

ESG REPORT 2023 FOR MØRENOT AQUACULTURE AND MØRENOT FISHERY



Mørenot Aquaculture and Mørenot Fishery is two of three pillars in former Mørenot Group, that was acquired by the Icelandic company Hampaðjan Group in February 2023.

Mørenot Aquaculture manufactures and provide solutions within the global aquaculture industries. Key products and services offered include the production and service of nets, mooring systems, software solutions and pens. Mørenot Fishery manufactures and supply all types of fishing gear, from high quality purse seine to reliable longline equipment. Key products include trawls, longlines, purse seines, and pots.

Both companies are headquartered in Ålesund, Norway, with production and service stations mainly on the Norwegian coastline. However, the companies have a global footprint with facilities in Lithuania, Canada, Spain, Poland, Denmark, China, Iceland and the USA. The customer base consists of fish farming and fishing companies. Key target markets include the North Atlantic and Mediterranean market, with some activity in Asia.

Four primary ESG focus areas (Environmental, Social, and Governance) has been identified based on a double materiality analysis. These areas represent potential impact zones for the companies. In 2023, both companies started preparing for the upcoming EU Corporate Social Responsibility Directive (CSRD).



Mørenot's potential ESG impacts based on its sector, jurisdictions, and operations



RAW MATERIAL & SUPPLIERS

- Energy consumption and emissions in raw material extraction
- Waste mgmt. in supply chain
- Hazardous waste from chemical use in plastic and metal production
- Workers' health and safety
- Biodiversity impact of raw material sourcing and production sites
- Labor conditions and human rights in supply chain
- Supply chain transparency and business ethics in procurement practices



OWN OPERATIONS

- Local pollution stemming from own operations (e.g., copper emissions from antifouling)
- Waste mgmt. and recycling
- Transportation throughout the value chain
- GHG emissions
- Health and safety at own production sites
- Labor conditions at own production sites



MANAGEMENT & MARKETING

- Business travel and employee commuting
- Anti corruption and bribery
- Employee education and development
- Anti competitive behavior
- Diversity and anti-discrimination
- Tax policies and payments



CUSTOMERS & END-USERS

- Water pollution and end-of-life product mgmt. (e.g., microplastics)
- GHG emissions
- End-of-life mgmt. (recycling of metal, fabric and plastic)
- Net robustness (e.g., prevent fish escapes)
- Products' effect on marine life (e.g., bycatch, fish welfare)
- HSE on the pens / at vessels
- Product safety, reliability, and traceability

External factors impacting Mørenot based on its sector, jurisdictions, and operations

+ Demand for circular and low-impact products produced sustainably, considering water, waste, and associated emissions

+ Demand for products that allow end customers to meet environmental regulations, e.g., reduce plastics, bycatch, emissions

- Scrutiny of environmental impact of raw materials, products in use-phase, and end of life management of products

- Human and labour rights concerns associated with production and supply chain in higher-risk locations (e.g., China and India)

STRATEGIC AREA	KPIs	TARGET	PERFORMANCE 2023
1. Sustainable and circular solutions	<p>1a. Reduce the environmental footprint of our products.</p> <p>1b. Ensure responsible and circular material management.</p> <p>1c. Product development and more circular solutions</p>	<p>1a. Establish EPDs for all major product categories within the aquaculture segment</p> <p>1b. Company guidelines on reuse and material mng. for all major product categories</p> <p>1c. Execute a project to explore innovative solutions within the circular plastic economy.</p>	<p>1b. Developed company guidelines on reuse and material mng. for two segments: pens and moorings.</p> <p>1c. Mørenot Aquaculture conducted a study focused on circular plastic economy for pens.</p> <p>Launched System 03, an ocean plastic retention system, together with The Ocean Cleanup.</p> <p>A pilot project with a customer has been conducted to reduce CO2 emissions from workboats using IOT data collected by a new Aquacom module.</p>
2. Climate and resource efficient production	<p>2a. Reduce GHG emissions</p> <p>2b. Get ISO14001 certificated</p> <p>2c. Resource efficient processes</p>	<p>2a. Full GHG inventory</p> <p>2c. Systematize reporting on waste, hazardous waste, energy, and water consumption, and define clear objectives for reducing them in the coming years.</p>	<p>2a. Mørenot Aquaculture, 2023 GHG emissions: Scope 1: 487 tCO2e; Scope 2: Location based: 285 tCO2e; Marked based: 3663 tCO2e; Energy consumption (Scope 1 & 2): 7504 MWh Scope 3: 1484CO2e (Not complete)</p> <p>2a. Mørenot Fishery, 2023 GHG emissions: Scope 1: 287 tCO2e; Scope 2: Location based: 684 tCO2e; Marked based: 1666 tCO2e; Energy consumption (Scope 1 & 2): 3109 MWh Scope 3: 343 tCO2e (Not complete)</p> <p>2b. ISO14001 certificated: Mørenot Aquaculture AS*, Mørenot Fishery AS*, Mørenot Mediterranean, Mørenot Baltic, and Mørenot China. (* Denotes companies certified in 2023.)</p>
3. Attractive employer with a sustainable mindset	<p>3a. Increase eNPS</p> <p>3.b Meaningful work for our employees</p>	<p>3a. eNPS of 50 and positive eNPS in all locations; 100% participation</p> <p>3.b. Increase scores on Meaningfulness (8,8), Sustainability (8,0) and Inclusion, equality, and justice (8,5)</p>	<p>3.a Mørnot Aquaculture: eNPS: 2022 -33, 2023: 4 Positive eNPS: 4/9 locations Negative eNPS: 4/9 locations Insufficient data: 1/9 locations Participation in Winningtemp: 71%.</p> <p>3.b Meaningfulness score: 7,4 Sustainability score: 6,8 Inclusion, equality, and justice score: 7,4</p> <p>3a. Mørenot Fishery: eNPS: 2023 12; 2022 -2; 2021 - 6; 2020: -12; 2019: -5; Positive eNPS: 1/9 locations Negative eNPS: 3/9 locations Insufficient data: 5/9 locations Participation in Winningtemp: 70%.</p> <p>3.b Meaningfulness score: 8,5 Sustainability score: 7,4 Inclusion, equality, and justice score: 8,2</p>
4. Supply chain ethics and transparency	<p>4a. Strong supply chain management</p> <p>4b. Supply Chain Code of Conduct (SCoC)</p>	<p>4a. Supplier evaluation questionnaire completed for key suppliers and suppliers in risk areas.</p> <p>4b. 100% of purchase value from suppliers who have signed SCoC or similar agreement.</p>	<p>4a. Physical audits were conducted at 4 suppliers in China from Q4 2023 to Q1 2024, and at 1 supplier in India in Q3 2023. SEQ expanded with increased focus on human rights, HSE, and environment.</p> <p>4b. A new SCoC, Hampiöjan Group Supplier Code of Conduct, and a new Human Rights Policy were established in November 2023. Policy implementation to take place in 2024.</p>

Mørenot has selected the following UN SDGs to which we have an opportunity to contribute:



Support a sustainable food production system (2.4) and contribute to securing safe and nutritious food for all (2.1).



Ensure decent working conditions in the supply chain (8.8) and contribute towards employment and decent work for all (8.5)



Work towards responsible production and consumption, as well as responsible management of chemicals and waste (12.4). Improve circularity throughout our product's lifecycles and in our daily operations (12.5).



Develop products that enable sustainable harvest of the oceans, and contribute to prevent and reduce marine pollution of all kinds (14.1)