Policy on climate change and energy use

Our industry is dependent on a thriving and stable aquatic ecosystem. Our operations are vulnerable to climate change, particularly rising water temperatures and ocean acidification. It is essential that Mowi acts responsibly, transparently and proactively to reduce energy use. We must do this to remain a viable business in the future. By using energy more efficiently we expect to face fewer environmental risks, lower our operational costs and make our supply chain more resilient.

Furthermore, we believe that fish farming is part of the solution. Sustainable aquaculture is an opportunity to reduce greenhouse gas emissions (GHG) because it is one of the most climate-friendly ways of producing protein. The carbon footprint of farm-raised salmon is only 2.9 kilogram of carbon equivalents per kilogram of edible product, compared to 5.9 and 30 kilograms of carbon equivalents per edible kilogram of pork and beef respectively*.

The Mowi approach

We will focus on measuring and reporting energy use and GHG emissions. All our feed production, farming and processing sites are expected to measure and report energy use according to established internal procedures. Each year, we work with an independent third party to review our energy use and GHG inventory. We report our annual energy use and GHG emissions publicly, as well as disclose data to the Carbon disclosure project, an independent non-profit organization that holds the largest worldwide database on corporate climate change. In all our business areas (farming, feed, sales and marketing) we promote R&D projects that lead to energy-saving initiatives.

Our farming business area reduces GHG emissions by:

- Reducing feed conversion ratio (less feed equals less raw materials and less energy)
- Switching from diesel to onshore electrical power supply wherever possible
- Supporting research on the use of renewable energies at exposed sites
- Optimization of crew transportation to distant farming

Our sales and marketing business areas reduces GHG emissions by:

- Maximising transport efficiency by working with logistics
- Prioritising the use of equipment that maximises energy efficiency
- Maximising fillet yield production
- Improving our packaging solutions

Our feed business area reduces GHGs emissions by:

- developing more efficient feeds
- promoting sustainable capture fisheries as a source of fish meal and fish oil
- building new feed plants that use energy sources such as liquefied natural gas
- prioritizing the use of technology such as heat recovery systems

Mowi's target on GHG emissions is 10% reduction of absolute emissions by 2025 using 2016 as a reference year. This is applicable to our processing plants, farming and feed operations.

In addition, we seek to set up GHG emission reduction targets that are informed by independent climate science and that are in line with the Paris agreement on Climate Change. These targets are called Science-based targets and we are committed to set them by the end of 2020.

Mowi will continue to consolidate our reporting systems, continue to support energy saving projects and aim to set reduction targets for energy use and GHG emissions on all our business areas.

**SINTEF (2009).Carbon footprint and energy use of Norwegian Seafood Products.*