SUSTAINABILITY REPORT 2022

HOFSETH

CONTENT

INTRO

OUR RESPONSIBILITY	3
TIMELINE	5
REFLECTIONS FROM THE CEO	6
SUSTAINABILITY GOALS	8
STAKEHOLDERS	9
STAKEHOLDER DIALOGUE	10
MATERIALITY ASSESSMENT	13

ENVIRONMENT AND CLIMATE FOOTPRINT

TOTAL EMISSIONS HOFSETH INTERNATIONAL	15
HOFSETH AQUA EMISSIONS	16
LOCAL PROCESSING	18
PROCESSING	19
ENERGY FOR PROCESSING FISH	20
ECONOMICAL ALLOCATION	21
DOWNSTREAM TRANSPORTATION	22
AIRFREIGHT DISTRIBUTION	23
HOFSETH'S US VOLUME IN FOCUS	24
COLLABORATION WITH OUR FISH FEED PROVIDER	25
UNDERSTANDING THE FEED EMISSIONS	26
LOCAL LOGISTICS BY HOFSETH TRUCKS	27
HOFSETH AND INSEANERGY'S ZERO-EMISSION ENERGY SOLUTION FROM FISH-CAGE FLOAT RINGS	29
TURNING FISH SLUDGE INTO RESOURCES	30
EPS (EXPANDED POLYSTYRENE) FISH PACKAGING BOXES	32
ELIMINATING OR RECYCLING PLASTIC	33
WATER	34
HARNESSING THE POTENTIAL OF THE LAST 2% OF THE FIS	SH35

RESPONSIBLE OPERATIONS

FARMING	37
SMOLTIFICATION AND POST-SMOLT	38
CLOSED SYSTEMS	40
IMPLEMENTING FOOD TECH IMPROVING YIELD AND ENHANCING FISH WELFARE	42
NATURAL DEFENSE AND PROACTIVE MEASURES AGAINST SEA LICE	44
BIODIVERSITY AND THE SURROUNDING ENVIRONMENT	45
ENVIRONMENTAL TESTS AROUND THE FARMS	46
TAUMAR	47
SALES AND DISTRIBUTION	48
ICEFRESH TECKNOLOGY	49
SAFE FOOD	50
HEALTHY FOOD	51

PEOPLE AND SOCIETY ENGAGEMENT

EMPHASIZING EMPLOYEE WELLBEING AND SAFETY:	
HOFSETH'S GUIDING PRINCIPLES	53
EMPLOYEES FARMING	54
HOFSETH SECONDARY PROCESSING WORK STAFF	55
ADMINISTRATION, LOGISTICS AND SALES	56
THE NEXT GENERATION	57
TRANSPARENCY	58
NORWEGIAN TRANSPARENCY ACT	59
ESG CORPORATE GOVERNANCE FRAMEWORK	60
SHAREHOLDERS	61
HOFSETH ORGANIZATIONAL STRUCTURE	62
GRI INDEX	63



OUR RESPONSIBILITY

Delivering Nutritionally-Rich Protein to the World Without Compromising People, Planet, or Fish Welfare

OUR MISSION

As we confront the realities of the climate crisis, we recognize our critical duty to provide sustainable and healthy food options to individuals around the world. The success of this mission is anchored in three core pillars:

Natural Starting Point: Situated in a fjord environment, shielded by surrounding mountains, and enriched with an abundance of fresh water and renewable energy sources.

Well-developed Value and Supply Chain: A robust system in place, ensuring efficient and sustainable delivery from source to consumer.

Hofseth's Commitment: A relentless drive to thrive, continuously seeking improvement and innovative solutions for the challenges of tomorrow.

MARKET SERVED

\bullet EUROPE. 25% (\bullet) NORTH AMERICA. **60% OPERATIONAL SIZE** Harvest Volume Tons of fish (HOG) 2020 10,824 2021 11,517 2022 14,365 ASIA AND OCEANIA, 15% Processing Volume Tons of fish (HOG) 48,347 2020 2021 50,178 2022 49,852

In 2022, Hofseth International distributed more than 248 million portion servings of Norwegian farmed salmon across 25 countries, a figure calculated based on a standard 150g portion size.



2022	2021	2020
100%	100%	N/A
2022	2021	2020
60%	40%	0%

Kg CO2e/Kg Fish Covering Harvest, Processing, & Export (Scope 1-3)

TIMELINE

1907 - Ivar Heggen from Valldal pionered the first fish ponds on land

1959 - Olav C. Vik and Karstein O. Vik established Nor-Laks in Sykkylven

1967 - First experimental farming in Fjørå close to Tafjord

1976 - Anita and Anders Pedersen established Fjordlaks Aqua with fish farms in Storfjord

2022 - Ovum our first closed farm-system

2020 -Upgrading smolt and post-smolt facility in Tafjord

in Storjorden

and farm pens

2019 - Upgraded slaughterhouse to double capacity

2016 -Acquisition of salmon and trout farmer Fjordlaks Aqua (now Hofseth Aqua)

2008 - Merged with Seafood Farmers and created what is today Hofseth International

2005 - Hofseth acquired the first factory, a former dairy plant that was converted into salmon processing

2023-2025 - World Heritage Salmon, our first land-based farm

2030 - Reduce our GHG emissions by 46% (scope 1 og 2) and 42% (scope 3), and doubling farming and processing volume to 100 000 tons of fish yearly

2050 - Net zero GHG emissions

1998 - Fjørå Fjordlaks AS and Fjordlaks Aqua AS merged

> 2002 - Hofseth AS established, initally focused on trading of various seafood

HOFSETH

REFLECTIONS FROM THE CEO

Dear stakeholders

I take pride in observing the hardworking and dedicated efforts of the Hofseth team in delivering nutritious, sustainable seafood to our customers worldwide. Our fish have contributed to more than 248 million portion servings in 2022, and it's remarkable to witness the growth of Hofseth as an organization - both in terms of size and expertise. As I previously mentioned, to remain the leading provider of sustainable seafood, we require the most skilled and qualified personnel.

In our previous report, we highlighted the government's plan to support the creation of green value and its potential benefits for companies and organizations investing in sustainable initiatives. The aim of this plan was to advance sustainable development and enhance the well-being of local communities, while also adding more value locally. Unfortunately, we were disappointed to learn about the proposed unsound ground rent policy. Since September 28th, 2022, we have had to focus our efforts on defending our companies' right to exist and grow in Norway against this confusing tax suggestion, which threatens our stability and growth. Stable governance and reasonable tax levels are vital for our businesses to succeed. The ground tax suggestion has caused a significant shift in the relationship between industry and politics, with negative consequences that will endure for years to come. We must stand together to oppose this policy and support the government's original plan to promote green value creation and add more value locally.

The future of farming is a source of great excitement for me, especially when I am out in the fjords surrounded by towering mountains and awe-inspiring waterfalls. It is a privilege to observe the integration of cutting-edge technology and competent staff as the future of seafood farming takes shape. Our partner company, Ovum, is at the forefront of this development and in September 2022, the first smolt was introduced into a closed system.

 $(\boldsymbol{\Sigma})$



....



To see the fish thriving in a sea lice-free environment, with improved growth rates and revolutionary feed efficiency, and near-zero mortality rates, gives us the confidence and motivation to continue our pursuit of sustainable farming practices. In our last ESG-report I also shared my optimism for closed systems in fjords and my skepticism for offshore facilities, I am therefore glad to see that Sintef Ocean in their latest report colludes with the same, offshore farming is both bad for environment and economy, to become sustainable we must play on the side of nature and not against nature.

In our processing division, I am pleased to see progress in several initiatives. Our development project to use mono-plastic and recycled cardboard has the potential to improve our packaging footprint and reduce the risk of environmental littering. Our long-term goal is to supply our processing facilities with fish farmed by Hofseth, which could remove 5000 truckloads from the roads annually and we are working to phase out the use of EPS (Expanded Polystyrene) fish packaging boxes. Meanwhile, we are upcycling the EPS from our supply chain, reducing our environmental footprint. Our contracts for renewable energy have given us a competitive advantage in terms of emissions and finances. We also have promising research with a local company regarding emissions to water. By using energy, salt, and water, we aim to eliminate several thousand liters of chlorine used annually. It is satisfying to see that we are the leading provider of frozen Atlantic salmon delivered to US market from Norway, being a force for fish delivered by sea freight rather than air freight is the single most important step toward sustainability, in addition to the re-fresh market we are now looking forward to introducing Ice-fresh technology to reduce waste, improve quality and enhance the value chain of the frozen fish.

Our customers have placed their trust in us, and we are committed to providing them with the highest quality products and services. Our employees have been tireless in their efforts, continuously striving to improve and drive the company forward. Our partners have been instrumental in our growth, and we value the strong relationships we have built with them. And our local community has supported us every step of the way, and we are proud to be a part of this vibrant and thriving area.

We are committed to continuing to grow and evolve, and we couldn't do it without you. Thank you for your trust and support, and we look forward to continuing to work together to shape the future.

Roger Nofseth

Roger Hofseth *Chief Executive Officer*

SUSTAINABILITY GOALS



Hofseth has for the past 20 years delivered healthy food options for consumers. We understand that tastes change over the years; now, people often prefer to eat only cleaned fillets without bone or skin. Unfortunately, this means some of the most nutritious parts of the fish are often wasted. Hofseth International has a close relationship with Hofseth BioCare, whose technology converts all off-cuts from the salmon filleting process into healthy, easy-toconsume supplements.



Marine life, biodiversity and efforts to mitigate potential harm are closely intertwined. Therefore, our company takes all conceivable measures to protect the environment surrounding our operations and all the life within it. We believe the future of fish farming lies in closed systems, which have little or no impact on marine life.



Salmon has a low carbon footprint compared with other protein sources, but there is still room for improvement. At Hofseth we are examining our entire supply and value chains to reduce or eliminate greenhouse gas emissions.



Hofseth International is always open to, and actively seeks, partnerships that are beneficial for the planet, for its people and for the company's products. We believe fresh ideas, research, product development, earlystage technology and adaptation are all part of the formula for optimum sustainability.

STAKEHOLDERS

A stakeholder is a group, organization, member or system who affects or get affected by organization's action.

Hofseth is committed to have a good dialogue with our stakeholders. We do this through our yearly stakeholder meeting for interested parties, at which we describe our operations, challenges, solutions and future plans. The presentation can be sent by e-mail to those who request it. Open dialogue and productive feedback are highly valuable for our strategy to continue growing in a sustainable way. In addition to the annual meeting, we carry out surveys and engage in dialogue with our various stakeholders to establish priorities and find the best path to a sustainable future.

INTERNAL INFLUENCES

- Employees
- Shareholders
- Management

HOFSETH

CUSTOMERS

- International customers
- National customers
- New customers
- Consumers



EXTERNAL INFLUENCE

GovernmentLocal community

Media

NGO

Research establishments

STAKEHOLDER DIALOGUE

Our vision is to be the world's most sustainable seafood producer, a goal where stakeholde However, we understand that there is no 'one-size-fits-all' solution as different stakeholders to consider. For our previous year's report, we succeeded in creating a format that facilitate inclusion. We believe that the most effective way to engage stakeholders is by presenting the fostering an open dialogue around its topics. This approach often leads to stakeholder dem feedback. Here are some key takeaways from this year's dialogue:

Employees

The previous ESG report was primarily presented on leadership and management levels. We are now developing an approach to enhance employee engagement, training, and feedback concerning ESG matters, aiming for more comprehensive inclusion across all levels of our organization.

Shareholders

Hofseth is committed to transparency regarding our robust ESG positioning and our long-term strategy to become the world's most sustainable seafood producer. We firmly believe in the integral connection between sustainability, economy, and profitability. Our ESG report is openly shared with our shareholders, fostering an open dialogue on various pertinent issues.

Customers

Our customer base mainly includes large supermarkets and supercenter chains, all of which usually have their own specific ESG targets. To align our objectives, we maintain a continuous dialogue with their management and sustainability leaders, which allows us to fully understand their goals and challenges. Our report from the previous year was shared with them and the feedback we received has been invaluable in guiding our forward strategies. This collaboration enables us to work together towards reducing our collective environmental footprint.

Bank/Finance

In 2022, Hofseth was granted a sustainability-linked loan of 1,650,000 NOK, facilitated by Sparebanken Møre, Sparebanken Vest, Sparebank1 SMN, and Sparebank1 Nordmøre. We appreciate these banks recognizing our commitment to reducing GHG emissions and setting future ESG targets. Our ESG report has been presented to all our banking partners, and the constructive feedback received has been valuable. Hofseth eagerly looks forward to continuing its journey towards achieving net-zero emissions.

Fish Farmers

Approximately 70% of the fish processed by Hofseth comes from external farmers in Norway, who operate under rigorous government regulations. These rules forbid the use of GMOs in feed and antibiotic treatments in operations. Additionally, enforced fallow periods at the farming sites are a mandate to mitigate environmental harm in the surrounding areas. A significant portion of our fish supply originates from farms run by large farming cooperatives.

In our collaborative efforts, we encourage these farmers to increase secondary processing of fish within Norway, an initiative that can contribute to reduced transport costs and emissions. We also advocate for investments in more sustainable energy sources and feed, further aligning our shared environmental objectives.

r inclusion is vital. have varying aspects d greater stakeholder he ESG report and ands and constructive

R&D Partners

Hofseth is actively involved in a diverse array of research and development projects. Our endeavors span from investigating renewable energy sources such as solar cells for farm use, to enhancing feed for improved trout health, and aiding our sister company in the innovative research concerning the residue from fillet projects. Our recent initiative to incorporate economic aspects into ESG reporting allows us to allocate resources for research and development related to our ESG targets and challenges more efficiently. This strategic alignment of sustainability and economic feasibility facilitates the discovery of sustainable solutions that also uphold economic viability.

Suppliers

Our suppliers occupy a critical position within our value chain. In collaboration with them, we strive to source sustainable inputs and refine our supply chains for optimal efficiency with minimal environmental and social repercussions. A key focus in our stakeholder engagement involves our feed supply chain, where we have a close working relationship with Cargill. Our goal is to source high-quality and sustainable feed ingredients that satisfy our fish's nutritional requirements while concurrently minimizing our environmental footprint.

Our discussions with Cargill have revealed that regenerative farming for agricultural ingredients could be a viable solution, complementing our primary strategy of using more marine residue to decrease the feed footprint. In our processing operations, we have run several experiments with sustainable packaging solutions and have been working closely with our packaging suppliers, including Multivac, Bewi, VPKgroup, and Glomma Papp. Our joint efforts aim to develop innovative solutions that both reduce our environmental impact and meet our customers' high standards for quality and food safety.

Nonetheless, we recognize that integrating sustainability with food safety presents a significant challenge, and there remains much progress to be made. Our dialogues with some of our suppliers have been somewhat sporadic. While we've communicated with all of them, their ESG reporting is still in the early stages. Therefore, we continue to provide feedback on our requirements and request information to enhance their ESG reporting practices.

While we have engaged in dialogue with our most significant suppliers, we plan to extend an ESG framework to our less significant suppliers in the future. It's important to note that there is no 'one-size-fits-all' solution for supplier engagement. In the past year, Hofseth had relationships with over 1100 suppliers, illustrating the diversity of our supplier interactions.

Research Establishments

Research plays a pivotal role in our industry, especially regarding ESG considerations. The most significant work in this field is the Sintef Ocean report: "Greenhouse Gas Emissions of Norwegian Salmon Products". This report, commissioned by FHF and conducted by Sintef Ocean, Asplan Viak, and the Research Institute of Sweden, serves as an excellent tool for scientific benchmarking and target setting. Updated late in 2022, we highly recommend that this report be utilized as an industry standard and updated annually. In our quest for continued improvement and understanding, we've had several stakeholder meetings with Sintef Ocean. Additionally, Sintef conducts a survey on health and safety. Hofseth is committed to participating in this survey, using its findings for benchmarking, and fostering improvements within our farming division.

Local Community and media

Last year, we utilized the Ivar Heggen viewing center and the educational center at Atlanterhavsparken for several local stakeholder meetings. The participants represented a broad demographic range, enabling diverse perspectives to be shared. School children were able to voice their views on sustainability and their visions for the future. Even a local critic of salmon farming had the opportunity to express his concerns. In response, we provided the information he sought, along with additional details that fostered a better understanding of our operations. It became apparent that our perspectives were not as divergent as initially perceived.

Effective stakeholder engagement and inclusion hinge on disseminating accurate information. In this spirit, Hofseth participated in a wide range of educational events and job fairs to champion our local community and promote greater awareness about our operations and goals.

We released a video on social media outlining our business efforts and the significant challenges we anticipate due to the ground rent policy. The video resonated with many and received considerable local support and sharing, emphasizing the value of our ongoing engagement with the community.

Non-Governmental Organizations (NGOs)

Our collaboration with Norwegian Salmon Rivers continues, as we advocate for closed systems and support their efforts to protect the Norwegian Wild Salmon. Furthermore, we have held meetings with the Rainforest Association, discussing their work and concerns regarding the link between deforestation and feed. Additionally, we presented our report to the employees of the Norwegian environmental organization, "Fremtiden I våre hender" (Future in Our Hands). They had raised concerns about ESG reporting being potentially used for greenwashing or simply showcasing positive aspects. We believe that improved information leads to better understanding, and transparency is crucial to ensure the right information is communicated.

Government

We presented our report to the Norwegian Seafood Council, where we expressed our concern about the environmental impact of airfreight emissions. We emphasized that Norway, as a nation, should allocate more funds to market frozen or refreshed products. This strategy would enable us to transport fish via sea freight, a method that is significantly more sustainable compared to airfreight.

MATERIALITY ASSESSMENT



INTERNAL

IMPORTANT

In line with the GRI standard, we have conducted a

- ✓ Local job creation ✓ Local value creation Sustainable feed Fish welfare ✓ Air freight ✓ Climate Change & Energy ✓ Degree of secondary processing
- Semployee training and development
- Seconomy in local processing
- ✓ Innovation & R&D
- Economy in sustainable closed systems
- Seconomy in sustainable distribution
- Seconomy and sustainable energy

KPI OVERVIEW

RESPONSIBLE **OPERATIONS**



КРІ	SOURCE
12-month rolling survival rate	Own KPI
Antibiotics	Own KPI
Interaction with wildlife	ASC KPI
Birds – Accidental mortality	ASC KPI
Marine mammals' Accidental mortality	ASC KPI
Fish escapes	ASC KPI
Sea Lice Exceedances	ASC KPI
Certification of marine ingredients in fish feed	Own KPI
Certification of soya ingredients in fish feed	Own KPI
FFDR (Fish meal)	ASC KPI
FFDR (Fish oil)	ASC KPI





PEO	PLE
SOC	IET \

КРІ	SOURCE
GHG emissions: Intensity scope 1,2 and 3/kg fish	GRI 305-4
eFCR (Economical Feed Conversion Ratio)	Own KPI
Share of airfreight transportation	Own KPI
Share of farms connected to renewable energy	Own KPI
Share of the total fish used in processing, delivered by Hofseth Aqua	Own KPI
Water use in feed production, processing facilities, and processing-vessel	Own KPI
Site environment score MOM B and MOM C	ASC KPI
Farming sites that hold an ASC certification	Own KPI

|--|

LTI (Lost Time Injury)

Share of fish from Hofseth Aqua delivered to local processing

FFDR (The forage fish dependency ratio) sustainable use of feed ingrediencies



SOURCE

GRI 403-9

Own KPI

ENVIRONMENTAND CLIMATE FOOTPRINT

For Hofseth International, reducing our potential harm to the environment and mitigating carbon emissions are top priorities; we are constantly working to be part of the solution, not the problem. We have already built a solid foundation for this effort, and we are now tackling all stages of the value chain to reduce our footprint to as close to zero as possible.



TOTAL EMISSIONS HOFSETH INTERNATIONAL

Hofseth, Seafood Farmers, Hofseth Ålesund, Hofseth Aqua

Starting from 2022, we have adopted a scientifically-driven benchmarking approach to assess our data and identify key emission factors, including those from external salmon and airfreight emissions. This method, in combination with broader Scope 3 data collection, has resulted in higher emission calculations compared to our previous report. Despite the increase, this approach offers a more accurate and truthful reflection of our environmental impact.

Scope 1: Direct emissions: Fuel consumption from boats, feeding barges and trucks.Scope 2: Indirect emissions from electricity consumption.Scope 3: Indirect emissions from purchasing fish, packaging, fish-feed and transportation.

		2022	2021	2020
Scope 1	Tons Co2e	1,431	1,992	2,259
Scope 2	Tons Co2e	127.81	105.03	8,470.82
Scope 3	Tons Co2e	259,548	272,580	269,064
Total emissions	Tons Co2e	261,107	274,677	279,794
Intensity kg/fish	Kg Co2e	4.97	5.16	5.10

IDENTIFYING KEY SOURCES OF EMISSIONS AT EVERY STAGE IS CRUCIAL IN DEVISING SOLUTIONS AND MINIMIZING OUR CARBON FOOTPRINT.





EPS (EXPANDED POLYSTYRENE) ACCOUNTS FOR 60% OF OUR PACKAGING EMISSIONS. HOWEVER, WE'RE PROACTIVE IN MANAGING ITS IMPACT: 85% OF OUR EPS IS UPCYCLED INTO XPS (EXTRUDED POLYSTYRENE) FOR HOUSE INSULATION PURPOSES. THIS CONVERSION LEADS TO AN EMISSION REDUCTION EQUIVALENT TO 4,822 TONS OF CO2E.

HOFSETHAQUAEMISSIONS

Comparing Hofseth Aqua's metrics to a report representing the industry's average

	HOFSETH AQUA	HOFSETH AQUA	EXTERNAL FARMERS*	HOFSETH AQUA	EXTERNAL FARMERS*
			Share of total emissions divided by operations in the farming.		Intensity kg CO2e/kg fish
Smolt (Include transport to farm)	113	0.22 %	3 %	0.00	-
Feed barges (energy)	356	0.69 %	5 %	0.02	0.19
Service vessels	904	1.75 %	2 %	0.05	0.09
Sea lice treatment vessels	1.360	2.63 %	6 %	0.08	0.25
Transport fish (from farm to slaughtery)	1.035	2.00 %		0.06	
Feed	43.935	84.80 %	74 %	2.59	3.00
Packing	3.010	5.81 %	4 %	0.17	0.16
Waste	35	0.07 %		0.00	
Slaughterhouse energy and forklifts	36	0.07 %	1 %	0.00	0.04
Chemicals and equipment	1.015	1.96 %	5 %	0.06	0.19
Total emissions farming	51.799			3.06	3.92

* Sintef Ocean reports

HOFSETHAQUA **EMISSIONS**

Farming Division

Feed's carbon footprint is **12% below** average due to higher local marine ingredients usage. Farm-to-slaughterhouse distance is **25% shorter** than the Norwegian average. Feed factory-to-farm distance is **50% less** than the Norwegian average.

- Renewable energy powers 60% of our farms.

Emissions from fish transport from farm to slaughtery are halved using our processing vessel Taumar, compared to a traditional well-boat.

Cost and Emission Reduction from Renewable Energy Integration

2022 marked the first year where two of our farms operated entirely on renewable energy for a full year. It's encouraging to see the benefits this change has brought, both to the environment and our economy.

Hofseth International's Scope 2 emissions: 90.7 TJ of energy were generated through renewable sources. In contrast, Hofseth International's Diesel emissions for Scope 1 and Scope 3 amounted to 51.2 TJ, predominantly originating from the use of vessels and barges in the fjord.

Farming Unit Renewable energy used in farming sites 2022 kWh **Diesel mitigation** liter CO2e/NOK Benefit

olume	Emission tons CO2e	Cost NOK
13,780	2.5	133,582
28,445	341	2,568,900
101	338.5	2,435,317

LOCAL Processing

Integrating Farming and Production Synergies to reduce Climate Footprint

In our farming operations, trout constitutes a significant 75% of the total produce. While trout is traditionally marketed as a whole fish, our consistent market engagement has successfully enhanced the processing volume of trout. This figure has more than doubled, escalating from 3,500 tonnes to 7,200 tonnes. As a result, we're now able to conduct processing on 73% of all the fish we farm. This not only reduces transport emissions and waste, but also significantly boosts overall value creation.

- > Utilization of 100% renewable energy
- > Comprehensive usage of the entire fish, with residues processed into high-quality specialty ingridients
- > Direct connectivity to sea freight routes
- > Greater use of fish from Hofseth Aqua leads to reduced total emissions

Carbon footprint from the fish used for processing

Fish external (External farmers)	Tons
Fish internal (Hofseth Aqua)	Tons
Share of Hofseth Aqua fish delivered for processing	Percentage
Share internal fish	Percentage
Fish external footprint	Tons Co2e
Fish internal footprint	Tons Co2e
Total footprint	Tons Co2e
Intensity footprint kg/fish	Kg Co2e



PAGE 19

2022	2021	2020
38,214	41,690	44,031
10,965	8,202	3,979
73%	70%	35%
22 %	16 %	8 %
153,240	167,179	176,568
34,667	25,428	13,154
187,907	192,607	189,722
3.82	3.86	3.95

PROCESSING

Energy, packaging and waste

Ålesund

Syvde



2022

23.72

21.06

18.30

4,750,121

4,217,685

3,664,355

2021

23.60

19.61

11.50

4,725,610

3,926,192

2,302,840

2020

1,814.50

1,568.83

623.51

4,513,683

3,902,585

1,551,027

Energy (tons Co2e)

Seafood farmers

Energy (kWh)

Seafood farmers

Ålesund

Syvde

Ålesund

Syvde



Packaging (2022)

EPS processing facilities

Pe-plastic

Other plastic

Cardboard

Total emissions packaging



3

Waste

Material Recycling

Energy Recovery

Landfill

Total

Net Total

Material Recycling

Energy Recovery

Landfill

Total

Sorted Volume (kg) exc EPS

Volume (kg)	Emissions tons Co2e	
147821	768	
590714	2062	
20144	508	
989046	784	
	4123	

1/1/22 - 31/12/22 tons CO, equivalents

Emissions Benefit	1.07 18.94
Emissions Benefit	244.37 138.89
Emissions	0.0075
Emissions	245.45
Benefit	157.83
	07.01

5,710	1 %
556,122	99 %
0.880	0 %
562,712	100 %
165,712	29 %

ENERGY FOR PROCESSING FISH

Comparing Hofseth Processing Electricity Costs and Carbon Footprint to Averages in the USA, Europe, and Poland

The total electricity cost associated with processing 49,180 tons of fish was determined based on our consumption of 12,632,161 kWh.

18.678.418

19.321.900

US price 1.52 NOK/kWh

EU price 2.55 NOK/kWh

Poland price 1.47 NOK/kWh

Hofseth renewable energy contract 0.26 NOK/kWh



The total electricity carbon footprint associated with processing 49,180 tons of fish was determined based on our consumption of 12,632,161 kWh

US electricity average 371g CO2e/kWh

> EU electricity average 502g CO2e/kWh

Poland electricity average 634g CO2e/kWh

Hofseth guaranty of origin (hydroplant) 5g CO2e/kWh







63

ECONOMICAL ALLOCATION

How deriving greater value from traditionally less valuable parts enhances the footprint of primary products.

To determine the environmental footprint of salmon fillet, two primary allocation methods are commonly used. The first approach is to proportionately distribute the total environmental footprint of the entire fish across the various product categories, based on their weight. The second method involves integrating the product's market value into the equation, thereby basing the allocation on the product's market worth. To support circular and upcycled economies, it's crucial to maximize the value of traditionally less valuable or even discarded parts of the product. Our sister company, Hofseth Biocare, has exemplified this philosophy by investing over a billion NOK in innovation, research, and product development. Their efforts are geared towards deriving greater value from the residues left post-fillet production. As a result, we can use an economic allocation method to determine the emission footprint, thus highlighting the importance of maximizing the utility of all parts of the fish and incentivizing sustainable practices.

Example applying economical allocation	Waste	Feed production	High Quality Specialty Ingredients
Value (NOK)	0	30	300
Emission kg CO2e footprint allocated to kg filet	8.25	7.37	4.00
Reduction in filet footprint	0 %	11 %	52 %

Innovate with CalGo®





Chewable Tablets

Sachets



Supplements

Innovate with OmeGo®



Softgels

Innovate with **ProGo**®







Suspensions Food Fortification





Gummies







Gummies

Syrups & Emulsions





DOWNSTREAM TRANSPORTATION

Kg Co2e/

Tonne-KM

1.38

Despite accounting for only 4.63% of our transported volume, airfreight contributes to a staggering 81% of our transport-related emissions.

> VOLUME **BY TRANSPORT** METHOD

56.02%

Truck freight Norway and Europe	0.101	27272	1416	514
Sea freight from Norway to Europe	0.0417	20579	1095	1,276
Sea freight from Europe to USA	0.034	12842	2812	6,441
Sea freight from Europe to Asia	0.017	7736	2325	17,678
Airfreight filet from Europe to USA	2	2479	32355	6,524

Total emissions

tonnes Co2e

757

Average distance

km

8,393

Volume tonnes

fish

65







AIRFREIGHT DISTRIBUTION

Understanding airfreight emissions

In our latest sustainability report, it has been noted that airfreight significantly contributes to the most emissions for the distribution of our fish products overseas. We are deeply committed to mitigating this issue and have been industriously working on deploying our innovative ICE fresh technology. The ultimate goal of this initiative is not only to diminish our dependency on airfreight but also to curb the global industry's total salmon airfreight emissions.

Our understanding of the airfreight emissions has been significantly improved through benchmarking our data with the findings from the Sintef Ocean report. Our initial analysis revealed that these emissions are markedly higher than our estimations in the preceding year's report. We recognize that these emissions are influenced by two major factors: the distance between the takeoff and landing points, and the efficiency of load capacity optimization.

Despite the Sintef Ocean report's initial lack of clarity on specific airfreight emissions, numerous follow-up meetings offered further insight. We have now acquired more detailed information on emission factors associated with the transport of our fish products. For instance, the carbon footprint for shipping fillets is 12kg CO2e per kg of fish to New York, while for head-on gutted (HOG) fish, it's 15kg CO2e per kg of fish.

An important observation we've made in our analysis is the impact of different freight methods on the emissions. Our fish shipped to the USA often travels as belly freight - shared with passenger luggage in the cargo hold of passenger flights. Despite the shorter distance, this method presents lower load efficiency, resulting in a substantial carbon footprint. Conversely, shipments to Japan cover a longer distance but enjoy better load capacity optimization, leaving a carbon footprint that is roughly equivalent to the shipments to the USA.

Example fish from Oslo to New York by ship or plane: The footprint from airfreight is 46 times higher.

NEW YORK

Airplane 1 kg. filet: 12kg Co2e

Target: Airfreight: <3%

Seafreight 1 kg. filet: 0.25kg Co2e



Status: 2020: 4.35% 2021: 4.95% 2022: 4.63%

ECONOMIC SENSE MEETS CLIMATE CONSCIOUSNESS

Hofseth's Sea Freight Approach to the Overseas Market

In 2022, a total of 65,764 tons of fish were transported to the US from Norway. Of this, Hofseth contributed a significant 15,322 tons. The fish were categorized into three types: frozen filets, fresh filet, and fresh HOG.

Transport cost to the US, averages were as follows:

- > Sea freight for filet: 3.51 NOK/kg
- > Airfreight for fresh filet: 16.94 NOK/kg
- > Airfreight for fresh HOG: 23.95 NOK/kg

Hofseth's average transport distances were 6,524km for airfreight and 6,441km for sea freight to the US. SINTEF Ocean provided the emission data: 15 kg CO2e for fresh HOG transported via belly air freight over 5,716km and 12 kg CO2e for filet. This data translates to emission factors of 2.1 kg CO2e/ton-kilometer for filet and 2.6 kg CO2e/tonkilometer for HOG. In comparison, the emission factor for sea freight from Europe to the US stands at a much lower 0.034kg CO2e/ton-kilometer.

Hofseth's US Export Breakdown:

Metric
Volume (tons)
Emissions (tons CO2e)
Emission Intensity (kg CO2e/kg fish)
Cost (NOK)
Cost (NOK/ton)

Norway's US Export (excluding Hofseth):

Metric	Airfreight fresh HOG	Airfreight fresh filet	Sea freight frozen filet	Total
Volume (tons)	16,772	26,145	7,525	50,442
Emissions (tons CO2e)	284,109.44	353,109.78	1,647.93	638,867.15
Emission Intensity (kg CO2e/kg fish)	16.94	13.51	0.22	12.67
Cost (NOK)	401,689,400	442,896,300	26,412,750	870,998,450
Cost (NOK/ton)	23,950	16,940	3,510	17,267.33

Norway's US Export (inclusive of Hofseth):

Metric	Airfreight fresh HOG	Airfreight fresh filet	Sea freight frozen filet	Total
Volume (tons)	16,772	28,625	20,367	65,764
Emissions (tons CO2e)	284,109.44	386,604.23	4,460.25	675,173.92
Emission Intensity (kg CO2e/kg fish)	16.94	13.51	0.22	10.27
Cost (NOK)	401,689,400	484,907,500	71,488,170	958,085,070
Cost (NOK/ton)	23,950	16,940	3,510	14,569

Air freight	Sea freight	Total
2,480	12,842	15,322
33,494.44	2,812.32	36,306.77
13.5	0.22	2.37
42,011,200	45,075,420	87,086,620
16,939	3,509	5,684

HOFSETH'S US VOLUME IN FOCUS

Analyzing Cost and Emission Against the Same Norwegian Exports (Excl. Hofseth)



Cost Comparison

Emission Comparison





Actual **Emissions** for Hofseth's 15,322 Tons

Airfreight

36.306 Co₂e

> **Est. Emission** for Hofseth's Volume (15,322 Tons) with Avg. Norwegian Airfreight

COLLABORATION WITH OUR FISH FEED PROVIDER

We have made considerable strides in improving the environmental footprint of feed production through our close partnership with Cargill. The product we use aligns with the **ProTerra standard, ensuring it does not contribute to deforestation**. Additionally, we are increasing the use of marine residues in its composition, which further diminishes its environmental impact and greenhouse gas emissions.

We also have an extensive R&D project underway with Cargill. Our objective is to formulate a sustainable feed that minimizes environmental impact, enhances fish health, and improves survival rates. Refer to this <u>link</u> for more information.

Cargill is a stakeholder with whom we frequently engage. In our dialogues this year, they introduced us to the concept of regenerative farming for agri ingredients. This practice can improve the overall environmental footprint of agri ingredients and enhance the health of farming soil. We aspire to encourage not only the farmers from whom we source fish but also our own farming division to consider this solution. Our business developers are also examining solutions with our customers to find a balance between cost and environmental footprint.



UNDERSTANDING THE FEED EMISSIONS

Feed purchased by Hofseth Aqua

RELATIVE CONTRIBUTION TO GWP ILUC FROM EACH RAW MATERIAL GROUP



	2022	2021	2020
Feed Volume Purchased (tons)	22,647	20,553	17,181
GWP I LUC: kg CO2-ekv / kg feed	1,94	1,87	1,87
Total Emission I LUC CO2e	43,935	38,434	32,128
Economic Feed Conversion Ratio (eFCR)	1.41	1.46	1.40
Emissions Feed kg CO2e/kg fish	2.73	2.73	2.61

GWP (Global Warming Potential): A measure used to compare the warming effects of different greenhouse gases over a specific period, typically 100 years. It quantifies how much heat a greenhouse gas traps in the atmosphere relative to carbon dioxide.

ILUC (Indirect Land Use Change): Refers to changes in land use that are a consequence of changes in agricultural production elsewhere.



NORWEGIAN HYDROGEN

Hofseth International has invested in Norwegian Hydrogen, a company that will use local renawable energy to produce hydrogen fuel cells. This will give us access to renewable, emission-free fuel. Hofseth has already designed a new multi-purposed vessel that will run on hydrogen and is hoping to sign contracts for its construction within the next few years.

http://nh2.no/

2

Norwegian Hydrogen

PAGE 29



LOCAL LOGISTICS BY HOFSETH TRUCKS

TRANSITION TO HYDROGEN: EMISSION IMPACT TARGET 2030		SCOPE1 EMISSIONS FROM OUR TRUCKS IN 2022				
Diesel Emissions		Model truck	km	Diesel (liter)	co2(t)	NOx(kg)
Diesel Energy Density	45.5 MJ/kg	volvo Trucks Euro 6 87	41,766	25,549	62	22.99
CO2e Emissions per Liter of Diesel	2.6945 kg CO2e/L	volvo Trucks Euro 6 B7	46,153	29,415	72	26.47
Diesel Use for Truck	100,000 liters	volvo Trucks Euro 6 B7	66,711	37,236	91	33.51
Diesel Use for Service and Transport Vessels	730,000 liters	Scania	64,833	32,567	88	27
Total Energy from Diesel	31,303,440 MJ	Total		99,219	311	
Resulting CO2e Emissions	2,235.535 tons					
Hydrogen Production						
Energy to Produce 1kg Hydrogen	55 kWh					
Emissions per kWh (Hydroelectric Power)	5g CO2e/kWh					
Hydrogen Energy Density	120 MJ/kg					
Hydrogen Efficiency Gain	15%					
Equivalent Hydrogen Required	226,841.74 kg					
Resulting CO2e Emissions from Hydrogen Emission Reductions	62.381 tons					
Total Reduction	2,173.154 tons CO2e					
Percentage Reduction	97.21%	2				
HOFSETH Diff.bod Crist kai skor	MERCERLARS HOFSE		VIRI			REON





HOFSETH FACILITATES INSEANERGY'S GREEN ENERGY AND CIRCULAR VISION

Repurposing Worn-Out Fish-Cage Float Rings into Sustainable Energy

In 2020, Hofseth facilitated a pioneering project for Inseanergy, focusing on the repurposing of worn-out fish-cage float rings that no longer met the standards for aquaculture usage. By converting these rings into zero-emission energy sources, they found an innovative way to give old materials new life. This partnership embodies Hofseth's commitment to local business development, the circular economy, and green energy initiatives. After rigorous testing, this sustainable solution received approvals from renowned institutions like Sintef and DNV in 2022, marking its readiness for wider commercial implementation. Led by Inseanergy, the project promises benefits that could ripple across the seafood industry. Dive deeper into this endeavor by visiting https://inseanergy.no/en/

() inseanergy



(O) inseanergy

TURNING FISH SLUDGE INTO RESOURCES



In 2021 we started building our new smolt and post-smolt facility in Tafjord, 9 km from the hydro-electric plant that produces all our renewable energy. Here we are installing a fish sludge management system delivered by our partner Hyperthermics, which allows fish sludge to be recycled into biogas energy and fertilizer production.

> https://www.hyperthermics.com/ solutions

HOFSETHBIOCARE'S TRANSFORMATIVE PROCESS:

In stark contrast to many ultra-processed products in the market, the supplements produced by Hofseth BioCare from our fish residues undergo minimal processing to maintain their nutritional integrity. In 2022, Hofseth supplied Hofseth BioCare with **13,446 tonnes of residue** from our fish processing operations. This residue is a valuable resource that is transformed into **4,550 tonnes of high-quality,**

minimally processed human-grade specialty

ingredients. This contributes to a circular economy within the seafood industry, ensuring every part of the fish is utilized to its fullest potential, while providing consumers with a more sustainable, nutritionally rich product.

www.hofsethbiocare.com







EPS (EXPANDED POLYSTYRENE) FISHPACK AGING BOXES

Our farmed fish are packed in EPS (Expanded Polystyrene) boxes for delivery to external customers either fresh or to be processed at our secondary facilities. All fish arriving at our filetprocessing facilities have their EPS upcycled into XPS (Extruded Polystyrene) which is used for housing insulation, improving energy efficiency. This process of upcycling the EPS reduces its carbon footprint from 5.2 to 2.15 CO2e per kg of EPS used - a reduction of 3.05 CO2e per kg. The upcycling economy is viable due to the fact that EPS is compensated for, with Hofseth receiving approximately NOK 10.70 per kg in 2022.

However, EPS is also a costly material, with fish delivered by truck in boxes costing around NOK 50 per kg of EPS. As our volume grows, we believe we will be able to find a solution to eliminate the use of EPS in the fish processed at our facilities. Airfreight significantly adds to the EPS footprint. As fish sent by airfreight often lands in distribution centers with smaller volumes, there are no systems in place to upcycle or recirculate the EPS, resulting in a total footprint of 5.2 CO2e per kg of EPS. Additionally, the boxes for airfreight are more expensive, with prices reaching up to NOK 67 per kg of EPS.



ELIMINATING OR RECYCLING PLASTIC

We are committed to fostering a sustainable value chain, even beyond the point our products reach consumers. Traditional plastic packaging poses recycling challenges, which is why we're transitioning to mono plastic films for our products. Being composed of a single plastic type, they simplify the recycling process, bolstering our contribution to a circular economy.



We annually collaborate with the local high schools to organize cleanup drives aimed at removing debris and waste that accumulate in the fjord. This not only helps preserve the natural beauty of our fjords, but also fosters environmental stewardship among younger generations.

By switching our bird net rope to velcro, we are **eliminating a yearly**



consumption of 16,5 km of plastic rope.



WATER

Our region is richly endowed with water resources, thanks to the marine climate along the Norwegian coast; annual precipitation is about 1796mm to 2073 mm. Rain and snow naturally fill up lakes and hydro-electric storage dams, so the region has plentiful renewable energy and high-quality drinking water. Our smolt production uses the same water that has generated energy in the upstream hydro-electric plant as it flows downhill and eventually into the sea. Notwithstanding our water wealth, we are careful not to waste any and have installed water meters in all our processing facilities. Our water consumption for processing vessel and the slaughterhouse stage of our operation is about 4.8l/kg of fish, and for the filet & portions processing stage it is about 7l/kg fish. Our fish feed water footprint is about 50l/kg fish produced.

BEEF 15500




HARNESSING THE POTENTIAL **OFTHELAST2%OFTHEFISH**

Driven by a commitment to total resource optimization, we're relentlessly innovating to ensure every part of the fish serves a purpose

The remaining 2% of the fish, which currently goes unused, holds significant promise. Collaborating with our partners, H.L. Skjong and Sintef, we're pioneering research and innovation to tap into the potential of fish blood as a rich source of iron. For an in-depth understanding of our efforts, refer to the report on water treatment in salmon processing plants: Rensing av prosessvann i lakseslakterier (fhf.no).



RESPONSIBLE OPERATIONS



FARMING

The 12-month rolling survival rate



Economical Feed Conversion Ratio



Farming
Antibiotics
Sea lice
Escapes
Number of fish escaped
Certified locations (ASC)
Fish Feed Certifications Soya
Fish Feed Certifications mari
Fish feed FFDR (fish oil)
Fish feed FFDR (fish meal)
Economical Feed Conversion Ra
Yearly survival rate
FFDR (The forage fish dependency

	Idiyet	2022	2021	2020
	0	0	0	0
	<0.5	0.18	0.28	0.22
	0	1	4	0
	0	1	137	0
	100%	100%	100%	100%
	100%	100%	100%	100%
е	100%	100%	100%	100%
	<2.52	1.66	1.66	2.4
	<1.2	0.29	0.29	0.29
C	<1.3	1.41	1.46	1.4
	>97%	89.28%	91.87%	94.99%

ratio) sustainable use of feed ingrediencies.

SMOLTIFICATION AND POST-SMOLT

Our smolt facility operates on a flowthrough system, utilizing natural freshwater from the river that also powers the hydro plant to generate renewable energy. This flow-through process mirrors a natural biological system as closely as possible, ensuring optimal taste and quality of the fish. We have invested over 600 million NOK in our post-smolt facility, incorporating state-ofthe-art technology to minimize its environmental footprint. By allowing the fish to spend more time in landbased tanks before their release into the sea, we reduce their potential exposure to diseases and sea lice. Our stable sea temperature and access to renewable energy provide an excellent foundation for success.

Water Flow through Our Smolt Facility BT1:

Fresh water: 18,000 I/min Sea water: 22,500 I/min **BT2:** Sea water: 108,000 I/min



GROWTH

After the smoltification and post smolt period the fish are moved to pens in the fjord. At this moment they weigh about 300-600g, and then grow to between 4-5kg. Conditions in the fjord are optimal for the health and welfare of the fish, because fresh, cold, clean meltwater from the snow and ice in the mountains flows into it, mingling with the sea water. These conditions also reduce the incidence of sea lice from May to August. We invested 300-million NOK to convert the barges in our feed fleet to renewable energy, space our farms further apart, install new fish pens and implement a data-driven surveillance and feeding system. This will cut fish feed and fuel costs, reduce our environmental and climate footprint and enhance the welfare of the fish.



CLOSED SYSTEMS





To ensure our fish production is sustainable, we need to mitigate its impact on climate change and the environment generally; a key aspect of this is to maintain closed systems both on land and at sea. We plan to locate a new land-based farm inside a former olivine mine, which will allow us to minimize our impact on land surface, vegetation, natural habitats and biodiversity. The mineral mass excavated from the mine to make room for our facility might also have applications in carbon storage.



CLOSED SYSTEMS

E20000

44m height 20.000m³ 1 million smolt (100t) 31m diameter 450 tonnes

The future of seafood farming

Hofseth has committed to invest in 5 full scale Ovum, the five units come with six MTB (Maximum Allowable Biomass) development licenses. The small-scale test system started operating on the 9th of October and the initial data is promising. The technology has proven more efficient than expected, showing a lower feed conversion ratio, faster growth, and very low mortality rate.

Sea lice are a major challenge in the salmon farming industry. With this technology, the concern is effectively eliminated. With the implementation of the Ovum units, we are seeing an improvement in fish welfare, no sea lice infestation, and hence, a reduction in both feed usage and no sea lice treatment operations. With its technology, Hofseth is well-prepared to expand using the environmental licenses anticipated to be issued.

In essence, our investment in the Ovum units is enhancing our operational efficiency, while significantly reducing our environmental footprint and improving fish welfare.



IMPLEMENTING FOOD TECH IMPROVING YIELD ANDENHANCING FISH WELFARE

In Stranda municipality we have a central surveillance and feeding system that will improve our feed conversion ratio and efficiently monitor fish health. Sustainability and Efficiency: Advanced food tech can optimize feeding patterns, reducing waste and ensuring that fish utilize nutrients effectively. This not only conserves resources but also minimizes the environmental footprint of the farm. Health and Welfare Monitoring: Modern sensors and Al-driven systems can monitor water quality, fish behavior, and growth rates in real-time. This allows for immediate adjustments and interventions, promoting healthier fish populations and reducing disease outbreaks. Maximizing Production and Profit: By leveraging food tech, farms can achieve higher yields, ensure consistent product quality, and reduce losses due to disease or suboptimal conditions. This not only benefits the industry but also meets the rising global demand for seafood.



As a salmon farming and processing organization, we rely on data-driven solutions to optimize our operations. By leveraging data analytics and business intelligence tools, we can make informed decisions that help us reduce waste, improve efficiency, and minimize our environmental impact. Our commitment to utilizing cutting-edge technology ensures that we continue to operate in a sustainable and responsible manner, while delivering the highest-quality products to our customers.





NATURAL DEFENSE AND PROACTIVE MEASURES AGAINST SEA LICE

Sea lice, predominant parasites affecting trout and salmon, are native to oceans across the northern hemisphere. While these parasites struggle to flourish in freshwater and chilly conditions, our fjord environment — enriched by abundant flows of cold, fresh ice and snow melt — offers a natural safeguard against them. Nevertheless, relying solely on this natural defense is not enough. To bolster our protective measures, we've strategized to amplify our sea lice operations during the autumn season. This proactive approach to keeping sea lice levels in check has been fruitful, evidenced by the decline in sea lice operations in 2022. Norway enforces the strictest regulations on sea lice globally. The country sets a limit of just 0.5 female sea lice per fish. During weeks 16 to 21, this regulation is further tightened, setting a limit of 0.2 female lice per fish. Moving forward, all our expansions will exclusively utilize closed systems, thereby eliminating the issue of sea lice.

Prioritizing Fish Welfare:

Owing to our robust strategy on fish welfare, we have made the conscious decision to refrain from using cleaner fish as a method for sea lice removal. Our commitment underscores our dedication to ethical and sustainable practices in aquaculture.

Lice Exceedances	Vindsnes	Overáneset	Urdaneset	Skjortneset	Skotungne
2022	1	1	0	0	
2021	1	1	2	0	



eset/Bugane	Total	
0	2	
1	5	

BIODIVERSITY AND THE SURROUNDING ENVIRONMENT

As dedicated stewards of aquaculture, we hold ourselves accountable for preserving biodiversity and safeguarding wild salmon. We implement rigorous preventive measures at our farms to minimize escapes. Should any incident arise, we promptly report it on BarentsWatch. Additionally, in our commitment to the environment, we collaborate with the NORCE research institute on a project aimed at mapping regional rivers. This initiative aids in locating and, where possible, removing any farmed fish that might inadvertently enter these waterways.

Encounters with Marine Mammals and Wildlife in 2022

In 2022, we maintained our commitment to conducting our operations in a way that minimizes disturbances to marine mammals and local wildlife. Regular monitoring is carried out, and any encounters are documented and managed with the utmost care to ensure minimal disruption to the natural behavior of these creatures. Our operational protocols are designed to prevent negative interactions and we always aim to operate in harmony with the local ecosystem.

Exceptionally Low Incidents							
of Fish Escapes:							
2022 1 2010 0							
2022: 1 2019: 0							
2021: 137 2018: 49							
2020:	0	2017:	40				

Sammen for

villaksen

- for mer liv i elva



Wildlife Interaction reporting 2022: 19.07.22: 1 incident

Lesser black-backed gull 08.12.2022: 1 incident



ENVIRONMENTAL TESTS AROUND THE FARMS

Environmental assessments of the habitats beneath and around fish farms ensure the health and sustainability of the aquatic environment. These evaluations encompass:

- Fauna Investigation: Analysis of the various species present nearby or in the immediate surroundings.
- Chemical Investigation: Measurement of water's pH and oxidation-reduction potential (ORP).
- Sensory Investigation: Assessment of attributes like water color, odor, and sediment consistency.

A significant component of these assessments involves collecting sediment samples from the seabed, along with visual and olfactory (sense of smell) evaluations. Surveys are conducted based on the NS9410:2016 standard.

Storfjorden does not have a threshold, leading to stronger currents. This increased flow enhances the environmental sustainability of fish farming in the area. Spilled feed and sediments disperse more widely, acting as nutrients for the fjord and benefitting the broader marine ecosystem.

> COASTAL WATER

Very Good: Good: Moderate: Very Bad: 7 locations 6 locations 0 locations 0 locations

MOM-C Survey Results (2017-2021):

Very Good: Good: 4 locations 1 locatio

(Around Overåneset Farm): Acceptable Not A (A): 4

Every farm site we manage is certified by the Aquaculture Stewardship Council, ensuring high standards in aquatic farming. For more in-depth details about our ASC reporting, you can visit our report page on Hofseth.

FJORD BASIN

THRESHOLD

PAGE 48

MOM-B Survey Results (2017-2021):

	Moderate:	Very Bad:
n	1 location	0 locations

2022 ASC-MOM-C Survey

Acceptable	Not Analyzed
(IA): 0	(i.a): 1

FRESH WATER

TAUMAR

The Taumar, our innovative on-site processing vessel, has transformed the way we handle and transport mature fish from their pens to the shore. Unlike traditional well-boats that transport fish alive, the Taumar ensures fish are humanely euthanized immediately upon extraction from the pens. This pioneering method offers numerous advantages:

Reduced Stress for Fish: The immediate processing eliminates the distress associated with live transport.

Safety and Health: Transferring fish post-euthanasia reduces the likelihood of spreading or succumbing to contamination, which can lead to disease and increased fish mortality.

Environmental Efficiency: The Taumar's streamlined design contributes to a significant reduction in fuel consumption. Despite being only three-fifths the size of a typical well-boat at 28.5 meters in length and 10.2 meters in width, it can hold an impressive 160 tons of round fish, mirroring the capacity of its larger counterparts.

Targets:

- > No fish disease or death in transport between farm and slaughterhouse.
- > Less fuel
- > Increased fish welfare

Emissions diesel 2022: 1035 tonnes Co2e Emission savings: 1035 tonnes of Co2e Liter diesel used 2022: 389294 Diesel cost savings: 7.4 million NOK Urea used to reduce Nox 2022: 10200 liter (Urea reduces Nox emissions with around 50%)



SALES AND DISTRIBUTION

Leveraging Innovative FoodTech and Strategic Marketing to Drive Sustainable Food Delivery



Our sales and distribution department plays an important role in achieving sustainability in our operations. Hofseth International distributes fish all around the world and is committed to doing so in the most sustainable way possible. Part of this strategy

involves moving our production to mainly frozen fish, because this maintains the quality of the fish for longer and allows us to use sea freight, rather than air freight, for distribution. But there is still a false perception that fresh fish packed in ice is better than frozen, so our sales and marketing departments are educating consumers about how our value chain preserves the quality and stability of our products and reduces food waste.



ICEFRESH Defrosting Tech

ICEFRESH focus on the benefit from our innovative defrosting tec With our defrosting technology, we can defrost seafood quickly and accurate The seafood will have less water losses, higher food safety standard and freshne sustained after defrosting

The defrosting programme is unique for every type of product (product format, type of protein etc.). Specific programmes can be developed for poultry, beef etc.



ICEFRESH

ICEFRESH TECHNOLOGY

Reduces transport cost by **up to 80%** Achieving **90%** Reduction in CO2e Emissions Ensuring a **Resilient** Supply Chain



SAFE FOOD

Our Commitment to Food Safety and Environmental Responsibility

During the fish-processing stage, we place a significant focus on food safety and minimizing environmental impact. All our processing and farming sites are certified by the Aquaculture Stewardship Council (ASC). This is a major organization in the industry that sets the highest standards for responsible aquaculture. The ASC's certification process emphasizes the preservation of the natural environment, reduction of water pollution, and the promotion of a socially responsible industry. This certification is a testament to our commitment to sustainability and responsible farming practices, which are integral to our ESG objectives. Our operations are also subject to scrutiny by the local food authority. We employ automation and state-of-the-art equipment provided by industry leaders. In a comprehensive study from 2022, over 15,040 farmed fish underwent rigorous testing for prohibited and undesirable substances, with none detected. The findings confirm that levels of medications and environmental contaminants are well beneath established safety thresholds.

For more information about our certifications, visit: https://www.hofseth.no/about/certifications/

The Federation of Synagogues

KF Kosher

KF Kosher is an international organisation providing the highest standards of kosher food certification.

Visit federation.org.uk/kf-kosher for more information



The Global Partnership for Safe & Sustainable Agriculture

GLOBALG.A.P (GGN)

G.A.P. stands for Good Agricultural Practices and GLOBALG.A.P. is the worldwide standard that assures them.

Hofseth Aalesund AS – GGN 4056186949738 Seafood Farmers of Norway AS – GGN 4052852884631 Hofseth Syvde AS – GGN 4052852893534

Visit globalgap.org for more information

The Aquaculture Stewardship Council

ASC

ASC runs an ambitious programme to transform the world's seafood markets and promote the best environmental and social aquaculture performance.

Hofseth Aalesund AS - ASC-C-01125 Seafood Farmers of Norway AS - ASC-C-00639 Hofseth AS - ASC-C-00635 Hofseth Aqua AS - ASC-C-01510

Visit asc-aqua.org for more information



The Marine Stewardship Council

The Marine Stewardship Council is an international non-profit organisation. MSC recognise and reward efforts to protect oceans and safeguard seafood supplies for the future.

Hofseth Aqua AS - MSC-C-55984 Seafood Farmers of Norway AS - MSC-C-54391 Hofseth AS - MSC-C-53111

Visit msc-aqua.org for more information





Nutrient

Energy

Protein

HEALTHY FOOD

Norwegian farmed salmon offers notable health benefits and is a nutritious choice for consumption:

HBC'S INTERNAL RESEARCH, DOCUMENTED STRUCTURE, AND HEALTH CLAIMS OVERVIEW



PAGE 53



Collagen-calcium complex

Rich in phosphorous and zinc

CLINICAL STUDY Six times more absorbable than calcium carbonate

CalGo® characteristics

EFSA & FDA Claims

Natural form of calcium hydroxyapatite Ca10(PO4)6(OH)2 human-identical form for bone health

SAFETY CalGo[®] has been granted NDI (New Dietary Ingredient) status by the FDA

24% undenatured type II collagen for joint health

PEOPLE AND SOCIETY ENGAGEMENT



EMPHASIZING EMPLOYEE WELLBEING AND SAFETY: HOFSETH'S GUIDING PRINCIPLES

- **Safety Above All:** At Hofseth, we prioritize employee safety above all else. Regularly reviewing and updating our safety procedures and guidelines is an integral part of our operations.
- 2 **Continuous Training:** We believe in the continual growth and development of our people. Regular safety training is one of the many ways we invest in our workforce.
- **3 Open Dialogue:** We encourage open and honest communication throughout our organization. This is particularly important when it comes to safety concerns and issues, enabling us to proactively manage potential risks.
- 4 Wellbeing Initiatives: We understand the importance of overall wellbeing physical, mental, and emotional. Our wellbeing programs are designed to support our employees in all aspects of their health.
- **Recognition Culture:** We believe in recognizing and rewarding behaviors that contribute to a safer and more efficient workplace.
- **6** Flexible Work Models: Wherever possible, we offer flexible work arrangements to help our employees balance their work and personal life effectively.
- **7** Inclusive Decision Making: At Hofseth, we believe in involving our employees in decision-making processes, especially those that directly impact their work and safety. This inclusion not only values their inputs but often results in better, more practical decisions.
- **Zero Tolerance for Discrimination:** We are committed to fostering a diverse and inclusive workplace. Discrimination of any kind is not tolerated at Hofseth. Every employee has the right to work in a respectful environment free from discrimination, harassment, and retaliation.
- **Equal pay for equal work and qualifications.** We are committed to ensuring that all employees are fairly compensated for their roles and responsibilities. We believe in transparency, equality, and fairness in our compensation strategies, reflecting our broader commitment to diversity and inclusion.





























EMPLOYEES FARMING

Working in the aquaculture sector, especially on sea farms, is a challenging and demanding job. This field of work, second only to the fishing industry in Norway in terms of risk, requires an utmost attention to safety protocols. However, our sea farms located within the protective environment of the Storfjord present a safer workspace compared to more exposed, open ocean sites.

As technology continues to advance, a significant portion of aquaculture farming has transitioned to being data-driven, allowing for more remote operations. This has greatly increased the safety of our operations by reducing the need for hands-on intervention, especially in more hazardous scenarios. However, it's worth noting that certain maintenance tasks and specific operations still require a direct, hands-on approach.

In 2022, despite our best efforts to maintain a safe work environment, we unfortunately experienced three incidents. One of our employees slipped and sprained his wrist but was able to return to work shortly after the incident. In another incident, a contracted cleaning worker was seriously injured, despite having received necessary safety training. The last incident involved a hose coming loose at one of our farm locations, which resulted in an ankle injury to one of our workers. Safety remains our top priority and these incidents have reminded us of the constant need to review and update safety measures. Our team, with their dedication and hard work, are the backbone of our mission to provide the world with sustainable and nutritious food. We express our gratitude for their commitment and promise to continuously strive to provide a safe and healthy work environment for them.

Farming (Hofseth Aqua)	2022	2021	2020
FTE (Full-Time Equivalent)	122	176	146
Share of female FTE	23.34%	23.30%	19.18%
Number of contract workers	11	7	6
Share of female contract workers	70%	n/a	n/a
Fatal accidents	0	0	0
Number of LTI (Lost Time Injury)	1	5	4
Number of high concequence LTI	2	0	0
Rate of LTI / 200000 worked hours	3.10	2.80	2.70
Sickness absence	5.40%	6.92%	6.77%

LTI: Lost time due to work-related injury per 200,000 hours worked. Sickness absence

excludes contract workers.

HOFSETH PROCESSING WORK STAFF

In our processing divisions, we had one accident which led to an absence for a month. Besides this, there are recurring incidents such as minor cuts and falls, but most incidents do not lead to absence from work. We are committed to implementing measures to ensure that no injuries occur, and we encourage our employees to report all incidents. We extend the same safety training to all contract workers as our full-time employees, reinforcing our commitment to ensuring a safe and secure work environment for all staff members

Processing (Hofseth Ålesund)	2022	2021	2020
FTE (Full-Time Equivalent)	20	17	14
Share of female FTE	26.34%	29.40%	28.50%
Number of contract workers	117	114	106
Share of female contract workers	57%	n/a	n/a
Fatal accidents	0	0	0
Number of LTI (Lost Time Injury)	4	6	4
Number of high concequence LTI	0	0	0
Rate of LTI / 200000 worked hours	3	4.7	3.4
Sickness absence	1.08%	0.17%	0.19%

LTI: Lost time due to work-related injury per 200,000 hours worked. Sickness absence excludes contract workers.

Processing ((Seafood	farmers)
--------------	----------	----------

FTE (Full-Time Equivalent)Share of female FTENumber of contract workersShare of female contract workersFatal accidentsNumber of LTI (Lost Time Injury)Number of high concequence LTIRate of LTI/20000 worked hoursSickness absence

Processing (Hofseth Syvde)FTE (Full-Time Equivalent)Share of female FTENumber of contract workersShare of female contract workersFatal accidentsNumber of LTI (Lost Time Injury)Number of high concequence LTIRate of LTI / 20000 worked hoursSickness absence

2022	2021	2020
47	45	35
57.38%	57.78%	48.57%
54	58	58
56%	n/a	n/a
0	0	0
0	1	3
0	0	0
0	0.9	2.7
3.60%	3.51%	4.76%
2022	2021	2020
17.5	21	22
71.42%	76.20%	77.30%
100	100	111
66%	n/a	n/a
0	0	0
4	4	5
0	0	0
3.5	3.4	3.8
13.62%	13.28%	13.13%

ADMINISTRATION, LOGISTICS AND SALES

Hofseth Logistics	2022	2021	2020
FTE (Full-Time Equivalent)	7.1	7.5	9
Share of female FTE	0	0	0
Number of contract workers	0	0	0
Share of female contract workers	0	0	
Fatal accidents	0	0	
Number of LTI (Lost Time Injury)	0	0	0
Number of high concequence LTI	0	0	0
Rate of LTI / 200000 worked hours	0	0	0
Sickness absence	0.54 %	0.17 %	5.47 %

Hofseth International (admin and sales)
FTE (Full-Time Equivalent)
Share of female FTE
Number of contract workers
Share of female contract workers
Fatal accidents
Number of LTI (Lost Time Injury)
Number of high concequence LTI
Rate of LTI / 200000 worked hours
Sickness absence

Hofseth Group

Average days parantel leave

Number of parantel leaves

LTI: Lost time due to work-related injury per 200,000 hours worked.

PAGE 58

2022	2021	2020
28,8	31	22
36.11%	32.25%	27.27%
0	0	0
0	n/a	n/a
0	0	0
0	0	0
0	0	0
0	0	0
4.72%	1.99%	2.58%

2022	2021	2020
Men	Women	Total
55.16	154.33	88.22
6	3	9

THE NEXT GENERATION

Hofseth has been accepting apprentices for a number of years but is now going to the next level by partnering with the local high school in Stranda municipality. We esablished a programme whereby youngsters can combine practical and theoretical study ahead of a guaranteed apprenticeship and a future job. In addition, we support local cultural, educational and sports projects focusing on youth and kids.

Read more: https://www.strand. vgs.no/hovedmeny/ utdanningstilbud/ naturbruk/



matarle Guls

Stranda vidaregåa de skule

PAG

TRANSPARENCY

We take a lot of pride in what we do and the way we do it, so it was a highlight for us to open our new viewing centre on a feeding barge, the Ivar Heggen, in Storfjord. Equipped with underwater cameras and with staff on hand to answer questions, the viewing centre allows the public — children, tourists and anyone else who is interested — to get a close-up look at our operations in the fjord and learn how we farm salmon and trout. The aim is to demonstrate how sustainable the industry is, and the opportunity it holds for the future. As part of this education project, we have partnered with the city aquarium in Ålesund to develop an interactive experience for visitors.

Our 100% electric service boat.

IVAR HEGGEN

000



NORWEGIAN TRANSPARENCY ACT

In response to the newly implemented transparency act in Norway, Hofseth has initiated a comprehensive due diligence assessment as part of our ongoing dialogues with suppliers. Collaborating with over 1100 suppliers, we have begun this process primarily with our larger partners.

Our approach to meet the act's requirements is multifaceted:

- 1 Suppliers providing services or products valued over 50 million NOK must sign a due diligence agreement.
- 2 These significant suppliers are also included in our annual stakeholder dialogues, where they are required to demonstrate their adherence to the agreement's conditions.
- 3 We are actively exploring potential software solutions capable of screening our entire supplier list, with the caveat that privacy protection must be guaranteed.

Furthermore, based on our initial assessments, we have identified three crucial areas within the supply chain where enhanced attention is needed: contract labor, agricultural ingredient providers for feed, and transportation suppliers. These sectors will be monitored closely, and where necessary, audits will be carried out to ensure compliance with our policies.

Through this strategic approach, Hofseth aims to uphold our commitment to transparency, responsible sourcing, and ethical business practices while complying with the transparency act.



ESG CORPORATE GOVERNANCE FRAMEWORK

Board of directors and corporate management have developed the framework in collaboration.

Understanding and consent to guidelines, values, objectives and measures are ensured by yearly review by all members of the corporate management.

The Company abides by the Norwegian Code of Practice for Corporate Governance as recommended by the Norwegian Corporate Governance Board (NUES) on 17 October 2018.

We split our corporate governance into two main areas:

ESG - MATERIAL PILLARS

CODE OF CONDUCT

https://www.hofseth.no/about/code-of-conduct/

RESPONSIBILITY

NO FORCED LABOR, HUMAN TRAFFICKING, OR SLAVERY

NO CHILD LABOR

FREEDOM OF ASSOCIATION

NO DISCRIMINATION

NO HARASSMENT OR ABUSE

WORKING CONDITIONS

FAIR WAGES AND WORKING HOURS

PRODUCT RESPONSIBILITY

BUSINESS INTEGRITY



SHAREHOLDERS

Shareholders in Hofseth International AS per 31.12.2021 (ordinary shares):

Hofseth has 2 classes of shares: A and B

B shares come with no voting rights but have preferential rights over the class A shares. Stocks in the same class have equal rights.

|--|

The chairman of the Board: Morten Vike in

Board member: Roger Hofseth (in

Board member: Hiroshi Okada

Owner	Number of stocks	Share of ownership	Owner	Number of stocks	Share of ownership
RH Industri AS	294 174 680	42.83%	GAGA Trading AS	6 015 000	0.88%
RH Investments AS	108 184 536	15.75%	Gøy Invest AS	6 015 000	0.88%
Yokorei Co. Ltd.	96 375 602	14.03%	Zenseware AS	6 015 000	0.88%
Asinvest AS	41 771 095	6.08%	Aarseth AS	6 015 000	0.88%
Håberg AS	28 780 121	4.19%	Jens-Peter Stein	4 610 020	0.67%
Mixter Holding AS	27 480 000	4.00%	Hofseth AS	1 893 611	0.28%
Blackrock Resources and Commodities Strategy Trust	18 993 283	2.77%	David Lipner	829 803	0.12%
Key P1 AS	17 050 030	2.48%	Tarek Shoeb	645 402	0.09%
Hofseth International AS	15 530 998	2.26%	Neal Trivedi	276 601	0.04%
Fima AS	6 015 000	0.88%	Paul Baron	230 501	0.03%

tors:

HOFSETH ORGANIZATIONAL STRUCTURE



Company/Shareholder	Associated Person (Role)	Number of Shares
RH Industri AS and RH investments AS	Roger Hofseth (CEO and member of the board)	402,359,216 (55.58%)
Håberg AS	Geir Even Håberg (Site Director Hofseth Ålesund)	28,780,121 (4.19%)
Key P1 AS	Number of employees	17,050,030 (2.48%)
Gaga Trading	Svein Flølo (SVP Farming)	6,015,000 (0.88%)
Aarseth AS	Tor Helge Aarseth (SVP Sales & Purchasing)	6,015,000 (0.88%)
Fima AS	Finn Olaf Stokkereit(VP technical)	6,015,000 (0.88%)
Zenseware AS	Anders Isak Hoff (SVP General Services & IT)	6,015,000 (0.88%)
Gøy Invest	Øystein Giske (Site Director Slaughterhouse)	6,015,000 (0.88%))

HOFSETH INTERNATIONAL

Overview of Company Ownerships 2022



GRI INDEX

Details	Information
Reporting Period	01.01.2022 to 12.31.2022
GRI Standards Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022
Name of organizations	Hofseth International AS
Activities and products	Salmon and trout farming and processing
Location of Head Quarter	Kippervikgata 13 6003 Ålesund
Locations of operations	Hofseth has 5 farm locations in Storfjord, smolt facility in Tafjord, and pro Ålesund. In addition, Hofseth has logistic and sales company in Ålesund

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
2-1 Organizational details		NO	А		
2-2 Entities included in the organization's sustainability reporting	Our greenhouse gas emissions are reported in accordance with the Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative, using the operational approach.	Page 64 General Info		NO	
2-3 Reporting period, frequency and contact point	In our integrated sustainability, we report annually according to the GRI Standards. Contact points: ESG-reporter: John-Andre Bolseth, john@verdee.no Hofseth Communication Manager: Jannicke Farstad, jafa@hofseth.no	Our annual ESG report covers the period from January 1, 2022, to December 31, 2022, and are updated yearly.		NO	
2-4 Restatements of information	Our climate accounting has been updated back to baseline year 2020, based on better data and understanding of emissions.	Page 15		NO	
2-5 External assurance	The ESG reporter seeks external assurance of sustainability reporting according to GRI Standards, climate accounting and sustainability KPIs. Our sustainability reporting will be assured by our independent auditor RSM Norway within September 2023.	Will be attaching on last page after GRI index		NO	
2-6 Activities, value chain and other business relationships	Our core business involves purchasing fish from other farmers, processing it into portions and fillets, with the primary cost being the fish itself. Within our farming division, the most substantial expense comes from feed. For further information on our other business relations and investors, refer to the stakeholder section on pages.	Page 9-12 and page 62		NO	

process facilities in Syvde, Valderøy, and Ind

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
2-7 Employees	We do not have any non-guaranteed hours employees.			NO	
2-8 Workers who are not employees	We define workers who are not employees as contract workers. Data reported on contractors are compiled in headcount, similarly to our employees. Our LTI includes contract workers.	See <u>page 54-56</u>		NO	
2-9 Governance structure and composition	-	ESG-governance page 61-63	A	NO	YES
2-10 Nomination and selection of the highest governance body	-	<u>Page 61-63</u>	А	NO	YES
2-11 Chair of the highest governance body	-	<u>Page 61-63</u>	A	NO	YES
2-12 Role of the highest governance body in overseeing the management of impacts	-	<u>Page 61-63</u>	A	NO	YES
2-13 Delegation of responsibility for managing impacts	-	<u>Page 61-63</u>	A	NO	YES
2-14 Role of the highest governance body in sustainability reporting	Approval of the ESG report, in alignment with the corporate ESG strategy.		А	NO	YES
2-15 Conflicts of interest	-	Page 63	А	NO	YES
2-16 Communication of critical concerns		Page 60	A	NO	YES
2-17 Collective knowledge of the highest governance body	Our CEO possesses extensive and in-depth experience, serving as the visionary behind our sustainable strategy	<u>6, 61-63</u>	А	NO	YES
2-18 Evaluation of the performance of the highest governance body	The performance of our highest governance body is evaluated against our main KPIs: emissions from air freight, feed utilization, Understanding airfreight emissions, and the implementation of climate opportunities.	<u>4, 16, 22, 24, 41</u>	A		YES

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
2-19 Remuneration policies	We have serval employees that have stocks in the company	Page 63	А	NO	YES
2-20 Process to determine remuneration	Hofseth is not a public company, and do not report on remuneration yet.			YES	
2-21 Annual total compensation ratio	Hofseth is not a public company, and do not report on remuneration yet.			YES	
2-22 Statement on sustainable development strategy	-	<u>Page 6, 15</u>		NO	
2-23 Policy commitments	-	<u>Page 60, 61, 6</u>		NO	
2-24 Embedding policy commitments	-	<u>Page 60, 61</u>		NO	
2-25 Processes to remediate negative impacts	-	This subject is relevant trough the whole report		NO	
2-26 Mechanisms for seeking advice and raising concerns	Our stakeholder dialogue and third party certificators like ASC and MSC.	<u>Page 9, 10, 11, 12, 50</u>		NO	
2-27 Compliance with laws and regulations		<u>Page 75</u>		NO	
2-28 Membership associations	Membership of associations GATH, Sjømatbedriftene, Norwegian Seafood Council			NO	
Stakeholder Engagement					
2-29 Approach to stakeholder engagement		<u>Page 9-12</u>		NO	A
2-30 Collective bargaining agreements	Collective bargaining agreements: 18%			NO	А
Material Topics					
3-1 Process to determine material topics		Page 13		NO	А

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
3-2 List of material topics		<u>Page 13</u>		NO	А
Animal Health And Welfare					
3-3 Management of material topics		<u>Page 13, 37</u>	13.11.1	NO	А
Additional sector disclosures					
Percentage of production volume certified to third-party animal health and welfare standards	All are farming sites and processing sites have certifications, this can be found on our web page and in this report.	<u>Page 37, 50</u>	13.11.2	NO	А, В
Survival rate at sea		Page 37	13.11.3	NO	A, B
Main causes for reduced survival in seawater	List of the main causes of reduced survival, with loss stated in number and tonnes of fish.	Page 37		NO	А, В
Other certifications and environmental alignments	Certifications and farming KPIes	<u>Page 37, 50</u>		NO	А, В
Biodiversity					
3-3 Management of material topics		<u>Page 13, 45</u>	13.3.1	NO	А
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		<u>Page 45, 46</u>	13.3.2	NO	А, В
304-2 Significant impacts of activities, products and services on biodiversity		<u>Page 45</u>	13.3.3	NO	A
304-3 Habitats protected or restored	All our farming sites have fallowing periods to break disease cycles and allow the environment to recover. Parasites, bacteria, and other disease-causing agents often build up in the water and on the sea floor beneath the farm during production cycles. When the fish are harvested and the site is left fallow, these agents often die off due to lack of hosts.		13.3.4	NO	A

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		<u>Page 45, 46</u>	13.3.5	NO	A, B
Hofseth indicator 01 Economical Feed Convertion Ratio		<u>Page 36, 37</u>	13.3.6	NO	А, В
Hofseth indicator 02 Fish utilization		Page 4		NO	А, В
Hofseth indicator 03 Share of airfreight		<u>Page 23, 24</u>			
Hofseth indicator 04 Information on products in feed		<u>Page 37, 26</u>			
Hofseth indicator 05 Number of escape incidents and fish escaped		<u>Page 37, 46</u>			
Hofseth indicator 06 Sea lice levels		Page 44			
Hofseth indicator 07 Environmental status of our sites		Page 46			
Hofseth indicator 05	Active substances used for sea lice treatments are salmosan and ectosan			NO	
Hofseth indicator 08	Number of dead birds and marine mammals	<u>Page 45, 46</u>		NO	
Food Safety		<u>Page 50, 51</u>	13.10.1	NO	
416-1 Assessment of the health and safety impacts of product and service categories	Since all our products are intended for human consumption, their health and safety impacts are continually assessed as part of our certification processes.	<u>Page 50</u>	13.10.2	NO	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents		13.10.3	NO	
Additional sector disclosures: Percentage of production volume from sites certified to internationally recognized food safety standards	All our sites are certified	Page 50	13.10.4	NO	

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
Number of recalls issued for food safety reasons and the total volume of products recalled	zero		13.10.5	NO	
Emissions		Page 15-35	13.1.1	NO	
305-1 Direct (Scope 1) GHG emissions		<u>Page 15, 16, 27</u>	13.1.2	NO	
305-2 Energy indirect (Scope 2) GHG emissions	The group's market-based Scope 2 GHG emissions amount to 11 613 tCO2e.	<u>Page 15, 16, 20</u>	13.1.3	NO	
305-3 Other indirect (Scope 3) GHG emissions	Biogenic CO2 emissions (tCO2e) is not relevant for our operations.	<u>Page 15-33</u>	13.1.4	NO	
305-4 GHG emissions intensity			13.2.2	NO	
3-3 Management of material topics		Stakeholder Dialogue <u>Page 9-14</u>	13.2.1	NO	
201-2 Financial implications and other risks and opportunities due to climate change	We see opportunities in climate change for new technology, for example our investment in renewable energy, Ovum and ICEfresh.	<u>Page 16, 40</u> and <u>49</u>	13.2.2	NO	
3-3 Management of material topics related to food security	We provide the world with healthy, safe, and sustainable food. We do this without compromising our planet or people.	<u>Page 3, 10, 50, 51</u>	13.9.1	NO	
3-3 Management of material topics related to natural ecosystem conversion	We had serval dialoges with our feed provider about the topic.	<u>Page 10, 25</u>	13.4.1	NO	
3-3 Management of material topics related to supply chain traceability		<u>Page 12, 60</u>	13.23.1	NO	
Level of traceability		Page 60	12.23.2	NO	
Improvements projects related to certification	We are in process of various certifications regarding our sustainability efforts.		13.23.4	NO	
3-3 Management of material topics related to anti-corruption		ESG-framework Page 61	13.26.1	NO	

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
205-1 Operations assessed for risks related to corruption		<u>Page 60</u>	13.26.2	NO	
205-2 Communication and training about anti-corruption policies and procedures	Our Code of Conduct program includes anti-corruption guidelines and procedures. The disclosure requirements are largely met with one minor exception. A significant portion of our suppliers, in terms of purchase value, have signed our Supplier Code of Conduct. However, we are currently unable to provide precise figures or regional breakdowns. We are committed to improving our systems to track this data more accurately in the future. Management are trained in anti corruption policies.	<u>Page 60</u>	13.26.3	YES, POINT C.	
205-3 Confirmed incidents of corruption and actions taken	No incidents		13.26.4	NO	
3-3 Management of material topics related to employee health and safety		<u>Page 53-56</u>	13.19.1	NO	
403-1 Occupational health and safety management system	-: Occupational health and safety management system: EQS Health and safety system implemented		13.19.2	NO	
403-2 Hazard identification, risk assessment, and incident investigation	-: Hazard identification, risk assessment, and incident investigation: Risk assessment in all new equipment and processes, registration of deviations and implementation of measure	<u>Page 53-56</u>	13.19.3	NO	
403-3 Occupational health services	-Occupational health services: Health check by a doctor every other year. Work-related injuries or health problems are followed up by, for example, a physiotherapist.		13.19.4	NO	
403-4 Worker participation, consultation, and communication on occupational health and safety	-Worker participation, consultation, and communication on occupational health and safety: The Working Environment Committee meets every quarter. Grievance implementation and anonymous or open letter box at all factories to report any unfortunate circumstances or suggestions for improvement.		13.19.5	NO	
403-5 Worker training on occupational health and safety	-Worker training on occupational health and safety: All new employees go through training with an HSE representative or safety representative. If accidents occur, all employees in the relevant job position go through measures to avoid the accident happening again.		13.19.6	NO	
403-6 Promotion of worker health	Hofseth Academy		13.19.7	NO	
Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
--	--	--------------------	-------------------------------------	---------------	-----------------------
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			13.19.8	NO	
403-8 Workers covered by an occupational health and safety management system	Workers covered by an occupational health and safety management system: 100%		13.19.9	NO	
403-9 Work-related injuries		<u>Page 53-56</u>	13.19.10	YES, POINT B.	
403-10 Work-related ill health	We have no incidents of work-related ill health		13.19.11	NO	
3-3 Management of material topics related to forced or compulsory labor	-	<u>Page 59</u>	13.16.1	NO	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	<u>Page 59</u>	13.16.2	NO	
3-3 Management of material topics related to child labor	-	<u>Page 59, 61</u>	13.17.1	NO	
408-1 Operations and suppliers at significant risk for incidents of child labor		<u>Page 59</u>	13.17.2	NO	
3-3 Management of material topics related to rights of indigenous people	-	Page 59	13.14.1	NO	
411-1 Incidents of violations involving rights of indigenous peoples	No incidents-		13.14.2	NO	
Additional sector disclosure - Location of operations	-	Page 64	13.14.3	NO	

Disclosure	Response	Location	GRI Sector Standard Ref. No+.	Omission	External Assurance
3-3 Management of material topics related to local communities		<u>Page 9-13</u>	13.12.1	NO	
413-1 Operations with local community engagement, impact assessments, and development programs	This subject is the core of the report	<u>Page 5, 6, 9, 11, 18, 29, 40, 41, 45, 58, 59</u>	13.12.2	NO	
413-2 Operations with significant actual and potential negative impacts on local communities	We don't see any potential negative impact at our communities		13.12.3	NO	
3-3 Management of material topics	-	Page 9-13	13.22.1	NO	
201-1 Direct economic value generated and distributed	-	<u>Page 4, 57</u>	13.22.2	NO	
203-1 Infrastructure investments and services supported		<u>Page 40, 58, 59</u>	13.22.3	NO	
203-2 Significant indirect economic impacts		<u>Page 21, 40, 57</u>	13.22.4	NO	

EMISSION FACTORS REFERENCE TABL Most significant

Category	Item	Emission Factor	Reference
Energy Source	Local renewable energy by hydro plant	5g CO2e/kWh	Page 5 EPD Norway
	Diesel and Marine Gas oil	2.65 kg CO2e/liter	<u>Miljødeparmentet</u>
Transportation (per ton/KM)	Truck	0.101 kg CO2e/tonKM	Sintef Ocean report Page 38
	Ship (Norway to Europe)	0.042 kg Co2e/tonKM	Sintef Ocean report Page 38
	Ship (Europe to Asia)	0.017 kg Co2e/tonKM	Sintef Ocean report Page 38
	Ship (Europe to USA)	0.034 kg Co2e/tonKM	Received directly by Sintef Ocean
	Airfreight (USA)	2 kg Co2e/tonKM	Sintef Ocean report Page 38
	Airfreight (Asia)	1.38 kg CO2e/tonKM	Supplier and EPD
Packaging	EPS	5.2 kg CO2e/kg EPS	Supplier and EPD
	EPS-upcycling	-3.05 CO2e/kg EPS	Suppliers
	Cardboard	0.9 kg Co2e/kg cardboard	Suppliers
	PE Plastic	3.05 kg CO2e/kg PE plastic	Supplier
Fish Feed Hofseth Aqua	Fish Feed	1.94 kg Co2e kg feed	Cargill Ocean (supplier)
Fish from External Farmers	Salmon (based on emission factors from two reports)	4 kg CO2e/ kg fish, based on 500km distance from slaughter to our processing, eFCR rate 1,3 and feed footprint 2.3 kg CO2e/ kg feed	Greenhouse gas emissions of Norwegian salmon products by Sintef Ocean & FHF-reference project

In compliance with all applicable laws, regulations, and standards, our operations have been executed without any penalties or sanctions levied by governmental authorities. Our proactive approach to regulatory compliance and a strong culture of corporate responsibility have enabled us to uphold the highest standards of business conduct, avoiding any infringements that could lead to official disciplinary action. This commitment to legality and integrity ensures that our practices align with societal expectations and regulatory requirements, contributing to sustainable and ethical operations.

The Norwegian Directorate of Fisheries (Fiskeridirektoratet): This entity is responsible for management and control tasks related to fisheries and aquaculture, including the issuing of farming licenses. Our operations must adhere to the guidelines set by this authority to ensure sustainable and regulated fishing practices.

- The Norwegian Food Safety Authority (Mattilsynet): This agency oversees animal health and welfare, including fish, and ensures that food and water are safe. It sets the standard for our fish health and welfare practices and guarantees that our products are safe for consumption.
- The Ministry of Trade, Industry and Fisheries (Nærings- og fiskeridepartementet): This government department formulates and implements policies and laws related to fisheries and aquaculture. As such, our operations are directly influenced by the rules and regulations set forth by this body.
- The Norwegian Environment Agency (Miljødirektoratet): This authority is responsible for the protection of the environment and biodiversity, including the marine environment, and for preventing pollution. We strive to uphold the environmental standards this agency sets to ensure our operations are sustainable and eco-friendly.
- The Norwegian Coastal Administration (Kystverket): This body manages the use of Norway's coastal and sea areas, including aquaculture sites. It is our responsibility to adhere to the guidelines set by this administration to ensure our operations do not adversely affect the coastal regions.

- The County Governor (Fylkesmannen): As a representative of the central government at a local level, the County Governor supervises local municipalities, including environmental protection duties. Our operations are held accountable by this authority to ensure we are compliant with local laws and regulations.
- The Norwegian Labour Inspection Authority (Arbeidstilsynet): This authority ensures that companies comply with health, environment and safety laws in the workplace, and that employees' rights are protected. Our labor practices are governed by this authority, ensuring a safe and respectful work environment for all of our employees.

