

Sustainability, ESG report

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CEO Letter

There is a growing demand for proteins in the world and providing sustainable high-quality products to the market is the main goal for Hofseth BioCare. Through innovative production technology and logistics, we preserve the quality of protein, calcium and oil extracted from fish. Products that previously were considered waste or could only be used for animal feed can now be made suitable for human nutrition and nutraceuticals. We are thus contributing to efficient use of marine resources by upcycling what others consider waste into high-quality products.

At the same time, Hofseth BioCare has an economic, social and environmental impact on our surroundings and stakeholders. Some of these impacts are positive contributions to the economy and the societies in which we operate, others are potentially negative consequences of our operations and business relations such as waste and emissions, health and safety risks and the risk of corruption.

This impact comes with great responsibility and requires that we are in ongoing dialogue with our stakeholders and constantly strive to deliver quality products while at the same time fulfilling our commitments to business ethics and responsible operations. For Hofseth BioCare, sustainability is about both the products we make and the raw materials we use, and the way we run our business operations. We strive to make sustainable products in a sustainable way, while ensuring profits for our shareholders.

We also see an increased focus in society on sustainable business operations and investors and analysts increasingly ask for ESG information when assessing our company. Customers and vendors also ask about the sustainability of our products and production processes, and our employees wish to work for a responsible employer.

This year, we deliver Hofseth BioCare's first sustainability report in accordance with the GRI Standards core option. For the 2019 report we have completed Hofseth BioCare's first materiality assessment and undertaken systematic stakeholder dialogue according to the GRI Standards Management Approach. An interdisciplinary task force with representatives from different parts of Hofseth BioCare's organisation has done a thorough review of our approach to sustainability and topics to prioritise in our ongoing sustainability work and

reporting. The materiality assessment and chosen material topics will ensure that our reporting is aligned with Hofseth BioCare's business objectives, supports our strategy and minimises risks.

The identified material topics which you can read about in this report are:

- › **Responsible business operations**, including value creation, quality, job creation and anti-corruption.
- › **Environmental and climate impact**, including waste and pollution prevention, energy use and transportation.
- › **Working environment**: Worker's rights, HSE and diversity and non-discrimination.

As the CEO of Hofseth BioCare, I believe responsibility and sustainability should be integrated in our business model and when making strategic decisions. For us, sustainability and efficient use of marine resources are at the heart of everything we do and will contribute to making Hofseth BioCare a profitable company. We will also be open and transparent about the potential risks and negative aspects of our business operations and take the necessary steps to reduce such risks and impacts.

This year we report on core KPI's for each topic, and we have set goals for how to improve our work in the year to come. Going forward, we will work to strengthen our governance regarding systematic work on business ethics and working environment. We will also look into improving management-employee dialogue and ensuring the appropriate channels for reporting concerns are put in place.

We look forward to sharing our goals and progress in our annual sustainability reports, and hope that this report will provide our stakeholders with the information they need about how Hofseth BioCare works to deliver high-quality products based on a sustainably sourced raw-material, processed and distributed in an efficient and sustainable manner.



Roger Hofseth, Hofseth BioCare CEO

About this report

For information about this report and its content, please contact Hofseth BioCare ASA and CFO Jon Olav Ødegård or COO Karl Inge Slotsvik.

This report is prepared for Hofseth BioCare ASA in accordance with GRI Standards Core version. For GRI matrix, visit Hofseth BioCare's homepage or the GRI Database.

The Hofseth BioCare sustainability report has been reviewed and approved by the Board of Directors.

The claims and data in this report has not been audited by a third party.

About Hofseth BioCare

Hofseth BioCare is a Norwegian biomarine company with roots back to year 2000. Our proprietary technology is based upon a new method for fully controlled residual raw material refinement up to high-end products. After 12 years of R&D,

testing and documentation, the company's proprietary enzymatic hydrolysis-process converts residual raw material to sustainable value-added products. Hofseth BioCare's products are sustainable and traceable.

There is a growing demand for proteins in the world and providing sustainable high-quality products to the market is the main goal for Hofseth BioCare. The company's key objective is to provide high value added biomarine ingredients for human applications. Through innovative production technology and logistics, we preserve the quality of protein, calcium and oil extracted from fish, and this technology is proprietary to our company. Raw materials that previously could only be used for animal feed can now be made suitable for human consumption and pharmaceuticals, and we are thus contributing to efficient use of marine resources.

Locations

Hofseth BioCare has operations in Ålesund (headquarter), Midsund, Berkåk and Oslo.

Hofseth BioCare is an ASA company listed on the Oslo Stock Exchange (ticker: HBC).



Revenue 2019

Key figures:

No. of employees: 51

(Berkåk: 9, Midsund: 34, Ålesund: 7, Oslo: 1)

Revenue: NOK 67 778 000

Profit (EBIT): NOK -79 574 000

Equity ratio: 40.2%

Economic impact and tax information

In addition to creating value for our shareholders, our goal is to have positive economic impact on the area in which we oper-

ate, both directly and indirectly. We use Norwegian raw material, strive to employ local labour, contribute to local value creation by purchasing goods and services and by paying taxes.

Payroll and social security expenses

See Annual report 2019, note 5.

Procurement of goods and services

See Annual report 2019, note 4.

Tax

See Annual report 2019, note 8.

Hofseth BioCare’s approach to sustainability

This report covers sustainability topics that are of importance to Hofseth BioCare and the company’s stakeholders. Hofseth BioCare’s approach to sustainability reporting is based on the materiality assessment undertaken in January and February 2020. Hofseth BioCare shall comply with applicable laws and regulations, respect human rights and act in a socially responsible manner.

Corporate governance

Hofseth BioCare’s business activities and internal operations are conducted with a high level of integrity and with a clear ambition to be a responsible company acting ethically and lawfully in all aspects of our value chain. Hofseth BioCare’s corporate governance structure shall ensure a systematic approach to our corporate social responsibility.

Management Approach

Hofseth BioCare’s general system for governance is linked to the Norwegian Code of Practice for Corporate Governance.

Annual General Meeting (AGM)

The Annual General Meeting (AGM) is Hofseth BioCare’s supreme governing body and where shareholders can influence how sustainability is practiced.

The Board of Directors

The Group Board of Directors bears the ultimate responsibility for Hofseth BioCare’s sustainability approach and the sustainability report is discussed and approved by the Board.

Corporate Executive Management

Corporate Executive Management bears the responsibility for the Group’s strategy, development and day-to-day work. This means Corporate Executive Management is responsible for compliance with legislation and regulations and our Human Resource’s Handbook, as well as for the implementation of appropriate and effective initiatives to ensure that we reach our goals.

The Sites

The business areas are responsible for follow up and compliance with policy, strategy, targets and governance documents related to sustainability. The day-to-day work with corporate social and environmental responsibility is usually handled by the sites together with the Quality Manager and with support from the Corporate Executive Management.

Hofseth BioCare’s stakeholders

The prioritisation of Hofseth BioCare’s stakeholders as well as the stakeholder dialogue was undertaken by an interdisciplinary working group consisting of Hofseth BioCare’s employees representing Finance, Operations and Quality Management together with Corporate Communications.

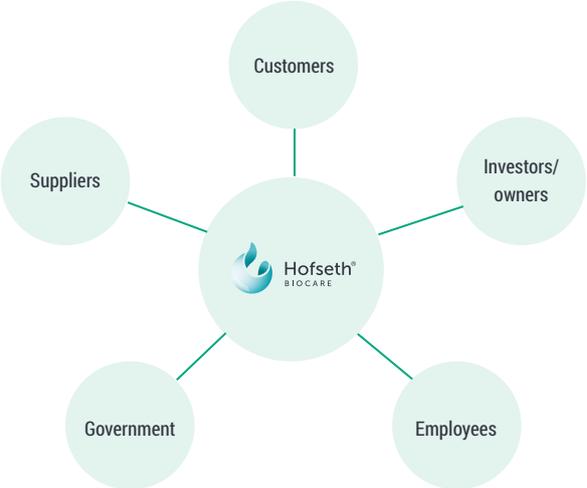


Figure 1: Hofseth BioCare’s stakeholder groups

Owners

Hofseth BioCare’s investors and owners are primary stakeholders and directly affects the company’s priorities and strategic direction.

Employees

Hofseth BioCare’s employees are directly affected by the company’s internal policies and activities.

Suppliers

Hofseth BioCare’s suppliers are economically affected by the company and their responsibility is indirectly affected by Hofseth BioCare’s focus on responsible practices and the expectations placed on them by the company.

Customers

Hofseth BioCare’s customers directly affect the company economically and customer expectations is part of driving Hofseth BioCare’s sustainability priorities.

Civil Society

Civil society including governments and regulatory authorities affect Hofseth BioCare and the company’s operating conditions directly and indirectly. Local communities are indirectly socially, environmentally and economically affected by Hofseth BioCare’s activities, in terms of job creation, contribution to local value creation and environmental impacts.

Stakeholder group	Expected of HBC	Arena for dialogue
Owners	<ul style="list-style-type: none"> High rating Good external perception See process and progress 	<ul style="list-style-type: none"> ISS reports Meetings (board membership) E-mail
Employees	<ul style="list-style-type: none"> Following Norwegian laws in terms of worker's rights, human rights and anti-corruption 	<ul style="list-style-type: none"> Townhall meetings Courses/training Written documentation (newsletters, boards, posters etc.)
Suppliers	<ul style="list-style-type: none"> Following Norwegian laws in terms of worker's rights, human rights and anti-corruption 	<ul style="list-style-type: none"> Web page E-mail Meetings
Customers	<ul style="list-style-type: none"> High quality Low waste / responsible operations Fish welfare, including food and low use of medicines such as antibiotics Not overpopulate the area Following Norwegian laws in terms of worker's rights, human rights and anti-corruption Employment (districts) Certificates 	<ul style="list-style-type: none"> Web page Meetings Written documentation (brochures, dossiers etc.) Newsletter Certificates Sustainability report
Civil Society	<ul style="list-style-type: none"> Production and operations in line with regulations Following Norwegian/European laws 	<ul style="list-style-type: none"> Written documentation Meetings (inspections/observation) Web page

Table 1: Stakeholder groups and arena for dialogue

Stakeholder dialogue

To ensure a strategic approach to sustainability reporting and to adhere to the intent of the GRI Standards Management Approach Hofseth BioCare has together with Corporate Communications undertaken systematic stakeholder dialogue in January and February 2020 and keeps an ongoing dialogue with key stakeholder groups.

For Hofseth BioCare to be in ongoing conversation with its most relevant stakeholders strengthens the company's relationship with the society in which it operates. The stakeholder dialogue also benefits the company by allowing Hofseth BioCare to detect, investigate and manage potential risks arising in its immediate surroundings.

In January and February 2020, Hofseth BioCare and Corporate Communications invited key stakeholders to give their opinion on how they perceive Hofseth BioCare and relevant sustainability topics. This was done through semi-structured interviews with owners, employees, suppliers, customers and civil society. The findings from the stakeholder dialogue were gathered and structured for discussion with Hofseth BioCare's Management Group and used as a basis for the materiality assessment.

The stakeholder dialogue is both a means and an end in itself, as ongoing systematic stakeholder dialogue is a key objective in the Euronext ESG guidelines and GRI Standards. The findings from the stakeholder dialogue guided Hofseth BioCare's priorities in the materiality assessment.

Materiality assessment

The materiality assessment was established in February 2020 by the Executive Management Group and Corporate Communications based on the stakeholder dialogue and information gathering. The main goal of the materiality assessment is to establish key reporting topics for Hofseth BioCare, reflecting the risks and opportunities associated with Hofseth BioCare's business activities. Furthermore, these topics are included in Hofseth BioCare's sustainability report, describing how the most important topics are included in general risk management and strategy process, and the measures Hofseth BioCare is taking to reduce risks associated with material issues and how these are integrated into operational management and corporate governance.

Based on stakeholder input and priorities and an assessment of the company's business impact, the materiality assessment concluded the following three material topics for Hofseth BioCare's report to focus on:

- › **Responsible business operations**, including value creation, quality, job creation and anti-corruption.
- › **Environmental and climate impact**, including waste and pollution prevention, energy use and transportation.
- › **Working environment**: including worker's rights, HSE, diversity and non-discrimination.

The results are presented in the below materiality matrix, with topics considered material for Hofseth BioCare in the upper right section.

Importance to stakeholders

Major				Health, safety and environment Quality • Product • Production process Value creation for owners
Significant		Fish welfare in aquaculture • Antibiotics and GMO • Feed • Lice	Transportation	Anti-corruption Job-creation Midsund Waste and pollution prevention energy use
Moderate		Human rights	Diversity and non-discrimination Job-creation Berkåk	Worker's rights Contribution to local value creation
Low				Emissions to air and water
	Low	Moderate	Significant	Major

HBC business impact

Figure 2: Materiality matrix

Reporting on material topics

In the next chapter, each of the suggested over-arching sustainability topics and their relevance to Hofseth BioCare are developed in detail, including an explanation of why the topic is material to the company, the direct and indirect impact on the company and its stakeholders as well as the significance of its business impact on the company and on the assessments and decisions of stakeholders. This chapter includes reporting according to GRI 205 Anti-Corruption, GRI 305 Emissions and GRI 403 Occupational Health and Safety.

Responsible business operations

The key topics for Hofseth BioCare are as expected core to the company's value creation: the use of a high-quality raw material, upcycled through a technologically advanced process, creating a safe and high-quality end-products for human and animal consumption. By processing and producing in rural areas of Norway, the company achieves both the goal of preserving the freshness and quality of its raw material while also contributing to job creation and value creation in local communities. Hofseth BioCare's high-quality products and processes are a prerequisite for the company's contribution to value creation for owners and society, and for future growth.

The company must gain access to high quality raw material, and refine these raw materials through a safe, secure and quality assured process, creating a safe, predictable and effective product providing the desired effects for distributors and end-users. The company has direct impact on, and is also directly impacted by, the competence and quality delivered by its employees, as well as the access to competent labour. The same applies to internal quality and food safety processes, which is both directly controlled by the company and also directly impacts the company and its stakeholders.

Hofseth BioCare is also directly and indirectly exposed to risks and opportunities in its business relations with other companies in its supply chain. As an integral part of the Hofseth Group value chain, the company is directly affected by and affects other Hofseth Group companies. In addition to this, other parts of the company's supply chain have direct and indirect effects on delivery risks, product and process risk, as well as the risk of being exposed to potential corruption or unethical business practices.

Local value creation

Our goal is to positively impact the area in which we operate, both directly and indirectly. We strive to employ local labour, contribute to local value creation, and maintain an open and transparent dialogue with relevant stakeholders. Our contribution to local job creation in the community which we operate are important to us.

In 2019, 9 of the company's employees were located at our factory in Berkåk, 27+6 employees were located at the Midsund factory, and 7 were hired at the headquarter in Ålesund. Equally important for the company's economic contribution is to buy goods and services locally in order to contribute to local value creation and pay taxes to local authorities.

High quality products

Hofseth BioCare's key objective is to provide high value added biomarine ingredients for human applications. Through innovative production technology and logistics, we preserve the quality of protein, calcium and oil extracted from fish, and this technology is proprietary to our company.

Our products have no additives, are not concentrated nor subjected to destructive processing techniques. We use a gentle, low-temperature, production process which preserves all the

best qualities of fresh Norwegian Atlantic Salmon and Rainbow trout.

All our plants and products are certified for human nutrition and approved by Norwegian authorities. Our low oxidation salmon oil has a natural red colour and has shown excellent results when compared to generic fish oil.

Business ethics and corruption prevention

How Hofseth BioCare achieves its results is important. In all our actions, we focus on activities that reflect an ethical and honest behaviour. Our goal is to establish an organisation with high integrity, and thus, maintaining high standards for professionals and individuals is of the utmost importance.

Hofseth BioCare does not permit or tolerate any form of corruption. Our ethical guidelines are set out in the Human Resources Handbook as well as in our contracts. Customers and suppliers should at all times operate within a risk-based governance and compliance framework, and should comply with regulations, codes, governmental orders or other requirements or rules of law. Risk assessments are typically conducted when entering into business arrangements in a new country with a heightened risk of corruption.

At the moment, Hofseth BioCare does not participate in any collaborative partnerships concerning anti-corruption, but the Management Group is continuously monitoring changes in regulations on this area. The company has in 2019 internally evaluated its Financial Department for corruption risk and corruption prevention and continuously evaluate the Management Group as well as employees that are in contact with distributors and in charge of contracts.

All employees are responsible for understanding and identifying possible conflicts of interest and have been informed about their responsibility in such cases. There are also thresholds for approvals and roles in our internal systems, in order to minimise risks. Employees are to resolve and report such cases by themselves and when unsure, consult our legal experts. The Human Resources Handbook contains information on how to comply with standard regulations for insider information/trading.

Hofseth BioCare regularly sponsor and donate gifts to local and voluntary organisations, including local sports clubs or bands as well as an organisation for search and rescue dogs. In terms of receiving gifts from customers or partners, employees can find information on how to act if offered gifts by customers or our collaborative partners in the Human Resources Handbook to which all employees have been onboarded.

Our anti-corruption policy is outlined in all of our contracts and communicated to customers, distributors, partners and owners, and all new business partners are required to sign

contracts where our anti-corruption policies are outlined. Employees can find information about business ethics and anti-corruption in our Human Resources Handbook, and all employees are required to familiarise themselves with its content and guidelines. Both the Board of Directors as well as the Management Group have undergone anti-corruption training. New employees undergo anti-corruption training upon hiring, and all employees undergo such training annually.

All conditions, which give rise to ethical issues or matters that could involve a breach of laws and which may cause legal liability, loss of value or reputation for Hofseth BioCare should be reported. Examples of concerns related to Hofseth BioCare's business practices that may be reported include allegations such as:

- › Violations of Hofseth BioCare's Human Resources Handbook
- › Violation of corruption laws
- › Conflicts of interest
- › Health and safety breaches

Hofseth BioCare does not today have an official whistleblowing channel for reporting irregularities.

There were no identified incidents of corruption in 2019.

Hofseth BioCare has set the following goals for ethics and anti-corruption in 2020:

- › Review and update our Human Resources Handbook so that its content is clear and easy to understand for everyone working at Hofseth BioCare
- › Document ethics and anti-corruption training as part of onboarding of new employees
- › Make sure that all current employees are up to date on guidelines concerning ethics and anti-corruption
- › Establish whistleblowing channel for reporting irregularities

Environment and climate impact

As a manufacturing business, Hofseth BioCare's production has both direct and indirect environmental impact. Hofseth BioCare's business operations has direct environmental impact in the form of water use, emissions to air and water as well as waste generation.

The use of process water leads to wastewater emissions which needs to be accounted for and kept within the limits approved by the county administrator. Hofseth BioCare's direct emissions to air is through steam generation, which was previously also a cause of concern due to smell pollution. Hofseth BioCare did not receive any complaints concerning

smell pollution in 2019. Today, Midsund uses an open-loop scrubber, while Berkåk uses a closed-loop scrubber to ensure minimal negative impact on local communities near Hofseth BioCare's sites, but air emissions still need to be accounted for and reported to the Environmental Authorities.

As an energy intensive business, the company also generates direct and indirect emissions from energy use in operations, the direct emissions from installation of boilers on-site as well as indirect emissions from purchased electricity. Hofseth BioCare also generates indirect environmental and climate impacts through its supply chain and business activities, the main sources assumed to be transportation, employee business travel, purchased goods and services.

	Midsund	Berkåk
Energy use (MWh)	4573 MWh	6337 MWh
Diesel (t)	523 tonnes	-
Fish oil used as fuel (t)	117 tonnes	-
Emissions to water (m ³)	50064 m ³ /year	
Waste (t)	340 tonnes	

Table 2: Environmental impacts

In addition to the need to minimise the negative environmental and climate impacts from Hofseth BioCare's business operations, the company can be said to have a positive impact through avoided emissions and the use of products that would otherwise be considered waste. By using a by-product from aquaculture, waste is minimised, and the company contributes to upcycling and efficient use of resources. Hofseth BioCare is also taking steps to avoid unnecessary emissions by using process heating inside factories and focussing on heat- and energy recovery as part of its processes.

Location	Tonnes CO ₂ -equivalents		
	Scope 1	Scope 2 location based	Sum
Midsund	1619,6	37,9	1657,5
Berkåk	0,0	52,5	52,5
Group total	1619,6	90,4	1710,0

Table 3: GHG emissions per location in CO₂-equivalents

For Hofseth BioCare, direct emissions from on-site combustion, mainly of diesel in the Midsund factory, is the main source of GHG-emissions. This is due to inefficient power supply from the electricity grid to the island of Midsund, which

is the reason why the company used a diesel generator for the power supply today. Indirect emissions from purchased electricity is the second largest source of GHG emissions.

Hofseth BioCare will work systematically to reduce energy consumption and GHG emissions, with special focus on energy consumption, effective communication and transportation.

Hofseth BioCare's CO₂-emissions have been calculated in accordance with the «Greenhouse Gas Protocol» published by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI). The above data on greenhouse gas emissions includes the following sources of CO₂ emissions:

- › **Scope 1 direct emissions:** emissions from fuel combustion on-site and on-site generation of electricity, heat or steam. All emission factors for Scope 1 emissions are from DEFRA 2018.
- › **Scope 2 indirect emissions** from electricity purchased: emissions from the consumption of electricity purchased. CO₂ emission factors used for electricity are location based and calculated using IEA emission factors.

Hofseth BioCare has set the following goals for environment and climate impact in 2020:

- › Review and make a plan for energy efficiency in our operations
- › Consider offsetting or purchasing guarantees of origin to lower GHG emissions
- › Switch from diesel supply to LNG for peak power generation at Midsund

Working environment

Employees are a key stakeholder group being directly affected by and having a high impact on Hofseth BioCare's operations and business success. The ability to attract and retain skilled workers as well as maintaining a safe and healthy working environment are key interests of both the company and its stakeholders. The company can directly impact the working environment through its policies and agreements, as well as indirectly through dialogue with employee representatives and unions.

As for any production environment, the company and its employees are exposed to risks of accidents and incidents affecting employee safety and security – as well as the direct and indirect ability and responsibility to affect such risk through policies, processes and by maintaining a proactive approach to health and safety risks in the physical and psychological working environment. There is also an opportunity represented by engaged employees, helping to maintain a safe and effective working environment through safety culture.

Worker's rights, diversity and non-discrimination

Hofseth BioCare operates in accordance with the Norwegian Working Environment Act. All employees are committed to a set of values and are expected to act in line with these values. Our values are:

- › **Honest:** we are not afraid to speak up and we always deliver what we promise to. We do not 'cut lines' or otherwise behave in an unethical way.
- › **Innovative:** we should build on our expertise and seek new knowledge. We should use our competence to find new and innovative solutions.
- › **Collaborative:** we see, hear, gain and share knowledge internally and if necessary, seek new solutions externally.

Hofseth BioCare aims to have an inclusive and open working environment that encourages employees to share their opinions and ideas. The company opposes discrimination in any form, whether it is based on political views, membership in workers' organisations, sexual orientation, disability and/or age. In addition to following the Working Environments Act, Hofseth BioCare also operates in accordance with the Gender Equality Act, which aims to protect against discrimination based on gender, as well as the Anti-Discrimination Act, which protects against discrimination on the grounds of ethnicity, religion or the like. Women's amount of men's pay was 97,3 per cent in 2019. Hofseth BioCare also has its own Human Rights Policy which is outlined in our Human Resources Handbook.

Hofseth BioCare's company structure can be described as 'egalitarian' and employees are encouraged to actively contribute with their opinions on how the working environment can be improved. The company has not established an official whistleblowing channel but conducts talks with all employees annually on their wellbeing and other work-related questions. Hofseth BioCare does not have a Work Environment Committee (AMU) as of today, but the HSE Group and the Quality Manager handles most of the questions that the AMU would be responsible for. Employees at Berkåk does not have union membership today, but the employees at Midsund are members of Industri & Energi, which is the Norwegian trade union for those who work in the industry and energy sectors.

Occupational health and safety

Health and safety in the working environment (HSE) is very important to Hofseth BioCare. The company aims to provide a safe, healthy and satisfactory workplace and has thus implemented an occupational health and safety management system which builds on the Norwegian Working Environment Act as well as regulations relating to systematic health, environmental and safety activities in enterprises (internal control regulations).

One of the main objectives of the Working Environment Act is to ensure that the employees themselves participate in and influence the design of their own working environment. At each of our factories, both a safety delegate and a fire chief has been appointed. At Berkåk, the HSE Group is led by the Quality Manager, who has the highest responsibility for HSE at Hofseth BioCare's sites. Midsund did not have a dedicated HSE Group in 2019 and the company has identified room for improvement concerning HSE monitoring and reporting at the factory. For Berkåk, the HSE Group consist of the Plant Manager, the Production Manager, the Technical Manager, the safety representative and the fire protection leader.

Hofseth BioCare has developed a quality system where internal control for HSE is integrated into a comprehensive system. Internal control HSE will be subject to revisions through the Norwegian Labor Inspection Authority, the county administrator and fire and rescue services. All HSE targets are set out in the HSE Policy that apply to all company divisions and locations. The HSE Policy is updated at least annually and shared with all employees. The HSE activities are also mentioned in the company's Annual Calendar of activities and followed up at scheduled HSE meetings. The meetings also discuss feedback from internal audits, safety inspections and regulatory authorities, as well as changes in regulations, reports from occupational health services and input from employees, etc.

Our main goal is zero accidents, loss or damage to people, material and the environment. Injuries and work-related accidents are registered at site level. While the ambition of the company is to have zero accidents, it is of critical importance to have full overview of any incident or accidents at any of Hofseth BioCare's sites in order to be able to work on prevention and ensure a healthy and safe workplace. Work at both our facilities at Berkåk as well as Midsund could involve health and safety risks to the employees, first and foremost in the manual processing and where chemical liquids and the like are used. There is also a long-term risk associated with the fulfilment of repetitive tasks.

One work incident was reported at Midsund in 2019. This was an eye damage which was caused by an employee getting enzyme in his/her eye. The incident did not lead to permanent damage. Two other employees also got enzyme in their eyes, but this did not have any effect. In the two latter cases, the employees did not wear protective eyewear, which is a requirement. At Berkåk the company did not register any work incidents, but there was a couple of cases concerning skin problems when we toll produced. After we stopped this practice, those who had skin problems experienced improvement, which has led us to believe that the problems were linked to the type of products we worked with at the time. At Berkåk, several employees have reported hearing deficiencies, but it is difficult to say if this is work-related, as some have leisure activities that can also cause hearing damage if hearing protection is not used. For both factories, there is a risk of respira-

tory disease when working with powder production. Hofseth BioCare is not familiar with any such cases and have implemented measures to reduce the risk to an acceptable level, including regular measurements of dust.

It is important that incidents are prevented and that employees have regularly health checks so that possible injuries are detected at the earliest possible time. Thus, all employees have access to an occupational health service scheme.

Types of injuries and work-related illnesses have occurred this year: 1 eye damage caused by enzyme on the eye. The damage was not permanent.

	Midsund	Berkåk
Injury rate*	2 941	0
Work injuries (total number)	1	0
LTI (lost time injuries, number of injuries that have led to sick leave)	0	0
Deaths caused by work injuries	0	0
Absence due to illness	5.39 %	1.01 %
*Injury rate is calculated as the number of new cases of injury during the calendar year divided by the number of workers in the reference group during the year, multiplied by 100,000.		

Table 4: Number of injuries in 2019 divided by locations

In 2019, Berkåk had a sick leave of 1.01%. This is unique, even in a national context. At Midsund the absence due to illness was 5,39%. A good working environment and the possibility to develop are important factors to keep the absence due to illness at low levels. In an effort to reduce this number, we have made changes in how the factories are managed, and in 2019 we hired an external consultant to help us improve the working culture at Midsund. It is important that employees feel appreciated and needed and we believe that increased feeling of involvement and responsibility can help reduce the number of people on sick leave.

Hofseth BioCare has set the following goals for HSE and the working environment in 2020:

- › Establish a Code of Conduct which can be shared with external stakeholder groups
- › Adapt HSE best practice from Berkåk to the Midsund facility
- › Increased focus on guidelines for use of protective eyewear when working with high risk products such as enzymes
- › Increased focus on guidelines for use of protective hearing devices when working with noisy equipment/in noisy surroundings

