



ESG Report 2024

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About

This is the sixth ESG report of Hofseth BioCare ASA (HBC), covering sustainability topics that are of importance to the company and its stakeholders.

HBC is a Norwegian public limited company and is listed on Oslo Stock Exchange. The company produces high value health nutritional products for humans and pets by deriving bioactive marine ingredients from additive-, antibiotic-, and GMO-free Norwegian salmon off-cuts. After 15 years of R&D, testing and documentation, HBC's proprietary enzymatic hydrolysis process converts salmon off-cuts to sustainable value-added products. Through our innovative production technology and logistics, we preserve the nutritional qualities of fresh Atlantic salmon into our ingredients. Raw material that historically has only been used for animal feed is, through our process, made suitable for human consumption and nutraceuticals end markets. This is HBC's main contribution to efficient use of marine resources.

The topics covered in the 2024 ESG report explain how HBC manages risks in general and the strategies the company uses. The report also outlines how HBC has been working to reduce risks related to key sustainability issues and how the company plans to continue addressing these challenges in the future, integrating these efforts into its daily operations and management processes.

The report is prepared together with HBC's financial report and applies to the reporting period 1st of January to 31st of December 2024. The ESG report is a statement for the parent company, Hofseth BioCare ASA, which includes a few smaller subsidiaries such as HBC Berkåk AS and others located in the UK and US. Similarly to the financial report, this report is compiled based on the principle of operational control. The entities included in the financial reporting are also included in our ESG reporting.

HBC prepares sustainability reports on an annual basis and the last report was published 31st of March 2024. In our latest report, we have updated our approach to the materiality assessment. We have also improved our GHG reporting, by expanding our reporting of scope 3.

The report is prepared in accordance with the 2021 GRI Standards for sustainability reporting. Some disclosures are already reported in our annual report and are referenced there. The disclosures that are placed outside of the sustainability report are clearly identified through our GRI Index on pages 36–38 in this report.

The claims and data in this report have not been audited by a third party. For information about this report and its contents, please contact our Quality and ESG Leader, Malin Christine Kletthagen, at mck@hofsethbiocare.no or our Quality and Food Safety Leader, Julie Heide, at juhe@hofsethbiocare.no.

The report is published 11th of April 2025.

Numbers of employees

78



HBC's headquarters are in Ålesund, Norway with factories in Midsund and Berkåk. Commercial offices and presence in Oslo, Zürich, London, New Jersey and Palo Alto.

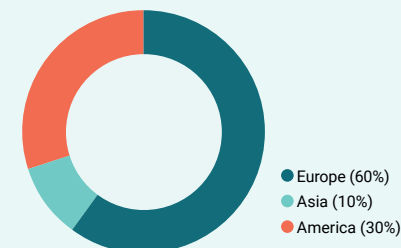
Raw material used

2023: 13,619 tons
2024: 16,145 tons

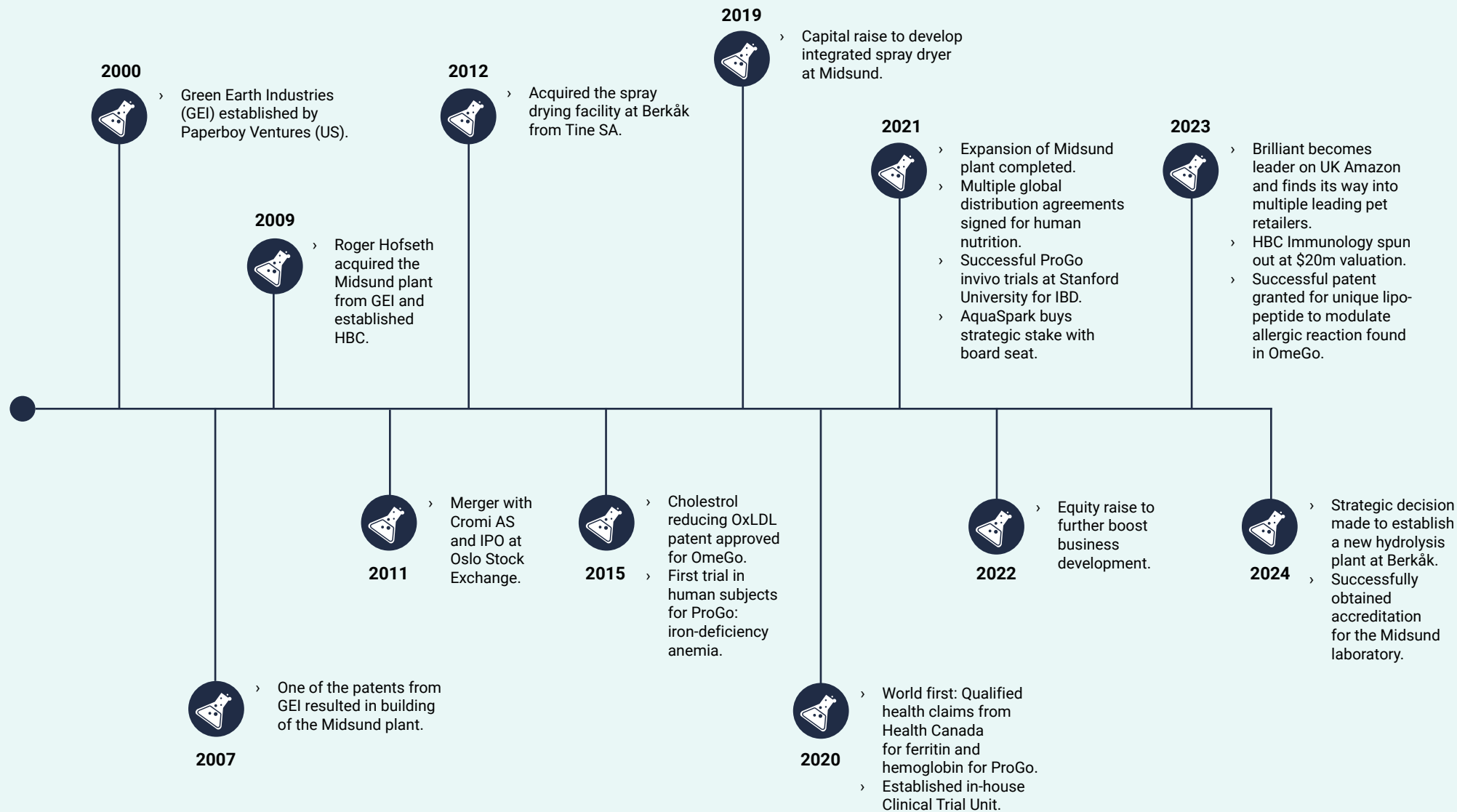
Volume of output produced

2023: 3,990 tons
2024: 5,062 tons

Global sales footprint



Timeline





CEO Statement

Dear Stakeholders,

As we present our 2024 ESG report, I want to highlight the increased focus we have made in sustainable practices and innovation over the past year. Building on our solid foundation, we have increased our commitment to environmental stewardship through more resources and initiatives that drive both economic value and responsible salmon resource management.

One of our most significant achievements has been to increase the number of raw material suppliers to further increase volumes of salmon off-cuts into human nutrition and potential nutraceuticals. By continuously optimizing the utilization of salmon off-cuts, we have not only reduced environmental waste per ton of raw material, but also increased local value creation for our suppliers, which I consider key to the whole Norwegian salmon processing industry. This sustainable approach reinforces our belief in transforming these resources into a high-valuable product, which is what HBCs purpose is all about “transform fresh marine products into high-value nutrition, driven by genuine sustainability.”

Our 15 years of investing in R&D have paved the way for innovative ingredients and discoveries of these salmon resources. Building on the success of HBC Immunology and our growing expertise in sustainable raw material sourcing, we have developed new product lines together with our commercial partners that leverage the full potential of traceable marine ingredients for human and pets. These initiatives have enhanced our market presence and 35 % growth in 2024.

Thanks to our new ESG organization, employees, partners, and stakeholders for your support to build a stronger HBC. Your dedication enables us to continually refine our processes and set new targets for sustainable growth. I am confident that our shared vision, mission, and collaborative efforts will lead to even greater achievements in the years to come.

Thank you for your trust and commitment to a sustainable future.

Jon Olav Ødegård, HBC

Goals and Achievements

Historically, ESG reporting at HBC has been based on general goals with limited documentation to support the claims made. In 2024, we took significant steps toward establishing a more structured and evidence-based approach to ensure that our ESG reporting reflects real efforts and improvements within the company.

Over the past year, we have gained a better understanding of the sustainability topics most important to both our company and stakeholders. Moving forward, we aim to adopt a more strategic approach, focusing on continuous improvement in our key areas rather than setting detailed targets without a clear foundation.

Key improvements 2024:

Stakeholder Analysis: We have conducted and documented a stakeholder analysis to identify key stakeholders and understand their expectations regarding sustainability and approach to dialogue.

Stakeholder Interviews:

Stakeholder interviews were first conducted in 2020. In 2024, we have restarted this work and will continue these efforts throughout the year to ensure updated insights and engagement.

Materiality Assessment:

We have developed and documented a materiality assessment to ensure that our ESG focus areas are aligned with the most relevant and impactful topics for our company and stakeholders.

Ecovadis:

In 2024, HBC has been awarded an Ecovadis bronze medal. This result places HBC among the top 35% percent of companies assessed by EcoVadis in the past 12 months. We view this achievement as an important step in our sustainability journey and a motivational boost for further development.



How we move forward:

By establishing a solid foundation through proper documentation and structured processes, we are now in a much better position to further develop our ESG initiatives. Moving forward, we will continue to:

Improve communication:

We recognize the potential for improvement in how we communicate the ESG work we are doing. In 2025, we plan to conduct a thorough review and update of documentation and procedures related to ESG. To ensure that all employees are aware of these, we will put ESG on the agenda for all hands meetings at the plant and make the updated documents easily accessible by posting them in relevant areas around the facilities. In this way, we aim to ensure that our sustainability efforts become a natural and integrated part of everyday life for all employees.

Data Monitoring:

Going forward, our focus will be on mapping, monitoring, and collecting more data across several key ESG areas. This includes food loss and food waste, emissions related to Scope 1 and 2 in the carbon footprint, as well as emissions in Scope 3, which covers indirect emissions from the supply chain. We are also exploring how digitalization can help streamline data collection and analysis, enabling us to gain better insights into our processes and more accurate figures across these areas. The goal is to develop a more systematic approach that provides us with better opportunities to understand and improve our ESG performance across various aspects.

Supplier audits including ESG:

We conduct quality audits of all raw material and ingredient suppliers. Starting from 2025, ESG considerations, including ethics and labor conditions, will be added as a standard agenda item during these audits to ensure our suppliers align with our ESG standards and values.



HBC and Sustainable Development Goals

As part of our ESG strategy, HBC has chosen to align our efforts with the UN Sustainable Development Goals. We have identified eight goals that are particularly relevant to our business:



Good Health and Well-being:

HBC has consistently invested in the past 15 years, with a focus on human health. This investment has led to over 50 health- and structural claims, in addition to several pre-clinical and clinical studies. At the heart of our business is the commitment to good health and human well-being.



Gender Equality:

HBC is proud to report a 50% representation of female board members at the end of 2024. In management and administrative positions, women constitute 46% of the workforce.



Affordable and Clean Energy:

HBC has origin certificates from our electricity provider. We continuously work to improve our energy efficiency and reduce energy consumption per ton of finished products produced.



Decent Work and Economic Growth:

We create local jobs in both Midsund and Berkåk. The wellbeing of our 78 employees is high on our agenda. We strive to provide decent work conditions and fair pay. Among our measures, we decided to retain all 8 employees at Berkåk in 2024, even when production was paused. They have instead carried out other administrative tasks.



Industry, Innovation and Infrastructure:

For the last 15 years, HBC has been engaged in research, development, and innovation to create a circular economy for salmon off-cuts. The head, backbone and skin of the salmon are known to be the most nutritious parts of the fish. Our innovative practices have been crucial in successfully bringing these products to market.



Responsible Consumption and Production:

HBC is using off-cuts from farmed salmon to minimize food waste and create valuable products. The value created from these off-cuts makes the utilization of resources more responsible, ensuring that important nutrition is not lost and wasted.



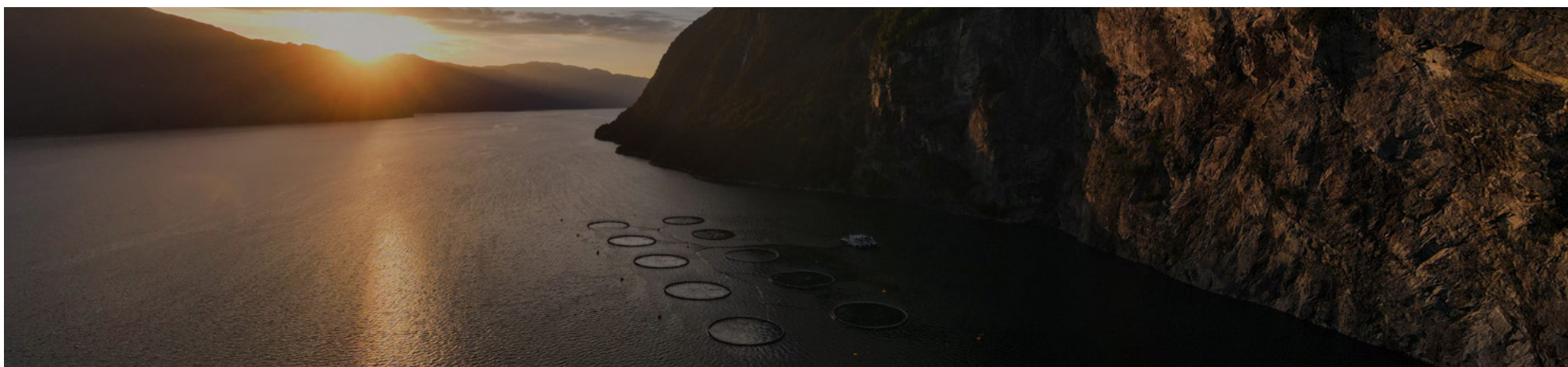
Climate Action:

HBC is working to reduce our carbon footprint, including more efficient energy use and conscious choices in the supply chain.



Life below Water:

The world needs to consume more seafood due to its health benefits, while simultaneously preserving and protecting our oceans from overfishing. By using off-cuts to make valuable products, we contribute to better utilization of marine resources.



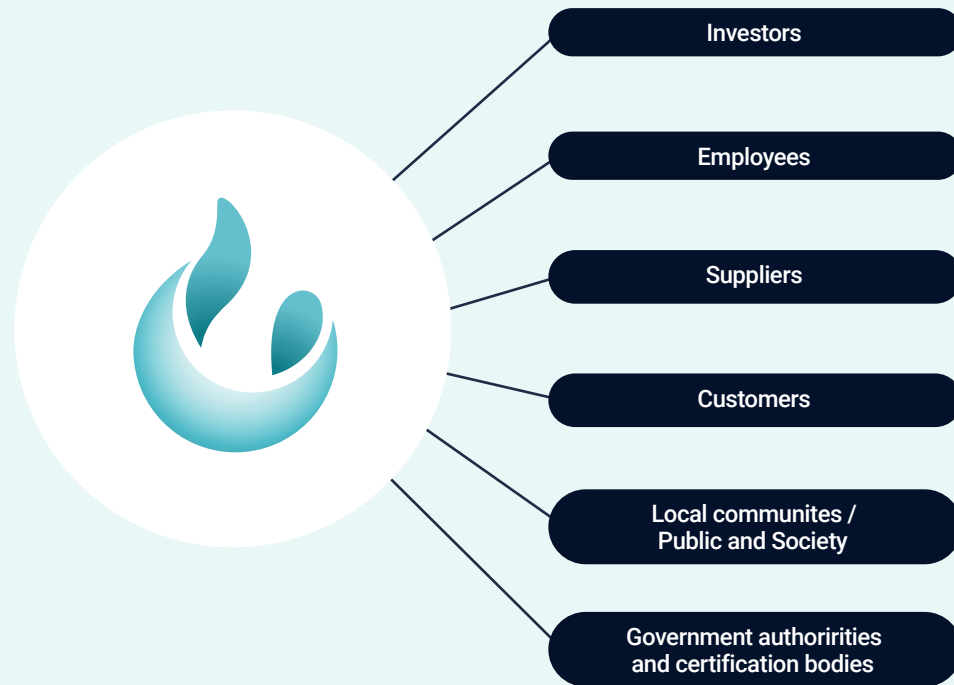
Stakeholders

This year, we have made significant progress in engaging with our stakeholders and understanding their expectations through our ongoing stakeholder analysis. As part of this process, we have initiated stakeholder interviews, which have provided valuable insights into what matters most to our stakeholders and the areas they believe we should focus on moving forward.

In the future, we recognize the increasing importance of understanding our stakeholders and their interests. This will be a greater focus for us moving forward, as we continue to strengthen our relationships and ensure our business practices align with the needs and concerns of those we interact with. Through this analysis, we aim to better prioritize our efforts, determine where to direct our focus, and establish long-term goals that are in line with our stakeholders' interests. By actively listening to and understanding their perspectives, we can ensure that our actions are meaningful and impactful, driving both business success and positive change for ourselves and our stakeholders.

The Board has emphasized the importance of improving communication and conveying the work we do to our stakeholders. We see the thorough work we have put into the stakeholder analysis as a first step in this direction. Through the analysis, we have gained better insight into what our stakeholders want to know and how they prefer to be reached. This provides us with a solid foundation for communicating more effectively and strengthen our relationships with stakeholders.

HBC'S STAKEHOLDER OVERVIEW



Stakeholder	Expected of HBC	Approach to dialogue
Investors	<ul style="list-style-type: none"> Investors, including banks, expect us to actively reduce emissions, both to air and water, and increase the use of renewable energy in our operations. They also seek greater transparency on the factors influencing our emissions. There is a clear expectation that we set ambitious targets, such as achieving net-zero greenhouse gas emissions. Investors want to see concrete actions to make our production processes more sustainable. Investors emphasize the importance of regular updates on energy use, progress toward sustainability goals, and accurate reporting. They expect transparent and well-documented ESG effort. 	<ul style="list-style-type: none"> We maintain open communication with our investors through regular questionnaires, which allow them to ask questions and gain insights into our performance. We also provide an annual report covering financial performance, business achievements, and strategic goals. Additionally, our ESG report highlights our sustainability efforts, including emission monitoring, energy efficiency, and waste management, providing transparency on our long-term commitment to responsible business practices.
Employees	<ul style="list-style-type: none"> Employees place high value on a positive work environment, with an emphasis on credibility and trust in leadership. The employee survey conducted in 2024 revealed that improved communication is a key area employees wish to see addressed. Additionally, managing sickness absence, including thorough follow-up and monitoring, will be an important focus for the company moving forward to ensure the well-being of employees at work. At Midsund, the shift schedule has a major positive effect, and employees are very satisfied with it, as it provides an excellent work-life balance. At the head office, employees appreciate the challenges they are given, as well as the opportunities for growth, all while being part of a positive and supportive work environment. The workplace atmosphere has significantly improved since we moved into our own premises, fostering closer collaboration and a stronger sense of teamwork among the team. 	<ul style="list-style-type: none"> We emphasize open and transparent dialogue with employees through various channels. Employees are encouraged to share their feedback and concerns through employee interviews and all-hands meetings. Work environment surveys are conducted to assess employee satisfaction and gather input on workplace conditions. Clear procedures, such as the HSE policy, Code of Conduct, Employee Handbook, and safety instructions, are in place to guide employees and ensure consistency. Visual communication tools, like posters, are used to reinforce key messages. The HSE Manager provides weekly HSE reports, keeping employees informed about safety matters and relevant updates at the plant. Monthly Business Review for all employees have been held regularly, providing updates on key developments across the business, including production, sales, R&D, and other projects. This approach to dialogue has helped keep everyone informed and aligned with the company's goals and progress.
Suppliers	<ul style="list-style-type: none"> Our suppliers have highlighted that the use of by-products for human consumption, with human-quality standards, is an increasingly important focus, particularly in terms of maximizing the utilization of marine resources. They also view it positively that, through local processing in Norway, we can document the full utilization of the fish across the entire value chain. This is an important topic for our suppliers as we work together towards more sustainable practices. Moving forward, suppliers also expect us to provide detailed information regarding supply chain transparency, including both upstream and downstream reporting on environmental, social, and governance matters. 	<ul style="list-style-type: none"> We strive for clear and effective communication with our suppliers, fostering collaboration and mutual understanding through various channels. Audits are carried out to evaluate compliance with HBC standards, ensuring alignment with quality and ethical requirements. Ethical expectations are incorporated into contracts with raw material suppliers, to ensure responsible sourcing and adherence to relevant laws. Product specifications are provided to align both parties on quality standards and expectations. Different departments within the company maintain direct dialogue with relevant departments in the supplier organizations, ensuring effective communication where it is most needed.
Customers	<ul style="list-style-type: none"> Our customers expect us to operate responsibly by complying with Norwegian laws on workers' rights, human rights, and anti-corruption, including ensuring the well-being of our employees. As the requirements for reporting become stricter, our customers expect us to provide clear, documented information about our supply chain practices, with a focus on transparency in both upstream and downstream processes related to sustainability. This includes ensuring that we are accountable for our impact throughout the entire value chain. 	<ul style="list-style-type: none"> We engage with customers through clear communication about our ESG work and sustainability initiatives. As our Technical Data Sheets provide detailed technical product information, we use sales presentations and supporting dossiers to highlight HBC's sustainability journey and focus on our commitment to environmental and social responsibility. Our website offers transparency, providing essential sustainability information, reports, and updates, allowing customers to stay informed about our commitments. Our certifications offer assurance to customers about our adherence to high standards, providing them with confidence in our products and practices. We routinely complete customer questionnaires and portal submissions, providing comprehensive information about our sustainability initiatives, working environment, and products.
Local communities/Public and Society	<ul style="list-style-type: none"> From the local community, there is a strong expectation that we contribute to local value creation and ensure stable employment opportunities. The community looks to us to be a responsible neighbor by minimizing local pollution and emissions in various forms, including odor, noise, and other environmental impacts. Our operations are expected to maintain a balance between growth and environmental responsibility. 	<ul style="list-style-type: none"> We are in close dialogue with local municipalities and in cooperation with local authorities on areas such as employment, emission (water, electricity and odor), infrastructure (roads, ferry etc). As part of our environmental responsibility, we ensure annual reporting of emissions to the County Governor, in line with regulatory requirements and our commitment to sustainability. We offer local youth the chance to gain work experience through community days, where they explore our company's work environment and also gain an understanding of how we locally utilize marine resources. Additionally, we have participated in the research days at the Atlantic Ocean Park in Ålesund for several years, experiencing great enthusiasm from the youth.
Government authorities and certification bodies	<ul style="list-style-type: none"> There is an expectation for us to demonstrate continuous improvement in our operations, with a growing focus on sustainability. This includes mapping and monitoring food loss and food waste, as well as implementing measures to reduce these issues. Stricter requirements are being set in these areas, and actions must reflect a strong commitment to sustainable practices. Additionally, there is a higher demand for insight into our supply chain, with a focus on traceability and performance evaluation. Open dialogue and effective communication with all stakeholders are of interest, ensuring transparency and accountability throughout our operations. 	<ul style="list-style-type: none"> Most of the communication takes place through audits and inspections. We experience a very good or an excellent dialogue, and always welcome their visits. Audits and inspections provide us with additional opportunities to improve further, ensuring that we continually meet the required standards and enhance our operations.

Materiality - Identifying Relevant ESG Topics

In the development of this year's ESG report, we have for the first time documented a materiality analysis, which has formed an important foundation for our reporting. This analysis has been carried out systematically, where we have carefully reviewed and assessed the GRI requirements to ensure that we identify the most relevant ESG topics for our company and stakeholders.

Through the materiality analysis, we have considered both the actual and potential impacts of various ESG topics. We have carefully assessed which areas have had actual negative and positive consequences for our business, as well as those that could have potential positive or negative impacts on us in the future. In the report, we have chosen to focus on the actual

impacts we have identified as most relevant and which have concrete significance for our business and stakeholders.

As a result of this materiality analysis, we have identified several key areas that we consider material to our ESG work. These topics will be the focus of the following chapters, where we elaborate on the impact ESG topics have on HBC and the impact HBC has on these ESG topics.



Responsible business operations, including circularity, R&D, business ethics and corruption prevention, quality and food safety

- › Vision, mission and purpose
- › ESG governance
- › Business ethics and corruption prevention
- › Management overview
- › Local growth and value creation
- › Creating value of waste and off-cuts
- › Circularity and R&D
- › Quality and food safety of the product



Environmental and climate impact, including water use and waste, energy use and GHG emissions

- › Energy, water and waste
- › Emissions to water
- › Risks and opportunities
- › Eco packaging and reuse solutions
- › Best available technology (BAT)
- › Energy intensity



Social responsibility, including worker's rights, diversity and inclusion, health and safety and working environment

- › Working environment
- › Occupational health and safety
- › Diversity and inclusion
- › Equal pay for equal work and qualifications
- › Non-discrimination



Responsible business operations

**including circularity,
R&D, business ethics and
corruption prevention,
quality and food safety**



**Our Vision**

To improve lives through science-led marine nutrition.

**Our Mission**

Sustainable production of premium bioactive marine ingredients with documented effects for a healthier life.

**Our Purpose and reason for being**

To transform fresh marine products into high value nutrition founded on real sustainability.



ESG Governance

Board of Directors



Linda Christin Hoff
Chair of the Board



Roger Hofseth
Board Member



Christoph Johannes Baldegger
Board Member



Crawford Linden Alexander Currie
Board Member



Amy Bennett Novogratz
Board member



Maria Bech
Board Member

The Board of HBC includes six members, of which three are female. The members are selected in the light of an evaluation of HBC's needs for expertise, capacity and balanced decision-making, and with the aim of ensuring that the Board can operate independently of any special interests and function effectively as a collegiate body. For more information about the governance structure, and the nomination and selection of the Board members, please see our Annual report.

HBC is built on a strong foundation of values that apply not only to the Board, but to all employees in the company. All employees are committed to a shared set of values that shape our behavior and support our vision.

By combining a solid governance structure with clear values, we lay the foundation for the responsible and sustainable development of HBC.

Guidelines

- › Code of Conduct
- › ESG report
- › Values
- › Norwegian Working Environment Act
- › Employee Handbook

Values and Principles in HBC:

Trust

Establish and maintain trust with all stakeholders through transparency, integrity, and ethical behavior.

Uniquely Innovative

Drive unique innovations that contribute to sustainability and social improvement. Innovations should not only address current issues but anticipate future challenges and opportunities for positive impact, anchoring HBC as a role model in ESG practices.

Collaboration

At HBC, we value collaboration by actively listening, sharing knowledge internally, and seeking external solutions when needed. This approach strengthens our teamwork and continuous improvement culture

Self-motivated

Foster a culture of self-motivation and personal accountability within the organization.

Responsibility

Act responsibly towards stakeholders, the environment and society, taking proactive steps to minimize negative impacts and address challenges head-on. This includes compliance with legal and ethical standards, as well as voluntary commitments to higher ESG performance.

Business Ethics and Corruption Prevention

How we achieve our results is important. In all our actions, we strive to sustain ethical and honest behaviour and have zero tolerance for any form of corruption.

Our ethical guidelines are set out in the Employee Handbook, as well as the company's Code of Conduct. The handbook was updated in April 2024, and the Code of Conduct is planned to be updated in 2025. All employees are required to familiarize themselves with the content and guidelines given in these documents. All new employees are required to read these documents on their first day of work.

Trust is of essence, and all employees are responsible for understanding and identifying possible conflicts of interest. When in doubt, employees may consult management or our legal experts, otherwise may resolve and report cases themselves. Our employees can find information on how to act in the Employee Handbook.

In 2024, 100% of our employees had received information about our anti-corruption procedure and our Code of Conduct. Our goal going forward is to update and remind all employees on the content and importance of these policies on an annual basis. Our business partners are expected to always retain risk-based governance and compliance framework, adhering to regulations, codes, governmental orders or other requirements or rules of law.

In order to minimize risks, there are thresholds for approvals and roles in the company's internal systems, and risk assessments are typically conducted when considering entering into business activities in a new country with a heightened risk of corruption. All new business partners are required to sign contracts where our anti-corruption policies are stated.

We have operations in several countries, such as US, UK and Switzerland, all of which are countries with a medium to low corruption risk score in the Corruption Perception Index by Transparency International. Most of HBC's operations take place in Norway, where risk of corruption is perceived to be low.

All cases that may give rise to an ethical issue or matters that could involve a breach of law causing legal liability, loss of value or reputation for HBC, should be reported to the relevant manager, or through the anonymous whistleblowing channel (Varslinghbc@adviso.no) established in 2020.

Examples of concerns that when significant should be reported include allegations such as:

- › Violations of HBC's Employee Handbook, Code of Conduct or anti-corruption policy
- › Violation of corruption laws
- › Conflicts of interest
- › Health and safety breaches

All concerns that are less significant or not needing to be anonymous, should be reported in HBC's non-conformity system. Critical concerns must be communicated to the Board. In 2024, no critical concerns were reported and there were no significant

instances of non-compliance with laws and regulations. Similarly, there were no identified incidents of corruption in 2024, nor were there any incidents in which employees were dismissed or disciplined for corruption. No contracts with business partners were terminated or discontinued due to violations related to corruption, and no public legal cases were brought against the organisation or its employees during the reporting period.

At the time of this report, HBC does not participate in any collaborative partnerships where business ethics or corruption is a concern.



Management Overview

Management



Jon Olav Ødegård
Chief Executive Officer

Extended Management



Tom James
Head of Manufacturing

Production



Magnus Havnen
Head of Supply Chain

Procurement and Logistics



Dr. Bomi Framroze
Chief Scientific Officer

Medical R&D
Clinical Trial Unit



Angelika Florvaag
Chief Quality Officer

Quality Assurance & Quality
Control
HSE, ESG



James Berger
Chief Commercial Officer

B2B
B2C

Local Growth and Value Creation



HBC has invested in plants located in two small towns in Norway, Midsund and Berkåk.

Our plant at Midsund is an important part of the local community, located on an island with 2,000 residents.

We are proud to contribute to the development of the community through our engagement in both employment and local initiatives. As a significant employer on the island, we create many job opportunities and focus on offering stable

employment to local residents. Additionally, we support local sports teams and activities, helping to strengthen the community through financial contributions. We view our commitment to the local community as an essential part of our sustainability efforts, and we are dedicated to continuing to support and contribute to the development of Midsund.

In December 2024, the construction of a new hydrolysis plant at Berkåk was approved by the Board. This project is a major investment for HBC and will span several years. The new plant will not only enhance our production capacity but

also contribute to increased employment in the region. It is expected that the project will create many new jobs, both during the construction phase and in the subsequent operational phase. This is an important step in supporting local economic development and strengthening our commitment to the community.

HBC consciously work with local suppliers for raw materials, services, maintenance, and transport whenever possible.



Creating Value of Waste and Off-cuts



“ The world cannot afford to discard 40% of its useable seafood any longer.

– Dr. Bomi Framroze
Chief Scientific Officer



Whole fish are harvested from aquaculture in Norway



Processing plants in Norway



By-products today regarded as “waste” or off-cuts
Off-cuts ~40% of biomass going out of filet factory



The off-cuts are chilled and transported to Hofseth BioCare ASA avd. Midsund



Natural Salmon Oil – Human & feed grade



Salmon Meal – Feed grade



In 2024, 16,145 tons of raw materials arrived at the plant within hours after production



Salmon Bones – Human & feed grade



High value Salmon Protein Hydrolysate – Human & Feed grade

Circularity

Research and Development

Throughout 2024, we reached significant scientific milestones across laboratory (in vitro), pre-clinical (in vivo), and human clinical studies involving bioactives from freshly filleted salmon. Highlights of our research include:

ProGo® – Peptides Supporting Healthy Body Composition and Metabolism

Building upon previous clinical findings demonstrating weight loss in overweight adults, our latest research (2024) clarified the underlying mechanism of ProGo®. These studies confirmed that ProGo® bioactive peptides play a dual role in glucose regulation by activating both GLP-1 (glucagon-like peptide-1) and GIP (glucose-dependent insulinotropic polypeptide) pathways. This synergistic mechanism enhances metabolic health and supports effective weight management. The bioactive peptide fractions responsible for these glucoregulatory effects were further characterized, highlighting their potential pancreatic-protective properties, which could play a crucial role in diabetes prevention.

To enhance consumer convenience, a dose-response study confirmed that a daily intake of just 4g of ProGo® delivers the same health benefits as higher doses (12g and 16g), making it a more accessible and practical option.

OmeGo® – Natural Salmon Oil for Immune Health and Sleep Quality

In June 2024, we published compelling results from a clinical trial evaluating OmeGo® in adults with mild viral infections. Building on these findings, a follow-up study explored OmeGo®'s impact on individuals exposed to particulate matter pollution, revealing its potent inflammation-resolving properties. Key gene expression changes involved pathways related to immune modulation, inflammation resolution, and cytokine signaling, highlighting both statistically significant and biologically relevant effects. The study reported significant improvements in sleep quality, lower overall reported wake-up events, and a trend toward improved sleep efficiency over time.

Further reinforcing OmeGo®'s role in immune health, we successfully completed a clinical trial in 2024 assessing its impact on allergic asthma. Data analysis is currently underway, and we look forward to sharing key findings in 2025.

NT-II® – Undenatured Collagen for Bone and Joint Health

In 2024, our clinical osteoarthritis study on NT-II® demonstrated notable improvements in patient-reported outcomes, particularly in earlier OA disease stages. Across multiple joint health domains, participants experienced a substantial 63% reduction in pain and stiffness, along with enhanced mobility and functional



improvements after six months of supplementation. Encouraged by these promising results, HBC secured a grant from Innovation Norway to conduct an expanded dose-response follow-up study, scheduled for 2025.

Additionally, our ongoing two-year clinical study on NT-II® and bone density loss in women progressed successfully throughout 2024. Early findings suggest that NT-II® helps support and prevent

loss of bone density, showing measurable hip joint improvements compared to the natural decline observed in the placebo group. These results indicate a potential protective effect of NT-II® on bone health.

We eagerly await the study's results next year, which could provide further robust evidence of NT-II®'s benefits for bone health.

Quality and Food Safety

HBC is committed to maintaining a strong food safety culture and ensuring high quality across all aspects of our business – from procurement and production to sales, logistics, and management. We continuously monitor, improve, and communicate our food safety and quality standards through training, internal evaluations, and close collaboration with internal and external stakeholders.

Food Safety Culture

For the third consecutive year, we conducted in 2024 a Food Safety Survey at our plant at Midsund to measure and monitor our food safety culture. We achieved an excellent food safety culture in 3 out of 6 categories and a good food safety culture in the remaining 3 categories. None of the categories received a rating of moderate or weak food safety culture. As we strive for excellence in food safety culture across all our categories, we have developed an action plan with concrete improvement measures.

Training plays a key role in strengthening our food safety culture. We conduct all-hands meetings at least twice a year, with the goal of achieving 100% participation in food safety training. This target was not met in 2024, and we are actively working to increase engagement. Additionally, specific training sessions are held as needed, particularly when challenges or non-conformities are identified.

In 2024, we also established an onboarding program for all new employees at the plant, including training on food safety and hygiene rules. Furthermore, we developed a dedicated procedure for food safety culture, clearly defining responsibilities and our commitment in this area.

Food Safety and Quality Communication

Our Quality, Feed, and Food Safety Policy is reviewed annually by the HACCP team and serves as the foundation for our food safety and quality objectives. These objectives are monitored monthly by the HACCP team and undergo a thorough review during the annual management review. The policy is displayed prominently in several locations within the factory and is always presented to employees during all-hands meetings.

Critical process steps and activities are effectively communicated through training, procedures, and posters within production areas.

In 2024, we developed a stakeholder analysis specifically focused on food safety, which clarified the expectations our stakeholders have of us and allowed us to map and document how we actually communicate with them.

Customer Complaints and Quality Issues

To ensure a comprehensive approach to food safety and quality throughout the organization, we have robust systems for recording quality and food safety-related issues. These systems are used

across locations and departments and are essential tools in our continuous improvement efforts.

In 2024, we had zero product recalls, highlighting our strong commitment to quality and food safety. We received a total of 11 customer complaints related to Midsund, 1 complaint related to Berkåk, and 1 complaint registered at our headquarters in Ålesund. Customer complaints related to B2C are recorded at the headquarters.

All customer complaints are registered in our non-conformity system, and we conduct thorough root cause analyses for any complaints involving food safety risks. We take a team-oriented approach, ensuring that all necessary functions contribute to identifying and eliminating root causes. To ensure transparency and maintain customer trust, we provide continuous updates to our customers throughout the process until a final conclusion is reached.

Management commitments to Food Safety

- › Hofseth BioCare ASA is committed to producing feed and food products that comply with labeling requirements and will not harm animals, humans, or the environment.
- › Hofseth BioCare ASA is committed to conducting its operations in accordance with applicable laws and regulations, the standards in which the business is certified, and customer requirements.
- › Hofseth BioCare ASA is committed to providing employees with appropriate and sufficient training in food safety.
- › Hofseth BioCare ASA is committed to ensuring that both internal and external communication related to food safety is clearly and effectively addressed.
- › Hofseth BioCare ASA is committed to actively working to improve the food safety culture through clear communication, continuous training of employees, actively engaging with feedback from employees, and measuring performance related to food safety activities.

Employees commitments to Food Safety

- › Employees at Hofseth BioCare ASA are committed to using only raw materials of the correct quality and with full traceability in production.
- › Employees at Hofseth BioCare ASA are committed to following the recipe and not making modifications without approval from management.
- › Employees at Hofseth BioCare ASA are committed to ensuring that all critical control points are under control by following procedures and completing the associated documentation.
- › Employees at Hofseth BioCare ASA are committed to actively contributing to a strong food safety culture by reporting errors, participating in improvement processes, and asking questions if something is unclear.



Quality and Sustainability Through Certifications and Audits

Certifications are a cornerstone of our commitment to maintaining the highest standards in quality, food safety, and sustainability. They provide a clear framework for continuously improving our processes and ensuring compliance with industry regulations. By achieving and maintaining certifications such as FSSC 22000, GMP+, and EcoVadis, we demonstrate our dedication to responsible practices, safe products, and environmental stewardship. These certifications not only help build trust with our customers and stakeholders but also ensure that we are consistently meeting the evolving demands of the market. They serve as a key driver of continuous improvement, giving us the tools to assess, refine, and elevate our operations in line with global best practices.

A key milestone in 2024 was the accreditation of our laboratory in Midsund to NS-EN ISO/IEC 17025 General requirements for the competence of testing and calibration laboratories, enabling in-house microbiological analyses. This accreditation improves quality control and reduces reliance on third-party laboratories, enhancing operational efficiency.

Certifications

Midsund	Ålesund	Berkåk
FSSC		
GMP+	GMP+	GMP+
Kosher		
Halal		
Ecovadis	Ecovadis	
FOS		
SecureFeed		

Non-conformities third-party audits

Certification	Midsund	Berkåk	Ålesund
FSSC	4		
GMP+	3	0	0

In 2024, HBC carried out several important audits that support our work with sustainability, quality and food safety. We have maintained and renewed several recognized standards that are crucial for ensuring that our products and processes meet both internal requirements and external expectations.

FSSC 22000 – Food Safety: The audit of our food safety management system was successfully completed, and we have maintained the certification as part of our ongoing work with food safety and quality. The audit resulted in 4 minor non-conformities at Midsund, all of which were addressed and corrected in accordance with our internal procedures.

GMP+ – Feed Production: We conducted a GMP+ audit across all off our three locations. The audit resulted in no non-conformities at the headquarter in Ålesund and the storage at Berkåk, while our processing plant at Midsund had three minor nonconformities. All nonconformities were addressed and corrected in accordance with our internal procedures, strengthening our work with safe products for the feed market.

EcoVadis – Sustainability: In 2024, we completed an EcoVadis assessment to evaluate our sustainability efforts and were awarded a bronze medal. This result places HBC among the top 35% of companies assessed by EcoVadis in the past 12 months. The evaluation reflects our commitment to responsible production and sustainable business practices. We view this achievement as a significant milestone in our sustainability journey and an encouragement to continue improving.

Audits play a crucial role in our continuous improvement process. As the requirements in the different standards and regulatory demands are becoming stricter, we view the audit process as a valuable opportunity for growth. They not only allow us to proudly showcase our strengths in this area but also push us to meet the evolving standards and expectations. Each audit challenges us to continuously improve our processes and ensure compliance with best practices in quality, food safety and sustainability. By embracing the audit process, we continually refine our operations, enhance our performance, and reinforce our commitment to excellence.



Environmental and climate impact

**including water use and
waste, energy use and GHG
emissions**



Risks and Opportunities

Supply Chain Risk: Impact of Rising Ocean Temperatures

Rising ocean temperatures can affect our supply chain, particularly regarding salmon farming, which is our main raw material. Although we source our raw material from Norwegian fjords, where meltwater from snow and ice in the surrounding mountains helps maintain relatively stable and cool water temperatures, global climate trends still pose a threat. Increasing ocean temperatures may lead to the proliferation of harmful organisms such as sea lice, algae blooms, and other pathogens that thrive in warmer conditions. These challenges can result in higher operational costs related to prevention, treatment, and control of these threats, as well as potentially reduced fish quality and availability. In turn, this could lead to increased operational costs related to production and supply chain.

Logistics Risks: Impact of Environmental Factors on HBC Operations

A potential risk to our operations is that our main production facility is located on an island with no bridge and is dependent on ferry services for access. Interruptions in ferry services could affect supply chain continuity and workforce attendance. Ferry departures are infrequent, particularly during weekends, and the number of departures may fluctuate. In 2023, a new company took over the ferry service, but the vessel currently in operation is older and cannot operate during bad weather. We have experienced several disruptions due to cancellations caused by weather conditions and technical issues.

Transition Risks: Shift Towards Sustainable Business Models

Climate change is driving a global shift towards more sustainable business models and low-carbon societies. For HBC, transition risks could include regulatory changes, such as stricter emission requirements, carbon taxes, or new levies on carbon emissions, which could lead to increased operational costs to make sure we aligned with these evolving regulations. Furthermore, meeting these new requirements may require increased investments in new technologies and sustainable solutions, impacting our long-term cost structure. Stricter reporting requirements, particularly around sustainability and emissions, are also anticipated, which could result in higher administrative costs to ensure compliance with these evolving standards.

Potential for Raw Material Supply Growth:

A stable and sufficient supply of raw materials is crucial for optimizing production capacity. Currently, our plant in Midsund is not operating at full capacity, with utilization at 40% at the start of 2023. However, during periods of higher raw material supply, we can operate at 70-80% of full capacity. With the addition of two new raw material suppliers in 2024, we have already seen an 18%



increase in raw material quantity compared to 2023. This offers a significant opportunity for growth and improved profitability.

World Heritage Salmon Initiative:

Another key opportunity is the potential development of World Heritage Salmon, a land-based salmon farm planned to produce up to 100,000 tons of salmon annually. This initiative, led by Roger Hofseth, a major shareholder in HBC, could provide a more stable and climate-resilient source of raw material, enabling us to maximize production capacity and further enhance profitability.

Market Opportunities: Growing Demand for Upcycled and Sustainable Ingredients

The increasing focus on sustainability and circular economy principles has led to a growing demand for upcycled ingredients

and raw materials. Consumers and industries alike are seeking products that contribute to resource efficiency and reduced environmental impact. This trend aligns perfectly with HBC's product portfolio, as we produce high-value ingredients with documented health benefits derived from salmon by-products. By utilizing raw materials that would otherwise go to waste, we not only contribute to sustainability but also meet the rising demand for premium, science-backed ingredients in the food, feed, and nutraceutical sectors. This positions HBC as a key player in the growing market for sustainable, upcycled ingredients.

Energy, Water and Waste

Water and enzymes are main elements in our hydrolysis process. As our geographic locations are not faced with water scarcity, this approach is considered environmentally friendly, especially compared to using chemicals for the same purpose. The use of water in the hydrolysis process is the main source of our water use footprint. Water accounts for about two-thirds of the raw material volume, and during processing most of this is removed. As our process is clean, the resulting wastewater has limited environmental impact.

HBC's direct emissions into the air is water vapor. Today, Midsund uses a seawater scrubber and an acid scrubber, while Berkåk uses an acid scrubber to ensure minimal negative impact on local communities from any fish odors. HBC has not received any complaints concerning smell pollution, but we still account for and report emission to air to the environmental authorities.

HBC is also taking steps to avoid unnecessary GHG emissions by using process heating inside factories and focusing on heat and

energy recovery. To improve energy efficiency, the company has installed an economizer in the Midsund factory. The economizer uses excess heat recovered from flue gases to supply the factory's hydronic heating system with energy. In addition to the economizer, heat recovery systems were installed on both the spray dryer line and the ventilation system.

HBC faces Scope1 emissions from utilizing diesel and LPG gas due to insufficient power capacity from the local grid during peak hours. We are actively engaging with local government and energy providers to address this issue, aiming to power our facility with more renewable energy sources. Excess fish oil is also used for energy purposes, but only in cases when the oil does not meet our stringent quality control standards for human consumption and feed oil.

Calculation of Scope 1 is shown on page 26. The table below shows consumption at both factories for 2024.

	Midsund				Berkåk			
	2021	2022	2023	2024	2021	2022	2023	2024
Energy use (MWh)	5,478	6,639	6,207	6,592	3,589	2,925	2,971	2,939
Diesel (t)	545	747	425	423	0	0	0	0
Fish oil used as fuel (t)	51	41	135	248	0	0	0	0
Water use (m3)	60,407	71,718	106,869	132,126	3,836	2,363	2,363	1,192
Emissions to water (m3)	60,338	39,967	53,435	66,063	0	0	0	0
Waste (t)	668,8	446,7	36,4	49,5	10,4	12,2	0	5,8
Natural gas (l)		51,000	233,000	243,172	0	0	0	0



Waste

Waste in the production process

We have strict quality requirements for the raw material used in the production process. Both upon receipt of the raw material and before it is used in production, thorough controls are carried out, including temperature, pH, and sensory analysis. If the raw materials do not pass the control, they cannot be used in production and are sent to a company, where they are used to produce animal feed.

HBC has an agreement with a local farmer to handle waste from the production process. This includes grakse*, bones that do not meet requirements, and waste powder, which are then used as fertilizer on the fields. By recycling these materials for useful purposes, we contribute to waste reduction while also supporting local agriculture in our area.

Discard is defined as category 3 products, which refers to products that cannot be used in our production process. This includes floor fish and blood water from the raw material department.

In 2024, we received 16 145 tons of raw material at the Midsund plant. As the table shows, 7% of the received raw material were sent as waste. Since there has been no production at the Berkåk plant in 2024, there is no waste associated with the process.

*Grakse is fish remnants and small bones that are not broken down by enzymes in the hydrolysis process and are defined as by-product category 3.

Waste from process		Percentage of amount received raw material
Waste to farmer (t)	510,94	3,2 %
Waste to animal feed company (t)	457,91	2,8 %
Discard (t)	161,59	1,0 %
Total (t)	1,130,44	7,0 %

Waste from the plants

At Midsund, Miljøtransport is responsible for collecting the waste, and at Berkåk, Retura is responsible. Both companies provide annual categorized reports on the amount of waste collected at the plants. The numbers for 2024 is summarized in the table below.

Waste from plants	Midsund	Berkåk
Residual waste, sorted (t)	0,38	3,11
Mixed waste, unsorted (t)	24,44	0,29
Card board (t)	0,00	1,48
Plastic (t)	0,92	0,55
Wood waste (t)	2,26	0,29
Metal/iron (t)	21,46	0,00
Total (t)	49,46	5,86

The numbers for 2024 show that there are opportunities for improvement in waste sorting at the Midsund plant, as a significant portion of the waste is categorized as “mixed waste – unsorted”. We acknowledge this as an area where improvements can be made and aim to increase the sorting rate in the coming year.



Adopting Best Available Technology for Environmental Impact Reduction

HBC is actively working to implement Best Available Techniques (BAT) conclusions as a clear guide in our continuous improvement efforts to reduce our environmental footprint. While we are not subject to the BAT directive, we consider BAT to be a valuable framework for enhancing resource efficiency and ensuring that we operate in accordance with the best environmental practices in the industry. To ensure a systematic approach, we have:

- › Presented the BAT guidelines to all relevant functions within the company to increase understanding and ensure cross-disciplinary integration.
- › The Health, Safety, and Environment (HSE) group will be responsible for assessing and facilitating the implementation of relevant BAT measures in our operations.
- › Developed a plan for implementing relevant BAT conclusions, with specific goals and deadlines.

Through this work, HBC strengthens its commitment to responsible production, lower emissions, and a more sustainable value chain. By using BAT as a reference, we ensure that our production continues to evolve in line with the best available environmental technologies.

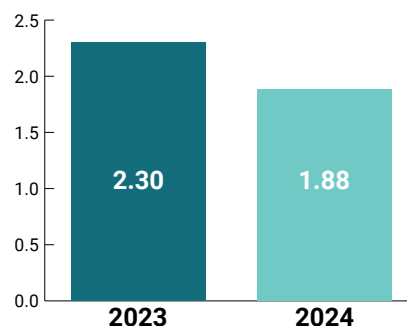


Energy Intensity

In 2024, we achieved a reduction in energy intensity per ton of finished goods produced.

This result is an important step in our efforts to improve energy efficiency and reduce our environmental footprint. The energy intensity figures for 2023 and 2024 are shown in the table below. This decrease reflects our ongoing sustainability initiatives and our focus on continuous improvement in production.

Energy used to produce finished products (MWh/t)



	2023	2024
Produced finished products (t)	3,990	5,062
Energy use (MWh)	9,178	9,531
Energy use per produced finished products (MWh/t)	2.30	1.88

GHG Emissions

HBC's CO₂ emissions have been calculated in accordance with the «Greenhouse Gas Protocol» published by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI).

The data on GHG emissions includes the following sources of CO₂ emissions:

- › **Scope 1** All emission factors for Scope 1 emission factors are from The Norwegian Environment Agency, and the base year is 2022.
- Scope 1 emissions at the Berkåk plant are zero due to the absence of operational activity.
- › **Scope 2** Indirect emissions from electricity purchased: CO₂ emission factors used for electricity are location based and calculated using Norwegian EPD for hydroplant, and the base year is 2022.
- › **Scope 3** HBC have included Scope 3 emissions in our climate accounting since 2022. The primary contributor to our Scope 3 emissions is the use of salmon off-cuts in our production process.

In this year's ESG report, we have conducted a significantly more comprehensive assessment of our Scope 3 emissions compared to last year. Previous reporting was based on a more limited data set, which provided an incomplete picture of our total Scope 3 emissions.

For 2024, we have expanded the analysis to include additional emission sources, leading to a substantial increase in the reported Scope 3 emissions. Due to this revised approach, this year's figures are not directly comparable to those from last year. To ensure that our reporting reflects a more complete and accurate picture of our climate impact, we have therefore chosen to exclude Scope 3 results from previous years in this report.

		2022	2023	2024
Scope 1				
Midsund	Tons CO ₂ e	2,104	1,850	1,616
Berkåk	Tons CO ₂ e	0	0	0
Scope 2				
Midsund	Tons CO ₂ e	33	31	33
Berkåk	Tons CO ₂ e	15	15	15
Total	Tons CO₂e	48	46	48
Scope 3				
Packaging	Tons CO ₂ e			6
Upstream transportation	Tons CO ₂ e			445
Downstream transportation	Tons CO ₂ e			1,453
Fish raw material	Tons CO ₂ e			11,362
Total all scopes	Tons CO₂e			14,930

Scope 1: Direct emissions.

Scope 2: Indirect emissions from electricity consumption.

Scope 3: Indirect emissions from purchasing off-cuts, packaging, and transportation.

Understanding our GHG Emissions

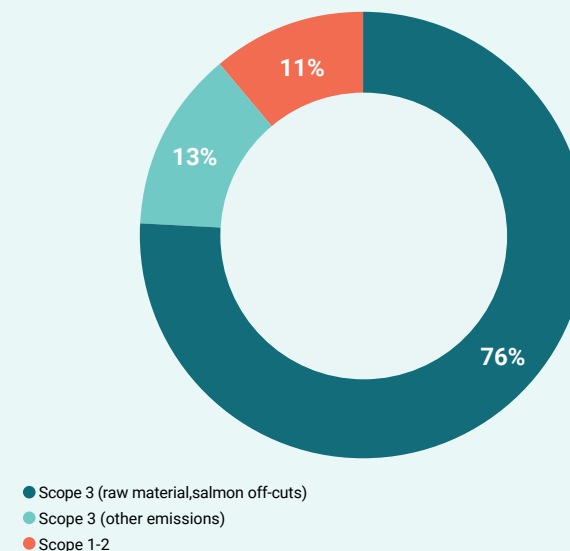
Determine the GHG emissions of salmon off-cuts:

To allocate CO₂e emission levels to our part of the salmon we have applied the economic allocation model. The emissions allocated to the off-cuts utilized by HBC is 5% of the total salmon emissions. Total CO₂ emissions for salmon off-cuts utilized by HBC in 2024 is 11 362 tons CO₂e. Which means that 76% of HBC's emissions come from the raw material.

This is a significant increase from 2023, which can be explained by higher energy and production costs, as well as improved insights and more accurate reporting.

Volume off-cuts utilized by HBC in 2024	16,145 tons
Whole fish equivalent	59,800 tons
Whole fish total emissions	227,240 tons CO ₂ e
Total CO₂ emissions salmon off-cuts used by HBC in 2024	11,362 tons CO₂e

Economic reference / Hofseth



Eco Packaging and Reuse Solutions

Eco packaging

HBC has traditionally delivered oil in plastic IBCs. However, in recent years, we have begun implementing the use of Spacecraft, a more sustainable packaging solution made of cardboard. This transition is a step towards reducing our environmental impact, as cardboard is a more recyclable and environmentally friendly alternative to plastic. We will continue to explore and implement solutions that contribute to more sustainable production and distribution while maintaining high quality and food safety in our products.

HBC has also considered the possibility of reusing plastic IBCs as part of our efforts to reduce packaging waste. After a thorough assessment of the potential benefits and challenges, we have decided not to implement this option due to the food safety risks associated with reused packaging materials. Our priority is to ensure the highest standard of quality and food safety.

Reuse of detergents

Detergents are circulated through the system during cleaning and sorted back into the tanks, allowing the detergents that have been used to be reused. As the detergents are diluted and lose conductivity, more chemicals are added to the tanks to maintain efficiency.

Heat recovery from spray drying

Spray drying requires a significant amount of energy, and the air at the top of the dryer reaches temperatures of 180-200 °C. This air is heated by burning LPG gas. Further down in the drying chamber, the temperature decreases, and by the time the process reaches the internal fluid bed, the powder needs to be cooled before being transported further. The excess heat extracted from the powder at this stage is utilized for heating the building.

Excess heat

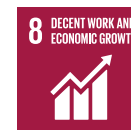
Excess heat from the Berkåk plant is used to heat local sports facilities.





Social responsibility

**including worker's rights,
diversity and inclusion,
health and safety, and
working environment**



Working Environment

Our employees are our most important stakeholders, as they both influence and are directly impacted by HBC's operations and success.

To have access to skilled and competent workers is essential for us. Attracting and retaining talent, while ensuring a safe and healthy work environment, is a shared priority for both the company and our employees. A good working environment that values worker's rights can have real positive influence on workers and managers alike, avoiding stress and sick absence, low turnover, and higher productivity.

Manufacturing food grade products implies that an important quality factor at the Midsund plant is complying with our strict hygiene rules. A motivated and engaged workforce makes it easier to uphold these standards, which in turn can benefit both operations and profitability.

Having established good company values, secured a satisfactory physical workplace and a good dialogue with employee representatives and union, as well as promoting diversity and inclusion, HBC directly impacts the working environment and worker's right in a positive way. This is an ongoing effort that requires continuous focus and improvement.

HBC's company structure can be described as 'egalitarian' and employees are encouraged to actively contribute with their opinions on how the working environment can be improved. All employees at HBC are entitled to annual performance review with their leader, where the focus is their well-being and other work-related topics.

Employees place high value on a positive work environment and expect a strong system for managing sickness absence, including thorough follow-up and monitoring. In 2024, the company achieved an 85% response rate in employee surveys conducted through the occupational health service, highlighting the importance of assessing and improving the work environment. The employees seek better communication and information flow within the company, with an emphasis on credibility and trust in leadership.

Additionally, employees desire a broad representation in recruitment processes to ensure diverse perspectives in staffing decisions. Following Norwegian laws regarding workers' rights, human rights, and anti-corruption regulations is a given, as it reflects the company's commitment to a compliant and ethical workplace.



HBC's procedures related to working environment, developed in accordance with the provisions of the Norwegian Working Environment Act:

IS-002 Work regulations

IS-004 Instruction regarding inside information

IS-019 Instruction regarding anti-corruption

IS-020 Code of Conduct

KH-001 Employee Handbook

HMS-01.02 HSE Policy

HMS-01.03 Substance Abuse Policy

HMS-02.03 Whistleblowing policy

HMS-02.04 Follow up of Self-Reported and Doctor's Note Absence

HMS-02.12 Instruction for the Execution of Hazardous Work

PD-05.06 Communication in HBC



In 2024, HBC established a Working Environment Committee (WEC) to strengthen efforts towards a safe and healthy working environment. The committee consists of representatives from the Ålesund office, the Midsund plant, and an external member from occupational health service, Medi3. The number of employer and employee representatives is balanced. The leader is elected annually from the members, alternating between a representative from the employer and employee side.

WEC's responsibility is to ensure a fully safe working environment within the company. It participates in planning safety and environmental work and closely monitors the development of the work environment. WEC's mandate is derived from the Working Environment Act and regulations on organization, management, and participation.

Identified challenges and improvement areas related to working environment:

HBC is aware of the psychosocial challenges that may arise from a gender imbalance in the production environment. We recognize that an uneven gender distribution can affect the workplace culture and create challenges related to inclusion, safety, and communication. We are actively working to promote an inclusive work environment, where all employees feel valued and have equal opportunities to contribute and develop. This includes measures to promote diversity and equality in the workplace, ensuring that the work environment is supportive and respectful of all employees, regardless of gender. We are continuously identifying actions that can contribute to a more balanced and inclusive workplace.

We have experienced instances where employees have provided feedback or reported challenges, without seeing clear results or follow-up from management. This can create a feeling that their input is not taken seriously. To ensure a positive and inclusive work environment, it is important that all employees feel heard and respected. Therefore, HBC is working to improve communication around feedback and follow-up. The goal is to strengthen the dialogue between operators and management, as well as to ensure clearer information on how issues are being addressed. This will contribute to increased trust, engagement, and a more open culture in the workplace.

In certain areas of the company, we have identified challenges related to the work environment that we are actively working to improve. We have encountered instances where employees have expressed concerns about work relationships and have found the working conditions challenging. Several employees, especially those working in the raw material department, have reported high workloads, which can lead to stress and make it difficult to follow procedures and perform tasks correctly.

We are now fully aware of these challenges and are in the process of implementing measures to improve the working conditions. This includes efforts to reduce workload, strengthen communication, and ensure a safer and more supportive work environment for all employees.



Occupational Health and Safety

Health and safety (HSE) are among the top priorities in HBC, and we continuously work to ensure a safe and healthy work environment for all employees. Our approach to health and safety is based on prevention, training and continuous improvement.

We comply with applicable laws and regulations and have implemented internal procedures to ensure safe operations. Our goal is to see zero accidents, loss or damage to people, material, and the environment. Establishing good physical and psychological working conditions not only ensures a safe workplace, but also lower sickness absence, higher well-being, and ultimately improves profitability.

HBC has an implemented occupational health and safety management system in line with the Norwegian Working Environment Act. In 2024, HBC hired a dedicated HSE manager responsible for health, environment, and safety at both plants. HBC's occupational health and safety management system is reviewed annually and covers the entire company, the employees, workplaces, and activities.

Safety

HBC has a non-conformity system, where employees are obliged to report work-related hazards, hazardous situations, and other non-conformities. In 2024, there were four accidents at the plant in Midsund, one of which resulted in lost time, and two accidents at the plant in Berkåk. Throughout 2024, we have increased our focus on reporting and following up on non-conformities. The rising number of incidents can therefore be explained by employees becoming better at reporting and registering non-conformities due to injuries. HBC will continue to work actively towards our target of zero accidents in 2025.

All HSE non-conformities are handled by the management at the factory and reviewed by HSE manager. HBC's employees are also encouraged to communicate relevant information on occupational health and safety, and to suggest improvements. Both non-conformity reports and feedback are important tools in which employees can contribute and influence the design of their own working environment.

HBC conducts annual risk assessments in order to identify potential incidents that may occur at the premises. Several representatives of operators and technical staff participate in the risk assessments, which are available to everyone.

To ensure a successful implementation of the occupational health and safety management system, HBC has a partnership with Medi3 to take care of our occupational health service. Medi3 conducts training for safety delegates and management. New

Factory	2021		2022		2023		2024	
	Berkåk	Midsund	Berkåk	Midsund	Berkåk	Midsund	Berkåk	Midsund
Injury rate ¹⁾	0	5,263	0	2,564	0	8,365	25,000	8,333
Work injuries (total number)	0	2	0	1	0	3	2	4
LTI (lost time injuries, number of injuries that have led to sick leave)	0	0	0	1	0	1	0	1
Deaths caused by work injuries	0	0	0	0	0	0	0	0
Absence due to illness	1,50%	17,70%	3,55%	6,56%	1,51%	3,23%	1,52%	5,36%

1) Injury rate is calculated as the number of new cases of injury during the calendar year divided by the number of workers in the reference group during the year, multiplied by 100,000.

safety delegates participate in a safety tour with them so that the safety delegates get practical "on site" training and understand what to pay particular attention to. Medi3 also assists with noise and dust measurements and reports on both recommended and necessary measures.

HBC has also developed a quality system where internal control for HSE is integrated into a comprehensive system. Our internal HSE control is subject to audits through the Norwegian Labour Inspection Authority, the county administrator and fire and rescue services. All HSE targets that apply to the production locations are included in the HSE Policy. A review of the HSE policy with updated targets and KPIs has been initiated and will be completed in 2025. The updated HSE policy will be shared with all employees and displayed around the plant. The HSE related activities are mentioned in the company's Annual Wheel of activities.

Occupational health and safety training is a part of the company's all-hands meetings. Topics include the HSE policy, risk assessments, safety instructions, handling of chemicals, fire safety, and emergency procedures. All employees at Midsund completed HSE training through all-hands meetings in April and October, and the employees at Berkåk completed mini course in chemical handling in April. In 2024, a new onboarding program was implemented for all new employees in the organization. This program includes a general HSE overview and covering potential risks at the plant.

While the ambition of the company is to have zero incidents, loss or damage to people, material and/or the environment, it is of critical importance to have full overview of any potential adverse event or hazards on the sites to enable work on prevention and ensuring a healthy and safe workplace.

Health

The absence due to illness rate at Berkåk has remained relatively stable, while the sickness absence rate at Midsund has increased. HBC is actively working on improving the accommodation of tasks for employees who are on sick leave, enabling them to contribute on a part-time basis or take on lighter tasks instead of being 100% absent. This effort is part of our ongoing commitment to supporting employee health and well-being, with a focus on creating a work environment that is tailored to individual needs.

As a company with 24/7 production, night shifts are a part of the operational model. HBC are aware of the health challenges that may arise as a result of night work, and have therefore implemented several measures to manage the associated risks. Night work has been linked to an increased risk of lifestyle diseases, such as cardiovascular diseases, diabetes, and sleep disturbances. This is due in part to disruptions in the body's biological rhythm, which can affect both physical and mental health. To minimize these risks, we conduct regular health controls for our employees, which include assessments of hearing, lung function, and other relevant health indicators. Health controls for all employees were conducted in 2024.

A positive improvement related to night work is the upgrading of the lighting in the production area. With improved lighting, we have reduced the risk of fatigue and workplace accidents during the night. This initiative is part of our continuous effort to ensure a safe and efficient work environment for our employees, regardless of the time of day.

Noise measurements were conducted at the Midsund plant in 2024. The noise measurements show that we have high noise levels exceeding the action limit, hence the mandatory use of hearing protection in the production area. Loss in hearing and lung function, both regarding dust and chemical exposure, are checked in a risk-based health control conducted by the occupational health service, so any deterioration will be detected there.

The operators in production occasionally perform heavy lifting and repetitive tasks, which can lead to musculoskeletal disorders over time. HBC is aware of the risks this entails and have therefore implemented several measures to prevent such issues. In most cases, we have good tools that simplify the work, and where manual lifting is required, there are opportunities for variation and access to breaks to reduce strain on the body. Long periods of walking on hard surfaces can lead to strain on the feet and joints. To prevent such issues, employees have access to ergonomic shoes and boots designed to reduce strain. These shoes provide better support, cushioning, and protection, helping to reduce the risk of musculoskeletal injuries. The regular health controls ensure that any early signs of musculoskeletal disorders are detected and treated in time.

HBC is also aware of the risk of musculoskeletal disorders among our office employees, which can arise from prolonged sedentary work. To prevent this, we have implemented ergonomic office chairs and height-adjustable desks, as well as encouraged regular breaks for stretching and mobility. This helps reduce strain on the body and vary the posture.



Diversity and Inclusion

At HBC, we are committed to fostering a diverse and inclusive work environment where all employees are treated fairly and given equal opportunities. In 2024, we hired 10 new employees, of which 2 were women. While this highlights that we still have work to do in terms of gender diversity, we are actively addressing our challenge in recruiting female operators for the plants.

We have recently brought in a dedicated HR responsible to assist our leaders in ensuring that recruitment processes are aligned with our policies and guidelines. This role is essential in supporting our strategic approach to hiring the best-suited candidates for the job, with a focus on inclusion and gender equality.

In addition to our internal efforts, HBC has a strong partnership with local institutions and offers vocational training opportunities where relevant. In 2024, we hosted school students for both internships and work during community days. Furthermore, local youth have assisted us with various small tasks, contributing to a positive work environment and gaining valuable experience.

Our goal is to continue improving our diversity and inclusion efforts and to build a more balanced and equitable workforce over time. We recognize that diversity strengthens our company and drives innovation, and we are committed to making ongoing improvements.

	Total	Permanent	Temporary	Full-time	Voluntary part-time	Involuntary part-time	Parental leave ¹⁾	New hires	Turnover ²⁾
Women	17 (21.8%)	15 (20.8%)	1 (20%)	13 (18%)	2 (40%)	1 (100%)	0	2 (20%)	18.75%
Men	61 (78.2%)	57 (79.2%)	5 (80%)	59 (82%)	3 (60%)	0	0	8 (80%)	9.68%
Total	78	72	6	72	5	1		10	11.54%

1) Average number of weeks per employee

2) There have been no significant fluctuations in the number of employees during the reporting period or between reporting periods.

Permanent employees = employees employed on a regular, continuous basis with an employment agreement that has no end date.

Temporary employees = employees with a contract for a limited period that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed.

Non-guaranteed hours employees = employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.

Full-time employees = employees whose working 37.5 hours per week.

Voluntary part-time employees = are defined as employees whose working hours per week, month, or year are less than the number of working hours for full-time employees (37.5 hours per week).

Involuntary part-time employees = employee who want and are available for full-time work but have had to settle for a part-time schedule.

As of 31 December 2024, HBC had 8 workers who were not employees (headcount) that are located at the company's sales offices in the US, UK and Switzerland. The 8 are hired consultants and the work they perform for HBC mainly relates to R&D, sales, marketing and investor relations. There have been no significant fluctuations in the number of workers who are not employees during the reporting period or between reporting periods.



Equal Pay for Equal Work and Qualifications

We are committed to ensuring that all employees are fairly compensated for their roles and responsibilities. We believe in transparency, equality, and fairness in our compensation strategies, reflecting our broader commitment to diversity and inclusion. We have a comprehensive hiring process to ensure that the right candidates are chosen.

At HBC, we are committed to providing all employees with the opportunity to reach their full potential, regardless of gender, beliefs, political opinions, nationality, ethnicity, sexual orientation, disability, or age. We ensure that men and women receive equal pay for equal work. This is clearly stated in our employee handbook.

As a Norwegian Public Limited Company, HBC is required to have at least 40% female representation on the Board of Directors. By the end of 2024, the Board was evenly balanced, consisting of three men (50%) and three women (50%).

HBC strives to offer equal pay for equal work. We are reporting both salaries, overtime pay, and bonuses. This reporting includes all employees. The various job levels are based on employee functions and responsibilities, for instance, we are separating between employees who have/do not have leadership roles.

We have a strong focus on avoiding discrimination in the annual salary adjustments and we carry out an additional review with a focus on gender.

Bonuses are rarely used and are not paid in 2024. There are few differences in employees' fixed salaries, overall, the base salary is the same for both female and male employees (100%).

The average salary in the company, including the CEO, was 760,260 NOK, and 745,671 NOK excluding the CEO. The average salary has slightly decreased compared to 2023 due to turnover, as some experienced, higher-paid employees have been replaced by new hires with lower starting salaries.



Job function / level	Gender balance		Total cash benefits	Wage differences		
	Women	Men		Base salary	Bonus	Overtime
C-level	2 (67,0%)	1 (33,0%)	77%	77%	-	-
Managers, specialists and other administration	12 (46,0%)	14 (54,0%)	79%	94%	-	-
Shift leaders or similar	0 (0,0%)	6 (100,0%)	-	-	-	-
Operators	5 (12,5%)	35 (87,5%)	86%	98%	-	53%

Non-discrimination

HBC is committed to ensuring an inclusive and fair working environment, free from discrimination. In line with Equality and Anti-Discrimination legislation, our guidelines provide clear protection against discrimination based on gender, ethnicity, religion, disability, age, sexual orientation, political views, and membership in labor organizations. These principles are embedded in our employee handbook and apply to all aspects of our operations. We actively work to promote equality and diversity, and we have a zero-tolerance policy for discrimination in the workplace.

We aim to have an open and inclusive working environment and have recruited persons of different ethnicities in the past and in 2024.

As part of our commitment to a safe and healthy workplace, HBC have clear procedures for reporting any incidents, behaviors, or conditions that may pose a risk to safety and the well-being of our employees, including discrimination. Employees are encouraged to report such concerns internally to their immediate supervisor. If this is difficult due to the nature of the issue, they can contact other senior leaders. Anonymous reporting is also possible through the email address varslinghbc@adviso.no. There are not received any specific whistleblowing reports related to discrimination in 2024.

HBC recognizes the importance of an inclusive work environment where all employees feel valued and respected. We have observed instances where language differences have created challenges in the workplace. Specifically, some Norwegian employees have expressed feeling excluded when colleagues communicate in their native language. While it is natural for employees to use their first language when interacting with colleagues, we see the need to promote a more inclusive communication culture. Moving forward, we will work to facilitate open dialogue and create a workplace where all employees feel included, regardless of their linguistic background.

HBC publishes an annual report on due diligence assessments in accordance with the Transparency Act and in line with the OECD Guidelines. The report covers risk assessments related to human rights and describes how HBC identifies and manages potential and actual negative impacts on fundamental human rights and decent working conditions, both within the company and throughout the supply chain.

A comprehensive risk analysis of human rights and working conditions is planned for 2025. The results of this assessment will be published in the annual report on due diligence assessments.



Disclosure

Disclosure	Disclosure description	Reference
2 - Activity and workers		
2-1	Organizational details	Page 3-5 + Annual report
2-2	Entities included in the organization's sustainability reporting	Page 3 + Annual report
2-3	Reporting period, frequency and contact point	Page 3
2-4	Restatements of information	Page 3
2-5	External assurance	Page 3 + Annual report
2-6	Activities, value chain and other business relationships	Page 3-5, 17 + Annual report
2-7	Employees	Page 28-35
2-8	Workers who are not employees	Page 28-35
3- Governance		
2-9	Governance structure and composition	Page 13, 15 + Annual report
2-10	Nomination and selection of the highest governance body	Page 13 + Annual report
2-11	Chair of the highest governance body	Page 13 + Annual report
2-12	Role of the highest governance body in overseeing the management of impacts	Page 13 + Annual report
2-13	Delegation of responsibility for managing impacts	Page 13, 15, 31 + Annual report
2-14	Role of the highest governance body in sustainability reporting	Page 13, 15 + Annual report
2-15	Conflict of interest	Annual report
2-16	Communication of critical concerns	Page 13
2-17	Collective knowledge of the highest governance body	Page 3, 13, 15
2-18	Evaluation of the performance of the highest governance body	Annual report
2-19	Remuneration policies	Page 34 + Annual report
2-20	Process to determine remuneration	Annual report + Remuneration report (website)
2-21	Annual total compensation ratio	Page 34 + Remuneration report (website)
4- Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 3, 6-7
2-23	Policy commitments	Page 3, 12-14, 29, 31-32
2-24	Embedding policy commitments	Page 3, 14, 35
2-25	Processes to remediate negative impacts	Page 8-9, 13, 23-24, 35
2-26	Mechanisms for seeking advice and raising concerns	Page 13
2-27	Compliance with laws and regulations	Page 13, 29
2-28	Membership associations	Hofseth BioCare is a member of Sjømatbedriftene
5 - Stakeholder engagement		
2-29	Approach to stakeholder engagement	Page 8-9
2-30	Collective bargaining agreements	The employees at Midsund have collective bargaining agreements.

Disclosure	Disclosure description	Reference
MATERIAL TOPICS		
GRI 3: Material topics 2021		
3-1	Process to determine material topics	Page 10
3-2	List of material topics	Page 10
Environmental and climate impact		
3-3	Management of material topics	Page 21-27
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Page 23
302-3	Energy Intensity	Page 25
GRI 303 Water and Effluents 2018		
303-5	Water consumption	Page 23
GRI 305 Emissions 2016		
305-1	Direct (scope 1) GHG emissions	Page 26
305-2	Energy indirect (scope 2) GHG emissions	Page 26
305-3	Other indirect (scope 3) GHG-emissions	Page 26
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	Page 24
306-2	Management of significant waste-related impacts	Page 24
Waste (own KPI)		
Own KPI	Waste generated	Page 23-24
Own KPI	Water use	Page 23
Own KPI	GHG-emissions	Page 26
Own KPI	GHG-emissions/product produced	Page 25, 26
Own KPI	Energy use	Page 23, 25
Working environment		
3-3	Management of material topics	Page 10, 29-30
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	Page 33
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 33
401-3	Parental leave	Page 33
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Page 31-32
403-2	Hazard identification, risk assessment, and incident investigation	Page 31-35
403-3	Occupational health services	Page 31-32
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 31-35
403-5	Worker training on occupational health and safety	Page 31-35
403-6	Promotion of worker health	Page 31-32
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 31-32
403-8	Workers covered by an occupational health and safety management system	Page 31-32
403-9	Work-related injuries	Page 31
403-10	Work-related ill health	Page 31
GRI 404 Training and Education 2016		
404-3	Percentage of employees receiving regular performance and career development reviews	Page 29-30
GRI 405 Diversity and Equal Opportunity 2016		

Disclosure	Disclosure description	Reference
405-1	Diversity of governance bodies and employees	Page 13, 15, 34
405-2	Ratio of basic salary and remuneration of women to men	Page 34
GRI 406 Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Page 35
GRI 413 Local Communities 2016		
413-2	Operations with significant actual and potential negative impact on local communities	Page 16
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of products and service categories	Page 19-20
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 19-20
Own KPI		
KPI	Absence due to illness	Page 31
KPI	Injuries (total number and rate)	Page 31
KPI	Lost-time injuries	Page 31
KPI	Product withdrawn from market	Page 19
Responsible business operations		
3-3	Management of material topics	Page 10-20
GRI 201: Economic Performance 2016		
201-2	Financial implications and risks and opportunities due to climate change	Page 22
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 34
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending local suppliers	Page 16
GRI 205: Anti-corruption 2016		
205-3	Confirmed incidents of corruption and actions taken	Page 14