregation of light packaging and other non-hazardous waste.
- The documentation of the environmental management system is updated, in particular with the instruction, I-MA-RF-452 Control of Wastewater Discharges, and the procedures P-MA-RF-320 Environmental Communication, P-MA-RF-330 Documented Information, and P-MA-RF-470 Emergency Preparedness and Response, 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.

### Navantia – Dársenas de Cartagena

- At Navantia - Dársena de Cartagena, the agreement with Ecoembes signed in 2013 is being maintained, with very satisfactory results.
- Waste management within the EMS, by means of new labelling with QR codes, which speed up, facilitate and improve the request for removal by the different production centers.
- Training talks to IIAA environmental managers on EMS, waste segregation and life cycle.
- Reuse of all scrap considered useful in our own smelting processes.
- The sand from the molds used in the foundry is reclaimed thanks to a reclaiming machine that allows the used sand to be purified to the point where it can replace new sand in the manufacture of cores and molds.
- 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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### Navantia – Bahía de Cádiz

- Linked to the circular economy, the objective of transforming waste into raw material for other production processes is materialized in Navantia with the management of waste shot generated in surface preparation processes prior to painting. In fact, one of the largest quantities of waste generated by the activity of a shipyard is waste shot. This shot, of metallic composition, mostly ferrous, has traditionally been sent to landfill. However, in 2013 tests were carried out, with satisfactory results, to send the shot produced to the cement plant and use it as a ferrous input in the manufacture of clinker, a precursor to cement. In this way, shot is being shipped to cement plants, depending on their production needs. This has allowed a significant volume of waste to be sent for recovery instead of deposit, always with the premise that the possibility of recovering shot in cement works is subject to their production cycle.
- During 2022, 4,112 t of shot was recovered compared to the 1,343 t of shot recovered in 2021 Bahía de Cádiz.

In the center of San Fernando,

- Implementation of the segregation indexes in the clean points of Muelle and Gradas Adequacy/improvements of deposits of water with hydrocarbons,
- Adequacy/improvements of sewage tanks.
- Training for the Testing, Assembly and Industrial EMS Management Dept.
- We participate in external training on Circular Economy, Dangerous Goods Transport (ADR), and Zero Waste.

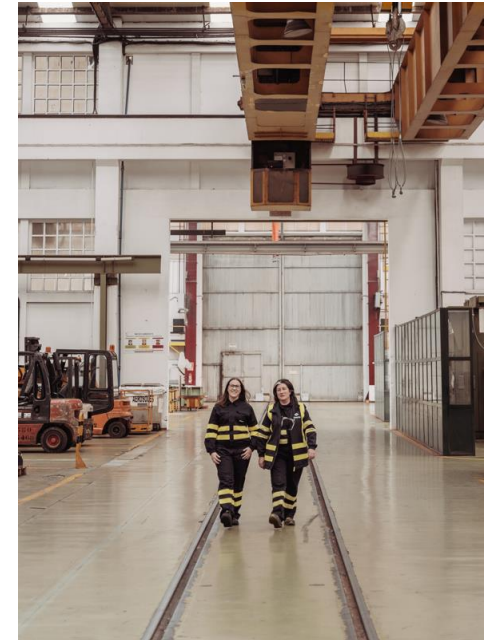
In the center of Navantia Puerto Real,

- Creation of two clean points for the Pre-Assembly area.
- Study for the adaptation of oil and product storage in the Mechanical Workshop Acquisition of a common clean point to provide services to the center's blasting and painting booths.

In the center of Navantia Cádiz,

- Define and identify locations where the cleaning of vehicles and industrial equipment is planned.
- The project to expand and increase the operational capacity of the Marpol plant has been validated. This investment will mean an increase from 35 m3 to 100 m3 per day.

Among the different activities that took place during the Environmental Sustainability Conference in the Bahía de Cádiz, the presentations by the Environment technicians on the circular economy of waste management and Navantia's participation in the Conference on the circular economy of waste management in the construction and repair of ships at the University of Cádiz should be highlighted



The following is an illustrative model that reflects the actions carried out by Navantia to ensure efficient and responsible waste management:

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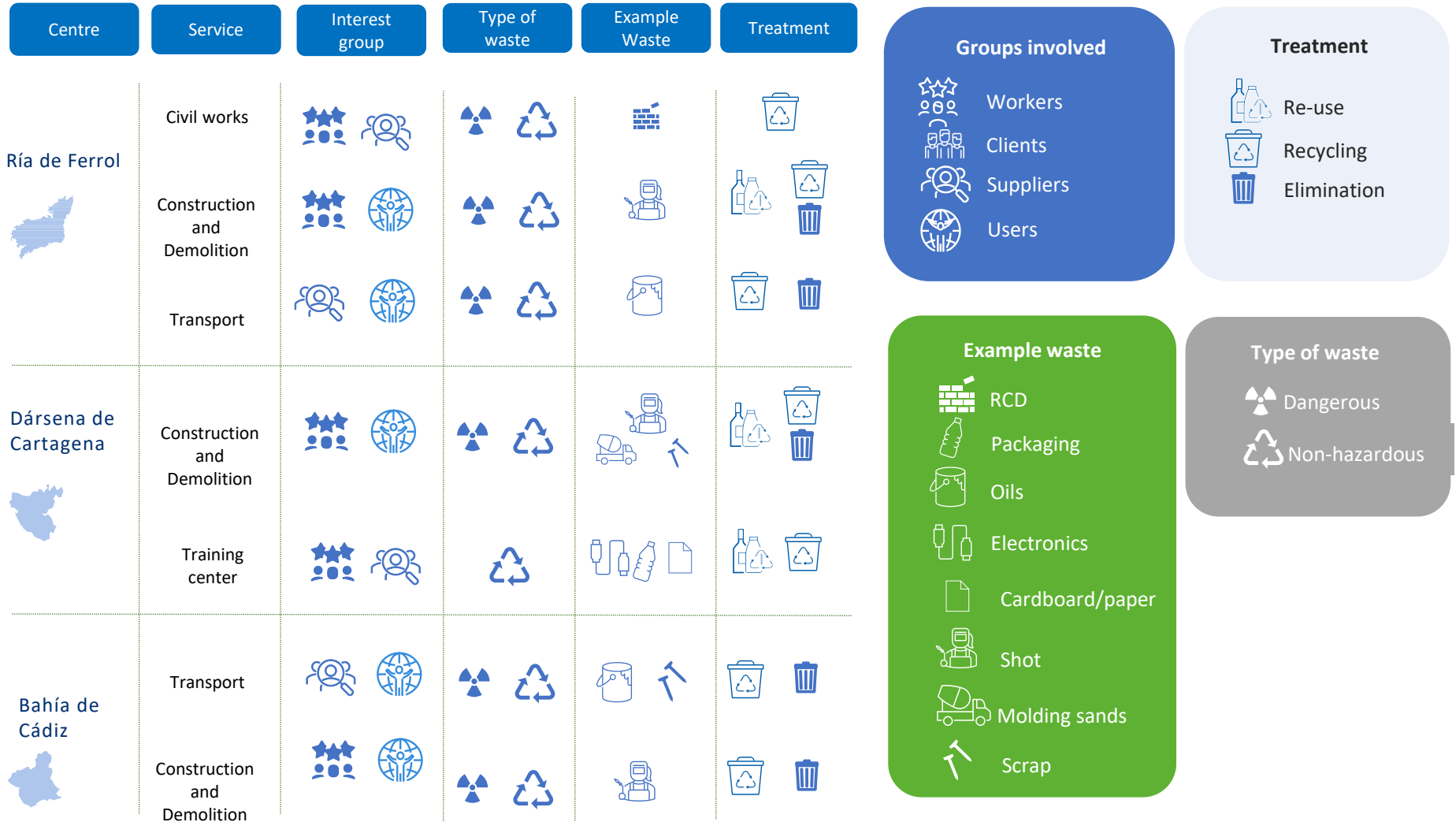
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Illustrative model of waste management at Navantia





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Forms of waste recovery and disposal

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 centers 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 Authorizations where required.

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

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

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

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

Consumption of raw materials

The most significant raw material consumption is given below.

 Raw material consumption (year 2022)

Geographical center	Paint consumption (l)	Natural gas consumption (m <sup>3</sup> )	Diesel fuel consumption * (A, B and C)	CO <sub>2</sub> consumption (kg)	Steel consumption (t)
Ría de Ferrol	564.184	14.231.131	231.124	200.477	2.735
Dársenas de Cartagena	20.605	5.454.439	110.139	36.036	776,43
Bahía de Cádiz	336.641	2.724.980	2.284.085	260.015	211,01
Madrid		542.233			
Navantia	921.430	22.952.783	2.625.348	496.528	3.722

\* Includes exempted B diesel used in ship trials.

Measures taken to improve the efficiency of raw material use include:



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## Consumption of raw materials

### Navantia - Ría de Ferrol

- Measures to optimize the use of paints and solvents that promote an appropriate use of resources.
- Reduction of non-recycled paper consumption in HR, Environment and Engineering departments.
- Reduction of paper consumption in IPSO and Engineering departments in Ferrol and Manufacturing.
- Decrease in the number of photocopies in paper format by use of computer systems in PaySe department.
- Reduction of toner consumption in the Engineering department in Ferrol.
- Re-use of natural materials from excavation sites on other sites as backfill.

### Navantia – Bahía de Cádiz

- New fats, oils and greases warehouse for the storage of these raw materials on slipways and docks.
- For solvents and paints, use larger containers whenever possible, thus reducing the generation of small containers.

### Navantia – Dársenas de Cartagena

- Foundry sand reclaimer.
- Closed water circuits for hydraulic testing.
- Re-use of casting process leftovers.
- Commitments to reduce wood, cardboard and plastic packaging.
- Digitization of processes and documentation.



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GRI 304-2, 304-3

# Biodiversity protection: Navantia Ecosystem

Navantia joins the Biodiversity Pact, with the Biodiversity Foundation, a body under the Ministry for Ecological Transition and the Demographic Challenge, with the aim of showing Navantia's commitment to the conservation and sustainable use of biodiversity.

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.



## Preservation or restoration measures

### Navantia Ecosystem

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 favor the creation of forest masses aimed at both biodiversity enhancement and climate change mitigation.

At the end of 2022, the first "Navantia Forest" project was planted in Cádiz. There are projects in the same direction in the surroundings of all the company's shipyards.

In this context, the planting of the Navantia Forest Project began in the Cerro de los Mártires Park in San Fernando. This project is 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 (Miteco). It will also be the fourth of its kind in Andalusia and the first of an urban nature in the region.

The autochthonous species chosen for this reforestation has been carob trees, and in total some 1,600 seedlings will be planted over a hectare and a half of land, as well as around twenty larger and more mature trees. Once the reforestation has been completed, the Town Hall will be responsible for the maintenance of the trees for the next 40 years.



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Environmental volunteering initiatives at Navantia


In Navantia - Dársena de Cartagena, since 2019, a volunteering initiative has been carried out in which interested workers collaborate with NGOs that fight for the protection of the environment in the locality. During 2022, they have been carried out in the months of May, June and December.



The first of these consisted of the preparation and maintenance of forest plants in a nursery, with a view to reforestation the following season for the recovery of native vegetation in the locality.



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



The second of these volunteer days took place in the natural park of Calblanque, as part of the Environmental Sustainability Days in the center of Cartagena. Initially, the volunteers received a presentation by the founder of the Cartagena Oceanographic Institute (CORI), in which the result of the MIDAS Project was presented, a microscope made with 3D printing technology, with which microorganisms of marine origin could be observed for study. The day continued with a Citizen Science project "International Coastal Cleanup, a citizen science initiative on marine litter".

During the Environmental Sustainability days held in 2022, different activities were carried out in each of the centers of Bahía de Cádiz. Likewise, the "World Environment Day San Fernando Cerro de los Mártires" (San Fernando) hosted the celebration of World Environment Day, carrying out environmental activities of different kinds, with the organization of San Fernando City Council, Navantia, Eryteeia Scout Group, and environmental associations and groups.

In December 2022, the volunteer group collaborated with the RESALAR Project, for the regeneration of salt marshes and sandbanks in La Manga del Mar Menor, carrying out work to recover the vegetation of the sandbanks and eliminate invasive exotic flora present in this area.

Regarding the protection of species at Navantia - Dársena de Cartagena, the installation of artificial nesting boxes and feeders has been extended to facilitate the settlement of various birds of protected species that usually nest at the Navantia - Dársena de Cartagena facilities, as well as the monitoring and tracking of these birds.

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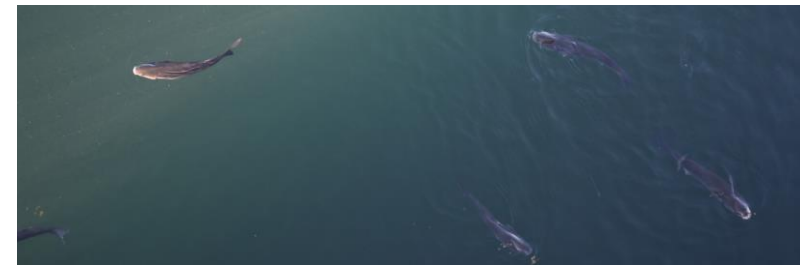
Impacts caused by activities in protected areas

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 the Port Authority and the Maritime Harbour Master's Office have reviewed and approved the Maritime Interior Plan for the Navantia Cádiz center.




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# Navantia Seanergies

Navantia looks to the future with sustainability as one of its main axes. Navantia Seanergies is a clear example of how a new way of doing business that is responsible, conscious and committed is possible.

As shown in the following table, 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**, thus avoiding the emission of more than **1,316 tones of CO<sub>2</sub>** .



Tons of CO<sub>2</sub> avoided

Country	No. Projects	Uds Navantia	Power MW	Offshore Wind turbine AVG capacity factor	MWh produced in the year 2022*	Conversion factor (kgCO <sub>2</sub> /kwh)	Ton CO <sub>2</sub> avoided	Thousands Ton CO <sub>2</sub> avoided
France	2	124	992	35%	3.041.472	49	147.724	148
Germany	1	29	145	35%	444.570	618	274.673	275
United Kingdom	5	86	767	35%	2.352.542	351	826.142	826
Denmark	1	4	28	35%	85.848	529	45.441	45
Poland	1	1	8	35%	25.754	850	21.897	22
<b>Total</b>	<b>10</b>	<b>244</b>	<b>1.941</b>	<b>35%</b>	<b>5.950.186</b>	<b>221</b>	<b>1.315.877</b>	<b>1.316</b>

### Calculation

The avoided CO emissions<sub>2</sub> show the total CO emissions<sub>2</sub> that have been 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%
- [Emission conversion factor \(kgCO<sub>2</sub>/kwh\)](#) 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 CO<sub>2</sub> avoided** = [MWh produced in 2022\* Emission conversion factor (kgCO<sub>2</sub>/kwh) /1000].



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# EU Green 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 stabilizing greenhouse gas concentrations in the atmosphere.



**Adaptation to climate change**

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



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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.
  - ✓ *Transitional 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:

- **Regulation (EU) 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.
- **Regulation (EU) 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.
- **Regulation (EU) 2021/2178:** specifying the methodology, content and presentation of information to be disclosed by companies on environmentally sustainable economic activities.



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### *Disclosure obligations*

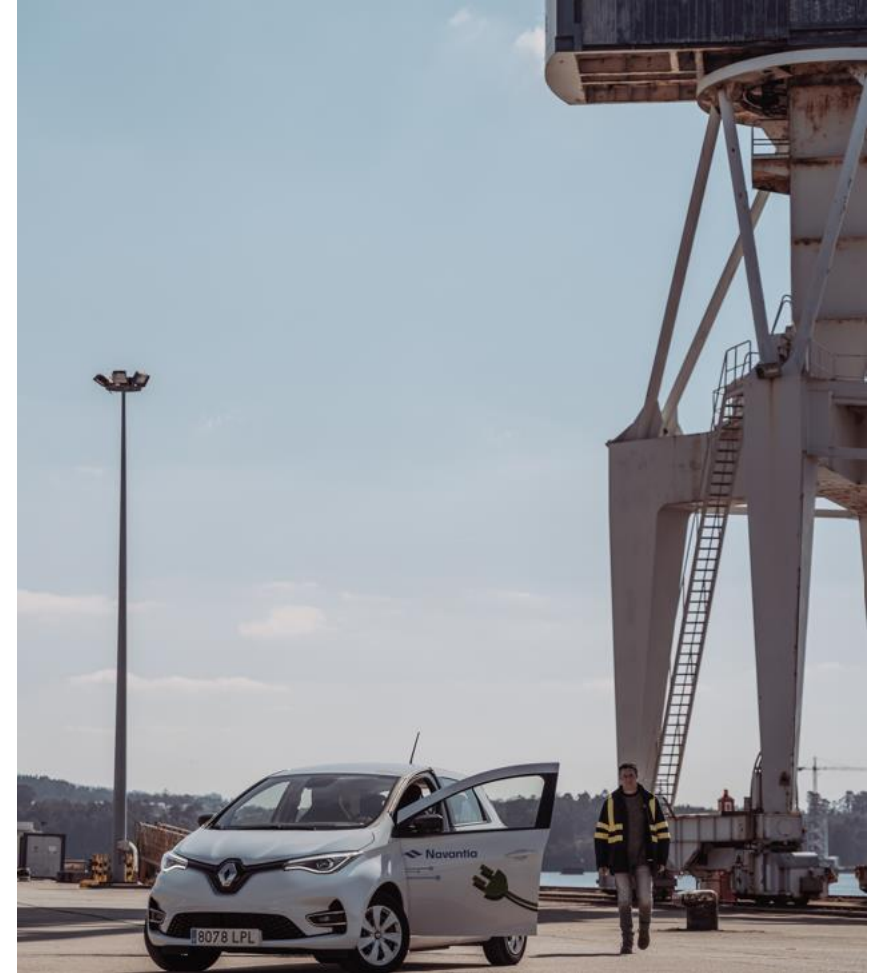
The annual sustainability reporting requirements according to regulation 2020/852, article 8, establish a classification of sustainable economic activities of the business activity in order to improve non-financial information flows and to increase transparency with stakeholders.

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 percentage (OpEx) :** 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.

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 analyzed, 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 such 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 enabling activity.

• **Activity 3.3 "Manufacture of low carbon technologies for transport".**

It is a facilitating activity understood as the manufacture, repair, maintenance, renewal, reconversion and modernization 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 "Retrofitting of sea and coastal freight and passenger water transport"**

Regulation 2021/2139 describes it as the renewal and modernization 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, lifeboats 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 "Close to market research, development and innovation"**

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 activity modernization 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 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 NFIA's.                        |
| 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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## Methodology and results

### *Accounting policy*

Non-financial corporations should specify how turnover, fixed asset investments and operating expenses were determined a modernization 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.

### *Turnover 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.

### *CapEx eligibility*

- **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 amortization, 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.

### *OpEx eligibility*

- **Total balance of the OpEx figure (denominator):** includes non-capitalized 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 capitalize 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-capitalized 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:

<p><b>1</b> Substantial Contribution</p>	<p>Substantially contribute to at least one of the six environmental objectives defined in Art. 9 of the EU Taxonomy Regulation</p>
<p><b>2</b> Do not significant harm (DNSH)</p>	<p>They establish measures to avoid undermining other environmental objectives, through thresholds, metrics or measures.</p>
<ul style="list-style-type: none"> <li>• Climate change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Adaptation to climate change</li> <li>• Pollution prevention and control</li> </ul>
<ul style="list-style-type: none"> <li>• Sustainable use of water and marine resources</li> </ul>	<ul style="list-style-type: none"> <li>• Transition to circular economy</li> <li>• Protection and restoration of biodiversity and ecosystems</li> </ul>
<p><b>3</b> Minimum Social Safeguards</p>	<p>Comply with minimum social guarantees in line with OECD guidelines and UN principles.</p>



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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 electrolysis and the integration of reformers in the naval sector and fuel cells).

Thus, Navantia Seanergies' activity makes a substantial contribution to stabilizing 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 decarbonization of energy systems.

3.2

It consists of the manufacture of equipment to produce hydrogen.

In this regard, Navantia is a benchmark in the manufacture of hydrogen in the naval sector with the development of the fuel cell propulsion of the S80 submarine with the AIP system project.

In addition, the entity is initiating collaboration projects with national and international industry, such as the Shyne project with Repsol, making it the largest Spanish green hydrogen consortium.

Navantia Seanergies thus begins a production line of electrolysis within this Ferrol factory. For its part, Repsol will promote the installation of this equipment to produce renewable hydrogen, on its way to lead this market in the Iberian Peninsula.

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Code



## Evaluation Navantia Substantial contribution criteria

It complies with the CTS as it is an economic activity consisting of the manufacture, repair, maintenance, refurbishment, conversion or modernization 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions (exhaust gases) or from electricity for their normal operation,
  - 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 CO<sub>2</sub> emissions (exhaust emissions), calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI), 50% below the average CO<sub>2</sub> 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 CO<sub>2</sub> or on fuels from renewable sources.
- M. sea-going passenger vessels, not intended for the transport of fossil fuels, which:
  - i. have zero direct CO<sub>2</sub> 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 CO<sub>2</sub> emissions (exhaust gases) or from electricity for their normal operation,
  - iii. until 31 December 2025, craft which have an Energy Efficiency Design Efficiency Index (EEDI) obtained 10 % below the EEDI requirements applicable on 1 April 2022, if the craft can be operated with fuels with zero direct emissions (exhaust emissions) of CO<sub>2</sub> or with fuels from renewable sources

3.3



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**Code**  **Evaluation Navantia Substantial contribution criteria**

**3.6**

Meets the requirements of substantial contribution to climate change mitigation by applying feasible eco-design environmental criteria from the initial design stages, substantially reducing GHG emissions during the life cycle, compared to the best performing alternative technology/product/solution available on the market.

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:

**6.12**

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.

**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 activities envisaged 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 commercialized, 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 not 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.



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 making efficient use of water in all its geographical centers 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".  
3.2 "Manufacture of equipment for the production and use of hydrogen"

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 prioritizes 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 prioritizes 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 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.



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Target

DNSH requirements

3.3 "Manufacture of low-carbon technologies for transport".  
3.6 "Manufacture of other low-carbon 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 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 analyzing 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".

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 centers 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".  
3.6 "Manufacture of other low-carbon 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 prioritizes 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 prioritizes 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 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.

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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. If 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.

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 centers 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

Regarding the reduction of 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 minimize 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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Target

DNSH requirements

6.12 "Retrofitting of sea and coastal freight and passenger water transport"

Circular economy

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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, and measures have been adopted to manage waste, both in the use phase and at the end of the useful life of the vessel, 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 about 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, to generate less waste and reduce legal discharges by managing its waste in a sustainable and environmentally friendly manner.

Biodiversity and ecosystems

In addition to programmes and policies concerning the respect and conservation of biodiversity and ecosystems. 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, considering IMO guidelines in this regard.

Reduces noise and vibration using 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 "Close to market research, development and innovation"

Climate Change Adaptation	One of the main axes of Navantia's research, development and innovation activities is sustainability. In this regard, 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. Consequently, the activity complies with all the DNSH criteria contemplated in the regulatory framework as it complies with the climate change adaptation criteria set out in Appendix A.
Water and marine resources	Navantia is doing a great deal of research to implement eco-design models in its vessels. In this direction, one of the main objectives is to ensure the good ecological status of water bodies in order to achieve good environmental status of marine waters.
Circular economy	Navantia has research processes focused on achieving responsible and efficient management of the waste produced during its activity.
Pollution	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. Thus, Navantia is doing research to reduce its GHG emissions and reduce water and soil pollution.
Biodiversity and ecosystems	Navantia dedicates part of its resources to research in order to promote and guarantee the conservation of biodiversity and ecosystems. An example of this is the recently inaugurated Navantia ecosystems programme.

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### Minimum social safeguards

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 Labor Organization'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 Labor Directive. 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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### 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, without taking into account the subsidiaries SAES, SAINSEL, Navantia Australia, Navantia Saudi Arabia and Navantia UK.

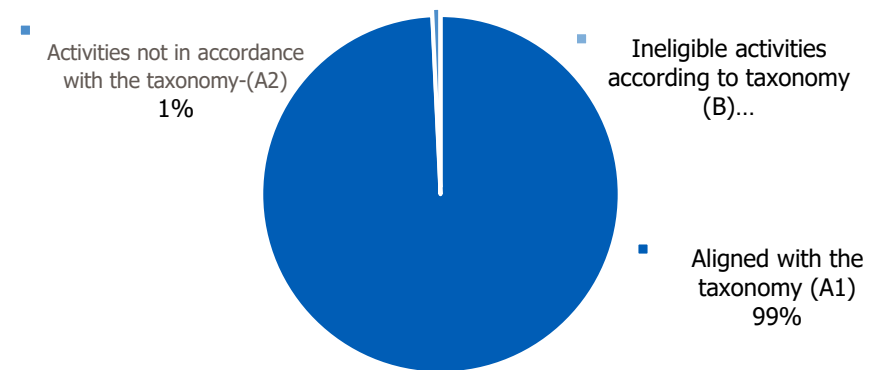
The new Navantia Horizon 5.0 places sustainability at the center, incorporating a transversal ESG vision throughout Navantia's business model and creating and strengthening green business lines, as is the case with Seanergies.

The turnover indicator shows 99% eligibility, the CapEx indicator reaches 88% eligibility and the OpEx indicator reaches 100% 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 minimum safeguards).

	Absolute turnover (Mill. €)	%S total
Aligned with the taxonomy (A1)	1.242,8	99%
Activities not in accordance with the taxonomy-(A2)	9,2	1%
Ineligible activities according to taxonomy (B)	- 0,0	0%
<b>Total</b>	<b>1.252,0</b>	



**KPI-Eligibility and Alignment-Turnover (year 2022)**



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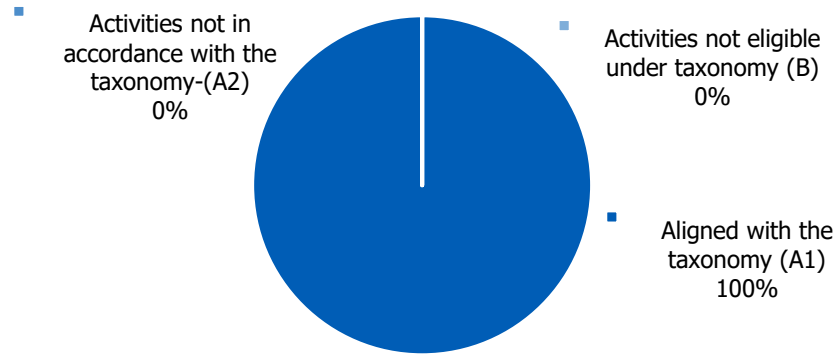
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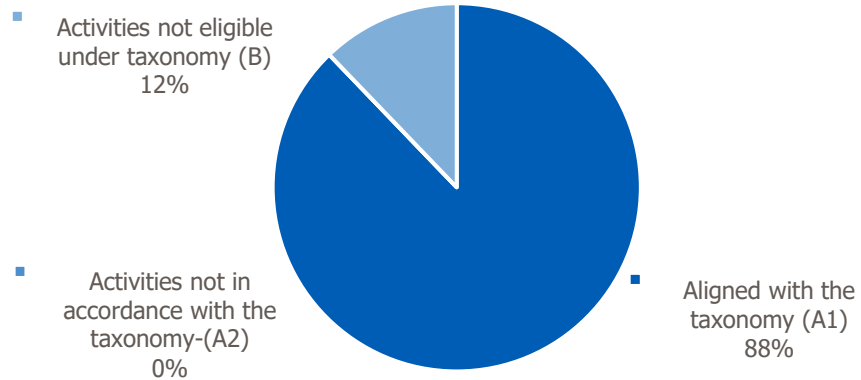
**KPI-Eligibility and Alignment-OpEx (year 2022)**



	OpEx (Mill. €)	%S total
Aligned with the taxonomy (A1)	72,3	100%
Activities not in accordance with the taxonomy-(A2)		0%
Activities not eligible under taxonomy (B)	0,0	0%
<b>Total</b>	<b>72,3</b>	



**KPI-Eligibility and Alignment-CapEx (year 2022)**



	Absolute CapEx (Mill. €)	%S total
Aligned with the taxonomy (A1)	71,6	88%
Activities not in accordance with the taxonomy-(A2)	-	0%
Activities not eligible under taxonomy (B)	9,9	12%
<b>Total</b>	<b>81,5</b>	



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<b>8</b> DECENT WORK AND ECONOMIC GROWTH	<b>10</b> REDUCED INEQUALITIES	



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GRI 401-1, 401-3, 405-1, 406-1

## 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.

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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 organization.
- Eliminate barriers to women's professional development.
- Making the most of talent.
- To contribute to raising public awareness of 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 organization is promoted.



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- To contribute to raising public awareness of 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 organization is promoted.

This plan covers all levels of the organization and includes different measures and concrete objectives around various 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.

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.

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### Women's Mentoring Programme 2022

Aimed at high potential women based on a valuable exchange of experiences between mentors with an established career and high potential women in the midst of their professional career development, the programme was attended by more than 30 people.

As stated in its Code of Conduct, Navantia prohibits and prosecutes harassment in the workplace, including sexual harassment. In order to deal adequately with these situations, it has protocols for the prevention and action in cases of sexual or gender-based harassment for each of the companies covered by this report, which have been signed by mutual agreement between the management and the workers' representatives.

Two fundamental aspects are considered in these protocols: the prevention of harassment and the company's reaction to complaints of harassment, which is why two types of action are established:

- Establishment of measures aimed at raising awareness, preventing and avoiding situations of harassment or situations that could constitute harassment.
- Establishment of an internal procedure for action in cases in which, while trying to prevent such actions, an internal complaint or denunciation of harassment is made by a worker.

Navantia has implemented a Whistleblower Channel available to all recipients of its Corporate Code of Conduct, anyone who is aware of any breach or violation that they may observe in the performance of their professional activities.

The aim of this agreement is cooperation between the parties to develop actions to raise awareness of gender-based violence. To this end, the Ministry undertakes to collaborate with SEPI in the promotion and development of awareness-raising measures, particularly in the workplace, and to provide information material on the rights of women who are victims of gender violence, aimed at the company's staff. For its part, SEPI and by extension SAINSEL undertake to collaborate in the dissemination of campaigns to raise awareness and prevent gender violence, both internally and externally.

As of the date of this report, no internal complaints or allegations of sexual or gender-based harassment have been reported to management.



**25.34%** of the new recruits in 2022 were women.



Target to reach 25% of women in management and sub-management positions (A and B levels). 2022 closed with 25.34% of women in these A and B positions.



29% of the total number of women in the workforce are in senior positions.

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## Reconciliation and flexibility

Navantia wants to provide its employees with the right working conditions to enable them to combine their professional and personal lives. This commitment is materialized 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 contribute to 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 recognized 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.

### Quality in employment

Employment stability: 93.75% of contracts are permanent.  
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 harassment on grounds of sex.

### Reconciliation

Study assistance for employees' children.  
Support for the family (leave of absence, leave and flexible working hours for caring for family members, aid 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.

Navantia is making the necessary efforts to properly disseminate the agreements in this area, using, among other means, Navantia Contigo. Likewise, the Navantia Work-Life Balance Guide has been drawn up, which includes the particularities of all the measures developed to date.

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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 Bargaining Agreement improves those established by law, among others, by recognizing the right of both parents to 2 hours of absence from work to care for children under 12 months of age. In addition, this right may be replaced by a one-hour reduction in 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	
	Women	Men	Women	Men	Women	Men
Maternity/paternity	19	107	2	-	1	2
Lactation accumulation	15	43	1	-	1	-
Reduction of working hours to care for a child	6	3	-	-	2	-
Parental leave	5	-	-	-	-	-
Pregnancy risk	-	-	2	-	-	-
Voluntary leave	6	8	-	-	1	-

*Table: data to 2022*





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### Inclusive management

Navantia is committed to incorporating the best talent into its workforce, regardless of their characteristics. In compliance with the General Law on the Rights of Persons with Disabilities and their Social Inclusion (LGD), in 2022 it has had an annual average of 79 employees with a recognized disability.

Alternative measures have been taken to promote inclusion:

- During the last quarter of 2022, the services of the Capacis Foundation (Madrid) and the collaboration of 2 special employment centers Afanas (Bahía de Cádiz) and Sifu (Ría de Ferrol) began to be used to digitalize all the employment records of the Navantia workforce.
- The merit scale included in Navantia's selection process awards additional points to candidates who accredit a disability equal to or greater than 33%.

Similarly, all work centers comply with accessibility legislation to ensure that there are no barriers that may limit access to work centers for the performance of their work activities. For this reason, all Navantia's centers carry out adaptations to their infrastructure to eliminate barriers.

There is specific planning at each of its centers to deal with the evacuation of sick, injured, disabled or pregnant women in the event of an emergency. 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.
- Internal dissemination of the activities carried out in this area through the company's intranet aimed at eliminating possible prejudices among people.
- In cases of supervening non-invalidating disability, assignment of these personnel to functions or posts compatible with said disability, with the advice of the Medical Service and informing the Workers' Legal Representation.

During the year 2022, training and awareness-raising actions have been carried out among the workforce, such as the launch of awareness-raising and reconciliation actions of the Equality Plan through gamified training on 8 March 2022.

### Staff rejuvenation plan

Navantia is immersed in a workforce rejuvenation plan from 2019 to 2022, which aims to incorporate new professionals to meet the transformation and internationalization 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 new recruits and the personnel who were already part of Navantia.



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GRI 2-7, 401-1, 403-5, 404-1, 404-2, 405-1, 405-2

## Navantia's talent

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.

For this reason, it has the necessary procedures and policies to work on attracting and retaining talent, training and professional development, the promotion of an environment of equal opportunities and the quality and stability of employment, among other aspects.

As of 31 December 2022, Navantia has a workforce of 4,146 people with an average age of 46.

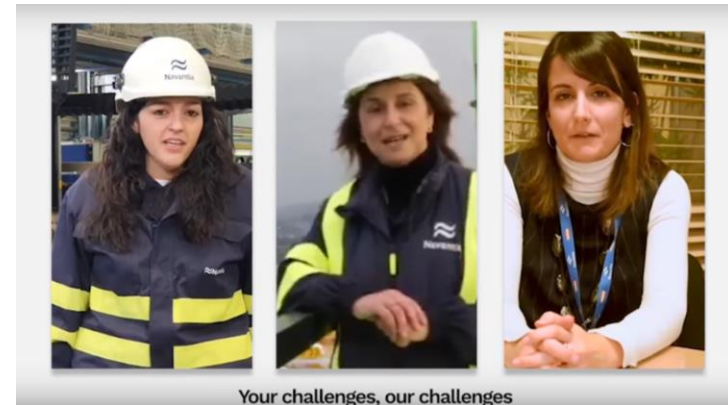
In 2022, 446 people were hired, 25.6% women and 58% under 35 years of age, as a result of the plan for the rejuvenation of the workforce approved in the 2018-2022 Strategic Plan.

It also actively participates in job fairs to offer vacancies to young graduates, organizes events and employment promotion days such as the "Blue Talent" event and the ITINERE days to try to increase the number of women and young graduates hired.

Navantia promotes technical and scientific vocations among women.

(446 new recruits, 114 women and 258 under 35).

In this line, great efforts are being made to promote the incorporation of women into the workforce, in a traditionally male-dominated sector:



Your challenges, our challenges

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	Total persons	Women	Men
Navantia Staff	4.146	17,1%	82,9%
Workforce Navantia Australia (PTY)	226	18,1%	81,8%
SAES Template	113	19,5%	80,2%
SAINSEL Template	44	18%	82%
Navantia UK staff	1	100%	0%
Staff Navantia Saudi Arabia	17	35,3%	64,7%



	Navantia		Navantia Australia		SAES		Sainsel		Navantia UK		Navantia Saudi Arabia	
	H	M	H	M	H	M	H	M	H	M	H	M
2020	3.293	576	115	28	68	19	28	8	N/A	N/A	N/A	N/A
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

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**Total number of employees, distribution by gender, age and professional classification in 2022 (as of 31/12/2022):**

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
<b>Navantia</b>	Senior Technicians	486	1.176	11,7%	28,4%	40,1%	1.662
	Employees	200	872	4,8%	21%	25,9%	1.072
	Operators	21	1.391	0,5%	33,6%	34,1%	1.412
	Total	707	3.439	17,1%	82,9%	100,0%	4.146

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
<b>Navantia Australia</b>	Senior Technicians	29	174	12,8%	77%	89,8%	203
	Employees	12	10	5,3%	4,4%	9,7%	22
	Operators	0	1	0,0%	0,4%	0,4%	1
	Total	41	185	18,1%	81,9%	100%	226

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		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
<b>SAES</b>	Senior Technicians	18	81	15,9%	71,7%	87,6%	99
	Employees	4	0	3,5%	0,0%	3,5%	4
	Operators	0	10	0%	8,8%	8,8%	10
	<b>Total</b>	<b>22</b>	<b>91</b>	<b>19,5%</b>	<b>80,5%</b>	<b>100%</b>	<b>113</b>

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
<b>Sainsel</b>	Senior Technicians	7	25	15,9%	56,8%	72,7%	32
	Employees	1	1	2,3%	2,2%	4,5%	2
	Operators	0	10	0%	22,7%	22,7%	10
	<b>Total</b>	<b>8</b>	<b>36</b>	<b>18,2%</b>	<b>81,8%</b>	<b>100%</b>	<b>44</b>

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		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
<b>Navantia UK</b>	Senior Technicians	0	0	0%	0%	0%	0
	Employees	1	0	100%	0%	100%	1
	Operators	0	0	0%	0%	0%	0
	<b>Total</b>	<b>1</b>	<b>0</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>1</b>

		No. of women	No. of men	Women as % of total workforce	Men as % of total workforce	Total workforce	Total
<b>Navantia Saudi Arabia</b>	Senior Technicians	1	11	5,89%	64,7%	70,6%	12
	Employees	0	5	0%	29,4%	29,4%	5
	Operators	0	0	0%	0%	0%	0
	<b>Total</b>	<b>1</b>	<b>16</b>	<b>5,89%</b>	<b>94,1%</b>	<b>100%</b>	<b>17</b>

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Navantia is firmly committed to stable employment, with almost 93.75% of its workforce employed on permanent contracts:

	Navantia	Navantia Australia	SAES	Sainsel	Navantia UK	Navantia Saudi Arabia
Under 35 years old	756	101	30	7	0	8
Between 36 and 50	1.628	77	56	27	1	6
More than 50	1.762	48	27	10	0	3
Total	4.146	226	113	44	1	17



**Total number and distribution of employment contracts by type of contract:**

	Navantia					
	Senior Technicians		Employees		Operators	
	H	M	H	M	H	M
Indefinite	1.093	447	836	170	1.321	20
Temporary	83	39	36	30	70	1
Total	1.176	486	872	200	1.391	21

	Navantia Australia					
	Senior Technicians		Employees		Operators	
	H	M	H	M	H	M
Indefinite	0	0	0	0	0	0
Temporary	174	29	10	12	1	0
Total	174	29	10	12	1	0

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	SAES					
	Senior Technicians		Employees		Operators	
	H	M	H	M	H	M
Indefinite	81	18	0	4	10	0
Temporary	0	0	0	0	0	0
<b>Total</b>	<b>81</b>	<b>18</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>0</b>

	Sainsel					
	Senior Technicians		Employees		Operators	
	H	M	H	M	H	M
Indefinite	21	6	0	1	9	0
Temporary	4	1	1	0	1	0
<b>Total</b>	<b>25</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>0</b>

	Navantia Saudi Arabia					
	Senior Technicians		Employees		Operators	
	H	M	H	M	H	M
Indefinite	0	0	0	0	0	0
Temporary	11	1	0	5	0	0
<b>Total</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>



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**Total number and distribution of employment contracts by type of contract and age range:**

	Indefinite			Temporary			Total
	Under 35	Between 36 and 50	More than 50	Under 35	Between 36 and 50	More than 50	
<b>Navantia</b>	537	1.593	1.757	219	35	5	4.146
<b>Navantia Australia</b>	0	0	0	101	77	48	226
<b>SAES</b>	30	56	27	0	0	0	113
<b>Sainsel</b>	2	25	10	5	2	0	44
<b>Navantia UK</b>	0	0	0	0	1	0	1
<b>Navantia Saudi Arabia</b>	0	0	0	8	6	3	17

### Rejuvenation plan for the workforce Number of redundancies by gender, age and professional classification

Throughout the year 2022, 225 people have left the Company in Navantia affected by the early departure plan processed through a procedure of 204 men (90.67%) and 21 women (9.33%), 110 belonging to the category of Operators, 80 Employees and 35 Graduates, by age range 223 people are over 50 years of age and 2 people are between 35 and 50 years of age.

At SAES, a woman with a university degree and between 35 and 50 years of age has left the company.

At Sainsel, Navantia UK, Navantia Australia and Navantia Saudi Arabia there have been no redundancies in 2022.

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### Average remuneration and evolution by gender, age and occupational classification

Navantia				
Year 2022	Men(1)	Women(2)	Overall average(3)	Wage gap
<35 years	27.526	30.157	28.195	-9,6%
Employees	23.895	23.461	23.757	1,8%
Operators	23.978	22.758	23.957	5,1%
Senior Technicians	31.454	31.480	31.464	-0,1%
Between 36 and 50 years old	40.661	44.032	41.350	-8,3%
Employees	39.466	34.913	38.359	11,5%
Operators	34.919	36.502	34.941	-4,5%
Senior Technicians	46.667	47.656	46.974	-2,1%
>50 years	48.497	54.144	49.067	-11,6%
Employees	45.155	46.234	45.294	-2,4%
Operators	43.590	41.830	43.564	4,0%
Senior Technicians	62.162	62.833	62.289	-1,1%
	<b>42.132</b>	<b>42.820</b>	<b>42.248</b>	<b>-1,6%</b>

(1) The average total remuneration of the group, without breakdown by professional group.

(2) The average total remuneration of the group, without breakdown by professional group.

(3) The average total remuneration of the group, without breakdown by professional group.

*\*Note: Does not include CDC*

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#### Navantia Australia (AUD currency)

Year 2022	Men	Women	Overall average	Wage gap
<b>&lt;35 years</b>				
Employees	89.340	91.250	89.850	
Operators				
Senior Technicians	93.306	101.289	94.534	
<b>Between 36 and 50 years old</b>				
Employees	107.108	95.102	100.605	
Operators				
Senior Technicians	142.233	132.888	141.713	
<b>&gt;50 years</b>				
Employees	113.422	100.625	110.578	
Operators				
Senior Technicians	147.620	170.000	148.449	

#### Sainsel

Year 2022	Men	Women	Overall average	Wage gap
<b>&lt;35 years</b>				
Graduates, Engineers	36.780	39.500	38.140	-7%
VET and Admin.	19.000	0	19.000	-
<b>Between 36 and 50 years old</b>				
Graduates, Engineers	36.285	32.978	34.632	9%
VET and Admin.	22.077	18.300	20.189	17%
<b>&gt;50 years</b>				
Graduates, Engineers	49.098	46.100	47.599	6%
VET and Admin.	31.985		15.993	-

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Year 2022	SAES			
	Men	Women	Overall average	Wage gap
<35 years	26.835	27.044	26.859	-
Operators and technicians	23.805	-	23.805	-
Administration	-	-	-	-
Graduates/Engineers	27.136	27.044	27.131	0,34%
Between 36 and 50 years old	38.266	34.903	37.643	-
Operators and technicians	30.070	-	30.070	-
Administration	-	-	-	-
Graduates/Engineers	39.559	34.903	38.589	11,77%
>50 years	54.050	36.678	49.856	-
Operators and technicians	25.840	-	25.840	-
Administration	-	28.541	28.541	-
Graduates/Engineers	58.504	50.090	57.356	14,38%

Navantia Saudi Arabia (EUR currency)				
Year 2022	Men	Women	Overall average	Wage gap
<35 years				
Employees	-	11.970,1	11.970,1	-
Operators	-	-	-	-
Senior Technicians	53.453,5	68.827,9	56.015,9	
Between 36 and 50 years old				
Employees	72.000	11.970,1	21.975,1	
Operators	-	-	-	-
Senior Technicians	63.591	-	63.591,0	
>50 years				
Employees	-	-	-	-
Operators	-	-	-	-
Senior Technicians	53.365,6	-	53.365,6	

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## 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

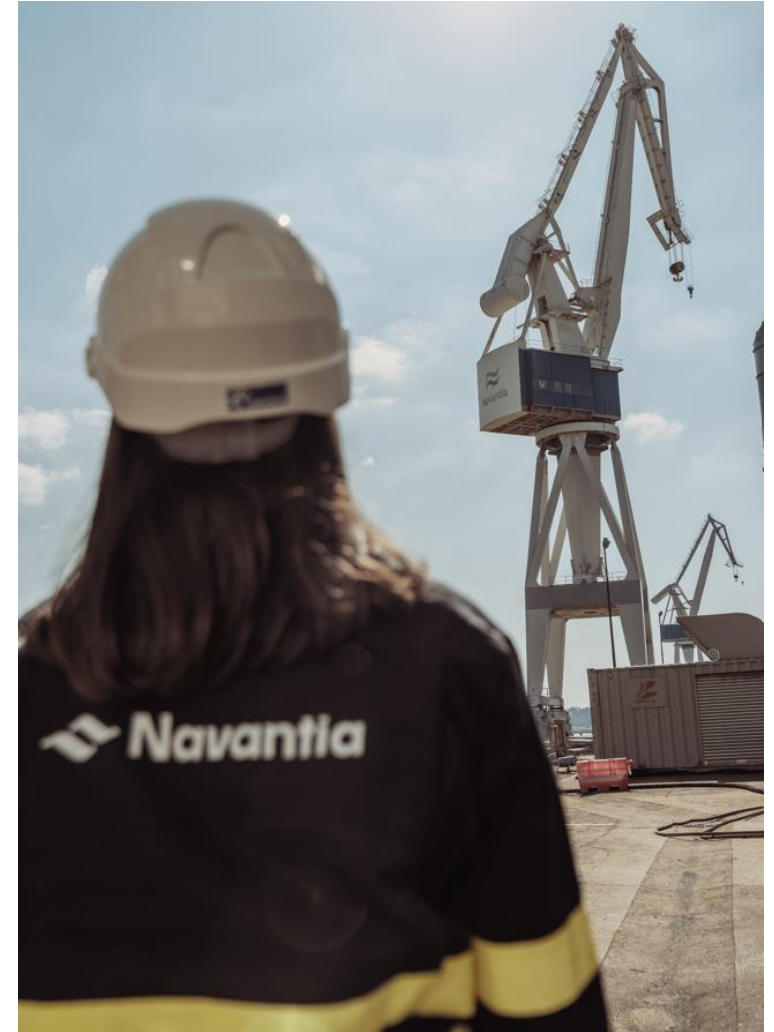
This is the individual reflection where the ambitions and interests of the employees are collected and the necessary actions are planned in order to achieve and enhance them.

### 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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### 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 organization, 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 organization, 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.

### Continuous training plan

Expanding and improving the knowledge of employees is a priority for Navantia in order to contribute to their personal and professional development to meet the new technological challenges. Navantia's Plan sets among its objectives the modernization and digital transformation and the cultural evolution putting people at the center of the transformation. Training is a key element to achieve them, and the training plans are based on the strategic actions and needs that arise. Another of the objectives of the plan is the rejuvenation and reorganization of the workforce, which must be supported by training to reduce the learning curve for new recruits and/or internal staff movements.

Navantia invests more than 160,000 hours in training for the entire Navantia 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.



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Regulatory training is also key to transforming the company with quality and standardization criteria and, furthermore, to guarantee compliance with current legislation. Various programmes on cybersecurity, compliance, data protection and gender equality are developed every year.

The prevention of occupational hazards and sustainability are included annually in the training plans. In the coming years, they will be a priority target of extensive programmes for the entire workforce.

With a focus on continuous development, Navantia also develops leadership programmes, management support and development, soft skills, languages... Access is provided to a platform of free resources 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, delocalization and globalization of the process and multiple options have provided alternatives for access to training. Covid-19 has accelerated the transformation by driving this change of training model towards the virtual world and this year 2022 a hybrid model that allows the combination of synchronous and asynchronous training has been gaining ground.

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 ease their incorporation into their jobs.

The objective is to "learn by doing", thus accelerating the learning curve during the first months in the company with a focus on critical knowledge according to 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 vocational training, with the aim of improving their training and bringing them as close as possible to the reality of the working world.

In recent years more than 300 students have done and are still doing 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, ... in addition to the students who complete their studies of the former traditional Vocational Training with internships at Navantia.

Below are the hours of training completed in 2022 by occupational group:



**Hours of training according to professional category and branches**

2022	Employees	Operators	Senior Technicians
Navantia	19.423	42.284	51.809
SAES	113	-	2.264
Sainsel	129	-	577
Navantia UK	0	0	0
Navantia Saudi Arabia	0	0	0

	Engineering	Administration/management
Navantia Australia	411	1.720



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## Continuous training plan Hours of training (by professional category)

### Navantia.

The following table shows the training actions by workplaces for Navantia.



#### Training in 2022: number of people trained by center

Geographical area	Women	% of number of women on staff	Men	% of number of men on staff	Total
Bahía de Cádiz	153	79,27	801	69,77	954
Dársenas de Cartagena	111	92,5	651	80,17	762
Madrid	101	79,53	133	87,5	234
Ría de Ferrol	181	67,29	901	68,1	1.082
<b>TOTAL NAVANTIA</b>	<b>546</b>	<b>77</b>	<b>2.486</b>	<b>72</b>	<b>3.032</b>

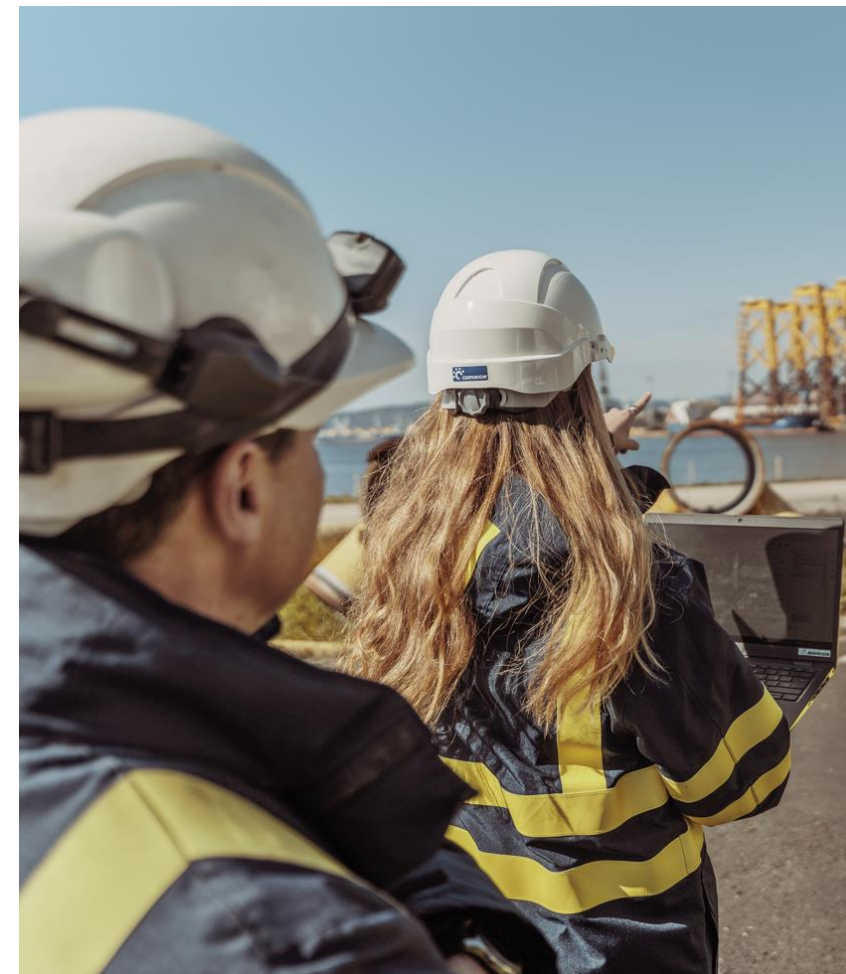
And in number of hours per professional category for Navantia:



#### Training carried out in Navantia in 2022: hours per professional category

Professional group	Women	Men	Total
MS - Employees	4.394	15.029	19.423
OM - Operators	283	42.001	42.284
TS - Senior Technicians	17.214	34.595	51.809
<b>Grand total</b>	<b>21.890</b>	<b>91.626</b>	<b>113.516</b>

Source: Guía Plan Igualdad Ministerio de Trabajo y Asuntos Sociales (Equality Plan Guide Ministry of Labor and Social Affairs)





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GRI 2-30, 401-3, 403-1, 403-2

## Work organization

Navantia maintains a line of maximum respect for workers' rights in terms of collective bargaining, promoting and respecting the rights of freedom of association and collective bargaining and we have permanent mechanisms for dialogue with workers' representatives, whom the company recognizes as a fundamental stakeholder. 100% of the Navantia Group is covered by its own and sectoral Collective Bargaining Agreements.

All Navantia workers are covered by the 1st Intercentre Collective Bargaining Agreement of Navantia, which was unanimously signed by all the trade unions that formed part of its negotiating committee. The working day established in the agreement is 1,676 hours of work per year, with the ordinary working day being continuous from Monday to Friday. This is a measure that is highly valued by the company's workers, just like the last collective agreements signed to regulate flexible working hours or teleworking.

For professionals not covered by the Navantia collective bargaining agreement, the regulations governing working conditions in general are the Workers' Statute.

In Navantia Australia, Navantia Arabia and Navantia UK, the current labor legislation is applied and there is no collective agreement, although expatriate workers are covered by Navantia's Intercentre Collective Bargaining Agreement.

In 2022, the company is immersed in the negotiation of the 2nd inter-center collective bargaining agreement, to provide the company with a framework of employment stability for the coming years in line with the current socio-economic context and 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 harmonizing 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.



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As regards 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 functions of negotiation, participation and representation.

For their part, SAINSEL workers are covered by the Collective Agreement for Industry, Services and Metal 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.

This agreement, which is currently in force, was born with a triple challenge, which has been achieved since its approval in 2018.

1. To standardize the working conditions of all Navantia personnel by creating a new labor framework that favors the incorporation of new professionals into the company.
2. To modernize the bases of work organization in order to adapt Navantia's labor framework to the current reality of the changing environment, which is very different from the context in which the agreements of the applicable collective bargaining agreements were reached. The objective in this section was to reach an agreement that would make it possible to respond to the current needs for flexibility and security in the production activity in order to become a more competitive company.
3. Develop a new professional classification for the homogenization of the different remuneration systems, introducing productivity parameters and variable remuneration linked to results for all staff.



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Social relations

After the end of the period of validity of Navantia's 1st Intercentre Collective Bargaining Agreement in December 2021, throughout the year 2022, Navantia has been working on the definition of a new agreement aligned with the objectives of Navantia's new Horizon 5.0, which represents a framework of labor stability for the transformation that the company is undergoing, focused on strengthening its shipbuilding business model (national/international, systems, services and repairs) and on the firm commitment to green energies.

On 16 December 2022, the negotiating committee was set up and the negotiating proposals of each of the parties were exchanged in order to initiate a negotiation process that will enable an agreement to be reached in the first half of 2023.

At the same time, in 2022, the work agreed in the 1st Collective Bargaining Agreement was completed and the following actions were carried out, as detailed below:

- **In the area of Employment:** The new measures on temporary employment introduced by the labor reform approved on 31 December 2021 through Royal Decree 32/2021 were implemented.
- **Wages:** Work was completed on the unification of the remuneration concepts applicable to the groups from the agreements in place prior to the signing of the 1st Intercentre Collective Bargaining Agreement signed in 2018.
- **In terms of Equality:** In November 2022, the remuneration audit (RD 902/20) was presented to the equality committee, which showed that there was no pay gap in Navantia and that the representation of women had increased by 25% compared to the 2018 figures.

Occupational Health and Safety: In December 2022, the Occupational Health and Safety Regulations were signed between the Company Management and the Workers' Representatives.

Absenteeism

The number of hours not worked due to absenteeism in 2022 in the Navantia Group was as follows:

Number of absence hours in 2021

Entity	Number of hours
Navantia	575.506
Navantia Australia	6.627
SAES	6.643
SAINSEL	2.344
Navantia UK	0
Navantia Saudi Arabia	0



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## Implementation of work disengagement policies

Navantia recognizes the right to digital disconnection of workers as a fundamental element to achieve a better organization of working time in order to respect private and family life, improve work-life balance and contribute to the optimization 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 organizational 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 organization 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 organization aimed at disseminating and enforcing the right to digital disconnection, expressly recognizing this right for people who provide their services remotely.

Digital disconnection is a valid work-life balance tool, without undermining the organizational flexibility promoted by the Company.



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GRI 403-1, 403-2, 403-3, 403-4, 403-9, 403-10

# Safe and healthy working environment

## 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 SDGs and, of course, to Goal 3 on Health and Emotional Wellbeing. As part of this commitment, Navantia was recognized by the Spanish Network of Healthy Companies (REES), part of the National Institute for Health and Safety at Work (INSST) of the Ministry of Labor and Social Economy for the good practices carried out.

The General Quality, Prevention and Environment Policies describe that:

*"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 the management systems, thereby pursuing the objective 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.

The certification audit of the OHS ISO 45001 management system has been successfully passed. The certificate was received in February 2021 and successfully reviewed in a surveillance audit in February 2022.

The number of audits is broken down as follows:

Concept	2022	2021
Navantia	62	54
Navantia Australia	29	12

Navantia Australia has two people on its staff in charge of the occupational risk prevention system.

SAES and SAINSEL have an external prevention service in charge of ensuring the health and safety of workers.

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Protection of workers during Temporary Disability

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.

Key Indicators

The main indicators of preventive management for the year 2022 are described below.

Total numbers 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.

Number of accidents divided by gender

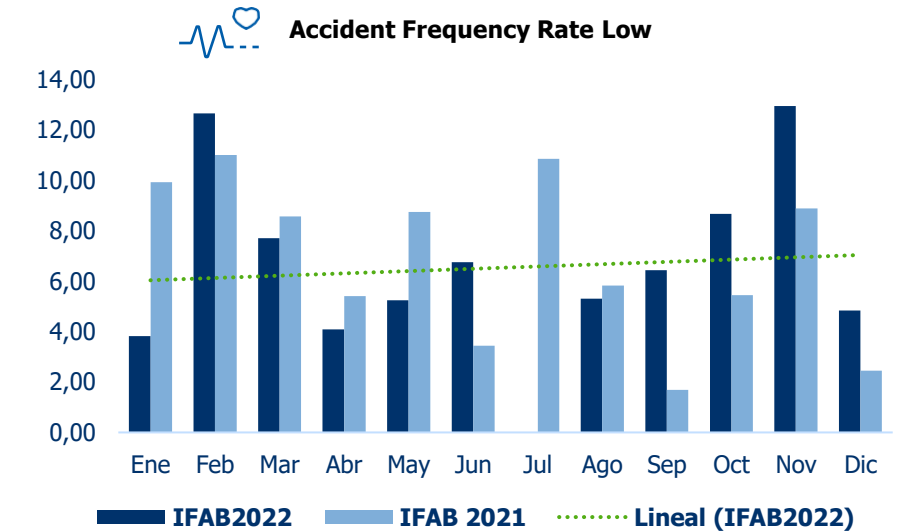
Accident	Navantia	
	Men	Women
Accident with sick leave	43	0
Accident without sick leave	90	2
Total accidents	133	2
Accident Frequency Rate Low	3,20	0,00
Danger Index	20,50	1,81
Severity Index	0,13	0,00

There were no occupational diseases with sick leave in 2022.

Accident	Sainsel	
	Men	Women
Accident with sick leave	0	0
Accident without sick leave	1	1
Total accidents	1	1

Accident rates of Own Staff

The accident rate indicators for the company's own workforce are as follows:



- Accident Frequency Rate Low:

$$IFAB = \frac{\text{Accident sick leave}}{\text{Working hours}} 10^6$$

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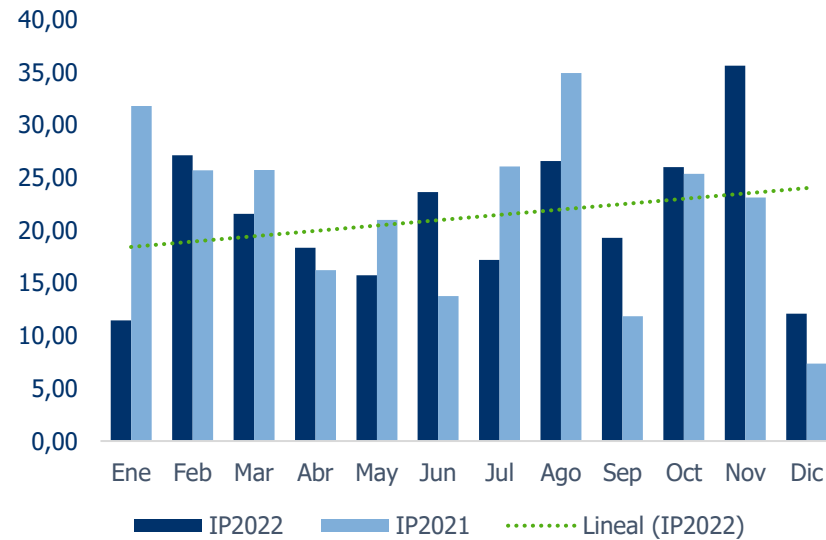
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No lost time accidents were recorded at Navantia Australia, Navantia UK, SAES and Navantia Saudi Arabia. The accident rates are not presented by gender as the number of female accidents out of the total is not considered material.



**Danger Index**

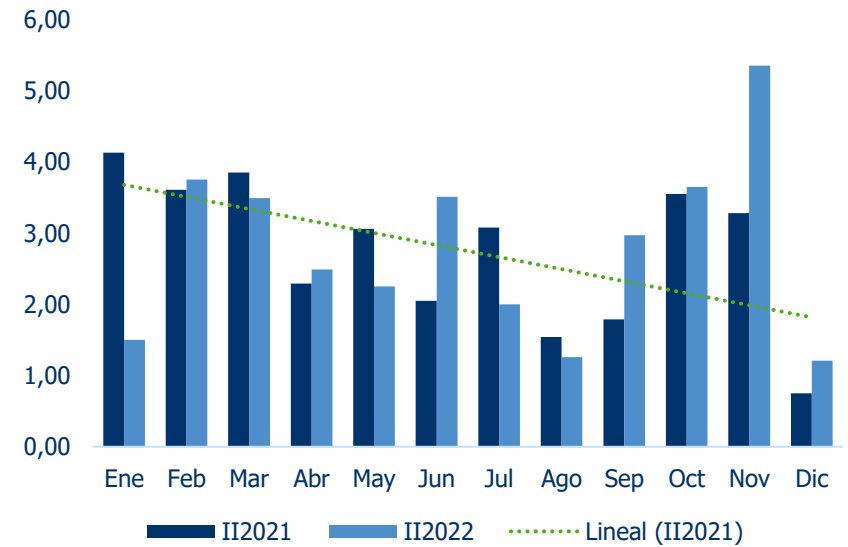


- Danger Index:

$$IP = \frac{\text{Total accidents}}{\text{Working hours}} 10^6$$



**Incidence Rate**



- Incidence Rate:

$$II = \frac{\text{Number of accidents}}{\text{Workers}} 10^3$$



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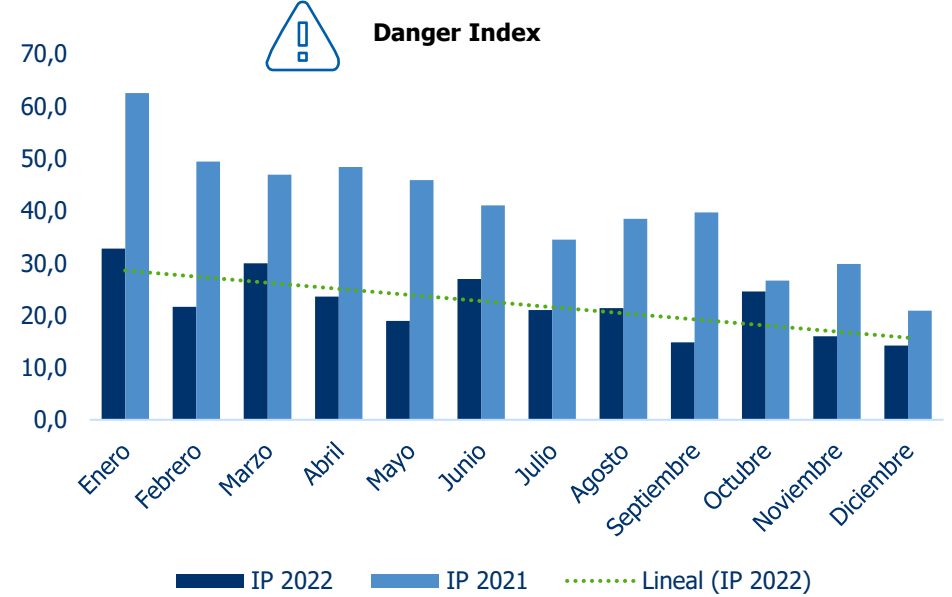
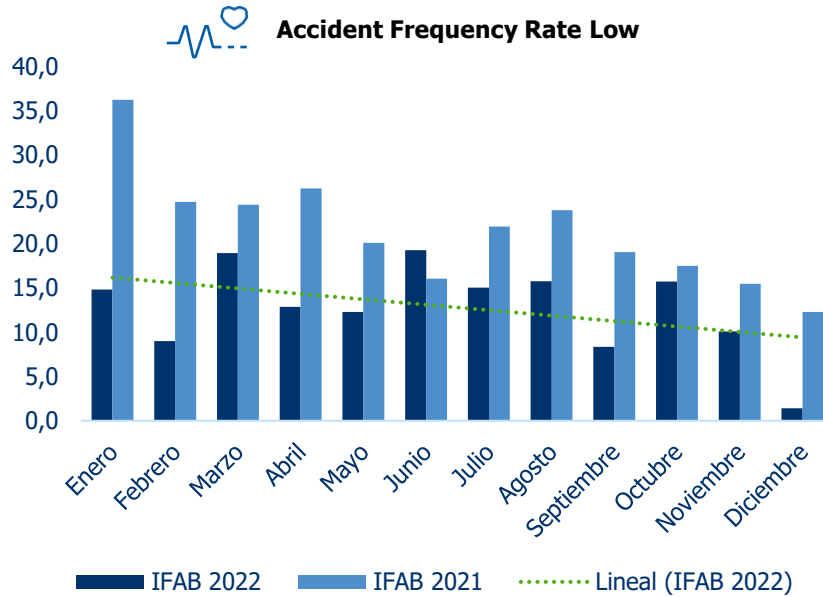
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### Accident rates of the Collaborating Companies

The accident rate indicators of the collaborating companies are as follows:



- Accident Frequency Rate Low:

$$IFAB = \frac{\text{Accident sick leave}}{\text{Working hours}} 10^6$$

- Danger Index:

$$IP = \frac{\text{Total accidents}}{\text{Working hours}} 10^6$$



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### Health Promotion with a Gender Perspective

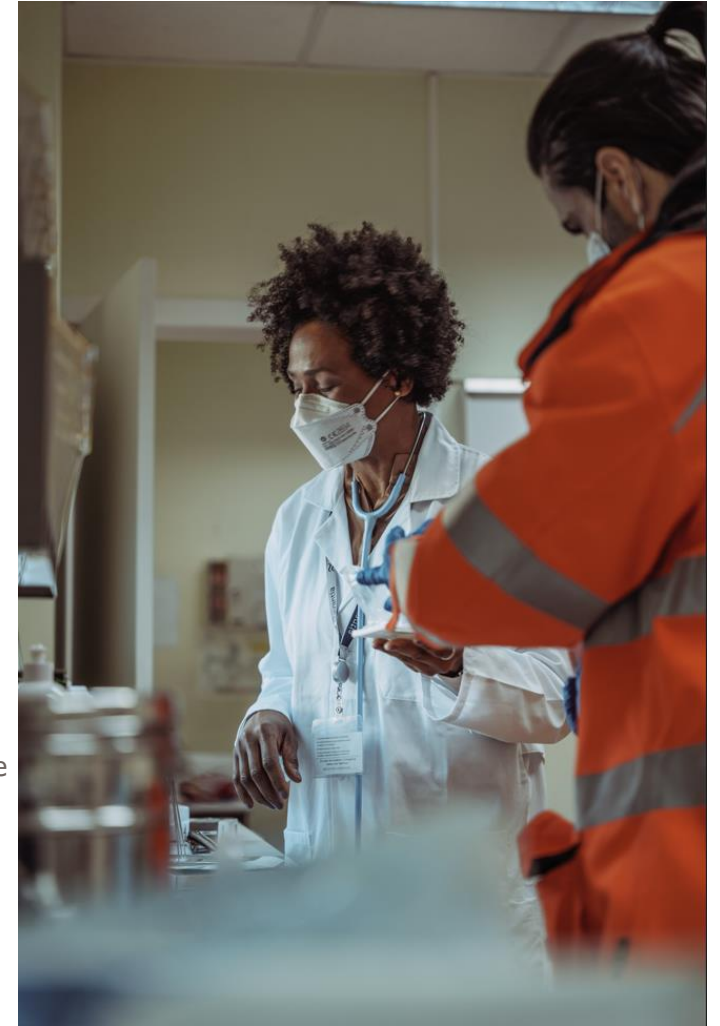
Navantia has an Equality Plan and an Equality Commission where the objectives for the equality of the workforce are planned from all points of view. The Health Areas seek to promote health on an individual basis and develop promotional activities according to gender. All initiatives are funded by the company, notably:

- Personalized:
  - Study of thyroid hormones.
  - 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 centers to treat occupational pathologies and common illnesses.
- Women:
  - Iron metabolism.
  - Annual gynecological check-up.
- Men
  - Determination of total and free PSA.
  - Prostate ultrasound.

The main indicators we manage are as follows:

In addition to the studies carried out, health workshops such as the "Menopause Workshop" have been held.

Parameter analysed	Number of actions
PSA study	2.000
Hormonal Studies	118
Specific Protocols	7.143
Influenza Vaccination	539
Smoking cessation	29
Iron Metabolism	564



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Key management pillars for 2022

Signing of the Occupational Health and Environment Regulation

The Navantia OHS and EHS Intercentre Committee approved 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.

The new Occupational Health and Environment Regulation has focused on strengthening and improving the following points:

- Structure of the SSL and MA Committees and Commissions, adapting them to Navantia's organizational 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 will this time include the digital format, which will be prioritized in order to reduce paper consumption and thus reduce the carbon footprint.



Actions against COVID-19

The actions to protect against COVID-19 in the year 2022 have basically two phases: the phase before April 2022 and the phase after, with the publication of the New Strategy for Action against COVID-19 by the Health Authorities.

Navantia has continued its commitment to reach a consensus with the Legal Representation of the Workers, and this past year it has been agreed:

- Update of the PPE Guide.
- Strategy for confirmed cases and close contacts.
- Determination of PDIA test performance.

Cases and areas of the Company with mandatory use of facemasks

The main COVID-19 indicators accumulated in the year 2022 are:

 Covid-19 indicators

Indicator	Cumulative data
Confirmed PDIA +	1.351
Tests Performed	5.770
Low COVID-19	1.063

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### Promoting Preventive Leadership in the Organization

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.

During the years 2021 and 2022, the different organizational levels and the Prevention Delegates (DD.PP.) have been trained in leadership and preventive culture.

**Prevention courses**

Course	Assistants	Hours
Preventive Leadership	110	440
Leadership DD. LEADERSHIP	26	312

As part of the leadership campaign, Navantia has taken part in the IV Meeting on Preventive Culture in Andalusian Companies organized by the Andalusian Institute for the Prevention of Occupational Risks.

Similarly, on 17 May 2022, Navantia received recognition for its preventive work at the 10th edition of the Asepeyo Antoni Serra Santamans Awards.

### 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 particularly 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:



**2. Plan para la evolución de la cultura preventiva en las EECC.**

**Metas:**

- a) Análisis de las evaluaciones de desempeño de las Empresas Colaboradoras de los últimos 3 años.
- b) Análisis de las lecciones aprendidas de proyectos finalizados.
- c) Plan de auditorías a las 5 empresas consideradas más críticas (volumen, accidentabilidad, naturaleza) en cada centro.
- d) Seguimiento de los planes de acción motivados por las auditorías realizadas.

**Indicador para valorar el cumplimiento:**

**100% acciones completadas** antes de 31/12/2022  
Reducción de un 10% del Índice de Peligrosidad respecto al indicador previo a la pandemia.

The targets have been met in accordance with the objective and the evolution of the main indicators with respect to the previous year are as follows:

Indicator	Year 2021	Year 2022	Developments
Danger Index (PI)	40,51	22,31	-44,9%
Low Accident Frequency Rate (LFAR)	21,45	13,07	-39,1%

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Emotional Well-being: "Help Us Help You "Programme

The programme is aimed at the health and emotional wellbeing of the Navantia workforce at the different centers.



The video presentation is available at



[NAVANTIA: Emotional Wellbeing Team \(#WorldSSTDay 2022\) on Vimeo](#)

The project has the following pillars:

- Creation of an emotional well-being team with representatives not only from Occupational Health and Safety, but also from other members of the Company's Organization:
  - 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 center.
- Simultaneous Psychosocial Risk Assessment for the entire workforce and in accordance with the INSST methodology.
- Creation 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.

The main objective is to improve the well-being of our employees and thus to improve relationships and thus productivity.

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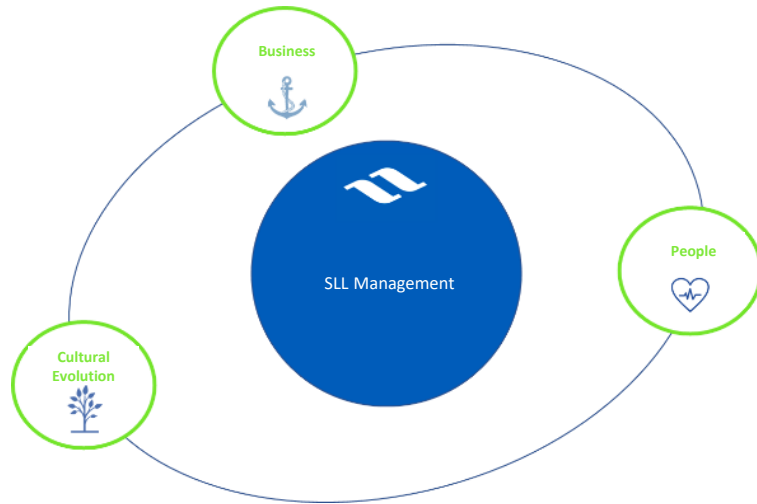
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The objectives are related to the following 3 areas:

- Cultural Evolution:
  - Improving team leadership.
  - Encouraging 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	Man	Woman	N/A (*)
Psychosocial risk assessment	2435	1890	498	47
Health circles	130	-	-	-
Psychological Assistance	91	66	25	-
Personal Interviews	642	470	162	10

(\*) The methodology published by the National Institute for Safety and Health at Work indicates that in addition to the gender's 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 healthy living and there are specific campaigns on nutrition, prevention and treatment of addictions, anti-smoking campaigns, etc.

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## Acknowledgements

This year Navantia has received the following awards:

- Recognition for the "Trayectoria preventiva" in the X Edition of the Asepeyo Antoni Serra Santamans Awards.



- Special Recognition for merit in Business Management, to NAVANTIA, for the project "Help us to help you".



- Special Category Award for "Mental health care and emotional well-being".



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Value chain

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GRI 416-1, 418-1

## 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 organization's overall performance.

In order to ascertain the level of satisfaction, 47 surveys were sent to customers in all areas of Navantia's activity in 2022, with a 70% response rate. Based on the results, the different departments have developed and implemented specific actions to improve satisfaction.

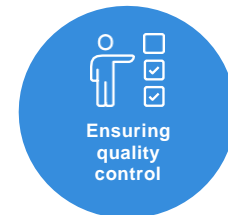
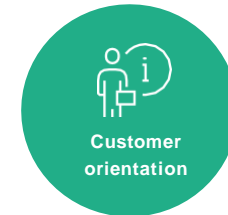
In addition, direct interviews of the quality managers with the customers have been held, which have led to greater involvement in the responses and offer greater added value. During 2022, interviews were conducted with those responsible for the S-80, F110, GC-71 and AIP S-80 programmes.

In 2022, Navantia has launched a new initiative to define a more proactive approach to ensure that it is aware of and meets customer expectations, and to develop this approach in a Plan with complementary elements to the current customer satisfaction scheme, which takes into account their expectations.

### Complaints management

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 channeled through each specific programme manager, offering the greatest proximity to the customer.

Throughout 2022, 88 complaints were received from customers and RAC (Quality Assurance Manager of the Ministry of Defense), which were managed as non-conformities in the **SAP-QM** information system.





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Cybersecurity

During the year, work continued with the National Cryptologic Centre (CCN) on the accreditation of the ELCANO Digital Platform for handling classified information. The ELCANO platform will enable the management of the entire operational life of the ship in the shipyards, from the first engineering phases to the end of the ship's life cycle.

Among the various projects included in Navantia's Cybersecurity Strategy, in 2022 an awareness campaign was carried out based on an animated series, webinars and phishing simulations. For this campaign, Navantia was awarded by the Entelgy Group as the company that has developed the best Transversal Cybersecurity Training Plan for workers.

As part of a process of continuous improvement in digital security, a Digital Security Improvement Plan has been developed for the Systems Business Unit, which will enable the cybernetic risks detected in this important Navantia business unit to be mitigated in a notorious way. At the end of the year, Navantia renewed the international cybersecurity certifications ISO27001, Cyber Essentials and Cyber Essentials Plus.



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GRI 2-6, 308-2, 414-2

## 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 this regard, Navantia 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 on the part of 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 analyzed. In this way, before establishing relations with a third party, the level of risk that such contracting may entail for Navantia is analyzed, with the risk being graded into three levels:

- +40** Commercial partners 
- +60** Agents, including new applicants, renewals and related pre-payments
- +700** Navantia monitors companies included in the value chain through the alert system, in order to detect the incidence of corruption, environmental, labor, human rights and tax issues. 

HIGH RISK  
MEDIUM RISK  
LOW 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.

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.

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 considered 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 2022, the Compliance Committee has conducted the following due diligence a:

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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.



Inclusion of social and environmental issues in procurement policy

Navantia is expressly subject to the Internal Procurement Instructions issued by Law 9/2017, of 8 November, on Public Sector Contracts and to the rules contained in Title II of Book Three (Articles 321 and 322); Article 145 on the requirements and types of contract award criteria; and certain rules established in Book I, as they are applicable to contracts in the entire public sector.

The Law stipulates that the contracting bodies must ensure that the design of the award criteria allows the contracting of works, supplies and services of high quality, by including qualitative, environmental, social and innovative aspects linked to the object of the contract. And in this respect, Navantia establishes as evaluation criteria the promotion of the social integration of people with disabilities, disadvantaged people or members of vulnerable groups among the people assigned to the execution of the contract.

As regards environmental aspects, these are assessed in the pre-contract evaluation process. During the execution of the contract, the monitors the prevention and environmental aspects of the work carried out at Navantia's shipyards. In addition, occasional audits are carried out on suppliers/subcontractors at their facilities, especially when they are critical for the execution of a programme and their environmental relevance is high.



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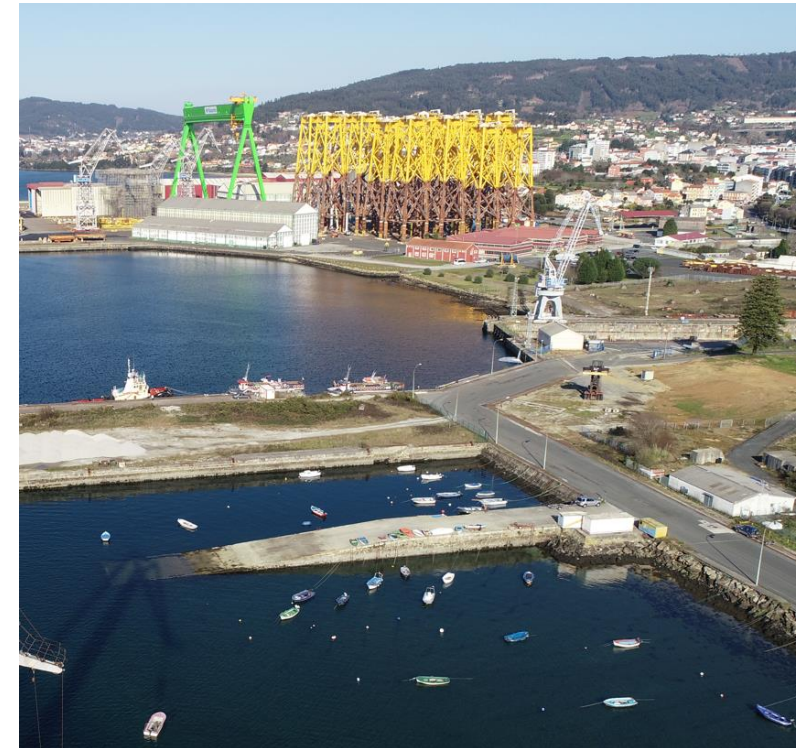
Navantia has different strategies and tools to help improve its relationship with suppliers:

- **Supplier portal:** this platform facilitates the exchange of information with suppliers (work procedures, documentation requirements for access control, etc.).
- **It has two offices with the fundamental task of liaising with suppliers:** the Ancillary Industry Access Control Office and the 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 assess suppliers and their capabilities in the performance of major projects and the processing of tenders, orders, technical documentation and invoicing.
- **Publication of tenders:** to promote transparency and competition, tenders, depending on how they are processed, are published both on the Public Sector Procurement Platform (PLACSP). Formalized contracts are published on the Transparency Portal. Navantia's procurement process is periodically subjected to both internal and external audits to detect weaknesses and, based on these, establish action plans that allow for continuous improvement.

In the supplier monitoring and auditing systems, the procedure, identification register, and certificate of environmental aspects are verified.



By December 2022, **6200** suppliers have been validated.



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GRI 2-29, 201-1, 203-1, 203-2, 413-1

## Social initiatives and contribution to the environment

Navantia is firmly committed to society and the environment in which it operates. In this sense, the organisation focuses on establishing lasting alliances and partnerships that contribute to sustainable development, on creating opportunities for young people and other groups, as well as on promoting naval culture through the dissemination and generation of knowledge.

Below are the financial contributions made by Navantia in the 2022 financial year:



### CONTRIBUTIONS

#### FEUGA - Galician Company-University Foundation

It specializes 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.

#### Isaac Peral Foundation

Multisectoral foundation that seeks to promote technological cooperation between large companies and SMEs in the Region of Murcia.

#### Army Museum Foundation

A private cultural organisation whose purpose is, firstly, to carry out all kinds of activities in favour of defense 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 that assumes the commitment to support 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.

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**Princess of Girona Foundation**

The Foundation works for young adolescents in all those aspects that are critical for 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**

**83.744€**



## PARTNERSHIPS

**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.

**ADDIMAT - Spanish Association for Additive Manufacturing and 3D Technologies**

National association of organizations with an interest in developing and promoting additive manufacturing technologies at an industrial level.

**AAE - Spanish Atlantic Association**

It is a private, non-governmental organization dedicated to supporting the collective defense and peace and security efforts of the North Atlantic Alliance, aimed at the development of peaceful international relations.

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**AEC - Spanish Quality Association**

Private entity whose purpose is to promote Quality as an engine of competitiveness and sustainability of professionals, companies and the country.

**AEE - Spanish Wind Energy Association**

The Spanish Wind Energy Association (AEE) promotes the use of wind energy. It represents and defends the interests of the wind energy sector in Spain.

**AERCE - Spanish Association of Purchasing, Contracting and Procurement Professionals**

A professional association whose statutory purpose is to transmit, publish and impart knowledge, experience and information and to carry out research on all matters relating to Purchasing, Contracting and Procurement.

**AGACOM -Galician Compliance Association**

Association whose objective is to contribute to the development, encouragement, promotion and dissemination of Compliance in Galicia, under the commitment to quality and ethics, and with the intention of establishing a "Compliance culture" in companies, administrations and society in general.

**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; aluminum: extrusion, carpentry and enclosures; lifts and elevators; complementary services: logistics, information and communication systems.

**APPA - Association of Renewable Energy Companies**

APPA is the reference association for the sector in Spain and one of its main objectives is to defend the interests of its members and provide general and specific information, as well as legal advice and criteria for action to its members.

**Cádiz-Port - Association for the promotion of the Port of the Bahía de Cádiz**

Association for the Port promotion in 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.

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### JRC - Centre for Industrial Cybersecurity

International, private, international organisation whose mission is to promote Industrial Cybersecurity and contribute to the improvement of Industrial Cybersecurity mainly in Spain and Latin America.

### CEEIC - European Business and Innovation Centre in Cartagena

Non-profit association whose aim is to help entrepreneurs and startups to grow and to promote innovation and digital transformation in innovative SMEs in the region of Murcia.

### 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.

### CLANER - Andalusian Association of Renewable Energies

It is a group dedicated to the representation and defense of the Andalusian renewable energy sector. It promotes and encourages research and technological development, as well as innovation in the field of renewable energies.

### 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.

### CID - Defense Industry Cluster

The objective of the Cluster is the representation at national and international level of the defense of the interests of the associated companies in everything that involves the development and promotion of the defense industry. (There is an entrance fee of 300 € and an annual fee of 720 €).



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### Cádiz Naval Maritime Cluster

Business association whose objective is to promote, boost, energize 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.

### CTN - Naval and Maritime Technological Centre

The CTN is an association made up of various companies from the maritime and naval sector and other entities such as Universities, Research Centres and Administration (Instituto de Fomento de la Región de Murcia). Naval and industrial engineering, biology and oceanography.

### FORETICS

Spanish non-profit association whose purpose is to promote the culture of ethical and socially responsible management in organizations. Navantia is part of the Action Group "Sustainability and CSR in Public Companies".

### FREMM - Murcia Regional Federation of Metal Companies

A regional business organisation, an independent employers' association that integrates the employers of the metal sector activities (production, trade, repair, installation and maintenance) articulated through 45 Associations and Guilds and various groups of activity, constituting a firm structure that allows to face in a decisive and effective way all the actions and projects that the company demands or may demand.

### Institute of Internal Auditors

A non-profit professional association that acts as a spokesperson for the Internal Auditing profession to national and international institutions, other bodies and the media.

### ISMS Forum Spain

A non-profit organisation founded in January 2007 to promote the development, knowledge and culture of Information Security in Spain and to act for the benefit of the entire community involved in the sector.

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### Elcano Royal Institute

Think tank dedicated to the study of Spain's interests on the international scene, in order to prepare and produce analyses, working documents and reports, with which to contribute to decision-making by Spanish public authorities and private entities.

### 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 defense of Spain's maritime interests in the broadest sense.

### TEDAE - Spanish Association of Defense, Aeronautics and Space Technology Companies

Spanish Association of companies in the Defense, Security, Aeronautics and Space sectors. TEDAE's members are all the major companies in the defense 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.

### 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.

### HISPANIC ENGLISH CHAMBER OF COMMERCE

A private association whose primary objective is to promote commercial, economic and cultural relations between the United Kingdom and Spain, and to support the interests of its members.

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**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.

**ASD - European Aeronautics, Space, Defense and Security Industries** European Association of the Aeronautics, Space, Defense and Security industry sectors in Europe. Its aim is to promote and support the competitive development of the sector in Europe and in its relationship with the world.

**European Cyber Security Organisation: ECSCO** ECSCO brings together public and private stakeholders in European cybersecurity, including large enterprises, SMEs and start-ups, research centres, universities, end-users and operators of essential services, clusters and associations, as well as local, regional and national public administrations worldwide, European Union (EU) Member States, the European Free Trade Association (EFTA) and H2020 partner countries.

**EY - EUROYARDS** A highly influential European economic interest group comprising the major European shipyards: Damen, Naval Group, Fincantieri, Lürssen, Meyer, Meyer Turku, Navantia, Chantiers de l'Atlantique and Royal IHC.

**Hydrogen Europe** Hydrogen Europe represents European industry, national associations and research centres active in the hydrogen and fuel cell sector. The association partners with the European Commission in the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) innovation programme. They promote hydrogen as an enabler of a zero emission society.

**NRC - New Repair Club** Shipyard club without a formal organisation. It meets twice a year to discuss issues of common interest. Members are: Damen, Fincantieri, Marseille, English AIP, Bredo, Astander and Astican, Lisnave, Viana do Castelo, Keppel Rotterdam, Viktor Lenac.

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### 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, labor 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.

### SEA EUROPE

European Association of Civil Shipyards and Equipment Manufacturers. It is the only European shipbuilding organisation representing almost the entire industry (shipyards and equipment manufacturers).

### WATERBORNE TP

A European technology platform bringing together all the players in the maritime sector: industry, universities, research centres, associations, etc.

### WIND EUROPE

Association of entities that promotes the use of wind energy especially in Europe, but also worldwide.

**TOTAL, CONTRIBUTIONS 283,565.21 €.**

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### Sponsorships

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 organizations.

For this reason, a Sponsorship Evaluation Committee has been created this year. This is a multidisciplinary committee, in which members belong to different areas of Navantia and in which requests for onerous sponsorship are evaluated and it is determined whether it is of interest to Navantia and, if so, whether it contributes to Navantia's communication and publicity strategy.

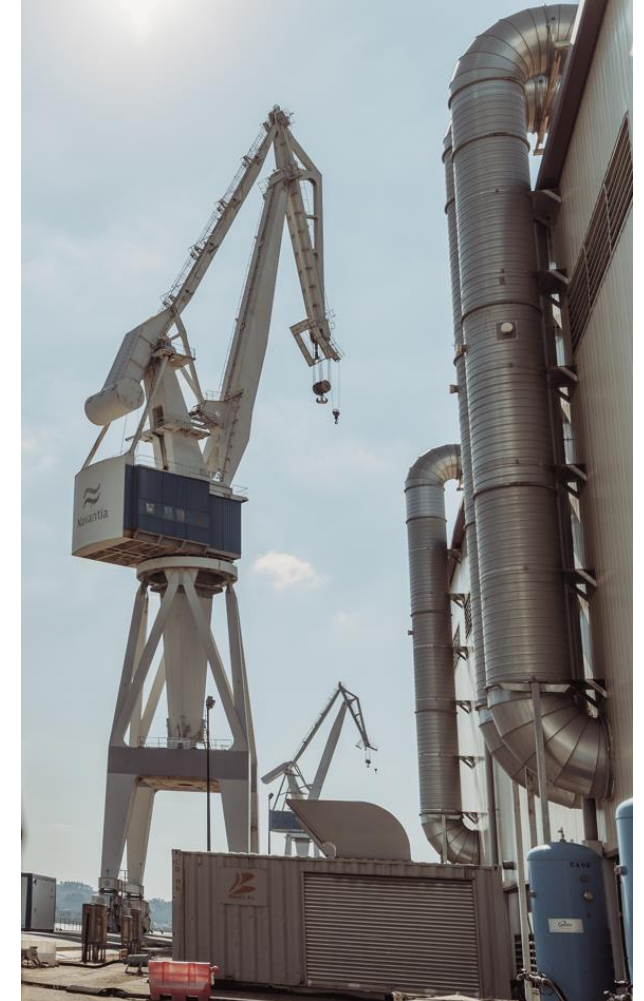
In 2022, advertising sponsorship contracts have been signed with the following entities:

- Fundación Museo Naval, Sponsor of the "Juan Sebastián Elcano Honorary Concert".
- Spanish Armada, Armada Golf Championship 2022
- The Legacy, a video about Admiral Luis de Cordova, 18th century Spanish sailor and military man.
- Asociación Nuestra Señora del Carmen, Navy Benefit Dinner
- Army Museum Foundation, 5th Forum 2E+I-Fuerza 2035
- Princess of Girona Foundation, UNESCO World Higher Education Conference

The subsidiaries of the Navantia group have contributed 29,200 euros in sponsorship.

The subsidiary SAINSEL, for its part, makes contributions to non-profit organizations, specifically during this financial year it made a donation of 256.19€ to the Association for people with Down's Syndrome (ASSIDO-Murcia) and a donation of 379.00€ to the Nuestra Señora del Carmen Association in Madrid. It also collaborated in sponsoring the "XI Desafío Golf Arsenal Ferrol-Club Campomar" tournament with a sum of €156.20.

The subsidiary SAES, for its part, made donations during the year amounting to €5,803 to the Naval Museum and Casa Hogar Betania.



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3D technology for health, the blind and the sea

NAVANTIA's Centre of Excellence in Additive Manufacturing (CEFAN), located at the Bahía de Cádiz Shipyard, has used its technology to help children, blind people and protect the environment during 2022.

**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 orthopedic problems. At the request of these hospitals, 78 orthopedic parts were built in 2022.

**Blind kits" project:** the idea of the project is to represent various astronomical concepts such as a black hole, a galaxy or a planet through additive manufacturing so that children can imagine these concepts, which are so abstract for them, by touching them. In 2021, Navantia's Additive Manufacturing Centre of Excellence started the project and manufactured 4 kits, and in 2022, 27 kits were made.

**Midas Project: 3D microscope to identify plastics in water:** The 'Microplastics Detection Assistant (MIDAS) project of the Isaac Peral-Navantia Chair promoted the manufacture of a 3D-printed microscope to detect marine microplastics smaller than 5 millimeters, with which the first image-taking tests have already been carried out.

One of the challenges researchers have faced so far has been the complexity of detecting microplastics in samples, which will be solved by using proprietary dyes to color these tiny particles to bloom for easy identification.

The next phase is to develop the Artificial Intelligence algorithm that facilitates the detection of microplastics. Subsequently, samples will be collected in the port of Cartagena by Navantia's volunteer personnel.

In addition, in 2022, a collaboration agreement was signed between the San Ignacio de Cádiz Public School and Navantia for the "Atrapa-azules" project. The school was given the microscope developed in the MIDAS project, made entirely in Navantia, in collaboration with the Additive Manufacturing department and Navantia Sistemas.

Some thirty children came to Navantia's NTC to receive the microscope and to explain the research project they are developing.



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### Navantia with society

**Bahía de Cádiz renews its agreement with Proyecto Hombre:** On 26 February, Navantia signed a collaboration agreement with the Spanish Solidarity Centre Foundation (Proyecto Hombre) which continues the relationship that both parties have had for several years at the shipyards in the Bahía de Cádiz.

**Navantia Ría de Ferrol's new commitment to its cultural heritage:** the existence of a considerable number of cultural assets in the factories of the Ría de Ferrol has led Navantia to launch a project to evaluate them in collaboration with the University of A Coruña.

**New collaboration agreement between Navantia and the Red Cross:** Navantia has signed an agreement with the Red Cross of the Community of Madrid to carry out informative actions on addictions and to collaborate in joint activities and projects at the company's headquarters.

**Navantia Ría de Ferrol and Asfedro collaborate against addictions:** Navantia and the Asociación Ferrolana de Drogodependencias signed an agreement against addiction problems, which includes the development by ASFEDRO of the programme "Prevention of addictions in the work environment of Navantia" to be applied in the centres of the Ría de Ferrol.

**Collection of food and Christmas products in Cartagena for the Astillero Cartagena Food Bank:** In December, the Astillero Dársena de Cartagena shipyard carried out a campaign to collect products such as oil, baby food, diapers, canned food, pulses, pasta, milk and flour, as well as personal hygiene and cleaning products.

### Working for diversity

**Navantia female engineers promote STEAM careers among young students:** Navantia employees collaborate with high schools in the Ría de Ferrol, Cádiz, Cartagena, Madrid, the Canary Islands and Santander through talks with the aim of attracting the attention of current students and future professionals to the company. In addition, the presence of female engineers in these talks promotes the presence of women in STEAM careers and thus promotes diversity, inclusion and equality in the world of work. On the other hand, female Navantia workers have participated in the conferences for the International Women's Day organized by the Naval School of Cádiz in 2022.

**Navantia joins the International Day of Women Engineers:** Navantia held the meeting "Empower your future" with university students and recent graduates where several employees took the opportunity to tell their professional experience in the company.

**Navantia supports the Inspiring Girls Foundation Week:** on the "Tuesday Women" event, Navantia has collaborated in activities focused on promoting professionals associated with the maritime sector.

### Caring for the environment

**Navantia volunteers help to clean up the polluted environment of Portmán beach:** the initiative consisted of removing invasive exotic plants and waste from the area. The work of these volunteers has helped to facilitate subsequent recovery actions.

**Navantia collaborates with the Ferrol City Council to create a forest at Cape Prior:** Navantia and the Ferrol City Council are working together on the reforestation of land around the company's facilities. This project allows Navantia to offset part of the greenhouse gas (GHG) emissions generated by its activity.

**San Fernando organises an environmental volunteering activity:** Navantia and the Eryteeia Scout Group carried out a volunteering activity which consisted of collecting abandoned waste in the marshland environment on both sides of the Carretera de la Carraca which gives access to Navantia - San Fernando and the Arsenal.

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Partnerships



**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.



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



**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.

Navantia Australia Initiatives

The following ESG initiatives have been implemented by Navantia Australia in 2022:

- Engagement with a non-profit organization that provides workplace support and materials on miscarriage and infertility; however, it was not carried out as it is not designed for smaller organizations such as NAUS at present.
- Visit by the Navy's Indigenous Development team to Melbourne's workforce to present the Navy's efforts towards a shared future and building links with Sea Country.
- Internal social media campaign throughout 2022 to raise awareness of veterans' issues among employees. A veteran and his assistance dog visited a corporate office.
- External social media posting promoting Navantia Australia as an inclusive and respectful organization, including the display of the Pride rainbow in the NAUS logo symbol.
- Building on Navantia Australia's veteran workforce, the company has partnered with the Department of Veterans Affairs to find suitable veteran candidates for 2022 vacancies.



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- Silver Pledge Partner and Employment Pathways programme with Soldier On, a not-for-profit veterans' support organization, through a financial, political and procedural commitment to increase Navantia Australia's Brand exposure as an employer of defense families and attract more veterans and defense families as job candidates.
- Engagement with Defense Families Australia, the official body that advises ADF families to the Minister for Defense Personnel and Chief of Defense Force (CDF), including attendance at DFA events to increase exposure of the Navantia Australia Brand as an employer of defense families and attract more veterans and defense families as job candidates.
- Collaboration with RSL Australia and commitment to participate in their veteran's employment programme to increase Navantia Australia's Brand exposure as a defense family employer and attract more defense veterans and family members as job candidates.
- Investigation of future opportunities to support veterans' welfare by 2023.
- Navantia Australia nomination for the Australian Defense Force Employer and Reserve Support Awards - 2022 in both New South Wales and Victoria/Tasmania.
- Nomination of Navantia Australia employees for the Australian Defense Magazine Women in Defense Awards, with one finalist.
- Fundraising efforts in support of veterans The Spirit Lives, the Antarctic expedition and Legacy Australia.
- Proposed creation of a "Navantia Australia Academy", which will offer a scholarship programme exclusively for women to attract more women to the defense sector. This scholarship will include a cash component, internship and employment opportunities for female graduates and a development programme for eligible female recipients studying priority degrees at Australian universities.
- Engagement with Spain to explore possible joint ESG initiatives. Proposed initiatives include possible participation in an EU-funded project under Horizon 2023 promoting a passive air lubrication technology with the potential to revolutionize the ship coating sector, study leave for approved tertiary courses, as well as international and national secondments and work exchange opportunities for all Navantia employees.
- Research to qualify for green energy electricity schemes for corporate offices.
- Promoting reuse, waste reduction and recycling by providing water bottles and coffee cups to all employees and adopting recycling programmes offered by facility managers.



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GRI 201-4

# Tax information



## Benefit by country

In the financial year 2022, the result obtained by the NAVANTIA Group has been 96,861,129.00 € of loss after taxes. Broken down by country, this result would be distributed as follows:

- Spain: -105.110.343,90 €.
- Australia: €10,872,544.31
- Turkey: -151.094,96 €.
- India: -491.741,59 €.
- Saudi Arabia: -2,128,273.85 € 2,128,273.85
- France: €147,780.99



## Taxes paid on profits

The Navantia Group has paid 681,860.54 euros in corporate income tax in Australia during the 2022 financial year. In France, it has paid 19,646 euros and in Turkey, 158,573.46 euros.

The rest of the NAVANTIA group companies have not paid any income tax during the financial year 2022.

In 2022, no subsidies have been received in the Navantia group.



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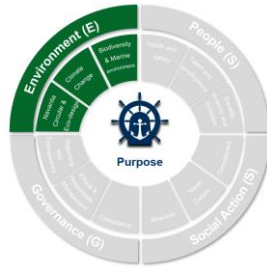
GRI 2-22

# 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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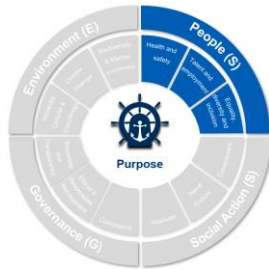
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## People (S)



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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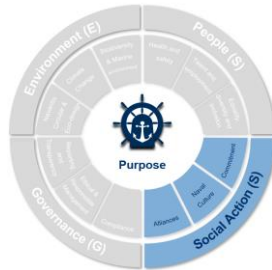
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Social Action (S)



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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## Governance (G)



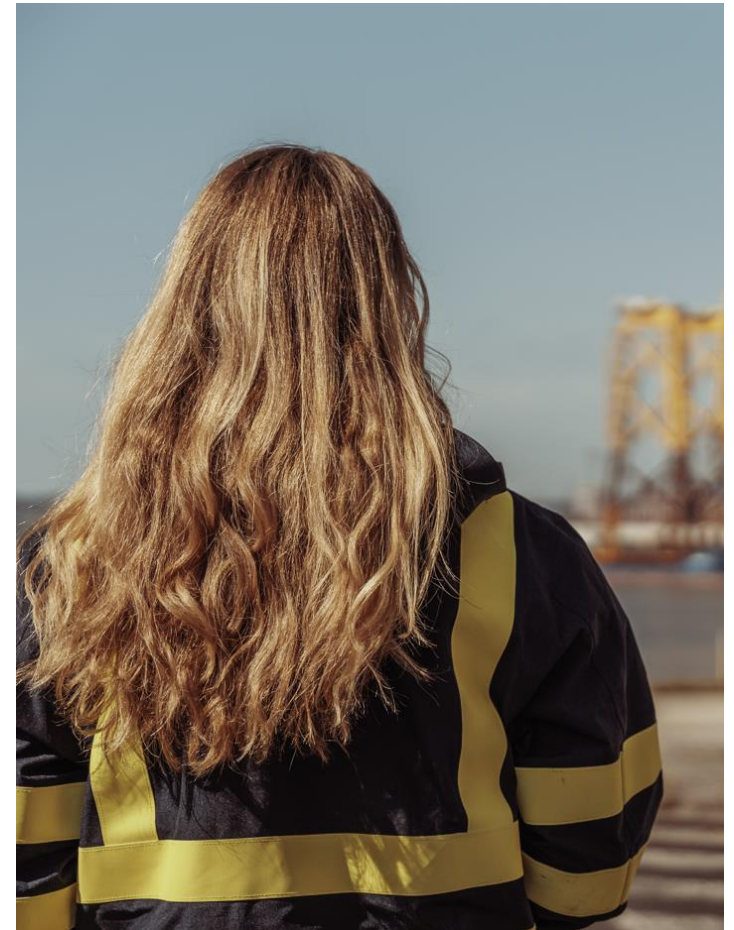
Technological innovation, together with sustainability, are the two axes that mark the future of Navantia. Consequently, we are working to build a resilient, sustainable and innovative industry. A clear example of this is the **introduction of ESG criteria for our suppliers.**



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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## Goals and Navantia's contribution to each of the SDGs

Goals	KPI	What are we doing?
<p><b>Target 1.3:</b> Implementation of social protection systems</p>		
Social volunteering	<ul style="list-style-type: none"> <li>• % employed in volunteering</li> </ul>	<ul style="list-style-type: none"> <li>• Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency.</li> <li>• Create list of one-off collaborative initiatives</li> </ul>
Commitment 0 food waste	<ul style="list-style-type: none"> <li>• Kg of food wasted</li> </ul>	<ul style="list-style-type: none"> <li>• Create a commitment to social canteens in each community where Navantia operates.</li> </ul>
<p><b>Target 2.2:</b> End all forms of malnutrition</p>		
Commitment 0 food waste	<ul style="list-style-type: none"> <li>• Kg of food wasted</li> </ul>	<ul style="list-style-type: none"> <li>• Create a commitment to charity canteens in each community where Navantia operates.</li> </ul>



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Goals	KPI	What are we doing?
<p><b>Target 3.4:</b> Reduce non-communicable diseases and mental health.  <b>Target 3.6:</b> Reduction of road accidents.  <b>Target 3.9:</b> Reduce deaths from chemical contamination and pollution.</p>	Creation of employee value proposition	<ul style="list-style-type: none"> <li>• Proposal created</li> <li>• Compiling employee benefits and creating the standard value proposition</li> <li>• Tailor the value proposition to different job roles</li> </ul>
	10% accident rate	<ul style="list-style-type: none"> <li>• Accident rate</li> <li>• Improving the access road in Cartagena</li> <li>• Analyse the recurrence and severity of accidents by area.</li> <li>• Create an action plan to reduce recurrent and serious accidents</li> </ul>
	Mental health promotion	<ul style="list-style-type: none"> <li>• Survey results</li> <li>• Employee survey to understand their psychological health.</li> <li>• Enable and promote the use of psychologists.</li> </ul>
	FRAS-free paint schemes (H350, H318, etc.)	<ul style="list-style-type: none"> <li>• # paintings without FRAS</li> <li>• Exploring alternative non-toxic / non-polluting paints</li> <li>• Collaborate with Governance to create a prohibition rule</li> </ul>
	<p><b>Target 4.4:</b> Increasing employability skills.  <b>Target 4.5:</b> Elimination of Gender Disparity and Vulnerable Groups.  <b>Target 4.7:</b> Promote global education for sustainable development.</p>	Sustainable centres
30% women in A and B posts		<ul style="list-style-type: none"> <li>• % women in A and B posts</li> <li>• +~90% of employees are aware of environmental initiatives.</li> </ul>
40% women in CDC		<ul style="list-style-type: none"> <li>• % women in CDC</li> <li>• To train women with potential and the will to climb the ladder.</li> </ul>
Partnerships with universities to attract talent		<ul style="list-style-type: none"> <li>• TBD</li> <li>• Promoting collaboration with universities and institutes (training)</li> </ul>
Action plan for educational centres		<ul style="list-style-type: none"> <li>• TBD</li> <li>• Create a STEM action plan to encourage women to want to work in industry from a young age.</li> </ul>

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Goals	KPI	What are we doing?	
<p><b>5 GENDER EQUALITY</b></p>	<p><b>Target 5.5:</b> Ensure women's full participation and equal opportunities.  <b>Goal 5.a:</b> Ensure equal rights to economic resources.  <b>Target 5.c:</b> Adopt policies and laws for equality and empowerment.</p>		
	<p>Increase % women in the workforce</p>	<ul style="list-style-type: none"> <li>% women in the workforce</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that new recruits have a high percentage of women.</li> </ul>
	<p>30% women in A and B posts</p>	<ul style="list-style-type: none"> <li>% women in A and B posts</li> </ul>	<ul style="list-style-type: none"> <li>Ensure equal opportunities for men and women.</li> <li>Ensuring fair promotions based on meritocracy</li> </ul>
	<p>40% women in A and B posts</p>	<ul style="list-style-type: none"> <li>% women in A and B posts</li> </ul>	<ul style="list-style-type: none"> <li>Ensure equal opportunities for men and women.</li> <li>Ensuring fair promotions based on meritocracy</li> </ul>
	<p>40% women in CDC</p>	<ul style="list-style-type: none"> <li>% women CDC</li> </ul>	<ul style="list-style-type: none"> <li>Ensure equal opportunities for men and women.</li> </ul>
	<p>Partnerships with universities to attract talent</p>	<ul style="list-style-type: none"> <li>TBD</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of cooperation with universities and institutes (training)</li> </ul>
	<p>STEM schools action plan</p>	<ul style="list-style-type: none"> <li>TBD</li> </ul>	<ul style="list-style-type: none"> <li>Create a STEM action plan to encourage women to want to work in industry from a young age.</li> </ul>
<p><b>6 CLEAN WATER AND SANITATION</b></p>	<p><b>Target 6.4:</b> Increase efficient use of water resources (freshwater abstraction)</p>		
	<p>Sustainable centres</p>	<ul style="list-style-type: none"> <li>Water and energy consumption / h</li> </ul>	<ul style="list-style-type: none"> <li>Minimize water consumption per man-hour worked by ~30%.</li> </ul>

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Goals	KPI	What are we doing?
<p><b>Target 7.2:</b> Increase renewable energy.</p>		
Consolidation of EV business line	<ul style="list-style-type: none"> <li>Revenues, €</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate the EV business: H2, offshore wind and other energy sources in Navantia's revenues.</li> </ul>
Sustainable mobility	<ul style="list-style-type: none"> <li>T employee transport</li> </ul>	<ul style="list-style-type: none"> <li>Promote sustainable mobility with electric charging points, bicycles and improved access to public transport.</li> </ul>
<p><b>Target 8.2:</b> Raise productivity through diversification, technology and innovation.  <b>Target 8.9:</b> Achieve full employment and decent work.</p>		<p><b>Target 8.8:</b> Protection of labor rights and safe work.  <b>Target 8.9:</b> Promote sustainable tourism.1</p>
Creation of employee value proposition	<ul style="list-style-type: none"> <li>Proposal created</li> </ul>	<ul style="list-style-type: none"> <li>Compiling employee benefits and creating the standard value proposition</li> </ul>
>40% Graduates	<ul style="list-style-type: none"> <li>% Graduates</li> </ul>	<ul style="list-style-type: none"> <li>Promote an increase in the percentage of graduates joining the company (currently 38%).</li> <li>Promoting dual training for operators</li> </ul>
100% competence/training matrix	<ul style="list-style-type: none"> <li>Matrix created</li> </ul>	<ul style="list-style-type: none"> <li>Promote an increase in the percentage of graduates joining the company (currently 38%).</li> <li>Promoting dual training for operators</li> </ul>
>50% Graduates	<ul style="list-style-type: none"> <li>% Graduates</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that new recruits have a high percentage of graduates.</li> <li>To train potential and willing workers (dual training).</li> </ul>
Flexible Organisation	<ul style="list-style-type: none"> <li># agile teams</li> </ul>	<ul style="list-style-type: none"> <li>Promote an organisation with agile dynamics and flexible staffing according to needs.</li> </ul>
Entering the top 100 employees	<ul style="list-style-type: none"> <li>Ranking position</li> </ul>	<ul style="list-style-type: none"> <li>Create an action plan on the different KPIs assessed in the ranking (e.g. talent, employee appraisal, remuneration, training).</li> </ul>

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Goals	KPI	What are we doing?
<p><b>Target 8.2:</b> Raise productivity through diversification, technology and innovation.  <b>Target 8.9:</b> Achieve full employment and decent work.</p>		<p><b>Target 8.8:</b> Protection of labor rights and safe work.  <b>Target 8.9:</b> Promote sustainable tourism.</p>
Increase % of women in the workforce	<ul style="list-style-type: none"> <li>• % women in the workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new recruits have a high percentage of women.</li> </ul>
20-25% staff <35 years old	<ul style="list-style-type: none"> <li>• % people &lt;35 years old</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new hires have a high % of people under 35 years old.</li> </ul>
30-35% staff < 40 years old	<ul style="list-style-type: none"> <li>• % people &lt;40 years old</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new hires have a high % of people under 35 years old.</li> </ul>
10% accident rate	<ul style="list-style-type: none"> <li>• Accident rate</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the access road in Cartagena</li> <li>• Analyse the recurrence and severity of accidents by area.</li> <li>• Create an action plan to reduce recurrent and serious accidents</li> </ul>
Embedding KPI leadership with security	<ul style="list-style-type: none"> <li>• Defined KPI</li> </ul>	<ul style="list-style-type: none"> <li>• Define the leadership KPI with confidence</li> <li>• Collaborate with Governance to include the KPI in the criteria for leadership assessment</li> </ul>
FRAS-free paint schemes (H350, H318, etc.)	<ul style="list-style-type: none"> <li>• # paintings without FRAS</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring alternative non-toxic / non-polluting paints</li> <li>• Work with Governance to create a prohibition rule</li> </ul>
Promotion of Navantia's heritage culture	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Promote the dissemination of Navantia's cultural heritage in its different lines of business (activities, publication of books, etc.).</li> </ul>
Navantia Naval Museum Network	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Support Navantia's naval museums in the different locations.</li> <li>• Incorporate a Green Energy section in existing museums.</li> </ul>

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<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 		
<b>Target 9.4:</b> Modernization of infrastructure, clean technology.		
Eco-design strategy	<ul style="list-style-type: none"> <li>• Sustainable ship design</li> </ul>	<ul style="list-style-type: none"> <li>• Application of eco-design criteria to new projects (modular frigate)</li> <li>• Green propulsion systems (Smart 4000, hydrographic vessels).</li> <li>• Wizards for digital ship twin aimed at reducing environmental impact</li> </ul>
Sustainable centres	<ul style="list-style-type: none"> <li>• Water and energy consumption / h</li> </ul>	<ul style="list-style-type: none"> <li>• Studying the design of a sustainable shipyard</li> </ul>
<b>10 REDUCED INEQUALITIES</b> 		
<b>Target 10.2:</b> Promote social and political inclusion. <b>Target 10.3:</b> Ensure equality of opportunity <b>Target 10.4:</b> Adopt fiscal, wage and social protection policies.		
Increase % of women in the workforce	<ul style="list-style-type: none"> <li>• % women in the workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new recruits have a high percentage of women.</li> </ul>
20-25% staff <35 years old	<ul style="list-style-type: none"> <li>• % people &lt;35 years old</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new hires have a high % of people under 35 years old.</li> </ul>
30-35% staff < 40 years old	<ul style="list-style-type: none"> <li>• % people &lt;40 years old</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new hires have a high % of people under 35 years old.</li> </ul>
30% women in A and B posts	<ul style="list-style-type: none"> <li>• % women in A and B posts</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure equal opportunities for men and women.</li> <li>• Ensuring fair promotions based on meritocracy</li> </ul>
40% women in A and B posts	<ul style="list-style-type: none"> <li>• % women in A and B posts</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure equal opportunities for men and women.</li> <li>• Ensuring fair promotions based on meritocracy</li> </ul>
Incorporation of people with disabilities	<ul style="list-style-type: none"> <li>• % people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that new hires have a minimum percentage of people with disabilities.</li> </ul>

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Goals	KPI	What are we doing?
<p><b>Target 10.2:</b> Promote social and political inclusion.  <b>Target 10.3:</b> Ensure equality of opportunity  <b>Target 10.4:</b> Adopt fiscal, wage and social protection policies.</p>		
Social volunteering	<ul style="list-style-type: none"> <li>% employed in volunteering</li> </ul>	<ul style="list-style-type: none"> <li>Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency.</li> <li>Create list of one-off collaborative initiatives</li> </ul>
Collaboration with the local community	<ul style="list-style-type: none"> <li>TBD</li> </ul>	<ul style="list-style-type: none"> <li>Building links and engagement with local communities</li> </ul>
<p><b>Target 11.4:</b> Protection of cultural and natural heritage.</p>		
Promotion of Navantia's heritage culture	<ul style="list-style-type: none"> <li>TBD</li> </ul>	<ul style="list-style-type: none"> <li>Promote the dissemination of Navantia's cultural heritage in its different lines of business (activities, publication of books, etc.).</li> </ul>
Navantia Naval Museum Network	<ul style="list-style-type: none"> <li>TBD</li> </ul>	<ul style="list-style-type: none"> <li>Support Navantia's naval museums in the different locations.</li> <li>Incorporate a Green Energy section in existing museums.</li> </ul>
<p><b>Target 12.1:</b> Implementation of sustainable consumption and production framework.  <b>Target 12.2:</b> Achieve efficient use of natural resources.</p>		<p><b>Target 12.6:</b> Adoption of sustainable practices in enterprises.  <b>Target 12.7:</b> Sustainable public procurement.</p>
Zero Waste	<ul style="list-style-type: none"> <li>% waste to landfill</li> </ul>	<ul style="list-style-type: none"> <li>Increase waste recovery to +~90%, prioritizing direct recycling where possible.</li> <li>Decrease % of hazardous waste ~10%.</li> </ul>
Decarbonisation plan	<ul style="list-style-type: none"> <li>Detailed decarbonisation plan</li> </ul>	<ul style="list-style-type: none"> <li>Scope 3 measurement at Navantia</li> </ul>

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Goals	KPI	What are we doing?
<p><b>Target 12.1:</b> Implementation of sustainable consumption and production framework.  <b>Target 12.2:</b> Achieve efficient use of natural resources.</p>		<p><b>Target 12.6:</b> Adoption of sustainable practices in enterprises.  <b>Target 12.7:</b> Sustainable public procurement.</p>
Launch of Green Public Procurement	<ul style="list-style-type: none"> <li>• Detailed green purchasing plan</li> </ul>	<ul style="list-style-type: none"> <li>• Determine the relevant green procurement criteria for Navantia</li> <li>• Design a strategy and awareness-raising plan with selected suppliers.</li> <li>• Define the critical materials for green procurement (e.g. steel).</li> </ul>
Transfer of requirements to the supply chain	<ul style="list-style-type: none"> <li>• % of suppliers with commitment</li> </ul>	<ul style="list-style-type: none"> <li>• Defining the necessary requirements for collaboration with Navantia</li> <li>• Work with Governance to formalize criteria</li> <li>• Launch pilot to selected suppliers</li> <li>• Gather lessons from the pilot and apply criteria at scale.</li> </ul>
55% decarbonisation (scope 1&2)	<ul style="list-style-type: none"> <li>• % GHG decarbonisation</li> </ul>	<ul style="list-style-type: none"> <li>• TBD Decarbonisation Plan</li> <li>• Tones emitted: TBD</li> <li>• Tones compensated: TBD</li> </ul>
100% decarbonisation (scope 1&2)	<ul style="list-style-type: none"> <li>• % GHG decarbonisation</li> </ul>	<ul style="list-style-type: none"> <li>• TBD Decarbonisation Plan</li> <li>• Tones emitted: TBD</li> <li>• Tones compensated: TBD</li> </ul>
Navantia Ecosystem	<ul style="list-style-type: none"> <li>• # H<sub>a</sub> and reforested ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental information and outreach</li> </ul>
Biodiversity and business	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Measuring ecosystem services</li> </ul>
Adapt NFIA's according to future regulations	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Transition from EINF to ISC in accordance with the Directive and internal transposition regulations.</li> </ul>
Create and incorporate ESG criteria in orders and as part of the evaluation criteria.	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	

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Goals	KPI	What are we doing?
	<b>Target 13.1:</b> Strengthen resilience and adaptation. <b>Target 13.2:</b> Mainstream climate change into national policies, strategies and plans. <b>Target 13.3:</b> Improve environmental education and awareness.	
Sustainable centres	<ul style="list-style-type: none"> <li>Water and energy consumption / h</li> <li>% employees aware of initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring the continuity of renewable energy consumption</li> <li>Minimize energy consumption per man-hour worked by ~30%.</li> <li>+~90% of employees are aware of environmental initiatives.</li> </ul>
Sustainability Observatory	<ul style="list-style-type: none"> <li>ESG Observatory created</li> </ul>	<ul style="list-style-type: none"> <li>Develop a source of sustainability knowledge, with models that predict risk exposure and GHG emissions based on scenarios.</li> </ul>
Decarbonisation plan	<ul style="list-style-type: none"> <li>Detailed decarbonisation plan</li> </ul>	<ul style="list-style-type: none"> <li>Identify the energy needs for each plant</li> <li>Create a strategy for self-consumption and rationalization of energy consumption.</li> <li>Scope 3 measurement at Navantia</li> </ul>
Definition of the EV business development plan	<ul style="list-style-type: none"> <li>% decarbonisation blue carbon</li> </ul>	<ul style="list-style-type: none"> <li>Create a blue carbon decarbonisation plan</li> </ul>
Definition of the EV business development plan	<ul style="list-style-type: none"> <li>% decarbonisation blue carbon</li> </ul>	<ul style="list-style-type: none"> <li>Create a blue carbon decarbonisation plan</li> </ul>
55% decarbonisation (scope 1&2)	<ul style="list-style-type: none"> <li>% GHG decarbonisation</li> </ul>	<ul style="list-style-type: none"> <li>TBD Decarbonisation Plan</li> <li>Tones emitted: TBD</li> <li>Tones compensated: TBD</li> </ul>
100% decarbonisation (scope 1&2)	<ul style="list-style-type: none"> <li>% GHG decarbonisation</li> </ul>	<ul style="list-style-type: none"> <li>TBD Decarbonisation Plan</li> <li>Tones emitted: TBD</li> <li>Tones compensated: TBD</li> </ul>
Navantia Ecosystem	<ul style="list-style-type: none"> <li># H<sub>a</sub> and reforested ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>Environmental information and outreach</li> </ul>



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Goals	KPI	What are we doing?
	<p><b>Target 13.1:</b> Strengthen resilience and adaptation.</p> <p><b>Target 13.2:</b> Mainstream climate change into national policies, strategies and plans.</p> <p><b>Target 13.3:</b> Improve environmental education and awareness.</p>	
	<p>Communication plan and definition of the channel and frequency of dialogue with stakeholders.</p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Create an internal ESG dissemination plan through different channels (email, videos, intranet, events, etc.).</li> </ul>
	<p>Sustainability reporting automation with SAP PaPM</p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Integrate EINF primary processing data into SAP format for automation.</li> </ul>
	<p>Develop and implement ESG governance model</p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Create an ESG governance model: committee members, working team, frequency of meetings, KPIs, main objectives per dimension</li> </ul>
	<p>Updating the risk model, including ESG risks</p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporate ESG risk analysis, updating the existing ones.</li> </ul>
<p>Create and incorporate ESG criteria in orders and as part of the evaluation criteria.</p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>		

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Goals	KPI	What are we doing?
<p><b>Target 14.2:</b> Management of marine and coastal ecosystems.  <b>Target 14.5:</b> Conservation of coastal and marine areas.</p>		
Social volunteering	<ul style="list-style-type: none"> <li>• % employed in volunteering</li> </ul>	<ul style="list-style-type: none"> <li>• Create a list of voluntary initiatives that employees can sign up for and attend at a certain frequency.</li> <li>• Create list of one-off collaborative initiatives</li> </ul>
Navantia Ecosystem		<ul style="list-style-type: none"> <li>• Repopulating marine ecosystems (e.g. Posidonia)</li> <li>• Joining the global blue carbon commitment</li> </ul>
<p><b>Target 15.1:</b> Ensure the conservation and sustainable use of ecosystems.  <b>Target 15.2:</b> Sustainable forest management.  <b>Target 15.5:</b> Action against biodiversity degradation and loss.</p>		
Navantia Ecosystem	<ul style="list-style-type: none"> <li>• # H<sub>a</sub> and reforested ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• TFND (biodiversity impact)</li> <li>• Reforest +~10 hectares</li> </ul>
Biodiversity and business	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation of natural resource use with the local community</li> </ul>

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Goals	KPI	What are we doing?	
<p><b>Target 16.6:</b> Building effective and transparent institutions  <b>Target 16.7:</b> Promote citizen participation.</p>	Definition of the EV business development plan	<ul style="list-style-type: none"> <li>• % decarbonisation blue carbon</li> <li>• Joining the Global Blue Carbon Commitment</li> </ul>	
	Collaboration with the local community	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Building links and engagement with local communities</li> </ul>
	Adapt EINF according to future regulations	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Transition from EINF to ISC in accordance with the Directive and internal transposition regulations.</li> </ul>
	Communication plan and definition of the channel and frequency of dialogue with stakeholders.	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Create an internal ESG dissemination plan through different channels (email, videos, intranet, events, etc.).</li> </ul>
	Definition of Navantia's human rights policy and its value chain.	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	Incorporate measurement of ESG levels based on external agency rating	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	

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Goals	KPI	What are we doing?
<p><b>Target 17.3:</b> Mobilization of additional financial resources.  <b>Target 17.16:</b> Enhance the Global Partnership for Sustainable Development.</p>	<p>Partnerships with universities to attract talent</p>	<p><b>Target 17.17:</b> Encourage public-private partnerships.  <b>Target 17.19:</b> Promote indicators that go beyond GDP.</p> <ul style="list-style-type: none"> <li>• % decarbonisation blue carbon</li> <li>• Promotion of cooperation with universities and institutes (training)</li> </ul>
	<p>Collaboration with the local community</p>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• Building links and engagement with local communities</li> </ul>
	<p>Automation of sustainability reporting with SAP PaPM</p>	<ul style="list-style-type: none"> <li>• TBD</li> <li>• Integrate EINF primary processing data into SAP format for automation.</li> </ul>
	<p>Methodology and measurement of the social impact of all ESG actions undertaken</p>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
	<p>Incorporate measurement of ESG levels based on external agency rating</p>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

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# About this report

This report constitutes the Statement of Non-Financial Information of the Navantia Group for the year ended 31 December 2022. Navantia is wholly owned by Sociedad Estatal de Participaciones Industriales (SEPI), a body which, in turn, reports to the Ministry of Finance and Public Administrations. Two companies form part of the Navantia Group for consolidation purposes; Navantia Australia Pty. Ltd. and SAES Capital, S.A., S.M.E., which in turn participates in two subsidiaries: Sociedad Anónima de Electrónica Submarina, S.M.E. and SAINSEL Sistemas Navales, S.A.U., S.M.E.

The document aims to respond to the contents required by Law 11/2018 on Non-Financial Information and Diversity of 28 December. Likewise, Navantia seeks to anticipate the change that will be required by the current proposal for the Corporate Sustainability Reporting Directive, both in the metrics to be included and in the verification itself. As the European Commission has pointed out, the current regime needs to be updated in order to strengthen the sustainability commitment of companies, to align it with the ambitious objectives of the European Green Pact and, undoubtedly, of the UN Sustainable Development Goals. Such anticipation of change will offer an improvement in the company's competitiveness, not only in terms of possible standardized metrics, but also in terms of additional funding to drive our own projects.

To ensure that the content of this report reflects the company's performance in relation to sustainability, GRI Standards (Global Reporting Initiative) have been taken into account, in accordance with selected GRI and the Non-Financial Reporting and Diversity Act 11/2018, as well as a materiality analysis aimed at detecting the relevant issues for the business in order to reflect the significant economic, social and environmental impacts during the year ended 31 December 2022.



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# Materiality analysis

With the aim of identifying and defining those issues that, due to their nature, are relevant to Navantia's business and activity, a materiality study based on the SDGs has been carried out, which has made it possible to identify the priority issues for Navantia from its internal perspective and from the perspective of its stakeholders.

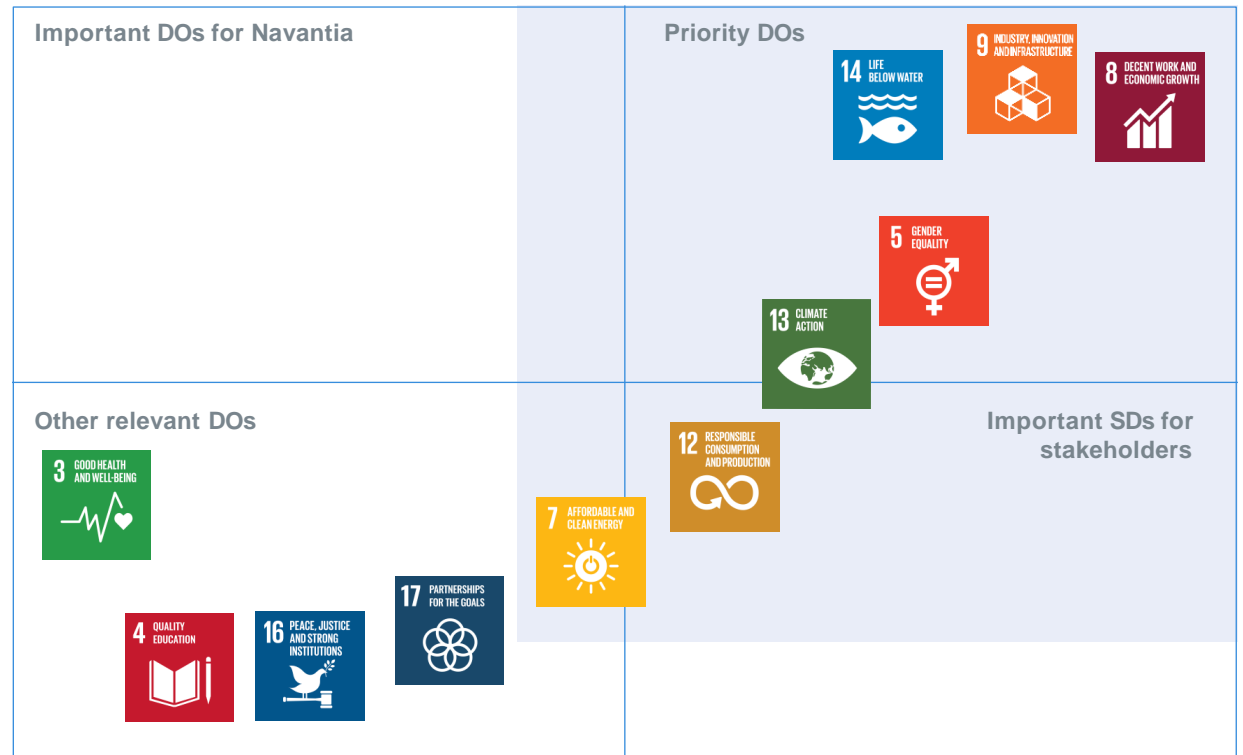
This analysis has helped the company to prioritize the actions in its sustainability plan, as well as to manage and report information according to its level of importance for both external and internal stakeholders.

Navantia also intends to continue to develop this analysis exercise in future years.

The materiality analysis has been carried out using a proprietary two-dimensional methodology based on the relevance given to the SDGs by external prescribers and internal relevance, through the perceptions gathered in a working group created for this purpose.

The matrix below illustrates the position of the different SDGs according to their internal and external relevance.

Relevance for Navantia



Stakeholder relevance

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# Long-term value creation with stakeholders

Navantia has a "Context and Stakeholder Analysis Procedure" to identify the stakeholders with which it relates, as well as to determine their needs and/or expectations, and the tools it has available to respond to them. Likewise, 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
<b>Navantia Employees (1)</b>	<ul style="list-style-type: none"> <li>• Fulfilment of the employment contract</li> <li>• Guarantees and job security</li> <li>• Workload and assignment</li> <li>• Professional development (motivation, training and talent management)</li> <li>• Business ethics and criminal compliance</li> <li>• Working in an environmentally friendly organisation</li> <li>• Prevention and safety at work</li> <li>• Data protection</li> <li>• Controlling access to information</li> <li>• Digital identity management</li> <li>• Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance Management System</li> <li>• Compliance Committee</li> <li>• Management by objectives system</li> <li>• Succession Planning</li> <li>• Training programmes</li> <li>• Corporate University</li> <li>• Talent Management</li> <li>• Knowledge Management Plan</li> <li>• Code of Conduct - Whistleblower Channel</li> <li>• Corporate Compliance, Transparency and Corporate Governance Standards</li> <li>• Data protection regulations</li> <li>• Cyber Security Awareness</li> <li>• Two-factor authentication access control</li> <li>• Digital identity management</li> <li>• Information Security Management System (ISMS)</li> <li>• Exercise of fundamental rights; processes Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>Subsidiaries (1)</b>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Cooperation</li> <li>• Transparency</li> <li>• Business ethics and criminal compliance</li> <li>• Unification of corporate image and processes</li> </ul>	<ul style="list-style-type: none"> <li>• Boards of Directors</li> <li>• Regular business relationship</li> <li>• Code of Conduct - Whistleblowing Channel</li> <li>• Corporate Compliance, Transparency and Corporate Governance Standards</li> <li>• Compliance Committee</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>

1. Interested parties that relate to Navantia in a relevant way, according to criteria of regularity or importance.  
 2. Stakeholders with whom Navantia has indirect or less regular relations.  
 3. Stakeholders who are part of Navantia's environment and whose interaction is significantly less than the rest.



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Stakeholders	Needs and/or Expectations	Tools/Actions
<b>Shareholders: SEPI (1)</b>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Compliance</li> <li>• Profitability</li> <li>• Business ethics and criminal compliance</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Boards of Directors - Audit Committee</li> <li>• Regular reporting</li> <li>• Bilateral meetings</li> <li>• Code of Conduct</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Compliance Committee</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>Clients: Spanish Navy, foreign navies and navies, shipowners, wind energy sector clients, etc. (1)</b>	<ul style="list-style-type: none"> <li>• Contractual compliance, agreements and regulations</li> <li>• Information</li> <li>• Cooperation</li> <li>• Strategic alliances</li> <li>• Performance guarantee</li> <li>• Transparency</li> <li>• Contractual guarantees</li> <li>• Business ethics and criminal compliance</li> <li>• Data protection</li> <li>• Controlling access to information</li> <li>• Digital identity management</li> <li>• Information on relevant cybersecurity incidents</li> <li>• Security of contractual information</li> <li>• Security, continuity and speed of information and communications systems</li> <li>• Product / service safety</li> <li>• Waste management/recycling</li> <li>• Agile channels of communication with the company in resolving disputes and meeting contract needs</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Procedures and Standards for business relations, customer satisfaction and trade fair impact</li> <li>• Code of Conduct - Whistleblower Channel</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Customer satisfaction survey and satisfaction interview</li> <li>• Cyber Security Awareness</li> <li>• Two-factor authentication access control</li> <li>• Digital identity management</li> <li>• Cybersecurity incident management procedure</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> <li>• Agile channels of communication with the company in resolving disputes and meeting contract needs</li> </ul>

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<b>RAC (Quality Assurance Representative) (1)</b>	<ul style="list-style-type: none"> <li>• Compliance with quality system requirements</li> <li>• Compliance with quality requirements in programmes/contracts</li> <li>• Security guarantees</li> <li>• Transparency and communication</li> <li>• Data protection</li> <li>• Controlling access to information</li> <li>• Digital identity management</li> <li>• Information on relevant cybersecurity incidents</li> <li>• Security, continuity and speed of information and communications systems</li> </ul>	<ul style="list-style-type: none"> <li>• Quality Management System</li> <li>• Code of Conduct</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Customer satisfaction surveys</li> <li>• Cyber Security Awareness</li> <li>• Two-factor authentication access control</li> <li>• Digital identity management</li> <li>• Contingency and disaster recovery planning</li> <li>• Cybersecurity incident management procedure</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>Suppliers: Suppliers of supplies and services, Ancillary Industry (1)</b>	<ul style="list-style-type: none"> <li>• Compliance with prevention, occupational safety and environmental regulations.</li> <li>• Contractual compliance</li> <li>• Continuity of recruitment</li> <li>• Business ethics and criminal compliance</li> <li>• Information security in contractual relations</li> <li>• Security, continuity and speed of information and communications systems</li> <li>• Product / service safety</li> <li>• Waste management</li> <li>• Data protection</li> <li>• Controlling access to information</li> <li>• Digital identity management</li> <li>• Energy consumption</li> <li>• Ensuring necessary training for participation in internal process management</li> <li>• Maximum integration in project planning</li> <li>• Supplier Information Security Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Procedures and corporate regulations on Procurement</li> <li>• Quality management procedures</li> <li>• Communication channel with suppliers</li> <li>• Occupational Health and Safety Management System</li> <li>• Corporate Environmental Management System</li> <li>• Code of Conduct</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Other short-term tools</li> <li>• Cybersecurity incident management procedure</li> <li>• Supplier Panels</li> <li>• Information Security Management System</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> <li>• Ensuring necessary training for participation in internal process management</li> <li>• Maximum integration in project planning</li> <li>• Supplier Information Security Assessment</li> </ul>

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Stakeholders	Needs and/or Expectations	Tools/Actions
<b>Trade unions (1)</b>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Cooperation</li> <li>• Attention to demands</li> <li>• Job security and guarantees</li> <li>• Business ethics and criminal compliance</li> <li>• Freedom of association</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiations</li> <li>• Bilateral meetings</li> <li>• Labor agreement</li> <li>• Code of Conduct</li> <li>• Corporate Compliance, Transparency and Corporate Governance Standards</li> </ul>
<b>Spanish Administration, City Councils and Corporations. Foreign government authorities (1)</b>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Information</li> <li>• Cooperation</li> <li>• Compliance with regulations. Commitment</li> <li>• Business ethics and criminal compliance</li> <li>• Information on relevant cybersecurity incidents</li> <li>• Agile communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Business relations</li> <li>• Bilateral and multilateral meetings</li> <li>• Code of Conduct - Whistleblower Channel</li> <li>• Corporate Compliance, Transparency and Corporate Governance Standards</li> <li>• Environmental Management System (identification and assessment of legal requirements)</li> <li>• Cybersecurity incident management procedure</li> <li>• Information Security Management System (ISMS)</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>Companies, institutions, associations and clusters. Universities and research centres. Classification societies. EU and multilateral organizations</b>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Cooperation</li> <li>• Regulatory compliance</li> <li>• Strategic alliances</li> <li>• Sponsorship</li> <li>• Business ethics and criminal compliance</li> <li>• Agile communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Business relations</li> <li>• Bilateral and multilateral meetings</li> <li>• Representation of Navantia in entities, on its own behalf or through national or international associations.</li> <li>• Affiliation and sponsorship of entities</li> <li>• Code of Conduct - Whistleblower Channel</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> </ul>
<b>Financial institutions (2)</b>	<ul style="list-style-type: none"> <li>• Benefit collection</li> <li>• Fulfilment of financial guarantees</li> <li>• Business ethics and criminal compliance</li> <li>• Financial risk management</li> <li>• Data protection</li> </ul>	<ul style="list-style-type: none"> <li>• Business relations</li> <li>• Bilateral and multilateral meetings</li> <li>• Equal</li> <li>• Code of Conduct</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>

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<b>Media (2)</b>	<ul style="list-style-type: none"> <li>• Information flow</li> <li>• Transparency</li> <li>• Truthfulness</li> <li>• Business ethics and criminal compliance</li> <li>• Timely and punctual information</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Communication Policy</li> <li>• Code of Conduct</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>Social environment: close and geographical areas of influence and not close (Society, NGOs, Social groups) (3)</b>	<ul style="list-style-type: none"> <li>• Regulatory and environmental compliance</li> <li>• Positive impact of Navantia's activity, especially acoustic, landscape, environmental pollution, communication routes, employment.</li> <li>• Business ethics and criminal compliance</li> <li>• Display of socio-cultural heritage (Museums, Exhibitions, Guided tours, etc.)</li> <li>• Preventing inequality</li> </ul>	<ul style="list-style-type: none"> <li>• Navantia website and RRSS</li> <li>• Code of Conduct - Whistleblower channel</li> <li>• Corporate Compliance, Transparency and Good Governance Standards</li> <li>• Environmental Management System</li> <li>• Collaboration agreements with local universities</li> <li>• Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>External control and supervisory bodies (Court of Auditors, IGAE, AEAT, Regulatory bodies: CNC, Social Security, etc.), Control, investigation and sanctioning authority (AEP and European privacy and data protection authorities).</b>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Cooperation</li> <li>• Transparency</li> <li>• Compliance with legislative requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate regulations</li> <li>• Information submission through the established channels</li> <li>• Bilateral meetings</li> <li>• Exercise of fundamental rights; processes Privacy and data protection management system.</li> <li>• Corporate Privacy and Data Protection Policy</li> </ul>
<b>WEB (digital) users. Any natural person who interacts with Navantia through our WEBSITE.</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Privacy and data protection policy for WEB users</li> <li>• Corporate privacy and data protection regulations</li> </ul>

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# Contents of the law-GRI

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		2-23	Commitments and policies	
<b>0.D</b>	The main risks related to these issues	2-12	Role of the highest governance body in overseeing the management of impacts	37-43; 48-60
<b>0.E</b>	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	27-35

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<b>1.1 General information</b>				
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<b>1.1.2</b>	On environmental assessment or certification procedures			75
<b>1.1.3</b>	On resources devoted to environmental risk prevention			57-60;73-75
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<b>1.2.1</b>	Measures to prevent, reduce or remedy emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions to air	77-80
<b>1.3 Circular economy and waste prevention and management</b>				
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<b>1.4.1</b>	Water consumption and water supply according to local constraints	303-1 303-5	Interaction with water as a shared resource Water consumption	80-82
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<b>1.4.4</b>	Measures taken to improve energy efficiency	302-4	Reduction of energy consumption	83-84
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<b>1.5.1</b>	Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services that it produces	305-1	Direct GHG emissions (Scope 1)	86-90
		305-2	Indirect GHG emissions associated with energy (Scope 2)	86-90
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<b>2. Social and personnel issues</b>				
<b>2.1 Employment</b>				
	Total number and distribution of employees according to representative diversity criteria (gender, age, country, etc.)	2-7	Employees	131-134
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	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	132-136
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<b>2.1.3</b>	Number of redundancies by gender, age and occupational classification	401-1	Recruitment of new employees and staff turnover	137
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2.3.1	Health and safety conditions at work	403-3	Occupational health services	149-159
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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	
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2.4.3	The balance sheet of collective agreements, particularly in the field of health and safety at work	403-4	Worker participation, consultation and communication on occupational health and safety at work	

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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 for people with disabilities.			124-126
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<b>3.1 Human rights</b>				
<b>3.1.1</b>	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	
<b>3.1.2</b>	Complaints of human rights violations	2-27	Compliance with legislation and regulations	
<b>3.1.3</b>	Promotion and enforcement of the provisions of the International Labor Organization'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 labor; the effective abolition of child labor.	406-1	Cases of discrimination and remedial action taken	64
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<b>5.1.1</b>	The impact of society's activity on local populations and the territory	413-1	Operations with local community engagement programmes, impact assessments and development	35
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		2-25	Processes to remedy negative impacts		-	-
		2-26	Mechanisms for seeking advice and raising concerns		16	1,2 y 10
		2-27	Compliance with legislation and regulations		16	8
		2-28	Membership of associations		-	-
		2-29	Approach to Stakeholder Engagement	149-159	-	-
		2-30	Collective bargaining agreements	61	8	3
GRI 3	Material issues	3-1	Process of determining the material issues		-	-
		3-2	List of material items		-	-
		3-3	Management of material issues		11-12;30	13
GRI 201	Economic performance	201-1	Direct economic value generated and distributed	35	8, 9	-
		201-2	Financial implications and other risks and opportunities arising from climate change	89-90	13	7



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GRI	Name	GRI Standards		EINF P.	Equivalences	
		ID	Description		ODS	Global Compact Principles
GRI 202	Market presence	201-3	Defined benefit and other pension plan obligations	178	-	-
		201-4	Financial assistance received from the government		-	-
		202-1	Ratios between the standard entry level wage by gender and the local minimum wage	5,8	6	
		202-2	Proportion of senior executives recruited from the local community	8	6	
GRI 203	Indirect economic impacts	203-1	Infrastructure investments and services supported	165-173	9, 11	8
		203-2	Significant indirect economic impacts	35	1, 8, 10	1, 2
GRI 204	Sourcing practices	204-1	Proportion of expenditure on local suppliers		-	-
GRI 205	Anti-corruption	205-1	Operations assessed for corruption-related risks	65-67	16	10
		205-2	Communication and training on anti-corruption policies and procedures	65-67	16	10
		205-3	Confirmed incidents of corruption and measures taken	65-67	16	10
GRI 206	Unfair competition	206-1	Legal actions relating to unfair competition and monopolistic and anti-competitive practices		16	10
GRI 207	Taxation	207-1	Fiscal approach		-	-
		207-2	Fiscal governance, control and risk management		-	-
		207-3	Stakeholder engagement and management of stakeholder concerns on tax issues		-	-



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GRI	Name	GRI Standards		EINF	Equivalences	
		ID	Description		P.	ODS
		207-4	Country-by-country reporting		-	-
GRI 301	Materials	301-1	Materials used by weight or volume	97-98	12	7, 8
		301-2	Recycled inputs used	97-98	12	7, 8
		301-3	Recovered products and packaging materials	97-98	12	7, 8
GRI 302	Energy	302-1	Energy consumption within the organisation	83-84	7, 12, 13	7, 8
		302-2	Energy consumption outside the organisation		7, 12, 13	8
		302-3	Energy intensity	83-84	7, 12, 13	8
		302-4	Reduction of energy consumption	83-84	7, 12, 13	8, 9
		302-5	Reducing the energy requirements of products and services		7, 12, 13	8, 9
GRI 303	Water and effluents	303-1	Interaction with water as a shared resource	82-84	-	7
		303-2	Management of impacts related to water discharges	82-84	6	7, 8
		303-3	Water abstraction		6, 12	7, 8
		303-4	Water discharge	82-84	6, 12	7, 8
		303-5	Water consumption	82-84	6, 12	7, 8
GRI 304	Biodiversity	304-1	Operational sites owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas		14, 15	7, 8
		304-2	Significant impacts of activities, products and services on biodiversity	99-101	14, 15	7, 8
		304-3	Protected or restored habitats	99-101	14, 15	7, 8
		304-4	Species on the IUCN Red List and national conservation lists whose habitats occur in areas affected by the operations		14, 15	7, 8

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		ID	Description		P.	ODS
GRI 305	Emissions	305-1	Direct GHG emissions (Scope 1)	86-90	3, 12, 13, 14, 15	7, 8
		305-2	Indirect GHG emissions associated with energy (Scope 2)	86-90	3, 12, 13, 14, 15	7, 8
		305-3	Other indirect GHG emissions (scope 3)	86-90	3, 12, 13, 14, 15	7, 8
		305-4	GHG emissions intensity	86-90	13, 14, 15	7, 8
		305-5	Reduction of GHG emissions	89	12, 13	7, 8
		305-6	Emissions of ozone-depleting substances (ODS)		3, 12, 13	7, 8, 9
		305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions to air	86-90	3, 12, 13	7, 8, 9
GRI 306	Effluents and waste	306-1	Discharge of water according to its quality and destination	82-84	-	-
		306-2	Waste by type and disposal method		-	-
		306-3	Significant spills		3, 6, 12, 14, 15	7, 8
		306-4	Transport of hazardous waste		-	-
		306-5	Water bodies affected by water discharges and/or run-offs		-	-
GRI 306	Waste	306-1	Waste generation and significant waste-related impacts	91-96	-	-
		306-2	Management of significant waste-related impacts		-	-
		306-3	Waste generated		3, 6, 12, 14, 15	7, 8
		306-4	Wastes not destined for disposal		-	-

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GRI Standards				EINF	Equivalences	
GRI	Name	ID	Description	P.	ODS	Global Compact Principles
		306-5	Waste for disposal		-	-
GRI 308	Environmental assessment of suppliers	308-1	New suppliers that have passed selection filters according to environmental criteria	TBD	9, 13	7, 8
		308-2	Negative environmental impacts in the supply chain and measures taken	162-164	9, 13	7, 8
GRI 401	Employment	401-1	Recruitment of new employees and staff turnover	137	5, 8, 10	6
		401-2	Benefits for full-time employees that are not provided to part-time or temporary employees.		3, 5, 8	6
		401-3	Parental leave	147-148	5, 8, 10	6
GRI 402	Worker-company relations	402-1	Minimum notice periods for operational changes		8	3
GRI 403	Health and safety at work	403-1	Occupational health and safety management system	149-159	3, 8	1, 2
		403-2	Hazard identification, risk assessment and incident investigation	149-159	3, 8	1, 2
		403-3	Occupational health services	149-159	3, 8	1, 2
		403-4	Worker participation, consultation and communication on occupational health and safety at work	154-158	3, 8	1, 2
		403-5	Training of workers on health and safety at work	149-159	3, 8	1, 2
		403-6	Promoting workers' health	149-159	3, 8	1, 2
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked through business relationships	155	3, 8	1, 2



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GRI	Name	ID	Description	P.	ODS	Global Compact Principles
		403-8	Coverage of the occupational health and safety management system		3, 8	1, 2
		403-9	Injuries due to accidents at work	150-152	3, 8	1, 2
		403-10	Occupational diseases and illnesses	153-158	3, 8	1, 2
GRI 404	Training and education	404-1	Average hours of training per employee per year	141-144	4, 5, 8, 10	6
		404-2	Programmes to develop employee skills and transition assistance programmes	141-144	4, 8	6
		404-3	Percentage of employees who receive regular performance and career development appraisals		4, 5, 8, 10	6
GRI 405	Diversity and equal opportunities	405-1	Diversity of governing bodies and employees	40, 124-128	5, 8, 10	6
		405-2	Ratio between the basic salary and remuneration of women and men	138-140	5, 8, 10	6
GRI 406	Non-discrimination	406-1	Cases of discrimination and remedial action taken	124;127-128	5, 8	6
GRI 407	Freedom of association and collective bargaining	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk		8	3
GRI 408	Child labor	408-1	Operations and suppliers with significant risk of child labor cases		5, 8, 16	5
GRI 409	Forced or compulsory labor	409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor		5, 8	4

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GRI	Name	ID	Description	P.	ODS	Global Compact Principles
GRI 410	Security practices	410-1	Security personnel trained in human rights policies or procedures		16	1, 2
GRI 411	Indigenous peoples' rights	411-1	Cases of violations of indigenous peoples' rights		-	-
GRI 413	Local communities	413-1	Operations with local community engagement programmes, impact assessments and development	35;157-177	1, 10, 11, 17	1,7,8
		413-2	Operations with significant negative impacts - actual or potential - on local communities			
GRI 414	Social assessment of suppliers	414-1	New suppliers that have passed selection filters according to social criteria	TBD	5, 8, 16	2
		414-2	Negative social impacts on the supply chain and measures taken			
GRI 415	Public policy	415-1	Contribution to political parties and/or representatives		16	10
GRI 416	Client health and safety	416-1	Assessing the health and safety impacts of product and service categories	41-43	-	-
		416-2	Cases of non-compliance relating to health and safety impacts of product and service categories			
GRI 417	Marketing and labelling	417-1	Requirements for information and labelling of products and services		12	7
		417-2	Cases of non-compliance related to product and service information and labelling			
		417-3	Cases of non-compliance related to marketing communications			
GRI 418	Customer privacy	418-1	substantiated complaints regarding breaches of customer privacy and loss of customer data	160	16	1



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# Green Taxonomy Tables

I. The tables of results on the taxonomy of economic activities according to the turnover are shown below:

Economic activities (TURNOVER)	Code	SC			DNSH					Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Enabling activity category F	Transitional activity category T
		Absolute turnover (Mio. €)	Proportion of turnover	CC mitigation	Adaptation of the CC	Water and marine resources	Circular economy pollution	Biodiversity and ecosystems	Minimum safeguards				
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>													
<b>A,1 Environmentally sustainable activities (conforming to the taxonomy)</b>													
Manufacture of renewable energy technologies	3.1	69,9	6%	6%	S	S	S	S	S	6%		F	
Manufacture of equipment for the production and use of hydrogen	3.2	-			S	S	S	S	S			F	
Manufacture of low-carbon technologies for transport	3.3	823,4	66%	66%	S	S	S	S	S	66%		F	
Manufacture of other low-carbon technologies	3.6	34,5	3%	3%	S	S	S	S	S	3%		F	
Retrofitting of sea and coastal freight and passenger water transport	6.12	315,1	25%	25%	S	S	S	S	S	25%		F	
Close to market research, development and innovation	9.1	-			S	S	S	S	S			F	
Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1)		1.242,8	99,3%										
<b>A,2 Eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)</b>													
Manufacture of renewable energy technologies	3.1	-											
Manufacture of equipment for the production and use of hydrogen	3.2	-											
Manufacture of low-carbon technologies for transport	3.3	14,8	1%	1%									
Manufacture of other low-carbon technologies	3.6	-5,6	0%	0%									
Retrofitting of sea and coastal freight and passenger water transport	6.12	-											
Close to market research, development and innovation	9.1	-											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		9,2	0,7%										
<b>Total (A.1 + A.2)</b>		<b>1.252,0</b>	<b>100%</b>										
<b>B, ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY</b>													
Turnover of Taxonomy-non eligible activities (B)		-0,0	0%										
<b>Total (A + B)</b>		<b>1.252,0</b>	<b>100%</b>										

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# Green Taxonomy Tables

I. The tables of results on the taxonomy of economic activities according to the CapEx are shown below:

Economic activities (CapEx)	Code	SC			DNSH					Taxonomy-aligned proportion of CapEx year N	Taxonomy-aligned proportion of CapEx, year N-1	Enabling activity category F	Transitional activity category T
		Absolute CapEx (Mio. €)	Proportion of CapEx	CC mitigation	Adaptation of the CC Y/N	Water and marine resources	Circular economy pollution	Biodiversity and ecosystems	Minimum safeguards				
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>													
<b>A,1 Environmentally sustainable activities (conforming to the taxonomy)</b>													
Manufacture of renewable energy technologies	3.1	15,5	19%	19%	S	S	S	S	S	19%		F	
Manufacture of equipment for the production and use of hydrogen	3.2	-			S	S	S	S	S			F	
Manufacture of low-carbon technologies for transport	3.3	50,4	62%	62%	S	S	S	S	S	62%		F	
Manufacture of other low-carbon technologies	3.6				S	S	S	S	S			F	
Retrofitting of sea and coastal freight and passenger water transport	6.12	5,7	7%	7%	S	S	S	S	S	7%		F	
Close to market research, development and innovation	9.1	-			S	S	S	S	S			F	
CapEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		71,6	87,8%										
<b>A,2 Eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)</b>													
Manufacture of renewable energy technologies	3.1	-											
Manufacture of equipment for the production and use of hydrogen	3.2	-											
Manufacture of low-carbon technologies for transport	3.3	-											
Manufacture of other low-carbon technologies	3.6	-											
Retrofitting of sea and coastal freight and passenger water transport	6.12	-											
Close to market research, development and innovation	9.1	-											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		-	0,0%										
<b>Total (A.1 + A.2)</b>		71,6	87,8%										
<b>B, ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY</b>													
CapEx of Taxonomy-non eligible activities (B)		9,9	12%										
<b>Total (A + B)</b>		81,5	100%										

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# Green Taxonomy Tables

I. The tables of results on the taxonomy of economic activities according to the OpEx are shown below:

Economic activities (OpEx)	Code	SC					DNSH					Taxonomy-aligned proportion of OpEx year N	Taxonomy-aligned proportion of OpEx, year N-1	Enabling activity category F	Transitional activity category T	
		Absolute OpEx (Mio. €)	Proportion of OpEx	CC mitigation	Adaptation of the CC Y/N	Water and marine resources	Circular economy pollution	Biodiversity and ecosystems	Minimum safeguards							
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																
<b>A,1 Environmentally sustainable activities (conforming to the taxonomy)</b>																
Manufacture of renewable energy technologies	3.1	0,6	1%	1%	S	S	S	S	S	1%	F					
Manufacture of equipment for the production and use of hydrogen	3.2	-			S	S	S	S	S		F					
Manufacture of low-carbon technologies for transport	3.3	37,2	51%	51%	S	S	S	S	S	51%	F					
Manufacture of other low-carbon technologies	3.6	23,3	32%	32%	S	S	S	S	S	32%	F					
Retrofitting of sea and coastal freight and passenger water transport	6.12	11,3	16%	16%	S	S	S	S	S	16%	F					
Close to market research, development and innovation	9.1	-			S	S	S	S	S		F					
OpEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		72,3	100%													
<b>A,2 Eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)</b>																
Manufacture of renewable energy technologies	3.1	-														
Manufacture of equipment for the production and use of hydrogen	3.2	-														
Manufacture of low-carbon technologies for transport	3.3	-														
Manufacture of other low-carbon technologies	3.6	-														
Retrofitting of sea and coastal freight and passenger water transport	6.12	-														
Close to market research, development and innovation	9.1	-														
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		-	0,0%													
<b>Total (A.1 + A.2)</b>		72,3	100%													
<b>B, ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY</b>																
OpEx of Taxonomy-non eligible activities (B)		-0,0	0%													
<b>Total (A + B)</b>		72,3	100%													



