

Communication on Progress from Nammo 2015

With reference to www.nammo.com

- www.nammo.com/who-we-are/about-us

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ABOUT US

Headquartered in Raufoss, Norway, the Nammo Group is a technology-driven aerospace and defense group specializing in high-performance defense and space solutions. The company was founded in 1998, based on a merger of three major Nordic defense companies: Celsius AB, Patria Oyj, and Raufoss ASA.

Ownership

The Nammo Group's shareholders are the Norwegian Government represented by the Norwegian Ministry of Trade, Industry and Fisheries (50 percent) and the Finnish Defense and Aerospace Group, Patria Oyj (50 percent).

Organization

The Nammo Group is driven by precision engineering, a dedication to safeguarding the environment, and the development of innovative, global solutions. With a total of 22 production sites and sales offices, the Nammo Group operates through 5 business units: Small Caliber, Medium and Large Caliber, Missile Products, Demilitarization, and Nammo Talley.

The company employs 2200 experts in 9 countries, and the company's annual revenue is USD 600 million (EUR 450 million).

Core business

Nammo Group's innovative, wide-ranging products and services are implemented world-wide. Its broad portfolio includes shoulder-launched munitions systems, military and sports ammunition, rocket motors for military and space applications, and environmentally friendly demilitarization services.

Customer base

As a technology-driven aerospace and defense group, the majority of Nammo's business comes from national armed forces and national defense industries in the countries where the organization operates. The remaining portion of the company's business is comprised of commercial sales of services and sports and security products.

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BUSINESS UNITS

Nammo operates through five business units, which are the operational management divisions of Nammo.

Small Caliber Division

Technology, services, propellants and products of small caliber ammunition, ranging from 4.6 to 9.3 mm, including combat and premium projectiles, cartridge technology and commercial brands.

- Nammo Lapua (Lapua, Finland)
- Nammo Lapua (Vantaa, Finland)
- Nammo Vanäsverken (Karlsborg, Sweden)
- Nammo Schönebeck (Schönebeck, Germany)
- ND PressTec (Schwerte, Germany)
- Nammo Tactical Ammunition (Mesa, USA)
- Nammo Vihtavuori (Vihtavuori, Finland)

Medium & Large Caliber Division

A broad range of medium and large caliber combat and training ammunition for army, navy and air force applications.

- Nammo Raufoss (Raufoss, Norway)
- Nammo Bakelittfabrikken (Aurskog, Norway)
- Nammo LIAB (Lindesberg and Karlskoga, Sweden)
- Nammo Lapua, (Vihtavuori, Finland)
- Nammo MTH (Hérémence, Switzerland)
- Nammo Palencia (Palencia, Spain)

Nammo Talley

Four product lines covering 66 mm and 83 mm shoulder-launched munition systems, composite solutions and energetic materials systems.

- Nammo Talley (Mesa, Arizona, USA)
- Nammo Talley (Columbus, Mississippi, USA)
- Nammo Talley (Davidsville, Pennsylvania, USA)
- Nammo Composite Solutions (Salt Lake City, Utah, USA)

Missile Products Division

Development and production of advanced rocket motor segments in air-to-air, ground-to-air and space applications, including high-performance thrust vector control systems and advanced warheads.

- Nammo Raufoss (Raufoss, Norway)

Demil Division

Disposal and demilitarization of conventional ammunition and explosive products.

- Nammo Vingåkersverken (Vingåker, Sweden)
- Nammo Buck (Pinnow, Germany)
- Nammo NAD (Løkken Verk, Norway)

MANAGEMENT 2014

The Group Management consist of the President & CEO, CFO, SVP's in Corporate and EVP's from each of the five business units.



Edgar Fossheim

President & CEO



Peter Lerche Raadal

Senior Vice President Finance & CFO



Ola Skrivervik

Senior Vice President Business Development



Bertil Pålsrud

Senior Vice President Human Resources



Sissel Solum

Senior Vice President Communication



A. Erland Paulsrud

Vice President Business Development



Raimo Helasmäki

Executive Vice President Small Caliber Division



Kjell Kringsjå

Executive Vice President Medium & Large Caliber Division



Reijo Bragberg

Executive Vice President Demil Division



Morten Brandtzæg

Executive Vice President Missile Products Division



Scott Selle

President Nammo Talley

BOARD OF DIRECTORS 2014

The Board of Directors in Nammo AS shall according to the Shareholders Agreement consist of 6 to 8 Directors.

Three from each owner and two Directors representing the employees. The employees may also nominate one additional observer so that in total Norway, Sweden and Finland are represented. The Chairman of the Board alternates yearly between the two owners. The Board of Directors meets regularly with a minimum of four times per year.

SHAREHOLDERS REPRESENTATIVES



Heikki Allonen

Chairman
President and CEO, Patria Oyj



Jan Erik Korssj en

Vice Chairman
CEO (Ret.) for Kongsberg
1999-2008



**Sirpa-Helena
Sormunen**

Board Member
General Council, Fortum Oyj



Dag Opedal

Board Member
CEO, Alcaran AS



Ingelise Arntsen

Board Member
Chief of Staff, Aibel



Pasi Niinikoski

Board Member
President, Patria Systems Oyj

EMPLOYEE REPRESENTATIVES



Einar Linnerud

Board Member
Operator, Nammo Raufoss AS
and Leader in the Metal Union



Petri Kontola

Board Member
Quality Development Engineer,
Nammo Lapua Oy

EMPLOYEE OBSERVER



Astrid Berg Ardesj 

Observer
Economy Assistant, Nammo
LIAB AB

- www.nammo.com/who-we-are/csr

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Sustainable reporting

Nammo has used the Global Reporting Initiative (GRI) standard for sustainable reporting for six years.

After having reported at the B-level, transfer to GRI 4 will be done in 2015.

At Nammo, we earn our license to operate every day.

We work systematically to promote sustainable development through our business operations, emphasizing environmental, ethical and social considerations. We are committed to ensuring that human and labor rights, environmental concerns and anti-corruption acts are followed and respected in our business activities as well as by our suppliers. It is Nammo's goal to be appreciated for our high ethical standards.

Our ethical code of conduct was revised in 2014 and distributed to our employees. An ethical dilemma training program was completed in February 2015.

We are an active contributor to the development of the society where we are located. We are engaged in various activities sports, in science centers and other events that specially target children and the youth. Close relationships with Gjøvik University College and the Norwegian Center of Expertise at Raufoss are important to us, as can be seen through our role as an active player in the local community and industry.



Read more about:
Ethics in Nammo

EXECUTIVE SUMMARY - COMPLIANCE AND ETHICS

An integral part of corporate social responsibility Nammo's compliance program ensures that we meet the standards set by individual government regulations, as well as requirements set by industrial customers. The importance of compliance programs has grown as regulations within many industries have become more stringent. In response to this, Nammo has built a strong compliance network and established a dedicated compliance council. These have been developed based on a systematic approach and close contact with the different authorities. This ensures that Nammo meets the standards set by individual governments as well as the requirements set by industrial customers.

Ethics

To earn our license to operate, we work systematically to promote sustainable development through business operations that emphasize environmental, ethical and social considerations. We are committed to ensuring that human and labor rights, environmental considerations and anti-corruption acts are followed and respected in our business activities and by our suppliers. Our goal is to be appreciated for our high ethical standards. We completed a second revision of our ethical code of conduct in 2014, and distributed this to our employees. An ethical dilemma training program was completed in February 2015.

Reporting

The Norwegian government requires that the Global Reporting Initiative (GRI) standard is met by its partly owned companies. Since 2008, GRI has been our standard for sustainable reporting. We are self-declaring, reporting at B-level. We will transfer to G4 in 2015.

Nammo has supported the UN Global Compact's (UNGC) 10 principles for many years, and joined UNGC in 2012. Our strategic CSR work is in line with the ten principles and has a special focus on four elements: empowering women, working against corruption, abolishing child labor and encouraging the development of environmentally friendly technologies.

People

Through acquisitions over the last 2 years, more than 350 employees from 3 different countries have become members of the Nammo Group.

During 2014, we prioritized the integration of three new sites within our company culture, ethical standards and values.

Our personnel policy is to ensure equal opportunities and rights, and to prevent discrimination on the grounds of gender, ethnicity, national origin, skin color, language, religion, philosophy of life, and age. This particularly applies to recruitment, career development, equal pay for equal work and working conditions.

Women account for 25.8 percent of our employees. However, the number of women in leadership positions is too low. Therefore, activities to motivate female university graduates and women with other educational backgrounds to join the company will continue to be an important endeavor in the future.

In its strategic plan 2014-2016 Nammo emphasizes the importance of increasing female presence at all levels in the organization. In 2014, we established a women's forum at Nammo Raufoss that will focus on promoting the increased participation and influence of women.

The women's forum will cooperate with senior management, HR and trade unions when it comes to access to and allocation of company resources and employee responsibility. Nammo Raufoss believes that the initiative shows our determination to promote competence and ensure good management of premier resource, namely our employees.

Environment

All main Nammo sites are certified in accordance with ISO 14001, or similar environmental standards.

We have a direct impact on the environment through our production and testing of ordnance products and services, consumption of paper and energy, waste management, and procurement and use of transport. The environmental conditions for personnel exposed to hazardous materials are registered and followed up with preventive medical examinations.

Nammo operates in the explosives industry and handles energetic materials. We continuously focus on preventive work in all areas, and ensure close attention is paid to create a safe environment for all of our employees. Conditions that relate to health, environment, safety and security have top priority. All accidents or near-accidents involving employees are reported and preventive actions are taken.

Sickness absence among Nammo's employees was at an average of 4.5 percent for 2014. Various activities such as workplace improvements, measures to secure a good and healthy work environment, protective equipment and physical training have been attended to by the management. In 2014, there were 26 accidents resulting in employees being absent from work. There were no accidents involving explosives in 2014 that caused injury to personnel.

Health, environment, safety and security audits are conducted annually at all sites. This is a procedure performed by the HESS Manager in the group. Every year, there are selected focus areas on audits, and in 2014 all sites were compliant. Newly acquired companies have been highly prioritized in connection with audits to make sure that the HESS level meets Nammo's high standard.

Society

We have strong ambitions to be a positive contributor to the development of local societies near our production facilities. We therefore engage in sport, science and culture, with a focus on children and young people.

In 2014, we renewed both sponsorship agreements with the national women's biathlon team and national women's ski jumping team in Norway for two more years, including an option for an extra two years on top. In addition to these sponsorship programs in Norway, we also have a sponsorship plan with the national biathlon federation in Finland.

We also established a sponsorship procedure that will define general rules on how to handle requests for sponsorships, in order to avoid any discrimination or disqualification during the selection. Nammo has contributed to the development of ski jumping through increased technological expertise and support in aerodynamics. Our ambition with the biathlon sponsorship is to promote the Nammo brand and the civilian ammunition brand, Lapua. For both sponsorships, the group aims to build a strong company culture and empower women in the company.

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ETHICS, VISION AND VALUES

We build our ethical work on the solid platform given by our values. By ensuring that our employees and all others acting on behalf of Nammo, follow and live by our Ethical Code of Conduct, we secure a high ethical standard in all our operations.

Our Vision

Securing the future

- We will protect our national and allied forces with high quality defense products
- We will secure the future development of eco-friendly products, processes and services
- We will secure further growth based on strong financial performance.
- We will develop and secure a long-term sustainable business for our customers and employees
- Our future development depends on a secure and safe working environment. We must emphasize the importance of every single employee

Our Values

Our Values; Dedication, Precision and Care, are the fundamental principles guiding the way we do business, the way we interact in internal and external processes as well as the way we want to be recognized by our customers.

Dedication

- We are enthusiastic and creative, always searching for the best solutions

Precision

- We are reliable and accurate in our technology, processes and business

Care

- We are inclusive and open-minded, always encouraging team spirit and cooperation

Ethics

Ethical Code of Conduct

The Ethical Code of Conduct describes Nammo's commitment and requirements in connection with issues of an ethical nature that relate to business practice and personal conduct.

Nammo Ethical Committee

Nammo has an Ethical Committee consisting of 3 representatives from the Nammo Group. They are elected for two years by the Management Group and reports to the CEO. Incidents can be reported to the Committee through: ethics@nammo.com

UN Global Compact

Nammo supports the ten principles of the UN Global Compact. [Read more »](#)

Support

Nammo support the European Defence Association ASD through our membership in the Nordic Security and Defence Organisations FSI (Norway), SOFF (Sweden) and AFDA (Finland), who all supports ASD's anti-corruption work through IFBEC (International Forum of Business Ethical Conduct).

Responsibility

Senior Vice President Human Resources is the professionally responsible person for Ethics within the Nammo Group. Contact info: Bertil Pålrsrud, bertil.palsrud@nammo.com



"I expect all employees and anybody acting on behalf of Nammo to behave and comply with our Ethical Code of Conduct. I also emphasize that Nammo has zero tolerance for any form of corruption."

Edgar Fosshem, President & CEO Nammo Group

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SUPPLIERS

Nammo acknowledges ethics and corporate responsibility as the heart of its operations and shall be recognized for its high ethical standards. Nammo requires its Suppliers to support and uphold the same standards.

Supplier Conduct Principles

The objective of these principles is to state the requirement for best business practices and personal conduct in the entire Nammo supply chain and for Nammo business partners.

[Link to document »](#)

Links:

- [Ethical Code of Conduct »](#)
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ENVIRONMENT

All of Nammo's main sites have been certified in accordance with ISO 14001 or similar environmental standards. Complying with laws and regulations is a minimum requirement and we share best practices across divisions and sites. Every year we register improvements and new ambitions at all sites.

Caring for the health and wellbeing of the environment, as well as ensuring a safe and secure workplace for our employees, are top priorities for Nammo. Our day-to-day activities, such as producing and testing products, consuming energy and using transportation, have a direct impact on the environment and the safety of our workers. That is why we continuously register and follow up on incidents where personnel or the environment are exposed to hazardous materials.

All health, environment safety and security audits were completed in 2014. They found good standards in most sites. There have not been any serious accidents involving explosives, and only one minor incident. Our ambition is to achieve zero accidents. We have a strong, constant focus on preventing accidents and injuries, especially where explosives are involved. The audit results revealed 26 accidents that resulted in days off – three more than in 2013. In addition, there were 83 accidents without days off, compared with 55 in the previous year. We will aim to reduce both of these numbers for the future.

HESS program

The Nammo HESS directive is the main tool for defining the Nammo Group standards for health, environment, safety and security. The directive shall ensure that the group performance and strategic decisions are in compliance with regulatory requirements, and that neither Nammo employees nor any third party person is exposed to unacceptable hazards as a result of activities.

Nammo has a direct impact on the environment through its production and testing of ordnance products and services, through consumption of paper and energy, waste management, procurement and use of means of transport.

HESS award

The objective of the award is to motivate and inspire our employees to create innovative solutions that improve our work within health, environment, safety and security. Nammo's sites are excelling in this respect and are continuously improving their HESS level.

We evaluated the company's 18 production sites at the beginning of 2013. The new sites that joined the company during 2013/2014 will be part of the evaluation for next year's award. Three candidates were nominated: Nammo Composite Solutions in Salt Lake City, USA, Nammo Talley in Mesa, USA and Nammo Lapua in Vihtavuori, Finland.

The 2013 winner of the HESS award was Nammo Tally. The jury said that the site appears clean, well-organized and has measures in place to systematically follow-up on the prevention of accidents.

Other notable achievements:

- The site has a new reporting system to report and closely follow up HESS deviations. This has resulted in an increase in the number of reports.
- Sick absence has been low and stable during the last few years.
- The site has a very good training and education program and has recently started a new web-based program.
- It has a strong focus on environmental issues and has found good solutions to clean up old areas to protect the environment.
- The site did not have any accidents with absence last year and works systematically to prevent any future accidents.
- The whole organization is involved with HESS improvements and they have been excellent contributors to the yearly HESS seminar in Nammo.

The award ceremony was held at the Nammo Forum in August 2014.



Roles and responsibilities

The HESS manager's role and responsibility for preparing and revising policies and instructions, reporting, improving and exchanging of experiences is clearly defined.

The site manager is responsible for designing and operating HESS policies and procedures at their sites. This includes risk assessments, emergency plans, improvement plans, and ensuring that employees have adequate competence and training to perform their job. The site manager is required to report immediately any serious accident to the HESS Manager and the CEO.

Ground pollution

There are always challenges when taking over sites where production activities have been ongoing for decades. We ensure the continual cleaning up of pollution to the ground at our new acquisitions.

It is important to have well-defined contracts with the previous owners that identify responsibility for covering environmental cleanup cost. In general, the previous owners are responsible for all pollution that has been identified before the acquisition.

Award

Up to date, Vanäsverken has contributed to 1 800 kg of lead not being mined, processed and ultimately spread in our environment. This achievement is highly appreciated by the local society; In 2013 Vanäsverken was given the municipality's environmental award for the good work.

Demil secures the environment



The success of Nammo Demil operations is important for the overall environment.

As the leading European contractor specializing in the safe and environmentally controlled demilitarization of ammunition, we were awarded a three-year enabling agreement by the UK Ministry of Defense (MoD) in June 2014. This agreement underlines that the execution of the previous five-year agreement has been very successful.

In addition, Nammo Demil signed a two-year contract with Japan. The first shipment of cluster munitions arrived at Emden port, Germany in June 2013 where Nammo Buck has automated processing lines designed to dispose of cluster munitions. Nammo NAD in Løkken Verk, Norway, is especially suitable for the destruction of materials that may cause safety or security challenges, as it has detonation chambers 900 m underground.



Environmentally friendly hunting



In many countries, lead-free hunting ammunition is being used to reduce the negative impact on the environment. During the last 15 years Nammo has developed a lead-free bullet, Lapua's Naturalis, which is a heavy, metal-free premium class hunting bullet. It ensures a clean shot without fragmentations and with minimized meat loss.

Environmental reporting 2014

Name of company	Country	Energy consumption (kWh)		Water consumption (m3)
		Current year		Current year
		Fossile	Renewable	
Nammo Raufoss	Norway	6 480 628	19 616 982	82 503
Nammo NAD	Norway	0	1 856 593	1 911
Nammo Bakelittfabrikken	Norway	335 740	702 193	552
Nammo Vingåkersverken	Sweden	6 100 000	995 810	900 000
Nammo LIAB, Lindsberg	Sweden	0	11 482 000	12 743
Nammo Vanäsverken	Sweden	0	6 443 000	32 700
Nammo Lapua, Lapua	Finland	970 582	2 911 748	30 408
Nammo Lapua, Vihtavuori	Finland	3 268 000	595 000	540
Nammo Vihtavuori Oy	Finland	31 225 000	3 693 000	1 225 000
Nammo Schönebeck GmbH	Germany	5 029 027	1 472 706	2 408
Nammo Buck	Germany	528 801	1 811 028	7 524
ND PressTec	Germany	3 006 370	0	20 995
Nammo MTH	Switzerland	251 290	29 500	NA
Nammo Palencia	Spain	2 093 794	4 236 477	57 937
Nammo Talley	USA	8 683 136	0	14 157
Nammo Composite Solutions	USA	962 160	0	7 711
Nammo Tactical Ammunition	USA	0	0	0
Nammo Pocal	USA	13 444	841 001	464

Name of company	Country	Waste (kg)					
		Current year					
		Hazardous waste	Cardboard	Paper	Woodwork	Plastics	Residual waste
Nammo Raufoss	Norway	225 745	33 474	3 379	61 599	5 803	104 535
Nammo NAD	Norway	1 626	0	880	30 020	0	32 720
Nammo Bakelittfabrikken	Norway	0	7 980	0	0	1 560	11 900
Nammo Vingåkersverken	Sweden	42 657	0	2 000	0	30 107	0
Nammo LIAB	Sweden	24 745	16 960	2 130	67 400	100	58 380
Nammo Vanäsverken	Sweden	40 173	16 930	3 982	49 920	2 330	56 680
Nammo Lapua, Lapua	Finland	49 030	4 120	480	4 680	46 000	51 000
Nammo Lapua, Vihtavuori	Finland	5 085	4 300	430	0	0	50 356
Nammo Vihtavuori Oy	Finland	107 270	20 200	6 660	11 600	NR	93 000
Nammo Schönebeck GmbH	Germany	56 410	4 070	0	8 000	2 540	7 010
Nammo Buck	Germany	91 210	305 810	11 022	317 500	24 230	146 920
ND PressTec	Germany	10	60	NR	180	2	58
Nammo MTH	Switzerland	0	0	145	0	0	0
Nammo Palencia	Spain	26 178	71 160	0	32 620	26 000	255 593
Nammo Talley	USA	14 293	1 618	65 316	10 128	0	143 664
Nammo Composite Solutions	USA	0	0	0	0	0	0
Nammo Tactical Ammunition	USA	0	0	0	0	0	0
Nammo Pocal	USA	10 677	2 177	0	0	0	47 173

NR=not reported

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SITE EXAMPLES

Examples of good environmental practices at selected Nammo sites.

Good LTI records for Pocal

Nammo Pocal introduced monthly safety audits in 2014 in order to maintain and ensure a safe working environment. The safety committee, consisting of the HESS manager, HESS representatives, operation managers and designated employees, monitors each location and documents any safety issues or concerns revealed by the audits. The findings are documented in the safety survey corrective action spreadsheet and tracked on a monthly basis for status and completion.

The safety survey audits support a safe working environment for employees and prevent potential incidents or accidents. This routine has contributed to a lost time injury (LTI) rate of 0 incidents for the past 1 143 days.

In addition, we launched a monthly safety training program in which we reviewed OSHA related topics with all employees. Each month, the HESS representatives review the safety topics through videos or presentations. Each topic is then tied in to any applicable policy or procedure.

We have also implemented a safety suggestion box where employees can give input to the company's overall safety, health and wellbeing. We have set a goal of receiving 10 suggestions in the first year and have already received six suggestions during the first five months.

Towards the end of 2014, we began to see great improvements in our reporting on hazardous material. Any hazardous substance or chemical being stored or utilized by Nammo Pocal complies with the OSHA regulated hazard communication and RCRA standards for labeling hazardous waste, recycling and satellite accumulation.

Water monitoring at Raufoss

The Nammo Raufoss test center at Bradalsmyra in Vestre Toten, Norway, incorporates unique facilities, equipment and competence for testing of ammunition, rockets and other high-tech products within the aerospace, car and oil industry. The test center area has already monitored water for several years.

New claims in the regulation of water have been implemented. We have received more detailed requirements from the Norwegian environmental authorities with respect to the influence our site has on biodiversity and chemical relations. As a result, our measurement areas have expanded. We must fully control which chemicals are released from the test center, the properties of the chemicals, the risk associated with them and the total flow rate in the water source. Every year we send the results of the water monitoring to the Norwegian Environment Agency, and if there are unexpected negative changes of the water quality, we take appropriate action to rectify this.



Nammo Buck lights up

Our Nammo Buck factory premises have more than 115 street lights. Most of them were installed 25 years ago and have been upgraded from conventional to metal-vapor bulbs over time. The constant failure of bulbs, combined with electrical problems and poor efficiency led to high maintenance costs, slackening of security and reduced safety for our employees. These conditions resulted in a project to successively replace the old fixtures with state-of-the-art lamps. They offer very high efficiency, customizable light distribution through individual optics, as well as high visibility during the night at our site boundaries. We also achieved very low maintenance and energy costs as a result.



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PEOPLE

Three new companies and 350 new employees joined the Nammo Group through acquisitions in 2013 and 2014. Our cultural base has expanded. We are more diversified than ever, which benefits the entire organization and helps us to better understand the market and our customers. This rapid growth brings challenges when it comes to the integration of new companies with our company's culture, ethical standards and values. This work was given high priority in 2014, and we can see very positive results.

Due to the market situation in 2014, we experienced a larger fluctuation in staffing. However, because of reduced defense budgets in many countries, we have been forced to downsize, especially in Sweden and the USA.

Last year we revised our ethical code of conduct, accomplished a comprehensive program for dilemma training, and conducted an analysis of the organization's maturity and resilience against corruption and fraud. DNV GL conducted the analysis on behalf of Nammo.

Health, environment, safety and security audits were conducted at the sites in 2014. Every year, there are selected focus areas for audits, and in 2014 all sites were compliant.

Our intellectual capital – our employees – is the most important asset we have in working towards the company's goals.

Cooperation ➤

The One Nammo initiative, which was launched three years ago, follows three main threads: cross business unit cooperation, the One Nammo culture, and encouraging common working methods and systems. It encourages the exchange of best practices and builds a strong, cooperative organization.

We motivate each of our employees with an appraisal review that ensures constructive feedback and clear communication. The issues discussed include work, environment and cooperation; a review of competency levels; assessing employee alignment with our values; evaluating achievements; and setting objectives and personal development goals.

Nammo management highly appreciates Ilkka Heikkilä's role in integrating the Nammo Vihtavuori Propellant Plant into the Nammo family. Ilkka finds the Nammo values clear and easy to embrace. "In some companies, the values are rather disjointed from daily business. That is not the case with Nammo. The values are very concrete," says Ilkka. The HESS policy is firm, which is important in our industry. Decision-making procedures are quick and resolute, which has been crucial for us during the last year, as several projects and investments have been initiated.

The site manager appreciates the level of competence shown in several areas. He states that the portfolio is creating a high level of service for customers, from component production and ready ammunition to demil and lifecycle services.

Q: What has been the biggest challenge in turning the Vihtavuori Propellant Plant into a true Nammo site?

A: It is clear that our new owner wants payback for the investment. The economic history of Vihtavuori has not been that good, so it has been a big challenge to turn our profitability in the wanted direction. Last year was extremely busy, but I feel that we made good return in Vihtavuori together with other Nammo organizations.

Q: What is the strength of Nammo Vihtavuori and how has Nammo benefited from this acquisition?

A: For 90 years, Vihtavuori has been known for producing high quality propellants with reliable ballistic performance, a long shelf-life and a wide variety to choose from. All of our propellants meet the strict requirements of both civilian and military needs. Vihtavuori also manufactures high quality nitrocellulose, nitrated oils, ether and different kinds of double base premix pastes to be sold as raw materials for double and multi-base propellant production. There are lots of possibilities to supply products for Nammo's own use.

Facts

Employees: 100 people

Products: Vihtavuori small caliber (SC) propellants (N100) are traditional single base propellants for rifle calibers. N300/3N offers porous single base propellants and precise measuring capabilities for pistol cartridges, rimfire ammunition and shotgun shells. The N500 series propellants are special high energy rifle propellants, enhanced with nitroglycerin for extra ballistic performance.

For medium and large caliber (MLC) military applications, Vihtavuori has a wide scale of premium propellants from 20 mm to 155 mm caliber. The company produces special ignition propellants (CBI, porous strands) to be used in tank, field and naval artillery ammunition. In addition to SC and MLC propellants, our products are all nitrocellulose, nitrated oils, ether, double base premix pastes.

Markets: 80 percent of our products are exported (31 percent to Scandinavia, 61 percent to the rest of Europe). The share of civilian customers is 63 percent (for sport and hunting), the rest goes to military customers like defense forces and ammunition system suppliers (2014).

History: The Vihtavuori propellant factory building project was originally accepted by the Finnish Government in 1922. The first propellant was made in Vihtavuori in 1926. Several changes in ownership have taken place over the years.



Diversity



Nammo has designed a personnel policy to ensure equal opportunities and rights, and to prevent discrimination on the grounds of gender, ethnicity, national origin, skin color, language, religion and philosophy of life or age. This applies in particular to recruitment, career development, equal pay for equal work and working conditions.

Women account for 25.8 percent of our employees. However, the number of women in leadership positions is considered to be low. Our ambition is to increase the number of women in top and middle management positions. We will take a renewed look at the way we present ourselves, with the aim of appearing more attractive to female university graduates and women from other educational backgrounds. Nammo is an exciting, high tech environment for young, highly educated women. We will modernize the company branding and use different channels to communicate the many opportunities in Nammo.

Women's forum



We believe that the initiative shows our determination to promote competence and good management of our greatest asset, namely our employees. The Women's Forum will cooperate with management, HR and unions when it comes to access to and allocation of company resources and employee responsibility.

The mandate for Nammo Raufoss' Women's Forum is:

- Work towards a healthy corporate culture
- Contribute to increased participation of women in leadership roles at Nammo Raufoss
- Follow up actions from internal surveys
- Hold professional development events and establish networks, counselors and resources for female employees
- Provide mentoring support for new female employees
- Promote the use of pay equity analysis
- Encourage the establishment of women at other sites

Acting pragmatically

The Women's Forum was established as an initiative by the President at Nammo Raufoss, Erland Paulsrud.

Lonnie Myklebust, Compliance Officer and a member of the Women's Forum says, "We wish to act pragmatically, to not irritate or provoke. We also encourage other Nammo sites to establish women's forums. We are pleased that the senior management in Nammo so clearly state their willingness to increase the proportion of women in management positions, and to recruit highly educated, highly skilled women in key positions in the company."



Devoted to Nammo

"I knew about Nammo from my early days as a PhD candidate and had the opportunity to observe their professionalism and real progress in space activities. It (joining Nammo) was an once-in-a-lifetime opportunity to work in a well-established and stimulating European company, in the field I am passionate about and in which I invested my education. It was a hard decision to move alone to Norway, but the motivation was stronger," says Martina.

Her family ties are strong. "They are my biggest fans and supporters: without them, I would not be anything."

Martina is from Padova, a cozy and ancient city in the north east of Italy, near Venice and Verona. Its university is one of Italy's leading universities and among the most ancient, founded in 1222.

Background

Martina defended her PhD thesis in April 2014.

"I am an aerospace engineer and I performed my research within the Space Propulsion Group of the University of Padova. After finishing my PhD I stayed at the university as a research fellow within space. My research has always been related to hybrid rocket propulsion, a promising technology for space applications. Since I was part of a small but very ambitious and competent group, I had the opportunity to learn a lot and cover roles of responsibility both in experimental testing of lab-scale rockets and numerical modeling of internal ballistics. I could really get my hands and brain on projects oriented to technology development."

Her daily work

Q: Tell us about your working day at Nammo.

A: I arrive at work at 7.30. If we are going to perform a rocket test, I spend the whole day together with my colleagues at the test center to follow all the phases, from pre-test preparation to post-test preliminary inspection. When I am not at the test center, I am in my office, busy with rocket functioning investigation and optimization. We are involved in a technology development project, so every day is a new opportunity to understand something new about our system and get one step further. As an engineer, what I like the most about my work is having the opportunity to put my knowledge into practice to improve technical aspects regarding the motor itself, or the test facility, or the procedures and logistics, etc. Sometimes in my work I am also responsible for preparing documents, such as presentations and reports for internal discussion or aimed at our customers. My workday finishes at 15.45, but most of the time I stay a bit longer to finish what I am doing – I do not like to leave something unsolved.

Q: How do you see your future in Nammo?

A: I want to keep on building my skills and technical competence every day, learning by experience and dedication, and gaining expertise from my colleagues. I see a future full of interesting challenges and technical achievements, where my teammates and I can spread the success of Nammo in space propulsion all over Europe, and further. I would like to gradually earn increased responsibilities, and attain future leadership roles.

Q: What do you appreciate most about working for Nammo?

A: Nammo is a reliable and strong company, which is pursuing technical development in space propulsion effectively and efficiently. As part of a small and competent group, I can really build up my practical and theoretical knowledge, and contribute usefully to achieving new goals.

Martina describes Nammo as very open-minded and international, with real consideration for its employees. All of these aspects contribute to make the working environment stimulating and pleasant.





The group's policy is evaluated each year. All accidents or near-accidents involving employees are reported and preventive actions are taken. Monthly reports are sent to all sites. Health, environment, safety and security audits were last conducted at the sites in 2014. Every year, there are selected focus areas on audits, and in 2014 all sites were compliant.

Newly acquired companies have been highly prioritized in connection with audits to make sure that the health, environment, safety and security levels are according to Nammo's high standards. All sites in Nammo have their own education and training schedules related to HESS. Once a year, Nammo arranges a forum for the key employees responsible for these areas.

Nammo has been part of the EU-Excert partnership program and will continue work to establish a transferable certificate of explosives competence. This will be recognized inside and outside of the EU.

A site example

At Nammo Pocal in the US, we implemented a safety suggestion box to give employees an outlet to make suggestions about overall safety, health and wellbeing while in the workplace. This has been a successful method thus far, helping to obtain six useful suggestions during the first five months. Each suggestion will be tracked via the safety suggestion tracker, and will then be reviewed by the safety committee each quarter to determine the best suggestion(s) that should be rewarded. This system allows employees to take their safety and their co-workers' safety into their own hands. They have the opportunity to share their opinions on how the workplace safely operates on a day-to-day basis.

Beginning in November 2014, we initiated a monthly safety training program. Each month, the HESS representatives from every location review the safety topic through safety videos or presentations. Each topic is then tied in to any applicable policy or procedure, acting as a refresher in safety training that was initially carried out at the time of hire.

Zero incidents in 1 143 days

Monthly safety audits began in 2014 in order to maintain and ensure a safe working environment. The safety committee, consisting of the HESS Manager, HESS representatives, operation managers, and designated employees, walked through each location and documented any safety issues or concerns found on the audit. After an audit, the findings are documented in the safety survey corrective action spreadsheet, and tracked on a monthly basis for status and completion time lines. The safety survey audits not only develop a safe atmosphere for employees, but also prevent possible incidents or accidents in the future. This process, along with additional safety policies added, has helped in keeping our LTI* rate at zero incidents for the past 1 143 days.

*Accidents with days off per million hours worked

Sick leave



Sick absence among Nammo's employees was at an average of 4.5 percent for 2014. Various activities such as workplace improvements, measures to secure a good and healthy work environment, protective equipment and physical training have been given attention by the management. There were 26 accidents resulting in employees being absent from work at Nammo in 2014. There were no accidents involving explosives in 2014 that caused injury to personnel. The group will continue its preventive work in all areas and maintain a high focus on safe conditions for all employees.

Ethical behaviour



Last year we revised our ethical code of conduct, carrying out a comprehensive system for dilemma training and an analysis of the organization's maturity and resilience against corruption and fraud. DNV GL conducted the analysis. On basis of the DNV GL report, the Nammo board and management have formed an action plan for reporting and roles, and for distributing the anti-corruption manual which was launched during the first quarter of 2015.

The ambition of our focus on ethics and anti-corruption is to prevent illegal handling by any of our employees or persons acting on behalf of Nammo, and to increase awareness of the importance of correct ethical behavior. If someone breaks the law with illegal actions, we will have systems in place that can stand strong if the company is under investigation.

Training

A new training program based on ethical dilemmas was launched in March 2013 and rolled out during 2014. The program is tailored for employees that are particularly exposed to ethical issues, for example the procurement departments and the management. The dilemma training had many realistic examples of situations that our employees in different positions could be exposed to. More than 250 employees have participated in this training program.

Our owners have a strong focus on ethics. We see ethical behavior as a requirement from our customers, and consider it a personal responsibility.

Ethical committee

The ethical committee consists of three people from the Nammo Group. Members of the ethical committee are elected every second year. The committee meets quarterly and reports to the President and CEO. No issues were reported in 2014.

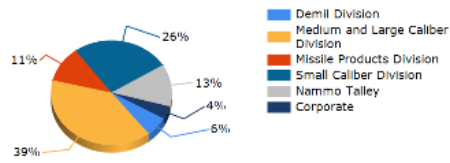
Employee of the year



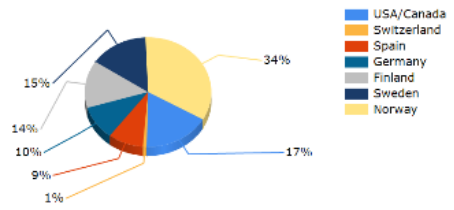
The employee of the year for 2013 was celebrated in 2014. The winner, Michael Cramer from Nammo Talley, received the award because he is recognized for using precision in carrying out his duties. He has demonstrated his dedication by always going the extra mile to make sure his work is completed on time and correctly and he cares about the health and safety of his co-workers. The jury states: "The winner has shown excellent leadership and skills that were essential in orchestrating and facilitating a true 'One Nammo' project across several Nammo sites."



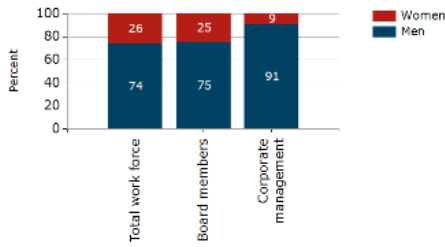
Employees per business unit 2014



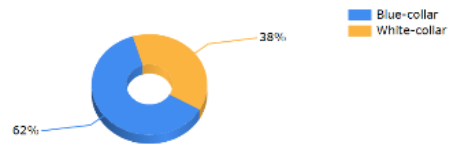
Employees per country 2014



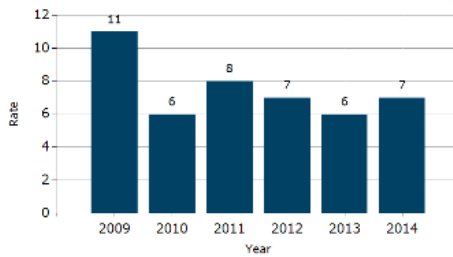
Gender percentages 2014



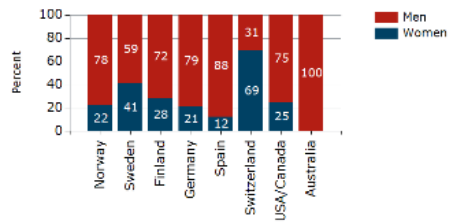
Group distribution between white-collar and blue-collar 2014



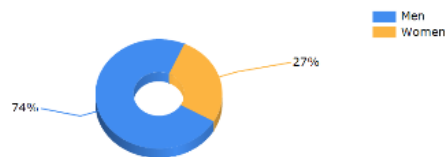
LTI rate in Nammo 2014



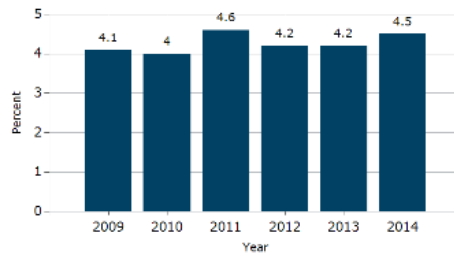
Percentage men vs women per country 2014



Percentage men vs. women 2014



Sickness absence in Nammo 2014



Executive summary -
Compliance and ethics

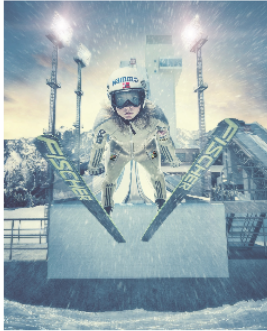
Environment

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SOCIETY

Being a cornerstone company comes with great social responsibilities. Our ambition is to make a difference through close cooperation with our local communities.

As a good neighbor, we are engaged in local activities such as sport, education, culture and human aid, with a particular focus on children and youth. We continuously strive to be a sustainable company and a positive and ethical employer.

Our stakeholders [▶](#)

We respect and listen to all stakeholders and maintain an open dialogue with different interest groups. It is our policy to always provide the facts and to be transparent. We meet with the politicians of countries where we operate and we have a good dialogue with the most relevant non-governmental organizations (NGOs). We aim to build a strong relationship with civilian society through cooperation and a positive presence.

The Procurement Forum [▶](#)

The diligent work of the forum participants and the support of Nammo as a whole will ensure that the forum lives up to its mission statement: 'Nammo strives to secure the future by functioning as a 'One Nammo' procurement body. We aim to conduct the best ethical practices and leverage Nammo's position with our global supply base in order to yield best value for all Nammo divisions.' Today, procurement is organized by sites and/or business units.

Nammo's Norwegian purchasing director and member of the procurement forum, Per Olav Moen explains: "Our mandate is to identify areas for cooperation through brainstorming, suggestions and input on behalf of the Nammo Group, to make clear actions and to follow through ideas".

Our suppliers

Nammo is committed to working with our suppliers to ensure compliance with the supplier conduct principles. We will also make efforts to work with those suppliers who may not be compliant. In cases where a supplier or sub-tier supplier refuses to comply, Nammo may take measures to impose restrictions upon further business interactions.

It is important for Nammo to have an open dialogue with its suppliers. In 2013, more than 80 supplier representatives attended our supplier conference in Arizona alongside Nammo management. A second conference is planned for the end of March 2015 in the USA. It is our ambition to hold conferences annually, alternating between the USA and Europe.



Both sponsorships will contribute towards a strong company culture and promote the empowerment of women in the company. In 2014, Nammo renewed these sponsorship agreements for an additional two years, with the option to extend for a further two years after that.

Nammo also has a sponsorship agreement with the Finnish Biathlon Association.

New sponsorships procedure

To achieve the goals of our sponsor engagements we have developed a sponsorships procedure in accordance with the communication directive. This defines general rules on how to deal with sponsorship requests in order to avoid any discrimination or disqualification during the selection process.

The procedure applies to Nammo AS, all wholly owned subsidiaries and all subsidiaries where Nammo has a majority ownership and/or management control. It also covers any third party acting on behalf of the company. Legal entities shall comply with this procedure as well as local laws and regulations.

Our engagement in sponsorships shall cover three areas:

- Branding
- Company culture
- The visualization of corporate social responsibility (CSR)

[***Apply for sponsorships here***](#)



Multiple initiatives >

The Nammo Group and its local business units support a range of activities in local communities, including sports, cultural events, humanitarian aid and health actions for employees. In addition, employees regularly make donations to various local initiatives.

Nammo Palencia, Spain >

The company and its trade unions collaborate with the charity organization Banco de Alimentos de Palencia to give food to those families in need in Palencia. Amazing work is being done by this local charity food bank during a crisis in Spain where many families are left without such a basic necessity. See the initiative's site for more information.



Nammo Schönebeck, Germany >

Nammo Schönebeck has supported the German shooting team in disabled sports for many years, and has had a sponsorship agreement with Manuela Schmermund since 2010. Manuela is one of the world's best shooters and a multiple Olympic medalist winner. In 2014 we supported the IPC Shooting World Championship in Suhl, contributing to its success.

Every year we support Suppe und Seele, an organization in Schönebeck which helps those from poor backgrounds via special projects such as providing daily warm meals and a yearly Christmas dinner.



Nammo Vingåkersverken, Sweden >

We have supported the production of a school book and educational material for teachers explaining how we affect the environment and the nature that surrounds us. The target group is 4th to 6th grade pupils in local schools in Vingåker.

Nammo Raufoss, Norway >

Nammo Raufoss has established charging stations for electrical cars to help to reduce the emission of greenhouse gases.

Nammo also supports the annual public outdoor festival that has been held at Vestre Toten for the last 20 years. Many voluntary organizations participate with stands and outdoor activities in the Memorial park at Raufoss.



Charity organization United Way aims to create a meaningful and tangible impact in the community, to bring about change that matters. Donations from our Nammo Talley employees to United Way help to provide a local safety net of core services for children, the disabled, elderly and those experiencing unforeseen hardships.

Nammo Talley also encourages employees to donate a new, unwrapped toy before Christmas to the Toys for Tots Foundation. The primary goal of the charity is to deliver a message of hope to less fortunate youngsters in the community that will assist them in becoming responsible, productive and patriotic citizens.



Worldskills

330 youths from across Norway attended Worldskills Norway 2014 in Trondheim, a national vocational education skills competition. Jonas Tåsås, apprentice at Nammo Raufoss, won the gold medal for CNC machining in Kongsberg. Jonas will have the opportunity to be part of the national team and participate in the August 2015 World Championship in Brazil. We wish him good luck!



Political demonstration

Thirteen activists from the groups Friends of Palestine and Ship to Gaza protested outside of Nammo headquarters in August 2014. The demonstration was part of an international campaign against arms exports to Israel.

A Nammo spokesperson conversed with the protesters on behalf of the Nammo Board to explain that Nammo is a responsible company, and all products produced by Nammo comply with international laws and conventions. Every production unit in Nammo complies with the national export requirements of its specific country. These requirements differ from nation to nation. As a result US-produced products can be exported to countries which are not open for export from Norway. This situation can sometimes create confusion. Currently the US export regulations authorize sales of US-made defense products to Israel. Several NGOs oppose these regulations, thus the reason for the protests.



Valued attention

Norway's leading business newspaper DN devoted great attention to the national women's ski jumping I team in their weekly colorful magazine, D2.

Rarely has a sponsorship received such visible exposure. Nammo's cooperation with the Norwegian Ski Federation and Olympiatoppen to develop a ski jump simulation tool for project Aerotech was also featured.

Inc. Magazine

Nammo Composite Solutions in Utah was ranked number 3 085 on Inc. Magazine's annual Inc. 5000 list for 2014 of the fastest growing companies in America. The average company listed achieved a 3 year growth rate of 516 percent. This achievement places Nammo among notable companies that include Microsoft, VIZIO, Intuit, Chobani and Oracle.

Important visitor

In October 2014 Senator John S. McCain greeted employees, toured production facilities and discussed the national defense industrial base with company leaders at Nammo Talley in Mesa, USA. The senator took the opportunity to fire a training version of Nammo's M72 Light Assault Weapon. McCain was encouraged by the Arizona-based company's focus on the future, as employees develop new products and capabilities for the US and their allies in spite of the challenging market.



Technology support



Bloodhound and the hybrid rocket

On 7th October 2014 history was made when Nammo successfully fired a large hybrid rocket motor – the first in a series of hybrid rocket motors that have been developed. The test initiated Nammo's new test facility for green propulsion at the test center for rocket motors in Raufoss.

The hybrid motor tested will be used to power the Bloodhound Supersonic Car (SSC) currently being built in Bristol, UK. The Bloodhound Project is Britain's latest attempt to break the world land speed record, with a car capable of 1 000 mph.

A further mission of the Bloodhound Project is to inspire future generations to pursue science, technology, engineering and mathematics by showcasing these subjects in the most exciting way possible in schools, colleges and universities.



Norwegian Centre of Expertise (NCE) at Raufoss

The core area of activity for NCE Raufoss is the manufacturing of products in lightweight materials by automated production. The goal is to develop a national resource center for manufacturing in today's main markets – automotive and defense. Nammo is represented both on the NCE Raufoss Board of Directors and as a partner. The objective of the Norwegian Centre of Expertise Programme (NCE) is to enhance sustainable innovation and internationalization processes in the most dynamic and growth-oriented Norwegian clusters. The program was launched in 2006, and is funded by the Ministry of Trade, Industry and Fisheries, and the Ministry of Local Government and Modernization.



The civilian market



Click [here](#) to read all about what we do regarding civilian products.

CIVILIAN PRODUCTS

Civilian products cover 15 % of Nammos annual turnover. Customers range from international space agencies, oil and energy industry to distributors of commercial products.



Ammunition

Nammo provide Rimfire ammunition for sport shooting (.22 cal LR) under the Lapua and SK brands.

Centerfire ammunition covers sports and hunting ammunition, reloading components and special purpose ammunition and are manufactured under the Lapua and Vihtavuori brands.

Please visit www.lapua.com, www.sk-ammunition.com or www.vihtavuori.com for more info.



Propellant Powder

For over 90 years, Vihtavuori has been known for producing high quality propellants with reliable ballistic performance, long shelf-life and wide variety selection.

Please visit www.vihtavuori.com for more info.



Composite Solutions

Nammo Composite Solutions in Salt Lake City, Utah is an engineering and composite manufacturing company with more than 20 years of operation.

www.nammo-cs.com



Ariane 5 Space Rocket

Nammo take part in the European Space program with rocket motors to the [Ariane 5](#) space rocket.



Initiation Systems

The product group Initiation Systems comprise a successful combination of system competence in blasting operation for both military and police market and its very rigorous standard and quality requirements.



Sea Safety Products

Nammo secure safety at sea through the sea safety products from former Hansson Pyrotech. The distress signals are used throughout the world with technical skills and advanced technology.

Please visit www.hansson-pyrotech.se for more info.

The Global Compact ➤

Nammo has supported the United Nations Global Compact (UNGC) and its 10 principles for many years, but officially joined in 2012. Nammo's ambitions are aligned with the key focus areas of the UNGC Leaders Summit of 2013. Without strong cooperation between governments as well as local and international business operations, it will be very difficult to meet the ambitious targets that the Global Compact has set for the future. The summit demonstrated that cooperation is improving. We will continue our strategic corporate social responsibility (CSR) work in line with the 10 principles, with a special focus on 3 elements: Empowering women, fighting against corruption and the abolition of child labor.

REACH ➤

Nammo is committed to complying with the Registration, Evaluation, Authorization and Restrictions of Chemicals (REACH) regulation. This is a European Union regulation concerning chemicals and products manufactured, produced, imported or used in the EU-EEA area.

ITAR ➤

Nammo promotes compliance with the International Traffic in Arms Regulations (ITAR). The company is committed to implementing procedures that comply with ITAR and other regulations that control the transfer of sensitive technologies. This creates a culture of compliance within the whole Nammo Group. Furthermore, this culture extends to Nammo's suppliers, partners and customers through its business activities, which include development, procurement, sales and marketing.

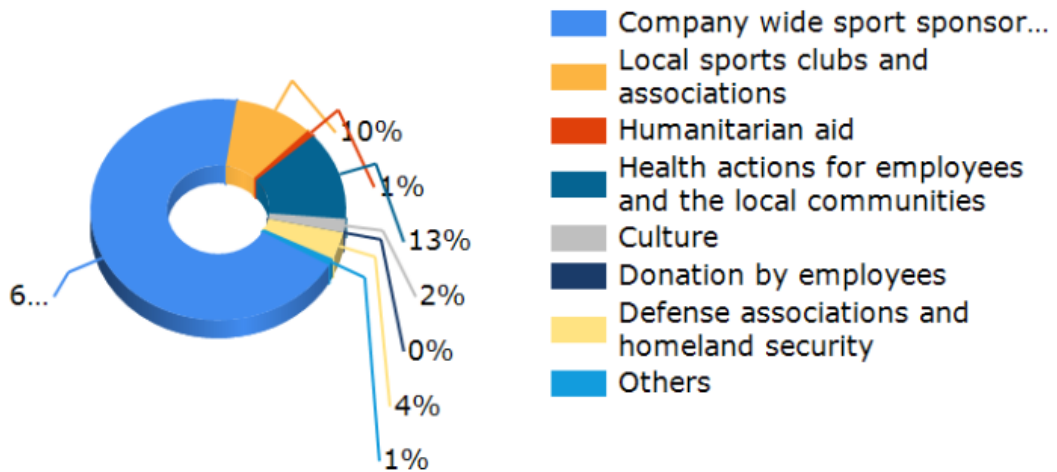
Important impact

The Arms Trade Treaty (ATT) will have an impact on the global defense industry. Therefore the participation of the industry in discussions is very important in order to have some influence on the result of the treaty. The first conference of state parties will take place in August 2015. The treaty aims to foster peace and security by putting a stop to destabilizing arms flows to conflict regions. It will prevent abusers of human rights and violators of the law of war from being supplied with arms.

For the treaty to be activated, 50 countries had to commit through a ratification process. Upon the 50th approval a period of 90 days needed to pass before the treaty could be executed. Once this occurred, all countries that had consented would be legally bound to follow the regulations of the agreement and to adapt national legislation accordingly.

During the General Assembly of the United Nations in September 2014 the targeted number of ratifications was reached. Therefore, the agreement came into force on Christmas Eve 2014, just six months after being opened for endorsement.

Sponsoring programs 2014



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GLOBAL REPORTING INITIATIVE

Nammo is reporting according to the Global Reporting Initiative (GRI) standard for sustainable reporting. GRI is a networkbased organization that has pioneered the development of the most widely used sustainable reporting framework.



The GRI framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental and social performance. Nammo is self-declaring, reporting at the B-level.

The table below presents those GRI indicators that, in our opinion, are the most relevant for us to report on. The table indicates where relevant information about the various indicators can be found in the report whether it is fully or partly disclosed according to the GRI guidance.

GRI element/ indicator		Comments and references
Strategy and analysis ➤		
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	AP: p 4-5
1.2	Description of key impacts, risks and opportunities.	AP: p 4-5, 14-15 AR: 6-7 Web: CSR - Executive summary

Organizational profile ➤

2.1	Name of the organization	Nammo AS
2.2	Primary brands, products and/or services	AP: p 8-15
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	AP: p 10 Web: About us; Business units
2.4	Location of organization's headquarters	Raufoss, Norway
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	AP: p 10, 12 Web: Business units
2.6	Nature of ownership and legal form	AR: p 41 Web: Corporate governance
2.7	Markets served	AR: p 41 Web: Corporate governance
2.8	Scale of the reporting organisation	AP: 6-6, 12 Web: CSR - People
2.9	Significant changes in size, structure, or ownership	AP: p 8 AR: p 3
2.10	Awards received in the reporting period	No awards received in 2014



Report profile

3.1	Reporting period	2014
3.2	Date of most recent previous report	Annual Report 2013, Annual Performance 2013, Web: CSR report 2013
3.3	Reporting cycle	Annual
3.4	Contact point for questions regarding the report or its content	info@nammo.com

Report scope and boundary

3.5	Process for defining report content	Web: CSR - Sustainable reporting; Executive summary; Global Reporting Initiative
3.6	Boundary of the report	AR: p 14-15
3.7	State any specific limitations on the scope or boundary of the report	No specific limitations
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations	AR: p 14-15
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	AR: p 14-15
3.10	Explanation of the effect of any re-statements of information provided in earlier report, and the reasons for such re-statement	No significant restatements
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	No significant changes

GRI content index

3.12	Table identifying the location of the standard disclosures in the report	Web: CSR - Global Reporting Initiative
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report	AR: p. 39-40 External assurance not practiced for CSR report

Governance

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	AR: p 41-42
4.2	Indicate whether the chair of the highest governance body is also an executive officer	AR: p 41-42
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	AR: p 41-42
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	AR: p 41-42
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives and the organization's performance	AR: p 18-20, 41-42
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	AR: p 41-42
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	AR: p 41-42
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	AR: p 41-42
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	AR: p 41-42
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	AR: p 41-42
Commitments to external initiatives		
4.11	Explanation of whether and how the precautionary approach or principles is addressed by the organization.	Web: CSR - Executive summary; Environment
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	AR: p 6-7 AP: p 5, 17 Web: CSR - Executive summary; Society; Global Reporting Initiative

4.13	Memberships in associations and/or national/international advocacy organizations.	AR: p 6-7 AP: p 5, 17 Web: CSR - Executive summary; Society; Global Reporting Initiative
Stakeholder engagement		
4.14	List of stakeholder groups engaged by the organization.	Web: CSR - Society
4.15	Basis for identification and selection of stakeholders with whom to engage.	Web: CSR - Society
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Web: CSR - People; Society
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Web: CSR - People; Society; Environment

Environmental performance indicators ➤

	Disclosure on management approach	AR: p 6-7, 41-42 AP: p 2-3, 18 Web: CSR - Executive summary; Environment
Materials		
EN1	Materials used by weight or volume	Not reported
EN2	Percentage of materials used that are recycled input materials	Not reported
Energy		
EN3	Direct energy consumption by primary energy source	Web: CSR - Environment
EN4	Indirect energy consumption by primary source	Not reported
EN5	Energy saved due to conservation and efficiency improvements	Web: CSR - Environment
Water		
EN8	Total water withdrawal by source	Web: CSR - Environment
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not relevant
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity values outside protected areas	Not relevant

Emissions, effluents and waste

EN16	Total direct and indirect greenhouse gas emissions by weight	Not reported
EN17	Other relevant indirect greenhouse gas emissions by weight	Not relevant
EN19	Emissions of ozone-depleting substances by weight	Not relevant
EN20	NOx, SOx and other significant air emissions by type and weight	Not reported
EN21	Total water discharge by quality and destination	Not reported
EN22	Total weight of waste by type and disposal method	Web: CSR - Environment
EN23	Total number and volume of significant spills	No significant spills reported in 2014

Products and services

EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	Web: CSR - Environment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not reported

Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No fines and sanctions reported in 2014
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Human rights ➤

Disclosure on management approach

AR: p 6-7, 41-42
 AP: p 2-3, 17-19
 Web: CSR - Executive
 summary; People;
 Society

Investment and procurement practices

HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Not reported
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken	Not reported
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Not reported

Non-discrimination

HR4	Total number of incidents of discrimination and corrective actions taken	No incidents reported in 2014
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Freedom of association and collective bargaining

HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Not reported
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Child labor

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Not reported
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Forced and compulsory labor

HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Not reported
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Assessment

HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Not reported
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Remediation

HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	No incidents reported in 2014
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Disclosure on management approach

AR: p 6-7, 41-42
AP: p 2-3, 17-19
Web: CSR - Executive
summary; Environment;
People; Society**Employment**

LA1 Total workforce by employment type, employment contract and region broken down by gender Web: CSR - People

LA2 Total number and rate of new employee hires and employee turnover by age group, gender and region Not reported

LA15 Return to work and retention rates after parental leave, by gender Not reported

Labor/management relations

LA4 Percentage of employees covered by collective bargaining agreements Not reported

LA5 Minimum notice period(s) regarding operational changes including whether it is specified in collective agreements According to national laws and regulations

Occupational health and safetyLA7 Rates of injuries, occupational diseases, lost days, absenteeism and number of workrelated fatalities by region and by gender AR: p 7
Web: CSR - People

LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases Not reported

Training and education

LA10 Average hours of training per year per employee by gender and by employee category Not reported

Diversity and equal opportunityLA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity AR: p 6, 8
AP: p 16
Web: CSR - People

LA14 Ratio of basic salary of men to women by employee category Not reported

Disclosure on management approach

AR: p 6-7, 41-42
AP: p 2-3, 17-19
Web: CSR - Executive
summary; People;
Society**Local community**

SO1 Operations with local community engagement, impact assessment and development programs Not reported

SO9 Operations with significant potential or actual negative impacts on local communities Not reported

SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities Web: CSR - Environment

Corruption

SO2 Percentage and total number of business units analyzed for risks related to corruption Not reported

SO3 Percentage of employees trained in organization's anti-corruption policies and procedures AR: p 6
Web: CSR - People

SO4 Actions taken in response to incidents of corruption No incidents reported in 2014

Public policySO5 Public policy positions and participation in public policy development and lobbying AR: p 7
Web: CSR - Society**Anti-competitive behavior**

SO7 Legal actions for anticompetitive behaviour, antitrust, and monopoly practices No incidents reported in 2014

Compliance

SO8 Fines and non-monetary sanctions for non-compliance with laws and regulations No incidents reported in 2014

Product responsibility



Disclosure on management approach

AR: p 6-7, 41-42
 AP: p 2-3, 13-15, 17-19
 Web: CSR - Executive
 summary; Environment;
 Society

Customer health and safety

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures Not reported

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes No incidents reported in 2014

Product and service labeling

PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements According to national laws and regulations

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes No incidents reported in 2014

Marketing communications

PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship Web: CSR - Society According to national laws and regulations

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes No incidents reported in 2014

Customer privacy

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data No incidents reported in 2014

Compliance

PR9 Fines for non-compliance with laws and regulations concerning provision and use of products No fines reported in 2014

Economic performance indicators ➤

	Disclosure on management approach	AR: p 3-8, 41-42 AP: 2-5 Web: CSR - Executive summary
Economic performance		
EC1	Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	AR: 10-13 AP: 6-7 Web: CSR - Society
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Not reported
EC3	Coverage of the organization's defined benefit plan obligations	AR: p 23, 36
EC4	Significant financial assistance received from government	Not reported
Market presence		
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	Not reported
EC7	Procedures for local hiring and proportion of senior management hired from the local community at the locations of significant operation	Not reported
Indirect economic impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement	Not reported
EC9	Indirect economic impacts	Indirect economic impacts

AR = Annual report 2014

AP = Annual performance 2014