HOFSETH

Sustainability report 2023

Content

INTRO

ENVIRONMENT AND CLIMATE FOOTPRINT

RESPONSIBLE OPERATIONS

PEOPLE AND SOCIETY ENGAGEMENT

Succeed Globally *by Acting Locally*

Healthy seafood for the world without compromising people, planet or fish welfare.

MARKET SERVED

OPERATIONAL SIZE

Revenue 2023: **5,670 million NOK**

Harvest Volume

Tonnes of fish (HOG)

2020	10,824
2021	11,517
2022	14,365
2023	15,027

Processing Volume

Tonnes of fish (HOG)

2020	48,347
2021	50,178
2022	49,852
2023	46,988

Timeline

1907 - Ivar Heggen from Valldal pioneered 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

1998 - Fjørå Fjordlaks AS and Fjordlaks Aqua AS merged

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

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

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

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

2019 - Upgraded slaughterhouse to double capacity

2020 - Upgrading smolt and post-smolt facility in Tafjord and farm pens in Storjorden

2022 - Ovum our first closed farm-system

2023 - First production in our post smolt facility in Tafjord

2025-2030 - World Heritage Salmon, our first land-based farm. Establishing ICE-fresh hubs in overseas market.

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

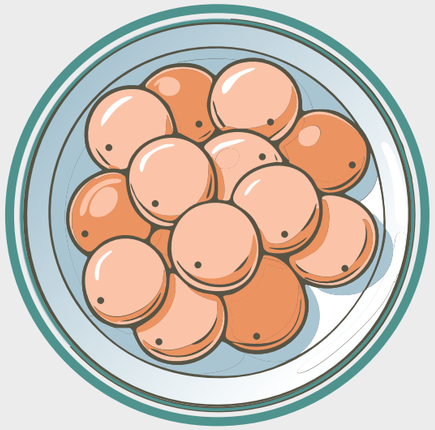
2050 - Net zero GHG emissions

HOFSETH

ABC Salmon Farming

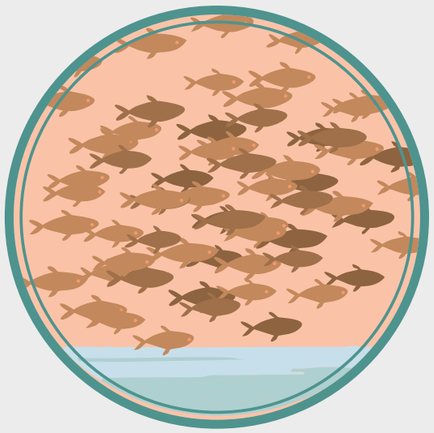
Broodstock

Eggs and milt are fertilized from broodstock at a broodstock facility.



Eggs

After 30 days, you can see the salmon eyes inside the eggs.



Fry

The fry hatch after approximately 60 days and are then moved to the initial feeding stage.

Initial feeding

The fish are cared for, fed, and sorted. One of the most important measures taken is vaccination.

Smoltification

The fish transitions from being a freshwater fish to becoming a saltwater fish. This process is called smoltification, and it prepares the fish to live in seawater.

Growth

In the sea, the salmon live and grow until they are about 4–6 kg. Then, they are harvested and transported by the processing vessel to our processing facility.

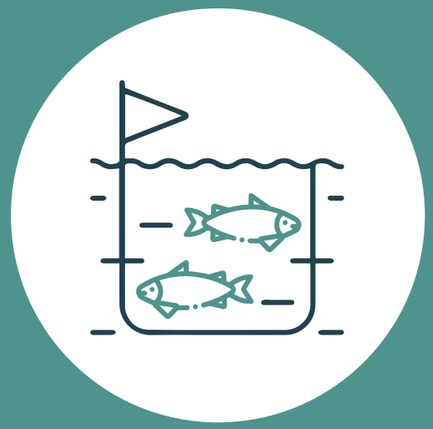
Processing and sales

The whole fish is processed into a variety of fillets and portions. Our sales team sells the products to customers worldwide.

Distribution

Hofseth is a leading distributor of frozen fish, ensuring the product is delivered in the most sustainable and quality-assured manner.

Key ESG Metrics



RESPONSIBLE OPERATIONS

SURVIVAL RATE

94% 2023

88% 2022

ECONOMIC FEED CONVERSION RATIO

1.33 2023

1.41 2022

ENVIRONMENT AND CLIMATE FOOTPRINT

ABSOLUTE REDUCTION SINCE BASE YEAR 2019

-25%

KG Co2e/KG fish

4.39 2023

5.27 2019

Total emissions divided by total volume of HOG

PEOPLE AND SOCIETY ENGAGEMENT

FULL TIME EMPLOYEES

590 2023

538 2022

Lost time injuries

9 2023

11 2022

Reflections from the CEO

Results of Good Measures

Both our farming and processing operations achieved impressive results in 2023, demonstrating the benefits of consistently implementing effective measures over time. In our farming operations, we have introduced several important initiatives, such as spacing out our locations, building and operating a post-smolt facility, and beginning the closed system era at sea. We have also focused on research and development in feed and fish health, improving transportation from farm to processing, utilizing precision feeding, and adopting data-driven operations. Similarly, in our processing facilities, we have invested in precision machinery, developed innovative packaging solutions, and pursued data-driven improvements. I am pleased to see these efforts leading to such good results.

Government

We are still dealing with the aftereffects of the ground tax implemented on salmon farming by the government on September 28, 2022. The political implementation of such taxes creates uncertainty and makes it harder to attract the necessary investments for a sustainable shift in the industry. The green shift depends on long-term investments; therefore, it is the government's responsibility to facilitate initiatives that get the shift rolling. For example, the electric car incentives successfully promoted the transition to electric vehicles in Norway. A similar strategy could be applied to the salmon farming industry.

Fatal accident

Our company experienced the worst possible loss when we lost a colleague in a terrible accident at one of our farming sites last year. My deepest condolences go to the family, colleagues, and friends of the colleague who passed away. Due to the ongoing investigation, we cannot provide details, but we are doing everything in our power to prevent such a tragedy from ever happening again at a Hofseth site or any other farming site within our industry.

Low Carbon Economy

A low carbon economy is taking shape, driving the demand for low carbon solutions. This demand is driven by the implementation of carbon taxes and corporate responsibility in the context of climate change. Farmed salmon is acknowledged as a healthy, low carbon emission protein, but there are still important areas for improvement. Sustainable feed, fish utilization, and airfreight transportation are just a few examples. The combined impact of these measures will make a significant difference in the future of the salmon industry, and Hofseth is at the forefront of integrating these solutions.

When discussing low-carbon solutions, it's crucial to identify where the greatest risks and highest emissions occur. That's why we have invested time and resources into IceFresh technology to address the risks and emissions related to delivering fresh fish by air freight to overseas markets. It is a relief to see that what has been clear to Hofseth for a long time is now being recognized by other stakeholders as well. I am more confident than ever that IceFresh will be the solution to one of the industry's biggest challenges.

Fish Welfare

We acknowledge the industry faces challenges and has potential for improvement concerning fish welfare. We work throughout the entire value chain to enhance fish welfare, starting with the genetics of the smolt, ensuring sufficient marine ingredients in the feed, reducing exposure to sea lice by decreasing time in open pens, and avoiding live weight transportation to slaughterhouse. In 2023, all members of our farming staff completed courses and training in fish welfare. Our ongoing implementation of closed systems at sea and on land will continue to improve the welfare of the fish. I am happy to see the survival rate surpass 94% in 2023, and I am confident we can reach 97% with the integration of closed systems.

Responsible supply chains

Customers are driving the demand for sustainable products and are requiring responsible, transparent, and sustainable supply chains. For the same purpose, we are pushing our suppliers and partners to collaborate to meet this demand.

Thank you to all stakeholders for contributing to the sustainable growth of Hofseth. I am excited to see our strategies, plans, and visions come to reality.

Roger Hofseth

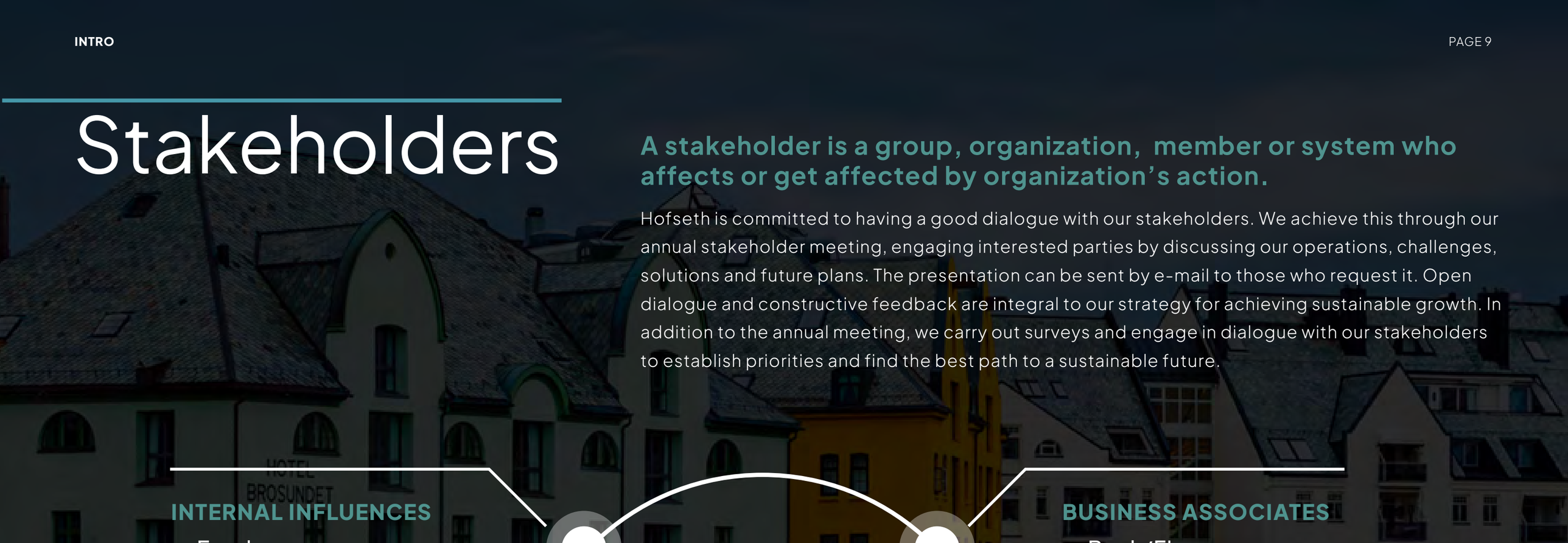
Hofseth core strategy aligns with *SDGs for sustainable growth*

STRATEGY PILLARS	MAKE HEALTHY FOOD ACCESSIBLE	SUCCEED GLOBALLY BY ACTING LOCALLY	FOREFRONT OF TECHNOLOGICAL DEVELOPMENT	LOW ENVIRONMENTAL IMPACT
MATERIAL TOPICS	> Food safety > Fish utilization > Healthy food > Frozen distribution	> Local job creation > Value creation > Local engagement > Global sales offices > Global market knowledge	> R&D > Innovation > Closed systems at sea > Closed systems at land > Resource optimalization > Data-Driven operations > Sustainable feed	> Site environmental status > Fish escape prevention > Responsible water use > Sea lice prevention > Co2e mitigation > Plastic mitigation > Sustainable fisheries > Sustainable land use > Sustainable certifications
SDG ALIGNMENT	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	13 CLIMATE ACTION 14 LIFE BELOW WATER

Stakeholders

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

Hofseth is committed to having a good dialogue with our stakeholders. We achieve this through our annual stakeholder meeting, engaging interested parties by discussing our operations, challenges, solutions and future plans. The presentation can be sent by e-mail to those who request it. Open dialogue and constructive feedback are integral to our strategy for achieving sustainable growth. In addition to the annual meeting, we carry out surveys and engage in dialogue with our stakeholders to establish priorities and find the best path to a sustainable future.



INTERNAL INFLUENCES

- Employees
- Shareholders
- Management

CUSTOMERS

- International customers
- New customers
- Consumers

BUSINESS ASSOCIATES

- Bank/Finance
- Fish farmers
- R&D partners
- Suppliers

EXTERNAL INFLUENCE

- Government
- Local community
- Media
- Research establishments
- NGO

Stakeholder engagement *and dialogue*

Employees

In 2023, we presented the ESG report to most of our employees during an online event. This event provided an opportunity for them to learn more about our ESG efforts and give feedback. Additionally, our Head of ESG visited our US employees to educate them on our ESG focus and gain their insights from a market perspective. Our farming division has made significant progress in sustainable practices with several initiatives, measures, and KPIs. And we are now developing similar mechanisms in other parts of the organization to drive progress. While sustainability is embedded across our organization, we still see room for improvement and development.

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. Our ESG report is openly shared with our shareholders, fostering an open dialogue to drive sustainable end economic growth. We firmly believe that investing in Hofseth means taking ownership of the future of sustainable seafood production.

Customers

Our customer base primarily consists of large supermarkets, each with its own specific ESG targets. We have observed a growing trend of customers requiring sustainable information. Our report from the previous year was shared with various customer representatives and the feedback we received has been important in guiding our forward strategies. This collaboration enables us to work together towards reducing our collective environmental footprint. There has been a growing demand for regenerative farming and certified fisheries.

Bank/Finance

Hofseth was granted its first sustainably linked loan in 2022. Having KPIs tied to sustainability performance that impact the financial outcome is an important instrument for driving sustainable efforts.

External Fish Farmers

Approximately 70% of the fish processed by Hofseth comes from external farmers. Hofseth processes the fish and off-cuts in Norway, which is beneficial from economic, social, and environmental perspectives. Sustainable certifications such as GAP and ASC are common among our suppliers. The ESG risk from salmon farmers in Norway is relatively low but still has room for improvement. As a substantial fish purchaser, farmer, and processor, Hofseth, alongside its customers, will promote sustainable practices, objectives, and disclosure. Among the trends is working to promote and investigate ESG risk further down the ingredients supply chain. Most of our suppliers already have substantial ESG reporting in place, which makes the ESG dialogue and process more effective.

Suppliers

Hofseth has around 1,100 suppliers. Our stakeholder dialogue is focused on suppliers who have financial or operational significance for Hofseth. Our focus areas include feed suppliers, fish farmers, packaging, transport suppliers, technology, and vessels. In general, we encourage our suppliers to set ESG targets and find solutions to help Hofseth to reach its ESG objectives. In this report, we will present solutions and progress based on the dialogue and involvement of the different supplier segments.

R&D Partners and Stakeholder Engagement

Hofseth continues its R&D collaboration with Cargill to better understand fish feed ingredients and their impact on the health and welfare of trout. We are also partnering with Superground on a project funded by the regional research fund to develop sustainable ingredients from trout off-cuts for human consumption. Additionally, Møre Forskning is collaborating with us on a Hofseth-financed project to map the quality of salmon products at the retail level. This will help us better understand the quality at different stages of the value chain, making it easier to implement the right measures for improved quality and less food waste.Another initiative, funded by FHF and led by Nofima, seeks to provide practical knowledge on how various treatments in the early stages of life affect the development and health of trout. Hofseth has also undertaken its own research into reusable packaging and explored different solutions for utilizing fish sludge within our direct operations.

Media

Our communication strategy is to be open and honest. Ensuring that accurate information is published in the media is a continuous effort. The industry is one of the most significant in Norway and has been under ongoing scrutiny from the media, making it essential for the public to receive correct information. Hofseth receives numerous requests from local, national, and international media. We strive to respond and contribute to these requests and proactively reach out to the media when we have important information to share with the public.

Government

We are affected by the government in various ways. One important dialogue we continue to have is regarding the development of environmental farming licenses. For the industry to grow, we need a solid foundation to invest in closed systems at sea. To justify these investments, the government needs to issue licenses so that farmers can make these investments economically sustainable.

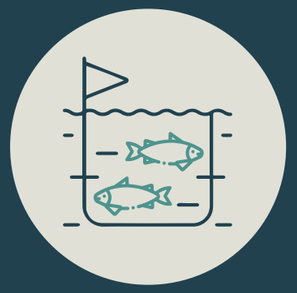
Research Establishments and NGO

Research establishments with independent reports relevant to our industry is an important contribution for benchmarking, understanding our value and supply chain. As mentioned in previous report: “Greenhouse Gas Emissions of Norwegian Salmon Products” commissioned by FHF and conducted by Sintef Ocean, Asplan Viak, and the Research Institute of Sweden, serves as an excellent tool for scientific approach for understanding the industry GHG-emissions.

Local Community

We hold local stakeholder meetings annually as part of our ASC certification. At these meetings, locals can learn about our operations, future plans, and engage with questions. We also contribute locally by sponsoring various sports and cultural events. In 2023, Hofseth contributed more than 1 million NOK, divided among 44 projects.

Materiality Assessment



RESPONSIBLE OPERATIONS

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PEOPLE AND SOCIETY ENGAGEMENT

In line with the GRI standard, we have conducted a materiality assessment.

EXTERNAL — MORE IMPORTANT

IMPORTANT

Site environment status Sustainable fisheries Sustainable land use Packaging Fish escape Food safety Transparency The next generation Fish Utilization Freshwater Plastic	Local job creation Local value creation Waste management Sustainable feed Sustainable certifications Sea lice Healthy food Fish welfare Air freight mitigation Climate Change Energy use
	Diversity and equality Employee training and development Innovation R&D Biodiversity

IMPORTANT — MORE IMPORTANT

INTERNAL

KPI Overview

RESPONSIBLE OPERATIONS

KPI	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

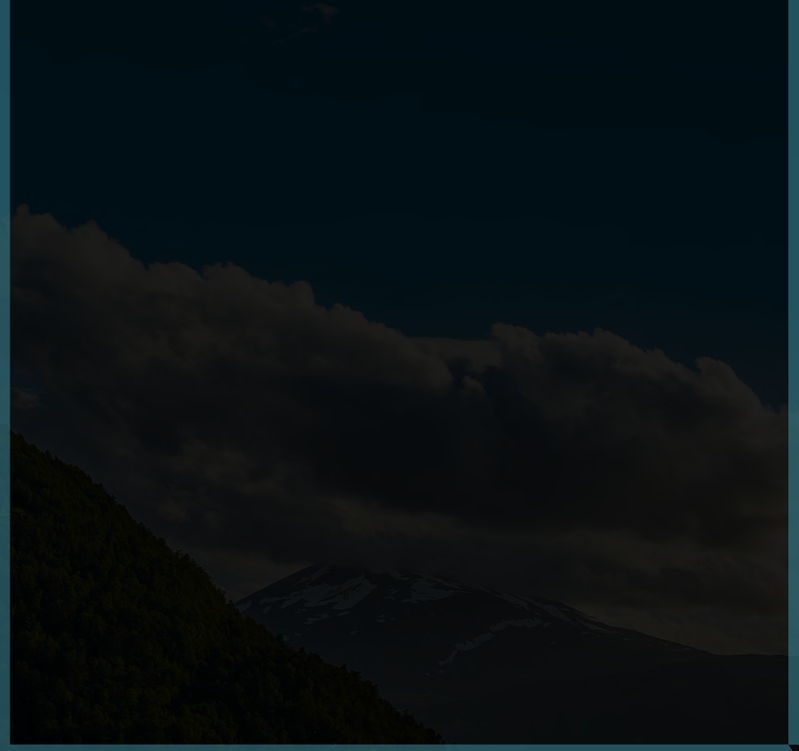
ENVIRONMENT AND CLIMATE FOOTPRINT

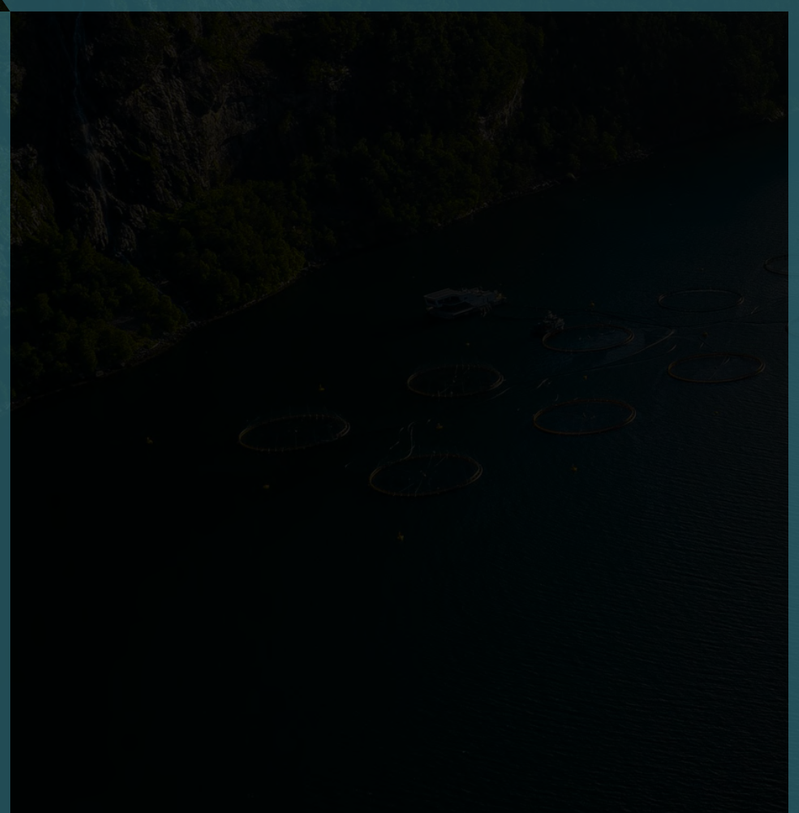
KPI	SOURCE
GHG emissions: Intensity scope 1,2 and 3/kg fish	GRI 305–4
eFCR (Economical Feed Conversion Ratio)	Own KPI
Share of airfreight transportation	Own KPI
Share of farms connected to renewable energy	Own KPI
Share of the total fish used in processing, delivered by Hofseth Aqua	Own KPI
Water use 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

PEOPLE AND SOCIETY ENGAGEMENT

KPI	SOURCE
LTI (Lost Time Injury)	GRI 403–9
Share of fish from Hofseth Aqua delivered to local processing	Own KPI

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



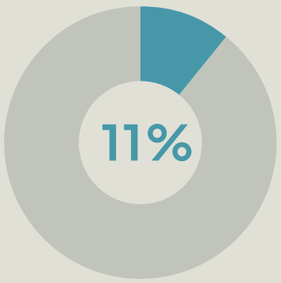


ENVIRONMENT AND CLIMATE FOOTPRINT

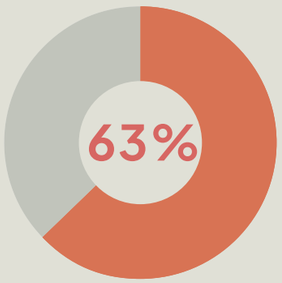
This report has been prepared in accordance with the GRI standard and is based on operational control. Hofseth International is a fully integrated seafood company with operations spanning salmon and trout farming under Hofseth Aqua AS, and fish processing through its four processing facilities: Hofseth AS, Hofseth Ålesund, Hofseth Processing AS, and Seafood Farmers AS. Approximately 70% of the company's fish supply is sourced from external farmers. In collaboration with Hofseth Biocare (HBC), the company also delivers off cuts from fillet production for processing. In 2023, Hofseth generated 5,670 million NOK in revenue, employed around 600 people, and worked with 1,100 suppliers. Hofseth's sustainability and ESG strategy is an integral part of its business development. The company identifies key challenges and risks in the seafood industry and connects solutions directly to its strategic goals. Data collection spans its own operations, its suppliers, and downstream processes, with additional input from external reports like SINTEF Ocean's Greenhouse Gas Emissions of Norwegian Salmon Products, which helps to quantify the carbon footprint of purchased salmon and transport-related emissions.

GHG emissions 2023

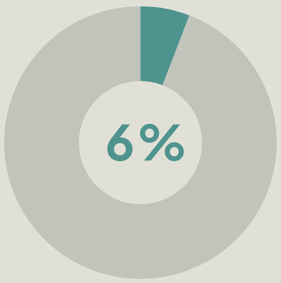
Year		2023	2022	2021	2020	2019
Scope 1	kg CO2e	735,521	1,294,893	2,207,218	2,269,582	2,491,617
Scope 2	kg CO2e	425,779	476,437	230,981	168,573	327,658
Scope 3 fuel external vessels	kg CO2e	4,447,934	2,752,928	1,203,400	860,853	1,028,773
Scope 3 upstream transportation	kg CO2e	3,869,961	3,466,245	4,358,271	4,724,796	4,956,867
Scope 3 fish (bought external)	kg CO2e	139,332,519	124,797,316	156,913,438	170,109,653	178,465,070
Scope 3 downstream	kg CO2e	26,153,008	28,997,332	20,559,162	17,635,303	77,728,514
Scope 3 packaging	kg CO2e	4,922,736	5,315,320	6,686,000	4,690,443	5,403,625
Scope 3 business travel	kg CO2e	117,000	63,000	35,100	35,100	117,000
Scope 3 feed	kg CO2e	46,836,640	43,933,240	38,396,710	33,308,440	33,544,966
Scope 3 waste	kg CO2e	94,648	122,890	123,958	119,066	125,165
Scope 3 total	kg CO2e	225,774,446	209,448,271	228,276,039	231,483,655	301,369,980
Scope1–3 total	kg CO2e	226,935,746	211,219,602	230,714,239	233,921,810	304,189,255
Intensity kg Co2e/kg fish(total amount of emissions/ total amount of fish)	kg CO2e	4.39	4.47	4.37	4.27	5.27
Intensity farm gate (emissions farming/HOG slaughtery)	kg CO2e	3.47	3.36	3.64	3.65	3.47



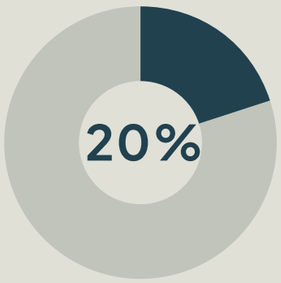
DOWNSTREAM TRANSPORTATION



EXTERNAL FISH



OTHER



FEED

Scope 1: Direct emissions: Fuel consumption from boats, feeding barges and trucks.

Scope 2: Indirect emissions from electricity consumption. Calculated using local based emission factors.

Scope 3: Indirect emissions from purchasing fish, packaging, fish feed, transportation and fuel from external vessels. transportation.

Independent Practitioner's Assurance Report on the GHG Accounting: *Page 47-48*

Climate Change risk and opportunity

Supply Chain Risk

Climate change can exacerbate extreme weather events such as flooding and droughts, directly impacting the agricultural production of feed ingredients. Additionally, rising ocean temperatures can disrupt fisheries, causing fish stocks to migrate further north. These changes, driven by climate change, can lead to increased costs for feed ingredients.

Operational Risks

In our direct operations, rising ocean temperatures can elevate the prevalence of sea lice, algae blooms, and other threats that thrive in warmer conditions. This may lead to higher operational costs, particularly related to sea lice treatment.

Regulatory Risk

There are also potential regulatory risks, including carbon pricing and taxation on carbon emissions.

Opportunities

We anticipate an increase in yearly precipitation in the region where our farming and processing operations are located. This additional precipitation will be harnessed by the local hydro plant to generate renewable energy. Rising sea temperature could also lead to faster growth rate for the salmon.

Indirect Opportunities

Our strategy includes implementing closed farming systems on both land and sea. We believe this will help us achieve a lower carbon footprint. For instance, our land-based closed farming site will be located in tunnels inside a mountain, providing shelter against extreme weather events.

Low Carbon Footprint Opportunity

By adopting regenerative farming practices, increasing the use of marine ingredients, utilizing closed-system farming, and employing IceFresh technology, Hofseth aims to produce salmon with one of the lowest carbon footprints in the industry. As a result, our carbon tax or pricing could be up to four times lower than competitors who use open pens for farming and air freight in their distribution to market.

Our focus is to make a real difference

Understanding Our Value Chain and Supply Chain

To effectively reduce our carbon footprint, it is essential to understand our entire value chain. By mapping the value chain, which includes upstream activities, direct operations, and downstream activities, we can identify emission sources and implement measures that have a significant impact.

Plant-Based Ingredients in Feed

Plant-based ingredients account for about 74% of greenhouse gas (GHG) emissions in feed. These emissions can be significantly reduced by implementing regenerative farming practices. We are collaborating with our suppliers and customers to incorporate regenerative farming methods for plant-based ingredients.

Expanded Polystyrene Packaging (EPS)

EPS is highly prone to pollution due to its tendency to break into debris, contributing to environmental contamination. Additionally, EPS has the highest GHG footprint among all packaging materials. We have transitioned all EPS packaging for fresh fish distribution in Europe to cardboard, and we are also phasing out EPS in the internal transportation of fish.

Air Freight

We assessed emissions from air freight used to distribute fresh fish internationally. Air freight is the largest source of GHG emissions, often 3–4 times higher than feed. Switching from air freight to sea freight can reduce the distribution GHG footprint by 95%. By establishing our IceFresh hubs in overseas markets, we facilitate easier transitions from air freight to sea freight for us and our industry peers.

Our Achievements Since Base Year

Significant strides have been made in reducing our carbon footprint:

- **EPS Recycling:** Recycling 100% of EPS in processing facilities, reducing 4,500 tons of CO2e emissions annually.
- **Feed Usage Reduction:** Feed usage has been reduced by 9% per kilogram of fish, saving approximately 200 tons of feed annually and reducing 400 tons of CO2e emissions.
- **Switching from Air to Sea Freight:** Transitioned 5,800 tons of product from air freight to sea freight annually, significantly cutting our emissions with more than 50 000 tons of CO2e annually.

Hofseth Aqua
GHG-Emissions

1. Feed's carbon footprint is **12% below** average due to higher marine ingredients usage.
2. The farm-to-slaughterhouse distance is **25% shorter** than the Norwegian average.
3. The feed factory-to-farm distance is **50% less** than the Norwegian average.
4. Renewable energy powers **80%** of our farms.

Hofseth Aqua Farming Division

Achievements:

80% of feed barges are now connected to renewable energy. The last site operates on a hybrid diesel-battery solution and will soon be connected to the energy grid and renewable energy. Our farming division now has minimal diesel usage and direct emissions.Most of the diesel used in our operations comes from contract vessels for transporting fish, service operations, or sea lice treatment.

Strategy:

Our strategy is to run our feed barges on 100% renewable energy by connecting them to the grid. Furthermore, we will explore options for using vessels that run on clean energy or a hybrid solution, such as vessels that can connect to our barges to run on electricity during the operations.

Farming sites		2023	2022
Diesel mitigation	liter	234574	128445
Co2e mitigations	tons	612	341

Local *processing*

Local Processing Reduces Environmental Footprint

According to the Life Cycle Assessment (LCA) by Sintef Ocean, 54% of a gutted fish is considered the main product, while 46% constitutes by-products. Exporting whole fish significantly increases transport emissions, as each box containing 20 kg of fish requires 3–5 kg of ice. Furthermore, the baseline utilization rate of by-products post-export is only 50%, resulting in considerable resource loss in the market.

Local processing can mitigate these issues by reducing transport emissions and enhancing the utilization of by-products. Our processing facilities deliver all off cuts to HBC for by-product production. Although the percentage of whole fish sales increased last year due to price pressure on superior quality whole fish, our strategy remains focused on processing fish in Norway.

>> Sintef report

Processing facilities		2023	2022	2021	2020
Ålesund	kWh	4,774,127	4,750,121	4,725,610	4,513,683
Syvde	kWh	4,065,452	4,217,685	3,926,192	3,902,585
Seafood farmers	kWh	3,739,754	3,664,355	2,302,840	1,551,027
Total	kWh	12,579,333	12,632,161	10,954,642	9,967,295
*Volume of whole fish sale	kg	6,545,503	4,459,875	2,386,657	4,358,184
Share whole fish sale	percentage	13%	8%	5%	8%
** Fish total for processing	kg	45,147,948	50,928,106	50,423,352	51,231,514

** Share of fish volume sold without being processed*

*** Head on gutted volume*

Sustainable Feed

We depend on economically and environmentally sustainable feed solutions, which is one of the main challenges our industry faces. As farmers, we must utilize feed as efficiently as possible, ensuring it is made from ingredients that do not compromise oceans, forests, biodiversity, soil health, or contribute to global warming. To achieve this, we will continue seeking solutions in partnership with feed suppliers, R&D establishments, and the industry as a whole. By working together, we aim to develop sustainable feed practices that support both our operational needs and environmental responsibilities.

Marine ingredients constitute 29% of our feed, providing essential nutrients vital for the health of our farmed salmon and trout, particularly due to the fish oil, which is rich in omega-3 fatty acids, EPA, and DHA. 19% of our feed ingredients come from fish meal, while 10% are derived from fish oil. At Hofseth, we prioritize purchasing feed with certified ingredients. We focus on sourcing feed certified by the Marine Stewardship Council (MSC), Marine Trust, or Fish Improvement Projects to ensure sustainability. It is crucial to avoid using ingredients sourced from endangered fish stocks.

Vegetable ingredients account for 63% of our feed and are a crucial part of our value chain. The Norwegian salmon industry has long been a leader in sustainable soy sourcing, adhering to Pro Terra certification. Hofseth is committed to sourcing 100% deforestation and conversion-free feed. As part of our sustainable feed strategy, we are setting new targets related to regenerative feed practices. Our objective is to improve soil health and biodiversity, further enhancing the sustainability of our operations.

Sustainable Feed (cont.)

Novel feed ingredients

Algae oil is an alternative source of marine omega-3 fatty acids, including EPA and DHA, which are essential for salmon nutrition. Increasing the inclusion of algae oil in salmon feeds can reduce reliance on fish oil. Besides EPA and DHA, algae oil also contains other fatty acids that serve as suitable metabolites and energy substrates for salmon. However, it cannot fully replace fish oil or fish meal, as it is not a perfect switch. Algae oil used in salmon feeds is produced through fermentation. Cultures of algae are fed with sugar, leading to the production of oils containing more than 50% EPA and DHA. Despite its benefits, algae oil will not contribute to carbon emission reduction, as the life cycle assessment is unclear, and the carbon footprint of fish oil is already very low.

Insect meal inclusion reduces reliance on plant-based and fish based proteins. The production of insect meal follows a circular economy model, minimizing pressure on natural resources and not competing with human food production. Insect meal is high in protein and has an amino acid profile that meets the nutritional needs of fish. Moreover, insects are a natural part of a wild salmon's diet. However, insect meal cannot fully replace fish meal, as it is not a perfect switch. Insect meal is produced from the larvae of black soldier flies, which are fed by-products from starch and sugar production. The larvae are then dried and mechanically processed into insect meal without the use of chemical agents.

Efficient Use of Feed

As a salmon and trout farmer, one of our most critical tasks is to utilize feed efficiently. Hofseth reports on both the biological feed conversion ratio (bFCR) and the economic feed conversion ratio (eFCR). The bFCR is crucial as it considers overall growth in the sea, while the eFCR includes the survival rate, indicating efficient feed use in relation to fish welfare.We firmly believe that integrating closed systems both in the sea and on land is essential for improving overall feed performance. This integration enhances growth rates, survival rates, and both economic and biological conversion ratios.

Traceability and Value Chain Responsibility

Hofseth recognizes the importance of value chain responsibility. In 2023, we began mapping our supply chain and conducting risk assessments to ensure alignment with our code of conduct and values. For detailed findings and processes regarding supply chain responsibility, please read our Transparency Act report available on our website.

Mapping out the supply chain is challenging work, and to do it efficiently, industry collaboration is essential. One promising tool for the future is satellite monitoring of fisheries and forests, which can enhance the traceability and monitoring of feed ingredients to ensure they are sustainably sourced.

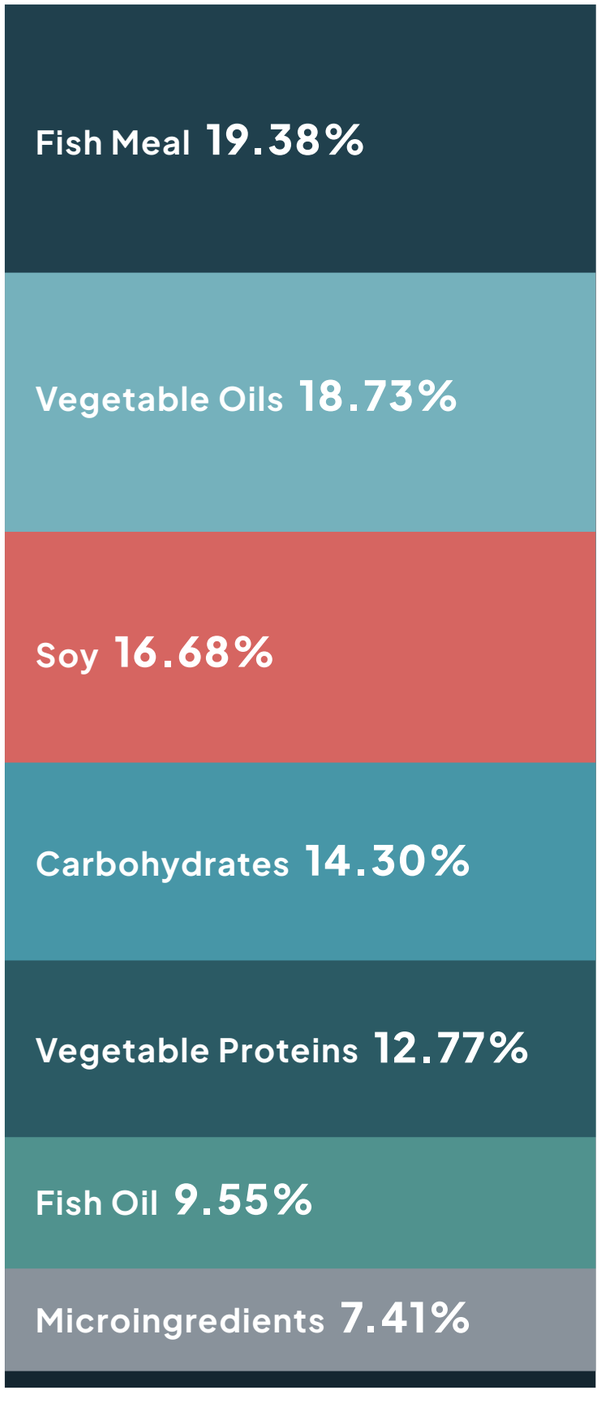
Feed KPIs	2023	2022
eFCR	1.35	1.41
bFCR	1.25	1.27
CO2e/kg feed	2	1.98
Pro Terra Certified	100 %	100 %
MSC, Marine Trust or FIP certification	89.5 %	na
*FFDR (fish oil)	1.47	1.56
*FFDR(fish meal)	0.45	0.72

** The Forage Fish Dependency Ratio (FFDR) measures the amount of wild fish used to produce farmed fish. It's expressed as the weight of wild fish needed per weight of farmed fish. Lower FFDR values indicate more sustainable fish farming with less impact on wild fish populations.*

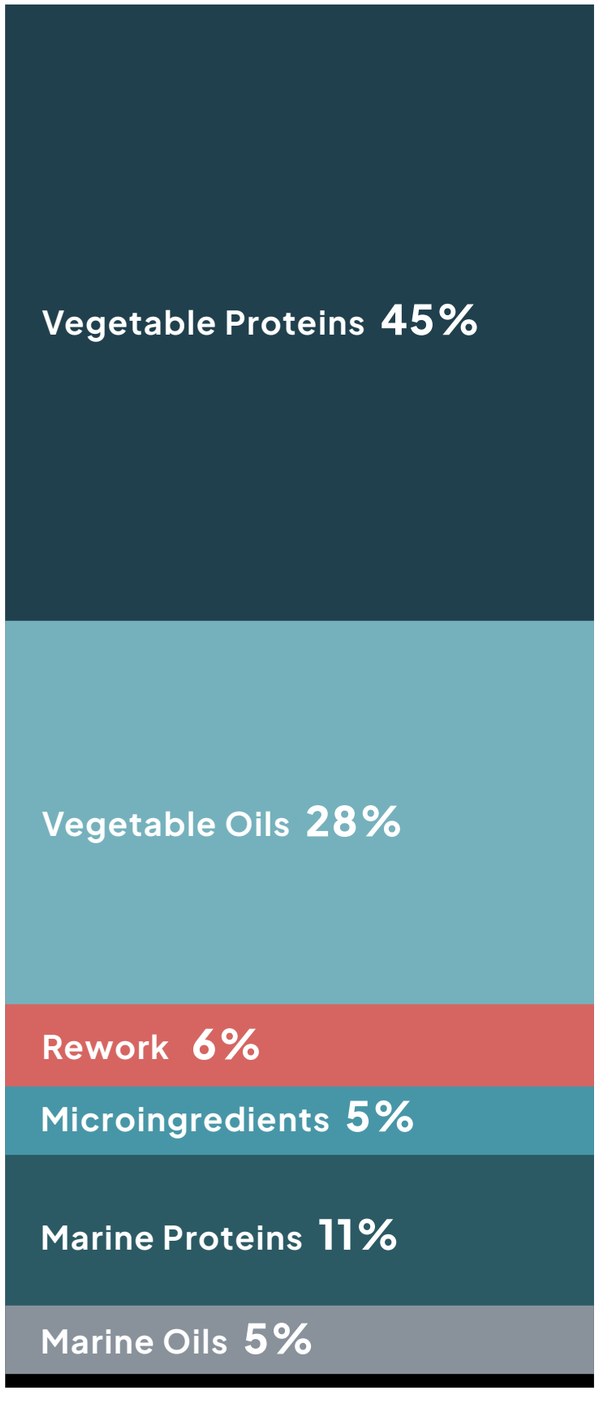
ProTerra certification *principles*

PRINCIPLE 1	Compliance with law, international conventions and the ProTerra Standard
PRINCIPLE 2	Human rights and responsible labor policies and practices
PRINCIPLE 3	Responsible relations with workers and community
PRINCIPLE 4	Biodiversity conservation, effective environmental management and environmental services
PRINCIPLE 5	No use of Genetically Modified Organisms (GMOs)
PRINCIPLE 6	Pollution and waste management
PRINCIPLE 7	Water Management
PRINCIPLE 8	Greenhouse gases and energy management
PRINCIPLE 9	Adoption of good agricultural practices
PRINCIPLE 10	Traceability and Chain of Custody

Breakdown of Feed Ingredients



Breakdown Ingredient Emissions relative to GWP ILUC

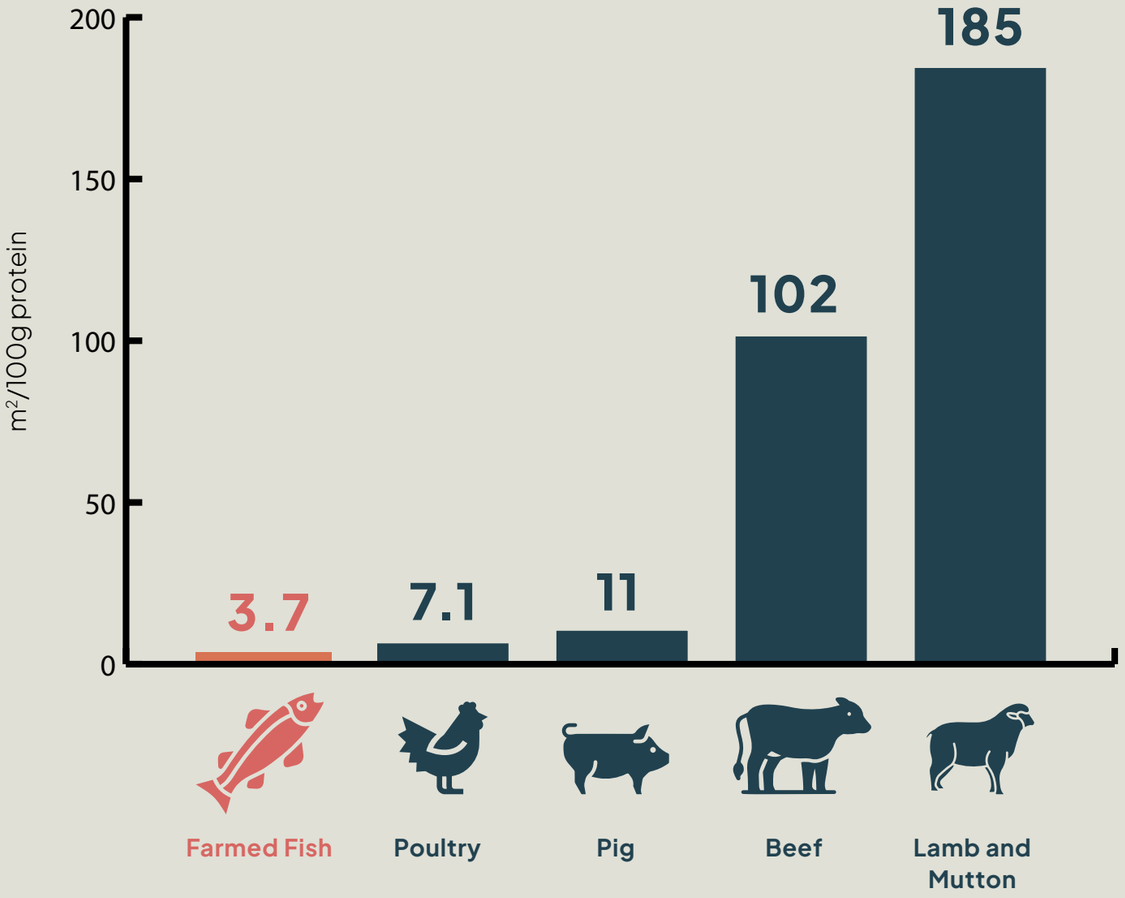


Salmon: A Healthy *and Sustainable Protein Choice*

Salmon has become an important part of the world's food supply, ranking high among proteins for its sustainability. It is expected to play a significant role in meeting the global demand for healthy food.

*Land Use

The amount of land needed to produce 100g of edible protein.



*Feed Conversion Ratio

Farmed salmon is one of the most eco-efficient and sustainable forms of protein.

Feed Conversion Ratio (FCR) measures how efficiently animals convert feed into body mass, with lower values indicating better efficiency, thus reducing environmental impact and production costs.

Table of nutrients in 100 grams of raw farmed salmon

Nutrients	Amount
Energy	938 kJ/226 Kcal
Protein	19.7g
Saturated fatty acids	2.4g
Cis-monounsaturated fatty acids	8.4g
Cis-polyunsaturated fatty facids	5.5g
Omega-3 fatty acids	2.73g
Omega-6 fatty acids	2.71g
Cholesterol	80mg

** Global Salmon Initiative page 25: https://globalsalmoninitiative.org/files/documents/GSI_Handbook_2020.pdf*

Responsible Freshwater Use

Water Operations Overview

Our primary operations are strategically located in areas without water scarcity, specifically in Storfjorden, Ålesund, and Møre og Romsdal on the west coast of Norway. This region benefits from abundant precipitation about 2000mm yearly, which provides several advantages for our various divisions:

1. Smolt Division:

Fresh water supply ensures optimal conditions for the growth and health of our smolt. We use a water flow through system in our smolt production and collect fish sludge out of the water before releasing into the fjord.

2. Farming Division:

Consistent and clean water resources support sustainable aquaculture practices, promoting healthy fish farming environments. The fresh melt water after winter provides cold water that is also beneficial for sea lice reduction.

3. Processing Facilities:

Adequate water availability is crucial for maintaining high standards of hygiene and efficiency in our processing operations.

Upstream

We are currently in the process of acquiring water data from key suppliers, such as our feed supplier. Collecting accurate water data presents significant challenges. However, it is crucial for Hofseth to ensure that our resources are not sourced, directly or indirectly, from areas experiencing water scarcity. We have been using https://www.wri.org/aqueduct to monitor water risk.

Downstream

By processing our fish locally in an area with abundant clean water, we minimize the risk of relying on regions with limited water resources. This approach ensures that our fish are processed in optimal conditions, maintaining high standards of quality and sustainability.

Global Salmon Initiative page 25: https://globalsalmoninitiative.org/files/documents/GSI_Handbook_2020.pdf

Transport emissions

Upstream Operations

Currently, 70% of the fish volume handled by Hofseth comes from external sources. Our strategy is to transition this volume to be farmed by Hofseth in the future. This shift will significantly reduce the need for upstream truck transportation and reduce total transport emissions.

Transportation in Direct Operations

We use well boats to transport fish from the smolt facility to the farm. From the farm to the slaughterhouse, we utilize the processing vessel Taumar. Our contracted vessels are modern and fuel-efficient, and we are exploring zero-emission solutions with our service contractors. Approximately 30–35% of the fish results in off-cuts. These off-cuts are transported to HBC for further processing and value creation, where water is removed, reducing the weight by two-thirds before being shipped to customers worldwide.

Downstream Transportation (Distribution)

Air freight is the largest source of emissions for overseas markets, averaging more than three times the emissions of feed used for farming. Hofseth is a strong advocate for reducing or eliminating air freight. Our CEO has been transparent, actively challenging, and encouraging the industry to address the issue of air freight transport. Although only 4% of the total Hofseth fish volume is transported by air, this accounts for 69% of our downstream transport emissions. Shifting from air freight to sea freight should be the top priority for the industry. The oversea transport emissions shows 95% reduction, if switching from airfreight to sea freight. Transporting whole fish is even worse than fillets due to the extra weight of ice.

Why Hofseth report on and set specific air freight reduction target

Approximately 15% of the Norwegian salmon volume is transported by airplane. In Norway, the total GHG emissions from salmon air freight for 2023 are estimated to be 2.7 million tons CO2e, equivalent to 62% of the CO2e footprint from feed. As a farmer, processor, and distributor, we feel obligated to inform stakeholders and implement solutions to reduce the use of air freight and lower emissions.

In 2023, Norway exported 163,500 tons of whole fish to overseas markets, resulting in 2,100,000 tons of CO2e emissions. Additionally, an estimated 44,000 tons of byproduct utilization was lost due to this type of export.

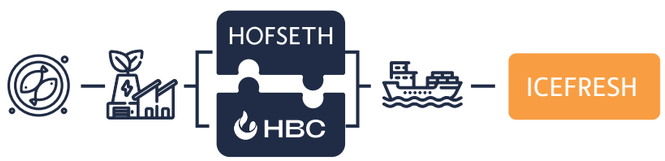
Fish volume figures from Norwegian Seafood Council: https://en.seafood.no/

	2023	2022	2021	2020	2019
Share air freight Hofseth	4 %	5 %	3 %	2 %	14 %

Measuring Transport Emissions

	Fresh Whole fish (head on gutted)	Filet fresh distribution	Filet frozen distribution
	Kg Co2e/kg transported whole fish (18,5% increased weight for ice and packaging)	*Kg Co2e/kg transported filet (7% increased weight for dry ice and packaging)*	*Kg Co2e/kg transported (Reefer container emissions 5 weeks)*
Oslo-Tokyo	7.58	6.84	0.58
Oslo-Seoul	14.25	12.87	0.56
Oslo-Shanghai	6.97	6.29	0.52
Oslo-New York	8.11	7.32	0.26
Oslo-Miami	10.45	9.43	0.28
Oslo-Los Angeles	11.78	10.64	0.42
Average emission kg Co2e/ton transported	11.25	10.15	0.44

Filet from Hofseth to US market
Filet in market: 4.1 kg Co2e/kg filet



100% by-product utilization

Whole fish fresh export to US market
Filet in market 19.3 kg Co2e/kg filet

40% by-product utilization

https://sintef.brage.unit.no/sintef-xmlui/bitstream/handle/11250/3044084/Rapport_klimafotavtrykk.pdf?sequence=1&isAllowed=y page 38-40

Food waste mitigation

Off-cuts utilization

Hofseth, a leading producer of filets and portions, generates a substantial number of off-cuts from filet production, ensuring a volume that supports economically sustainable off-cut production. When exporting whole fish, the small volume of off-cuts often prevents effective utilization, disrupting the circular economy. Therefore, it is crucial to export 100% edible fillets to the market and utilize the off-cuts where the volume is sufficient. In 2023, Hofseth delivered close to 16,000 tons of off-cuts to be used in the production of various products.

Frozen Fish Distribution

As one of the world's leading frozen fish distributors, Hofseth plays a significant role in reducing food waste. While fresh fish offers a selling period of about 10–15 days before expiration, frozen fish can maintain its quality for up to two years.

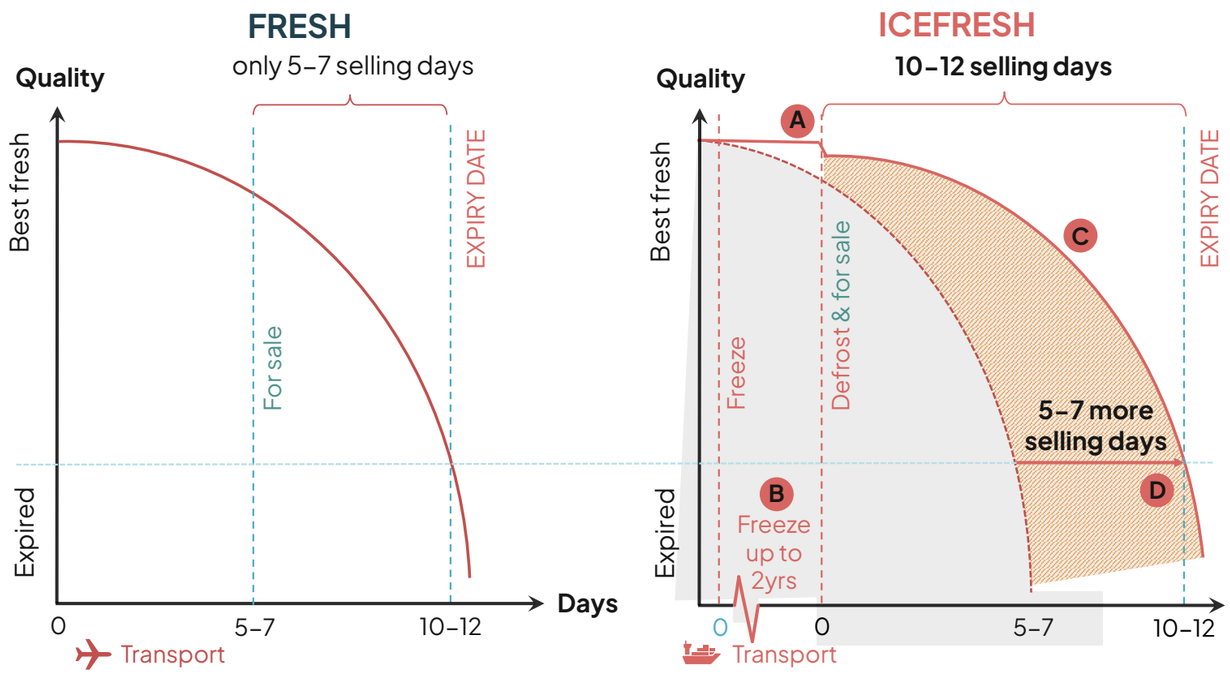
IceFresh Defrosting Hubs

Our IceFresh technology hubs aim to revolutionize fish distribution by transporting frozen fish and optimizing the defrosting process. This ensures quality and convenience for our customers and consumers. With IceFresh hubs in key markets, retailers can respond quickly to demand, making it easier to adjust inventory levels and meet consumer needs efficiently. A crucial strategy for extending product shelf life and minimizing food waste.

Targets

<5% Whole fish export
Convert fresh air freight fish to IceFresh fish

How IceFresh Extends and Improves Quality of Fresh



ICEFRESH KEY POINTS:

A: Always starts fresher than fresh

B: That freshness is available up to 2 years from slaughter with quality unchanged during transit

C: Remains fresher throughout entire selling period

D: Unlocks 5–7 more selling days versus fresh

High-quality specialty ingredients derived from our salmon offcuts are used in diverse product areas such as functional foods, nutraceuticals, and pet nutrition, providing enhanced nutritional value and health benefits.

Waste *Managment*

Waste Management

Hofseth transitioned to a new waste management partner last year, and delivered approximately 350 tons of various waste types for recycling, downcycling and energy recovery.

Plastic reduction or elimination strategies

Hofseth is committed to reducing the environmental impact effected by the use of plastic, both in the farming and processing division, we are now implementing strategies and setting targets to combat the environmental impact of plastic waste. An ongoing challenge has been to find effective solutions that maintain food safety.

By 2026, our target is to ensure all packaging is reusable or recyclable. Additionally, plastic used in our farming pens should be directed to recycling or incorporated into circular solutions.

We collaborate on an annual basis with the local high schools to organize clean- up initiatives 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.

Norwegian Hydrogen

Hofseth International has invested in Norwegian Hydrogen, a company dedicated to using local renewable energy to produce hydrogen fuel cells. This investment will provide access to renewable, emission-free fuel. Hofseth has already designed a new multipurpose vessel powered by hydrogen and aims to sign construction contracts within the next few years

http://nh2.no/

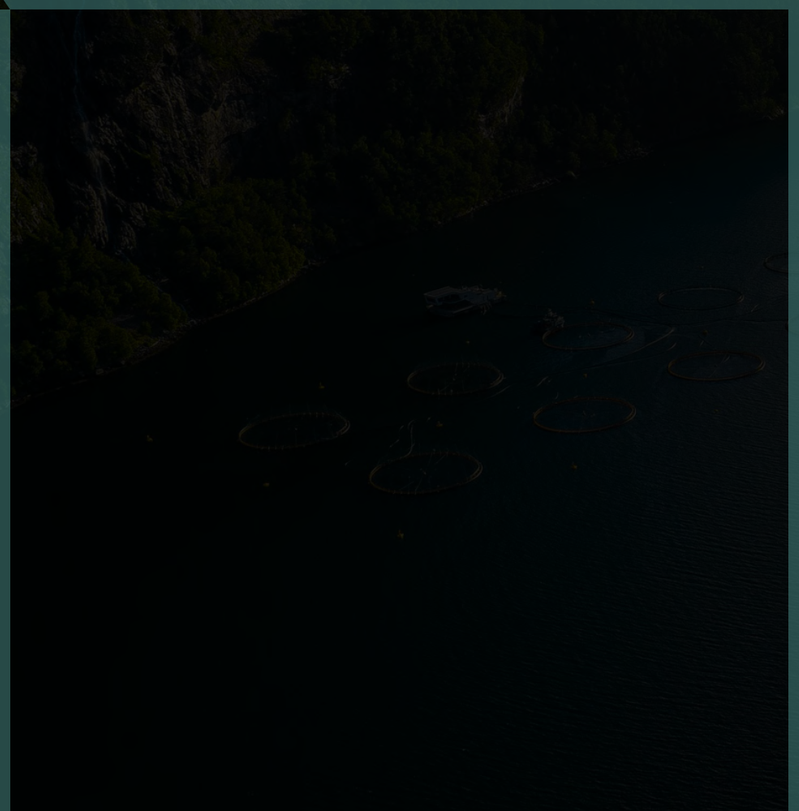
Norwegian Hydrogen

Turning *fishsludge* into resources

Fish sludge

Fish sludge has the potential to produce biogas and fertilizer. Currently, we are delivering these resources from our smolt facilities in Tafjord. However, upcycling these resources incurs costs, including transportation and gate fees for delivery. In 2023, we began an assessment to explore all options for making the upcycling process both economically and environmentally sustainable. Our findings indicate that most technical solutions are still too premature to effectively achieve economic sustainability.

RESPONSIBLE OPERATIONS



Understanding Operations and ***Main Sustainability Objectives at Hofseth Aqua in Storfjorden***

Overview

Hofseth Aqua's farming sites are strategically located in Storfjorden, Møre og Romsdal county, which offers optimal natural conditions for farming trout and salmon. Our operations also include a smolt facility in Tafjord. Over the past five years, Hofseth Aqua has made significant investments to optimize our operations, focusing on sustainability and efficiency. Key challenges in the salmon farming industry, such as sea lice, have driven us to adopt innovative strategies to enhance fish welfare and operational performance.

Understanding Operations and ***Main Sustainability Objectives at Hofseth Aqua in Storfjorden (cont.)***

Smolt Facility Operations

The fish production process begins at our smolt facility located at the innermost part of the fjord. This facility utilizes a flow-through system that draws fresh water from the same source as the region's largest hydroplant. Most of the fish sludge produced here is collected and sent to a local farm for biofuel production. The by-products from biofuel production are then mixed with livestock manure and used as fertilizer, promoting a circular economy.

Post Smolt Facility

In 2023, we successfully launched our post smolt facility. The primary objective of this facility is to optimize production and reduce the time fish spend in the sea, thereby protecting them from sea lice and other potential negative impacts.

Sustainable Strategies

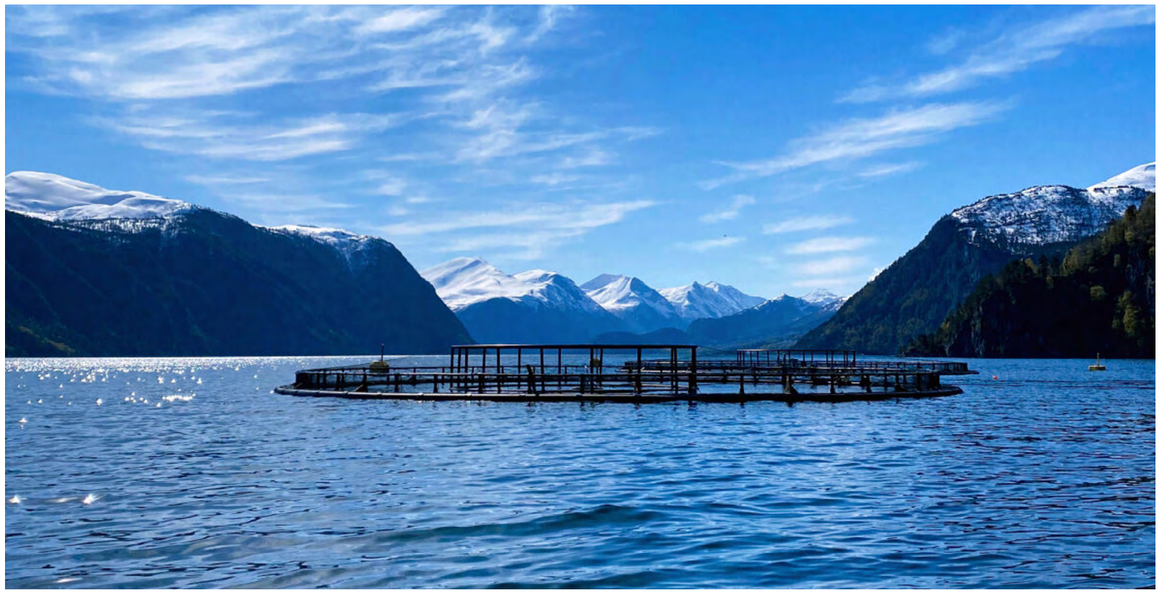
To reduce environmental impact and enhance fish welfare, Hofseth Aqua has implemented the following strategies:

- **Post Smolt Facility:** Reduces the time fish spend in the sea, lowering exposure to sea lice.
- **Distancing Farm Sites:** Minimizes the spread of diseases and parasites.
- **Precision Feeding and Fish Surveillance:** Ensures optimal feeding and health monitoring.
- **Collecting Fish Sludge:** Reducing environmental impact by utilizing the sludge for biogas and fertilizer production.
- **Integrating Closed Systems:** No sea lice exposure, optimizing fish welfare and reduces environmental footprint.

Performance Metrics

- **ASC or GAP certification share: 100%**
- **Share renewable energy: 80%**
- **Feed Conversion Rate: 1.33**
- **All MOM Tests: Within targets**

By adhering to these strategies and continuously improving our operations, Hofseth Aqua aims to lead the industry in sustainable aquaculture practices while maintaining high standards of fish welfare and product quality.



Fish welfare

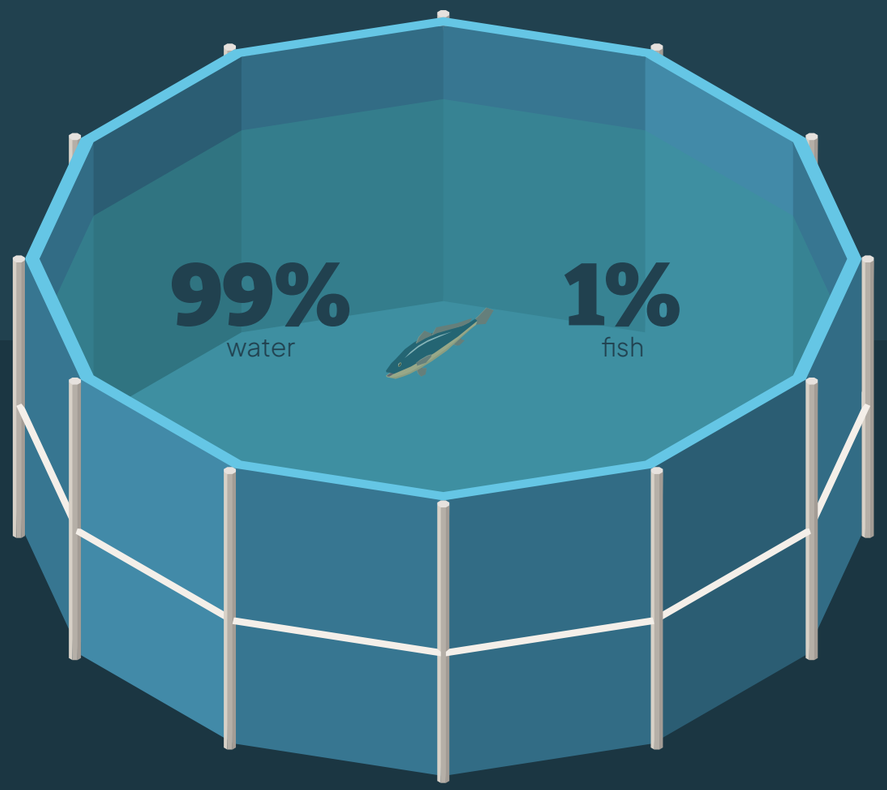
Marine ingredients in feed important for fish health

Hofseth is collaborating with Cargill on a feed project to understand the link between marine ingredients in trout feed and overall fish health. Our experience indicates that marine ingredients, particularly omega-3 oils, are crucial for fish wellbeing. Therefore, Hofseth includes a relatively high amount of marine ingredients in the feed while maintaining a FIFO rate of less than 1. FIFO (Fish In, Fish Out) is a sustainability metric in aquaculture that measures the amount of wild-caught fish used to produce farmed fish. A lower FIFO ratio indicates more efficient and sustainable fish farming practices.

The fish have ample space, with an average density of 6.4 kg/m³ in 2023, meaning density of less than 1%.

Our yearly survival rate improved from 88.8% to 93.45%. We have a high survival rate compared to our peers, making it a key metric in fish welfare. Common reasons for fish mortality include handling, smolt quality, CMS, winter wounds, and gill health. To address these issues, we screen smolt quality and monitor the fish environment, including oxygen levels, salinity, and temperature.

Fish welfare KPI	
Monthly survival rate	99,45 %
Yearly survival rate	93,40 %
Superior quality share	86 %
IPN (Infecti)	0
Pancreas Disease	0
Employees completed fish welfare course	100 %
Antibiotics	0



In 2023, all our employees completed a course aimed at understanding fish welfare.

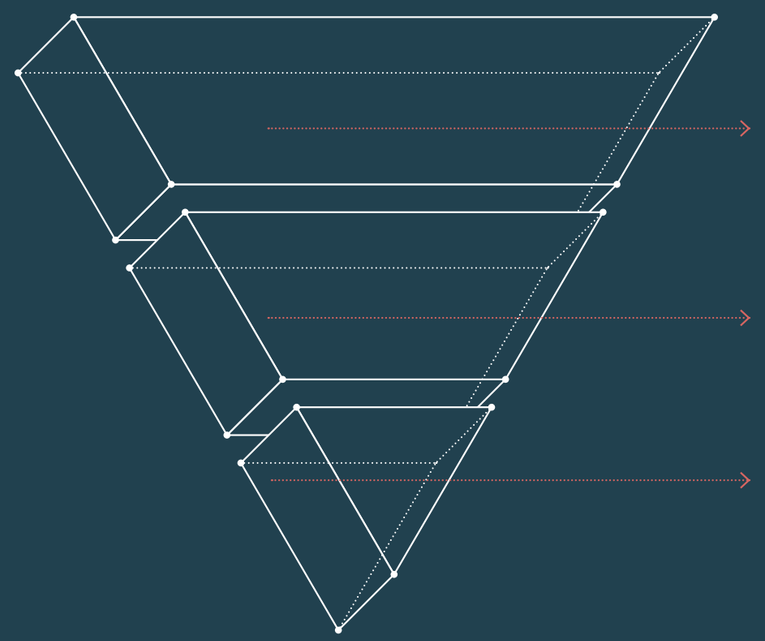
Sea Lice *Management*

We do not use cleaner fish as part of our sea lice management strategy, as using one species to promote the welfare of another conflicts with our principles. Instead, we have developed and successfully implemented alternative methods. These include freshwater treatments provided by our well-boat service partners, as well as the use of the Thermolicer, which employs lukewarm water to remove sea lice from the fish, with the collected lice being safely destroyed.

In 2023, we conducted a total of 207 non-medicinal treatments and 20 medicinal treatments, representing 52 fewer treatments compared to 2022.

Lice Exceedances	Vindsnes	Overåneset	Urdaneset	Skjortneset	Bugane	Total
2023	0	0	0	0	2	2
2022	1	1	0	0	0	2
2021	1	1	2	0	1	5

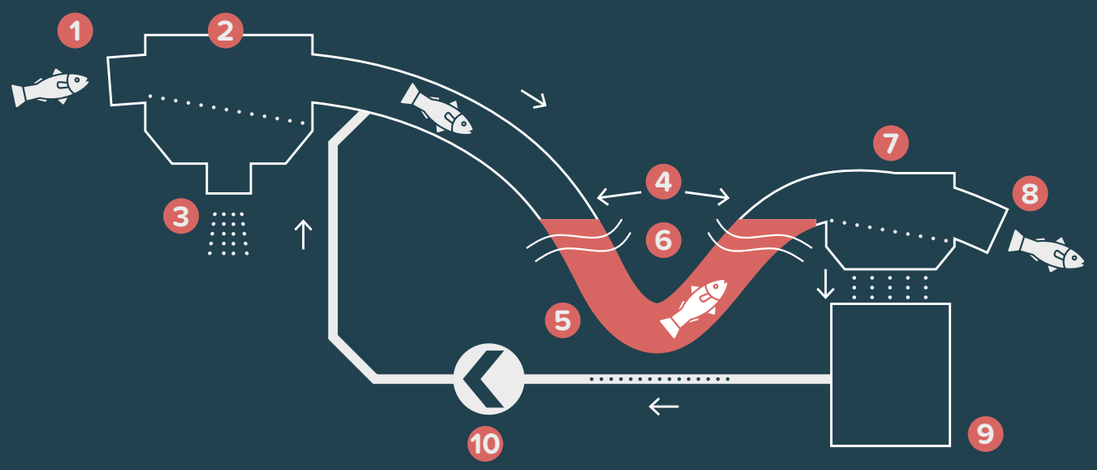
Sea lice strategy and measures



PREVENTIVE MEASURES
Locations with plenty of fresh cold water, sea lice skirt, distancing locations, post smolt and proactive measures

OPERATIONAL EFFICIENCY
Data driven surveillance, sea lice laser, closed systems, submerged systems.

TREATMENTS
> Lukewarm water treatment
> Medicinal treament



1 Fish enters Thermolicer® after pumping.
2 Water separation.
3 Sea water is filtered and released.
4 The fish is exposed to lukewarm water.
5 Treatment loop.
6 Water surface.
7 Water separator for treatment water.
8 Fish exits the system.
9 Heated water is circulated to water tank for filtration, aeration and reheating.
10 Treatment water is pumped back to the treatment loop.

Biodiversity and environmental impact ***around our farms***

We conducted MOM-B and MOM-C tests in 4 out of 5 locations in 2023, all of them within our target score 2 or better, meaning the farm sites had little or moderate effect on the surroundings. We find that our investments in new farm cages, precision feeding, and farm distancing are also yielding positive environmental impacts.

Measures to Prevent Environmental Impact Around Farms:

- Implementing fallowing periods
- MOM-B and MOM-C environmental test
- Adopting precision feeding techniques
- Integrating closed systems with technology for collecting fish sludge

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.

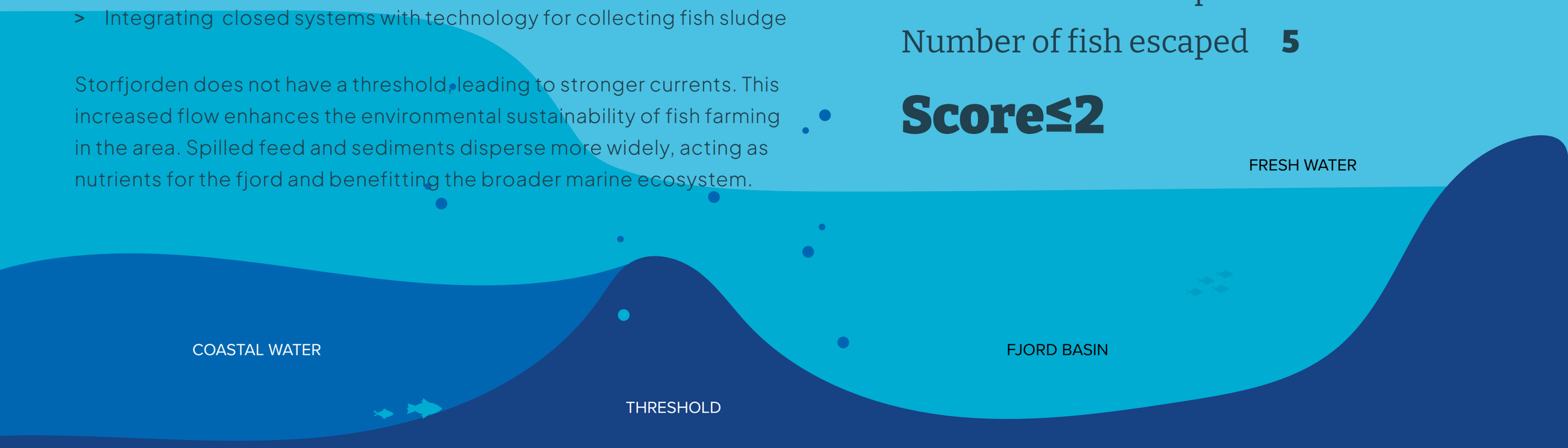
Environmetal conditions around the farms 2023

	MOM-C	MOM-B
Good (1)	2	2
Moderate (2)	1	2
Poor (3)	0	0
Very Poor (4)	0	0
Critical (5)	0	0

Number of fish escapes **1**

Number of fish escaped **5**

Score≤2



Closed systems

The future of seafood farming

E20000

44m height
20,000m³
1 million smolt (100t)
31m diameter
450 tonnes

Hofseth has committed to invest in 5 full scale Ovum, the five units come with six MTB (Maximum Allowable Biomass) development licenses. The technology has proven more efficient than expected, showing a lower feed conversion ratio, faster growth, and very low mortality rate.

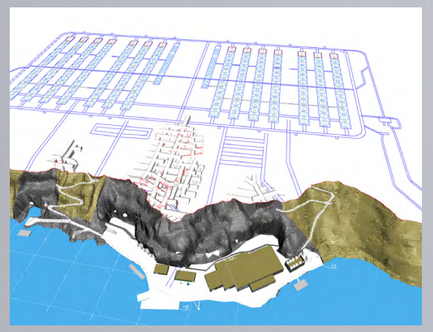
Sea lice are a major challenge in the salmon farming industry. With this technology, the concern is effectively eliminated. With the implementation of the Ovum units, we are seeing improved fish welfare and no sea lice infestations, hence a reduction in both feed usage and sea lice treatment. operations.

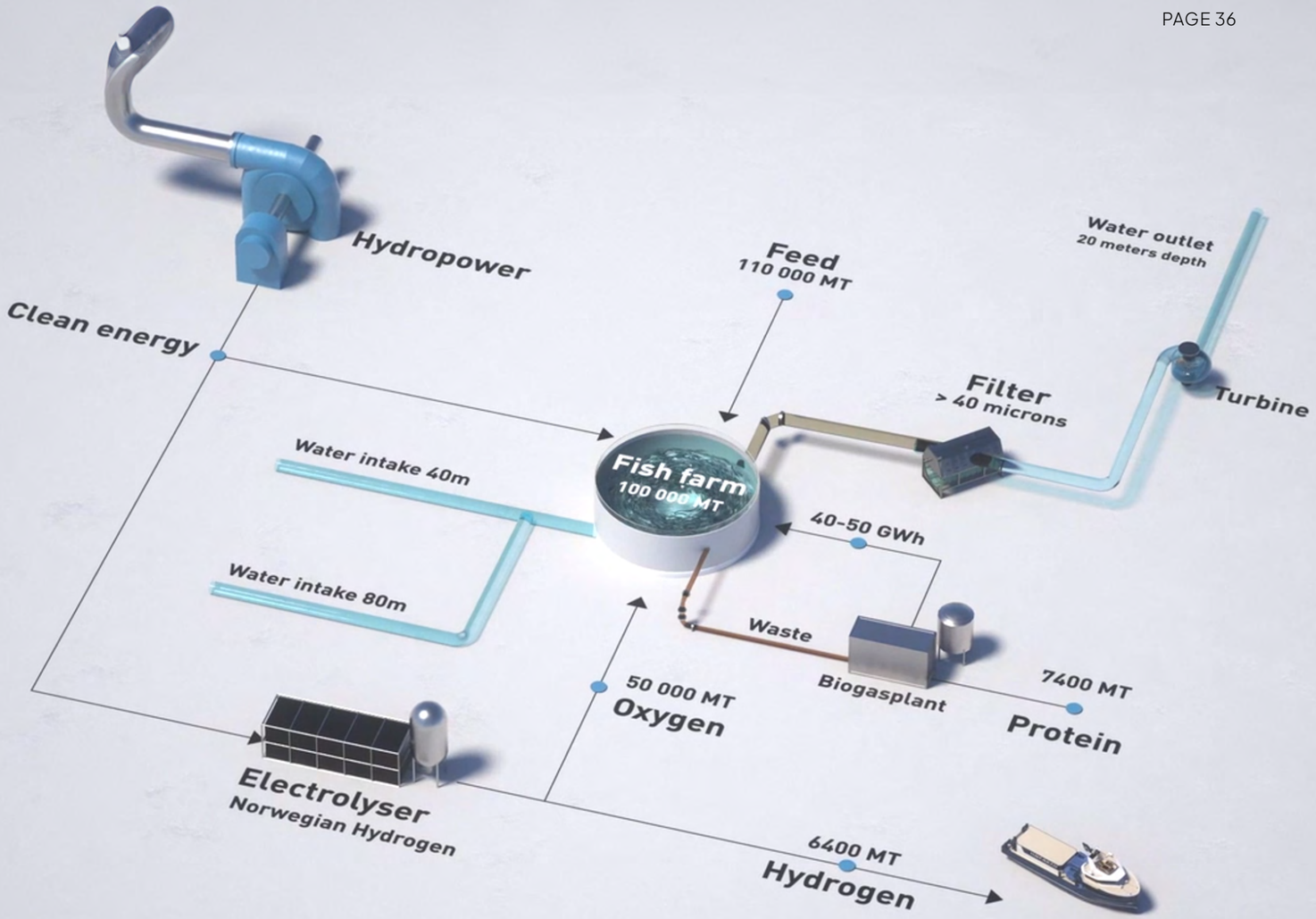
With its technology, Hofseth is well-prepared to expand using the environmental licenses anticipated to be issued.

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

Our target with the closed systems is to reach an eFCR <1.05.

Closed system *at land*





World Heritage Salmon Farming Project Will Be The World's Largest… AND THE MOST SUSTAINABLE

- Using clean hydropower energy from local Tafjord dam
- On-site electrolyser produces oxygen for salmon farming, and hydrogen as fuel
- On-site biogas plant utilises sludge for energy
- Water turbine recaptures energy by up to 60%
- Minimal impact on local environment
- Within 2hrs from processing plant

Implementing Food Tech Improving *Yield and Enhancing Fish Welfare*

In Stranda municipality we have a central surveillance and feeding system which enhance our feed conversion ratio and efficiently monitor fish health. Advanced food tech can optimize feeding patterns, reducing waste and ensuring nutrient management. This not only conserves resources but also minimizes the environmental footprint of the farm.

Modern sensors and AI-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.

Certifications

Our Commitment to Food Safety and Environmental Responsibility

Product recalls 2023: 0

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) or Global Gap. This is a key 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

Hazard Analysis and Critical Control Point

HACCP

HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

M2029 – Hofseth Aalesund AS
M296 – Seafood Farmers of Norway AS
M480 – Hofseth AS
M303 – Hofseth Aqua Avd 31 Slakteri Ålesund

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

MSC

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

Taumar

Taumar, our innovative on-site processing vessel, has transformed the way we handle and transport fish from their pens to the shore. Unlike traditional well-boats that transport fish alive, 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 tonnes of round fish, mirroring the capacity of its larger counterparts.

Urea is used in fuel to reduce nitrogen oxide (NOx) emissions from diesel engines. When urea is injected into the exhaust system, it undergoes a chemical reaction that converts harmful NOx emissions into harmless nitrogen and water. This process, known as Selective Catalytic Reduction (SCR), helps meet stringent environmental regulations and reduces the environmental impact of diesel engines.

Targets:

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

Emissions diesel 2023: **956 tonnes Co2e**

Liter diesel used 2023: **359517**

Urea used to reduce Nox 2023: **9545 liter**

(Urea reduces Nox emissions with around 50%)

PEOPLE AND SOCIETY ENGAGEMENT

Our Values

Down to Earth

At Hofseth, we have our feet firmly on the ground. Here, you can be yourself, and we are committed to building trust by being genuine, generous, and honest. We have a flat and inclusive structure that encourages collaboration, involvement, and community.

Bold

To constantly try something new has been a strong motivation for the company from the very beginning. We are forward-leaning and engaged, continuously seeking new and better solutions. We see opportunities rather than limitations and take pride in daring to challenge the established norms.

Stewardship

We are aware of the responsibility we have and are committed to being a responsible actor that takes care of the fish, the people, and the environment. We strive to be honest and operate with the best intentions of all our stakeholders for today and the future.

Dynamic

In our organization, there is a high level of execution capability. We are motivated to get things done and achieve outstanding results. We set ambitious goals and are committed to living up to the expectations placed on us by ourselves and our surroundings. We learn from our mistakes, and together, we are strong, energetic, and fearless.

Emphasizing Employee Wellbeing and *Safety: Hofseth's Guiding Principles*

1. **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.
5. **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.
8. **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.
9. **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

Fatal accident

On June 23, 2023, we experienced an explosion at one of our farms, resulting in the loss of a valued colleague. The incident involved a silage tank on the barge. Unfortunately, we cannot provide further details as the accident is still under investigation by the authorities. Since the incident, we have shared information with industry peers to help prevent similar accidents from occurring at other farms.

Diversity and Inclusion

Our ongoing commitment to diversity and inclusion is reflected in the increasing representation of women within our organization. In 2023, the overall percentage of female employees across the group rose from 35% to 38%. Specifically, female representation in farming increased by 6%. The Processing department maintained a strong female presence, with the ratio slightly adjusting from 52% to 51%. We recognize the importance of fostering a diverse workforce and will continue to implement policies and initiatives that support gender diversity and inclusion at all levels of our operations.

Secure Hofseth as a safe and good workplace.

Our LTIs decreased from 11 in 2022 to 9 in 2023. We continue to enhance our HSE (Health, Safety, and Environment) training, both digital and practical. Improvements in risk mapping, proactive measures, documentation, and control routines will help us achieve our goal of zero LTIs. HSE is a fundamental element in all our planning and operational activities. A proactive and structured approach to HSE work, in line with our HSE handbook, should guide priorities in daily operations, decision-making, and investments.

Lost time injuries

In 2023, we recorded one Lost Time Injury (LTI) where an employee sustained an eye incident due to fish bile exposure. The remaining LTIs were primarily related to cutting and falling incidents. Employees in our processing facilities often use knives to trim fillets, and despite extensive risk assessments and the implementation of safety measures, occasional injuries still occur. While we've seen a reduction in accidents, there is still room for improvement. We remain committed to further enhancing our safety protocols to minimize these incidents.

Grievance Mechanism

At Hofseth, we prioritize a transparent and fair work environment, empowering employees to raise concerns. Our grievance mechanism ensures issues are addressed promptly:

> **Immediate Reporting:** Report grievances to your closest leader for swift resolution.

> **Escalation:** If unresolved, escalate the matter to the Head of HR: Jan Are Remme

> **Anonymous Reporting**: For confidential concerns, use our anonymous channel at varslinghofseth@adviso.no.

	2023	2022
FTE (Full time)		
Farming	149	133
Processing	389	369
Logistics	6.3	7.1
Admin & sales	45	29
Group	590	538
Female ratio		
Farming	29 %	23 %
Processing	51 %	52 %
Admin, sales & logistics	33 %	29 %
Group total	38 %	35 %

Fatal accident in table: Injuries and accidents		
Fatal accidents	1	0
LTIs farming	0	3
LTIs processing	9	8
Farming LTIs/200000 hours	0	2.3
Processing LTIs/200000 hours	2.4	2.2
Sickness absence	7.5 %	5 %

LTI (Lost Time Injury) refers to a work-related injury or illness causing an employee to miss at least one full work shift or day, indicating workplace safety levels.

Nature Management: Strengthening *Education and Community Ties*

Our organization is advancing its efforts by partnering with the local high school in Stranda municipality and our farming site at Bugane. This collaboration introduces a program where students can combine practical experience with theoretical learning, leading to a guaranteed apprenticeship and future job opportunities.

The program offers courses in natural materials and landscape design, fishing and outdoor activities, animal and fish welfare, plant life and natural processes, and biological production. These subjects are tailored to the needs of our region, preparing students for relevant careers.

Number of apprenticeships 2023: 7

Read more:
https://stranda.vgs.no/utdanningstilbod/yrkesfag/naturbruk/

Transparency

We take great pride in our work and how we do it, so opening our viewing center on the feeding barge ‘Ivar Heggen’ in Storfjord was a significant highlight for us. 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.

Visitors Ivar Heggen 2023: **685**

Visitors Atlanterhavsparken 2023: **190,000**

ESG Corporate *Governance Framework*

BOARD OF DIRECTORS

The chairman of the Board: **Morten Vike**
Board member: **Roger Hofseth**
Board member: **Hiroshi Okada**

KEY ACTIVITIES

- > Training
- > Development
- > Communication and reporting
- > Risk assessment
- > Risk mitigation
- > Compliance

STRATEGY

Succeed ***globally*** by acting ***locally***

01 Purpose	Healthy seafood for the world without compromising people, planet or fish welfare			
02 Vision	Become the world's most sustainable seafood producer			
03 Mission	Continuously seek better solutions throughout the entire value chain			
04 Values	Down to Earth	Bold	Stewardship	Dynamic
05 Core Strategies	Make Healthy Seafood Accessible	Succeed Globally by Acting Locally	At the Forefront of Technological Development	Low Environmental Impact

KEY METRICS

- > Key Metrics
- > ESG-KPIs
- > ESG-targets

KEY TOOLS

- > Hofseth Academy
- > ESG-report
- > HSE handbook
- > Intranet
- > Code of Conduct
- > Operational Polices
- > HR Policies
- > Grievance Mechanism

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To the Board of directors in Hofseth International AS

Independent Practitioner's Assurance Report on the GHG Accounting

We have been engaged by Hofseth International AS to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Hofseth International AS's GHG Accounting (the "Subject Matter") as of 31 December 2023 and for the period from 1 January 2023 to 31 December 2023.

The Engagement

The objective of the engagement was to evaluate the reliability of the reported CO2e emissions, which were presented in accordance with the guidelines of the GHG Protocol (The Criteria). Our engagement included a review of the reported emissions to ensure compliance with the relevant principles and standards of the GHG Protocol.

Our verification scope included the aggregated emissions data for the reporting year 2023 as follows:

<u>Scope 1:</u>	
Total CO2e scope 1 emissions:	**735 521**
<u>Scope 2:</u>	
Total CO2e scope 2 emissions (location based):	**425 780**
<u>Scope 3:</u>	
CO2e scope 3 emissions from:	
Fuel external vessels	4 447 934
Upstream transportation	3 869 961
Fish (bought external)	139 332 519
Downstream transportation	26 153 008
Packaging	4 922 736
Business travel	117 000
Feed	46 836 640
Waste	94 648
Total CO2e scope 3 emissions:	**225 774 446**

The procedures we performed were based on our professional judgment and, among others, included:

- Making inquiries of the persons responsible for the Subject Matter;
- Obtaining an understanding of the process for collecting and reporting the Subject Matter Information, including reviewing the supporting documents and processes for gathering and consolidating the data;
- Performing limited substantive testing on a selective basis of the Subject Matter Information to test whether data had been appropriately measured and reported;
- Considering whether the appropriate company activities and material GHG Protocol categories are covered.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.

Other than as described in the preceding paragraphs, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining ESG information included in the Sustainable Report 2023 and CDP disclosure, and accordingly, we do not express a conclusion on this information.

Hofseth International AS 's Responsibility

Hofseth International AS is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error. Greenhouse gas (GHG) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information», and, in respect of greenhouse gas emissions, ISAE 3410 – "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 and ISAE 3410 involves assessing the suitability in the circumstances of Hofseth International AS's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is

substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information as at 31 December 2023 is not prepared, in all material respects, in accordance with the applicable Criteria.

While no material misstatements have been identified, we have noted some areas where improvements could enhance the accuracy and comprehensiveness of future GHG reporting.

Further Recommendations

Our engagement included an assessment of whether the information presented in the accounting complied with GHG Protocol guidelines. To further strengthen alignment with these guidelines, we recommend explicitly categorizing Scope 3 emissions according to the protocol's categories. Additionally, reporting Scope 2 emissions using both the market-based and location-based approaches will enhance transparency and ensure protocol compliance.

Oslo, 3 October 2024
RSM Norge AS

Eivind Archer
Partner, ESG Advisory

Inge Soteland
State Authorised Public Accountant

(This document has been signed electronically)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Archer, Eivind
Partner
På vegne av: RSM Norge AS
Serienummer: no_bankid:9578-5999-4-1347478
IP: 188.95.xxx.xxx
2024-10-03 11:31:23 UTC
bankID

Soteland, Inge
Partner
På vegne av: RSM Norge AS
Serienummer: no_bankid:9578-5993-4-2524490
IP: 188.95.xxx.xxx
2024-10-03 11:32:28 UTC
bankID

GRI Index

Details	Information
Reporting Period	01.01.2023 to 12.31.2023
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 process facilities in Syvde, Valderøy, and Ålesund. In addition, Hofseth has logistic and sales company in Ålesund

Disclosure	Response	Location	Omission
2-1 Organizational details		Page 14, 46–49	NO
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.		NO
2-3 Reporting period, frequency and contact point	We report annually according to the GRI Standards in our integrated sustainability report. For inquiries, please contact our ESG Reporter, John-Andre Bolseth (john@verdee.no), or our Communication Manager, Jannicke Farstad (jafa@hofseth.no).	Page 49	NO
2-4 Restatements of information	Our reporting has been updated with a new base year of 2019. Some data in the report has also been revised from previous reports due to improved data availability and information. The base year has been adjusted to 2019 due to the anomalies caused by the COVID-19 pandemic in 2020.	Page 15	NO
2-5 External assurance	Our reporting has been updated with a new base year (2019). Some data has also been revised from previous reports due to improved information and accuracy. The ESG Reporter seeks external assurance for our sustainability reporting in accordance with GRI Standards, climate accounting, and sustainability KPIs. Our sustainability reporting will be assured by our independent auditor, RSM Norway, by October 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 salmon and processing it into portions and fillets, with the primary cost being the fish itself. Within our farming division, the most substantial expense is feed. For further information on our other business relations and investors, please refer to the stakeholder section on the relevant pages.	Page 3, 5, 9–14	NO

Disclosure	Response	Location	Omission
2-7 Employees		Page 43	NO
2-8 Workers who are not employees	In 2023 there was a shift in regulations for contract workers, we now report on all workers as employees, 2023-2024 is a transition period for employing contract workers directly. We have not reported on the number of part time or temporary employees.		YES
2-9 Governance structure and composition		ESG-governance page 46	NO
2-10 Nomination and selection of the highest governance body		Page 46	NO
2-11 Chair of the highest governance body		Page 46	NO
2-12 Role of the highest governance body in overseeing the management of impacts	The highest governance body oversees the management of impacts by setting strategic direction, monitoring performance, and ensuring accountability for sustainability initiatives and risks. They regularly review and approve policies, objectives, and reporting related to environmental, social, and governance (ESG) matters.	Page 46	NO
2-13 Delegation of responsibility for managing impacts	Responsibility for managing impacts is delegated according to the organizational structure, with each level of management accountable for overseeing specific areas aligned with their roles. This ensures clear accountability and effective implementation of impact management strategies across the organization	Page 46	NO
2-14 Role of the highest governance body in sustainability reporting	The highest governance body is responsible for overseeing and approving sustainability reporting, ensuring its accuracy, transparency, and alignment with organizational goals and standards.		NO
2-15 Conflicts of interest	We have not mapped out conflict of interest		YES
2-16 Communication of critical concerns	No reported incidents of critical concerns		NO
2-17 Collective knowledge of the highest governance body	The highest governance body collectively possesses diverse expertise and experience, ensuring informed decision-making on complex sustainability, governance, and strategic issues.	46	NO

Disclosure	Response	Location	Omission
2-18 Evaluation of the performance of the highest governance body	. The performance of the highest governance body is linked to ESG KPIs and targets, which are fundamental to the company's vision. All decisions of highest governance body are made with careful consideration of our sustainability objectives, ensuring alignment with our ESG commitments.	12-13, 15,16,18,20,24-26,32-34,38,43	NO
2-19 Remuneration policies	Hofseth is not a public company, and do not report on remuneration yet. We plan to do so for reporting year 2023		YES
2-20 Process to determine remuneration	Hofseth is not a public company, and do not report on remuneration yet. We plan to do so for reporting year 2023.		YES
2-21 Annual total compensation ratio	Hofseth is not a public company, and do not report on remuneration yet. We plan to do so for reporting year 2023		YES
2-22 Statement on sustainable development strategy	Our sustainability statement: Healthy seafood for the world without compromising people, planet or fish welfare.	Page 3 and page 8	NO
2-23 Policy commitments	Our policy work is in progress and has not yet been reported. Some of our policies are in our webpage		NO
2-24 Embedding policy commitments	Our policys are embedded in both our social and environmental strategies in our ESG-KPIs.		YES
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	We have established mechanisms for seeking advice and raising concerns, open-door policies, and regular feedback sessions. These mechanisms ensure that all stakeholders can voice their concerns and seek guidance in a safe and confidential manner.	Page 42	NO
2-27 Compliance with laws and regulations	We have maintained full compliance with all applicable regulations, with no conflicts reported.		NO
2-28 Membership associations	Membership of associations GATH, Sjømatbedriftene, Norwegian Seafood Council, Sjømat Norge		NO
Stakeholder Engagement			
2-29 Approach to stakeholder engagement		Page 9-11	NO
2-30 Collective bargaining agreements	Collective bargaining agreements: 18%		NO

Disclosure	Response	Location	Omission
Material Topics			
3-1 Process to determine material topics	Partly omitted due to the potential for structuring the weighting of material topics more effectively.	Page 9-13	YES
3-2 List of material topics		Page 12	NO
Animal Health And Welfare			
3-3 Management of material topics		Page 32-33	NO
Percentage of production volume certified to third-party animal health and welfare standards	80% of our farming sites are certified with ASC and 100% are certified with GAP.	Page 38	NO
Survival rate at sea		Page 32	NO
Main causes for reduced survival in seawater		Page 32-33	NO
Other certifications and environmental alignments		Page 21, 34	NO
Biodiversity			
3-3 Management of material topics	We reported on fish escapes on page 34, we did not have any encounters with wild life	Page 12-13 , 34	NO
Additional sector DisclosuresPercentage of productionvolume certified to third-party animal health and welfare standards	80% of our farming sites was ASC certified in 2023, and 100% of our farming sites was GAP certified.		NO
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Page 30	
304-2 Significant impacts of activities, products and services on biodiversity	There is claims that the escaped farmed salmon can affect the wild salmon, therefor we report on the number of escaped fish.		NO
304-3 Habitats protected or restored	We dont have any activities aimed at restoring or protecting habitats.		NO

Disclosure	Response	Location	Omission
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	We have not mapped out this risk.		YES
Hofseth indicators	Hofseth has various KPIs and indicators presented on page 13, which are reported throughout the report.	Page 13	NO
Food Safety			
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.	Page 38	NO
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents		NO
Additional sector disclosures: Percentage of production volume from sites certified to internationally recognized food safety standards	Hazard Analysis and Critical Control Point HACCP.	Webpage certifications.	NO
Number of recalls issued for food safety reasons and the total volume of products recalled	We had no recalls in 2023		NO
Emissions			NO
305-1 Direct (Scope **1**) GHG emissions		Page 15	NO
305-2 Energy indirect (Scope **2**) GHG emissions		Page 15	NO
305-3 Other indirect (Scope **3**) GHG emissions	Biogenic CO2 emissions (tCO2e) is not relevant for our operations.	Page 15	NO
305-4 GHG emissions intensity		Page 15	NO
3-3 Management of material topics		Page 9-20	NO
201-2 Financial implications and other risks and opportunities due to climate change		Page 16	NO

Disclosure	Response	Location	Omission
3-3 Management of material topics related to food security		Page 38 and Hofseth webpage	NO
3-3 Management of material topics related to natural ecosystem conversion		Page 19-21	NO
3-3 Management of material topics related to supply chain traceability	Most relevant regarding feed in our supply chain	Page 18-21	NO
Level of traceability			YES
Improvements projects related to certification		Page 18-21, 38	NO
3-3 Management of material topics related to anti-corruption		Code of conduct and page 46	NO
205-1 Operations assessed for risks related to corruption	Most of our purchases are made in Norway, where the risk of corruption is low. The majority of our expenditures are related to purchasing feed and fish, and the presence of several regulatory offices further reduces the risk of corruption.		NO
205-2 Communication and training about anti-corruption policies and procedures	Our Code of Conduct program includes anti-corruption guidelines and procedures. Management is trained in anti-corruption policies		NO
205-3 Confirmed incidents of corruption and actions taken	No incidents		NO
3-3 Management of material topics related to employee health and safety		Page 12,43	NO
403-1 Occupational health and safety management system	We have implemented the EQS Health and Safety system. Additionally, we use Huma software to manage health and safety qualification documentation for our employees.		NO
403-2 Hazard identification, risk assessment, and incident investigation	Conduct risk assessments for all new equipment and processes, register deviations, and implement corrective measures. Serval risk assessment conducted in 2023		NO
403-3 Occupational health services	Employees receive a health check by a doctor every other year. Work-related injuries or health issues are followed up with appropriate care, such as treatment by a physiotherapist.		NO

Disclosure	Response	Location	Omission
403-4 Worker participation, consultation, and communication on occupational health and safety	The Working Environment Committee meets quarterly to address and discuss occupational health and safety matters. Additionally, each factory is equipped with a grievance mechanism, including an anonymous or open suggestion box, where workers can report concerns or propose improvements.		NO
403-5 Worker training on occupational health and safety	All new employees undergo training with an HSE or safety representative. In the event of an accident, all employees in the relevant job position receive additional training to prevent a recurrence.		NO
403-6 Promotion of worker health	We promote worker Health through our HR-software and our guiding principles	Page 42	NO
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk assessment not conducted		YES
403-8 Workers covered by an occupational health and safety management system	Workers covered by an occupational health and safety management system: 100%		NO
403-9 Work-related injuries		Page 43	NO
403-10 Work-related ill health	We have no incidents of work-related ill health		NO
3-3 Management of material topics related to forced or compulsory labor	No compulsory labour	Page 59	NO
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Transparency Act report at webpage	NO
3-3 Management of material topics related to child labor	-	Transparency Act report at webpage	NO
408-1 Operations and suppliers at significant risk for incidents of child labor		Transparency Act report at webpage	NO
3-3 Management of material topics related to rights of indigenous people	Not relevant		YES

Disclosure	Response	Location	Omission
411-1 Incidents of violations involving rights of indigenous peoples	Risk assessment not conducted		YES
Additional sector disclosure – Location of operations	-	Page 49	NO
3-3 Management of material topics related to local communities		Page 11-12,18,44	NO
413-1 Operations with local community engagement, impact assessments, and development programs		Page 11-12,18,44	NO
413-2 Operations with significant actual and potential negative impacts on local communities	We don't see any potential negative impact on our local communities. We have not any risk assessment on this subject.		YES
3-3 Management of material topics	-	Page 9-13	NO
201-1 Direct economic value generated and distributed	We report on revenue	Page 3	NO
203-1 Infrastructure investments and services supported	Not reported		YES
203-2 Significant indirect economic impacts	Not reported		YES

HOFSETH