

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 fourth 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 19, 2023 and covers the financial year, ending December 31, 2022.

This Policy 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 that, to the best of our knowledge, 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.

Throughout 2022 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 2022, the Group reported an annual revenue of 7.45 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 77% of the Group's business and the remaining 23% of commercial sales are space products, sport and hunting ammunition and sea safety systems.

Employees

The Group currently employs around 2800 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 the Nammo Group 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 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 leaders.

Suppliers

We establish a relationship of trust and integrity with all our suppliers, built upon mutually beneficial factors. Our supplier selection and on-boarding procedure includes an assessment to ensure; environmental, social and governance ("ESG"), financial, ethical and reputational status, and based on the following criteria; quality and innovation, flexibility and availability, price development and the supplier commitment to compliance with relevant regulations, laws and flow-down requirements.

Nammo's supply chain 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 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. If a Supplier fails to meet the expectations as set out in our Supplier Conduct Principles, Nammos approach is to encourage improvement. Critical deviations or repeated unwillingness to make improvement may jeopardize the Suppliers relationship with Nammo.

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 Group's exposure to slavery and human trafficking risk is anticipated to be low.

Policies and Principles

- **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 the Nammo Group, and to request adherence to our Principles.

- **The Code of Conduct**

The Code of Conduct is part of the onboarding documents to all new employees. This is followed up with an annual e-learning course.

- **Procurement Policy**

The procurement responsible at any Nammo entity coordinates and authorizes cost-effective purchasing of quality goods and services and establishes, evaluates and approves new suppliers. All necessary and required documentation that is issued and received must be current, accurate and complete and managed in the company recordkeeping system.

- **Human Rights Policy**

Our Human Rights Policy is anchored in our commitment to respecting human rights expressed in the Code of Conduct. The Policy is aligned with 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**

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 also encourage our employees to use our grievance mechanism SpeakUp (Europe). The system have an option of anonymous reporting for employees in Europe.
- ✓ A parallel system is available for or employees 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 was challenging during the last two years of the pandemic but was restarted mid 2022. 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

A human rights specific training course has been created and was planned to be rolled out in 2022. Due to technical delays this will be rolled out in 2023 to all employees with digital access:

The training shall raise awareness to

- ✓ 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

During 2022 Nammo established internal procedures to comply with the Norwegian Transparency Act that came into force in July 2022. The first company report aligned with the new Transparency Act will be publicly available at nammo.com within July 1, 2023.

We continued to strengthen our organizations competence and knowledge in performing supplier background control and monitoring though training and daily support.

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