HOFSETH INTERNATIONAL AS

SECOND PARTY OPINION : HOFSETH GREEN FINANCE FRAMEWORK

SEPTEMBER 2025

Document Title: Second Party Opinion on Hofseth International AS Green Finance Framework

Prepared By: DNV Business Assurance Norway AS

Location: Oslo, Norway

Date: 09/09/2025

Project Number: 1022853

Identification: DNV-2025-ASR-C814882

Table of Contents

Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Hofseth International AS ("Hofseth" or the "Customer") is a Norwegian aquaculture company founded in 2002, employing approximately 600 people. Headquartered in Sunnmøre, the company is vertically integrated, managing the entire value chain from hatcheries and farming to processing and global distribution of Atlantic salmon and trout. Over the years, Hofseth has expanded its operations through strategic mergers, acquisitions, and innovations, including the launch of Hofseth BioCare, which transforms fish by-products into high-value nutritional products.

Sustainability is at the core of Hofseth's mission, with a vision to become the world's most sustainable seafood producer. The company has implemented a range of initiatives aimed at reducing environmental impact, improving fish welfare, and promoting circular economic practices. One of its most notable initiatives is "The Egg," a closed-pen farming system designed to prevent escapes, reduce sea lice, and enhance fish health. Hofseth is also investing in submersible cages and land-based farming facilities to further minimize ecological disruption. Another important initiative is Hofseth's IceFresh program, which uses patented rapid-defrosting technology to deliver frozen fish that retains the quality of fresh seafood. This innovation allows for sea transport instead of air freight, cutting transport-related CO_2 emissions by up to 98%. It also extends shelf life, reduces food waste, and supports global distribution through planned IceFresh hubs in key markets.

Hofseth is advancing sustainability through its feed program, ensuring that no ingredients come from endangered fish stocks and that all plant-based ingredients are sourced from deforestation and conversion free areas. The program will also implement regenerative farming practices for some plant-based ingredients to reduce the carbon footprint while protecting soil health and the surrounding environment. The company is also introducing novel and circular ingredients to promote responsible resource use. New technologies in both closed systems and sea farming reduce the feed conversion ratio, meaning less feed is required per kilogram of fish produced, which lowers the overall carbon footprint of aquaculture.

To address packaging-related emissions and pollution, Hofseth has significantly reduced its use of expanded polystyrene (EPS), a material known for its high greenhouse gas footprint and tendency to break into polluting debris. Today, 76% of Hofseth's fish is distributed frozen using cardboard packaging, and all fresh fish delivered within Europe uses cardboard. For upstream deliveries where EPS is still received from raw material suppliers, Hofseth ensures that 100% of it is collected and recycled.

Hofseth holds certifications from ASC, GLOBALG.A.P., and MSC, ensuring high standards in traceability, food safety, and responsible farming. Hofseth aims to produce salmon with one of the lowest carbon footprints in the industry; long-term sustainability targets include a 42% reduction in Scope 1 and Scope 2 emissions by 2030, eliminating fish escapes, maximizing resource utilization, and reaching full packaging recyclability within the next few years.

Hofseth has developed a Green Finance Framework ("Framework") with the aim to raise Green Finance Instruments ("GFIs") to finance or refinance new and existing projects as part of its sustainable business strategies and commitment to environmental well-being, as described in the Framework. The Framework is in alignment with the stated Standards and Principles (collectively the "Principles & Standards"):

- International Capital Market Association ("ICMA") Green Bond Principles 2025 ("GBP")
- Asia Pacific Loan Market Association ("APLMA")/Loan Market Association ("LMA")/Loan Syndications and Trading Association ("LSTA")/ Green Loan Principles 2025 ("GLP")

DNV Business Assurance Norway AS ("DNV") has been commissioned by the Hofseth to review its Framework and provide a Second Party Opinion on the Framework, based on the Principles & Standards.

Our methodology to achieve this is described in 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

Responsibilities of the Management of Hofseth and DNV

The management of Hofseth has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Hofseth management and other interested stakeholders in the Green Finance Instrument as to whether the GFI is aligned with the GBP and GLP. In our work we have relied on the information and the facts presented to us by Hofseth. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Hofseth's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the Hofseth-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. **Use of Proceeds**
   The Use of Proceeds criteria are guided by the requirement that an issuer of a bond/borrower of a loan must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear environmental benefits.

2. **Process for Project Evaluation and Selection**
   The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond/borrower of a loan should outline the process it follows when determining eligibility of an investment using GFI proceeds and outline any impact objectives it will consider.

3. **Management of Proceeds**
   The Management of Proceeds criteria are guided by the requirements that a bond/loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. **Reporting**
   The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Hofseth in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the bond/loan, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by Hofseth on the bond/loan and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by Hofseth and Hofseth's website;
- Discussions with Hofseth's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings on the alignment with Principles & Standards are listed below:

1. **Use of Proceeds**
   Hofseth's Green Finance Framework outlines that net proceeds will finance or refinance Eligible Green Projects as defined by the following eligible project categories:

   - Environmentally Sustainable Management of Living Natural Resources - *Environmentally Sustainable Fishery and Aquaculture*
   - Renewable Energy and Electrification
   - Clean Transportation
   - Circular Economy – *Waste Management*

   The environmental benefits, focused on biodiversity, natural resource conservation, and climate change mitigation, of the Eligible Green Project Categories are clear and measurable. Proceeds from Green Finance Instruments issued under this Framework may support Capex for new projects and refinance existing ones (without a specific look-back period), while Opex is eligible with a maximum three-year look-back. Acquisitions are also eligible if at least 90% of revenues or assets qualify as Green Projects, adjusted for Hofseth's ownership share. Hofseth has decided not to apply exclusions listed in their Framework for the remaining 10%, though DNV notes, given Hofseth's business activities, that it is unlikely they would acquire organizations in high-risk industries.

   DNV undertook an analysis of the associated project type to determine the eligibility as Green and in line with the Principles & Standards. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles & Standards.

2. **Process for Project Evaluation and Selection**

   Hofseth has established an internal Green Finance Committee, composed of executive management, to evaluate and select Green Projects under its Green Finance Framework. This process ensures alignment with Hofseth's environmental goals - such as reducing CO_2e intensity, eliminating air freight, and protecting biodiversity, and includes thorough documentation, risk assessment, and traceability. The company's ESG policies and supplier standards further reinforce its commitment to ethical practices, environmental protection, and social responsibility.

   Embedded within Hofseth's corporate strategy, the Green Finance Framework supports key pillars like low environmental impact, technological innovation, circular economy, and local engagement. Hofseth proactively manages environmental and social risks through initiatives such as closed farming systems, recyclable packaging, and strict supplier compliance. DNV confirms that Hofseth's governance, project selection, and ESG strategies are well aligned with the Principles.

   DNV concludes that Hofseth's Framework appropriately describes the process for Project Evaluation and Selection.

3. **Management of Proceeds**

   Hofseth has implemented a transparent and well-governed process for managing net proceeds from its Green Finance Instruments as confirmed by DNV. The company identifies proceeds exclusively for financing or refinancing eligible Green Projects, with its Green Finance Committee responsible for maintaining a register and tracking allocations. If a project no longer meets the criteria, it will be replaced promptly with a qualifying alternative.

   Unallocated proceeds are held in cash or short-term money market instruments, managed under Hofseth's liquidity policy, which adheres to the exclusions outlined in the Use of Proceeds section.

Hofseth also ensures that the total value of eligible Green Projects always exceeds the outstanding nominal amount of GFIs. DNV confirms these practices are well aligned with the Principles.

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds.

4. Reporting

Hofseth commits to publishing an annual Green Finance Report as long as proceeds from issued GFIs remain outstanding, along with timely updates on material changes. The report includes an Allocation Report detailing investments, project categories, financing breakdowns, and descriptions of major projects, and an Impact Report summarizing environmental outcomes aligned with the ICMA Harmonized Framework for Impact Reporting. DNV confirms the metrics used are transparent and consistent with the Framework’s goals.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Green Finance Framework is not, in all material respects, in accordance with the pre-issuance requirements of the associated eligible Green Project Categories, and the Principles.

For DNV Business Assurance Norway AS

Oslo, Norway / 9th September 2025

George Oakman

Quality Reviewer

Amy Stinchcombe

Lead Verifier

Schedule 1. Description of Hofseth’s Eligible Green Project Categories and Environmental Benefits

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Environmentally Sustainable Management of Living Natural Resources - *Environmentally Sustainable Fishery and Aquaculture* ***UN SGD contribution:*** 	**Sustainable smolt, post-smolt, fish farms and processing facilities** • Fish farm facilities that are, or preparing to be certified (within 12 months), by the Aquaculture Stewardship Council (ASC) or GlobalGAP • Processing facilities that are, or preparing to be certified (within 12 months), using Chain of Custody (CoC) standard for ASC products • Closed or submersed offshore farming systems	Aquaculture companies certified by both the Aquaculture Stewardship Council (ASC) and GLOBALG.A.P. demonstrate a strong commitment to environmental sustainability through internationally recognized standards. These certifications require responsible practices such as pollution reduction, waste management, habitat protection, and sustainable feed and water use. Both also typically mandate **Environmental Impact Assessments** (EIAs) to identify and mitigate risks before operations begin or expand[1]. GLOBALG.A.P. further emphasizes continuous environmental performance improvement[2]. Together, these certifications ensure that aquaculture operations are environmentally responsible, traceable and transparent – supporting the long-term viability of sustainable seafood production. Adopting closed or submersed offshore farming systems offers significant environmental benefits for aquaculture companies. These systems help reduce the impact on coastal ecosystems by sheltering operations from sensitive inshore areas, thereby minimizing nutrient pollution, seabed disturbance, and interactions with wild species. Their enclosed or deep-water designs also improve containment, reducing the risk of fish escapes, disease transmission and sea lice prevention. Additionally, these systems often support better waste management and allow for more controlled farming conditions, which can enhance fish welfare and operational efficiency. Overall, they represent a more sustainable approach to scaling aquaculture, increasing production efficiency and reducing the environmental impact[3]. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**

[1] ASC Farm Standard

[2] GLOBALG.A.P. Impact areas | Environment

[3] DNV Marine Aquaculture Forecast to 2050

	Environmental management and fish welfare • Efforts to improve fish welfare, including but not limited to welfare monitoring, sea lice management and with a 0% antibiotic use policy in our farming operations. • Efforts to restore and enhance ecosystems, such as technology for escape prevention • Digitalization of farming operations, including but not limited to, advanced sensors and automation	The aquaculture industry continues to face significant challenges related to environmental management and fish welfare, which are critical to its long-term sustainability and public trust. In particular, issues such as disease outbreaks, sea lice infestations, and the use of antibiotics have raised concerns about both ecological impact and animal welfare[3]. The industry's reliance on antibiotics not only affects fish health but also contributes to antimicrobial resistance and environmental contamination. Therefore, having a 0% antibiotic use policy, supported by robust welfare monitoring and effective sea lice management, represents a meaningful shift toward more responsible farming practices. Moreover, the risk of farmed fish escaping into the wild poses a threat to local ecosystems, potentially disrupting native species and spreading disease. Investments in escape prevention technologies are essential to mitigate these risks and support ecosystem restoration and resilience. In parallel, the digitalization of farming operations – through the use of advanced sensors, automation, and data-driven decision-making – offers substantial environmental benefits. These technologies enable more precise control over farming conditions, reduce resource waste, and enhance early detection of environmental and welfare issues. Collectively, these efforts reflect a forward-looking approach to aquaculture that prioritizes ecological integrity, animal welfare, and operational efficiency. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**
	Sustainable feed • Procurement of marine feed ingredients complying with accepted sustainability certification or fishery improvement project schemes	The sustainability of feed ingredients remains one of the most critical and complex challenges in the aquaculture industry - 90% of the environmental impact from fed aquaculture production has been traced to the fish feed[4]. Traditional feed sources, particularly marine ingredients such as fishmeal and fish oil, often rely on wild-capture fisheries that may be poorly managed or overexploited, contributing to marine ecosystem degradation. Similarly, plant-based ingredients like soy can be associated with deforestation, biodiversity loss, and social concerns if not responsibly sourced. In this context, the

[4] Naylor et al. A 20-year retrospective review of global aquaculture. Nature 591, 551–563 (2021). https://doi.org/10.1038/s41586-021-03308-6

	• Procurement of soy ingredients certified according to Proterra or Round Table on Responsible Soy (segregated) • Procurement or development of novel fish feed ingredients with a smaller footprint, or improve fish health and welfare	procurement of marine feed ingredients that comply with recognized sustainability certifications or fishery improvement project schemes is a vital step toward reducing pressure on wild fish stocks and promoting responsible fisheries management. Equally important is the sourcing of soy ingredients certified under schemes such as ProTerra[5] or the Round Table on Responsible Soy (RTRS)[6], to ensure traceability and compliance. These certifications help mitigate the environmental and social impacts of soy production, including land use change and greenhouse gas emissions. Furthermore, the development and adoption of novel feed ingredients – such as insect protein and algae-based oils – offer promising alternatives with a significantly lower environmental footprint. These innovations not only reduce reliance on conventional feed sources but can also enhance fish health and welfare, contributing to more resilient and sustainable aquaculture systems. Collectively, these feed strategies represent a forward-thinking approach to environmental stewardship in aquaculture, aligning production practices with global sustainability goals. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**
	Research & development • R&D expenses aimed at improving the environmental performance of feed, fish farms or processing of fish, including reduced carbon footprint, fish welfare and/or fish farming practices	**The DNV Marine Aquaculture Forecast supports the view that future seafood demand can only be met sustainably through a wave of technological innovation in marine aquaculture** – predicting that marine aquaculture production expected to more than double from 2021 values by 2050[3]. Achieving the projected growth in production will require innovation across multiple areas, including technologies that intensify output while addressing key concerns such as fish health, pressure on inshore marine environments, and broader environmental impacts. Thus, targeted R&D is essential to ensure this growth is environmentally sustainable. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**

[5] The ProTerra Standard - ProTerra Foundation

[6] Round Table on Resonsible Soy - About RTRS

Renewable Energy and Electrification ***UN SGD contribution:***	• On-site solar power production to power fish farming sites • Electrical cables connecting fish farming sites to the Norwegian onshore power grid	Using on-site solar power or connecting fish farming sites to the hydropower-supplied onshore grid offers environmental benefits for aquaculture projects. These renewable energy sources reduce reliance on fossil fuels, cutting greenhouse gas emissions and contributing to climate change mitigation. They also minimize marine pollution risks associated with fuel transport and storage, and reduce noise pollution, which can positively impact fish welfare and surrounding ecosystems. By switching to grid electricity, Hofseth can reduce their greenhouse gas emissions and improve operational efficiency. Norway's grid is among the cleanest in the world, so electrification not only supports national climate goals but also enhances the environmental profile of seafood production. By integrating clean energy and electrification into operations, Hofseth can enhance sustainability, improve energy efficiency and contribute towards UN SDG 13: Climate Action. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**
Clean Transportation ***UN SGD contribution:***	• Low-carbon emission vessels such as fully electric, hydrogen, hybrid vessels and related infrastructure, including upgrades of existing vessels with battery packs	Integrating low-carbon emission vessels, such as fully electric, hydrogen-powered, and hybrid vessels, into aquaculture operations offers substantial environmental benefits. These technologies significantly reduce greenhouse gas emissions and air pollutants compared to traditional diesel-powered vessels, helping to lower the overall carbon footprint of farming activities. Upgrading existing vessels with battery packs and supporting infrastructure further enhances energy efficiency and reduces reliance on fossil fuels. For Hofseth, adopting these solutions contributes to cleaner marine environments, climate change mitigation and contributes to UN Sustainable Development Goal 13: Climate Action. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**

Circular Economy *– Waste Management* ***UN SGD contribution:***	• Circular economy solutions for packaging, use recyclable packaging, reduce use of plastic (including EPS) and replace virgin plastic with recycled plastic • Increase reuse of used fish farming equipment, improve sorting of materials at our sites and reduce overall waste • Utilizing sludge or fish cut-offs, e.g. in the production of biofuels and/or soil improvement agents	Implementing circular economy solutions in aquaculture operations provides clear environmental benefits by reducing waste, conserving resources, and lowering carbon emissions. Using recyclable packaging, minimizing plastic use – including expanded polystyrene (EPS)—and replacing virgin plastic with recycled alternatives helps reduce pollution and the environmental footprint of packaging materials. Increasing the reuse of fish farming equipment and improving material sorting at sites further supports waste reduction and resource efficiency. Additionally, repurposing sludge and fish cut-offs for biofuel production or soil enhancement transforms waste into valuable outputs, contributing to a more sustainable and regenerative aquaculture system. These practices help aquaculture companies operate more responsibly and contribute to UN Sustainable Development Goal 12: Responsible Consumption and Production. **DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Principles & Standards.**

Exclusion Criteria

Hofseth's financing proceeds shall not be utilized towards the following activities:

- Fossil energy projects
- Potentially environmentally negative resource extraction
- Weapons
- Pornography
- Gambling
- Tobacco

Schedule 2. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond/Loan	The Bond/Loan must fall into one of the following categories, as defined by the Principles & Standards: • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond • Loan instrument made available for Green Projects (Green use of loan proceeds)	The Framework states that net proceeds from GFIs issued under this Framework will be used to finance Eligible Green Projects, as defined by the categories and criteria outlined in the Framework. Bonds/Loans issued under Hofseth's Green Finance Framework should reference this Framework in its transaction documentation. While the Framework may be updated over time, any revisions will not affect GFIs already issued under the current version. GFIs can finance eligible projects which are outlined in the Framework and in Schedule 1 of this opinion. Acquisitions are also eligible if at least 90% of the revenues or assets qualify as Green Projects. The impact reporting of any acquisition will be adjusted for Hofseth's ownership share. Hofseth has decided not to apply exclusions listed in their Framework for the remaining 10%, though DNV notes, given Hofseth's business activities, that it is unlikely they would acquire organizations in high-risk industries. The reviewed evidence confirms that the Green Financing Instruments meet the criteria under the Principles, and DNV confirms this process to be well aligned with the Principles.
1b	Green Project Categories	The cornerstones of Green Bonds and Loans are the utilization of the proceeds of the bonds or loans which should be appropriately described in the legal documentation for the security.	Eligible project categories presented by Hofseth are as follows: • Environmentally Sustainable Management of Living Natural Resources - *Environmentally Sustainable Fishery and Aquaculture* • Renewable Energy and Electrification • Clean Transportation • Circular Economy – *Waste Management* The above-mentioned project categories meet the Eligible Green Project Categories in the Principles. DNV confirms this to be well aligned with the Principles.
1c	Environmental Benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where	The Framework identifies the following environmental objectives of the Eligible Green projects: • Biodiversity • Natural resource conservation

		feasible, will be quantified or assessed by the Issuer.	• Climate change mitigation The Green Project Categories outlined in the Framework contribute meaningfully to biodiversity, natural resource conservation, and climate change mitigation. Certified sustainable farming and processing practices help protect marine ecosystems and ensure responsible resource use. Closed and offshore systems reduce pressure on coastal habitats, while fish welfare measures and escape prevention technologies safeguard wild populations. Sustainable feed sourcing and innovation lower dependency on overexploited marine and agricultural inputs. Renewable energy use, low-emission vessels, and circular economy solutions reduce carbon emissions and waste, supporting a more climate-resilient and resource-efficient aquaculture industry. The environmental benefits of each of the Eligible Green Project Categories are further outlined in Schedule 1 of this Opinion. DNV's assessment concludes that environmental benefits are clear, precise, relevant, measurable and will be quantified for the eligible categories in the reporting.
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	The Framework states that net proceeds from GFIs may be used to finance capital expenditures (Capex) for new Green Projects, including those initiated after bond/loan issuance, and to refinance existing projects without a specific look-back period. Net proceeds from GFIs may also be used for operating expenditures (Opex) related to eligible Green Projects, subject to a maximum three-year look-back. Additionally, proceeds can support acquisitions or investments in entities where at least 90% of revenues or assets qualify as Green Projects, adjusted for Hofseth's ownership share. The proposed management of net proceeds from the Green Finance Instruments is confirmed by DNV to reasonably be expected to meet the criteria under the Principles.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-Decision Process	The Issuer of a Green Bond/Borrower of a Green Loan should outline the decision-making process it follows to determine the eligibility of projects using GFIs proceeds. This includes, without limitation: • The environmental objectives of the eligible Green Projects; • The process by which the issuer determines how the projects fit within the eligible Green Projects categories; and; • Complementary information on processes by which the issuer identifies and manages perceived environmental and risks associated with the relevant project(s).	Hofseth has established an internal Green Finance Committee to evaluate and select the projects financed under the Framework. This Green Finance Committee consists of relevant members of the executive management team. Hofseth articulates its environmental objectives across multiple policy documents. These objectives are embedded in its Climate and Energy Policy, Sustainable Feed Policy, Biodiversity Policy, and Circular Economy Policy. Key environmental goals include: • **Reducing CO_2e intensity per kg of fish by 42% by 2030** (Climate and Energy Policy). • **Eliminating air freight and promoting sea transport** to reduce emissions. • **Ensuring 100% of feed ingredients are deforestation- and conversion-free**, verified through certifications such as ProTerra. • **Maximizing resource efficiency** through precision feeding, closed systems, and full utilization of fish by-products. • **Protecting biodiversity** through ASC certification, sea lice management, and avoidance of cleaner fish. • **Zero waste approach** in processing and packaging, with targets for recycling and reuse. Hofseth's Green Finance Committee is responsible for evaluating and selecting Green Projects. The process includes: • Reviewing each investment against environmental sustainability criteria, alongside other risks and benefits. • Assessing short- and long-term environmental benefits, alignment with Hofseth's business strategy, and potential to enhance its sustainability profile. • Evaluating risks of not achieving expected environmental outcomes, including social and human rights risks. • Documenting all decisions and maintaining a register of Green Projects, ensuring traceability and accountability. This process aligns with Principles expectations for transparency and governance in project selection.

			Hofseth demonstrates a comprehensive approach to risk management through its ESG policies and supplier standards: • Social Compliance Policy outlines strict requirements for suppliers, including prohibitions on child labor, forced labor, discrimination, and unsafe working conditions. • Code of Conduct promote ethical behavior, whistleblower protection, and transparency. • Health and Safety Policy sets targets for zero lost-time injuries and 100% compliance with training and safety protocols. • Environmental Welfare and Biodiversity Policies include KPIs for sea lice levels, fish escapes, and ASC certification. • Procurement Policy mandates ESG screening for suppliers with significant spend or from high-risk regions. These measures ensure that environmental and social risks are proactively identified, mitigated, and monitored throughout the lifecycle of Green Projects. DNV confirms this process for project selection and evaluation to be well aligned with the Principles.
2b	Issuer's Environmental and Governance Framework	Issuers are also encouraged to: • Position the relevant information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability. • Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria • Have a process in place to identify mitigants to known material risks of negative environmental and/or impacts from the relevant project(s).	Hofseth's Green Finance Framework is embedded within its corporate strategy and ESG governance structure. The company's mission "Healthy seafood for the world without compromising people, planet or fish welfare" is reflected across its operations and sustainability reporting. Key strategic pillars include: • Low Environmental Impact: Hofseth targets a 42% reduction in Scope 1 and Scope 2 emissions by 2030, with net zero by 2050. • Technological Innovation: Investments in closed farming systems, IceFresh hubs, and AI-driven feed optimization. • Circular Economy: Full utilization of fish offcuts, recycling of EPS packaging, and waste-to-energy initiatives. • Local Engagement: Apprenticeship programs, fjord clean-ups, and community partnerships. Hofseth has implemented a multi-layered approach to risk identification and mitigation:

			Environmental Risks • Climate Change: Hofseth maps its full value chain to identify high-emission areas (e.g., feed, air freight) and implements mitigation strategies such as regenerative agriculture and sea freight conversion. • Sea Lice and Biodiversity: Use of closed systems, Thermolicer treatments, and MOM-B/C testing to minimize ecological impact. • Plastic Pollution: Transition to recyclable packaging and elimination of plastic bird net ropes. **Social Risks** • Human and Labor Rights: Supplier Code of Conduct prohibits child labor, forced labor, and discrimination; compliance is monitored through ESG screening and audits. • Occupational Health and Safety: EQS and Huma systems manage safety documentation; LTIs are tracked and addressed through training and risk assessments. DNV confirms that Hofseth’s environmental, social and governance strategies and grouping of projects with eligibility criteria, are well aligned with the Principles.

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking Procedure	• The net proceeds of GFIs should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green Projects.	DNV can confirm that Hofseth has a transparent process in place to manage the net proceeds from its Green Finance Instruments. Hofseth has communicated that they will earmark the amount equal to the net proceeds from issued GFIs for financing and refinancing of Green Projects. The company has committed that it is the responsibility of Green Finance Committee to keep a register of all Green Projects and track the allocation of net proceeds from issued GFIs towards such Green Projects. Should a project cease to meet the criteria outlined in the Framework, Hofseth will replace it with another qualifying project as soon as practically possible. DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Principles.
3b	Tracking Procedure	So long as the Green Bonds/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or disbursements made during that period.	Hofseth has confirmed that the Green Projects portfolio will be monitored to ensure the total value of the portfolio of eligible Green Projects at all times exceeds the total nominal amount of GFIs outstanding. DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Principles.
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Hofseth has confirmed that proceeds awaiting allocation to Green Projects will be held as cash and short-term money market instruments and managed in accordance with Hofseth's liquidity policy. DNV has been presented with the liquidity policy and Hofseth has communicated that the exclusions listed in the Use of Proceeds will also apply to the liquidity placed in short-term money market instruments. DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Principles.

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical Reporting	• Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments. • The annual report should include a list of the projects to which GFIs proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. • Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).	Hofseth has committed to annually publish a Green Finance Report for as long as there are outstanding proceeds from the issued GFIs. Additionally, the company will publish timely updated in case of any material changes or significant developments. The Green Finance Report will consist of an Allocation report and an Impact report. The Allocation Reporting will include the following information: • The nominal amount of GFIs outstanding. • Amounts invested in each of the Green Project categories defined in this Green Finance Framework. • The share of financing new Green Projects vs. refinancing of existing. • List of Green Projects (per project or category) that have been funded by GFIS, and, if applicable, assets being pledged as security for any Secured Green Bonds. • The share of Capex versus Opex funded by GFIs. • A brief description of selected relevant, major Green Projects that have been, or is intended to be, funded by GFIs. • The amount of net proceeds awaiting allocation to Green Projects (if any). The Impact Report will outline the environmental impact of the Green Projects financed under the Framework. Hofseth will prepare the report on a best-effort basis, aligning it with the ICMA "Handbook – Harmonized Framework for Impact Reporting" (June 2022). Environmental impact will be aggregated by project category. For projects still under construction, the calculations may rely on preliminary estimates. DNV is of opinion that the metrics used to assess project impacts are well defined and aligned with the Framework's overall objectives, ensuring transparency and accountability for investors. DNV confirms that the proposed reporting is consistent with the criteria set out in the Principles.

About DNV
A **trusted voice** in tackling global transformations