

Report under the Norwegian Transparency Act for EWOS AS and EWOS Innovation AS

November 24, 2023

1. General information

1.1. Company structure

Cargill Incorporated is the sole owner of EWOS AS and related companies.

The company structure in Norway consists of these registered companies:

- Cargill Norway Holding AS (org.nr. 914 992 990), which owns 100% of:
- Cargill Norway AS (org.nr. 914 993 024), which owns 100% of:
- Cargill AS (org.nr. 914 993 024), which owns 100% of:
- **EWOS AS (org nr. 979 184 832)**, which owns 100% of:
- **EWOS Innovation AS (org.nr. 911 501 252)**

Cargill AS, EWOS AS, and EWOS Innovation AS exceeds two of the thresholds for reporting on the Norwegian Transparency Act. Cargill Norway AS and Cargill Norway Holding AS have no employees and provide no services or goods. Cargill AS has no other counterparts than EWOS AS which means that the two companies have overlapping risks assessments, due diligence work and requirements. EWOS Innovation AS mainly performs analysis on feed sold by EWOS AS. Procurement unique to EWOS Innovation AS will be covered in a separate chapter in this report.

EWOS AS (“EWOS”) produces aquaculture feeds in the form of extruded pellets. The market is producers of salmon and trout in Norway.

Raw materials for this production includes fish oil, fishmeal, vegetable proteins, vegetable oils and carbohydrates and binders from many different countries. (Overview of ingrediets and countries form where they are sourced is specified in chapter 2.1.)

EWOS AS owns and operates three plants in Norway located at Bergneset in Troms, Halså in Nordland and Florø in Vestland, with the head office located in Bergen. EWOS AS employs 331 people.

EWOS Innovation AS is a dedicated research and development company for Cargill Aqua Nutrition Group focusing on fish feed, method development and sustainability. The research covers the entire life cycle of the fish from life in fresh water and seawater, mainly for the species tilapia, shrimp and salmon.

EWOS Innovation AS’ research station is located in Dirdal with offices in Stavanger and a total of 62 employees.

As subsidiaries of US-based Cargill Inc, EWOS AS and EWOS Innovation AS delivers annual reports and financial statements in English. Hence, this report on the Norwegian Transparency Act will also be in English.

Furthermore, EWOS AS and EWOS Innovation AS follows it’s US parent’s fiscal year, meaning that this year’s report on the Norwegian Transparency Act is written in the fall and presented for approval by the two boards in November 2023.

1.3. Embedded in the organization.

The boards of both EWOS AS and EWOS Innovation AS made in 2022 the principal decision to comply with the Transparency Act. The required information was published on external webpages by July 1st 2022 informing any person how to contact the company with questions regarding how the company addresses actual and potential adverse impacts related to decent working conditions and human rights.

Since publication only one question has been received, asking about potential for deforestation as a consequence of purchasing soy from Brazil. All soy used for fish feed in Norway is certified as deforestation free.

EWOS AS has also made the decision to apply for Aquaculture Stewardship Council (ASC) certification for feed mills. This certification also requires risk assessments and due diligence processes on working conditions and human rights along the same OECD principles as the Norwegian Transparency Act.

Furthermore, Cargill Inc is implementing its corporate human rights due diligence (HRDD) process including a continuous improvement approach for identifying, assessing, and prioritizing risks, a grievance mechanism, a strategy for responding to identified risks, plans to prevent and remedy actual adverse impacts as well as regular reporting on progress.

1.3.1 Commitment on Human Rights

Human rights are fundamental at Cargill and our actions are driven by our values and our culture of putting people first, championing action and embracing our responsibility to protect people and planet. We are committed to respecting the human rights of all Cargill employees and all those whose lives and livelihoods we touch. Cargill complies with local laws and respects internationally recognized human rights throughout our own operations, supply chains and the communities where we do business. We take guidance from international standards and declarations, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Bill of Human Rights and the International Labour Organization Fundamental Principles and Rights at Work. As a signatory company of the United Nations Global Compact, we also are committed to promoting human rights.

Our Human Rights Policy outlines our commitment to human rights within our operations and supply chains, and it applies to Cargill Incorporated and its subsidiaries. We also expect our suppliers and business partners to uphold these principles and urge them to adopt similar policies within their own businesses.

1.3.2 Code of Conduct

Cargill's Code of Conduct outlines our company's ethical and compliance standards for conducting business throughout the world and serves as a guide for employees in conducting their daily work. Our Code is grounded in seven Guiding Principles that are ingrained in our culture and serve as the foundation for the behaviors expected from all employees.

1.3.3 Supplier Code of Conduct

Cargill's purpose is to nourish the world in a safe, responsible, and sustainable way. We understand that supply chains that support the global food system must be sustainable – balancing the needs of today with the needs of future generations. We can achieve our purpose only by working closely with

our Supplier Partners. Our Supplier Code of Conduct explains how we expect farmers, producers, manufacturers, and others to work with us to fulfill that purpose — ethically and in compliance with applicable laws.

1.3.4. CANH Sourcing policy

In 2008, EWOS began to utilize a Supplier Self-Assessment Questionnaire, intended to share EWOS's expectations and assess suppliers' behaviours against those expectations. Since then, a Supplier Code of Conduct has been implemented and revised several times with ever more specified expectations towards our suppliers, human rights and working conditions included.

Implemented in January 2021 the current Code of Conduct was renamed the Cargill Animal Nutrition and Health (CANH) Sourcing Policy, to differentiate clearly from the Cargill Supplier Code of Conduct. This Sourcing Policy is harmonized with requirements in Criterion 2.1 in the ASC Feed Standard regarding human rights and labour conditions and is specifically referencing ILO International Labour Standards. There is a requirement for suppliers to sign to declare compliance, or to provide documentation to demonstrate at least equivalent approaches.

The Sourcing Policy has been rolled out to existing suppliers since January 2021 and have been a requirement with new supplier approvals since then. All suppliers of raw materials to EWOS have signed or acknowledged the Sourcing Policy.

1.3.5. Grievance processes

Ethics Open Line

Cargill's Ethics Open Line is available 24 hours a day, 7 days a week worldwide. Employees and third parties can submit questions or share concerns by scanning a QR code on a mobile device, completing an online form, or calling a country-specific phone number. Access is provided in many languages and anyone making a report has the option to provide contact information or to remain anonymous (where allowed by country law). We respond to all questions and take reports of potential misconduct seriously, and we handle investigations promptly, fairly, and as confidentially as possible.

Specific grievance processes has been established for major raw materials soy and palm.

According to the requirements in the ASC standard, EWOS AS is to set up a local grievance process for each of the three Norwegian plants.

2. Description of the supply chain

2.1. Raw materials by country.

EWOS AS produces a variety of feed for fish (mostly salmonids), from microscopic starter feed of 0.6 mm for fry, to large pellets of 13 mm.

Common to all the recipes is that they contain natural products from fisheries and agriculture in the form of protein, fat, carbohydrates in addition to nutrients such as vitamins and minerals.

EWOS AS has used 94 suppliers/manufacturers over the last two years. When the materials are sourced through traders, distributors, brokers and agents, also the manufacturers of the raw materials sourced through these are included in our risk assessments.

The general content of our feed and the countries from where the raw materials are sourced:

- 33,1% Vegetable proteins (Belgium, Brazil, China, Finland, France, Germany, Hungary, India, Russia, Ukraine, USA)
- 21,0% Vegetable oils (Belarus, Belgium, France, Germany, Netherlands, Russia, UK, Ukraine)
- 16,4% Fishmeal (of which trimmings meal 4,7%) (Chile, Denmark, Faroe Islands, Iceland, Norway, Peru)
- 9,4% Fish oil (of which trimmings oil 2,1%) (Chile, Denmark, Faroe Islands, Iceland, Mauritania, Mexico, Norway, Oman, Panama, Peru, South Africa, USA)
- 12,3% Carbohydrates & binders (Germany, Poland, UK)
- 0.9% Single cell proteins (Brazil, France, Italy)

2.2. Indirect procurement in EWOS AS

We have 212 suppliers within indirect procurement. Among these, one product is listed as originating outside Europe, in this instance Thailand. The supplier of this product is an international corporation with a subsidiary in Norway which also reports on the Norwegian Transparency Act. The supplier has provided a code of conduct, Safety Policy for the Thai operation, which also has answered Cargill Supplier Self-assessment questionnaire.

2.3. EWOS Innovation AS

EWOS Innovation AS' vendor has 307 entries including services (172), goods (119), and raw materials (16). All 16 raw material suppliers are located in Europe.

Overall, our view is that it is in countries outside Europe the biggest risk for potential and actual problems will be found when it comes to human rights and proper working conditions.

Based on the principles of the Norwegian Transparency act to be both risk-based and proportional, the focus of our work on human right due diligence will for now be on raw material producers and suppliers.

3. Identify, Assess and Prioritize risks

3.1. EWOS Supplier Social Risk Due Diligence

EWOS has conducted significant food safety risk assessments of raw materials and suppliers for more than 20 years. Sustainability risk assessments for suppliers of raw materials like soy and palm were introduced 15 years ago and were extended to all raw materials and suppliers 5 years ago.

At EWOS we included social risks in our supplier risk assessment in 2019 as a result from the new UK Modern Slavery Act as well as the requirements in the new ASC Feed Standard.

3.2 EWOS Social Risk Due Diligence Methods

The EWOS social risk assessment is based on the due diligence requirements in Criterion 2.2 in the ASC Feed Standard, which, as the Norwegian Transparency Act, builds on the OECD Due Diligence Guidance for Responsible Business Conduct. The most effective approach to making actual improvements in working conditions and human right, is in our view to support broad, industry-wide initiatives and common standards such as the ASC Feed Standard.

The ASC Feed Standard has four due diligence pathways to determine low risk and any combination of the pathways can be used to determine low risk. The pathways described below consist of country

scorecard, an industry/sector/fishery assessment, an ingredient manufacturer assessment, and an approved certification.

The first ASC Feed Standard due diligence pathway is the ASC Feed Standard Country Risk Score Card where country risks are graded LOW, MEDIUM or HIGH based on recognized global indexes as World Bank World Governance Indicators, Transparency International Corruption Perception Index, US Department of State Trafficking in Persons Report and Walk Free Global Slavery Index.

The second ASC Feed Standard due diligence pathway is the ASC Feed Standard List of Accepted Certification Schemes with assessment criteria for legal, social and environmental risks. For social risks the standards MSC, Marine Trust, Proterra, Europe Soy Standard, SEDEX SMETA and Social Accountability International are accepted. All of these includes criteria on labour rights and practices.

The third and fourth ASC Feed Standard due diligence pathways are Ingredient Manufacturer assessment and Industry sector assessment. As sources for these pathways we have used Corporate Social Responsible (CSR) policies and reports, social programs like Ethical Trade Initiative (ETI), statements from suppliers, external or internal risk assessments, and audits where human rights and working conditions are part of the audit scope.

All raw material suppliers used by EWOS the last 2 years are included in the due diligence, and when the materials are sourced through traders, distributors, brokers and agents, also the manufacturers of the raw materials sourced through these are included. In the ASC Country Scorecard assessment suppliers have been assessed based on the country where the manufacturing of the raw material takes place, and the country where the primary raw material is produced (if this is a different country).

3.3 EWOS Social Risk Due Diligence Results

3.3.1 Identify and assess.

Of the 94 suppliers/manufacturers EWOS have used the last 2 years, 62 suppliers/manufacturers are located in countries rated as LOW in the ASC Feed Standard Country Risk Score Card. (Pathway 1.)

From the remaining 32 suppliers/manufacturers 17 are certified with ASC Accepted Certification Schemes. (Pathway 2.)

The remaining 15 suppliers have been assessed based on the sources outlined in the description of pathway 3 and 4 above with the result of 9 rated as LOW and 6 rated as MEDIUM and HIGH.

The 6 suppliers/manufacturers rated as MEDIUM and HIGH are followed up by actions described below.

Guar meal in India (3 suppliers)

One of the areas identified as one that might be a cause for concern is guar meal produced in India where we have 4 producers. In last year's report we listed 5 suppliers, two of which used the same local producer which is one of these 4. Since last year's report one of these have been SEDEX SMETA certified, leaving 3 to be assessed. Potential risks relate to working conditions and child labour. Results of the initial human rights assessment follows below.

Shea from Burkina Faso, Mali, Ghana, Benin, Togo, Ivory Coast, Guinea (1 supplier)

Shea is a wild crop grown throughout many parklands in countries in West Africa. The collection of the shea nut is primarily done by women, organized in cooperative groups. They are engaged in

collection and local processing of the nuts before selling on through their cooperatives to the processors.

The potential risks here relate to child labour, gender equality and unfair labour practices. A sustainability assessment in 2021 that also looked at human rights and working conditions found that our supplier had a Labor Policy and a Code of Conduct including social issues that independent processors needed to adhere to. Furthermore, our supplier worked actively with stakeholders and employed third-party trainers that explained those topics during training sessions and quality audits. This assessment identified no need for additional follow up, and the conclusion is the same today based on the progress the supplier has made the last year.

Fish oil (2 suppliers)

Also flagged for further due diligence are two suppliers of fish oil, one in the Middle East and the other in Mauritania. The potential risks here include occupational safety and health at sea for fishing and forced labour relating to the fishermen.

Both were audited in 2019, and no significant issues were discovered. The Mauritanian fishery is participating in a basic fishery improvement program (FIP) under the MarinTrust Improvers' Program with third party monitoring by fisheryprogress.org. Whilst FIPs focus on improving fish stock management, this FIP also has a specific area on the impact of fishing on human rights and the local community. For the Middle Eastern fishery, a similar FIP process is being developed, working with the local producers and government to establish a credible and timebound process.

Follow-ups are being considered for both suppliers with an initial deeper risk assessment into both supply chains planned by early 2024 followed by the potential of SEDEX self-assessment at the factory levels.

3.3.3. Assessment Follow Up

Initial assessment of two suppliers of Guar meal in India

Guar meal in India was identified in our previous report as one of our higher risk supply chains. Guar meal is mainly used in the animal feed industry as it is protein and carbohydrate-rich, which makes it a suitable component of livestock and aquaculture feeds after processing. India is the world's largest guar producer, producing approximately 80% of global guar output, of which 70% is from Rajasthan. Guar is harvested by smallholder farms and large-scale farmers who employ workers, traded through brokers, and delivered to mills for processing. An initial human rights assessment has been carried out on this supply chain by a 3rd party agency, Embode.

The assessment considered risks present in the industry and investigated the risks and controls present in our supply chain. Suppliers in Rajasthan and Haryana were the focus of the assessment, with special focus on Rajasthan given its dominance of production. The risks identified relate to hazardous work, child labour, unfair labour, and worker voice. There is hazardous work in the factory with limited use of personal protection equipment. There is also a risk of child labour on smallholder farms. This was not detected during the assessment, but the risk is known to be present in the industry. There is also a risk of unfair labour practices related mainly to farm workers, and a risk of limited worker voice in the factory. No unions are formed, which is a common challenge in India.

Overall, our suppliers showed lower risk at the factory level than what industry average is believed to be. Follow-up actions from this initial assessment are now being considered.

3.3.4 Follow up to track actual and potential negative consequences.

Hitherto, we have looked at some of the areas with the highest potential risk and have not uncovered issues that constitute actual negative consequence to the business. Hence there has been no need for remedial actions.

Under the requirements of Cargill’s own human rights due diligence process and those of the Act, we will continue to monitor suppliers who operate in countries that are deemed at medium or high risk. We will continue to review their risks and mitigations as part of future risk assessments and will conduct additional due diligence on those suppliers as appropriate.

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Fredrik Witte,
Managing Director at EWOS AS