

MODERN SLAVERY ACT STATEMENT

This document constitutes Nammo Group's slavery and human trafficking statement for the financial year ending 31 December 2019.

Company structure

Nammo AS is the Norwegian based parent company of a group of companies with operations in Norway, Sweden, Finland, Germany, Spain, Switzerland, UK, Ireland and USA (the Group). In the financial year ending 31 December 2019, the Group reported an annual revenue of 5,0 Billion NOK. This statement covers all companies within the Group.

Company business

Nammo is an international aerospace and defense Group and one of the world's leading providers of ammunition and rocket motors for both military and civilian customers. Nammo addresses specific customer requirements in defense and aerospace markets mainly to European and NATO countries and their close allies, in addition to a few countries in South East Asia, the Middle East and South America. Military business corresponds to 80% of the Group's business and the remaining 20% of sales are space products, sport and hunting ammunition and sea safety systems.

Company policies

Nammo is committed to ensuring, to the best of our knowledge, that there is no slavery and human trafficking in our supply chains. The Group will not knowingly support and/or do business with any suppliers who are involved in slavery.

Employees

The Group currently employs around 2400 employees. All employees (and any third party acting on behalf of the Group) are required to comply with Nammo's Ethical Code of Conduct. The Code of Conduct defines the standards required from all employees in order to deliver the Group's commitment to sound and ethical business conduct throughout our organization.

All Nammo's operations must follow the ILO labor standards with special focus on health, environment, security and safety, and equal pay for equal work.

The European Work Council in the Nammo Group gives the employee representatives the opportunity to raise any concerns regarding working conditions directly to Nammo's top management.

Suppliers

Nammo's supply chains include suppliers of raw materials and components, sub-contractors, and providers of various services. Most of our suppliers are located in Europe and North America. A few suppliers are located in Asia.

Each of the Group's legal entities and business units are responsible for undertaking appropriate due diligence on their respective suppliers to ensure that they only do business with suppliers who meet the Group's ethical standards.

Exposure to modern slavery risk

Overall, taking Nammo's business activities and the application of our group policies and procedures into account, Nammo Group's exposure to slavery and human trafficking risk is anticipated to be low.

Supplier Conduct Principles

Nammo revised the Supplier Conduct Principles in March 2019 and instructions for use implemented in the whole Group. The Supplier Conduct Principles require our suppliers to adhere to the Group's Ethical Code of Conduct and business standards, and specifically address the requirement for undertaking business in compliance with modern slavery and human trafficking legislation.

In Particular, suppliers are required to:

- Comply with all applicable child labor laws, and set employees' working hours and pay in accordance with local legislative requirements
- Not engage in or support the use of forced or compulsory labor
- Not procure work or service from any person under the threat of any menace
- Allow employees reasonable notice to leave their employment
- Not insist that employees must surrender ID papers or work permits as a condition for employment

Suppliers are requested to share Nammo's Supplier Conduct Principles with employees, partners, sub-contractors and suppliers involved in the supply of goods or services to the Nammo Group, and to request adherence to our Principles.

Reporting mechanism

Employees, suppliers or other third parties who become aware of any issues that may be in conflict with the Group's Ethical Code of Conduct or Supplier Conduct Principles, are encouraged to raise the concern to a superior manager, HR or union/employee representative. During 2019, the Group implemented a new reporting mechanism with an option of anonymous reporting for employees in Europe. A parallel system is under evaluation for the US employees. Suppliers are encouraged to report concerns in confidence through ethics@nammo.com

The right to audit

The Group performs regular audits of the supply chain in order to control flow-down requirements from prime contractors. Sole source and other suppliers considered critical to the Group's business are subject to a bi-annual self-assessment questionnaire. During 2020, selected suppliers will be subject to audit with review of compliance to the Supplier Conduct Principles and how the flow-down is handled through the supply chain.

Nammo is committed to cooperate with suppliers to ensure that they have appropriate ethical and responsible policies and practices in place, and to support them in closing any gaps the self-assessment may identify.

A global framework of improved third party risk management is under development at the Group level.

The Board of Directors of Nammo AS has approved this statement. The signing has been delegated to the Chief Executive Officer of Nammo AS.


Morten Brandtzæg
President & CEO
Nammo Group