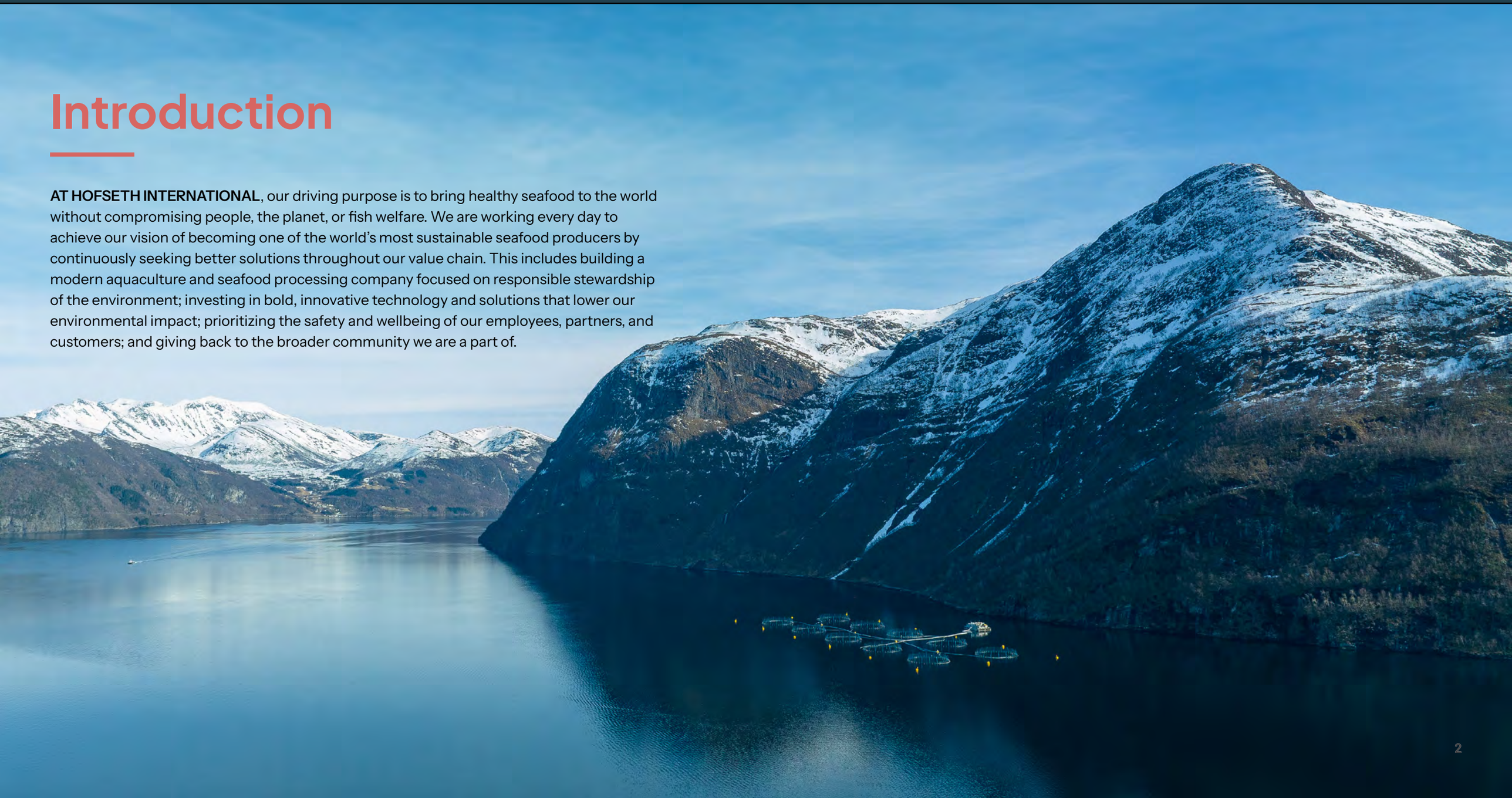
2024

SUSTAINABILITY REPORT

HOFSETH

Introduction

AT HOFSETH INTERNATIONAL, our driving purpose is to bring healthy seafood to the world without compromising people, the planet, or fish welfare. We are working every day to achieve our vision of becoming one of the world's most sustainable seafood producers by continuously seeking better solutions throughout our value chain. This includes building a modern aquaculture and seafood processing company focused on responsible stewardship of the environment; investing in bold, innovative technology and solutions that lower our environmental impact; prioritizing the safety and wellbeing of our employees, partners, and customers; and giving back to the broader community we are a part of.



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This is the first year that Hofseth International is reporting under the European Union's Voluntary Sustainability Reporting Standard For Non-Listed Micro, Small, And Medium Enterprises (VSME). This standard is designed for unlisted companies outside the mandatory scope of the CSRD such as ours who wish to communicate their meaningful progress in transitioning to more sustainable, future-proofed operations in a structured way. You can find our VSME report on page 53.

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Reflections From the CEO

IN 2024, HOFSETH INTERNATIONAL continued its mission to deliver healthy seafood to customers worldwide while making significant progress on our sustainability goals. Our ambition is clear: to become the world's most sustainable seafood producer. This requires continuous improvement across the entire value chain, and I'm proud of the steps we've taken this year to move closer to that vision.

Raising the Bar on Food Safety and Quality

Hofseth International is Norway's largest processor of salmon and trout, handling more than 46,000 tonnes of raw material in the northwest region of the country in 2024. Processing remains a cornerstone of our fully integrated seafood business.

All of our facilities achieved top-tier "Higher Level" certifications through rigorous GFSI audits, which is evidence of our strong commitment to food safety and quality. With 26 audits conducted across our processing plants this year, we also see growing expectations for excellence across all aspects of our operations.

New and stricter labor regulations in Norway have impacted staffing flexibility, however. In response, we have focused on recruiting more talent from our local communities with good success.

We continue to invest in automation and high-quality equipment. Our work on yield optimization and product segmentation is enhancing responsiveness, efficiency, and sustainability across the business.

Enhancing Fish Welfare

Fish welfare remains a top priority, and we're seeing consistent improvements in this area. Our mortality rates are well below the national average thanks to proactive measures and the skill and dedication of our employees.

Major investments made in 2021 and 2022, such as the transition from steel to ring cages and increasing the spacing between farming sites, are now showing strong results. These changes required operational adjustments and large investments, but our teams have successfully adapted and are now highly proficient in both planning and execution.

As part of our technology-forward strategy, we also began preparing for a new production method using submersible (or "deep") cages, in operation during Q2 2025.

As of 2024, Hofseth holds eight development licenses focused on promoting more sustainable fish farming and improving fish welfare. Two of these licenses are for a submerged farming technology called 'Sea Lilly' that combines best practices from both aquaculture and offshore subsea industries. The remaining six are for the closed farming system known as "the Egg". Investing in closed farming solutions is a key part of Hofseth's long-term aquaculture growth strategy.

Environmental and Economic Sustainability

At Hofseth, we believe that environmental and economic sustainability must go hand in hand. One project I'm particularly proud of is IceFresh, which is transforming global fish distribution with a patented thawing technology.

IceFresh tackles two major industry challenges: high emissions from air freight and food waste at retail. By implementing this innovation, we can cut transport-related emissions by up to 98 percent and reduce food waste by as much as 30 percent all while lowering costs and boosting sales. It's a strong example of how innovation can drive both environmental progress and business value.

A major milestone was reached on December 6, 2024, when the first IceFresh shipment arrived in the U.S. That same month, Innovation Norway recognized the project's potential and impact by providing key financial support.

Looking Ahead

As we grow, staying close to where value is created becomes even more important. At Hofseth, we believe leadership should support, not direct, operations from above. That's why we listen closely to the people closest to the fish, the day-to-day workers, and our customers.

To our customers, employees, suppliers, and partners: thank you. Your trust in a forward-thinking company that is committed to improving every part of the value chain, from farm to fork, makes everything we do possible. It's the dedication and skill of our employees that drive our daily progress, and we deeply value the support of our suppliers and partners.

Together, we are building a more sustainable seafood industry and we're just getting started.

Roger Hofseth

Sincerely,
Roger Hofseth
CEO, Hofseth International

Hofseth International: An Integrated Salmon Company with Roots in Western Norway

FARMING

Hofseth Aqua

Harvest Volume in 2024: 15,933 tonnes

Farming locations: 5

Smolt Facilities: 1

Post-Smolt Facilities: 1

PROCESSING

Hofseth Syvde, Hofseth Ålesund, Seafood Farmers, Hofseth Processing

Production Volume in 2024: 46,357 tonnes

Number of Processing Facilities: 4

Total Processing Capacity: 100,000 tonnes

Creating fresh and frozen fillets, portions, and smoked products

SALES AND DISTRIBUTION

Hofseth North America, Hofseth UK, Hofseth Asia

Total Revenue in 2024: 5.8 billion NOK

Sales Offices: In 5 Countries

Volume Whole Fish Sold: 10,343 tonnes

OPERATIONAL SUPPORT

Hofseth International, Hofseth Logistics

Human Resources, Finance, and Communications Teams based in our Ålesund Office

Local Transportation and other Logistical Support to Farming, Processing, and Distribution

CERTIFICATIONS

Farming:

- Aquaculture Stewardship Council (ASC) Certified Farms
- Global GAP
- Debio Organic

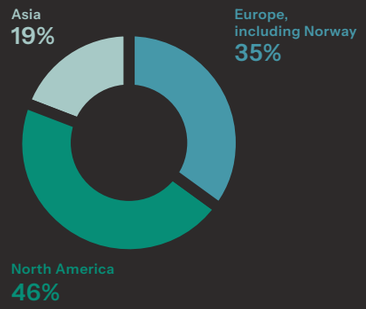
Processing:

- Aquaculture Stewardship Council (ASC) Chain of Custody Certification: 4 subsidiaries
- Global GAP Chain of Custody Certification: 4 subsidiaries
- Marine Stewardship Council: 1 subsidiary
- Kosher KF Certification: 4 subsidiaries

In 2024, we had 574 employees hailing from 26 nationalities across a range of integrated companies with a worldwide footprint and a home base in Ålesund, Norway.

Company Snapshot

MARKETS SERVED



OPERATIONAL SIZE

Revenue 2024: 6.3 billion NOK

Harvest Volume
Tonnes of fish (HOG)

2023	15,027
2024	15,933

Processing Volume
Tonnes of fish (HOG)

2023	45,147
2024	46,357

CUSTOMER GROUPS SERVED

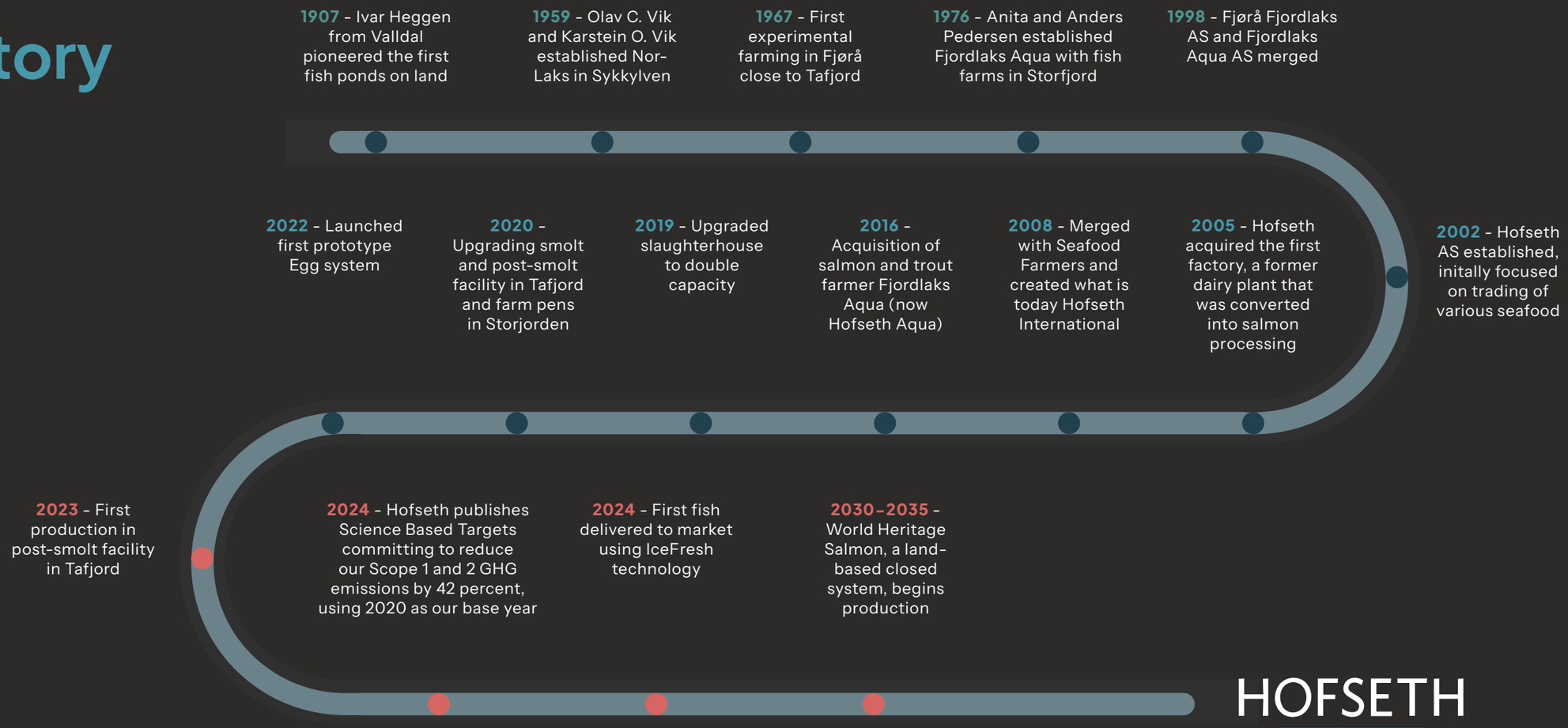
Spotlight On: Our Farming Operations

Strategically Located in Storfjorden with Optimal Conditions

Hofseth Aqua's farming sites are strategically located in Storfjorden, Møre og Romsdal county, which offers ideal 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.

Building on a Proud History

Hofseth was established in 2002 based on a vision that more of the fish should be processed close to where it is farmed. Since then, a seafood company that covers the entire value chain in the production of salmon and trout has been built, all within a few hours in western Norway.



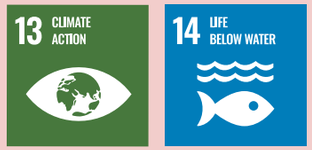
HOFSETH

The Core Pillars of Hofseth's 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	Steward	Dynamic
05 Core strategies	Make Healthy Seafood Accessible	Succeed Globally By Acting Locally	At The Forefront Of Technological Development	Low Environmental Impact

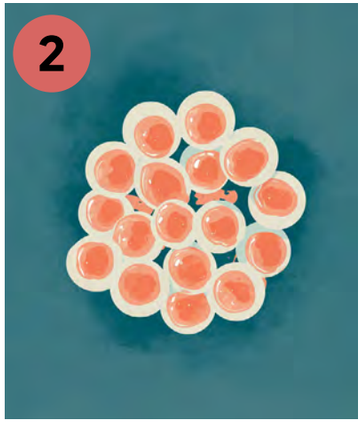
Our Alignment with UN Sustainable Development Goals

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				

Understanding Our Value Chain

Broodstock

We purchase eggs and milt that is fertilized from a broodstock facility owned by a trusted supplier.



Eggs

Our smolt facility at Tafjord receives the eggs, hatches them in tanks on land, and then begins the initial care and feeding.

Early Life

Newly hatched fish receive vaccinations at our facility at Tafjord.

Smoltification and Transfer

The fish transitions from becoming a freshwater fish to becoming a salt water fish in a process called smoltification. At this point, some fish are transferred to a post-smolt facility where they are raised to 500 grams before being transferred to Hofseth Aqua farming pens; this is to protect the fish during its most vulnerable stages. The remaining fish are transferred directly into our farming pens in western Norway.

Sales and Distribution

Hofseth then sells and distributes its products—including whole fish, fillets, and smoked products—worldwide. A substantial volume is shipped frozen to minimize emissions.

Processing

The salmon then goes through initial gutting at Hofseth Processing, our harvest plant, and are put on ice. From there, the salmon are either prepared for export whole or transferred to Hofseth Ålesund, Seafood Farmers, or Hofseth Syvde for domestic processing.

Growth and Harvesting

At Hofseth Aqua farms, fish live and grow until they are 4-6 kg. They are then harvested and transported by our processing vessel to our processing facilities. We use a vessel that slaughters the fish on site and then transports them to minimize the stress on the fish.

Stakeholders

INTERNAL STAKEHOLDERS
> Employees
> Shareholders
> Management

CUSTOMERS
> International customers
> New customers
> Consumers

BUSINESS ASSOCIATES
> Bank/Finance
> Fish farmers
> R&D partners
> Suppliers

EXTERNAL STAKEHOLDERS
> Government
> Local community
> Media
> Research establishments
> NGOs

Proactively Engaging Our Stakeholders

Employees

The success of Hofseth begins with our employees and engaging them is a key priority. In 2023, the company launched a transformation program in collaboration with an external partner. This initiative focused on redefining our overall corporate strategy as well as sub-strategies across all core business areas. The year 2024 has been dedicated to implementing and embedding this framework into daily operations.

As part of this work, a visual “strategy house” was developed and shared with all employees to provide clarity and alignment. In 2025, we will begin implementing this framework with a particular focus on strengthening Hofseth’s company culture.

Internal communication remains a critical tool for alignment and engagement. We actively use our intranet, digital screens, and email to share updates across all areas of the company. This includes regular news about company developments, policy changes, new team members, investments, and upcoming events. Communication also highlights and celebrates key ESG milestones and efforts.

In addition to conducting an employee feedback survey, every manager reviewed the results with their respective teams. A company-wide meeting was also held, during which CEO Roger Hofseth presented a summary of the past year as well as plans the year ahead. There was also an opportunity for employees to ask questions.

Media

Our communication strategy is to be open and honest. We believe in contributing to the public receiving correct information about our approach to the salmon industry so that they can make informed decisions. In addition to proactively sharing information about our operations, we receive numerous requests from local, national, and international media and strive to respond to these requests in a timely and transparent manner.

Government

We work closely with local government officials and politicians in the Fjord and Ålesund municipalities. Together, we plan new projects that support both our company strategy and local community interests. In this work, we consider local regulations, environmental needs, business conditions, and the needs of local residents.

We regularly share our goals and progress with the municipalities and invite feedback to help improve our projects. We also contribute our perspective on industry challenges and trends to help shape policies that support the seafood sector and the wider business community in Norway.

A key focus in our dialogue with the government is the need for stronger incentives for more sustainable farming methods, such as closed containment systems.

Local Community

We hold yearly meetings with local stakeholders in the areas where we operate as part of our ASC certification. These meetings give community members a chance to hear about our activities and plans and to ask questions.

We also welcome visitors to learn more about our operations at our viewing center on the feeding barge in Storfjord or at our visitor center at Atlanterhavsparken. These sites allow visitors to see how we farm salmon and trout.

Hofseth actively supports the local community through sponsorships. In 2024, we contributed more than 2 million NOK to local organizations, schools, sports clubs, events, professional associations, and research on wild salmon. This includes roughly 1.3 million in contributions this year as part of Hofseth's long-term collaboration with local organizations Norwegian Salmon Rivers, NORCE, and other organizations focused on strengthening conditions that contribute to sustainable development in the aquaculture industry and wild salmon research. This local financial support is in addition to providing more than 1.5 million NOK at the national level to the Norwegian Rowing Federation.

In addition, we collaborate with the local high school in Stranda municipality on a program that combines classroom learning with practical experience. Students take part in hands-on training at our farming sites. This leads to a guaranteed apprenticeship and potential job opportunities. The program includes courses in landscape design, fishing and outdoor activities, animal and fish welfare, plant life, and natural processes, all tailored to the needs of our region and industry.

Suppliers

Hofseth works with more than 1,000 suppliers. Around 50 of these account for most of our spending and receive the highest level of due diligence. These key suppliers include feed producers, fish farmers, packaging and transport companies, technology providers, and vessel operators.

In 2024, we improved our supplier management by introducing a new software system. This system helps us track suppliers' environmental and human rights performance. It allows us to monitor risk, document due diligence, and identify areas for improvement, ensuring our partners align with Hofseth's values.

We also held several meetings with key suppliers to share Hofseth's sustainability vision. The goal was to encourage them to offer products and services that support sustainable practices.

We expect our suppliers to set ESG-related goals and consider both sustainability and human rights in their operations. Most of our suppliers sign our Supplier Code of Conduct, which is publicly available on our website.

Hofseth participated in Researcher Night at Atlanterhavsparken, where students learned more about the aquaculture industry and tasted Hofseth salmon and trout.

R&D and NGO Engagement

Overall, our collaborative efforts with both NGOs and research and development institutions focus on developing solutions that lessen environmental and social impacts throughout our value chain. We collaborate with NGOs such as Norske Lakseelver and Lakseelvene på Sunnmøre, which represent wild salmon interests. These interactions provide valuable insights into the NGOs' concerns regarding farmed fish escapes and sea lice impacts on wild salmon populations. The feedback from this dialogue directly influences Hofseth's strategy toward adopting closed farming systems. In 2024, we had another gathering to discuss these challenges and the progress toward solving them.

Enhancing fish health is a central priority in our farming operations. This commitment is demonstrated through our research collaboration with Cargill, which focused on the importance of Omega-3 fatty acids in trout feed and their essential role in promoting fish health. Our project with Cargill, conducted last year, provided valuable insights that we will apply to improve the welfare of the trout we farm.

One of our central initiatives is the IceFresh project, aimed at significantly reducing the industry's largest carbon emission source—air freight and in addition reduce the waste of fresh salmon in the market. Hofseth contracted independent research institute Møre Forskning for a project in 2024 to map out the quality of fresh fish across the US market. Results indicated a substantial risk of food waste associated with fresh fish distribution, emphasizing the importance of finding an alternative to fresh fish distribution. In recognition of its innovative approach solving theses challenges, the IceFresh project received a grant from Innovation Norway in 2024.

In 2023-2024, a partnership was formed with Super Ground to test their method of refining bones and hard tissues into mince without any mass loss. The objective was to determine if by-products from trout fillet processing could be converted into consumable products using this technology. This initiative aligns with Hofseth's strategy to maximize fish utilization and create high-value products, similar to those produced by our affiliate Hofseth BioCare using salmon off-cuts. The results indicated potential for commercial product development.

Customers

Sustainability is a central theme in Hofseth's customer engagement. We actively participate in key seafood trade fairs, where we've prominently demonstrated our innovative use of IceFresh technology as a solution for a more sustainable seafood value chain. Transparency is paramount; we break down our environmental footprint to clearly illustrate where impacts occur and the measures we offer to mitigate them. Through detailed questionnaire responses, we report on our current sustainability performance and strategies for aligning with our customers' targets. As large global grocery retailers, our customers are pivotal drivers of a more sustainable food system, and their increasing focus on sustainability is a significant catalyst for our continuous improvement.

External Fish Farmers

Hofseth is proud to help other Norwegian farmers process their fish within Norway, which helps keep the environmental footprint of processed products low and maximizes use of the whole fish, reducing the waste of marine products. We engage our partner farmers on the need for sustainability-focused certifications such as Marine Trust, Global Gap, and ASC. We also engage third-party farmers on feed supply standards and common efforts to gain more insight into ESG risks further down the ingredient supply chain.

Shareholders and Finance

Hofseth engages with shareholders by sharing the annual ESG report and presenting ESG information in the company presentation. Hofseth obtained its first sustainability-linked loan in 2022, and, in 2024, the company issued a 1.0 billion NOK 5-year senior unsecured bond. The purpose of the bond is to finance the company's sustainable growth by investing in submersible fish pens and closed farming technology. During the bond issuance process, Hofseth disclosed ESG information.

2024: A Year of Responsible Environmental Stewardship

The western Norwegian coasts and fjords are among the most spectacular and awe-inspiring landscapes in existence. Raising and producing salmon and trout in this unique place is a privilege, and we see it as our obligation to safeguard the natural resources and leave them as a legacy for our successors.

Our performance in 2024 reflects our commitment to being a responsible steward of the environment and our focus on sustainable, climate-conscious operations. We are dedicated to adopting sustainable feed; continuing our efforts to lowering the carbon footprint throughout our value chain; and reducing waste and maximizing the circularity of our operations. We are intentional about protecting fish welfare within our operations and the vitality of the ecosystems near our operations. Local processing is in our DNA and we are committed to using the whole fish of all of the products that we process in our plants in Norway. And, we lessen the environmental footprint of our distribution by shipping a substantial percentage of our value added products frozen via sea freight. In 2024, international economic realities prompted us to seek new markets for our products, which resulted in what we intend to be temporary increases in our total distribution via airfreight and increases in the percentage of our farmed products that we exported as whole fish; it is our intention to transition these new markets to more sustainable shipping methods and products over time.

Breaking Down Our GHG-Emissions

Category	Unit	2024	2023	2020	Share of total emissions 2024	Share of total emissions 2020
Scope 1	**tonnes CO_2e**	**1,620**	**1,674**	**2,270**	**0.63 %**	**0.79 %**
Scope 2	**tonnes CO_2e**	**460**	**426**	**169**	**0.18 %**	**0.06 %**
Scope 1-2 total	**tonnes CO_2e**	**2,081**	**2,100**	**2,438**	**0.81 %**	**0.85 %**
External fish feed emissions	tonnes CO_2e	128,563	114,017	139,201	50.26 %	48.34 %
External fish other emissions	tonnes CO_2e	33,075	29,333	35,812	12.93 %	12.44 %
Cod	tonnes CO_2e	1,979	3,154	33	0.77 %	0.01 %
Upstream transportation external fish	tonnes CO_2e	4,364	4,447	4,724	1.71 %	1.64 %
Feed	tonnes CO_2e	37,554	37,948	27,825	14.68 %	9.66 %
Downstream transportation	tonnes CO_2e	39,563	34,801	72,455	15.47 %	25.16 %
External vessels	tonnes CO_2e	3,788	4,448	438	1.48 %	0.15 %
Packaging	tonnes CO_2e	4,440	4,923	4,690	1.74 %	1.63 %
Business travel	tonnes CO_2e	136	117	117	0.05 %	0.04 %
Waste	tonnes CO_2e	256	199	228	0.10 %	0.08 %
Total Scope 3 emissions	**tonnes CO_2e**	**253,718**	**233,386**	**285,523**		
Total emissions	**tonnes CO_2e**	**255,799**	**235,486**	**287,961**		

For information on our methodology, see page 64 in the VSME Appendix.

Local Processing and Downstream Transportation

In 2024, Hofseth processed 46,357 tonnes of fish in our facilities. Processing the fish locally ensures full utilization of each fish and reduces the weight of downstream shipments, thereby cutting emissions from both wasted resources and transportation. The share of Hofseth Aqua fish processed locally decreased from 50 percent in 2023 to 40 percent in 2024. This decline was driven by strong demand for whole trout fish and the availability of salmon from other farms for processing in Norway.

An important next step is distributing the fish frozen. This extends shelf life, reducing food waste, and makes sea freight a viable option for downstream transport. Sea freight lowers CO_2e emissions by around 98 percent compared to air freight for overseas markets and by 50 percent compared to truck transport within Europe. The percentage of our value-added products shipped frozen in 2024 was 76 percent. Our share of air freight went up to 7 percent in 2024 from 5 percent in 2023 due to our strategy of getting new customers by delivering the product fresh, and then later converting them to IceFresh and frozen distribution.

Our 2030 target is still to deliver more than 70 percent of the fish from Hofseth Aqua for local processing, and to distribute less than 3 percent of our products by air-freight.

Scope 1-2 Emissions

In 2024, our Scope 1 and 2 emissions continued to decline, and are now down 15 percent compared to our 2020 base year.

This reduction was driven mainly by the transition from fossil fuels to renewable energy on feed barges and improved operational efficiency. We currently operate an older well boat that accounts for 40 percent of our Scope 1 emissions. We have early plans to phase it out and replace it with new combined processing and service vessels that can utilise green hydrogen fuel to help reach our target.

Science-Based Targets, Scope 1-2

Scope	Base Year	Target Year	Reduction target	Alignment	Base Year (tCO_2eq)	Reporting Year (tCO_2eq)	Target Year (tCO_2eq)
Scope 1-2	2020	2030	42 %	1.5C	2,438	2,081	1,414

Hofseth has established a science-based target for Scope 1 and 2 emissions, using 2020 as the base year. These targets are aligned with the Paris Agreement and the 1.5-degree target. Our goal is to achieve a 42 percent reduction in our Scope 1-2 emissions by 2030, relative to the 2020 baseline. Additionally, our SBTi target commits us to the ongoing reduction of our Scope 3 emissions.

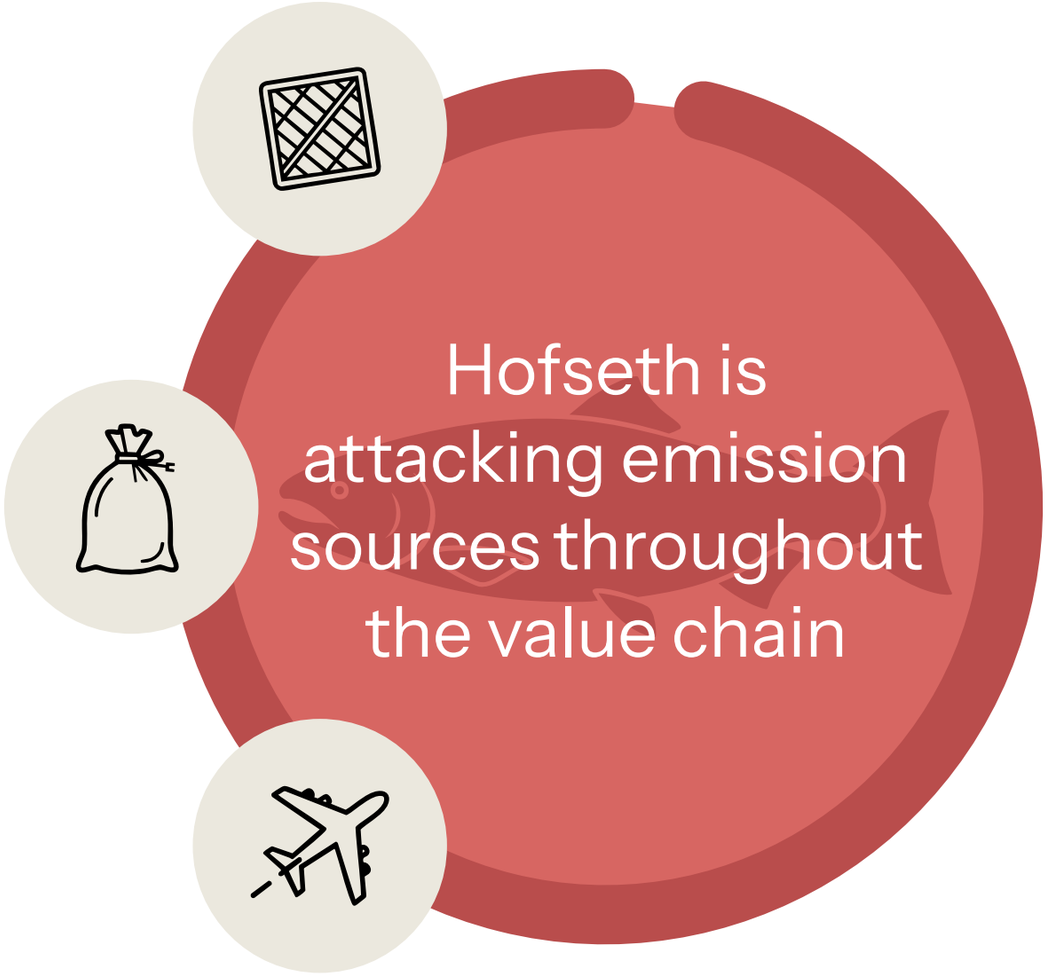
Hofseth also disclosed its environmental impact and governance via the Climate Disclosure Project in 2024, earning an overall score of B.

Scope 3 and Absolute Emissions

Absolute emissions are down 4 percent compared to our base year but have increased by 24 percent since last year (2023). This increase is primarily due to higher production volumes and a temporary rise in air-freight usage. As part of our growth strategy, we focused in 2024 on acquiring new customers interested in procuring fresh fish with the goal of gradually transitioning them to IceFresh and frozen distribution. It is generally more effective to convert existing customers over time than to secure frozen distribution customers from the outset because of preferences for fresh products in key markets and the need to educate customers on the quality that can be attained from frozen products via the IceFresh distribution system. In addition, we bought and processed a higher volume of fish from third parties last year, so this also drove higher absolute emissions.

We do not have a Scope 3 target because of our sustainable growth strategy: in the next 15 years we will invest and grow substantially and so will our absolute emissions. Instead of an overall Scope 3 emissions target, we have focused on bringing down the overall intensity of CO_2e per kg fish in our products. This metric allows us to demonstrate how we are reducing emissions throughout our value chain, including sources of Scope 3 emissions, even while the growth of our company will cause the absolute emissions numbers to increase.

In our 2020 base year, fish sourced from external farmers, feed, and air-freight distribution accounted for 96 percent of our total Scope 3 CO_2e emissions. In response, we set a focused plan to cut feed- and distribution-related emissions by using less feed, increasing the share of sustainable feed, maximizing whole-fish utilization through local processing, and shifting airfreight to frozen sea freight.



Emissions Intensity per Kilogram of Fish

		2024	2023	2020
Intensity of the the total CO_2e footprint from farm to market	Kg CO_2e/kg fish delivered to market	4.47	4.56	5.26

It is our company's ambition and strategy to grow our total farming, processing, and distribution volume substantially during the next decade. We therefore assess that CO_2e emissions per kilogram of fish processed provides the most accurate reflection of our performance because it will allow us to track and communicate the progress of our sustainable measures without being skewed by swings in overall volumes. Our holistic approach seeks to reduce emissions at every stage of our value chain, which is why we report on emissions intensity, measured as total emissions relative to total fish volume processed.

In 2024, the emissions intensity per kilogram of fish decreased by 17 percent compared to our base year and increased by 2 percent compared to 2023. The reason for the increase in 2023 is the increase in air-freight explained in the absolute emissions section.

Our long-term goal is to produce fish with the lowest possible CO_2e intensity from farm to fork. We will achieve this through closed farming systems, sustainable feed, whole-fish utilization via local processing, and frozen distribution.

Intensity/ Grow Out Hofseth Aqua

Hofseth Aqua		2024	2023
Scope 1-2	tonnes CO_2e	910	1,171
Feed	tonnes CO_2e	37,554	37,948
External vessels	tonnes CO_2e	3,788	4,448
Total CO_2e emissions Hofseth Aqua	tonnes CO_2e	42,252	43,567
Volume grow out live weight	tonnes fish	18,745	17,679
Intensity CO_2e emission/ grow out live weight	kg CO_2e/kg fish	2.25	2.46

Our CO_2e footprint in the farming division decreased slightly in 2024, but we do not expect a substantial reduction in CO_2e intensity until our post-smolt facility operates at full capacity and a larger share of our farming volume comes from closed and submersible systems.

Energy

Utilizing local renewable energy remains a crucial aspect of our company's sustainable growth plan. We have transitioned four out of five of our feeding barges from electricity generated by fossil fuels to renewable energy through connection to the land grid. In 2024, we continued to increase our use of electricity from renewable sources. We are proud to report that our use of fossil fuels was down 18 percent in 2024 from the previous year, largely due to more efficient operations in our farming division leading to less fuel used in our feeding barges and service vessels. Transitioning four of our feeding barges to renewable energy helped us mitigate 240,000 litres of diesel and 638 tonnes of CO_2e in 2024.

Our post-smolt facility in Tafjord and our processing and freezer facility in Ålesund account for more than 50 percent of our company's total energy consumption. That said, both facilities deliver second-degree positive environmental impacts.

The operation of the Tafjord post-smolt facility is key for protecting fish from sea lice during their early, more vulnerable life stages. This has second-degree climate benefits because protecting fish against sea lice indirectly reduces fossil fuel emissions, as the vessels used in sea lice treatment operate on fossil fuels.

The freezer tunnels at the Hofseth processing facility are essential for our distribution of frozen products via sea freight, which also has climate benefits. Our estimates indicate that sea freight reduces distribution emissions to intercontinental markets by 98 percent. These calculations are based on a 2023 report from independent Norwegian research organization SINTEF that estimated that the emissions factor for sea freight to overseas markets as roughly 0.017 kg CO_2e/tonne KM and the factor for air freight to the same market as 0.57-1.34 kg CO_2e.

Hofseth's total energy consumption was 33,110 MWh in 2024, with the following breakdown:

		2024	2023
Electricity from renewable sources	MWh	30,688	28,385
Fuel from fossil sources (diesel, gas, oil)	MWh	2,421	2,480
Renewable and non-renewable	MWh	33,110	30,865

Floating solar production

In 2024, our floating solar system generated 7,745 kWh of renewable electricity.

Taking Pride in Our Sustainable Feed

Ensuring that the feed that we procure for our salmon and trout is both economically and environmentally sustainable is one of the main challenges our industry faces. As a responsible aquaculture farmer, we must utilize feed as efficiently as possible and ensure it is made from ingredients that do not compromise oceans, forests, biodiversity, or climate. To achieve this, we will continue seeking solutions in partnership with feed suppliers, R&D establishments, and other industry partners. By working together, we aim to develop sustainable feed practices that support both our operational needs and environmental responsibilities.

Our ingredients

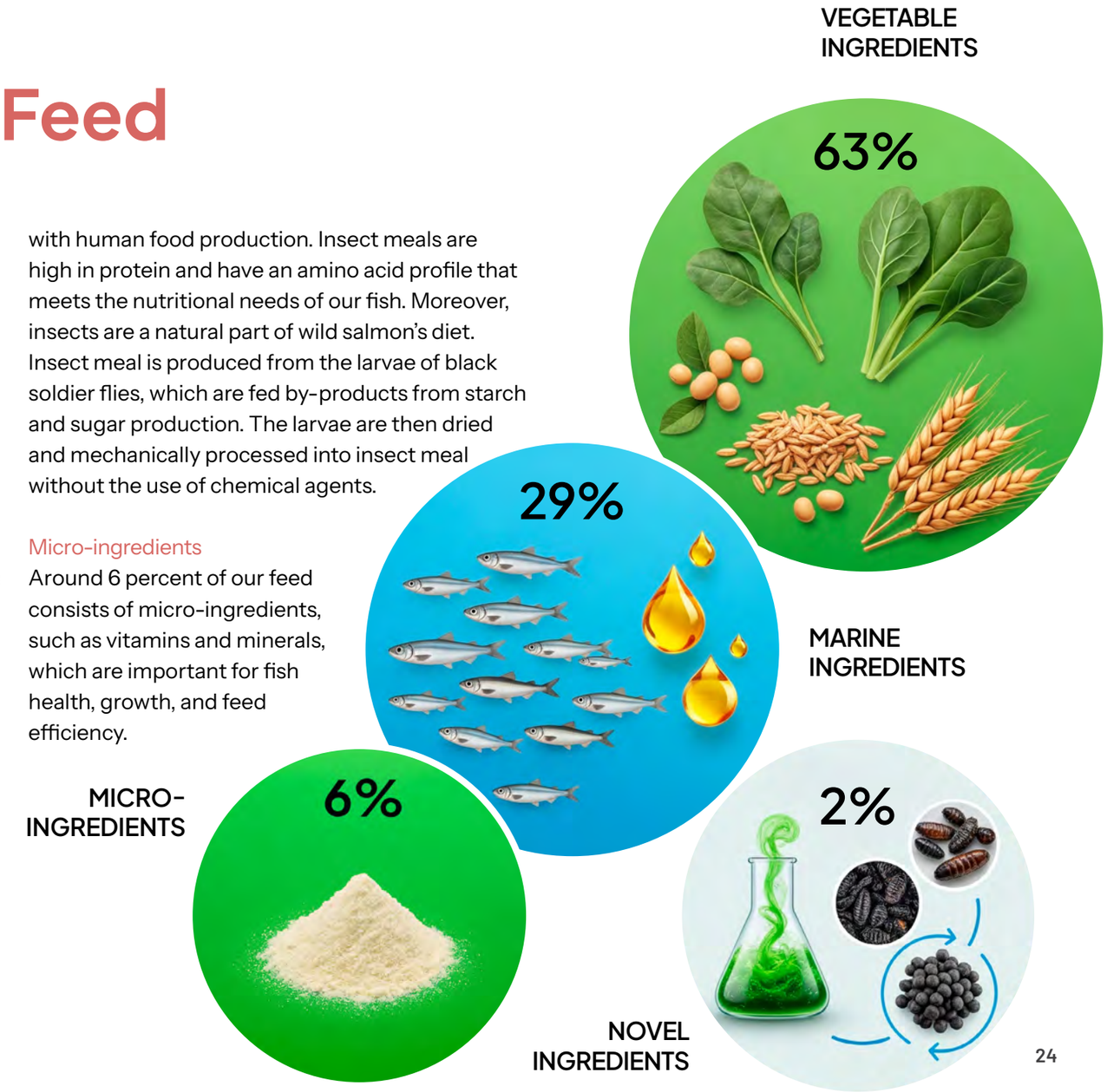
Marine ingredients constitute 29 percent of our feed, providing essential nutrients vital for the health of our farmed salmon and trout. This includes 10 percent derived fish oil, which is rich in omega-3 fatty acids, and 19 percent from fish meal. We focus on sourcing feed certified by the Marine Stewardship Council (MSC), Marine Trust, or the Fish Improvement Project to ensure sustainability. It is crucial to avoid using ingredients sourced from endangered fish stocks.

Vegetable ingredients account for 63 percent of our feed ingredients and are a crucial part of our value chain. The Norwegian salmon industry has long been a leader in sustainable soy sourcing, adhering to ProTerra certification. Hofseth is committed to sourcing 100 percent deforestation and conversion-free feed.

Novel feed ingredients make up 2 percent of our feed. This includes algae oil, which is an alternative source of marine omega-3 fatty acids, including EPA and DHA, which are essential for salmon nutrition. Besides EPA and DHA, algae oil also contains other fatty acids that serve as suitable metabolites and energy substrates for salmon. While using algae oil reduces the amount of fish oil needed, it cannot fully replace fish oil or fish meal, because algae oil has a different omega fatty acid profile. Algae oil used in salmon feed is produced through fermentation: cultures of algae are fed with sugar, leading to the production of oils containing more than 50 percent EPA and DHA.

Novel ingredients also include insect meal, the inclusion of which 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 meals are high in protein and have an amino acid profile that meets the nutritional needs of our fish. Moreover, insects are a natural part of wild salmon's diet. 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.

Micro-ingredients
Around 6 percent of our feed consists of micro-ingredients, such as vitamins and minerals, which are important for fish health, growth, and feed efficiency.



Traceability and Value Chain Responsibility

Hofseth recognizes the importance of value chain responsibility. In 2024, we did an expanded due diligence on our supply chain, including our feed supply, and conducted risk assessments to ensure alignment with our code of conduct and values and compliance with the Norwegian Transparency Act. For detailed findings and processes regarding supply chain responsibility, please read the Transparency Act report available on our website.

NAPA (North Atlantic Pelagic Advocacy Group)

As a NAPA member, we are committed to advocating for a sustainable, science-based fishery. The core objective of this initiative is to encourage North Atlantic coastal states to reach an agreement on blue whiting quotas that adheres to the advice of independent scientists. Blue whiting is a key species in our fish supply and we are committed to working with industry partners to protect it.

Hofseth's Feed Metrics

Energy Use (MWh)	2024	2023
eFCR (Economic Feed Conversion Ratio)	1.26	1.35
bFCR (Biological Feed Conversion Ratio)	1.20	1.25
Kg CO_2e/kg Feed	1.64	1.64
ProTerra Certified	100 %	100 %
MSC. Marine Trust or FIP Certification	97 %	90 %
*FFDR (Fish Oil)	1.72	1.35
*FFDR (Fish Meal)	0.71	0.45
Fish Meal From Trimmings (circular)	32 %	
Fish Oil From Trimmings (circular)	14 %	
Novel Ingredients	2.0 %	1.20 %

Hofseth has received the EWOS award for production results on salmon. The leader of the development center, Roar Søvik, says he is proud to work with skilled people who share a common desire to operate sustainably and deliver on quality.

Roar Søvik, Feed Manager

Embracing Sustainable Packaging Solutions

Upstream and direct operations

Most of the packaging we use from our upstream suppliers is related to our purchase of feed and fish. The feed is delivered to us in jumbo bags that are delivered for recycling after use.

External fish are delivered to us in EPS boxes. All our processing facilities are equipped with systems to compress the used EPS, which we then sell for reuse in the circular economy.

The recycled material is primarily used in the production of house insulation that helps improve the energy efficiency of buildings.

We also have some packaging for our internal fish delivered for processing. The EPS from this transportation is sold for recycling purposes, same as for external fish.

Downstream and consumer packaging

We use EPS and cardboard to distribute our products; all frozen products are distributed using cardboard boxes. Fresh products for the European market are also distributed using cardboard boxes while fresh products to overseas markets are distributed using EPS boxes. In 2024, we also began testing an option for shipping fresh items to the US in cardboard; we had one successful test so far. It is our expectation that this is a method we should be able to use about 8 months of the year and rely on EPS during the hotter summer months.

In 2024, we continued testing the use of monoplastic packaging to make our packaging easier to recycle. We also reached a new milestone by successfully testing the use of recycled plastic in some of our packaging.

Principles and targets for packaging

1. Food safety is our number one priority and we will never compromise food safety in any of our packaging solutions.
2. We look for ways to reduce the need for repacking in the distribution chain.
3. We seek to reduce the amount of packaging used when possible.
4. We are aiming for all of the plastic in our packaging to be reusable or recyclable within 2026.
5. We are looking to increase our use of recycled plastic in our packaging within 2026.
6. We ensure that all EPS packaging from upstream and direct operations is recycled.
7. It is our goal that we will not need to use any packaging materials to transport internal fish for processing by 2035; this is part of plans that we have for a new processing compound.
8. We are asking for packaging suppliers to report on GHG-emissions by 2028.

Responsible Water Usage

Water Usage in our Direct Operations

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 operations. More broadly, salmon is one of the proteins that is least taxing on water resources, requiring only 2,000 liters of water per kilogram produced, as compared to more than 15,000 liters per kilogram produced of beef. We have disclosed data on our water usage on page 65 of our VSME report in this document.

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.

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.

Processing Facilities

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

Water in our Supply Chain

The production of high-quality feed to grow healthy salmon is one of the the most water-taxing portions of the salmon production chain, particularly with respect to farming the land-based ingredients like soy. We are reliant on our feed supplier, Cargill, to trace and monitor the water usage of sub-suppliers and are in dialogue with them on this issue. Cargill's sourcing policies require suppliers to be mindful of water usage and responsibly manage their intake and discharges.

In 2023, Cargill reported that soy originating from areas facing water depletion accounted for roughly 3 percent of its supply chain. Further, Hofseth only purchases ProTerra certified feed from this supplier. This certification requires that agricultural raw materials are sourced from areas where water management is considered. For example, the ProTerra standard has several indicators focused on water management, including those that require suppliers to conserve natural water resources and avoid aggravating or creating water scarcity situations near their farms; to not undertake initiatives that reduce the availability of water for local communities; and to mitigate any damage to water resources that occurred before the firm sought certification.

As of 2025, Hofseth also intends to purchase feed that is ASC certified. While the ASC standard does not directly measure water scarcity in its certification process, its focus on sustainable feed production helps to reduce the pressure on water resources. By promoting responsible sourcing of ingredients, the ASC helps to minimize the amount of water needed for feed production and reduces the risk of water pollution from feed production.

More broadly, it is Hofseth's policy to avoid procurement of water sensitive products from areas with scarcity concerns and as of 2025 we are

Safeguarding the Biodiversity and Quality of our Fjords

As stewards of the fjord areas that we operate in, we are mindful of the need to monitor the impact that we are having on the biodiversity and broader environment around our farms. Over the course of 2023 and 2024 combined, we conducted MOM-B and MOM-C tests near all of our farming locations. A MOM survey is an important tool for monitoring the seabed environment under and around an aquaculture facility. Good knowledge of and follow-up on environmental conditions can help improve the living conditions for fish and other animals living under and around our facilities, as well as for the salmon in our farms.

- MOM-B is a survey of the environment below and in the immediate vicinity of the site. The objective is to provide a picture of how the seabed and the wildlife there are affected by the operations.
- Mom-C tests measure the impact both in the immediate vicinity and at a greater distance, looking at impacts on wildlife, terrain, and oxygen levels, among other factors.

Most of our tests were within our target score 2 or better, meaning the farm sites had little or moderate effect on the surroundings. In 2024, one of the stations monitored as part of our MOM-C had a poor result despite the overall test resulting in a 2 score. We believe that we identified the reason behind this reading—the timing of our salmon releases in this area. We have adjusted and expect improvement in future readings.

We find that our investments in new farm cages, precision feeding, and farm distancing help keep our environmental impacts in check. Our plans to use closed systems to expand our farming operations will also help minimize our impact on the surrounding area.

All tests in these charts are unique, meaning that they do not show a trend from one year to another, but rather a collection of tests that cover multiple regions over the course of two years.

Environmental Tests Around Hofseth Farms in 2023

	Mom-C	Mom-B
Very Good (1)	3	5
Good (2)	1	3
Moderate (3)		
Poor (4)		
Very Poor (5)		

Environmental Tests Around Hofseth Farms in 2024

	Mom-C	Mom-B
Very Good (1)	3	5
Good (2)	1	1
Moderate (3)		
Poor (4)		
Very Poor (5)		

Prioritizing Fish Welfare At Every Stage

At Hofseth International, we take fish health and welfare seriously during every stage of our farming operations.

Smolt and Post-Smolt Facility

Located at the innermost part of Storfjorden, our smolt facility uses a flow-through system that allows newly hatched eggs to benefit from abundant local fresh water. Here fish are vaccinated and go through a smoltification process to help them transition to life in seawater. We then transfer a portion of these new fish to the post-smolt facility we stood up in 2023. This facility reduces the time fish spend in the sea, thereby protecting them from sea lice and other potential negative health impacts.

Life at Hofseth Aqua Farms

At Hofseth farms, our fish have ample space, with an average density of 6.4 kg/m^2 in 2024, meaning that our pens contain less than 1 percent of fish and 99 percent water. Our fish are only cared for by employees who have completed a fish welfare training course. We use no antiobiotics or growth hormones at our farms, instead focusing on creating optimal conditions for them to thrive. Our approach to fish welfare in pens focuses heavily on feed optimization and sea lice prevention.

Feeding

Hofseth has collaborated with feed supplier Cargill to understand the link between marine feed ingredients and overall fish health; this work has shown that including marine ingredients in feed, particularly omega-3 oils, is crucial for fish wellbeing. As a result, we include a relatively high amount of marine ingredients in the feed while maintaining a Fish in, Fish Out (FIFO) rate of less than 1. FIFO 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.

In Stranda municipality, we have a central surveillance and feeding facility that efficiently monitors fish health at all of our farms. Modern sensors and AI-driven systems 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. We use advanced precision feeding technology to optimize feeding patterns, reducing feed waste and ensuring that fish receive the necessary nutrients to thrive.

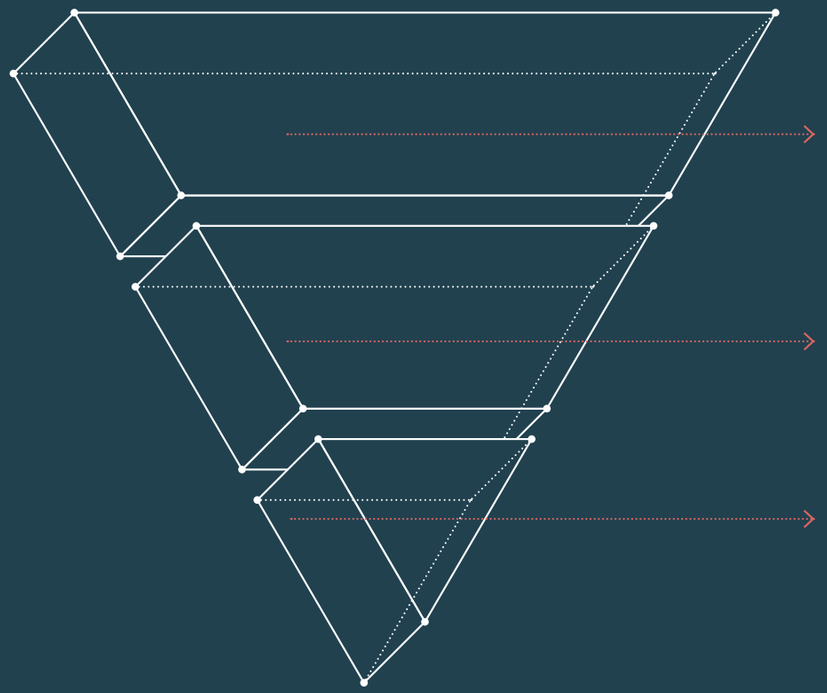
Sea Lice Management

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 focus on preventive measures such as post-smolt care, submerged cages, and plankton nets. If there is a need to handle the fish due to sea lice infestation, we do this in the most gentle way possible, mostly with well boats provided by a partner company.

In 2024, we also continued our partnership with data-analysis company Manolin and feed supplier Cargill to leverage data-driven approaches to sea lice management to improve the outcomes for fish welfare, fish health, survivability, and overall productivity. This project, which began in 2022, examined trends in sea lice production in the fjord system and data on the impacts of delousing operations to identify critical periods and weeks for implementing sea lice measures and to establish targeted treatment strategies.

In 2024, we completed a total of 157 non-medicated treatments and 13 medicated treatments. This is 57 less treatments than in 2023 and 109 fewer treatments than in 2022.

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, closed systems, submerged systems.

TREATMENTS

- freshwater
- temperate water
- flushing
- medicinal

Lice Exceedances	Vindsnes	Overáneset	Urdaneset	Skjortneset	Bugane	Total
2024	0	0	1	0	0	1
2023	0	0	0	0	2	2
2022	1	1	0	0	0	2
2021	1	1	2	0	1	5

Harvesting

To harvest fish and bring them to land for processing, we use an innovative on-site processing vessel, Taumar, for most of our fish. This has transformed the way we handle and transport fish. Unlike traditional well boats that transport live fish, the fish are electrically stunned and humanely euthanized immediately upon extraction from the pens. This eliminates the stress associated with live transport and significantly reduces the risk of contamination during transit, which can otherwise lead to disease and increased mortality.

Some of our own fish, as well as fish from external farmers, are still delivered to our slaughter facility using well boats. These fish are also electrically stunned to ensure they are unconscious before being euthanized, making the process as humane and stress-free as possible.

Fish Welfare KPIs	
Mortality Rate	5.61
Average Monthly Survival Rate	99.07 %
Superior Quality Share	81.67 %
Pancreas Disease	0
Employees completed fish welfare course	100 %
Antibiotics	0

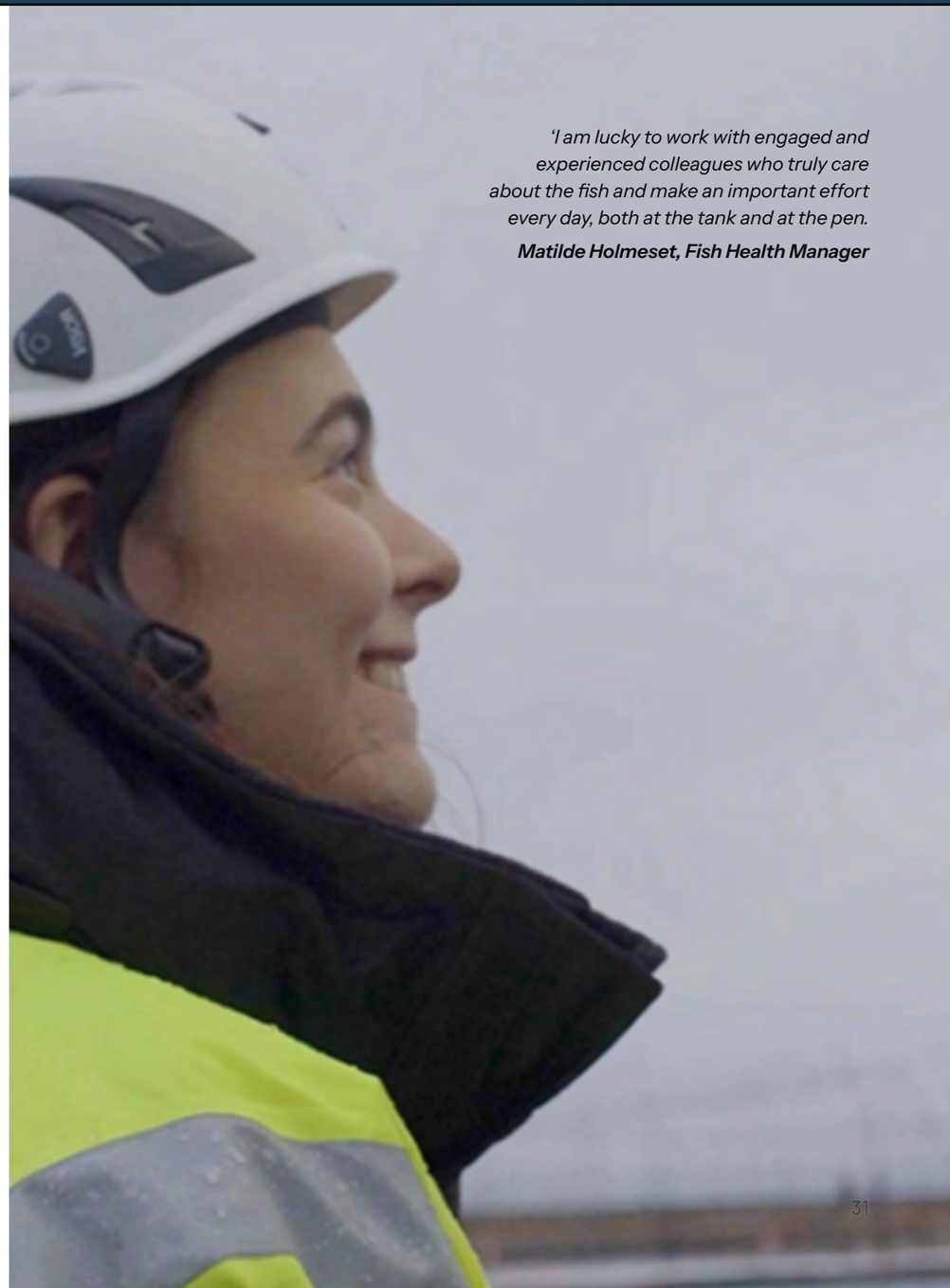
Results

This holistic approach has achieved excellent results to date with regard to bringing down fish mortality rates. But we aren't done: our experts continue to seek new ways to maximize fish health and have set ambitious new goals for 2025. Our goals include further reductions in lice treatments and mortality stemming from treatments; further reductions in lice exceedances; increases in the number of fish that stay at the post-smolt facility before transfer to sea; and other improvements in operational welfare indicators.

More than 80 percent of the fish we farmed in 2024 met the superior quality rating, reflecting a high level of welfare; less than 0.05 percent of our farmed fish did not make it to market because of deficiencies.

In 2024, our overall fish mortality rate was 5.61 percent compared to 6.54 percent in 2023; despite this progress, we are still aiming to get this mortality rate below 5 percent.

In 2024, the leading challenges to fish survival were sea lice and the treatment thereof (which accounted for 2.07 percent of our fish deaths, as compared to 1.34 percent in 2023); early sexual maturation in rainbow trout; and wound development resulting from delousing and handling.



'I am lucky to work with engaged and experienced colleagues who truly care about the fish and make an important effort every day, both at the tank and at the pen.

Matilde Holmeset, Fish Health Manager

A Holistic Approach to Realizing A Circular Economy

At Hofseth International, we continually seek ways to reduce resource use, reuse and recycle materials to the greatest extent possible, and eliminate the production of waste material in all aspects of our value chain.

Sourcing our Direct Operations

Reviewing the waste management policies of key suppliers and the extent to which products can be reused, recycled, or crafted to last. Prioritizing partners with sustainability certifications.

Direct Operations: Farming

Reducing the waste of organic materials via precision feed techniques. Recycling and upcucling farming equipment and materials.

Direct Operations: Processing

Using the whole fish by channelling any off-cuts to Hofseth Biocare and emphasizing domestic processing to minimize risk of waste.

Packaging

Maximizing the extent to which shipping materials can be reused or recycled.

Distribution

Prioritizing distribution methods (frozen shipping, IceFresh) that extend the shelf life of products and reduce 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.

Key Waste Reduction Initiatives as of 2024

1. Replaced 100 percent of all bird net rope to velcro material to eliminate yearly consumption of plastic rope used for bird nets.
2. Recycled 100 percent of fish nets, feeding pipes, and fish pens into circular solutions.
3. Implemented precision feeding at 100 percent of sites/operations.
4. Ensure 100 percent of EPS delivered to processing facilities is recycled.
5. Ensure 100 percent of packaging is reuseable or recyclable and deforestation free by 2028.
6. Included 30 percent of recycled plastic in our packaging.
7. Nearly 100 percent by-product utilization of fish processed by Hofseth.
8. Delivered 90 percent of products to market in a shelf-life extending frozen state.
9. It is our goal that we will not need to use any packaging materials to transport internal fish for processing by 2035; this is part of plans that we have for a new processing compound.
10. We are asking for packaging suppliers to report on GHG-emissions by 2028.

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.

As a Norway-based company, nearly all material that is not recycled is incinerated for energy recovery by our waste management supplier, meaning very small amounts of waste are delivered to a landfill. We continue to view waste incineration as a last resort and look to maximize the share of our waste material that is reused or recycled.

Total Waste Reused or Recycled : 233,425kg

Total Non-Hazardous Waste Incinerated for Energy Recovery: 593,278kg

Total Hazardous Waste Safely Disposed: 6,547kg

Total Waste to Landfill: 513kg

A More Sustainable Future: Investing in Growth Through Innovative Technology

At Hofseth, we believe that investing in more sustainable technologies and environmentally friendly solutions is not just the right thing to do: it's also smart business and the key to growth. We are continuously seeking bold new solutions in this area. We are investing in submersible pens and closed system farming technology, which will bring down our emissions, lessen our waste, boost fish welfare, and lower our use of marine feed ingredients. We are seeking to modernize factory operations in a manner that will maximize efficiency and lower our impact on the environment. Lastly, we are investing in new methods of climate-friendly distribution that will lower our reliance on air freight without sacrificing the quality of the product we deliver to our customers. In total, we are building for the future by harnessing technology to lessen our environment footprint and increase our resiliency to climate change.

Technological Investments Paving the Way for Sustainable Growth in Farming

It is our intention to more than double our farming volume by 2030, largely by investing in environmentally conscious technologies such as submersible pens and closed farming systems at sea and on land. We are committed to growing our business without sacrificing our planet, the gorgeous fjords we call home, or the wellbeing of the local community where we operate: these exciting new technologies will pave the way for us to do so.

2025 and 2026: Launching Submersible Pens

In 2025 and 2026, Hofseth International plans to launch submersible pens at our existing locations that will increase the sustainability and profitability of our farming operations. Fish living at lower depths are less susceptible to sea lice or algae blooms that tend to exist at surface level. These systems, based on proven and tested technology, remove the need for sea lice treatments and require less fish handling, both of which improve the overall welfare and survivability of fish. The pens are also less vulnerable to storms and other extreme weather events, which protects the fish and reduces the risk of wear and tear on equipment, extending material lifespan and reducing wastae.

2026: Launching Closed Farming Systems

In 2026, we plan to launch the first of five closed farming systems using the 'Egg' system. These tried and tested systems have a range of fish health and environmental benefits. The closed system barrier ensures that no fish escape and impact the local fjord ecosystem while also protecting our salmon from sea lice and other contaminants that could harm their wellbeing.

Automated lighting manages the daylight hours for fish year-round, which allows for more optimal feeding; in addition, the system is built to manage the amount of feed dispersed more effectively, preventing feed waste. The Eggs are equipped with sensors that monitor the temperature, salinity, and oxygen levels in the water so that we can tailor them for maximal fish welfare; this also allows us to keep temperatures consistent both year-round and in the event of additional rising temperatures. Twenty-four hour camera coverage will also allow us to monitor fish wellbeing.

Initial tests of this system indicate that fish growth rates will be nearly 20 percent better in the Eggs; that there will be a near zero mortality rate; and that our feed conversion rate will improve by up to 20 percent.

Our Target

At the same time, the systems will have a far lower impact on the local fjord by minimizing pollution and eliminating escapes.

Closed aquaculture systems at sea are significantly more energy-efficient than land-based alternatives. For example, the Egg closed system at sea consumes approximately 1.8 kWh per kilogram of fish produced, while land-based closed systems typically require between 6 and 10 kWh/kg, primarily due to the energy demands of water pumping. Although traditional open-pen systems can be more energy-efficient—using as little as 0.09 kWh/kg—the overall environmental impact tells a different story. When considering factors such as emissions from sea lice treatments using external vessels and increased feed consumption, closed systems offer a more sustainable and environmentally beneficial solution than open pens.

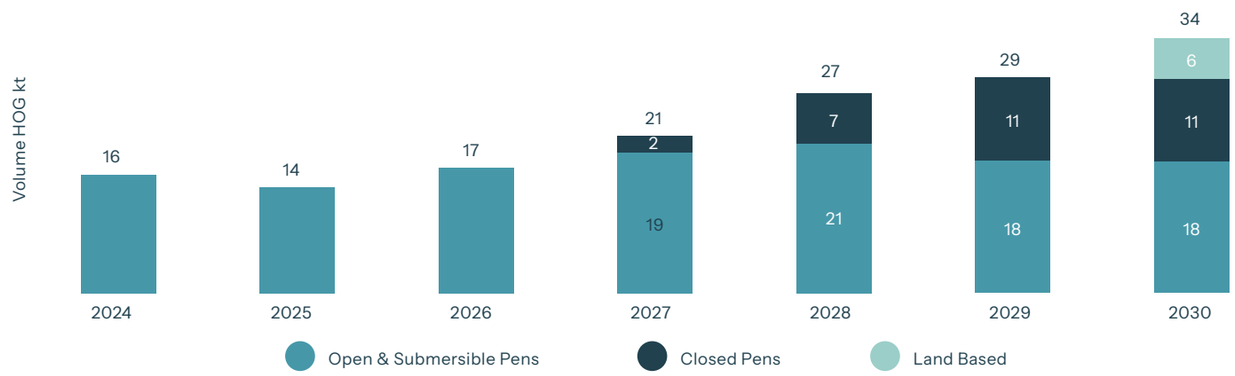
2030: Pursuing land-based closed-system farming projects

We are developing land-based closed-system farming projects that mirror the environmental and fish welfare benefits of our closed systems at sea. Our first milestone is set for 2030, when we target to produce 6,000 tonnes of salmon from land-based operations.

In the longer term, we aim to scale land-based production to 100,000 tonnes through closed systems. These facilities are being designed with on-site smolt capacity, advanced water treatment, and discharge management to minimize environmental impact. Energy efficiency is a key priority, with systems planned to consume less than 5 kWh per kilogram of fish produced.

We are also exploring opportunities to integrate circular energy solutions, such as generating renewable power from water flow in the tanks and utilizing fish sludge for on-site energy production. With access to abundant renewable power, these facilities are positioned to become a benchmark for sustainable land-based aquaculture.

FARMING VOLUME OUTLOOK



'It is exciting to work in a forward-looking company like Hofseth, which invests in new technology and participates in innovative projects like 'The Egg.'

Svein Peder, Havørn Captain

Modernizing Our Processing Operations

Part of our strategy to achieve our goal of becoming one of the world's most sustainable seafood producers centers on streamlining our capacity to process fish here in Norway where we can ensure that the maximum amount of each fish is utilized to the greatest value possible. It is our goal to combine all of our processing capacity at one state-of-the-art, renewable energy powered facility in Ålesund, Norway. This project involves taking advantage of new technologies that increase our efficiency, lower our environmental impact, and reduce risk for our employees.

1. This flagship location, which will have the capacity to process 150-200 kt of fish yearly in a cost-effective manner, will include AI-optimized systems and high-tech machinery to increase efficiency and reduce employee risk.
2. The facility will feature a solar energy project that will be among the largest in the region, covering approximately 20,000 m^2 of the plant's roof.
3. The site would also include an on-site plant for the processing of offcuts by Hofseth Biocare, a facility to produce fish oil, and IceFresh facilities to prepare fish for climate friendly, low-waste distribution. We would also have a sea freight distribution centre to facilitate low emissions shipping both to and from our facility.

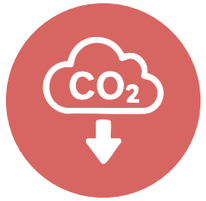
We anticipate that this location—which we hope to have operational by 2032—will allow us to cut down on a substantial amount of CO_2e per year via:

1. Solar panels on the roof that generate 2,780 MWh of clean energy and result in a yearly reduction in emissions of approximately 1,312 tonnes of CO_2e;
2. Strong reductions in the need for internal transport of fish between locations, saving at least 965 tonnes of CO_2e;
3. More efficient access to key transportation hubs for external transport and distribution, saving roughly 8,443 tonnes;
4. Indirectly supporting IceFresh with the mission of reducing one mega tonne of CO_2e by 2035.

Pioneering the Use of Innovative, Climate-Friendly Distribution

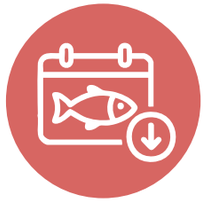
Hofseth maintains a close partnership with Norwegian company IceFresh, which owns a patented hyper rapid defrosting solution that allows producers to ship fish frozen and defrost on the other end without sacrificing the quality of fresh fish. The technology controls the hot and cold airflow to rapidly and gently defrost fish into shelf-ready products with minimal handling to protect the quality; in a 230,000 salmon portion comparison test, consumers have said that IceFresh salmon quality was equal to or better than fresh products.

Key ESG Benefits



Emissions Reduction

By shipping products frozen instead of using airfreight for overseas markets, we cut the downstream transportation CO_2e footprint by 98 percent and reduce the total life cycle CO_2e (LCA) footprint of the product by 80 percent.



Substantial reduction in food waste

Once defrosted, IceFresh fish has a shelf life of 10-12 days as compared to fresh products with a shelf life of 5-7 days. This is in addition to the decreased risk of spoilage in transit and the shelf life gained by freezing in the first place.

Lower Price to Consumers

IceFresh delivers fish to customers cheaper than fresh fish, democratizing a healthy but often more expensive product to a broader audience.

Future-Looking Technology

The technology requires distribution infrastructure in the form of defrost hubs near key markets to operate. In December 2024, the first such hub went live in the United States with the capacity to defrost 7 million pounds per year. IceFresh is targeting a total defrost capacity by the end of 2025 of roughly 30 million pounds with 3-4 hubs across the United States. This is only the start: IceFresh is in various stages of discussion and testing with multiple partners in Europe, Asia, and Australia to build hubs in key markets. In late 2024, Innovation Norway recognized the economic and environmental potential of IceFresh and provided a grant of NOK 20.34 million and a risk loan of NOK 13.4 million to help fund the piloting and testing of IceFresh in key international markets at an industrial scale in order to secure retail commitment to purchasing fish in a new way.

This paves the way for Hofseth and other fish producers to reach these markets in a more environmentally-friendly way than ever before in the years ahead.

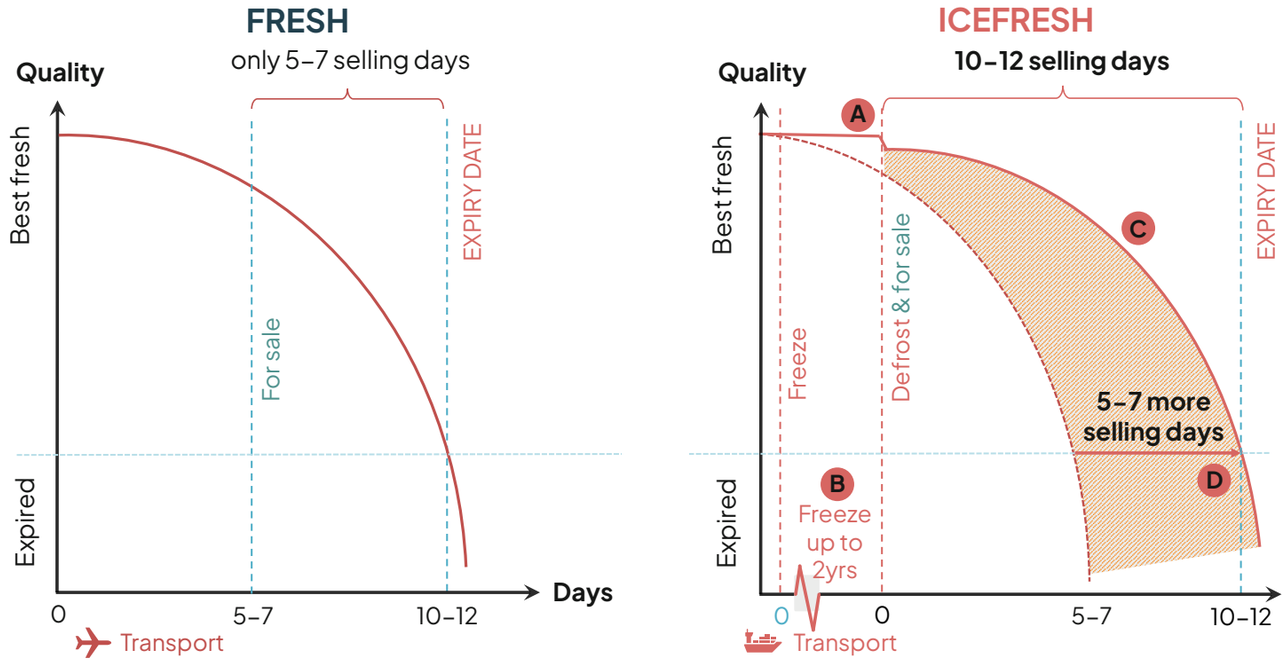
Hofseth's Use of IceFresh

IceFresh is a key part of our long-term strategy to bring down emissions while we grow our company. The below projections reflect our plans for using this state-of-the-art technology to deliver healthy food choices to customers worldwide with a fraction of the transit emissions.

Hofseth's Distribution Goals: Europe	2026	2030
Fish Delivered to Consumer Frozen	50%	15%
Fish Delivered to Consumer Fresh	20%	15%
Fish Delivered to Consumer Via Ice Fresh	30%	70%

Hofseth's Distribution Goals: International	2026	2030
Fish Delivered to Consumer Frozen	45%	17%
Fish Delivered to Consumer Fresh	5%	3%
Fish Delivered to Consumer Via Ice Fresh	50%	80%

How IceFresh Extends Shelf Life and Maintains Freshnesss



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

Prioritizing Quality, Safety, and Reliability for our Employees, Partners, and Customers

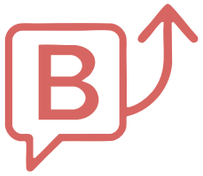
Hofseth takes seriously its responsibility toward our employees, customers, suppliers, and society. We believe that our employees are our greatest asset and strive to keep their interests and needs at the forefront of our decision-making. At Hofseth, we believe that our success is built on a foundation of personal and professional integrity. Hofseth understands the challenge of ensuring high social, ethical, and environmental standards within our business and throughout our supply chain and is committed to working with our employees and suppliers to make sure that these standards are subject to continuous improvement.

Hofseth's Core Values

Our culture is built on our values, and in 2024, a comprehensive review of both our values and our work with a strategic framework was carried out as a foundation for continued success. We define our values as:

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.

Steward

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 toward 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 in Our 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.

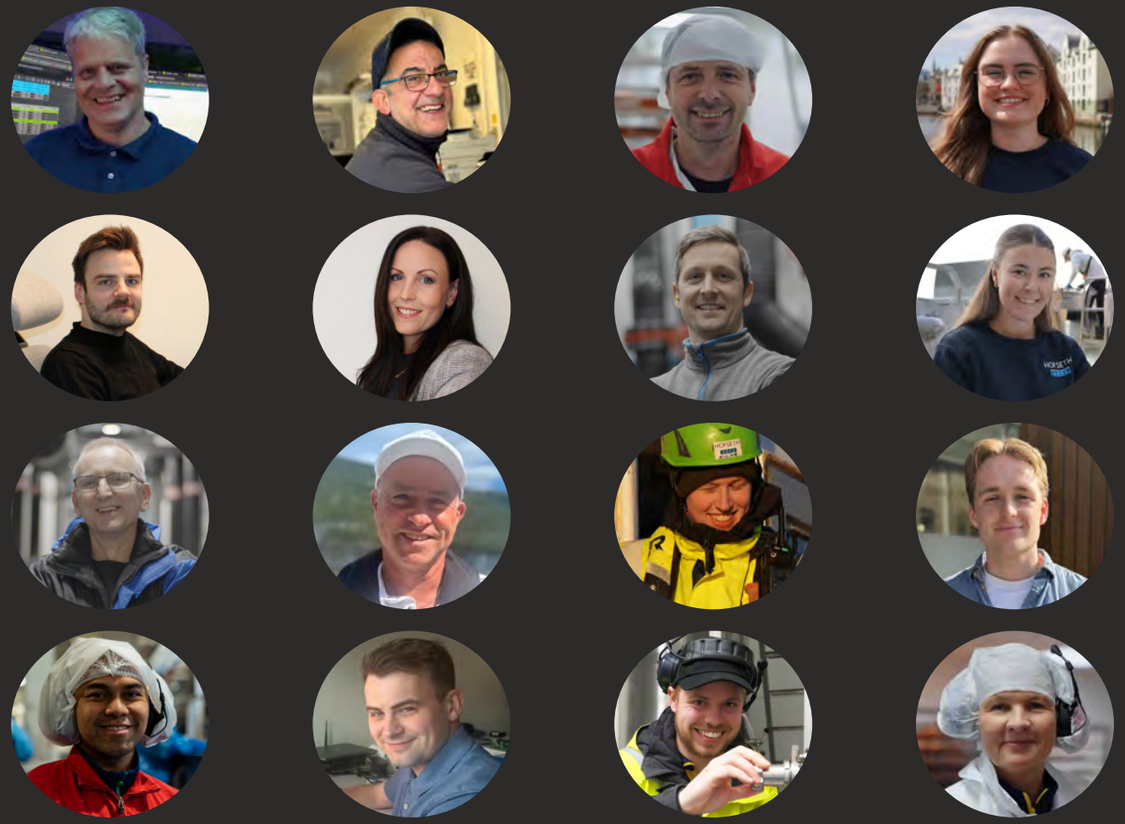
5 **Recognition Culture:** We believe in recognizing and rewarding behaviors that contribute to a safer and more efficient workplace.

6 **Flexible Work Models:** Wherever possible, we offer flexible work arrangements to help our employees balance their work and personal lives 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.



Spotlight On: A Safe and Inclusive Workplace

Supporting employee wellbeing and building a positive culture among employees at Hofseth is a prioritized task. We do this by emphasizing the importance of employee health and safety; adopting and implementing policies that support equity and fair labor practices; new initiatives to improve employee engagement and sense of belonging; and making it safe and easy for employees to speak up. Further, Hofseth is regularly audited by SMETA, a leading international audit network that focuses on ensuring standards for labor, health, safety, environmental performance, and ethics at industrial companies. We successfully completed such an audit process in 2024 that revealed no concerns regarding employee wellbeing or working conditions.

Health and Safety

Our industry is one with many inherent risks. At Hofseth, we are committed to minimizing those risks and safeguarding the wellbeing of our employees through training and education, accident prevention, risk assessments, and compliance with safety procedures and regulations.

Our incident reporting and analysis has identified that the most common injuries in our operations are cuts and crush injuries. To address this, we have developed a dedicated training program for all employees to raise awareness, prevent injuries, and strengthen our overall safety culture. More broadly, employees receive regular and recorded health and safety training that is tailored to their position's needs that includes mandatory training in health, safety, environmental issues, and quality management. Employees also participate in multiple emergency response drills every year; these drills are evaluated to determine areas for improvement and to provide input to risk assessments for each plant location.

In addition to having a dedicated Health, Safety, and Environmental Manager, Hofseth has established a Working Environment Committee to serve as a forum for collaboration with employee representatives on important health and safety issues. The committee has 6-8 members—both managers and working-level employees—and meets four times a year to review workplace conditions, discuss incidents, and contribute to continuous improvements in health and safety. The Occupational Health Service participates in an advisory capacity to offer expert guidance.

For more information on Health and Safety management at Hofseth, please review our 2024 Transparency Act Report on our website and our VSME report on page 72 of this document.

In 2024, all Hofseth locations combined experienced 23 total accidents, 7 of which required a day or more out of the workplace and 16 of which required less than a day off of the line. Most accidents were minor and two were considered moderate and required more than two days out of the workplace. There were zero fatalities stemming from work-related incidents or work-related ill health.

Equality and Fair Labor

At Hofseth, we are committed to ensuring fair and equitable treatment of all workers throughout our operations and supply chain. Our facilities and practices are certified according to the industry's most rigorous sustainability and social responsibility standards, including the Aquaculture Stewardship Council (ASC) and the Marine Stewardship Council (MSC).

These certifications not only recognize responsible environmental practices, but also require strict compliance with international labour standards. This includes fair wages, safe working conditions, no forced or child labour, and the right to freedom of association.

By adhering to these certifications, Hofseth actively promotes human rights, equality, and ethical labour practices across all levels of the company.

A 2024 independent audit performed by agents of a leading international audit network that included private interviews with employees found that Hofseth employees felt they had not faced restrictions in joining or forming trade unions of their own choosing and in bargaining collectively. A works council member stated that management provided sufficient time and adequate facilities to carry out the works council activities within working hours, without interference fromf management. More information on collective bargaining at Hofseth International can be found in our VSME report on page 70.

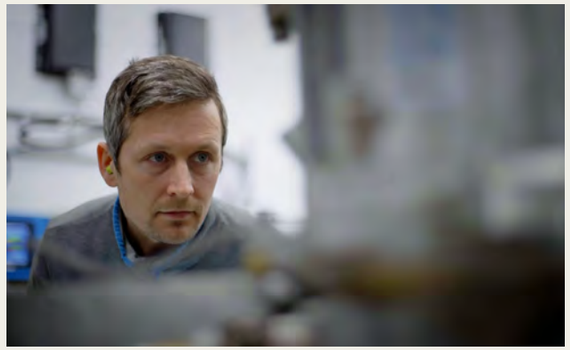
The fish processing industry has for many years met its labor force needs by hiring through staffing agencies. After the tightening of hiring rules in Norway on July 1, 2023, Hofseth followed a two-part strategy:

- We chose to increase staffing through permanent hires. From summer 2024 to spring 2025, our core staff has increased by more than 200 full-time equivalent positions (årsverk), mainly within processing.

- We helped establish collective agreements so that the local parties can follow up and agree on how the hiring practices should be handled in a good way for the company. A larger number of directly employed staff results in a stronger level of cooperation and worker contribution to decision-making, which strengthens worker rights and is expected to contribute to increased job satisfaction.

Management and HR at Hofseth carefully monitor employee hours via a digital tracking system and an external auditor has confirmed that our policies conform to local and national regulations. External auditors have confirmed that we pay wages in line with national laws and regulations and collective bargaining agreements. Beginners' wages are above the minimum pay defined in the collective agreements. Access to sufficient labor when it is needed is a significant challenge that is inherent to our industry; working with live animals and perishable goods means that sudden changes in workplace needs may happen.

- Historically, there have been challenges in maintaining our operations effectively within the working time regulations in Norwegian laws and collective agreements and, as a result, some breaches of overtime and rest time regulations have occurred at our company. To address this risk, the company has systematically worked to establish working time arrangements that enhance our ability to plan and manage labor resources so that we a) operate within the frameworks of law and agreements regarding working time, overtime, and rest time, and b) ensure fish health and food safety.



Hofseth treats all its employees with dignity and respect. No employees are subject to physical, sexual, psychological, or verbal harassment or abuse, including the use of physical punishment. All disciplinary actions are recorded and fair, proportionate, and fully compliant with local laws and regulations.

- During the independent audit, workers stated they had not experienced or witnessed any physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation. Our policies forbid inhumane treatment, including sexual harassment, and our disciplinary procedures are transparent. Our handbook documents guidelines for the use of an ombudsman and conflict resolution in the event of workplace disagreements.

Hofseth also takes steps to promote gender equality and prevent discrimination at our company.

- Hofseth does not and shall not discriminate based on race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status in any of its activities or operations. These activities include, but are not limited to, the hiring and firing of staff, the selection of vendors, and the provision of services to customers. We are committed to providing an inclusive and welcoming environment for all members of staff, clients, volunteers, subcontractors, vendors, and clients. For more on how gender equality and anti-discrimination is incorporated into our Code of Conduct, please visit our website.
- Our employee handbook also ensures that all employees are aware of their equal access to leave and other benefits. This handbook includes policies intended to promote a safe and welcoming workplace for all employees. This includes short term leave for health examinations and out-patient treatments; in connection with a blood donation or an acute illness in the home; the funeral of an immediate family member; and the beginning of children's schools. We follow Norwegian laws and regulations regarding parental leave and opportunities also exist for educational leave and reduced working hours.

For more information on labor practices, please review our 2024 Transparency Act Report and our Code of Conduct on our website and our VSME report on page 70 of this document.

As of 2024, 60 percent of our workforce was male and 40 percent female and our workforce included employees from 26 nationalities. Roughly 75 percent of employees were paid via collective bargaining agreements and in these positions, there was no gender-based pay disparity. In positions not covered by such agreements, women received between 91-99 percent of the pay of their male counterparts. Hofseth employees receive pay that is equal to or above applicable minimum wages set by either national regulations or through collective bargaining agreements; this has been confirmed via an independent audit.

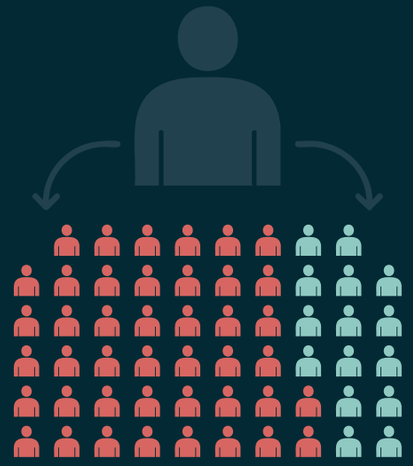
Employee Engagement

In 2023, we began strengthening our internal communication by launching an intranet that was made accessible to a wider group of employees. Throughout 2024, we focused heavily on ensuring that information was available to everyone, regardless of their role or access to a computer.

This included installing large display screens in areas where employees typically do not use PCs, enabling broader access to internal updates. We believe that everyone deserves to be seen and recognized for the work they do. Sharing both achievements and ongoing challenges became a key part of our internal communication strategy.

> Our goal is clear: to keep people informed, engaged, and inspired.

Hofseth International employed **574** employees in 2024 and had an employee turnover rate of **15.3** percent during the same year.



Speak Up Process

We want to maintain an open and ethical business environment in which everyone involved in our activities feels respected and safe to make their voice heard. We have implemented a whistleblowing system to provide an easy way to report any suspected violations of our values and rules. In 2024, we made this system available on our website under the ‘Contact’ section and included information about whistleblowing and links to the system in our internal employee handbook. The system is arranged so that all information is handled confidentially and in accordance with applicable regulations. Hofseth has a policy against retribution for those raising concerns. For more information on this system, please see our website.

In 2024, there were no reports registered via our whistleblowing system. In 2025, we plan to implement an internal awareness campaign to ensure that all employees are aware of this channel to raise concerns.

Prioritizing Food Safety and Quality

Our strong commitment to maintaining high standards for food safety and quality is in our company's DNA. Norway has some of the highest quality standards globally when it comes to food safety and traceability.

During the processing stage, we place a significant focus on food safety and minimizing environmental impact. All our processing and farming sites are certified by the Aquaculture Stewardship Council (ASC). This is a major organization in the industry that sets the highest standards for responsible aquaculture. The ASC's certification process emphasizes the preservation of the natural environment, reduction of water pollution, and the promotion of a socially responsible industry. This certification is a testament to our commitment to sustainability and responsible farming practices, which are integral to our ESG objectives. Our operations are also subject to scrutiny by the local food authority. We employ automation and state-of the-art equipment provided by industry leaders.

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 4066186949738
Seafood Farmers of Norway AS – GGN 4052852884631
Hofseth Sjvde AS – GGN 4052852886534

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-00839
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

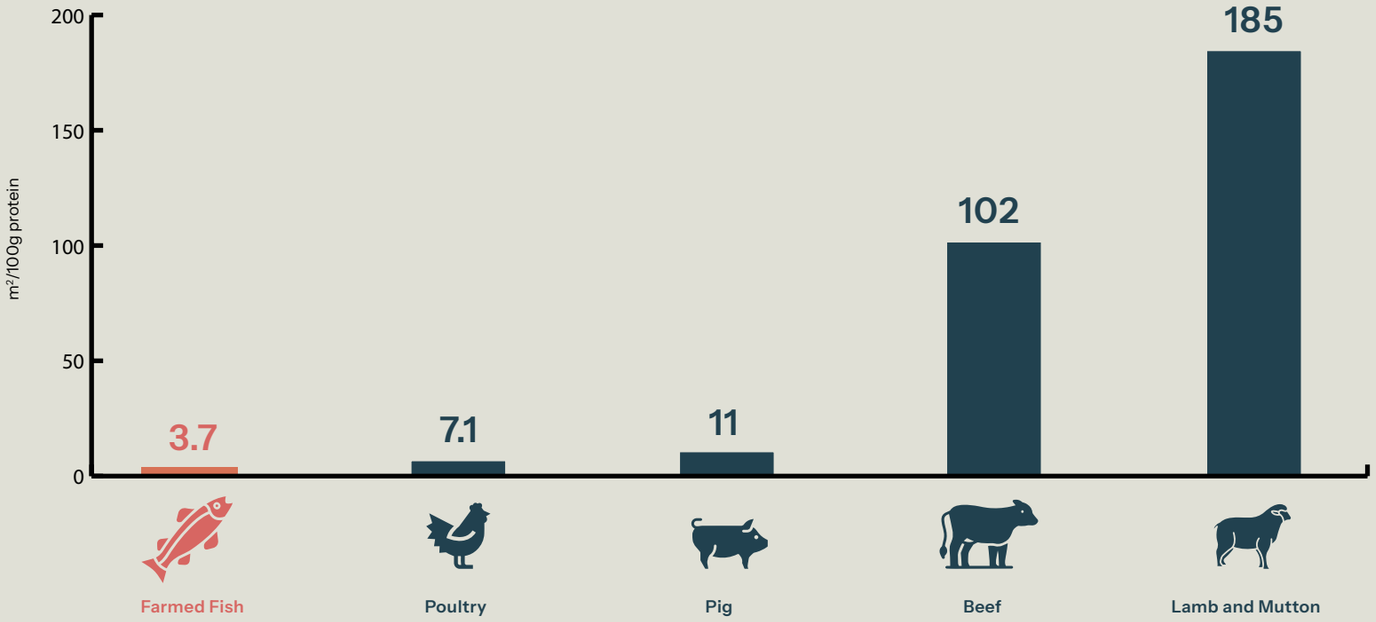
Visit msc-aqua.org for more information

Delivering 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 metrics. Hofseth is proud to play a role in helping meet the growing global demand for healthy food and to provide our customers with a healthy, sustainable product.

*Land Use

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



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

*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

Contributing to Our Community

Hofseth International takes great pride in being a Norwegian company with values and traditions rooted in the fjords and communities of western Norway. Local value creation is at the core of our business, both in our efforts to generate employment opportunities in rural and urban areas in western Norway and in our commitment to enhancing and supporting the communities where we operate. We are proud to sponsor activities and local initiatives that improve our community, with a particular focus on investing in the wellbeing and futures of young people.

Educating Tomorrow's Aquaculture Leaders

We are investing in the future of our community and our industry by partnering with a local high school in Stranda municipality to provide students with an exciting program that blends practical experience in aquaculture 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 and further education in the field. Students then receive practical training and work experience at our farming facility in Bugane. Overall, the program allows students to learn the foundations of safe food production and how to use natural resources in a sustainable way; for some, it has led to permanent employment at our company. For more information, visit https://stranda.vgs.no/utdanningstilbod/yrkesfag/naturbruk/.

IN 2024 HOFSETH INTERNATIONAL SPONSORED 10 INTERNSHIPS

In 2024, Hofseth had 10 apprentices. Pictured is Ivan Hønsvik, who completed an apprenticeship and is now permanently employed at one of our facilities.

Promoting Transparency with Community Outreach

We hold annual local stakeholder meetings in the communities that we operate near as part of our ASC certification. At these meetings, locals can learn about our operations, future plans, and engage with questions. This is in addition to our regular outreach with local government officials and politicians in Fjord and Ålesund municipalities to plan and stand up new projects that benefit both our company strategy and the communities that we operate in. We also leverage these consultations to ensure that our projects take into account local regulations, environmental concerns, the needs of the business community, and the interests of the population. We share information on goals and benchmarks and ensure that our projects benefit from feedback from the local municipality.

We also seek to give visitors and community members the opportunity to get an up-close, firsthand look at our operations via two platforms: the viewing center on our feeding barge, the Ivar Heggen, in Storfjord and our aquaculture exhibit at Atlanterhavsparken Aquarium outside of Ålesund.

- At the **Ivar Heggen Feeding Barge in Vindsneset, Valldal,** visitors learn about how Hofseth works throughout the entire value chain before the fish becomes food for people all over the world. They gain insight into the fish itself, as well as the opportunities and challenges that come with aquaculture becoming a world-leading industry. The local company Uteguiden also contributes with excellent local knowledge about the history and tours in and around the Storfjord area. To schedule a visit, see https://uteguiden.com/hofseth-aqua/

- At our **interactive exhibition at Atlanterhavsparken,** visitors gain insight into how salmon and trout are raised in the local fjords and the range of products that are created from this industry. Visitors can engage in a variety of activities and tasks, exploring topics such as local history, the biology of these fish, environmental considerations, sustainability, and technology. School classes from across the region are increasingly visiting the center for immersive learning experiences. The educational programs cover sustainable practices and the lifecycle of marine species, providing students with valuable insights. The exhibit also highlights the challenges the Norwegian aquaculture industry faces and its relationship with the environment, the local population, and broader Norwegian society. For more information, visit https://en.atlanterhavsparken.no/opplevelser/visningssenter-for-havbruk

Giving Back to Our Community

Creating local value is an important part of what we do. By supporting local initiatives, we help strengthen the communities where we operate. Hofseth does this by sponsoring activities, clubs, events, and educational opportunities in Storfjorden, Syvde, Ålesund, and Valderøy. These are the places where we have operations and where many of our employees live.

We aim to support positive development, inclusive meeting places, and meaningful activities. We focus especially on initiatives for young people who are the future of these communities, and we encourage local organizations to apply for sponsorship.

Hofseth is the General Sponsor of the Norwegian Rowing Federation, along with Hofseth Biocare. With this, we contribute to a fantastic sport that we proudly identify with. In the past, rowing was the only way people could travel between the steep mountains of Storfjorden, and today, Norway has amazing athletes who compete with the very best across the world.

In 2024, we contributed a total of NOK 2,183,000 in sponsorship funds. One of the recipients was IL Valder, the sports club on Valderøy, where we have one of our processing facilities. The club offers important recreational opportunities for young people in the area.

Appendix: Hofseth International's 2024 Voluntary Sustainability Reporting Under the EFRAG Standard for Non-Listed Small and Medium Enterprises (VSME)

The European Financial Reporting Advisory Group (EFRAG)'s Voluntary Sustainability Reporting Standard (VSME) is designed to help non-listed micro, small, and medium enterprises (SMEs) report on sustainability issues in a standardized manner; this is the first reporting cycle with this standard.

For more detailed information, you can visit the official EFRAG webpage dedicated to the VSME standard here (link).

Environmental Metrics

B1. Basis for Preparation

Hofseth International has selected to prepare this Environmental, Social, and Governance report using the basic and comprehensive modules of the Voluntary Reporting Standard for Small and Medium Enterprises (VSME), as published by the EFRAG.

We have not exempted information from this report on the basis of intellectual property. We have chosen to omit some financial planning and projections that we consider privileged corporate information. We also acknowledge that some material may have been withheld from us by our suppliers on this basis. We are also withholding some pollution information pending a third party study of our pollution impact, the results of which we will disclose next year and to the Norwegian Government in the interim.

Hofseth International is reporting on a consolidated basis because Hofseth International operates as an integrated seafood company with key operations spanning aquaculture, salmon and trout processing, and global sales and distribution.

This report consolidates information from the following key entities and operational areas:

- **Hofseth International AS (Parent Company):** As the parent company, Hofseth International AS provides overall strategic direction, financial management, and corporate governance for the entire group. It also directly oversees the group's sales and distribution operations.
- **Hofseth Aqua AS (Aquaculture):** This subsidiary is responsible for the company's farming activities, encompassing the cultivation of salmon and trout.
- **Processing Entities (Fillets and Portions):** Several key subsidiaries focus on processing salmon and trout into fillets and portions for the retail market worldwide:
  - **Hofseth AS**
  - **Hofseth Ålesund AS**
  - **Seafood Farmers AS**
  - **Hofseth Processing AS:** This entity conducts the initial fish harvesting process, receiving fish from the farms for gutting and subsequent chilling or freezing before further distribution or processing.
- **Sales and Distribution Operations (Global Reach):** Hofseth International manages its global sales and distribution through a combination of owned entities and strategic partnerships:
  - **Hofseth LLC (referred to as Hofseth North America):** A wholly-owned sales company responsible for the North American market.
  - **Hofseth Europe Gmbh:** A strategic sales partner facilitating distribution and sales within Europe.
  - **Hofseth Asia Pte. Ltd:** A co-owned entity with key employees, focusing on sales and distribution in the Asian markets.
- **Hofseth Logistics AS:** Based in Ålesund, this subsidiary handles local transportation of fish, supporting the logistical needs of the processing and distribution operations.

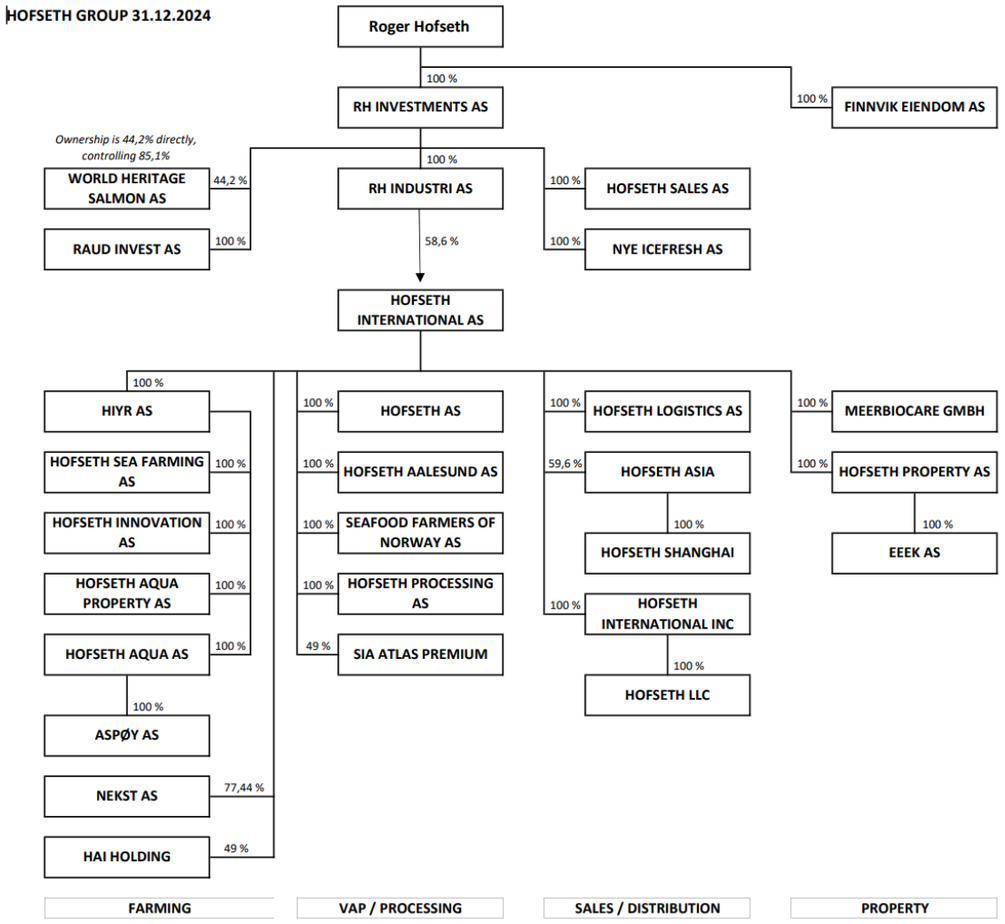
Company	Number of Employees	Balance Sheet in EUR	Annual Turnover in EUR	NACE	Geolocation
Hofseth International	55	293,848,616	9,791,697	10.209	62.472194421408766, 6.161080084869658
Seafood Farmers	114 permanent, 17 on-call, 4 temporary	43,987,250	71,381,180		
Hofseth AS	74 permanent, 4 on-call	102,990,472	136,355,885	10.209	62.08696559696038, 5.725837892974341
Hofseth Ålesund AS	86 permanent, 1 on-call	85,027,582	170,373,049	10.209	62.47003117731214, 6.1228655335591196
Hofseth Processing	76 permanent, 4 on-call	29,079,364	16,833,308	10.209	62.471860993035236, 6.132671689227041
Hofseth Logistics	8 permanent, 6 on-call	1,581,225	2,547,262		
Hofseth Aqua AS	71 permanent, 10 interns, 19 on-call, and 3 temporary	226,266,173	117,273,317	03.211, 03.222	
Hofseth North America	17	74,425,224	255,080,466	46.38	35.9387804877381, -86.82625844253084
Hofseth Asia	3	4,673,692	28,670,621	46.38	1.2835264643938273, 103.85083968466003

The following sites had these environmental certifications as of 2024:

Site and Ownership	Certifications	NACE	Geolocation
Tafjord (Hofseth Aqua)	Global GAP	03.211	62.233259941828614, 7.422373627190846
Bugane (Hofseth Aqua) 88 327 m^2	Global GAP and ASC	03.222	62.43894332455204, 6.818096322605837
Skjortneset 2 (Hofseth Aqua) 63 125 m^2	Global GAP and ASC	03.222	62.37860708276801, 6.884653212915048
Overåneset (Hofseth Aqua) 106 303 m^2	Global GAP	03.222	62.29539469640351, 7.11995546309943
Urdaneset (Hofseth Aqua) 102 738 m^2	Global GAP and ASC	03.222	62.318979498582685, 6.979165412059577
Vindsneset (Hofseth Aqua) 85 366 m^2	Global GAP and ASC	03.222	62.31896703841248, 6.979162729850833
Feeding Data Center Stranda (Hofseth Aqua)	Global GAP	03.222	62.28557566782684, 6.988186708338474

Key Additional Holdings

Name	Description
Hofseth Aqua Property	Owns property related to aquaculture
HIYR	Used for the 2016 acquisition of Fjordlaks Aqua
Hofseth Innovation	Owns old steel fish farming cages
HAI Holding	Holds the closed farming system license (EGG/OVUM)
NEKST	Linked to submersible fish pen
Hofseth Seafarming	Holds fish farming licenses
Aspøy	Owns the wellboat Havørn



C1 – Strategy: Business Model and Sustainability – Related Initiatives

Hofseth International is an integrated seafood company delivering a wide range of salmon and trout products to the global market, along with high-quality cod.

In 2024, Hofseth International secondary processed 46,357 tonnes of whole trout and salmon into fillets and portions. Of this, 6,231 tonnes, or about 13.5 percent, came from the company's own farming operations. In addition, 9,160 tonnes of our total farmed volume of 15,933 tonnes of salmon was sold as whole fish. We also supplied 1,160 tonnes of Hofseth-farmed cod to the market.

Products and services offered. At our factories in western Norway, we produce a wide range of shelf-ready products for leading international grocery and restaurant chains. In 2024, 76 percent of the 46.357 total volume we processed was distributed as frozen products.

- In 2024, approximately 35 percent of our value-added products were sold to customers in Europe, including in Norway; 46 percent to customers in North America; and 19 percent to customers in Asia. It is our intent in the coming year to focus on growing our presence in the Asian market. We maintain sales offices in each of these regions to work closely with our customers.
- In 2024, approximately 75 percent of our products were sold wholesale to retailers; 20 percent to restaurants; and about 5 percent to food service companies such as those that provide meal delivery services.

Key Relationships. In 2024, approximately 50 suppliers comprised more than 90 percent of our total spend; among these suppliers were key packaging, feed supply, fish brokers and farmers, and distribution partners. We have reviewed the environmental, social, and governance policies of our key partners as part of our commitment to responsible procurement. We have published our assessment of the human rights impact of our value chain in our annual Norwegian Transparency Act report, which can be found here.

- *Packaging.* We are working closely with our packaging suppliers to ensure that we are using solutions that protect food safety while also reducing waste. By 2026, our target is to ensure all packaging is reusable or recyclable. For more information, see page 25.
- *Feed.* We have a close cooperation with world-leading feed provider Cargill, and the raw material we purchase from them has strict specifications regarding origin and nutritional content.

We are increasingly looking to novel ingredients to increase the sustainability of our feed. In 2024, all of our feed was ProTerra certified as deforestation and conversion free. Beginning in 2025, in addition to ProTerra certification, all of our feed will be ASC-certified, which guarantees key environmental and social metrics in the sourcing of feed ingredients. For more information, see page 24.

- *Farmers.* Other Norwegian salmon, cod, and trout farmers provide a substantial portion of the total volume of fish in our value-added production. We purchase much of this product via a partner fish broker that we have a close relationship with. We have reviewed the ESG practices of both our broker partner and the farms it most often purchases from.
- *Distribution.* Our logistics team arranges the efficient and speedy transport of our products all over the world by truck, container ship, and air freight. We have screened the human rights and environmental practices of these companies to ensure their practices are in line with industry standards, local laws, and our values.

Our sustainability strategy. Hofseth International's vision is to become one of the world's most sustainable seafood producers. We are pursuing this goal through a holistic, multi-pronged approach that includes the following key lines of effort:

- *Sustainable Feed.* The procurement of economically and environmentally sustainable feed is one of the biggest challenges our industry faces, and feed is a key driver of CO_2e emissions in our supply chain. At Hofseth, we are approaching this issue both through our feed composition and our feed utilization. First, we are focused on ensuring our feed is made from ingredients that have as minimal an impact as possible on the health of our oceans, forests, biodiversity, soil, and climate. We do this via a sustainable feed strategy that includes certified feed sources, innovative feed recipes that balance fish health and sustainability, and setting new targets related to regenerative feed practices. At the same time, we continue to pursue strategies to maximize our feed conversion rate, including via precision feeding technology, to eliminate wasted feed. Our prioritization of investment in closed system farming will further contribute to this strategy. See page 35.
- *Reducing Waste and Increasing Circularity.* Hofseth is committed to reducing the environmental impact 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, including by replacing plastic with more sustainable materials where possible and by ensuring that all of our farming equipment and packaging material is reused or recycled in a responsible manner. See page 32-33.
- *Protection of Fish Welfare.* All of our employees in contact with live animals participate in a mandatory fish safety course and our farming practices are set up with fish welfare in mind. This includes the standup of a post-smolt facility to reduce the time fish spend in the sea, reducing their exposure to sea lice; strategically distancing our farm sites to minimize the risk of disease and parasites; precision feeding and fish surveillance to ensure optimal feeding and health monitoring; and ensuring that fish have ample space, with an average density of 6.4 kg of fish per cubic meter of water. 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. See pages 29-31.
- *Monitoring Impact on Fjord*. We conduct tests near our farming locations to ensure that our sites have little or moderate impacts on their surroundings and pursue farming strategies to minimize our impact on the fjord. This includes investments in recent years in new farm cages, precision feeding, farm distancing, and a fallowing schedule that we assess yields a positive environmental impact. Hofseth did not experience any fish escapes from our farms in 2024. See page 28.
- *Local Processing and Full Utilization of Whole Fish*. Hofseth International has a long-standing commitment to local processing as a means of reducing waste and minimizing transport-related emissions. A Life Cycle Assessment (LCA) conducted by SINTEF Ocean in 2022 found that only 54 percent of a gutted fish is typically considered the main product, while the remaining 46 percent consists of by-products. For fish exported whole from Norway, the by-product utilization rate is estimated at just 50 percent, leading to significant resource loss. In contrast, when

Hofseth processes fish locally in Norway, we ensure full utilization by channelling the by-products to Hofseth Biocare, where they are transformed into new, high-value products. In addition, exporting whole fish contributes to higher transport emissions. Each 20 kg box of whole fish requires 3–5 kg of ice, adding unnecessary weight and volume to freight. Our long-term strategy remains firmly rooted in local processing, with a target of secondary processing at least 70 percent of the fish farmed by Hofseth by 2030. In 2024, we secondary processed 40 percent of our own farming volume. This lower share reflects high market demand for whole trout with superior quality and expanded access to external salmon from other Norwegian farmers for secondary processing.

- *Substantial Frozen Distribution and Low Air Freight.* We actively reduce the environmental footprint of our distribution by shipping a significant portion of our products frozen via sea freight. In 2024, 76 percent of our value-added products were shipped frozen by sea, while only 5 percent were transported by air. Shipping processed products by sea results in a 98 percent lower CO_2e footprint compared to air freight. It also helps reduce food waste at the retail level by allowing products to be sold as frozen, defrosted before shelf placement, or defrosted using IceFresh technology, which extends shelf life by 5–7 days compared to conventionally fresh-distributed fish. A substantial share of our increased air freight load in 2024 stemmed from the value-added products and 875 tonnes of whole fish that we delivered to customers in Asia. Our goal is to transition these customer relationships to primarily receiving our high-quality frozen products and defrosting them in market using IceFresh technology. This will support our aim of reducing air freight to below 3 percent of total fish volume sold in the years ahead.

Building for the Future. We are making strides in implementing a long-term business strategy that is oriented toward building more sustainable aquaculture, seafood processing, and distribution operations. This effort has centred on investing in bold new technologies and innovative techniques that reduce our environmental footprint. These investments will take some time to fully implement in order to see the extent of their environmental benefits. In early 2025, Hofseth International was issued a NOK 1.0 billion 5-year unsecured bond that provides the company with the financial flexibility to implement this strategy and expand its farming and processing operations by leveraging sustainable technologies.

- *Closed System Farming at sea.* Hofseth has committed to investing in five full-scale Egg closed-system farming units, along with new development licenses for Maximum Allowable Biomass (MTB). Results from the pilot project testing this technology have been highly promising, showing up to 20 percent improvement in feed conversion efficiency, no fish escapes, no sea lice, and a fish survival rate of 98.8 percent. The system also enables effective sludge collection and uses approximately 1.7 kWh of electricity per kilogram of fish produced. This energy use is 4 to 6 times lower than comparable land-based closed systems, though 10 to 15 times higher than traditional open pens. By adopting this technology, Hofseth increases production efficiency, reduces its environmental footprint, and strengthens resilience against rising sea temperatures caused by climate change.
- *Processing Upgrades.* Hofseth is pursuing a strategic plan to combine its processing facilities at one new state-of-the-art facility with AI-optimized systems and automated workflows that reduce labour risks; on-site power and up-cycling capabilities; and advanced pollution control processes and equipment. The new site will reduce the need for road transportation by about 7,000 truckloads yearly. The site will also increase local solar energy production by about 2,780 MWh, reduce yearly CO_2e emissions by 1,350 tonnes, and improve water use and wastewater treatment.
- *Climate-Smart Distribution.* Hofseth has partnered closely with IceFresh, a Norwegian firm that has advanced technology that allows fish to be frozen at the processing plant, shipped via low carbon sea freight, and defrosted using proprietary technology in such a manner that the quality of the fish is largely indistinguishable from fresh products. Transporting the fish by sea freight reduces the CO_2e transport emissions by 98 percent compared to air freight. This change, combined with also converting truck freight to Europe to sea freight, can reduce our total transport emissions by about half. We have done some studies to try to quantify the food waste reduction that will come from the transition to frozen distribution; the figures vary from 5 to 30 percent less food waste. In 2024, Innovation Norway agreed to fund NOK 20.34 million and a risk loan of NOK 13.4 million to expand the use of IceFresh technology at an industrial scale in both Norway and abroad. In 2024, only minor volumes were defrosted in the US, but the

tests proved the quality and convenience to our customers and partners. Our 2030 target is to utilize IceFresh for 70 percent of our fish delivered to overseas market, and utilize IceFresh for 50 percent of our fish delivered to the European market.

B2 and C2: Practices, policies, and future initiatives for transitioning to a more sustainable economy

We have a range of practices, policies, and initiatives that directly support the transition to a more sustainable economy, reduce our negative impacts on people and the environment, and seek to make positive impacts where possible. We believe that good business and good environmental stewardship go hand in hand and this compatibility is at the heart of many of our future initiatives.

Practices. *Environmental.* The preceding report highlights the practices we have put in place to reduce GHG emissions (pg. 18); reduce our electricity consumption (pg. 23); responsibly manage water and marine resources (pg. 27), reduce waste (pg. 33); and protect biodiversity (pg. 28). It also highlights our focus on using the whole fish (pg. 33).

Social. The preceding report also details our commitment to consider the interests and welfare of the workers in our value chain (pg. 25), our customers and consumers (pg. 47), and the communities we operate in (pg. 49-52). It also details our efforts to build a healthy, happy, and equitable work environment worthy of our employees (pg. 42-46) and to protect their health and wellbeing (pg. 43).

Governance. Lastly, the preceding report highlights our responsible business practices. In 2024, we had an ESG committee at the senior management level that oversaw sustainability matters at the company, including the consideration of climate-related risk. We have decided in 2025 to move this committee lower into our organization to ensure we are fully benefitting from the input of workers closest to our operations.

Initiatives. Our future plans and projects are designed with our vision of becoming one of the world's most sustainable seafood producers in mind. The following initiatives most strongly contribute to that vision.

- New investments in closed system farming. (pg. 35)
- Leveraging our IceFresh partnership as part of our efforts to reduce air freight. (pg. 38)
- Packaging (pg 26) and processing (pg 37) improvements.

Policies and Targets. The following policies demonstrate our commitment to sustainability and the manner in which we implement this value into all aspects of our operations. We have highlighted select targets that we use to measure our progress against these goals, though additional key performance indicators and targets can be found elsewhere in this report or by reviewing the policies in full on our company website.

Focus Area	Does the company have sustainability practices, policies, and initatives that address sustainability issues in this category	Are polices publicly available?	Do the policies have targets for measuring implementation?	Highest senior level in the undertaking accountable for implementing policies
Climate Change	Our Climate Change Policy outlines our efforts to minimize CO_2e emissions across our entire value chain and reduce the CO_2e intensity per kg fish.	Available for download on our website.	Our base year is set as 2019, with a goal to reduce CO_2e intensity per kilogram of fish by 42% by 2030. We have established science-based targets for Scope 1 and Scope 2 emissions. By 2026, these targets will be updated to include Scope 3 emissions and intensity reduction targets. Key targets include: Air freight share < 3% of the total volume fish by 2035. CO_2e emissions of feed at less than 1.5 kg CO_2e/kg feed. Achieve an economic feed conversion ratio (eFCR) of below 1.35 for trout and below 1.25 for salmon. Connect 100% of farming and processing facilities to local renewable energy sources.	Chief Executive Officer
Pollution	No. We are conducting a third-party review of this issue and plan to draft a policy by yearend 2025.	NA	NA	NA
Water and Marine Resources	We have a Freshwater Use Policy and a Sustainable Feed and Responsible Marine Resource Management Policy.	Available for download on our website.	100% of supplies confirmed as coming from areas that do not experience water insecurity by 2028. Sustainable Feed: 100% certified ingredients (ASC, FIP, MSC, Marine Trust, ProTerra); 8% inclusions of novel ingredients by 2030; 35% of fish meal from trimmings; 15% of fish oil from trimmings. 100% of farming sites operated with precision feeding to avoid wasting marine resources. 30% of farming volume in closed systems by 2030. 50% of smolt transferred to open pens are >400g by 2030. Target of 70% of Hofseth-farmed salmon is processed in Norway; Target of 100% of off-cuts from fillet trimmings utilized.	Chief Operating Officer

Focus Area	Does the company have sustainability practices, policies, and initatives that address sustainability issues in this category	Are polices publicly available?	Do the policies have targets for measuring implementation?	Highest senior level in the undertaking accountable for implementing policies
Biodiversity and Ecosystems	We have a Biodiversity Policy and a Procurement Policy.	Available for download on our website.	Feed: 100% certified ingredients (ASC, ProTerra, or equivalent); 8% inclusions of novel ingredients by 2030. All farming sites are targeted to achieve ASC certification by 2026. 100% of our farming sites are to be GAP certified. Aiming for 100% of our third party farmer suppliers to have either ASC or Global Gap certification by 2030. Maintain zero escapes in all regions and zero fatal incidents involving marine animals. Maintain sea lice levels below 0.5 adult female lice per fish, and below 0.2 adult male lice per fish during weeks 16–21.	Quality Manager, Farming
Circular Economy	We have a Circular Economy Policy; a Sustainable Feed and Marine Resource Management Policy; and a Solid Waste Policy.	Available for download on our website.	Target of exporting less than 3% fresh fish to the overseas market and less than 15% fresh to the European market to prevent waste. Target of 70% of Hofseth-farmed salmon is processed in Norway; Target of 100% of off-cuts from fillet trimmings utilized. 100% of farming sites operated with precision feeding to avoid waste. Reach 100% of equipment materials recycled by 2028. Ensure all of our packaging is reuseable or recyclable and deforestation free by 2030 while protecting quality and food safety. This includes 100% recycling of EPS delivered to processing facilities. In addition, we have a target to include 35% recycled plastic in our packaging. Establish monoplastic use targets by 2027.	Quality Manager, Farming; Quality Manager, Processing

Focus Area	Does the company have sustainability practices, policies, and initatives that address sustainability issues in this category	Are polices publicly available?	Do the policies have targets for measuring implementation?	Highest senior level in the undertaking accountable for implementing policies
Own Workforce	We have policies that are outlined in our Code of Conduct and employee handbook. We also have a Health and Safety Policy and a Speak Up Policy.	Our Code of Conduct, Speak Up Policy, and Health and Safety Policy are available on our website. Our handbook is internal.	Goal of 0 lost time injuries yearly and 100% compliance with yearly health and safety training requirements. We also have initiatives in place to expand employee sense of belongingness and employee culture and to increase awareness of our whistleblowing channel and policies.	Chief Human Resources Officer
Workers in the Value Chain	We have a Procurement Policy and a Supplier Code of Conduct. Hofseth reports yearly on human rights both in its own workforce and in its value chain as part of its obligations under the Norwegian Transparency Act.	Our Supplier Code of Conduct, which we request key suppliers to sign, is available for downlod on our website, as is our general procurement policy. We also have internal procurement policies that further expand on our screening efforts.	Our targets are to have screened the human rights policies of companies in our supply chain in the following manner: A. Screen 100% of suppliers in high risk countries. B. Screen 100% of suppliers over NOK 50,000 per year.	Chief Procurement, Chief Human Resources Officer
Affected Communities	This is found within our Code of Conduct and our Community Responsibility Policy.	Available for download on our website.	We have a target of at least 1 community town hall meeting per community we operate in per calendar year. Target of 5 clean up/community service events per year. Target of 10 of apprenticeships/internships sponsored in the local community yearly. Target of active cooperation with Project Løvetann, including offering practical assignments and learning opportunities to participating youth.	Chief Executive Officer

Focus Area	Does the company have sustainability practices, policies, and initatives that address sustainability issues in this category	Are polices publicly available?	Do the policies have targets for measuring implementation?	Highest senior level in the undertaking accountable for implementing policies
Consumers and End Users	We have a Quality Policy.	Our Quality Policy is available on our website. We have additional work specific policies in place to guide implementation.	Our target is 0 recalls for quality or health concerns yearly. Maintain “Higher level” for GFSI approved standard to fulfill the intentions of the Quality Policy. Maximum 3 customer complaints per 1000 tonnes of raw material. Average 28 days of handling internal nonconformities. 95% of the internal audits must be completed in time (12 months). Maximum 1 nonconformity initiated during hygiene inspection every 2nd week. 100% compliance with appropriate food safety training for workers with tasks in this area.	Quality Manager, Processing
Business Conduct	Our Code of Conduct outlines our business ethics and our yearly Transparency Act report highlights our internal policies and procedures for maintaining responsible corporate behaviour. We maintain a Fish Welfare Policy as part of responsible operations.	Available for download on our website.	Fish Welfare targets: 12 month rolling survival rate of 95%. 100% of employees working with live animals take fish welfare course. Maintain sea lice levels below 0.5 adult female lice per fish, and below 0.2 adult male lice per fish during weeks 16–21. Maintain density: 2.5% fish to 97.5% water. 100% of vaccination to reduce disease risk. 100% avoidance of antibiotics or growth-promoting substances. 100% of third-party farmers should have a fish welfare policy by 2030. Progress to be reported yearly from 2026. 100% compliance with anticorruption and bribery training for those in applicable positions.	Chief Executive Officer

B3 and C3 – Energy and Greenhouse Gas emissions

Emissions Methodology

Important changes in 2024 report

Feed

Our feed supplier, Cargill, has provided new calculations for the emissions factor of the feed ingredients in our operations. This new emissions factor is about 20 percent lower than our old factor. We have therefore updated our calculations regarding the emissions our company had during the base year of 2020 with the newly provided emissions factor so as to be able to consistently measure and communicate which reductions in emissions are truly based on our measures and efforts. We have not received direct data on the feed footprint from our external farmers. We assume that recent methodological updates to feed footprint calculations also apply to other feed suppliers operating in Norway, and that the reductions reported by Cargill are likely similar for the SINTEF feed CO_2e footprint. That said, we recognise that this is an area where our data collection can improve. We therefore plan to gather more direct feed footprint data from our external farmers next year.

2020 base year emissions related to air freight

Due to the unprecedented halt in air freight during the COVID-19 pandemic, our reported air freight emissions for 2020 were uncharacteristically low. To ensure a more representative baseline for tracking progress, especially as we transition from air to sea freight, we have adjusted the 2020 air freight emissions. We did this by applying the 2019 ratio of air freight volume to total fish volume (approximately 14.89 percent) to our 2020 total fish volume. This results in an adjusted total emission of approximately 72,455,039.12 kg CO_2e for the base year. Rather than relying on less complete 2019 data, we retain 2020 as our base year because the overall data quality is better. We correct only for the air freight anomaly using pre-pandemic reference levels. This approach allows for more meaningful year-to-year comparisons of the impact of our modal shift.

Category	Unit	2024	2023	2020
Scope 1 (Diesel and MGO)	tonnes CO_2e	1,620	1,674	2,270
Scope 2 (Electricity)	tonnes CO_2e	460	426	169
Scope 1-2 total	tonnes CO_2e	2,081	2,100	2,438
GHG-protocol Scope 3 Standard				
Purchased goods and services	tonnes CO_2e	209,399	193,821	207,999
Upstream transportation and distribution	tonnes CO_2e	4,364	4,447	4,724
Downstream transportation and distribution	tonnes CO_2e	39,563	34,801	72,455
Business travel	tonnes CO_2e	136	117	117
Waste generated in operations	tonnes CO_2e	256	199	228
Total Scope 3 emissions	tonnes CO_2e	253,718	233,386	285,523
Absolute emissions Scope 1-3	tonnes CO_2e	255,799	235,486	287,951
Intensity farm to market	kg CO_2e/kg fish	4.47	4.56	5.26
Emissions CO_2e / Revenue in million EUR	CO_2e/million EUR	468	397	636
Intensity HAQ CO_2e emission / grow out live weight	kg CO_2e/kg fish	2.40	2.46	

For more information on our CO_2e emissions, emission targets, and energy use, see pages 18–25 of our ESG report.

C3: GHG reduction targets and climate transition

For more information on our CO_2e emissions targets see page 18-22 in our ESG report.

In 2024, Hofseth International had emissions reduction targets and key strategies to reach this target; it had not yet combined these into a formalized climate transition plan. That has been addressed in 2025 and such a plan now is held by the corporate leadership team.

B4: Pollution of air, water and soil

Farming. For information on pollution near our farming sites, please see page 28.

Processing. We are unable to report on pollution near our processing facility at this time and will rectify this in next year's report. Our data in this area is incomplete and we are undertaking new third-party tests at this time to understand our impact. We have permission from the Norwegian Government to operate at the status quo in the meantime.

Smolt Facility. We are withholding information on pollution at our smolt facility at this time pending a third-party study and review, the results of which we will share with the Norwegian Government and report on next year.

B5: Biodiversity

Hofseth operates one facility in a biodiversity-sensitive area: our smolt facility located near the Tafjord River. The river supports a population of wild salmon and flows into Tafjorden, an area known for its rich diversity of species. Due to the ecological value of the surrounding environment, we classify this location as biodiversity-sensitive. The facility covers approximately 1,520 square meters and is situated adjacent to both the Tafjord River and Storfjorden.

B6: Water

Tafjord Water Usage Average
Fresh water: 16,000 l/min
Seawater: 72,500 l/min
Total: 88,500 l/min
All the water in Tafjorden is discharged after withdrawn and used in the flow through system for smolt production.

Hofseth Processing
Fresh water: 129,150 m^3
Sea Water: 157,850 m^3

Seafood Farmers
Fresh water: 40,926 m^3

Hofseth Ålesund
Fresh water: 154,344 m^3

Hofseth Syvde
Fresh water: 297,500 m^3

B7: Resource use, circular economy and waste management

Hofseth International takes a holistic approach to embracing circular economy principles and ensuring the responsible and sustainable use of marine resources throughout its value chain and operations. These efforts are centered on the following parts of the value chain:

1. **Supply: Procuring Sustainable Feed.** We ensure that all feed procured and utilized for salmon and trout farming adheres to the highest standards of environmental sustainability, resource efficiency, and ethical sourcing in the spirit of protecting vital marine resources. See page 24.
2. **Direct Operations: Minimizing the Waste of Feed Resources in Farming Operations.** We seek to lessen our need for valuable marine resources by maximizing the use of the feed we use.
3. **Direct Operations: Using the Whole Fish and Minimizing Offcut Waste in Processing Operations.** We look to ensure that as little fish by-product as possible is wasted during processing and emphasize local processing of Hofseth farmed fish to minimize waste.
4. **Distribution: Extending the Shelf Life of Products to Minimize Waste.** We look to climate friendly frozen distribution methods to extend the shelf life of our products and lessen the risk of waste during transit or before consumption without sacrificing quality. See page 38.

As a Norway-based company, we send very little waste material to landfills; nearly all material that is not recycled is incinerated for energy recovery by our waste management supplier. We nevertheless view the incineration of waste as a last resort and look to maximize the amount of our waste material that is reused or recycled via higher value means.

Our total non-hazardous waste delivered to our waste disposal partner for incineration and energy recovery was: 593278.65 kg

Our total hazardous waste delivered to our waste management company for safe disposal in 2024 was: 654 kg

Our total waste diverted to recycling or reuse in 2024 was: 233425.25 kg

Our total waste delivered to disposal was: 513 kg

C4 – Climate risks

Hofseth International's strategic planning considers both our impact on the environment and the environment's impact on us. We have included scenario analysis as part of our continuing efforts to assess our climate risks and ensure that our business remains resilient for many years in the face of an ever-evolving climate and regulatory landscape.

- In this exercise, Hofseth considered how two distinct climate scenarios would impact its assets and operations through 2050 by creating either transition or physical risks. We based the scenarios in this exercise on the climate change narratives drafted by the Business for Social Responsibility (bsr.org) and endorsed by the UN's Principles for Responsible Investment (unpri.org).
- In the first scenario, called Net Zero by 2050, temperatures increased by no more than 1.4 degrees by 2050 (peaking at 1.6 in 2060) because of swift, coordinated, and costly efforts to reduce emissions. The scenario assumed that a global effort to reach Net Zero caused disruptions in many industries and economic contraction globally given the high costs of a swift transition.
- In the second scenario, called Policy Status Quo, the climate experienced a 2 degree increase by 2050, on track for 3 degrees by 2060. The scenario assumed that emissions grew rapidly. By 2050, physical climate impacts increased in severity and frequency, causing economic loss, ecosystem damage, and human rights issues.
- We identified the following actors and factors as playing a crucial role in our operations and considered how each scenario would impact them: feed availability and price; fish welfare needs and costs; our employees; government and regulatory costs and demands; energy costs; transportation and distribution; technology; and customer demand.

Factor	Impact: Net Zero by 2050 (1.4-1.6 degree warming)	Impact: Policy Status Quo (2-3 degree warming)
Feed	The cost of our feed would likely increase in the near term because of transition and transportation costs inflating the unit costs. There likely would also be more competition for certified feed, which could drive up costs. Over the longer term, this would likely stabilize because there would be less likelihood of extreme scarcity of ingredients and more focus on sustainable farming practices. Increases in feed costs would also drive up costs for procuring fish from third parties for processing, though some of this is already visible in the demand for fish raised on certified feed.	In the near term, feed costs would stay the same but by 2040 and 2050, harsh weather and water scarcity would increase in areas where feed ingredients are produced. This would decrease the availability and increase the cost of key ingredients. This would depend in part on how quickly the industry has transitioned to new ingredients and/or farming locations in the intervening years. Increases in feed costs by 2040 or 2050 would also drive up costs for procuring fish from third parties for processing.
Fish Welfare	The impact of this scenario environmentally would largely be the status quo. In that case, our location midway up Norway's coast is a benefit as we have experienced fewer fluctuations and rises in temperatures to date than many other regions. Nevertheless, we see the challenge to fish welfare of current conditions and are already making investments in this area, including advanced monitoring techniques, our post-smolt facility, and closed systems. We would continue those.	Fluctuations and increases in temperature would increase the challenges to fish welfare in open pen farming largely by driving sea lice up by 2040-50. We anticipate about 10% of our total farming will be in open pens by roughly 2040; while our location midway up Norway's coast is expected to have relatively stable temperatures for some time, we do understand that there will be an increasing need to be proactive about fish welfare in our remaining open pens. We plan to use submersible pen technology to help lower the risks posed to fish welfare by fluctuating temperatures because temperatures tend to be more stable deeper below the surface; these pens will also minimize expore to rising sea lice levels caused by warming. 50% of our total farming by 2030 is projected to be in closed farming systems that would allow us to control the temperature and conditions our fish are raised within, increasing our operations' resilience in this scenario.

Factor	Impact: Net Zero by 2050 (1.4-1.6 degree warming)	Impact: Policy Status Quo (2-3 degree warming)
Employees	Rising costs of living stemming from increases in transition costs that businesses pass onto consumers could drive up wages and the costs of employee health services. At the same time, our being headquartered in a country that helps support resident needs helps soften this impact.	The Nordic region and Norway in particular could become a sought-after destination for climate migrants who are seeking cooler temperatures, which could increase the availability of staff. This brings both opportunities given the industry-wide need for staff but also challenges as we would need to consider the needs of recent migrants.
Government and Regulatory Costs and Demands	In this scenario, we would expect government and regulatory demands to increase worldwide. This would likely mean higher operating costs for our company, particularly if carbon taxes are implemented. At the same time, competitors outside of the Nordic and broader European region who are less accustomed to these regulatory burdens may have a harder time transitioning than our company; in addition, our early efforts to transition our operations to more sustainable methods would benefit us.	This scenario assumes that the international community will impose minimal environmental regulation on companies. In this scenario, Norwegian businesses such as ours may be at a slight disadvantage economically as we already operate with a higher degree of regulatory costs as compared to firms outside of Europe and the Nordics that have fewer sustainability and worker welfare regulations. We will need to increasingly consider ways to increase our efficiency to compete.
Energy Costs	Rises in energy costs that would likely occur in this scenario would be a key challenge for our company given that closed systems at land require up to 10 kWh/kg fish and closed systems at sea up to 2 kWh/kg fish, compared to 0,1 kWh/kg fish in open pens at sea. Hofseth's target is to get under 5 kWh/kg. We are innovating new systems to produce electricity utilizing the water flow through in the closed systems at land; we believe this will provide 50% of the energy need for the closed systems at land. Our objective is to reduce the feed conversion rate by up to 20% and eliminate delousing operations. The advantages of closed systems will yield economic benefits, despite increased energy consumption – even in the event of rising electricity prices. We will consolidate processing, slaughtering, and by-product production at a single facility, where we will leverage solar power, automation, and technology to reduce the energy consumption per unit produced.	It is unclear to what extent energy prices in Norway would be impacted in this scenario; for Norway, the cost will be more driven by the energy relationship with mainland Europe and the progress of new Norwegian projects to bring on renewable energy sources. Domestic renewable energy has already been a policy priority for Norway and would likely continue even if the rest of the world remained less focused on renewables.

Factor	Impact: Net Zero by 2050 (1.4-1.6 degree warming)	Impact: Policy Status Quo (2-3 degree warming)
Transportation and Distribution	Transportation costs, particularly for air freight, would likely rise substantially, particularly if carbon taxes are implemented at a substantial rate. Our current efforts to reduce air freight would position us well for this environment, though we would likely need to reduce air freight usage further; this could be hard to do quickly in the Asian market.	In the near term, transportation costs would likely stay the same.
Customer Demand	Buying power for customers in key markets may decrease as the cost of living and investment in the transition goes up worldwide and sparks a global decrease in GDP. It is unclear how this might impact demand for salmon; this demand has not always gone down during previous periods of recession. There may be an increased focus on processed salmon products shipped in sustainable ways that cost less for the end consumer; our focus on shipping frozen value-added products will help position us well to compete. Environmental certifications may also fetch less of a premium in the market both because consumers have limited bandwidth for rising costs and because they may become more standardized as part of the global push for sustainability.	There would likely be little climate-driven change in demand in the near term. By 2040 and 2050, however, customers in parts of the US and Asia may experience substantial climate-related disasters and disruptions that could dampen their ability and willingness to pay for salmon products. The extent to which our products are shipped in sustainable, low cost ways, which is already a key part of our strategy, could help give us a competitive advantage.

Our Resiliency to Climate and Transition Related Risks: Assessments and Adaptation Initiatives

We assess that key elements of our business strategy are setting our company up to be more resilient to the climate risks posed by both scenarios detailed above.

Building More Sustainable Farming Operations With Closed System Technology and a Focus on Local Processing. Today, our business is reliant both on our internal farming operations and on procuring high quality Norwegian farmed salmon from our trusted suppliers to conduct minimal waste processing in our Norway-based processing facilities. Fish from non-Hofseth farms in 2024 accounted for 86.5 percent of our processed fish in 2024 and was therefore a key component of our revenue. We are in the midst of a strategy, however, to expand the share of our production that stems from in-house farming operations.

In order to achieve our vision of more farming under Hofseth International management, we are investing in closed farming systems on land and at sea and submerged aquaculture systems to constrain the burden on the fjord that we operate in and increase our operational resilience to climate change. This is not a small change and will require a substantial investment in five new closed systems and the licences to operate them over the next several years. At the same time, we will be, to a lesser extent, expanding our existing open pen farming operations.

With these investments, Hofseth International plans, by 2030, to be processing roughly 75,000 tons of value-added products per year and farming roughly 34,000 tons of salmon and trout. Of that farmed fish, roughly 70 percent will go to internal processing, the remainder exported whole. This means that Hofseth, in this time period, will still need to obtain roughly 51,200 tons of their fish from external sources to reach its processing targets.

By 2040-2050, however, Hofseth plans to be both farming and processing roughly 150,000 tonnes of salmon and trout. Approximately 90 percent of that volume will come from closed system farming, including on land. This means that Hofseth will not have to procure from third-party farmers to keep its processing operations robust and that the bulk of its production will stem from fish that is farmed in a method that is largely resistant to climate change impacts.

This approach makes our operations more resilient to the environmental effects of climate change as they pertain to fish welfare because closed system farming offers a more stable and controllable environment. Under current conditions, closed systems reduce our feed conversion rate by up to 20 percent. As climate change progresses, feed conversion rates in open-pen farming are likely to rise significantly, further widening the efficiency gap in favor of closed systems. In addition to improved feed efficiency, closed systems reduce fish welfare costs by enabling precise control of temperature and living conditions. They also nearly eliminate the risk of sea lice and significantly improve survival rates. Although closed systems are more energy-intensive, we are actively seeking innovative solutions to optimize electricity generation and consumption, as detailed earlier.

This means that the main climate risks we will need to contend with center on the challenge associated with the feed supply and the broader potential for rising costs of doing business writ large, such as energy costs, general distribution, and packaging costs.

Sustainable Feed. Hofseth International has already made the decision to transition to purchasing only ASC certified feed beginning in 2025; this is in addition to our existing commitment to ProTerra certified feed that is deforestation free. We are also working to incorporate more easily-regenerated novel ingredients into our feed. We are also focused on preventing feed waste through a range of methods detailed in this report; this will keep feed costs down in these scenarios.

Renewable Energy. A key risk with closed farming under the climate scenarios discussed above is the fact that closed systems require substantially more electricity to operate than open-pen systems. In 2020, Hofseth made the strategic decision to explore the potential of land-based farming. The first project identified was World Heritage Salmon. During the early engineering phase, it quickly became clear that energy consumption would be a critical factor. We therefore engaged with suppliers and academic institutions to identify potential solutions. The most promising approaches involved energy recovery and electricity generation within the flow-through systems. We are open to implementing these measures to reduce overall energy usage. When Hofseth builds its new production factory, it will be constructed to meet modern standards for energy-efficient facilities. This includes significantly improved energy performance and the installation of solar panels on the factory roof. As a result, the energy required per kilogram of fish will be reduced compared to current operations. We have already addressed some of the major sources of energy use in our existing factory. For example, by introducing perforated packaging, we have increased the efficiency of our freezing tunnels, allowing the fish to freeze faster and using less energy.

Climate-Smart Distribution. Hofseth has already lessened its use of carbon intensive air freight to transport its products to customers and consumers as compared to many of its industry peers. This approach will dampen the impact of carbon price hikes that would occur in the Net Zero scenario. More broadly, our intent to use IceFresh disribution (see page 37) will allow us to deliver an even higher volume of frozen products to customers without the sacrifices in quality usually associated with frozen fish. This would position us well in both scenarios to deliver sustainable products to customers, though will require to additional investment in infrastructure in key markets to bring the full value to fruition.

SOCIAL METRICS

B8 and C5: Workforce – General characteristics

In 2024, Hofseth International had 574 employees with the demographics listed below. The employee turnover rate for 2024 was 15.3 percent. These contracts are held in Norway.

	Total Employees	Temporary or Contract Employees (including self employed individuals working exclusively)	Fast Salary/Permanent Employees	Number of Employees Eligible for Bonuses	Average Weeks of Parental Leave	Rate of Employee Turnover
Women	228	17	211	9	34	13
Men	346	52	294	15	15	16.9

Approximately 75 percent of our employees are paid under collective agreements where the salary is determined as a function of formal education and relevant work experience. For these employees, equal pay is achieved by definition. Positions within management, administration, and professional roles are individually compensated. We classify our positions in these areas into four groups determined by the size of the position, complexity, requirements for competence, etc. The results are presented in the table:

	Group 4	Group 3	Group 2	Group 1
Percent pay women receive as compared to men	96 %	91 %	94 %	99 %
Percent of this group of employees that are women	37 %	43 %	8 %	14 %

C6: Human Rights Policies and Processes

Question	Response
Does the undertaking **have a code of conduct or human rights policy** for its own workforce?	Yes
Does the policy cover child labor?	Yes
Does the policy cover forced labor?	Yes
Does the policy cover human trafficking?	Yes
Does the policy cover discrimination?	Yes
Does the policy cover accident prevention?	Yes
Does the company have a complaints-handling mechanism for its own workforce?	Yes

C7: Severe Negative Human Rights Incidents

Does the undertaking have **confirmed incidents** in its own workforce related to:	Response
Child labor	No
Forced labor	No
Human trafficking	No
Discrimination	No
Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users?	No

For more information on our efforts to protect human rights in our own workforce and in our value chain, please see page 25 and 42-46 of this report and our 2024 Åpenhetsloven report (link).

B9: Workforce – Health and safety

Hofseth's internal incident reporting and analysis has identified that the most common injuries in our operations are cuts and crush injuries. To address this, we have developed a dedicated training program that all employees are required to complete. The goal is to raise awareness, prevent injuries, and strengthen our overall safety culture.

A At all Hofseth locations combined in 2024, we had 23 total accidents, 7 of which required a day or more out of the office and 16 of which required less than a day off the line. Most accidents were minor and two were considered moderate and required more than 2 days out of work. Using the VSME formula to calculate the rate of recordable workplace accidents results in an accident rate of 4.1 per 200,000 hours work: 574 employees multiplied by 2,000 hours average hours in a working year results in 1,148,000 hours. Dividing the 23 incidents by those hours and then multiplying by 200,000 equals a rate of 4.1.

B There were zero fatalities stemming from work-related injuries or work-related ill health in 2024.

For more information about our efforts to protect the health and wellbeing of our workforce, please see pages 42-46 of this report and our Åpenhetsloven report (link).

B10 – Workforce – Remuneration, collective bargaining, and training

A Hofseth employees receive pay that is equal to or above applicable minimum wages set by either national regulations or through collective bargaining agreements; this has been confirmed via an independent audit. Entry-level wages are above the minimum pay defined in collective bargaining agreements that apply to Hofseth and we do not have employees that are involuntarily in part-time positions.

B For the 75 percent of Hofseth employees covered by collective bargaining agreements, there is no gender-based pay disparity.

C Please see section B8/C5 on page 70 our workforce for information on pay by gender for those not covered by collective bargaining agreements.

D The average number of training hours per employee is 15 per year. We do not break this information down by gender, but by position.

For more information on labor rights at Hofseth, please see our Åpenhetsloven report (link).

GOVERNANCE METRICS

B11 – Convictions and fines for corruption and bribery

Hofseth International and its management have not received any convictions or fines for corruption or bribery during the reporting period.

C8 – Revenues from certain sectors and exclusion from EU reference benchmarks

Hofseth International is not involved in the following sectors: (a) controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons); (b) the cultivation and production of tobacco; (c) fossil fuel (coal, oil and gas) sector; or (d) chemicals production.

The undertaking is not excluded from any EU reference benchmarks that are aligned with the Paris Agreement as described in paragraph 241 of the VSME guidance.

C9 – Gender diversity ratio in the governance body

Hofseth International's Board of Directors, which is currently comprised of two male individuals, does not have gender diversity at this time. Hofseth's executive leadership team in 2024 was comprised of 6 males and 1 female.

HOFSETH