

## SFDR DISCLOSURE: BLUEFRONT CAPITAL II AS

Website disclosure for Bluefront Capital II AS pursuant to the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) Article 10 for financial products referred in SFDR Article 8 (1).

A. Summary
<p>Bluefront Capital II AS (the <b>Fund</b>) seeks investments that contribute to making the seafood value chain more sustainable. The Fund will invest to impact the seafood value chain to accelerate the supply of healthy and sustainable seafood by, inter alia, invest in alternative and sustainable production methods to increase accessibility and improve sustainable production and tackle sustainability risks such as escapes, sea-lice, emissions to water and emissions from air freight transportation. Bluefront actively uses the United Nation's Sustainable Development Goals (SDGs) in the management of the Fund.</p> <p>See Appendix 1 for translations of this summary.</p>
B. No sustainable investment objective
<p>The Fund promotes environmental and social characteristics but does not have as its objective a sustainable investment.</p>
C. Environmental or social characteristics of the financial product
<p>Through its investments, the Fund seeks to make the seafood value chain more sustainable. The strategy of the Fund is based on the following main pillars of Bluefront's investment activities:</p> <ul style="list-style-type: none"><li>• Vision: <i>Impact the future of the blue economy</i></li><li>• Mission: <i>Invest to impact the seafood value chain to accelerate the supply of healthy and sustainable seafood</i></li><li>• Business idea: <i>Create the world's leading impact seafood investor supporting companies with capital and knowledge to help improving the sustainability in the value chain and by doing that grow the world's access to seafood</i></li></ul> <p>To achieve the objective of making the seafood value chain more sustainable, the Fund will:</p> <ul style="list-style-type: none"><li>• Only invest in companies that makes the seafood value chain more sustainable</li><li>• Invest in alternative and sustainable production methods to increase accessibility and improve sustainable production and tackle sustainability risks such as escapes, sea-lice, emissions to water and emissions from air freight transportation</li></ul>

Bluefront actively uses the United Nation's Sustainable Development Goals (SDGs) in the management of the Fund. The Fund's overarching objective (on fund level) is to contribute to SDG no. 2 - Zero Hunger:



**Objective:** Increase productivity by using new technology supporting the seafood industry to become more sustainable and contribute to a circular economy

Based on the Fund's investment strategy and sector focus, Bluefront has identified three underlying SDGs to which investments made by the Fund will contribute:



**Objective:** Increase resource efficiency, particularly of scarce resources, with a specific focus on fresh water to positively impact the growth of the seafood industry

**How:** Invest in companies with the potential to contribute to reduce use of fresh water in the seafood value chain and companies contributing to resource efficiency



**Objective:** Increase resource and energy efficiency in the seafood value chain

**How:** Invest in companies with the potential to contribute to more efficient use of products, services and technologies, and clean and environmentally sound technologies, mitigating adverse impacts on the environment



**Objective:** Reduce negative effects on the ocean and improve life below water and animal welfare in the seafood value chain to achieve sustainable growth

**How:** Invest in companies with the potential to provide products, services and technologies aiming to reduce negative effects on the ocean health



**Objective:** Reduce negative effects on the ocean to maintain biodiversity, and increase energy efficiency in the seafood value chain to achieve reduced emissions

**How:** Invest in companies with the potential to provide products, services and technologies aiming to reduce, conserve and sustain the ocean in order to maintain biodiversity

To ensure the investment process and ESG assessments are tailored to the specific risks and opportunities in the aquaculture segment, 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 risks identified for the aquaculture segment are:

1. Environmental
  - a. Greenhouse gas emissions
  - b. Effluents
  - c. Habitat destruction and biodiversity loss
  - d. Fish feed supply
  - e. Disease management
2. Social
  - a. Labor conditions

- b. Fish welfare
- c. Community resistance
- d. Antibiotic use
- 3. Governance
  - a. Transparency and food fraud

These ESG risks form the basis for the materiality assessment performed for each individual investment which lays the foundation for the following ESG assessments that are made prior to investment, and the subsequent engagement and follow-up with each portfolio company in accordance with the ESG and impact strategy after a potential investment is made.

The Fund will not invest in companies with significant ESG issues or concerns, unless there is a clear opportunity to raise standards to an acceptable level. Further, the Fund will not invest into a company without having a clear understanding among shareholders and management that ESG and impact targets must be (or already is) implemented into the strategy.

#### D. Investment strategy

Bluefront has established an ESG and impact framework based on the Principles of Responsible Investment (PRI). The ESG and impact framework provides for mandatory consideration of sustainability factors during the life-cycle of an investment, from deal sourcing to exit:

##### Deal sourcing

- Based on the Collier Fairr top 10 ESG risks in the aquaculture segment, Bluefront's deal team will, by way of a materiality assessment, identify relevant ESG risks and opportunities for each potential investment as part of the deal sourcing. The relevant ESG risks and opportunities identified form the basis of an ESG and impact strategy for each investment
- The due diligence review will include assessment of compliance with legal requirements related to ESG, including environmental permits and licenses
- Each potential investment will be required to return a comprehensive ESG Questionnaire completed by the CEO or chairman of the company, including questions on topics covered by the principal adverse impact indicators
- Based on the information obtained, a third party ESG and impact consultant will conduct an initial ESG due diligence of the opportunity

##### Investment decision

- Findings in due diligence will be addressed and discussed by the Investment Committee
- Bluefront will use a Compliance Checklist to cross check the potential investment against the Fund's mandate, including sustainability requirements
- During the investment process and before an actual investment decision is made, Bluefront will present an ESG and impact strategy to the Investment Committee
- The ESG and impact strategy is based on the relevant ESG risks and opportunities identified in the deal sourcing and due diligence process and will be tailored to each investment. The ESG and impact strategy will be developed and agreed in close cooperation with the co-owners and management in each portfolio company (examples

include certifications, energy use, labour conditions and employment, and climate issues).

#### Ownership:

- As part of “the 100-day plan”, Bluefront will implement specific ESG and impact targets for each portfolio company based on a value creation plan and ESG and impact strategy agreed with co-investors. ESG and impact KPIs are selected based on the materiality due diligence performed and tailored to each specific portfolio company taking due consideration of its business activities.
- As part of “the 100-day plan”, Bluefront will seek to implement its standard onboarding package in all portfolio companies, including a code of conduct, anti-corruption policy, ESG policy, whistleblower policy, instructions for the board of directors and instructions for the CEO to ensure good governance
- The CEO and Board of Directors will be responsible to secure sufficient resources and competence to execute the ESG and impact strategy. Bluefront will seek to ensure that each portfolio company has sufficient resources with relevant ESG competence in place in order for the portfolio company to deliver on its ESG and impact targets and that each company appoints a designated resource responsible for ESG and impact.
- During the ownership period, Bluefront will work with the portfolio companies to ensure that the companies establish have policies and procedures (if not already in place) in order to measure and report on the progress on relevant ESG and impact KPIs for each company, as well as the indicators for principal adverse impacts.
- KPIs are collected in a software platform after onboarding of a new portfolio company and distributed to Bluefront on a quarterly basis.

#### Exit:

- Bluefront aims to have full control of potential ESG risks and opportunities to enhance value creation
- Setting clear ESG and impact KPIs for management and presenting the company’s ESG and impact strategy to potential buyers may increase the value (multiple expansion)

Bluefront’s investment process is based on access to and active engagement with current owners and management of each potential investment. Through this process, the deal team gets a thorough understanding of the culture, organization and governance of the company. If the investment process proceeds, a legal and financial due diligence will be conducted. If relevant, an organizational due diligence and a management audit will be commissioned. Through the due diligence process, the company’s management structures, employee relations and remuneration of staff, and tax compliance, will be scrutinized.

Any shortcomings related to good governance that is identified during the due diligence will be presented and discussed in the Investment Committee. If the due diligence has revealed unmanageable governance 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 and impact strategy, including governance factors and the implementation of a standard onboarding package, and subsequent engagement and follow-up with the company.

#### E. Proportion of investments

Bluefront will only make investments aligned with the environmental and social characteristics promoted by the Fund.

#### F. Monitoring of environmental and social characteristics

Bluefront has built its methodology for monitoring portfolio companies on the Principles for Responsible Investments (PRI). This includes guidelines for each stage of the investment process to secure proper implementation, including the investment holding period. Bluefront will ensure that each of our portfolio companies implement relevant ESG and impact KPI's into its annual reporting. Bluefront will support each company in developing and implementing such measures.

In addition, during the ownership period, Bluefront will work with the portfolio companies to ensure that the companies establish policies and procedures (if not already in place) in order to measure and report on the progress on relevant ESG and impact KPI's for each company, as well as the indicators for principal adverse impacts. KPIs are collected in a software platform after onboarding of a new portfolio company and distributed to Bluefront on a quarterly basis.

#### G. Methodologies for environmental and social characteristics

Bluefront engages actively with the portfolio companies during the investment holding period on their performance on the ESG and impact strategy, including relevant ESG and impact KPI's tailored to the relevant company. Through active engagement and reporting on KPI's from portfolio companies, Bluefront will monitor and measure the attainment of the environmental and social characteristics promoted by the Fund.

#### H. Data sources and processing for environmental and social characteristics

Bluefront will ensure that the data collected is accurate. If necessary, Bluefront will use third parties to collect and process data. Typical data sources may be each portfolio company's internal HR-system, (CRM) client information, ERP systems, financial statements, third party verifications and other relevant systems.

#### I. Limitation to methodologies and data

Bluefront targets small and mid-cap companies. Therefore, the degree of automation and digitalization in the data gathering may be limited. As such, a high degree of manual data collection and processing will probably be necessary. Relevant resources may also be limited based on company size. This may also impact data quality. Bluefront acknowledges the risks involved in manual data collection/processing and the risk related to limited resources and will focused on enhancing data quality.

#### J. Due diligence

Refer to section D for an overview on the due diligence on the underlying assets of the Fund.

#### K. Engagement policies

Refer to section D for an overview on how Bluefront engages with portfolio companies during the ownership period.

Version	Date	Scope
1	March 2023	Publication of disclosure
2	February 2024	Addition of underlying SDG to which investments made by the Fund will contribute and minor updates in text
3	August 2025	Update of summary translations to include Norwegian, Danish and German

## Appendix 1

Language	Summary
Norwegian	<p>Bluefront Capital II AS (<b>Fondet</b>) søker investeringer som bidrar til å gjøre verdikjeden for sjømat mer bærekraftig. Fondet vil investere for å påvirke verdikjeden for sjømat for å fremskynde tilgangen på sunn og bærekraftig sjømat, blant annet ved å investere i alternative og bærekraftige produksjonsmetoder for å øke tilgjengeligheten og forbedre bærekraftig produksjon og håndtere bærekraftsrisikoer som rømming, lakselus, utslipp til vann og utslipp fra flytransport. Bluefront bruker aktivt FNs bærekraftsmål (SDG) i forvaltningen av Fondet.</p> <p><i>Vær oppmerksom på at teksten ovenfor er oversatt ved hjelp av kunstig intelligens (KI). Ved eventuelle uoverensstemmelser mellom den engelske teksten og denne oversettelsen, skal den engelske teksten ha forrang.</i></p>
Danish	<p>Bluefront Capital II AS (<b>Fonden</b>) søger investeringer, der bidrager til at gøre værdikæden for fisk og skaldyr mere bæredygtig. Fonden vil investere for at påvirke værdikæden for fisk og skaldyr for at fremskynde udbuddet af sunde og bæredygtige fisk og skaldyr ved bl.a. at investere i alternative og bæredygtige produktionsmetoder for at øge tilgængeligheden og forbedre den bæredygtige produktion og tackle bæredygtighedsrisici som f.eks. undslipning, havlus, udledninger til vand og udledninger fra lufttransport. Bluefront bruger aktivt FN's mål for bæredygtig udvikling (SDG'er) i forvaltningen af Fonden.</p> <p><i>Bemærk venligst, at ovenstående tekst er oversat ved hjælp af kunstig intelligens (KI). I tilfælde af uoverensstemmelser mellem den engelske tekst og denne oversættelse har den engelske tekst forrang.</i></p>
German	<p>Bluefront Capital II AS (der <b>Fonds</b>) strebt Investition an, die dazu beitragen, die Wertschöpfungskette für Meeresfrüchte nachhaltiger zu gestalten. Der Fonds wird investieren, um die Wertschöpfungskette für Meeresfrüchte zu beeinflussen und die Versorgung mit gesunden und nachhaltigen Meeresfrüchten zu beschleunigen, indem er unter anderem in alternative und nachhaltige Produktionsmethoden investiert, um die Zugänglichkeit zu erhöhen und die nachhaltige Produktion zu verbessern und Nachhaltigkeitsrisiken wie Entweichungen, Seeläuse, Emissionen in</p>

	<p>Gewässer und Emissionen aus dem Luftfrachttransport zu bekämpfen. Bluefront nutzt aktiv die Ziele für nachhaltige Entwicklung (SDGs) der Vereinten Nationen bei der Verwaltung des Fonds.</p> <p><i>Bitte beachten Sie, dass der obige Text mithilfe von künstlicher Intelligenz (KI) übersetzt wurde. Im Falle von Abweichungen zwischen dem englischen Text und dieser Übersetzung hat der englische Text Vorrang.</i></p>
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