

An aerial photograph of a rugged, snow-covered mountain coastline. The sun is low on the horizon, casting a warm, golden glow over the scene. The sky is filled with soft, grey clouds. The water is a deep blue, and the snow on the mountains is bright white. The overall mood is serene and majestic.

Sustainability Report

2022

Content

Bluefront Equity and our investment strategy	4
Integrating ESG in our investment process	12
ESG status in the portfolio companies	16
Appendix	42

About Bluefront Equity

Bluefront Equity (Bluefront) aims to be the world's leading impact seafood investor, supporting companies with capital and knowledge to help grow the world's access to sustainable seafood. Bluefront invests in products, services and technology aiming to make the seafood value chain more sustainable. Our targeted focus on seafood and sustainability puts our investment strategy in a unique position addressing global challenges related to obesity and food and water scarcity. Bluefront's headquarter is located in Oslo, Norway.

We are currently investing through our first fund Bluefront Capital I AS, which has a committed capital base of approximately NOK 660 million. The fund was established in July 2020 with a final close in November 2021. The investors in the fund are industry veterans, high net-worth individuals, family offices and institutional investors.

At the end of 2022, the Bluefront team has completed and established five platform investments (more on these companies in section 3). There has been a total of three add-ons to the platforms.

Bluefront has three core values:

Impact driven:

People want to work for something meaningful and create a change.

Friendly:

Be friendly to everything and everyone and build and sustain networks to be a preferred partner.

Ahead of the curve:

Continuous focus on key future trends to help shaping the future of the blue economy.

Team overview:



Simen Landmark

Founding Partner

Former co-founder, Partner and Chairman in Broodstock Capital

Experience from investing in several seafood service companies and hands-on experience from active ownership as Board of Directors member in Therma Industri, Åkerblå, MPI, Bio Marine, Akvasafe, Proff Kulde and Naviaq

M.Sc. Norwegian School of Economics



Kjetil Haga

Founding Partner

Former co-founder and Partner in Broodstock Capital

Experience from investing in several seafood service companies and hands-on experience from active ownership as Board of Directors member in Maritech Systems, Billund Aqua, NP Innovation, MPI, Redox and Seacloud

M.Sc. Norwegian School of Economics and Master in Tech. Management NTNU and MIT Sloan



Sondre Storli

Investment Controller

Several years of audit experience in a wide range of mid-sized to large entities, specializing in the seafood industry

Master's degree in Accounting & Auditing from Norwegian School of Economics

Currently serves on the Board of Directors of Bio Marine, Proff Kulde and Young Fish Øst, an NGO for people working in aquaculture



Johan Kostveit

Investment Associate

Several years of management consulting experience specializing in transactions and strategy during his time in Rystad Energy. Previous experience includes internships in Rystad Energy, Conoco Phillips and Aker Solutions

Bachelor's degree in Petroleum and Process Technology from University of Bergen and M.Sc. Financial Economics from Norwegian School of Economics

Currently serves on the Board of Directors of Seacloud and Akvasafe

Global challenges and the aquaculture industry

One of the main global challenges is how to produce more food. The world will need 70% more food to feed a global population in 2050. This food needs to be produced more sustainably by using less land and less water. In addition, we need to produce more healthy food due to growing concerns around lifestyle diseases.

Some 1 billion people have lifestyle diseases, soils providing 95% of all food are degrading and approximately 2 billion people lack safe drinking water. If we add to the equation that 71% of the planet is covered by water, and only 2% of global food supply is from the ocean, it is obvious that the ocean represents an important part of the solution.

The global supply from fisheries has been stable the last decades, so the growth needs to come from aquaculture. To ensure sustainable growth in aquaculture, farming methods need to be improved and industrialized. Bluefront invests in products, services and technology aiming to improve sustainability in the value chain. Bluefront is based in Norway, the leading producer of the most industrialized fish specie, salmon.

The aquaculture industry and sustainability

There is a growing need for low impact protein sources, and the Norwegian aquaculture sector is positioned to leverage this potential. United Nation’s Food and Agriculture Organization (FAO) has estimated a needed growth of 5.6% for the global aquaculture industry, leading to a potential five-doubling of the Norwegian production of salmon and trout by 2050. We need to change the way we farm and consume food to be able to feed the growing population and save our planet. The amount of greenhouse gases emitted from producing 1 kg beef is almost ten times higher than producing 1 kg salmon.

However, the fish farming value chain is experiencing significant risks due to its impact on rainforests, ocean beds and fish welfare. The industry itself accounts for 0.5% of global greenhouse gas emissions. In Norway, 58 million farmed salmon died in 2022, and the mortality rate on the Norwegian west coast has been above 25%. External factors like extreme weather, ocean warming, and acidification underline the need for innovation, new technology and sustainable growth to improve fish welfare and to reduce emissions and pollution.

In the Norwegian aquaculture sector, salmon is the main contributor. The Norwegian aquaculture industry produces 2.4% of farmed fish globally, 53% of global volume of salmon, and contributed to gross domestic product (GDP) with NOK 60 billion in 2021.

Investment strategy

“Impact the future of the blue economy”

Vision



"Impact the future of the blue economy"

Mission



"Bluefront invests to sustainably impact the seafood value chain"

Business idea



"Create the world's leading impact seafood investor supporting companies with capital and knowledge to help impact the seafood value chain"

Bluefront aims to contribute to solving global challenges through developing the future of the blue economy. The Collier FAIRR index highlights some of the most pressing environmental, social and governance (ESG) impacts in the aquaculture industry. Through our investment strategy and ESG focus, we aim to contribute to solving key issues in the aquaculture value chain.

The overall aim is to ensure sustainable growth of the aquaculture industry. This is achieved through investments in products, services, and technologies contributing to

mitigation of the Collier FAIRR’s selected ESG risks for the aquaculture industry.

Yet, our approach requires a structured assessment of investment targets to consider the possibility to reduce the industry’s negative impacts on ESG factors.

Below is an illustration of how our mission relates to the Sustainable Development Goals (SDGs) and how we aim to create positive economic impact through our focus on ESG.

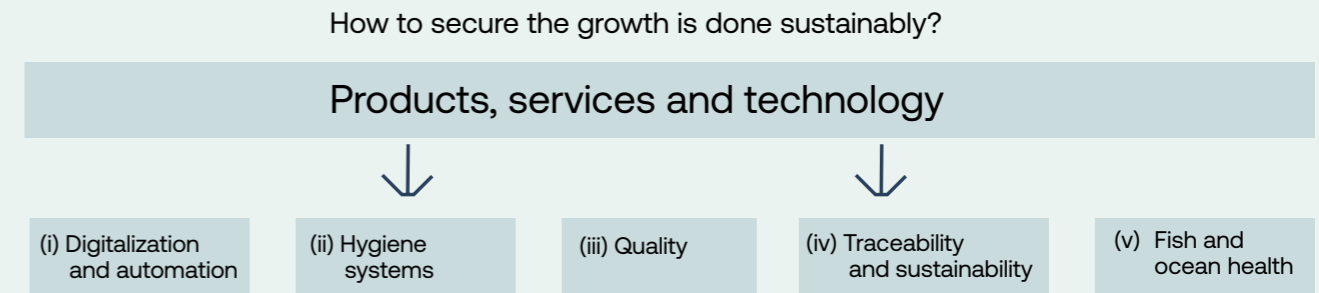
Bluefront's ESG framework



Investment themes

Our current portfolio is comprised of companies with strong potential to reduce some of the negative impacts from the aquaculture industry. We have a targeted strategy

aiming to invest capital in niches where we can make a significant impact. Bluefront has five focus areas and our portfolio companies is targeting one or several of these.



Investment theme	Description	Portfolio companies
Digitalization and automation	The seafood industry is still in an early phase with regards to industrialization. Increased focus on automation and digitalization of current manual tasks will professionalize the industry.	Naviaq Seacloud
Hygiene systems	Disinfection systems using environmentally friendly solutions, such as ozone, contribute to a reduction in the use of chemicals.	Redox
Quality	Quality of the end-product is key in a competitive market. An efficient energy efficiency system can prolong a product's lifetime and simultaneously maintain the product's quality for a longer period.	Proff Kulde
Traceability and sustainability	The value of competence in sea- and land-based farming is a prerequisite for a successful and sustainable aquaculture industry. Necessary certifications, licences and environmental permits are required (license to operate).	Akvasafe
Fish and ocean health	Ideal oxygen conditions and light managements systems contribute to better animal welfare, increase growth and reduce mortality.	Bio Marine

Continuous development

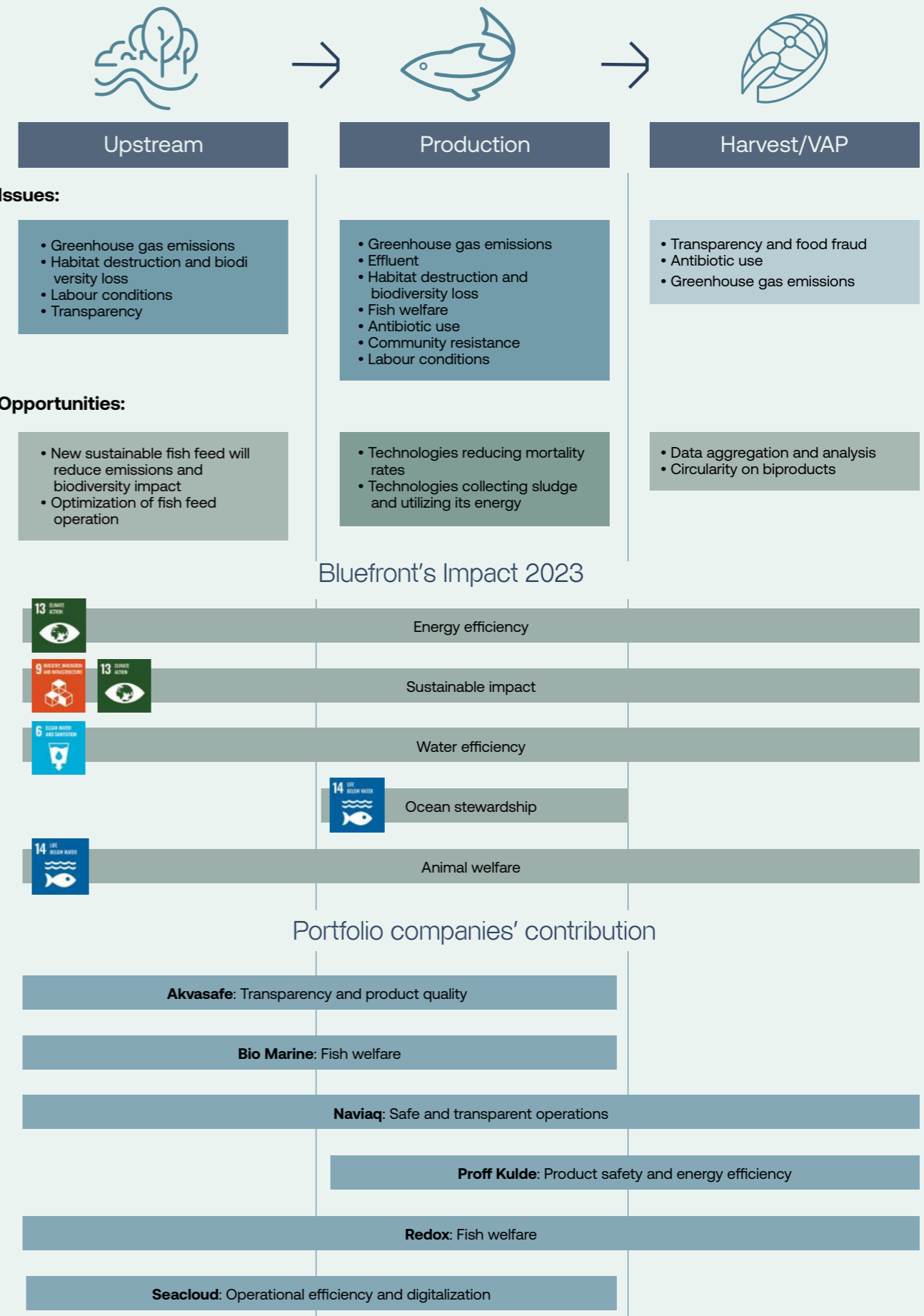
Our portfolio represents solutions for a variety of the sustainability issues in the aquaculture value chain. As a majority shareholder, we have the potential to further improve our companies' focus on sustainability and their potential to deliver positive ESG impacts. Our investment framework determines how ESG is implemented into each portfolio company's strategy and guides us in turning the ESG strategy into clear goals and KPIs.

We believe that by investing in products, services and technologies addressing our five focus areas, we will be an important part in further development of the industry. It is only through addressing key sustainability issues in the industry that we can realize the potential in the blue economy.

Illustration of value chain impacts

Our portfolio companies aim to tackle issues across the aquaculture value chain. They make production more secure and resource efficient through better data, new technology and collaboration across the value chain. Going forward, Bluefront sees a great upside potential in expanding the portfolio with product and technology companies addressing other issues like emissions and

deforestation related to feed production, biodiversity impact from effluents/sludge, and fish welfare. The illustration below shows the main risks within aquaculture as identified by the Collier FAIRR Initiative graded on impact – in other words, where our contribution can be most prominent.



Integrating ESG in our investment process

Bluefront Equity has developed a standard approach on how to integrate ESG throughout the investment cycle. The approach builds on regulatory requirements and inputs from private initiatives, in particular EU Sustainable Finance Disclosure Regulations (SFDR), Principles for Responsible Investment (PRI), and the Collier FAIRR Initiative. [Our Responsible Investment Policy](#) guides all decisions made throughout the investment process.

Deal sourcing

As an industry specific investor, we only target companies in the seafood industry that offer products or services that have the potential to contribute to a more sustainable value chain. In the deal sourcing process, Bluefront applies the ten main ESG risks in aquaculture identified by the Collier FAIRR Initiative, which guides relevant ESG risks and opportunities that are considered in the deal sourcing and due diligence phase. The main focus in the deal sourcing phase is identifying material ESG issues.

Due diligence phase

During due diligence, legal requirements related to ESG issues are carefully considered, such as environmental permits and licenses among others. On the other hand, we are also identifying opportunities to increase company value through ESG initiatives.

ESG-related steps in the due diligence phase include:

- Legal requirements related to ESG
- Comprehensive ESG questionnaire to map ESG maturity
- ESG due diligence: ESG impacts, risks, and opportunities

Collier FAIRR Initiative ESG risks for aquaculture

Environmental

- Greenhouse gas emissions
- Effluent
- Habitat destruction and biodiversity loss

Social

- Labour conditions
- Fish welfare
- Community resistance
- Antibiotic use

Governance

- Transparency and food fraud

Investment decision

Findings from the ESG due diligence are addressed and discussed by the Investment Committee. Results from the ESG questionnaire are cross-checked with Bluefront's investment mandate, and each new platform investment is subject to a review by a Compliance Committee. The due diligence findings and assessments are included in the

development of each portfolio company's ESG strategy. The ESG strategy is further adjusted and finalized together with management and co-owners. Findings, combined with the ESG strategy and allocation of funds for strategy implementation, are then included as a central part of the overall investment decision.

Ownership

Our ESG onboarding process begins with implementing the ESG strategy developed during the investment process. The first phase of the implementation includes finalizing the most important and relevant KPIs for the company and calculate historical values for selected KPIs to establish a meaningful baseline. Both a short-term and a long-term target is set for each KPI, and initiatives needed to reach these targets are adopted by the Board of Directors (BoD) and communicated to the company's employees. Management with support from the BoD are responsible for securing sufficient resources and competence to execute on the strategy. ESG is a standard agenda point at all board meetings and the BoD is therefore frequently updated throughout the ownership period allowing for adjustments to the ESG strategy if needed.

Reported KPIs are further imported into an ESG reporting database tool called Novata. This tool streamlines the reporting and enables benchmarking of the results with other similar companies, both within and outside Bluefront's portfolio.

As part of the ESG onboarding process, Bluefront also assists portfolio companies with standard governance documents such as Code of Conduct, Anti-corruption policy, Whistleblower policy, GDPR policy, HSE policy, ESG policy and instructions for the CEO and the Board of Directors.

Exit

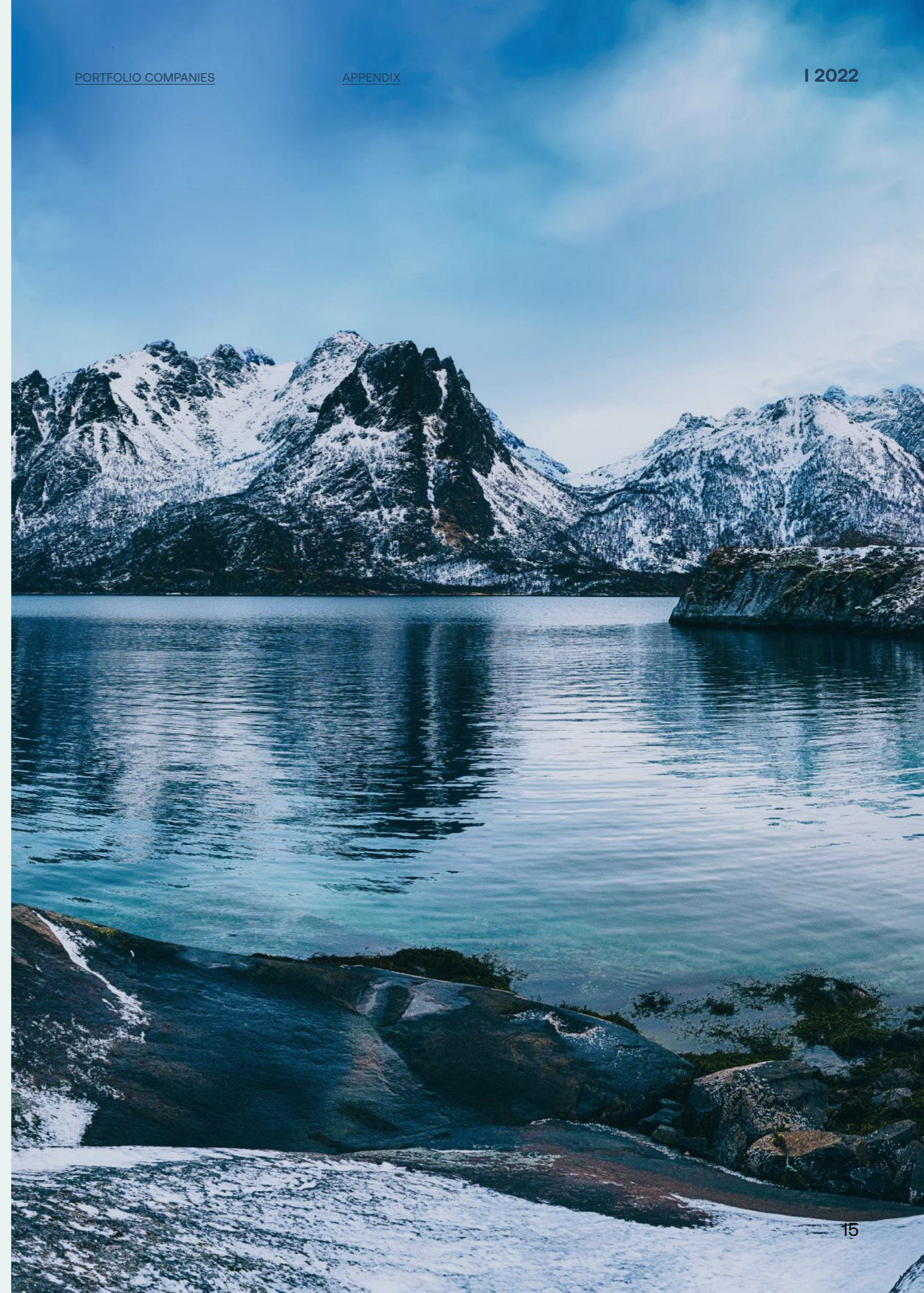
Our ambition is to have full control over potential ESG risks prior to exiting an investment in order to enhance value creation going forward. Bluefront will also, together with the company's management, evaluate the ESG performance during the holding period by revisiting the initial strategy and compare it with the adjusted strategy when exiting and concretize key takeaways. This work will equip the company with experience needed to further improve its ESG work.

Continuous improvement

Bluefront, alongside our portfolio companies, are continuously developing our ESG framework. At least annually, the BoD will address the overall strategy in each portfolio company, analyze potential new risks and opportunities and assess them accordingly.

Key pillars in Bluefront's ESG approach to secure successful ESG implementation

1. Ensure ESG targets are implemented into the strategy
2. Discuss and agree on ESG targets prior to investment decision
3. Ensure that portfolio companies have the resources available to implement the ESG strategy
4. Ensure that portfolio companies' ESG strategies are focused on material topics
5. Ensure that portfolio companies have access to the right tools to streamline ESG reporting
6. Publish annual ESG report to measure impact and ensure accountability



ESG status in the portfolio companies

Principal Adverse Impacts

As part of Bluefront's ESG framework, we report on Principle Adverse Impacts (PAIs). We assess key PAI indicators prior to making investment decisions, and measurement and reporting of PAI indicators will be implemented for each portfolio company within 100 days of the holding period.

Together with management and owners in each portfolio company, an ESG strategy has been established as part of the value creation plan. The ESG strategy includes clear and measurable sustainability targets tailored to each company's operations. The ESG strategy focuses on ways to increase a company's positive contribution to making

the seafood value chain more sustainable, as well as reducing adverse impacts. Each portfolio company has a designated person responsible for implementation and monitoring of ESG-related measures.

The PAI indicators, alongside company specific metrics, are reported to Bluefront on a quarterly basis after initial implementation. Results are thereafter presented on the following BoD meeting, where efforts to meet targets are discussed. Annually, a revisit of the original ESG strategy is performed, and potential modifications in KPIs and initiatives are addressed and implemented for the coming year.

For FY21, figures only include Redox AS, whilst FY22 include aggregated figures for the whole portfolio.

Metric	2021	2022	Comment
Scope 1 (direct emissions) (tCO2e)	14 t CO2e	100 t CO2e	Naviaq not monitored FY22.
Scope 2 (indirect emissions form energy, location-based method) (tCO2e)	1 t CO2e	5.9 t CO2e	Naviaq not monitored FY22.
Scope 2 (indirect emissions from energy, market-based method) (tCO2e)	56t CO2e	284.7 t CO2e	Naviaq not monitored FY22.
Carbon footprint	8.5 t CO2e per EURm	81.6 t CO2e per EURm	
GHG intensity	5.5 t CO2e per EURm	23.23t CO2e per EURm	
Share of investments in companies active in the fossil fuel sector	0	0	
Share of non-renewable energy consumption of investee companies.	26 %	26 %	
None of the investee companies are involved in non-renewable energy production	N/A	N/A	
Total energy consumption in GWh	0.207	1.13	
Total consumption per revenue (GWh/EURm)	0.016	0.41	
Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	0	0	
Share of investments in investee companies without sustainable oceans/seas practices or policies	100 %	83 %	One of six investee companies have policies for sustainable oceans/seas practices as of FY22.
Total tonnes of emissions to water generated by investee companies per million EUR invested, expressed as weighted average	0	0	
Total tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.577	8.7	
Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	Not measured in FY21	0.46	
Tonnes of air pollutants equivalent per million EUR investet, expressed as a weighted average	Not measured in FY21	Not measured in FY22	
Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average	0	0	
Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	Not figures for FY21	113.17	
Number of incidents of discrimination reported in investee companies expressed as a weighted average	0	0	
Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	0	0	
Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0 %	0 %	
Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	100 %	83 %	One investee company monitors UNGC as of FY22
Relative differences in gender pay gap (positive relates to women being paid less than men)	11 %	2,2 %	
Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	20 %	5,5 %	
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0	0	

Akvasafe

Company at a glance

Headquarter : Bergen, Norway
Bluefront ownership: 62%
Employees: 19
Countries: 3

Akvasafe delivers inspection, engineering and certification services to sea and land-based fish farmers and product manufacturers. Akvasafe is accredited by the Norwegian Accreditation as an independent;

- Inspection body
- Product certification body
- System certification body
- Laboratory - providing sampling of bottom sediments and interpretation of environmental conditions

Akvasafe's services contribute to positive ESG impact for customers with regards to:

- Product lifetime
- Genetic pollution of wild salmon
- Seabed quality
- Regulatory compliance
- HSE in operation

Bluefront Equity investment themes:

- Traceability and sustainability

Inspections and certifications in aquaculture farming systems contribute to moving the industry towards sustainable production.

Mission

Akvasafe's mission is to ensure a safer and sustainable aquaculture industry, by providing interdisciplinary competence to their customers.

Akvasafe's most important impacts on ESG through the value chain



Raw materials & suppliers

Own operations

Customers & end-users

Environmental			
GHG emissions	Transport, data centers	Business travel	Inspection boats
Biodiversity			(+) Seabed quality (+) Genetic fish pollution
Waste and material use		Non-hazardous waste	(+) Product life-time
Social			
Human and labor rights	Human and labor rights	Overtime work, fair wages	
Employee engagement		(+) Training and skills, diversity	
Health and safety		HSE in service operations	(+) HSE in operations
Governance			
Business ethics	Traceability	Professional integrity	Corruption and bribery
Data privacy and security		Data security	Data security
Regulatory compliance			(+) Regulatory compliance

(+ Positive) High Medium Low

Most important risks and opportunities driven by ESG factors

Opportunity/risk category	Description	Reason for importance
Environment	Customer's ESG ambitions	Support customers in reducing negative ESG impacts and achieve ESG targets may improve company reputation
Social	Learning and development	Attract and retain talent by providing opportunities for learning and development
Social	Relevant competence	Increased costs to ensure the right competence in a changing regulatory environment

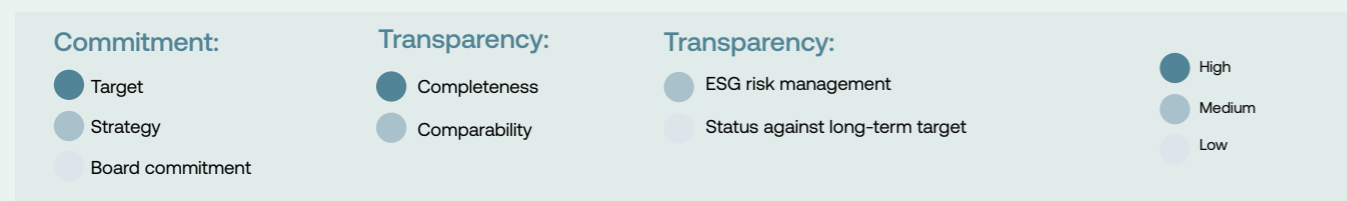
Opportunity Risk

ESG strategy

	2022 Activities	2023 Plans	2023 Targets	KPIs	By 2030...	Evaluation
Sustainable aquaculture	<ul style="list-style-type: none"> Contributed to growth in land-based aquaculture Contributed to reuse and recertifications of components Increased the offering of Environmental monitoring (TEST*) Provided certification of management systems (MSYS**) 	<ul style="list-style-type: none"> Increase revenue from recertifications of components, environmental monitoring (TEST*), and certifications management systems (MSYS**) Implement supplier code of conduct 	<ul style="list-style-type: none"> No fish escapes in certified localities Revenue from reuse of components and recertifications to account for 20% of total revenue Revenue from TEST* to increase by 150% from FY22 figures Revenue from MSYS** to increase by 150% from FY22 figures 	<ul style="list-style-type: none"> Number of fish escapes from controlled localities Percentage of revenue from reuse and recertification TEST* revenue MSYS** revenue 	<ul style="list-style-type: none"> Be a preferred supplier Be top 2 for technical services Be top 5 for environmental services Develop and execute new sustainable services 	<p>On track</p> <p>→</p>
Integrity	<ul style="list-style-type: none"> Continuously stayed up to date with regulatory changes Ensured a high level of multidisciplinary competence in the organisation Completed internal and external audits 	<ul style="list-style-type: none"> Update on regulatory changes Employees' competence plans Introduce a new quality system and training module Receive less findings from audits with Norwegian Accreditation (NA) 	<ul style="list-style-type: none"> All employees are updated on regulatory changes Reduction of 10% in findings from Norwegian Accreditation (NA) 	<ul style="list-style-type: none"> Number of interactions with employees regarding regulatory changes Number of findings during audit by the NA 	<ul style="list-style-type: none"> Improve Akvasafe's environmental footprint Introduce KPIs on Quality and Competence 	<p>Exceeding plans</p> <p>↑</p>
Talent attraction and retention	<ul style="list-style-type: none"> Ensured the correct use of personal protective equipment (PPE) Held regular social activities Set internal information sharing on the agenda 	<ul style="list-style-type: none"> Avoid lost-time injuries Perform annual performance appraisals (APA) Publish employee handbook Social activity arrangement every 3 months Regular information meetings 	<ul style="list-style-type: none"> Ambition of <1 days lost due to work-related injuries All employees have received APA Female employees account for 30% of total employees Turnover rate of <15% 	<ul style="list-style-type: none"> Days lost to work-related injuries Percentage of employees that have received APA Female percentage of employees Turnover rate 	<ul style="list-style-type: none"> Be an attractive and competitive employer 40% female employees Turnover < 10% 	<p>Exceeding plans</p> <p>↑</p>

* TEST – Accreditation for laboratory – providing sampling of bottom sediments and interpretation of environmental conditions
 ** MSYS – Accreditation as Certification body for management systems and complies with the requirements of NS-EN ISO/IEC 17021-1

Status ESG integration



Bio Marine

Company at a glance

Headquarter : Surnadal, Norway
Bluefront ownership: 60%
Employees: 14
Countries: Norway

Bio Marine develops and markets products and systems that ensure a good environment and safety for farmed fish, with particular emphasis on oxygen supply, water circulation, environmental monitoring and lighting. Bio Marine's business idea is to develop technology and solutions that make it easy to ensure optimal environmental conditions and safety for the fish.

Bio Marine thus continues OxyVision's technology and expertise, which has presented leading solutions in oxygen systems in aquaculture for over 20 years.

Bluefront Equity investment themes:

- Fish and ocean health

Ideal oxygen conditions and light managements systems contribute to better animal welfare, increase growth and reduce mortality.

Mission

Bio Marine's mission is to optimize growth conditions and improve fish welfare, through the delivery of oxygen and light management systems.

Bio Marine's most important impacts on ESG through the value chain

	Raw materials & suppliers	Own operations	Customers & end-users
Environmental			
GHG emissions		Over-sea-flights (-)	(+) Resource utilization
Material use	Steel, plastic, e-waste	Residuals	End-of-life management
Biodiversity			(+) Fish welfare
Social			
Human and labor rights	Labor rights	Fair wages	
Employee engagement		Diversity and inclusion (+)	(+) Transfer of competence
Local value creation	(+) Local jobs	(+) Local jobs, tax contribution	
Governance			
Business ethics	Traceability	Business integrity	Corruption and bribery
Data privacy and security		Employee data privacy	Data security
		(+) Positive	High Medium Low

Most important risks and opportunities driven by ESG factors

Opportunity/risk category	Description	Reason for importance
Environment	Climate change	Extreme change in sea temperature may disrupt production activities in Bio Marine's main markets, as well as negatively affect supply chain stability
Social	Diversity and inclusion	Promotion of diversity and inclusion may enhance performance, employee attraction and retention and in this way enhance local value creation
Social/Governance	Supply chain	Suppliers in countries with less transparency may involve supply chain risks and exposure for the company to irresponsible business practices

Opportunity Risk

ESG strategy

	2022 Activities	2023 Plans	2023 Targets	KPIs	By 2030...	Evaluation
Sustainable aquaculture	<ul style="list-style-type: none"> Sales, marketing & information of own products through fairs and seminars Enabled data aggregation from production-sites (O2-monitoring) Continuous focus on research & development projects (R&D) 	<ul style="list-style-type: none"> Reach new markets Search for interesting cooperations/partnerships abroad Continuous focus on R&D projects in cage-based environment and biomass production 	<ul style="list-style-type: none"> Sales from international markets to account for 20% of overall sales Ensure grants for three new R&D projects to continue the sustainable development of the industry 	<ul style="list-style-type: none"> International sales as a percentage of total sales Number for grants received for R&D projects 	<ul style="list-style-type: none"> Establish international offices providing low-cost solutions to less industrialized countries Be a leading R&D environment for current and alternative farming methods 	On track ➔
Integrity	<ul style="list-style-type: none"> Review of current supply chain management Mapping of suppliers with integrated sustainability information (3rd party certification) 	<ul style="list-style-type: none"> Inform about our 3rd part certification Inquire suppliers, for 3rd part sustainability certification Monitor relevant online information for stakeholders 	<ul style="list-style-type: none"> Increase number of suppliers with 3rd party sustainability certifications to 50% 50% of suppliers have signed the supplier code of conduct 	<ul style="list-style-type: none"> Percentage of suppliers with a 3rd party sustainability certification Percentage of suppliers who have signed supplier code of conduct 	<ul style="list-style-type: none"> 100% of suppliers have a 3rd party sustainability certifications 100% of suppliers have signed the supplier code of conduct 	On track ➔
Talent attraction and retention	<ul style="list-style-type: none"> Provided oxygenation-products; NetOx for open & closed cage production for cod - & salmon farmers Provided aqua-lights (ee-products & high-quality hard plastic) to customers 	<ul style="list-style-type: none"> Increase circulation by providing a product guide that comes with all equipment, with information for correct sorting Seek cooperation in circulation-projects 	<ul style="list-style-type: none"> 50% of the company's products being returned for repair / service is given extended lifetime 50% in recycled waste ratio 	<ul style="list-style-type: none"> Percentage of products given service in a way that extends products lifetime Percentage of waste recycled 	<ul style="list-style-type: none"> Have 80% of self-made products being given extended lifetime 	On track ➔

Status ESG integration

Commitment:	Transparency:	Transparency:	
● Target	● Completeness	● ESG risk management	● High
● Strategy	● Comparability	● Status against long-term target	● Medium
● Board commitment			● Low

Naviaq

Company at a glance

Headquarter : Trondheim, Norway
Bluefront ownership: 56%
Employees: 8
Countries: Norway

Naviaq is a software company delivering a variety of solutions to different parts of the salmon farming industry (i.e., salmon farmers, service vessels, well-boats).

Naviaq provides its customers with full overview of the technical standard of the facility and/or the associated vessel fleet. The company also offers business systems for service vessels, including invoicing, documentation, timebank, crew calendar, etc.

Naviaq has had great development the past years and landed large clients like Frøy and SalMar, creating a great foundation for further growth.

Bluefront Equity investment themes:

- Digitalization and automation

Complete control and status of equipment can reduce the risk of contaminating the ocean, the risk of habitat destruction and biodiversity loss, and increase the safety of employees working both onshore and offshore.

Mission

Naviaq's mission is to reduce costs and increase safety within the aquaculture industry, by providing software solutions that gives the customer full overview of all workstreams.

Naviaq's most important impacts on ESG through the value chain

	Raw materials & suppliers	Own operations	Customers & end-users
Environmental			
GHG emissions	Data center energy consumption	Business travel & energy use	
Biodiversity			(+) Fish escapes
Waste and material use		EE-waste, plastic, paper	(+) Product lifetime extension
Social			
Human and labor rights	Human and labor rights	Overtime work, (+) Fair wages	
Employee engagement		Diversity and inclusion	
Governance			
Business ethics	Traceability	Professional integrity	(+) Regulatory compliance Corruption and bribery
Data privacy and security		Data security	Data security

(+) Positive High Medium Low

Most important risks and opportunities driven by ESG factors

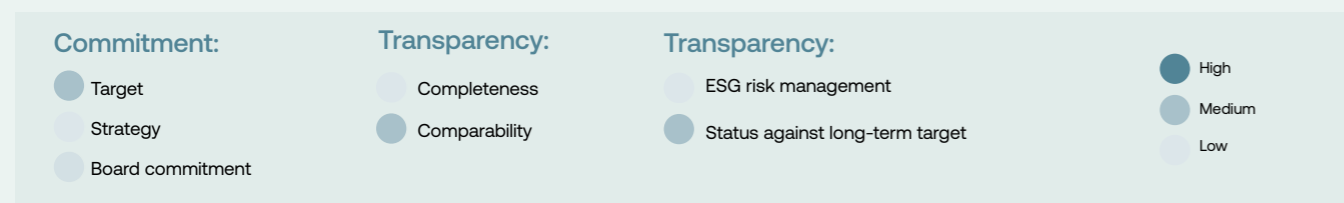
Opportunity/risk category	Description	Reason for importance
Environment	Customer's ESG ambitions	Support customers in reducing negative ESG impacts and achieve targets may positively affect reputation
Social	Diversity and inclusion	Diversity and inclusion may enhance performance, employee attraction and retention
Governance	Data security	Operational and reputational risk related to data breach and information leakage

Opportunity Risk

ESG strategy

	2022 Activities	2023 Plans	2023 Targets	KPIs	By 2030...	Evaluation
Sustainable aquaculture	<ul style="list-style-type: none"> •Analysis of workflows during implementation of new customers •Implemented help page for users •Analysis of integration opportunities with suppliers that measure energy consumption directly 	<ul style="list-style-type: none"> •Product meetings with customers •Evaluate support function to customers and modify delivery to customer needs •Survey to evaluate Naviaq app (data collection) •Survey to evaluate suppliers 	<ul style="list-style-type: none"> •Have seven integrations with other data suppliers (API) to improve data quality and transparency •Increase the number of users interacting with the Naviaq platform by 10% 	<ul style="list-style-type: none"> •Number of integrations with other data suppliers (API) •Number of users interacting with the Naviaq platform 	<ul style="list-style-type: none"> •Use service providers that have sustainable goals 	On track ➔
Integrity	<ul style="list-style-type: none"> •Hired back-end developer •Hired two project managers with background from aquaculture •Developers participated at the Norwegian Developer Conference 	<ul style="list-style-type: none"> •Hire another back-end developer •Product strategy meetings with corresponding visits to service boats and sites •Developers to participate at Norwegian Developer Conference in Oslo (new technology) 	<ul style="list-style-type: none"> •Increase the percentage of female employees to 25% •Ambition of <1 days lost due to work-related injuries •Turnover rate of <20% 	<ul style="list-style-type: none"> •Female percentage of employees •Days lost to work-related injuries •Turnover rate 	<ul style="list-style-type: none"> •Employee Net Promoter Score (eNPS) of 9/10 •Be a preferred company to work at 	On track ➔
Talent attraction and retention	<ul style="list-style-type: none"> •Analysed, detected and removed risk vulnerabilities in our products 	<ul style="list-style-type: none"> •Implement monitoring tool for products and services •Implement risk assessment of IT-systems •Set up data processor agreement for all customers •Implement method to measure mean-time metrics related to data security 	<ul style="list-style-type: none"> •Have zero critical security incidents •Have an uptime of >99% 	<ul style="list-style-type: none"> •Number of critical security incidents •Percentage of software uptime 	<ul style="list-style-type: none"> •Receive security certifications (ISO 27001) •Receive cloud certifications •Acquire other relevant certifications 	On track ➔

Status ESG integration



Proff Kulde

Company at a glance

Headquarter : Svolvær, Norway
Bluefront ownership: 60%
Employees: 17
Countries: Norway

Proff Kulde is one of few companies producing and delivering patented products using the natural refrigerant CO2.

The company delivers cooler-, freezer-, and heater solutions to clients within the marine and industrial markets (70-80% is seafood related revenue) with a growing service and after market revenue.

Proff Kulde has a market leading position in the seafood market in the northern part of Norway.

Bluefront Equity investment themes:




- Quality

Adoption of natural refrigerant systems contributes to reduce overall GHG emissions. For food production, an efficient cooling system prolongs a product's lifetime and increases its quality.

Mission

Proff Kulde's mission is to reduce environmental impact from the HVAC industry, through providing their customers with energy efficient natural refrigerants solutions.

Proff Kulde's most important impacts on ESG through the value chain

	 Raw materials & suppliers	 Own operations	 Customers & end-users
Environmental			
GHG emissions	Raw material extraction	Production activities	(+) Natural refrigerants
Biodiversity	Raw material extraction		
Waste and material use	Hazardous waste	Hazardous and metal waste	(+) Fewer components in prod.
Social			
Human and labor rights	Human and labor rights	Fair wage, overtime	
Health and safety	Raw material extraction	Production processes	Product safety
Employee engagement		(+) Training and development	
Local value creation		(+) Job creation	
Governance			
Business ethics	Traceability	Corruption and bribery	Corruption and bribery
Data privacy and security		Data security	Data security

(+) Positive High Medium Low

Most important risks and opportunities driven by ESG factors

Opportunity/risk category	Description	Reason for importance
Social	Local value creation	As Proff Kulde expands, it has the opportunity to provide jobs for the local population in Svolvær
Social	Talent attraction and retention	High competition for engineering talent is likely to have an impact on the company
Governance	Transparency	Increased demand for supply chain transparency may require investments in internal management systems

Opportunity Risk

ESG strategy

	2022 Activities	2023 Plans	2023 Targets	KPIs	By 2030...	Evaluation
Sustainable aquaculture	<ul style="list-style-type: none"> Developing sustainable solutions for chilling, freezing and heating (CO2PRO™ -using patented technology) Initiated expansion of production facilities Identified potential sales partners 	<ul style="list-style-type: none"> Track sales of inhouse CO2PRO™ products Continue investments into the CO2PRO™ products Assess which products are relevant for an Environmental Product Declaration (EPD) 	<ul style="list-style-type: none"> Increase revenue and number of sales from inhouse technology of 15% Have three ongoing R&D projects Implement EPD on own products Have a customer net promoter score of >8 (out of 10) 	<ul style="list-style-type: none"> Revenue CO2PRO™ products Number of CO2PRO™ sales Number of ongoing R&D projects Percentage of products with EPDs Customer net promoter score (CNPS) 	<ul style="list-style-type: none"> Scale production to reach up to 300 units per year Develop net zero HVAC* solutions Have EPD on all products sold by the company Have an CNPS of >9 (out of 10) 	On track ➔
Integrity	<ul style="list-style-type: none"> Identified vulnerabilities in relation to the purchase of raw materials and components for production (e.g. delivery) Purchased sufficient materials to start production for retrofit market Reporting on share of significant suppliers who have a certified environmental management system (e.g., Eco Lighthouse certified/ ISO 14001 certified) 	<ul style="list-style-type: none"> Improve waste management for specific materials (e-waste) Assess recycling options (e.g., plastic, titanium) Consider possible suppliers of titanium Implement supplier code of conduct 	<ul style="list-style-type: none"> 50% in recycled waste ratio 30% of suppliers with a certified environmental management system 70% of suppliers have signed the code of conduct 	<ul style="list-style-type: none"> Percentage of waste recycled Percentage of suppliers with a certified environmental management system Percentage of suppliers who have signed supplier code of conduct 	<ul style="list-style-type: none"> Ensure supplier redundancy with regards to critical commodity-based components Ensure sustainable sourcing of critical commodity-based components Ensure continued transparency through ESG reporting Implement a more extensive supply chain management system 	On track ➔
Talent attraction and retention	<ul style="list-style-type: none"> Held employee performance appraisals Developing employees through courses Facilitated the possibility for employees to take their professional degree certificates through work 	<ul style="list-style-type: none"> Hire first female employee Strengthen onboarding processes & overall HR function 	<ul style="list-style-type: none"> Increase the percentage of female employees to 5% Hire two new apprentices/trainees Turnover rate of <10% 	<ul style="list-style-type: none"> Female percentage of employees Number of trainees hired Turnover rate 	<ul style="list-style-type: none"> Enhance gender balance in board, executive positions and staff Attract the best people and continue hiring trainees 	On track ➔

* HVAC – Heating, Ventilation and Air Conditioning

Status ESG integration

Commitment:	Transparency:	Transparency:	High
● Target	● Completeness	● ESG risk management	● High
● Strategy	● Comparability	● Status against long-term target	● Medium
● Board commitment			● Low



Redox

Company at a glance

Headquarter : Averøy, Norway
Bluefront ownership: 81%
Employees: 41
Countries: Norway, India

Redox is a total supplier of solutions for regulating water quality to the fisheries and aquaculture industry. Using some 20 years of experience as a leading supplier of technology and equipment within fish welfare and biosecurity for well boats, in recent years Redox has also invested in solutions for land-based facilities and closed cages.

Redox' solutions ensure optimal conditions for good growth and water quality, in addition to increased biosecurity.

Bluefront Equity investment themes:

- Hygiene

Increased use of ozone as disinfectant contributes to reduced use of chemicals and improves biosecurity in the seafood value chain.

Mission

Redox's mission is to increase biosecurity and reduce chemical usage, through providing their customers with environmentally friendly solutions.

Redox's most important impacts on ESG through the value chain



Raw materials & suppliers



Own operations



Customers & end-users

Environmental			
Emissions	Product production		Energy consumption
Biodiversity	Metals, hazardous materials	Residuals (metals)	Metals, biological waste
Waste			(+) Fish welfare
Social			
Human and labor rights	Human and labor rights	Overtime work, (+) fair wages	
Health and safety	HSE in production	Installation and maintenance	
Employee engagement		Diversity and inclusion	
Local value creation		Diversity and inclusion	
Governance			
Business ethics	Traceability	Professional integrity	(+) Regulatory compliance Corruption and bribery
Data privacy and security			Data security

(+) Positive High Medium Low

Most important risks and opportunities driven by ESG factors

Opportunity/risk category	Description	Reason for importance
Environment	Customer's ESG ambitions	Support customers in reducing negative ESG impacts (e.g., on fish welfare) and reaching customer targets may positively affect reputation
Governance	Transparency	Increased demand for supply chain transparency may require investments in internal management systems
Social	Employee attraction	Risk of increasing talent attraction and retention costs as Redox' products and services are dependent on niche competence

Opportunity Risk

ESG strategy

	2022 Activities	2023 Plans	2023 Targets	KPIs	By 2030...	Evaluation
Sustainable aquaculture	<ul style="list-style-type: none"> Preparing the wash zero solution for commercialization Started with ESG reporting and optimization of routines. High-level Reporting of climate footprint 	<ul style="list-style-type: none"> Further develop and deliver environmentally friendly solutions and implement strategic initiatives Further evaluate and optimise routines and documentation 	<ul style="list-style-type: none"> Invest 0.1% of generated revenue in innovation and development projects 50% in recycled waste ratio 0 tonnes of hazardous waste 	<ul style="list-style-type: none"> Investments in R&D as a percentage of company revenue Percentage of waste recycled Tonnes of hazardous waste 	<ul style="list-style-type: none"> Evaluate commitment to Sustainable Ocean Principles Initiate circularity on sold products 	<p>Lagging</p> <p>↓</p>
Integrity	<ul style="list-style-type: none"> Held regular development conversations with employees Engaged employees in ESG strategy and reporting 	<ul style="list-style-type: none"> Further involve employees to support the companies' ESG initiatives Optimize work schedules to reduce the use of overtime 	<ul style="list-style-type: none"> All employees have received APA Decrease average overtime hour per employee to <200 hours annually 	<ul style="list-style-type: none"> Percentage of employees that have received APA Number of overtime hours per employee 	<ul style="list-style-type: none"> Continue the development of our "People policy" Become "Great place to work" (GPTW) certified 	<p>On track</p> <p>→</p>
Talent attraction and retention	<ul style="list-style-type: none"> Developed a supplier Code of Conduct Conducted impact analyses on our key products 	<ul style="list-style-type: none"> Establish procurement procedures including supplier selection criteria Further develop impact analysis on products Get suppliers to sign the code of conduct 	<ul style="list-style-type: none"> Reduce the number of customer complaints 50% of suppliers to sign the code of conduct 	<ul style="list-style-type: none"> Number of customer complaints Share of suppliers who have signed code of conduct 	<ul style="list-style-type: none"> Achieve environmental certifications (Eco-lighthouse and/or ISO 14001) 	<p>On track</p> <p>→</p>

Status ESG integration

Commitment:

- Target
- Strategy
- Board commitment

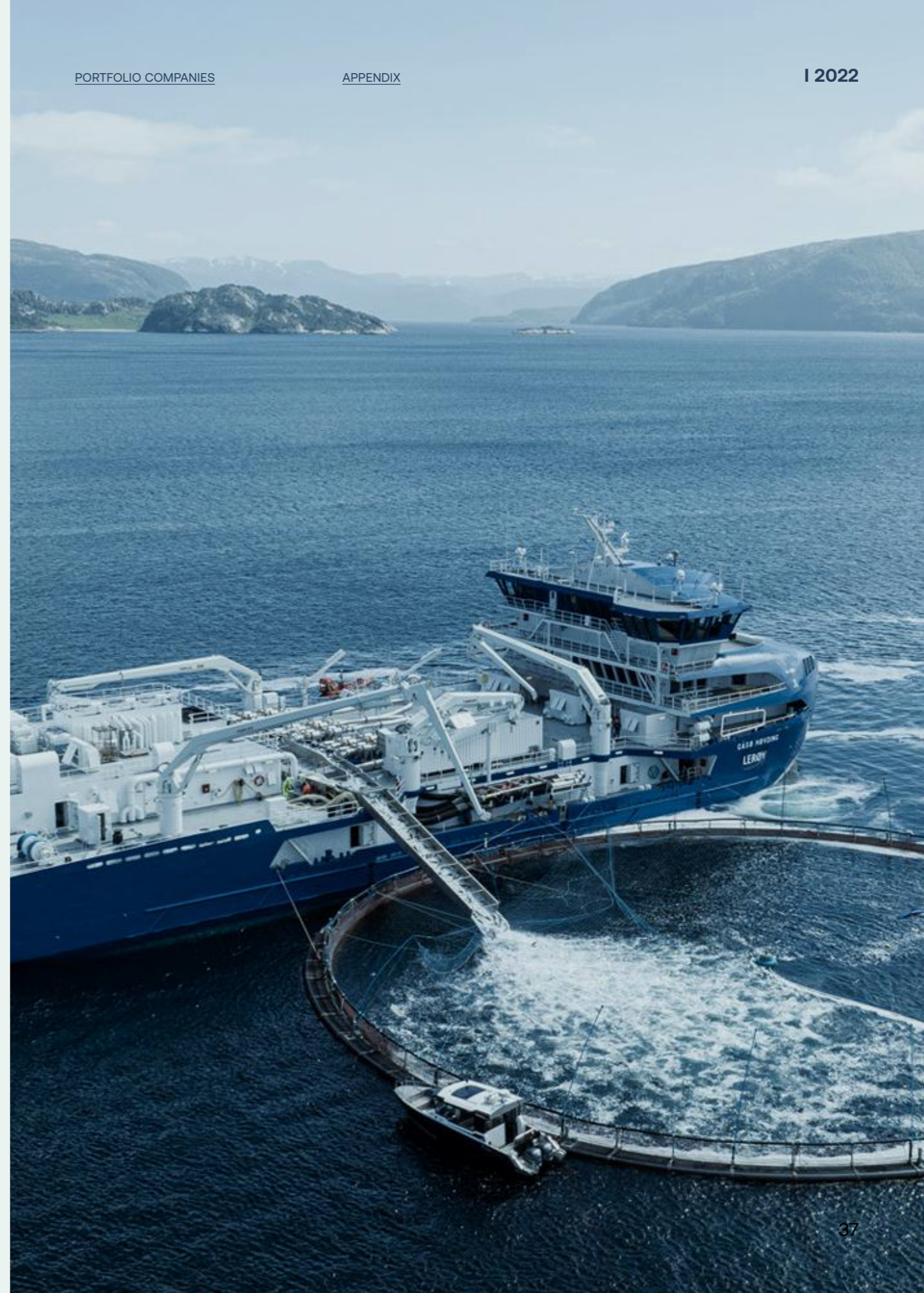
Transparency:

- Completeness
- Comparability

Transparency:

- ESG risk management
- Status against long-term target

- High
- Medium
- Low



Seacloud

Company at a glance

Headquarter: Alta, Norway
Bluefront ownership: 51%
Employees: 14
Countries: Norway

Seacloud is a software company delivering cloud services and equipment (sensors) to different parts of the salmon farming industry (i.e., salmon farmers, service vessels, wellboats etc.).

The company offers cloud services displaying operational datasets such as weather data and environmental data to both salmon farmers and vessel operators. Seacloud also offers vessel integration including analysis of overall operational performance onboard.

Bluefront Equity investment themes:




- Digitalization and automation

Data aggregation enables informed decision making, which contributes to improved resource utilization, reduced emissions and increased safety and quality of operations.

Mission

Seacloud's mission is to accelerate the digitalization of the aquaculture industry, by increasing the availability of data.

Seacloud's most important impacts on ESG through the value chain

	 Raw materials & suppliers	 Own operations	 Customers & end-users
Environmental			
GHG emissions	Transport	Energy use in buildings	(+) Fuel efficiency
Biodiversity	Extraction of raw materials		(+) Fish health and welfare
Waste and material use	Chemicals use	EEE waste, chemicals, plastic	Plastic and copper release
Water		Cleaning operations	
Social			
Human and labor rights	Human and labor rights	Overtime work, (+) fair wages	
Health and safety	Supplier operations	Production processes	(+) HSE in ocean operations
Employee engagement		(+) Employee education	
Local value creation		(+) Local value creation	
Governance			
Business ethics	Traceability	Corruption and bribery	Corruption and bribery
Data privacy and security		Data privacy	Data security

(+) Positive High Medium Low

Most important risks and opportunities driven by ESG factors

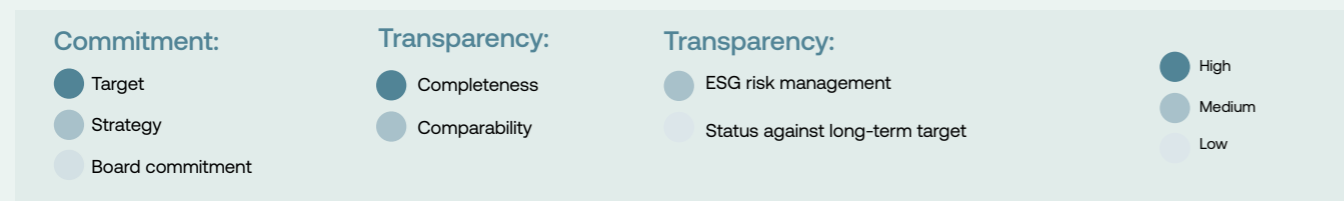
Opportunity/risk category	Description	Reason for importance
Environment	ESG savings	Cost reduction by implementing ESG initiatives (e.g., circular initiatives)
Environment	Customer targets	Increase market share by supporting customers in meeting their ESG targets
Social	Reputational risk	Reputational risk of greenwashing if not able to prove claims of the ESG effects of products and services

Opportunity Risk

ESG strategy

	2022 Activities	2023 Plans	2023 Targets	KPIs	By 2030...	Evaluation
Sustainable aquaculture	<ul style="list-style-type: none"> Ongoing product development on Seacloud's vessel integration 	<ul style="list-style-type: none"> Decrease average throttle position at high capacity for customers vessels Increase net promoter score through active engagement with customers 	<ul style="list-style-type: none"> Engine time with throttle position at high capacity reduced by 10% from FY22 NPS of 8 out of 10 	<ul style="list-style-type: none"> Percentage of engine hours with throttle position >80% NPS score 	<ul style="list-style-type: none"> Reduce engine time with throttle position at high capacity by 80% from FY22 levels NPS of 9 out of 10 	On track ➔
Integrity	<ul style="list-style-type: none"> Developed a service business model supporting longevity on equipment, leading to reduced overall consumption Initiated arrangement with casings supplier to offer recycling Performed repairs on sensors and existing customer instruments 	<ul style="list-style-type: none"> Report broken equipment in Seacloud quality System Establish routines for overall recycling, particularly EEE-waste 	<ul style="list-style-type: none"> Have 97% of pelicases reused 100% of broken casing units recycled 50% in recycled waste ratio 	<ul style="list-style-type: none"> Percentage of pelicases reused Percentage of broken casing units recycled Percentage of waste recycled 	<ul style="list-style-type: none"> 100% of pelicases reused 100% rechargeable power supply on transmitters Have 90% of waste recycled 	On track ➔
Talent attraction and retention	<ul style="list-style-type: none"> Summerjob programme launched Initiatives implemented on lowering turnover rate Increased employer development focus 	<ul style="list-style-type: none"> Reduce annual turnover Become a part of Great Place to work 	<ul style="list-style-type: none"> Turnover rate of <20% Become GPTW 	<ul style="list-style-type: none"> Turnover rate GPTW certification 	<ul style="list-style-type: none"> Develop a Seacloud Academy 50% of summer interns leading to employment 	On track ➔

Status ESG integration



Appendix

Methodology

Value chain impacts

High impact Medium impact Low impact (+) Positive

The severity of an impact is assessed based on the following factors based on GRI Standards guidelines:

Scale: How grave the impact is (e.g. regulatory breach)

Scope: How widespread the impact is (e.g. the number of individuals affected, the extent of environmental damage)

Irremediable character: How hard it is to counteract or make good the resulting harm (e.g. restore damage on local biodiversity)

ESG integration

High Medium Low

COMMITMENT

To what extent ESG is integrated in the company's commitment to drive change by reducing negative impacts and increasing positive impacts

Target:

- Long-term targets for all material topics in place
- Long-term targets for 1-2 material topics in place
- Long-term targets in progress

Strategy:

- ESG strategy integrated in overall business strategy
- Stand-alone ESG strategy in place
- ESG strategy in progress

Board:

- ESG strategy and all targets have board approval, regular board updates on ESG agenda
- Parts of ESG strategy and targets have board approval, sporadic board updates on ESG agenda
- Board commitment in progress

MANAGEMENT

To what extent the company has integrated ESG impacts, risks and opportunities in business activities

ESG risk management:

- Regular ESG risk and opportunity monitoring (minimum annually)
- ESG risk and opportunity assessment performed
- ESG risk and opportunity monitoring in progress

TRANSPARANCY

To what extent the company provides holistic disclosures on material impacts, risks, and opportunities

Completeness:

- Reporting on all material topics in place
- Reporting on 1-2 material topics in place
- Reporting on material topics in progress

Comparability:

- All KPIs used in reporting are in line with a non-financial reporting framework (e.g. PAI, GRI Standards, CSRD)
- Some use of KPIs defined by non-financial reporting framework (e.g. PAI, GRI Standards, CSRD)
- No use of KPIs defined by non-financial reporting framework (e.g. PAI, GRI Standards, CSRD)

Status against long term targets:

- Positive progress against all long term targets
- Positive progress against 1-2 long term targets
- Negative progress against long-term targets



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