P/F Bakkafrost

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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04/10/2025, 11:00 am

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:
☑ DKK

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:
☑ Privately owned organization

(1.3.3) Description of organization

Bakkafrost, established in 1968, is a salmon producer, headquartered in the Faroe Islands. With one of the longest integrated value chains in the industry, the company has the following fully-owned subsidiaries: Havsbrún, Fuglafjørður, Faroe Islands (fish meal, oil and feed production); Bakkafrost USA, New Jersey, USA, (seafood producer, importer and distributor); Förka, Tórshavn, Faroe Islands (biogas plant generating electricity and heat and fertilizer), Bakkafrost Scotland (Formerly The Scottish Salmon Company), Scotland (Salmon producer, processing, and sales), Munkebo Seafood, Munkebo, Denmark (seafood cannery and sales), Bakkafrost France, Boulogne-sur-mer, France (Sales office), and Farcargo, Faroe Islands (air freight company). In total, the company had 1,686 employees (FTE) in 2023, with 1,051 FTE in our operations located in the Faroe Islands, 538 FTE in Scotland, 43 FTE in the USA, 51 FTE in Denmark, and 3 FTE in France. Markets served in 2023 were: North America (19%), Western Europe (69%), Eastern Europe (3%), Asia (9%) and the Rest of the World (
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☑ 3 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☑ Not providing past emissions data for Scope 2

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ Not providing past emissions data for Scope 3

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

7141000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

FO0000000179

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Denmark

☑ Faroe Islands

☑ France

☑ United Kingdom of Great Britain and Northern Ireland

☑ United States of America

(1.11) Are greenhouse gas emissions and/or water-related impacts from the production, processing/manufacturing, distribution activities or the consumption of your products relevant to your current CDP disclosure?

Production

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

☑ Value chain (excluding own land)

(1.11.2) Primary reason emissions and/or water-related impacts from this activity are not relevant

Select from:

☑ Do not own/manage land

(1.11.3) Explain why emissions and/or water-related impacts from this activity are not relevant

We only source agricultural/forestry products in our upstream supply chain for production of fish feed and packaging.

Processing/ Manufacturing

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:
☑ Direct operations

Distribution

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:
☑ Both direct operations and upstream/downstream value chain

Consumption

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:
☑ Yes
[Fixed row]

(1.22) Provide details on the commodities that you produce and/or source.

Soy

(1.22.1) Produced and/or sourced

Select from:
☑ Sourced

(1.22.2) Commodity value chain stage

Select all that apply

☑ Processing

(1.22.3) Indicate if you have direct soy and/or embedded soy in your value chain

Select from:

☑ Direct soy only

(1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

☑ Yes, we are providing the total volume

(1.22.5) Total commodity volume (metric tons)

21128

(1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:

☑ No

(1.22.11) Form of commodity

Select all that apply

☑ Other, please specify **:**Soy protein concentrate

(1.22.12) % of procurement spend

Select from:

☑ 1-5%

(1.22.13) % of revenue dependent on commodity

Select from:

☑ 41-50%

(1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

☑ Yes, disclosing

(1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

☑ Yes

(1.22.19) Please explain

Non-GMO Pro-Terra or Europe-certified soy protein concentrate is sourced for inclusion in fish feed, making up 4% (21,128 tonnes) of total feed ingredient commodities in 2023 (the share of soy in percentage is significantly lower compared to previous years due to significantly increased sourced amounts of raw marine material in 2023). In 2023, we also included Ultra High Protein (UHP) soy in our feed. This is still on a trial basis. The majority of soy sourced comes from areas in Brazil. All soy is obtained from areas that do not face risks of deforestation or water stress.
[Fixed row]

(1.23) Which of the following agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue?

Cotton

(1.23.1) Produced and/or sourced

Select from:

☑ No

Dairy & egg products

(1.23.1) Produced and/or sourced

Select from:

☑ No

Fish and seafood from aquaculture

(1.23.1) Produced and/or sourced

Select from:

☑ Produced

(1.23.2) % of revenue dependent on this agricultural commodity

Select from:

☑ 51-60%

(1.23.3) Is this commodity considered significant to your business in terms of revenue?

Select from:

☑ Yes

(1.23.4) Please explain

The core business is salmon aquaculture, though other revenues from other commodities sourced for feed.

Fruit

(1.23.1) Produced and/or sourced

Select from:

☑ No

Maize/corn

(1.23.1) Produced and/or sourced

Select from:
☑ No

Nuts

(1.23.1) Produced and/or sourced

Select from:
☑ No

Other grain (e.g., barley, oats)

(1.23.1) Produced and/or sourced

Select from:
☑ No

Other oilseeds (e.g. rapeseed oil)

(1.23.1) Produced and/or sourced

Select from:
☑ No

Poultry & hog

(1.23.1) Produced and/or sourced

Select from:
☑ No

Rice

(1.23.1) Produced and/or sourced

Select from:
☑ No

Sugar

(1.23.1) Produced and/or sourced

Select from:
☑ No

Tea

(1.23.1) Produced and/or sourced

Select from:
☑ No

Tobacco

(1.23.1) Produced and/or sourced

Select from:
☑ No

Vegetable

(1.23.1) Produced and/or sourced

Select from:
☑ No

Wheat

(1.23.1) Produced and/or sourced

Select from:

☑ No

Other commodity

(1.23.1) Produced and/or sourced

Select from:

☑ Sourced

(1.23.2) % of revenue dependent on this agricultural commodity

Select from:

☑ 41-50%

(1.23.3) Is this commodity considered significant to your business in terms of revenue?

Select from:

☑ Yes

(1.23.4) Please explain

Non-GMO Pro-Terra or Europe-certified soy protein concentrate is sourced for inclusion in fish salmon feed, making up around 15% of feed in 2023.
[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.6) Smallholder inclusion in mapping

Select from:

☑ Smallholders relevant and included

(1.24.7) Description of mapping process and coverage

Bakkafrost has collected information on all tier 1 upstream and downstream suppliers through contracts, certifications and supplier engagement. As part of sourcing from suppliers holding certifications, we expect suppliers to provide smallholder mapping on request.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☑ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☑ Other, please specify **:**In process of implementation

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

We have not done a full mapping yet, but we report the total amounts of plastic used for the packaging of our products, which is the most material part of our value chain in terms of plastic use. We have been part of a Plastic Mapping Project steering group alongside a number of other aquaculture companies across the world. The project concluded with a report and plastics inventory which we are currently looking at. Plastic inventories may also form part of marine licensing in Scotland. [Fixed row]

(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

Soy

(1.24.2.1) Value chain mapped for this sourced commodity

Select from:

☑ Yes

(1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

☑ Tier 1 suppliers

(1.24.2.3) % of tier 1 suppliers mapped

Select from:

☑ 100%

(1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

☑ All supplier tiers known have been mapped for this sourced commodity

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Time horizons in relation to the identification, assessment and management of environmental dependencies, impacts, risks, and opportunities (DIROs) are defined in our Enterprise Risk Management (ERM) framework. The short-term time horizon has been defined based on the two-year cycle of breeding a salmon from roe to harvest.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Time horizons in relation to the identification, assessment and management of environmental dependencies, impacts, risks, and opportunities (DIROs) are defined in our Enterprise Risk Management (ERM) framework. The medium-term time horizon of 3-5 years is based upon the Strategic Planning process. Bakkafrost operates continuously with 5-year investment plans. Identification, assessment and management of environmental DIROs is integrated into the planning process.

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Time horizons in relation to the identification, assessment and management of environmental dependencies, impacts, risks, and opportunities (DIROs) are defined in our Enterprise Risk Management (ERM) framework. The long-term time horizon is open-ended from 6 years. This allows for long-term climate-related identified through our climate scenario analysis to be included in the overall ERM framework.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ End of life management

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Enterprise Risk Management

Other

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Heat waves

☑ Cold wave/frost

☑ Cyclones, hurricanes, typhoons

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

☑ Heat stress

☑ Change in land-use

☑ Ocean acidification

☑ Changing wind patterns

☑ Increased severity of extreme weather events

☑ Changing temperature (air, freshwater, marine water)

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Water quality at a basin/catchment level

Policy

☑ Carbon pricing mechanisms

☑ Changes to national legislation

☑ Lack of mature certification and sustainability standards

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials

☑ Changing customer behavior

Reputation

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

☑ Stigmatization of sector

Technology

☑ Transition to lower emissions technology and products

☑ Other technology, please specify **:**Increased electricity cost

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

The process for identifying, assessing, and managing climate-related dependencies, impacts, risks, and/or opportunities (DIRO's) is divided into two parts. The first process focuses on the continuous identification, assessment, and management of short-, medium-, and long-term climate-related DIROs. This process is an integrated part of the company's annual, multidisciplinary organization-wide enterprise risk management process that involves internal subject matter experts on topics such as biological, financial, and market topics. Internal environmental experts provide climate-related input to the process. The input comprises an assessment of the scale, scope and likelihood of the identified DIROs. The standard enterprise risk management process covers the company's entire value chain, including upstream and downstream value chains, direct operations, and end-of-life management. It also covers all operational locations. We employ various methods to identify significant DIROs, including qualitative approaches such as interviews with tier-1 suppliers and stakeholders (e.g., local authorities) and quantitative methods (e.g., monitoring systems). The other part of the process for identifying, assessing, and managing climate-related issues consists of using climate scenario analysis. The identified risks and opportunities (R&Os) are integrated into the enterprise risk management and defined as long-term R&Os. These inform the company's strategic response to climate-related risks and opportunities in different future scenarios. The company conducted a TCFD-aligned climate scenario analysis, which was completed in early 2023. The company followed the following process to identify the climate-related R&O's which can have a substantive financial effect on the company: We performed a screening and assessed climate-related risks and opportunities throughout our value chain, which resulted in a long list of 10 physical and 19 transition-related risks. During a workshop with SME's, the R&O's included in the long list were prioritised based on initial assessments against the three chosen climate scenarios and two time horizons. This resulted in a short list of material R&O's that underwent scenario and financial modelling to determine their potential financial impact on the company. Following analysis of the financial impact in the scenario narratives SSP 1-5 and emission scenarios RCP 1.9, 2.6 and 8.5, it was possible to determine, which R&O's might have substantive impact on the company. Data sources used for the financial modelling, which were not obtained directly from the company's operations, include: - Projected population growth - Combination of IPCC/World Bank mean temperature projections and modelled future storm damage factor. - Global salmon sales growth rates - Global salmon prices - Projected global value added (GVA) in different SSP scenarios - %GDP growth in different SSP scenarios - Faroe Islands Consumer Price Index Cpi - Temperature projections in different RCP scenarios - Projections and uncertainties in future European wind storms - UK electricity prices - UK Electricity price forecast, UK carbon price forecast, Soybean/Wheat prices forecast

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ Local

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Cold wave/frost

☑ Drought

☑ Heat waves

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Landslide

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Declining water quality

☑ Ocean acidification

Policy

☑ Increased difficulty in obtaining water withdrawals permit

Market

☑ Changing customer behavior

Reputation

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to water efficient and low water intensity technologies and products

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Local communities

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Freshwater is considered an important resource for Bakkafrost operations. We directly use freshwater in land-based operations in producing eggs and smolt, at fishmeal, oil, feed, and processing plants for hygiene purposes. We indirectly use freshwater by purchasing large quantities of commodities, primarily for the production of salmon feed. The process for identifying, assessing, and managing water-related dependencies, impacts, risks and opportunities (DIRO's) in our direct operations is integrated into our annual, multidisciplinary organisation-wide enterprise risk management process. The process focuses on short-, medium-, and long-term actual and potential DIRO's, and the identification and assessment is carried out by internal SME's. The process covers the company's full direct operations on a site-specific level. To identify, assess, and manage issues in the upstream value chain, we use quantitative methods, such as the WRI Aqueduct tool, to identify and assess our suppliers' exposure to water-related risks, as well as qualitative methods, such as interviews with suppliers. The process covers the company's full upstream value chain on a local (village) level. We are currently working on implementing water risk into our procurement guidelines to ensure that potential suppliers are screened for water risks before signing a contract. For identification, assessment, and management of DIROs in our direct operations, we use quantitative data such as water usage and test the quality of the incoming water. The quality is especially correlated with precipitation. We also use qualitative methods, such as dialogue with local authorities. Water-related opportunities have been identified in connection with our work of conducting a double materiality assessment, which was completed in January 2024.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

☑ Forests

☑ Plastics

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ Local

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

Enterprise Risk Management

☑ Enterprise Risk Management

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Pollution incident

Chronic physical

☑ Change in land-use

☑ Declining ecosystem services

☑ Soil degradation

☑ Soil erosion

Policy

☑ Changes to national legislation

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Technology

☑ Transition to reusable products

☑ Transition to recyclable plastic products

☑ Transition to increasing renewable content

☑ Transition to increasing recycled content

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Local communities

☑ Indigenous peoples

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Bakkafrost conducts regular company-wide risk assessments which also cover various environmental issues, including biodiversity, the risk of purchasing commodities exposed to deforestation and plastic pollution. The processes for identifying, assessing, and managing forest-, biodiversity- and plastic-related dependencies, impacts, risks and opportunities (DIROs) in our direct operations are integrated into our annual, multidisciplinary organisation-wide enterprise risk

management process. The processes focus on short-, medium- and long-term actual and potential DIROs, and the identifications and assessments are carried out by internal SMEs. The process covers the company's full direct operations on a site-specific level. We have adopted the approach of applying the guidelines set by SBTN and TFND. This includes using the LEAP and 5-step assessment using the mitigation hierarchy principle in our decision-making process regarding biodiversity-related topics. This framework allows us to prioritise actions that avoid harm to the environment, reduce our ecological impact, restore degraded sites, and collaborate with partners to transform new areas into healthy ecosystems. For identification, assessment, and management of issues in the upstream value chain, we use qualitative methods such as interviews with suppliers, and we also have access to comprehensive monitoring systems and comprehensive quantitative documentation through our suppliers, who have satellite monitoring systems in place. By only purchasing certified products, we significantly mitigate the risk of purchasing products that have contributed to deforestation. The requirement of suppliers having a certification (e.g. Proterra) has already been incorporated into our procurement guidelines.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:
☑ Yes

(2.2.7.2) Description of how interconnections are assessed

A key element of ensuring that interconnections between environmental dependencies, impacts, risks and opportunities (DIRO) are identified is to ensure that the internal subject matter experts (SME) with the necessary competence are gathered together to discuss environmental DIRO's, or that the organisation can access the information necessary to assess the interconnections. At Bakkafrost, due to the nature of our operations, we employ people with significant environmental knowledge, including biologists, veterinarians and environmental engineers. The relevant SMEs all provide input to the annual enterprise risk management process. For our climate scenario analysis, we gathered all the relevant SME's, and this process of conducting a TCFD-aligned climate scenario analysis enabled us to identify interconnections between environmental DIRO's. An example of an interconnection identified included the identification of the risk of decreased water quality due to heavy precipitation as a result of climate change. Our freshwater segment is heavily dependent on the availability of water with a high quality. If the water quality is poor, this can ultimately result in increased mortality. However, this risk is mitigated through better water efficiency through the deployment of recirculating aquaculture systems (RAS) in our hatcheries, which decrease water withdrawals from natural streams by up to 99% while also mitigating the risk of taking in polluted water. Another example of interconnections between environmental DIRO's is our biogas plant FØRKA, which generates heat, electricity and high-quality bio-manure from biological waste and manure collected from dairy farmers in the Faroe Islands. Bakkafrost generates volumes of biological waste from its operations, for example, biological waste excreted from the fish at our hatcheries. Prior to the construction of our biogas plant, Bakkafrost had to pay for the handling of this biological waste. However, through a process of internal cooperation between different subject matter experts, we found out that by establishing our own biogas plant, we could both solve the expense issue from the treatment of the biological waste while simultaneously contributing to a circular economy by generating heat and electricity from the waste.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to forests

(2.3.4) Description of process to identify priority locations

We identify priority locations in our direct operations and in our upstream value chain. These are identified in conjunction with our environmental risk assessment process. AREAS IMPORTANT FOR BIODIVERSITY The priority locations identified include areas important for biodiversity. Bakkafrost farms salmon in the fjords and lochs in the Faroe Islands and Scotland (e.g. some farms are located in an area included in UNESCO biosphere list), and we are highly aware of our responsibility to ensure that our operations do not negatively impact the surrounding environment or interfere with the natural ecosystem present in the fjords and lochs. Bakkafrost's operations are also, to some extent, dependent on the state of the ecosystems, and thus, we have an interest in preserving the natural marine environment. Due diligence and monitoring processes are in place to ensure that impacts and risks are identified and properly managed in a timely manner. This includes regularly monitoring and assessing the benthic environment and marine wildlife beneath and surrounding the farming pens by taking samples of the seabed and water quality and keeping records of the wildlife near the pens. Bakkafrost respects the value of the areas which have been appointed by authorities to be of special interest to preserve. For example, three sites in the Faroe Islands have been appointed as RAMSAR sites, and there are also several RAMSAR sites on the Western Isles which we respect and pay special attention not to interfere with. Bakkafrost does not operate within any areas which are categorised as sensitive when referring to the IUCN Red List of Threatened Species. For biodiversity matters, we strive to do assessments as specifically as possible, often at area-specific level.

AREAS OF LIMITED WATER AVAILABILITY We use the WRI Aqueduct Water Risk Map for guidance on water-related risks. This means that we use the tool to identify areas that require special attention in terms of water availability/scarcity. We use this tool both in our direct operations and when sourcing commodities. In terms of identifying priority locations in our upstream value chain regarding water availability, we both use the WRI Aqueduct Water Risk Map for assessing specific locations and WRI Aqueduct Country Rankings to identify the water stress categories in which each of the feed commodities lies. The upstream value chain assessment is limited to feed commodities as this is by far the most significant upstream impact that we face, both in terms of volumes, the type of commodities sourced as well as in monetary amounts. We define an area as a sensitive location in terms of water availability if the area falls under the water-stress categories 'medium-high', 'high' or 'extremely-high'. LOCATIONS WITH SUBSTANTIVE DIRO'S RELATING TO FORESTS We take an inclusive approach and pay special attention to the areas in which we source the largest quantities of agri-commodities such as wheat, rapeseed oil and soy.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

List of the locations in Bakkafrost direct operations and.pdf
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify **:**Equity ratio

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 31-40

(2.4.6) Metrics considered in definition

Select all that apply

☑ Other, please specify **:**Magnitude of financial impact

(2.4.7) Application of definition

Substantive financial or strategic impact on the business is considered to be when there is enough of an impact to consider adapting the current business model. We define a substantive financial or strategic impact on the business if our equity ratio falls below 35%, and if Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) falls below 3 times the interest cost. The Group's objective, when managing capital, is to maintain a capital structure able to support the operations and maximize shareholder value. The farming business is characterized by price volatility and challenging production dynamics. The Group must be financially solid in order to be able to cope with fluctuations in profits and financial position, and the consolidated equity ratio shall at no time be lower than 35 percent. At 31 December 2023, the Group's equity ratio was 61 percent. Earnings before interest, tax, depreciations and amortizations (EBITDA) is a key financial parameter for Bakkafrost's FOF (fishmeal, oil and feed) segment. EBITDA before other income and other expenses is defined as EBITDA less gains and losses on disposals of fixed assets and operations and is reconciled in the section Group overview. This measure is useful to users of Bakkafrost's financial information in evaluating operating profitability on a more variable cost basis, as it excludes depreciations and amortization expenses related primarily to capital expenditures and acquisitions, which occurred in the past, nonrecurring items, as well as evaluating operating performance in relation to Bakkafrost's FOF segments competitors. Bakkafrost also uses qualitative definitions to define substantive effects on the business, e.g. the risk assessments performed by the Group Executive Management.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Bakkafrost has completed a double materiality assessment (DMA) where the financial threshold to determine if an opportunity should be considered material is set at 1% of the annual revenue, which amounted to 73 million DKK in 2023. If an opportunity has the potential to exceed 1% of the annual revenue, it undergoes further assessment. This process involves evaluating the time horizon over which the effect occurs and the likelihood of the effect occurring. Ultimately, the potential financial impact, time horizon, and likelihood are combined to determine if the opportunity should be pursued. For example, an assessment might conclude that an opportunity has a potential financial impact of a maximum of 100 million DKK (between 1-2% of total revenue). However, if the time horizon is long-term and the likelihood of the company achieving the maximum potential is considered to be below 50%, then it's likely that the opportunity will not be pursued. Nonetheless, the final decision rests with the Group Management. Bakkafrost also uses qualitative definitions to define substantive effects on the business, e.g. the risk assessments performed by the Group Executive Management.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Our environmental and climate policies dictate our operational practices and establish codes of conduct to prevent any harm to the surrounding environment, including the release of pollutants through wastewater. Processes to identify and classify potential water pollutants that may have detrimental impacts over water bodies and ecosystems are structured according to environmental management systems. Our Faroese and Scottish operations are ISO14001 certified. The metrics and indicators which are continuously measured to ensure we do not pollute through wastewater include: Freshwater sites: TSS, Oil and grease, COD, Mineral oil, Total N, Total P Processing sites: pH, COD, Oil and grease, TSS, Mineral oil, free chlorine Biogas plant: pH, Oil and grease, TSS, Mineral oil, Settleable matter Feed production plant: pH, COD, Oil and grease, TSS, Mineral oil Freshwater sites are not required to operate within any limitations, while processing sites, the biogas plant and the feed production plant are required to operate within certain limitations. We have comprehensive procedures to ensure food safety. Our continuous goal is to have all our processing facilities certified to a standard recognised by the Global Food Safety Initiative to help us proactively address contaminants in our factories, establishing maximum limits and concentrations for hazardous substances like pesticides, polycyclic aromatics, and heavy metals across all ingredients used for production.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

The majority of sites store fuel and oils, which have the potential to cause pollution to the ocean environment in which we farm salmon. Any oil spills, regardless if caused by internal or external parties, close to the marine area in which we farm salmon can have significant environmental, biological and financial impacts on our organisation.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Beyond compliance with regulatory requirements

(2.5.1.5) Please explain

All oils and fuels are stored in appropriate containers which are appropriately labelled, bunded and secure. Marine sites in the Faroe Islands and now also in Scotland are also audited by third parties such as the ASC, which performs a health and safety audit, including checking if oil and other liquid fuels are stored in appropriate containers. Inspections of the oil storage at our sites are part of our internal safety checks, which are conducted annually or more frequently. Inspections of infrastructure critical for preventing leakages are regularly conducted, both as part of self-assessments and third-party audits. The success of the prevention mechanisms is measured by the absence of incidents in the reporting year. The regulatory frameworks in the countries where we operate require the reporting of all oil leakages to the authorities, and thus, all incidents are 'public'.

Row 3

(2.5.1.1) Water pollutant category

Select from:

☑ Other synthetic organic compounds

(2.5.1.2) Description of water pollutant and potential impacts

The majority of sites, both processing, hatcheries, and marine sites, store chemicals, including disinfectant and fish treatment chemicals. Any spill into nature and/or into the environment in which the salmon lives, including inside in freshwater facilities and outside in the marine environment, could cause significant damage to the ecosystems, including wildlife, micro- and macrofauna and vegetation, and cause significant salmon mortality.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Industrial and chemical accidents prevention, preparedness, and response

(2.5.1.5) Please explain

All chemicals are stored in appropriate containers which are appropriately labelled, bunded and secure. We have fitted water treatment systems at most sites where chemicals are used in operations, and water is treated before discharge. At our Glyvrar processing site, which is our biggest site in the Faroe Islands, we do 200µm filtration, flotation, and disinfection by hydrolysis of seawater to remove any cleaning chemicals etc. from the water prior to discharge. At Marybank (our biggest processing site in Scotland) and the Harris and Lewis Smokehouse, we do physical filtering treatment (filtracon) prior to discharge via a municipal sewer as trade effluent which gets further treatment. Discharge undergoes routine testing. At Cairndow processing site in Scotland, we use dissolved air flotation (DAFS) chemical and physical treatment prior to discharge to sea under consent parameters. Discharge undergoes routine testing. At the flow-through hatcheries in Scotland (3), we use filtration and settlement prior to discharge. At our RAS units in the Faroe Islands (almost all hatcheries in Faroes excluding two very small flow-through units) and in Scotland (one site: Applecross), we have full recirculation system with filter media. Filtration and settlement prior to discharge to river/ocean under consent parameters. The effectiveness/success of the treatment systems is evaluated regularly both internally through continuous quantitative measurement and through third-party audits.

Row 4

(2.5.1.1) Water pollutant category

Select from:

☑ Microplastics and plastic particles

(2.5.1.2) Description of water pollutant and potential impacts

We use so-called filter media at our hatcheries. These are small plastic particles which flow in the water and are used for cleansing the water of biological material. There have been incidents in the Faroe Islands, where biofilters have been found in the natural environment and inside birds. However, none of these originated from Bakkafrost. These plastic particles have the potential to impact wildlife significantly and the salmon as well.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Upgrading of process equipment/methods

(2.5.1.5) Please explain

Filter media float freely in the freshwater tanks at the hatcheries, and strict procedures prevent any filter media from leaking into the natural environment outside the hatcheries. Following a previous incident of filter media leaking into nature in the Faroe Islands (Bakkafrost was not involved in this incident, but the industry in general received a lot of negative press coverage), Bakkafrost has installed various extra measures, including double security/filters to capture all potential microplastic. Environmental authority bodies do regular inspections of the hatcheries to check if sufficient preventative measures are in place.

Row 5

(2.5.1.1) Water pollutant category

Select from:

☑ Nitrates

(2.5.1.2) Description of water pollutant and potential impacts

In relation to the feeding of our bigger salmon (500g to 6 kg), which lives in pens in the open marine environment, we report emissions of Nitrogen, as this substance is embodied in our feed.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Reduction or phase out of hazardous substances

(2.5.1.5) Please explain

As the emissions of Nitrates are directly related to the amounts of feed which is used, we strive to achieve as efficient feed conversion ratios (the amount of feed used to farm 1 kg of salmon) as possible. The current feed conversion ratio in Faroe Islands and Scotland is close to 1, which is regarded as a highly efficient conversion ratio compared to other animal protein. Also, we have for many years worked on placing pens in locations with strong currents, ensuring responsible emissions of substances. We also conduct continuous monitoring of the health state of the seabed beneath the pens, and the results are verified by 3rd parties such as certification bodies. In 2023, 97% of the farming frames in the Faroe Islands were scored as low/medium impact (using the MOM-B scoring system, measured within one month of 75% of peak biomass), where no measures are required, and in Scotland, 100% of the farming frames were scored as low/medium impact with no requirement for actions to be taken (using SEPA benthic monitoring scoring system, measured within one month of 75% of peak biomass). We consider these measurements to be the tools used to gauge the success of the implemented initiatives.

Row 6

(2.5.1.1) Water pollutant category

Select from:

☑ Phosphates

(2.5.1.2) Description of water pollutant and potential impacts

In relation to the feeding of our bigger salmon (500g to 6 kg), which lives in pens in the open marine environment, we report emissions of Phosphorus, as this substance is embodied in our feed.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Reduction or phase out of hazardous substances

(2.5.1.5) Please explain

As the emissions of Phosphorus are directly related to the amounts of feed which is used, we strive to achieve as efficient feed conversion ratios (the amount of feed used to farm 1 kg of salmon) as possible. The current feed conversion ratio in Faroe Islands and Scotland is close to 1, which is regarded as a highly efficient conversion ratio compared to other animal protein. Also, we have for many years worked on placing pens in locations with strong currents, ensuring responsible emissions of substances. We also conduct continuous monitoring of the health state of the seabed beneath the pens, and the results are verified by 3rd parties such as certification bodies. In 2023, 97% of the farming frames in the Faroe Islands were scored as low/medium impact (using the MOM-B scoring system, measured within one month of 75% of peak biomass), where no measures are required, and in Scotland, 100% of the farming frames were scored as low/medium impact with no requirement for actions to be taken (using SEPA benthic monitoring scoring system, measured within one month of 75% of peak biomass). We consider these measurements to be the tools used to gauge the success of the implemented initiatives.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Forests

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Bakkafrost utilizes plastics in all stages of the company's direct operations. Risks associated with plastic pollution are particularly prevalent in the Freshwater segment, where small biological filter media (biomedia) are used to purify freshwater. There is a risk of these biomedia being discharged along with used water into the ocean. Bakkafrost has prioritized the implementation of preventive solutions in the freshwater operations to prevent any incidents of plastic pollution, including the installation of filters to capture any potential biomedia in the discharged water. Bakkafrost has not experienced any incidents of plastic pollution in many years. Although the risk has been identified, it has been assessed as not having an actual or potential significant effect on the organization. Risks have also been identified in other parts of the production stages in the direct value chain; however, again these have not been assessed to have the potential to have substantive effect on the organisation.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

☑ Serbia

☑ United States of America

(3.1.1.9) Organization-specific description of risk

Bakkafrost's business is directly related to vast volumes of agricultural commodities that are essential to business operations, such as soy, wheat, and rapeseed oil. Through our climate scenario analysis, we have identified the sourcing of large quantities of soy to be exposed to risk with a potentially substantive impact. The procurement quantities of these agricultural commodities will likely increase due to Bakkafrost's production growth plans and could pose a risk to the business. In future scenarios it is increasingly likely that regulations on the sourcing of these products will be introduced, increasing the price of these commodities and the operating costs for the business. Our climate scenario analysis operates with two time horizons (2050 and 2070), which are separate from the standard time horizons as defined in our enterprise risk management process in which short-term is 0 to 2 years, medium-term is 2 to 5 years, and long-term is defined as 6 years. As this risk is expected to occur beyond 6 years, we report 'long-term' in the time-horizon column.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to soy, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

161000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

304000000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement

data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, soy made up 35.7% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.357 x 450 mDKK 161 mDKK Maximum: 0.357 x 850 mDKK 304 mDKK The share of purchased soy in 2023 was unusually high compared to previous years; typically between 20% and 25%. Therefore, the financial exposure reported for 2023 may be exaggerated. ASSUMPTIONS Our future procurement spend and tonnage of key commodities (e.g., wild-caught fish protein, soy, wheat, and rapeseed oil) have been forecast using a combination of internal company projections relating to company growth (short—to medium-term) and recognised macro-economic datasets (medium—to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 The reported cost reflects the salary expenses of the employees working on the project to further diversify the composition of the feed. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to address the implementation of climate mitigation and adaptation measures. As this measure only covers dialogue with suppliers, there is no cost linked to this measure. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

Bakkafrost is one of the most vertically integrated companies in the industry and operates its own feed mill. The production of salmon feed requires significant quantities of key agricultural commodities such as soy, wheat, and rapeseed. These commodities are expected to be more tightly regulated, potentially leading to decreased availability and/or higher costs. Through the work of identifying alternative proteins to include in our feed as well as the ongoing diversification of both suppliers and commodities, we seek to continuously mitigate the inherent risk of potential limited availability and/or increased costs of agricultural commodities. So far, we have succeeded in identifying some alternative proteins which can be included, but this is still in the trial phases, and the availability of these alternative commodities is still low. Going forward we hope to mitigate the risk of facing potential restricted availability of raw materials by diversifying the commodity sources as much as possible, which also contributes towards lowering the pressure on some exposed agri-commodities. Bakkafrost is conducting several projects to identify

alternative proteins, including a project to investigate the opportunity to catch and use mesopelagic organisms for salmon feed. In 2023, we also trialled including black soldier fly larvae and algae oil in recipes. Through our revised sustainable procurement policy, we will strengthen our commitment to sourcing from sustainable producers to support the development of the market for certified deforestation-free soy. We have allocated funds which are available to the procurement team to pay for a potentially more expensive product to ensure it is sourced sustainably, but this is yet to be realised and thus yet to be monetarily quantified.

Forests

(3.1.1.1) Risk identifier

Select from:

☑ Risk6

(3.1.1.2) Commodity

Select all that apply

☑ Soy

(3.1.1.3) Risk types and primary environmental risk driver

Reputation

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

☑ Serbia

☑ United States of America

(3.1.1.9) Organization-specific description of risk

This risk relates to potential negative press coverage related to activities with negative environmental impacts. Bakkafrost purchases a large quantity of products that are essential to business operations, such as soy, wheat, and rapeseed oil. These procurement quantities will likely increase due to Bakkafrost's production growth plans and could pose a risk to the business. As attention grows regarding deforestation and water stress, there is a risk of negative press coverage for Bakkafrost if the company sources commodities from suppliers which do not carry out their operations responsibly with regard to topics such as deforestation. Bakkafrost responds to the risk by only sourcing soy that is Pro-Terra certified or similar to ensure that it does not come from areas threatened by deforestation or exposed to water stress.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Brand damage

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ About as likely as not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As public concern about deforestation and water scarcity increases, we anticipate that soy will receive more attention in the media. This could influence public perception of Bakkafrost in relation to the use of soy in feed production, potentially leading to a loss of social acceptance. This risk could affect Bakkafrost in several ways. If Bakkafrost is associated with deforestation, the company's reputation could suffer, resulting in a potential loss of customers, reduced product demand, or a decrease in the premium prices customers are willing to pay for Bakkafrost's products. The risk could also result in a shortage of feed ingredients if customers, investors, or authorities apply pressure or take legal action to stop Bakkafrost from sourcing these agricultural commodities. If the company is unable to switch to

alternative feed ingredients, or if the quality of the salmon is negatively affected by using lower quality or less preferable ingredients, it could significantly impact the company's profitability. Bakkafrost mitigates this risk by only sourcing Proterra-certified or similar soy. The Proterra certifications ensure that Bakkafrost is not supporting deforestation, conversion, or production in water stressed areas. The risk's effect has not been quantified financially. We anticipate the potential impact to have a low to moderate financial impact, as we are in the process of introducing alternative ingredients, thus increasing the ability to shift to another ingredient if necessary.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Nature based solutions, restoration and conservation

☑ Promotion of sustainable forest management, including financial incentives

(3.1.1.27) Cost of response to risk

40000000

(3.1.1.28) Explanation of cost calculation

The figure reported in 'Cost of response to risk' represents the extra cost paid for commodities that are Proterra-certified or similar. As the price is dependent on many different variables, including negotiation, we use an assumption that Proterra-certified soy raw material costs 25% more than non-certified soy. As we are not allowed to disclose the exact price of soy, we have provided an estimate of 40 million which is a representative figure for the premium paid.

(3.1.1.29) Description of response

At Bakkafrost, we believe that the best way to mitigate the risk of being associated with deforestation and simultaneously promote responsible agricultural practices is by sourcing commodities certified against certifications such as Proterra, which ensures that raw materials do not come from areas exposed to deforestation, and which urges companies to keep practising responsible agriculture through financial incentives. We pay an extra premium for these commodities and believe that this is the right way going forward. In addition, we regularly meet with our suppliers to address climate mitigation and adaptation measures being implemented to secure sustainable practices focused on ensuring that nature can regenerate and that no significant harm is imposed on the fields in which soy is grown. In addition to paying a Premium for certified commodities, we also engage with them through dialogue. A positive outcome of the engagement with suppliers is that we have received further documentation for the processes that the suppliers have in place to ensure that there is no deforestation, including satellite monitoring. We have not been able to quantify the financial effect of the risk, as it is highly complicated to calculate, as many market-related variables affect the potential financial effect. In a scenario

where Bakkafrost is the only salmon producer that cannot source certified soy, the risk would be highly material. If the entire industry loses the ability to source certified commodities, then the industry would face the same risk. In short, the risk relates to the availability of certified commodity.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Amazonas

☑ Parana

(3.1.1.9) Organization-specific description of risk

This risk applies to our purchased quantities of soy in 2023 that originated from Brazil, which was the majority of the soy purchased. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to soy, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

150000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

284000000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, soy from Brazil made up 33.4% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.334 x 450 mDKK 150 mDKK Maximum: 0.334 x 850 mDKK 284 mDKK The share of purchased soy in 2023 was unusually high compared to previous years; typically between 20% and 25%. Therefore, the financial exposure reported for soy in 2023 may be exaggerated. ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as soy from Brazil, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in soy production areas. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China
☑ France
☑ Sweden
☑ Denmark
☑ Netherlands
☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.9) Organization-specific description of risk

This risk relates to other agri-commodities (excluding soy) purchased for feed production. Bakkafrost's business is directly related to vast volumes of agricultural commodities that are essential to business operations, such as soy, wheat, and rapeseed oil. Through our climate scenario analysis, we have identified the sourcing of large quantities of wheat and rapeseed to be exposed to risk with a potentially substantive impact. The procurement quantities of these agricultural commodities will likely increase due to Bakkafrost's production growth plans and could pose a risk to the business. In future scenarios it is increasingly likely that regulations on the sourcing of these products will be introduced, increasing the price of these commodities and the operating costs for the business. Our climate scenario analysis operates with two time horizons (2050 and 2070), which are separate from the standard time horizons as defined in our enterprise risk management process in which short-term is 0 to 2 years, medium-term is 2 to 5 years, and long-term is defined as 6 years. As this risk is expected to occur beyond 6 years, we report 'long-term' in the time-horizon column.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term. If the regulation risk solely relates to wheat and rapeseed the impact would still be assessed to be high. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

289000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

547000000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly.

Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, wheat and rapeseed made up 64.3% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.643 x 450 mDKK 289 mDKK Maximum: 0.643 x 850 mDKK 547 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities (e.g. wild caught fish protein, soy, wheat and rapeseed oil) have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term. While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 The reported cost reflects the salary expenses of the employees working on the project to further diversify the composition of the feed. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to address the implementation of climate mitigation and adaptation measures. As this measure only covers dialogue with suppliers, there is no cost linked to this measure. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

Bakkafrost is one of the most vertically integrated companies in the industry and operates its own feed mill. The production of salmon feed requires significant quantities of key agricultural commodities such as soy, wheat, and rapeseed. These commodities are expected to be more tightly regulated, potentially leading to decreased availability and/or higher costs. Through the work of identifying alternative proteins to include in our feed as well as the ongoing diversification of both suppliers and commodities, we seek to continuously mitigate the inherent risk of potential limited availability and/or increased costs of agricultural commodities. So far, we have succeeded in identifying some alternative proteins which can be included, but this is still in the trial phases, and the availability of these alternative commodities is still low. Going forward we hope to mitigate the risk of facing potential restricted availability of raw materials by diversifying the commodity sources as

much as possible, which also contributes towards lowering the pressure on some exposed agri-commodities. Bakkafrost is conducting several projects to identify alternative proteins, including a project to investigate the opportunity to catch and use mesopelagic organisms for salmon feed. In 2023, we also trialled including black soldier fly larvae and algae oil in recipes. Through our revised sustainable procurement policy, we will strengthen our commitment to sourcing from sustainable producers to support the development of the market for certified deforestation-free soy. We have allocated funds which are available to the procurement team to pay for a potentially more expensive product to ensure it is sourced sustainably, but this is yet to be realised and thus yet to be monetarily quantified.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Denmark

☑ Faroe Islands

☑ United Kingdom of Great Britain and Northern Ireland

☑ United States of America

(3.1.1.9) Organization-specific description of risk

As global economies transition to a low-carbon world, it is increasingly likely that some form of carbon pricing will be enforced across markets where Bakkafrost operates. While not certain what form this pricing will take, it can be calculated as a variable DKK per tonne of CO2e emissions per year (or per kg product sold with regional variation). Given Bakkafrost's growth projections, this risk is expected to increase under some climate scenarios. Carbon-related taxes have already been enforced to some degree in the Faroe Islands and Scotland; however, this risk persists as it is expected that tax rates will continue to increase as economies transition to a low-carbon world.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The potential impact of implementing carbon taxes on the company's financial status is influenced by three main factors: the rate of the taxes, the timing of their introduction (whether early or late in the company's decarbonisation process), and the degree to which Bakkafrost continues to depend on fossil fuels. In the long term, if Bakkafrost increases its production significantly while still relying on fossil fuels to produce salmon feed, and affordable green marine and aircraft fuels are not yet available, carbon pricing would significantly impact operating costs. The impact on Bakkafrost's financial position, performance, and cash flow depends on whether the company can pass on the increased operating costs to customers without decreasing product demand.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

151000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

388000000

(3.1.1.25) Explanation of financial effect figure

APPROACH A carbon price dataset (NGFS) was applied to Bakkafrost's future GHG emissions forecast to calculate the financial impact. The impact was calculated by multiplying the predicted carbon price for a particular year/ scenario (DKK/tCO2e) by the total emissions for the year. CALCULATIONS Emissions projections for early and late transition are based on Bakkafrost's expected pathway to achieving our SBT and Net-zero by 2050: Faroe Islands scope 1 & 2 emissions 2050: 9,630 tCO2e Faroe Islands scope 3 emissions 2050: 26,721 tCO2e Total: 36,351 tCO2e Scotland scope 1& 2 emissions 2050: 2,265 tCO2e Scotland scope 3 emissions 2050: 19,154 tCO2e Total: 21,419 tCO2e -EARLY TRANSITION SCENARIO: Faroe Islands carbon price 2050: 2,237.39 DKK Faroe Islands total financial impact: 36,351 x 2,237.39 81,331,364 Scotland carbon price 2050: 3,247.21 DKK Scotland total financial impact: 21,419 x 3,247.21 69,551,991 Total: 81,331,364 69,551,991 150,883,355 -LATE TRANSITION SCENARIO: Faroe Islands carbon price 2050: 5,550.37 DKK Faroe Islands total financial impact: 36,351 x 5,550.37 201,761,500 Scotland carbon price 2050: 8,709.50 DKK Scotland total financial impact: 21,419 x 8,709.50 186,548,781 Total: 201,761,500 186,548,781 388,310,281 -HOT HOUSE SCENARIO Hot house scenario is based on limited transition, and thus higher emissions than in net-zero scenarios: Faroe Islands projected total emissions: 397,398 Scotland projected total emissions: 189,346 Faroe Islands carbon price 2050: 209.22 DKK Faroe Islands total financial impact: 397,398 x 209.22 83,143,610 Scotland carbon price 2050: 421.63 DKK Scotland total financial impact: 189,346 x 421.63 79,833,954 Total: 83,143,610 79,833,954 162,977,564 ASSUMPTIONS Our future GHG emissions have been projected using a combination of internal company projections relating to company growth, datasets relating to the carbon intensity of direct operations and supply chain as well as data on grid decarbonisation. To provide a full reflection of our GHG emissions exposure we have applied the calculations to our full, global footprint. Carbon pricing regulation affecting specific geographies or limited to Scopes 1&2 would have a significantly lower impact than the figures reported here. Uncertainties have not been quantified. Thus, these figures should only be interpreted as indicative.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

157000000

(3.1.1.28) Explanation of cost calculation

- Partnered with Faroese energy company to build the largest wind farm in the Faroes: 100 mDKK (proxy figure – actual cost is yet to be determined). - Electrification of the feed mill 'Havsbrún', which would involve a capital investment of c. DKK 23-30 million. - The total procurement spend on certified renewable energy in Scotland in 2023 amounted to 20 mDKK. - Cost associated with the fitting of batteries onboard the new farming service vessel 'Bakkafossur': approximately 5 mDKK. The batteries were fittes as part of the construction. - Using a 2% share of Sustainable Aviation Fuel (SAF) for our cargo aeroplane. SAF costs 58 dollars in extra fees per 1000 litres. Consumption: 300,000 and 400,000 litres per month. Extra monthly expense of 58 dollars in DKK 400 DKK, 120,000-160,000 DKK per month, which amounts to approximately 2 mDKK per annum. The 157 mDKK response cost reported is calculated by summating the decarbonisation projects (100m 30m 20m 5m 2m) above.

(3.1.1.29) Description of response

Bakkafrost has some carbon-intensive operations, including the feed mill operations, large vessels, and cargo aircraft, which would be vulnerable to a significant increase in carbon taxes. To mitigate the impact of this risk, Bakkafrost will continue to pursue the decarbonisation of direct operations and value chain emissions. We are developing a transition plan to identify the specific decarbonisation levers to be implemented to achieve our short-term and long-term decarbonisation targets. Even though we have yet to have a formal transition plan, we have already begun decarbonizing our operations. In 2023, Bakkafrost partnered with Faroese energy provider Effo to launch a project to establish the biggest wind farm in the Faroe Islands, named 'Eysturlund'. By the end of 2026, 24 wind turbines with a capacity of 4.2 MW each will provide green energy to our feed facility Havsbrún, which is the single most carbon-intense operation in our direct value chain. The project is still in the early stages, and the cost is still to be determined. Thus, we have applied a proxy figure of 100 mDKK. As a consequence of this project, our feed facility will undergo a significant electrification of its operations. We continuously look for decarbonisation opportunities throughout our value chain and aim to incorporate carbon reduction solutions in all new investments. An example of this is the construction of our newest wellboat, 'Bakkafossur', which we have fitted with a 700 kWh battery. Another example of seizing decarbonisation opportunities is the use of sustainable aviation fuel (SAF) onboard our newest cargo aircraft. The reported costs exclude previous climate-related investments, such as the 100 million DKK investment in a biogas plant and other upgrades to farming stations and hatchery sites, such as expenses related to the electrification of feed barges.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Technology

☑ Transition to lower emissions technology and products

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Denmark

☑ Faroe Islands

☑ United Kingdom of Great Britain and Northern Ireland

☑ United States of America

(3.1.1.9) Organization-specific description of risk

Bakkafrost has set ambitious 2030 SBTi-validated Scope 1 and 2 targets to decrease greenhouse gas emissions by 50% from a 2020 base year. Most of the reductions are expected to come from the electrification of Bakkafrost's carbon-intensive operations. Bakkafrost faces a vulnerability to rising electricity prices due to its increasing demand for electricity over time, driven by process automation, thermal electrification, and production growth. Potential future volatility in the energy market, for example, in a scenario where there is high demand for renewable electricity to reduce exposure to carbon taxation, could result in increased exposure and increased operating costs. This situation will particularly impact Bakkafrost as one of the largest emitters in the Faroe Islands. Due to the combination of ambitious targets and high energy demand, Bakkafrost is especially susceptible to a potential shortage of renewable energy, which would increase the risk of having to pay significantly higher prices to secure renewable energy for its operations.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Very likely

(3.1.1.14) Magnitude

Select from:
☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As Bakkafrost continues to electrify its operations, operating costs become increasingly susceptible to pricing fluctuations. However, as renewable infrastructure becomes more robust in the areas in which we operate, we expect limited electricity price fluctuations. We recognise that local variations may affect the availability of renewable electricity at competitive prices, for example in the rural areas of Scotland.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

162000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

248000000

(3.1.1.25) Explanation of financial effect figure

APPROACH An electricity price forecast (NGFS Phase 3 Scenario Explorer) was applied to Bakkafrost's future electricity usage forecast to calculate the financial impact, which was calculated by multiplying the predicted energy price for a particular year / scenario (DKK/GWh) by the total energy consumption for the year. CALCULATIONS The potential price of electricity used in these calculations ranges from 2.11 DKK/kWh to 2.45 DKK/kWh for the Faroe Islands, and 1.70 DKK/kWh to 3.35 DKK/kWh for Scotland. Energy consumption is based on Bakkafrost's historic figures on energy use and the projected growth rates by the applied scenarios. The minimum financial impact reflects the impact in an Early Transition scenario in 2050, while the maximum figure reflects the impact in a Hot House Transition scenario also in 2050. -EARLY TRANSITION SCENARIO Faroes electricity consumption (kWh) 2050: 134,459,456 Faroes electricity price (DKK per kWh) 2050: 1.73 Scotland electricity consumption (kWh) 2050: 15,229,229 Scotland electricity price (DKK per kWh) 2050: 1.95 Total: (134,459,456 x 1.73) (15,229,229 x 1.95) 262,653,081 Current spend: 100,107,008 Financial impact: 262,653,081 – 100,107,008 162,546,073 -LATE TRANSITION SCENARIO Faroes electricity consumption (kWh) 2050: 150,883,157 Faroes electricity price (DKK per kWh) 2050: 1.92 Scotland electricity consumption (kWh) 2050: 17,089,420 Scotland electricity price (DKK per kWh) 2050: 2.25 Total: 327,585,075 Current spend: 100,107,008 Financial impact: 327,585,075– 100,107,008 227,478,067 -HOT HOUSE SCENARIO Faroes electricity consumption (kWh) 2050: 151,973,462 Faroes electricity price (DKK per kWh) 2050: 2.10 Scotland electricity consumption (kWh) 2050: 17.212.911 Scotland electricity price (DKK per kWh) 2050: 1.71 Total: DKK 348,272,328 Current spend: 100,107,008 Financial impact: 348,272,328 – 100,107,008 248,165,320 ASSUMPTIONS Our future energy consumption has been projected using a combination of internal company projections relating to company growth (short- to medium-term), known datasets relating to the energy intensity of direct operations as well as macro-economic datasets.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Other infrastructure, technology and spending, please specify **:**Investment in self-generation of electricity to secure sufficient share of renewables for operations

(3.1.1.27) Cost of response to risk

210000000

(3.1.1.28) Explanation of cost calculation

The following projects have been included in the calculation: - Have built a new biogas plant in the Faroe Islands: 100 mDKK Bakkafrost built a biogas plant to convert biological waste from its salmon breeding operations into renewable energy, thus increasing the share of renewable energy in the Faroe Islands' power grid. The provided figure represents the project's CAPEX. We're building the Faroe Islands' largest wind farm to provide renewable energy for our feed facility, Havsbrún, at an estimated cost of 100 million DKK. This project is a collaboration between Bakkafrost and a Faroese energy company, aiming to build a 350 GWh per annum wind farm to secure renewable energy for the 'Havsbrún' feed mill. - Photovoltaic units and installation: 10 mDKK Bakkafrost has fitted photovoltaic units in the new state-of-the-art hatchery Applecross in Scotland. The reported 'response to risk' (210 mDKK) is calculated by summarizing the costs of the initiatives as reported above

(3.1.1.29) Description of response

We have faced some challenges in mitigating risks of electricity price volatility (and also securing renewable energy to reduce our carbon footprint), especially in the Faroe Islands where legislation requires energy producers to sell and deliver all produced electricity to the national grid and then buy it back to the standard price. This has not been an applicable business model to apply for the business so far. However, with the new wind farm project, a solution to this problem might be in sight which is beneficial for all stakeholders involved. In Scotland, we have more opportunities to apply different solutions. For example, we have chosen to install photovoltaic units at our new freshwater site at Applecross.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Other chronic physical risk, please specify **:**Rising mean temperatures

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Faroe Islands

☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.9) Organization-specific description of risk

Bakkafrost is exposed to operational risk from the impacts of rising mean temperatures. This may result in changes to the conditions for salmon farming, which have the potential to cause fish mortality, either through storms or by negatively impacting fish health during the farming stage (e.g. Harmful algae blooms). Rising mean temperatures may also impact the availability of marine raw material for production of salmon feed due to ocean acidification. Given the highly exposed locations of

many of Bakkafrost's farming sites across the Faroe Islands and Scotland, the potential impact of reduced production capacity resulting from climate risks is something which the business takes extremely seriously.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The increasing average ocean temperatures pose a continuous threat to Bakkafrost's operations. While other identified risks may have a more sudden impact, such as the potential introduction of new regulations, the effects of rising ocean temperatures are observable each year with more frequent biological incidents like algae blooms and jellyfish/hydrozoa, storms and ocean acidification affecting marine resources. Technological advancements have significantly helped mitigate the biological effects on the salmon in the marine environment, resulting in a moderate level of financial exposure to this particular risk. The technological advancements include new delousing and freshwater treatment systems, which we have fitted onboard our farming service vessels (ships) that travel between marine sites to provide treatments. We have seen significant positive effects from especially freshwater treatments in recent years, which help mitigate financial risks from increasing temperatures. However, in a continuously warming climate, the frequency of treatments needed to maintain fish health may increase, necessitating additional CAPEX expenditure to further enhance treatment capacity. Bakkafrost has recently invested in more robust marine equipment to help reduce the risks posed by storms. However, it's important to note that no equipment can offer complete protection from storm effects. Bakkafrost heavily relies on marine raw materials, particularly blue whiting, which make up a significant portion of our feed composition. The increasing severity of ocean acidification may potentially impact the availability of these

marine raw materials. The exact effects are difficult to predict due to various variables, but the worst-case scenario could significantly affect Bakkafrost's financial performance as we transition to alternative feed ingredients. When combining the three effects of increasing mean temperatures (biological challenges in the marine environment, increased frequency of storms, and increasing ocean acidification), the financial magnitude can be categorised as high.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

200000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

800000000

(3.1.1.25) Explanation of financial effect figure

APPROACH A proxy impact factor based on projected temperature changes for operational sites in the Faroe Islands and Scotland was scaled to different warming scenarios. It was assumed that extreme incidents, like the Harmful Algae Bloom that hit Bakkafrost in 2018, would become more common under high-warming scenarios. Storm impacts have been calculated based on the projected output growth of the business and the increased frequency of storms. The financial impact is stated as the difference between business as usual and the scenario projection. CALCULATIONS -EXTREME WEATHER EVENTS (STORMS) – FINANCIAL IMPACT IN 2050 Estimated storm impact in scenario:1,046 tonnes to 1,377 tonnes Projected salmon price:111.09 DKK per kg Storm losses: 116,175,344 DKK to 153,005,833 DKK Projected insurance discount: 14.5% to 48% Storm losses incl. insurance: 60,365,729 DKK to 79,503,174 DKK Financial impact: Storm losses incl. insurance – Business as usual (based on case study 953 tonnes x projected salmon price x Insurance discount) 5,352,920 DKK to 18,128,990 DKK - HARMFUL ALGAE BLOOMS – FINANCIAL IMPACT IN 2050 Proxy mortality loss impact factor: Early transition: 6% of harvest in Faroes and 20% of harvest in Scotland, Late transition: 30% of harvest in Faroes and 29% of harvest in Scotland, Hot house: Proxy impact factor: 60% of harvest in Faroes and 60% of harvest in Scotland Production forecast: 123,173 to 137,416 tonnes Faroes and 61,586 to 68,708 tonnes Scotland Financial impact: Mortality losses x projected salmon price 67,713,695 DKK to 260,030,083 DKK - OCEAN ACIDIFICATION – FINANCIAL IMPACT IN 2050 Marine input in scenario to meet future demand: 382,042 to 455,881 tonnes Price (DKK/t): 2,926 to 3,306 Early transition total financial impact: Volumes x Price 1,117,854,892 DKK to 1,507,193,013 DKK Potential financial impact: Scenario impact – Business as usual impact 123,642,696 DKK to 513,032,344 DKK SUMMARIZED ANTICIPATED FINANCIAL EFFECT: Storms Harmful algae blooms Ocean acidification 196,709,311 DKK to 791,191,417 DKK ASSUMPTIONS Salmon farming can be affected by climate-related factors affecting the fjords in which we farm, leading to issues such as HABs, de-oxygenation, and increased pests. This calculation is solely based on the increasing frequency of HABs. We recognise the complexity and uncertainties involved. These uncertainties have not been quantified, and thus, these figures should, therefore, be interpreted as indicative.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Other infrastructure, technology and spending, please specify :Investment in Recirculationg Aquaculture Systems (RAS) and Farming Service vessels (FSC)

(3.1.1.27) Cost of response to risk

3402100000

(3.1.1.28) Explanation of cost calculation

- Bakkafrost invests in vessels for freshwater treatments and Recirculating Aquaculture System units to reduce the time salmon spend in the marine environment and breed them for longer periods on land: 3.4 bnDKK - Support for a research project to model the effect of climate change on Faroese fjords: 2.1 mDKK The reported 'cost of response to risk' (3,402,100,000 DKK) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

Due to the dependency on the water quality of the fjords, Bakkafrost is exposed to risks related to rising mean temperatures. The source of the direct impact on the water quality comes down to harmful algae blooms and micro-jellyfish or hydrozoans, which mainly impact the gill health of the salmon and ultimately causes mortality. Over the last many years, we have had a continuous focus on mitigating these biological risks, which are linked to rising mean temperatures, by investing heavily in technology, which can treat the salmon to maintain and/or restore the salmon's health. The investment into technological solutions have been in the form of vessels with installed treatment technology. The total summarized CAPEX for purchasing the two vessels mentioned in the explanation of cost is approximately 1 bn DKK. We have also made the strategic decision to mitigate the exposure to biological risks in the marine environment by shortening the time period in which the salmon is in the ocean and prolonging the period in which the salmon is farmed on-land. This has resulted in heavy investments into Recirculating Aquaculture Systems (RAS). The total summarized CAPEX allocated to the construction of RAS units, included in our 2024-2028 investment plan, is 2.4 bnDKK. We acknowledge that understanding the potential effects of increasing temperatures is highly complex. Thus, we are financing a 3-year (minimum) research project with DKK 2.1 m (DKK 700k a year) into the impact of climate change on the Faroese fjord environment, which may impact our operations in the future. Understanding this risk has become a priority for us, so we can not only increase mitigation of risks within our control but can also adapt to factors outside our control. A new researcher at the University of the Faroe Islands has begun modelling the Faroese near-shore fjord system to collect data across a number of areas.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Serbia

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the small amount of soy we purchased in 2023 from Serbia. This risk applies to our purchased quantities of soy in 2023 that originated from Brazil, which was the majority of the soy purchased. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to soy, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

1440000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

2720000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, soy from Serbia made up 0.32% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.0032 x 450 mDKK 1.4 mDKK Maximum: 0.0032 x 850 mDKK 2.7 mDKK The share of purchased soy in 2023 was unusually high compared to previous years; typically between 20% and 25%. Therefore, the financial exposure reported for soy in 2023 may be exaggerated. ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as soy from Serbia, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in soy production areas. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ United States of America

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

Organization-specific description of risk: This risk applies to the quantities of soy we purchased in 2023 from the USA. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to soy, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less

vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

9000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

12000000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, soy from USA made up 2% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.02 x 450 mDKK 9 mDKK Maximum: 0.02 x 850 mDKK 17 mDKK The share of purchased soy in 2023 was unusually high compared to previous years; typically between 20% and 25%. Therefore, the financial exposure reported for soy in 2023 may be exaggerated. ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as soy from USA, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in soy production areas. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ France

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of rapeseed that we purchased in 2023 originating from France. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to rapeseed, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

67500000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

127500000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These

regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, rapeseed from France made up 15% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.15 x 450 mDKK 67.5 mDKK Maximum: 0.15 x 850 mDKK 127.5 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as rapeseed from France, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in rapeseed production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before

signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Netherlands

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of rapeseed that we purchased in 2023 originating from the Netherlands. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost

production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to rapeseed, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

25200000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

47600000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, rapeseed from the Netherlands made up 5.6% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.056 x 450 mDKK 25.2 mDKK Maximum: 0.056 x 850 mDKK 47.6 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as rapeseed from the Netherlands, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in rapeseed production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of rapeseed that we purchased in 2023 originating from Great Britain. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to rapeseed, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

45450000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

85850000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, rapeseed from Great Britain made up 10.1% of

the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.101 x 450 mDKK 45 mDKK Maximum: 0.101 x 850 mDKK 85 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as rapeseed from Great Britain, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in rapeseed production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Denmark

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of rapeseed that we purchased in 2023 originating from Denmark. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to rapeseed, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

3825000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

7225000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, rapeseed from Denmark made up 0.85% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.0085 x 450 mDKK 3.8 mDKK Maximum: 0.0085 x 850 mDKK 7.2 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae

and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as rapeseed from Denmark, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in rapeseed production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Denmark

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of wheat products that we purchased in 2023 originating from Denmark. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to wheat, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

945000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

1785000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, wheat from Denmark made up 0.21% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.0021 x 450 mDKK 0.9 mDKK Maximum: 0.0021 x 850 mDKK 1.8 mDKK Of key agri-commodities (soy, wheat, and rapeseed), in 2023, wheat from Denmark represented 0.21%. This split has been used to calculate the financial impact figures stated above. ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify :Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as wheat from Denmark, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in wheat production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Sweden

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of wheat products that we purchased in 2023 originating from Sweden. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to wheat, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

111600000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

210800000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, wheat from Sweden made up 24.8% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.248 x 450 mDKK 111.6 mDKK Maximum: 0.248 x 850 mDKK 210.8 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as wheat from Sweden, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in wheat production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

This risk applies to the amount of wheat products that we purchased in 2023 originating from China. Bakkafrost purchases large quantities of products that are essential to the business operations of the feed division e.g., soy, wheat, rapeseed oil. These procurement quantities are likely to increase due to Bakkafrost production growth plans and could pose a risk to the business should cost prices significantly increase. In future scenarios, regulation on the sourcing of agri-commodities may be introduced, as well as other potential supply-side challenges from increased physical risk (e.g. water stress). This could increase the price of these commodities and affect the business's operating costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to wheat, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less

vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

30600000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

57800000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, wheat from China made up 6.8% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.068 x 450 mDKK 30.6 mDKK Maximum: 0.068 x 850 mDKK 57.8 mDKK ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

We recognize our dependency on key agri-commodities, such as wheat from China, for producing salmon feed. To manage this risk, we have introduced two main strategies. Firstly, we are investing in research to find alternative ingredients, such as algae oil and insect meal, to diversify the composition of our feed. Secondly, we are engaging with suppliers to address climate mitigation and adaptation measures to ensure sustainable practices in wheat production. To further enhance our risk management related to agri-commodity sourcing, we have begun using the WRI Aqueduct Water Risk Atlas tool. This involves using the tool before signing contracts with suppliers, obtaining information on the origin of the commodities and checking their locations against the Water Risk Atlas, and reporting the percentage of commodities sourced from areas exposed to water stress.

Forests

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.2) Commodity

Select all that apply

☑ Soy

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

☑ Serbia

☑ United States of America

(3.1.1.9) Organization-specific description of risk

This risk relates specifically to the sourcing of soy. Bakkafrost purchases a large quantity of products that are essential to business operations e.g., soy, wheat, rapeseed oil. These procurement quantities will likely increase due to Bakkafrost's production growth plans and could pose a risk to the business. In future scenarios it is increasingly likely that regulations on the sourcing of these products will be introduced, increasing the price of these commodities and the operating costs for the business. The risk of lack of availability could also be due to drought where soy is produced.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Regulation related to the agri-commodities that we use to make feed could have a high impact on the company's financial performance over the long term, while if the regulation risk only relates to soy, excluding other agri-commodities used, the impact would be low to medium. The feed prices would go up if the agri-commodities became more expensive, and this would also lead to higher salmon prices. How much the company would be financially affected depends on whether it can pass on the higher operating costs to the product (salmon) price, and how customers would react to a higher price. Customers' willingness to pay more depends a lot on the global economic situation. Also, whether the company can pass on the higher operating costs depends on the price level of direct competitors, who are more or less vulnerable to agri-commodity price increases depending on the mix of feed ingredients in their salmon feed. If they use less agri-commodities, then they are less exposed to regulations related to agri-commodities.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

161000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

304000000

(3.1.1.25) Explanation of financial effect figure

APPROACH Bakkafrost's business is directly related to vast volumes of agricultural commodities which are essential to business operations, e.g. soy, wheat, rapeseed oil. These agri-commodities are exposed to the risk of the introduction of tight regulations to address the consequences of a warming climate. These

regulations can lead to limited availability of the commodities. If demand exceeds the supply, this will make the cost of these commodities increase significantly. Economic commodity price forecasts for key crops/geographies were utilised across a range of climate-related scenarios to calculate potential financial impact. This was calculated as the difference in future procurement costs per each climate risk scenario, compared with a control scenario based on contemporary procurement data. CALCULATIONS When economic commodity price forecasts for important crops are applied to various climate scenarios, the total financial impact of the risk of regulations being imposed on all agricultural commodities used in Bakkafrost's salmon feed (such as soy, wheat, and rapeseed) ranges from a minimum of approximately 450 million DKK to a maximum of around 850 million DKK, using 2050 as the forecast year. In 2023, soy made up 35.7% of the total agri-commodities purchased, and if this split is applied, the range of the anticipated financial effect in 2050 would be: Minimum: 0.357 x 450 mDKK 161 mDKK Maximum: 0.357 x 850 mDKK 304 mDKK The share of purchased soy in 2023 was unusually high compared to previous years; typically between 20% and 25%. Therefore, the financial exposure reported for 2023 may be exaggerated. ASSUMPTIONS Our future procurement spend and tonnage of key commodities have been forecast using a combination of internal company projections relating to company growth (short- to medium-term), as well as recognised macro-economic datasets (medium- to long-term). While uncertainties have not been quantified, it is assumed that there is significant associated uncertainty and that these figures should be interpreted as indicative of relative potential impact rather than forecast risk exposure.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Identify alternative proteins for salmon aquaculture feed

(3.1.1.27) Cost of response to risk

6800000

(3.1.1.28) Explanation of cost calculation

There are a number of ways Bakkafrost is responding to this risk, these include: - Investing in research and development to identify alternative proteins for salmon aquaculture feed. Cost: 1,300,000 This cost reflects the salary expenses of the employees working on the project to further diversify the feed, which is regarded as an essential element of mitigating the risk of raw material availability or significant cost increases. - Sourcing alternative ingredients, including black soldier fly larvae and algae oil. This was still in the trial phase in 2023. Cost: 5,500,000 The reported cost reflects the procurement spent on alternative ingredients in 2023. - We regularly meet with our suppliers to discuss climate mitigation and adaptation measures being implemented to secure sustainable practices. This measure only covers dialogue with suppliers, no cost. The reported 'cost of response to risk' (6,800,000) is calculated by summarizing the costs of the initiatives as reported above.

(3.1.1.29) Description of response

Through the work of identifying alternative proteins to include in our feed as well as the ongoing diversification of both suppliers and commodities, we seek to continuously mitigate the inherent risk of potential limited availability and/or increased costs of agricultural commodities. So far, we have succeeded in identifying some alternative proteins which can be included, but this is still in the trial phases, and the availability of these alternative commodities is still low. Going forward we

hope to mitigate the risk of facing potential restricted availability of raw materials by diversifying the commodity sources as much as possible, which also contributes towards lowering the pressure on some exposed agri-commodities. Bakkafrost is conducting several projects to identify alternative proteins, including a project to investigate the opportunity to catch and use mesopelagic organisms for salmon feed. In 2023, we also trialled including black soldier fly larvae and algae oil in recipes. Through our revised sustainable procurement policy, we will strengthen our commitment to sourcing from sustainable producers to support the development of the market for certified deforestation-free soy. We have allocated funds which are available to the procurement team to pay for a potentially more expensive product to ensure it is sourced sustainably, but this is yet to be realised and thus yet to be monetarily quantified.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

1576435000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ 21-30%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

APPROACH Bakkafrost has conducted a TCFD-aligned climate scenario analysis to identify and assess climate-related risks and opportunities. The potential impacts on Bakkafrost under each scenario have been considered for two time horizons, 2050 and 2070. These time horizons were chosen to reflect a sufficiently long-term timeframe in order to adequately capture physical risk exposure (2070) while also allowing cross-comparison with transition risks (2050). The scenarios applied were as follows: EARLY TRANSITION Description: Gradual and deliberate shift towards a low carbon economy with the outcome of successfully limiting global average temperature within 2C by 2100. Reference data: SSP1 (UNFCCC) RCP1.9 (IPCC) LATE TRANSITION Description: Sudden shift towards a low carbon economy with governments making dramatic policy interventions to make up for a late start. Global average temperature increase to be kept within 2C by 2100 with possible overshoot. Reference data: SSP1-2 (UNFCCC) RCP2.6 (IPCC) HOT HOUSE Description: Continuation of current projection of carbon emissions without any significant abatement or mitigation. Likely to result in temperature increases in excess of 4C by 2100. Reference data: SSP2-5 (UNFCCC) RCP8.5 (IPCC) FIGURES AND CALCULATIONS The revenue reported as vulnerable to transition risks for this environmental issue relates to the revenue generated from our Fish Meal, Oil and Feed (FOF) segment and relates to Risk 1 as reported in 3.1.1. The figure is reported reflecting external operating revenues as reported in Note 2.3 in the 2023 Bakkafrost Annual Report. The Fish Meal, Oil and Feed (FOF) segment relies on the sourcing of agri-commodities such as soy, wheat and rapeseed, which in the climate-scenario analysis were identified as exposed to transitional risks in the form of potential regulation on these commodities, potentially limiting the availability of the raw materials and/or increasing the price of the materials. In 2023, soy (15.2%), wheat (17.6%), and rapeseed (13.5%) accounted for 46.3% of the total raw materials used for salmon feed production. Since these agricultural commodities account for almost half of the total raw materials used in salmon feed production, we assume that the entire revenue for this segment is dependent on sourcing these commodities. The CAPEX of 6,800,000 DKK reported relates to the expenses to R&D in new feed compositions (1.3 M) as well as procurement spend on alternative ingredients for trials

Forests

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

1576435000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 21-30%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

APPROACH The revenue that is considered vulnerable to physical risks for this environmental issue is related to the revenue generated from the Fish Meal, Oil, and Feed segment. At our feed division at Havsbrún, Bakkafrost utilizes crops to produce fish feed. However, this practice makes us vulnerable to potential regulations aimed at mitigating the negative impacts on nature's regenerative ability in the areas where these crops are produced. This could lead to increased costs and/or limited availability of these commodities, which may impact our operations. FIGURES AND CALCULATIONS The revenue reported as vulnerable to transition risks for this environmental issue relates to the revenue generated from our Fish Meal, Oil and Feed (FOF) segment and relates to Risk 1 as reported in 3.1.1. The figure is reported reflecting external operating revenues as reported in Note 2.3 in the 2023 Bakkafrost Annual Report. In 2023, soy (15.2%), wheat (17.6%), and rapeseed (13.5%) accounted for 46.3% of the total raw materials used for salmon feed production. Since these agricultural commodities account for almost half of the total raw materials used in salmon feed production, we assume that the entire revenue for this segment is dependent on sourcing these commodities. The CAPEX of 6,800,000 DKK reported relates to the expenses to R&D in new feed compositions (1.3 M) as well as procurement spend on alternative ingredients for trials (5.5 M).

Water

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

1211000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

APPROACH Through our Enterprise Risk Management process, we have identified our Freshwater segment as at risk of a lack of availability of high-quality freshwater. This segment is heavily reliant on the availability of high-quality water. The effects of climate change are increasingly significant, including the growing risk of heavy precipitation leading to landslides and muddy water. As a result, the risk of poor-quality water entering our freshwater sites, where we raise smolt (baby salmon), is increasing. Poor-quality water can lead to an increase in mortality at our freshwater sites. Also, prolonged periods of drought in Scotland and the Faroe Islands can lead to a lack of availability of freshwater. FIGURES AND CALCULATIONS The revenue that is considered vulnerable to physical risks for this environmental issue is related to the revenue generated from the Freshwater segment reported in Note 2.3 in the 2023 Bakkafrost Annual Report. The revenue forms a small portion of the total revenue due to the majority of fish being sold internally to the Marine Farming departments. CAPEX The CAPEX amount disclosed relates to the CAPEX spent on the construction of RAS-sites (recirculating aquaculture system), which ensures up to 99% water recirculation and thus minimises the dependency on withdrawing water from the surroundings. This is a significant improvement compared to the previous 'flow-through'-sites, where 0% of the water was reused.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

1719000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

APPROACH Bakkafrost has conducted a TCFD-aligned climate scenario analysis to identify and assess climate-related risks and opportunities, applying the time horizons of 2050 and 2070. The scenarios applied were as follows: EARLY TRANSITION Description: Gradual and deliberate shift towards a low carbon economy with the outcome of successfully limiting global average temperature within 2C by 2100. Reference data: SSP1 (UNFCCC) RCP1.9 (IPCC) LATE TRANSITION Description: Sudden shift towards a low carbon economy with governments making dramatic policy interventions to make up for a late start. Global average temperature increase to be kept within 2C by 2100 with possible overshoot. Reference data: SSP1-2 (UNFCCC) RCP2.6 (IPCC) HOT HOUSE Description: Continuation of current projection of carbon emissions without any significant abatement or mitigation. Likely to result in temperature increases in excess of 4C by 2100. Reference data: SSP2-5 (UNFCCC) RCP8.5 (IPCC) FIGURES AND CALCULATIONS The revenue at risk is linked to the Farming segment, which is dependent on stable ocean temperatures to avoid issues like harmful algae blooms and jellyfish/hydrozoans affecting salmon gill health. This revenue is detailed in Note 2.3 of the 2023 Bakkafrost Annual Report as external operating revenues. It forms a small portion due to the majority of fish being sold internally to the Processing departments. CAPEX DEPLOYED To mitigate the biological impacts of increased ocean temperatures on salmon, Bakkafrost heavily invests in technology to maintain and restore salmon gill health. In 2023, the company acquired the new hybrid farming service vessel 'Bakkafossur', costing approximately 500 mDKK, which has improved fish health through freshwater treatments. To better understand the effects of a warming climate on the fjords in the Faroe Islands, Bakkafrost provides 700,000 DKK per year to support a research project at the University of the Faroe Islands. Bakkafrost follows a strategy to move the biomass on land in the early phases of the salmon's life. Small salmon are more vulnerable to the impacts of the environmental effects caused by increasing ocean temperatures,

and thus, Bakkafrost invests in building more and bigger freshwater sites on land. The amount spent on buildings and soil to build on within the Freshwater segment in 2023 was 289 mDKK. The costs provided above result in a total of 702 mDKK in CAPEX deployed towards the risk in 2023.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

7140849000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 100%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

APPROACH Bakkafrost has conducted a TCFD-aligned climate scenario analysis to identify and assess climate-related risks and opportunities. The potential impacts on Bakkafrost under each scenario have been considered for two time horizons, 2050 and 2070. These time horizons were chosen to reflect a sufficiently long-term timeframe in order to adequately capture physical risk exposure (2070) while also allowing cross-comparison with transition risks (2050). The scenarios applied were

as follows: EARLY TRANSITION Description: Gradual and deliberate shift towards a low carbon economy with the outcome of successfully limiting global average temperature within 2C by 2100. Reference data: SSP1 (UNFCCC) RCP1.9 (IPCC) LATE TRANSITION Description: Sudden shift towards a low carbon economy with governments making dramatic policy interventions to make up for a late start. Global average temperature increase to be kept within 2C by 2100 with possible overshoot. Reference data: SSP1-2 (UNFCCC) RCP2.6 (IPCC) HOT HOUSE Description: Continuation of current projection of carbon emissions without any significant abatement or mitigation. Likely to result in temperature increases in excess of 4C by 2100. Reference data: SSP2-5 (UNFCCC) RCP8.5 (IPCC) FIGURES AND CALCULATIONS Our climate scenario analysis identified the introduction of carbon taxes in the countries in which Bakkafrost operates as a material risk which has a potential impact from 151 mDKK to 388 mDKK in 2050. The revenue reported as vulnerable to transition risks for this environmental issue relates to the Group's total revenue as the issue relates to the potential introduction of carbon taxes in the countries in which Bakkafrost operates. No segment in the Bakkafrost value chain is currently operating entirely on renewable energy, and thus the risk applies to all segments. CAPEX The CAPEX amount disclosed relates to the expenses for buying renewable electricity for our Scottish operations. This is done through a PPA contract. This is part of our strategy to mitigate risk exposure from carbon tax.

Water

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

1596435000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 21-30%

(3.1.2.7) Explanation of financial figures

APPROACH Through our Enterprise Risk Management process, we have identified our Fish Meal, Oil and Feed (FOF) segment as being at risk of lack of availability of key commodities such as soy, wheat and rapeseed due to prolonged periods of drought in the areas where the crops are produced and sourced. These commodities accounted for almost half of all commodities used for feed production in 2023, and thus they are considered of significant importance to the company. An insufficient supply of raw material inputs such as wheat, rapeseed, and soy could affect the volumes produced at the feed mill. This may result in incidents or necessary measures with significant cost implications. FIGURES AND CALCULATIONS The revenue reported as vulnerable to transition risks for this environmental issue relates to the revenue generated from our Fish Meal, Oil and Feed (FOF) segment. The figure is reported reflecting external operating revenues as reported in Note 2.3 in the 2023 Bakkafrost Annual Report. CAPEX The CAPEX of 6,800,000 DKK reported relates to the expenses to R&D in new feed compositions (1.3 M) as well as procurement spend on alternative ingredients for trials (5.5 M). We have also focused on meeting directly with the suppliers to engage on various topics, including water management.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Faroe Islands

☑ Other, please specify **:**Fuglafjørður

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization’s total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ Less than 1%

(3.2.10) % organization’s total global revenue that could be affected

Select from:

☑ 21-30%

(3.2.11) Please explain

We have calculated the % of Bakkafrost's global revenue that could be affected as the percentage of the total Group revenue that was generated by our salmon feed production division at Havsbrún in 2023, which amounted to around 22%. Our feed division relies on the sourcing of agri-commodities, which face various water-related risks, including the risk of limited availability due to prolonged periods of drought and/or increased costs and other regulations which affect the availability of these crops. Though the percentage of the organization’s total global revenue has been reported as 22%, as we are proceeding in further integrating the business, we now almost only use Havsbrún feed in our operations. Thus, one could argue that almost 100% of our current revenue is dependent on the provision of Havsbrún feed.
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: ☑ No	*We had no cases of non-compliance with environmental laws and/or regulations, or any fines in 2023.*

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We acknowledge the growing pressure and attention from regulatory bodies to implement carbon taxes in the regions where we do business. We believe it is highly likely that carbon taxes or other carbon reduction mechanisms will be introduced. While no emission-related taxes have been implemented in the Faroe Islands yet, extra taxes have recently been placed directly on the price of heavy fuel oil, affecting the operating costs of our feed division Havsbrún, which primarily relies on heavy fuel oil. With the implementation of emission taxes underway in Denmark, which has historically exerted a strong influence on Faroese legislation, it is reasonable to expect a further increase in emission taxes being implemented in the Faroe Islands in the next few years. We are addressing this risk by implementing initiatives to reduce carbon emissions. Our feed division, Havsbrún, is the most carbon-intensive unit in the Faroe Islands. Therefore, we are concentrating on reducing carbon emissions from these operations. We are currently working on a project to build a 350 GWh per annum wind farm. The electricity generated at the wind farm will be supplied directly to our feed production site. We are actively exploring solutions to address the carbon emissions issue in our fleet of vessels. In 2021, we acquired our first fully electric catamaran, which we use for daily tasks at our farming sites. We are currently gathering data from this project, which will guide our future decisions and initiatives. Also, our newest big vessel 'Bakkafossur' has been built to be ready to be fitted with a low-carbon power solution once the technology is ready, and we plan to repurpose the rest of the fleet when technology and prices make it feasible. We are currently in the early phase of developing a more specific transition plan, which will function as implementation guidance for the specific carbon reduction levers. Starting January 1, 2025, our Danish business, Munkebo Seafood, will be subject to emission taxes. The taxation is structured so that businesses outside the European Union's quota system will pay 750 DKK per tonne of CO2 emitted in 2030, whereas businesses inside the quota system will be taxed 375 DKK per tonne of CO2 emitted in 2030. We plan to further explore decarbonization and improve energy efficiency at this site. In Scotland, our operations are not currently subject to a direct emission tax, but a new import carbon tax will be introduced in 2027. There are ongoing discussions about introducing other types of carbon-related taxes in Scotland, which we expect to receive increasing attention. Therefore, we have made an agreement to purchase renewable electricity for our sites in Scotland, a practice we have followed for several years. We are consistently focused on electrifying our operations, exemplified by the introduction of hybrid feed barges, which have helped in reducing our use of fossil fuels. We are currently not aware of the introduction of any carbon-related taxes affecting our US and France operations.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

	Environmental opportunities identified
Forests	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.2) Commodity

Select all that apply
☑ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source
☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Faroe Islands

(3.6.1.8) Organization specific description

Bakkafrost's Biogas plant FORKA uses biological waste from hatcheries to generate electricity, heat, and fertiliser. These three production streams are being sold to the grid/heat network/customers, respectively, and are an opportunity for revenue generation. As the business continues to grow, it is assumed that the input biological waste quantities will increase and FORKA can increase production. There are also opportunities to generate other types of low-carbon energy, expanding the range of potential applications. For instance, it is possible to utilize FORKA to produce energy for powering heavy transport such as trucks and potentially even ships. This opportunity helps reduce Bakkafrost's exposure to risk from carbon taxes by increasing the availability of renewables in the grid through the biogas plant. However, Bakkafrost cannot directly obtain the electricity generated from biogas due to general grid regulations, which require the electricity to be distributed throughout the grid. Nevertheless, this initiative still contributes to a positive increase in the use of renewable energy in the grid, benefiting all businesses in the Faroe Islands, including Bakkafrost.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Returns on investment in low-emission technology

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ About as likely as not (33–66%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Anticipated production growth and ongoing process streamlining, along with the potential development of new low-carbon fuels, may increase FORKA's revenue in the coming years with a medium financial impact.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

162000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

183000000

(3.6.1.23) Explanation of financial effect figures

APPROACH NGFS datasets for electricity price, heat price, and fertiliser price were applied to Bakkafrost's forecast outputs from FORKA Biogas plant to calculate the financial impact. This was calculated by multiplying the predicted price for each output for a particular year/scenario (DKK/kWh) by the predicted output quantity for a particular year (kWh). CALCULATIONS The forecast price range for each of the FORKA outputs in the year 2030 are shown below: Electricity - 1.998 DKK/kWh (Early Transition) to 2.110 DDK/kWh (Late Transition) Heat - 0.571 DDK/litre (Early Transition) to 0.602 DKK/litre (Late Transition) Fertiliser - 2,507 DKK/tonne (Hot House) to 2,812 DKK/tonne (Early Transition) The forecasted output in 2030 was applied as follows: Electricity: 11,792,000 kWh (Early Transition) to 11,992.000 kWh (Late Transition) Heat: 7,756,892 litres (Early Transition) to 7,888,656 (Late Transition) Fertiliser: 53,652 tonnes (Early Transition) to 54,563 tonnes (Late Transition) By multiplying the predicted price for each output by the predicted output quantity and summarizing these, this results in: Electricity: 23,650,416 DKK to 25,303,120 DKK Heat: 4,429,185 DKK to 4,748,917 DKK Fertiliser: 134,505,564 DKK to 153,431,156 DKK In total: 162,585,165 DKK to 183,483,193 DKK ASSUMPTIONS The future quantities of electricity, heat, and fertiliser have been projected using a combination of internal company projections relating to company growth (short- to medium-term). This calculation assumes that the capacity of the Forka Biogas plant can be upgraded to match available input volume and/or energy demand

(3.6.1.24) Cost to realize opportunity

100000000

(3.6.1.25) Explanation of cost calculation

The initial investment included the construction and commissioning of the biogas plant in 2020, costing 100 million DKK. Upgrading the capacity of the biogas plant would cost an estimated 25-50 million DKK.

(3.6.1.26) Strategy to realize opportunity

We are currently investigating different scenarios to determine which one would be the best business case for FORKA biogas plant going forward. This includes assessing whether it would make sense to continue production processes with the same outputs of heating, electricity, and fertilizer, or if alternative outputs would be more viable.

Forests

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.2) Commodity

Select all that apply

☑ Soy

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

☑ Increased upstream value chain resilience

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Brazil

☑ Serbia

☑ United States of America

(3.6.1.8) Organization specific description

Bakkafrost relies heavily on agricultural commodities for salmon feed production. We have identified an opportunity to increase our upstream value chain resiliency by diversifying the composition of the salmon feed. This involves investigating the inclusion of other types of ingredients, such as algae oil and black soldier larvae, to mitigate the risk of supply shortages of soy and other agricultural commodities. We are still in the early stages of this project. We are also seeking to diversify our upstream value chain by sourcing commodities from different suppliers. Through this diversification, we aim to avoid indirect costs associated with sourcing large quantities of agricultural commodities that may be subject to increased regulation and taxation to control demand.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The expected impact on the company's financial position and performance is reflected in terms of cost savings. In our analysis of different climate scenarios, we have estimated that new regulations could lead to an increase in the cost of agricultural commodities ranging from 450 million DKK to 850 million DKK. By diversifying our upstream sourcing, we anticipate being able to avoid a substantial portion of these anticipated additional costs. A proxy factor of avoidance of 50% of the additional costs has been applied. However, this is very difficult to project, and the figure should only be considered as indicative.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

225000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

425000000

(3.6.1.23) Explanation of financial effect figures

Based on our climate scenario analysis, we have determined that the financial risk exposure associated with potential regulations on agri-commodities could be between 450,000,000 DKK and 850,000,000 DKK by 2050. It is challenging to predict the extent to which these additional costs can be reduced through diversifying our suppliers of these commodities. We have used a proxy of 50% savings, but it's important to note that this is just an estimate.

(3.6.1.24) Cost to realize opportunity

5000000

(3.6.1.25) Explanation of cost calculation

There is no extra cost associated with the diversification of suppliers of the agri-commodities that we already source, such as soy, wheat and rapeseed oil. However, there is an extra cost associated with sourcing alternative commodities such as algae oil and black soldier fly larvae. These commodities are approximately 100% to 200% more expensive than for example soy. In 2023, we sourced very small quantities of these two alternative commodities, amounting to 5 mDKK in total.

(3.6.1.26) Strategy to realize opportunity

We will keep looking for diversification of suppliers of existing commodities such as soy, wheat and rapeseed oil. We will continue to investigate alternative feed ingredients going forward. The cost of these alternatives is currently very high, and thus, it is difficult to make a business case out of this. However, we expect prices to decrease as demand will continue to increase and production methods will be optimised.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Faroe Islands

☑ United Kingdom of Great Britain and Northern Ireland

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Other, please specify **:**Various rivers in the Faroe Islands and Scotland

(3.6.1.8) Organization specific description

We have identified eco-efficiency opportunities to have water recirculated in our hatcheries, which will significantly minimise our environmental impact in terms of reducing our dependency on access to large volumes of freshwater, resulting in a significant reduction in volumes withdrawn from rivers and lakes. Through recirculating aquaculture systems (RAS) already implemented in several hatcheries in the Faroes and being implemented in Scottish operations, we will achieve a recirculating rate at approximately 97% of the water in all hatcheries. Expected to be fully implemented by 2026. The increased efficiency will also mean a relatively insignificant reduction in expenses. The combination of cost-effective units through both efficient construction and operating processes as well as significantly reducing our environmental impact is considered a win-win which aligns with our overall sustainability plan and implementing RAS units has thus become an integral part of our strategy.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ More likely than not (50–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The impact of the opportunity is anticipated to be relatively small, as it pertains to cost savings from the potential transportation of water to our freshwater sites. This primarily applies to our sites in the Faroe Islands and Scotland, which are located in areas with very low water stress. Cost savings are only expected to occur approximately every three to five years during seasonal drought situations.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

0

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

25000000

(3.6.1.23) Explanation of financial effect figures

The potential financial impact calculations are based on a previous incident. During that incident, there was limited access to sufficient water for our hatcheries with a capacity above 15,000 m3 for one month. These hatcheries are considered to be the units most at risk of water shortage. Currently, there are two hatcheries of this size in the Faroe Islands and one in Scotland. The expenses include the cost of water tankers transporting water to the facilities, which amounts to approximately 900,000 DKK per day. In addition, by having large Farming Service Vessels in our value chain that are equipped with reverse osmosis, we also have the opportunity to produce 6,000 m3 of freshwater from seawater per day, which significantly reduces the risk of a lack of water availability.

(3.6.1.24) Cost to realize opportunity

2000000000

(3.6.1.25) Explanation of cost calculation

The calculation of the cost to realize the opportunity is based on the planned investments in Recirculating Aquaculture Systems (RAS) as outlined in the Bakkafrost 2028 investment plan. It's important to note that the potential cost savings associated with transporting water to freshwater sites is considered a secondary benefit, not the primary purpose of the investment in RAS systems. Consequently, the cost may appear disproportionately high when viewed solely as a response to the risk of water scarcity.

(3.6.1.26) Strategy to realize opportunity

Bakkafrost plans to increase production capacity on land in the coming years, especially in Scotland, where RAS units are being built to move away from the traditional 'flow-through' sites. This will significantly reduce dependency on water withdrawals from the surrounding environment.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ Less than 1%

(3.6.2.4) Explanation of financial figures

Financial results for our biogas plant FØRKA for the year 2023 is not public, and thus, we cannot disclose the Revenue that is aligned with the climate-related opportunity.

Forests

(3.6.2.1) Financial metric

Select from:

☑ Other, please specify :Avoided extra cost of commodities

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

No financial metric is reported here as the opportunity is associated with the avoidance of extra costs of agri-commodities that are potentially subject to extra costs posed by increased regulation on commodities contributing to environmental risks such as deforestation and erosion, etc. Significant amounts were spent in 2023 on sourcing certified agri-commodities, such as Pro-terra certified soy. This procurement spend can be considered an investment in avoiding extra costs related to the introduction of environmental-related regulation.

Water

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

556210959

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 31-40%

(3.6.2.4) Explanation of financial figures

Bakkafrost plans to increase production capacity on land in the coming years, especially in Scotland, where RAS units are being built to move away from the traditional 'flow-through' sites. This will significantly reduce dependency on water withdrawals from the surrounding environment. The disclosed CAPEX amount relates to CAPEX spent in 2023 within the Freshwater segment (the majority of the amount is directly for new constructions). Total CAPEX cash flow for Bakkafrost in 2023 was 1,061 bnDKK. Calculation for % of total financial metric aligned with opportunities is as follows: 369,876,500 (Freshwater segment CAPEX) divided by 1,061,000,000 34.9%.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ No

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**Bakkafrost Sustainability Governance Framework

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Monitoring the implementation of a climate transition plan

(4.1.2.7) Please explain

The board of directors is responsible for setting the strategic direction for sustainability at Bakkafrost, including overseeing and having the overall responsibility of sustainability management and reporting at Bakkafrost. Responsibility of the board in relation to sustainable development includes: - Approving the Group climate-related targets and monitoring progress against targets. - Approving the annual integrated report, including all content, such as the disclosure of scenario analysis and the assessment of its continuous applicability. - Approving significant sustainability initiatives, including projects and participation in sustainability-related disclosures and initiatives. - Overall responsibility for the management of risks and opportunities in relation to climate change and sustainability topics in a broader sense. - Approving and overseeing sustainability-linked employee incentives, including climate-related incentives (first sustainability-linked incentives implemented in 2022) In detail, the members of the board: - provide the resources and expertise to facilitate the annual integrated report, including the sustainability statement - provide the resources and expertise to facilitate sustainability-related disclosures - provide the resources and expertise needed for the management of climate risks and

opportunities Comment: We are currently working on a climate transition plan, and the board will be responsible for reviewing, approving, and monitoring its implementation.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**Bakkafrost Sustainability Governance Framework

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The board of directors is responsible for setting the strategic direction for sustainability at Bakkafrost, including overseeing and having the overall responsibility of sustainability management and reporting at Bakkafrost. Responsibility of the board in relation to sustainable development includes: - Approving the Group climate-related targets and monitoring progress against targets. - Approving the annual integrated report, including all content, such as the disclosure of scenario analysis and the assessment of its continuous applicability. - Approving significant sustainability initiatives, including projects and participation in sustainability-related disclosures and initiatives. - Overall responsibility for the management of risks and opportunities in relation to climate change and sustainability topics in a broader sense. - Approving and overseeing sustainability-linked employee incentives, including climate-related incentives (first sustainability-linked incentives implemented in 2022) In detail, the members of the board: - provide the resources and expertise to facilitate the annual integrated report, including the sustainability statement - provide the resources and expertise to facilitate sustainability-related disclosures - provide the resources and expertise needed for the management of climate risks and opportunities Comment: We are currently working on a climate transition plan, and the board will be responsible for reviewing, approving, and monitoring its implementation.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Board chair
☑ Chief Executive Officer (CEO)
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Bakkafrost Sustainability Governance Framework

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding the development of a business strategy

(4.1.2.7) Please explain

The board of directors is responsible for setting the strategic direction for sustainability at Bakkafrost, including overseeing and having the overall responsibility of sustainability management and reporting at Bakkafrost. Responsibility of the board in relation to sustainable development includes: - Approving the Group climate-related targets and monitoring progress against targets. - Approving the annual integrated report, including all content, such as the disclosure of scenario analysis and the assessment of its continuous applicability. - Approving significant sustainability initiatives, including projects and participation in sustainability-related disclosures and initiatives. - Overall responsibility for the management of risks and opportunities in relation to climate change and sustainability topics in a broader sense. - Approving and overseeing sustainability-linked employee incentives, including climate-related incentives (first sustainability-linked incentives implemented in 2022) In detail, the members of the board: - provide the resources and expertise to facilitate the annual integrated report, including the sustainability statement - provide the resources and expertise to facilitate sustainability-related disclosures - provide the resources and expertise needed for the management of climate risks and opportunities Comment: We are currently working on a climate transition plan, and the board will be responsible for reviewing, approving, and monitoring its implementation.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**Bakkafrost Sustainability Governance Framework

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding the development of a business strategy

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The board of directors is responsible for setting the strategic direction for sustainability at Bakkafrost, including overseeing and having the overall responsibility of sustainability management and reporting at Bakkafrost. Responsibility of the board in relation to sustainable development includes: - Approving the Group climate-related targets and monitoring progress against targets. - Approving the annual integrated report, including all content, such as the disclosure of scenario analysis and the assessment of its continuous applicability. - Approving significant sustainability initiatives, including projects and participation in sustainability-related disclosures and initiatives. - Overall responsibility for the management of risks and opportunities in relation to climate change and sustainability topics in a broader sense. - Approving and overseeing sustainability-linked employee incentives, including climate-related incentives (first sustainability-linked incentives implemented in 2022) In detail, the members of the board: - provide the resources and expertise to facilitate the annual integrated report, including the sustainability statement - provide the resources and expertise to facilitate sustainability-related disclosures - provide the resources and expertise needed for the management of climate risks and opportunities Comment: We are currently working on a climate transition plan, and the board will be responsible for reviewing, approving, and monitoring its implementation.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training
☑ Training in an environmental subject by a certified organization, please specify **:**We look for membership or affiliation with organizations and association

with a mission with direct relevance to climate change. For example, the chairman of the board is a member of the UN Global Compact's Platform for Sustainable Ocean Business

Experience

☑ Executive-level experience in a role focused on environmental issues

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Training in an environmental subject by a certified organization, please specify **:**The chairman of the board is a member of the UN Global Compact's Platform for Sustainable Ocean Business which also compromises programs in sustainable sourcing

Experience

☑ Executive-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Training in an environmental subject by a certified organization, please specify **:**The chairman of the board is a member of the UN Global Compact's Platform for Sustainable Ocean Business which also addresses responsible water use

Experience

☑ Executive-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Executive Management, chaired by the CEO, is responsible for the implementation of sustainability programmes, including: • Monitoring progress against sustainability targets at an operational level. • Approving sustainability-related policies • Responsibility for the implementation of sustainable solutions in the value chain. • Responsibility for reporting dependencies, impacts, operational risks and opportunities to the board of directors. • Approving assessments of material

sustainability topics. The responsibilities also encompass approving the implementation of sustainability projects that cost below 5 mDKK, including the approval and monitoring of conducting a climate-related scenario analysis, which was completed in 2023, and developing a transition plan, which we have commenced.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Executive Management, chaired by the CEO, is responsible for the implementation of sustainability programmes, including: • Monitoring progress against sustainability targets at an operational level. • Approving sustainability-related policies • Responsibility for the implementation of sustainable solutions in the value chain. • Responsibility for reporting dependencies, impacts, operational risks and opportunities to the board of directors. • Approving assessments of material sustainability topics. The responsibilities also encompass approving the implementation of sustainability projects that cost below 5 mDKK, including the approval and monitoring of conducting a climate-related scenario analysis, which was completed in 2023, and developing a transition plan, which we have commenced.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Executive Management, chaired by the CEO, is responsible for the implementation of sustainability programmes, including: • Monitoring progress against sustainability targets at an operational level. • Approving sustainability-related policies • Responsibility for the implementation of sustainable solutions in the value chain. • Responsibility for reporting dependencies, impacts, operational risks and opportunities to the board of directors. • Approving assessments of material

sustainability topics. The responsibilities also encompass approving the implementation of sustainability projects that cost below 5 mDKK, including the approval and monitoring of conducting a climate-related scenario analysis, which was completed in 2023, and developing a transition plan, which we have commenced.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Executive Management, chaired by the CEO, is responsible for the implementation of sustainability programmes, including: • Monitoring progress against sustainability targets at an operational level. • Approving sustainability-related policies • Responsibility for the implementation of sustainable solutions in the value chain. • Responsibility for reporting dependencies, impacts, operational risks and opportunities to the board of directors. • Approving assessments of material sustainability topics. The responsibilities also encompass approving the implementation of sustainability projects that cost below 5 mDKK, including the approval and monitoring of conducting a climate-related scenario analysis, which was completed in 2023, and developing a transition plan, which we have commenced.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The CEO has the overall responsibility for identifying, assessing and managing climate-related issues. However, the CEO has delegated the day-to-day management to the CSO, who reports back to the CEO more frequently than quarterly. This row was added to reflect the fact that multiple management levels are involved in climate-related issues.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify **:**Director of Quality, Environment, Safety and Health (QESH)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The CEO has the overall responsibility for identifying, assessing and managing biodiversity-related issues. However, the CEO has delegated the day-to-day management to the QESH Director, who reports back to the CEO more frequently than quarterly. This row was added to reflect the fact that multiple management levels are involved in biodiversity-related issues.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

(4.5.3) Please explain

We have implemented sustainability-related incentives within the entire organisation through our revised bonus scheme, which integrates sustainability-related KPIs for the calculation of the bonus amount. The bonus scheme also covers the C-suite managers in the organisation. The KPIs are somewhat linked to climate change, forests, and water as the feed conversion ratio is among the KPIs. A low feed conversion ratio is considered one of the most important sustainability initiatives within the organisation, as a low ratio means lower demand for raw materials for the production of feed, and consequently, this means avoided demand for water, avoided risk of deforestation and avoided GHG emissions through avoided land conversion. The bonus scheme is an addition to each employee's base salary.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

(4.5.3) Please explain

We have implemented sustainability-related incentives within the entire organisation through our revised bonus scheme, which integrates sustainability-related KPIs for the calculation of the bonus amount. The bonus scheme also covers the C-suite managers in the organisation. The KPIs are somewhat linked to climate change, forests, and water as the feed conversion ratio is among the KPIs. A low feed conversion ratio is considered one of the most important sustainability initiatives within the organisation, as a low ratio means lower demand for raw materials for the production of feed, and consequently, this means avoided demand for water, avoided risk of deforestation and avoided GHG emissions through avoided land conversion. The bonus scheme is an addition to each employee's base salary.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

(4.5.3) Please explain

We have implemented sustainability-related incentives within the entire organisation through our revised bonus scheme, which integrates sustainability-related KPIs for the calculation of the bonus amount. The bonus scheme also covers the C-suite managers in the organisation. The KPIs are somewhat linked to climate change, forests, and water as the feed conversion ratio is among the KPIs. A low feed conversion ratio is considered one of the most important sustainability initiatives within the organisation, as a low ratio means lower demand for raw materials for the production of feed, and consequently, this means avoided demand for water, avoided risk of deforestation and avoided GHG emissions through avoided land conversion. The bonus scheme is an addition to each employee's base salary.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Emission reduction

☑ Increased share of renewable energy in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

We have implemented a company-wide, share-based monetary incentive plan covering all employees, including the CEO. The incentive plan is based on various sustainability-related KPIs, including feed efficiency as well as survivability of the salmon and the company's own generation of renewables. Shares are rewarded based on the quarterly results. We regard reducing the consumption of raw materials through optimal effectiveness in the feeding of the salmon as one of the most impactful sustainability initiatives. Reducing feed waste and only feeding the absolutely necessary amounts of feed both minimises the environmental impact on the benthic ecosystem as well as limiting the demand for raw material for feed to its minimum. Many resources go into farming the salmon, from roe to final product. These resources can, however, be wasted if the salmon dies. Thus, we strive to ensure that as much salmon as possible survives to get the full effect of the used resources. We are committed to using 100% renewable energy by 2050, and we contribute to the generation of renewables in the Faroe Islands by producing electricity from biological waste at our biogas plant FØRKA.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The company's incentive program is tied to environmental targets, focusing on factors like feed efficiency that aim to decrease feed waste and promote optimal salmon growth. This aligns the interests of all team members with the goal of lowering material consumption, which in turn decreases energy use/GHG emissions, conserves water, and reduces the need for raw materials such as soy in feed production, supporting our environmental commitments and climate transition objectives.

Forests

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

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These resources can however be wasted if the salmon dies. Thus, we strive to ensure that as much salmon as possible survives to get the full effect of the used resources.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

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Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

(4.5.1.5) Further details of incentives

We have implemented a company-wide, share-based monetary incentive plan covering all employees. The incentive plan is based on various sustainability-related KPIs, including feed efficiency as well as survivability of the salmon. The KPIs vary, and shares are rewarded based on the quarterly results. We regard reducing the consumption of raw materials through optimal effectiveness in the feeding of the salmon as one of the most impactful sustainability initiatives. Reducing feed waste and only feeding the absolutely necessary amounts of feed both minimises the environmental impact on the benthic ecosystem as well as limiting the demand for raw material for feed to its minimum. Many resources go into farming the salmon, from roe to final product. These resources can however be wasted if the salmon dies. Thus, we strive to ensure that as much salmon as possible survives to get the full effect of the used resources.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The company's incentive program is tied to environmental targets, focusing on factors like feed efficiency that aim to decrease feed waste and promote optimal salmon growth. This aligns the interests of all team members with the goal of lowering material consumption, which in turn decreases energy use/GHG emissions, conserves water, and reduces the need for raw materials such as soy in feed production, supporting our environmental commitments and climate transition objectives.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

We have a climate policy that covers 100% of Bakkafrost's direct operations. This policy outlines our commitments and strategy to achieve our short- and long-term climate targets, including our SBTi-approved carbon reduction targets as well as commitments to source 100% renewable energy as well as stakeholder engagement and capacity building.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

24-7293 Signed Bakkafrost Climate Policy 24-7293 761843_1_1.PDF

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Water

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

We have various environmental policies covering the topics of climate change, forests, water and biodiversity. We have a freshwater policy that covers Bakkafrost's direct operations and outlines general guidelines for the responsible use of freshwater

(4.6.1.5) Environmental policy content

Water-specific commitments

☑ Commitment to water stewardship and/or collective action

☑ Other water-related commitment, please specify :Commitment to follow the mitigation hierarchy: avoid, reduce, restore & regenerate, and transform.

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

freshwater-use-policy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Forests

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

We have various environmental policies covering the topics of climate change, forests, water and biodiversity. We have a feed policy that covers Bakkafrost's direct operations and upstream value chain. This outlines general guidelines for sourcing ingredients for feed production. We also have a human rights policy. This policy demonstrates our commitment to upholding internationally recognized human rights and ensuring that the agri-commodities we source are produced under well-regulated and responsible working conditions. Our feed policy emphasizes the use of selective sourcing to guarantee respect for human rights. For example, we only purchase soy that is certified to standards which incorporate human rights requirements and principles, such as the Proterra certification.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Commitment to comply with regulations and mandatory standards

Forests-specific commitments

☑ Commitment to no-deforestation by target date, please specify **:**No-deforestation has been an ongoing target for Bakkafrost for more than the last 5 years.

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Kunming-Montreal Global Biodiversity Framework

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

2024-06-18-bakkafrost-feed-policy-statement-1.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ UN Global Compact

☑ Science-Based Targets for Nature (SBTN)

☑ Science-Based Targets Initiative (SBTi)

☑ Waste and Resources Action Programme (WRAP)

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ Other, please specify **:Global Salmon Initiative (GSI)**

(4.10.3) Describe your organization's role within each framework or initiative

Bakkafrost is a supporter of the UN Global Compact, and we disclose to the framework on an annual basis. We also participate in their programme, which aims at helping companies to set Net-Zero SBTi targets. Bakkafrost is a TCFD supporter, and in 2023 we carried out our first TCFD-aligned climate scenario analysis, which we disclosed in our annual integrated report. Bakkafrost submitted scope 1, 2 and 3 targets to the Science Based Targets Initiative in 2022, and the targets were approved as aligned with a 1.5C future. We participate and report to the Waste and Resources Action Programme (WRAP). This only relates to our operations in Scotland. We are also one of the founding members of the Global Salmon Initiative, which aims at advancing sustainable practices within the aquaculture industry. [Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Kunming-Montreal Global Biodiversity Framework

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

24-7295 Signed Bakkafrost policy on Environmental Advocacy 24-7295 _ 761842_1_1.PDF

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

We regularly conduct materiality assessments on climate-related issues with e.g. local and international key stakeholders. The assessments are then reviewed by our internal sustainability committee, which is chaired by the CEO. Based on the review of the materiality assessment and an alignment process with our overall climate strategy, including long-term targets to achieve net-zero in 2050, we set out targets in our Healthy Living Plan, which makes the basis for all our engagement activities.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

In 2023, Bakkafrost engaged directly with the Ministry of Environment regarding the Faroe Islands law: Løgtingslóg um el og fjarhita, sum seinast broytt við løgtingslóg nr. 67 frá 30. mai 2024 1) (Elveitingarlógin). This is the law that regulates the production and distribution of electricity in the Faroe Islands. The purpose was to provide policymakers with a thorough understanding of Bakkafrost's future needs if the company is to achieve its Paris Agreement-aligned GHG goals.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables

☑ Electricity grid access for renewables

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Faroe Islands

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with major exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

Bakkafrost fully supports a quick transition to a green economy and the proposed changes to the Faroese Energy Law. The objective of these changes is to ensure the availability of renewable electricity on the national grid. However, Bakkafrost believes that the transition could be accelerated even further, and one potential solution is the liberalization of the national energy market to ensure greater access to renewables. Currently, if Bakkafrost wants to produce renewable energy for its operations, we are required to sell it to the national grid at cost-price and then buy it back at the regular price. This is not a favorable business arrangement for Bakkafrost. We advocate for the regulation to be open to allow for more delivery of renewables.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The policy regarding the supply of electricity in the Faroe Islands directly impacts our ability to reach our short-term climate targets approved by the Science Based Targets initiative. Bakkafrost is currently in the process of transitioning its operations to electricity, and having access to renewable electricity is crucial for achieving this goal. Unfortunately, there is currently not enough renewable energy available to effectively reduce greenhouse gas emissions. Approximately 50% of the Faroe Islands' electricity comes from renewables, while the rest is generated using heavy fuel oil. This results in electricity emissions being as high as or even higher than direct consumption of fossil fuels. As Bakkafrost and other companies on the Faroe Islands transition to electricity, the demand for electricity will significantly increase. The current structure allows companies to produce their own renewable electricity, but the regulations do not facilitate the purchase of this energy at a reasonable price, posing a risk of insufficient renewable electricity to achieve decarbonization at the desired pace. The current changes to the regulations do not allow external producers to contribute to renewable energy production at an affordable rate.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply
☑ Paris Agreement
[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:
☑ Other, please specify **:**Sector organisation

(4.11.2.3) State the organization or position of individual

Global Salmon Initiative (GSI). The Global Salmon Initiative (GSI) is a leadership initiative focused on improving sustainability in the farmed salmon sector.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply
☑ Climate change

☑ Forests

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Bakkafrost was among the founding companies of the Global Salmon Initiative (GSI), which aims to promote farmed salmon as a sustainable food solution supporting future food security. We work with GSI to secure sustainable practices within the sector, including implementing the ASC standard for responsible aquaculture farming and engaging with member companies on environmental, social and governance issues. 100% of Bakkafrost sites in the Faroe Islands are ASC certified, and we are currently implementing the ASC standard across all farming sites in Scotland, where almost half of the farms have received their certification. CLIMATE CHANGE Bakkafrost fully supports GSI's position on climate change as stated on their website under the headline 'Climate change will affect how and where we produce food'. GSI is also involved in the aquaculture SBTi guidance together with WWF. We have evaluated if our engagement with GSI is aligned with the goals of the Paris Agreement, and as the GSI doesn't have a public statement on committing to the Agreement and aligning its activities with it, we state that it is not aligned. However, even though not formally stated, we believe that the organisation's work aims to meet the criteria of the Paris Agreement, and thus we support their work. WATER Although the Global Salmon Initiative does not have any public water-related commitment, they promote salmon as a water-efficient source of protein. FORESTS Bakkafrost fully supports GSI's position on forest-related issues as stated on their website: As fish farmers, we recognize the importance of all species and ensuring future biodiversity in our oceans and on land. Which is why we are committed to supporting biodiversity protection, regeneration, and nature-positive actions across our supply chains. Working with our partners to improve knowledge of our supply chains and continually assessing for alternative approaches is essential. This includes improving the efficiency of forage fish conversion ratios, committing to only use deforestation-free soy in feed and more. As we look to build knowledge across our supply chains, we can make informed choices on how we can reduce our impact on nature and support a more resilient planet. Bakkafrost fully supports Global Salmon Initiative in all matters and has not taken any action to influence their position in the reportin year.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

525000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Our funding of the Global Salmon Initiative aims to promote and advance responsible salmon farming practices across the industry, including implementing carbon reduction initiatives, initiatives that support the preservation of freshwater resources, and initiatives that promote no deforestation and in general making operations as eco-efficient as possible. Our contribution to the initiative is monetary, but the value lies just as much in creating value through knowledge sharing with other initiative members.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Kunming-Montreal Global Biodiversity Framework

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**Faroese Employers' Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Bakkafrost is a member of the Faroese Employers' Association, which functions as an umbrella organisation for many of the biggest employers in the Faroe Islands. The organisation negotiates collective bargaining agreements with the Faroese workers' associations. It also facilitates networking and workshops for members addressing different sustainability-related topics such as climate and waste management. The organisation aims to work in alignment with the Paris Agreement, and the objective of the engagement is to drive all members of the organisation to start reducing their carbon emissions.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

400000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Bakkafrost pays to be a member of the Faroese Employers' Assocation, both to be part of the collective bargaining, but also to support and participate in the sustainability efforts which are implemented.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**Salmon Scotland

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

As part of Salmon Scotland, Bakkafrost has been involved in launching a new Sustainability Charter, "A Better Future for Us All". This aims to create a vision for the future of Scotland's farmed salmon sector and is a collective strategy developed by those working in the industry. We are part of numerous committees that have contributed towards the charter. The sustainable growth of the aquaculture industry is fundamental and the charter will encourage innovation and problem solving, as well as committing to ending fish escapes, obtaining all feed from sustainable sources and working towards complete renewable energy use. The Scottish Salmon sector has the opportunity to be a key contributor to Scotland's target of net-zero greenhouse gas emissions by 2045. From Salmon Scotland's website: Scotland's successful farmed salmon sector has published a major new blueprint setting out its long-term vision. This ground-breaking new roadmap for Scottish salmon - the country's number one food export and the UK shopper's fish of choice - is underpinned by sustainable operations and continued green job creation. A Better Future For Us All, encapsulates all aspects of farming life and features key environmental pledges. These include a commitment to becoming net zero in greenhouse gas emissions before 2045 and being 100 per cent reliant on renewable energy. Other pledges laid out in the document include: -The sector sourcing 100 per cent of its fish feed ingredients from sustainable sources, with full traceability of all ingredients. -Future-proof freshwater hatcheries to be able to withstand projected drought conditions brought about by climate change. -Working towards having 100 per cent recyclable packaging.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

2690000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

We are committed to demonstrating responsible leadership on sustainability and sector issues. We contribute internationally through initiatives such as Salmon Scotland and other industry groups. Here, we seek to advance sustainable practices and share best practices with each other. The members regularly meet to

discuss relevant topics, including climate-related issues and other issues concerning responsible farming practices, including responsible sourcing and responsible freshwater use.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Kunming-Montreal Global Biodiversity Framework

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ ESRS

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Commodity volumes

☑ Water pollution indicators

☑ Deforestation- and conversion-free (DCF) status metrics

☑ Risks & Opportunities

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Biodiversity indicators

☑ Public policy engagement

☑ Other, please specify **:Water withdrawals, consumption and discharge, energy production, Air pollution indicators, water withdrawal volumes by water stress category, water-related CAPEX & OPEX, benthic impact (biodiversity-related), fish escapes (biodiversity-related)**

(4.12.1.6) Page/section reference

The sustainability statement can be found in Bakkafrost's Integrated Annual Report 2023 from page 49 to page 202. Some sections may be located elsewhere in the report, including the Sustainability Governance Framework (page 29 to 31), the Stakeholder engagement overview (page 32 to 34) and the sustainability targets (page 26).

(4.12.1.7) Attach the relevant publication

integrated_report_bakkafrost_2023.pdf

(4.12.1.8) Comment

Further data published to coincide with the sustainability report launch online annually: https://www.bakkafrost.com/fo/about-us/sustainability/data/
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ First time carrying out analysis

Forests

(5.1.1) Use of scenario analysis

Select from:

☑ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

We have conducted a climate scenario analysis covering water and forest-related topics to understand the potential effects of climate change. We believe that this analysis is adequate for now in addressing the potential scenarios that may impact the resources essential for Bakkafrost's production. As a result, forest and water scenario analysis is not currently considered a strategic priority.

Water

(5.1.1) Use of scenario analysis

Select from:

☑ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

We have conducted a climate scenario analysis covering water and forest-related topics to understand the potential effects of climate change. We believe that this analysis is adequate for now in addressing the potential scenarios that may impact the resources essential for Bakkafrost's production. As a result, forest and water scenario analysis is not currently considered a strategic priority.
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050

☑ 2070

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer attention to impact

☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**Dependency on modes of transportation

Macro and microeconomy

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Scenario 2: Late transition Parameters: GHG concentration, corresponding temperature increases, demographic trends Assumptions: Up until early 2030's, the world follows a path in which social, economic, and technological trends do not shift markedly from historical patterns. Global and national institutions work toward but make slow progress in achieving sustainability goals with development and income growth proceeding unevenly. During the 2030's the world must shift suddenly to a more sustainable path to keep within environmental boundaries and prevent further degradation. Governments make dramatic policy interventions to compensate for a late start, creating significant structural shifts in the economy. High carbon industries and practices are highly penalised, leading to rapid innovation in alternatives. There are significant corporate winners and losers. Consumption patterns change little in the short term but increasingly become oriented toward low material growth and lower resource and energy intensity. Analytical choices: Time horizon: The potential impacts on Bakkafrost under each scenario have been applied for two time horizons, 2050 and 2070. These time horizons were chosen to reflect a sufficiently long-term time horizon to adequately capture physical risks (2070), while also allowing cross comparison with transition risks (2050). Data sources: Scenarios have been prepared with reference to the narrative scenario descriptions as

described in the 2021 Climate Report AR6 by the IPCC as well as the Representative Concentration Pathways (RCP), a greenhouse gas concentration trajectory adopted by the IPCC for climate modelling. This climate scenario addressing physical climate scenarios (RCP 2.6) is modelled based on a mix of SSP1 and SSP2.

(5.1.1.11) Rationale for choice of scenario

We have applied an approach of including as wide a spectrum of scenarios as possible to be sure to also capture the most extreme potential climate-related impacts on Bakkafrost. Bakkafrost is particularly directly dependent on ocean temperatures and indirectly dependent through the sourcing of agri-commodities for feed production. Therefore, we made sure to include a scenario with the highest projected temperature increase, combined with a time horizon which sufficiently captures the full effects of the physical risks of the scenario (2070). We also wanted to make sure that we included a scenario in which policymakers decide to transition quickly. This was done to capture the most extreme transition scenarios, particularly the risk of increased costs through carbon taxes if the business has not timely shifted to renewable energy. Bakkafrost has committed to taking the green road (RCP1.9) pathway and has verified science-based targets for Scope 1, 2 & 3 aligned with the 1.5C target. These targets are always in mind when setting strategies and decision-making for Bakkafrost. Bakkafrost strives to reach the RCP1.9 early transition scenario. In the process, Bakkafrost also calculated the impact of the 2 and 4 scenarios. It is important for Bakkafrost to be resilient in its business strategy. Even though Bakkafrost strives to manage the 1.5 target, mitigation of risks implied by the other scenarios will also be done.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 1.9

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy
☑ Market
☑ Reputation
☑ Technology
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050
☑ 2070

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands

☑ Consumer attention to impact
☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**Dependency on modes of transportation

Macro and microeconomy

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Scenario 1: Early transition Parameters: GHG concentration, corresponding temperature increases, demographic trends Assumptions: The world shifts gradually, but pervasively, toward a more sustainable path, emphasizing more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts toward a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented toward low material growth and lower resource and energy intensity. Analytical choices: Time horizon: The potential impacts on Bakkafrost under each scenario have been applied for two time horizons, 2050 and 2070. These time horizons were chosen to reflect a sufficiently long-term time horizon to adequately capture physical risks (2070), while also allowing cross comparison with transition risks (2050). Data sources: Scenarios have been prepared with reference to the narrative scenario descriptions as described in the 2021 Climate Report AR6 by the IPCC as well as the Representative Concentration Pathways (RCP), a greenhouse gas concentration trajectory adopted by the IPCC for climate modelling. This climate scenario addressing physical climate scenarios (RCP 1.9) is modelled based on SSP1.

(5.1.1.11) Rationale for choice of scenario

Bakkafrost has committed to taking the green road (RCP1.9) pathway and has verified science-based targets for Scope 1, 2 & 3 aligned with the 1.5C target. These targets are always in mind when setting strategies and decision-making for Bakkafrost. Bakkafrost strives to reach the RCP1.9 early transition scenario. In the process, Bakkafrost also calculated the impact of the 2 and 4 scenarios. It is important for Bakkafrost to be resilient in its business strategy. Even though Bakkafrost strives to manage the 1.5 target, mitigation of risks implied by the other scenarios will also be done.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050

☑ 2070

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Macro and microeconomy

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Scenario 3: Hot house Parameters: GHG concentration, corresponding temperature increases, demographic trends Assumptions: Social, economic, and technological trends do not shift markedly from historical patterns. Development and income growth proceeds unevenly, with some countries making relatively good progress while others fall short of expectations. Global and national institutions work toward but make slow progress in achieving sustainable development goals. Environmental systems experience degradation, although there are some improvements and overall, the intensity of resource and energy use declines. The world follows a fragmented global response to climate change. Climate impacts multiply further straining the ability to transition away from fossil fuels. Some governments struggle to formulate coherent net zero policies. There are frequent changes of policy direction as a result of polarized political view-points and shocks to the global economy. Decarbonization occurs mostly as a result of technological advance and economics. Consumer concern for the environment is similarly fragmented with many niche markets. Analytical choices: Time horizon: The potential impacts on Bakkafrost under each scenario have been applied for two time horizons, 2050 and 2070. These time horizons were chosen to reflect a sufficiently long-term time horizon to adequately capture physical risks (2070), while also allowing cross comparison with transition risks (2050). Data sources: Scenarios have been prepared with reference to the narrative scenario descriptions as described in the 2021 Climate Report AR6 by the IPCC as well as the Representative Concentration Pathways (RCP), a greenhouse gas concentration trajectory adopted by the IPCC for climate modelling. This climate scenario addressing physical climate scenarios (RCP 8.5) is modelled based on a mix of SSPs 2-5.

(5.1.1.11) Rationale for choice of scenario

We have applied an approach of including as wide a spectrum of scenarios as possible to be sure to also capture the most extreme potential climate-related impacts on Bakkafrost. Bakkafrost is particularly directly dependent on ocean temperatures and indirectly dependent through the sourcing of agri-commodities for feed production. Therefore, we made sure to include a scenario with the highest projected temperature increase, combined with a time horizon which sufficiently captures

the full effects of the physical risks of the scenario (2070). We also wanted to make sure that we included a scenario in which policymakers decide to transition quickly. This was done to capture the most extreme transition scenarios, particularly the risk of increased costs through carbon taxes if the business has not timely shifted to renewable energy. Bakkafrost has committed to taking the green road (RCP1.9) pathway and has verified science-based targets for Scope 1, 2 & 3 aligned with the 1.5C target. These targets are always in mind when setting strategies and decision-making for Bakkafrost. Bakkafrost strives to reach the RCP1.9 early transition scenario. In the process, Bakkafrost also calculated the impact of the 2 and 4 scenarios. It is important for Bakkafrost to be resilient in its business strategy. Even though Bakkafrost strives to manage the 1.5 target, mitigation of risks implied by the other scenarios will also be done.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify **:**REMIND-MAgPIE 3.0-4.4, GCAM 5.3+ NGFS, REMIND-MAgPIE 3.0-4.4 IntegratedPhysicalDamages (95th-high)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Changes in ecosystem services provision

☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer sentiment

☑ Consumer attention to impact

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Level of action (from local to global)

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Parameters: GHG concentration, corresponding temperature increases, demographic trends Assumptions: Reference procurement spend and volumes of commodities were projected to 2050 based on short term planned production growth and then medium term population growth trends. Datasets from NGFS phase 3

scenario explorer were used to forecast the price of these commodities. For soy and wheat, an average of price index from sourcing countries Brazil, Serbia and Russia were used. Constraints: For rapeseed oil, an index for price of non-energy crops was used.

(5.1.1.11) Rationale for choice of scenario

In order to adequately model key risks of commodity price changes and availability for soy (as a key feed input) and wheat (as a proxy alternative agricultural input), we accessed NFGS data for these commodities for both our current sourcing regions and major production regions for these commodities to 2050. Price change projections across each of the Early transition, hot house world and late transition scenarios were analysed.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply
☑ Risk and opportunities identification, assessment and management
☑ Strategy and financial planning
☑ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:
☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Narratives: SCENARIO 1 (EARLY TRANSITION) Very low GHG emissions: CO2 emissions cut to net zero around 2050. Time horizons considered: 2050 and 2070. INSIGHTS: This scenario sees less significant potential financial impacts, with exposure of
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ No, but we are developing a climate transition plan within the next two years

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

☑ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

Bakkafrost is a TCFD supporter, and in early 2023, we completed our first TCFD-compliant climate-related scenario analysis exploring the impacts on our business from risks and opportunities over a range of possible future scenarios (including a 2C and above temperature increase scenario). We have carried out a comprehensive climate-related risk and opportunity assessment which functions as the basis for the disclosed information in section 5. Several of the risks and opportunities that were identified through the analysis are already part of Bakkafrost's bio-security strategy, and mitigating actions are implemented continuously. For example, a higher concentration of sea lice in the marine environment is expected due to the warming climate, and Bakkafrost has already increased sea lice treatment capacity significantly both in the Faroe Islands and in Scotland as part of the sustainable growth investment plan. Through 2023, the outcome of the climate-related scenario analysis was tabled and discussed at management-level, and based on the outcome of the scenario analysis, we will look to integrate transitional actions into the organisation's strategy. Due to the prioritisation of workload, we postponed the development of a transition plan to 2024, and we expect to have a transition plan ready in late 2024 or early 2025. Among the tasks that were prioritised in 2023 was conducting a double materiality assessment and creating an integrated report aligned with the new ESRS standard. Once the transition planning work is completed, the actions will be outlined publicly in a transition plan aligning with a 1.5C world. We are also increasingly experiencing external stakeholder pressure to disclose a transition plan as part of the stakeholder's wish to make sure that the organisation is committed to its climate-related ambitions and that we put actions behind our targets. Bakkafrost's operations are closely linked to the environment in which we operate. Thus, potential climate changes are taken into account in decisions regarding all operations in a natural environment.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In its latest five-year investment plan, Bakkafrost has allocated 355 mDKK to energy transition. Bakkafrost has set ambitious near-term climate targets that have been approved by SBTi. Through the climate scenario analysis, we have also identified the introduction of a carbon tax as being among the most significant risks that the company is exposed to. To mitigate the risk, and as an effort to achieve the company's SBTi-targets, Bakkafrost has partnered with Faroese energy company Effo in a project to build the largest wind farm in the Faroe Islands, which can provide around 350 GWh per year. The plan is that this wind farm will provide our most energy-intensive operations, which are located at the feed production facility Havsbrún with renewable energy. This will reduce our climate impact significantly.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Forests

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The Fish Meal, Oil and Feed (FOF) segment at Bakkafrost relies on the sourcing of agri-commodities such as soy, wheat and rapeseed, which in the climate-scenario analysis were identified as exposed to transitional risks in the form of potential regulation on these commodities, potentially limiting the availability of the raw materials and/or increasing the price of the materials. In 2023, soy (15.2%), wheat (17.6%), and rapeseed (13.5%) accounted for 46.3% of the total raw materials used for salmon feed production. In 2023, we spent 6,800,000 DKK which was related to R&D in new feed compositions (1.3 M) as well as procurement spend on alternative ingredients for trials.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We have made the strategic decision to mitigate the exposure to biological risks in the marine environment (which are often linked to the effects of a warming ocean) by shortening the time period in which the salmon is in the ocean and prolonging the period in which the salmon is farmed on-land. This has resulted in heavy investments into Recirculating Aquaculture Systems (RAS), which recirculate up to 99% of the freshwater taken in. This action also considered an action to mitigate risks from limited water availability. The total summarized CAPEX allocated to the construction of RAS units, included in our 2024-2028 investment plan, is 2.4 bnDKK.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In its latest five-year investment plan, Bakkafrost has allocated 355 mDKK to energy transition. Bakkafrost has set ambitious near-term climate targets that have been approved by SBTi. Through the climate scenario analysis, we have also identified the introduction of a carbon tax as being among the most significant risks that the company is exposed to. To mitigate the risk, and as an effort to achieve the company's SBTi-targets, Bakkafrost has partnered with Faroese energy company Effo in a project to build the largest wind farm in the Faroe Islands, which can provide around 350 GWh per year. The plan is that this wind farm will provide our most energy-intensive operations, which are located at the feed production facility Havsbrún with renewable energy. This will reduce our climate impact significantly.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Forests

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The Fish Meal, Oil and Feed (FOF) segment at Bakkafrost relies on the sourcing of agri-commodities such as soy, wheat and rapeseed, which in the climate-scenario analysis were identified as exposed to transitional risks in the form of potential regulation on these commodities, potentially limiting the availability of the raw materials and/or increasing the price of the materials. In 2023, soy (15.2%), wheat (17.6%), and rapeseed (13.5%) accounted for 46.3% of the total raw materials used for salmon feed production. In 2023, we spent 6,800,000 DKK which was related to R&D in new feed compositions (1.3 M) as well as procurement spend on alternative ingredients for trials.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We have made the strategic decision to mitigate the exposure to biological risks in the marine environment (which are often linked to the effects of a warming ocean) by shortening the time period in which the salmon is in the ocean and prolonging the period in which the salmon is farmed on-land. This has resulted in heavy investments into Recirculating Aquaculture Systems (RAS), which recirculate up to 99% of the freshwater taken in. This action also considered an action to mitigate risks from limited water availability. The total summarized CAPEX allocated to the construction of RAS units, included in our 2024-2028 investment plan, is 2.4 bnDKK.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☑ No, but we plan to in the next two years

[Fixed row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

91

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

800

(5.9.3) Water-related OPEX (+/- % change)

-42

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

10

(5.9.5) Please explain

As part of its strategy to grow healthy juvenile salmon before releasing them into the ocean, Bakkafrost is heavily investing in expanding its Freshwater division. The company's Q1 2024 financial report states that the investment program for 2024-2028 includes 2.4 billion DKK in investments in the Freshwater segment. Most of these investments are focused on Scotland, where Bakkafrost has already built a large, state-of-the-art hatchery, and plans to build 2 more. These units will be equipped with recirculating aquaculture systems (RAS), ensuring up to a 99% water recirculation rate. As part of the expansion in the Freshwater segment, the company anticipates a minimum of a 10% increase in operating expenses.
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:
☑ No, but we plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:
☑ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.10.4) Explain why your organization does not price environmental externalities

Bakkafrost acknowledges the effectiveness of using pricing tools such as internal carbon and water prices. However, due to prioritisation of workload, we are still to implement these tools in the organisation.
[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

(5.11.2) Environmental issues covered

Select all that apply
☑ Climate change
☑ Forests
☑ Water

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:
☑ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We have not yet had resources to conduct engagement down on smallholder-level, but we plan to adopt tools and processes which will enable us to do engage on this level. However, we have managed the risk of environmental issues on a smallholder-level through selective procurement. For example, we only source Proterra-certified soy. We expect suppliers to provide information on their smallholder engagement upon request.

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

☑ Forests

☑ Water

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

☑ Forests

☑ Water

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☑ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We have not identified any other value chain stakeholders as material for engagement on environmental issues.
[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We classify suppliers as having substantive environmental impacts if they represent more than 5% of our total scope 3 breakdown (as indicated in the 2023 Bakkafrost Annual Report, page 127).

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

10

Forests

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Dependence on commodities

☑ Dependence on ecosystem services/environmental assets

☑ Impact on deforestation or conversion of other natural ecosystems

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

DEPENDENCE ON COMMODITIES: We classify all suppliers of agri-commodities as having substantive dependencies and/or impacts on the environment. DEPENDENCE ON ECOSYSTEM SERVICES/ENVIRONMENTAL ASSETS: All suppliers of agri-commodities. IMPACT ON DEFORESTATION(...) All suppliers of agri-commodities grown in countries included in the top 5 of FAO Deforestation Rate index to be at significant risk of contributing to deforestation.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

16

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Basin/landscape condition

☑ Dependence on water

☑ Impact on water availability

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We consider suppliers located in areas classified as high risk of water stress by the WRI Aqueduct Risk Atlas as suppliers with significant water-related impact.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:
☑ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

4
[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:
☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply
☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change
☑ Business risk mitigation

(5.11.2.4) Please explain

We prioritize engaging with suppliers who contribute significantly to Bakkafrost's total scope 3 GHG emissions. Our approach involves working based on a prioritized impact hierarchy, where we actively engage with stakeholders and focus on areas deemed to have significant impact. We then work our way down through the hierarchy. However, if a particular supplier or area poses significant business risk, it is given priority.

Forests

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to forests

☑ Business risk mitigation

(5.11.2.4) Please explain

Because agri-commodities can have a direct impact on nature, including the risk of deforestation and conversion, we have decided to prioritize engagement with all agri-commodity suppliers. Given our limited resources, we have begun by focusing on engaging with soy suppliers, as this commodity is commonly associated with deforestation and conversion.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

☑ Business risk mitigation

(5.11.2.4) Please explain

We use the WRI Aqueduct Water Risk Atlas to identify and assess suppliers of feed ingredients (as these are associated with the most severe water-related risks) that produce in areas categorised as high water stress. The assessment is updated annually. We base our prioritisation of water-related supplier engagement on this assessment.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process	Policy in place for addressing supplier non-compliance	Comment
Climate change	*Select from:* ☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts	*Select from:* ☑ No, we do not have a policy in place for addressing non-compliance	*No comments*
Forests	*Select from:* ☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts	*Select from:* ☑ No, we do not have a policy in place for addressing non-compliance	*No comments*
Water	*Select from:* ☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts	*Select from:* ☑ No, we do not have a policy in place for addressing non-compliance	*No comments*

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Waste and resource reduction and material circularity

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Other, please specify **:**No specific mechanism to engage non-compliant suppliers is in place. However, we strive to build cooperation through dialogue.

(5.11.6.12) Comment

We assess the climate-impacts of our suppliers and we aim to engage with our biggest suppliers on climate-related issues through dialogue and capacity building. For example, we have engaged with our biggest Faroese and Scottish suppliers on supplier days, where climate-issues were addressed and discussed.

Forests

(5.11.6.1) Environmental requirement

Select from:

☑ No deforestation or conversion of other natural ecosystems

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:
☑ 1-25%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

(5.11.6.12) Comment

The requirements for having a Pro-Terra certification relate to the suppliers of soy protein concentrate. In 2023, all suppliers of soy protein concentrate provided documentation for the soy being Pro-Terra certified (

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify **:**Requirement to preserve resources in general, including water

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Other, please specify **:**No specific mechanism to engage non-compliant suppliers is in place. However, we strive to build cooperation through dialogue.

(5.11.6.12) Comment

We assess the water-impacts of our suppliers and we aim to engage with our biggest suppliers on water-related issues through dialogue and capacity building. For example, we have engaged with our biggest Faroese and Scottish suppliers on supplier days, where water-issues were addressed and discussed. In our supplier code of conduct, which the suppliers sign, they commit to preserving resources as much as possible, including the use of fresh water.
[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to measure GHG emissions

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 26-50%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We arrange annual supplier days with the biggest local suppliers in the Faroe Islands and Scotland where we address and discuss best practice and challenges in GHG reporting. These suppliers account for between 10% to 15% of our total scope 3 GHG emissions as well as 28% of our total procurement spend. The events especially focus on how the suppliers can engage their suppliers to reduce their environmental impact as well as it educates and supports the tier 1 suppliers in minimising their environmental impact, which is an environmental requirement which big suppliers need to meet when signing contracts with Bakkafrost.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Requirement to minimise use of resources and energy consumption.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:
☑ Yes

Forests

(5.11.7.1) Commodity

Select from:
☑ Soy

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ No deforestation and/or conversion of other natural ecosystems

(5.11.7.3) Type and details of engagement

Financial incentives
☑ Pay higher prices linked to best agricultural practices

Information collection
☑ Other information collection activity, please specify :Engage in dialogue with suppliers to ensure traceability and access for us as a customer to their supplier-specific sustainability data

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

The engagement primarily consists of preferential sourcing of soy which is ProTerra-certified, which Bakkafrost pays a premium for. The ProTerra standard sets requirements for suppliers on areas such as human rights, including ensuring no child labour and working accordingly to the internationally recognised human rights (ILO), environment, including reporting and reducing GHG emissions, responsible management of water and land as well as biodiversity conservation and pollution prevention, and governance such as traceability and chain of custody. If these requirements are not met, we do not source from these suppliers.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Environmental requirement consists of the requirement to be Proterra-certified

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Natural ecosystem restoration and long-term protection

(5.11.7.3) Type and details of engagement

Financial incentives

☑ Provide financial incentives to encourage progress against water pollution targets

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

The engagement consists of selective procurement of Proterra-certified soy for the production of feed, for which we pay a Premium. The Proterra standard includes requirements to conserve the quantity and quality of existing natural water resources, such as lakes, rivers, artificial lakes, dams, water tables and aquifers around their facilities, including creating or aggravating water scarcity situations. In addition, a requirement in the standard states that "organisations shall not undertake new initiatives that reduce the availability of water for drinking, irrigation, or for traditional uses for neighbouring communities and businesses".

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Support suppliers in meeting our requirement to minimise water-related impacts

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ No

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

☑ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

This relates to all customers. We engage with all our customers in relation to sustainability. Please note that we distinguish between customers, which are often wholesales, supermarkets, retail chains and restaurants, and then consumers. As we mainly sell and engage with customers, we prioritise customer engagement

over consumer engagement, as this is assessed to have more potential influence. Our strong sustainability record has been key in strengthening partnerships with key customers, and we anticipate this trend towards transparency in food production will continue. We are committed to responsible and sustainable production of healthy world-class salmon. This includes increased transparency and focus on third-party certification to demonstrate our sustainability and welfare credentials with a focus on quality and supply chain integrity. Please note that we are currently not engaging consumers in their habits at this stage, just providing more information on the carbon footprint of salmon aquaculture vs. other animal protein groups and actively promoting our sustainability report with customers, who then sell on to consumers. We also do this by supporting the Global Salmon Initiative, which pulls together research, benchmarking farmed salmon against other animal protein groups, to educate consumers. Furthermore, in 2021 educational material for elementary schools in the Faroe Islands was published educating students on responsible aquaculture and sustainable food systems. In both the Faroe Islands and Scotland we run an annual customer survey which includes questions about our customers attitudes towards the environment, sustainability and climate change. In addition, we regularly address sustainability to our customers through our sales and marketing work in dialogue with customers, and we especially promote third-party certification programmes for responsibly farmed salmon as one way to let consumer demand drive sustainable practices in food production.

(5.11.9.6) Effect of engagement and measures of success

Responding to global demand for sustainable food products by supplying customers with healthy and nutritious salmon contributes to the transition to more sustainable food systems, which is an important part of the general 'green' transition. Bakkafrost has experienced an increasing demand for disclosing sustainability parameters, and the business has had success in increasing orders and attracting new customers, but we cannot measure whether consumers have changed their eating habits on the back of our engagement work directly. We do, however, experience a high retention rate of customers for several reasons, including our sustainability performance and strategy. The customer score can be seen as an indicator/measure of success. In 2023, 95% of our customers were either 'More than or very satisfied' or 'Satisfied' with our product.

Forests

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

This relates to major shareholders/investors. We regularly engage with investors and customers through regular meetings and our biennial events, the Capital Markets Day and the Bakkafrost Summit. Bakkafrost prioritizes investor relations, and the Group Management engages with major investors several times a year. The engagement includes discussions around climate-related impacts, risks, and opportunities, as well as the management of water risks and the risk of purchasing agri-commodities that have had a negative impact in the form of deforestation. Bakkafrost also prioritizes reporting to investors through various disclosures and ratings such as CDP, Coller FAIRR, Sustainalytics and S&P Global.

(5.11.9.6) Effect of engagement and measures of success

Bakkafrost has seen growing interest from investors seeking more information about how the company manages sustainability-related impacts, risks, and opportunities. While there was little interest in sustainability topics during meetings with major investors in the past, these topics are now being discussed at all investor meetings. Although we cannot directly measure the impact of this engagement, we have received very positive feedback in the meetings. Additionally, Bakkafrost is included in the ESG index at the Oslo Børs, which is part of the Euronext Group. This index features 40 companies that demonstrate the best Environmental, Social, and Governance practices. The index is based on ESG assessments provided by Sustainalytics, which we disclose to.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

This relates to major shareholders/investors. We regularly engage with investors and customers through regular meetings and our biennial events, the Capital Markets Day and the Bakkafrost Summit. Bakkafrost prioritizes investor relations, and the Group Management engages with major investors several times a year. The engagement includes discussions around climate-related impacts, risks, and opportunities, as well as the management of water risks and the risk of purchasing agri-commodities that have had a negative impact in the form of deforestation. Bakkafrost also prioritizes reporting to investors through various disclosures and ratings such as CDP, Coller FAIRR, Sustainalytics and S&P Global.

(5.11.9.6) Effect of engagement and measures of success

Bakkafrost has seen growing interest from investors seeking more information about how the company manages sustainability-related impacts, risks, and opportunities. While there was little interest in sustainability topics during meetings with major investors in the past, these topics are now being discussed at all investor meetings. Although we cannot directly measure the impact of this engagement, we have received very positive feedback in the meetings. Additionally, Bakkafrost is included in the ESG index at the Oslo Børs, which is part of the Euronext Group. This index features 40 companies that demonstrate the best Environmental, Social, and Governance practices. The index is based on ESG assessments provided by Sustainalytics, which we disclose to.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

This relates to major shareholders/investors. We regularly engage with investors and customers through regular meetings and our biennial events, the Capital Markets Day and the Bakkafrost Summit. Bakkafrost prioritizes investor relations, and the Group Management engages with major investors several times a year. The engagement includes discussions around climate-related impacts, risks, and opportunities, as well as the management of water risks and the risk of purchasing agri-commodities that have had a negative impact in the form of deforestation. Bakkafrost also prioritizes reporting to investors through various disclosures and ratings such as CDP, Coller FAIRR, Sustainalytics and S&P Global.

(5.11.9.6) Effect of engagement and measures of success

Bakkafrost has seen growing interest from investors seeking more information about how the company manages sustainability-related impacts, risks, and opportunities. While there was little interest in sustainability topics during meetings with major investors in the past, these topics are now being discussed at all investor meetings. Although we cannot directly measure the impact of this engagement, we have received very positive feedback in the meetings. Additionally, Bakkafrost is included in the ESG index at the Oslo Børs, which is part of the Euronext Group. This index features 40 companies that demonstrate the best Environmental, Social, and Governance practices. The index is based on ESG assessments provided by Sustainalytics, which we disclose to.

Forests

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

This relates to major customers. We regularly engage with customers through regular meetings and our biennial event, the Bakkafrost Summit where we present our sustainability-work, including our initiatives regarding buying no-deforestation agri-commodities for feed production. We also disclose sustainability-information to customers through various customer-specific sustainability questionnaires, including forest-related information.

(5.11.9.6) Effect of engagement and measures of success

Bakkafrost has seen a growing interest from customers in ensuring that the product they purchase is produced in a responsible manner, so the effect consists of maintaining customer relations as well as attracting new customers.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

This relates to major customers. We regularly engage with customers through regular meetings and our biennial event, the Bakkafrost Summit where we present our sustainability-work, including our initiatives regarding building RAS facilities which recycle up to 99% of all freshwater taken in. We also disclose sustainability-information to customers through various customer-specific sustainability questionnaires, including wter-related information.

(5.11.9.6) Effect of engagement and measures of success

Bakkafrost has seen a growing interest from customers in ensuring that the product they purchase is produced in a responsible manner. So the effect consists of maintaining customer relations as well as attracting new customers.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Calculations and reporting of greenhouse gas emissions have been prepared in accordance with the Greenhouse Gas Protocol, following the 'operational control' consolidation approach where the company accounts for 100 percent of the GHG emissions from operations over which it has control. The environmental performance data have been prepared on a consolidated basis which follows the Scope of the company's financial statement. The consolidated sustainability statement includes P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights. Calculations and reporting of water- and forest-related data have been prepared following the same approach as for climate-related data. The rationale for choosing a consolidation approach is that Bakkafrost has the full authority to introduce and implement operating policies across the company's operations to manage environmental dependencies, impacts risks and opportunities.

Forests

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Calculations and reporting of greenhouse gas emissions have been prepared in accordance with the Greenhouse Gas Protocol, following the 'operational control' consolidation approach where the company accounts for 100 percent of the GHG emissions from operations over which it has control. The environmental performance data have been prepared on a consolidated basis which follows the Scope of the company's financial statement. The consolidated sustainability statement includes P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling

interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights. Calculations and reporting of water- and forest-related data have been prepared following the same approach as for climate-related data. The rationale for choosing a consolidation approach is that Bakkafrost has the full authority to introduce and implement operating policies across the company's operations to manage environmental dependencies, impacts risks and opportunities.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Calculations and reporting of greenhouse gas emissions have been prepared in accordance with the Greenhouse Gas Protocol, following the 'operational control' consolidation approach where the company accounts for 100 percent of the GHG emissions from operations over which it has control. The environmental performance data have been prepared on a consolidated basis which follows the Scope of the company's financial statement. The consolidated sustainability statement includes P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights. Calculations and reporting of water- and forest-related data have been prepared following the same approach as for climate-related data. The rationale for choosing a consolidation approach is that Bakkafrost has the full authority to introduce and implement operating policies across the company's operations to manage environmental dependencies, impacts risks and opportunities.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Calculations and reporting of greenhouse gas emissions have been prepared in accordance with the Greenhouse Gas Protocol, following the 'operational control' consolidation approach where the company accounts for 100 percent of the GHG emissions from operations over which it has control. The environmental performance data have been prepared on a consolidated basis which follows the Scope of the company's financial statement. The consolidated sustainability statement includes P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights. Calculations and reporting of water- and forest-related data have been prepared following the same approach as for climate-related data. The rationale for choosing a consolidation approach is that Bakkafrost has the full authority to introduce and implement operating policies across the company's operations to manage environmental dependencies, impacts risks and opportunities.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Calculations and reporting of greenhouse gas emissions have been prepared in accordance with the Greenhouse Gas Protocol, following the 'operational control' consolidation approach where the company accounts for 100 percent of the GHG emissions from operations over which it has control. The environmental performance data have been prepared on a consolidated basis which follows the Scope of the company's financial statement. The consolidated sustainability statement includes P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights. Calculations and reporting of water- and forest-related data have been prepared following the same approach as for climate-related data. The rationale for choosing a consolidation approach is that Bakkafrost has the full authority to introduce and implement operating policies across the company's operations to manage environmental dependencies, impacts risks and opportunities. [Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

(7.1.1.1) Has there been a structural change?

Select all that apply
☑ Yes, an acquisition

(7.1.1.2) Name of organization(s) acquired, divested from, or merged with

Bakkafrost France

(7.1.1.3) Details of structural change(s), including completion dates

Bakkafrost France was formally acquired on the 1st October 2022, 2023 is the first reporting year including Bakkafrost France. The share purchase agreement was confirmed on 20th September 2022 with the formal acquisition occurring on 1st October 2022. Bakkafrost France has immaterial emissions as it is a small sales office.
[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☑ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

We have included the following new emission sources in the boundary: • Scope 1 - Refrigerant use (top-ups) for Faroe Islands, USA and Scotland • Scope 2 - Bakkafrost France – office electricity use • Scope 3 - Bakkafrost France – purchased fish embodied emissions and transportation to site • Scope 3 – Munkembo (Denmark) waste generated in operations • Scope 3 - Fuels Well-to-tank (WTT) and electricity WTT, Transmission and Distribution (T&D) and T&D WTT throughout our value chain. We have also improved the accuracy of our emissions calculations for the following emission sources: • Purchased Chemicals – improvement in data granularity of purchased chemicals which allow for specific chemical emission factors to be applied • Purchased Feed – improvement in data granularity of purchased feed which allow for specific feed emission factors to be applied

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 1

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

Changes are considered to have a material impact if more or less than 5% of the total base year emissions are affected.

(7.1.3.4) Past years' recalculation

Select from:

☑ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

(7.3.3) Comment

Scope 2 emissions are calculated using the following approach in-line with the GHG protocol. Electricity - kWh is input from GHG processing sheets per sub-site and are multiplied by the relevant Electricity Generation (Scope 2) emission factors.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:
☑ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Bakkafrost France office electricity emissions.

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply
☑ Scope 2 (location-based)

(7.4.1.4) Relevance of location-based Scope 2 emissions from this source

Select from:
☑ Emissions are not relevant

(7.4.1.10) Explain why this source is excluded

Emissions are not relevant.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

This is a judgment call. It is reasoned that the electricity consumption for three people working in a sales office will likely be insignificant.
[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

89168

(7.5.3) Methodological details

Data is input in its raw format (litres, kgs, etc.) and converted into kWh within the GHG Inventory. Emissions are calculated using the relevant BEIS Fuels emission factor (Gross CV) for all sites. Refrigerants are now included within scope 1 calculations and are calculated using the relevant BEIS refrigerant emission factors.

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

30467

(7.5.3) Methodological details

Scope 2 emissions are calculated using the following approach in-line with the GHG protocol. Electricity - kWh is input from GHG processing sheets per sub-site and are multiplied by the relevant Electricity Generation (Scope 2) emission factors. Emission factors used are a combination of BEIS and IEA.

Scope 2 (market-based)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Scope 2 (market based) have not been calculated.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

199871.9

(7.5.3) Methodological details

This figure includes embodied emissions associated with the following purchased goods: Soy Protein Concentrate; Rapeseed oil; Miscellaneous ingredients (premix, oil, salt); Wheat Products; Styrofoam pellets; Fishmeal (raw marine material); Packaging materials; Soap; Wooden pallets; Wood chips; Cardboard boxes; Roe, smolt, eggs and lumpfish; Plastic bags; Whole salmon purchased for the American market; Purchased fish for France market; Chemicals. Quantities have been converted where necessary using conversion factors and have been multiplied by emissions factors from Ecoinvent or other relevant databases where relevant factors were not available in Ecoinvent.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

39250.8

(7.5.3) Methodological details

Emissions are calculated using comprehensive spend data on capital goods and projects within the reporting year. The spend data is categorised and multiplied by relevant secondary (e.g, industry average) emissions factors provided by USEEIO.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

25734.8

(7.5.3) Methodological details

Emissions have been calculated for Transmission and Distribution (T&D), T&D Well-to-tank (WTT) and WTT losses for electricity across all site operations within the Faroe Islands, Scotland, Denmark, US and France. To calculate upstream electricity emissions we have used BEIS emission factors for UK operations. For the Faroe Islands have pro-rata'd these, in line with the grid factor provided by the Faroese Energy Company. For Denmark, US and France, emission factors applied are derived from IEA emission factors. Emissions are also calculated for WTT losses from fuels use across all operations within the Faroe Islands, Scotland, Denmark and the US. To calculate upstream emissions from fuels we wave used various BEIS emissions factors.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

30946.4

(7.5.3) Methodological details

Emissions are calculated for upstream transportation emissions for the following purchased goods: Soy Protein Concentrate; Rapeseed oil; Miscellaneous ingredients (premix, oil, salt); Wheat Products; Styrofoam pellets; Fishmeal (raw marine material); Packaging materials; Soap; Wooden pallets; Wood chips; Cardboard boxes; Roe, smolt, eggs and lumpfish; Plastic bags; Whole salmon purchased for the American market; Purchased fish for France market; Chemicals. Emission factors from BEIS are applied, with appropriate factors selected for the relevant mode of transport. Distances have been estimated based on central locations between the spread of relevant sites, where specific journey distances have not been available. In 2023 we improved the quality of reporting for fish meal vessel transportation to Havsbrun by collecting litres of fuel used in transportation.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

2148.7

(7.5.3) Methodological details

Emissions have been calculated across different recognised waste streams for Faroe Islands, Scotland and Denmark operations using waste data quantities and most appropriate BEIS emissions factors.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

241.2

(7.5.3) Methodological details

Emissions have been calculated using a variety of available inputs. Data has been taken from mileage/fuel card information, flight spend data and journey records collected from various sources. Emissions factors from BEIS have been applied to the appropriate mode of transport.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

1141.2

(7.5.3) Methodological details

Emissions have been calculated using employee commuting surveys and BEIS emissions factors for relevant modes of transport.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant as all emissions from upstream leased assets have been captured within the reported Scope 1 and 2 emissions disclosed in the relevant questions above.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

99569.4

(7.5.3) Methodological details

Emissions have been calculated for downstream transportation and distribution emissions for the following outputs: All sold product from both Bakkafrost Faroe Islands and Bakkafrost Scotland, broken down by Fresh and Frozen product, that has been shipped, trucked, or flown to its final destination country; Trucking from US operations to customers, calculated using BEIS emissions factors and typical transport distances. Trucking distance or airplane distance to each country's airport and trucking distance from airport to centre of country, as there is currently no visibility of the next journey step to the final customers door. BEIS Emissions factors for transport applied per tonne.km. Weight of ice used during transportation included in weight moved.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

19490.9

(7.5.3) Methodological details

A large proportion of product sold by Bakkafrost Scotland goes for secondary processing, which has been accounted for using an estimated energy ratio per tonne of product across various known processing streams, such as smoking, filleting etc. Further processing of sold fish oil and salmon oil products from the Faroe Islands operations are also included and are accounted for using an estimated energy ratio per tonne of product. BEIS and IEA emissions factors for electricity and BEIS emission factors for gas are used to calculate emissions from estimated energy consumption. These emission factors also include upstream emissions (fuels WTT and electricity WTT, T&D, and T&D WTT). We have assumed, as Bakkafrost has a significant end-to-end process, that none of the product sold by Bakkafrost goes for further processing.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

53174.5

(7.5.3) Methodological details

Emissions have been calculated based on estimated assumptions around refrigeration and cooking processes used for sold product. This is an in-direct use of sold product and as such is an optional inclusion into an organisation's footprint, but we are including it at this time. BEIS and IEA emissions factors for electricity and BEIS emission factors for gas are used to calculate emissions from estimated energy consumption. These emission factors also include upstream emissions (fuels WTT and electricity WTT, T&D, and T&D WTT).

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

3996.1

(7.5.3) Methodological details

Emissions have been calculated based on estimates around generated waste, for example how much product is lost in supermarkets and then consumers homes, and BEIS emissions factors for the disposal of organic waste, via landfill or EfW.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Farming service vessels are leased to other companies and the fuel use is monitored. BEIS emission factors for Marine Gas Oil have been used to calculate the emissions from this fuel use, fuels WTT are also included.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Bakkafrost has no franchises.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Bakkafrost has no relevant investments.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no other relevant upstream emissions not captured within the emissions already reported.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no other relevant downstream emissions not captured within the emissions already reported.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

129294

(7.6.3) Methodological details

Scope 1 emissions result from the combustion of fossil fuels across global operations, i.e. solid, liquid or gas for heating, creating propulsion in vessels etc.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

94547

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Scope 1 emissions result from the combustion of fossil fuels across global operations, i.e. solid, liquid or gas for heating, creating propulsion in vessels etc.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

75869

(7.6.2) End date

12/30/2021

(7.6.3) Methodological details

Scope 1 emissions result from the combustion of fossil fuels across global operations, i.e. solid, liquid or gas for heating, creating propulsion in vessels etc.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

89168

(7.6.2) End date

(7.6.3) Methodological details

Scope 1 emissions result from the combustion of fossil fuels across global operations, i.e. solid, liquid or gas for heating, creating propulsion in vessels etc. [Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

32860

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.4) Methodological details

Scope 2 has been calculated based on indirect emissions from global operations, i.e. via combustion of fossil fuels by the power company to generate energy. [Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

204490

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

18.63

(7.8.5) Please explain

This figure includes embodied emissions associated with the following input materials listed below. Quantities have been multiplied by emissions factors from Ecoinvent or other relevant databases where relevant factors were not available in Ecoinvent. Input materials: Soy Protein; Concentrate Rapeseed oil; Wheat Products; Styrofoam pellets; Fishmeal input (raw marine material); Packaging materials; Soap; Wooden pallets; Wood chips; Cardboard boxes; Roe, eggs and lumpfish; Plastic bags; Whole salmon purchased for the American market

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

0

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

There was no spend on capital goods in 2023.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

39658

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated for Transmission and Distribution (T&D), T&D Well-to-tank (WTT) and WTT loses for electricity across all operations within the Faroe Islands and Scotland. We have used Defra emissions factors for the UK and for the Faroe Islands have pro-rata'd these up inline with the grid factor provided by the Faroese Energy Company.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

63073

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated for upstream transportation emissions for the following input ingredients: Soy Protein Concentrate, Rapeseed oil, Wheat Products, Fishmeal input, Wooden pallets, Raw material transported to Havsbrun, Fish feed, Packaging Materials, Soap and Disinfectants, Gut waste for processing, Eggs, Roe and Smolt. Factors taken from Defra have been used, with appropriate factors selected for the relevant mode of transport. Distances have been estimated based on central locations between the spread of relevant sites, where specific journey distances have not been available.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3245

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated using waste data quantities reported across different recognised waste streams and appropriate DEFRA emissions factors have been applied to these weights.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

776

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated using a variety of available inputs. Data has been taken from mileage/fuel card information, flight spend data and journey records collected from various sources. Emissions factors from Defra have been applied to appropriate mode of transport.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1952

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated using employee commuting surveys and Defra emissions factors for relevant modes of transport.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

All emissions from upstream leased assets have been captured within the reported Scope 12 emissions disclosed in the relevant questions above.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

58009

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated for downstream transportation and distribution emissions for the following outputs: All sold product from both Bakkafrost and The Scottish Salmon Company, broken down by Fresh and Frozen product, that has been shipped, trucked, or flown to its final destination country; US - salmon transportation. Calculated using DEFRA emissions factors and typical transport distances. Trucking distance or airplane distance to each country's airport and trucking distance from airport to centre of country, as there is currently no visibility of the next journey step to the final customers door. DEFRA Emissions factors for transport applied per km per kg. Weight of ice used during transportation included in weight moved. Refrigeration of downstream transport has been added in 2022, as well as transportation of products such as Fish Meal, fish feed and salmon oil.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

18705

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

A large proportion of the product sold by the Scottish Salmon Company goes for secondary processing, which has been accounted for using an estimated energy ratio per tonne of product across various known processing streams, such as smoking, filleting etc. Defra emissions factors for electricity and gas used to calculate emissions from estimated energy consumption. We have assumed, as Bakkafrost has a significant end-to-end process, that none of the product sold by Bakkafrost goes for further processing.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

44215

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated based on estimated assumptions around refrigeration and cooking processes used for sold product. This is an in-direct use of sold product and as such is an optional inclusion into an organisation's footprint, but we are including it at this time. DEFRA emissions factors have been used for the electricity and gas consumed for refrigeration and the cooking of the product. We have assumed a split between electric and gas hobs and cookers.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3655

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions have been calculated based on estimates around generated waste, for example how much product is lost in supermarkets and then consumers homes, and DEFRA emissions factors for the disposal of organic waste, via landfill or EfW.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

105

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Farming service vessels are leased to other companies and the fuel use is monitored. Defra emission factors for Marine Gas Oil have been used to calculate the emissions from this fuel use.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Bakkafrost has no franchises.

Investments

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Bakkafrost has no relevant investments

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

There are no other relevant upstream emissions not captured within the emissions already reported.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

There are no other relevant downstream emissions not captured within the emissions already reported.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

integrated_report_bakkafrost_2023.pdf

(7.9.1.5) Page/section reference

Assurance statement on page 297-298. Coverage of audit is data reported on page 175-189

(7.9.1.6) Relevant standard

Select from:
☑ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100

Row 2

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

Januar Verification Bakkafrost 2023 data.pdf

(7.9.1.5) Page/section reference

CDP-specific auditor statement on GHG emissions

(7.9.1.6) Relevant standard

Select from:
☑ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

integrated_report_bakkafrost_2023.pdf

(7.9.2.6) Page/ section reference

Assurance statement on page 297-298. Coverage of audit is data reported on page 175-189

(7.9.2.7) Relevant standard

Select from:
☑ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

Januar Verification Bakkafrost 2023 data.pdf

(7.9.2.6) Page/ section reference

CDP-specific auditor statement on GHG emissions

(7.9.2.7) Relevant standard

Select from:
☑ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Use of sold products
☑ Scope 3: Downstream leased assets
☑ Scope 3: Processing of sold products
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
☑ Scope 3: Purchased goods and services
☑ Scope 3: Waste generated in operations
☑ Scope 3: End-of-life treatment of sold products
☑ Scope 3: Upstream transportation and distribution
☑ Scope 3: Downstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

integrated_report_bakkafrost_2023.pdf

(7.9.3.6) Page/section reference

Assurance statement on page 297-298. Coverage of audit is data reported on page 175-189

(7.9.3.7) Relevant standard

Select from:

☑ ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Use of sold products
☑ Scope 3: Downstream leased assets
☑ Scope 3: Processing of sold products
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
☑ Scope 3: Purchased goods and services
☑ Scope 3: Waste generated in operations
☑ Scope 3: End-of-life treatment of sold products
☑ Scope 3: Upstream transportation and distribution
☑ Scope 3: Downstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Januar Verification Bakkafrost 2023 data.pdf

(7.9.3.6) Page/section reference

CDP-specific auditor statement on GHG emissions

(7.9.3.7) Relevant standard

Select from:

☑ ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☑ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

251

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.2

(7.10.1.4) Please explain calculation

Bakkafrost have fitted solar panels on a site during 2023, they are estimated to save 251 tCO2e per year.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

2000

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

1.64

(7.10.1.4) Please explain calculation

In 2023, Bakkafrost conducted a substitution to replace some of the agri-commodities and raw marine material which we include in the salmon feed with algal oil and insect meal.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0.18

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

0.0001

(7.10.1.4) Please explain calculation

Acquisition of Bakkafrost France.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

40313

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

33

(7.10.1.4) Please explain calculation

Our increase in production volumes at Bakkafrost has lead to an increase of 41,177 tCO2e. Our total Scope 1 and 2 emissions in 2022 were 121,841 tCO2e, so our emissions value percentage is 33%.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Changes in methodology led to no significant changes in Scope 1 or Scope 2 emissions during the reporting period.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

252

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

0.21

(7.10.1.4) Please explain calculation

Inclusion of refrigerant use. Note the change in emissions is the increase in refrigerant use emissions from 2022 to 2023. The boundary was updated to include refrigerant use emissions for 2019 up to 2023.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Changes in physical operating conditions led to no significant changes in Scope 1 or Scope 2 emissions during the reporting period.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

1999

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

1.64

(7.10.1.4) Please explain calculation

This figure makes up the remaining GHG emissions not directly accounted for under the above rows.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Location-based

(7.13) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Select from:
☑ Yes

(7.13.1) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

Sequestration during land use change

(7.13.1.1) Emissions (metric tons CO2)

0

(7.13.1.2) Methodology

Select all that apply

☑ Default emissions factors

(7.13.1.3) Please explain

No relevant emissions from sequestration during land use change.

CO2 emissions from biofuel combustion (land machinery)

(7.13.1.1) Emissions (metric tons CO2)

2008

(7.13.1.2) Methodology

Select all that apply

☑ Default emissions factors

(7.13.1.3) Please explain

Biogenic carbon emissions pertain to our operation of the Forka AD plant in the Faroe Islands. Waste products from our operations and those of local commerce serve as the primary input to this site. Biogas is produced and burnt on site to generate electricity and heat which are exported directly to the local grid. This figure relates to the 'outside scopes' biogenic emissions from this site for the current reporting period.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

(7.13.1.1) Emissions (metric tons CO2)

0

(7.13.1.2) Methodology

Select all that apply
☑ Default emissions factors

(7.13.1.3) Please explain

No relevant biogenic emissions from processing/ manufacturing activities.

CO2 emissions from biofuel combustion (other)

(7.13.1.1) Emissions (metric tons CO2)

0

(7.13.1.2) Methodology

Select all that apply
☑ Default emissions factors

(7.13.1.3) Please explain

No other relevant biogenic emissions.
[Fixed row]

(7.14) Do you calculate greenhouse gas emissions for each agricultural commodity reported as significant to your business?

Fish and seafood from aquaculture

(7.14.1) GHG emissions calculated for this commodity

Select from:

☑ Yes

(7.14.2) Reporting emissions by

Select from:

☑ Total

(7.14.3) Emissions (metric tons CO2e)

73109

(7.14.4) Denominator: unit of production

Select from:

☑ Metric tons

(7.14.5) Change from last reporting year

Select from:

☑ Higher

(7.14.6) Please explain

We calculate emissions from embodied and transport emissions of fishmeal inputs. In our 2023 CDP submission, we disclosed 40,194 tons CO2e from fish and seafood aquaculture.

Soy

(7.14.1) GHG emissions calculated for this commodity

Select from:

☑ Yes

(7.14.2) Reporting emissions by

Select from:
☑ Total

(7.14.3) Emissions (metric tons CO2e)

44082

(7.14.4) Denominator: unit of production

Select from:
☑ Metric tons

(7.14.5) Change from last reporting year

Select from:
☑ Lower

(7.14.6) Please explain

We calculate the embodied and transport emissions of soy. In our 2023 CDP submission, we disclosed 47,511.4 tons CO2e from soy.

Other commodity

(7.14.1) GHG emissions calculated for this commodity

Select from:
☑ No, and we do not intend to calculate this data within the next two years

(7.14.7) Explain why you do not calculate GHG emissions for this commodity

There are no other commodities included in emissions reporting.
[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

128271.633

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

128.7

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

893.88

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)
[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Denmark	*665.684*	*58.11*	*0*
Faroe Islands	*94814.448*	*30737.43*	*0*
France	*0*	*0.18*	*0*
United Kingdom of Great Britain and Northern Ireland	*33349.856*	*1806.09*	*0*

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	*400.902*	*258.58*	*0*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

Row 1

(7.17.1.1) Business division

Bakkafrost Farming

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

28018.51

Row 2

(7.17.1.1) Business division

Bakkafrost Holding

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

40

Row 3

(7.17.1.1) Business division

Bakkafrost Packaging

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

2221.47

Row 4

(7.17.1.1) Business division

Bakkafrost Processing

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

869.03

Row 5

(7.17.1.1) Business division

Havsbrún Fish Feed, Meal and Fish Oil Production

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

63484.13

Row 6

(7.17.1.1) Business division

Svínoyar Rognkelsisstøð

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

16.98

Row 7

(7.17.1.1) Business division

Bakkafrost US

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

400.9

Row 8

(7.17.1.1) Business division

Munkebo DK

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

665.68

Row 9

(7.17.1.1) Business division

Scottish Operations

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

33413

Row 10

(7.17.1.1) Business division

Førka

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

164.3
[Add row]

(7.18) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Select from:
☑ Yes

(7.18.2) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Row 1

(7.18.2.1) Activity

Select from:
☑ Processing/Manufacturing

(7.18.2.3) Emissions (metric tons CO2e)

129294.2

(7.18.2.4) Methodology

Select all that apply
☑ Default emissions factor

(7.18.2.5) Please explain

The methodology used for the carbon accounting is The Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard (Revised Edition). Havsbrún feed, fishmeal and oil production, Hatcheries, Farming and Farming Service Vessels, Packaging and Processing, Head Office and Forka, harvesting and processing. [Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

Row 1

(7.20.1.1) Business division

Bakkafrost Farming

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

18150.22

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 2

(7.20.1.1) Business division

Bakkafrost Holding

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

30.56

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 3

(7.20.1.1) Business division

Bakkafrost Packaging

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

331.75

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.1.1) Business division

Bakkafrost Processing

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

4220.39

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 5

(7.20.1.1) Business division

Forka

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

145.37

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 6

(7.20.1.1) Business division

Havsbrún Fish Feed, Meal and Oil Production

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

7738.22

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 7

(7.20.1.1) Business division

Svinoyar Rognkelsistoo

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

120.92

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 8

(7.20.1.1) Business division

Bakkafrost US

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

258.58

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 9

(7.20.1.1) Business division

Munkebo DK

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

58.11

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 10

(7.20.1.1) Business division

Scottish Operations

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

1806.26

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0
[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based emissions (metric tons CO2e)	Please explain
Consolidated accounting group	*129294*	*32860*	*All emissions are included in figures for P/F Bakkafrost consolidated accounting group.*
All other entities	*0*	*0*	*No other entities.*

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Not relevant as we do not have any subsidiaries

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☑ More than 5% but less than or equal to 10%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ Yes
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

2.01

(7.30.1.3) MWh from non-renewable sources

489241

(7.30.1.4) Total (renewable and non-renewable) MWh

489243

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

102186

(7.30.1.4) Total (renewable and non-renewable) MWh

624969.84

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

410

(7.30.1.4) Total (renewable and non-renewable) MWh

410

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

2.01

(7.30.1.3) MWh from non-renewable sources

591838

(7.30.1.4) Total (renewable and non-renewable) MWh

591840
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

2.01

(7.30.7.3) MWh fuel consumed for self-generation of electricity

2.01

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

Electricity generated from the Forka biogas plant.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

N/A

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

N/A

Coal

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

N/A

Oil

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

488843

(7.30.7.3) MWh fuel consumed for self-generation of electricity

1487.42

(7.30.7.4) MWh fuel consumed for self-generation of heat

487356

(7.30.7.8) Comment

Oils used in operations including: marine gas oil, gas oil, diesel, unleaded, and kerosene.

Gas

(7.30.7.1) Heating value

Select from:

☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

398

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

398.06

(7.30.7.8) Comment

Natural gas used across global operations.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

N/A

Total fuel

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

489243

(7.30.7.3) MWh fuel consumed for self-generation of electricity

1489

(7.30.7.4) MWh fuel consumed for self-generation of heat

487754

(7.30.7.8) Comment

N/A
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

8721.93

(7.30.9.2) Generation that is consumed by the organization (MWh)

8721.93

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Heat

(7.30.9.1) Total Gross generation (MWh)

128548

(7.30.9.2) Generation that is consumed by the organization (MWh)

128548

(7.30.9.3) Gross generation from renewable sources (MWh)

2

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Denmark

(7.30.16.1) Consumption of purchased electricity (MWh)

533

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

533.00

Faroe Islands

(7.30.16.1) Consumption of purchased electricity (MWh)

92065

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

2.01

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

92067.01

France

(7.30.16.1) Consumption of purchased electricity (MWh)

3

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

3.00

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

8722

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

8722.00

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

863

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

863.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

169

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

162155

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

958

(7.45.5) Scope 2 figure used

Select from:
☑ Location-based

(7.45.6) % change from previous year

33

(7.45.7) Direction of change

Select from:

☑ Increased

(7.45.8) Reasons for change

Select all that apply

☑ Other, please specify **:**Increased business activity

(7.45.9) Please explain

Our feed production facility, Havsbrún, significantly increased its business activity in 2023. This is Bakkafrost's most energy-intensive operations, as fuel-oil is used to heat the incoming marine raw material. The production of salmon feed is dependent on the availability of raw materials. For marine raw materials, the volumes are dependent on the ICES recommendations for the sourcing of various species in the North Atlantic. Havsbrún recorded unparalleled production levels of fishmeal and oil, thanks to sourcing an unprecedented 467 thousand tonnes of marine raw materials.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

☑ Other, please specify **:**Renewable electricity generation

(7.52.2) Metric value

4036

(7.52.3) Metric numerator

MWh

(7.52.4) Metric denominator (intensity metric only)

No denominator

(7.52.5) % change from previous year

34

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

This disclosure pertains to the generation of renewable energy at our biogas plant in the Faroe Islands FØRKA. The plant had some technical issues for a large part of the year in 2023, and thus, the generation of renewable electricity was significantly reduced.

Row 2

(7.52.1) Description

Select from:

☑ Other, please specify **:**District heating generation

(7.52.2) Metric value

2939

(7.52.3) Metric numerator

MWh

(7.52.4) Metric denominator (intensity metric only)

No denominator

(7.52.5) % change from previous year

25

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

This disclosure pertains to the generation of district heating at our biogas plant in the Faroe Islands, FØRKA. Again, due to technical issues, the generation of district heating was significantly reduced compared to last year.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

☑ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

BAKK-FAR-001-OFF Certificate (1).pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

09/27/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/30/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

88510

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

30437

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

118947.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

59473.500

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

129294

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

32860

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

162154.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-72.65

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The target is organisation-wide. There has been no change in inventory-coverage in the reporting year compared to the base year.

(7.53.1.83) Target objective

Bakkafrost aims to supply the world's growing population with nutritious food which has a minimal impact on the environment, including low in carbon. Bakkafrost is a value-based company, and sustainability is deeply integrated into the company's DNA. Thus, transitioning to a low-carbon economy is considered a top priority for the Board and the Management of the company.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Since the base year, we have increased our scope 1 and 2 emissions due to increased business activity. We prioritize high-impact tasks and then work our way down, reducing the business operations with the highest impact. In 2023, we partnered up with a Faroese energy company on a project to construct the largest wind farm in the Faroe Islands, which is planned to deliver 350 GWh of renewable energy per year. The plan is to electrify our most energy-intensive operation which is our feed production facility at Havsbrún in Fuglafjørður and supply the factory with the renewable energy generated at the new wind farm. We expect this to lower our total scope 1 and 2 carbon emissions by at least 25-30%. The wind farm is still pending approval by authorities. We are also investigating several other initiatives, including transitioning our large vessels to utilise green fuel and more. Though we are behind a linear decrease in emissions, we still believe that we can achieve our 2030 target.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

BAKK-FAR-001-OFF Report (1).pdf

(7.53.2.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.2.5) Date target was set

09/27/2023

(7.53.2.6) Target coverage

Select from:

☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Nitrogen trifluoride (NF3)

☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☑ Category 6: Business travel

☑ Category 7: Employee commuting

☑ Category 1: Purchased goods and services

☑ Category 10: Processing of sold products

☑ Category 5: Waste generated in operations

☑ Category 4: Upstream transportation and distribution

☑ Category 9: Downstream transportation and distribution

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.53.2.11) Intensity metric

Select from:

☑ Metric tons CO2e per metric ton of product

(7.53.2.12) End date of base year

12/30/2020

(7.53.2.15) Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

1.39

(7.53.2.17) Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.058

(7.53.2.18) Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0.06

(7.53.2.19) Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0.02

(7.53.2.20) Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.002

(7.53.2.21) Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.009

(7.53.2.23) Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

0.948

(7.53.2.24) Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

0.15

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

2.6370000000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

2.6370000000

(7.53.2.36) % of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

100

(7.53.2.38) % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

100

(7.53.2.39) % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

100

(7.53.2.40) % of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

100

(7.53.2.41) % of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

100

(7.53.2.42) % of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

100

(7.53.2.44) % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

100

(7.53.2.45) % of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

86

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

86

(7.53.2.55) End date of target

12/31/2030

(7.53.2.56) Targeted reduction from base year (%)

52

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

1.2657600000

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

25

(7.53.2.62) Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

1.31

(7.53.2.64) Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities (metric tons CO2e per unit of activity)

0.25

(7.53.2.65) Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0.4

(7.53.2.66) Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0.02

(7.53.2.67) Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.004

(7.53.2.68) Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.12

(7.53.2.70) Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

0.37

(7.53.2.71) Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

0.12

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

2.5940000000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

2.5940000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

(7.53.2.82) % of target achieved relative to base year

3.14

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

The target is organisation-wide. There has been no change in inventory-coverage in the reporting year compared to the base year.

(7.53.2.86) Target objective

Bakkafrost aims to supply the world's growing population with nutritious food which has a minimal impact on the environment, including low in carbon. Bakkafrost is a value-based company, and sustainability is deeply integrated into the company's DNA. Thus, transitioning to a low-carbon economy is considered a top priority for the Board and the Management of the company.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

We have made some small progress on our journey to achieve this target. However, the progress is primarily linked to operational variability, where some of our operations have lower emission intensity compared to other parts of our direct operations. For example, our intensity figures decrease when the input of marine raw material is higher as we produce larger volumes of product with less carbon emissions compared to other parts of the direct value chain. We will look further into the process of achieving the target once we conduct our transition plan. Areas of focus are the decarbonisation of our suppliers' operations, including the decarbonisation of fishing vessels that supply our feed production site with marine raw material and decarbonisation of the production and transport of other commodities used for feed production. The supply chain to our feed production facility is a key area to decarbonise as it accounts for approximately half of our scope 3 emissions.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:
☑ No
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply
☑ No other climate-related targets

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*2*	*`Numeric input*
To be implemented	*1*	*45000*
Implementation commenced	*2*	*2763*
Implemented	*5*	*2763*
Not to be implemented	*1*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

☑ Process material substitution

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 1: Purchased goods & services

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

5100000

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ Ongoing

(7.55.2.9) Comment

This disclosure relates to the trials that we performed in 2023 to substitute some of the agri-commodities and raw marine material which we include in the salmon feed with algal oil and insect meal. These are two low-carbon initiatives and might, in the long-term time horizon, be worth including in the recipes to reduce the dependency on commodities such as soy, wheat, rapeseed oil and raw marine material, which might be at risk of facing limited availability and/or increased cost going forward. However, these commodities are priced at the higher end, and a complete substitution cannot currently be made.

Row 2

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

251

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

2900000

(7.55.2.7) Payback period

Select from:

☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 21-30 years

(7.55.2.9) Comment

This disclosure relates to the fitting of solar panels at one of our sites. According to the Solar Energy Industries Association (SEIA), solar panels last between 20 and 30 years. Some well-made panels may even last up to 40 years. We have been conservative and stated 21-30 years.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Bakkafrost has committed to allocate DKK 355 m DKK over the next five years for low-carbon product R&D, including research into the generation of renewable energy for our operations. In 2023, it was announced that Bakkafrost and Faroese energy company Effo had partnered to build the largest wind farm in the Faroe Islands, which can generate 350GWh per year. The project is still in the early phases and is pending necessary approvals.

Row 3

(7.55.3.1) Method

Select from:
☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

Bakkafrost has committed to allocate DKK 355 m DKK over the next five years for low-carbon product R&D, including research into the generation of renewable energy for our operations. We are investing in energy dashboards to identify opportunities for improved efficiency for processing and packaging, and upgrading technology at freshwater farming sites e.g. oxygen generation. Over the last few years, we have implemented a new 'real-time' energy dashboard in the Faroe Islands, enabling live monitoring of the energy consumption of all units. In Scotland, we have a unique 'real-time' energy portal which allows electricity, fuel and waste to be recorded, trended and analysed on a site-by-site basis.

Row 4

(7.55.3.1) Method

Select from:

☑ Partnering with governments on technology development

(7.55.3.2) Comment

In collaboration with the Nordic Council of Ministers, Faroese Government and Faroes energy company, SEV, Bakkafrost's new fully electric workboat project is part of a wider aim to find energy solutions that utilise the production of energy in remote areas in a sustainable manner. In Scotland, the Outer Hebrides Local Energy Hub (OHLEH) winner of the Community Initiative Award at the 2020 Aquaculture Awards and Partnership Scotland Award at the 2019 SEPA Vibes Awards, is a project to encourage collaborative solutions to waste management and energy challenges. The project focuses on the creation of a local circular energy economy and involves the transfer of fishwaste from SSC's processing plant on the Isle of Lewis, which is integrated with another local household and garden waste in an anaerobic digester and broken down to produce biogas.

Row 5

(7.55.3.1) Method

Select from:

☑ Internal incentives/recognition programs

(7.55.3.2) Comment

Introduced in 2022, we have implemented internal sustainability-linked incentives through share savings program, which was still valid in 2023. The scheme is based on the overall bonus pool determined each quarter by the Board of Directors, the employee's work level and performance against various KPI's, including sustainability KPI's such as survival rate and biological feed conversion factor.

Row 6

(7.55.3.1) Method

Select from:

☑ Internal finance mechanisms

(7.55.3.2) Comment

Bakkafrost has a dedicated budget for sustainability initiatives. Sustainability credentials is a major consideration for all new capital investment and in procurement contracts.

Row 7

(7.55.3.1) Method

Select from:

☑ Financial optimization calculations

(7.55.3.2) Comment

We are currently running a business intelligence project which will enable the organization to create more lean and smooth operations. We have already seen huge improvement in sales and logistics planning.

Row 8

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

We are investing in the electrification of hatcheries and working on a plan to electrify of our feed division. In 2023, FTE's were allocated to lead these projects. Our RAS (Re-circulating Aquaculture Systems) sites both in the Faroes and Scotland will utilise on-site renewable power such as hydro and photo voltaic as much as possible.

Row 9

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Bakkafrost has made a DKK 100 m investment into a Biogas plant producing carbon-neutral energy from manure from dairy farmers and biological waste from the aquaculture industry. In 2022, Bakkafrost took delivery of a new fully electric workboat which does not emit greenhouse gases and is solely based on electric power from batteries charged during hours with maximum “green” power.
[Add row]

(7.68) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Select from:
☑ Yes

(7.68.1) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Row 1

(7.68.1.1) Management practice reference number

Select from:
☑ MP1

(7.68.1.2) Management practice

Select from:
☑ Land use change

(7.68.1.3) Description of management practice

We are committed to sourcing from certified suppliers, including suppliers that do not practice e.g. deforestation. Please see our 'Bakkafrost Feed Policy Statement' on our website.The largest area of impact would be soy and we are only buying Pro-terra certified soy or Europe soy or similar.We are not certain that we will use soy in the long term so would like to focus on ensuring our feed ingredient suppliers that are part of our long-term strategy (we will remain focused on the high inclusion of sustainable and locally sourced marine raw materials) are reducing their impacts.

(7.68.1.4) Your role in the implementation

Select all that apply

☑ Knowledge sharing

☑ Procurement

(7.68.1.5) Explanation of how you encourage implementation

We are in continuous dialogue with suppliers to implement sustainable practices and monitor if they have updated certifications in place and hereby meet requirements set by certifications.In 2022, we commenced a project to build closer partnerships with our main suppliers (e.g. suppliers of soy) to advance sustainable practices in our value chain.

(7.68.1.6) Climate change related benefit

Select all that apply

☑ Increasing resilience to climate change (adaptation)

(7.68.1.7) Comment

We regularly assess the effectiveness of selective procurement, such as the impact of purchasing only Proterra-certified soy. We continuously evaluate whether other initiatives supporting our suppliers' efforts to mitigate and adapt to climate change could be more successful.
[Add row]

(7.68.2) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Select from:

☑ Yes

(7.70) Do you know if any of the management practices mentioned in 7.68.1 that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Select from:

☑ Yes

(7.70.1) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Row 1

(7.70.1.1) Management practice reference number

Select from:

☑ MP1

(7.70.1.2) Overall effect

Select from:

☑ Positive

(7.70.1.3) Which of the following has been impacted?

Select all that apply

☑ Water

☑ Other, please specify **:**Human Rights

(7.70.1.4) Description of impacts

Bakkafrost has a sustainable procurement policy in place which outlines that sustainability is prioritised in procurement processes, including in the procurement of key agri-commodities for feed production such as soy, wheat and rapeseed. All suppliers of plant proteins and oils are individually and continuously assessed against our Sustainable Feed Policy, outlining that raw materials must be traceable to their origin, and suppliers should act in accordance with national laws and international agreements regarding use of land. A sustainable production pattern is key to sustaining the livelihoods of current and future generations and our ingredients cannot be produced at the cost of the environment. We expect all feed suppliers to be certified to best-practice international standards and all plant oils and proteins not considered low risk to be certified sustainable, not genetically modified and not produced in areas threatened by deforestation. • All non-GMO • Soybeans (Pro-Terra, Europe Soya or similar) • No use of palm oil • Not produced in areas threatened by deforestation. We have started to actively engage with our suppliers of agri-commodities to build partnerships aimed at reducing the overall environmental footprint of the products, including reducing the carbon footprint and end all deforestation. By applying sustainability parameters as criteria to the procurement procedures, we believe we can contribute to having a positive impact beyond our own value chain. In addition, certifications such as the Proterra standard often cover aspects beyond climate or land-related concerns. For example, Proterra includes various human rights requirements, so the selective procurement of these commodities has impacts beyond climate-related effects. The standard also covers responsible use of resources such as water resources.

(7.70.1.5) Have any response to these impacts been implemented?

Select from:

☑ No

(7.70.1.6) Description of the response(s)

No response has been implemented, as the impact is considered to be positive.
[Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Green Bond Principles (ICMA)

(7.74.1.3) Type of product(s) or service(s)

Heat

☑ Other, please specify **:**Biogas

(7.74.1.4) Description of product(s) or service(s)

FØRKA Biogas plant operational from July 2020 onwards which feeds into the national Faroese grid to help the (only) national energy company SEV reach their target to have 100% renewable electricity by 2030. Regulations dictate that we cannot use this renewable energy for anything beyond the running of the plant itself, so this will benefit SEV. (Our renewable mix is dependent on their progress against their target - this will contribute towards it). ANNUAL PRODUCTION (Environmentally efficient Digestate 50.000 ton) Renewable source of Electricity 4,036 MWh in 2023. Renewable source of Heat 2,939 MWh in 2023. Projected total annual renewable production when in full scale 18.600 MWh - ANNUAL CO2E SAVING 11,000 tCO2e

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**External consultancy carried out the calculations

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Cradle-to-grave

(7.74.1.8) Functional unit used

tCO2e/MWh

(7.74.1.9) Reference product/service or baseline scenario used

We used the provided emission factor from the only energy company in the Faroe Islands, SEV and calculated the average equivalent GHG emissions deriving from the production of the projected 9,000 MWh, which FØRKA can produce a year.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-grave

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

11000

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Calculations of avoided emissions are based on the provision of 9,000 MWh of renewable heating and 9,000 MWH of renewable power to the national grid versus the emissions from the production of the regular power supply.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

Row 2

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Green Bond Principles (ICMA)

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Biogas

(7.74.1.4) Description of product(s) or service(s)

FØRKA Biogas plant operational from July 2020 onwards which feeds into the national Faroese grid to help the (only) national energy company SEV reach their target to have 100% renewable electricity by 2030. Regulations dictate that we cannot use this renewable energy for anything beyond the running of the plant itself, so this will benefit SEV. (Our renewable mix is dependent on their progress against their target - this will contribute towards it). ANNUAL PRODUCTION (Environmentally efficient Digestate 50.000 ton) Renewable source of Electricity 4,036 MWh in 2023. Renewable source of Heat 2,939 MWh in 2023. Projected total annual renewable production when in full scale 18.600 MWh - ANNUAL CO2E SAVING 11,000 tCO2e

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**External consultancy carried out the calculations

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Cradle-to-grave

(7.74.1.8) Functional unit used

tCO2e/MWh

(7.74.1.9) Reference product/service or baseline scenario used

We used the provided emission factor from the only energy company in the Faroe Islands, SEV and calculated the average equivalent GHG emissions deriving from the production of the projected 9,000 MWh, which FØRKA can produce a year.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-grave

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

11000

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Calculations of avoided emissions are based on the provision of 9,000 MWh of renewable heating and 9,000 MWH of renewable power to the national grid versus the emissions from the production of the regular power supply.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

Row 3

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Green Bond Principles (ICMA)

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify **:**Majority of the company's proceeds are allocated to the catagories Environmentally sustainable aquaculture (50%) and Clean transportation (34%)

(7.74.1.4) Description of product(s) or service(s)

Bakkafrost engaged a third party to assess the Bakkafrost Green Bond framework's alignment with the Green Bond Principles. The business model was assessed to be 'Medium Green', and the governance mechanisms were assessed to be 'Excellent'. The assessment was carried out in early 2022 and included Bakkafrost's full direct operations, including feed production, salmon farming and biogas operations.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

100
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Soy	*Select from:* ☑ No

[Fixed row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Soy	*21127*	*Select all that apply* ☑ Sourced	*21127*

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Soy

(8.5.1) Country/area of origin

Select from:

☑ Brazil

(8.5.2) First level administrative division

Select from:

☑ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Mato Grosso; Paraná; Goiás; Minas Gerais.

(8.5.4) Volume sourced from country/area of origin (metric tons)

19735

(8.5.5) Source

Select all that apply

☑ Company-affiliated smallholders

(8.5.7) Please explain

Our Soy is all Pro-Terra, Europe Soya or similar certified.

Soy

(8.5.1) Country/area of origin

Select from:

☑ Serbia

(8.5.2) First level administrative division

Select from:

☑ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Bečej

(8.5.4) Volume sourced from country/area of origin (metric tons)

192

(8.5.5) Source

Select all that apply
☑ Company-affiliated smallholders

(8.5.7) Please explain

Our Soy is all Pro-Terra, Europe Soya or similar certified.

Soy

(8.5.1) Country/area of origin

Select from:
☑ United States of America

(8.5.2) First level administrative division

Select from:
☑ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

St. Louis, Missouri

(8.5.4) Volume sourced from country/area of origin (metric tons)

1200

(8.5.5) Source

Select all that apply

☑ Company-affiliated smallholders

(8.5.7) Please explain

Our Soy is all Pro-Terra, Europe Soya or similar certified.
[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Soy

(8.7.1) Active no-deforestation or no-conversion target

Select from:

☑ Yes, we have a no-deforestation target

(8.7.2) No-deforestation or no-conversion target coverage

Select from:

☑ Suppliers

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

☑ No, but we plan to have other targets related to this commodity in the next two years

(8.7.6) Primary reason for not having other active targets in the reporting year

Select from:

☑ Not an immediate strategic priority

(8.7.7) Explain why you did not have other active targets in the reporting year

We plan to set targets that also have an impact on our no-deforestation commitment to the sourced soy for Bakkafrost feed.
[Fixed row]

(8.7.1) Provide details on your no-deforestation or no-conversion target that was active during the reporting year.

Soy

(8.7.1.1) No-deforestation or no-conversion target

Select from:

☑ No-deforestation

(8.7.1.2) Your organization’s definition of “no-deforestation” or “no-conversion”

Bakkafrost only sources soy that is Proterra-certified or similar to ensure that the growth and production of the commodity are not associated with any deforestation. Proterra's definition of no deforestation is aligned with the guidance of the Accountability Framework initiative (AFi), which is also how we define no deforestation. This is an ongoing target, and thus, the target date for achieving no-deforestation is stated as the reporting year.

(8.7.1.3) Cutoff date

Select from:

☑ 2017

(8.7.1.4) Geographic scope of cutoff date

Select from:
☑ Applied globally

(8.7.1.5) Rationale for selecting cutoff date

Select from:
☑ In line with organizational commitments, because no sector- or region-wide cutoff date is available

(8.7.1.6) Target date for achieving no-deforestation or no-conversion

Select from:
☑ 2023
[Add row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

Soy

(8.8.1) Traceability system

Select from:
☑ Yes

(8.8.2) Methods/tools used in traceability system

Select all that apply
☑ Supplier engagement/communication

(8.8.3) Description of methods/tools used in traceability system

It is essential for Bakkafrost that all feed is deforestation-free. We continuously follow up on deforestation risks with our suppliers and throughout the entire value chain. Through good communication with the suppliers, Bakkafrost has traceability on feed resources and can disclose that none of the feed resources come from

high-risk areas of deforestation. Bakkafrost has authorized documents for each soy shipment, which prove the soy's origin down to the city level. The documents also document the processing site and the shipping harbour and provide certification for the commodity in each load.
[Fixed row]

(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

Soy

(8.8.1.1) % of sourced volume traceable to production unit

0

(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

100

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

0

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

0

(8.8.1.6) % of sourced volume reported

100.00
[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Soy

(8.9.1) DF/DCF status assessed for this commodity

Select from:

☑ Yes, deforestation-free (DF) status assessed

(8.9.2) % of disclosure volume determined as DF/DCF in the reporting year

100

(8.9.3) % of disclosure volume determined as DF/DCF through a third-party certification scheme providing full DF/DCF assurance

100

(8.9.4) % of disclosure volume determined as DF/DCF through monitoring of production unit

0

(8.9.5) % of disclosure volume determined as DF/DCF through monitoring of sourcing area

0

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

☑ No

[Fixed row]

(8.9.1) Provide details of third-party certification schemes used to determine the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of the disclosure volume, since specified cutoff date.

Soy

(8.9.1.1) Third-party certification scheme providing full DF/DCF assurance

Forest management unit/Producer certification

☑ ProTerra certification

(8.9.1.2) % of disclosure volume determined as DF/DCF through certification scheme providing full DF/DCF assurance

100

(8.9.1.3) Comment

Our Soy is all Pro-Terra, Europe Soya or similar certified to ensure no deforestation We receive a Proterra confirmation certificate for each shipment of soy that we receive. We have uploaded one example as documentation, and we have certificates available that cover all the shipments.

(8.9.1.4) Certification documentation

Proterra certification.pdf
[Add row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

	Monitoring or estimating your deforestation and conversion footprint
Soy	*Select from:* ☑ Yes

[Fixed row]

(8.10.1) Provide details on the monitoring or estimating of your deforestation and conversion footprint.

Soy

(8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:

☑ We estimate the deforestation and conversion footprint based on sourcing area

(8.10.1.2) % of disclosure volume monitored or estimated

100

(8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

☑ During the last 5 years

(8.10.1.7) Known or estimated deforestation and conversion footprint during the last five years (hectares)

0

(8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

Bakkafrost monitors deforestation footprint by selective sourcing. To ensure no deforestation, we only source soy that is Proterra-certified or similar. We have also been engaging with our suppliers, which have showcased their monitoring tool, which provides satellite monitoring.
[Add row]

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	Actions taken to increase production or sourcing of DCF volumes
Soy	*Select from:* ☑ Yes

[Fixed row]

(8.11.1) Provide details of actions taken in the reporting year to assess and increase production/sourcing of deforestation- and conversion-free (DCF) volumes.

Soy

(8.11.1.1) Action type

Select from:
☑ Increasing traceability

(8.11.1.2) % of disclosure volume that is covered by this action

100

(8.11.1.3) Indicate whether you had any major barriers or challenges related to this action in the reporting year

Select from:

☑ No

(8.11.1.4) Main measures identified to manage or resolve the challenges

Select all that apply

☑ Other, please specify **:**No challenges

(8.11.1.5) Provide further details on the actions taken, their contribution to achieving DCF status, and any related barriers or challenges

In 2023, 100% of the soy sourced was Proterra-certified or Europe soy, which means that 100% of the volume is assessed to be deforestation-free. We think it might be a system error that we get this question, as we have previously stated that 100% of the volume is deforestation-free.
[Add row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

☑ No, but we plan to within the next two years

(8.14.5) Please explain

Bakkafrost only sources Proterra-certified or similar soy. The Proterra certification addresses legal compliance, which is a requirement for being certified against the standard. We consider this as sufficent proof of legal compliance with forest regulations and regulation related to human rights.
[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

(8.15.1) Engagement in landscape/jurisdictional initiatives

Select from:

☑ No, we do not engage in landscape/jurisdictional initiatives, but we plan to in the next two years

(8.15.2) Primary reason for not engaging in landscape/jurisdictional initiatives

Select from:

☑ Not an immediate strategic priority

(8.15.3) Explain why your organization does not engage in landscape/jurisdictional initiatives

We have applied the approach to source certified commodities for which we pay an extra Premium. This is done to support and ensure that the commodities are produced under well-regulated conditions, including respecting Human Rights, prohibiting the production of the commodities from contributing to deforestation and avoiding general environmental impacts. We consider this kind of selective procurement a strong incentive to direct suppliers toward responsible operations. We do not currently prioritise engaging in landscape/jurisdictional initiatives as this is not considered an immediate strategic priority, and we already source certified products. However, this type of engagement will be considered as we continuously develop our procurement policy as well as our supplier engagement plan. [Fixed row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

☑ No, and we do not plan to within the next two years

(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

☑ Yes

(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Row 1

(8.17.1.1) Project reference

Select from:

☑ Project 1

(8.17.1.2) Project type

Select from:

☑ Afforestation

(8.17.1.3) Expected benefits of project

Select all that apply

☑ Increase in carbon sequestration

(8.17.1.4) Is this project originating any carbon credits?

Select from:

☑ No

(8.17.1.5) Description of project

Bakkafrost supports an afforestation project in the Faroe Islands. The project's aim is to create a plantation in an area, where there were previously no trees. Although the project is on a small scale, this will help increase carbon sequestration in the Faroe Islands.

(8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

☑ Project based elsewhere

(8.17.1.7) Start year

2021

(8.17.1.8) Target year

Select from:

☑ 2024

(8.17.1.9) Project area to date (Hectares)

2

(8.17.1.10) Project area in the target year (Hectares)

2

(8.17.1.11) Country/Area

Select from:

☑ Faroe Islands

(8.17.1.12) Latitude

62.3603

(8.17.1.13) Longitude

6.535

(8.17.1.14) Monitoring frequency

Select from:

☑ Every two years

(8.17.1.15) Total investment over the project period (currency)

150000

(8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

☑ Increase in carbon sequestration

(8.17.1.17) Please explain

Through its Healthy Living Fund, Bakkafrost has chosen to support a project to establish a plantation in the Faroe Islands. This will help increase carbon sequestration in the Faroes. The project commenced in 2021, and in 2024 the process of planting trees is complete. The area covers 20,000 m2. Bakkafrost does not receive any carbon credits from this project.
[Add row]

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:
☑ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Water intake is metered which measures volume continuously in m3

(9.2.4) Please explain

A label indicating the source is also registered in our systems. We know 100% of our sourcing locations.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water intake is metered which measures volume continuously in m3

(9.2.4) Please explain

Water intake is metered continuously at all sites in m3. Approximately 80% of the total water withdrawals are metered continuously in an IT-system specifically built for water-monitoring, while 20% of water intake is recorded through billing.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

At sites that abstract groundwater, water testing is conducted for parameters including N, K, metals, pH, conductivity, TVC's, Coliforms, Listeria, E-coli and Stafficocus. The quality of the intake water is tested every day at our sites that source other types of water. The water is typically tested for levels of N, K and pH.

(9.2.4) Please explain

Water testing is an essential part of our food safety and quality regime in all stages of our direct operations, and thus, 100% of the water intake is tested for quality.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water discharge is metered by measuring volume continuously in m3. For some minor sites, no direct monitoring of discharges is fitted, but it is accounted for via the 'Flow-through' approach which means that water intake is equivalent to water discharges.

(9.2.4) Please explain

Water discharges are measured at all stages of our direct operations.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water discharge is metered by measuring volume continuously in m3

(9.2.4) Please explain

We know 100% of the destinations and we have a complete data set for water discharges by volume.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:
☑ 51-75

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Measured in proportion of water treated compared to total water volumes.

(9.2.4) Please explain

We are working on establishing more robust data collection on volumes by treatment method. We currently only measure this at our processing facilities. However, we know that no treatment is done at a number of sites.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:
☑ 51-75

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

Daily measurements can include COD, BOD & Ammonia. Weekly measurements can include, Suspended Solids, Dissolved Phosphorus Coliforms, Listeria, E-coli, Stafficocus

(9.2.4) Please explain

We are working on establishing more robust data collection on volumes by treatment method. We currently only measure this at our processing facilities. However, we know that no treatment is done at a number of sites.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ 51-75

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

Daily measurements can include COD, BOD & Ammonia. Weekly measurements can include, Suspended Solids, Dissolved Phosphorus Coliforms, Listeria, E-coli, Stafficocus.

(9.2.4) Please explain

We are working on establishing more robust data collection on volumes by treatment method. We currently only measure this at our processing facilities. However, we know that no treatment is done at a number of sites.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

We do not heat or cool the water used at our processing facilities. The only facilities working with temperature control are hatcheries, where discharged water is typically between 10-15 degrees Celsius, which is assessed not to have any impact on the surrounding environment. Thus it is assessed not to be relevant to measure.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

At sites with meters installed (most sites), the consumption is calculated using volumes taken in minus volumes discharged. At some sites, consumption is calculated using bills.

(9.2.4) Please explain

Consumption of water is especially related to our feed production site and our processing site. However, less than 2% of all water withdrawn is consumed.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

The recirculation rate is measured continuously.

(9.2.4) Please explain

Water in our RAS (Recirculating Aquaculture Systems) is reused and flow is monitored continuously. At sites with no water recirculation, we know this for a fact, and thus these sites are also covered resulting in 100% of total facilities

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Mandatory at all Bakkafrost facilities.

(9.2.4) Please explain

Hygiene is vital to the business as this is very important in preventing diseases compromising fish health via cross-contamination between areas. Thus, all employees throughout our operations have free access to WASH services at any time.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

14581.66

(9.2.2.2) Comparison with previous reporting year

Select from:
☑ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:
☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:
☑ Increase/decrease in business activity

(9.2.2.6) Please explain

2023 performance: Bakkafrost uses vast volumes of freshwater in the socalled Freshwater stage of the value chain, where the salmon grows from 0 g to 500 g at hatcheries. In 2023, the total water withdrawals reduced by 3% compared to 2022. This was due to normal fluctuations in the production. Forecast: On Capital Markets Day 2023, which is held biennually, Bakkafrost announced its plans to increase salmon capacity to 200,000 metric tons for the entire group within five years, with actual production in 2028 reaching 165,000 metric tons (currently approximately at 100,000 tons). The increase will mainly be driven by farming larger quantities on land at our RAS facilities. Even though RAS facilities have a high water recirculation rate, an increase in water withdrawals is likely in the next five years. Improved data quality may also result in an increase in reported water withdrawals."

Total discharges

(9.2.2.1) Volume (megaliters/year)

14397.31

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

2023 performance: Bakkafrost uses vast volumes of freshwater in the so called Freshwater stage of the value chain, where the salmon grows from 0 g to 500 g at hatcheries. In 2023, the total water withdrawals reduced by 3% compared to 2022, and thus, discharges were also lower. This was due to normal fluctuations in the production. Forecast: On Capital Markets Day 2023, which is held biannually, Bakkafrost announced its plans to increase salmon capacity to 200,000 metric tons for the entire group within five years, with actual production in 2028 reaching 165,000 metric tons (currently approximately at 100,000 tons). The increase will mainly be driven by farming larger quantities on land at our RAS facilities. Even though RAS facilities have a high water recirculation rate, an increase in water withdrawals is likely in the next five years. Improved data quality may also result in an increase in reported water withdrawals."

Total consumption

(9.2.2.1) Volume (megaliters/year)

184.34

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

2023 performance: Water consumption was about the same/a bit lower in 2023 compared to 2022. This is due to normal fluctuations in the production. Even though we do not consume water directly for our business operations, a certain quantity is expected to be lost during the production processes. As we expect to increase business activity in the coming years, an increase in total water consumption must also be expected."
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:
☑ No

(9.2.4.8) Identification tool

Select all that apply
☑ WRI Aqueduct

(9.2.4.9) Please explain

Bakkafrost operates in the Faroe Islands, Scotland, Denmark, USA, Denmark, and France. None of the sites are categorized as located in water-stressed areas according to the WRI Aqueduct Risk Atlas.
[Fixed row]

(9.2.5) What proportion of the produced agricultural commodities that are significant to your organization originate from areas with water stress?

Fish and seafood from aquaculture

(9.2.5.1) The proportion of this commodity produced in areas with water stress is known

Select from:

☑ Yes

(9.2.5.2) % of total agricultural commodity produced in areas with water stress

Select from:

☑ 0%

(9.2.5.3) Please explain

We use WRI Aqueduct to assess the general water risk of the areas in which we operate and check for exposure to interannual variability and water stress. The addresses of sites are fed into the model to assess the water risk of specific operations sites. All operational sites are located in areas with 'Low' baseline water stress. All freshwater withdrawals happen from areas with low risk according to WRI Aqueduct water risk atlas. However, water stress can occur both in the Faroe Islands and in Scotland during the summer months, especially July and August. WRI Risk Atlas states that there is low risk of water stress, but low-medium risk of interannual variability. We anticipate a slight increase in water withdrawals, discharges, and consumption in the future, as Bakkafrost aims to significantly increase production output in the coming years. However, with the construction of more hatcheries equipped with water recirculation with an average recirculation rate of 97%, we do not expect the increase in volumes to be very significant. We continue to monitor water trends closely and aim to increase data quality and implement live dashboards within the next year. We also use this data to monitor our progress against our target to be above 97% in terms of water recirculation.
[Fixed row]

(9.2.6) What proportion of the sourced agricultural commodities that are significant to your organization originate from areas with water stress?

Soy

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

☑ Yes

(9.2.6.2) % of total agricultural commodity sourced from areas with water stress

Select from:

☑ 0%

(9.2.6.3) Please explain

In 2023, 93% of all soy which was procured originated from the state of Mato Grosso or the State of Paraná in Brazil, which according to the WRI Aqueduct Risk Atlas are categorized as located in areas scored 'Low' in terms of Baseline Water Stress as well as Baseline Water Depletion. We sourced 1% from Europe. The exact origin is not known. We sourced 6% from the United States. The exact origin is unknown. However, the supplier stated in its 2023 ESG report that '0% of regions with high or extremely high baseline water stress'. Thus, we report the percentage of total agricultural commodity sourced from areas with water stress as 0%.

Other commodity

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

☑ No, but we intend to obtain this data within the next two years

(9.2.6.3) Please explain

Placeholder for CDP word Export.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

14232.62

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

No sourcing of brackish surface water/seawater in 2023.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

No sourcing of renewable groundwater in 2023.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

282.86

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

No sourcing of entrained/produced water in 2023.

Third party sources

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

66.17

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.7.5) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

3498.04

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

10830.23

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

No discharges to groundwater in 2023.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

69.04

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

12195.35

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 31-40

(9.2.9.6) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

19.36

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

2016.15

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 11-20

(9.2.9.6) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

1.7

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 11-20

(9.2.9.6) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal fluctuations in production.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

164.76

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

There has been no significant change in actual production since last year. Any variations in 2023 figures compared to 2022 figures are due to normal production fluctuations. Other also includes discharged water which has received primary treatment prior to discharge to a third-party.
[Fixed row]

(9.2.10) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

1948.3

(9.2.10.2) Categories of substances included

Select all that apply

☑ Nitrates

☑ Phosphates

☑ Priority substances listed under the EU Water Framework Directive

(9.2.10.3) List the specific substances included

Total nitrogen: 381 tonnes Total phosporus: 1,525 tonnes Copper and compounds (Cu): 0.20 Zinc and compounds (as Zn): 4.6 Chlorides (as total Cl): 37.5

(9.2.10.4) Please explain

All emissions to water reported relate to substances found in the salmon feed, and all substances are emitted to the ocean (no emissions to freshwater). The emissions occur in the Marine Farming stage of our operations and occurs due to excess feed not obtained by the salmon and thus falling to the seabed. We strive to place pens in locations with strong currents, ensuring the responsible emission of substances. We have also introduced several technological solutions in recent years to prevent or reduce impacts on the seabed, including installing automated feeding and underwater cameras at all sites, and ensuring optimal feeding monitoring. This means that feeding stops as soon as the systems record that the salmon has had the amounts of feed that it needs, significantly reducing any excessive feed delivery.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:
☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.3) % of facilities in direct operations that this represents

Select from:
☑ Less than 1%

(9.3.4) Please explain

This relates to our feed production facility, which is dependent on agri-commodities, which again are dependent on water to grow. Agri-commodities form a great share of the feed composition, and thus, Bakkafrost is heavily dependent on sufficient supply of these commodities, and they could potentially have a substantive impact on Bakkafrost's financial performance.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.4) Please explain

We have evaluated our upstream value chain and have not found any single facility with significant water-related dependency, impact, risk, or opportunity. Our feed production site sources large quantities of agri-commodities, which require water for growth. However, we have not identified any single supplier with dependencies, impacts, risks, and opportunities (DIROs). Nevertheless, when we aggregate the agri-commodities related to the production of salmon feed, we recognize this as having significant DIROs. Therefore, we have decided to report this facility in our direct operations as having substantial water-related DIROs.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☑ Facility 1

(9.3.1.2) Facility name (optional)

Havsbrún

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Faroe Islands

☑ Other, please specify **:**Aggregated river basin in the town of Fuglafjørður

(9.3.1.8) Latitude

62

(9.3.1.9) Longitude

7

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

162.9

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

162.9

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

117.2

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:
☑ Lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

117.2

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

52.9

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Higher

(9.3.1.29) Please explain

Havsbrún feed production facility is dependent on water-intense agri-commodities such as soy, wheat and rapeseed. The feed mill itself is not exposed to water risk. Consumption of water went up due to record-high activity at the site in 2023.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:
☑ Not verified

(9.3.2.3) Please explain

We didn't report quality of water withdrawals in our Annual Report / Sustainability Report, and thus it has not been verified.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:
☑ Not verified

(9.3.2.3) Please explain

The treatment level has not been reported in our Annual Report / Sustainability Report and thus is not verified

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:
☑ Not verified

(9.3.2.3) Please explain

The quality by standard water quality parameters of discharged water from the site has not been reported and thus not been verified.

Water consumption – total volume

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000
[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

7130000000

(9.5.2) Total water withdrawal efficiency

488970.39

(9.5.3) Anticipated forward trend

We aim to increase capacity to 200,000 metric tons of live salmon in 2028. The increase will mainly be driven by farming larger quantities on land at our RAS facilities. Even though RAS facilities have a high water recirculation rate, an increase in water withdrawals is likely in the next five years. The revenue is mainly affected by harvested quantities and the salmon spot price. The anticipated forward trend is a modest improvement in water withdrawal efficiency.
[Fixed row]

(9.8) Provide water intensity information for each of the agricultural commodities significant to your organization that you produce.

Fish and seafood from aquaculture

(9.8.1) Water intensity information for this produced commodity is collected/calculated

Select from:

☑ Yes

(9.8.2) Water intensity value (m3/denominator)

39.5

(9.8.3) Numerator: water aspect

Select from:

☑ Freshwater withdrawals

(9.8.4) Denominator

Select from:

☑ Metric tons

(9.8.5) Comparison with previous reporting year

Select from:

☑ Lower

(9.8.6) Please explain

Bakkafrost is a salmon company with one of the longest vertically integrated value chains, and our operations span from salmon farming to feed production and production of electricity, heat and liquid fertilizer and more. To reflect the breadth of the value chain, we have included the production of the following products in the denominator-figure: Feed sold (internal and external), production of fishmeal, production of fish oil, salmon oil, salmon meal, farmed salmon, and liquid fertilizer. The numerator was stated as total volumes of freshwater withdrawn. The water-intensity was a bit lower in 2023 compared to 2022: 2023: Freshwater withdrawals

(14,581,655 m3) / Weight of produced products (369,041 tonnes) 39.5 m3/tonne 2022: Freshwater withdrawals (15,030,154 m3) / Weight of produced products (338,045 tonnes) 44.5 m3/tonne. In 2023, many of the freshwater sites (hatcheries) achieved to use less water for production, and this is the main reason for the slight decrease in water intensity. The water intensity figure is closely monitored internally to track the trend and ensure that we have established an efficient production procedure with minimal water usage.
[Fixed row]

(9.9) Provide water intensity information for each of the agricultural commodities significant to your organization that you source.

Soy

(9.9.1) Water intensity information for this sourced commodity is collected/calculated

Select from:
☑ Yes

(9.9.2) Water intensity value (m3/denominator)

0.43

(9.9.3) Numerator: Water aspect

Select from:
☑ Freshwater withdrawals

(9.9.4) Denominator

Select from:
☑ Metric tons

(9.9.5) Comparison with previous reporting year

Select from:
☑ Lower

(9.9.6) Please explain

Bakkafrost sources significant volumes of soy protein concentrate for the production of salmon feed at the company's own feed production facility. The company has initiated discussions with suppliers regarding sustainability issues and the specific ESG data needed for scope 3 reporting. There is a positive trend in suppliers providing more comprehensive ESG reporting. One major supplier, accounting for 40-50% of the soy volumes sourced last year, reported water intensity. However, this figure reflects the supplier's overall operations and is not directly linked to water intensity related to the production of soy. The numerator represents the supplier's total water withdrawals in 2023, while the denominator includes all products the supplier produced in 2023, not just soy. Bakkafrost sees scope 3 data collection as an ongoing process, aiming to implement better solutions gradually. We expect to see more suppliers providing data on water intensity going forward, and we also expect to see suppliers continuously improving water intensity in their operations.

Other commodity

(9.9.1) Water intensity information for this sourced commodity is collected/calculated

Select from:

☑ No, not currently but we intend to collect/calculate this data within the next two years

(9.9.6) Please explain

Placeholder for word export.
[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: ☑ No	*Our products do not contain any substances classified as hazardous by any regulatory authority.*

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☑ Yes

(9.14.2) Definition used to classify low water impact

Litre per kg edible meat

(9.14.4) Please explain

Salmon has the lowest water footprint of the four largest sources of animal protein (poultry, pig and cow). This is an industry average, and our own calculations show that Bakkafrost salmon's water footprint is even lower.Salmon has an average of 2,000 litres of water consumption per kg edible meat according to the Global Salmon Initiative. This is significantly lower compared to the largest sources of animal protein.* Total water footprint for farmed salmon fillets in Scotland, in relation to weight and content of calories, protein and fat. (https://globalsalmoninitiative.org/files/documents/GSI_Handbook_2020.pdf)*
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:

☑ No, but we plan to within the next two years

(9.15.1.2) Please explain

Currently, we do not have a specific target for addressing water pollution. However, due to the increasing concern about water security as a result of climate change, water management has become progressively more important for both our internal and external stakeholders. We anticipate establishing targets related to water pollution in the next update of the company's sustainability goals. The upcoming targets will be developed based on feedback from a materiality assessment and input from internal workshops involving key participants such as the board, the CEO, and group executives. We anticipate that the updated water-related targets will include measures to address water pollution.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

☑ Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

Biosecurity is among the biggest risks which Bakkafrost is exposed to. Science has proven that a high standard for sanitation and hygiene must be upheld to mitigate cross-contamination. Thus, we have strict hygiene procedures across our value chain, and we regard the WASH principles to be fully integrated in our operations.No one working for Bakkafrost will be exposed to risks from a lack of WASH services. Thus, we don't find it necessary to set a WASH-related target, as this has already been integrated into our strategy and operations.

Other

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

We do not have any other water-related targets. We expect any future targets to be within the categories 'Water Pollution', 'Water withdrawals' and 'WASH services' [Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:
☑ Target 1

(9.15.2.2) Target coverage

Select from:
☑ Business activity

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals
☑ Increase in water use met through recycling/reuse

(9.15.2.4) Date target was set

12/31/2022

(9.15.2.5) End date of base year

12/31/2022

(9.15.2.6) Base year figure

97

(9.15.2.7) End date of target year

12/31/2026

(9.15.2.8) Target year figure

97

(9.15.2.9) Reporting year figure

97

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved and maintained

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The freshwater hatchery facilities are the most water-demanding in our entire operation. Thus, our focus is on minimising water withdrawals as much as possible in this part of our operations.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

We have identified significant benefits in implementing recirculating aquaculture systems (RAS) at our freshwater facilities in terms of minimising water demand. The system has been implemented at all larger freshwater sites in the Faroe Islands and at our newly expanded freshwater facility Applecross in Scotland, reducing water

demand significantly compared to previous demand. Installing recirculating aquaculture systems (RAS) at our freshwater facilities is a fundamental part of our strategy and our investment plans, and this has already significantly reduced our demand for freshwater.

(9.15.2.16) Further details of target

Our target is to maintain 97% water recirculation on average across all our hatchery operations. This will directly reduce our freshwater withdrawals and discharges to freshwater. In 2023 99.1% of all water used by hatcheries in the Faroe Islands was recycled, from 98.7% in 2022. At Applecross in Scotland, the recirculation rate was 94% in 2023 which was the same in 2022. In 2023, Bakkafrost's total freshwater withdrawals amounted to 14,581,655 m3 from 15,030,154 in 2022.
[Add row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water protection

☑ Land/water management

☑ Species management

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ State and benefit indicators ☑ Pressure indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We farm near Ramsar sites, which are also under legal protection. However, all permissions to farm salmon in Scotland are granted by the authorities, including the environmental authorities, and Bakkafrost has to meet several requirements, including not impacting Ramsar sites/legally protected areas. We are, however, not farming in the immediate proximity of these protected sites.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We do not have farming activities in any areas included in UNESCOs list of World Heritage sites

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We have several farming sites that are located in Wester Ross in Scotland, which is included in the UNESCO list of Biosphere Reserves.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

We have operations near Ramsar sites in Scotland. However, all permissions to farm salmon in Scotland are granted by the authorities, including the environmental authorities, and Bakkafrost has to meet several requirements, including not impacting Ramsar sites. We are, however, not farming in the immediate proximity of these protected sites.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

We have operations near Ramsar sites in Scotland. However, all permissions to farm salmon in Scotland are granted by the authorities, including the environmental authorities, and Bakkafrost has to meet several requirements, including not impacting Ramsar sites. We are, however, not farming in the immediate proximity of these protected sites.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We do not farm in any other areas important for biodiversity
[Fixed row]

(11.4.1) Provide details of your organization’s activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Ramsar sites

(11.4.1.4) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Wester Ross

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

0

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

We have five marine salmon farming sites in the area of Wester Ross in Scotland, which is an area included in the UNESCOs list of biosphere sites. The area of Wester Ross stretches over a vast area of land, and these five sites are located in them. We do not currently have the exact figures of how many hectares our sites occupy. Thus, the figure is stated as 0

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Physical controls

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Salmon farming can pose negative effects on all areas in which the operations are located if proper measures are not implemented. However, at Bakkafrost, we have worked continuously to avoid any negative environmental effects, including moving the pens around to not expose a single area to too much of an impact that nature can restore itself. We continuously measure several biodiversity-related metrics, including oxygen-level in the sea, the state of species and potential pollution and many more.
[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ All data points in module 7

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Every year, we engage a third-party auditor to audit all data points reported in the Annual Report (data points included in the ESG Index). The level is limited assurance.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Januar Verification Bakkafrost 2023 data.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ All data points in module 7

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Every year, we engage a third-party auditor to audit all data points reported in the Annual Report (data points included in the ESG Index). The level is limited assurance.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Bakkafrost Verification 2023 - Annual Report.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ All data points in module 9

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Every year, we engage a third-party auditor to audit all data points reported in the Annual Report (data points included in the ESG Index). The level is limited assurance.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Bakkafrost Verification 2023 - Annual Report.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information
	No information

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Financial Officer

(13.3.2) Corresponding job category

Select from:

☑ Chief Financial Officer (CFO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute