

NFM Group's Statement According to the Norwegian Transparency Act for January through December of 2024

1 A general description of the enterprise's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions

Introduction

NFM Group is subject to the Norwegian Transparency Act, hereafter referred to as The Act. This statement covers the entire group, including NFM AS and Nor Development Group AS, who are covered subsidiaries, for the period from 01.01.2024 to 31.12.2024 with some work carried out in 2025.

NFM Group develops, designs, produces, and sells protective equipment to public agencies, primarily armed forces and police. Our portfolio includes load-bearing systems, protective gear, clothing, field equipment, weapons, optics and electro-optics, maritime equipment, and soldier systems such as drones, anti-drone systems, and communication systems.

Organisation structure and activities

As the parent company, NFM Group AS mainly focuses on executive management, group strategy, strategic business development, and strategic support functions for other business units. The group holds a range of subsidiaries that focus on different markets and aspects of operations, with a workforce of more than 1 000 employees and 30 nationalities across 21 companies in Norway, Sweden, Poland, Bulgaria, France, Germany, and the United States. Below is an overview of the entire ownership structure of NFM Group AS.

0 - NFM Group AS: Parent company.

1 - NFM AS: Works on importing, exporting, and selling goods related to the military, such as clothing and personal gear, as well as advisory services related to this. NFM is fully owned by NFM Group AS.

2 - NFM Technology AS: Serves as NFM Group's center for strategic research and development, supporting all the other business units. It delivers engineering and research services and operates a ballistic testing laboratory in addition to producing ballistic composites for protective equipment. NFM Technology is fully owned by NFM AS.

2 - Hexonia GmbH: Develops, produces and sells combat clothing and ballistic protective equipment for German and Dutch markets, aimed at armed and security forces. Manufacturing mainly takes place in Germany. Hexonia is fully owned by NFM AS.

2 - NFM Netherlands BV: Sales and marketing company for the European market. NFM Netherlands is fully owned by NFM AS.

2 - NFM France SAS: Marketing and sales of gear in the French market, aimed at armed forces, special units, and police. NFM France is fully owned by NFM AS.

2 - NFM US LLC: Development, production, and sales of ballistic technology. Mainly focused on the North American market. NFM AS has 72% ownership of NFM US.

1 - NFM Poland Sp. z o. o.: Production of textiles and ballistics in Poland. It serves as a hub for research and development, design, production, and international sales of NFM products, and also manages a textile production facility in Bulgaria. NFM Poland is fully owned by NFM Group AS.

2 - NFM Bulgaria EOOD: Production of textiles in Bulgaria. NFM Bulgaria is fully owned by NFM Poland Sp. z o. o.

2 - NFM Lviv TOV: Property company in Lviv, Ukraine. NFM Lviv is fully owned by NFM Poland Sp. z o. o.

1 - Godętowo Hotel Sp. z o. o.: Hotel in Godetowo for internal and external use. Godętowo Hotel is fully owned by NFM Group AS.

1 - NFM Property Sp. z o. o.: Lessors of property, registered in Poland. NFM Property is fully owned by NFM Group AS.

2 - NFM Property Bulgaria EOOD: Lessors of property, registered in Bulgaria. NFM Property Bulgaria is fully owned by NFM Property Sp. z o. o.

1 - Nor Development Group AS: Provides administrative support and coordinates operations for NFM Group's subsidiaries in Norway and Sweden. Nor Development Group is fully owned by NFM Group AS.

2 - Equipnor AS: Supplies the Norwegian military, law enforcement, and security forces with field equipment, clothing, ballistic loadbearing systems, tactical equipment, maritime products, optics and electro-optics, weapons and ammunition, drone and counter drone systems, logistics support, and maintenance and repairs in mechanics, electronics and textiles. Equipnor is fully owned by Nor Development Group AS.

3 - Norsegear AS: A Norwegian supplier of tactical, outdoor, and professional equipment to the consumer market. Norsegear is fully owned by Equipnor AS.

2 - Equipnor AB: Trading house and center of competence for supply of products and services to the defense, police, and security sectors in Scandinavia. Supplies the Swedish military, law enforcement, and security forces with equipment.

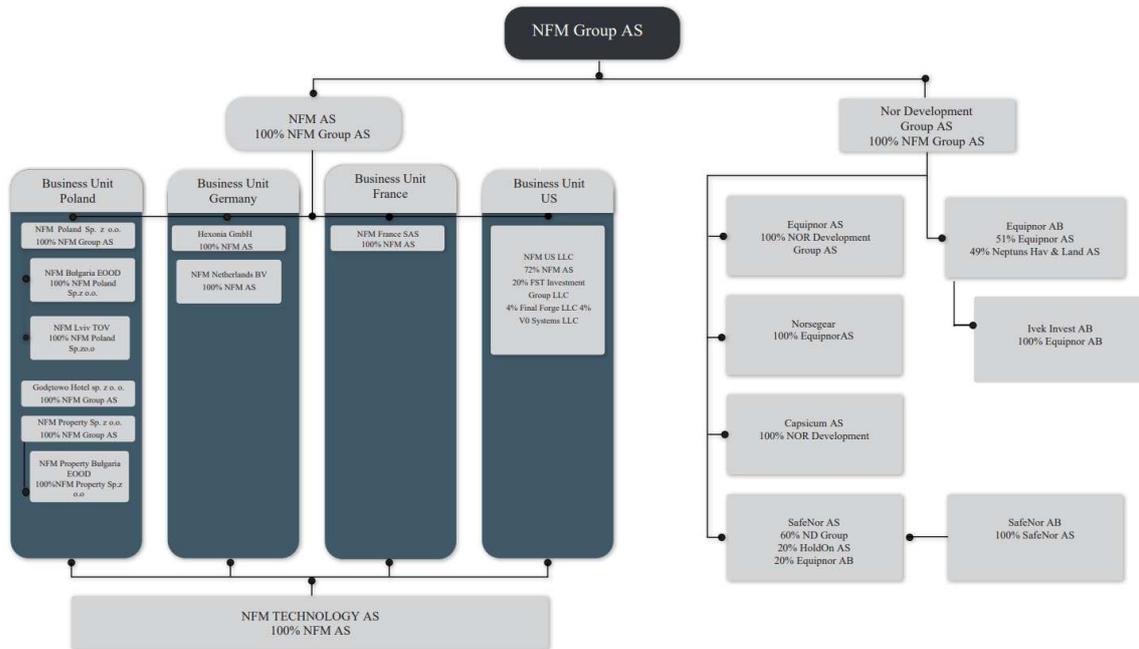
3 - Ivek Invest AB: A Swedish property company that owns and manages office spaces leased to Equipnor AB. The company is fully owned by Equipnor AB and supports the operational needs of Equipnor AB through its property management activities.

2 - SafeNor AS: Norway's leading distributor of professional diving equipment, chemical protective gear, fire and rescue equipment, and compressors for diving and smoke diving. NOR Development Group AS has 60% ownership, and Equipnor AB has 20% ownership of SafeNor AS.

3 - SafeNor AB: A newly established Swedish distributor of professional diving equipment, chemical protective gear, fire and rescue equipment, and compressors for diving and smoke diving. Safenor AB is fully owned by SafeNor AS.

2 - Capsicum AS: A leading supplier of high-end equipment, firearms, and advanced equipment to Norwegian special forces, police, and military units.

See below for organizational chart of NFM Group AS.



Governance of human rights and decent working conditions

NFM Group has established its commitment to upholding internationally recognized human and labour rights across all levels of its operations. This commitment extends to both employees within the organization and suppliers. The CEO holds the overall responsibility to adherence to the transparency act, with the Operations Manager in charge of the operational implementation of these standards.

NFM Group has established a Code of Conduct that applies to all employees within the group and individuals representing the company’s interests. This Code addresses key areas including conflict of interests, discrimination, corruption and bribery, environmental responsibility, and work environment standards.

In addition to the Code of Conduct, NFM Group requires all suppliers to adhere to ethical standards outlined in its Guidelines for Ethical Trade (Retningslinjer for etisk handel). These guidelines are based on international human rights conventions and standards. Furthermore, the group is actively working on integrating a Supplier Code of Conduct as a mandatory component in all supplier agreements.

2 Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence

Conducting due diligence and risk assessment

NFM Group has initiated a project to improve our supply chain due diligence practices, and work with human rights and decent working conditions. We did an initial evaluation of risks across the Group, where we prioritized subsidiaries bound by the Transparency Act based on perceived industry risk.

We decided to start with Equipnor AS, our largest subsidiary in Norway. This is due to the inherent risks associated with the textile sector, known for its complex supply chains and potential labour rights issues.

To support these efforts, NFM Group engaged external support to conduct an initial risk assessment and a gap-analysis, looking at NFM Group's work in relation to the requirements of the Transparency Act.

The initial risk assessment focused on Equipnor's operations, supply chain, and business partners to identify potential human rights and labour risks. This assessment considered the supplier's country of operation, the countries where commodities are produced, and industry-specific risks, categorizing suppliers and partners based on the products and services they provide to Equipnor. Seven international indexes were used to objectively assess country risks, alongside risk information from the UN, ILO, and the Norwegian Agency for Public and Financial Management, to evaluate category risks.

The geographical location of suppliers can influence the type of human rights and labour rights risks present, and the likelihood of human rights abuse. Areas with weak legal protection or ongoing conflicts may experience higher rates of restricted freedom and labour exploitation.

It is also critical to assess the industry categories, as certain sectors are inherently prone to more human rights issues than others. Sectors like the textile industry are more prone to higher risks related to human rights and labour rights, such as unsafe working conditions and labour exploitation. Industries with complex supply chains face additional challenges in monitoring and enforcing standards, increasing the risk of violations. Furthermore, sectors heavily reliant on low-skilled or migrant labour are particularly vulnerable to exploitation and abuse.

The service providers of NFM Group and Equipnor in Norway are all managed through Nor Development Group. All the service providers are Norwegian. None of the service providers are identified to pose a high risk from a human rights or labour conditions perspective, but we have identified some sectors with inherent high risk, such as the production and delivery of ICT Hardware and packaging.

The insights gained from assessing Equipnor's supply chain are intended to help NFM Group develop practices and frameworks that can be implemented across the entire organization.

Identified risks of negative impacts

No actual violation of human rights or labour conditions were uncovered.

Based on Equipnor's initial supply chain risk assessment, certain procurement categories, such as metals, electronic and optical equipment, plastics and rubber materials, and textiles have been identified as carrying a significant risk of human rights and labour standards violations.

Further details can be found in Equipnor's statement.

We acknowledge that there may be potential risks in other areas of the NFM Group, that are yet to undergo a risk assessment.

3 Information on measures that the enterprise has taken or plans to implement to stop actual negative consequences or limit material risks of negative consequences, and the result or expected results of these measures

Current and planned measures

NFM Group is committed to closing gaps identified in the gap-analysis and applying the insights gained from Equipnor's initial risk assessments to its entire group. So far, we have updated our Guideline for Ethical trade (Retningslinjer for etisk handel) and renamed this to Supplier Code of Conduct that is applicable to all suppliers.

As of June 2025, we are in the process of establishing a procedure for conducting human rights due diligence, which will serve as a guiding framework for our subsidiaries as they carry out their risk assessments and prepare their statements. We will prioritise the implementation of the supply chain due diligence methodology by focusing initially on the remaining subsidiaries covered by the Act. The work will include roll out of group wide procedures, and training and capacity building.

The pilot project with Equipnor has provided valuable understanding of our supply chain and highlighted key risks that will be prioritized moving forward. We are planning to expand our risk assessments to cover all our business units and potential areas of risks, as well as conduct in-depth risk assessments based on high-risk areas identified Equipnor's initial risk assessment. Based on this we are committed to implement specific mitigating measures where necessary, monitoring the implementation and results of these.

As we expand our risk assessments, we expect to uncover additional risks or potential violations. To ensure that this will be handled correctly we will seek to establish a clear process on remediation and compensation of harm where this is required, including handling of grievances.

Through these measures, we aim to establish a sound approach for group-wide supply chain rights due diligence, whereby our business units gain capacity to assess, identify, and reduce risk or remedy any negative consequences of the businesses.

For NFM Group AS:

*Walter Øverland, Managing Director
and Board Member*

*Carl Fredrik S. Bødtker, Chairman of
the board*

Toivo Horvei, Board Member

Beate S. Nygårdshaug, Board Member

Cathrine Soot Bakke, Board Member

For NFM AS:

*Walter Øverland, Managing Director
and Chairman of the Board*

Nils Holm Toverud, Board Member

Viggo Engen, Board Member

For Nor Development Group AS:

Nils Holm Toverud, Chairman of the Board

Jon Gultvedt, Managing Director

Viggo Engen, Board Member

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Gultvedt, Jon

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2025-06-30 07:53:17 UTC



Øverland, Walter

Underskriver

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2025-06-30 08:45:56 UTC



Toverud, Nils Holm

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Horvei, Toivo

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Nygårdshaug, Beate S

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Sejersted Bødtker, Carl Frederik

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Engen, Viggo

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Bakke, Cathrine Soot

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