

Bakkafrost Freshwater Use Policy

This policy applies to operations throughout the Bakkafrost value chain.

Water is an area of increasing concern. With a growing human population, water scarcity has become a significant social and environmental issue, since water is essential to all life on the planet and to our modern economy. Although we do not operate in areas with freshwater scarcity, we still focus on improving water use and freshwater efficiency. We operate in areas with plenty of water, however, all countries or specific areas can suffer from water shortages during dry periods. At Bakkafrost we are committed to responsible freshwater management and ensuring our operations do not have a negative impact on freshwater resources.

Use of freshwater in Bakkafrost operations

Freshwater is considered an important resource for Bakkafrost operations as it is used:

- in land-based operations, specifically in the production of roe and smolt prior to sea transfer. In recent years, Bakkafrost has invested heavily in Recirculating Aquaculture Systems (RAS) at our freshwater farming sites, reducing use of freshwater by up to 99.7%, and we will continue to make investments into new eco-efficient technology across our value chain.
- at feed and processing plants to ensure we meet all hygiene standards
- in freshwater bath treatment for sea lice onboard our Farming Service Vessels
- indirectly through sourcing of non-marine ingredients for production of fish feed. Agricultural feed raw materials are preferably sourced from certified suppliers with full traceability, ensuring the raw materials are sourced in areas with low risk of water scarcity. Bakkafrost feed has a high inclusion of marine raw material and lower inclusion of non-marine ingredients compared to peers, reducing our indirect freshwater use.

Risk Management

Although we recycle the vast majority of the freshwater used in our operations, we are reliant on access to freshwater, and particularly the freshwater farming sites are exposed to water scarcity risks. To ensure responsible operations and to mitigate exposure to water scarcity, we continue to make investments into innovative technology ensuring efficient water usage, including implementing RAS across our freshwater farming sites as well as installing equipment on our farming service vessels using reverse osmosis to turn saltwater into freshwater for our freshwater bath treatments.

We use the World Resources Institute (WRI) water risk atlas in our risk assessment of current and potential areas of operation to ensure we do not operate in areas considered medium or high risk in terms of water scarcity.

All our current farming regions are located in low-risk areas (WRI Aqueduct, 2022).

Our strategy toward net-positive impact

We are committed to operating as eco-efficiently as possible and work towards a net-positive impact on the environment. To ensure a net-positive impact we aim to apply the following four principles to operations where possible:

1. **Avoid** – Make decisions that do not have or prevent a negative impact on freshwater resources.
2. **Reduce** – Reduce the Group’s reliance on freshwater, e.g. by continuing investment into innovative solutions and technology promoting efficient use of freshwater.
3. **Restore & Regenerate** – Where operations are assessed to have an unavoidable impact on freshwater from a water stress and water depletion perspective, we will look into restoring and regenerating through environmental projects in material ecoregions from which the Group operates or sources.
4. **Transform** – We aim to be a frontrunner in the industry and share best practices on increasing freshwater use efficiency as well as promoting water efficiency among our employees.