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Value for Generations

Sustainability Report 2020

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UN GLOBAL COMPACT

We remain committed to the UN Global Compact and this report serves as our Communication on Progress against the 10 principles of that compact.

Al Ghelani,
CEO at Optimar



Statement from the CEO

Optimar is a market leader, manufacturer, and system integrator of automated fish processing equipment. As a market leader and part of the global food chain and fishing industry, we have an obligation to the planet, our employees, customers, and owners to take a leading role and stance in the effort to drive sustainability across the industry.

After several months working with the team at Optimar and spending time in the industry, it is clear that nothing less than a full commitment to this is the only way to go. We will therefore review our strategy and develop both short- and long-term plans to accelerate our path forward. I am pleased to say that this is something understood by all of our employees and stakeholders and a path that we are committed to take, together.

Throughout our history, we have been at the forefront of innovation, continuously developing new products and building highly automated systems that operate the harshest of environments. The innovation gene is something that we value at Optimar.

These are pressing times, and for that reason it is important that we are open, honest, and able to adapt quickly to changing circumstances.

Now more than ever we will put this to work by develop solutions that will help both our customers and our company to work in the most sustainable way. Eventually integrate this mindset into every part of how we work.

People are at the center of what we do. For this reason, we have a strong focus on health & safety and training & development to ensure our teams and customers can operate in a safe way. Training & development takes place from entry level apprenticeships to our most senior staff. Furthermore, we have made

commitments to build a much more diverse company, where one of our ambitious goals are to achieve gender parity in our top levels by 2025. This will require a change not only in how we think and recruit but also by partnering upstream with university and colleges to promote engineering, manufacturing, and the Fishing industry.

Furthermore, we are committed to tackle broader business issues, by committing to a code of conduct across all parts of our business – how, with whom and where we do business is an integral part of

our strategy and how we operate daily. These basic values of doing business in the right way have been part of our DNA since our formation and will continue to be the foundation of how we work at Optimar.

These are pressing times, and for that reason it is important that we are open, honest, and able to adapt quickly to changing circumstances. Working closely with other companies and organization will be an important part of how we move forward, solve problems, and continue to transform our company and the industry into something that will create value for generations. We look forward.

Best Regards,
Al Ghelani
CEO

Fish handling with care

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Fish handling with care is the core of what we do at Optimar and how we fulfill our company mission: We contribute to sustainable food production by enabling our customers to process fish more efficiently and with higher quality.



fish handling
with **care**

Our value statement

Caring for Customer Success

Our customers demand safe, capacity optimized and reliable solutions, processing and utilizing the complete fish consistently and with a high level of quality.

Caring for Operator safety

Our processing solutions are designed to provide factory operators with a safe and functional working environment without risk of liability, stress, and injury.

Caring for the Planet

Animal health and welfare, human working conditions, raw material utilization, energy consumption, and limiting carbon emissions are important considerations in sustainable food production. And consumer acknowledgment and opinion regarding these considerations are driving

change in how our industry operates. Our customer's reputation is, to some extent, our responsibility.

Purpose

Fish handling with care.

Mission

We contribute to sustainable food production by enabling our customers to process fish more efficiently and with higher quality.

Vision

We raise the standard for automated fish processing and handling solutions. Our employees are the most important resources and together we can reach the goals of our organization.

Values

Trust, Courage, Integrity, Responsibility, Reliability, Honesty.

Core behaviours

Our core behaviors define and explain the expectations for every employee in their daily work routine. They drive the cultural change towards outperformance and act as the basis for regular performance evaluation, recognition, and placement decisions.



Core behaviours



THINK CUSTOMER FIRST

We make it easy to do business with. Our customer is the center of everything we do.

You:

- align all our processes and offered products to real customer needs.
- seek to understand our end markets, customers, and their businesses.
- look at how something is possible, rather than what is not possible.
- build partnerships and long-term relationships as a trusted partner.

You never:

- detain our customers with in-house bureaucracy or unclear responsibilities.
- just meet the customer's expectations - you are searching for the "plus".



EMPOWER OTHERS

We engage our employees through open feedback, collaboration, transparency and teamwork.

You:

- share relevant information openly with all relevant stakeholders across divisions, units, and functions.
- proactively provide and ask for open and honest feedback.
- trust your colleagues, rely on their capabilities, skills, and networks.
- create a diverse and inclusive workplace, where everybody's opinion is valued, irrespective of their background.

You never:

- think in silos.
- put hierarchy before result.
- only care about your own success.



IMPROVE EVERY DAY

We challenge the status quo and quickly embrace change. We keep it simple and impactful.

You:

- challenge current thinking when appropriate, and suggest better approaches.
- are curious and eager to learn; you take ownership for your own development.
- work on your own failures, accept those of others and promote early learning experiences ("fail fast - learn fast").
- strive to be more efficient by minimizing complexity; you take time to simplify.

You never:

- use up energy by seeking the guilty party.
- waste time without finding better solutions.
- wait for the 100% - solution; You start now and get better and better.



TAKE OWNERSHIP

We are accountable for our targets and always deliver on our commitments.

You:

- live what you say.
- take full ownership of your tasks and keep personal commitments.
- are accountable for all your actions and results: positive or negative.

You never:

- make exceptions to our beliefs.
- try to cover up your mistakes.
- give careless promises.



COMPETE FOR SUCCESS

We are determined to win with a clear drive to reach our goals. We have the courage to make difficult decisions.

You:

- foster an environment where performance is valued and rewarded.
- have the courage to take decisions in an increasingly uncertain and changing environment.
- show backbone when there are difficulties.
- can be persistent and challenge ideas, if required.

You never:

- shy away from increasing our effort if there are obstacles.
- tolerate poor performance over long time.
- hide behind guidelines and rules.

We make it easy to do business with. Our customer is the center of everything we do.



Our responsibility

Optimar is a global leader for automated fish processing systems for use on board fishing vessels, on land and in the aquaculture sector. These systems are installed as turnkey projects, either independently or in connection with third-party products. Moreover, as a full-service provider, Optimar offers complementary software products and services – from remote diagnostics and online service through to spare parts, maintenance, and retrofitting. Aside from its headquarters and manufacturing facility in Ålesund on Norway's west coast, Optimar operates other facilities in Norway, the United States, Spain and Romania. The company delivers to international customers in more than 30 countries.

Fish handling with care – our purpose, drives how we design and manufacture our systems, where we always take into consideration the welfare of fish, food safety and safe working conditions for operators.

Optimar believes there is a strong correlation between long-term profitability and responsible business practices. This attitude is reflected in the company's Environmental, Social and Governance (ESG) Standards. We expect our suppliers to also adhere to these standards. Apart from compliance with regulations, Optimar emphasizes loyalty, cooperation, openness, and involvement. Each employee is encouraged to develop and expand their expertise and apply Optimar's ESG standards in their daily work.

Environmental focus

Optimar supplies products and

solutions that promote sustainable fishery. With a clear focus on product development to reduce waste and enable reuse of resources, Optimar helps the industry to utilize every part of the fish. Its products are also designed to have a better environmental footprint, for example by reducing energy consumption, and eliminating the use of chemicals to remove sea lice from farmed fish.

Community contribution

For Optimar, contributing to society is a strength. The company therefore plays an active role in the local communities in which we operate. Optimar aims to be a responsible company and is always considerate of local community interests. This includes environmental, cultural, and religious aspects. In particular, we focus on the important role education and training play as a means of

social development and economic advancement. Optimar supports local initiatives and organizations, with the focus on, children, culture education and health.

Human rights

Optimar supports internationally recognized human rights, such as the UN Declaration of Human Rights and the standards promoted by the International Labor Organization (ILO). We strive to ensure that all our activities worldwide are conducted in accordance with these basic human rights.

Examples of important human rights related to the business are:

- Freedom of speech.
- Organizational freedom and collective bargaining.
- Labor standards, including prevention of forced labor, child labor and discrimination.

Corruption

Optimar is vehemently opposed to all forms of corruption and works actively to ensure that this does not occur within the company. Corruption is not tolerated at Optimar, and violations will lead to disciplinary action. As a part of its anti-corruption efforts, Optimar has developed a code of conduct for all employees, including management. This code helps the organization to make the correct decisions day to day. Optimar has also implemented a whistleblowing procedure to enable unethical behavior to be reported. All employees go through an annual e-learning course on Optimar's ethical guidelines and code of conduct.

It is really clear that nothing less
than a full commitment to this is
the only way to go.

Al Ghelani, CEO at Optimar



Our sustainability strategy

In 2020 Optimar became a signatory to
the United Nations Global Compact.



**United Nations
Global Compact**

This is a voluntary commitment to adopt sustainable and socially responsible business policies and report on their implementation. We are committed to upholding the Global Compact's ten principles, which cover human rights, labor rights, the environment, and anti-corruption. We are also engaging in collaborative projects to advance the broader development goals of the United Nations, including its global Sustainable Development Goals.

To view our letter of commitment to the UNGC principles, please visit: [Letter_of_commitment_Optimar.pdf \(amazonaws.com\)](#)

We are currently in the process of defining our sustainability strategy and linking it to the company's overall business strategy. We became a member of United Future Lab Norway in November 2020. United Future Lab Norway is part of the UN's United for Smart Sustainable Cities implementation program. The Future Lab has partnerships with actors from private business, academia, and public

sector. The objective is to help realize the UN's Sustainable Development Goals.

Together with United Future Labs Norway we engaged a cross-section of our employees and our owners, Haniel, in evaluating and prioritizing the SDG's where Optimar can make a meaningful contribution.





SUSTAINABLE DEVELOPMENT GOALS

The UN's 17 Sustainable Development Goals (SDGs) provide a framework for achieving the agenda and targets set by UN Member States. Together, the SDGs signpost what needs to be done to end extreme poverty, fight inequality and injustice, and protect our planet. We have mapped our sustainability priorities against these goals, eight of which are highly relevant to our stated ambitions.

These eight goals we have connected to our overall strategy that is outlined in three pillars:



Optimar is a people - oriented organization focusing on our ability as humans to develop and grow.

People



It is our responsibility as an organization to ensure that our employees have opportunities to develop through training, coaching and new challenges. For people to be receptive to development, it requires a good balance between work, private life, and health. Good mental health, physical activity and healthy food are important.

Greater diversity makes a difference to the working environment and the level of value creation in the company. Although we are male-dominated industry, we strive to provide good work conditions for female employees both inside the company and when they are out travelling. We strive to bring more females into our company and industry, and we realize that we must start with our own mind – set and way of acting. One of our goals is to make ourselves a more attractive employer for female staff, thereby increasing the number of women in the workforce. Good recruitment processes and to work with attitudes internally and externally have been important to us in this work.

To develop and create economic growth, we need to include as much of the potential workforce as possible. With diversity, we create development. For the

Optimar Academy's main priority is to make sure that our employees keep challenging themselves, as well as supporting them in their continuously development of competence.



André Farstad,
Manager Optimar Academy

individual, it is important to feel a sense of belonging, mastery and being part of the community.

As an employer, we try to facilitate matters so that disability does not exclude individuals from being an employee in Optimar. We provide opportunities for work training to people who, for one reason or another, find themselves excluded from working life. Work experience builds confidence and can be a springboard for entry into the ordinary labor market.

A safe work environment is important for both our employees and our customers. With highly automated factories, we create a more ergonomic working environment, reducing repetitive work by using machines and avoiding risks and injuries associated with heavy lifting. By educating and training our employees, we focus on preventing injuries and serious

incidents. Last year we have completed a wide range of courses and training in HSE for different employee groups in the company.

Giving people the right tools, experience, and training to do a proper job is important. We have a duty to ensure that we develop our people together with the company and enable them to be part of the future.

We have our own academy that make sure our employees receive both mandatory training and professional

development courses. Lifelong learning is important, and we aim to build a culture that promotes knowledge sharing, a desire to acquire new insights and an understanding that our changing environment also requires increased knowledge and competence.

Every year, we employ 5–10 apprentices in different fields. Collaborating closely with high schools, vocational colleges and universities is important for our competence development and the fostering of in-house talent.

To collaborate with academia and students are important to develop individuals but also the organization. Two of our employees have completed their PhD – theses in combination with their job in Optimar.

As every other company and individual we have been affected by the coronavirus pandemic the last year. To support our employees, we have raised a corona fund to help employees and families of employees that are affected.



NEXT STEPS:

- Bringing diversity to the next level – make Optimar a leading star in the industry by show the right attitude internally and externally and by doing diversity actions that matters both for the individu-

- al and us as a company.
- Support our customers with more training to ensure correct use of the equipment. This will have effect on health and safety, efficien-

- cy, and quality of the end products.
- Further develop our design for safety and design for hygiene standards

- Maintain and develop safety courses and training. Roll – out of a new training program- Certified to Operate.

Sustainable operating platform



The whole fishing industry has a responsibility to manage our global fish resources in the best way possible. At Optimar, we always focus on making products and systems that ensure a high-quality end product, with as little waste as possible. For Optimar it is important to manage our operational footprint in a sustainable way but also help the customers with their footprint. The quality of the end product and our customers will always be in focus.

We started our Lean journey last year. We are training lean practitioners throughout company. 5S has been implemented at our production facilities in Norway. To run effective processes with a minimum of waste has a big impact both on the environment and the bottom line.

Our standardization program for products and systems is reducing waste in many of our processes and make sure that the quality of the equipment is at the right level.

Reuse and recycling are something that become more and more important and for many years has been done in different levels. At our sites we recycle different types of material as cardboard/paper,

In 2019, we used around 1.200 liter of freshwater per day in the pickling process, this has now been reduced to 100 liters pr. week by implementing a closed system where the water is cleaned, filtered and re-used.



Philipp Zeil,
VP Production at Optimar

plastic, steel, other metal material, wood, and hazardous waste. In October, we invested in a wastewater treatment system at our production site in Valderøya. In 2019, we used around 1,200 liters per day in the pickling process, this has now been reduced to about 100 liters per week.

We use stainless steel in most of our equipment, because it is both long-lasting and recyclable. In addition it has several advantages in hygienic processing.

To support our customers, we have different products and services that will help them with their operating footprint. Our digital platform, Optimar Commander, provides complete insight into processing operations. It collects all the data that is needed to make intelligent decisions and optimize the customers business.

The corona pandemic has been an eye-opener for us too. Travel restrictions have increased our focus on digital solutions and remote support. For customers who have installed Optimar Commander we are able to provide effective assistance via digital connections and real-time data sharing.

To serve our customers in a more structured way we have developed Service Level Agreements (SLA's) In this way, we ensure that we identify needs before the factory experiences down-time and the customer loses money. For example, bringing big trawlers back into port for routine maintenance creates a substantial

carbon footprint. With remote monitoring and more frequent servicing, we reduce the risk of down-time and the need to spend unproductive periods in dock undergoing repairs.



NEXT STEPS:

- Refresh our R&D product pipeline with even more focus on products which can deliver benefits in factory operations.
- Design for maintenance, reducing assembly hours per product.

- Reduce use of plastic packaging.
- Optimize use of raw materials in our equipment designs to reduce weight, ensure quality, and save costs.

- Reduce the risk of acid leaching at installation sites by investing in purpose-built welding tools.
- Continue our Lean journey with the emphasis on defining our processes and having good product

documentation, so we avoid rework and costs deriving from poor quality. Use our processes to boost just-in-time production. Train and teach employees in Lean and sustainability thinking and actions.

Sustainable and profitable growth



Water covers 70 percent of the Earth's surface. Climate change, overfishing and pollution threaten marine life – and us. The ocean provides a living for more than a billion people. As the world's population grows, more and more people need to be fed by what the ocean can provide. In principle, fishing is a renewable industry, but only if we manage the resources in the right way. Our objective is to help more countries see the need to revitalize their fishing fleets or land-based factories through more automation, more precision and digital solutions. This is fundamental to creating a more sustainable fishing industry. Species-recognition and our control system, Optimar Commander, are a good starting point for managing ocean resources in a better way.

Our objective is to help more countries see the need to revitalize their fishing fleets or land-based factories through more automation, more precision and digital solutions.



Viggo Brevik,
VP Sales & Marketing at Optimar

Optimar has been a leading innovator in the fishing industry for decades. Our constant focus is on fish welfare, effective and seamless solutions, and as little waste as possible. Focusing on innovation creates growth and profitability for both Optimar and our customers.

Our freezers and freezing systems protect the quality of the fish and make it possible to handle large numbers of fish. Our innovative H5 freezer will take up less space,

will be lighter and will have a larger capacity. As a result, our customers can reduce their carbon footprint because they can make use of smaller vessels. Alternatively, they can use the space for other processes that create value for themselves and the end-user. If we can lighten the vessels, they will use less fuel; and with greater capacity, the customer reduces the trip frequency.

Link to one of our freezing products: [Optimar.no/solutions/product/opti-blast](https://www.optimar.no/solutions/product/opti-blast)

We have a strong focus on hygienic design of our equipment, that ensure both food safety, and less use of both energy and chemicals in the cleaning process.

Last summer we acquired Biometrics, a biomass sensor. This is part of our investments in fish health and biological control. Aquaculture Biomass Monitor is the new generation of fully automated sonar system for measuring the biomass in a fish farm’s net pens.

The ABM collects data from thousands of fish per day to be analyzed and presented in customized reports. This will help the farmer to increase feed efficiency, detect fish weight, monitor behavior and vertical stratification. It will also provide them with an analysis of the daily growth of the fish stocks in each net pen.

We are continuously developing our platform, Optimar Commander. Traceability and documentation are vital as-

pects of today’s modern food processing industry. By constantly monitoring, capturing and logging system-wide data, Optimar Commander provides accurate information, both real-time and historical. This information is displayed on intuitive screens, creating a unique image of everything that is happening in your factory.

In close collaboration with academia and research associations we develop our company and the industry. One of the

initiatives we participate in is a research – based innovation center, SFI Harvest. The goal of this center is to develop knowledge and technologies for harvesting and processing of lower-trophic marine species, which enables sustainable growth of Norway’s bio marine industries.



NEXT STEPS:

- Continue to broaden our product offering in both sea and land-based aquaculture, including mechanical sea lice treatment, bio mass monitoring and leveraging AI and machine learning to improve quality and productivity.

- Continue to develop our control systems and make them available to more customers and markets.

- Enable traceability and work closely with customer so that they can use our systems and data to prevent

overfishing and track raw material the whole way to the end customer.

- Develop our solutions and products to handle more species, maximizing the catch and reducing waste.

- Continue to increase our investment into R&D, implementing a rigorous product develop process, with clear sustainability ratings for all new products.

Additional sustainability topics



Partnership

To be open and transparent is important for our company, we are sure that together we are stronger and can reach longer. We are members in different constellations that focus on industry cooperation and development, trade cooperation, research and more. We see partnerships as a win approach to deliver on our overarching goals related to People, Building a sustainable operating platform and delivering Sustainable and profitable growth.

We became member of United Future Lab Norway in November. This is a great opportunity to be part of a community with focus on our common future, and work together with others to reach the goals.

Through our membership in NCE Blue Legasea we work together with different companies, academia and research institutes in an innovative cluster to drive development and sustainable solutions for the marine industry.

As a member in Next Digital we participate in various projects where we can develop our ability to digitalize our operations and use digital solutions to create benefits for ourselves and our customers.



Climate action

Climate change is the world's biggest challenge. The task is huge, and we must work together if we are to do anything about it.

Our responsibility is to reduce our own carbon footprint, but also to offer our customers equipment and solutions that reduce their footprint.

By standardizing our product portfolio we are able to optimize designs and make them more sustainable.

Our innovations focus on food quality, efficiency and waste reduction. In close collaboration with customers, academia and research institutes, our highly skilled employees develop the right products, systems and digital solutions for the future.

NEXT STEP:

- Set stretched goals to reduce our own carbon footprint
- Continue to optimize our value chain
- Develop even higher quality standards in all parts of our organization to reduce waste and improve productivity – right first time

Our social responsibility

For Optimar, contributing to society is a strength. The company therefore plays an active role in the local communities in which we operate. Optimar supports local initiatives and organizations, with the focus on, children, culture, education, and health.

In 2020, as any other year, we supported a broad range of activities for children in different fields. Ex. sport clubs, cultural events and festivals.

Here are some examples of other initiatives:



Atlantic Sea Park

The Atlantic Sea Park (Atlanterhavsparken) is one of Northern Europe's largest and most unique saltwater aquariums. The park is a national showcase for marine life along the Norwegian coast and in the Atlantic Ocean.

For Optimar, the Atlantic Sea Park is an important arena for education and understanding of underwater life for both adults and children. Its activities create a commitment to the marine ecosystem and help more people protect and preserve the vulnerable life in the sea around us.

Like many other organizations, the Atlantic Sea Park also experienced substantial financial difficulties due to the coronavirus pandemic.

For us, it was natural to come to their aid in this crisis.

Aalesund Hospital – PET scanner

Together with the maritime industry, we helped fund the acquisition of an advanced PET scanner, used in cancer treatment, for the local hospital in Aalesund.



Hold Norge Rent and Plastfritt hav

Plastfritt Hav is a local organization that focuses on reducing marine waste. Its name means “plastic-free sea”. The company organizes various activities to reduce the amount of waste in the sea and on our beaches. Optimar is keen to support this work and has adopted an island that we are responsible for cleaning twice a year. Waste from marine industries is responsible for 34,6% of the waste in the sea.

Marine litter is a global environmental problem- and is fully man-made. Waste lost in the oceans and along coastlines leads to death and suffering for countless species. Plastic is the biggest culprit. Emissions from underdeveloped countries without waste management are large, but at the same time a consequence of high consumptions in developed countries.

By committing to clean an island twice a year as a team, we educate our employees, we contribute to putting focus on an important issue and we take actions.

Optimar is keen to support this work and has adopted the island; Store Kalvøya.

Spesialistbedriften

Spesialistbedriften is a firm, which uses tools from the business world to solve problems related to social and societal issues. They employ young people with Asperger's syndrome, and provide them with a safe and developing workplace. Optimar AS is one of the shareholders in Spesialistbedriften.

Church City Mission (Kirkens bymisjon)

As part of our sustainability journey and to make an internal focus on the content, we bought coffee to all employees. By doing this we support the Norway's Church City Mission that is a charitable organization that provides work training to people who for various reasons are out of school and work.





Our common responsibility is to manage
the resources in the way that we create
value for the next generations

Lene Flem Debess, SVP HR & Organization at Optimar



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