

NFM Group's Statement According to the Norwegian Transparency Act for January through December of 2025

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

Introduction

NFM Group AS is subject to the Norwegian Transparency Act. This statement covers the Group's operations, including the subsidiaries NFM AS and NFM Technology AS, for the period from 01.01.2025 to 31.12.2025.

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

Organisational structure and activities

As the parent company, NFM Group AS mainly focuses on management, group strategy, strategic business development and strategic support functions for the underlying business units. The group has a number of subsidiaries focusing on different markets and different aspects of the business, with a workforce of more than 3,500 employees and 30 nationalities across 30 companies in Norway, Sweden, Poland, Bulgaria, France, Germany, the USA and Madagascar. Below is an overview of the full ownership structure of NFM Group AS.

NFM Group AS (Parent Company)

- **NFM AS** – imports, exports and sells military-related goods, including clothing and personal equipment, and provides related advisory services. Fully owned by NFM Group AS.
- **NFM Poland Sp. z o. o.** – produces textiles and ballistic products in Poland and serves as a hub for research and development, design, production and international sales of NFM products. It also manages a textile production facility in Bulgaria. Fully owned by NFM Group AS.
- **Godętowo Hotel Sp. z o. o.** – hotel in Godętowo for internal and external use. Fully owned by NFM Group AS.
- **NFM Property Sp. z o. o.** – property leasing company registered in Poland. Fully owned by NFM Group AS.

- **Nor Development Group AS** – provides administrative support and coordinates operations for NFM Group’s subsidiaries in Norway and Sweden. Fully owned by NFM Group AS.

NFM AS

- **NFM Technology AS** – serves as NFM Group’s centre for strategic research and development (R&D), providing engineering and research services, operating a ballistic testing laboratory, and producing ballistic composites for protective equipment. Fully owned by NFM AS.
- **Hexonia GmbH** – develops, produces and sells combat clothing and ballistic protective equipment for the German and Dutch markets, aimed at defence and security forces. Manufacturing mainly takes place in Germany. Fully owned by NFM AS.
- **NFM Netherlands BV** – sales and marketing company for the European market. Fully owned by NFM AS.
- **NFM France SAS** – marketing and sales of equipment in the French market, aimed at armed forces, special units and police. Fully owned by NFM AS.
- **NFM US LLC** – develops, produces and sells ballistic technology, primarily focused on the North American market. NFM AS holds a 72 percent ownership interest.
- **Paul Boye SA** – parent company/holding company of Groupe Paul Boyé, acquired in October 2025. No employees. Fully owned by NFM AS.

Paul Boye SA

- **Paul Boye Technologies SAS** – research and development (R&D), production and sales, and management of Groupe Paul Boyé. Fully owned by Paul Boye SA.
 - **Recyclocal textiles** – recycling of clothing in cooperation with similar industries. Cooperative enterprise. 25 percent owned by Paul Boye Technologies SAS.
- **TECMA SARL** – holding company for Paul Boyé Industries, Madagascar. No activity. Fully owned by Paul Boye SA.
- **Paul Boye Industries SARL** – production of clothing in Madagascar. 95 percent owned by Paul Boye SA.
- **PB Tex SAS** – no current or previous activity. Fully owned by Paul Boye SA.
- **Paul Boye Suisse SA** – no activity. Fully owned by Paul Boye SA.
- **Paul Boye INC** – no activity. Fully owned by Paul Boye SA.
- **Georges Morand** – design and production of gloves. 50 percent owned by Paul Boye SA.

NFM Poland Sp. z o. o.

- **NFM Bulgaria ЕООД** – production of textiles in Bulgaria. Fully owned by NFM Poland Sp. z o. o.
- **NFM Lviv TOV** – property company in Lviv, Ukraine. Fully owned by NFM Poland Sp. z o. o.

NFM Property Sp. z o. o.

- **NFM Property Bulgaria ЕООД** – property leasing company registered in Bulgaria. Fully owned by NFM Property Sp. z o. o.

Nor Development Group AS

- **Equipnor AS** – supplies the Norwegian military, police and security forces with field equipment, clothing, ballistic load-bearing systems, tactical equipment, maritime products, optics and electro-optics, weapons and ammunition, drone and counter-drone

systems, logistics support, and maintenance and repair services in mechanics, electronics and textiles. Fully owned by Nor Development Group AS.

- **Norsegear AS** – Norwegian supplier of tactical, outdoor and professional equipment to the consumer market. Fully owned by Equipnor AS.
- **Equipnor AB** – trading company and centre of expertise for the supply of products and services to the defence, police and security sectors in Scandinavia. Supplies the Swedish military, police and security forces with equipment. Equipnor AS holds a 51 percent ownership interest.
 - **Ivek Invest AB** – Swedish property company that owns and manages office premises leased to Equipnor AB. Fully owned by Equipnor AB and supports its operational needs through its property management activities.
- **SafeNor AS** – Norway’s leading distributor of professional diving equipment, chemical protective equipment, fire and rescue equipment, and compressors for diving and smoke diving. Nor Development Group AS holds a 60 percent ownership interest, and Equipnor AB holds a 20 percent ownership interest.
 - **SafeNor AB** – newly established Swedish distributor of professional diving equipment, chemical protective equipment, fire and rescue equipment, and compressors for diving and smoke diving. Fully owned by SafeNor AS.
- **Capsicum AS** – leading supplier of high-end equipment, firearms and advanced equipment to Norwegian special forces, police and military units. Fully owned by Nor Development Group AS.

See below for the organisational chart of NFM Group AS.



Governance of human rights and decent working conditions

NFM Group is committed to complying with and promoting internationally recognised human rights and labour rights at all levels of our operations. This commitment concerns both our own employees and our suppliers. The Managing Director has overall responsibility for compliance with the Transparency Act, with the Operations Manager responsible for the operational implementation of these standards.

NFM Group has established a *Code of Conduct* that applies to all employees in the group and persons representing the company's interests. These guidelines address key areas such as working environment standards, conflicts of interest, discrimination, environmental responsibility, and corruption and bribery.

In addition to the *Code of Conduct*, NFM Group requires all suppliers to follow ethical standards described in the ethical trade guidelines. These guidelines are based on international human rights conventions and standards. Furthermore, the group is actively working to integrate a *Supplier Code of Conduct* as part of 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 continued and expanded its work on due diligence assessments and risk assessments related to fundamental human rights and decent working conditions in the supply chain. The methodology is the same as that used last year, but this year's assessments have been carried out internally within the group. At the same time, the scope of the work has been expanded so that the risk assessments now include suppliers to all Norwegian companies in the group.

The expansion of NFM Group's statement is that a risk assessment has been carried out for the suppliers of NFM AS, NFM Group AS and NFM Technology AS. As a result of the expanded scope, NOR Development Group AS has prepared a separate statement that includes a risk assessment of the suppliers of the underlying companies, SafeNor AS, Norsegear AS and Capsicum AS. Equipnor AS has, as last year, prepared its own statement.

All the companies that have their own statement have collaborated and compared their assessments of suppliers so that the risk level is assessed consistently across the group.

In the previous period, external support was used in the work on the initial risk assessment and gap analysis. In 2025, the risk assessments were carried out internally, based on the same framework and data basis, to ensure consistency and comparability over time.

The purpose of the risk assessment has been to identify potential risks of adverse impacts on human rights and working conditions in the supply chain of the Norwegian companies in the group. The assessment is based on the suppliers' country of registration, relevant production countries and industry/category risk based on which products or services are procured. Seven

international indices have been used to assess country risk, together with risk information from, among others, the UN, ILO, and the Norwegian Agency for Public and Financial Management, to evaluate category risks.

A supplier's geographical affiliation may affect the type of human rights and working conditions risks that are present, as well as the likelihood of breaches of these rights. Areas with weak legal protection or ongoing conflicts may experience higher levels of restricted freedom and labour exploitation.

Industry risk is also critical to assess, as some industries have greater human rights challenges than others. For example, the textile industry is exposed to higher risk related to breaches of human rights and labour rights than several other industries, with conditions including unsafe working conditions and labour exploitation. Industries with complex supply chains face additional challenges in monitoring and enforcing legislation and standards, which increases the risk of breaches. Furthermore, sectors that rely heavily on low-skilled or migrant labour are particularly vulnerable to exploitation and abuse.

Service providers to the Norwegian companies in the group have also been identified in this year's risk assessment. The supplier base mainly consists of Norwegian suppliers. None of these have been assessed as posing high risk from a human rights or working conditions perspective.

The insights from the risk assessment have been used as a basis for the further development of the group's practices and framework for due diligence assessments, and to strengthen the work on risk-based follow-up of suppliers across the Norwegian companies.

We are committed to continuously improving our work on human rights, working conditions and the Transparency Act.

Identified risks of negative impacts

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

Based on this year's risk assessment of suppliers to the Norwegian companies in the group, certain procurement categories have been identified as areas with significant inherent risk of adverse impacts on human rights and labour rights. This applies particularly to categories such as metals, electronic and optical equipment, plastic and rubber materials, as well as textiles.

Further details on the risk assessments and prioritised risk areas are set out in the statements for Equipnor AS and NOR Development Group AS, respectively.

We recognise that there may still be potential risks related to parts of the group's operations and supply chains outside Norway that are not covered by this year's assessment, and that this will be a topic for further risk mapping and prioritisation. This applies in particular to the Paul Boye Group, which was acquired in October 2025. Paul Boye Industries SARL operates garment manufacturing in Madagascar, a country with well-known challenges related to labour rights and human rights. Although this operation is not covered by this statement, it is noted that there is a strong focus on ESG-related matters within the company. Operations are continuously monitored and followed up to ensure that acceptable standards are maintained. The inclusion of foreign entities in due diligence assessments will be a priority topic in the next reporting period.

3 Information on measures the company has implemented or plans to implement to stop actual adverse consequences or limit significant risks of adverse consequences, and the results or expected results of these measures

Current and planned measures

NFM Group works systematically to further develop the group's due diligence assessments and follow up on improvement points identified through previous gap analyses and risk assessments. For the 2025 reporting period, the scope has been expanded, and internal risk assessments have been carried out for suppliers to NFM Group AS, NFM Technology AS and NFM AS. As NFM Group AS and NFM AS mainly purchase services and do not have their own turnover from products, the main focus of this year's supplier review has been on suppliers related to NFM Technology AS, as they purchase products used for research and development.

We have updated our ethical trade guidelines and renamed them the *Supplier Code of Conduct*. The guidelines apply to all suppliers and support a more uniform approach to supplier follow-up across the Norwegian companies in the group.

Since June 2025, we have been working to establish and anchor a group-wide procedure for carrying out due diligence assessments. The procedure will function as a guiding framework for risk assessments and reporting, and contribute to consistency in the data basis, prioritisation and follow-up. Equipnor AS has carried out its own risk assessment and prepared its own statement, and NOR Development Group AS has correspondingly prepared a statement for its underlying companies.

NFM Group has established a whistleblowing channel on its website, www.nfmgroup.no, which gives employees, suppliers and other affected parties the opportunity to report concerns related to possible breaches of human rights, working conditions or other ethical matters in the group's operations or supply chain. Reports can be submitted anonymously. All reports are treated confidentially and are followed up by a responsible person appointed by the CEO. There is zero tolerance for retaliation against anyone who reports in good faith.

Based on this year's internal risk assessments, we will prioritise more in-depth assessments and dialogue with suppliers where elevated risk has been identified within procurement categories with inherent risk. If necessary, we will implement targeted risk-reducing measures and establish structured follow-up to monitor progress and effect.

If we uncover actual adverse consequences or breaches, these shall be handled as non-conformities. The aim is to ensure a robust and risk-based approach to due diligence assessments in the group, where the business units have the necessary capacity to identify, prevent and reduce risk – and to manage and remedy any adverse consequences.

For NFM Group AS:

*Walter Øverland, Managing Director
and Board Member*

Toivo Horvei, Board Member

Cathrine Soot Bakke, Board Member

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

Beate S. Nygårdshaug, Board Member

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Toivo Horvei

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Carl Frederik Sejersted Bødtker

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Walter Øverland

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Cathrine Soot Bakke

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