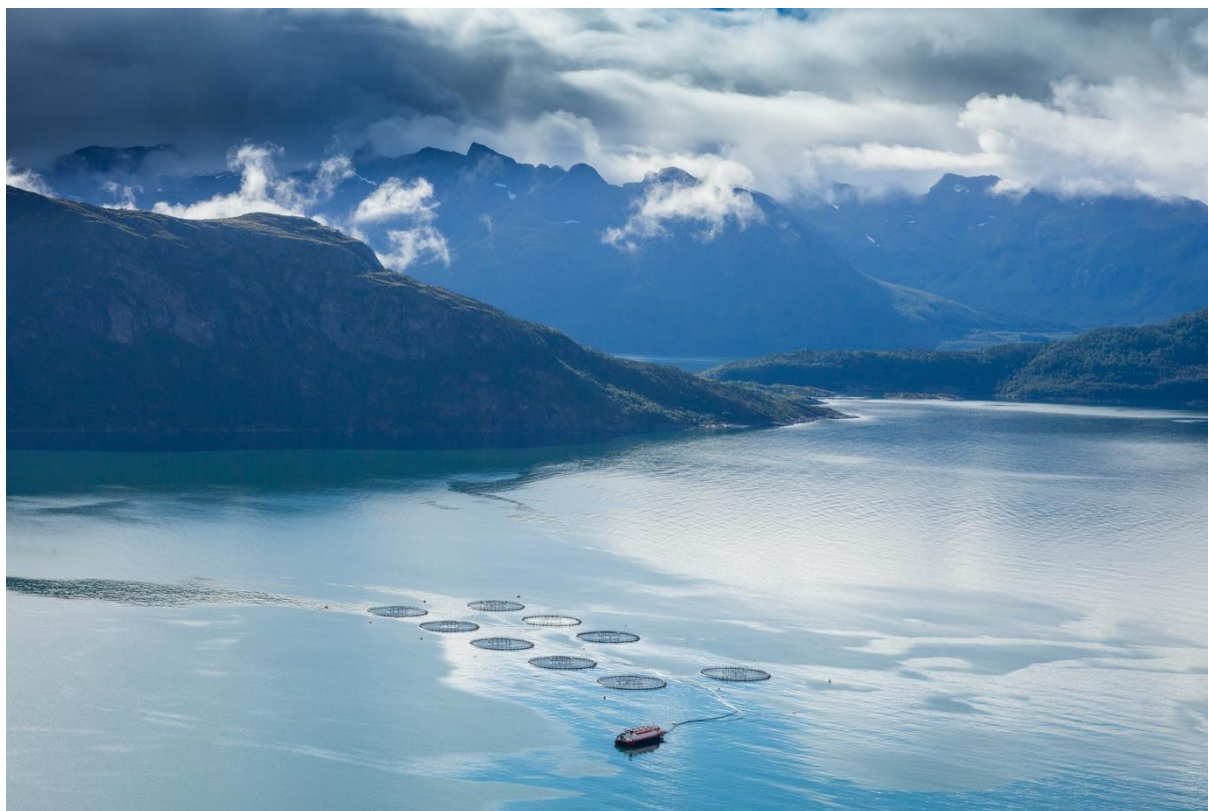


# Sustainability report 2020



NOVA  
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## Our vision and values

Our vision is “The perfect balance”. This means that the challenge will be to make the right choices for our production, in light of the biological conditions and challenges, sustainable use of resources, consideration for demand and market prices, and consideration for production costs. Everything we do at Nova Sea reflects our vision and our values. Our values are: Local, Responsible, Competent and Proud.

## Nova Sea in 2020

Based in Lovund, on an island at the edge of the Norwegian Sea and right below the Arctic Circle, Nova Sea AS is one of the largest producers of farmed salmon in Northern Norway, with 33.33 licenses for production of salmon. We have salmon farms along the entire coast of Helgeland – surrounded by fresh, cold water and beautiful, wild nature. In other words: the perfect conditions for producing salmon.

### Key figures for Nova Sea in 2020

- Production: 42.600 tonn slaughtered in 2020
- Employees: 291 in 2020
- Turnover: 2,7 MRD/2 672 MNOK
- Certificates: Global GAP, ASC, HACCAP og BRCS
- Licenses: 33,33
- Slakteri: N-1041

### Local ownership

- Vigner Olaisen 51,59%
- Mowi 42,50%
- Others 5,89%

Nova Sea has joint operations with the local salmon farming companies Tomma Laks AS, VegaLaks AS and Vega Sjøfarm AS.

## Community engagement – small local communities, big opportunities

Nova Sea AS was founded almost 50 years ago on a small island off the Helgeland coast in Northern Norway. The island is Lovund, and it is still the location of our head office and harvesting plant. The company was founded to halt the island’s decline in population and help the local business community, which was struggling. The establishment of aquaculture activities helped to reverse this trend. We are now seeing high levels of activity, strong engagement and positive development along our whole production area, the Helgeland coast.

### NRK “TV-aksjonen” and Christmas gift from employees

Nova Sea AS made a generous donation of NOK 100,000 to NRK’s annual *TV-aksjonen*, which in 2020 raised money for WWF’s fight to stop plastic pollution of the world’s oceans. Every year, 8 million tonnes of plastic end up in the sea. This plastic doesn’t biodegrade – it simply breaks into smaller and smaller pieces. However, the plastic never actually disappears. Instead, it is dispersed through rivers, in the rain, in the sea and in the wind. Even up here in the North, this affects us. We depend on clean water in order to produce high-quality food, and we are therefore proud to have donated to a project that is helping to solve one of the biggest challenges of our times.

In addition, at Nova Sea we have a tradition: each year, our employees decide which organisation should receive a donation. In 2020, by far the most votes were cast for the Norwegian Childhood Cancer Society, to which we then donated NOK 140,000. The Society’s mission is for no child to die of cancer.

### Sponsorships and partnerships

Nova Sea is strongly engaged with the community because we want our local communities to continue to grow and develop. Therefore, we aim to support projects that are local to our area of operation. We are keen to ensure an equal distribution of our sponsorship funds between the various local communities in which we operate. We prioritise projects and initiatives directed towards children and young people, because they are the future of our local communities. We wish to support various low-threshold projects that will contribute to the inclusion and welfare of more children and young people, and that encourage them to move back to their home communities in the future should they leave.

#### *Hanne and Marthe*

For a number of years, Nova Sea has sponsored the biathletes Hanne and Marthe Kråkstad Johansen from Mo i Rana, who want to show that it is possible to succeed, even when you are from rural Northern Norway. But to do so, hard work and good support are vital. Both sisters have performed impressively, and are totally committed to their sport. Marthe is now in the Norwegian biathlon development team and competes at international level. Hanne combines biathlon training with her studies at upper secondary school. Nova Sea is the main sponsor for both young women, and has been for some years. The support we give makes it possible for these biathletes to travel to events and competitions, and is also used to finance skis and other equipment necessary for this demanding sport.

#### *FK Bodø/Glimt*

Action Now is FK Bodø/Glimt's sustainability initiative. The entire club is committed to meeting the UN's Sustainable Development Goals in its day-to-day operations, and is taking steps large and small towards a more sustainable future. By means of this initiative, Nova Sea is taking part in #ActionNow14, Bodø/Glimt's sustainability network for the seafood industry. The objective of the network is to establish a forum for inspiration, collaboration, development and sustainability-focused communication, by bringing together interested parties from the entire seafood-industry value chain. Nova Sea is proud to participate in this initiative.

#### *Meetings with local communities*

Every year, Nova Sea arranges meetings with the local communities surrounding our facilities. This contact and dialogue are of the greatest importance to us at Nova Sea, but meeting personally during a pandemic has been difficult. We have therefore increased our communication via other means, such as by telephone, e-mail and online meetings. In addition, we have published and shared online an informative video that includes information about our work in 2020, so that local stakeholders can stay up to date with our operations. Local communities have also had the opportunity to ask questions and make comments and suggestions.

## Sustainability in practice

Nova Sea is working proactively to find the perfect balance to ensure sustainable operations. To achieve this, we need to maintain good control over how our operations affect the climate and the environment, and we must be conscious of the choices we make, both now and in the future.

Nova Sea is working in a targeted manner towards the UN Sustainable Development Goals (SDGs), and has implemented many of them at all levels of the company, from the boardroom and the net pen to the processing and export departments. All of our activities are assessed with a view to the impact they may have on the climate and the environment, after which necessary follow-up measures are identified. We are focusing primarily on the following four SDGs: 12, 13, 14 and 15. We are also keeping our sights on the SDGs that focus on social and economic sustainability: 2, 3, 8 and 9.

#### **Did you know?**

- From 2019 to 2020, we reduced our direct carbon emissions (Scope 1) and indirect emissions from energy supplies (Scope 2) by 7,300 tonnes of CO<sub>2</sub>. This is roughly equivalent to the annual emissions from 4,500 passenger cars
- 96 per cent of our feeding barges operate on shore power or use hybrid solutions

- All of our feeding barges powered by shore power use renewable energy from hydropower plants in Helgeland and Salten
- We have two fully battery-powered vessels already in operation and one more on the way
- We have an electric barge that provides the option of charging the electric boats
- About 50 per cent of our exports from Mo i Rana to Oslo are transported by train
- We have entered into a partnership with Nordic Comfort Products (NCP), a company that recycles plastic to make chairs
- In 2020, 97 per cent of our discarded net pens were sent for materials recycling. The energy saved is equivalent to that consumed by 5,600 airline passengers travelling between Oslo and London.
- We do not use net pens impregnated with copper

### Electrification

96 per cent of our feeding barges have been converted to operate on shore power or battery-hybrid solutions. We have two fully battery-powered vessels already in operation, one under construction, and have just placed an order for another one. In addition, we have made clear choices concerning the purchase of renewable energy and have documented lower emissions in connection with our hatcheries, sea farms and harvesting plants.

### Transport

At Nova Sea, we have worked proactively to reduce the emissions relating to the transportation of our products. It has been a key goal to ensure that 50 per cent of our transport should be by train, and this we have now achieved. The environmental benefits of transferring the transport of goods from road to rail are substantial. In addition, it reduces the amount of heavy goods traffic on overloaded roads and improves traffic safety. Another important area is the efficient use of well boats, where we have collaborated with the Green Shipping Programme to find good solutions for future operations.

### Feed

The feed we use and the way we use it are critical for the sustainable production of salmon. We have set clear criteria for our feed, with respect to both its impact on wild fish populations and greenhouse gas emissions from its production. Nova Sea uses its purchasing power to influence suppliers in the direction of more sustainable deliveries. This is an important issue, as well over 80 per cent of our total emissions come indirectly from the purchase of goods and services. We will continue to work closely with our feed suppliers over the years to come to reduce emissions from this part of the value chain.

### Recycling and waste management

At Nova Sea, we aim to ensure that as much of our waste as possible is recycled, including biological material, packaging, nets, rope and floating collars. In this way, we ensure that we use our resources as efficiently as possible. In 2020, 97 per cent of all our discarded net pens were sent for materials recycling – a positive development. In addition, Nova Sea and Kystinkubatoren AS are looking into opening a facility in Stokkvågen where we can recycle and process up to 3,000 tonnes of plastic waste per year.

### A leader in sustainability

At Nova Sea, it is our ambition to continue to reduce our greenhouse gas emissions over the years to come. Key parts of this process include increased electrification of our work boats and service boats, increasing the efficiency of our well boats and reducing emissions associated with feed production. All of these efforts will reflect our goal to be a leader in sustainability within the aquaculture industry.

## Energy consumption and greenhouse gas emissions

Farmed salmon is one of the most energy-efficient and environmentally friendly foods we can produce. In accordance with the UN's Sustainable Development Goals, further reduction of our carbon footprint in all stages of production is of the highest priority at Nova Sea, and this work has now started to give results.



From 2019 to 2020, we reduced our direct carbon emissions (Scope 1) and indirect emissions from energy supplies (Scope 2) by 7,300 tonnes of CO<sub>2</sub>. This roughly corresponds to the emissions generated by 4,500 passenger cars in a year. If we include purchasing and associated value chain (Scope 3), the total reduction adds up to 10,311 tonnes of CO<sub>2</sub> equivalents. This is a considerable decrease in the total emissions from our production, from 262,373 tonnes to 253,062 tonnes of CO<sub>2</sub> in just one year. The biggest task lies in Scope 3, e.g. external feed production, as this area accounts for over 90 per cent of the emissions in our value chain.

UNIT	ENERGY PER TN, 2020	ENERGY PER TN 2019	VARIATION
<b>SJØPRODUKSJON</b>	0,77 GJ/produced tons	0,80 GJ/produced tons	- 3,75 %
<b>INDUSTRI</b>	0,49 GJ/slaughtered gwe	0,53 GJ/slaughtered gwe	- 7,55 %
<b>BRØNNBÅT</b>	1,33 GJ/produced tons	1,41 GJ/produced tons	- 5,70 %

Even so, we can see a fall in total greenhouse gas emissions for all departments of our company, and the overall impact of our various efficiency initiatives is generating results.

#### Ambitious targets to reduce emissions, with renewable energy from Helgeland and Salten

Much of the reduction can be ascribed to passive measures relating to energy supply, including **the purchase of guarantees of origin** (Scope 2) and proactive efficiency initiatives relating to direct emissions (Scope 1), as well as **converting to shore power** at our facilities. This enables us to better ensure that the facilities concerned run on renewable energy supplied by Helgeland Kraft. As a result of the purchase of guarantees of origin at our sea farms, we can demonstrate that all the electricity we use in our sea farming department is produced by hydropower plants in Salten and Helgeland.

Considerable uncertainty is associated with the figures for indirect emissions from our value chain (Scope 3). Our figures indicate a slight increase from 2019 to 2020, despite a fall in produced biomass at sea. This is mainly attributable to increased delousing activities during 2020 compared with the previous year. Delousing reduces biomass due to fasting, and increases greenhouse gas emissions due to the use of delousing machinery. Effective preventive measures against lice and efficient delousing methods are therefore absolutely critical for sustainable salmon production.

#### Hybrid barges and electric boats

Electrification at sea is an important part of Nova Sea's efforts to cut greenhouse gas emissions associated with production, which is key to our strategy. At present, 96 per cent of our feeding barges run on shore power or use hybrid solutions. Per generation of fish produced, use of a feeding barge powered by electricity from renewable energy will result in emissions equivalent to 5 tonnes of CO<sub>2</sub>, compared with about 500 tonnes of CO<sub>2</sub> when using a fossil-fuelled generator. This will be an important focus area in the coming years.

Nova Sea now has two fully battery-powered boats in operation: El-Vine and El-Ida. These electric boats generate greatly reduced emissions and very little noise, which improves the working day for people, the environment and the fish. El-Ida has only run its diesel generator for about 20 seconds a day, and is therefore running almost exclusively on electricity. Nova Sea is very pleased with the boats, and a third electric boat is already on order.

## Certifications

We have a strong focus on sustainability in our production processes. It is our duty to produce delicious, safe and healthy food, with as small a carbon footprint as possible. Our salmon are entitled to be well treated, and our employees are entitled to a safe and meaningful job. For this reason, we abide by strict operating standards throughout our value chain. We are audited annually by independent certification bodies to ensure that we meet these requirements.

Nova Sea has certifications within **Global Gap, BRC, HACCAP og ASC**. All our certificates and more informations about these can be found on our website: <https://novasea.no/laksen/#sertifiseringer>

### Global GAP

Global Gap is An international standard covering all stages in the production process. Animal welfare and health, food safety and environment protection, as well as employee health and safety. The certificate shows that all stages of our production processes comply with the standard's requirements.

Read more about the Global GAP standard on [GLOBALG.A.P. \(globalgap.org\)](https://globalgap.org)

### ASC - The Aquaculture Stewardship Council

The ASC standard requires compliance with strict rules for the responsible and sustainable production of salmon, focusing on animal welfare as well as environmental and social issues. ASC emphasises transparency and requires the annual reporting of data from our farms and facilities. See "Our facilities" for ASC documentation on our sites.

The work with certification of all our sites through the ASC standard has continued through 2020. We increased the certification rate from 67% of the facilities in 2019 to 79% of the facilities in 2020. Although we are a short distance from full certification of all available facilities, we are on the right track. By 2020, 95% of the harvested biomass was certified as ASC.

At the beginning of 2021, 19 of Nova Seas in total 26 sites were certified. Of these, 3 were certified in 2020.

Read more about the ASC standard [Salmon - Aquaculture Stewardship Council \(asc-aqua.org\)](https://asc-aqua.org)

## Environmental status of our facilities

Nova Sea's activities are guided by the principle of sustainable development. We strive to balance consideration for the environment and focus on production to ensure sustainable operations. All our activities are subject to risk assessments with a view to their environmental impact. This enables us to survey our impact, ensure necessary control and implement follow-up measures.

### Emissions from feeding

When salmon are living in open net pens, there will inevitably be emissions of nutrients to the marine environment from uneaten feed and fish faeces. These are biological waste products that contain considerable amounts of nitrogen compounds and phosphorus. Through experience and research, we have learnt that facilities should be placed in locations with good water circulation and sufficient depth, so that we avoid excess nutrients sinking and impacting life on the sea floor. We do all we can to prevent large emissions of nutrients, including feeding in an efficient, precise manner. Each of our facilities has an **emissions permit**. At each facility, analyses must be carried out and adjustments made to find a system that suits that specific situation.

### Environmental surveys

To investigate the impact of salmon production on the surrounding environment and seabed, environmental surveys are carried out regularly at the various facilities. Grab samples of the seabed sediment below the facilities are assessed for the presence or absence of fauna, sensory parameters such as odour and appearance, and chemical parameters such as pH and Eh. The number of sample points is determined by the size of the facility, and the samples are taken when production at a facility is at maximum load – i.e. the period when 70–90 per cent of the feeding is carried out.

In general, two types of environmental survey are performed: **B and C surveys**. B surveys involve monitoring trends in environmental conditions at a locality, while a C survey is a more extensive survey of the soft seabed, involving measuring the condition of the seabed beneath the facility and

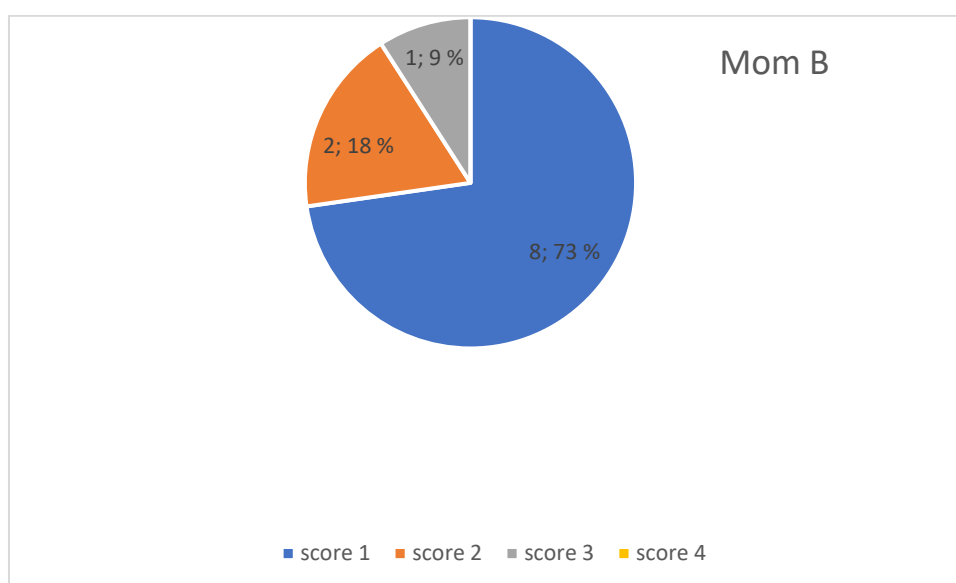


within an area extending out from it. The objective is to assess the extent of the impact from our facilities. In B surveys, the localities are assessed as being in condition 1, 2, 3 or 4, where 1 means “little or no impact” and 4 is “major impact”. C surveys provide an overall assessment of the locality’s condition as “very good”, “good”, “moderate” or “poor”.

### *B surveys*

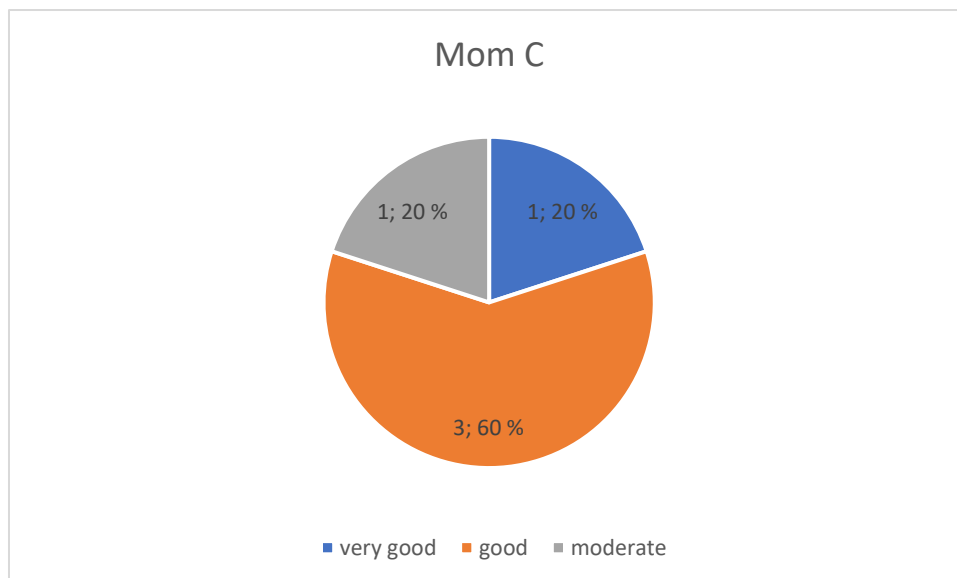
In 2020, 22 environmental surveys were performed, of which 11 were carried out at a period of maximum load. This was an increase from the 20 surveys performed in 2019. This increase is primarily due to expanded monitoring of more localities, as well as pre-surveys carried out in advance of applications to expand MTB.

While most localities were assessed as being in condition 1 or 2 during 2020, one locality was assessed as being in condition 3 at maximum load. A non-conformance was registered, following which it was decided to delay the next transfer of smolt at the facility until a new B survey showed improved seabed conditions. A new B survey was performed shortly afterwards and was found to indicate condition 1, demonstrating that the seabed had recovered quickly.



### *C surveys*

C surveys are performed every three generations, or more frequently. In addition, a similar pre-survey is performed before the establishment of new facilities or any expansion. A total of five C surveys were performed in 2020, the results being “very good” (one instance), “good” (three) and “moderate” (one).



### ASC surveys

Many of our facilities are certified according to a strict ASC standard. This requires that, in addition to B and C surveys, we conduct ASC surveys at most of the facilities that are or seek to be certified. These surveys are comparable with C surveys, but include a minimum of five stations (irrespective of biomass) and involve a requirement of sampling for each generation at maximum production. We have results from nine of such surveys in 2020, all of which show good results.

### Net impregnation

Nova Sea does not use net pens impregnated with copper. We began using AquaNet Protect as an alternative in 2018. This treatment contains a different anti-fouling agent (tralopyril) that is water-based and therefore more environmentally friendly. However, in 2020 we decided to stop using all types of impregnation, and now all of our sea-going net pens have just a wax coating.

## Work to combat salmon lice

Combating lice is one of our biggest challenges, and we consider preventive measures to be very important in delaying the development of salmon lice at our facilities. In 2020, we used cleaner fish as our main strategy for louse prevention, and louse skirts as a supplementary strategy to prevent louse infestation on smaller fish. Like 2019, 2020 was a very challenging year in terms of salmon lice: the amount of treatments carried out in 2020 was the highest since 2016.

### Lumpfish

At Nova Sea, we believe that the health and welfare of our cleaner fish is just as important as that of our salmon. Therefore, we are continuing to work systematically to improve the use of cleaner fish as a non-medicinal alternative to treatments for salmon lice. Over the last three years, the use of lumpfish has made an important contribution to our louse-prevention work, but the challenges relating to lice in 2020 have meant that these efforts alone have been insufficient. The mortality rate of lumpfish in 2020 has been too high, and we will give priority to reducing this going forward. We have been increasing our focus on lumpfish every year we have been using them, and we are still learning. They are making an important contribution to our battle against salmon lice, but we still have a long way to go.

### Lumpfish in net pens

For the last few years, Nova Sea has only used farmed lumpfish at our facilities, and the number of lumpfish has increased considerably. We transferred by far the highest number to our sea farms in 2019, whereas considerably fewer were transferred in 2020. For 2021 the plan is to reduce the number further. The number has been reduced naturally because we have switched from regularly topping up the number of cleaner fish in each net pen, to one initial transfer and one top-up. As a result, this also helps us avoid mixing multiple batches, which in turn reduces the risk of passing on infections

between the groups.

Although we had better lumpfish coverage in 2020 than in previous years, lice numbers were extremely high and required many delousing operations. We have seen high mortality rates among the lumpfish, as a result of which we have not achieved the desired benefit of using them. We also transfer lumpfish to our sea farms when louse levels are low, and it is therefore difficult to determine the effects.

#### Emissions relating to the use of medication to combat salmon lice

At Nova Sea, for many years we have been working actively to prevent salmon lice and reduce the use of medicinal delousing treatments. In order to reduce the environmental impact this causes, we have worked at all levels on prevention, methodology, treatments and overall strategy for a number of years.

In 2015, we started phasing out medicinal treatments and phasing in non-medicinal treatments (NMMs) for salmon lice. NMMs are now widely implemented as a treatment method against salmon lice at Nova Sea. An increased focus on preventive methods and the introduction of NMMs have over a number of years led to a considerable reduction in the use of medicines to combat salmon lice. As a result, 82 per cent of all net pen treatments at Nova Sea in 2020 were carried out using NMMs.

Over the last three years, we have seen the number of net pen treatments against salmon lice increase considerably, as well as an increase in the total number of net pens requiring medicinal treatments. The proportion of net pens treated with NMMs fell from 86.7 per cent in 2019 to 82.1 per cent in 2020. These trends reflect various complex factors, including a rise in the infestation rate requiring a higher number of treatments, an increasing need for the treatment of small fish, and low protection from other preventive measures.

The medicinal treatments used were Slice (emamectin: 80 per cent of treatments) and Salmosan (azamethiphos: 20 per cent). These two medicines are used on small fish at sea. The use of these medicines has increased due to reduced sensitivity, very high infestation rates among small fish after their transfer to the sea, low effectiveness of lumpfish and skirts, and a lack of NMMs suitable for small fish. In 2020, these are the only medications that Nova Sea used to combat salmon lice.

#### Delousing machines

Nova Sea started using Thermolicer in 2016, and Optilicer in 2017. Over the last three years, Optilicer has been used together with Hydrolicer systems leased from third parties. In 2020, Thermolicer and the FLS system were also hired in. These methods are the primary non-medicinal, mechanical measures against salmon lice used at Nova Sea.

#### Impact of delousing on other life in the sea

One type of medicine that can be used against salmon lice is chitin synthesis inhibitors. Chitin synthesis inhibitors prevent salmon lice from moulting, but they can also be harmful to other crustaceans, such as wild deep-water shrimp, lobsters and crabs. There are therefore strict requirements for the use of these products, especially in the vicinity of shrimp and spawning grounds. In addition, there are specified requirements for mapping the local environment with regard to current direction, coastal fishing data and other factors that must be assessed before initiating medicinal delousing. **Chitin synthesis inhibitors have not been used at Nova Sea since 2016.** Follow-up samples were taken during 2020 to monitor the levels in the sediment at these sites, after the last use of chitin synthesis inhibitors in 2016. The samples and results from these are available on our website, under the relevant sites.

As for emamectin, good monitoring is important in order to maintain an overview of how it affects other organisms in areas below and around our sites. The risk to commercially important species is considered to be small due to their size and motility. High concentrations of emamectin can nevertheless cause long-term harm to the load-bearing capacity of our sites and the restoration of the seabed, and may consequently affect the results of the B and C surveys. There are no exposure limit

values in Norway regarding concentrations of emamectin on the seabed. However, all our sites are well within the exposure thresholds adopted in other parts of the world.

## Biodiversity

For Nova Sea, it is important to protect the biological diversity around our facilities and to evaluate all of the effects, both positive and negative, that our operations may have on the local flora and fauna. Food production in the sea and in the natural environment will affect the surrounding areas both positively and negatively. We are careful to take account of the biological diversity around our facilities, and we are constantly working to find and mitigate negative impacts as much as possible, through updated risk assessments, continuous non-conformance registration and improvement work.

Nova Sea aims to be transparent about how other animals are affected by our production and reports the deaths of all wild animals in connection with our facilities. Figures are reported through GSI and on our own website. The figures show deaths of fewer than one bird per facility per year, which is a significant decrease since the start of reporting in 2017.

## Feed

At Nova Sea, we have everything from roe to harvestable fish. Our entire production chain is conscious of sustainability and environmental issues, which is why we also set strict requirements for our feed suppliers.

### Smolt

Fish that are newly released into the sea are fed with transitional feed for the first six weeks. This ensures a good start because it contains health-promoting components, which makes the transition from hatchery to sea farm less stressful. After six weeks, they switch to an energy-rich, high-protein feed. This strategy gives us better growth, lower feed factor, higher harvest yield and leaner fillets. In addition, it seems that the combination of high-protein feed and proper feeding provides good growth and thus the shortest possible production time at sea.

### Growth

Production efficiency is absolutely crucial to ensure sustainable production. In 2020, our goal for growth and production efficiency was a GF3/EFCR of 2.90, which we reached by a comfortable margin. Production efficiency is moving in the right direction compared to figures from the last two years.

### EGI and EFI calculations

EGI stands for Ewos Growth Index and is a measure of the growth rate of a fish. The model was developed by Ewos (Cargill) and is based on actual figures from the industry over 10 years back in time. An EGI of over 110 beats the average in the Norwegian fish farming industry. EFI stands for Ewos Feed Index and is a measure of how efficiently the fish are able to utilise the feed. The goal is to have as low an EFI as possible. A low EFI entails less feed to achieve the desired growth. A high EGI usually results in a low EFI, which in turn signals that production is efficient. An EFI below 108 is below the industry average for the last 10 years. Nova Sea is well placed on both indices.

### Benchmarking

Nova Sea works actively to benchmark itself against other producers, both in our own area and the rest of the country. We will never become the best in isolation; we benefit from comparing ourselves to – and striving to emulate – the strong results and achievements of others. For instance, we compare feeding month by month, week by week and day by day, all the way down to the net pen level. These comparisons can be made both internally at Nova Sea and externally with other companies. The system is connected to the EGI database, which has access to live data from many fish farming companies in Norway, and the model is therefore effective, robust and representative.

### Establishment of feed control centres

Proper feeding and nutrition help maintain good fish welfare. Proper feeding requires not only good monitoring, but also knowledge and experience. Our goal is therefore close follow-up of fish both on

site and from feed control centres.

There has been a strong focus on centres of expertise in the form of feed control centres. By the close of 2020, we had connected 75 per cent of all our sites to a feed control centre. For the remaining 25 per cent, feeding takes place from a barge using a camera. Overall, these measures provide good control of feeding. This in turn improves growth and feed utilisation. It reduces the environmental impact of unconsumed pellets and improves fish health by ensuring they are correctly fed. Not least, it makes good financial sense. Our goal for 2021 is to ensure that all of Nova Sea's active facilities have the opportunity to connect to one of our feed control centres.

## Fish health and animal welfare

Nova Sea is convinced that good fish health and welfare are essential for achieving the best possible biological performance, profitability and sustainability. We must take into account the welfare of the fish, and our production conditions must suit the fish's biological and natural needs. Animal welfare is at the heart of Nova Sea's core values, and we have a shared responsibility to ensure that the salmon's living conditions ensure a high level of wellbeing throughout their life cycle. Good fish health is essential for good animal welfare, as are good environmental conditions such as fresh water and net pens adapted to the salmon's behaviour.

Nova Sea therefore works systematically along our entire value chain to identify specific improvement areas. Our goal is to have Norway's healthiest farmed fish throughout the production cycle – from broodstock to harvested fish.

### Survival and health

#### Salmon

Nova Sea's goal for 2020 was to have a 94 per cent survival rate or better. The fish transferred to our sea farms in the spring of 2018 (the S18 generation) performed extremely well, achieving a 94.5 per cent survival rate. This improvement can be attributed to three factors: better smolt, less and better handling, and lower incidents of CMS. We saw a slight decrease in the rate of survival for the fish transferred to sea farms in the autumn of 2018 (the A18 generation). This was largely related to many handling operations at sea last autumn. The S19 generation of fish was affected by major problems with sores. This issue continued to impact the generation right up until it was harvested. In our next strategy period, we will continue to focus on survival at sea, with robust smolt, reduced and correct management, and the prevention of disease.

#### Health and welfare related to limiting and combating salmon lice

Nova Sea takes the issue of salmon lice very seriously. We invest a lot of time and resources in treating our salmon as gently as possible, while also limiting the spread of lice to wild stocks. Our people are at the core of this endeavour. They work with our suppliers to carry out experience-based risk assessments before operations, to ensure the best possible personal safety, fish welfare and control of lice.

#### Animal welfare – fish in net pens

The Mid-Norwegian Ring has been used at many sites. The object is to improve water exchange and oxygen levels in net pens with skirts, as well as to extend the service life of the skirts as the biomass increases and/or the environmental conditions become more demanding. However, the Mid-Norwegian Ring requires significant amounts of electricity, and it is therefore more climate-friendly not to use the ring unnecessarily, and, otherwise, to use it correctly.

The effect of using a lice skirt is uncertain. Proper use can have a positive effect, while incorrect use can make conditions more challenging. We have therefore previously invested in sensors for monitoring environmental conditions at sea. This also helps to secure reliable environmental data such as oxygen level and temperature, both of which affect fish welfare.

Conditions in the harvesting plant's pre-harvest holding pens have at times been very poor, with high mortality rates and reduced welfare due to low oxygen levels. Necessary measures were taken in the

form of monitoring and oxygenation to mitigate low water exchange and critical oxygen values in pre-harvest holding pens. This had very positive effects on survival rates and stress reduction. In 2020, we also put in place a culvert to ensure the flow of oxygen-rich water from the south. In connection with the planned new harvesting facility, there will be new solutions for pre-harvest holding pens that will ensure good environmental conditions and fish welfare.

## Escapes

Nova Sea has a vision of zero escaped fish per year. We have one of the industry's strictest procedures for monitoring and controlling net pens at sea, and we work actively at all our sites to ensure our employees have a keen awareness of the need to prevent escapes. This applies to rigging, daily operations and not least to handling operations such as delivery and delousing.

### **In 2020, there were two episodes that led to escapes:**

- On 9 December, a fish was lost at sea when it was overlooked while emptying a net into an anaesthesia tank. The fish fell into the sea when the net was returned to the net pen.
- On 16 December, we had a similar incident where a fish squirmed out of the net and landed between the boat and the net pen. Recapture nets were deployed, but the fish were not recovered.

Following these two incidents, we performed new risk assessments and updated our internal procedures. We have also purchased safety nets to be used between the work boat and the net pen to catch any fish that go astray. Consequently, we are better prepared to handle similar situations in the future and ensure that no fish escape. Both episodes were reported to the Norwegian Directorate of Fisheries.

## Waste management

Recycling is an important part of Nova Sea's sustainability work. Our waste management statistics have improved in recent years, especially during 2020. Our data has become more detailed, and we work closely with waste treatment companies. This is important to support efforts to continue increasing the recycling rate and properly manage our waste. All figures are followed up internally to ensure good control over what happens to our waste. This makes it easier for us to set specific targets for waste reduction and increase the amount of waste sent for recycling.

### **Waste**

In 2020, Nova Sea Group (including Nova Sea Aquaservice and Helgeland Smolt) recycled approximately X per cent of all waste. Of this, a total of 99.82 per cent was recycled directly, with 2.22 percent sent for energy recovery.

Nova Sea also had a goal of removing the scrapped and discarded equipment accumulating at our onshore bases. We are now finished with this project, and we will from now on work to keep them tidy.

### **Collaboration with Nofir and NCP**

At Nova Sea, we feel that it is important to recycle as much waste as possible, which is why we deliver waste to companies like Nofir and Nordic Comfort Products (NCP), which can recycle our plastic waste. Nofir recycles discarded equipment from the fishing and aquaculture industry. In 2020, we sent them 176 tonnes of equipment. This is significantly more than in previous years. In 2019, for example, we sent them just 1.5 tonnes.

We are also continuing our collaboration with NCP, which receives our plastic waste and reuses it to make products such as the S-1500 "sustainable chair". This plastic waste comes from ropes that Nova Sea can no longer use. In 2020, we delivered six times as much plastic to this project as we did in 2019 (24 tonnes compared with 4 tonnes). Nova Sea will continue this collaboration in 2021, and we hope to contribute even more to an exciting project that will be a physical manifestation of sustainability in practice.



### Styrofoam isoporkasser

Towards the end of 2019, we decided to investigate what happens to the polystyrene boxes in which we send our salmon to our customers. The results show that in more than 95% of the material is recycled, which shows that this package solutions works well. The survey also showed that customers were satisfied with the current package solution. Development of the packing solution of our salmon in Nova Sea, will continue to be a focus area also in the future, but to get more information about the existing solution is needed to ensure that any adjustment is more sustainable than the existing one. In 2020, a total of 2.201.823 polystyrene boxes were used in Nova Sea.

## HR – focusing on Nova Sea’s human resources

Our journey from an initial 1,200 fish in 1972 to today’s 12 million would not have been possible without a competent and dedicated workforce. At Nova Sea, we strive to value and develop our employees as the company’s most important resource. We work actively to assess, identify and meet our need for new expertise, and we aim to be an attractive employer that attracts motivated applicants.

### Covid-19

2020 was like for many others, also a slightly different year for Nova Sea. Travel activities and the number of physical meeting points were greatly reduced due to Covid-19. The management did take early action and introduced the necessary infection control measures in the company. Despite all of the restrictions, our operations, thanks to disciplined and skilled employees, has been more or less as normal throughout the year.

### Onboarding

Onboarding is important for getting new employees off to a good start in a company. As part of our onboarding process, all new employees participate in an induction day. In 2020, we held two such days. New employees were invited to Lovund for a day of reviewing the company’s values and history, and a tour of our harvesting facilities. They also visited an onshore base, where they had lunch, took a tour of the feed control centre and a trip to a sea farm. The day ended with dinner at Lovund Hotel. In the coming years, this day will be a permanent tradition for all our new employees.

### Attractive employer

Being visible as an attractive employer is an important focus area, both locally and nationally. In a year marked by pandemic-related infection control measures, participation in external events was limited. Before Norway locked down, however, we were able to participate in local educational fairs in Mo i Rana and Sandnessjøen, where Nova Sea had a stand and held company presentations for school classes. In addition, we managed to participate in two national careers fairs: Håp i Havet (Hope in the Sea) at UiT The Arctic University of Norway and Havets Døgn (Sea Day) at Nord University.

### Recruitment, education, training and apprentices at Nova Sea

The recruitment, education and training of local young people are important for Nova Sea, and we aim to be a good place for our apprentices to learn their trade. In 2020, Nova Sea took on six new aquaculture apprentices. In the technical department at our harvesting facility, we have a first-year industrial mechanic apprentice. In addition, Nova Sea had four second-year aquaculture apprentices at the end of 2020. **In total, Nova Sea had 11 apprentices at the beginning of 2021.** During the year, Nova Sea and its affiliates had four apprentices who completed their apprenticeship and passed the trade examination in aquaculture. All of them have subsequently become permanent employees of the company. There were also three permanent sea farm employees who took an apprenticeship certificate in aquaculture as private students during the year.

Nova Sea also hired temporary relief staff during the summer holidays. For the most part, we recruited young adults from the local community with a great interest in aquaculture. Through their summer jobs, they gained relevant and valuable experience for their future career choices.

Nova Sea also participates in a number of job fairs at schools and universities throughout Helgeland and in the region, where representatives from our various departments meet to talk to young people

about aquaculture and career opportunities.

#### YSK Marine

In 2018, a regional study programme was established for upper secondary school students, called YSK Marine. This programme was established on the basis of a collaboration between Helgeland Regional Council, Sandnessjøen Upper Secondary School, Mowi, LetSea and Nova Sea. Over the course of four years, students will spend three days a week at school and two days at work at a fish farm. After these four years, the students will receive both an academic qualification and a trade certificate in aquaculture. Nova Sea is committed to hiring two students each school year through the programme, which we also did in 2020.

#### Employees, new job functions and cooperation

As at 31 December 2020, Nova Sea, including Vega Sjøfarm AS and Tomma Laks AS, had a total of 291 permanent employees, of whom 27.5 per cent were women and 72.5 per cent men. Including temporary employees, we had 323 employees.

In 2020, Nova Sea established two new job functions. We hired a Director of Communications, who manages the company's overall flow of information, both internally and externally. We also hired a Biological Controller to contribute to the analysis of collected biological data, for long-term planning in our sea production.

Nova Sea places great emphasis on trust and transparency throughout the organisation, and we have constructive and close cooperation with union representatives, trade unions and employers' organisations. At Nova Sea, we have four local trade unions: the Norwegian United Federation of Trade Unions, the Norwegian Union of Food and Allied Workers (NNN), the Norwegian Union of Commerce and Office Employees (HK) and the Norwegian Society of Graduate Technical and Scientific Professionals (Tekna). Tekna's local branch at Nova Sea is new this year. Continuously working for a good working environment is important for all departments at Nova Sea.

#### Working environment committee and absence due to sickness

Four meetings were held in the working environment committee in 2020. During the year it was also held information meetings for managers and employees, regarding follow up on sickness due to illness. The Norwegian Labor Inspection Authority conducted courses in conflict management and guidance regarding working hours. Nova Sea, including Vega Sjøfarm and Tomma Laks, absence due to sickness amounted to 5.26% in 2020, of which 1.71% was self-reported absence. This includes corona-related absence. Without this, the absence was 4.5%.

## Health, safety and the environment (HSE)

Working in the aquaculture industry is classified as the second most dangerous occupation in Norway. At Nova Sea, we put our employees' health and safety first. Through continuous assessments and improvements, we aim to reduce injuries and absences due to illness, and to create a safe and healthy workplace. Throughout the year, Nova Sea has worked closely with Stamina and Avonova, providers of occupational health services. In addition, Firesafe visited all our facilities to check firefighting and first aid equipment.

#### HSE in sea production

At our sea farms, we have implemented several measures to improve HSE and to safeguard the safety and wellbeing of our employees. Our cooperation with the industrial safety service has been fruitful and new safety representatives have received training. In 2019, we experienced five lost-time injuries and one other injury. In 2020, there were 18 injuries that did not result in lost time, compared with four in 2019. In 2020, we recorded 191 safety observations and near misses, compared to 98 in 2019. This is probably because sea production focused on HSE and got better at recording injuries, near misses and other types of HSE non-conformances. This can be illustrated by the fact that 254 HSE non-conformances were registered in 2019, compared with 326 in 2020.

In addition, we have carried out local risk assessments, risk analyses and HSE courses. These courses cover integration, diversity and anti-discrimination, emergency preparedness drills and safety inspections. We also held HSE courses for our new employees and summer temps. In addition, we have provided training in and focused on HSE non-conformance registration in Landax. Throughout 2020, we had a constructive HSE collaboration with Mowi, where we shared experiences and supported each other in more complicated matters.

### HSE in the industry

We recorded five lost-time injuries at our harvesting facilities. We also recorded four injuries that did not result in lost time. Both of these figures represent a slight increase from 2019. We have conducted several rounds of training and have focused on recording non-conformances, which has resulted in an increase from seven recorded non-conformances in 2019 to 41 in 2020. We still have a potential for improvement with regard to recording figures on actual undesirable HSE incidents in the industry, and special professional development events have been arranged to increase awareness of non-conformance recording and HSE. We have also held meetings with shift supervisors and the head of our technical department to discuss how to process HSE non-conformances.

Risk assessments have been carried out for harvesting and processing, with particular emphasis on the technical department, which has the highest risk factor. We have established measures in collaboration with our technical maintenance manager. In addition, we have updated our procedures and held regular meetings with the industrial safety service.

### Nova Sea in total

We distinguish between three types of injuries: injury with absence, injury without absence and first aid injuries.

- 2018: 6 injuries with absence (257 employees)
- 2019: 2 injuries with absence (270 employees)
- 2020: 11 injuries with absence (325 employees)
- 22 injuries without absence in 2020, compared to six in 2019

In 2020, 240 safety observations and near misses were registered, while in 2019, 105 were registered.

## Projects, research and development

The aquaculture industry is constantly growing and developing, and research helps us establish new knowledge and innovative technology can help us solve challenges. Working in an industry characterised by rapid technological developments, Nova Sea must be forward-thinking and fearless in relation to trying new technology. Nova Sea will use research institutions to increase our knowledge of areas with a potential for improvement and to help us initiate new projects that promote sustainable development.

### Elektriske båter i sjøproduksjonen

During 2020, we have launched two all-electric work boats in collaboration with folla Maritime and Elmarin, both of which are now in use at two of our sites. This is a development project supported by Enova and is the start of a long-term effort to electrify the boat structure in Nova Sea. We are now working on building two new electrified vessels for Træna and Rødøy, both of them also supported by Enova. In addition, we have adapted for charging the boats on both at land base and feed raft, which in combination with a generator on board make the new boats a safe and secure alternative to the regular work boat.

### Recycling reception

In collaboration with Kystinkubatoren, we have been working to develop a project to investigate the possibility of establishing a reception station for plastic waste from the fish farming industry at Stokkvågen. The project is called “Short-distance value chains for recycling plastic waste from the aquaculture industry”. It is a collaborative project with SINTEF and other players, where Nova Sea and Kystinkubatoren are designing a work package for the development of a pilot facility for recycling




plastic. This reception centre should be able to recycle and process up to 3,000 tonnes of plastic waste a year. The project has received NOK 3 million in funding from the Research Council of Norway, and if everything goes according to plan, it will be implemented over the next three years. An NCR grant was awarded with a duration of three years for the project and the collaboration with Kystinkubatoren, SINTEF and other fish farming actors.

### Spidercage

Large-scale production of farmed salmon has made Norway a world leader in the field of aquaculture. The majority of potential production areas in Norway have already been put to use, and the industry is constantly facing new challenges. Our Spidercage project is intended to help resolve some of these challenges by making use of sites that are more exposed to wind and weather. At the same time, it will help avoid conflicts with other stakeholders, lessen the potential for fish escapes and reduce the intensity of sea lice infestations.

Throughout 2020, work has been done to land the preliminary project with the development of Spidercage, where Nova Sea and Viewpoint Aqua have developed the concept to find good solutions that will work for offshore farming with significant wave heights of eight meters. Together, we have found a possible solution that has now been handed over, and Nova Sea is in a decision-making phase in relation to the realization of the project. The pilot project for the development of Spidercage has been supported through Skattefunn.

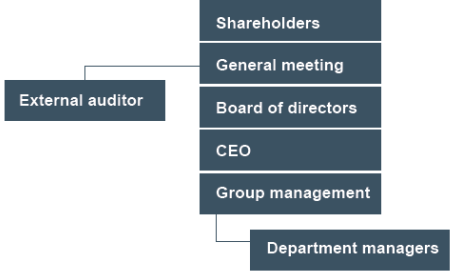

### GRI Content Index

Module	Section	Requirements	Description
<p><b>GRI 102</b></p>   	Organizational profile	1	Nova Sea AS
		2	Farming and business to business sales of Atlantic salmon ( <i>Salmo salar</i> ) under the brand of Nova Sea AS.
		3	Naustholmveien 32, 8764, Lovund, Norway
		4	Nova Sea AS has 24 farms along the coast of the Helgeland region of Norway, from the municipality of Gildestål in the north to Vega in the south. All of them are within production area 8. Our processing facilities and administrative offices are on the island of Lovund in the municipality of Lurøy.
		5	Nova Sea is a limited company. Majority owner is Vigner Olaisen Ltd (52%). The ultimate parent company is Steinar Olaisen Ltd, who owns 51% of Vigner Olaisen Ltd
		6	<p>i. The principle geographic locations receiving our products are Hong Kong, Singapore, Peoples Republic of China, Taiwan, Vietnam, U.A.E., Thailand, United Kingdom, France, Italy, Germany, Poland, the Netherlands, Norway, the United States of America, Sweden, Lithuania, Denmark, Finland, Spain, Estonia and Canada</p> <p>ii. Businesses interested in the purchase of salmon.</p> <p>iii. Business to business</p>

		7	<p>i. 291 employees</p> <p>ii. Administrative, fish farming and processing facilities</p> <p>iii. MNOK 2 672 198</p> <p>iv. Equity MNOK 3 002 , debt MNOK 226</p> <p>v. 49082 net tons processed</p>
		8	<p>a. Not able to report (our system does not allow us to filter for this metric yet. We will work to be able to achieve this on next year's report).</p> <p>b. Not able to report (our system does not allow us to filter for this metric yet. We will work to be able to achieve this on next year's report).</p> <p>c. Full time: Woman 80, men 211.</p> <p>d. N/A</p> <p>e. Permanent workers are mainly Norwegians, while contracted employees are not.</p> <p>f. The numbers are compiled from the company's payroll system and includes employees of Nova Sea and connected companies (Tomma Laks og Vega Sjøfarm).</p>
		9	<p>Nova Sea partners with Cermaq, Nordlaks and AquaGen in the production of broodstock salmon via Nordnorsk</p> <p>Stamfish, which provides us with the roe which eventually becomes our smolt. We are the majority owner of Helgeland</p> <p>smolt, consisting of facilities in Sundsfjord (Gildeskål municipality) and at Reppen in Rødøy municipality,</p> <p>which produces all of the smolt to our seafarms. These facilities have the capacity to produce smolt up to 500 grams</p> <p>in size. We have 25 farms within production area 8 on the coast of Helgeland, from Gildeskål municipality in the</p> <p>north to Vega municipality in the south. We also own via North Salmon Service AS (a partly owned company) multiple wellboats, which are used to transport our fish from smolt facilities to the farms and from our farms to the processing facilities. We process and pack the fish at our facilities on Lovund, where we have the capacity to process and pack 300 tons of fresh fish per day. We have our own sales department which sells our salmon in a business to business model, to customers all over the world.</p>

		10	<p>i. N/A (no major changes for 2020)</p> <p>ii. N/A (no major changes for 2020)</p> <p>iii. N/A (no major changes for 2020)</p>
		11	<p>Nova Sea AS applies the precautionary principle in multiple ways, but it is most evident via risk assessments, covering the most vital aspects of our operations (fish health / welfare, the environment, escape prevention, food safety / product quality, food fraud, sabotage and HSE). Representatives from the individual departments carry out local risk assessments annually.</p> <p>Teams are established for each risk area that discuss the results of these assessments, identify high and critical risks and plan concrete action to minimize these risks as much as possible in the future.</p> <p>The involvement of company leadership in risk assessment work is crucial, and their responsibilities and involvement are specifically described in our company policy dictating risk assessments.</p>
		12	Signatories to the Statement of Support for the Cerrado Manifesto and to the UN Global Compact Sustainable Ocean Principles.
		13	Members of the Global Salmon Initiative
	Strategy	14	See attached CEO statement at the start of this report
	Ethics and Integrity	16	<p>Nova Sea has developed a policy for HSE, food safety, animal welfare, quality, the environment, energy use and the climate. It covers our ethical approaches to issues from these various categories, can be found in our HSE / quality management system and is available on request.</p>
	Governance	18	<p>a. See graphic</p> <p>b. The company follows an authority matrix which says who can decide purchasing based on the amount. Environmental and social topics decided on by various representatives at all levels of the company.</p>



			
	Stakeholder Engagement	40	<p>"Municipal authorities where we have farms</p> <p>Customers</p> <p>Local communities: ASC meetings, beach cleanups, ""open days"" at our farms</p> <p>Regional / national authorities: FD, MT, KV, etc.</p> <p>Fiskarlaget: local and regional</p> <p>Research organisations / universities: help with masters thesis and research projects "</p>
		41	<p>All employees are allowed to be represented, uninhibited, by the labor union of their choice. This is covered by</p> <p>Norwegian labor laws, it is declared in our company statement "Selverklæring god sosial praksis." This percentage is hypothetically 100% of our employees. We do not have statistics showing what percentage of them actively participates in a labor union, as this information is not something employers normally track in Norway.</p>
		42	<p>Our stakeholders are chosen based on individual evaluations to find individuals or groups that can be affected directly or indirectly by our activities.</p>
<p>GRI 102</p> 		43	<p>"Municipal authorities: ASC meetings (one per certified farm per year), when applying for new farms / changes to current farms (biomass or area)</p> <p>Local communities: ASC meetings (one per certified farm per year), when applying for new farms / changes to current farms (biomass or area), ""open days"" at our farms (approx. 6 farms per year), sponsorship of local athletes or events.</p> <p>Fishermans unions: ASC meetings (one per certified farm per year), when applying for new farms / changes to current farms (biomass or area), occasional meetings between our company and the central organization in Bodø (last done in 2017). All changes that effects fishermen will be communicated through Nordland fylkesfiskarlag (NFF).</p> <p>Customers: An ongoing basis, via consultations with sales representatives / other company employees.</p>

<div> <div>8 ANSTENDIG ARBEID OG ØKONOMISK VEKST</div> <div>9 INDUSTRI, INNOVASJON OG INFRASTRUKTUR</div> </div>			<p>Regional authorities: ASC meetings (one per certified farm per year), when applying for new farms / changes to current farms (biomass or area), occasional meetings between our company and the regional authorities (FM in 2017, FD in 2020)."</p>
		44	<p>All concerns have been raised through local open meetings in each of the communities where we operate or through meetings we have had one on one or in groups with stakeholders.</p> <p>Local communities / municipal governments:</p> <p>Positive effect of our operations on the local community, in the job market and through direct spending. A general desire for an increase in our operations locally (construction of more smolt / processing facilities, more farms, etc.).</p> <p>Our response: We have policies and a desire to employ locally, and thereby do our best to support the local workforce in the community. Expansions / construction of projects for smolt, farms, etc., have always taken place within the Helgeland region, and we will continue to invest only in this local region in the near future. Local communities:</p> <p>Area conflicts regarding zoning, or the use of areas that were designated differently previously. Our response:</p> <p>These conflicts are covered in the application process for new farms or changes to current ones. We hold meetings in the local community in regards to both of these, and contact stakeholders who will be potentially effected, both to hear their concerns and to attempt to work with them to minimize conflicts through for example changes to the placement or outlay of the farms.</p> <p>Local communities: Desire to see us involved in community projects such as sponsorship and beach cleaning efforts. Our response: We have been directly involved extensively in beach cleanups in 2018 and 2019, including organizing an effort in Vevelstad kommune. No beach cleanups organized in 2020 due to the covid-19 situation, however we did collect garbage from a local small cleanup in Træna during 2020. We have direct partnerships with the waste processing companies of HAF and SHMIL whereby we deliver rubbish from beaches to these companies for disposal/recycling.</p> <p>Customers: Concerns about how we follow up environmental impacts as a result of our farming.</p> <p>Our response: The majority of our farms are certified with the ASC salmon standard, a standard with a strong environmental focus. All of our farms are GlobalGap certified. Our customers are welcome to (and many do) visit / audit us directly.</p> <p>Local fishermans unions: Area conflicts based on a need for both of us to use the same locations. Concerns about the effects of our operations, through effluents and parasiticide use, on shrimp.</p> <p>Our response: Fishermans unions representatives are invited to meetings in local communities every year. We inform them ahead of planned changes to farms / applications for new farms, to gather input on how the changes can be done in a way that will negate or minimize difficulties / impediments for their operations. We inform them ahead of time in the</p>

			<p>event that a medicinal treatment is planned, allowing them to be aware of any unintentional side-effects or to let us know if there are any circumstances to be aware of that should make us reconsider.</p> <p>Anglers: Concerns about the effects of our farms (lice, sickness, escapes) on wild salmon stocks.</p> <p>Our response: We are participants in Nordland 2023, a forum for meeting with local anglers unions / land owners / river owners. Dialogue in this group is focused on minimizing impacts from salmon farming on wild stocks, and looking for opportunities to collaborate through research or funding of local groups. We are involved in numerous research projects (Sila and Flostrand, Insight, Beiarelv regionen, etc.) looking at wild fish stocks in rivers in our region and effects from farming or climate on them.</p> <p>Regional government (Fylkesmannen): Concerns about the effects of our farms on wildlife (wild salmon, sensitive species and seabirds).</p> <p>Our response: Assessments on this are carried out as a part of the application process for new farms or changes to existing ones. All predator mortalities are treated as deviations and followed up as such.</p>
	Reporting Practice	45	<p>a. Nova Sea Ltd</p> <p>&gt;20% ownership:</p> <p>Tomma Laks Ltd</p> <p>Vega Sjøfarm Ltd</p> <p>Vegalaks Ltd</p> <p>Nova Sea Aquaservice Ltd</p> <p>Nova Master Ltd</p> <p>Djupvatn Ltd</p> <p>Helgeland Smolt Ltd</p> <p>Lax Expo Ltd</p> <p>Hamnholmvalen Eiendom Ltd</p> <p>Nova Sea Service Ltd</p> <p>Nordnorsk stamfisk Ltd</p> <p>Viewpoint Seafarm Ltd</p> <p>Tomma Rensefisk Ltd</p> <p>Nordland Rensefisk Ltd</p> <p>Jacobsen mekaniske verksted Ltd</p> <p>b. For the most part Nova Sea AS and companies under operational control data is reported. Some sections contain data from the other companies where it is deemed important (for example: CO<sub>2</sub> emissions from external service fleet involved in delousing operations)."</p>
		46	<p>a. The process for defining the material topics for the report was based on previous reporting methodology, interactions</p>

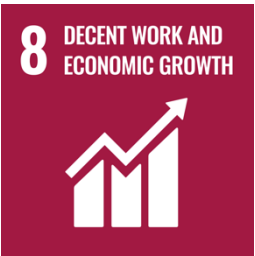


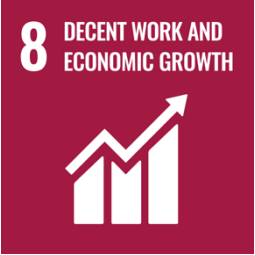

			<p>with and feedback from stakeholders and consensus with members of the energy and climate leadership group.</p> <p>b. The four reporting principles for defining report content were included various ways. As previously mentioned, feedback from both employees on all levels in the company and stakeholders from the local community were vital.</p> <p>It was also important to include as much information that is audited (via certification schemes) as possible, and to ensure that the metrics that are included reflect the areas most impacted (positively, as well as negatively) by our production of salmon.</p>
		47	<p><b>1. Fish health and welfare</b></p> <p>a) Sea lice</p> <p>b) Preventative measures against sea lice</p> <p>c) Fish health</p> <p><b>2. People and communities</b></p> <p>a) Community engagement</p> <p>b) HSE</p> <p><b>3. Sustainability</b></p> <p>a) Feed and sustainability</p> <p>b) Waste management</p> <p>c) Certifications</p> <p><b>4. Environment</b></p> <p>a) Sediment testing</p> <p>b) Biodiversity</p> <p>c) Escape prevention</p>
		48	No restatements
		49	No significant changes
		50	Reporting period is a calendar year. For the 2020 report this will be 1.1.20 -31.12.20
		51	<p>Nova Sea has released a sustainability report annually via the company webpage since 2012 ("Sustainability report 2011-2019"). This year's report (Sustainability report 2020) will be the second to be in accordance with the GRI Standard.</p>
		52	Calendar year. For the 2020 report this will be 1.1.20 31.12.20.




		53	Stian Berge Amble, Head of Feed and Sustainability, <a href="mailto:stian@novasea.no">stian@novasea.no</a> , +47 974 66 342
		54	i. This report has been prepared in accordance with the GRI Standards: Core option
		55	The reporting organization shall report the following information:  a. The GRI content Index can be found on pages 28-38 of the report  b. All disclosures that were used are listed in the GRI content index  i. The number for the disclosure reported is listed in the GRI content index  ii. Where applicable, page numbers are given referencing other locations in the report where information can be found  iii. In the event of omissions, these have been described in the appropriate sections in the GRI content index
		56	a. The report in its entirety will not be externally assured. We are positive to having this done in the future, but are realistic in what is feasible given that this is the second year we will be publishing in accordance with the GRI standard.  b. Some data from the report will be externally assured via our GSI sustainability report (DNV/GL). A letter of assurance (from DNV/GL) is available upon request.  i. A letter of assurance (from DNV/GL) is available upon request.  ii. No conflicts of interest (externally assured)  iii. External assurance of the GSI sustainability report was approved by the head of the quality department and the CEO
GRI 201	Economic Performance	1	a. Numbers for 2020, all numbers in 1000 NOK  i. 2 672 198  ii. 1 938 090


<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div> <div><div>13</div><div>CLIMATE ACTION</div><div></div></div>			<div>iii. 734 108</div> <div>b. N/A</div>
	2	<div>a. i-iv. Feed: Feed used in the production of our salmon consist primarily of soy, fish meal and fish oil. All three of these ingredients can be negatively affected by climate change. Higher temperatures leading to unfavorable conditions for either soy production or fish stocks would inevitably mean more scarcity and therefor higher production costs for farmers. Purchasing responsibly sourced soy (deforestation free) is a way to partially manage this risk, as soy farmed in deforested areas of the Amazon biome is a driver of climate change. Reducing our own GHG-emissions is a way to mediate the risk for the climate as a whole; however this needs to be a global effort.</div> <div>Extreme weather events: The IPCC has written extensively about the connection between anthropogenic driven climate change and an increase in extreme weather including droughts, floods, extreme sea levels, waves and the El Niño-Southern Oscillation among other events. While changes to El Niño have been discussed previously (regarding fish stocks and soy production), the other events are of more importance for local production on our farms.</div> <div>Extreme storms, with higher than normal water levels and powerful waves, can lead to extensive damage to our sea cages or our smolt facilities (placed near sea level on the shore). Storm events can also lead to negative effects for fish health and welfare, increasing stress, injuries and even mortality in severe instances. Finally, stormy conditions at sea are a safety risk for our employees in what is already Norway's second most dangerous industry.</div> <div>Extreme droughts are not projected to be an issue in Norway (current climate modelling projects increases in precipitation), but localized events have happened previously (like the drier than average winter leading to water rationing in the Bergen area in 2010). Rationing or a lack of access to freshwater would have significant impacts on smolt production and could also inadvertently have impacts on access to electricity for our smolt facilities, processing facilities and feeding barges (the vast majority of electricity in Norway comes from hydroelectric power). More extreme weather could put pressure on the regulatory side of our production as well. There is already a regulatory push to move salmon farms out of the fjords and further from the coast to avoid area and possible environmental conflicts. Stronger than average weather conditions might have the opposite effect and require the placement of farms in more sheltered areas along the coast.</div> <div>Source: Seneviratne, S.I., N. Nicholls, D. Easterling, C.M. Goodess, S. Kanae, J. Kossin, Y. Luo, J. Marengo, K. McInnes, M. Rahimi, M. Reichstein, A. Sorteberg, C. Vera, and X. Zhang, 2012: Changes in climate extremes and their impacts on the natural physical environment. In: Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation [Field, C.B., V. Barros, T.F. Stocker, D. Qin, D.J. Dokken, K.L. Ebi, M.D. Mastrandrea, K.J. Mach, G.-K. Plattner, S.K. Allen, M. Tignor, and P.M. Midgley (eds.)]. A Special Report of</div>	









			<p>Working Groups I and II of the Intergovernmental Panel on Climate Change (IPCC). Cambridge University Press, Cambridge, UK, and New York, NY, USA, pp. 109-230.</p> <p>Increased sea temperatures: The recently completed project Climefish looked at climate modelling coupled with production data from farms for different types of aquaculture (we were a stakeholder in the project and provided data from our farms for the NE Atlantic salmon study). The results from the project showed increases in production in the more northern areas of Norway (in area 8 where our farms are located for example) on account of increases in sea temperature leading to more favorable conditions for farming. However, reflection is given in the study to other effects of warming temperatures (increases in disease, increases in sea lice outbreaks), and when these are taken into account (reductions in feeding due to illness, loss of feeding due to de-licing operations) any hypothetical gains in production due to warmer sea temperatures are lost. Increases in sea temperatures would therefore have a hypothetical net-neutral impact for our farms. During 2020 we have decided to actively contribute in a project that builds on the climefish project to produce knowledge regarding fish health and the effects by climatechange (the project is called Insight and is EU funded).</p> <p>Source: <a href="https://climefish.eu/">https://climefish.eu/</a></p> <p>Regulation: Apart from the previously mentioned hypotheticals regarding regulation and spatial planning, the majority of risks associated with regulatory issues resulting from climate change are related to GHG-emissions and costs of purchased electricity or diesel. A carbon tax on GHG emissions from our company could have significant economic consequences. Likewise, increased taxes on diesel or electricity coming from non-renewable sources could lead to a significant surge in production costs. We are attempting to mitigate these consequences through our Energy Leadership group, which is tasked with collecting detailed data on GHG-emissions and fuel use and the creation of concrete goals to reduce consumption and emissions on a company-wide basis.</p> <p>v. We have not yet calculated the costs of management / risk planning related to climate change. But are planning to pursue risk assessments related to climate change in the years to come.</p>
<p>GRI 204</p> 	Procurement Practices	1	<p>The reporting organization shall report the following information:</p> <p>a. 33,2 %</p> <p>b. Suppliers with legal address in Nordland county.</p>

			c. All Nova Sea fish farming locations, including Head office and processing facility on Lovund. Incorporate sales are excluded.
<b>GRI 301</b>    	Materials	1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:  i. 1 369 094,8 kg Styropor packaging, 38532,0 kg cardboard  ii. 0 kg
		2	a. 100% virgin materials used in processing of isopor containers, meaning 0% of recycled input materials.
		3	a. We reclaim 0% from customers. Waste disposal is their responsibility. Questionnaire that was sent to European customers in 2020 revealed that Styropor packaging was recycled.  b. Data for 301-1 collected from internal accounting systems, 301-2 through conversations with our supplier (Atlantic Styro).
<b>GRI 302</b>      	Energy	1	See section Energy use and CO2 Emissions, pages 16-21
		2	a. Energy consumption outside of the organization, in joules or multiples.  b. We base our reporting on a production approach, trying to include all factors contributing to the fish produced  all the way from hatching throughout the production until the factory gate (loading for transport to customer).  This covers energy consumption from: Hatchery/Smolt (Controlled by Nova Sea), Wellboat (Nova Sea is shareholder)  Service wessels, (controlled by Nova Sea), Sea production (owned by Nova Sea) and Industry (owned by Nova Sea)  c. Included in our energy leadership report, available upon request.
		3	a. Energy intensity ratio for the organization.  b. This is reported via quarterly reporting.  The energy intensity ratios reported are from electricity and diesel.  The following energy intensity ratios are calculated:  Energy use per produced ton (GJ / ton LWE produced farms and smolt)  Processing facilities (LWE processed total)  Farms (LWE produced)  Wellboats (lwe produced)

			<p>Smolt (LWE produced)</p> <p>Service boats (LWE produced)"</p> <p>c. Electricity use and diesel</p> <p>d. Takes into account energy use for Scope 1 and 2.</p>
		4	<p>a. Reductions shown in included Energy and climate report for 2019.</p> <p>b. Electricity and diesel</p> <p>c. 2019 is the basis year for 2020 reports (Scope 1 and 2)</p> <p>d. Included in our energy leadership report, available upon request.</p>
<p>GRI 304</p>  	Biodiversity	2	<p>a.</p> <p>i. N/A</p> <p>ii. Effluent from farming operations, followed up via sediment testing (MOM B, MOM C, ASC). Release of parasiticides to the environment, followed up via sediment testing.</p> <p>iii. Sea lice numbers monitored on farms, reported on the company website for ASC farms and for all farms on Barentswatch. We only produce salmon, naturally occurring species. Pathogens monitored on farms, OIE - related illnesses reported by the Food Safety Authority (Mattilsynet) and on the company webpage for ASC farms.</p> <p>iv. Predator interactions are logged on all farms. Reporting of these on company webpage for ASC farms.</p> <p>v. N/A</p> <p>vi. N/A</p> <p>i. Many species affected positively by the farms (regarding input of feed and nutrients). Negatively effected species are some local benthic organisms (followed up via sediment testing), individuals in predator interactions (limited, local), speculative effects on wild salmon populations (followed up via research projects and risk assessments)</p> <p>ii. Very localized (&lt;1 km from the farms). Described on many farms via AZE modelling / MOM C models.</p>

			<p>iii. Limited. Farms fallow at a minimum of two months between production cycles, and longer at farms where sediment testing shows it is necessary.</p> <p>iv. All our farms can be removed in their entirety and any effected local areas will return to their natural state in a short period of time.</p>
		4	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <p>i. 2</p> <p>ii. 11</p> <p>iii. 11</p> <p>iv. 12</p> <p>v. N/A</p>
<p>GRI 305</p> 	Emissions	1	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. Only CO<sub>2</sub> equivalents</p> <p>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent is not included. System in development through the GSI initiative.</p> <p>d. 2019 (scope 1 and 2), 2020 (Scope 3)</p> <p>i. The year we began with our wellboat Steinar Olaisen (a major CO<sub>2</sub> emitter) and including external service vessels as well as many other Scope 3 contributions (like feed).</p> <p>ii. emissions in the base year; 2019: 21 505 tons CO<sub>2</sub>eq (Scope 1 and 2) and 2020: 242 304 tons CO<sub>2</sub>eq (Scope 3).</p> <p>iii. We have well established factors for Scope 1 and 2. Scope 3 emission factors are under development.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p>


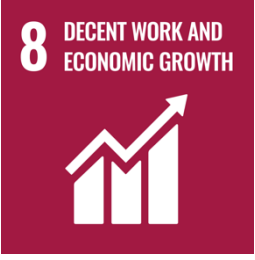


<div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div> </div>			<p>f. Operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used</p>
		2	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>c. CO<sub>2</sub></p> <p>d. 2019</p> <p>i. The year we adjusted production contribution for smolt (77%)</p> <p>ii. emissions in the base year; 11 941</p> <p>iii. N/A: Emissions factors in place for Scope 2. Adjusted to NVE guidelines (market approach).</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used</p>
		4	<p>a. CO<sub>2</sub> emissions (kg) per kg produced (CO<sub>2</sub>-eqv / kg lwe produced sea and smolt)</p> <p>b. kg lwe produced sea and smolt</p> <p>c. Scope 1, 2 and 3</p> <p>d. Gases as CO<sub>2</sub>eq based on emission factors</p>
GRI 306	Effluents and Waste	2	See section. Waste Management 28-30
		3	<p>a. 0 in 2020</p> <p>b. N/A</p> <p>i.N/A</p>


<div data-bbox="204 197 459 443"> <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>  </div> <div data-bbox="204 465 459 712"> <p><b>6</b> CLEAN WATER AND SANITATION</p>  </div> <div data-bbox="204 734 459 992"> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div>			<p>ii. N/A</p> <p>iii. N/A</p> <p>c. N/A</p>
<p>GRI 307</p> <div data-bbox="204 1070 459 1317"> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="204 1339 459 1585"> <p><b>13</b> CLIMATE ACTION</p>  </div> <div data-bbox="204 1608 459 1865"> <p><b>14</b> LIFE BELOW WATER</p>  </div>	<p>Environmental Compliance</p>	<p>1</p>	<p>a. 0 in 2019</p> <p>i. N/A</p> <p>ii. N/A</p> <p>iii. N/A</p> <p>b. The organization has not identified any non-compliance with environmental laws and/or regulations.</p>



			
<p>GRI 403</p>  	Occupational Health and Safety	<p>1</p> <p>2</p>	<p>a. Nova Sea uses Landax as an occupational quality / HSE system. We also use Meng with is a comparable system for our boats. The quality / HSE system is implemented to ensure that our employees health and safety is cared for, as well as the environment and other materials. Landax contains a number of modules for planning, a document library, detailed archives per farm, etc. It also contains a deviance system where non-compliances can be followed up, and a system for risk assessments (previously mentioned under 102-11 describing our application of the precautionary principle.</p> <p>i. Norwegian law stipulates that each organization is responsible for the planning and implementation of self-monitoring within the organization, and that this is done in cooperation with employees and their representatives.</p> <p>Organizations are allowed to define the scope of self-monitoring and the way in which these systems are planned and implemented.</p> <p>ii. The system for dealing with non-compliances within Landax is used to actively improve risk management. The risk points are updated and adjusted based on reported non-compliances, and the dialogue / work done by various representatives from each department as well as other employee representatives. This system is based on the requirements in ISO 31 000.</p> <p>b. Employees are involved in annual local risk assessments (HSE, environment, fish health, etc.). Risk assessments are carried out for new and unknown activities (SJA). All departments and employees are covered by the risk assessments.</p> <p>a. Nova Sea has developed a methodology for risk assessments which describes our approach to the subject. This can be found within our quality / HSE system and is available on request.</p> <p>i. The document "methodology for risk assessments" is regularly updated. Risk assessments are updated annually.</p> <p>The HSE advisor for Nova Sea creates new risk assessments together with the HSE risk team. The HSE advisor for</p>

			<p>Nova Sea has a masters degree in risk management.</p> <p>ii. Risks are classified as low, medium and high via risk evaluations. We work following the ALARP principle and attempt where possible to reduce "red" risks down to an acceptable level.</p> <p>b. Our employees have received training in how to register non-compliances, how to carry out root-analysis on them and how to treat / prevent them. Our company policies dictate that employees cannot be reprimanded for registering non-compliances.</p> <p>c. HSE courses are carried out annually. An important point that is reiterated in the HSE courses that are carried out annually is the ability that all employees or their supervisors have to stop any work operation at any time when it is judged to be unsafe. This is also named in the risk assessments that are carried out prior to any critical work operations.</p> <p>This shows partially the duty of contribution that each employee has according to Norwegian law regarding self-monitoring (internkontrollforskriften). Employees will not be reprimanded if work operations are stopped due to HSE concerns.</p> <p>d. Adverse events leading to absenteeism are investigated. An investigation team is established consisting of the HSE advisor, the relevant manager, safety delegates and the employees that were involved. An investigation report is written. The report includes a timeline of events, root cause, corrective action and lessons to be learned from the incident. This is attached to the non-conformity and distributed to the other employees in the organization so that the organization as a whole can learn from the incident.</p>
		3	<p>a. Nova Sea is affiliated with the corporate health service Stamina Health Department Helgeland (Stamina Helse bedriftshelsetjenesten avd. Helgeland). The HSE service is consulted during processes in the business resulting in changes that involve risk. As an example, the occupational health service was included in cases where line tails (equipment) were to be introduced on our boats. Occupational health services have also participated in, for example, planning measures against the Corona virus outbreak that is currently underway in 2020. All employees are informed about the occupational health service and how they can be reached via HSE courses and the personnel handbook.</p>

<p>GRI 405</p>   	<p>Diversity and Equal Opportunity</p>	<p>1</p>	<p>The reporting organization shall report the following information:</p> <p>a. Board of directors</p> <p>i. 10 men and 4 women</p> <p>ii. 4 persons &lt; 30 years , 10 persons 30-50 years , 4 persons &gt;50 years</p> <p>iii. N/A</p> <p>b. Employees</p> <p>i. 70 % men, 30 % women</p> <p>ii. 30 % &lt; 30 yeras , 45 % 30-50 years and 25 % &gt; 50 years</p> <p>iii. N/A</p>
<p>GRI 413</p> 	<p>Local Communities</p>	<p>1</p>	<p>The reporting organization shall report the following information:</p> <p>i. Not carried out.</p> <p>ii. Sediment testing at farms, projects for monitoring of wild salmon / trout (145, 198), MON project (165)</p> <p>iii. All of our most recent sediment tests (MOM B, C, ASC) are on the company webpage. Lice data, predator interactions, disease outbreaks, escape data etc. is available for all ASC farms on the company webpage (&gt;70% of our production). Working with web developers to expand this even more to include other environmental and testing data (O2, information about red-listed species, results from research in the area regarding wild salmon, etc.)</p> <p>iv. Involved in a number of sponsorship programs for athletes, NGOs, youth clubs, etc. Information to be listed in the material topics section of the report page 15.</p> <p>v. Local meetings annually in every community where we have farms or other operations (smolt production, etc.)</p> <p>vi. Indigenous representatives invited to meetings.</p>

			<p>vii. We have an HSE representative in the company, workers unions, etc. These are not involved in environmental impacts specifically, more via risk assesment teams</p> <p>viii. We have a procedure which describes this (14752).</p>
<p>GRI 419</p> 	Socioeconomic Compliance	1	<p>The reporting organization shall report the following information:</p> <p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <p>i. 100.000 NOK</p> <p>ii. 0</p> <p>iii. 0</p> <p>b. N/A</p> <p>c. Fine which was recieved was because of a radio inspection certificate on one of our work boats that expired. An NC was raised in our quality management system and the boat was taken in to port so that the radio could be inspected. While this can occur as a result of hectic day to day activities, we should always try our best to avoid it to ensure good HSE routines for our employees.</p>

## GRI standard description (Appendix 1)

### 102: General Disclosures

#### 1. Organizational profile

These disclosures provide an overview of an organization's size, geographic location, and activities. This contextual information is important to help stakeholders understand the nature of the organization and its economic, environmental and social impacts.

##### Disclosure 102-1 Name of the organization

The reporting organization shall report the following information:

- a. Name of the organization.

##### Disclosure 102-2 Activities, brands, products, and services

The reporting organization shall report the following information:

- a. A description of the organization's activities.

b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.

**Disclosure 102-3** Location of headquarters

The reporting organization shall report the following information:

a. Location of the organization's headquarters.

**Disclosure 102-4** Location of operations

The reporting organization shall report the following information:

a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.

**Disclosure 102-5** Ownership and legal form

The reporting organization shall report the following information:

a. Nature of ownership and legal form.

**Disclosure 102-6** Markets served

The reporting organization shall report the following information:

a. Markets served, including:

i. geographic locations where products and services are offered;

ii. sectors served;

iii. types of customers and beneficiaries.

**Disclosure 102-7** Scale of the organization

The reporting organization shall report the following information:

a. Scale of the organization, including:

i. total number of employees;

ii. total number of operations;

iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;

v. quantity of products or services provided.

**Disclosure 102-8** Information on employees and other workers

The reporting organization shall report the following information:

a. Total number of employees by employment contract (permanent and temporary), by gender.

b. Total number of employees by employment contract (permanent and temporary), by region.

c. Total number of employees by employment type (full-time and part-time), by gender.

- d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.
- e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).
- f. An explanation of how the data have been compiled, including any assumptions made.

**Disclosure 102-9 Supply chain**

The reporting organization shall report the following information:

- a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.

**Disclosure 102-10 Significant changes to the organization and its supply chain**

The reporting organization shall report the following information:

- a. Significant changes to the organization's size, structure, ownership, or supply chain, including:
  - i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;
  - ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);
  - iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.

**Disclosure 102-11 Precautionary**

Principle or approach

The reporting organization shall report the following information:

- a. Whether and how the organization applies the Precautionary Principle or approach.

**Disclosure 102-12 External initiatives**

The reporting organization shall report the following information:

- a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.

**Disclosure 102-13 Membership of associations**

The reporting organization shall report the following information:

- a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.

**2. Strategy**

**Disclosure 102-14 Statement from senior decision-maker**

The reporting organization shall report the following information:

- a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.

### **3. Ethics and integrity**

#### **Disclosure 102-16** Values, principles, standards, and norms of behavior

The reporting organization shall report the following information:

- a. A description of the organization's values, principles, standards, and norms of behavior.

### **4. Governance**

#### **Disclosure 102-18** Governance structure

The reporting organization shall report the following information: a. Governance structure of the organization, including committees of the highest governance body.

- b. Committees responsible for decision-making on economic, environmental, and social topics.

### **5. Stakeholder engagement**

#### **Disclosure 102-40** List of stakeholder groups

The reporting organization shall report the following information:

- a. A list of stakeholder groups engaged by the organization.

#### **Disclosure 102-41** Collective bargaining agreements

The reporting organization shall report the following information:

- a. Percentage of total employees covered by collective bargaining agreements.

#### **Disclosure 102-42** Identifying and selecting stakeholders

The reporting organization shall report the following information:

- a. The basis for identifying and selecting stakeholders with whom to engage.

#### **Disclosure 102-43** Approach to stakeholder engagement

The reporting organization shall report the following information:

- a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

#### **Disclosure 102-44** Key topics and concerns raised

The reporting organization shall report the following information:

- a. Key topics and concerns that have been raised through stakeholder engagement, including:
  - i. how the organization has responded to those key topics and concerns, including through its reporting;



- ii. the stakeholder groups that raised each of the key topics and concerns.

## **6. Reporting practice**

### **Disclosure 102-45** Entities included in the consolidated financial statements

The reporting organization shall report the following information:

- a. A list of all entities included in the organization's consolidated financial statements or equivalent documents.
- b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.

### **Disclosure 102-46** Defining report content and topic Boundaries

The reporting organization shall report the following information:

- a. An explanation of the process for defining the report content and the topic Boundaries.
- b. An explanation of how the organization has implemented the Reporting Principles for defining report content.

### **Disclosure 102-47** List of material topics

The reporting organization shall report the following information:

- a. A list of the material topics identified in the process for defining report content.

### **Disclosure 102-48** Restatements of information

The reporting organization shall report the following information:

- a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.

### **Disclosure 102-49** Changes in reporting

The reporting organization shall report the following information:

- a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.

### **Disclosure 102-50** Reporting period

The reporting organization shall report the following information:

- a. Reporting period for the information provided.

### **Disclosure 102-51** Date of most recent report

The reporting organization shall report the following information:

- a. If applicable, the date of the most recent previous report.

### **Disclosure 102-52** Reporting cycle

The reporting organization shall report the following information:

- a. Reporting cycle.

### **Disclosure 102-53** Contact point for questions regarding the report

The reporting organization shall report the following information:

- a. The contact point for questions regarding the report or its contents.

**Disclosure 102-54** Claims of reporting in accordance with the GRI Standards

The reporting organization shall report the following information:

- a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:
  - i. 'This report has been prepared in accordance with the GRI Standards: Core option';
  - ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.

**Disclosure 102-55** GRI content index

The reporting organization shall report the following information:

- a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.
- b. For each disclosure, the content index shall include:
  - i. the number of the disclosure (for disclosures covered by the GRI Standards);
  - ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;
  - iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.

**Disclosure 102-56** External assurance

The reporting organization shall report the following information:

- a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.
- b. If the report has been externally assured:
  - i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;
  - ii. The relationship between the organization and the assurance provider;
  - iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.

**GRI 201: Economic Performance**

**Disclosure 201-1** Direct economic value generated and distributed

The reporting organization shall report the following information:

- a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the

basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- i. Direct economic value generated: revenues;
  - ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
  - iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.
- b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

Disclosure 201-2 Financial implications and other risks and opportunities due to climate change

The reporting organization shall report the following information:

- a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:
  - i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;
  - ii. a description of the impact associated with the risk or opportunity;
  - iii. The financial implications of the risk or opportunity before action is taken;
- iv. the methods used to manage the risk or opportunity;
- v. the costs of actions taken to manage the risk or opportunity.

#### **GRI 204: Procurement Practices**

Disclosure 204-1 Proportion of spending on local suppliers

The reporting organization shall report the following information:

- a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).
- b. The organization's geographical definition of 'local'.
- c. The definition used for 'significant locations of operation'.

#### **GRI 301: Materials**

##### **Disclosure 301-1 Materials used by weight or volume**

The reporting organization shall report the following information:

- a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:
  - i. non-renewable materials used;
  - ii. renewable materials used.

**Disclosure 301-2 Recycled input materials used**

The reporting organization shall report the following information:

- a. Percentage of recycled input materials used to manufacture the organization's primary products and services.

**Disclosure 301-3 Reclaimed products and their packaging materials**

The reporting organization shall report the following information:

- a. Percentage of reclaimed products and their packaging materials for each product category.
- b. How the data for this disclosure have been collected.

**GRI 302: Energy****Disclosure 302-1 Energy consumption within the organization**

The reporting organization shall report the following information:

- a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.
- b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.
- c. In joules, watt-hours or multiples, the total:
  - i. electricity consumption
  - ii. heating consumption
  - iii. cooling consumption
  - iv. steam consumption
- d. In joules, watt-hours or multiples, the total:
  - i. electricity sold
  - ii. heating sold
  - iii. cooling sold
  - iv. steam sold
- e. Total energy consumption within the organization, in joules or multiples.
- f. Standards, methodologies, assumptions, and/or calculation tools used.
- g. Source of the conversion factors used.

**Disclosure 302-2 Energy consumption outside of the organization**

The reporting organization shall report the following information:

- a. Energy consumption outside of the organization, in joules or multiples.
- b. Standards, methodologies, assumptions, and/or calculation tools used.

c. Source of the conversion factors used.

### **Disclosure 302-3 Energy intensity**

The reporting organization shall report the following information:

- a. Energy intensity ratio for the organization.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
- c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.
- d. Whether the ratio uses energy consumption within the organization, outside of it, or both.

### **Disclosure 302-4 Reduction of energy consumption**

The reporting organization shall report the following information:

- a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.
- c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d. Standards, methodologies, assumptions, and/or calculation tools used.

## **GRI 304: Biodiversity**

### **Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity**

The reporting organization shall report the following information:

- a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:
  - i. Construction or use of manufacturing plants, mines, and transport infrastructure;
  - ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
  - iii. Introduction of invasive species, pests, and pathogens;
  - iv. Reduction of species;
  - v. Habitat conversion;
  - vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).
- b. Significant direct and indirect positive and negative impacts with reference to the

following:

- i. Species affected; ii. Extent of areas impacted;
- iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.

**Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations**

The reporting organization shall report the following information:

- a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:
  - i. Critically endangered
  - ii. Endangered
  - iii. Vulnerable
  - iv. Near threatened
  - v. Least concern

**GRI 305: Emissions**

**Disclosure 305-1 Direct (Scope 1)**

GHG emissions

The reporting organization shall report the following information:

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.
- d. Base year for the calculation, if applicable, including:
  - i. the rationale for choosing it;
  - ii. emissions in the base year;
  - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

**Disclosure 305-2 Energy indirect**

**(Scope 2) GHG emissions**

The reporting organization shall report the following information:

- a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- c. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- d. Base year for the calculation, if applicable, including:
  - i. the rationale for choosing it;
  - ii. emissions in the base year;
  - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

**Disclosure 305-4 GHG emissions intensity**

The reporting organization shall report the following information:

- a. GHG emissions intensity ratio for the organization.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
- c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**GRI 306: Effluents and Waste Disclosure 306-2 Waste by type and disposal method**

The reporting organization shall report the following information:

- a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:
  - i. Reuse
  - ii. Recycling
  - iii. Composting
  - iv. Recovery, including energy recovery
  - v. Incineration (mass burn)



vi. Deep well injection

vii. Landfill

viii. On-site storage

ix. Other (to be specified by the organization)

b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:

i. Reuse

ii. Recycling

iii. Composting

iv. Recovery, including energy recovery

v. Incineration (mass burn)

vi. Deep well injection

vii. Landfill

viii. On-site storage

ix. Other (to be specified by the organization)

c. How the waste disposal method has been determined:

i. Disposed of directly by the organization, or otherwise directly confirmed

ii. Information provided by the waste disposal contractor

iii. Organizational defaults of the waste disposal contractor

### **Disclosure 306-3 Significant spills**

The reporting organization shall report the following information: a. Total number and total volume of recorded significant spills.

b. The following additional information for each spill that was reported in the organization's financial statements:

i. Location of spill;

ii. Volume of spill;

iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).

c. Impacts of significant spills.

### **GRI 307: Environmental Compliance**

Disclosure 307-1 Non-compliance with environmental laws and regulations

The reporting organization shall report the following information: a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:

- i. total monetary value of significant fines;
- ii. total number of non-monetary sanctions;
- iii. Cases brought through dispute resolution mechanisms.

b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.

### **GRI 403: Occupational Health and Safety**

#### **1. Management approach disclosures**

##### **Disclosure 403-1 Occupational health and safety management system**

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A statement of whether an occupational health and safety management system has been implemented, including whether:
  - i. the system has been implemented because of legal requirements and, if so, a list of the requirements;
  - ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.
- b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.

##### **Disclosure 403-2 Hazard identification, risk assessment, and incident investigation**

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:
  - i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;
  - ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.
- b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.
- c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.

d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.

#### **Disclosure 403-3 Occupational health services**

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.

#### **GRI 405: Diversity and Equal Opportunity**

##### **Disclosure 405-1 Diversity of governance bodies and employees**

The reporting organization shall report the following information:

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: I

i. Gender;

ii. Age group: under 30 years old, 30-50 years old, over 50 years old;

iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:

i. Gender;

ii. Age group: under 30 years old, 30-50 years old, over 50 years old;

iii. Other indicators of diversity where relevant  
(such as minority or vulnerable groups).

#### **GRI 413: Local Communities**

##### **Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs**

The reporting organization shall report the following information:

a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:

i. social impact assessments, including gender impact assessments, based on participatory processes;

ii. environmental impact assessments and ongoing monitoring;

iii. public disclosure of results of environmental and social impact assessments;

iv. local community development programs based on local communities' needs;

v. stakeholder engagement plans based on stakeholder mapping;

- vi. broad based local community consultation committees and processes that include vulnerable groups;
- vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;
- viii. formal local community grievance processes.

#### **GRI 419: Socioeconomic Compliance**

##### **Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area**

The reporting organization shall report the following information:

- a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
  - i. total monetary value of significant fines;
  - ii. total number of non-monetary sanctions;
  - iii. cases brought through dispute resolution mechanisms.
- b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c. The context against which significant fines and non-monetary sanctions were incurred.

Ms. Lise Kingo  
CEO and Executive Director  
United Nations Global Compact

Lovund, 16.09.2021

## Letter of continued support for the Global Compact

As the CEO of Nova Sea AS, I am pleased to confirm that our company endorses the UN Global Compact Sustainable Ocean Principles – a framework for responsible business practices in the Ocean across sectors and geographies.

Nova Sea AS commits to, where relevant, ensure that material ocean-related risks and opportunities are integrated in corporate strategy, risk management and reporting.

Nova Sea AS will publicly communicate on their commitment to endorse the UN Global Compact Sustainable Ocean Principles, including through the UN Global Compact annual Communication on Progress – in the spirit of continuous improvement.

Sincerely,

  
Tom Erik Aasjord  
CEO  
NOVA SEA AS

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