

Introduction:

As part of Denvo's Businessplan, the ESG Platform is a key factor for success in the industry together with our routines and protocols.

Denvo's choice of species, technology and governance was done by the founders in 2020. This was based on research from 1995 to 2020 and the goal was to be able to offer premium fish to the world market more sustainably for society and with long-term economic predictability and solid returns.

At DENVO AS, we aren't just focused on producing spotted wolffish; we are committed to doing so in a way that is sustainable from start to finish. This ESG strategy is our pledge to build a business that takes its environmental responsibility seriously, creates value for our people and the local community at the same time as we do run the company economically sustainable.

All our operations are completed with full transparency.

Denvo's main goal is to build the company financially sustainable on nature's terms. This means farming close to the fish's natural habitat and raising fish that naturally thrive in farming.

Sustainability isn't an option - it's a prerequisite for success.

For Denvo: Frode J. Dvergsdal and Fredrik Haadem

Environmental

Our unique approach to farming spotted wolffish gives us a special opportunity to align the species' biological needs with a minimal environmental footprint.

Water and Emissions:

- Our production is based on a flow-through facility that uses an abundant supply of clean, cold seawater. This provides a stable and natural environment for the fish, without the need for complex recirculation systems. Our intakes of water are placed at from 65 -140 meters deep which gives us clean arctic water with even temperatures, uniform pH value and salinity adapted to the biology of the species.
- Spotted wolffish is a bottom dwelling and social species that thrive in high density and low water levels. This unique biological trait allows us to operate efficiently with surprisingly low water consumption compared to many other farmed species and the use of floating fish food. Feeding with floating pellets is perfect for growth, thrive, less waste and more environmentally friendly. Spotted Wolffish thrives well at 35 cm depth of water at density up to 300 kg per m³ of water and is a good fit for floating fish food. Denvo shall use accessible research and knowledge to ensure that future construction is made with water and emissions use at a minimum without putting the fish welfare in danger.
- All water leaving our facility passes through an advanced treatment plant with filters. This ensures that we remove particles and nutrients like phosphorus and nitrogen, so our emissions do not affect the local marine environment. Using longitudinal raceways gives the facility a naturally large m² compared to deep tanks and natural access to oxygen through the surface. The Norwegian Food Safety Authority is to be informed in the event of deviations
- The fish sludge from our production is a valuable resource. We will collaborate with partners to process this waste so it can be used for biogas production or fertilizer, preventing it from entering the sea. Denvo is also cooperating with different partners in the industry for sludge treatment and with research communities to develop new methods for sludge treatment.

Energy and Climate:

- Because spotted wolffish naturally thrive in cold water, we have no need to heat the water. This gives us a significant energy-efficient advantage and dramatically reduces our carbon footprint compared to facilities that require heating.
- The north of Norway is Self-sufficient in renewable energy from hydropower. We are committed to purchasing electricity only from renewable sources, to meet our other energy needs for pumps and lighting and cooling in short periods of time.
- By prioritizing local suppliers and optimizing all transport, we also reduce our carbon footprint outside the facility. We are located only a 1 hour drive from our main client and our foodfish facility will be located near over 200 fish farmers which gives us both economical and environmental logistic benefits by cooperating.
- Spotted Wolffish is today Red-listed in many countries because of threats like overfishing and environmental issues. Farming the species gives the opportunity to recover on a global scale by offering farmed Spotted Wolffish.
- As a bottom dwelling species, the Spotted Wolffish naturally eats crabs and sea urchins and are in many cases not recommended food for pregnant women due to the high content of heavy metals. Through farming, we have full control over feed and water quality so that we can offer better quality with better and safer quality.

Feed and Raw Materials

- Denvo place strict demands on our feed suppliers. All feed must have full traceability, and Denvo by recognized standards like ASC or Global G.A.P.
- We are closely following the development of new, sustainable feed ingredients and will consider alternatives like insect protein or algae to further reduce our footprint.
- Our broodstock is given natural food in periods near the breeding season. This has shown results in the survival of eggs, better fry quality and -survival and the thrive of the broodstock. Denvo aims to buy local surplus fish and leftovers of fish and shellfish. All natural food is bought from ASG, Global G.A.P certified suppliers.

Social

Responsibility for our employees, fish, and community is just as important as the environment. Our goal is to create a safe and healthy environment for everyone involved.

Denvo's protocols for HSE, routines for processing eggs, starter feeding, feeding, sludge treatment, handling of broodstock to spawn, waste management are prepared so the work can be carried out safely with the lowest possible risk of injury to humans and animals.

Fish Welfare:

- The spotted wolffish thrive in our facility, which is designed to mimic the species' natural habitat and the. In future upscaling and construction we pledge to use our knowledge about the knowledge of the species to maximise fish welfare
- Our use of low water levels is not only energy-efficient but also aligns with the species' preferences.
- We monitor water quality and fish health with advanced sensors in addition to manually operational measurements once a week. Stressful situations for the fish is one of our biggest concerns. By minimizing handling, we reduce the risk of injury and disease.

Employees and Working Environment:

- A safe and secure working environment is non-negotiable. We have thorough HSE (Health, Safety, and Environment) procedures and ensure that all employees receive the training they need.
- We offer competitive conditions and foster a culture where everyone feels safe and valued. Open communication and well-being are crucial for us.
- Denvo shall have a short distance from employee to Directors and individual responsibility is given in tråd med den ansattes kvalifikasjoner. Samtlige ansatte skal ha mulighet for

Community Responsibility:

- We want to be a good neighbor. This means creating local jobs and collaborating with other stakeholders in the region, such as schools and research institutions.
- We will maintain an open dialogue with the local community. Through regular information sharing, we aim to demonstrate how our operations contribute positively to the region.

Corporate Governance at DENVO AS

Good corporate governance is the backbone of everything we do and a key factor for all our businesses. At Denvo, it's about building a culture of trust, transparency, and a strong, shared sense of responsibility. This plan is a living document our guide to ensure that we always make the best decisions for the company, our employees, our customers, and the environment.

1. Ethics and Corporate Culture

We believe that our ethics start at the top and permeate the entire organization. Every single employee is a representative of our company's values.

- **Our Ethical Guidelines:** We've developed clear but simple guidelines for how we conduct ourselves. They cover everything from avoiding conflicts of interest to protecting confidential information. All employees and board members are committed to following these rules.
- **Whistleblowing:** We will establish a secure and anonymous channel for reporting concerns. This is a way for employees to speak up about unethical or illegal behavior without fear of reprisal. All reports will always be handled confidentially by the board.
- **Competence and Training:** We will ensure that everyone who works with us receives the training they need in ethics and HSE (Health, Safety, and Environment). Ethical awareness is something we build together, every day and we will be a role model for our customers, our investors and partners.

2. Governance and Organization

A strong and competent board is crucial for sound and responsible operations. The board is our most important strategic body.

- **Board Composition:** Our board will have a mix of competence and experience. We need insights from aquaculture, finance, technology, environment, and sustainable leadership. We are also committed to diversity and ensure that at least one-third of the members are independent.
- **Board Responsibilities:** The board has the overall responsibility for the company's ESG strategy. Their job is to approve the strategy, monitor progress, and ensure that ESG goals are integrated into everything we do.
- **Risk Management:** We take a systematic approach to risk management. We identify and assess risks related to everything from our finances and fish health to our environmental impact. This is reported to the board every quarter.

3. Transparency and Reporting

Transparency builds trust. We will be open about how we operate, what our challenges are, and what we succeed in doing.

- Annual ESG Report: Every year, we will publish an ESG report that is available to everyone—from investors and employees to our customers and the local community. The report will provide an honest and detailed overview of our results, goals, and progress.
- Certifications: We are actively working to achieve and maintain recognized certifications, such as GLOBALG.A.P. This is an important external validation that we uphold a high standard in our production.
- Stakeholder Dialogue: We will have established channels for dialogue with those who are most important to us. This means we listen to input from the local community, industry colleagues, and our customers.
- Denvo is a member of the Norwegian cooperation of spotted Wolffish (Steinbitnettverket) where the goal is to share information about the development of the species. Denvo is expected to continue its collaboration to take the industry forward in the future

4. Goals and Incentives

To ensure that our strategy is more than just a document, we link it to concrete goals and incentives.

- Performance Measurement: Denvo shall define clear, measurable KPIs (key performance indicators) for our ESG goals. These include, for example, energy consumption per kilo of fish produced, survival rate of eggs and fry, counting of eggs, mortality rates for grow out at our customers departments, and the number of HSE incidents. The first report is to be made according to plan for 2026.
- Executive Compensation: We are considering including ESG goals and economical in bonus programs for our executives. This ensures that sustainability is part of the daily motivation and not just a requirement on paper. The bonus program shall focus on the departmental area such as survival of eggs and fry before and after start feeding, growth of fry delivered aso. It is a focus to ensure that the entire company works towards the same goal.

Conclusion:

This Governance plan provides DENVO AS with a solid foundation for responsible operation. By focusing on these areas, we are building not just a solid business, but also a sustainable and ethical future for the company.