



ESTABLISHED 1968

HEALTHY LIVING

SUMMARY
SUSTAINABILITY
REPORT 2021

www.bakkafrost.com/sustainability



About Bakkafrost



BAKKAFROST: Established in 1968.

Location: Faroe Islands Headquarters, Glyvrrar, Eysturoy

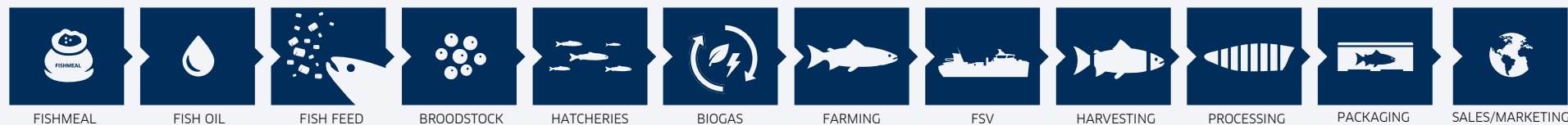
Production and business-to-business sale: salmon, packaging, biogas, fish meal, oil and feed.

Longest integrated value chain in the industry: Fully owned subsidiaries: Havsbrún, Fuglafjørður (production of fishmeal, -oil and -feed); The Scottish Salmon Company, Scotland (Scottish Salmon producer, processing, and sales); Bakkafrost UK, Grimsby (salmon import and sales); Bakkafrost USA, New Jersey (seafood import, processing and sales); FÖRKA, Tórshavn (biogas plant).

Listed: Oslo Børs with the ticker symbol BAKKA

FTE: 1,653

Our Value Chain



Output

164,000t annual capacity	110,000t annual capacity	255,000t annual capacity	Increasing part of roe from our own strains	20 million 500g & 11 million 250g annual capacity in 2023	90- 100,000t annual capacity	57 marine sites	6 farming service vessels	96,900t of salmon harvested in 2021	180,000t primary & 40,000t secondary annual capacity	80,000t annual packaging capacity	5,554 DKK billion operating revenues
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Sustainability improvements in 2021



A significant
-38%
CO₂e per tonne
decrease in carbon intensity
per tonne of salmon produced
in the Faroe Islands



2021 HIGHLIGHTS

Extended our climate commitments
to also cover **Scope 3** emissions.

New **Scope 3** target of
-52%
reduction per tonne of salmon
produced by 2030



An overall decrease
in GHG emissions of
-16%
CO₂e total emissions
in Scotland



Founding member of
The Faroeese Sustainable Business Initiative



CEO Regin Jacobsen
awarded **Edie**
"Business Leader
of the Year"

Top 2023 targets from Bakkafrøst Healthy Living Plan

Our mission is to produce healthy, sustainable, world class salmon. We believe that by investing in the health of our business, our people, our salmon, the environment and the communities in which we operate, we will enable healthy living for millions of people globally. Our Healthy Living Plan outlines our sustainability goals in one place.

- Investment in key skills to facilitate sustainable growth
- Increase transparency on local value creation
- Educate key stakeholders on the benefits of salmon aquaculture
- Continue investment via our Healthy Living Fund in the Faroes and Community Fund in Scotland

- Faroese Scope 1&2 CO₂ emission reduced 50% in 2030.
- Net zero by 2050
- 97% water recycling in all hatcheries
- Ensured sustainable feed ingredients for further growth.



- 500g smolt
- bFCR<1.05 in the Faroes and 1.15 in Scotland
- Salmon survival rate >94% in the Faroes and >88% in Scotland
- Yield per smolt >4.3 for the Group

- Further organic growth opportunities explored
- Industry leading EBIT/kg in Scotland
- 150,000kt harvest by 2026
- 180,000kt value chain capacity by 2026

- Truly One Company
- Harmonised Best Practice Processes
- Group LTIR less than 5
- 0 fatalities

Salmon aquaculture, a sustainable solution

Today's food systems face extraordinary challenges, as the global population is growing, putting an enormous pressure on food resources. To feed nine billion people by 2050, we must focus on growing sustainable food systems with minimal footprint that preserve the earth for future generations.

Aquaculture has been identified as a sustainable solution to meet the increasing demand for nutritious protein to feed the growing population. Farmed salmon is among the healthiest protein sources with its high content of omega-3 fatty acids, vitamin D, selenium, and B vitamins.

Aquaculture is the most sustainable option for consumers, compared to other farmed proteins. Sustainable sourced salmon has one of the lowest carbon footprints of all animal proteins including chicken, pork, beef and lamb. It is highly resource efficient and has the highest protein retention. It also has the lowest feed conversion ratio and water footprint compared to these proteins.

Responsible salmon production, conducted in a way that minimises potential negative impact, is the solution to providing future generations with healthy and environmentally friendly protein options.

Growing population..

200 years ago


1 billion

2021


7.9 billion

2050


9.7 billion

requires more resource..

Available

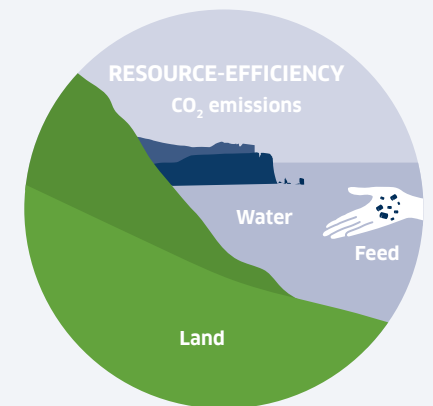


Needed in 2050



70%
more protein needed

Sustainably produced salmon is one of the most resource-efficient and healthy sources of animal protein



Salmon has an important role to play for feeding the growing population

Bakkafrost and the UN SDGs

Bakkafrost and the UN Sustainable Development Goals (SDGs)

We have conducted a mapping of the SDG against our activity to understand which are most relevant for us. We have distinguished between areas where there is potential for high positive impact, areas for limited positive impact, and areas where we have a responsibility to mitigate potential negative impacts.

We continue to work hard to help achieve these goals.



THE GLOBAL GOALS

High positive impact



Limited positive impact



Minimise negative impact



Memberships and ratings



VOLUNTARY DISCLOSURE



2021 RATINGS

TOP 40 ESG PERFORMER AT OSLO STOCK EXCHANGE



'B'



13th



26.4



BBB

2021 AWARDS



In 2021, Bakkafrost was announced as a finalist at edie's Sustainability Leaders Awards 2021 in two categories. Our biogas plant FÖRKA was nominated in the category Circular Economy Innovation of the Year and Regin Jacobsen, CEO, won in the category Business Leader of the Year.



In 2021, Bakkafrost Scotland won a 3-star Great Taste Award from the Guild of Fine Food for our Harris and Lewis Smoked Scottish Salmon and Best Smoked Fish & Seafood at the Great British Food Awards 2021 for Native Hebridean Salmon, which also won Best Overall Smoked Salmon at Women&Home magazine's Tried & Tasted Christmas Awards.



In November 2021 Bakkafrost biogas plant FÖRKA won the Energy Globe Foundation's National award in the Faroe Islands.

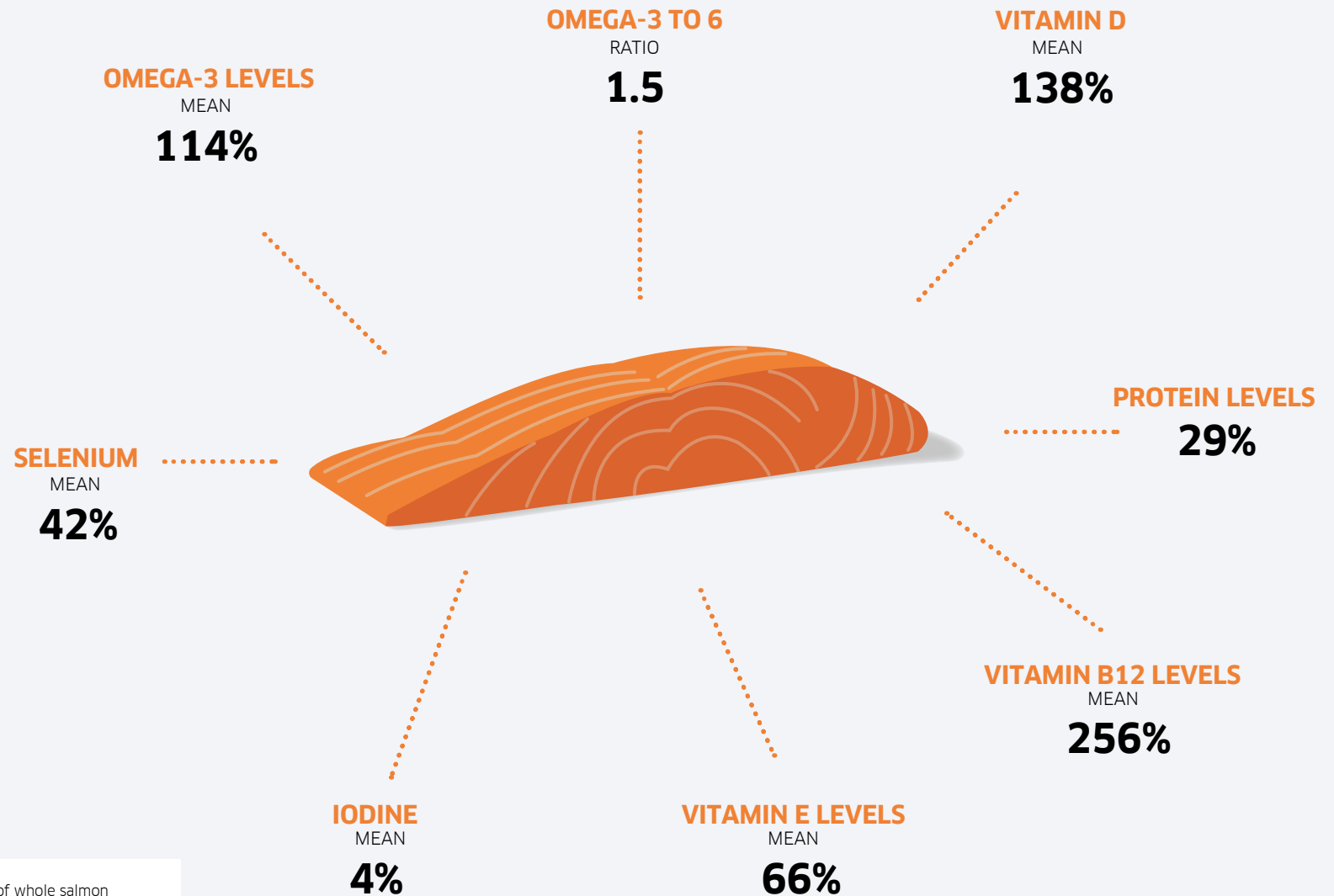
MEMBERSHIPS



Bakkafrost salmon at a glance

NUTRITION

125 g of Bakkafrost salmon provides
(of recommended daily intake)



Bakkafrost data calculated through an analysis of whole salmon variations between all Bakkafrost sales sizes from 3-4 kg up to 7+ kg. RDI Sources: Nordic Nutrition 2012 and EFSA

ENVIRONMENT & HEALTH

ASC CERTIFIED SITES

100%

Faroe Islands

BAP



Scotland

AUDITS PASSED

100%

at Bakkafrøst in 2021

MEDICINE IN BATH

1.06g

per tonne · Faroe Islands

0.21g

per tonne · Scotland

(Used by Bakkafrøst to
treat sea lice in 2021)

FEED CONVERSION RATIO

1.06/1

Faroe Islands

1.21/1

Scotland

(Bakkafrøst salmon
(1.2-1.5kg GSI average))

ANTIBIOTIC USE

0

Faroe Islands

0

Scotland operation

SURVIVAL RATE

91.76%

Faroe Islands

78.29%

Scotland

ESCAPES

32,821

Faroe Islands

0

Scotland

(Number of salmon)

SEA LICE COUNT

0.43

Faroe Islands

0.59

Scotland

(Average over 12 months
of female adult lice
- all sites)



Healthy business

Production

Goal:
150,000 t by 2026

2021
96,900t

Produced

> 2,000,000

Meals a day

0

Had zero cases of non-compliance:

- No product recall
- No market bans
- Zero security incidents
- No reports relating to human rights violations
- No reports through employee whistleblower



Smolt size

Goal
500g:

FO 2023

SCT 2026

FO
382g

2021

SCT
92g



Customer Score

98%

of Bakka Frost customers were either satisfied or more than or very satisfied



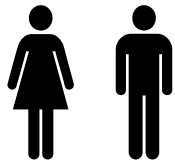


Healthy people

We aim to be an employer of choice, where everyone can work safely, in an inclusive environment and encourage employees to take responsibility and pride in their work. Our people are the heart of our business and we treat our employees equally and fairly. We are committed to the health and safety of our employees and their personal development.

Employees

1,653



WOMEN MEN

Employee Training

13.3

Total average of hours per FTE

DIVERSITY COMMITMENT

Increase number of women in management positions (managers with direct reports) to at least 25% by 2025

Fatalities

0

2021
WE HAD NO FATALITIES IN 2021

Human Rights

Zero
whistle blower reports

Absence rate



2021

4.11%

FAROE ISLANDS

4.91%

SCOTLAND

Equality

WOMEN

24%

Of workforce

17% Board of directors

16% Senior Managers



LOST TIME INJURY RATE

LTIR PER MILLION WORKING HOURS

10.68

22.7

We are members of **Sedex** and we conform to the **Ethical Trade Initiative**



Healthy salmon



Antibiotic use

0

FAROE ISLANDS

0

SCOTLAND

No antibiotics were used at any site managed directly under Scottish operations. For more information, see page 46 in our Healthy Living Report

ATLANTIC SALMON MORTALITY RATE

2021

8.24%

FAROE ISLANDS

21.71%

SCOTLAND

SEA LICE COUNT

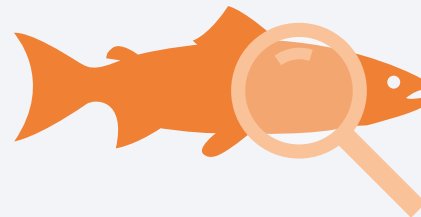
2021

0.43

FAROE ISLANDS

0.59

SCOTLAND



Main causes of reduced salmon survival



FAROE ISLANDS

Marine

- Treatment Handling
- Transfer Mortality
- Diseases (CMS)

Freshwater

- Technical issues
- Reduced roe quality
- Treatment Handling



SCOTLAND

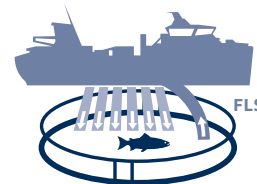
Marine

- Disease (Gill Health)
- Treatment Handling
- Transfer Mortality

Freshwater

- Environment (Water Quality)
- Transfer
- Physical (Deformity)

Biosecurity Risk Reduction



- Cleanerfish
- FLS
- Larger smolt
- Broodstock
- Decreased stocking density
- Veterinary health plans

At least **98.2%**
of the volume is water
in our cages*



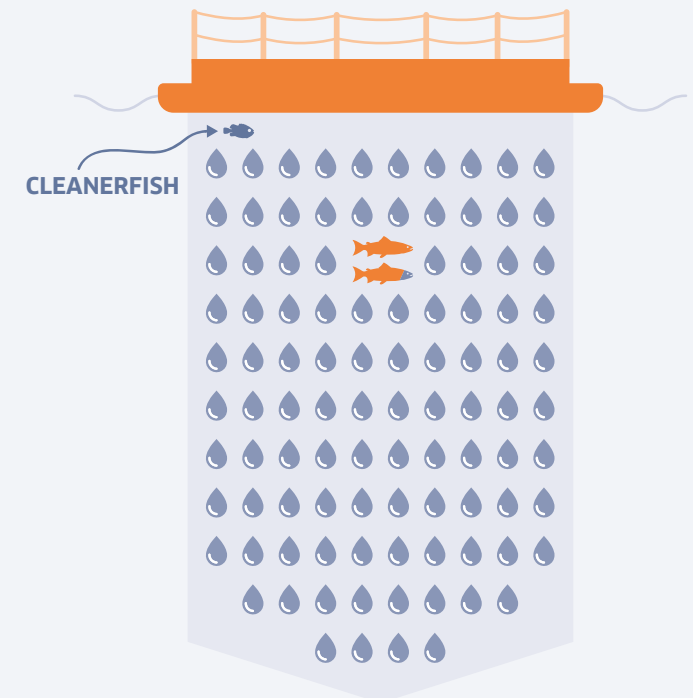
1.8%

SALMON



98.2%

WATER



*Average on max biomass

BAKKAFROST

ESTABLISHED 1968

100%
ASC Certified






Certifications





Healthy environment

FARMED SALMON IS A VERY RESSOURCE EFFICIENT SOURCE OF HEALTHY PROTEINS

	 Farmed Atlantic Salmon	 Chicken	 Pig	 Beef	 Lamb
CARBON FOOTPRINT CO ₂ e PER KG PRODUCT	Lowest 3.24	3.52	3.44	23.92	21.00
LAND USE M ² /100 G PROTEIN	Lowest 3.7	7.1	11	102	185
FEED CONVERSION RATIO (KG)	Highest 1.2 - 1.5	1.7-2	2.7-5	6-10	No data
WATER FOOTPRINT LITER / KG EDIBLE MEAT	Lowest 2,000	4,200	6,000	15,000	No data
EDIBLE YIELD EDIBLE MEAT PER KG FEED	Highest 68%	46%	52%	No data	38%

CO₂ figures only for farming/production stages. Source: WWF Sverige, Carboncloud & GSI

bFCR

Feed Conversion Ratio



1.06



1.21

Industry average 1.2-1.5 (GSI)

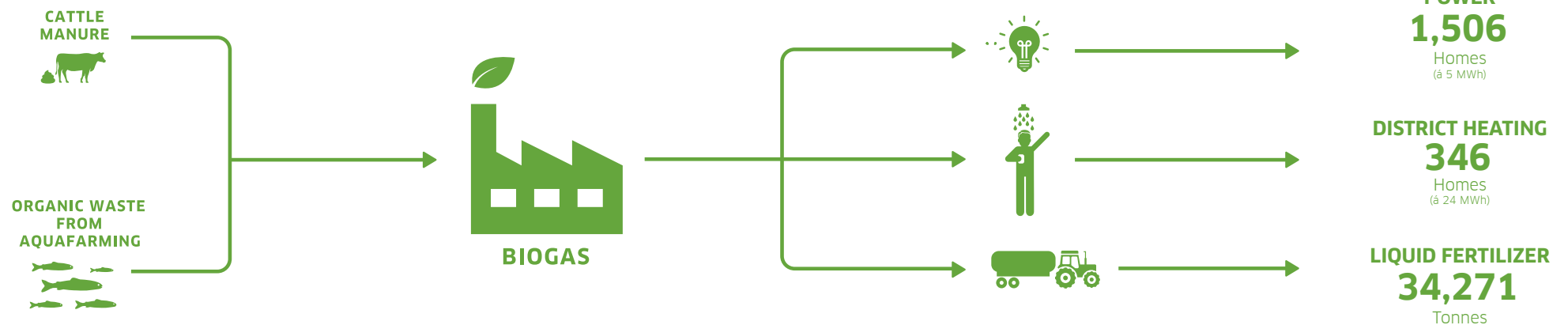
Förka - Biogas Plant

IN 2021
FÖRKA PROVIDED



4.2%

of the total
RENEWABLE ELECTRICAL
PRODUCTION
(Faroe Islands)



Sustainable feed

The plant proteins and oils in our feed

- All non-GMO
- Soybeans (Pro-Terra, Europe Soya or similar)
- No use of palm oil

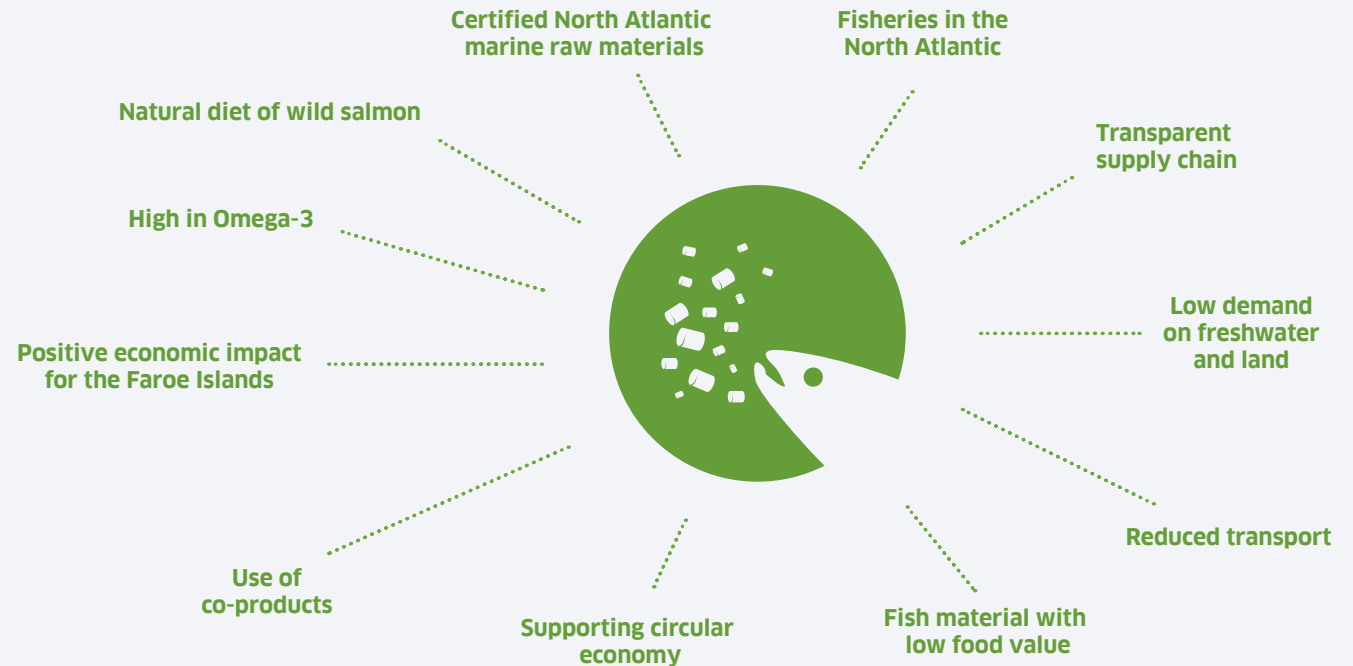
During 2021 we have changed the origin of soy from Brazil to Europe, as part of our focus to reduce our scope 3 emissions.

Marine raw materials

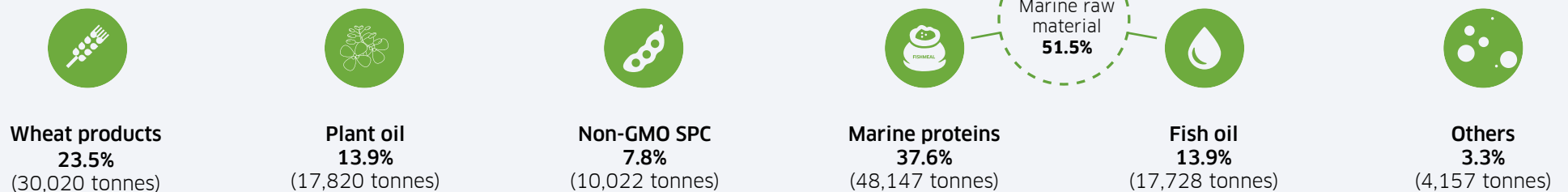
Whilst the feed industry has focused on replacing marine raw material with alternatives, Bakkafrost has chosen to continue with the high inclusion of marine content as this is a more sustainable approach given our location. The local availability of marine raw material means that marine ingredients are sourced with relatively low carbon footprint.

R&D

Feed development and optimisation is an ongoing process at Havsbrún. Together with our R&D activities, which facilitate as feed experiments, we spend significant amount of time with potential collaborators where we investigate new opportunities. This includes assessing opportunities in novel ingredients.



HAVSBRÚN FEED COMPOSITION IN 2021 PRODUCTION



Goal 2030 Scope 1 & 2



Goal 2030 Scope 3



Our total carbon footprint in our Faroese operation went up by 1% in 2021 which means that our carbon intensity per tonne of salmon produced decreased by 38%. Caused by a reduced production of fish meal at Havsbrún and a reduction in fuel oil usage in our Farming division. The carbon footprint of our Scottish operations decreased by 16% compared to 2020 figures, mainly due to an overall reduction in Salmon produced.

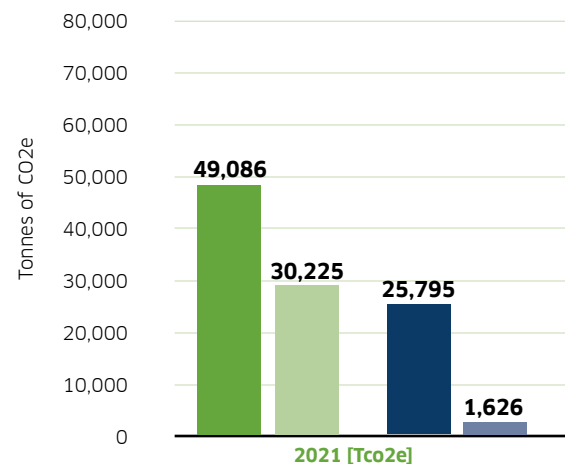
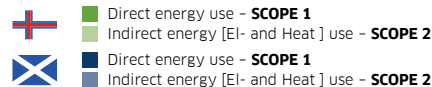
Renewable electricity



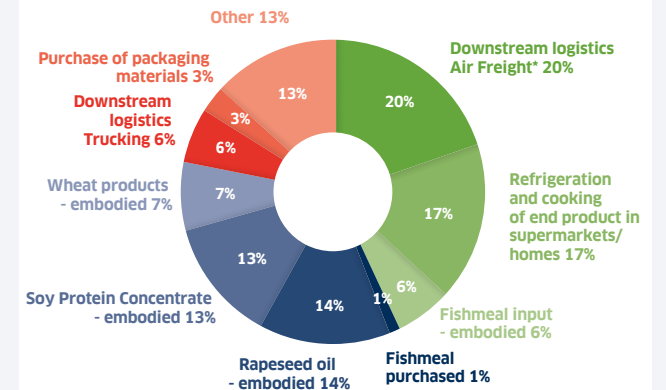
100%
Scotland

38%
Faroe Islands

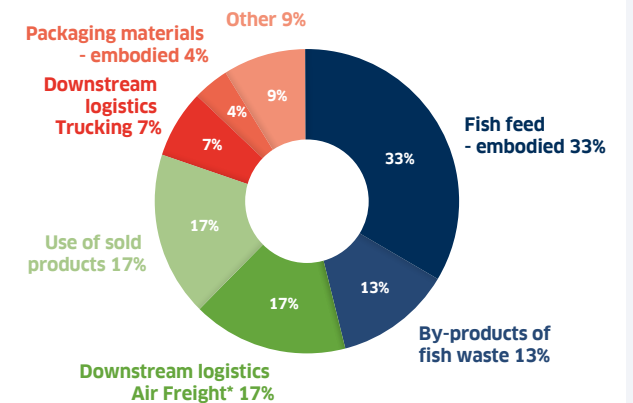
GHG EMISSIONS



SCOPE 3 FAROE ISLANDS



SCOPE 3 SCOTLAND





Healthy communities

Bakkafrost is committed to our local communities and proud of our heritage. We farm in some of the most remote coastal locations in the Faroes and Scotland and we respect the integral role we play in the local communities in which we live and work. We are focussed on driving multinational growth and global market share and recognise that our futures are intrinsically linked with our communities.



Salaries and employee taxes



DKK 486 M



£24 M

Locally sourced products and services

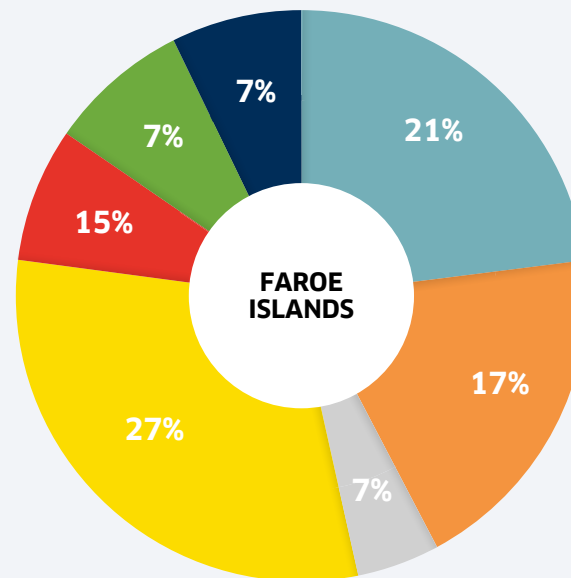
60%

Corporate and revenue Taxes

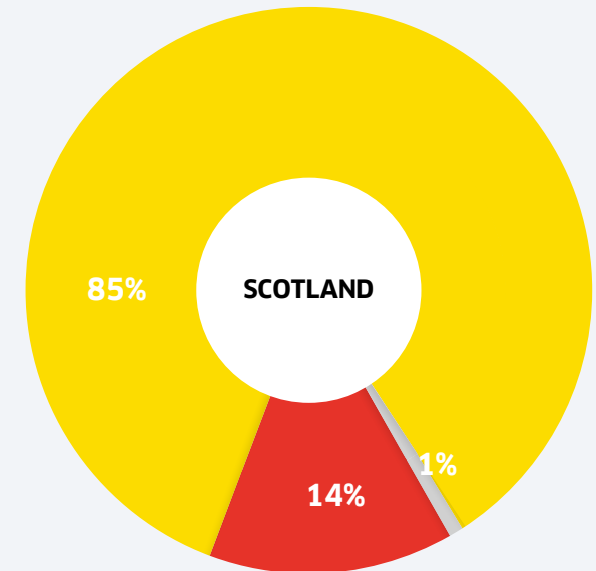
DKK 195 M

Initiatives supported

3 M DKK



- Environment and biodiversity 27%
- National sports teams 21%
- Local football clubs 17%
- Local sports clubs 15%
- Social inclusion of the elderly or the disabled 7%
- Other local giving 7%
- Arts and culture 5%



- Environment and biodiversity 85%
- Local sports clubs 14%
- Other local giving, includes Community Fund, social inclusion and arts & culture 1%
- Local football clubs 0%
- Arts and culture 0%
- Social inclusion of the elderly or the disabled 0%

Community Events



At the local "Salmon Market" at Glyvvar, Bakkafrost contributes to the community culture by offering free salmon for all participants.



We regularly offer guided tours to our headquarters for community stakeholders. In 2021, as the intensity of the pandemic in the Faroe Islands decreased, we were delighted to welcome a group of elderly community members for a guided tour.



In June in the annual clean-up week, Bakkafrost finance employees went to Skopun on the Island Sandoy to clean the lake and shore.



We tasked Portree High School's S5 graphic communication class to design sustainable wooden medals for the SSC Isle of Skye Half Marathon. Angelo Arwen's design of a runner in front of Skye's two Cuillin mountain ranges took first place.



On the Isle of Harris, the Scadabay marine site team supported the Isle of Harris Distillery with their beach clean, providing boats and several pairs of hands on the day, as well as taking the waste to a recycling facility. Photo Credit: Mike Donald, Isle of Harris Distillery

