

Report - Due diligence assessment

Norcod AS's work on implementing the Transparency Act

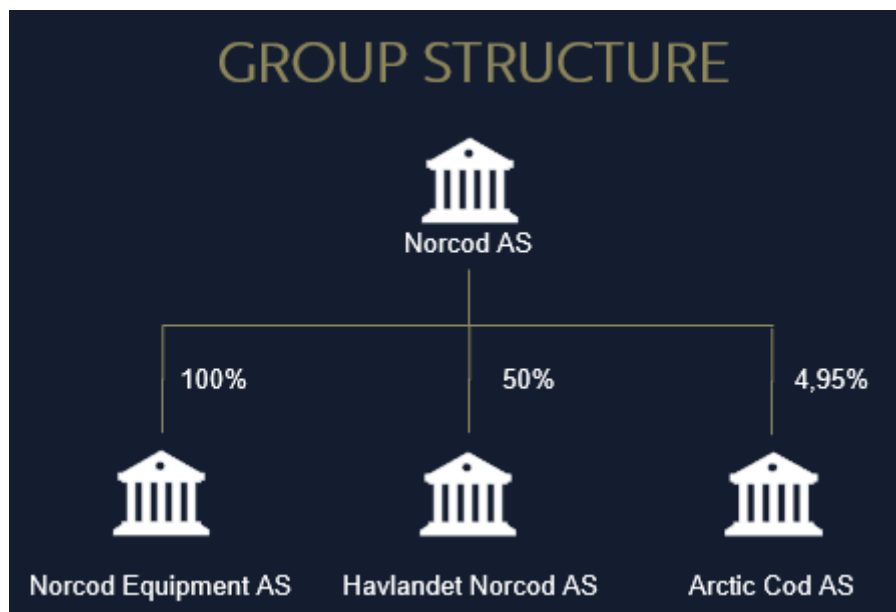
The purpose of the Norwegian Transparency Act, effective on 1 July 2022, is to promote businesses' respect for basic human rights and decent working conditions regarding the production of goods and the provision of services. Furthermore, the Transparency Act must ensure the general public access to information about how businesses handle negative consequences for basic human rights and decent working conditions.

Norcod AS (Norcod) and its subsidiary company are subject to the scope of the Act. The Act requires us to identify and assess potential risk for negative impact in our own business, suppliers and business partners. By conducting due diligence assessments under the Transparency Act we investigate whether there are any actual, or risks of, adverse impacts on human rights or decent working conditions in their own operations, their supply chain and other business relationships. The assessment shall be in proportion to the size and the nature of the enterprise. This document provides a statement on how Norcod has worked to implement the requirements. The purpose of this statement is to provide insight into the preliminary key findings from the assessments and the measures that have been and will be implemented. The statement includes a description of the organisation and product as well as the allocation of responsibilities under the Transparency Act. Furthermore, our approach to methodology and various risk assessments and measures are commented upon.

Organization

The Transparency Act has been implemented at group level of our business. This means that Norcod AS takes responsibility for ensuring that the group, Norcod AS incl. its subsidiary Norcod Equipment AS, works to implement the law and works actively to promote human rights and decent working conditions. Associated companies, in which Norcod has significant influence, are included in the due diligence by being risk assessed suppliers. The due diligence assessment covers the financial year 2022.

The Norcod Group

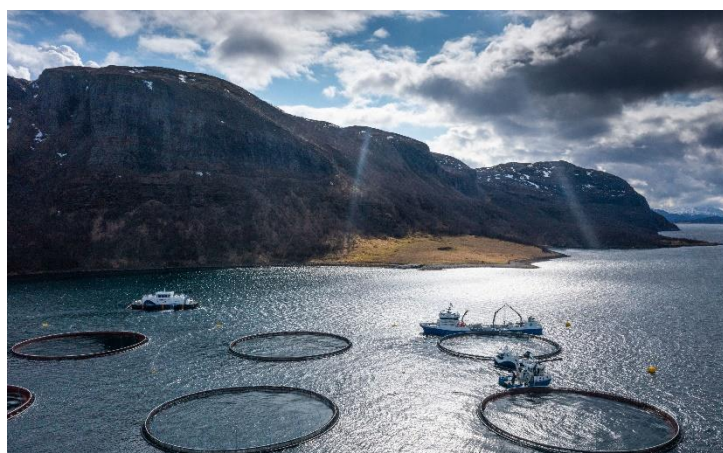


Group structure as of 31 December 2022

Since the implementation of the Transparency Act in 2022 and the initial and continuous work on mapping potential negative impacts on fundamental human rights and decent working conditions, our organization has undergone structural changes. In May Norcod divested its Havlandet Norcod, fry facility, investment and entered into a new long-term agreement with Havlandet. Furthermore, Norcod entered into an agreement to purchase 100 per cent of the shares in Kråkøy Slakteri AS and TN Kråkøy Eiendom AS. This was made public on June 14th.

Activity and product

Norcod is the world's largest cod farmer with an integrated value chain. The company was founded in 2018 and its core business is raising farmed cod in marine facilities at sea. The production is located in its natural cold-water habitat along the coast of Central and Northern Norway. We



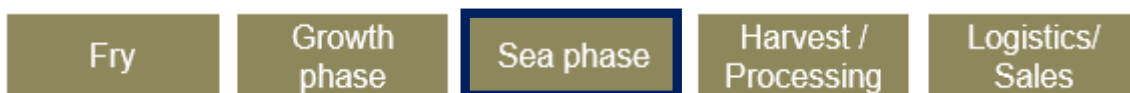
Production site Labukta in Nesna municipality

have five production sites in operation. The Company is experiencing increased demand for stable deliveries of fresh cod all year round and is targeting an annual harvest of approximately 25,900 tonnes (WFE) in 2027.

The Company's head office is located in Trondheim. The sustainably raised cod is a nutritious and delicate product mainly distributed as HOG in several European countries. A key component in the company's strategy is entering into and developing cooperation with vendors and partners throughout the value chain to ensure involvement in and control of all stages. Going forward Norcod aims to increase its integration to the value chain.



Norcod Value chain



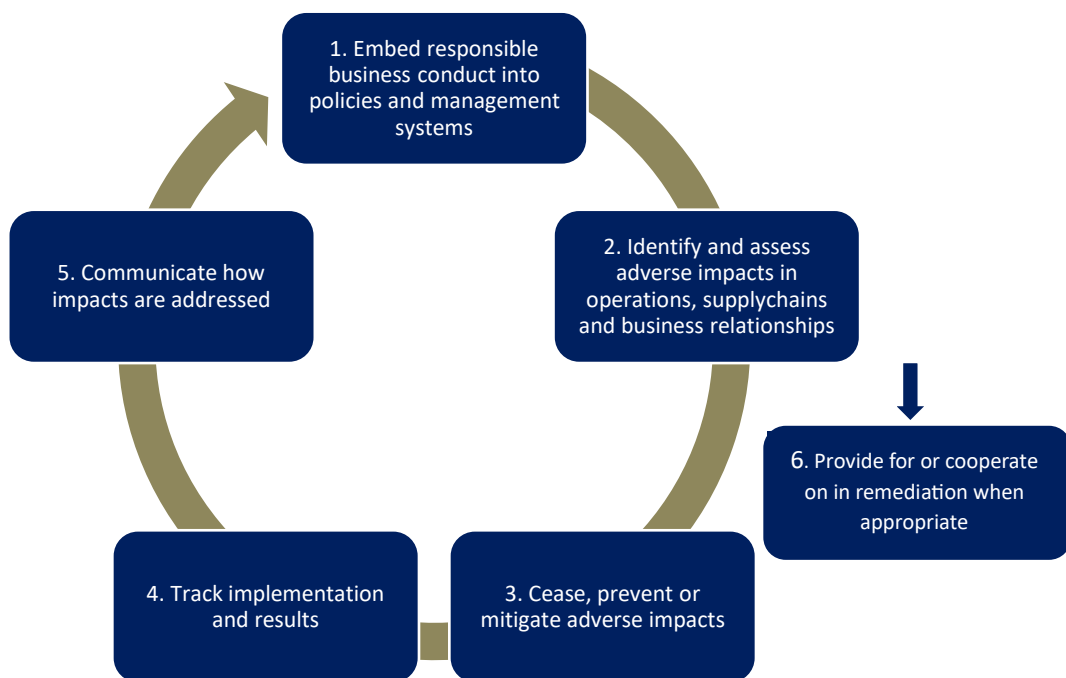
Norcod's core business is raising farmed cod in marine facilities at sea. This re-establishment of the industry was made possible throughout good partnerships with players in the value chain

Project plan

The Transparency Act is built around proportionality and prioritization and has a risk-based approach. Norcod has therefore adopted the following progress plan.

1. Anchoring in the board
2. List of suppliers and own activities
3. Due diligence assessment including risk assessment, mapping of the actual situation, describing measures
4. Describe follow-up and results
5. Document systematics

Responsible Business Conduct (RBC) acknowledges and encourages the positive contributions that business can make to economic, environmental and social progress. It also recognises that business activities can result in adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance. Our overall approach has been according to OECD Due Diligence Guidelines for RBC and shown in the figure below.



Our Board is responsible for the overall accountability and the executing responsibility is given to the management group. Relevant departments, such as Sustainability and QHSE, keep the

unceasingly process going on identifying and assessing adverse impact. Also, the task of cease, prevent or mitigate adverse impacts and tracking implementation and result is safeguarded by the latter departments and communicated.

Method

The vast majority of Norcod's suppliers are located in Norway, regarding both production and Headquarters, from feed suppliers to suppliers of vessels, cage structures, packaging and technology solutions. This leads to an assumption that the risk associated with the suppliers is initially low, but it must be surveyed to a wider extent than has already been done. Some of our suppliers have a wide range of suppliers in different parts of the world. As the Transparency Act sets expectations for assessments throughout the value chain, this will require Norcod to also collaborate with its suppliers to map and assess their value chain. One of our feed suppliers and Norcod's partner regarding sales and logistics are located in Denmark.

The classification of suppliers (and their suppliers) can be based on several parameters. Norcod has focused on the following.

- **Purchase value:** Suppliers who are representing a high purchase value and/or are relatively important for the end products are more important to consider than less significant suppliers.
- **Location:** Not all countries are equally well equipped to follow up on and manage the risk of human rights and decent working conditions being violated.
- **Business relation:** Consider how close the contact is with suppliers and how open the suppliers are about their business and their own suppliers.
- **Industries:** Take account of industry-specific conditions we should be aware of. Consider the International Labor Organization, ILO.

Norcod already possesses considerable information about the supplier portfolio. This is particularly due to the broadly applied certification standards in the aquaculture industry. The most commonly complied to standards are Global Good Agricultural Practice (GlobalG.A.P.)



and Aquaculture Stewardship Council (ASC). This information is used in the due diligence assessment. For non-certified suppliers in our value chain, we conduct audits on an annual basis. In addition, it is continuously necessary to obtain further information from the suppliers. This is handled through a software solution which communicates a supplier questionnaire where the respondents state their situation and compliance with relevant regulatory requirements for safe working environments, basic human rights, environment and climate, employment and anti-corruption. This tool provides us a systematic approach to ensure compliance with the Transparency Act and safeguards a strong commitment to work together with our suppliers in this continuous project. During second half of 2023 we will conduct the full-scale survey and add the data to our supplier risk assessment.

Norcod already makes contractual requirements to its most critical suppliers on a number of social matters. Our Supplier Code of Conduct requirements include the safeguarding of human rights and follow-up of social conditions from our suppliers.

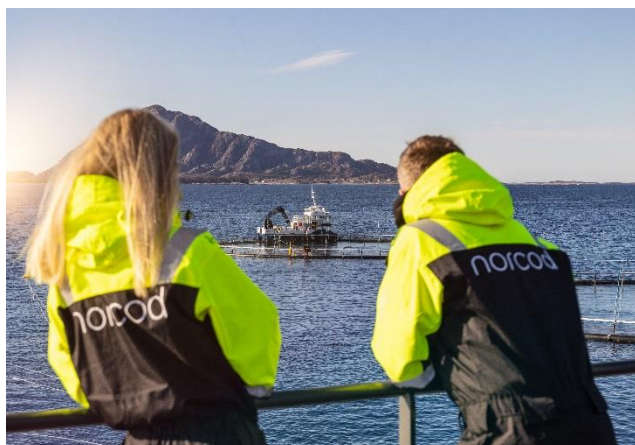
A survey process is currently ongoing, and we are working on a robust system to support our compliance with the Transparency act. Additionally, work is ongoing regarding follow-up on specific measures to prevent and limit negative consequences that may pose challenges to the overall sustainability of our business, human rights or decent working conditions.

Status on findings

Internal

Regarding internal matters Norcod certified according to Global G.A.P. IFA for Aquaculture. As the first company within the cod industry to obtain this certification, it demonstrates our clear operational focus, from the outset, on sustainability and transparency. The standard covers the value chain from broodstock/fry and feed suppliers to farming, service vessels, harvest, processing, sales and distribution or 'feed to fork'. It lays down strict criteria for legal compliance, employee occupational health and safety, animal welfare, food safety and environmental and ecological care. IFA for Aquaculture (Integrated Farm Assurance) has a mandatory inclusion of the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) which is a part of the certification process applied to assess social risks in primary production, rooted

in the International Labor Organization, and to provide additional transparency to supply chain partners. To further demonstrate our commitment to transparency, Norcod has committed to the UN global Compact and annual reporting related to the ten sustainability principles.



Norcod is aware of its social responsibility. Our goal is to combine healthy business operations with a clear responsibility for society and the environment. Norcod complies with Norwegian Working Environment Act and the ILO standard. Personnel handbook and HSE handbook are built around the Working Environment Act and are available to all employees. Our Code of Conduct is implemented in the entire organization and available on the company's web site.

Suppliers and business partners

Regarding suppliers and businesses partners classified by the chosen parameters we find that the number of certified players is as high as 82 %. Our fry, feed, service vessel suppliers, harvest plants and sales and distribution partners are certified according to at least one Global Sustainable Seafood Initiative (GSSI) recognized standard. The remaining suppliers have been audited by our QHSE manager, and commitment to our Supplier Code of Conduct requirements include the safeguarding of human rights and follow-up of social conditions from our suppliers.

For more information on Global Good Agricultural Practice (GlobalG.A.P.) and Aquaculture Stewardship Council (ASC):

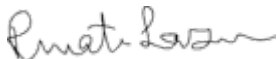
GSSI recognized standard	Link to web site
GlobalG.A.P.	GlobalG.A.P.
GlobalG.A.P. IFA	GlobalG.A.P. IFA
ASC	ASC

In addition to production in Norway, our largest equipment supplier also has operations/factories in other parts of the world such as Asia. These are matters which are

explained in the supplier's own published statement and which we have included in our risk assessment. It is verified that there are cases of high risk for violations of conditions related to human rights and decent working conditions. Relevant risk elements are followed up and Norcod will be the driving force in the dialogue to improve the situation. This will be addressed upon in when reporting for the 2023 assessment.

Trondheim 26th June 2023

The Board of Directors
& CEO of Norcod AS

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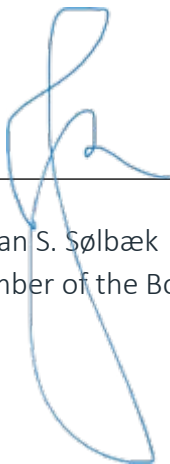
Renate Larsen
Chair of the Board

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Peter Buhl
Member of the Board

A handwritten signature in blue ink, appearing to read "Trine L. Danielsen", written above a horizontal line.

Trine L. Danielsen
Member of the Board

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Jan S. Sølbaek
Member of the Board

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Boe Spurré
Member of the Board

A handwritten signature in blue ink, appearing to read "Christian Riber", written above a horizontal line.

Christian Riber
CEO