

Modern Slavery Act Statement - Nammo Group

Introduction

Modern slavery is a crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain.

Pursuant to Section 54 of the UK Modern Slavery Act 2015 we hereby present Nammo's third Modern Slavery Act Statement to set out the steps we have taken in our business.

This Statement was approved by Nammos Board of Directors on June 27, 2022 and covers the financial year, ending December 31, 2021.

This Statement applies to all employees of Nammo AS, its subsidiaries under direct or indirect control and any third party acting on behalf of Nammo (hereinafter "Nammo").

Company statement

At Nammo, we have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operation and supply chain.

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

Throughout 2021 we continued to improve our understanding of the modern slavery related risks faced by our business in order to further improve our due diligence.

Company structure and business

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 2021, the Group reported an annual revenue of 6,9 Billion NOK. This statement covers all companies within the Group.

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 79% of the Group's business and the remaining 21% of commercial sales are space products, sport and hunting ammunition and sea safety systems.

Employees

Nammo currently employs around 2700 employees. All employees (and any third party acting on behalf of the Group) are required to comply with Nammo's 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 Works Council (EWC) in Nammo bring together employee representatives from the different European countries where Nammo has its operations. During EWC meetings, these representatives are informed and consulted by corporate management on transnational issues of concerns to the company's employees. The representatives also have the opportunity to raise any concerns regarding local working conditions directly to Nammo's corporate management.

Suppliers

Nammo establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors. Our supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards.

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

Each of Nammo'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 Nammo's supplier conduct principles and ethical standards.

Nammo have not been made aware of any allegations of human trafficking/slavery activities against any of our suppliers. Nammo will act immediately against any supplier who is alleged of such activities.

Exposure to modern slavery risk

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

Policies

- ***Supplier Conduct Principles***

The Supplier Conduct Principles require our suppliers to adhere to the Group's 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 required to share and flow down Nammo's Supplier Conduct Principles with employees, partners, sub-contractors and suppliers involved in the supply of goods or services to Nammo, and to request adherence to our Principles.

- ***New Code of Conduct (Link)***

The new Code of Conduct was rolled out first half of 2021 and followed up with an e-learning course that is sent out annually to all employees.

- ***New Human Rights Policy (Link)***

In the second half of 2021, we launched a stand-alone Human Rights Policy, which is founded on our commitment to respecting human rights expressed in the Code of Conduct. The Policy matches the requirements of the International Bill of Rights and the ILO Convention and constitutes a building block in our framework for managing human rights risks.

- ***Reporting mechanism (Link)***

Employees, suppliers or other third parties who become aware of any issues that may be in conflict with the Group's Code of Conduct or Supplier Conduct Principles, are encouraged to raise the concern to a superior manager, HR or union/employee representative.

- ✓ For reporting, we encourage our employees to use our grievance mechanism SpeakUp (Europe).
- ✓ A parallel system was implemented end of 2020 in the US named Ethicspoint.
- ✓ Suppliers and other external third parties 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. Physical audits have been challenging during the last two years of the pandemic. Strategic and high risk

suppliers considered critical to the Group's business shall all undergo a screening and due diligence before onboarding and a selection of suppliers will be subject to audit after onboarding.

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.

- **Training**

We created a human rights specific training course in 2021, which will be rolled out in 2022 to all employees handling suppliers and other third parties. The training shall raise awareness about:

- ✓ Various forms of modern slavery in which people can be held and exploited
- ✓ The size of the problem and the risk to our organization
- ✓ How employees can identify the signs of slavery and human trafficking
- ✓ How employees should respond if they suspect slavery or human trafficking
- ✓ Information about Nammo's human rights policy

Other

As the first step to ensure that Nammo will comply with the Norwegian Transparency Law that comes into force in July 2022, Nammo conducted in 2021 a first mapping of salient human rights issues.

A global framework of improved third party risk management process was implemented in 2021 and we strengthened the organizations competence and knowledge in performing supplier background control and monitoring.

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

Sign.

Morten Brandtzæg

President & CEO