

Group Procurement Policy

Revised 15.12.2022



Gjensidige

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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 sets 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.

Additional requirements that apply when establishing an outsourcing arrangement are provided in a separate Group Policy on Outsourcing.

3. Definitions

Procurement

Procurement is the process to obtain products or services from external parties, often via a tendering or competitive 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 The Board of Directors

The Board of Directors of GF ASA shall approve written policies for procurements. This is determined in relation to Gjensidige's strategic and financial targets as well as its risk appetite.

The Board of Directors in all Gjensidige Group companies shall approve procurements of unusual nature or major significance and authorize the CEO to approve procurements of usual nature or non-major significance, pursuant to the Norwegian Public Limited Liability Act § 6-14, or equivalent local legal requirements.

4.2 Business manager

The business owner of the specific procurement is the manager in the business area where the need for a product, service or work from an external source arises. The business manager must inform Group procurement or similar role in subsidiaries in Gjensidige Forsikring ASA, prior to any interaction with suppliers regarding new or changed services and shall collaborate with group procurement during the entire procurement process. The business manager must have appropriate authority to commit the company by entering into a contract, ordering and signing of work agreements as set out in the Group instruction on payment approval and decision making.

4.3 Group Procurement

The Group Procurement has the strategic responsibility for procurements for Gjensidige. The function leads the procurement process and monitors procurement activities throughout Gjensidige. The function is responsible for the execution of procurement processes according to the requirements in the policy and instructions, with an emphasis on independence, the best possible business terms for the contract and appropriate assessments of risks related to compliance with human rights (UNGC) and labour rights (ILO) in accordance with the Transparency act.

4.4 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.

4.5 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,
- Risk assessment,
- 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 instructions 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 must 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.
- 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.
- Gjensidige shall assess risks related to compliance with fundamental human rights and working conditions for each supplier and consider mitigating measures for any identified negative impacts.
- Committing the company by entering into a contract, ordering and signing of work agreements under a contract must follow the authorisations set out in the Group instruction on payment approval and decision making.
- The audit committee shall approve contracts entered into with the external group auditor.

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, and Gjensidige has a legal obligation to facilitate that employees can notify internally or to the authorities of violations of provisions given in or pursuant to law. 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.

5.4 Requirement to inform control functions

Chief procurement officer must inform relevant second-line functions about any matters of relevance to the performance of their duties. For example, non-conformities with provisions in this document must be reported in accordance with the instructions for registration and reporting of operational incidents and information about new and significant procurements processes must be provided as early as possible in the procurement process.

Second and third-line functions are entitled to receive the information and be given the access rights they ask for to be able to perform their duties.

6. Control

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.

7. Reporting

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

The quarterly reporting shall include identified negative impacts and associated mitigating measures related to fundamental human rights and working conditions within the supplier chain.

