

## Procurement Policy

Our aim is to improve our procurement performance by establishing ambitious targets as to reduction of costs and overheads, value creation and improved achievements.

- Quality and lead time are the most important factors. We expect our suppliers to deliver ordered products and services with the correct quantities and quality.
- Our aim is to standardize our product range and at the same time reduce the number of suppliers.
- We wish to procure materials at the *right* market prices. We do not necessarily aim at undertaking the majority of our purchases globally but focus on selecting the optimum supplier for every product line – nationally as well as globally.
- We wish to strive for good partnerships with our most important suppliers with a view to strengthening the mutual competitive performance. The relations with our suppliers should be characterised by full sincerity and co-operation, including mutual exchange of know-how and information.
- All suppliers will be segmented on the basis of our internal KPI (Key Point Indicators) which are; delivery performance, quality, price optimisation, and innovativeness.
- We constantly aim at improving our performances and expect our partners to do the same.
- Cooperating with us should as a main rule mean growth for both our partners as well ourselves.
- We encourage our suppliers to show environmental and social responsibility as well as ethically correct business behaviour - and of course we offer the same.