



TCFD report

**2024**

SalMar ASA



# About SalMar

SalMar is one of the world's largest and most efficient producers of farmed salmon, driven by a clear ambition to be the world's leading aquaculture company. With a passion for salmon, SalMar has been a driver for sustainable development of the aquaculture industry since 1991.

With an annual harvest volume of 231,800 tonnes, SalMar operates extensive farming activities along the Norwegian coastline, from Møre og Romsdal in the south to Troms og Finnmark in the north. SalMar also maintains significant local harvesting and processing operations, playing a vital role in local value creation along the Norwegian coast. Furthermore, SalMar is the largest salmon producer in Iceland through its subsidiary, Arnarlax, and is the second largest farmer in the UK through its joint venture, Scottish Sea Farms.

**"Passion for Salmon"** is the cornerstone of SalMar's business. The company's mission is to produce sustainable, healthy protein for a growing global population, while consistently prioritizing salmon welfare. SalMar firmly believes that sustainability is a prerequisite for long-term success. **"Sustainability in everything we do"** is a core guiding principle, encompassing every aspect of how the company operates and interacts with its environment. This commitment includes safeguarding the health and well-being of its employees and salmon, protecting marine ecosystems, and advancing technological innovations that reduce the biological footprint of aquaculture. SalMar strives to produce more with less—maximizing output while ensuring operations are carried out on the salmon's terms.

In recognition of its sustainability efforts, SalMar was in 2024 ranked as one of the world's most sustainable companies by TIME and Statista, placing SalMar among the top 500 companies making the most positive impact on the planet. Furthermore, in 2025 SalMar was recognized as **the best company in the global food and beverage sector for sustainable growth**. Additionally, the company has been featured on the Financial Times and Statista list of Europe's Climate Leaders for five consecutive years. This annual ranking highlights companies that have made the greatest progress in reducing their carbon emissions intensity.

These recognitions reflect SalMar's consistent efforts to integrate sustainability across its operations. By combining innovation with responsible farming practices, the company aims to contribute to a more sustainable seafood industry while meeting global demand for healthy, high-quality protein.



# TCFD Recommendations and guidelines

**The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative established with the aim of developing voluntary, consistent, and comparable disclosures of climate-related financial risks. The TCFD has issued a set of disclosure recommendations that are applicable and adoptable across sectors and jurisdictions, to improve transparency and comparability in climate-related financial information for investors, lenders, insurers, and other stakeholders.**

As climate change increasingly poses material financial risks to organizations, the need for standardized reporting has grown. Without clear and consistent disclosures, it becomes difficult for financial actors to assess the exposure of companies to climate-related threats and opportunities.

In response, the TCFD created a set of recommendations, designed to solicit decision-useful, forward-looking information that can be included to mainstream financial filings. The recommendations aim to help stakeholders appropriately assess and price climate-related risks and opportunities.

The recommendations are structured around four key thematic areas that represent core elements of how organizations operate: Governance, Strategy, Risk Management, and Metrics and Targets.

SalMar considers the TCFD recommendations a valuable tool for demonstrating responsibility and foresight in addressing climate issues, as well as for identifying, evaluating, and categorizing climate-related risks and opportunities.

This report will present SalMar's response to the TCFD Content Index.

For more detailed information and figures showing SalMar's impact on the environment and climate change, please, visit the Integrated Annual report, the Sustainability statement, section ESRS 2 - General Disclosures as well as section ESRS E1 - Climate Change.

In 2025, SalMar published its first annual report aligned with the EU's Corporate Sustainability Reporting Directive (CSRD). The CSRD is broadly consistent with the TCFD framework, and goes further in scope on its disclosure requirements. Accordingly, from 2026, information previously reported under TCFD will be incorporated into the company's annual report as part of its broader sustainability reporting obligations.

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## Governance

The organization's governance around climate-related risks and opportunities

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## Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

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## Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

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## Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

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## Board-level oversight

The Board ensures that climate considerations are integrated into the Group's overall strategy and decision-making processes. This encompasses the review and guidance of corporate strategy, major initiatives, risk management frameworks, annual budgets, and business plans. Climate-related factors are also taken into account when setting organizational performance goals and targets and overseeing significant financial decisions, including capital expenditures, acquisitions, and sustainability-linked financing such as the issuance of Green Bonds.

Operational responsibility for implementation and day-to-day follow-up lies across the organization, facilitated by the Head of Sustainability. The Board's Audit and Risk Committee conducts periodic assessments of both existing and emerging risks and opportunities, ensuring that appropriate responses are in place.

SalMar has established robust systems and routines to monitor key risk factors across all business units. The CEO holds responsibility for ensuring that the Group operates in full compliance with applicable laws, regulations, and internal operational guidelines.

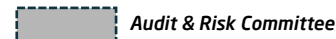
SalMar's executive-level approach to climate change is led by the CEO, supported by the Head of Sustainability. The sustainability team, under the leadership of the Head of Sustainability, works in close collaboration with management teams across all departments and operational regions. The Head of Sustainability reports to the Chief Strategy Officer (CSO), who is a member of the executive management team.

Responsibility for identifying and assessing climate-related risks and opportunities in daily operations is shared between the Head of Sustainability and the respective departmental management teams. Findings are systematically evaluated and reported to ensure integration into operational and strategic decision-making.

SalMar has established a set of ESG-related key performance indicators (KPIs), which are externally audited on an annual basis. See SalMar's Annual Report for further details. The company has conducted a comprehensive assessment of its climate-related risks and opportunities, prioritizing them based on materiality and relevance.

SalMar has also committed to reduce greenhouse gas emissions from its own operations (Scopes 1 and 2) and across its value chain (Scope 3), as further detailed under Metrics and Targets. These targets are validated by the Science Based Targets initiative (SBTi).

Climate risk awareness is actively promoted by the Head of Sustainability through regular dialogue with internal stakeholders.



# Strategy

## Identification of climate-related risks and opportunities over short, medium, and long term

SalMar conducted its first climate scenario analysis in 2022, aligned with TCFD recommendations, launching a structured, annual process to assess climate-related risks and opportunities.

An internal task force, comprising representatives from sustainability, quality, and risk management departments, leads the work in close collaboration with management across all regions and business areas. This cross-functional approach ensures climate considerations are integrated into both strategic and operational decision-making.

The initial analysis identified key climate-related risks and opportunities, which were reviewed by executive management and the Board, forming the foundation for SalMar's long-term climate strategy. TCFD-aligned reports were published in both 2022 and 2023, reflecting the findings and progress.

For the 2024 TCFD report, SalMar once again updated its assessments using a Risks and Opportunities (R&O) Matrix, evaluating time horizon, likelihood, and potential financial impact. This reassessment further strengthens the company's climate risk management framework.

SalMar incorporates climate-related risks and opportunities into both its strategic and financial planning processes. These considerations span short, medium, and long-term timeframes and take into account the probability and potential financial impact of each risk or opportunity. The company applies defined parameters for time horizons and financial materiality to guide these evaluations, as defined in the following tables.

| Time horizon | Years |
|--------------|-------|
| Short-term   | < 1   |
| Medium-term  | 1-5   |
| Long-term    | 5 <   |

| Financial impact | Percentage of revenue |
|------------------|-----------------------|
| Low              | < 0.1 %               |
| Medium           | 0.1 - 1 %             |
| High             | 1 % <                 |

In assessing climate-related risks and opportunities, SalMar applies distinct time horizons to capture both current and potential future impacts. Risks are identified as transitional or physical risks. Transitional risks arise from the process of adjusting to a low-carbon economy, such as changes in policies, technologies, markets, or reputation. Physical risks refer to risks from climate-related events or environmental changes that impact operations and assets, further categorized as either acute or chronic.

Across all time horizons, SalMar's primary risk currently include transitional risks related to regulatory changes and market changes affecting feed resources, as well as chronic physical risks related to oceanic changes.

A summary of identified risks and opportunities across time horizons is provided in the following tables.





## Summary of the main risks identified in SalMar's climate-related risk assessments

The risk assessment has identified a range of transitional risks associated with regulatory developments, technological innovation, and evolving market dynamics and stakeholder expectations, all in the context of the low-carbon transition.

| Risk Type          |                |             | Description  | Mitigation Strategy   | Time horizon   | Financial risk |
|--------------------|----------------|-------------|--|---|----------------|----------------|
| Transitional risks | Policy & legal | Regulations | Regulatory changes and uncertainty in environmental policy frameworks pose potential risks of increased operational costs and hindering plans for innovation and growth.   | Through proactive dialogue with authorities and participation in public hearings, SalMar can remain well-informed, reduce uncertainty, rapidly adapt to regulatory developments, and effectively advocate for the interests of the aquaculture industry.  | Short & Medium | High           |
|                    |                |             | Increased carbon taxation on greenhouse gas emissions and stricter CO <sub>2</sub> efficiency requirements in SalMar's operating regions could lead to higher operational costs. A further rise in carbon pricing may also increase the cost disadvantage associated with SalMar's use of air freight for access to distant, high-demand markets. Air freight, while used for only a portion of total volumes, accounts for a significant share of the company's transport-related emissions, making it a key area of exposure under future climate regulations.   | SalMar is proactively addressing this risk through its greenhouse gas (GHG) reduction targets, validated by the Science Based Targets initiative (SBTi). These targets are driving measurable reductions in the company's reliance on fossil fuels across operations and form a core part of its climate strategy. While challenges remain, particularly in reducing emissions from air freight, the company is actively evaluating long-term solutions. These include developing low-emission transport alternatives and adapting to evolving market dynamics, such as potential shifts in consumer preferences toward value-added product (VAP). By pursuing these strategies, SalMar aims to reduce its exposure to carbon-related cost increases and strengthen its long-term resilience. | Short & Medium | Medium         |
|                    |                |             | New circular economy policies could result in increased compliance costs, such as higher material standards and mandatory recycling systems. As part of the European Green Deal and the shift toward a circular economy, regulatory frameworks such as the EU Single-Use Plastics Directive (EU 2019/904) pose increasing transition risks for the aquaculture sector. The directive introduces bans on certain plastic products, stricter design standards, and extended producer responsibility, potentially impacting SalMar's packaging, material sourcing, and waste management. These requirements may lead to higher compliance costs and necessitate operational and supply chain adjustments to meet evolving EU standards. | For SalMar, the transition to a green, circular economy includes a comprehensive strategy centered on responsible material use, efficient waste management, and continuous innovation to maximize resource utilization. By fostering symbiotic partnerships with industries that can repurpose its by-products, SalMar not only reduces its environmental impact but also minimizes risk.   | Short & Medium | Medium         |

| Risk Type          |            |                  | Description   | Mitigation Strategy  | Time horizon         | Financial risk |
|--------------------|------------|------------------|---|--|----------------------|----------------|
| Transitional risks | Technology | New technologies | Investing in new technologies will be necessary to meet future demands related to climate change. Examples of this may include zero-emission vessels and barges. If investments primarily focus on climate related demands, without sufficient operational alignment, there is a risk of halted operations and increased costs. | SalMar evaluates technologies for scalability, cost-effectiveness, and long-term value before adoption, ensuring alignment with both market needs and operational goals. This reduces the risk of sunk costs and supports sustained competitiveness.                                   | Medium & Long        | Medium         |
|                    |            |                  | Investments in new production technologies, such as e.g. closed cage systems at sea, could increase the energy intensity of farming operations, effecting both operational costs and climate change mitigation.   | SalMar currently operates all established productions methods for sea-based salmon farming, which provides important insights into energy-efficient operations. By investing and conducting research into energy efficiency, SalMar is actively preparing for operational alterations. | Short, Medium & Long | Low            |

| Risk Type          |            |                      | Description  | Mitigation Strategy   | Time horizon         | Financial risk |
|--------------------|------------|----------------------|--|---|----------------------|----------------|
| Transitional risks | Market     | Market changes       | Increased climate awareness among costumers could lead to vegetarian diets becoming more popular. The rising demand for plant-based and alternative protein sources could therefore reduce salmon's market share in certain segments. Additionally, growing consumer and market demand for certified sustainable seafood, such as ASC-certified products, could have financial implications for SalMar if the company is unable to meet these certification requirements in the future.  | SalMar adopts a strategic approach centered on public engagement, market responsiveness, and sustainability certification. Through its six visitor centers, the company fosters greater awareness of the nutritional and environmental benefits of salmon as a protein source. SalMar also maintains close collaboration with grocery retailers and conducts continuous market analysis to monitor consumer trends and adapt its product portfolio accordingly. Furthermore, the company is committed to expanding the number of ASC-certified sites to meet increasing demand for responsibly farmed, certified salmon.  | Short, Medium & Long | Medium         |
|                    |            |                      | Feed resources essential for fish feed are typically cultivated in warmer countries, making them vulnerable to the adverse effects of climate change. This poses a risk to SalMar's access to these critical feed ingredients. Climate-related disruptions could therefore lead to increased raw material costs, resulting in higher operational expenses.   | Ensuring flexibility in feed sourcing and contributing to research on alternative feed ingredients helps reduce dependence on specific raw materials. This strategy is reinforced by maintaining multiple feed suppliers, diverse geographical locations, and various potential feed sources, while continuously exploring new alternatives.  | Short, Medium & Long | Medium         |
|                    | Reputation | Climate expectations | Failure by the aquaculture industry to meet rising climate-related expectations from stakeholders may contribute to reputational challenges. If the industry is seen as slow or resistant to adopting more sustainable and climate-resilient practices, it risks a broader erosion of trust and credibility. This could lead to reduced political support, stricter regulatory frameworks, and declining investor interest. For SalMar, such developments may complicate efforts to secure licenses, expand operations, or access new farming areas, potentially affecting long-term growth and strategic flexibility. | SalMar is actively working to align its operations with evolving climate-related expectations through targeted sustainability initiatives and transparent stakeholder engagement. The company is investing in low-impact technologies, such as electrifying boats and fleets, and working purposefully towards decarbonization in its supply chain. SalMar also participates in industry collaborations aimed at sharing best practices. Regular ESG reporting, third-party assessments, and dialogue with policymakers, investors, and local communities support trust-building and demonstrate accountability. By proactively addressing environmental concerns and aligning with regulatory and societal expectations, SalMar aims to safeguard its standing as a climate leader, maintain its social license to operate, and ensure continued access to growth opportunities. | Medium & Long        | Low            |



Both acute physical risks, such as extreme weather conditions, and chronic physical risks, including oceanic changes, are considered highly relevant to SalMar's direct operations.

| Risk type      |         |                 | Description  | Mitigation strategy   | Time horizon         | Financial risk |
|----------------|---------|-----------------|--|---|----------------------|----------------|
| Physical risks | Acute   | Extreme weather | Increased frequency and intensity of extreme weather events, such as storms, heavy snowfall, and ice accumulation, pose a significant physical risk to SalMar's operations. These conditions may lead to damage to infrastructure and equipment, and pose a significant HSE risk to SalMar employees. Restricted access to facilities, increased risk of HSE incidents or fish escapes, heightened fish mortality, and operational disruptions are some potential consequences. Furthermore, such events may limit the company's ability to establish or maintain production sites in more exposed marine environments, potentially constraining future expansion. | SalMar is dedicated to maintaining the resilience and reliability of its operations in the face of extreme weather conditions. To achieve this, the company makes continuous investments in advanced technology and durable equipment specifically designed to withstand the challenges of harsh marine environments. Comprehensive site assessments are conducted to prioritize locations with historically stable and favorable weather patterns, further reducing operational risk.<br><br>To protect personnel, SalMar enforces strict Health, Safety, and Environment (HSE) protocols. These include mandatory safety training, regular emergency preparedness drills, and the use of advanced real-time weather monitoring systems. If weather conditions are deemed hazardous, employees are not permitted to travel to the farms.<br><br>In addition, SalMar invests in resilient infrastructure and remote surveillance technologies to minimize the need for on-site presence during adverse weather. This approach not only safeguards employees but also ensures the welfare of the salmon. | Short, Medium & Long | Medium         |
|                |         |                 | The increasing frequency and intensity of landslides, along with prolonged periods of drought, pose a risk to SalMar's access to essential freshwater and may negatively impact freshwater quality at smolt facilities.  | SalMar monitors the water level and quality in crucial waterways and at sea. The production of smolt in SalMar has transitioned to the use of recirculating aquaculture systems (RAS), which reduces the need for freshwater.   | Short, Medium & Long | Low            |
|                | Chronic | Oceanic changes | Climate change may disrupt the marine ecosystem, leading to a rise in harmful algal blooms, jellyfish infestations, or the introduction of non-native species. These ecological shifts can significantly impact fish health, reduce water quality, and interfere with farming operations, posing substantial biological and operational risks to SalMar's aquaculture activities.  | SalMar actively contributes to research to gain knowledge, predict, and prepare for changes in the marine ecosystem. A part of this is regularly analyzing seawater and continuously monitoring various environmental parameters to mitigate risks and stay ahead of potential challenges.  | Short, Medium & Long | High           |
|                |         |                 | Changes in sea water temperatures could lead to favorable conditions for sea lice and changes in fish stock migration, attracting new species in areas of aquaculture, potentially interacting with sites.<br><br>Alongside changes in sea temperatures, changes in oxygen levels, acidification, and changes in sea levels could affect conditions of farming in open net pens, increasing the risk of disease and mortality in farming.  | SalMar proactively monitors environmental and oceanographic data, supported by robust R&D efforts to develop predictive models for climate scenario planning. The company is investing in resilient production technologies, including offshore, submerged, and closed-containment systems that are less vulnerable to environmental fluctuations. Significant investments are also being made in laser-based treatments, to safeguard fish health and ensure operational sustainability. Additionally, SalMar is expanding into more exposed and offshore farming areas, where seawater temperatures are more stable and conditions are less affected by climate-driven ecosystem changes.   | Short, Medium & Long | High           |

## Summary of the main opportunities identified in SalMar's climate-related opportunity assessments

SalMar's opportunities related to climate change are identified across several areas, including market shifts, innovation, renewable energy, and strategic collaborations.

| Opportunity type |                              | Description   | Time horizon         | Financial opportunity |
|------------------|------------------------------|---|----------------------|-----------------------|
| Opportunities    | Market shifts and innovation | SalMar primarily view market shifts as an opportunity. As global dietary trends increasingly favor aquatic and low-carbon foods, significant opportunities arise from the perception of salmon as a sustainable protein source and a key contributor to meeting the nutritional needs of a growing population. SalMar sees strong potential in promoting the comparatively low climate footprint of salmon, relative to land-based proteins, and in raising awareness of the environmental and nutritional benefits of marine protein in both existing and emerging markets.  | Medium & Long        | High                  |
|                  |                              | SalMar is actively advancing research and innovation initiatives aimed at developing sustainable feed ingredients produced closer to its farming operations. Through strategic collaboration with feed suppliers and research institutions, the company seeks to integrate alternative, locally sourced ingredients that reduce environmental impact and enhance supply chain resilience. Innovations such as lab-based or controlled-environment feed production offer the potential to reduce dependency on volatile global raw material markets. These efforts support SalMar's goals of lowering greenhouse gas emissions, strengthening operational efficiency, and contributing to long-term sustainability and local value creation in aquaculture.  | Short, Medium & Long | High                  |
|                  | Renewable energy             | SalMar sees significant opportunities in transitioning from fossil fuels to renewable energy sources across its operations, including electrification of feed barges and vessels. This shift supports the company's climate ambitions, while also reducing operational costs and strengthening its position as a leader in sustainable aquaculture. SalMar already has fully electric and hybrid boats in its operations today, and are working actively to increase the number of sea sites connected to onshore electrical power. Another concrete example of this commitment is SalMar's investment in solar power systems at its smolt facility Tjuin, demonstrating how renewable energy can be integrated into the company's core operations.   | Short, Medium & Long | Medium                |
|                  | Collaborations               | SalMar recognizes the strategic value of collaboration in driving innovation, operational resilience, and sustainable development. By strengthening partnerships with research institutions, universities, and industry peers, the company accelerates the advancement of technologies such as low-emission logistics, sustainable feed solutions, and advanced environmental monitoring systems. These collaborations also support data-driven scenario planning to better respond to changing ocean conditions. In parallel, SalMar is enhancing its global salmon distribution through improved cold-chain logistics, digital traceability, and low-carbon transport solutions, aligning with increasing market demand for responsibly produced seafood. With a strong foundation in sustainable aquaculture, SalMar is well-positioned to lead collaborative efforts across the value chain to address the industry's most pressing environmental and reputational challenges—demonstrating a clear commitment to being part of the solution to global sustainability issues. | Short, Medium & Long | Medium                |

## The impact of climate-related risks and opportunities on SalMar's businesses, strategy, and financial planning

Climate-related risks and opportunities have shaped SalMar's strategic and financial planning across key areas of the business. The tables below illustrate some of the key focus areas.

| Areas influenced by climate-related risks and opportunities  | Description  |
|--|--|
| <b>Products and services</b> - development of certified, sustainable salmon products through full value chain certification schemes, organic production, and local processing.                 | <b>Sustainability certifications:</b> SalMar's entire value chain from roe to plate is certified under internationally recognized schemes for fish welfare and responsible farming. The company aims to maintain 100% of eligible sites under these certifications and has established a dedicated work group to further strengthen certification coverage. This supports market access, regulatory compliance, and stakeholder expectations for sustainability. |
|  | <b>Local processing:</b> By expanding local processing capacity, SalMar significantly reduces the need to transport whole fish to market, thereby lowering transport-related greenhouse gas emissions. This approach directly supports Scope 3 emissions reduction, drives regional value creation, and reinforces SalMar's climate strategy.  |
| <b>Supply chain and value chain</b> - integration of climate considerations across the value chain through supplier engagement, sustainable sourcing practices, and optimization of logistics. | <b>Green logistics:</b> SalMar is actively optimizing transportation routes and collaborating with freight providers to identify more sustainable transport solutions. This also include moving volumes towards low carbon transport solutions. This reduces emissions exposure and supports the company's decarbonization efforts.  |
|  | <b>Supplier sustainability standards:</b> SalMar enforces environmental and ethical requirements for suppliers and subcontractors to ensure responsible practices throughout the value chain. This helps mitigate reputational and regulatory risks and ensures climate-aligned sourcing and operations.   |
|  | <b>Sustainable feed sourcing:</b> The company is enforcing a low-carbon policy on feed sourcing, prioritizing climate friendly feed ingredients and production methods.  |



| Areas influenced by climate-related risks and opportunities   | Description  |
|---|--|
| <b>Investment in R&amp;D</b> - innovation projects towards achieving our sustainability goals, and as a part of our sustainability strategy | <b>Research on Sustainable Feed:</b> SalMar is investing in the development of alternative feed ingredients to reduce reliance on carbon-intensive marine resources. The company is exploring novel raw materials, including insect meal, salmon hydrolysate, and poultry by-products. In 2024, 15% of SalMar's total R&D expenditure was directed toward novel feed research. These innovations are critical for lowering Scope 3 emissions, improving resource efficiency, and supporting long-term food security.   |
|   | <b>Salmon Living lab:</b> This cross-sector R&D platform brings together industry partners, NGOs, academia, and other stakeholders to drive innovation in fish welfare and environmental performance. The initiative serves as a collaborative hub for testing and developing scalable solutions, contributing to climate adaptation and enhanced farming standards.   |
| <b>Operations</b> - measures to help reduce environmental impact from internal activities   | <b>Offshore aquaculture:</b> Moving production to exposed farming locations may limit the risk of being severely impacted by coastal algal blooms and seawater temperature variations.   |
|   | <b>Green energy transition:</b> SalMar is phasing in hybrid and fully electric vessels and feeding barges to reduce direct emissions from fossil fuel use. Land-based facilities are increasingly equipped with solar panels to cut energy-related emissions and manage energy costs more sustainably.   |
|   | <b>Circular economies:</b> SalMar actively reduces waste by recycling and reusing aquaculture materials such as nets, pens, and ropes. The company is also involved in the DSolve project, which focuses on developing biodegradable plastic alternatives to reduce microplastic pollution and protect marine ecosystems.<br><br>Additionally, SalMar enhances resource efficiency through partnerships that enable the utilization of biological waste. This includes delivering fish by-products, sludge and silage, as valuable resources to other industries, producing biogas, fish meal and oil, animal feed and more. This strategy supports climate mitigation principles by minimizing waste and generating additional value from residual materials. |

# Scenario analysis

aligned with the TCFD recommendations

## Methodology and Background

Scenario analysis involves exploring and evaluating the possible consequences of various plausible future outcomes in situations marked by uncertainty. SalMar uses scenario analysis to help inform the company's strategic and financial planning processes and to disclose how resilient its strategies are to various climate-related scenarios.

SalMar recognizes that climate change represents both strategic risk and a potential opportunity for future development. As a key actor in the aquaculture industry, the company considers it essential to work systematically to identify, assess and manage climate-related issues. Climate scenario analyses play a central role in this effort by providing insight into possible future situations and help assess whether current strategies can withstand different climate developments.

Through scenario analysis, SalMar gains a stronger foundation for identifying operational vulnerabilities, implementing measures to reduce risk exposure and uncovering new opportunities for sustainable growth and technological innovation. This work not only reinforces the company's environmental responsibility, but also contributes to increased strategic resilience and long-term value creation.

Climate-related risks and opportunities influence SalMar's strategic and financial planning. The assessment of these risks and opportunities includes short-, medium-, and long-term time horizons, as well as their financial impact. The following definitions of time horizons and financial impacts are applied:

| Time horizon | Years |
|--------------|-------|
| Short-term   | < 1   |
| Medium-term  | 1-5   |
| Long-term    | 5 <   |

| Financial impact | Percentage of revenue |
|------------------|-----------------------|
| Low              | < 0.1 %               |
| Medium           | 0.1 - 1 %             |
| High             | 1 % <                 |

## Scenarios

The scenario analysis evaluates the climate-related risks and opportunities within three presented scenarios, based on the Representative Concentration Pathways (RCPs) 2.6, 4.5, and 8.5, and their possible effect on SalMar.

While SalMar's greenhouse gas (GHG) reduction targets are aligned with the 1.5°C ambition, the scenario analysis presented is based on global emissions reduction pathways rather than SalMar's individual targets. As such, the most optimistic scenario evaluated is RCP 2.6, which corresponds to limiting global warming to below 2°C, a target considered more feasible on a global scale.

| Scenario          | Global Mean Temp. Increase 2100 from pre-ind. baseline | Level of mitigation | Description                 |
|-------------------|--|---------------------|-----------------------------|
| RCP 2.6 Alignment | 1.5°C - 2.0°C  | High                | Below 2°C target is reached |
| RCP 4.5 Alignment | 2.5°C - 3.0°C  | Medium              | Some mitigation             |
| RCP 8.5 Alignment | Above 4.0°C  | Low                 | No or little mitigation     |

## RCP 2.6 Alignment - *Transition Risk Dominating*

This scenario assumes a transition to limit global warming to below 2°C, through strict climate policies and regulations, and a strong, coordinated global cooperation and response to climate change. This scenario assumes that the global emissions peaked in imminent and will decline rapidly. Achieving this trajectory likely involves significant regulatory involvement, such as through carbon taxes, and significant investments in clean technologies.

The scenario presents opportunities for SalMar in terms of a growing climate and environmental awareness of both consumers and investors, and hence a rise in demand for sustainable protein sources such as salmon.

Under this scenario, steep carbon taxes render fossil fuels prohibitively expensive, creating opportunities for low-emission technology development. Simultaneously, increased funding for low-carbon technologies may enable viable solutions for sectors like transportation.

Regulations on operational quotas further motivate companies to adopt green practices, while strict transparency requirements help prevent greenwashing by holding businesses accountable.

In RCP 2.6, transitional risks and opportunities dominate for SalMar. The rapid shift to a low-carbon economy is both urgent and costly for many companies, with emission reduction mandates extending across all three scopes of their operations

For SalMar, Scope 1 and 2 emissions largely originates from fossil fuel consumption in vessels and operational sites, electricity use, and the energy mix. Adhering to stringent decarbonization pathways enables the early deployment of low-emission technologies to safeguard financial sustainability.

Prioritizing the connection of farming sites to shore-based electrical power and transitioning aquaculture vessels to zero emission fuels, is essential to fully eliminate Scope 1 emissions. This transition requires a substantial expansion of the current power infrastructure in rural Norway, requiring governing bodies to act rapidly and forcefully.

Scope 3 emissions for SalMar are primarily attributable to downstream logistics and feed production. Emission reductions in logistics could be driven by the adoption of low- or zero-emission transportation technologies, including low-emission seaborne freight. This could move the markets - especially distant markets - into more frozen fish products rather than fresh products.

Feed production presents a significant challenge in relation to scope 3 emissions. The salmon require specialized nutrition, and while ongoing research and development into novel feed ingredients aims to streamline the supply chain and reduce greenhouse gas emissions, zero-emission solutions are still some way off. Accelerated investment in feed innovation and sustainable agricultural practices will be critical to expediting the transition.

While the RCP 2.6 pathway entails substantial upfront costs to drive technological and sustainability advancements, SalMar's robust financial position and ongoing transition initiatives mitigate risks to the company's long-term business viability.





## RCP 4.5 Alignment - *Combined Climate Risks*

Under the RCP 4.5 alignment scenario, a range of mitigation measures are implemented globally. These include the adoption of low-emission fuel alternatives, expanded reforestation initiatives, reductions in cropland and grassland use driven by improved yields and dietary shifts, as well as the introduction of carbon pricing mechanisms. Energy efficiency is expected to improve steadily, with total energy consumption projected to peak before 2040.

This scenario involves both transitional and physical climate risks. Broad climate policies across sectors aim to reduce reliance on fossil fuels and promote cleaner energy solutions. For aquaculture companies like SalMar, transitioning to electricity or other low-carbon energy sources is anticipated to be a primary focus within operational activities.

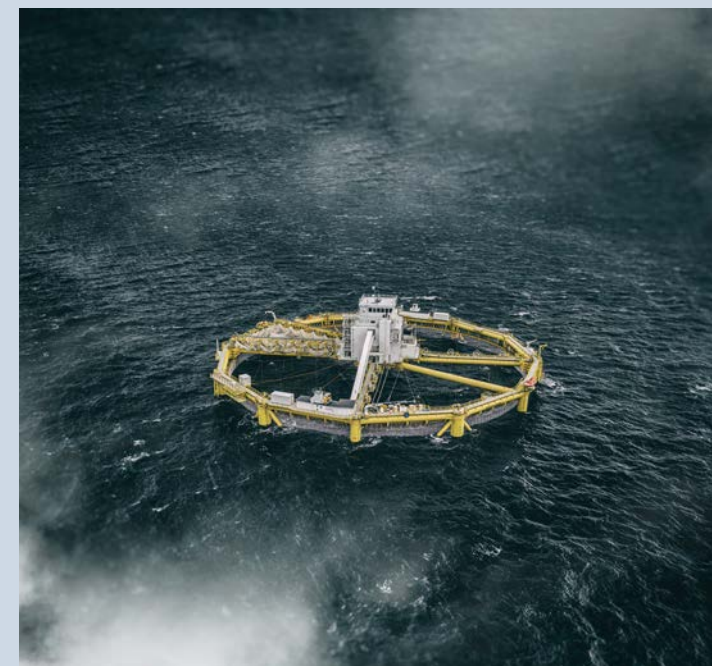
Compared to the more aggressive RCP 2.6 pathway, the transition under RCP 4.5 is less urgent, allowing greater consideration of financial viability. However, mandatory carbon pricing or offset schemes are likely to be implemented, encouraging ongoing progress toward emissions reduction.

Reducing Scope 3 emissions will require close cooperation with suppliers along the value chain. Feed formulations will evolve in response to stricter emissions targets, supported by increased investments in research and development. Greater emphasis is expected on improving agricultural practices rather than solely substituting feed ingredients.

Additionally, developing low-emission transport solutions for both upstream and downstream logistics is critical, particularly for access to distant markets. The introduction of carbon taxes on long-distance transport may influence trade dynamics for Norwegian salmon.

While the RCP 4.5 pathway introduces transitional costs for salmon producers, these are less immediate and severe than those in the RCP 2.6 scenario. Physical risks, including more frequent extreme weather events and oceanic changes, are projected to increase over time but remain less pronounced than under the higher-emission RCP 8.5 scenario.

Overall, the RCP 4.5 alignment scenario presents manageable risks that do not materially threaten SalMar's long-term business viability.



## RCP 8.5 Alignment - *Physical Risk Dominating*

The RCP 8.5 alignment scenario represents a continuation of business-as-usual economic priorities, where rapid growth and resource exploitation take precedence over meaningful climate action. Accelerated population growth drives heightened demand for natural resources, intensifying global overconsumption and environmental degradation. A reluctance or failure to transition away from fossil fuels results in significant increases in seawater and ambient temperatures.

In this scenario, stakeholder pressure from customers, investors, and regulatory authorities to address sustainability and climate risks notably weakens. Consequently, the financial incentives and regulatory measures necessary to support and accelerate the transition to a low-carbon economy become inadequate or are withdrawn altogether.

Physical climate risks are the primary concern under this high-emissions pathway, manifesting in both acute events and chronic environmental changes. Rising seawater temperatures create critical challenges for aquaculture operations, including adverse effects on fish welfare, increased vulnerability to diseases, harmful algal blooms, eutrophication, and loss of biodiversity. Alterations in ocean current patterns could disrupt key environmental parameters such as temperature and salinity, further jeopardizing fish health and productivity.

To adapt, the industry may be compelled to relocate operations northwards toward the polar regions, where conditions remain relatively more favorable. This shift would place pressure on limited farming sites in these ecologically sensitive areas, raising concerns about habitat disturbance and ecological balance.

The increased frequency and severity of extreme weather events, such as storms, could pose significant risks to worker safety and farm infrastructure. This necessitates enhanced investments in health, safety, and environmental (HSE) measures, risk management protocols, and the structural resilience of farming facilities. Climate-driven disruptions could also impact the availability and cost of feed resources, further challenging operational continuity.

From a financial perspective, the RCP 8.5 scenario presents substantial long-term threats to SalMar's business viability. The combined effects of worsening physical risks, potential supply chain disruptions, and increased operational costs could undermine profitability and growth.

To mitigate these risks, SalMar must proactively engage with policymakers at national and international levels to advocate for ambitious climate policies and regulatory frameworks. Collaborative efforts to support the global transition toward a low-carbon economy will be essential in reducing exposure to the most severe impacts of this scenario.

SalMar's commitment to sustainability and resilience, alongside active participation in shaping climate policy, will be critical to safeguarding the company's future and securing a sustainable path for the aquaculture industry as a whole.



# Risk Management

## SalMar's handling of climate-related risks.

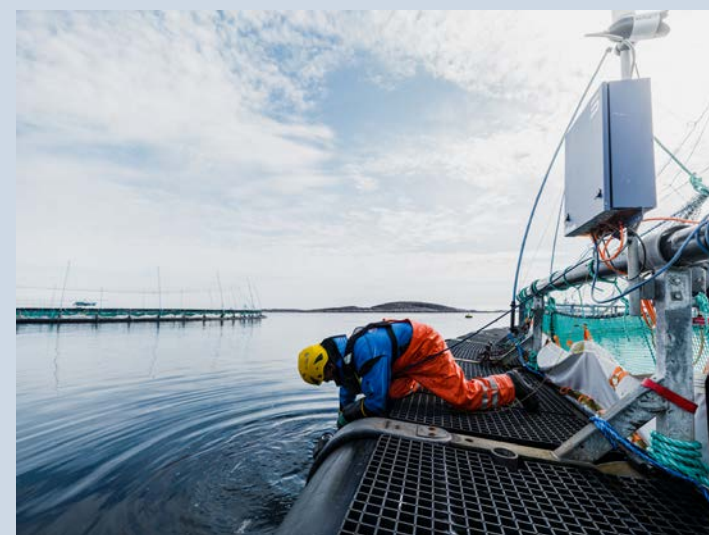
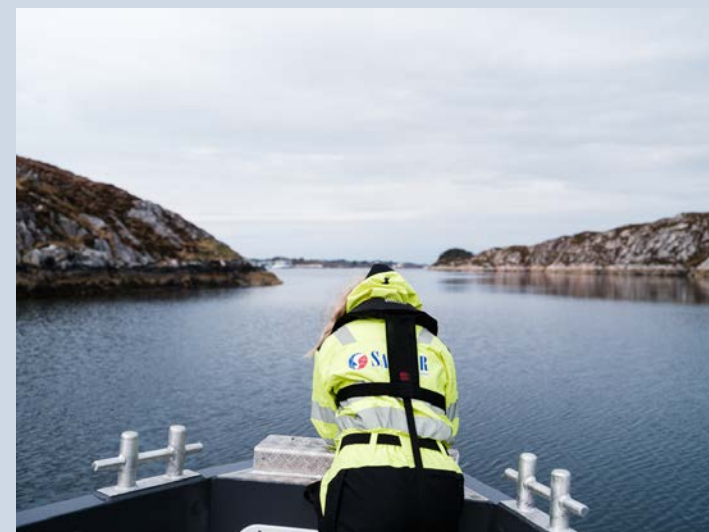
SalMar's senior management takes a leading role in managing climate-related risks and opportunities, recognizing these as integral to the company's long-term strategy. Oversight of the identified risks and opportunities is maintained at the highest levels, including executive management and the Board of Directors.

This assessment process is informed by ongoing internal dialogue with relevant personnel, as well as active engagement in external and public discussions on the challenges, risks, and opportunities facing the aquaculture industry. The evaluation of climate-related risks and opportunities is continuously updated in response to mitigation measures, evolving industry dynamics, and emerging trends.

The Group CEO holds ultimate responsibility for SalMar's environmental performance and sustainability efforts. Dedicated quality departments monitor and evaluate progress in this area, with activities coordinated by management teams within the Fish Farming, and Sales and Industry segments. These teams are supported by experienced professionals to ensure systematic and comprehensive risk and opportunity assessments across all operational levels.

Risk management is conducted both at the group level and within individual departments, ensuring a precautionary approach and the timely implementation of necessary measures—including those related to climate. This framework is extended to SalMar's subsidiaries, where representation on their boards ensures consistent execution of the group's climate and sustainability strategies.

Since 2021, climate-related risk management has been fully integrated into SalMar's overall risk management processes. This integration follows comprehensive work to map climate-related risks and opportunities, ensuring alignment between the company's strategic direction and its environmental responsibilities. These risks are evaluated alongside operational and financial considerations at the highest decision-making levels to ensure a resilient, future-ready organization.





# Metrics and Targets

The metrics and targets used to assess and manage climate-related risks and opportunities

## Climate-related metrics

SalMar reports its greenhouse gas (GHG) emissions in accordance with the GHG Protocol: Corporate Accounting and Reporting Standard. The Group applies the operational control approach to consolidate its emissions inventory, meaning that emissions from all operations under its operational control are included in Scope 1 and Scope 2 reporting. Scope 3 emissions encompass indirect upstream and downstream activities associated with the Group's operations. SalMar has disclosed emissions across Scope 1, 2, and 3 since 2013.

In 2024, the Group's total activities accounted for 1,198,458 tCO<sub>2</sub>e. This includes SalMar's Scope 1 emissions, location-based Scope 2 emissions, and Scope 3 emissions (indirect emissions from the group's value chain). This marks a 26% decrease from the groups base year 2020, which had a total of 1,610,385 tCO<sub>2</sub>e.

Compared to 2023, total group emissions (Scope 1, 2, and 3) decreased by 11%. The climate change mitigation progress seen from SalMar since 2020 is primarily related to the sourcing of fish feed. Emissions from fish feed has historically been the main source of GHG emissions from fish farming companies. SalMar has therefore worked closely with feed suppliers to assess whether climate-friendly alternatives could be used to replace certain feed ingredients, and whether modernizing agricultural practices could benefit the planet. The company seeks to continue to advance climate-friendly feed compositions.

## Climate-related targets

In 2024, SalMar maintained its climate targets: a 42% reduction in Scope 1, 2, and 3 emissions by 2030, using 2020 as the base year. These targets remain aligned with the 1.5 °C pathway and are approved by the Science Based Targets initiative (SBTi). As can be seen from the current progress, SalMar is well on its way to achieving these high ambitions.

In line with SBTi requirements, SalMar applied for a separate FLAG (Forest, Land, and Agriculture) emissions reduction target in 2024. When approved, Scope 3 emissions will be split into FLAG and non-FLAG categories, both aligned with the 1.5 °C target of the Paris Agreement.

SalMar's FLAG-related emissions stem from the agricultural practices related to the sourcing of its fish feed. SalMar did not have other land-use related GHG emissions in the reporting year. In 2024, the company's FLAG emissions were 273,073 tons of CO<sub>2</sub>eq. 60,881 tons of CO<sub>2</sub>eq from the feed-related GHG emissions came from land-use change, representing 11% of the total emissions from feed.

For further details regarding SalMar's sustainability work, metrics and targets for 2024, please see SalMar's annual report, and its sustainability statement.

The Group's Absolute GHG Emissions (tCO<sub>2</sub>eq)

| Scope   | 2024      | 2023      | 2020<br>(Base year) | Achieved<br>reductions<br>since<br>2020 |
|---------|-----------|-----------|---------------------|---|
| Scope 1 | 27,887    | 27,478    | 28,689              | -3%                                     |
| Scope 2 | 4,377     | 3,531     | 3,360               | 30%                                     |
| Scope 3 | 1,166,194 | 1,309,486 | 1,578,336           | -26%                                    |

| Scope     | Base<br>Year | Target<br>Year | Reduction<br>target | Alignment     | 2020<br>(tCO <sub>2</sub> eq) | 2024<br>(tCO <sub>2</sub> eq) | Target Year<br>(tCO <sub>2</sub> eq) |
|-----------|--------------|----------------|---------------------|---------------|-------------------------------|-------------------------------|--------------------------------------|
| Scope 1+2 | 2020         | 2030           | 42 %                | 1.5 °C target | 32,049                        | 32,264                        | 18,588                               |
| Scope 3   | 2020         | 2030           | 42 %                | 1.5 °C target | 1,578,336                     | 1,166,194                     | 915,435                              |

*Passion*  
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