

MØRENØT ESG REPORT 2022

The Mørenot Group manufactures and services solutions within the global fishing, aquaculture, and seismic industries. The company is divided in three divisions: Aquaculture, Fishery, and Offshore. Key products and services offered within the Aquaculture division include the production and service of nets, mooring systems, and cages. The Fishery division produces trawls, longlines, purse seines, and pots. The Offshore division produces seismic towing solutions such as deflectors, seismic buoys, and ropes.

Mørenot is headquartered in Ålesund, Norway, with service stations mainly on the Norwegian coastline. However, the company has a global footprint with facilities in China, Scotland, Iceland, the USA, Lithuania, Canada, Spain, Poland, and Denmark. The customer base consists of blue-chip fish farming and vessel companies. Key target markets include the North Atlantic and Mediterranean market, with some activity in South Korea and China.

In February 2023, Mørenot was acquired by the Icelandic company the Hampidjan Group. Following the acquisition, a decision was made to divide Mørenot's operations into three pillars: Mørenot Aquaculture, Mørenot Fishery, and Hampidjan Advant (a combined entity of Mørenot Offshore and Hampidjan Offshore). This will also impact Mørenot's ESG work moving forward, and, therefore, no short-term goals for 2023 for the Mørenot Group is listed in this report.



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



RAW MATERIAL & SUPPLIERS

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



OWN OPERATIONS

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



MANAGEMENT & MARKETING

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



CUSTOMERS & END-USERS

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

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

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

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

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

- Scrutiny of biodiversity impact of products in use (bycatch, fish welfare)

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

Company ESG performance 2022

STRATEGIC AREA	KPIs	LONG TERM TARGET	PERFORMANCE 2022
1. Sustainable and circular solutions	1a. Reduce the environmental footprint of our products 1b. Responsible and circular material management. 1c. Be the leader of sustainable development in our industries	1a. Establish LCAs for all major product categories 1b. Company guidelines on reuse and material mng. for all major product categories 1c. Align our R&D efforts to contribute to environmental challenges in our industry and the UN SDGs	1a. Completed CO2 emission analyses for 56 products (Scope A1-A3 / "cradle-to-gate") 1b. Established company guidelines on reuse and material mng. for two segments: purse seine and service 1c. Created a proposal for ESG criteria for the company's R&D efforts Launched two products deemed to have an ESG benefit: - The System 002/B (with The Ocean Cleanup) - Auto shackle (with Asano)
2. Climate and resource efficient production	2a. Reduce GHG emissions 2b. Get ISO14001 certified 2c. Resource efficient processes	2a. Become Net zero; Commit to science-based reduction targets 2b. Obtain ISO14001 certificate for full group in 2023 2c. Reduce the amount of waste and the energy consumption associated with our operations	2a. 2022 GHG emissions: Scope 1: 994 tCO2e; Scope 2: 1337 tCO2e; Scope 3: 20 415tCO2e (Not complete) 6,7%* reduction in Scope 1 and Scope 2 compared with reported GHG emissions in 2021 2b. All service stations ISO9001 certified 2c. Energy consumption (Scope 1 & 2): 18814 MWh Installed a second set of solar panels, leaving us with 2 x 49,5 kWh systems at our facilities in Poland.
3. Attractive employer with a sustainable mindset	3a. Increase eNPS 3b. Meaningful work for our employees	3a. eNPS of 50 and positive eNPS in all locations; 100% participation 3b. To be determined.	3.a eNPS: 2022 -2; 2021 - 6; 2020: -12; 2019: -5; Positive eNPS: 6/26 locations Negative eNPS: 7/26 locations Insufficient data: 13/26 locations Participation in Winningtemp: 70%. 3.b Meaningfulness score: 7,5 (+0,4 from 2021/-0,2 from average); Sustainability score: 7.0 (+0,3/-0,2); Inclusion, equality, and justice score: 7,0 (-0,1/-1,1); Expanded Mørenot Sustainability Group with sustainability ambassadors in 12/26 locations.
4. Supply chain ethics and transparency	4a. Strong supply chain management 4b. Supply Chain CoC	4a. Supplier Evaluation Questionnaire (SEQ) completed by all suppliers Risk Mng. Framework implemented in med-high risk locations 4b. 100% of purchase value from suppliers who have signed Supply CoC or similar agreement.	4a. 2 SEQs completed in 2022 (39 in total); Risk Mng. Framework implemented in Mørenot Baltic and Mørenot Poland 4b. Supplier by purchase value who have signed the Supply CoC, or an equivalent agreement (%): 72%* *Excl. Mørenot Mediterranean, Mørenot Denmark, and Mørenot Poland.

* Due to our ongoing work to improve our company-wide climate reporting, it is possible that the actual reduction is somewhat lower/higher. Considerations such as selection of emission categories and updated emission data may have affected the result.

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



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



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



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



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