In Focus: Employee Performance Appraisal

Thales' approach to talent development is detailed in its latest <u>CSR Integrated Report</u>. This fact sheet provides supplemental information on Thales' Employee Performance Appraisal Process.

Annual Cycle

Thales provides continuous, year-round performance support to employees and managers worldwide as part of its annual performance management cycle. This comprehensive process includes several key phases: objective-setting, skills reviews, professional development, and year-end performance appraisals.



Managers establish clear and measurable objectives for their teams and individual members, aligning these goals with the activities and strategic priorities of their respective entities. These objectives are communicated and agreed upon through structured discussions, referred to as "check-ins," at the beginning of each year.

Objectives are formulated according to the SMART method—Specific, Measurable, Achievable, Realistic, and Time-bound—to ensure clarity and accountability.

During these sessions, managers also reinforce Thales' standards of behaviour as defined by the Leadership@Thales leadership model.

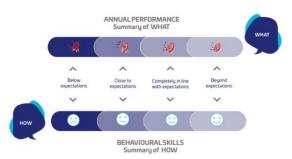
All discussions and objectives are documented in the Workday platform, accessible to all employees.

Performance Review

At year-end, employee performance is reviewed from two perspectives:

- achievement of objectives ("the what") and demonstration of collaborative;
- behavioural competencies ("the how") used to accomplish those results.

Performance is assessed using a four-point scale. Feedback is collected and cross-referenced through both formal channels (via the Workday tool) and informal channels (such as discussions recorded by the line manager).



Talent Development

Skills reviews and development check-ins are also integral components of the annual cycle, providing employees with opportunities to evaluate how their skills match the requirements of their roles and to discuss their career aspirations. During these sessions, employees and managers collaboratively develop an action plan focused on bridging any identified skills gaps. Progress against these plans is reviewed on an annual basis.

In addition, both employees and managers are encouraged to engage in agile, on-demand conversations throughout the year, depending on individual needs and circumstances. These ad hoc check-ins offer further opportunities to give or receive feedback, supporting ongoing professional growth and continuous development.



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