



Group Policy

Procurement

Policy owner: COOs
Approver: CEO

Valid from: 10 March 2021
Last updated: 10 March 2021

Procurement in Grieg Seafood

1 The purpose of this policy

To provide global standards for how we source, negotiate and select goods and services.

2 Policy statement

We execute our procurement process in a way that ensures competitiveness, sustainability, cost effectiveness and innovativeness.

We utilize our purchasing power. Our aim is to be perceived as a professional, credible and ethical company among our suppliers and other stakeholders.

3 Our principles

Procurement process

- We undertake competitive tendering. This applies to all procurement exceeding NOK 500 000K (approx. CAD 75 000, GBP 45 000). In some circumstances, where tendering is not considered as beneficial, alternative approach can be suggested. Any exception must be address to Regional Director or Procurement Manager for approval.
- We evaluate the Life cycle cost, using the following evaluation criteria:
 - Price
 - Quality and service
 - Environmental impact and sustainability
 - Delivery time, capacity, terms of conditions
 - Innovation
 - Reputation and references
 - Local presence
- Climate and social impact are considered and evaluated in all procurement processes where relevant. We engage our suppliers to take climate actions through:
 - Setting GHG emission reduction target in line with the Paris Agreement.
 - Conducting annual climate accounting.
- All tenders are met with equal and fair treatment with regards to communication, confidentiality, transparency, - and final feedback.
- Every procurement process is documented.

Contract management

- All contracted suppliers shall sign the Supplier Code of Conduct.
- All contracts are signed in accordance with the Grieg Seafood authorization matrix.
- No contract has a duration longer than three years.
- All contracts are stored in our contract management system.
- Payment terms are minimum 30 days unless otherwise agreed and approved.

- No acceptance of automatic renewable clause in contracts.

In general

- Our procurement activities and behavior are in accordance with our Code of Conduct and the requirements regarding ethics, labor rights, corruption, health, safety, environment, and anti-competition.
- Our procurement activities are in accordance with our policies related to human rights, circular economy and greenhouse gas emissions.
- Be aware of conflict of interest. Employees who are disqualified due to conflict of interest never take part in the procurement process without prior approval by a superior. This applies to all procurement regardless purchasing value.
- Ensure the best commercial terms and conditions for all procurement, not limited to value.
- Ensure that suppliers behave in line with our Supplier Code of Conduct. This applies to all our suppliers.

4 Definitions

Procurement: 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.

Competitive tendering: seeking competition from suppliers.

Life cycle cost: consist of adding ALL the initial and ongoing cost over the time we expect to be using the product/service.

Automatic renewable clause: activated towards the end of contractual period whereby it automatically renews the terms of an agreement except when the contract is actively terminated.

5 Tracking, reporting and key performance indicator

Our procurement processes are documented. All contracts are stored in our contract management system.

KPI	All procurement activities are completed in 100 % compliance with this policy
Target 2022	80 % of all suppliers (in value) has signed Supplier Code of Conduct
Target 2025	95 % of all suppliers (in value) has signed Supplier Code of Conduct

6 Responsibility for implementing and adhering to this policy

Board of Directors

- Monitors compliance with the policy and results of the KPI, as this policy is an integrated part of our business strategy

CEO & Global Management Team

- CEO approves this policy
- Championing the policy

Global Procurement Manager

- Reviewing and updating the policy
- Communicating policy organizationally
- Advising and assisting regional directors, managers, and supervisors in addressing issues
- Responsible for results of the KPIs and corrective actions

Regional Directors, Managers & Supervisors

- Communicating policy to all staff
- Adhering to policy
- Addressing issues
- Responsible for results of the KPIs and corrective actions

All staff

- Adhering to policy
- Responsible for results of the KPIs and corrective actions

7 Related documents or references

This policy is implemented in conjunction with the following:

- Grieg Seafood Code of conduct
- Grieg Seafood Supplier Code of Conduct
- Grieg Seafood Authorization Matrices
- Grieg Seafood policy on Ocean Plastic
- Grieg Seafood policy on Climate Action