

Bluefront Equity AS - Disclosure pursuant to the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) Article 3

Bluefront Equity is a pure play seafood private equity firm and invests across the seafood value chain in the future of the blue economy. By executing on our investment strategy, we seek to make the seafood value chain more sustainable. Sustainability risks and ESG considerations are an integral part of our investment decision-making process.

Bluefront is convinced that businesses that contribute to sustainable growth will create long-term value, and is committed to promoting environmental, social and governance performance in our portfolio companies. We seek portfolio companies that share our vision in making the seafood value chain more sustainable.

We have implemented an ESG framework based on the UN Principles for Responsible Investment and the United Nation’s Sustainable Development Goals, in order to ensure that all investments made are aligned with our investment philosophy. Through the ESG framework, ESG and sustainability risks are made an integral part of our investment decisions. The ESG framework facilitates for identifying and handling of sustainability risks for each investment and the portfolio as a whole, aimed at generating positive economic impact for the portfolio company, Bluefront and the investors.

As a private equity manager focussed on only one industry, namely seafood, we have tailored our ESG framework to the specific risks and opportunities within the seafood industry. Our mandate is mainly focussed on contributing to the following Sustainable Development Goals through our investments:



Bluefront uses the Collier Fairr Protein Producer Index and the top 10 ESG and sustainability risks in the aquaculture segment, as identified by Collier Fairr, as the starting point for assessing ESG and sustainability risks and opportunities for potential investments.

The top 10 ESG and sustainability risks identified for the aquaculture segment are:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Greenhouse gas emissions • Effluents • Habitat destruction and biodiversity loss • Fish feed supply • Disease management 	<ul style="list-style-type: none"> • Labour conditions • Fish welfare • Community resistance • Antibiotic use 	<ul style="list-style-type: none"> • Transparency and food fraud

These ESG risks form the basis for a materiality assessment performed by the deal team for each individual investment, which in turn lays the foundation for the ESG assessments that are made prior to investment, and the subsequent engagement and follow-up with each portfolio company.

Prior to any investments being made, Bluefront undertakes a comprehensive due diligence process on the portfolio company. The due diligence review will include assessment of compliance with legal requirements related to ESG and sustainability, including environmental permits and licenses, compliance with labour laws and tax compliance. During the due diligence process, Bluefront is particularly cautious of any issues and concerns around, inter alia, the following risks:

- (a) Potential lawsuits towards the target or key people working in the target;
- (b) Issues with corruption and fraud;
- (c) Tax and vat issues;
- (d) ESG issues; and
- (e) Management incentives and background checks on management.

In addition, each potential investment will be required to return a comprehensive ESG Questionnaire completed by the CEO or chairman of the company. The ESG Questionnaire covers a variety of sustainability indicators, including environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters. Based on the responses to the ESG Questionnaire, Bluefront will assess how the potential investment performs on relevant sustainability indicators.

Any adverse findings or non-compliance that is identified during the due diligence will be presented and discussed in the Investment Committee. If the due diligence has revealed unmanageable ESG and sustainability risks that cannot be resolved or mitigated, Bluefront will abstain from making the investment. Otherwise, the findings from the pre-investment phase will form part of the basis for the ESG strategy and subsequent engagement and follow-up with the company with the aim of promoting environmental, social and governance performance in our portfolio companies.