

Policy on freshwater use and wastewater discharge

Freshwater is considered a renewable resource, however in some regions of the world the use of freshwater may exceed the ability of natural processes to replace it. When this combination occurs, situations of water scarcity can occur which can negatively impact society and business.

Mowi acknowledges the human right to water and sanitation and is committed to water stewardship including commitment to align with international frameworks, standards and widely-recognized water initiatives, to prevent, minimize, and control pollution, to reduce or phase-out hazardous substances, to reduce water withdrawal and/or consumption volumes in supply chain, to the conservation of freshwater ecosystems, and to safely managed Water, Sanitation and Hygiene (WASH) in local communities. Mowi also recognizes the environmental linkages between water stewardship and climate change.

Freshwater is important for Mowi as it is used:

- directly in the initial stages of farming to produce smolts prior to sea transfer. Mowi continues to invest where possible to improve water use efficiency through technological solutions (such as Recirculating Aquaculture Systems – RAS) at our freshwater farming sites. For more information see our Green Bond Impact report where green projects related to our freshwater facilities are described both in terms of investment (CAPEX) and impact ([Bonds - Mowi Company Website](#))
- directly at our processing plants to keep high hygienic standards and
- indirectly from the use of agricultural feed raw materials. Mowi uses certification schemes (e.g ProTerra), where available, to ensure agricultural raw materials are sourced from areas where water management is considered. In addition, Mowi engages directly with key vegetable feed raw material suppliers to encourage work on regenerative agriculture.

Mowi's freshwater withdrawal and consumption

The majority of freshwater withdrawal in our business is used to produce the initial life stages of Atlantic salmon. This freshwater withdrawal is returned to its source in almost its entirety (in flow-through systems) or reused (in our Recirculating Aquaculture Systems), which therefore reduces our water consumption significantly. As Mowi is a fully vertically integrated animal protein producer, our smolt freshwater production is done in-house. Such production is done in countries and areas with no water scarcity/no water stress areas.

We use the World Resource Institute water risk map to run a risk assessment and help us identify if any of our freshwater farming sites, feed plants and processing plants are located in areas of medium or high risk. All our farming regions are located in a low-risk rating both from a water stress and a water depletion perspective (Aqueduct Water Risk Atlas 2022. Retrieved from: www.wri.org/aqueduct).

Regarding our downstream operations, three of our processing plants (one plant in France, one plant in China and one plant in Vietnam, see Annual Report) are located in countries/areas of medium or high risk and therefore our conservation efforts are directed there.

Mowi's freshwater governance

Freshwater use and efficiency is governed through our sustainability strategy, Leading the Blue Revolution Plan ([Sustainability - Mowi Company Website](#)). The strategy implementation across our business units is driven by Mowi's Global Sustainability Networks which are run by the Chief Sustainability Officer (CSO) who is a member of the Group Management Team and reports directly to the CEO. A Strategic Sustainability Network is also in place as part of our governance groups to support strategic discussions on freshwater related risks and opportunities for the Group. The management team and the strategic networks have an oversight of the reported quarterly and annual freshwater use and ongoing initiatives to improve efficiency.

Mowi's freshwater use is audited by a third-party and reported according the GRI 303-3.

Regarding CAPEX expenditure on water use efficiency projects please see our green bond report 2022 ([Bonds - Mowi Company Website](#)). During 2022 Mowi's Green Register of eligible green projects continued to grow, with two new projects added. These projects relate to freshwater facilities featuring Recirculating Aquaculture Systems (RAS) that drastically reduce dependency on external freshwater resources. Furthermore, this technology also enables more of the production cycle to take place in a controlled environment on land, resulting in larger smolt being released into the sea, thereby shortening the salmon's time in sea and reducing biological risk and environmental footprint. Allocated proceeds account for 121 million m³ per year of freshwater savings compared with equivalent-sized flow-through facilities and 35.8 MEUR of allocated proceeds.

Mowi's target on freshwater use

Mowi aims for a continuous improvement in water use efficiency in all our business areas. Our time-bound targets are set for our business units which are located in water-stressed areas. None of our farming or feed business units are located in water-stressed areas and therefore our target is applicable to our Sales and Marketing business area only, which covers our secondary processing plants. We have three processing facilities that operate in areas with medium-high water scarcity risk: Mowi Vietnam, Mowi Shanghai and Mowi France (Boulogne).

Mowi aims to achieve, by 2025, a reduction of 10% on the intensity of water withdrawal at our processing plants located in medium-high water scarcity risk, using 2018 as a reference year. This target has been set in 2021. Our targets are directed to water withdrawal as water consumption is negligible.

Mowi focuses on increasing freshwater use efficiency at all processing plants without compromising the need of using water to maintain the high hygienic standards at the plants.

Responsible freshwater management in our feed supply chain

Mowi's work towards responsible freshwater use also extends to our vegetable raw material suppliers. Using the World Resource Institute water risk map all vegetable raw material suppliers located in areas of overall medium and high-water risk are identified. Mowi discloses the type and percentage of inclusion of all feed raw materials in the Integrated Annual Report (Planet section). From these, only 5% of volume purchased originates from countries classified as high or extremely high stressed-water areas (overall water risk from the Aqueduct mapping).

Mowi is investing in sustainable feed production. 100% of Mowi's soy sourcing is from either ProTerra, Europe Soya or Organic certified sources. These standards include good agricultural practices including nutrient and water management. Water management requirements include conservation of natural water resources and



best practices for water management. In addition, soil and crop management requirements, including the use of cover crops, management of vegetation, management of crop succession and rotation, are core to the ProTerra standard (for more information see [The ProTerra Network | ProTerra Foundation](#)). Mowi is therefore investing in sustainable feed production by paying extra for ProTerra certified soy which supports farmers adhering to best agricultural practices.

Our suppliers of vegetable feed raw materials are asked to complete Mowi's water risk assessment to clarify their full risk profile and understand their actions to minimise risks linked with water use, such as water infrastructures, sustainable water withdrawal, protection from pollution, conserving buffer zones and proper irrigation. In this way we make clear that suppliers are expected to use water responsibly. We also ask these suppliers to have a water use reduction target (this is done through our supplier relationship management platform). If vegetable feed raw materials are rated in the medium or high risk under Mowi's water risk assessment we initiate an engagement programme with those specific suppliers. Mowi has also established a partnership, Aquaculture Dialogue on Sustainable Soy Sourcing from Brazil, to advance sustainable sourcing of soy using the Proterra standard (which includes water management requirements).

Wastewater discharge

Mowi follows wastewater discharge limits (discharge volume and quality) per national regulations¹. All our processing plants discharging wastewater to freshwater do it through third-party wastewater treatment plants where regulatory limits are set on water quality parameters (these are set by national environmental governmental agencies).

Our target on wastewater discharge to freshwater is to comply 100% with the volume and quality regulatory limits. When considering wastewater discharge directly to freshwater environments (i.e. surface wastewater discharge), we follow as a minimum the World Bank wastewater limits for Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), Total Nitrogen (TN) and total phosphorus (TP), where the limit is applicable to the specific geography².

Mowi's actions towards the implementation of this policy:

1. Prioritise technology (such as RAS) in our smolt and post-smolt production to reduce the dependency of freshwater at the initial stages of salmon farming
2. Work towards an improved efficiency of freshwater use at our processing sites by:
 - developing water efficiency plans at our processing plants.
 - stimulating innovative solutions to reduce water withdrawal or reuse
 - sharing solutions and efficiency improvement plans amongst business units
 - reporting data on freshwater use as requested in the sustainability reporting
3. Ensure that Mowi's operations do not compromise the right of local communities to access water
4. Treat wastewater effectively following as a minimum national regulation
5. Raise awareness on effective water stewardship by supporting our employees to understand this policy
6. Engage with vegetable feed raw material suppliers to understand their water risk profile and actions to reduce risk



7. Work in partnerships to optimise freshwater use efficiency. Over the last years, Mowi has been a member of CtrlAQUA, a centre for research-based innovation (SFI) doing research on closed-containment aquaculture systems. The main goal is to develop technological and biological innovations that will make closed systems a reliable and economically viable technology. For more info see <https://ctrlaqua.no/about/>.

(1)

In 2022, all wastewater from our processing plants was discharged to third parties (1 772 570 m³; therefore zero m³ discharged to freshwater environments). Our freshwater production units, used to produce smolt, discharged 86 510 264 m³ back to freshwater environment.

In 2022, none of our processing plants incurred penalties related to wastewater discharge volumes. Two of our processing plants incurred penalties related to wastewater discharge quality. When limits on discharge volume and/or quality are above regulatory limits we take action² to normalize metrics as soon as possible.

We also run a risk assessment using the Aqueduct (water quality risk assessment) and two of our processing plants (located in The Faroes and Vietnam) were classified at a high risk and one processing plant (located in China) was classified at extremely high risk.

(2)

One processing plant (Rosyth) went above regulatory limits on volume discharge. Rosyth is working with their local water supply to apply for an increase in wastewater volume discharge limit. Mowi Bruges reported an increase of pH which has been corrected by the elimination of alkaline based rinsing procedure of crates and an increased cleaning of the release/discharge infrastructure. Mowi Dallas resolved its exceedance of water quality by the installation of more solid receptors on the pin bone lines.

In 2022, all processing plants located in water stressed areas were below regulatory limits regarding average water quality values:

Site name	Average quality values [mg/L]			
	BOD	TN	TP	COD
Shanghai	25	0.2	0.1	96
Vietnam	6	4	0.1	22
Boulogne	16	8	0.6	57

*Water quality values are measured after wastewater treatment and before discharge into the freshwater environment

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