



Nammo

SECURING THE FUTURE

STRATEGISK INTEGRASJON AV HOP I NAMMO

Chip Muser

Director- Health, Environment,
Safety & Security (HESS)

21 Nov 2023

strengthen its leadership program "Nammo Academy" and its mentoring program going forward. As a responsible employer, Nammo has in place policies to support a reasonable work-life balance, safety and overall a good working environment, including several family-friendly arrangements. The Group has reason to believe that the company offers a positive working environment as the employee turnover rate in most parts of the Group remains low.

Women account for 27 percent of all employees at the end of the year, and the Group continues its efforts to encourage female employment. The positive development in the female ratio over the latest years supports efforts to increase the number of women in leadership positions at all levels and increase the diversity of the workforce. The goal is for women to comprise 30 percent of Nammo's workforce by 2030. The female ratio in the executive leadership is 18 percent.

During 2022 Nammo Group had an average of 2679 full-time equivalent employees.

With regards to gender equality and fulfilment of the requirements pursuant to the Norwegian Equality and Discrimination Act. § 26, further details can be found in the Sustainability Report.

Board and Management insurance

Nammo has insurance for the Board members and the CEO for their potential liability towards the company or third parties. The insurance coverage is in line with the market for such insurances.

Health, Environment, Safety and Security (HESS)

HESS remains vital for all sites within the Nammo Group. Maintaining occupational health and safety focus as an integral part of our daily operations is key to Nammo's ability to keep its work force safe, and deliver products of the highest quality and on schedule to its customers.

Particularly in the face of a war in continental Europe

Through the autumn of 2022, the Nammo Group HESS Policy was updated to reflect a shift towards understanding safety to be more than simply the absence of accidents and acknowledging that we need to focus on fixing systems and working conditions rather than trying to fix people. The Group is redoubling its efforts to involve employees in the identification of hazards and the mitigation efforts to reduce the hazards identified. Nammo Group sites will strive to learn from "normal work" and identify hazards that are present every day rather than wait for the hazards to announce themselves in the form of personal injury or material damage.

COVID-19 continued to affect Nammo sites as reflected in increased rates of sick absence as many countries maintained strict test and quarantine requirements through the first half of 2022. However, the increased sick absence did not adversely impact operations.

Site assessments

A total of 24 site assessments were conducted during the year, in accordance with a procedure and plan developed by

the Nammo Group HESS director. Ten of these visits also included other staff functions from Nammo Corporate in order to obtain a more holistic view of site operations.

Activities and results

During 2022, the Nammo Group experienced no fatal injuries and no Serious Injuries (SIF). The Group also saw the lowest number of LTIs in its history, with 23 LTIs suffered during 2022 and a LTI value (# LTIs/1,000,000 working hours) of

4.6 compared to 38 LTIs with an LTI value of 7.6 in 2021. In spite of this positive development in LTI statistics, the Group recognizes that LTIs do not always correlate well with the severity of incidents, and are highly dependent upon the number of hours worked. This means that small sites with low headcounts can have a disproportionately high LTI Value for a single LTI. This metric is also not an indicator of future safety performance and can see large degrees of natural variation from a statistical perspective.

Therefore, Nammo Group tracks SIF potential events closely and shares all SIF LTIs and near-misses/hazardous conditions throughout the Nammo Group via "Safety Flashes" to promote organizational learning.

Nammo Group quarterly safety council meetings continued during 2022 to review issues affecting group companies as well as promote cross-site discussions. The Group continues to have a couple of sites that are experiencing a high number of LTIs and they will continue to receive additional support during 2023. Sick absence increa-



OUR COMMITMENT

We shall ensure that our employees are working in a safe and healthy environment with the opportunity to develop their skills and build competence.

EMPLOYEE SAFETY AND WELL-BEING

Occupational health and safety

Management approach

Nammo is dedicated to creating a culture of safety that goes beyond simply avoiding accidents. While we will continue to prioritize the prevention of Lost Time Injuries (LTIs), near-misses, and hazardous conditions, we will also recognize and learn from normal, successful operations. Identifying “weak signals” during normal operations will help prevent a “drift towards failure” that could lead to hazards for our personnel, equipment, and facilities. To achieve this, we will build a foundation of psychological safety that allows employees at all levels to raise concerns without fear of punishment or retaliation.

In 2022, the Nammo Group conducted training sessions with Health, Environment, Safety & Security (HESS) leaders, corporate management, and site management on Human and Organizational Performance (HOP) principles.

These five principles will help guide our operations moving forward:

- People make mistakes
- Blame fixes nothing
- Context drives behavior
- Learning & improving is vital
- Leaders’ response matters (Conklin, 2012; Edwards & Baker, 2020)

Understanding the complexity of work and acknowledging the competing priorities that our employees face is crucial to our success. Rather than imposing ever more complicated checklists and Standard Operating Procedures (SOPs) on them, we are engaging with our staff to understand the challenges they face in their daily work. We are committed

EMPLOYEE SAFETY AND WELL-BEING

to building a more resilient organization that can tackle supply chain disruptions, machine stoppages, and unforeseen events, such as a pandemic.

Employee Health

We prioritize the health and safety of our employees, particularly those who work with potentially hazardous materials. Employees working with hazardous materials are screened in accordance with the guidance provided in Material Data Sheets and national regulations in each of our nine operating countries. We also recognize the importance of the psychosocial working environment, particularly considering the increased production pressures resulting from the war in Ukraine.

Performance

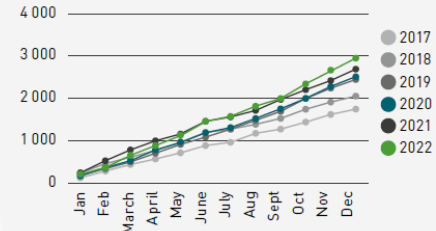
In 2022, the Nammo Group achieved the lowest LTI value in the company's history, with only 4.6 LTIs per 1 million working hours. There were no serious injuries or fatalities reported during 2022. However, as the Worldsteel Association Safety and health metrics report issued in April 2022 clearly states: "LTI Value correlates poorly with the severity level of injuries and accidents, the number of hours worked significantly impacts injury frequency measurements and comparison between industries should not be made due to the varying

definitions of LTI and reportable incidents based on local/national guidance". While this reduction in LTIs may be a sign of progress, it is not a leading indicator and provides no guarantee of future success.

Looking ahead

Integrating HOP principles into operations is key in our efforts to look beyond injury frequency rates to improve the safety of employees. During 2023, we will continue to build knowledge regarding HOP principles with our leadership teams through interactive workshops. Learning Teams methodology will also be introduced at selected sites to stimulate operational learning. The first significant effort in developing Learning Teams facilitators will be through a combined HESS/Lean Six Sigma Forum in 2023. Learning Teams can be used following an event (such as an LTI or near-miss), during daily management meetings/lean standup meetings, or for management of change/periodic process review [Sutton, McCarthy, Robinson, 2020]. By developing operational intelligence through Learning Teams, we will be able to adjust processes to improve safety and efficiency. We plan to integrate this new perspective into existing Lean Six Sigma/Continuous Improvement structures, which will enable us to identify and mitigate risks more effectively.

ALL REPORTS - ACCUMULATED



Reporting of accidents, near-misses, and hazardous conditions has increased significantly from 1 769 total reports in 2017 to 2 961 reports received in 2022, an increase of 67 percent while our total staff headcount has increased by approximately 23 percent. By focusing on integrating the principles of Human and Organizational Performance (HOP) we aim to build upon the positive reporting culture we have built and work to take prompt action to address the occupational health and safety issues identified by our staff.

FORANKRING BLANT LEDELSE

Bruk masse tid med ledere i din organisasjon

- Dr. Todd Conklin anbefaler at vi bruker minst **5x så mye tid på engasjement med ledere** når vi skal skifte tenkning innen HMS
- Hvis du blir utfordret av ledelse...du er på riktig spor!
- Uten diskusjon og refleksjon er det lite endring i tankegang blant ledere
- Bruk eksempler fra egen bransje hvor det er mulig eller finn noe lignende eksempler fra andre bransjer
- Invitere andre som er litt lengre på sin reise med implementering/integrering av HOP i bedriften sin
 - «Du kan ikke være en predikant i ditt eget hjem»

HOP ER IKKE ET NYTT PROGRAM

In light of increasing demands and system complexity, we must adapt our approach to safety. While many adverse events may still be treated by a Safety-I based approach without serious consequences, there is a growing number of cases where this approach will not work and will leave us unaware of how everyday actions achieve safety.

The way forward therefore lies in moving toward Safety-II while combining the two ways of thinking. Most of the existing methods and techniques can continue to be used, although possibly with a different emphasis.

**-Dr. Erik Hollnagel, "From Safety-I to Safety-II: A White Paper, Eurocontrol September 2013;
<https://skybrary.aero/sites/default/files/bookshelf/2437.pdf>**

BEDRE SPØRSMÅL



All men make mistakes, but only
wise men learn from their mistakes.

— *Winston Churchill* —

AZ QUOTES

Prøv å tilpasse din tilnærming til ydmyk forespørsel

- Hva gjør arbeidet ditt vanskelig?
- Hvor er det lett å gjøre feil i denne prosessen?
- Hva er det som kan drepe deg eller en kollega i denne prosessen?
- Hva ønsket du at du hadde visst om på dag en men lærte etter flere måneder eller år?
- Hva er vår verste sikkerhetsregel?
- Hva er vår beste sikkerhetsregel?



**TAKK FOR DERES
OPPMERKSOMHET!**

Nammo
SECURING THE FUTURE

Chip.Muser@nammo.com

+47 905 26 829