

ANTI-CORRUPTION AND ANTI-INFLUENCE PEDDLING POLICY



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Message from Pierre Balmer – Chief Executive Officer of CMN NAVAL

At CMN Naval, industrial excellence and the consistent fulfilment of our commitments to our clients and partners are founded on a fundamental requirement: integrity.

In a constantly evolving environment marked by geopolitical challenges, we have a duty to conduct our activities with the utmost ethical rigor.

The fight against corruption and influence peddling is not only a legal obligation; it is a commitment that is inseparable from the values that underpin our Group.

This policy formalises our principle of zero tolerance toward any practice liable to undermine the integrity of public or private decision-making. It defines the standards and mechanisms we implement to prevent, detect, and address risk situations, both in France and internationally.

Preserving our reputation, maintaining the trust of our clients, and ensuring the long-term sustainability of CMN Naval require constant vigilance and exemplary conduct on a daily basis.

This commitment is upheld at the highest level of the Company and fully reflects the values and principles shared by all employees of the Group.

Together, we will continue to develop our activities while remaining faithful to our values.



1. Introduction.

As a global leader in the shipbuilding and hydrogen markets, CMN Naval is fully aware of the importance of ethics in the business world and accordingly adopts a zero-tolerance policy toward any acts of corruption or influence peddling.

This proactive policy is reflected in the deployment of an anti-corruption and anti-influence peddling strategy, which is fully aligned with the values embodied by CMN Naval and its fundamental commitments. It also demonstrates a clear intention to comply with the highest national and international standards of compliance, thereby fostering a genuine culture of integrity within the company.

It is therefore the responsibility of everyone involved to embody, through their actions, statements, and decisions within the company, the integrity that guides CMN Naval.

Any questions or requests relating to this policy or to CMN Naval's commitments in the fight against corruption and influence peddling should be sent by email to the following address: anti-corruption@cmn-cherbourg.com.

2. Objectives.

This document sets out the policy established by CMN Naval to effectively combat corruption and influence peddling.

This policy aims, on the one hand, to prevent and detect any potentially unlawful conduct and, on the other hand, to raise awareness among all employees and stakeholders and promote economic and financial integrity.

Furthermore, this policy helps secure CMN Naval's activities and develop a competitive advantage based on compliance with applicable international standards in this area.

Indeed, CMN Naval operates with public and private entities worldwide, which exposes it to various national legislations (such as the UK Bribery Act, the US Foreign Corrupt Practices Act, etc.), some of which provide for significant penalties that could weaken the Group and damage its reputation.

It is therefore all the more important to establish a common framework of minimum standards and practices.

3. Scope.

This Anti-Corruption and Anti-Influence Peddling Policy contributes to the development of sound governance practices within CMN Naval.

As the parent company of a French group, CMN Naval is subject to French Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life, known as the "Sapin II" Law.

The Sapin II Law requires certain French groups to implement a corruption prevention program structured around eight pillars:

- An anti-corruption code of conduct;
- An internal whistleblowing mechanism;
- Corruption and influence peddling risk mapping;
- Third-party assessment procedures;
- Training procedures for populations exposed to corruption risks;
- Anti-corruption accounting control procedures;
- A disciplinary regime to sanction breaches of the anti-corruption code of conduct; and
- Internal control and audit measures relating to the tools and procedures implemented.

This policy applies to all employees of the CMN Naval Group, regardless of the entity to which they are attached, their role, their level within the organization, or their region of operation. More specifically, each subsidiary or company controlled by CMN Naval, whether located in France or abroad, is expected to comply with the minimum standards set out in this policy and to implement an appropriate framework of procedures to meet its objectives, thereby enabling CMN Naval to comply with the obligations set out under the Sapin II Law.

4. Understanding the concepts of corruption and influence peddling.

Corruption and influence peddling are offenses that undermine the integrity of professional decisions, whether taken in the public or private sector, in exchange for an undue advantage.

However, these two offenses differ in the elements required to establish them.

4.1. Definition of corruption.

Generally speaking, corruption consists of offering to a third party, or soliciting or accepting, at any time, directly or indirectly, offers, promises, donations, gifts, or any kind of benefit, for oneself or for another person, in order to perform or refrain from performing an act related to one's duties.

Corruption therefore involves an interaction between two parties: an active briber, who offers or grants an advantage, and a passive party, who accepts or solicits the advantage.

The offense is broadly defined so as to encompass a wide range of situations.

- The notion of an "advantage" is not limited to the receipt of funds, but also includes gifts, a direct job offer or an offer to a relative, or even an investment.
- The consideration in return may consist of obtaining an administrative authorization, a public contract, confidential information, tax or customs benefits, or even an omission, for example refraining from taking a decision that would be unfavourable to a CMN Naval entity.

4.2. Definition of influence peddling.

Generally speaking, influence peddling consists of unlawfully offering or granting, at any time, directly or indirectly, offers, promises, donations, gifts, or any kind of benefit to a person, for themselves or for another, in order for that person to abuse, or because they have abused, their real or supposed influence with a public authority or public administration to obtain distinctions, employment, contracts, or any other favourable decision.

Unlike corruption, influence peddling involves a tripartite relationship between (i) the active perpetrator of influence peddling, who offers a benefit to (ii) a third party, the passive perpetrator, who agrees to use their influence over (iii) a public authority or public administration in order to obtain an advantage.

4.3. Applicable penalties.

In France, the penalties incurred by individuals may reach up to 10 years' imprisonment and a fine of €1,000,000, which may be increased to twice the proceeds of the offense.

For legal entities, the fine may amount to €5,000,000, which may also be increased to twice the proceeds of the offense, in addition to various supplementary penalties, such as temporary or permanent exclusion from public procurement contracts, or even the dissolution of the entity.

Abroad, the penalties incurred may be even more severe.

In addition to criminal sanctions, CMN Naval employees may also face disciplinary measures in the event of conduct that could constitute corruption or influence peddling.

4.4. Increased risks in dealings with public officials.

CMN Naval's business sector necessarily involves interactions with public entities.

CMN Naval firmly opposes any practice or attempt aimed at obtaining an undue advantage that would distort an award decision, including where such conduct takes place abroad and would not be sanctioned under local regulations.

Heightened vigilance is therefore required when participating in public tenders, engaging with public officials, elected representatives, or members of administrative or military authorities, and when dealing with requests from intermediaries.

5. Anti-corruption and anti-influence peddling strategy.

In order to ensure compliance with the Group's commitments to combat corruption and influence peddling and to achieve the above-mentioned objectives, CMN Naval requires each of its subsidiaries

or controlled companies to implement internal standards designed to detect and prevent acts of corruption and influence peddling.

5.1. Commitment of the governing body.

The governing body of CMN Naval bears primary responsibility for preventing corruption and influence peddling. It affirms its commitment to conducting its business with integrity, fairness, and transparency, in compliance with applicable laws and ethical standards.

It approves this policy and oversees its implementation, ensuring that it remains appropriate to CMN Naval's specific challenges and risk exposure. It actively supports awareness and training initiatives, as well as the development of internal control and reporting procedures.

Each entity must relay and embody this commitment to ethical business conduct. In particular, this commitment must be reflected through:

- The dissemination of clear messages, both internally and externally, regarding zero tolerance for corruption and influence peddling;
- The approval and promotion of key tools such as an anti-corruption code of conduct and an ethics whistleblowing mechanism;
- The oversight of any identified risk situations or incidents, as well as the monitoring of corrective measures implemented.

Through these actions, the governing bodies of each Group entity actively contribute to fostering a culture in which integrity is fundamental, and where everyone fully embraces their role in promoting ethical business conduct.

5.2. Anti-corruption code of conduct.

Each Group entity must adopt an anti-corruption code of conduct clearly setting out the Group's commitments in terms of ethics.

At a minimum, this code must include provisions addressing the following topics:

- Definition of corruption and influence peddling;
- Rules governing gifts and hospitality;
- Rules relating to conflicts of interest;
- Rules relating to charitable donations and sponsorship (if this topic is not addressed in a separate procedure);
- Rules relating to facilitation payments.

Any violation of the anti-corruption code of conduct adopted by the entity must expose the offender to disciplinary sanctions, in accordance with applicable local law.

5.3. Internal whistleblowing mechanism.

Each entity must implement a reporting channel for receiving reports from its employees (and, where applicable, from external or occasional collaborators) concerning suspected unethical behaviour or violations of internal rules.

The procedures for collecting, processing, and protecting whistleblowers must be set out in a written policy. This policy must specify in particular:

- the procedures for accessing the internal whistleblowing system and for exchanging information between the whistleblower and the recipient;
- the designated officer responsible for receiving and/or handling reports;
- the stages of the reporting process and the response timelines; and
- the rights and safeguards afforded to the persons concerned.

This procedure must guarantee the strict confidentiality of the identity of whistleblowers, as well as protection against any form of retaliation.

5.4. Risk mapping.

Each Group entity must carry out a risk mapping exercise in order to identify and assess situations in which a risk of corruption or influence peddling may arise.

This exercise makes it possible to define the most appropriate preventive measures, taking into account the specific challenges relating to the organization and its activities.

The risk mapping must consider both:

- **external factors**, such as exposure to high-risk geographic areas, involvement in sensitive sectors, reliance on intermediaries or local partners, etc.; and
- **internal factors**, such as insufficient training or awareness, inadequate controls, lack of oversight of commercial practices, etc.

The risk mapping must be conducted under the supervision of the entity's management and be based on a variety of information sources (internal audits, feedback, questionnaires, interviews, sector data, corruption indices).

It should enable risks to be ranked according to their likelihood and impact (e.g., reputational, legal, financial, human) and support the development of an **action plan** including preventive measures,

enhanced controls, and appropriate mitigation mechanisms for those risks considered most significant by the entity.

Its conclusions should guide the implementation and adjustment of the other pillars of the anti-corruption framework (code of conduct, training, whistleblowing system, third-party assessment, accounting controls).

Each entity's risk mapping must be formally documented in writing and updated regularly, whenever there is a significant change in the entity's activities (at a minimum, an update every three years is recommended).

5.5. Third-party assessment.

CMN Naval pays particular attention to the third parties with whom it maintains business relationships, as they may constitute a source of corruption risk.

In this respect, within each entity, an assessment must be carried out prior to entering any relationship with a supplier, customer, or intermediary, in order to identify situations likely to present ethical or compliance risks.

These assessments are intended to determine whether to initiate a new relationship with a third party, maintain an existing relationship, or terminate it.

The following are notably concerned: suppliers, customers, intermediaries, commercial agents, consultants, local partners, distributors, subcontractors, as well as public or private co-contracting parties. The assessment may cover various elements, such as:

- the third party's location and its legal and institutional environment (particularly in high-risk countries);
- its corporate structure, beneficial owners, and any links with politically exposed persons;
- its track record in terms of compliance with ethical standards or any past convictions;
- the purpose and value of the contemplated relationship, particularly in the case of public contracts, intermediary services, or high-value services.

Depending on the level of risk identified, additional measures may be implemented, such as collecting further information, including specific contractual clauses relating to the third party's anti-corruption and anti-influence peddling commitments, imposing training obligations, or applying enhanced monitoring.

The objective is to ensure that third parties act in accordance with CMN Naval's ethical standards and do not expose the Group to legal or reputational risk.

A written procedure must formalize (i) the third parties subject to this assessment (categories, turnover thresholds above which third parties must be assessed, etc.), (ii) the procedures for conducting the ethical assessment (due diligence to be performed, standard or enhanced assessments, responsible persons, etc.), and (iii) the associated decision-making process depending on the risks identified (who makes the decision, based on which criteria, and what risk mitigation measures may be implemented with certain third parties, etc.).

The approach must be risk-based and aligned with the findings of the risk mapping, which should identify the categories of third parties presenting the highest risks (i.e., those that must systematically be subject to an assessment, or even an enhanced assessment).

5.6. Accounting controls.

CMN Naval ensures that rigorous accounting controls are implemented to prevent, detect, and, where appropriate, correct any act likely to conceal a corruption or influence peddling scheme.

Each entity is expected to implement such controls at its own level to guarantee:

- the transparency and traceability of financial flows, particularly those relating to sensitive expenses;
- the proper business justification for each transaction, which must be duly authorized and documented;
- the prohibition of recording unofficial or unregistered payments;
- the segregation of duties and compliance with internal delegations of authority regarding the commitment and approval of expenses.

These anti-corruption accounting controls are integrated with the entity's general control framework but are tailored to the corruption risks identified through risk mapping.

Regular internal or external reviews may also be carried out to ensure the lawfulness of financial flows and, where appropriate, to recommend corrective actions.

They operate at several levels:

- **first-level controls:** performed by the individuals responsible for recording and validating accounting entries, ensuring that transactions are properly justified and documented;
- **second-level controls:** carried out by individuals independent from those who performed the first-level controls, to verify proper execution and identify any anomalies; and
- **third-level controls (audits):** conducted by internal or external audit functions to regularly assess the effectiveness and adequacy of the framework.

5.7. Employee training and awareness.

CMN Naval considers that the effective prevention of corruption and influence peddling primarily depends on all employees understanding the issues at stake and the behaviours that must be avoided.

In this regard, regular and targeted training and awareness initiatives must be organized within each Group entity to:

- communicate the **fundamental principles** of the anti-corruption and anti-influence peddling policy;
- provide practical explanations of **risk situations** (gifts, interactions with public officials, tender procedures, use of third parties, etc.);
- promote the **appropriate reflexes** to adopt in case of doubt or difficulty, including contacting compliance officers;
- remind employees of the disciplinary, civil, or criminal **consequences** that may arise in the event of misconduct;
- present the **procedures and policies applicable** within the entity regarding corruption prevention.

These training sessions must be offered as a priority to the employees most exposed to risk, as identified in the entity's risk mapping (e.g., commercial functions, procurement, management, etc.), and tailored to their specific roles. They may be delivered in the form of e-learning modules or in-person sessions.

Participation in these training programs may be made mandatory depending on the roles concerned, and their monitoring should be ensured through appropriate indicators (e.g., training coverage rate, number of training hours).

They must be renewed at regular intervals.

5.8. Evaluation and continuous improvement of the strategy.

The anti-corruption and anti-influence peddling strategy implemented by each entity must be subject to regular monitoring to ensure its relevance, effectiveness, and alignment with actual risks.

This evaluation notably aims to:

- verify the proper implementation of procedures (risk mapping, third-party assessments, accounting controls, etc.);

- identify any shortcomings, difficulties, or deviations in their implementation;
- define and implement, where appropriate, suitable corrective measures;
- take into account changes in CMN Naval's activities, its regulatory environment, or its geographic exposure;
- draw lessons from past incidents or from internal or external feedback.

This evaluation may take the form of internal controls or audits, or external compliance reviews. These are structured around three levels of control, covering the entire anti-corruption framework:

- First-level controls, integrated into operational activities;
- Second-level controls, designed to verify, through sampling, proper compliance with internal anti-corruption procedures, led by the entity's Legal or Compliance Officer on the basis of a control plan specifying the scope, selected methods, frequency, and follow-up procedures; and
- Third-level controls (audits), conducted by internal or external audit functions, aimed at assessing the overall relevance, implementation, and updating of the anti-corruption framework.

The results are communicated to the management of the entity concerned and may give rise to adjustments or the implementation of corrective measures.

This approach contributes to the continuous improvement of the policy and is intended to sustainably strengthen the robustness and credibility of CMN Naval's anti-corruption program. In this respect, CMN Naval, as the parent company, may carry out its own controls or audits (directly or through external service providers) within its entities in order to ensure that this policy is properly implemented.