HOFSETH

2025 Transparency Act Report

Executive Summary

Hofseth International is an integrated Norwegian seafood company with operations spanning aquaculture, fish processing, and global sales and distribution. In 2025, the group had revenues of approximately NOK 5.7 billion and employed 616 individuals worldwide. This is our fourth report under the Norwegian Transparency Act. Each year we aimed for this report to be more specific, more robust, and more useful in the spirit of the legislation and in line with our values as a sustainable seafood producer concerned with both people and planet.

Our overall assessment is that Hofseth operates in industries with inherently elevated safety and workforce risks — risks that Norway's strong regulatory framework helps manage but does not eliminate. The right response to that reality is rigorous, honest due diligence: looking carefully, reporting what we find, and improving continuously. That is what this report is designed to demonstrate.

This year's assessment identified one adverse impact in our own operations: concerns relating to the contractual arrangements governing agency workers at our processing facilities. These issues were identified through independent SMETA audits conducted at our processing sites. We have revised the relevant contracts and have put in place ongoing monitoring procedures to ensure the problems do not recur. Further details are in the Human Rights in Our Workplace section of this report. We are also continuing to invest in other health and safety enhancements at our sites as part of our commitment to continued improvement and risk mitigation.

In our supply chain review, we found one adverse impact: a serious contractor injury that occurred while servicing one of our sites in 2025 that is detailed in this report.
Our risk assessment identified three areas of greatest potential risk: the sub-supplier networks that contribute to our fish feed supply; the physical safety risks inherent to aquaculture; and risks in our transport and distribution network.

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Information & Introduction

Hofseth International operates as an integrated seafood company with key operations spanning aquaculture, salmon and trout processing, and global sales and distribution. The consolidated group comprises the key entities and operational areas on this page.

In 2025, Hofseth International had a total operating revenue of approximately NOK 5.7 billion (NOK 5,744 million). Hofseth International AS employed 55 individuals, and the Hofseth International Group employed a total of 616 individuals worldwide.

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, and provides centralized management services to subsidiaries including administration, HR/HSE, finance/accounting, IT and project management.

Hofseth Aqua AS (Aquaculture): This subsidiary is responsible for the company's farming activities, encompassing the cultivation of salmon, trout, and organic salmon across five sites in Storfjorden. The farming structure is held under Hiyr AS as an intermediate holding company, which in turn owns Hofseth Sea Farming AS, Hofseth Aqua AS, Hofseth Aqua Property AS, and Hofseth Innovation AS.

Hofseth Development AS & Nekst AS (Sustainable Farming Innovation): Hofseth Development AS holds development licenses for the closed containment technology known as "Egget" (the Egg), and was fully acquired by Hofseth International in May 2025. Nekst AS (77.4% owned) holds licenses to develop submerged farming technology. Both are central to the group's long-term sustainable farming strategy.

World Heritage Salmon AS & Raud Invest AS (Land-Based Farming): Hofseth International acquired a 95% stake in World Heritage Salmon AS and 100% of Raud Invest AS in December 2025. These entities form part of the group's expanding land-based aquaculture platform and the company will, in 2026, begin to include due diligence on these supply chains into our workstream for reporting in 2027.

Hofseth Logistics AS: Based in Ålesund, Norway, this wholly owned subsidiary handles local transportation of fish, supporting the logistical needs of the processing and distribution operations.

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 Aalesund AS; Seafood Farmers of Norway AS; and Hofseth Processing AS (a slaughtering facility).

Sales and Distribution Operations: Hofseth International manages its global sales and distribution through a combination of owned entities and strategic partnerships: Hofseth International Inc. (Chicago, USA): a wholly-owned sales company responsible for the North American market, which itself owns Hofseth LLC (Nashville, USA). Hofseth Europe GmbH (Germany): a related-party sales partner facilitating distribution and sales within Europe. Hofseth Asia Pte. Ltd. (Singapore): a majority-owned entity (59.6%) with employees focusing on sales and distribution in Asian markets; Hofseth Asia Pte. Ltd. also owns Hofseth Shanghai (China), extending the group's commercial presence into the Chinese market.

Our Obligations Under the Norwegian Transparency Act

This marks our fourth year reporting in line with the requirements of the Norwegian Transparency Act and each year we have sought to strengthen our reporting on this important topic and our awareness of the human rights and social impacts in our own business and throughout our supply chain.

The Transparency Act requires businesses to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products, or services via the supply chain or business partners. The Transparency Act requires businesses to implement suitable measures to cease, prevent, or mitigate adverse impact on human rights based on the enterprise's prioritizations and assessments. The Act also requires that companies document for public consumption the due diligence and assessment process it undertakes in support of these assessments.

This report will build on previous efforts and outline:

- Our company's commitment to the fundamental principles of human rights.
- How this commitment is embedded in our own operations.
- How we ensure this commitment applies throughout our supply chain, including our evolving due diligence process.

We have used principles from recognized international organizations, namely the OECD Guidelines for responsible procurement, to scope this assessment. These guidelines outline the following steps:

- Embed responsible business conduct into policies and management systems;
- Identify and assess adverse impacts in operations, supply chains, and business relations;
- Cease, prevent, or mitigate adverse impacts;
- Track implementation and results;
- Communicate how impacts are addressed
- Provide for or cooperate in remediation when appropriate.

Scope & Definitions

Human rights is an umbrella term spanning many different areas that affect working life. These rights are enumerated in the Universal Declaration of Human Rights, the UN Global Compact, The ILO Declaration on Fundamental Principles and Rights at Work, The United Nations Convention on the Rights of the Child, The United Nations Convention on the Elimination of Discrimination against Women, The United Nations Declaration on the Rights of Indigenous Peoples, and the International Covenant on Economic, Social and Cultural Rights, among other national and international standards.

For the purposes of this assessment, we have focused on labor rights as outlined in the ILO's Declaration on Fundamental Principles and Rights at Work, which was adopted in 1998 and amended in 2022. These rights include:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labor;
- the effective abolition of child labor;
- the elimination of discrimination in respect of employment and occupation; and
- a safe and healthy working environment.

The UN guidelines mentioned above, as well as a myriad other reports from international experts, highlight the critical ways that environmental sustainability, the protection of sustainable, safe, and equitable food systems, the reduction of pollution and greenhouse gas emissions, and the protection of biodiversity, water, and marine resources impact global human rights.

While we respect the link between environmental protections and human rights, we have not included environmental aspects in this report, as these issues will be covered holistically in our annual Environmental, Social, and Governance report later this year. For more information on Hofseth's sustainability initiatives and assessments, please visit Hofseth — ESG Reporting.

Human Rights in Our Operations

Understanding Inherent Risks in Our Industry

Norwegian aquaculture is internationally recognized as among the most responsible and sustainable forms of animal protein production in the world. The Norwegian Seafood Council notes that Norway is the world leader in responsibly farmed salmon, producing more than half of the global supply,[1] and Norwegian salmon producers consistently rank at the top of the Coller FAIRR Index — the world's only comprehensive assessment of animal protein producers on environmental, social, and governance criteria.[2] Norwegian aquaculture is characterized by strict regulatory oversight, mandatory licensing, and strong worker protections.

Yet even within this framework, occupational safety remains a serious and persistent challenge. SINTEF Ocean, one of Norway's foremost applied research institutions, describes the sector as "a high-risk industry when it comes to occupational accidents," with aquaculture workers having the second highest accident frequency of any occupational group in Norway, exceeded only by commercial fishers.[3] The nature of the work — carried out at sea, often in challenging weather conditions, involving heavy equipment, live animals, and complex operations — creates hazards that responsible management can reduce but cannot eliminate.

Norway's on-shore seafood processing industry operates within the same strong regulatory framework. The Working Environment Act, the associated Regulations on the Performance of Work and on Fire Prevention, and Norway's collective bargaining structures all apply in full to processing facilities. Within that framework, however, processing work carries its own inherent risk profile. The work is physically demanding — repetitive tasks performed in cold and wet conditions, involving sharp tools, heavy machinery, and the movement of loads at height. These are hazards that engineering controls, training and management systems can reduce but, like the risks in aquaculture, cannot eliminate entirely.

This combination — global recognition for responsible practices alongside inherently elevated risk in both the marine and processing environments — reflects the full picture that Hofseth and our industry partners must manage. It is the context within which the workplace findings and approach described in this report should be understood, and it underscores why continued investment in safety culture, work practice oversight and training, and risk management remains a priority across our operations.

At all Hofseth locations combined in 2025, we had 18 total accidents, 4 of which required a day or more out of the office and 14 of which required less than a day off the time. Most accidents were minor and two were considered moderate and required first aid.

We have also identified that more effort and attention should be directed to ensuring all staff are reporting minor incidents or near misses that do not take them off the line. Given that we want all employees to be safe and for all of us to collectively learn from minor incidents or near misses, we will be making a dedicated effort to expand our dialogue with all employees around safety culture in the coming year. A key element of that is a new position to coordinate Health and Safety efforts at Hofseth Processing that we are in the midst of filling.

Sources:

[1] Norwegian Seafood Council. *Norwegian Aquaculture Continues to Top the Charts of the Most Sustainable Animal Protein Production.* December 2022.

[2] FAIRR Initiative. *Coller FAIRR Protein Producer Index.* 2024.

[3] SINTEF Ocean. *HSE in the New Aquaculture.* 2024. Reported in: *Health and Safety in Aquaculture "Must Be Given Higher Priority," Says Norwegian Study.* We Are Aquaculture, December 2024.

Processing

Beyond acknowledging the inherent industry risks noted in the previous section, we have also looked at our own operations to see where the risks to our workforce lie. To do so, we leveraged the results of a commissioned independent Four Pilar SMETA (Sedex Members Ethical Trade Audit) audit at our processing sites during 2025. The SMETA methodology is one of the most widely used social-audit standards in international trade and assesses sites against the ETI Base Code, covering freedom of association, working conditions, child and forced labor, wages, working hours, discrimination, regular employment, sub-contracting, harsh or inhumane treatment, health and safety, and environment and business ethics. The SMETA framework integrates the relevant ILO conventions and local-law requirements, and places particular emphasis on responsible recruitment, the position of agency-supplied workers, and the management of occupational health and safety.

The 2025 audits identified an area we are characterizing as an adverse impact and some key areas for improvement that we have, and will continue to, focus on to ensure that we are making our workplaces as safe as possible within the industry risk profile.

Actual Adverse Impact

Agency Worker Contracts. In 2025, we identified concerns relating to the contractual and arrangements under which agency workers were engaged at some of our processing facilities through a hiring agency based in Lithuania. We classify this as an adverse impact on decent working conditions, with elements engaging the protection of wages standard (ILO 95), the non-discrimination principle (ILO 111), and the equal treatment requirement for hired-in workers under arbeidsmiljøloven § 14-12a. The concerns identified were:

- Wage deductions for travel, accommodation, and fuel were not predefined in contracts before employment, contrary to ILO Convention 95 and to the related collective agreement. Meal costs charged to agency workers were higher than those charged to directly employed workers and did not reflect the fixed cost stipulated in the collective agreement. Recruitment-related travel costs (arrival and return) were borne by workers rather than the employer, contrary to the ILO principle.

- A supplementary agreement imposed a confidentiality clause carrying a large penalty for breach and compensation for financial loss, potentially risking suppression of willingness to raise concerns. This fine was never enforced and has been removed.

In response, we have revised the contractual arrangements with the agency to address each of these concerns. The updated contracts require the agency to bear all recruitment-related costs as defined by the ILO, including first and last travel; require any wage deductions to be predefined in the worker contract before employment and limited to actual cost; remove the confidentiality clause and prohibit the use of similar provisions in any agreement covering workers at our facility; and align meal costs for agency workers with the correct rate. Employees have received new contract addendums notating the deductions transparently. We also posted signage and improved training informing employees of their right to raise concerns safely.

Going forward, we have implemented new standing due diligence procedures to ensure that agency worker benefits and contracts consistently align with ILO and collective agreements. We now conduct quarterly worker interviews with agency workers at our facilities; carry out periodic reviews of agency invoicing and worker pay slips to verify ongoing compliance; and review and update our instructions to the agency whenever our own pay and benefit practices change. These measures will be maintained and reviewed at least annually as part of our due diligence cycle. Training and communications about ways to raise concerns free of retaliation have been implemented and will continue. We will be audited again at the end of the year and will communicate the results in next year’s report.

Risk of Adverse Impacts: Processing

Occupational health and safety. Since our last report and in line with our audit findings, we have made upgrades to address some gaps in our fire and environmental risk assessments; added emergency-escape signage; added new and improved backup batteries for electric roller shutter doors; improved access to our emergency shower and eyewash arrangements; upgraded shielding around welding operations; and completed additional chemical storage, machinery, and first-aid access improvements. These changes corresponded with building on the routines and processes we had in place for review of health and safety equipment and first aid kit availability and upkeep; documenting our testing of emergency stop devices in a centralized way; and ensuring that regular fire drills hit all shifts. We are continuing to assess new ways that we can physically and tangibly enhance safety and ways that we can improve training and safety culture more generally as part of our commitment to continuous improvement. For example, we are in the process adding a new health and safety coordinator position and are enhancing physical barriers near our second-floor loading areas at two sites so that we have back-up protections for our workers in place.

Policy and training updates. Since our last report, and in line with our audit findings, we have also made upgrades to our policies and training regarding workplace rights and responsibilities to improve clarity for our workforce. While our policies have always forbidden forced and child labor, inhumane treatment, and harassment of any kind, we have improved our training to help workers a) understand their rights and responsibilities; b) identify the signs of forced labor; c) understand the processes for raising concerns without fear of retaliation. We also implemented more detailed training for managers and HR professionals on identifying the signs of forced and child labor and how to intervene safety through our reporting chain. We have provided training and communication material on these issues in multiple languages.

While we always followed Norwegian law regarding whistleblowing procedures and a non-retaliation approach, we have strengthened our policy language on this and clarified it to the workforce in several communication channels, including in mandatory online training.

Information accessibility. A risk specific to our processing operations is ensuring that agency-supplied workers recruited from abroad and direct hires whom are not native Norwegian speakers have meaningful access to the same information about their rights and protections. This is particularly because many of these workers do not work at desks where there is easy access to translation tools and corporate communications. We need to regularly ensure that language barriers do not limit workers' understanding of their contractual entitlements, their right to raise concerns without retaliation, and the resources available to them. We provide training and communication materials in multiple languages and have ensured that workers can submit concerns through our whistleblowing system anonymously and in their own language.
We recognize this requires ongoing attention: information that is technically available is not the same as information that is genuinely accessible, and we will continue to review whether our communications are reaching workers in a form they can understand and act on. We hope the due diligence procedures enacted and explained above will help us identify additional areas for improvement.

Farming

Hofseth's aquaculture farming operations are certified under ASC and GlobalG.A.P./GRASP standards, which include comprehensive social responsibility criteria designed to assess labor conditions and workforce protections at production sites; this process is one way that we ensure that our workplaces meet health, safety, and wellbeing standards. These audits review compliance with applicable labor laws and regulations, including verification of legal employment practices, formal contracts, wage payments, and working hour requirements. They assess safeguards against child labor, forced labor, bonded labor, and discriminatory practices, while also evaluating worker rights related to freedom of association, collective bargaining, and access to grievance mechanisms.

In addition, ASC and GlobalG.A.P./GRASP audits examine occupational health and safety systems, including employee training, protective equipment availability, workplace hazard controls, emergency preparedness, and overall worker welfare measures. Worker interviews, documentation reviews, site inspections, and corrective action tracking are used to verify implementation and identify opportunities for improvement. These frameworks also assess management systems for social responsibility, ensuring that social policies are operationalized and continuously monitored across farming activities.

Our farming sites are independently certified under these frameworks on a yearly basis, and the most recent certification cycle did not identify material concerns relating to human rights or decent working conditions. We also maintain an internal control and audit system to maintain health, safety, and training routines.

Risk of Adverse Impacts: Farming

Physical Safety Risks

The inherent physical safety risks of aquaculture work remain an area of ongoing attention, and we continue to invest in safety training, contractor coordination, and equipment standards at our farming sites. We maintain training, safety checks, and drill records in a standardized central system with built in reminders to ensure continued compliance. Continuing to look for ways to improve and enhance our health and safety routines and training remains a priority even where formal audit processes do not flag concerns. Of particular risk at our farming sites is the use of submerged and novel aquaculture technology. As Hofseth expands its use of innovative farming systems — including closed containment technology and submerged farming structures — our workforce and our contractors encounter equipment and tasks for which safety routines are still being further developed or enhanced. This is a known challenge across the Norwegian aquaculture industry as it moves toward offshore and submerged production models: the competency frameworks, operating procedures, and emergency response protocols that have been refined over decades for conventional pen farming do not map directly onto newer technology, and the pace of innovation means that workers and supervisors can find themselves in situations not fully covered by existing guidance. When technology is still evolving, the risk of an unfamiliar detail altering the safety requirements of a task is higher than in well-established operations. We are managing this through competency leads for our highest-risk equipment categories, including crane operations, who are responsible for sharing expertise across our sites as well as ongoing risk assessments, debriefings, and safety dialogue.

Broader Efforts to Ensure Safe and Healthy Work Environments

The findings and responses described above sit within a broader framework of policies, governance structures, and workplace standards that we maintain across our operations. Addressing specific adverse impacts and risks when they arise matters, but so does the underlying policies that set clear expectations, the leadership accountability that ensures those expectations are met, and the rights protections that apply to every person who works at or with Hofseth.

Hofseth's Code of Conduct includes a number of policies that underscore our commitment to human rights and is communicated to all stakeholders and employees. We have identified the Chief Human Resources Officer as responsible for overseeing broad standards concerning human rights in our company with support from the VP for Sustainability. All leaders at Hofseth, however, have a responsibility in ensuring that we are implementing these standards in their units and operating in accordance with them daily.

Training. Employees receive regular and recorded health and safety training and such training is repeated for new or reassigned employees or as specified in local laws. All employees are provided with a tailored training plan based on their specific role within the company. This includes mandatory courses and training in health, safety, and environment (HSE), as well as quality management. Each plan outlines required learning, ranging from general materials such as the Quality Handbook to more role-specific training such as certified forklift operation. All training and completed courses are documented in our Learning Management System (LMS). Employees receive an annual reminder to complete or refresh their assigned training to ensure compliance and continuous improvement.

Freedom of Association. Hofseth respects the freedom of association and the right for collective bargaining and its written policies reflect this. Hofseth has an open attitude towards the activities of both trade unions and worker organizations. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. Hofseth is attached to several collective bargaining agreements as of 2025 that establish requirements for how the parties should contribute to and ensure cooperation and participation in the workplace through information, discussions, and negotiations. There are union representatives for all collective agreements, and local special agreements have been developed to regulate wage and working conditions for the employee groups this concerns. Regular meetings are held between management and union representatives to ensure cooperation and participation.

Compulsory and Child Labor. Hofseth engages only in voluntary employment and respects the right of employees to decide to work or not. We have reaffirmed such in our written company policies. We do not use forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise, nor shall we engage in any form of human trafficking and/or slavery. Employees are free to terminate their employment with Hofseth after reasonable notice.

Hofseth, as noted in our code of conduct, does not engage in or support the use of child labor, as defined under ILO Conventions as workers under the age of 15, or 14 in certain developing countries. Hofseth supports the development of legitimate workplace apprenticeships programs for the educational benefit of younger people, but they are not given jobs that are dangerous to the health and safety: no hazardous work is carried out by anyone under the age of 18.

Equity and Respect in the Workplace. 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, hiring and firing staff, selection of vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of staff, contractors, suppliers, and customers. In recent years, we have updated policies and procedures to make it even clearer that there is no form of discrimination in the company. This applies both to recruitment and salary setting, as well as for equal pay. We have also updated our onboarding procedure to ensure quick and effective inclusion of new employees.

Hofseth is an equal opportunity employer. We will not discriminate and will take measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant based on race, color, gender, national origin, age, religion, creed, disability, veteran's status, sexual orientation, gender identity or expression.

The Group employed 616 employees in 2025. Of the Group's total workforce, 40% are women and 60% are men. Among the parent company's employees, 37% are women and 63% are men. The Group's management team consists of 8 men and our board of 2 men. We will meet our Likestillingsløven reporting obligations in our annual ESG report later this year.

Anti-Harassment. 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.

Working hours. 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. We have 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, and b) ensure food safety.

Management and HR monitor employee hours via a digital tracking system to ensure that our approach to overtime conforms to local and national regulations. 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; and we have, as of this year, begun an annual assessment to ensure our wages are in line with a living wage.

Human Rights in Our Supply Chain

Methodology for Assessing Our Supply Chain

We have taken a risk-based approach and focused our due diligence assessments on the suppliers that we have paid 4 million NOK or above for the delivery of goods and services in 2025; this expanded the pool of highest priority suppliers from our 6 million NOK threshold in 2024, roughly doubling our number of suppliers who have received due diligence to 101. The suppliers in this group represent nearly 94 percent of Hofseth International spending in 2025. We also used our procurement platform to review our suppliers at the 100,000 NOK and above level to ensure that none were in countries at a high risk for human rights abuses and intended to expand our due diligence effort to include them; there were none. We will continue to expand this pool next year.

We use a mix of supplier questionnaires and desktop due diligence—reading annual, ESG, and Transparency Act reports; press searches, and internal company feedback—and take into consideration country and risk information provided by our procurement platform when conducting our due diligence assessments. We are using a bi-yearly assessment schedule. Suppliers screened via desktop due diligence and via company survey responses in 2024 were only updated on an as needed basis based on information we received throughout the year. These suppliers, if still working with us in 2026, will receive full due diligence next year. Suppliers not screened in 2024 that fit into the spending parameters detailed above were sent a supplier questionnaire this year; these responses, as well as desktop due diligence and consideration of country and industry risk informed the assessment.

This scope has allowed us to prioritize areas in which there was the greatest likelihood of a direct link between our operations and an adverse impact, based on the volume of transactions, geographic areas of greatest concern, and areas in which we would, if needed, have the greatest leverage to influence positive change. We believe this approach is in line with the United Nations Guiding Principles on Business and Human Rights (UNGP), which emphasizes the following elements:

Prioritization: business enterprises should first seek to prevent and mitigate potential adverse human rights impacts that are most severe or where delayed response would make them irremediable. There should be a focus on scope, scale, and ability to remediate.

Attribution: the appropriate action to address human rights will vary according to whether the company causes or contributes to an adverse impact or whether it is involved solely because the impact is directly linked to its operations, products, or services by a business relationship.

Leverage: the appropriate action to address human rights will vary according to the extent of its leverage in addressing the adverse impact. Leverage is considered to exist where the enterprise has the ability to effect change in the wrongful practices of an entity that causes harm.

Supply Chain Impacts and Risks

Of our group of target suppliers reviewed, 74 firms (73 percent) have signed our supplier code of conduct, fall under the control of an entity that has signed our supplier code of conduct, or are covered by a comparative company code of conduct. Of the same target supplier group, 64 firms (63 percent) have answered an environmental, social, and governance questionnaire to increase our understanding of their policies and ability to evaluate their performance in these areas. We found sufficient information available in the public domain to make assessments on the remainder.

Actual Adverse Impact

Accident on Contractor Vessel. In October 2025, a serious accident occurred aboard a contractor vessel servicing one of our facilities in Storfjorden. A worker employed by an aquaculture service contractor we hired to service our site was seriously injured in a crushing accident while preparing for a delousing operation. This occurred aboard our supplier’s vessel and under the supplier’s HSE policies and practices. The incident occurred in connection with the handling of a crane control on the supplier vessel. The injured worker was hospitalized following the incident.

This fits the definition of an adverse impact on the right to a safe and healthy working environment within our supply chain given the event occurred in support of our operations. As the injured employee was working aboard a supplier vessel and under that supplier’s HSE system, responsibility for the investigation and immediate corrective response were managed by his employer.

The supplier cooperated fully with relevant authorities and implemented measures following the accident, including strengthening safe crane operation practices across their organization through vessel-based safety meetings and structured "Safety Moments," in which teams pause work to focus on safety together with management. Further, the company took steps to improve their planning and conceptualization of projects, ensuring this includes both risk traps and a review of possible error traps involved in doing that type of work; in particular, they noted strengthened planning dialogue when working on continually evolving technology. Work involving cranes is among the highest-risk tasks carried out at a fish farming facility, which is already a high risk environment. We assess our supplier acted in a responsible manner.

Because the incident occurred in connection with operations at our facility, Hofseth also conducted its own review of crane operations and contractor safety coordination to learn from the event and proactively apply any lessons to our own policies and procedures. Following that review, we implemented the following measures:

- Established dedicated "super users" for safe crane operation, responsible for sharing expertise with all personnel handling crane equipment at our facilities for our operations.
- Developed an online course and training video focused on safe crane use.
- Strengthened equipment-specific training, including a thorough review of operating routines. This includes ensuring that we communicate robustly with contractors about risks and the best procedures for handling equipment safely.

Risks in Our Supply Chain

We acknowledge the presence of several risks in our value chain that we continue to monitor:

Fish Feed Supply Chain Risks.
Both our own aquaculture sites and the third-party farmers we purchase fish from rely on feed from a complex global supply chain involving a range of sub-suppliers of plant-based, marine, novel, and micro-ingredients.

Our feed supply.
Our primary feed supplier is a Norwegian subsidiary of a multinational corporation with a procurement network spanning multiple tiers of sub-suppliers, including in countries with elevated human rights risk. We are reliant on this supplier's own due diligence efforts to assess risk at levels of the supply chain where we have no direct visibility; we continue to engage with them on their efforts to ensure human rights protections throughout this chain and they report under the Transparency Act yearly. The feed supplier’s sourcing policy aligns with key international frameworks such as the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, ILO Core Conventions, and the UN Global Compact and suppliers of raw material used in the feed we purchase have agreed to comply with this policy.

Our feed supplier has further developed its due diligence practices in order to achieve certification under the Aquaculture Stewardship Council (ASC) Feed Standard, which is grounded in internationally recognized principles for sustainability and corporate responsibility and is aligned with the OECD Guidelines, with an emphasis also on social responsibility throughout the value chain. In spring 2025, our feed supplier was successfully audited by independent third-party auditors and achieved certification under ASC Feed Standard v1.0; following this, all feed we purchase comes with this certification. The ASC audit and certification process includes explicit criteria on human rights awareness, the prevention of forced and child labor, labor rights and collective bargaining, anti-discrimination, health and safety, grievance mechanisms, and community engagement.

In 2025, all of our feed also was Proterra certified, ensuring that soy-based ingredients were produced in a socially responsible manner. Our feed policies require us to purchase from firms that hold ISO 45001 certification for Occupational Health and Safety Management.

Supplier farm feed supply chain.
All of our third-party fish suppliers also use Proterra certified feed. Nevertheless, we acknowledge that we lack full visibility into all feed standards used across our third-party supplier network and recognize there may be material-specific human rights risks in those feed supply chains that we are not yet aware of. We are reliant on those suppliers to conduct due diligence on their own feed procurement. Better understanding the feed supply chain of the third-party fish suppliers we work with is a priority for 2026.

Risks to Health and Safety at Supplier Farms.
Hofseth relies on third-party fish farmers for a substantial portion of its value-added production. Although all of our fish suppliers operate within Norway’s strong regulatory framework, the nature of fish farming means that health and safety risks are present across the industry regardless of geography. We have completed desktop due diligence of our leading third-party fish suppliers’ annual and Transparency

Act reports; press coverage; and public policies and found no concerning information that would indicate a higher than industry average risk. Many of these farmers themselves have ASC or Global GAP certification that addresses social risk and working conditions.

The accident at Bugane has reinforced our view that health and safety risks in this industry warrant ongoing attention across our supplier relationships. In 2026 and 2027, we plan to supplement our desktop review with additional engagement with our leading third-party fish suppliers. This reflects not a lack of trust in our suppliers but a shared commitment to a safer industry for everyone working in it.

Risks Stemming from Construction and Installation of New Technology

Hofseth is expanding its use of innovative aquaculture technology, including closed containment systems, and has ongoing construction and facility upgrade projects at several of its sites. This work is carried out by specialist third-party contractors and technology suppliers rather than by Hofseth's own employees. As with aquaculture service work more broadly, construction and installation activities at fish farming facilities carry inherent health and safety risks — involving heavy equipment, marine environments, and complex operations, often under challenging conditions. We have included our principal construction contractors and our closed system technology supplier in our due diligence assessment. All are companies operating under Norwegian health and safety law and regulatory oversight, which we consider a mitigating factor. Our review of their publicly available policies, reporting, and relevant documentation did not reveal a higher than industry average risk profile. We also conduct risk mitigation measures and assessments before operations, including provision of a safety film and training regarding working conditions and safety equipment. We recognize, however, that the deployment of new technology may introduce risks that are not yet fully understood or captured in existing procedures or prior experience. We will continue to monitor this area as our use of new technology expands.

Transport Sector Risks.

Transportation is generally considered a high-risk industry for unfair labor practices and excessive working hours that can affect the health and safety of workers. Our key transport partners operate primarily in countries with strong human rights and labor regulation frameworks. Based on our review of their internal policies, ESG reporting, and due diligence practices, we have found no reports of actual adverse impacts or a higher than industry average risk profile.

Gaps

We also recognize the potential for gaps in our understanding of the human rights and sustainable development policies of sub-suppliers further down our value chain. While the majority of our suppliers are Norwegian or Nordic companies who themselves are responsible for screening their supply chains, there are sub-suppliers several steps removed from our company that operate in areas with less fulsome human rights requirements.

Supplier Code of Conduct

Hofseth International maintains a Supplier Code of Conduct that sets out the minimum standards we expect of all companies in our supply chain with respect to human rights, labor practices, and ethical business conduct. The Code reflects the values described throughout this report and draws on the same international frameworks — including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights — that guide our own operations.

The Code requires suppliers to uphold the following standards:

Freedom of association: Workers must be free to join or form trade unions and to bargain collectively without interference or retaliation.

Prohibition of forced and child labor: No use of forced, compulsory, trafficked, or child labor is permitted. Suppliers must maintain documentation verifying the age of all workers.

Non-discrimination: Suppliers must not discriminate in hiring, compensation, working conditions, or any other employment matter on the basis of race, gender, nationality, religion, age, disability, or any other protected characteristic.

Safe and healthy working conditions: Suppliers must provide a safe working environment that complies with applicable health and safety laws and must take active steps to identify and mitigate workplace hazards.

Fair wages and working hours: Workers must be compensated at or above applicable minimum wage standards and in accordance with any relevant collective agreements. Working hours must comply with local law.

Ethical business conduct: Suppliers must prohibit bribery, corruption, and any other unethical business practice in their own operations and, to the extent possible, in their own supply chains.

Environmental responsibility: Suppliers are expected to comply with applicable environmental laws and to work toward reducing the environmental impact of their operations.

The Code is shared with suppliers during onboarding and when we issue supplier questionnaires. In practice, a number of our larger suppliers—particularly those who are themselves subject to the Norwegian Transparency Act or equivalent frameworks—maintain their own codes of conduct that address the same fundamental standards. Where this is the case, we review the supplier's code to confirm it does not deviate materially from our own requirements and accept it in place of attestation to our Code. We do not accept this substitution where a supplier's code is silent on, or falls meaningfully short of, any of the core protections described above. If a supplier is found to be short of our Code's requirements, Hofseth will engage directly with that supplier to understand the situation and agree on a corrective action plan. Suppliers who are unwilling or unable to meet the Code’s standards within a reasonable timeframe may be subject to termination of the supplier relationship.

Remediation

Hofseth International is committed to taking appropriate corrective action when human rights concerns are identified — whether in our own operations or in our supply chain.

In our own operations, we invite partners and employees to raise concerns through management chains or via the whistleblowing system described below. Where a concern is reported and substantiated, the response will be led by the Chief Human Resources Officer or the VP for Sustainability (depending on the nature of the concern) in coordination with senior leadership. Depending on the nature and severity of the finding, remediation measures may include corrective action plans with defined timelines, changes to employment terms or working conditions, disciplinary action against responsible individuals, or referral to relevant authorities where legally required. Affected individuals will be informed of the outcome of any process that concerns them, to the extent permitted by law and confidentiality obligations.

In our supply chain, our first response to an identified concern will be to engage directly with the relevant supplier to understand the situation and agree on concrete corrective steps. We will set a defined timeframe for remediation and follow up to verify that agreed measures have been implemented. Where a supplier is unwilling or unable to remediate a serious concern within a reasonable period, Hofseth International will consider the suspension or termination of the supplier relationship. We recognize that termination is not always in the best interests of affected workers and will weigh this carefully against the severity of the concern and available alternatives.

We will report on remediation actions taken in future editions of this report.

Right to Request Information

Under the Norwegian Transparency Act, any person has the right to request information from Hofseth International about how we address actual and potential adverse impacts on fundamental human rights and decent working conditions. This applies both to our own operations and to our supply chain.
During 2025, Hofseth International received no formal requests for information under the Act. Future requests for information may be submitted in writing to:

Hofseth International
Kipervikgata 13
6003 Ålesund
contact@hofseth.no

We aim to respond to all requests within three weeks of receipt. In cases where a request is unusually broad or requires significant coordination across the organization, we may extend this period by up to two additional weeks, in which case we will notify the requestor of the delay and the expected response date.

We will decline to provide information only when doing so would conflict with statutory confidentiality obligations or where the request relates to legitimately confidential commercial information. When information must be withheld on these grounds, we will inform the requestor of the reason.

Process for Reporting Concerns and Commitment to Whistleblowing Protections

Hofseth aims to maintain an open and ethical business environment, with a focus on safety and respect for everyone involved in our activities. Our whistleblowing system provides a straightforward way for employees, suppliers, and other stakeholders to report any suspected violations of our values and rules.

In 2025, we ensured that all employees—including those in roles that keep them away from desks and email—are aware of the opportunity to report concerns and have information on how to do so. This included signage, internal corporate communications, and the incorporation of information on this channel and other rights and responsibilities at work into mandatory yearly training in multiple languages.

Information about the system remains available on our public website under the "Contact" section and is included in the employee handbook. Communications about this channel to our employees highlighted a zero-tolerance policy for retaliation for raising concerns, noting that retaliation against those raising concerns in good faith would prompt disciplinary action.

The system is arranged so that all information is treated confidentially. Reports are sent to the HR leader and CFO at Hofseth, as well as an external law firm. Individuals have the option to exclude members of the Hofseth organization from the process entirely, and anonymous reporting is possible. These protections are in place to ensure that no one faces retaliation for raising a concern in good faith.

During 2025, one report was registered through the whistleblowing system. We note that we have also had employees raise concerns informally—for example, highlighting isolated safety gaps or questions related to adherence to policies and procedures—within their reporting chains for quick resolution; this is an approach we encourage as well.

We will continue to make sure that we highlight the range of ways that employees can speak up; encourage them to do so early and often; and continually seek to foster psychological safety and a common commitment to making our workplace the best it can be for all who work here.

Continuous Commitment

The world we operate in is constantly evolving, and so are the risks present in our industry and supply chain. Hofseth International will assess these risks carefully, proactively invest in the areas where our exposure is greatest, and report transparently on our findings and progress each year.

In the year ahead, our priorities are clear. We will continue to strengthen our supplier screening process, with a goal of achieving fuller documentation and attestation to our Supplier Code of Conduct across our key supplier base. And, we will work closely with our own employees to strengthen our health and safety program, and our ongoing investment in training to ensure that Hofseth remains a safe, fair, and inclusive place to work and that the human rights criteria embedded in our values, policies, and goals are fully understood and embraced across the organization in daily practice.

We are also conscious that this report, now in its fourth year, should be an increasingly useful document and not just a compliance exercise. Each year we have sought to be more specific about what we have found, more honest about where our knowledge has limits, and more concrete about what we intend to do. We will continue in that direction.

The risks we face are not static, and neither is our response to them.
We remain committed to identifying trends, understanding root causes, and remediating issues effectively when they arise. We welcome questions, feedback, and requests for further information from employees, suppliers, customers, and the public.

This report has been reviewed and approved by the Board of Directors and the CEO of Hofseth International AS on 19 June 2026.

Roger Hofseth

Roger Hofseth,
CEO and Chairman of the Board

Hiroshi Okada

Hiroshi Okada
Member of the Board