

## **Mowi Human Rights Program 2021-2025**

### **People matter**

Human Rights are at the core of sustainable business. Our commitment to Human Rights in our operations as well as our supply chain is held in close collaboration with our Blue Revolution Sustainability Plan as well as the business strategy as a whole.

We believe that business can only flourish in societies where human rights are protected and respected. In our work we aim to contribute to positive human rights impacts in the company, in our supply chain and in the world.

Our intention with this program framework is to provide insight into Mowi's commitment and approach to secure fundamental Human rights and decent working conditions in connection with our business.

Mowi's commitment on Human rights rests upon internationally recognized human rights principles, as found in The Universal Declaration of Human Rights, the United Nations Global Compact, The United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation's (ILO) Core Conventions.

Our Human Rights commitment to is expressed in global policies, procedures and public communication. Our approach is dynamic as our dedication to continuous development enables us to learn from and improve our current direction.

This has prompted a review of the efficacy and strength of our human rights program, in close link with corporate governance, risk management, collaboration and our overarching vision "Leading the Blue Revolution".

A core part of our Human Rights Program is the strengthening of our Human Rights Due Diligence Process. This includes the step wise elements of our global policy framework, to risk management and mitigation, tracking and measuring of results, reporting and communication, remedy and learning, and forms part of our journey to continuously advance and improve human rights in Mowi's operation and supply chain.

### **Corporate Governance**

Mowi's has in place a governance and management structure to ensure that the Group complies with principles for good corporate governance.

Mowi's overall vision is "Leading the Blue Revolution", embedding sustainability in our operations from an environmental, social and financial perspective.

Four guiding principles underpin our vision and guide our behavior in a balanced way: "Profit", "Planet", "Product" and "People". Mowi has defined specific ambitions for each principle, with corresponding key performance indicators.

Defining targets is an integrated part of the budgeting and long-term planning processes, and achievements are reported in Operational and Business Review Meetings with the Business Units.

Development and implementation of best practice is achieved through our global policy system, OneMowi, which contains global policies and standard operating

procedures. A fuller description of Mowi's governance and management structure may be found on the website at Mowi.com.

### **The Mowi Way**

Our vision "Leading the Blue Revolution, tie in with our Guiding Principles, our corporate values and Leadership Principles, Group Strategy and Policy Framework, all forming part of the Mowi Way. In this context, we translate vision, commitment and expectations, and manage risk and change in our sustainability ambitions and commercial reality.

Our ethical standards and expectations are anchored in a framework of global policies with strong principles on human rights that apply across our operations and supply chain. The policies guide our interaction with employees, suppliers, partners and stakeholders. Our framework of policies may be found at Mowi.com/sustainability. Our Code of conduct and Human Rights principles are incorporated into policies and contractual terms internally as well as with external suppliers.

### **Risk Management**

Great importance is attached to the Group's risk management and internal control systems, including ESG (Environmental, Social & Governance) risks.

Risk management and internal control is an important enabler for the group to meet its strategic goals. They form an integrated part of the Group's decision-making processes and are central elements in the organisation of the Group and development of policies and procedures.

Risk management provides reasonable assurance to stakeholders that Mowi will achieve its goals. The COSO enterprise risk framework is applied, dividing risk into four categories:

1. Operational risk
2. Strategic risk
3. Reporting risk
4. Compliance risk

A continuous risk management process, including assessment, analysis, management and follow-up of significant risks, is performed to ensure that the Group is managed in accordance with Mowi's risk profile and approved strategies.

The Risk Management Process encompasses the Group's guiding principles and ethical guidelines. The Board reviews the Group's overall risk profile in relation to strategic, operational and transaction-related issues at least once every year. The status of the overall risk situation is reported and discussed with the Board annually in connection with the budget process. The Audit Committee assists the Board with regards to surveillance of the company's systems for internal control and risk management.

By means of our Materiality Assessment we identify areas of opportunity and risk that could influence our ability to achieve our goals and deliver on our strategy, cf. the Annual Reports chapter of Leading the Blue Revolution.

**Human Rights Due Diligence as part of Risk Management**

The subject of human rights risks in company operations and supply chains has become increasingly material to a wider group of stakeholders. Mowi's Materiality Assessment positions today the Responsible Supply Chain as material to our Stakeholders. This reflects our strategic and operational intent regarding human rights across our operations and supply chain, and forms part of our Blue revolution Sustainability Plan.

The 21<sup>st</sup> century presents a number of unprecedented and interrelated global challenges. Population growth, climate change, resource depletion, and food security are concern of both governments, communities as well as companies. Mowi recognizes that these challenges may impact our operations and supply chain, both on an operational, commercial and legislative level, and must be managed.

With regards to ESG, the last years have seen a number of legislative measures that will form new requirements for companies and further shape stakeholder expectations regarding human rights and Responsible Supply Chains. An overview of the most relevant legislative measures is described in Annex 1.

Whether the risk is commercial, financial, or legislative, it is clear that human rights in our operations and supply chains are gaining increasing relevance and will have an important impact in our efforts going forward. In Mowi we address this in our Human Rights Due Diligence Process.

**Human Rights Program elements**

In Mowi's Human rights Program, the main aim is the creation of a strong framework for ethical business conduct with Human Rights as a core pillar.

The main elements of our Human Rights Program:



Mowi is committed to high ethical standards in our business conduct worldwide. Ethical business conduct is a core element in our ability to engender trust and is an integral part of the Mowi Way. With our Code of Conduct, Mowi sets the standards of behaviour which we can expect from one another and which external parties can expect from Mowi. We expect our employees as well as everyone in our supply chain to comply with the standards we set.

It is a work in continuous development. We make an effort to strengthen our policy framework, our risk management processes, maintaining an open and transparent culture, and emphasizing good and timely communication. Training and awareness building will form a central part of our strategy. Externally, our strategy rests upon principles of collaboration with suppliers, industry peers and other stakeholders.

**Human Rights Due diligence**

Human Rights Due Diligence is a Risk Management tool to identify, assess and respond to the most significant risks and adverse impacts within our operation, supply chain and business relationships.



The elements of our Human Rights Due Diligence process is based on best practice from industry and institutions such as the OECD Due Diligence Guidance for responsible Business Conduct.

Our practical approach is based on step wise operational principles, see further details on the elements in Annex 2

**Progress to date**

Our Human Rights program, including the Due Diligence Process is continuous work in progress. Further development to strengthen our Due Diligence Process will be done in the next 3-5 years and communicated in our public reports. We have already taken some important steps in 2020-21 to develop the Due Diligence Process.

**Most significant progress in 2020-21**

1. Strengthening sections in our Code of Conduct on Human Rights and sustainability
2. Development of Mowi policies including strong Human rights principles
3. Establishment of a Mowi Human Rights program
4. Coordination of Procurement internationally
5. Implementation of a global Supplier Relationship Management system
6. Establishment of a risk-based assessment of suppliers against global risk indices (safe(source)) and a supplier declaration and self-assessment.
7. Assessment and categorization of suppliers into low/medium/high risk
8. Human rights strategy workshops for learning and risk assessment
9. Implementing best practices as part of our continuous improvement efforts.
10. Established a process of developing performance KPI's, based on the data collected in the risk-assessment process, with a specific aim of program governance and code elements on Human rights and fair working conditions.

## **Looking ahead**

Program Governance & Development and implementation of Best practices provides a road map for our continuous improvement of the Program and the Due Diligence Process.

### **The most important Program development initiatives for 2022 - 2025**

1. Code of Conduct: clearly communicate our expectations
2. Roles and responsibilities: developing a clear picture of roles and responsibilities in relation to our Human rights program and efforts
3. Operational controls: developing operational procedures to strengthen our efforts for a Responsible Supply Chain
4. Performance goals: developing of targets and key performance indicators
5. Tracking: tracking, analyzing and auditing information to develop a clear picture of conditions on site and in the supply chain
6. Responding: working with suppliers to address, mitigate and remedy issues where they are found.
7. Communication and reporting: sharing results of our work, for learning and improvement
8. Training: Training employees and suppliers, to manage expectations, ensure compliance and continuous improvement
9. Collaboration: Collaboration with industry groups, legislators, and competitors. We believe that this is a non-competitive area of work.
10. Legal requirements: Assessing the legal situation and development for governance considerations.
11. Effectiveness: continuously evaluate and improve the effectiveness of our program

## **Conclusion**

We have made important steps to strengthen our Human Rights program, and are making good progress along our Due Diligence Process. The process is however a journey and results will take time to achieve. Operational implementation will continue to be phased, and we anticipate annual public updates on our efforts.

## Annex 1

### **Overview of relevant legislative measures that will have an impact on our work with Ethical conduct and Human Rights Due Diligence.**

#### **Norwegian Transparency Act, (June 2021)**

The Act promotes companies' respect for fundamental human rights/ decent working conditions in the production of goods & services. It ensures general public access to information on how companies handle negative consequences on fundamental human rights/ decent working conditions. The Act applies to "larger companies" as defined in section 1-5 of the Accounting Act, i.e. public limited companies, listed companies and other accounting entities. Companies under the auspices of the Act must be "domiciled" within Norway, offer goods/ services in/ outside Norway, or offer goods/ services in Norway and are taxable in Norway. Companies subject to the Act shall carry out/ publish due diligence assessments related to fundamental human rights and decent working conditions

#### **Sustainable Finance Disclosure Regulation (SFDR). (March 2021)**

Europe issued its Sustainable Finance Disclosure Regulation (SFDR). This seeks to move Europe to a more sustainable, resource efficient economy, and build a financial system that supports sustainable growth. It requires investment managers to i) disclose how they integrate investment decisions into decision making process, ii) disclose adverse impacts of investments on external sustainability factors, and iii) make product level disclosures. SFDR is seen as a catalyst for the sustainability strategy of firms, and includes a number of human rights indicators.

#### **Germany's Supply Chain Act (March 2021).**

This enters into force 2023, and will initially apply to companies with 3,000 or more employees and from 2024 to companies with 1,000 or more employees with a registered office or branch in Germany. The Act obliges these companies to fulfil their due diligence obligations in their supply chains with regard to internationally recognised human rights/ environmental standards.

#### **Proposed 'Directive on Corporate Due Diligence and Corporate Accountability throughout the Supply Chain'.**

On 10 March 2021, the European Parliament voted in favour of recommendations and a draft directive to implement mandatory human rights, environmental and good governance due diligence in supply chains. The proposals respond to a perceived lack of progress achieved to date by voluntary initiatives in these areas

#### **EU Directive on Non- Financial Information 2014.**

Under this Directive, large public interest enterprises are required to report on environmental, social/ employee, human rights, anti-corruption and bribery matters. Reporting techniques are encouraged to rely on recognition frameworks such as GRI's Sustainability reporting Guidelines, UN Global Compact, the UN Guiding Principles etc. The EU Commission have also developed non-mandatory guidelines. Although this went 'live' as of 2018, note that in April 2021, the EU Commission adopted a proposal to amend existing requirements, introducing more detailed reporting requirements and requiring reported information to be audited.

## Annex 2

### Human Rights Due diligence – a practical step wise approach

Human Rights Due Diligence is a Risk Management tool to identify, assess and respond to the most significant risks and adverse impacts in our operation, supply chain and business relationships.

