

## Group Procurement Policy

### 1. Purpose

The purpose of this policy is to achieve professional and independent procurement processes and achieve the best possible business terms, with optimal management of company resources. This policy set predetermined requirements and methods in the execution of procurements to comply with the overall requirements set in among others the Sustainability Policy.

### 2. Scope

The policy applies to all procurements and outsourcing throughout Gjensidige Forsikring ASA and subsidiaries (hereinafter called "Gjensidige") and sets requirements to all participants in the procurements process, both employees of Gjensidige and suppliers of Gjensidige.

Requirements and principles for processes and activities regarding outsourcing are established in a separate Group Policy on Outsourcing.

### 3. Definitions

Procurement

Procurement is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process.

Outsourcing

Outsourcing means an arrangement between a company within the Gjensidige Group (the undertaking) and a service provider (including other companies within the Gjensidige Group), by which the service provider performs a process, a service or an activity, on a continuing basis, which would otherwise be performed by the undertaking itself, and which is connected to the licensed business.

### 4. Roles and responsibilities

#### 4.1 Principal

The Principal is a person, a function or a company in Gjensidige that engages and collaborates with Gjensidige' s Group Procurement function in the supply of services in connection with procurement processes. The Principal can thus occupy any of the following roles (as set out in the Procurement guideline): Budget, Concept or Logistics Manager.

#### 4.2 Group Procurement

The Group Procurement has the strategic responsibility for procurements for Gjensidige. The function leads participates in and monitors procurement activities throughout the Gjensidige. The function is responsible for the execution of procurement processes with an emphasis on independence and the best possible business terms for the contract. The Group Procurement is responsible for ensuring that procurement processes are executed according to the requirements.

#### 4.3 Employees

All employees involved in the procurement process are responsible for following Gjensidige's Ethical rules regarding impartiality, prevention of conflict of interest and professional distance to the supplier market.

#### 4.4 Suppliers

A party that supplies goods or services to Gjensidige. A supplier can also be a contractor or subcontractor, who commonly adds specialized input to deliverables.

## 5. Requirements and methods

### 5.1 Requirements to the procurement process

As a rule, procurements shall be performed according to the following process:

- Preparation, including the specification/verification of needs and requirements,
- Competition, evaluation, negotiation, and contract commitment,
- Implementation and operation, including ordering,
- Quality control, supplier audit, follow-up and supplier development.

Requirements that apply for each step in the process shall be detailed in the Guidelines for Procurement.

### 5.2 General requirements for procurements

The following requirements shall apply to procurements for Gjensidige:

- Procurements shall, as far as possible, be based on competition. Any exemption from this basic requirement must be justified and documented.
- Predictability, transparency and verifiability are to be maintained throughout the procurement process.
- The selection of qualified tenderers and the awarding of contracts shall be based on objective and non-discriminatory criteria.
- Independence and impartiality has to be practised in all procurement processes. This means that, for example, a person who is not impartial (for example, due to close ties, ownership or any financial or other personal interest) to the supplier cannot take part in the procurement process, final evaluation or selection of the supplier.
- When terms are otherwise equal, suppliers who are customers and/or distributors of Gjensidige shall be favoured as suppliers. When several suppliers are customers and/or distributors of Gjensidige, the customer/distributor considered the most significant shall be given priority.
- Intra-group procurement shall always be in line with relevant market prices and conditions, same conditions shall apply as for procurement from an external party. The contract for intra-group outsourcing shall be in the form of a service level agreement.
- The Principal must inform the Procurement Manager, as defined in Procurement Guideline, 4.1.5. prior to any interaction with suppliers regarding new or changed services. The Principal and the Procurement Manager must collaborate during all phases of the procurement process.
- A written contract shall always be concluded between the company and the supplier. The contract must define rights and obligations of the company and the supplier and must clearly state the requirements.
- Committing the company by entering into a contract, ordering and signing of work agreements under a contract can be executed by a manager according to the Group instruction on payment approval and decision making.

### 5.3 Requirements to Sustainability in procurements

Gjensidige must always act in accordance with good business ethics and ensure high ethical standards in procurement processes.

Gjensidige shall contribute to sustainable social development through responsible business practice with emphasis on environment, ethics and social conditions. This means that Gjensidige will not offer products or services, nor authorise or carry out activities or

transactions that contribute to unethical behaviour, infringing on human rights or employees' rights, corruption or damage to the environment. Gjensidige require this also from its suppliers.

To reduce impact on the environment and to care for future generations, procurements for Gjensidige are to be made with the most environmental efficiency possible. This means the greatest value creation with the least environmental damage.

Whistleblowing is important for the Group and society as critical matters can be addressed and that may assist in the further development of the Group. Employees who are willing to blow the whistle are therefore an important resource for the Group. Any person who becomes aware of matters that in their opinion are critical or matters contrary to laws and guidelines applicable to the Group's activities is encouraged to report this. The employees are legally bound to report criminal activities and matters that may put life and health in danger. In addition, a whistleblowing may be made through Gjensidige's external whistleblowing channel.

Gjensidige's suppliers are expected to respect the following ten principles of the United Nations Global Compact and shall sign a declaration to that effect prior to entering into a contract.

#### **Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

#### **Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

#### **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### **Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### **6. Control and reporting**

As part of Gjensidige's supplier relationship management, suppliers shall be followed up through conducting audits or other monitoring to ensure that cooperation, deliveries and services are according to the contracts. Monitoring may include an assessment that requirements related to corporate social responsibility are adhered to. The extent of monitoring performed is based on the assessment of risk related to the supplier.

If monitoring activities reveal lack of compliance with requirements, suppliers must be requested to improve their practices, or if the breaches are deemed significant, it may result in a termination of the contract.

The Group Procurement function shall monitor purchasing activity to identify deviations from Procurement Group Policy, and report to Group Management on a quarterly basis.