

# Procurement Policy - Nammo Group

## **PURPOSE and SCOPE**

This Policy applies to all employees of Nammo AS, and its subsidiaries under direct or indirect control (hereinafter "Nammo"). This Policy provides a standardized procurement process in Nammo using established best practices.

## **STATEMENT**

Procurement at Nammo reflects our efficient management of all procurement transactions, from simple to complex and in accordance with Nammo's requirements for internal needs and customer objectives. All procurement is conducted in written format, such that we document any relevant customer and market requirements, and in compliance with trade agreements and relevant laws and regulations.

## **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.

All procurement is in accordance with the Nammo authorization procedure for expenditure limits. When applied, the Nammo procurement terms and conditions shall be leading in the order of precedence in all supplier agreements unless otherwise agreed in writing.

When selecting suppliers, an assessment shall be conducted 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.

Typically, a minimum of two suppliers are evaluated for strategic materials, and a primary and secondary source are identified. Strategic suppliers are continuously monitored, including systematic due diligence reviews, audits and additional assessments.

The supplier is a crucial part of the value chain and throughout the supplier engagement lifecycle, Nammo practices good supplier management and works with suppliers to comply with all regulatory and contractual requirements as well as to ensure process improvements. Having a non-disclosure agreement and requisite export authorization is necessary to establish interactive supply chain management, and all suppliers receives the Nammo Supplier Conduct Principles.

Information that may adversely affect Nammo's competitive advantage in the marketplace will not be shared with suppliers as it may reduce the integrity of Nammo or the business transaction and weaken bargaining. Any suspected or confirmed violations of confidentiality should be reported to an immediate manager, to the Legal & Regulatory Affairs department or through the established Nammo reporting channels (SpeakUp and Ethicspoint).

Nammo employees must make fair and objective business decisions related to procurement and ensure that conflicts of interest are disclosed, managed and recorded. Therefore, Nammo employees should not participate in procurement activity if:

- The employee is personally a party to the transaction or has private business activities that can create a conflict of interest with Nammo's interests,
- Is in close relationship/friendship or dependency with a supplier,
- Is in strong opposition to a supplier,
- Has sent an application for future employment to such supplier.

For a period applicable to domestic law, new Nammo employees should not participate in negotiations with, or engage in an assessment of a business partner, with whom they have previously been employed.

Anyone who is in doubt about their own impartiality is responsible for raising this with their immediate manager or to the Legal & Regulatory Affairs department.

#### **OTHER RELEVANT DOCUMENTS**

- Code of Conduct
- Supplier Conduct Principles
- Nammo Trade Compliance Policy
- Non-Disclosure Agreement
- Nammo Management System



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