ELIGIBILITY ASSESSMENT

LERØY SEAFOOD GROUP ASA GREEN FINANCE FRAMEWORK DATED AUGUST 2021

Prepared by: DNV Business Assurance Norway AS

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[1] DNV Code of Conduct is available on the DNV website (www.dnv.com)

DNV ELIGIBILITY ASSESSMENT

Scope and Objectives

DNV Business Assurance Services Norway AS (henceforth referred to as "DNV") has been commissioned by Lerøy Seafood Group ASA (henceforth referred to as "LERØY") to provide an eligibility assessment on LERØY's green finance framework (the "Framework"). Our methodology to achieve this is described under 'Work Undertaken'. We were not commissioned to provide independent assurance or other audit activities.

LERØY is a fully integrated seafood company with three core business areas, being the farming of salmon and trout, wild-caught fisheries of whitefish, and the processing, product development, marketing, sale and distribution of seafood. LERØY's headquarter is in Bergen, Norway, with fishing vessels and fish farms operating along the entire coast of Norway, while production and packaging plants are located in 10 different countries.

The Framework enables LERØY (referred to as "ISSUER") to issue Green Bonds and Green Loans (together referred to as "Green Finance Instruments") to finance Green Projects and describes the use of proceeds, process for project evaluation and selection, management of proceeds and reporting for Green Projects covering activities and investments within LERØY. The Framework has been prepared in cooperation with DNB Bank and Danske Bank.

The Green Finance Instrument proceeds will finance investments dedicated to the following categories:

1. Environmentally sustainable seafood production
2. Renewable energy
3. Energy efficiency
4. Clean transportation
5. Water and wastewater management
6. Pollution prevention and control
7. Circular economy adapted products, production technologies and processes and certified eco-efficient products

as defined as eligible Green Projects categories in the LMA Green Loan Principles 2021 and ICMA Green Bond Principles 2021 (together referred to as "the Principles").

No assurance is provided regarding the non-Green Loan Principle terms and non-Green Bond Principle terms within the agreement. Our objective has been to provide an assessment that the Green Finance Instruments to be issued under the Framework have met the criteria established in the Principles.

Responsibilities of the Management of LERØY and DNV

The management of LERØY has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform LERØY's management and other interested stakeholders in the Green Finance Instruments as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by LERØY. DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by LERØY management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our green Bond/Loan eligibility assessment methodology to create an LERØY specific Green Finance Eligibility Assessment Protocol (henceforth referred to as "Protocol") to assess the LERØY Framework alignment with the Principles - see Schedule 2. Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. As per our Protocol, the criteria against which the Green Finance Instruments have been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds**. The Use of Proceeds criteria are guided by the requirement that an ISSUER of a Green Finance Instrument must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection**. The Project Evaluation and Selection criteria are guided by the requirements that an ISSUER of a Green Finance Instrument should outline the process it follows when determining eligibility of an investment using Green Finance Instrument proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds**. The Management of Proceeds criteria are guided by the requirements that a Green Finance Instrument should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting**. The Reporting criteria are guided by the recommendation that at least annual reporting to the Green Finance Instrument investors should be made of the use of instrument proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible. ISSUER's are recommended to appoint an external review provider to assess the Framework and internal tracking and allocation of funds.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by LERØY in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an LERØY-specific Protocol, adapted to the purpose of the Green Finance Instruments, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by LERØY on the Green Finance Instruments and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with LERØY, as well as review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Findings and DNV's opinion

DNV's summary findings are listed below, with further detail provided in Schedule 2.

1. Principle One: Use of Proceeds

LERØY will use the proceeds from Green Finance Instruments to finance and refinance Green Projects within categories as outlined in LERØY's Framework. DNV has summarized its findings in a table, please see "*Schedule 1: Use of Proceeds – Detailed DNV Findings*". DNV concludes that that the eligible categories outlined in the Framework are consistent with the Green Project categories defined in the Principles.

LERØY expects to initially allocate a majority of net proceeds from Green Finance Instruments to two of their seven categories, namely that of (i) "environmentally sustainable seafood production" and (ii) "energy efficiency".

DNV is of the opinion that investments in the environmentally sustainable seafood production category will have clear environmental benefits, with farmed Norwegian salmon having an emission intensity (relative GHG emissions per edible yield) of approximately ~18% of that of beef, ~60% of that of European pork and slightly higher than that of European poultry[2]. This evidences that environmentally sustainable aquaculture enables production of sustainable food, but also illustrates that the sector needs to identify and implement measures to further reduce GHG emissions. LERØY is committed to Science Based Targets to reduce absolute scope 1, 2 and 3 GHG emissions with 46% by 2030, from a 2019 base year. DNV considers the targets best in class compared to peers, where the targets covering GHG emissions from company operations (scope 1 and 2) are consistent with reductions required to keep global warming to 1.5 °C. DNV considers LERØY's eligibility criteria by using ASC certification for fish farming and CoC certification for fish processing in line with best market practice. Lerøy uses post smolt facilities to reduce the time fish is exposed to the marine environment - thereby reducing environmental impact and risks associated with sea lice and fish escapes – but it increases energy consumption[3] and the complexity of the production process. DNV considers proposed investments in recirculating aquaculture system (RAS) technology for post smolt facilities to be eligible, as this technology recirculates more than 90% of the water, thereby improving the energy efficiency of water heating, reducing water pollution by allowing for waste collection as well as reducing the use of water.

The investments in the "Energy Efficiency" category are governed by LERØY's science based GHG reduction targets and will play a key role in reducing or avoiding energy use and thereby emissions. Under the Framework, investments in this category are required to at least reduce energy use by 30%, for example by improving energy efficiency of factories, processing facilities or farming sites, providing a clear environmental benefit.

2. Principle Two: Process for Project Evaluation and Selection

DNV has reviewed LERØY's Green Finance Framework and concludes that it clearly communicates how LERØY's process for evaluation and selection will ensure that Green Finance Instruments are allocated to eligible Green Projects as defined by the Framework. LERØY will use a two-step process, where the responsibility for step 1, being the assessment of Green Project criteria compliance and environmental benefits, is with LERØY sustainability experts and representatives. In step 2, LERØY's Green Finance Committee decides whether proposed potential Green Projects meet the Green Project Criteria. DNV considers this to be in line with the Principles and market practice.

DNV also notes that this decision-making process is firmly placed within the context of LERØY's overarching sustainability strategy, made tangible by policies, guidelines and KPI's, which can be considered ambitious in the sector LERØY operates. The Framework puts key elements from LERØY's sustainability strategy in the context of Green Finance Instruments, thereby clearly communicating

[2] SINTEF (2020), 'Greenhouse gas emissions of Norwegian seafood products in 2017', p.97

[3] Future emissions related to powering post smolt facilities are governed by LERØY's science based GHG reduction targets, while LERØY transparently reports its scope 1 & 2 GHG emissions according to the GHG Protocol Corporate Standard

the environmental sustainability objectives of Green Projects. LERØY's decision-making process is also governed by its overall risk management of environmental, social, corporate governance and financial risks. DNV highlights that the EU Taxonomy does not at present provide specific technical screening criteria for aquaculture and fisheries. LERØY's intentention is to closely monitor the development of EU Taxonomy criteria and how its operations and Green Finance Framework can be aligned once they emerge. DNV considers this an appropriate process and in line with the Principles' guidance.

3. Principle Three: Management of Proceeds

DNV concludes that LERØY's proposed management of proceeds, where LERØY will earmark an amount equal to that of net proceeds from Green Finance Instruments to finance Green Projects, is conform to the Principles. LERØY aims to ensure that the value of Green Projects in the Green Register at all times exceeds that of the Green Finance Instruments proceeds. Unallocated proceeds will be managed in accordance to LERØY's liquidity management policy, where DNV can confirm the Framework lists appropriate exclusions for temporary holdings. DNV further notes that LERØY's commitment to third party audit of the management of proceeds is in line with best market practice.

4. Principle Four: Reporting

DNV concludes that LERØY will report on allocation and impact in line with the Principles. The company will provide an annual report that contains information on the amount of net proceeds allocated to eligible Green Projects and the actual or estimated impact of Green Projects where possible. DNV deems the examples of KPIs to measure impact for the seven categories to be appropriate.

Based on the information provided by LERØY and the work undertaken, it is DNV's opinion that LERØY's Green Finance Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of green loans within the Green Loan Principles 2021 and green bonds within the Green Bond Principles 2021.

for DNV Business Assurance Norway AS

Oslo, 20th of August 2021

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1 SCHEDULE 1: USE OF PROCEEDS – DETAILED DNV FINDINGS

ICMA Green Project Category	LERØY's Green Projects	DNV Findings
Environmentally sustainable aquaculture	Sustainable fish farms and post-smolt facilities • Investments in fish farm facilities that are certified by ASC, or in preparation to becoming ASC certified • Investments financing Recirculating aquaculture systems (RAS) Sustainable processing • Investments in processing facilities that are certified or in preparation to becoming certified by CoC for ASC products Environmental management and fish welfare • Investments that promote fish health and fish welfare • Investments that protect, restore and enhance surrounding ecosystems • Investments in climate adaptation measures Research & Development (R&D) • New sustainable feed ingredients • Technology and expertise to improve fish welfare and farming practices	LERØY expects a majority of net proceeds from Green Finance Instruments to initially be allocated to two of the seven categories, namely that of (i) "environmentally sustainable seafood production" and (ii) "energy efficiency". **ENVIRONMENTAL BENEFITS** DNV is of the opinion that investments in the environmentally sustainable seafood production category will have clear environmental benefits, with farmed Norwegian salmon having an emission intensity (relative GHG emissions per edible yield) of approximately ~18% of that of beef, ~60% of that of European pork and slightly higher than that of European poultry (Sintef, 2020). This evidences that environmentally sustainable aquaculture enables production of sustainable food, but also illustrates that the sector needs to identify and implement measures to further reduce GHG emissions. DNV considers investments in recirculating aquaculture system (RAS) technology for post-smolt facilities to provide clear benefits in the form of increased fish production capacity and lowered environmental footprint. Key environmental benefits include that more than 90% of the water used is recirculated, substantially reducing water usage, reducing energy consumption for water heating and strengthening climate change resilience against droughts. Further, advanced filtering reduces water pollution and enables the collection of waste, while reduced time that fish is exposed at sea lowers the risk of salmon lice and escapes. **GHG EMISSIONS** LERØY is committed to Science Based Targets (SBT) to reduce absolute scope 1, 2 and 3 GHG emissions with 46% by 2030, from a 2019 base year.

ICMA Green Project Category	LERØY's Green Projects	DNV Findings
		The targets are approved by the Science Based Initiative, which is a collaboration between Carbon Disclosure Project (CDP), WWF the UN Global Company and World Resources Institute (WRI). DNV considers the targets best in class compared to peers (SBT, website, accessed August 2021, link), where the targets covering GHG emissions from company operations (scope 1 and 2) are consistent with reductions required to keep global warming to 1.5 °C. LERØY transparently reports its scope 1 & 2 Greenhouse Gas (GHG) emissions, according to the GHG Protocol Corporate Standard. DNV considers the GHG Protocol an appropriate GHG accounting standard. Lerøy aims to include emissions data from relevant scope 3 activities in 2021. **FISH FARM AND PROCESSING CERTIFICATION** DNV considers LERØY's eligibility criteria by certification in line with best market practice: **ASC[4] Certification** The Framework requires ASC certification for fish farms to be eligible, which is seen as best market practice to ensure responsible aquaculture practice, focusing on environmental and social impact of farming. **CoC[5] Certification** The Framework requires CoC certification for processing facilities to be eligible, or that they are in preparation to becoming certified, ensuring that ASC certified seafood originates from ASC certified fish farms.

[4] ASC = Aquaculture Stewardship Council. The ASC standard focuses on both environmental and social impact of fish farming.

[5] CoC = Chain of Custody Standard for ASC products. The CoC standard ensures that ASC certified seafood originates from ASC certified farms.

ICMA Green Project Category	LERØY's Green Projects	DNV Findings
		R&D DNV considers that LERØY's R&D efforts focuses on key industry challenges, with 64% of Lerøy's Scope 3 GHG emissions in 2019 comes from fish feed. Lerøy identifies changing the feed composition as one of the most important options to decrease these emissions. Financing of the actual feed is not included as eligible Green Project in LERØY's Framework.
Renewable Energy	Renewable energy • Investments in solar and wind power to power Lerøy's core business activities • Investments financing the production of biofuels and biogas from waste products generated in smolt production and RAS facilities	The investments in the "Renewable Energy" category are guided by LERØY's Science Based Reduction Target for 2030, as explained under "GHG Emissions".
Energy Efficiency	• Investments improving the energy efficiency in factories, processing facilities, post-smolt facilities and farming sites with a minimum of 30 per cent • Direct costs (e.g. material, installation and labour costs) for installing energy efficient technologies or other energy saving measures, reducing the energy use of the specific installation or measure by at least 30 per cent	The investments in the "Energy Efficiency" category are guided by LERØY's Science Based Reduction Target for 2030, as explained under "GHG Emissions". Investments into Green Projects under the "energy efficiency" category will play a key role in reducing or avoiding energy use, by extension reducing and avoiding GHG emissions. LERØY commits to such investments leading to a reduction in energy use by at least 30%, entailing a clear environmental benefit in DNV's opinion.
Clean Transportation	• Investments in zero direct emission vessels, such as fully electric, hydrogen or other zero-direct emission solutions and related infrastructure • R&D for low carbon transportation with the intention to reduce carbon emission, such as in alternative fuel technology, e.g. hydrogen, ammonia and low carbon ship designs • Investments related to equipping vessels with battery solutions	86% of LERØY's Scope 1 & 2 GHG emissions in 2019 comes from the use of marine gas oil (MGO). Lerøy identifies switching to alternative fuels as one of the most important options to decrease these emissions. DNV considers investments in zero direct emission vessels, directly related infrastructure and R&D, as well as financing (plug-in) hybrid equipment (not the complete vessel), in line with the Principles Green Project category "Clean Transportation". Risks of lock-in of fossil fuels are mitigated by LERØY's Science Based Reduction Target for 2030,

ICMA Green Project Category	LERØY's Green Projects	DNV Findings
		as explained under "Renewable Energy", which sets the speed of transition in line with reductions required to keep global warming to 1.5 °C.
Sustainable water and wastewater management	Water-use efficiency • Investments improving freshwater use efficiency through technological improvements with a minimum of 30 per cent Wastewater management • Projects that resolve water scarcity and water quality issues • Measures that improve wastewater treatment	DNV considers LERØY's proposed Green Projects in line with the Principles, which includes *"sustainable infrastructure for clean water"* and *"Wastewater treatment".*
Pollution prevention and control	Waste management • Investments in processes and equipment related to the reduction, collection, sorting, recycling and recovery of waste materials • Investments in products and equipment that reduce the need of virgin raw materials Pollution prevention • Investments reducing GHG emissions resulting from improvements to industrial processes and systems throughout the value chain, could also include connecting fish farms to the electricity grid	The investments in Waste management are guided by LERØY's KPI's for waste management addressed in their Framework: • Minimum 15% non-organic waste shall be reused, recovered or recycled annually. • Food waste should be reduced by 50% by 2024, compared to 2019. • Reduce non-recyclable plastic consumption by 50% by 2024, compared to 2019, including reduction in total plastic consumption. The investments in the "Pollution prevention" category are guided by LERØY's Science Based Reduction Target for 2030, as explained under "Renewable Energy".
Circular economy adapted products, production technologies and processes and certified eco-efficient products	• Investments in recyclable packaging solutions, new resource efficient packaging products and solutions or compostable packaging alternatives	DNV considers LERØY's proposed Green Projects in line with the Principles, which provides examples like *"the design and introduction of reusable, recyclable and refurbished materials, components and products".*

2 SCHEDULE 2: LERØY – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL

2.1 Use of proceeds

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
1a	Type of instrument	Green Finance Instruments are any type of debt instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects. Green finance instruments must align with the four core components of the GLP and GBP, as set out below. Green finance instruments should not be considered interchangeable with finance instruments that are not aligned with the four core components of the GLP and GBP.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's sustainability library • LERØY's annual report 2020 • Formal Q&A Process	DNV confirms that LERØY's Green Finance Framework ensures issuance of "Use of Proceeds" bonds and loans with utilisation of proceeds to Green Projects in line with the four core components of the GBP and GLP. DNV can confirm that any transaction documentation for any future Green Finance Instrument will provide reference to this Framework and that it is LERØY's clear intention to specify the use of proceeds in such future documentation. DNV therefore concludes that the Framework appropriately ensures that any type of Green Finance Instrument will exclusively finance eligible Green Projects as defined in the Green Project Categories.
1b	Green Project Categories	The cornerstone of a Green Finance Instrument is the utilization of the proceeds which should be appropriately described in the legal documentation for the security.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's annual report 2020 • Formal Q&A Process	The use of net proceeds from Green Finance Instruments will finance or refinance Green Projects within seven overarching categories, as outlined in LERØY's Framework: • Environmentally sustainable seafood production • Renewable energy • Energy efficiency • Clean transportation • Water and wastewater management • Pollution prevention and control • Circular economy adapted products, production technologies and processes, and certified eco-efficient products DNV concludes that the Use of Proceeds dedicated to Green Projects

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
				under these categories are clearly defined in the Framework. A more detailed breakdown of eligible Green Projects under each of the seven categories is provided in *Schedule 1: Use of Proceeds – Detailed DNV Findings.*
1c	Environ-mental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's annual report 2020 • Formal Q&A Process	LERØY expects a majority of net proceeds from the first Green Finance Instrument to initially be allocated to two of the seven categories, namely that of **(i)** "environmentally sustainable seafood production" and **(ii)** "energy efficiency". DNV is of the opinion that investments in the **environmentally sustainable seafood production** category will have clear environmental benefits, with farmed Norwegian salmon having an emission intensity (relative GHG emissions per edible yield) of approximately ~18% of that of beef, ~60% of that of European pork and slightly higher than that of European poultry (SINTEF, 2020). This evidences that environmentally sustainable aquaculture enables production of sustainable food, but also illustrates that the sector needs to identify and implement measures to further reduce GHG emissions. As highlighted in Schedule 1, DNV also considers RAS technology to have clear environmental benefits – including reduced water usage, improved water heating efficiency, reduced water pollution and reduced fish exposure time to sea. The main risk associated with RAS technology entails system design errors or technical difficulties for the water circulation which could lead to mass mortality[6], a risk which DNV considers mitigated by Lerøy's experience with operating RAS technology and the company's risk management system. Investments into Green Projects under the **energy efficiency** category

[6] European Market Observatory for Fisheries and Aquaculture Production (2020) 'Recirculating Aquaculture Systems', p.1

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
				will play a key role in reducing or avoiding energy use, by extension reducing and avoiding GHG emissions in accordance with LERØY's science based GHG targets. LERØY commits to such investments leading to a reduction in energy use by at least 30%, entailing a clear environmental benefit in DNV's opinion. DNV is also of the opinion that the other five Green Project categories with accompanying sub-categories will all provide clear environmental benefits: • Investment into the **renewable energy** category facilitate further decarbonisation of energy use. • As outlined in Schedule 1, about 86% of LERØY's 2019 Scope 1 & 2 emissions came from MGO use. Investments under the category of **clean transportation –** notably into zero direct emission vessels, low carbon transportation infrastructure and battery solutions - will play a key role in reducing such emissions and enabling LERØY to meet ambitious carbon emission reduction targets. • **Water and wastewater management** category investments will address freshwater use efficiency, water scarcity and water quality issues. • Investments in the category of **pollution prevention and control** will improve waste management, reduce the need for virgin materials, and reduce GHG emissions trough investment in industrial processes, the value chain and in technology to reduce fossil fuel use. • **Circular Economy** category investments will ensure greater recyclability of packaging and resource use efficiency, key to reducing virgin resource use. Further, packaging compostability is key to curbing macro and microplastics proliferation, an

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
				increasingly apparent ecologocial issue. DNV is therefore of the opinion that the entirety of the net green proceeds will be allocated to Green Projects with clear environmental benefits.
1d	Refinancing share	If a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing and clarify which investments may be refinanced , and, to the extent relevant, the expected look-back period for refinanced eligible Green Projects.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's annual report 2020 • Formal Q&A Process	DNV confirms that the proceeds of Green Finance instruments will be used for financing new project developments as well as refinancing of eligible Green Projects. The Green Finance Report, provided to all Green Finance Instrument investors by LERØY on an annual basis, or more frequently in case of material developments, will include the relative share of new financing versus refinancing. DNV deems this to be in accordance with the Principles. No lookback period has been defined for eligible Green Projects that are to be refinanced. In terms of look-back period relevance, DNV notes that capital expenditures will qualify without specific look-back periods under the proposed EU Green Bond Standard as long as they otherwise meet relevant eligibility criteria[7]. Operational expenditures require a look-back period of maximum three years. Seeing as the Green Project categories centre on capital expenditures, DNV concludes that a specific look-back period is of less relevance, and that its omission from the Framework is thus appropriate under the Principles.

[7] Usability Guide: EU Green Bond Standard (2020), p.15

2.2 Process for evaluation and selection

Ref.	Criteria	Requirements	Work undertaken	DNV Conclusion
2a	Investment-decision process	The Issuer of a Green Finance Instrument should outline the decision-making process it follows to determine the eligibility of projects using Green Finance Instrument proceeds. This includes, without limitation: • A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond/Loan Principles; • The criteria making the projects eligible for using the Green Bond/Loan proceeds; and • The environmental sustainability objectives.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's annual report 2020 • LERØY sustainability library • Formal Q&A Process	DNV concludes that LERØY's Framework outlines an appropriate decision-making process to determine project eligibility for Green Finance Instrument Proceeds. This two-step process will entail that: i. Sustainability experts and LERØY representatives will evaluate potential Green Projects and their compliance with the Green Project Criteria listed in the Framework and environmental benefits. ii. The list of potential Green Projects will then be presented to a Green Finance Committee comprising members from LERØY Group management and ESG, Quality, Operational/Technical and Finance functions. This committee will hold the sole responsibility for determining whether a project qualifies as a Green Project or not, a decision which will require a consensus. This committee will keep a Green Register where all selected Green Projects will be listed. The committee also holds the right to exclude any Green Project already funded by Green Instrument Proceeds should they for some reason lose eligibility. DNV deems this to be in accordance with the Principles.
2b	Issuer's environ-mental and social and governance framework	The Issuer of a Green Finance Instrument should clearly communicate to its investors their environmental sustainability objectives; and are encouraged to: 1. Position this information within the context of their overarching objectives, strategy, policy and/or	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's annual report 2020 • LERØY sustainability library	DNV concludes that LERØY's process for evaluating and selecting Green Projects is firmly placed within the company's broader environmental sustainability strategy – with such projects set to play a key role in advancing an already well-established and ambitious strategy. The company has a broad spectre of sustainability objectives and KPIs, which are well described in the Framework. **1.** DNV confirms that the Framework appropriately communicates LERØY's strategy and objectives with regard to the sustainability of its operations

Ref.	Criteria	Requirements	Work undertaken	DNV Conclusion
		processes relating to environmental sustainability. Issuers are also encouraged to disclose any green standards or certifications to which they are seeking to conform. 2. Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria, including if applicable, exclusion criteria; and also disclose any green standards or certifications referenced in project selection. 3. Have a process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s). The identified mitigants may include trade-off analysis and monitoring of the potential risks are seen as meaningful by the issuer	• LERØY Code of Conduct v.5 2020 • Formal Q&A Process	and value chain, and how the eligible Green Projects play an integral part to meeting these. Further, the Framework also communicates that the ISSUER is seeking to conform to the ASC, Global G.A.P and STP 86 Salmo Salar certifications. **2.** DNV confirms that the Framework includes appropriate reference to the EU Taxonomy – which at present provides no technical screening criteria for the aquaculture and fisheries segments. LERØY is committed to update stakeholders on alignment with relevant technical screening criteria as they are developed through its regular annual reporting. **3.** DNV confirms that LERØY has processes for identifying material risks for negative social and/or environmental impacts from relevant Green Projects. Notably, the company puts strong emphasis on being active in the locations it operates and purchasing a high percentage of its goods and services locally. Certifications such as ASC, for which LERØY was the first company certified globally - as well as Global G.A.P - are further testimonies to the company's best in class efforts to monitor, minimise and mitigate negative social and environmental impacts.

2.3 Management of proceeds

Ref.	Criteria	Requirements	Work undertaken	DNV Conclusion
3a	Tracking procedure	The proceeds of a Green Finance Instruments should be credited to a dedicated account or otherwise tracked by the Issuer in an appropriate manner, to maintain transparency and promote the integrity of the product.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • Formal Q&A Process	DNV confirms that the net proceeds from Green Finance Instruments will be tracked in a manner appropriate under the Principles, with an amount equal to that of the net proceeds being earmarked for financing and refinancing of the projects listed in the Green Register (see 2a). The Green Register will ensure traceability on all decisions to allocate net proceeds to Green Projects, where such decisions will be documented and filed.
3b	Tracking procedure	Issuers are encouraged to establish an internal governance process through which they can track the allocation of funds towards Green Projects.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • Formal Q&A Process	DNV confirms that there is an appropriate internal governance process through which the allocation of funds towards Green projects will be tracked. LERØY's treasury department will endeavour to ensure that the value of Green Projects at all time exceeds that of the outstanding Green Finance Instruments. Furthermore, LERØY is also committed to having a Third Party Auditor reviewing the management of proceeds and to verify that the tracking is appropriate - DNV considers this to be best market practice.
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • Formal Q&A Process	DNV can confirm that it is LERØY's clear aim to allocate net proceeds to eligible new and existing Green Projects as soon as possible. Unallocated proceeds will be managed in accordance with LERØY's general liquidity management policy, and DNV concludes that the Framework outline appropriate exclusions for temporary holdings.

2.4 Reporting

Ref.	Criteria	Requirements	Work undertaken	DNV Conclusion
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Green Instrument proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Discussions with LERØY and review of the following documents: • LERØY Green Finance Framework • LERØY's sustainability report 2019 • LERØY's annual report 2020 • LERØY sustainability library • Formal Q&A Process	DNV concludes that the reporting requirements are satisfactorily described in the LERØY Green Finance Framework. A Green Finance Report report will be published annually, or more frequently in case of material developments such as a Green Financial Instrument reaching maturity, and contain an Allocation Report and Impact Report. The Green Finance Report will be published as long as there are Green Finance Instruments outstanding. In terms of the allocation reporting, the Green Finance Report will contain the amount of net proceeds allocated to each of the eligible Green Project categories, and the balance of unallocated proceeds (if any). Examples of Green Projects that have been financed, as well as the geographical distribution of projects financed by the Green Finance Instruments will be outlined. Finally, the share of new financing vs refinancing will also be provided. DNV deems this to be in accordance with the Principles. The impact reporting for the seven Green Project Categories will focus on a number of indicative KPIs per category that are considered market standard by DNV and thus as robust, some of which are listed below: • Under the **Environmentally sustainable seafood production** category, key metrics may include among others medication and antibiotic use, sea lice incidents, GHG emissions savings relative to comparable protein sources or products and MOM-B score. • Under the **Renewable energy** and **Energy Efficiency** categories, key metrics may include annual renewable energy generation (GWh), annual GHG emissions reduced/avoided and annual energy reduced/avoided. • Under **Clean Transportation**, key metrics may include number of

Ref.	Criteria	Requirements	Work undertaken	DNV Conclusion
				clean vessels deployed or estimated reduction in fuel consumption. • Under **Water and Wastewater Management** key metrics may focus on annual gross water use, water use and reuse and wastewater reuse. • Under **Pollution Prevention & Control** key metrics may include various waste prevention/recycling metrics and GHG emission reduction/avoidance. • Under the **Circular Economy** category, key metrics may focus on share of packaging based on recycled and biodegradable material, and the increase in such ratios.