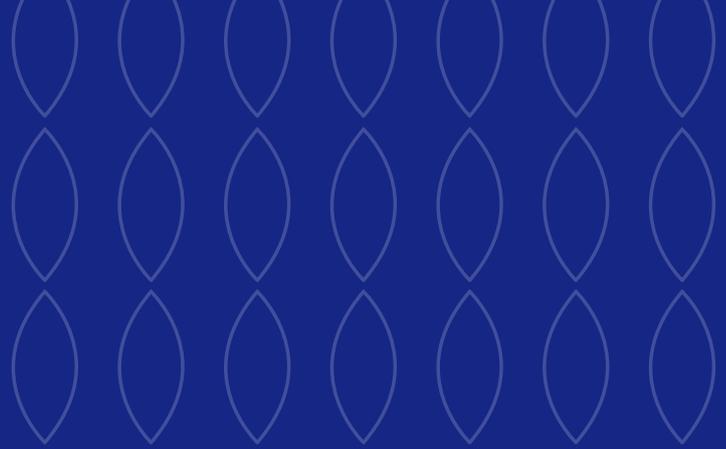


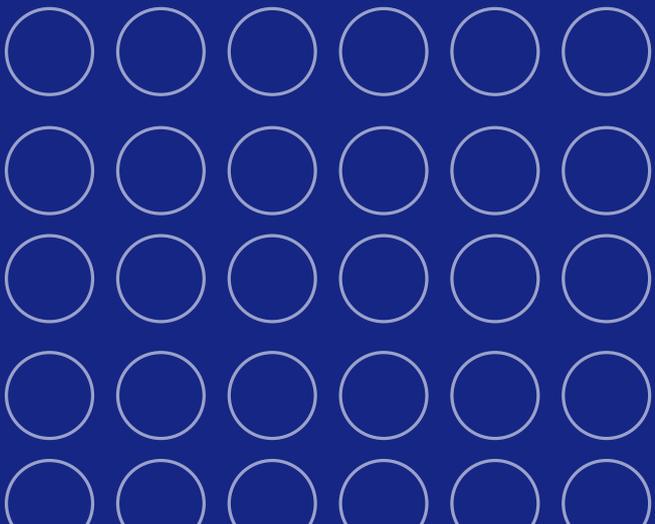


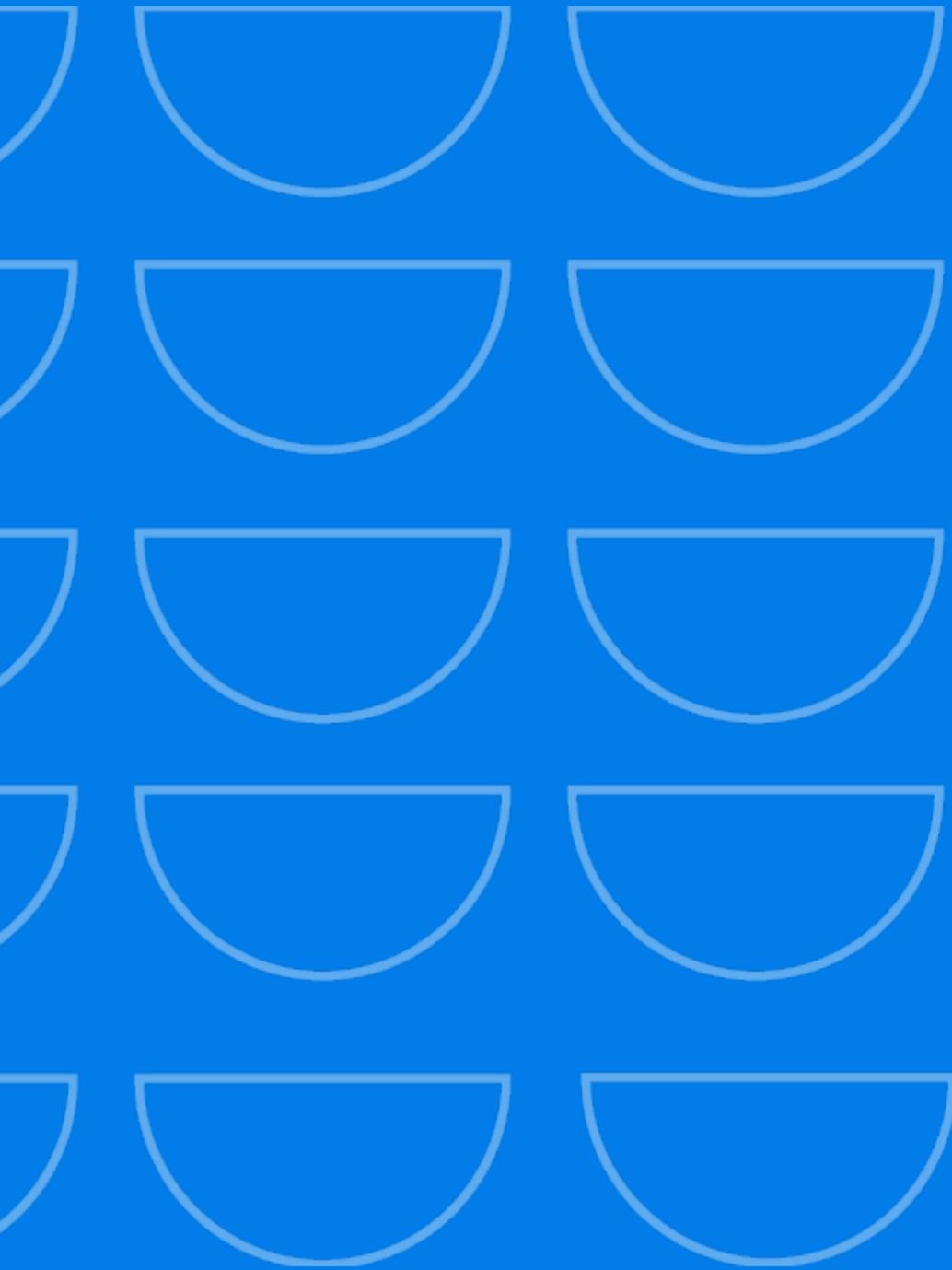
Austevoll Seafood ASA



# Sustainability report

# 2021





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## CEO LETTER

Sustainability is at the top of the agenda at Austevoll Seafood ASA (AUSS). We assume our share of the responsibility for solving global challenges in relation to sustainability. This entails practising active ownership of our portfolio companies, ensuring that they comply with fundamental ethical values and show respect for people, society and the environment. This is also in line with our vision of being a:



**Passionate owner  
of globally leading  
seafood companies"**

Arne Møgster  
CEO



We have had yet another challenging year with the pandemic, Covid-19. The past two years the pandemic has substantially affected our daily lives, both at home and at work. Also, in 2021 our focus has been on having routines that protect the safety of our employees, whether they are carrying out their tasks at Group locations, on vessels or from home. An impressive effort

has been done by our over 7,900 employees to keep the Group's value chain open and continue deliveries of the Group's products during this challenging period. I wish to thank all our employees for their effort and hard work in 2021.

The core of our operations is to create lasting values. Our work is important for both our societies and for AUSS's long-term value creation, and is described in our Sustainability report through our focus areas. These are: "Protect our Ocean", "Improve our Climate", "Empower our People" and "Strengthen our Communities".

In this year's report we have improved our reporting by further explaining the Group's area of activity and value chain in addition to introduction pages covering our Portfolio companies. We have further expanded our report with a chapter dedicated to "Creating lasting values", which describes AUSS as both a company and as an owner, as well as our governance structure and governance model. Creating lasting values and sustainable growth places stringent requirements on AUSS and its Portfolio companies within Corporate Governance, finance, climate and environmental and social issues. Sustainability is essential for gaining access to capital and is of decisive importance for the Group's continued development. AUSS as a holding company has a relatively limited footprint and our greatest opportunity to produce positive effects and reduce negative impacts is through the Portfolio companies. We emphasize the importance of setting a good example to our Portfolio Companies and "set the tone at the top" for how we want our operations to be carried out and our main focus as an active owner is to be closely involved in the monitoring and follow-up of the Portfolio Companies.

The operations, or the value chain, in the Group's portfolio companies originate from exploitation of the oceans. Creating lasting values via healthy oceans therefore represents the core of our operations. In our work to produce sustainable marine products, we continuously work on strengthening sustainable fisheries, responsible farming and restrictions of our impact on the marine eco-systems.

The Group contributes to solving the global sustainability challenges by producing healthy seafood, described by the UN as one of the most sustainable food products. Moreover, seafood is an important part of a good diet for our health. Consumers become increasingly aware of what they eat, where the food comes from, and how it is produced. We place the spotlight on reducing food waste and developing new products that represent sound environmental daily choices. Also, in 2021 the Group's largest Portfolio Company, Lerøy Seafood Group ASA, set and adopted science-based climate targets (SBTs) for its operations. As a result, we have made significant progress towards achieving our goal of establishing science-based climate targets for the Group going forward.

We have reviewed the materiality analyses during 2021, and the updated materiality analysis has been approved by the AUSS Board of Directors. In 2019 we began a project to map our climate risks. This initial risk assessment at the Group level was inspired by the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD), and assesses both physical and transitional risks. This analysis covers both the Group's aquaculture and fisheries operations in all our geographies, and has previously been done independently by our Portfolio Companies. In 2021 we have further developed our risk assessment and started the process of identifying and assessing significant climate risks and opportunities. It is AUSS's ambition to perform a climate risk assessment in line with TCFD in 2022.

Another initiative in 2021 is the assessment of the taxonomy-eligibility of the Group's economic activities. The main economic activities that generate turnover for the Group are related to fisheries and aquaculture. Technical screening criteria (TSC) for fisheries is expected to be finalised and adopted in the EU by the end of 2022. As for aquaculture, TSCs are yet to be developed. Hence, the significant economic activities for the Group are per 31.12.2021 taxonomy non-eligible. We have performed a preliminary eligibility assessment based on the draft criteria for fisheries published in 2021. This process will proceed once the final TSC are available. We continue to follow the development of the EU taxonomy closely.

We hope you enjoy reading this year's report and appreciate any feedback from our stakeholders – to help us improve!

Arne Møgster  
CEO

# THE AUSTEVOLL SEAFOOD GROUP

Austevoll Seafood ASA (AUSS) is a holding company invested in leading firms within aquaculture, fishery, primary and secondary processing, sales and distribution.

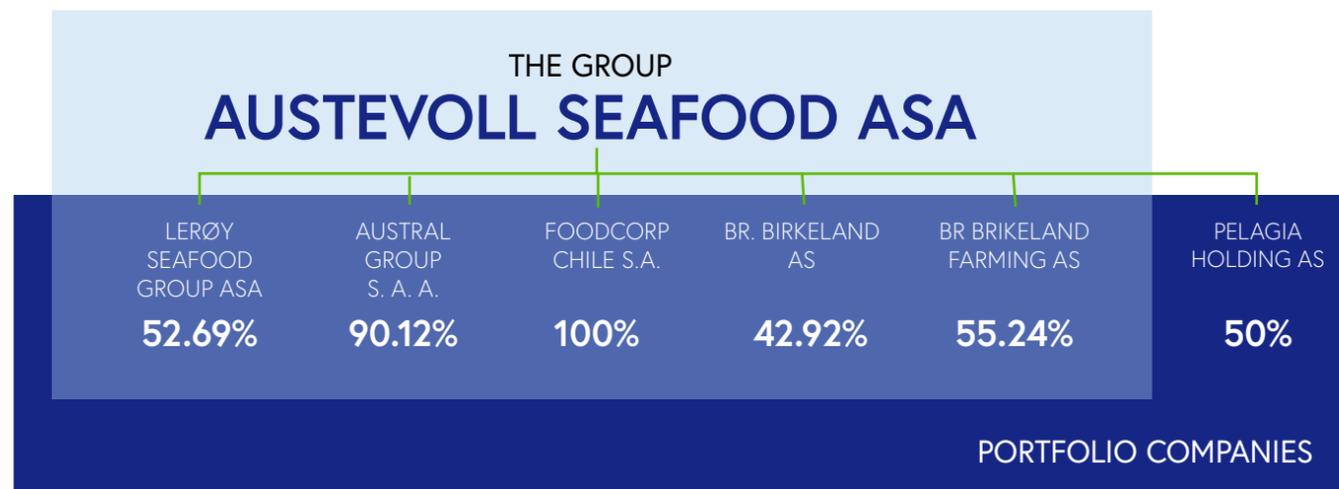
As a pure holding company, AUSS does not have its own catch, farming or production of fish-based goods, and all operational activity is solely managed through our Portfolio Companies, which operate as autonomous units. We emphasize active ownership of our Portfolio Companies and are involved in developing and strengthening them by taking part in board work, business development, strategy processes, restructuring and transactions. Our values are Look to the future, Act with integrity, Enhance our knowledge and Strive for excellence, and they contribute to build mutual trust between AUSS and the Portfolio Companies.

At AUSS we have a long history of being a responsible owner. Since our inception we have been true to our strategic foundations of “long-term value creation via sustainable, competent use of freshwater resources and the sea, in vital local communities”. Our commitment to responsible engagement and sustainable long term value creation applies both to us as an employer and, more importantly, to us as an active owner. In all our operations we consider environmental, social and governance factors as important drivers for long-term value creation, both from an opportunity and risk management perspective.

AUSS investments consist of the following Portfolio Companies; Lerøy Seafood Group ASA (LSG or Lerøy), Austral Group S.A.A. (Austral), FoodCorp Chile S.A. (FC), Br. Birkeland Farming AS (BFARM), Br. Birkeland AS (BRBI), and Pelagia Holding AS (Pelagia). Pelagia Holding is a jointly controlled entity, while the remaining companies are subsidiaries. AUSS sustainability reporting mirrors our financial reporting, thus our consolidated key figures consist of AUSS as the parent company and its subsidiaries (The Group). AUSS` ultimate parent company is LACO AS.

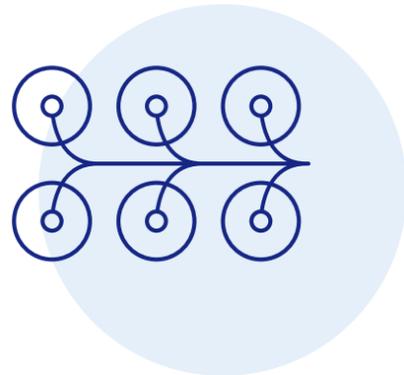


## ORGANISATION STRUCTURE AND OWNERSHIP SHARE



# OUR AREAS OF ACTIVITY

Our Portfolio Companies operate within ocean based industries, and work with different species and products. The fisheries use the ocean as a source of resources, while the aquaculture operations use it as a farming site.



## Farming

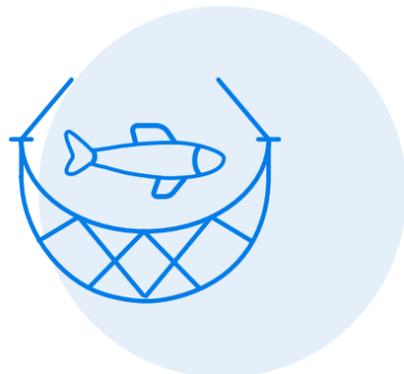
Our Portfolio Companies include one of the largest producers of Atlantic salmon and trout, covering the entire value chain from breeding to smolt, farming, harvesting, primary processing, consumer products, sale and distribution. The Group's farming activities are based at the Norwegian coastline through Lerøy Seafood Group ASA and Br. Birkeland Farming AS

## Atlantic Salmon

Atlantic salmon is a pink fish that is bred on the wild fish stock that is found in the northern Atlantic Ocean and nearby rivers. The farming techniques are developed based on the salmon's natural life cycle, initially in freshwater and later in saltwater. The atlantic salmon is harvested when it is between 4–6 kg and is a highly demanded food product for humans worldwide.

## Trout

Trout is also a pink fish that originates from North-America and resembles atlantic salmon in appearance and upbringing. Trout is well suited for farming considering its ability for rapid growth. Harvested between 3–5 kg.



## Wild catch

Our Portfolio Companies are also significant players within fisheries, both pelagic and whitefish, as well as large producers of fishmeal, fish oil and products for human consumption based on own catch and purchase of wild catch from third parties. Wild catch of white fish is based in Norway through Lerøy Seafood Group ASA. Wild catch of pelagic fish in Norway is through Br. Birkeland AS and in South America through Austral Group S.A.A., Peru and FoodCorp Chile S.A., Chile.

## Whitefish

Whitefish is used as a collective term for types of fish with white meat. Some familiar and important species of whitefish for the Group are Atlantic cod, haddock, and saithe. Atlantic cod is the main commercial whitefish species in the North Atlantic with Norway, Russia, Iceland, and the EU as the main players.

## Pelagic fish

Pelagic fish is used as a collective term for large groups of small, often schooling, species that is found in open bodies of water that is near the ocean surface. Some familiar and important small pelagic species for the Group are herring, mackerel, capelin, blue whiting, anchoveta, and horse mackerel. Small pelagic species are some of the world's most caught and traded fish, making up 28% of global wild capture fish production (according to MSC). Small pelagic fish are destined for human consumption or processed into fishmeal and fish oil.



## Production of fish-based products

Our portfolio encompasses the entire seafood and fishmeal value chain, and produces food for human consumption, fishmeal and fish oil.

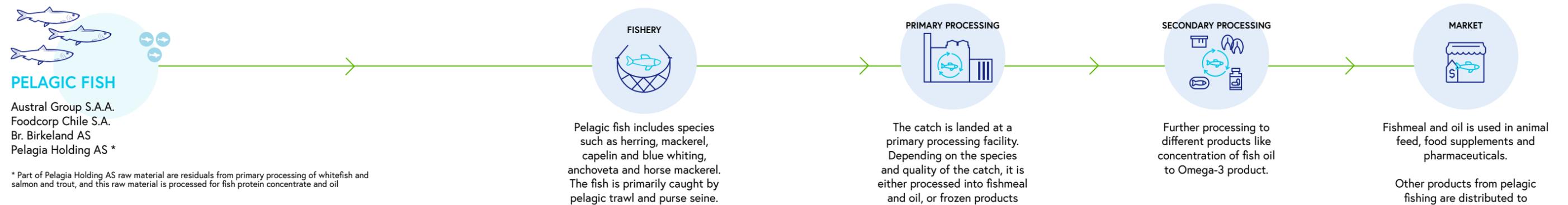
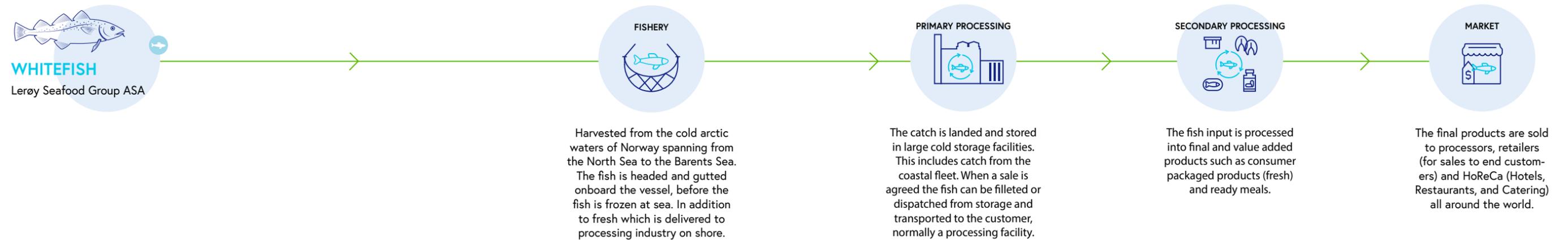
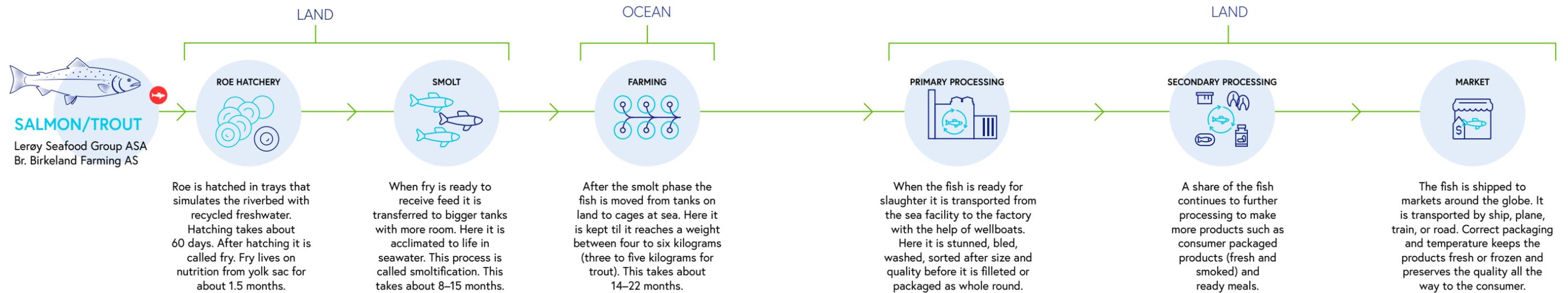
## Fishmeal

Fishmeal is a protein-rich, flour-like product used to supplement feed for livestock, pet food or farmed fish. It is made from whole round fish and residues from production of other fish products. Fish oil is a valuable by-product of the production of fishmeal and is used in aquaculture feeds and omega-3 supplements for humans.

## Value Added Products

Value added products are consumer packaged products (fresh or smoked) and ready meals.

# OUR VALUE CHAINS



\* Part of Pelagia Holding AS raw material are residuals from primary processing of whitefish and salmon and trout, and this raw material is processed for fish protein concentrate and oil

PORTFOLIO COMPANY:

# LERØY SEAFOOD GROUP ASA

## Business and products

Lerøy Seafood Group ASA is a world-leading seafood corporation with a history reaching back to 1899. Lerøy's core business is the production of Atlantic salmon and trout, catches of whitefish, processing, product development, sale and distribution of seafood. Lerøy's fish products are distributed to more than 80 countries, with deliveries corresponding to about 1,75 billion meals every year.

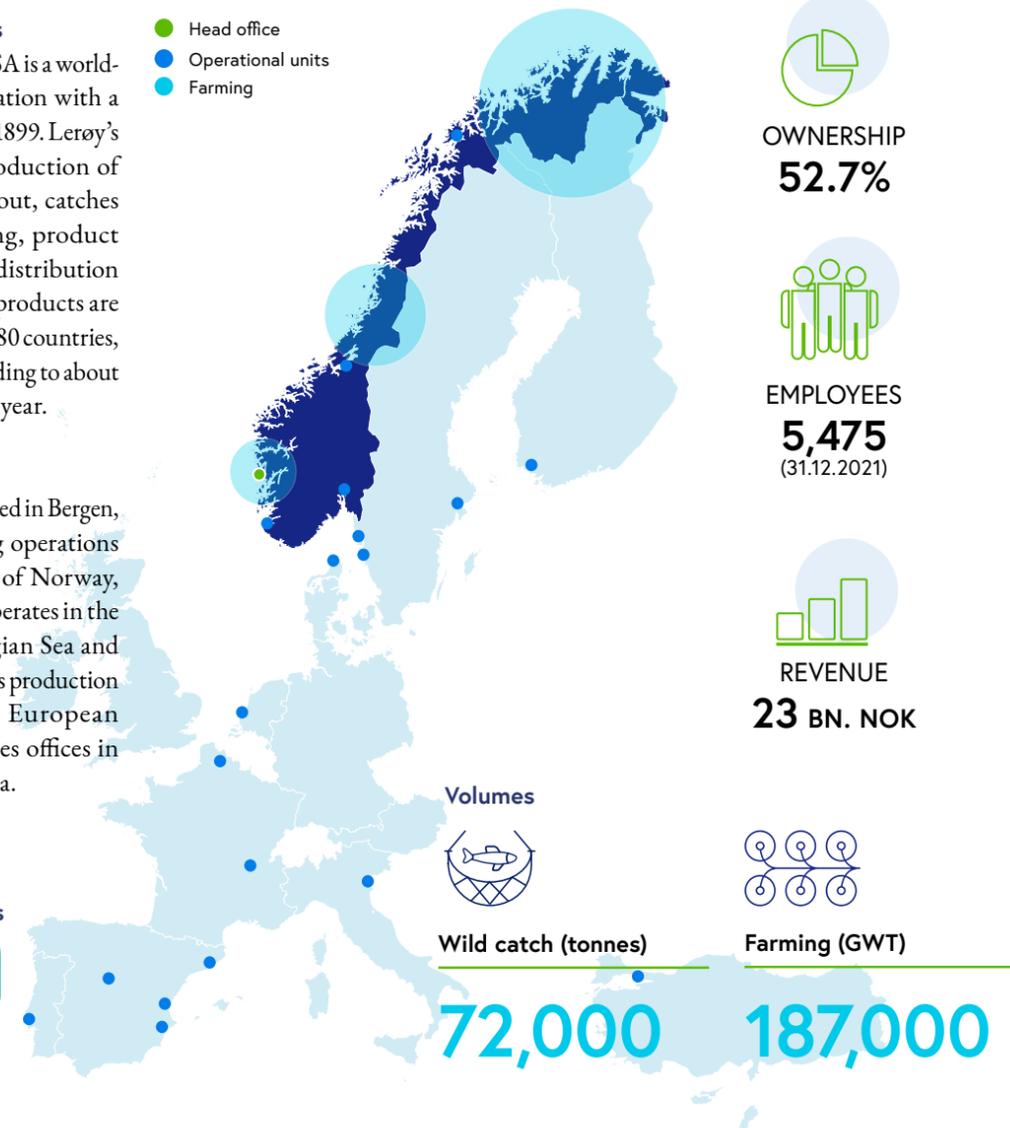
## Location

Lerøys head office is situated in Bergen, Norway. Their farming operations takes place at the coast of Norway, and the fishing vessels operates in the North Sea, the Norwegian Sea and the Barents Sea. Lerøy has production facilities in multiple European countries, as well as sales offices in the US, Japan and China.

## Targeted certifications



- Head office
- Operational units
- Farming



OWNERSHIP  
**52.7%**



EMPLOYEES  
**5,475**  
(31.12.2021)



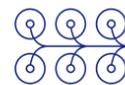
REVENUE  
**23 BN. NOK**

Volumes



Wild catch (tonnes)

**72,000**

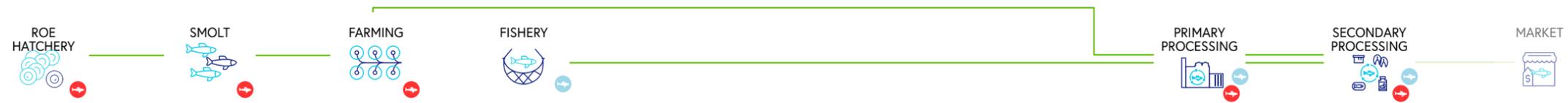


Farming (GWT)

**187,000**

## VALUE CHAIN

Salmon/trout and whitefish



## WORKPLACE INITIATIVES

### Great Place to Work

In collaboration with Great Place to Work, Lerøy measures all employees' experience of the workplace annually. The survey is used as a tool in order to ensure that the working environment develop in the right direction, by strengthening leadership, pride and community in Lerøy. This is one of the world's most conducted employee surveys, and is based on 30 years of research.

Lerøy measures the quality of three fundamental relations in the survey:

- > *Trust (Fairness, Respect, Credibility)* - Relationship with management
- > *Camaraderie* - Relationship with other employees
- > *Pride* - Relationship to your job

To ensure continuous improvement, the results of the survey will be followed up locally in each of the companies and at group level. Employee involvement is a key success factor in this work.

### Leadership programme

Appointment to a managerial position at Lerøy is a declaration of trust and carries significant responsibilities. Lerøy initiated leadership development training program at different levels starting in 2020, with focus on:

- > A clearer understanding of one's own role and expectations for the role of leader in Lerøy
- > Improved skills in communication and feedback
- > Conscious of how one's own leadership affects others
- > Building teams and relational skills
- > Culture and innovation leadership
- > Provide knowledge and tools that enable managers in Lerøy to maintain and further develop performance culture and value chain over time

## ENVIRONMENTAL INITIATIVES

### Climate emissions - Science Based Targets

Lerøy has set ambitious targets for reduction of climate emissions by 2030, and direct significant resources to identify and mitigate climate risk effects on their value chain. Three of Lerøy's main projects to reduce climate emissions include:

*Fish feed* - About 60 percent of Lerøys climate emissions in 2019 (baseline year) came from fish feed. Targeted measures to reduce emissions from feed include:

- > Using new feed ingredients
- > Increased used of insect meal and microalgae in feed
- > Increased use of trimmings

- > Increased production of raw materials in Norway

*Transportation by air* - About 22 percent of Lerøys emissions are related to transport of goods with aircraft. Lerøy is investigating how these can be reduced in partnership with their suppliers, looking at:

- > More efficient logistic solutions
- > Transitioning from sale of whole fish to fillets
- > Transporting freight by sea where possible
- > New cooling methods.

*Fuel* - Lerøy's trawl vessels use marine gas oil as fuel which has high CO<sub>2</sub> emissions. Lerøy participates in a project through the Green Shipping Programme in order to find innovative solutions to reduce emissions from such vessels.

In addition to the above-mentioned focus areas, Lerøy is developing a programme ("Sustainability in daily operations") to include all of its employees in their sustainability work, ensuring that all employees reflect on how daily work can be carried out in the most sustainable way possible.

[sustainability report](#)

[webpage](#)

PORTFOLIO COMPANY:

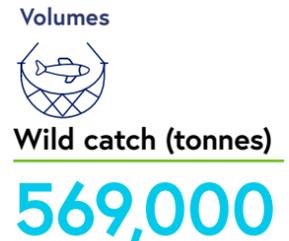
# AUSTRAL GROUP S.A.A.

## Business and products

Austral Group S.A.A. (established 1996) has a fully integrated value chain for anchovy and mackerel with both catch and production of fishmeal, fish oil and frozen fish. In addition to own catch, Austral purchases raw material from local artisanal fishing vessels. Austral is listed on the Lima Stock Exchange, and their products are traded through Peru and exported to more than 35 countries worldwide.

## Location

Austral's head office is situated in Lima. Austral has four production plants located from Coishco in the North to Ilo in the South of Peru, in addition to 20 fishing vessels.



## Targeted certifications



## ENVIRONMENTAL INITIATIVES

### Closing the loop on discarded fishing nets

Austral has partnered with the company BUREO and their "Net Positiva" (NetPlus) circular economy program. The NetPlus program sources disused and discarded fishing nets from communities and suppliers in South America, in order to produce recycled alternatives to virgin nylon. BUREO is amongst others partnered with Patagonia, who has launched a NetPlus collection using nylon from collected fishing nets. So far, 341,700 kilos of nets have been collected from Austral. In the first year of the pilot (2020), 80,720 kilos were collected from Austral.

### More efficient use of minerals and waste

As part of their circular economy initiatives, Austral has signed the Clean Production Agreement with the Ministry of Production (PRODUCE) and the Ministry of the Environment (MINAM) in Peru. The agreement includes six goals to achieve efficient use of minerals by minimizing solid waste production and increasing recovery after use. As of the end of 2021 all goals had been met.

## Facilitating inhouse green innovation

Austral has launched an internal innovation proposal program "Hazte una Pez" (Make a Fish). The program awards environmental initiatives that decrease the use of water and energy, increase organic matter recovery, process optimizations, effluent treatment and improvements in the quality of raw materials. In 2021, the program generated savings of USD 236,000.

## SUPPLIER DEVELOPMENT PROGRAMS

### Helping suppliers to improve

Austral has partnered with Innovate Peru and launched the Supplier Development Program. The program is aimed at strengthening the value chain, by improving supplier productivity and performance. The program is divided into two stages over the course of 28 months. So far, 17 suppliers have participated in the first stage of the program, focusing on diagnosis and improvement plans. The second stage is on course with expected completion in early 2022, and focus on implementing the improvement plan.

## Strengthening smaller suppliers

Austral has partnered with the Sustaining Competitive and Responsible Enterprises (SCORE) program. SCORE is a training and technical assistance program developed by the International Labor Organization (ILO) to support small and medium-sized enterprises. The purpose of SCORE is to increase participants' productivity and improve working conditions, using a model based on cooperation between workers and management. So far, two training modules have been carried out with four fleet service providers centered around "Cooperation in the Workplace: The Basis for business Success".

[sustainability report](#)

[webpage](#)

## VALUE CHAIN

Pelagic fish



PORTFOLIO COMPANY:

# FOODCORP CHILE S.A.

## Business and products

FoodCorp Chile S.A. (AUSS established in Chile since 1991) produces fishmeal, fish oil, canned and frozen fish, primarily based on own wild catch of horse mackerel and purchase of anchovy and sardine from local fishing vessels. Approximately 68% of the horse mackerel raw material went into the frozen fish production for human consumption. Their products are sold in the Chilean market in addition to export to a dozen countries in America, Europe, Asia and Africa.

## Location

FoodCorp's main operation is located 500 kilometres south of Santiago (Chile) in the Coronel Bay

## Targeted certifications



OWNERSHIP  
**100%**



EMPLOYEES  
**691**  
(31.12.2021)



REVENUE  
**0.7 BN. NOK**

Volumes



Wild catch (tonnes)

**105,000**

## SOCIAL INITIATIVES

### Educating and employing youth with special needs

FoodCorp has a long-standing alliance with the Association of Parents of Disabled Children (Apan di) in Chile - an organization dedicated to training and employment of young individuals with special educational needs. The program provides students with tools to help develop their social skills, as well as managing their employment. FoodCorp has previously welcomed students from Apan di into their workforce. This has not been possible in 2021 due to the pandemic situation. However, FoodCorp supported Apan di through gifts and social support to the youths and their families during the pandemic.

### Supporting higher education in the community

FoodCorp provides scholarships to children of workers who achieve the best 10th grade point averages and plan to pursue higher education. FoodCorp is also part of the Advisory Committee for Business Administration at the local technical training center (CFT Lota). Here they provide valuable input and assessment of their study program, as well as hosting technical and motivational talks.

### Participating in Food Bank of the Sea

Through the Association of Fisheries Industries FoodCorp deliver food rations (frozen and canned products) to older adults in long-stay residences. The program provides nutritious food on a regular basis to 72 establishments, where there are more than 3,000 residents.

## ENVIRONMENTAL INITIATIVES

### Reducing polluting odors in the community

FoodCorp participates in the local Tripartite Odor Board. The board consists of neighbourhood councils, municipality administration and the Association of Fishery industries, working towards minimizing odors generated by the fishing industries. Measures taken by FoodCorp to reduce unpleasant odors include investing in a new scrubber that reduce odorous gasses. FoodCorp also supplies local artisanal fishermen with fresh ice to contribute to product freshness and reduce the smell of fish, as well as investing in hermetically sealed trucks to prevent spills and leakages.

Replacement of oil with natural gas  
FoodCorp has signed an agreement with an industrial supplier to replace part of its oil with liquified gas, with expected start-up in early 2022. The liquified gas represents on average 92% less emissions of particulate matter. Coronel, where FoodCorp is situated, is part of an area saturated by particulate matter, so this reduction represents a contribution to local air quality.

## LABOUR INITIATIVES

### Supporting trade unions

FoodCorp supports worker unionization and 90% of the permanent employees are part of a trade union. While a high degree of unionization is normal for the Chilean fishing industry, this is far above the national average of 20%. FoodCorp works actively to maintain a collaborative relationship with workers' unions and hold monthly meetings with union representatives.

[sustainability report](#)



[webpage](#)



## VALUE CHAIN

Pelagic fish



PORTFOLIO COMPANY:  
**BR. BIRKELAND AS**

Austevoll Seafood ASA has stakes in both Br. Birkeland AS (BRBI) and Br. Birkeland Farming AS (BFARM). The two companies were previously united, but demerged in 2017.

**BRBI**

- Head office
- Operational units

**Business and products**

BRBI dates back to 1994. The company owns and operates two pelagic purse seine vessels in addition to two vessels catching for snow crab.

**Location**

BRBI is located in Austevoll in Vestland County Norway



**BR. BIRKELAND AS**

**Preventing lost and abandoned crab pots (ghost fishing)**

During the snow crab season of 2021 Br. Birkeland's (BRBI) vessel M/S Northeastern participated in a project with the Norwegian Institute of Marine Research. The project involved replacing the thread tied around the pots' escape pods with dissolvable thread. Dissolvable thread, as opposed to traditional thread, will dissolve if left underwater for a period of time. This does not interfere with normal operations, but if the pot is lost or discarded the thread will dissolve and let trapped crabs escape before they are significantly harmed. The project will continue in 2022.

**Volumes**



**Wild catch (tonnes)**

**30,000**

PORTFOLIO COMPANY:  
**BR. BIRKELAND FARMING AS**

**BFARM**

- Head office
- Operational units

**Business and products**

BFARM was established as part of the demerger in 2017. The company farms Atlantic salmon and owns seven farming licences.

**Location**

BFARM has operations in Vestland county, Norway

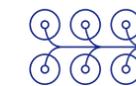


**BR. BIRKELAND FARMING AS**

**Electrification of farming sites**

Br. Birkeland Farming AS has in recent years installed connections to onshore electric power to all its farming sites and has as a consequence changed from diesel generators to electricity as energy source.

**Volumes**



**Farming (GWT)**

**8,000**

webpage



**VALUE CHAIN**

Salmon/trout and pelagic fish



PORTFOLIO COMPANY:

# PELAGIA HOLDING AS

(Jointly controlled entity)

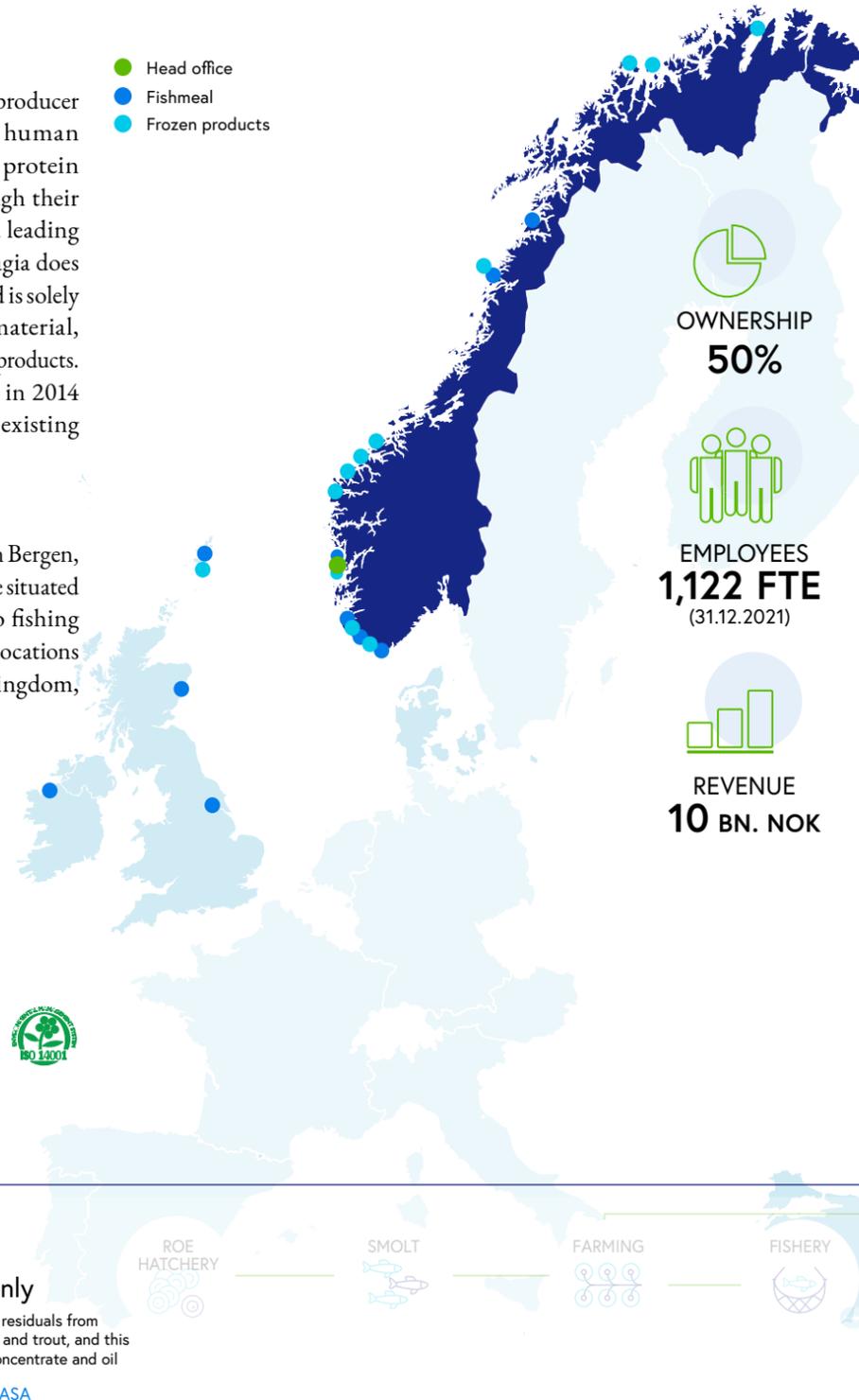
## Business and products

Pelagia Holding AS is a leading producer of frozen fish products for human consumption, fishmeal, fish protein concentrate and fish oil. Through their company Epax they are also a leading provider of omega-3 acids. Pelagia does not fish or farm its own fish, and is solely focused on purchasing raw material, processing and production of fish products. The company was established in 2014 after a merger between three existing pelagic producers.

## Location

Pelagia's head office is situated in Bergen, Norway. Production facilities are situated in the North Atlantic close to fishing grounds. Pelagia operates in 25 locations mainly in Norway, United Kingdom, Ireland, and Denmark.

- Head office
- Fishmeal
- Frozen products



## Targeted certifications



## VALUE CHAIN

### Pelagic fish - production only

Part of Pelagia Holding AS raw material are residuals from primary processing of whitefish and salmon and trout, and this raw material is processed for fish protein concentrate and oil



## R&D INITIATIVES

### Pelagic "lift" - increased processing of mackerel

Pelagia has been working on a project with the Fishery and Aquaculture Industry Research Financing (FHF) and the research centre NOFIMA with a goal to increase the utilization of Norwegian mackerel and other pelagic fish.

Most of the mackerel processed in Norway are exported as whole round frozen fish. Considering that pelagic species have a high concentration of fatty acids, the project aims to increase the production of pelagic fish fillets in Norway and to investigate if the byproducts of pelagic fish fillet production can be utilized in production of high quality supplements for human and animal consumption.

So far, the project has focused on determining the amount of fatty acids that can be extracted from byproducts of fillet production using various extraction and processing methods. Once this is determined, the project aims to establish a standard recipe for extraction and stabilization of the fatty acids. Raw materials (byproducts from fillet production) have been supplied to the researchers by Pelagia throughout the project.

webpage



# AUSS'S VALUES

LOOK TO  
THE FUTURE



ACT WITH  
INTEGRITY



ENHANCE  
KNOWLEDGE



STRIVE FOR  
EXCELLENCE

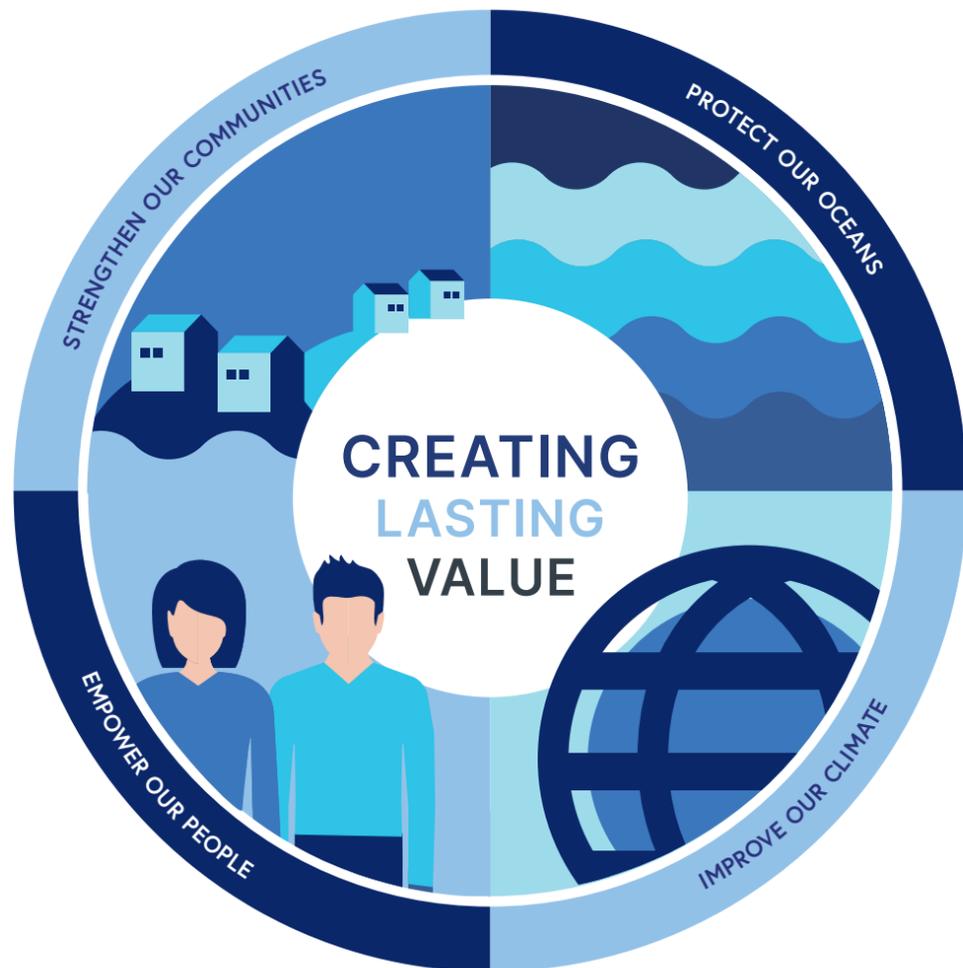


## OUR FOCUS AREAS

Our mission is to create lasting value through healthy oceans and thriving communities. This includes creating value for our customers, employees and our shareholders. We work towards this overall goal through our focus areas.

Our strategic focus areas are *Protect our Oceans, Improve our Climate, Strengthen our Communities, and Empower our People*. Through this focus we strive to *create lasting value*. This report outlines our approach towards managing our impact in these priority sustainability areas.

For each focus area, we recognize the global challenges and how we can contribute to solving them. We describe our policies and approach regarding these topics, as well as indicators related to subtopics describing our Portfolio Companies' performance.



## STAKEHOLDER ENGAGEMENT

Collaboration, dialogue and common interests with our stakeholders are critical to the way we work. As our Portfolio Companies are operating both within aquaculture and fisheries across several continents, our business affects a variety of stakeholders throughout the Group's value chain. Simultaneously, the opinions

and acts of the Group's stakeholders affect the business decisions that we make. As such, the active involvement of key stakeholders is necessary to fulfil our mission of creating lasting value through healthy oceans and thriving communities. Our most important stakeholders are individuals and/or entities that are either

affected by the Group's activities, products or services, or who can themselves impact the Group's ability to perform according to our strategic objectives. Below is a list of the key stakeholders with whom we engage, and a description of the nature of our dialogue.





**PORTFOLIO COMPANIES:**

Our Portfolio Companies have first-hand knowledge of how our aquaculture and fisheries activities impact the environment and society. We maintain regular dialogue with the management and Boards of Directors of all our subsidiaries. In addition, we have Board representation in our Portfolio Companies.



**LOCAL COMMUNITIES:**

We rely on good relationships with the local communities in which we operate. Stakeholder engagement with local communities is mainly managed by our subsidiaries through dialogue, cooperation and local initiatives to support strong and positive relationships. These are maintained on a regular basis to create mutual benefits from our local presence.



**AUTHORITIES:**

AUSS does not support individual political parties or individual politicians. However, AUSS does engage in discussions impacting the ground rules and conditions within our industry, including proposed changes in legislation. We expect all our subsidiaries to engage regularly with authorities and work to create knowledge-based solutions for the industry.



**INVESTORS AND SHAREHOLDERS:**

At AUSS we keep continual contact with our investors throughout the year, amongst others through one-to-one meetings, during quarterly results presentations, and at our annual general meeting.



**NGOs:**

Stakeholder engagement with NGOs is usually managed by our subsidiaries and revolves around collaborations, partnerships, and gathering insight about important issues related to sustainability and our industry.



**SUPPLIERS:**

Our Portfolio Companies have regular meetings with their suppliers to discuss development projects and new solutions to our sustainability issues, in particular with regards to feed. They also keep a continual dialogue with their suppliers with regards to compliance with our Code of Conduct.



**EMPLOYEES:**

The employees in our Portfolio Companies drives our business forward. The subsidiaries are expected to maintain a continual and open dialogue between managers and employees, including union representatives, and facilitate learning and development for the Group's work force.

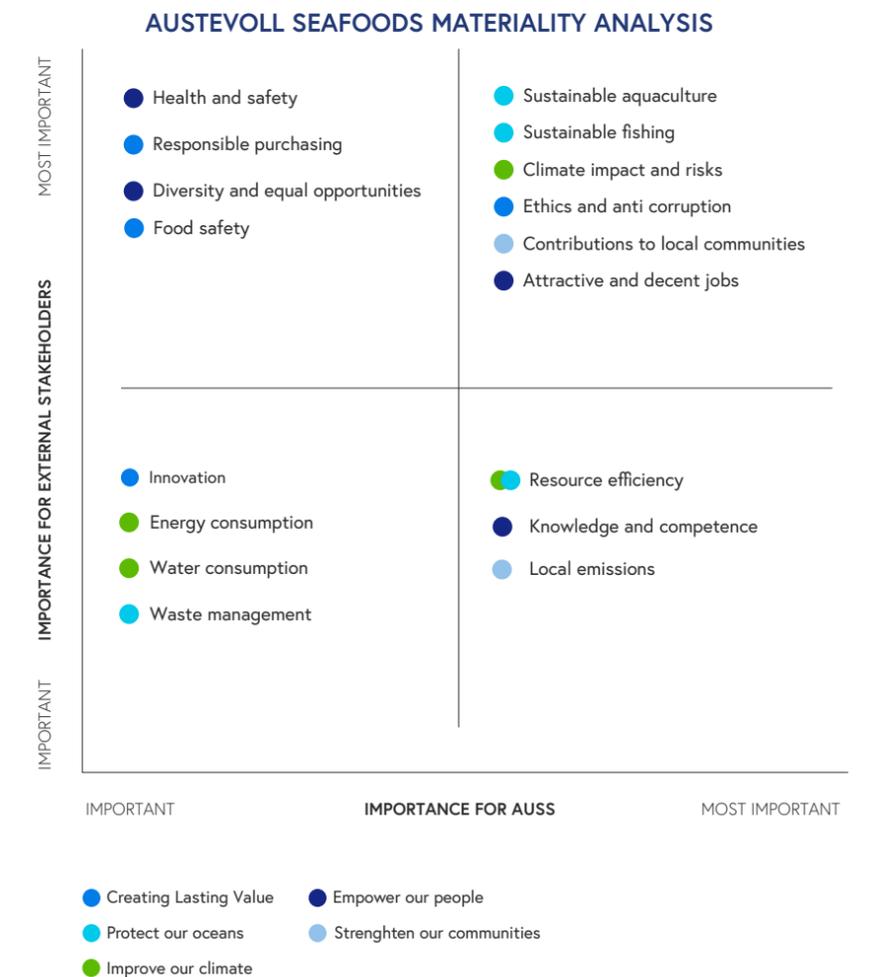
# MATERIALITY ANALYSIS

Stakeholder engagement has been key to developing our materiality assessment. Both internal and external stakeholders have been involved in the process to identify AUSS's key material topics and to develop our sustainability strategy. Our materiality assessment helps to concentrate our efforts within the broad range of sustainability topics that affect AUSS and our stakeholders. A sustainability topic is considered material when it has a significant impact on our long-term value creation and is of importance to our stakeholders. The materiality assessment forms the basis for our strategic sustainability work and reporting. The key sustainability topics have been identified through a stakeholder engagement process, complemented by a desktop review of industry standards, ratings and analyses, as well as best practice. We have involved the following stakeholders through interviews: key personnel from the portfolio companies in the Group, investors, suppliers, financial institutions, government bodies, NGOs and customers of our portfolio companies

The executive management of AUSS and its subsidiaries have given their input on which topics significantly influence the Group's value creation, while relevant external stakeholders have given input relating to our key economic, social and environmental impacts. The materiality analysis has also been evaluated by the Board. In order to structure and focus our sustainability efforts, we have grouped the resulting material topics into five

strategic focus areas that form the basis for how we work with sustainability initiatives and sustainability reporting; Protect our Oceans, Improve our Climate, Strengthen our Communities, Empower our People and not at least to Create Lasting value. The focus areas and their corresponding materiality topics are shown in the matrix below

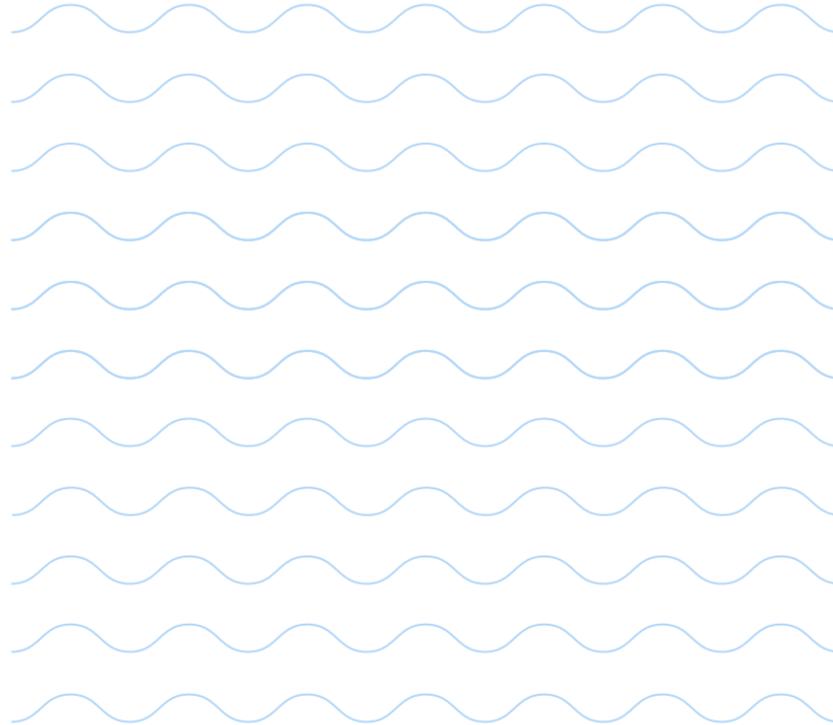
The materiality analyses has been reviewed by the Committee for Social responsibility and Sustainability during 2021 and updates based on this have been approved by the AUSS Board of Directors.



# HOW WE CONTRIBUTE TO THE UN SUSTAINABILITY GOALS

Adopted by all United Nation Member States in 2015, the United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Today, the SDGs are recognised by 193 states and are as such the closest we get to a global action plan for sustainable value creation. For companies, the SDGs are a toolbox for identifying how to optimise the sustainability work, and a way to communicate to the outside world the impact the company has on society, climate, and the environment.

At AUSS, we are committed to do our part to reach these goals in the Group's value chain, and thereby ensure that all stakeholder groups share in the Group's value creation. The effort to define our priority SDGs is an extension of the materiality analysis. Based on the material topics, we can link the strategic focus areas to relevant sustainability goals. For each focus area, the priority SDGs will reflect where the Group's business has the greatest impact or possibility to contribute to solving the goals. Through our operations we also contribute to several others of the UN SDGs.



## SDG 2 - ZERO HUNGER

By continuing to develop sustainable fisheries and aquaculture, both within the Group and in our research collaborations, we can contribute to expand ocean-based protein as part of a more sustainable food production system, and in turn help reduce hunger.



## SDG 3 - GOOD HEALTH AND WELL-BEING

Nutritious marine proteins play an important role in defeating hunger and malnutrition, and to contributing to proper mental and physical development. In addition to contributing to the health and development of the general population, we are committed to ensuring health and safety for our employees, both in our factories and at sea.



## SDG 8 - DECENT WORK AND ECONOMIC GROWTH

We have zero tolerance for violations of human rights and social dumping. The Group's strategy sets out a clear mandate to create safe and meaningful jobs through our operations, and also to contribute to economic growth and development of the local communities that we take part in.



## SDG 12 - RESPONSIBLE CONSUMPTION

Resource efficiency is key to the Group's sustainability efforts, both in terms of limiting unwanted by-catch, making the most of the marine resources the Group harvest, and ensuring sustainable sourcing.



## SDG 13 - CLIMATE ACTION

We aim to reduce the greenhouse gas (GHG) emissions in the Group's operations, choosing renewable energy solutions where possible and limiting the Group's environmental footprint throughout our operations. All our subsidiaries report on GHG emissions and are strongly encouraged to set targets for emission reductions.



## SDG 14 - LIFE BELOW WATER

Conservation and the sustainable use of oceans and marine resources is the foundation for what we do. Through good fishery management, government dialogue, and continued innovation, AUSS and the Portfolio Companies have great opportunities to contribute to better use of natural marine resources and to protect marine biodiversity.



## SDG 17 - PARTNERSHIP FOR THE GOALS

Knowledge enhancement is one of our core values. A common trait for all our strategic focus areas and the SDGs is that they cannot be reached without increasing knowledge and cooperation. We as a Group collaborate with a wide variety of engaged parties, including research institutes, suppliers, NGOs, authorities and local communities.

# KPI TABLE

FOCUS AREA	KPI	Page	2019	2020	2021
CREATING LASTING VALUE	<b>EBIT before adjustment related to biological assets (MNOK)</b>	42	2,924	2,159	<b>3,218</b>
	<b>Return on equity</b>	42	9.6%	3.6%	<b>14.3%</b>
	<b>Whistleblowing reports</b>	49	13	23	<b>38</b>
	<b>Corporate Tax paid (MNOK)</b>	49	882,491	493,805	<b>446,555</b>
	<b>Number of product recalls</b>	50	-	-	<b>5</b>
	PROTECT OUR OCEAN	<b>Non-compliance with environmental laws and regulations</b>		4	3
<b>Water consumption</b>		58			
Water Consumption (M3)			90,476,156	87,370,651	<b>104,220,294</b>
<b>Avg. number of adult female sea lice per fish</b>		59			
Lerøy Seafood Group ASA			0.15	0.16	<b>0.18</b>
Br. Birkeland Farming AS			0.20	0.22	<b>0.13</b>
<b>Survival rate (12 months rolling) at sea</b>		59			
Lerøy Seafood Group ASA			93.4%	92.2%	<b>92.5%</b>
Br. Birkeland Farming AS			86.8%	87.0%	<b>91.9%</b>
<b>Use of medicine</b>		59			
Volume of delousing agents used via feed (kg active substance)			50.3	131.3	<b>14.1</b>
Volume of delousing agents used via bath (kg active substance)			6.3	28.8	<b>3,171.1</b>
Volume of Hydrogen peroxide (kg active substance)			532,982	1,243,608	<b>1,728,720</b>
Volume of antibiotics used in sea (kg active substance)			-	19.0	<b>-</b>
<b>MOM-B (average score)</b>		60	1.52	1.35	<b>1.49</b>
<b>Fish escapes</b>		60			
Release incidents from aquaculture operations (number)			7	8	<b>3</b>
Fish released from incidents from aquaculture operations (number)			85	208	<b>4</b>
<b>Feed Fish</b>		60			
Feed Fish Dependency Ratio - meal, salmon			0.37	0.39	<b>0.45</b>
Feed Fish Dependency Ratio - oil, salmon			2.09	1.70	<b>1.65</b>
Share of Marine feed ingredients (%)			22%	20%	<b>33%</b>
<b>Share of localities with GGAP or ASC certification</b>		60			
Lerøy Seafood Group ASA (% of sites)		100%	100%	<b>100%</b>	
Br. Birkeland Farming AS (% of sites)		0%	0%	<b>0%</b>	
<b>Percentage of wild catch utilised for production (%)</b>	64	98.0%	97.8%	<b>98.6%</b>	
<b>Percentage of certified marine species caught (%)</b>	64	93.9%	93.8%	<b>93.9%</b>	

FOCUS AREA	KPI	Page	2019	2020	2021
IMPROVE OUR CLIMATE	<b>GHG emissions</b>	75			
	Scope 1 (tCO <sub>2</sub> e)		211,170	211,968	<b>261,652</b>
	Scope 2 (tCO <sub>2</sub> e)		17,305	19,997	<b>21,701</b>
	<b>Waste</b>	79			
	Total waste amount (MT)		10,682.4	10,259.9	<b>13,667.4</b>
	Indirect CO2 emissions related to our waste (tCO <sub>2</sub> e)		2,500.2	3,011.1	<b>2,102.5</b>
EMPOWER OUR PEOPLE	<b>Number of employees per 31.12.2021</b>	85	6,822	7,567	<b>7,927</b>
	<b>Absence rate</b>	85	4.60%	5.40%	<b>5.82%</b>
	<b>Work related injuries</b>	85			
	With absence (number)		230	222	<b>237</b>
	Without absence (number)		263	276	<b>182</b>
	Lost time injury rate (H1)			17.0	<b>15.6</b>
	<b>Gender balance (employees)</b>	87			
	Women (%)		29%	32%	<b>31%</b>
	Men (%)		71%	68%	<b>69%</b>
	<b>Gender balance (Governance bodies)</b>	87			
	Women - Board of Directors (%)		23%	23%	<b>27%</b>
	Women - Audit Committees (%)		50%	50%	<b>50%</b>
	Women - Management (%)		24%	24%	<b>24%</b>
	<b>Employees covered by collective bargaining agreements (%)</b>	89	65.0%	64.7%	<b>62.6%</b>
STRENGTHEN OUR COMMUNITIES	<b>Number of employees per 31.12, by geography</b>	97			
	Norway				<b>3,835</b>
	Rest of Europe				<b>1,825</b>
	Peru				<b>1,500</b>
	Chile				<b>691</b>
	Other				<b>76</b>
	<b>Complaints from stakeholders (number)</b>	97	15	29	<b>55</b>
	<b>Involvement in local communities</b>		Yes	Yes	<b>Yes</b>



SUSTAINABLE  
GROWTH PLACES  
STRINGENT  
REQUIREMENTS  
ON AUSS AND  
ITS PORTFOLIO  
COMPANIES WITHIN;

Corporate Governance, finance, climate and environment and social issues.  
Sustainability is essential for gaining access to capital and is of decisive  
importance for the Group's continued development.

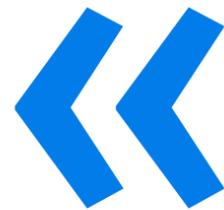
## 2. Creating lasting value

# WHY IT MATTERS AND OUR AMBITION

The core of our business is to create lasting value through healthy oceans and thriving communities. This includes creating value for our customers, employees, and our shareholders, by meeting the increasing need and demand for high quality healthy and sustainable marine products across the value chain. This is achieved through our work within our strategic focus areas; Protect our Oceans, Improve our Climate, Empower our People and Strengthen our Communities.

In addition to our focus on the environmental and social dimensions of sustainability, we also emphasise the importance of risk management and economic profitability to enable long-term value creation.

AUSS has a continuous focus on delivering strong financial results and decision making resulting in sustainable long term growth. As a holding company, AUSS has a limited footprint, and we perceive our role as an active owner for our Portfolio Companies as our greatest opportunity to expand our positive effects and reduce negative impact. We complement this role by being a good example to our Portfolio Companies, i.e. “set the tone at the top” for how we want our operations to be carried out, and by being closely involved in the monitoring and follow-up of the performance of the Portfolio Companies.



**The core of our business is to create lasting value through healthy oceans and thriving communities.**



# OUR GOVERNANCE APPROACH

## AUSS AS A COMPANY

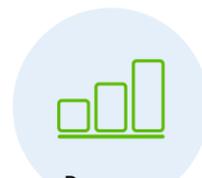
Austevoll Seafood ASA (AUSS) is a Norwegian public limited liability listed on the Oslo Stock Exchange and established under Norwegian Law. AUSS business conduct and corporate governance are guided by our value *Act with integrity*, as well as by the recommendations from the Norwegian Committee for Corporate Governance (NUES) and the UN Global Compact principles. Good corporate governance is on the top of the agenda for AUSS Board of Directors, management, and employees, as well as in the exercise of ownership in our Portfolio Companies. We believe good corporate governance, along with responsible risk management, provides the foundation for our ability to create lasting value.

Our approach is embodied both in the history of AUSS, which is strongly rooted in Austevoll - an island community on the west coast of Norway, and our values and policies which are guiding us in our day to day operations. It is part of the company's heritage to contribute to the development of local communities by creating attractive and decent jobs, supporting local suppliers, by investing in and sponsoring local projects and social initiatives, and by contributing through taxes paid. Our relationships with local communities will always be the core of our business, and are addressed in two of our focus areas; *Empower our People* and *Strengthen our Communities*.

While the seafood industry provides food and employment for millions of people, it also impacts the marine ecosystems and biodiversity it relies on. The industry's long-term value creation depends on sustainable and responsible interactions with our natural environment. Therefore it is central to AUSS that our Portfolio Companies contribute by managing issues such as accidental release of fish, the ecological status of the seabed under and around aquaculture production facilities, impact on red-list species, and waste and ocean plastic. These issues are addressed in our focus areas *Protect our Oceans* and *Improve our Climate*.

The holding company itself consists of three employees and does not have own operational units. Hence, AUSS as a company has a relatively limited footprint and our greatest opportunity to produce positive effects and reduce negative impacts is through the Portfolio Companies. We emphasize the importance of setting a good example to our Portfolio Companies and "set the tone at the top" for how we want our operations to be carried out and our main focus is to be closely involved in the monitoring and follow-up of the Portfolio Companies.

## Parent company figures



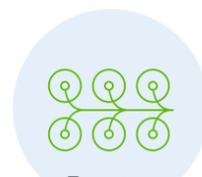
Revenue  
(BN. NOK)  
**0.2**



Employees  
**3**



Wild catch  
(1,000 Tonnes)  
**0**



Farming  
(GWT)  
**0**

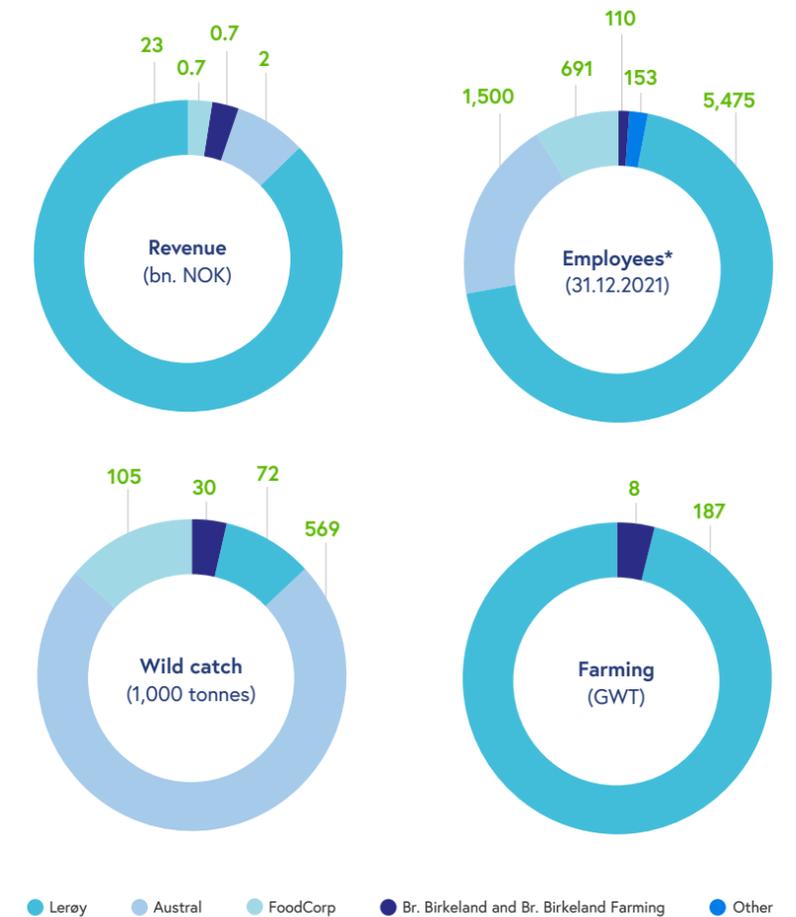
## AUSS AS AN OWNER

AUSS commitment to good corporate governance greatly impacts our role as an active owner. As a holding company, we will not dictate in detail how our Portfolio Companies should establish their corporate governance structure. However, there is a clear expectation that they adhere to AUSS governing documents, including the Code of Conduct and policies. The Board of Directors of each Portfolio Company is responsible for implementing policies adapted to the specific business area, stakeholders, important themes, and specific challenges relevant to that company. AUSS follows up to ensure that our Portfolio Companies implement and meet our expectations.

Key indicators are reported on regular basis, some quarterly and some annually, to the AUSS management, who prepares quarterly reports to the Audit Committee and to Committee for Social Responsibility and Sustainability based on the information received from the Portfolio Companies. Any extraordinary or precarious situations are immediately reported to the AUSS management, to the Audit Committee, and to the Committee for Social Responsibility and Sustainability. Whistleblower reports on matters in Portfolio Companies are addressed via their own channels, and AUSS management receive quarterly reports on cases and how matters are handled, including consequences and preventive measures taken.

The AUSS Board of Directors determines the overarching principles for AUSS management and control functions. In accordance with the Norwegian Accounting Act (section 3-3b) a description of principles for corporate governance is available on our website.

## Group figures



\*Including seasonal and 3. party workers

## ECONOMIC AND SUSTAINABLE VALUE CREATION

Austevoll Seafood ASA has a long reaching history within fishery and aquaculture. The Group expanded significantly in 2006, but its history dates back to 1981 and is rooted in the former Austevoll Havfiske AS and the strong historical fishery heritage of Austevoll municipality in Norway.

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Starting with a small fishing-operation in 1981, the Group expanded into new territories and species in 1991 after being invited by Cermaq ASA to operate their vessels for fishing pelagic fish in Chile. The Chilean operation has since been expanded, and now AUSS controls about 8.6% of the Chilean horse-mackerel quotas through its 100% stake in FoodCorp Chile S.A. AUSS operations in South America was later expanded by the acquisition of Austral Group S.A.A. located in Peru. Peru has one of the largest resources of small pelagic fish, anchoveta, and the country is one of the world's largest producers of fishmeal and fish oil based on this species. Austral Group S.A.A. controls approx. 7% of the Peruvian anchoveta quota in the center/north fishing zone.

In 2000 AUSS acquired a stake in Br. Birkeland AS, which at the time were involved in both wild catch and salmon farming along the Norwegian coastline. In 2017 the company decided to demerge their fishing and farming operations, establishing Br. Birkeland Farming AS which took over farming operations. Today, AUSS has stakes in both Br. Birkeland AS (42.9%) and Br. Birkeland Farming AS (55.2%).

In 2007 AUSS took up a shareholding in Lerøy Seafood Group ASA. AUSS took up its shareholding in Lerøy in connection with the sale of the salmon company Veststar Holding AS from AUSS to Lerøy with settlement to AUSS in Lerøy shares. The ownership stake has been gradually increased since then, and AUSS now has majority ownership in Lerøy. Lerøy is a fully integrated and world-leading seafood supplier, with more than 70 subsidiaries and history dating back to 1899.

Through the 2000s AUSS acquired shares in Welcon Invest AS and Norway Pelagic ASA, both significant producers of pelagic fish products. In 2014 the two companies merged, together with Egersund Fisk AS, into Pelagia Holding AS. Today Pelagia Holding is managed as joint venture between AUSS and Kvefi AS in a 50/50 split.



# AUSTEVOLL SEAFOOD'S HISTORY AND DEVELOPMENT

AUSS is a passionate owner of globally leading seafood companies. Our portfolio companies are significant players within aquaculture and fisheries and operate mainly in Norway, Peru and Chile. The main shareholder of the Company has been and still is Laco AS, a company under joint control by the Møgster family.

**Austevoll Havfiske AS was incorporated in 1981**, but the fishing activities were small-scale up until 1991, when the Møgster family purchased their second fishing license and fishing vessel in Norway. The same year, **1991, the Møgster family also entered into the pelagic market in Chile** after being invited by Cermaq ASA to operate their fishing vessels in Chile. The Chilean operation were gradually expanded and today AUSS controls approx. 8.6% of the Chilean horse mackerel quotas through its investment in **FoodCorp Chile S.A. (FC)**. AUSS owns 100% of FC.

**In year 2000 AUSS acquired 35.8% in Br. Birkeland AS (BRBI)**, which at that time were owner of fishing vessels and salmon farming operation on the west coast of Norway. AUSS gradually expanded their ownership in BRBI. In 2017 the owners of BRBI decided to split the fishing business and the salmon farming business and BRBI by demerging the salmon operation into the newly established company **Br. Birkeland Farming AS (BFARM)**. AUSS owns today 42.9% in BRBI and 55.2% in BFARM.

AUSS main shareholder Laco AS, expanded its pelagic fishing operation to Peru in 2004, when Laco AS together with two other partners acquired 86.14% of Austral Group S.A.A from a bank syndicate. The two partners were bought out in May **2006 and all the shares acquired by Laco AS were transferred to AUSS. AUSS owns today 90.12% of Austral Group S.A.A.**

**In 2004, Laco AS also acquired 1/3 of the shares in Welcon Invest AS (Welcon)**. Welcon was a large producer of fishmeal and fish oil in Norway based on raw material from pelagic fish, and

had at that time five processing plants along the coast of Norway. In May 2006 Laco AS purchased the remaining shares in Welcon, and the shares were transferred to AUSS through a contribution in kind. AUSS expanded gradually their business within fishmeal and fish oil production, and in February 2009, AUSS and Origin Enterprises plc (Origin) merged their respective activities related to fishmeal and fish oil in Norway, Ireland and Great Britain.

**In March 2007 AUSS took up its shareholding in Lerøy Seafood Group ASA (LSG)** in connection with the sales

of the salmon company, Veststar Holding AS, to LSG. During 2007 AUSS increased its ownership in LSG to 33.34%, and in **November 2008 AUSS increased the ownership in LSG to 74.93% through a mandatory offer. AUSS owns today 52.7% in LSG.**

**AUSS acquired 33.27% of the shares in Norway Pelagic Holding AS (NPEL) in 2010**. NPEL was a large participant within the processing industry of pelagic fish for direct human consumption. AUSS gradually expanded its ownership in the company and became the majority owner in 2013.

**In January 2014 AUSS merged Welcon and NPEL, (its fishmeal, fishoil and frozen fish business) with Kvefi AS (controlled by Kverva AS) business involving pelagic fishmeal and oil and fish for consumption in Europe. AUSS and Kvefi together established a new company, Pelagia Holding AS**, which continued operating the amalgamated activities. Pelagia Holding AS is a jointly controlled entity and AUSS owns 50% of the shares in Pelagia Holding AS.

This is the short story how the company has grown and developed into today's holding structure.



## KEY FIGURES

AMOUNTS IN MNOK	2016	2017	2018	2019	2020	2021
<b>Revenues &amp; profitability</b>						
Revenue and other income	18,912	20,799	22,837	23,342	22,447	26,633
<b>EBITDA before biomass adjustment</b>	<b>3,881</b>	<b>4,747</b>	<b>5,239</b>	<b>4,261</b>	<b>3,675</b>	<b>4,810</b>
Depreciation, amortisation, impairment	-968	-920	-960	-1,337	-1,516	-1,592
<b>EBIT before biomass adjustment</b>	<b>2,913</b>	<b>3,827</b>	<b>4,279</b>	<b>2,924</b>	<b>2,159</b>	<b>3,218</b>
Fair value adjustment related to biological assets	1,549	-1,832	798	-306	-954	1,114
Operating profit	4,462	1,995	5,077	2,617	1,205	4,332
<b>Net profit for the year</b>	<b>3,708</b>	<b>1,831</b>	<b>4,231</b>	<b>2,197</b>	<b>823</b>	<b>3,436</b>
Cash flow from operation	3,249	4,220	3,162	3,172	2,944	4,635
Return on equity	23.3%	9.8%	20.3%	9.6%	3.6%	14.3%
<b>Balance sheet</b>						
<b>Total assets</b>	<b>35,001</b>	<b>35,309</b>	<b>37,955</b>	<b>39,831</b>	<b>39,741</b>	<b>43,781</b>
Equity	18,213	19,172	22,454	23,331	22,991	25,187
Net interest bearing debt	5,493	4,138	3,983	4,074	4,651	3,970
Equity %	52%	54%	59%	59%	58%	58%
Purchase of tangible and intangible assets	4,561	1,922	2,678	1,585	1,566	1,847
<b>Share info</b>						
<b>Total market value OSE</b>	<b>16,978</b>	<b>13,835</b>	<b>21,650</b>	<b>18,255</b>	<b>17,778</b>	<b>21,569</b>
Share price 31.12	83.8	68.3	106.8	90.1	87.7	106.4
Number of shares (million)	203	203	203	203	203	203
Earnings per share (NOK)*	8.2	5.0	11.4	6.2	2.45	9.82
Dividend declared and paid per share (NOK)	2.5	2.8	3.5	2.5	3.5	
Dividend proposed per share (NOK)						4.5
<b>Operational key figures</b>						
<b>Harvest volume of salmonids (GWT 1,000)</b>	<b>158</b>	<b>164</b>	<b>168</b>	<b>166</b>	<b>178</b>	<b>195</b>
<b>Total volume pelagic species subsidiaries (1,000 tonnes)</b>	<b>440</b>	<b>435</b>	<b>739</b>	<b>466</b>	<b>515</b>	<b>704</b>
<b>Total volume raw material jointly controlled companies (1,000 tonnes)</b>	<b>1,169</b>	<b>1,390</b>	<b>1,337</b>	<b>1,204</b>	<b>1,368</b>	<b>1,237</b>
<b>Total catch whitefish subsidiaries (1,000 tonnes)</b>	<b>64</b>	<b>67</b>	<b>66</b>	<b>63</b>	<b>68</b>	<b>72</b>
Employees						
Number of employees (FTE)	4,710	6,229	6,490	6,507	6,342	7,143

\*Earning AUSS shareholder/average no. of shares

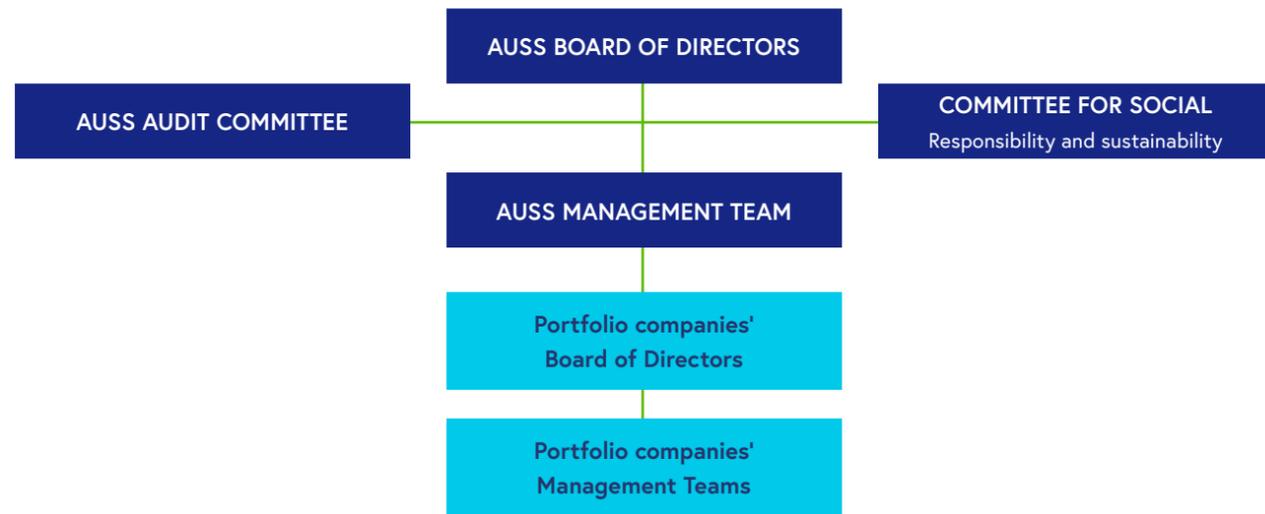
## OUR GOVERNANCE MODEL

AUSS is an active owner, and as such, we expect our Portfolio Companies to conduct their businesses in a responsible manner. We aim to “set the tone at the top” to ensure that everyone is aware of our expectations and acts accordingly. Through our place at the Board of Directors for each company we work to actively influence the Portfolio Companies’ direction based on AUSS’s policies. As a holding company we do not dictate how our Portfolio Companies run their day-to-day operations, but we expect them to adhere to our policies and guidelines. Having such structures in place allows the companies to understand our

expectations and plan accordingly. A common set of expectations helps build a culture to ensure that sustainability is included in all relevant activities. To establish trust and responsibility, we are in close dialogue with our Portfolio Companies and receive regular reporting from them regarding selected sustainability indicators. In any extraordinary situation, we receive immediate reporting and keep an active dialogue with the Portfolio Company to resolve the situation.

Our corporate governance structure is set up to fully comply with the recommendations from the Norwegian Committee for Corporate Governance (NUES) and we commit to the ten principles of UN Global Compact. Our main objective is to establish and maintain systems for communication, surveillance and incentives which will increase and maximize the long term value creation of the company, its long-term soundness and overall success, and investment return for its shareholders. At the same time, AUSS takes a very conscious approach to its responsibility for ethical conduct, society at large and the environment.





#### AUSS BOARD OF DIRECTORS

Members:  
Helge Singelstad (Chairperson), Helge Møgster, Hege Charlotte Bakken, Siren M. Grønhaug, Lill Maren Møgster, Eirik Drønen Melingen and Hege Solbakken.

Our Board of Directors has the ultimate responsibility for our sustainability work. This responsibility is exercised by deciding on policies which all Portfolio Companies must comply with, and by regularly following up on results achieved.

Each quarter, the Board receives compliance reports from AUSS management which include results on key KPIs from our Portfolio Companies, such as accidents, regulatory non-compliance, whistleblowing and complaints received. These reports are presented to the Board by the Committee for Social Responsibility and Sustainability along with suggested items for discussion and follow-up.

Additional information is presented to the Board on an annual basis. This includes, among others, number of sea lice, fish survival rates, emissions, bargaining agreements, and diversity numbers.

Annually, the Board reviews our policies and Code of Conduct to ensure they stay up to date. The same is done for our material topics and the KPIs we ask our Portfolio Companies to report on, as well as goals for the corporation as a whole, based on recommendations from AUSS management.

Violation of the rules provided in our Code of Conduct or our policies will result in relevant sanctions, such as oral or written warnings and restrictions in current authorisations. Serious breaches of the rules may result in termination or dismissal.

#### AUSS AUDIT COMMITTEE

Members: Hege Charlotte Bakken (Chairperson) and Lill Maren Møgster.

The Audit Committee consists of two members of the Board who have a special responsibility to ensure the integrity of financial reporting. This is done by preparing reported issues, presenting them to the Board and suggesting follow-up where needed. In addition, the Audit Committee monitors systems for internal control, risk management and internal and external audits. In this way, they follow up the “governance” part of ESG.

#### AUSS COMMITTEE FOR SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Members: Hege Charlotte Bakken, Lill Maren Møgster and Siren Grønhaug.

In much the same way as how the audit committee ensures the integrity of the financial reporting and internal monitoring, the Committee for Social Responsibility and Sustainability consists of board members with a special responsibility for monitoring and following up on issues related to our environmental and social sustainability work. The Committee serves as an advisory body on ESG matters.

The Committee reviews quarterly compliance reports prepared by the AUSS management team based on information from our Portfolio Companies. They then present results and particular issues to the Board for discussion and potential follow-up.

#### AUSS MANAGEMENT TEAM

The AUSS management team has close formal and informal dialogue with our Portfolio Companies and acts as a discussion partner when issues come up. Our CFO is responsible for collecting sustainability information from our Portfolio Companies and preparing reports and issues to be presented to the Committee for Social Responsibility and Sustainability and Board of Directors.

#### PORTFOLIO COMPANIES' BOARD OF DIRECTORS

The Board of Directors at each of our Portfolio Companies is responsible for ensuring that AUSS policies are implemented and that regular reporting is in place and followed up.

AUSS has representatives on the Boards of each of our Portfolio Companies, thereby keeping up to date on issues and taking part in setting strategy.

As part of AUSS' guiding principles, each of the Portfolio Company Boards are expected to ensure that one or more of their members have extended responsibility for sustainability topics, reporting back to the AUSS Board and ensuring that ESG risks are on the company Board's agenda.

#### PORTFOLIO COMPANIES' MANAGEMENT TEAMS

The CEO of each Portfolio Company is responsible for the companies' day-to-day activities, ensuring that they are in accordance with AUSS guidelines and policies as well as regulatory requirements. This includes ensuring that internal controls are in place (e.g. internal audits), following up on environmental certifications, running awareness campaigns etc. Each Portfolio Company is also responsible for preparing risk assessments for their company and keeping them up to date, informing AUSS as needed.

AUSS' guidelines state that the companies' sustainability work shall be based on the principle of continuous improvement, and the companies' efforts shall target those areas with the greatest need for improvement and best potential to have an influence.

# PARTNERSHIPS AND COOPERATION

The future management and development of marine resources and ocean industries must be based on objective research and factual knowledge. Sustainable ocean and marine development involve a range

of different stakeholders, including communities, governments, NGOs, academia and seafood companies, who often have opposing perspectives and different expertise. Close collaboration

is therefore key to ensure that relevant perspectives and knowledge are used to improve our chances of ensuring sustainable stewardship of the oceans and marine resources.

Our approach is based on active collaboration with a variety of NGO's, governments and research institutions through our company portfolio to ensure that our companies take a knowledge-driven approach to sustainable ocean and

marine stewardship. We focus on taking part in multi-stakeholder initiatives, and collaborate with suppliers and stakeholders across the value chain to address complex and diverse sustainability issues.



The UNGC is a non-binding pact to encourage businesses worldwide to adopt sustainable and socially responsible policies and report on implementation. Austevoll Seafood became a participant in 2020, but several of our subsidiaries have followed the UNGC for years.

**INCLUDES**  
AUSS, Lerøy, Austral, FoodCorp



GSSI is a public-private partnership on seafood sustainability with more than 90 participants across the seafood value chain. GSSI's vision is "More sustainable seafood for everyone"

**INCLUDES**  
Lerøy



Research from the Institute of Marine Research (IRM) in Bergen helps ensure that future generations are able to harvest the assets in the sea and along the coast. A vessel owned by one of Lerøy's subsidiaries is part of the IRM's fleet.

**INCLUDES**  
Lerøy



The Institute of the Sea of Peru (IMARPE) conduct, amongst other things, scientific research cruises to research the biomass of anchovy and other marine species. Vessels from the industry regularly takes part in the cruises. IMARPE scientist are onboard the vessels from the industry, and are the ones collecting data from the cruises.

**INCLUDES**  
Austral



CtrlAQUA seeks to lay the foundation for the development of post-smolt concepts. CtrlAQUA and Lerøy work to develop closed- or semi-closed-systems at sea to prevent salmon lice.

**INCLUDES**  
Lerøy



For many years, Lerøy has enjoyed a close cooperation with the environmental foundation Bellona, one of Norway's largest environmental non-profits.

**INCLUDES**  
Lerøy

## ARKTISAVTALEN

Arktisavtalen is an Industry Group Agreement for Cod fisheries in the northern part of the North-East Atlantic. The parties have committed to refrain from fishing in some areas until consequences has been adequately mapped.

**INCLUDES**  
Lerøy



The fisheries private research institute "Inpesca" collects data on fishing activities for use in assessment models of both, the Chilean and South Pacific Regional Fisheries Organisation technical-scientific committees. Vessels and processing plants regularly collect data which is handled over to Inpesca for their scientific and environmental work.

**INCLUDES**  
FoodCorp

# ETHICS AND ANTI-CORRUPTION

As a global Group that employs a large and diverse workforce across numerous countries, it is crucial for the Group to set high and clear ethical standards.

## THE CHALLENGE

Today, Austevoll Seafood Group operates in 18 countries and employs over 7,900 professionals. Above all, this diversity is a source of strength for our business. At the same time, to continue building trust and follow our mission, it is crucial that all employees adhere to the Group's values and the guidelines in our Code of Conduct. Any international business operating across national boundaries is exposed to different national regulations, cultures, backgrounds and customs. With this increased complexity follows increased risk. Therefore, we have implemented reliable systems and routines that help us detect, prevent, and stop corruption and other ethical breaches.

## OUR POLICIES

- > Code of Conduct
- > Policy for Anti-Corruption
- > Policy for Human Rights and Decent Work Conditions
- > Policy for Whistleblowing

## OUR APPROACH

Acting responsibly is crucial for AUSS, and it is integrated into our vision, values, business strategy, and processes. One of our key areas of focus is Strengthen our Communities. Ensuring human rights is directly tied to this focus area and is an integral part of how the Group exercises its business all over the globe.

AUSS and its Portfolio companies support the International Bill of Human Rights, and the Core Conventions of International Labor Organization (ILO). AUSS and its Portfolio companies further endorse the United Nations Guiding Principles on Business and Human Rights and the Transparency Act (Åpenhetsloven) based on the OECD Guidelines for Multinational Enterprises. AUSS is a member of the United Nations Global Compact.

AUSS will contribute positively to the work relating to the respect for human rights and in particular related to the prevention of child labour and protection of labour rights, both within AUSS and in its value chain, hereunder the supply chain and its business partners. There are several principles to ensure a good process when it comes to human rights, and we encourage our Portfolio Companies to engage in related activities and take action to ensure human rights are safeguarded. AUSS expects specific topics within human rights to be covered by the Portfolio Companies' respective policies:

- > Forced labour
- > Child and youth labour
- > Regular employment
- > Salary
- > Working hours
- > Trade unions and collective bargaining
- > Discrimination and physical cruelty
- > Sexual harassment

### Risk tolerance

In addition to the elements mentioned above our business conduct and corporate governance are always guided by our value Act with integrity. We have a zero tolerance policy towards corruption, and we hold each other to a high ethical standard in how we conduct our business.

### Key principles

As a general rule, corruption can be avoided by complying with AUSS's Code of Conduct and the content outlined in our Policy for Anti-Corruption. Each company in the Group must implement appropriate measures to inform and educate employees on anti-corruption. As a holding company AUSS will not dictate how companies in the Group should adapt their procedures to comply with this policy, but there are some key elements that must be included:

- > Never conceal corrupt or potentially corrupt activity.
- > Avoid activities that may facilitate any form for corruption.
- > Stay clear of fraudulent or dishonest activity.

- > Never accept or offer something that can be perceived as bribery or kickback.

### Whistleblowing

To prevent and combat corruption the top management in each Portfolio Company is responsible for ensuring that the respective company has a whistleblowing channel and that all employees have information about and access to the channel in accordance with our policy on whistleblowing.

As a main rule employees and others including stakeholders shall be able to report issues orally or in writing, with their full name or anonymously. We act on every single case of whistleblowing; we ensure that enough information is acquired from the report to be able to act on it, such as persons involved, any witnesses, and relevant evidence and monitor that necessary actions are taken by the relevant company.

### Tax

As an international business, the Group is subject to tax requirements in several countries. As part of our commitment to ethical and responsible business governance, we ensure that taxation happens where value is created in accordance with the local tax legislation. Our ultimate parent company Laco AS is responsible for reporting taxes paid per country.

## OUR PERFORMANCE

In 2021 there was 38 cases reported through the Group companies' whistleblowing channels. This represents an increase compared to 2020 (23 cases). Whistleblowing contribute positively to the Group and society because it allows negative conditions to be corrected. Several of the portfolio companies have done efforts to inform about the importance of whistleblowing and how and where to do so. The majority of the reported cases were made anonymously.

Corporate taxes paid in 2021 are a mix of prepayment of income (profit) tax for 2021 and payment of final income (profit) tax for year 2020. Tax contribution from employees represent the Group's withholding tax deduction on behalf of the employees.

Whistleblowing reports	2019	2020	2021
Number of reports	13	23	38

Tax contribution	2019	2020	2021
Corporate tax paid (MNOK)	882	494	447
Tax contribution from employees (MNOK)	694	698	746
<b>TOTAL - MNOK</b>	<b>1,576</b>	<b>1,192</b>	<b>1,193</b>

# FOOD SAFETY

AUSS is a holding company with active ownership in several companies that makes the Group one of the large suppliers of seafood in the world. This naturally makes food safety an important topic for us and our stakeholders.

## THE CHALLENGE

Ensuring that products meant for human consumption are safe is an essential area of focus for any company in the food industry. AUSS is a holding company exercising active ownership and is not involved in the production. The Group's catch/harvest volume in 2021 was 704,000 tonnes of pelagic fish, 72,000 tonnes whitefish and 195,000 GWT salmonids. Food safety is an area of concern and we recognise the responsibility to establish a sound policy for our Portfolio Companies to follow.



### OUR POLICIES

- > Code of Conduct
- > Policy for Food Safety

## OUR APPROACH

Food safety is a top priority at AUSS, and we require all of our Portfolio Companies to commit to the highest standards concerning this issue. This requires all Group employees to comply with a strong food safety culture. AUSS also expects each Portfolio Company to have personnel with expertise in food safety assigned to the task of continuously ensuring and securing that their products and services are safe.

### Key principles

In order to maintain proper food safety it is important to prevent any contamination of the products. This includes the process of slaughtering or harvesting, processing, storage, distribution, transportation, and preparation. A risk could include any biological, chemical or physical hazards.

We expect our Portfolio Companies to have an implemented food safety management system through certifications

and continuous improvement that is compliant with Global Food Safety Initiative (GFSI) and local legislations. All Portfolio Companies are also required to develop, maintain and review risk reducing measures based on the internationally recognised framework HACCP, for which all producers are expected to have valid certification.

## OUR PERFORMANCE

Food safety is in large preventing exposure of unsafe products for consumers. For AUSS it is natural to measure this in the number of recalls. It is natural to only focus on Lerøy since this is where the impact for consumer is located. We have a goal of 0 recalls. The reason behind the increase in recalls in 2021 is caused by detection of *Listeria Monocytogenes* (LM). Corrective actions have been implemented like reduced shelf life or the use of "positive release", meaning the product stays on stock until analysis confirmed negative for LM.

Number of product recalls	2019	2020	2021
Lerøy Seafood Group ASA	0	0	5

# SUSTAINABLE VALUE CHAINS

By incorporating the entire value chain into our sustainability work, it is our ambition to maximise our positive contribution to the sustainability agenda and minimise any negative impact.

## THE CHALLENGE

A sustainable seafood industry relies on well-functioning and transparent processes all the way from broodstock or harvesting until the fish reaches the end consumer. Any form of production has consequences, both positive and negative.



### OUR POLICIES

- > Code of Conduct
- > Policy for Supply chain management

## OUR APPROACH

As an active owner of large, integrated seafood companies we are uniquely placed to contribute to the sustainable development of the seafood value chain. By setting high sustainability standards, both with regards to environmental footprint and social impact, creating incentives and supporting our portfolio companies and cooperating with their suppliers, we can improve the overall footprint of the seafood industry.

Our goal is to combine sound business operations with a responsibility for the society and environment around us across the seafood value chain. The Group has an advantage, as we take part in almost

all elements of the seafood value chain. In this way, we are well-positioned to influence our value chain participants, both with respect to social and environmental standards, as well as innovation for more sustainable solutions.

### Key principles

We set strict ethical and environmental requirements for ourselves as well as for anyone who operates on AUSS's behalf. Our Code of Conduct expects all business associates to comply with prevailing legislation, to respect internationally recognised human rights and to follow AUSS's own regulations and code of conduct. Through our Portfolio companies we work in a structured way to create an integrated and sustainable value chain.

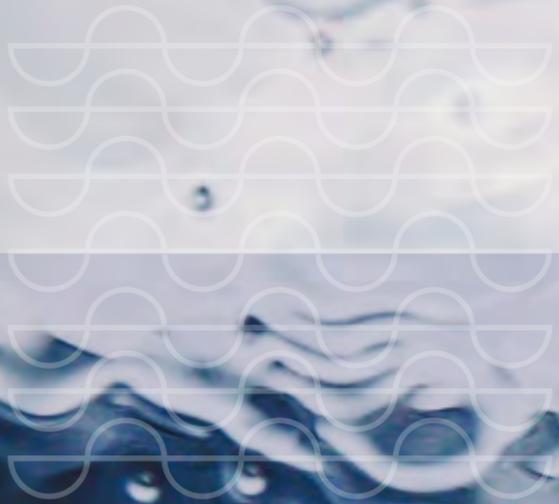
For example, Portfolio Companies are expected to follow up that suppliers and subcontractors adhere to the laws and regulations of their respective countries. In addition, Portfolio Companies are required to follow up that suppliers and subcontractors conduct themselves in line with AUSS' policies and the relevant Portfolio Company's policies. If nonconformities occur, measures must be taken to ensure that the third party complies with the guidelines, and if they demonstrate an inability to comply with AUSS's ethical guidelines, the collaboration must be terminated.

Throughout our operations, we endeavour to achieve certifications that are highly regarded in the industry. Suppliers, including subcontractors, are also encouraged to adhere to the highest industry standards, such as ASC and Marin Trust Standard.

In addition, the Group actively encourages our business partners to offer employees terms and conditions that meet or exceed local minimum requirements with respect to ethics and anti-corruption, and we refuse to work with third parties that violate the basic rights of its employees.

## OUR PERFORMANCE

Our Portfolio Companies has implemented a variety of programs and initiatives to increase transparency and control over their own value chains. More information can be found on our Portfolio Companies' website and in their individual reporting. AUSS will continue working on developing relevant management KPIs in order to keep track of supplier screenings and potential risk factors, or opportunities for improvement, in our supply chain.



# HEALTHY OCEANS ARE KEY FOR OUR VALUE CREATION

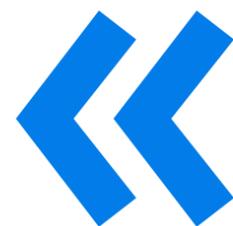
Creating lasting value through healthy oceans is the very core of our business. In order to produce sustainable marine products, we continuously work to strengthen sustainable fishery, responsible farming, and limit our impact on marine ecosystems.

## 3. Protect our oceans

# WHY IT MATTERS AND OUR AMBITION

Through aquaculture and fisheries, the oceans support the livelihood of millions of people across the globe. The ocean and marine industries make up the backbone of many rural and coastal communities. As the world population continues to grow, the need for sustainable and healthy proteins increases. Sustainable management of our oceans is key for the continued use of marine ecosystems for economic and social returns. As an active owner in leading companies within the global seafood industry, it is both our responsibility and a business imperative to prioritise long term sustainability in everything we do. The Group's ocean presence is in the Group's aquaculture and fishery activities in the areas where the Group operate; in the North Atlantic and the Pacific.

Our goal is always to contribute to the sustainable development of the seafood industry and its value creation, while at the same time making sure we do not damage the marine ecosystems that we all depend on. AUSS's ambition is to use our ownership to support and strengthen sustainable fisheries, responsible farming, and limit our impact on marine ecosystems. We do this through our regular dialogue with our Portfolio companies, anchored in our guiding principles for sustainability.



**Our goal is always to contribute to the sustainable development of the seafood industry and its value creation, while at the same time making sure we do not damage the marine ecosystems that we all depend on.**



# SUSTAINABLE AQUACULTURE

All food production has an environmental footprint. Although the seafood industry, including aquaculture, leaves a relatively low climate footprint compared to other kinds of animal protein production, we still must strive to reduce our environmental footprint and minimise our influence on marine ecosystems.

## THE CHALLENGE

The FAO and the UN High Level Panel for a Sustainable Ocean Economy states that increased sustainable aquaculture production can contribute to both a healthier planet and healthier population. Aquaculture has seen an impressive growth in terms of its share of global seafood production and the supply of fish for human consumption. It is vital that this growth is coupled with preventive actions to avoid negative impact on the environment and aquatic ecosystems. Targeting challenges such as salmon lice, accidental fish release and diseases will ensure efficient and sustainable production. The growth in seafood production has also caused rapid growth in production of industrial aquaculture feeds. Feed has a large impact on the quality and sustainability of farmed seafood products, accounting for around 42% of total CO<sub>2</sub> emission from our aquaculture operations. It is therefore a considerable need for sustainable feed. If not managed or traced properly, feed production may cause harm to both marine and terrestrial ecosystem.

## OUR APPROACH

Our Portfolio Companies are expected to prevent and minimise negative impact on marine ecosystems. This entails continuously work to employ processes, solutions and equipment that minimise our environmental footprint.

To ensure sustainable production our companies is expected to act in accordance with international best practice and seek to comply with standards aimed at preserving biodiversity, such as Global G.A.P., Friend of the Sea and ASC.

The Portfolio companies must also continuously evaluate the impact of their operations on marine ecosystems to make sure that we comply with international, national and local standards and regulations.

### Fish welfare

Sustainable aquaculture is dependent on a good state of fish welfare. This is achieved if the fish is healthy, comfortable, well nourished, safe, able to express innate behaviour and it is not suffering from unpleasant states such as pain, fear and distress.

We expect our companies within farming operations to have specific targets for an acceptable level of sea lice and use active intervention methods based on risk assessment in each case. This should be a part of a more substantial integrated pest management (IPM) plan that also accounts for area based cooperation to prevent lice outbreaks.

### Accidental release

AUSS is concerned with preserving wild populations. The Group's Portfolio Companies are expected to have a continuous focus on preventing accidental release within the Group's farming operations. As the ultimate goal is to prevent any fish from escaping. Incidents of accidental release or events that may lead to accidental release are reported to the relevant fishery authorities and mitigating measures are implemented.

### Feed

The fish shall only be fed with ingredients that originates from sustainable and traceable sources. The Group only use non-GMO soy which is certified by the Round Table on Responsible Soy (RTRS) or equivalent requirements.

Our Portfolio Companies are expected to increase the usage of raw materials certified according to sustainability standards and work closely with suppliers of feed ingredients in developing sustainable feed with smaller footprint.



**OUR POLICIES**

- > Policy for Fish Welfare
- > Policy for Marine Ecosystems and Biodiversity

# SUSTAINABLE AQUACULTURE

We monitor the Group's performance through reports from the companies given on a regular basis. For all extraordinary or precarious situations immediate reporting is mandatory.

## Monitoring discharge of pollutants to water

Production will to some degree impact the seabed underneath the facilities. Our Portfolio Companies are expected to follow local regulations and constantly work to minimise the footprint on the seabed under our sea sites.

They are required to monitor seabed quality through a third party. This includes taking samples directly underneath (MOM-B) and surrounding (MOM-C) the production sites to get an indication of the seabeds' degree of impact. The results are monitored by local authorities and are published and available for anyone to review. This is performed regularly to monitor how production on the site affects the seabed.

In addition to routines for monitoring effect of production we also expect Portfolio companies to adhere to local regulations regarding the discharge of water.

## Water usage

Even though Norway has an abundance of freshwater compared to other countries that farm salmonids, our aquaculture Portfolio Companies in Norway are dedicated to closely monitor the usage of freshwater in the entire fish farming value chain and seek to reduce usage where possible. This is done by focusing on process optimization, use of new technologies, RAS (Recirculating Aquaculture Systems), and production control.

## Training and routines

Our companies must have a quality management system with sufficient procedures and tools for production to make well founded decisions. We expect routines to ensure that best practice is implemented in the event of new knowledge.

Sufficient training and competence must be secured for all Companies in the Group to secure sound decisions.

## OUR PERFORMANCE

Three cases of non-compliance with environmental laws and regulations have been reported in 2021 (same as in 2020). Two of the non-compliance cases reported were related to violation of the sea lice regulation for a short period of time. The third case was a notification related to noise from a farming site. The last case is appealed and not yet finally settled.

Water consumption	2019	2020	2021
Measure	m3 (thousand)	m3 (thousand)	m3 (thousand)
Water supply	1,552	1,372	20,000
Water surface	88,675	85,599	83,744
Water ground	279	400	476
Water usage	90,476	87,371	104,220

Lerøy Seafood Group counts for more than 90% of the water consumption reported by the Group.

## Fish Health

The Group works to avoid salmon lice of reproductive age in its fish farms and strive to avoid use of medicine in treating salmon lice infection. All of our production localities take part in zone-based cooperation. This cooperation involves coordination of operations, collaboration relating to lice and disease management, and other issues where the solution to the problem requires a joint, coordinated effort.

The Group has improved its survival rate in 2021 compared to 2020. In 2020 the survival rate was impacted due to incidence of winter wound and CMS. The better survival rate can be partly explained by stronger fish (less fish with winter wound), improvement in the processes and increased treatment capacity.

The Group's goal is zero use of antibiotics in the production of fish for consumption (in sea). To achieve this goal there are organization wide measures involving disease management, including preventive operational practice, vaccinations, early diagnosis, and appropriate measures to handle any outbreak.

In 2021 the Group did not use any antibiotics in the production of fish for consumption (in sea). Despite the massive effort to avoid using antibiotics, it may be deemed necessary due to keep fish welfare. For this reason, a limited amount of antibiotics was used in the production of fish for consumption in 2020 (in sea).

Avg. number of adult female sea lice per fish	2019	2020	2021
Lerøy Seafood Group ASA	0.15	0.16	0.18
Br. Birkeland Farming AS	0.20	0.22	0.13

Survival rate (12 months rolling) at sea	2019	2020	2021
Lerøy Seafood Group ASA	93.4%	92.2%	92.5%
Br. Birkeland Farming AS	86.8%	87.0%	91.9%

Use of medicine (Kg active agents)	2019	2020	2021
Volume of delousing agents used via feed (kg active substance)	50.3	131.3	14.1
Volume of delousing agents used via bath (kg active substance)	6.3	28.8	3,171.1
Volume of Hydrogen peroxide as delousing agents (kg active substance)	532,982	1,243,608	1,728,720
Volume of antibiotics used in sea (kg active substance)	0	19	0

#### Marine Ecosystems and Biodiversity

MOM is a system to monitor and model seabed quality, developed in Norway. Status 1 is the best score and status 4 the lowest score a facility can get. If the score is 3 or 4, fish cannot be released without an additional evaluation of the status of the location, describing the reason for the lack of restitution. If a score of 3 or 4 is reported for a location, a MOM-C sample shall be taken.

We are satisfied to report a reduction in number of accidental escapes and number of fish released due to incidents from aquaculture operation in 2021 compared with 2020.

MOM-B (average score)	2019	2020	2021
Average Score	1.52	1.35	1.49

Fish escapes	2019	2020	2021
Release incidents from aquaculture operations (number)	7	8	3
Fish released from incidents from aquaculture operations (number)	85	208	4

Feed Dependency Ratio (FFDR) is the quantity of wild fish used per quantity of cultured fish produced

Feed Fish	2019	2020	2021
Feed Fish Dependency Ratio - meal, salmon	0.37	0.39	0.45
Feed Fish Dependency Ratio - oil, salmon	2.09	1.70	1.65
Share of Marine feed ingredients (%)	22%	20%	33%

Share of localities with GGAP or ASC certification	2019	2020	2021
Lerøy Seafood Group ASA	100%	100%	100%
Br. Birkeland Farming AS	0	0	0

# SUSTAINABLE FISHERIES

The oceans are an important source of healthy food, but sustainable fisheries and fish stocks depend on responsible regulation and fishing practices. AUSS will continue to promote knowledge-based harvesting of various species, uphold and respect catch regulations, and maximise utilisation of marine raw materials that are extracted from the ocean.

## THE CHALLENGE

According to Geneva Environment Network more than 820 million people depend on fisheries and aquaculture for food, nutrition, and income (FAO, n.d.). But the ability of our fisheries to provide jobs and nutrition is being threatened by an unprecedented crisis of overfishing and improper resource management. Nearly 90% of global marine fish stocks are fully exploited, overexploited, or depleted (FAO, 2018). Overfishing is closely tied to bycatch — the capture of unwanted sea life while fishing for a different species — which is also serious marine threat.



**OUR POLICIES**

- Policy for Marine Ecosystems and Biodiversity

## OUR APPROACH

Our Portfolio Companies are expected to prevent and minimise negative impact on marine ecosystems. This entails that our Portfolio Companies only fish species from science-based managed and regulated fish stocks, and continuously work to employ processes, solutions and equipment that minimise our environmental footprint.

### Key principles

To help us deal with the challenge our Portfolio Companies are expected to act in accordance with international best practice to protect endangered species and seek to comply with standards aimed at preserving biodiversity, such as MSC and Friend of the Sea. Our Portfolio Companies are also expected to continuously evaluate the impact of their operations on marine ecosystems to make sure that we comply with local regulations. All our operations in fisheries are licensed by regulatory authorities as required by local legislations to ensure that the operations are environmentally viable.

We are serious about adhering to best practice and regulations. All the Group's fisheries activities, which are located in Norway, Peru and Chile, are based on licenced quotas on science-based managed species. Information on fishing volumes (catch statistics), monitoring of fish stocks and estimates provided by researchers from numerous countries, all form the basis for the establishment of these fishing quotas. We take an active approach to ensure full compliance with all fisheries regulations, in all the Group's regions.

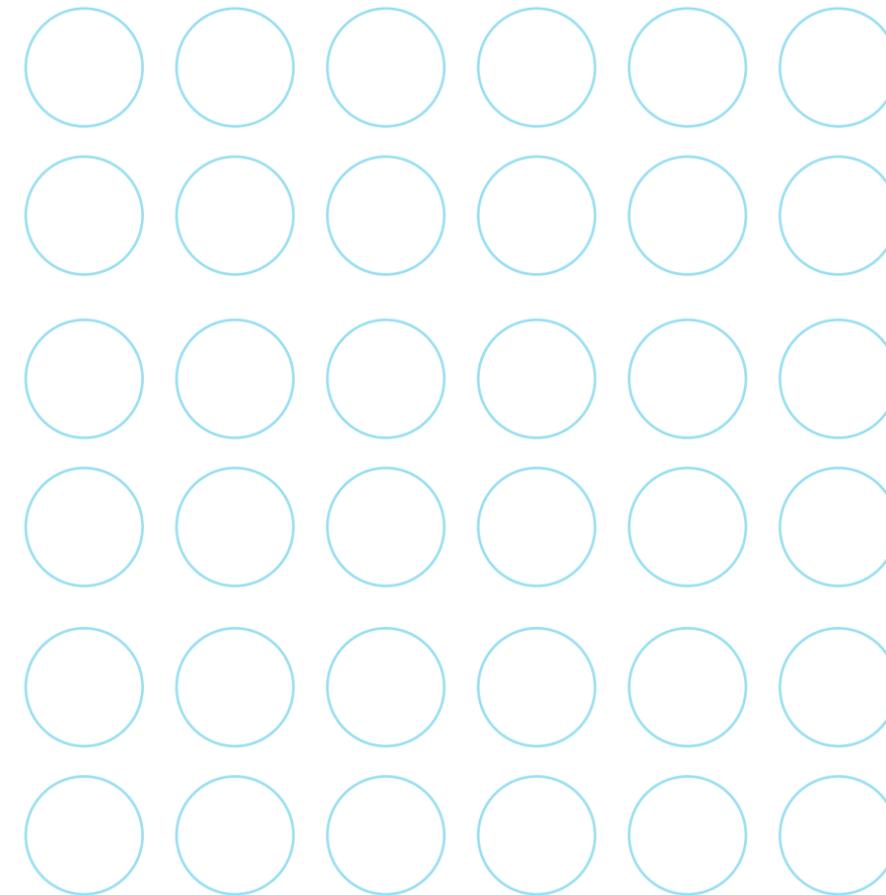
### Ghost fishing

To reduce consequences from risks such as ghost fishing our companies vessels principally use «active fishing gear», in the form of purse seine and trawls, which means there is only minimal risk of contributing to the problem of ghost fishing. If loss of fishing gear occur, Portfolio Companies is expected to follow policy to recover all lost fishing gear to the extent possible. For the vessels fishing snow crab we have a trial using dissolvable thread on equipment, so in the case of lost fishing gear this will not cause harm to marine ecosystems because it will dissolve over a period of time.

## Marine resources

We also expect high focus on efficient use of scarce marine resources. For example utilise raw materials from fisheries by using residuals/off cuts from primary and secondary processing into the fishmeal, fish protein concentrates and fish oil production. These products are important ingredients in the feed for both aquaculture and agriculture.

The Group is expected to contribute to knowledge-based management of resources and harvesting, and in the Group's own operations, work to optimise the resource utilisation of catch and minimise unwanted catch. By participating in multi-stakeholder initiatives to strengthen sustainable fisheries management, we can contribute to secure long-term harvesting of fish in healthy marine ecosystems



# SUSTAINABLE FISHERIES

We monitor the Group's performance through reports from the companies given on a regular basis. For all extraordinary or precarious situations immediate reporting is mandatory.

## OUR PERFORMANCE

Percentage of wild catch utilised for production (%)	2019	2020	2021	Percentage of certified marine species caught (%)	2019	2020	2021
Wild catch utilised for production	97.99%	97.75%	97.99%	Certified marine species caught	93.92%	93.84%	93.93%

In the North Atlantic, Peru and Chile, all the Group's vessels deliver pelagic round fish to land-based production facilities. As such, there is no loss of marine resources in this part of the value chain. The fish is processed either into fishmeal, fish protein concentrate and fish oil, or products for human consumption.

The Norwegian whitefish fleet is fragmented in size and capacity, and parts of the fleet do not have the capacity to handle fish residuals. Through the large newbuilding program of trawlers since 2013, LSG has invested in the required equipment and capacity to make use of fish residuals on the new trawlers. Utilisation of the fish is an important part in reducing food waste.

Austral has achieved "Friend of the Sea" certification. This is awarded by an independent certification body with detailed knowledge of fishing, and focuses on anchoveta. The certification is awarded to products that use anchoveta as a raw material and is subject to a rigorous certification process. The certification awarded to Austral covers fishmeal and fish oils, canned products and frozen goods based on Peruvian anchoveta. The certification confirms that the fish stocks are being harvested in accordance with criteria for sustainable fishing, and that the resources are not being overfished ([www.friendofthesea.org](http://www.friendofthesea.org)).

The Marine Stewardship Council (MSC) is an independent, non-profit organisation that seeks to promote responsible fishing in order to ensure sustainable fish stocks. The MSC has developed an environmental standard for sustainable and well-controlled fishing. The standard is based on three main principles: sustainable fish stocks, minimal impact on the ecosystem of which the stocks are part, and effective management. Peru is currently working to gain MSC approval for anchoveta,

in addition to "Friends of the Sea" certification. The stock of horse mackerel is an important resource for the business in Chile, and gained MSC certification in 2019. In the North Atlantic, important fish species such as Norwegian spring spawning herring, North Sea herring, blue whiting, cod, haddock, saithe, shrimps, sand eel, Norway pout and ocean sprat have MSC certificates. Unfortunately, disputes on joint quota agreements between the coastal nations that manage the stocks have resulted in suspension of MSC certification for Norwegian spring spawning herring and blue whiting from 2021. As of 26 April 2021, haddock caught within 12 nautical miles of the coast in Norway lost its MSC certificates. In August cod caught within 12 nautical miles of the coast of Norway lost its MSC certificates. The reason behind the suspension of haddock and cod catches close to the coast is the high number of coastal cod in these stocks, a species the authorities have established as under pressure. The cod and haddock caught outside the 12 nautical miles from the coast of Norway are still MSC certified.

# CERTIFICATIONS AND LICENSES IN AQUACULTURE AND FISHERIES

CERTIFICATE / LICENSE	DESCRIPTION OF CERTIFICATE/LICENCE	CERTIFIED PORTFOLIO COMPANIES
Marin Trust Standard	Marin Trust Standard is a responsible fishmeal and fish oil supplier certification from the leading organisation concerning marine ingredients, the Marine Ingredients Organization. The certification ensures that the operations comply with the principles for responsible fishing practice and safe manufacture of products, and promote more efficient marine ingredients production practices.	Austral FC
ISO 14001:2015	The ISO 14001 certification sets out the requirements for an effective environmental management system (EMS). It provides a framework that an organisation can follow. The 2015 version of ISO 14001 is an update from the 2004 version	Austral LSG
Global G.A.P.	GlobalG.A.P. has developed standards for good agricultural practices (G.A.P.) concerning areas such as food safety, environmental care, suppliers, and employee and animal welfare. The certification for aquaculture encompasses the entire value chain from hatching to harvesting and production. The GLOBALG.A.P. Aquaculture Standard is recognized both by the Global Food Safety Initiative (GFSI) and the Global Sustainable Seafood Initiative (GSSI).	LSG
ASC	The Aquaculture Stewardship Council (ASC) is an independent, international non-profit organisation that manages the world's leading certification and labelling programme for responsible aquaculture. Fish that is ASC certified is produced according to a set of strict environmental and sustainability standards that are developed in line with the FAO.	LSG has been involved in the development of the ASC – standard since 2004. In 2013, LSG was the first company to offer certified Atlantic Salmon according to the ASC – standard. By the end of 2014, all fish sold by Lerøy Aurora had ASC certification. In 2020, the Group added Rainbow Trout to the certification portfolio. Furthermore, LSG has achieved ASC "chain of custody" for its sales, distribution and value-added processing chain
FOS	Friend of the Sea (FOS) is a project of the World Sustainability Organization for the certification and promotion of seafood from sustainable fisheries, aquaculture, fishmeal and omega 3. According to the latest UN's State of Sustainability Initiatives Review, FOS is the single largest source of certified wild catch globally.	Since 2009 Austral has had FOS certification for its fishmeal, fish oil and canned or frozen products from Peruvian anchovy and canned or frozen products from its pacific mackerel.
MSC	The Marine Stewardship Council (MSC) fisheries standard ensures that a fishery is well managed and responsibly harvested to sustain the set targets and the surrounding marine environment.	The following species have MSC certification in 2021: (relevant subsidiary in parenthesis) Cod, haddock, saithe, shrimp (LSG) Jack mackerel (FC, 2019) North Sea herring (BRBI)  Peru's ambition is to get the MSC certification for anchovy. Improvement Project (FIP), and the internal evaluation process was completed in 2020. SNP approved to apply for the Marine Stewardship Council (MSC) certification application.

LSG = Lerøy Seafood Group ASA, Austral = Austral Group S.A.A., FC = FoodCorp Chile S.A., BFARM = Br. Birkeland Farming AS, BRBI = Br. Birkeland AS, Pelagia = Pelagia Holding AS, the Group = Austevoll Seafood Group



# REDUCING THE CLIMATE IMPACT OF FOOD PRODUCTION

During COP 21 in 2015, the world adopted ambitious climate targets to limit the global average temperature to well below two degrees Celsius compared with the preindustrial levels. The Paris agreement is a bridge between today's policies and climate-neutrality before the end of 2100.<sup>1</sup> A dietary shift towards low carbon marine protein can be part of the solution to lower the climate footprint of food production while meeting the increasing global food demand. This poses a great opportunity for the Group.

At AUSS we work hard to constantly improve the environmental impact of the Group's seafood production.

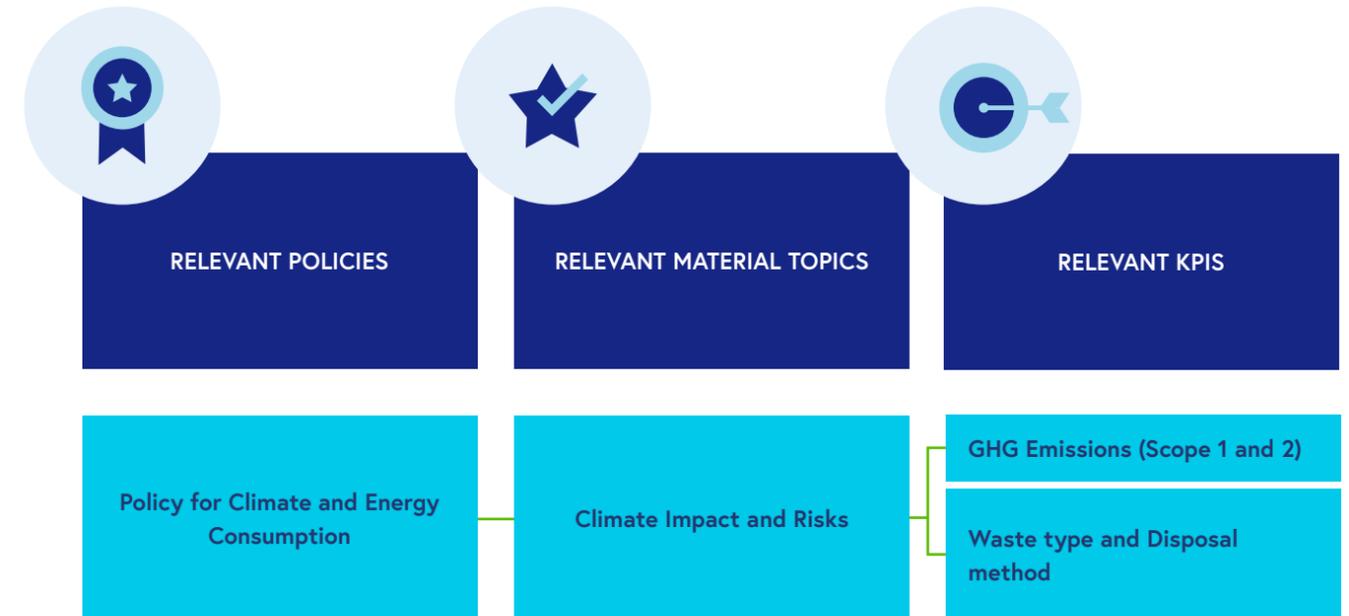
1. European Commission. [https://ec.europa.eu/clima/policies/international/negotiations/paris\\_en](https://ec.europa.eu/clima/policies/international/negotiations/paris_en)

## 4. Improve our climate

# WHY IT MATTERS AND OUR AMBITION

The health of our oceans is closely linked to climate change mitigation. The oceans are the largest active carbon sink, absorbing over a quarter of the CO<sub>2</sub> that is put into the atmosphere<sup>(2)</sup>. Yet, global warming may in the long-term lead to increased sea temperatures and ocean acidification, which poses a climate risk to the seafood industry<sup>(3)</sup>. On the other hand, regulatory and market-driven trends favouring low-carbon food production create a significant opportunity for seafood companies that can reduce their climate and environmental footprints. Increased consumption of fish can contribute positively to reduce

global GHG emissions as the production of fish has a lower GHG impact than other animal protein sources<sup>(4)</sup>. At the same time, we have to ensure that our GHG emissions and environmental impact is as low as possible as the Paris agreement will require a transition towards a low carbon economy.



2. US National Oceanic and Atmospheric Administration <https://sos.noaa.gov/datasets/oceanatmosphere-co2-exchange/>  
 3. FAO(2018). Fisheries and Aquaculture Technical Paper No. 627. Rome, FAO  
 4. Scarborough et al. (2014). Dietary greenhouse gas emissions of meat-eaters, fish-eaters, vegetarians and vegans in the UK. <https://link.springer.com/article/10.1007/s10584-014-1169-1>

# CLIMATE IMPACT AND RISKS

Fisheries and aquaculture have a relatively low carbon intensity compared to other animal protein sources. Still, as a Group we are committed to reducing our climate impact even further to lower risk and to utilize opportunities.

## THE CHALLENGE

Climate change and sustainable operations are becoming increasingly important to the Group, our employees and our stakeholders. The UN has developed a goal to limit global temperature rise to well below 2 degrees Celsius and to strive for 1.5 degrees Celsius. The Group's direct emissions above all come from the operations of our Portfolio Companies, where fossil fuel is the most important emissions source. It is important that we as a Group take responsibility for our emissions and are transparent about, and work to minimise, our greenhouse gas (GHG) emissions.

## OUR APPROACH

AUSS and our Portfolio Companies shall take action to prevent operations from inhibiting an optimally stable climate, by measuring, monitoring, reporting and reducing the portfolio's climate footprints.

This implies that all companies are expected to take active measures to identify new and innovative solutions to cut greenhouse gas emissions and reduce our energy consumption, as well as further develop existing collaborations and find new partners to help us achieve our climate goals and develop a low-emission society. As a minimum, we shall always be compliant with local laws and regulations.

### Greenhouse gas emissions (GHG)

AUSS is encouraging the Portfolio Companies to follow best practice for climate- and energy related work. In addition, all companies shall comply with prevailing environmental regulations, guidelines, and principles. Both AUSS and the Portfolio Companies is committed to calculate and report their climate impact in line with the Greenhouse Gas Protocol.

AUSS reports the Group's GHG emissions and climate work to CDP (Carbon Disclosure Project). In 2021 AUSS achieved the rating B-.

As a holding company we encourage our Portfolio Companies to set targets for reducing GHG emissions. Lerøy have already established Science-Based Targets (SBTs). AUSS will work towards setting targets for reducing of emissions for the Group as a whole going forward.

### Energy efficiency and renewable energy

We encourage our Portfolio Companies to work actively to implement energy-saving solutions and technologies that run on renewable energy. We expect the companies to work actively to reduce their carbon footprints, but we acknowledge that certain greenhouse gas emissions cannot be eliminated in the short term. Therefore, we encourage our Portfolio Companies to neutralize their remaining annual emissions by purchasing carbon credits from projects that remove and store carbon from the atmosphere.

## OUR POLICIES

- Policy for Climate and Energy Consumption



### Climate risk management

Good risk management is essential to AUSS. In addition to having a strong focus on how our own operations affect the climate, it is also important for AUSS to understand how climate change may affect the Group operations. The companies in AUSS's portfolio shall regularly map climate-related risks, carry out assessments and analyses to allow for decision-making and necessary adjustments. In 2019 we began a project to map our climate risks. This initial risk assessment at the Group level was inspired by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and assesses both physical and transitional risks. This analysis covers both our aquaculture and fisheries operations in all our geographies, and has previously been done independently by our Portfolio Companies. In 2021 we have further developed our risk assessment and started the process of identifying and assessing significant climate risks and opportunities.

It is Austevoll Seafood ASA's ambition to perform a climate risk assessment in line with the TCFD in 2022. We are convinced that involvement of our subsidiaries is crucial to this work. As such we will put the topic high on the agenda as we continue this work post-covid. Inspired by the TCFD recommendations, climate risk will be integrated in our risk management processes, governance and corporate strategy.

### The EU taxonomy

We have in 2021 initiated the assessment of the taxonomy-eligibility of the Group's economic activities. The main economic activities that generates turnover for Austevoll Seafood Group are related to fisheries and aquaculture. Technical screening criteria (TSC) for fisheries is expected to be finalised and adopted in the EU by the end of 2022. As for aquaculture, TSCs are yet to be developed. Hence, the significant economic activities for Austevoll Seafood Group are per 31.12.2021 taxonomy non-eligible. We have performed a preliminary eligibility assessment based on the draft criterias for fisheries published in 2021. This process will proceed once the final TSC are available. We continue to follow the development of the EU taxonomy closely.

### Climate reporting

In order to identify concrete measures to reduce the energy consumption and corresponding GHG emissions, AUSS considers it vital to calculate and publish our impact.

The disclosure of annual emissions enables us to benchmark performance indicators and evaluate progress over time. The data input is based on information from internal data sources and then converted into tonnes CO<sub>2</sub>-equivalents (tCO<sub>2</sub>e). CO<sub>2</sub>e is a common unit of measurement for all greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O (nitrous oxide), SF<sub>6</sub>, HFCs and PFCs).

We calculate and report our climate impact based on the international standard known as the Greenhouse Gas Protocol (GHG protocol), which is the most commonly used way for measuring companies' climate impact. Based on the GHG protocol, our emissions inventory is divided into three main scopes of direct and indirect emissions.

## OUR APPROACH

### SCOPE 1 - DIRECT EMISSIONS

The Group companies are required to report all direct emissions where the organization has operational control. This includes all use of fossil fuels for stationary combustion or transportation, in owned, leased or rented assets. This includes emissions from fishing vessels, which is our largest contributor to direct emissions, as well as fossil fuel use in our processing plant and farming sites. Scope 1 also includes process emissions from chemical processes, industrial gases used for cooling, direct methane emissions etc.



### SCOPE 2 - INDIRECT EMISSIONS FROM PURCHASED ENERGY

The Group companies are required to report indirect emissions related to purchased energy; electricity or heating/cooling at sites where the organization has operational control. The electricity emissions factors used are based on national gross electricity production mixes on three years rolling average (IEA). The Nordic electricity mix covers the weighted production in Sweden, Norway, Finland and Denmark, which reflects the common Nord Pool market area. Emission factors per fuel type are based on the IEA methodological framework. The total emissions shown for Scope 2 are calculated according to the location-based methodology specified in the GHG Protocol.



### SCOPE 3 - ALL OTHER INDIRECT EMISSIONS

It is voluntary for the Group companies to report indirect emissions from purchased products or services in the value chain. The scope 3 emissions are a result of the company's different activities which are not controlled by the company, such as emissions from travel, production of purchased goods, and handling of waste. Even though reporting of scope 3 emissions is voluntary, AUSS is encouraging each company to start mapping and reporting the most significant sources.



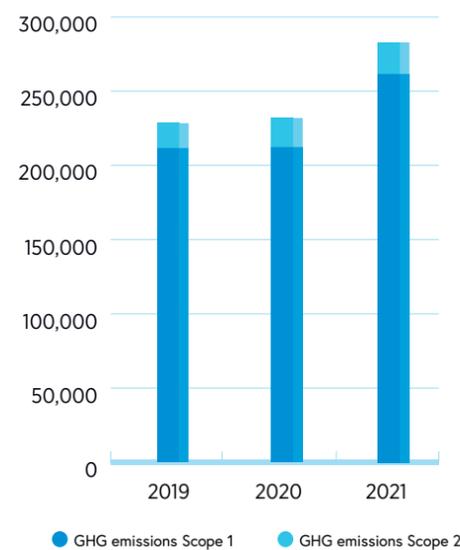
## OUR PERFORMANCE

In 2021 the Group's total GHG emissions (scope 1 and 2) amounted to 283,353 tonnes CO<sub>2</sub>e, which entails a 22% increase from 2020. The primary contribution is from fossil fuel. The emission from the fishing fleet and the primary processing has increased in 2021 versus 2020 and can be explained by increase in total catch volume by the Group's own fishing vessels of 17% and an increase in the total raw material for primary processing with 39%. In addition the increase in GHG emissions were affected due to that Austral (Peru) had to switch to use diesel fuel in the primary processing of fishmeal and fish oil for one month during first fishing season in Peru. This due to a shortage of natural gas by the main suppliers gas plant.

The Group aims include reducing energy consumption and transitioning to renewable power. One way to do this is the gradual switch in equipment from fossil-powered to electric, which will impact our emissions both in Scope 1 and in Scope 2. In addition, all energy consumed in Scope 2 at FC is certified to be from renewable and non-conventional sources.

Together with our suppliers of distribution services we work to develop optimal, eco-friendly logistics solutions that are beneficial both for the environment and to the Group's profitability.

GHG emissions scope 1 and 2 (tCO<sub>2</sub>E) for the Group



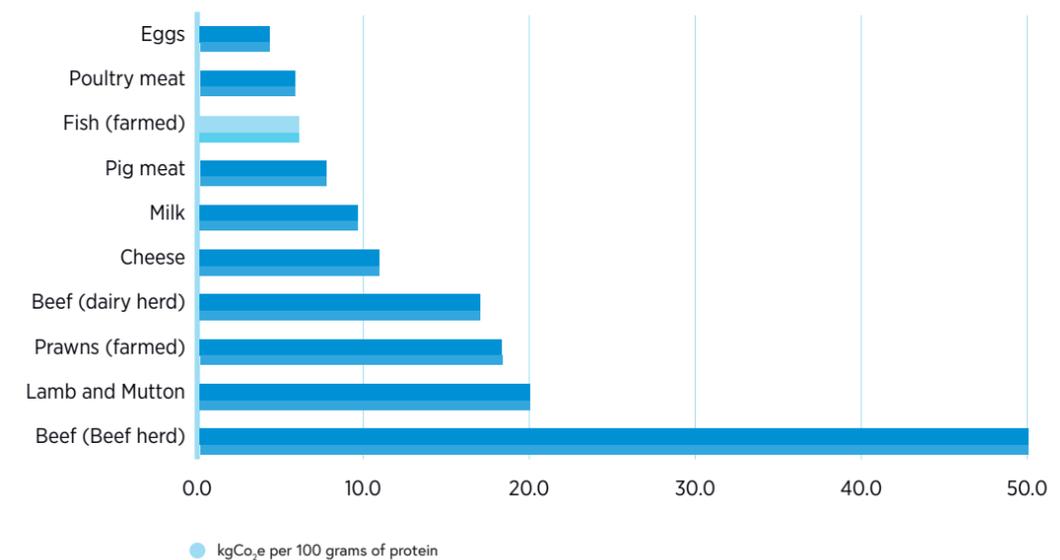
GHG emissions (Scope 1 and 2)

Measure (Group)	2019	2020	2021
GHG emissions Scope 1 (tCO <sub>2</sub> e)	211,170	211,968	261,652
GHG emissions Scope 2 (tCO <sub>2</sub> e)	17,305	19,997	21,701
<b>TOTAL THE GROUP</b>	<b>228,475</b>	<b>231,965</b>	<b>283,353</b>

Although fish and seafood have a low climate footprint compared to other kinds of animal protein production, the industry does have a significant impact on many environmental issues. Consequently AUSS and our Portfolio Companies strive to minimise our influence on marine ecosystems and reduce our environmental impact.

The table below illustrates the GHG emissions related to different protein sources. In this graph Greenhouse gas emissions are measured in kilograms of carbon dioxide equivalents (kgCO<sub>2</sub>eq) per 100 grams of protein. This means non-CO<sub>2</sub> greenhouse gases are included and weighted by their relative warming impact.\*

Greenhouse gas emissions per 100 grams of protein



\*Poore, J., & Nemecek, T. (2018). Reducing food's environmental impacts through producers and consumers. Science, 360(6392), 987-992.

# ACTIVITY LEVEL AND GHG EMISSIONS

Raw material (All figures in tonnes)	2019			2020			2021		
	Own Catch	Purchased from 3rd party	TOTAL	Own Catch	Purchased from 3rd party	TOTAL	Own Catch	Purchased from 3rd party	TOTAL
Lerøy Seafood Group	62,496		62,496	68,418		68,418	71,522		71,522
Austral Group S.A.A.	242,683	107,646	350,329	308,032	83,254	391,286	377,323	192,017	569,340
FoodCorp Chile S.A	53,790	30,709	84,499	63,094	29,138	92,232	71,945	32,911	104,856
Br. Birkeland Farming AS	-		-			-			-
Br. Birkeland AS	30,885		30,885	31,773		31,773	29,897		29,897
<b>THE GROUP</b>	<b>389,854</b>	<b>138,355</b>	<b>528,209</b>	<b>471,317</b>	<b>112,392</b>	<b>583,709</b>	<b>550,687</b>	<b>224,928</b>	<b>775,615</b>

Sales Volumes	Atlantic salmon and trout (GWT)			Fishmeal and fish oil (tonnes)			Frozen & fresh products (tonnes)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Lerøy Seafood Group	158,178	170,849	186,635						
Austral Group S.A.A.				112,636	69,498	128,429	15,386	17,222	13,639
FoodCorp Chile S.A				17,302	17,722	16,084	36,038	36,987	45,597
Br. Birkeland Farming AS	7,318	6,790	8,151						
Br. Birkeland AS									
<b>THE GROUP</b>	<b>165,496</b>	<b>177,639</b>	<b>194,786</b>	<b>129,938</b>	<b>87,220</b>	<b>144,513</b>	<b>51,424</b>	<b>54,209</b>	<b>59,236</b>

GHG emissions	Scope 1 (tCO <sub>2</sub> e)			Scope 2 (tCO <sub>2</sub> e) Location-based method			Scope 1+ 2 (tCO <sub>2</sub> e) Location-based method		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Lerøy Seafood Group	118,785	127,811	141,524	7,033	9,937	9,581	125,818	137,748	151,105
Austral Group S.A.A.	63,770	54,099	87,985	4,358	4,218	4,340	68,128	58,317	92,325
FoodCorp Chile S.A	19,145	20,131	21,292	5,830	5,756	7,714	24,975	25,887	29,006
Br. Birkeland Farming AS	350	486	462	50	56	42	400	542	504
Br. Birkeland AS	9,120	9,441	10,389	34	30	23	9,154	9,471	10,412
<b>THE GROUP</b>	<b>211,170</b>	<b>211,968</b>	<b>261,652</b>	<b>17,305</b>	<b>19,997</b>	<b>21,700</b>	<b>228,475</b>	<b>231,965</b>	<b>283,353</b>



# WASTE MANAGEMENT AND RECYCLING

As AUSS and our Portfolio companies are operating on and living off the sea, waste management, and especially marine litter, is important to us. We focus on waste management and recycling to keep the waters we rely on clean, reduce food waste, and to protect local environments.

## THE CHALLENGE

Marine litter and the flow of man-made waste into the sea have rightly come under increased focus the past couple of years. Man-made, non-degradable waste from both the Group's fisheries and aquaculture operations, such as plastic and rubber from fishing gear and aquaculture sites, may cause harm to the wildlife in the form of micro- and nano plastics in the ocean if not handled responsibly. Food waste (food lost from the value chain or wasted) is another challenge, not only based on climate footprint but also the loss of food that can be used for the world's population. The UN's sustainability goal is to reduce food waste by 50% by 2030. Improved waste management must be combined with a reduction in waste generation through prevention, reduction, recycling and reuse.

## OUR APPROACH

The Group's waste should always be handled responsibly. Furthermore, we are committed to adopting a circular approach to our waste management for both AUSS and our Portfolio Companies.

### Waste handling and recycling

Our Portfolio Companies are expected to make sure all waste is handled correctly, both by the company and by the recipients of the waste. This includes sorting regimes in all locations, and efforts to implement circular waste management (e.g. utilization of raw materials, use of less materials, longer use of components, optimize the durability of products, alternative use of residuals like offcuts and waste, life extension of products, machines, technologies etc.)

### Hazardous waste

Through production it is expected some accumulation of different waste materials, including hazardous waste. This can originate from medicine use, cleaning and disinfection, maintenance etc. Such materials can be a threat to biological life and spill to the environment must be avoided. Companies are expected to make sure hazardous waste is disposed of properly and in accordance with local legislations. This includes any form of chemical substances.

## Reduce use of plastic

Our Portfolio Companies is expected to sort and recycle both plastic and paper. Depending on geographical affiliation and industry it can be challenging to find and implement good substitutes for the use of plastic in the Portfolio Companies' operations, but AUSS is strongly encouraging the companies to search for innovative solutions and participate in projects and partnerships focused on both reducing and finding alternatives to the use of plastic.

AUSS aims to develop a plastic waste management policy at a Group level. The policy will take inspiration from ongoing initiatives in our subsidiaries, such as the LSG project - "50/50 - 5 Plastic", which aims to reduce the company's plastic use by 50% within the period 2019-2024.

## Reduce and remove marine waste

Our Portfolio Companies are encouraged to participate in activities to clean up marine litter (e.g. beach clean-ups). As an example, a subsidiary of our Portfolio Company LSG, called Lerøy Havfisk, takes part in a voluntary environmental project to clear up marine waste from the sea led by the Norwegian Environment Agency. The project, named "Fishing for litter", aims to send as much of the recovered waste as possible for recycling, by facilitating sorting, registration and recycling of all waste collected.

## OUR POLICIES

- Policy for Climate and Energy

## OUR PERFORMANCE



## Waste type and disposal method

Measures		2020		2021	
		MT	tCO <sub>2</sub> e	MT	tCO <sub>2</sub> e
Incinerated	Non-hazardous waste	5,791.2	2,099.8	3,719.0	1,175.0
	Hazardous waste	123.2	298.8	75.7	214.0
Recycled	Non-hazardous waste	2,730.2	58.2	8,246.4	176.8
	Hazardous waste	108.2	2.3	162.3	3.4
Landfill	Non-hazardous waste	1,389.9	549.4	1,346.2	531.8
	Hazardous waste	117.3	2.6	117.9	2.2
<b>TOTAL WASTE TREATMENT</b>		<b>10,259.9</b>	<b>3,011.1</b>	<b>13,667.4</b>	<b>2,102.5</b>



# OUR PEOPLE ARE OUR MOST VALUABLE ASSETS

The Group's employees deliver high quality, drive our business forward, and see first-hand how we impact our surroundings. Having an engaged, talented, and skilled workforce is key to our value creation and to deliver a positive return for society as a whole.

## 5. Empower Our People

# WHY IT MATTERS AND OUR AMBITION

Both fisheries and aquaculture require skilled and knowledgeable employees. As markets become more global and our workforce more multinational, we work to ensure that both AUSS and our portfolio companies provide attractive jobs so that we can recruit and retain the best talents. We make sure that the Group's employees have opportunities for professional development of knowledge and competence. Creating attractive jobs is one of our primary goals wherever we operate, with a strong focus on providing a good work environment and ensuring the wellbeing of our employees. Because the Group operates in different countries with different labour rights and legislation, we closely follow up our Portfolio Companies to ensure that internationally recognised labour rights of the employees are upheld.

This includes decent compensation, collective bargaining rights and having good working conditions.

Health and safety are of paramount importance, not least for our employees that work at sea. Also 2021 has been a year affected by the COVID-19 pandemic, and similar to 2020 our focus has been to secure the health and safety to our employees and proper working conditions, as well as providing support to our local communities. AUSS's ambition is to ensure that our values, norms and guidelines on decent and responsible work is enforced in all our locations.



# HEALTH AND SAFETY

The health and safety of our employees is our first priority. We never compromise on safety, and always try to take necessary measures to prevent and minimise work-related injuries.

## THE CHALLENGE

Our employees work in exposed environments, both in factories and especially on the sea where they face potentially adverse weather conditions. This poses a threat to the health and safety of our employees and others who are involved in our operations. Many of the activities performed in our companies involves the use of heavy equipment and many elements in motion. All these factors can make some situations unpredictable and therefore it is important to have a sound set of principles as a foundation to ensure the safety of the Group's employees and any one else involved in the Group's operations.



**OUR POLICIES**

- Policy for health and safety

## OUR APPROACH

AUSS value safety above all other considerations and will not compromise the health and safety of our employees or others affected by our activities. We work to ensure that every employee, contractor and visitor returns home healthy and safe every day.

AUSS has a commitment to always work towards zero injuries. This goal is not feasible solely based on a good management system and a robust policy. We are dependent on numerous factors to achieve our goal, such as:

- Healthy and safe work environment
- Best practices
- Committed and visible leadership
- Engaged employees focused on the well-being of themselves and their colleagues

### Risk assessment

We shall take active measures to create a positive and safe physical and psychological working environment in our subsidiary companies. The target to prevent injuries and accidents shall always have top priority at AUSS and its Portfolio Companies. Systematic HSE measures shall feature as an integral part of all activities.

AUSS and its Portfolio Company are committed to complying with prevailing national HSE laws and regulations, AUSS Code of Conduct, guidelines and principles.

### Regular employee training

We shall take active measures to ensure that Groups employees receive necessary and regular HSE training, and make active contributions to reinforcing HSE awareness in the subsidiary companies.

## Key principles

AUSS is committed to ensure that the following items are implemented in the Portfolio Companies:

- Defined targets and tasks for the company's HSE activities.
- Continuous identification, assessment and control of risk.
- Measurement and assessment of registered HSE information.
- Implementation of necessary measures to improve and boost the company's HSE performance.
- Support transparency and dialogue regarding HSE to achieve continuous improvement to the HSE efforts.

## Reporting

Our companies report back on a regular basis. These reports include health and safety indicators such as incidents, near miss incidents and absence. For all extraordinary or precarious situations immediate reporting is mandatory.

## OUR PERFORMANCE

The Group has expanded in 2021 by becoming majority shareholders in a secondary processing business in Denmark, and starting up new secondary processing plants in Europe.

The Covid-19 pandemic has had major impact on the Group's business and required major changes in the working day for our employees during the last two years. The development in sick leave must be seen in light of the global pandemic that affected us during 2020 and 2021.

There has been an increase in number of injuries with absence in 2021 compared to 2020. The increase are mainly in the Portfolio Companies in Peru and Chile, and can be explained by higher activity and more fishing days and production days compared with 2020.

On 6 February 2021, one of our companies experienced the worst possible accident. In the Group company, Lerøy Norway Seafoods AS, one employee died in an accident at work at the factory in Stamsund. This was a tragic and unfortunate accident that will affect the company for a long time. Our thoughts are with the families and colleagues of the deceased.

Number of Employees	2019	2020	2021
Women	1,978	2,421	2,466
Men	4,844	5,146	5,461
<b>TOTAL</b>	<b>6,822</b>	<b>7,567</b>	<b>7,927</b>

Absence rate	2019	2020	2021
Percentage of sick leave	4.60%	5.40%	5.82%

Work related injuries	2019	2020	2021
Number of injuries (with absence)	230	222	237
Number of injuries (without absence)	263	276	182
Lost time injury rate (H1)	N/A	17.0	15.6

# DIVERSITY AND EQUAL OPPORTUNITIES

The Group employs people from a variety of different backgrounds and nationalities. We consider our people as our most valuable assets, and believe that diversity and gender equality strengthen our Group. This is why we place great emphasis on creating equal opportunities.

## THE CHALLENGE

For many years a lot of occupations and positions have been gender dependent. Equal opportunity is not only important from an ethical and human rights perspective - diversity can also improve corporate performance. In order to make use of the benefits of a diverse workforce, AUSS is committed to contribute to a more diverse and inclusive society.

## Equal opportunities

AUSS has zero tolerance for discrimination, and expect the Portfolio Companies to ensure equal employment opportunities and rights for all employees at all times. This includes to implement risk reducing measures for discrimination that are effective and efficient, and take preemptive measures to control and monitor known risk factors. Also, AUSS or its Portfolio Companies are responsible for ensuring equal employment opportunities, and everyone is expected to positively contribute to diversity and inclusion, with special emphasis on top management. As one of AUSS's goals is to offer a workplace without discrimination of persons with disabilities, we also work to facilitate individually customized workplaces and tasks where possible for employees or applicants with disabilities

different positions appear as equally attractive to both women and men. Portfolio Companies are also expected to implement risk reducing measures and take preemptive measures to control and monitor risks related to gender balance.

## Work-life balance

Our Portfolio Companies are expected to ensure a good work-life balance for their employees and offer flexibility where possible.

## Gender balance

Our Portfolio Companies are expected to make efforts to improve the gender balance in the company, both in managing and operative positions. The Group shall at all times ensure equal employment opportunities and rights for all employees, both men and women. This may entail encouraging women to apply for positions across our value chain and make adjustments that contributes to make



**OUR POLICIES**

- Policy for diversity and inclusion

## OUR APPROACH

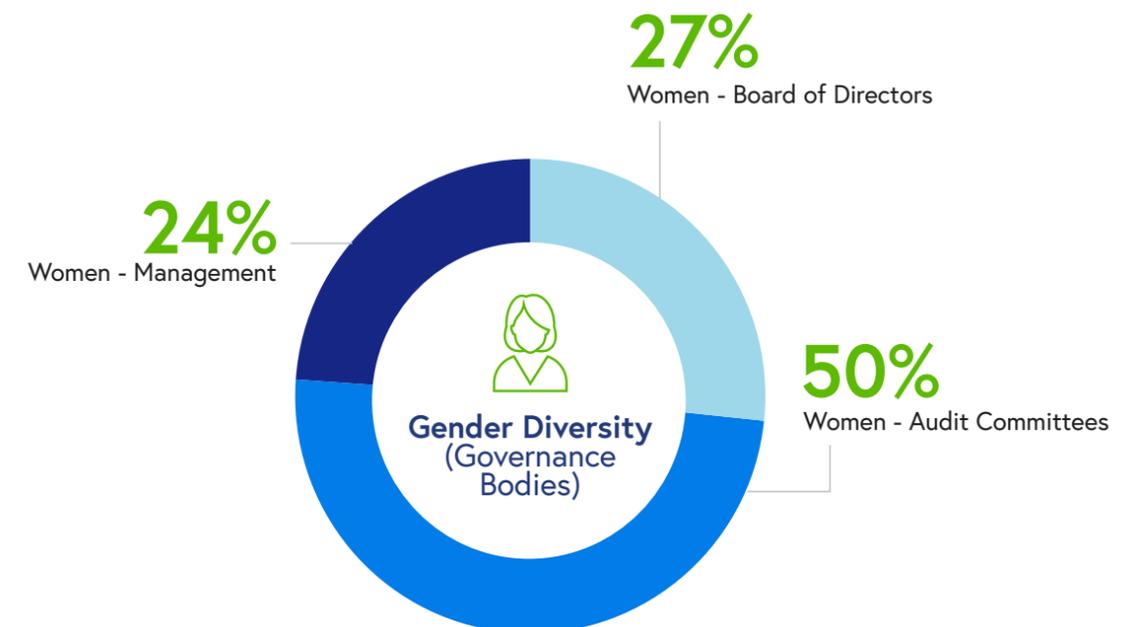
AUSS focus on providing equal opportunities for every employee, both in terms of recruitment and career progression within the Group. Diversity and inclusion in AUSS entail ensuring equal treatment of each employee, irrespective of gender, origin, ethnicity, skin colour, language, religion or personal philosophy, disabilities etc. We are committed to ensure equal opportunities and rights for all employees.

## OUR PERFORMANCE

Gender Diversity (Employees)	2019	2020	2021
Women	29%	32%	31%
Men	71%	68%	69%

Gender Diversity (Governance Bodies)	2019	2020	2021
Women - Board of Directors	23%	23%	27%
Women - Audit Committees	50%	50%	50%
Women - Management	24%	24%	24%



# ATTRACTIVE AND DECENT JOBS

Regardless of where our operations take place, AUSS and our Portfolio Companies shall provide attractive and meaningful jobs, and work to promote labour rights and decent working conditions locally.

## THE CHALLENGE

We want to attract and retain talents to ensure our future competitiveness. In order to offer attractive jobs and be a trustworthy employer, we maintain a high focus on fair compensation, dialogue with trade unions and good working conditions. Our aim is that our subsidiaries are recognised as attractive employers in their home markets, and are able to recruit people with the right competencies, skills, and values. Large corporations, like Austevoll Seafood Group, also have a particular responsibility to make sure that internationally recognised labour rights are upheld throughout both parent and subsidiary companies, in all countries of operation.



**OUR POLICIES**

- > Code of Conduct
- > Policy for human rights

## OUR APPROACH

### Human and labour rights

AUSS has zero tolerance for violation of human rights and international recognized fundamental employee rights. As mentioned in Ethics and anti-corruption AUSS and its Portfolio Companies shall adhere to international conventions. We have clear expectations that they cover essential topics such as forced labour, child labour, salary, working hours, discrimination etc.

### Laws and regulations

Our Portfolio Companies shall ensure all employments are in accordance with international conventions and national laws and regulations.

### Freedom of association

Our Portfolio Companies shall ensure all employees have freedom of association and free to engage in collective wage bargaining and union organizations, without exceptions. All Portfolio Companies shall have dialogue with employee representatives, and cooperate with both employees and trade unions.

### Working wages and working hours

Our Portfolio Companies shall ensure that salaries paid to employees shall as a minimum comply with the national provisions regarding minimum wage or the industry standard, and shall always be sufficient to cover basic needs. Disciplinary deductions from salary are not permitted. Portfolio Companies shall compensate employees fairly, and comply national legislation and in accordance with international conventions on working hours and overtime. All workers are also entitled to an employment contract in a language they understand.

### Data privacy

Our Portfolio Companies are expected to protect the privacy of its employees and partners. This includes to only process personal data for purposes that are legitimately justified and in accordance with applicable privacy laws and AUSS policies.

## OUR PERFORMANCE

All the Group's employees are entitled to freedom of association and collective bargaining. Across our subsidiaries there are varying degrees of how many of our employees that are covered by collective agreements, from 100% to 0%.

The number of people included in collective bargaining agreement is number of man-year (FTE).

Employees covered by collective bargaining agreements (%)	2019	2020	2021
Percentage of total employees covered by collective bargaining agreements*	65%	64.7%	62.6%

\* Number of people included in collective bargaining agreements/Number of man-year (FTE)



**AUSS has zero tolerance for violation of human rights and international recognized fundamental employee rights.**

# KNOWLEDGE AND COMPETENCE

Professional development and learning are vital parts of a meaningful workplace, and to attract and retain talent. Upgrading knowledge and competencies are also essential to our competitiveness, and long-term, sustainable value creation.

## THE CHALLENGE

People are the most important resource of a company, and competition for the best employees can be tough. Due to rapid innovation, international competition, and efforts solving the seafood industry's key challenges going forward, a focus on continuous learning and development is important. AUSS and its Portfolio companies invest in continuous learning and development both to attract and retain a skilled and motivated workforce and to ensure efficiency and innovation.



**OUR POLICIES**

- > Code of Conduct

## OUR APPROACH

Our Portfolio Companies demand a range of different skills and expertise along the value chain. In addition to mandatory health and safety training, all companies is expected to secure that all employees have the necessary training and formal

certifications necessary to perform their responsibilities on the job. Further on, all Portfolio Companies is required to facilitate and invest in developing the employees knowledge and competence through various initiatives needed to ensure strengthening of our human capital and competitiveness as well as improve our footprint.

### Learning and development programs

Our Portfolio Companies is expected to develop learning and development programs to improve and reinforce the employees' skills, enhance knowledge acquisition and continuous improvement within occupational health and safety issues, leadership, management and technical abilities, among others. Some development topics are general and are implemented in all our Portfolio Companies, but it should also be offered training based on industry-specific needs.

### Personal development

Our Portfolio Companies is encouraged to establish routines and internal processes for systematic follow-up, coaching, constructive feedback and rewarding employees who practice our values. Portfolio companies should encourage

personal development by having good performance and recognition routines. All employees should also be encouraged to keep up to date with industry development and seek new knowledge that strengthens their personal development. Request to acquire certificates of apprenticeship or other formal professional certifications should be welcomed.

## OUR PERFORMANCE

Our Portfolio Companies has implemented a variety of programs and initiatives to increase improve and develop knowledge and competence. More information can be found on our Portfolio Companies' website and in their individual reporting. AUSS will continue working on developing relevant management KPIs in order to keep track of potential risk factors, or opportunities for improvement for our employees.





# CONTRIBUTING TO THRIVING LOCAL COMMUNITIES

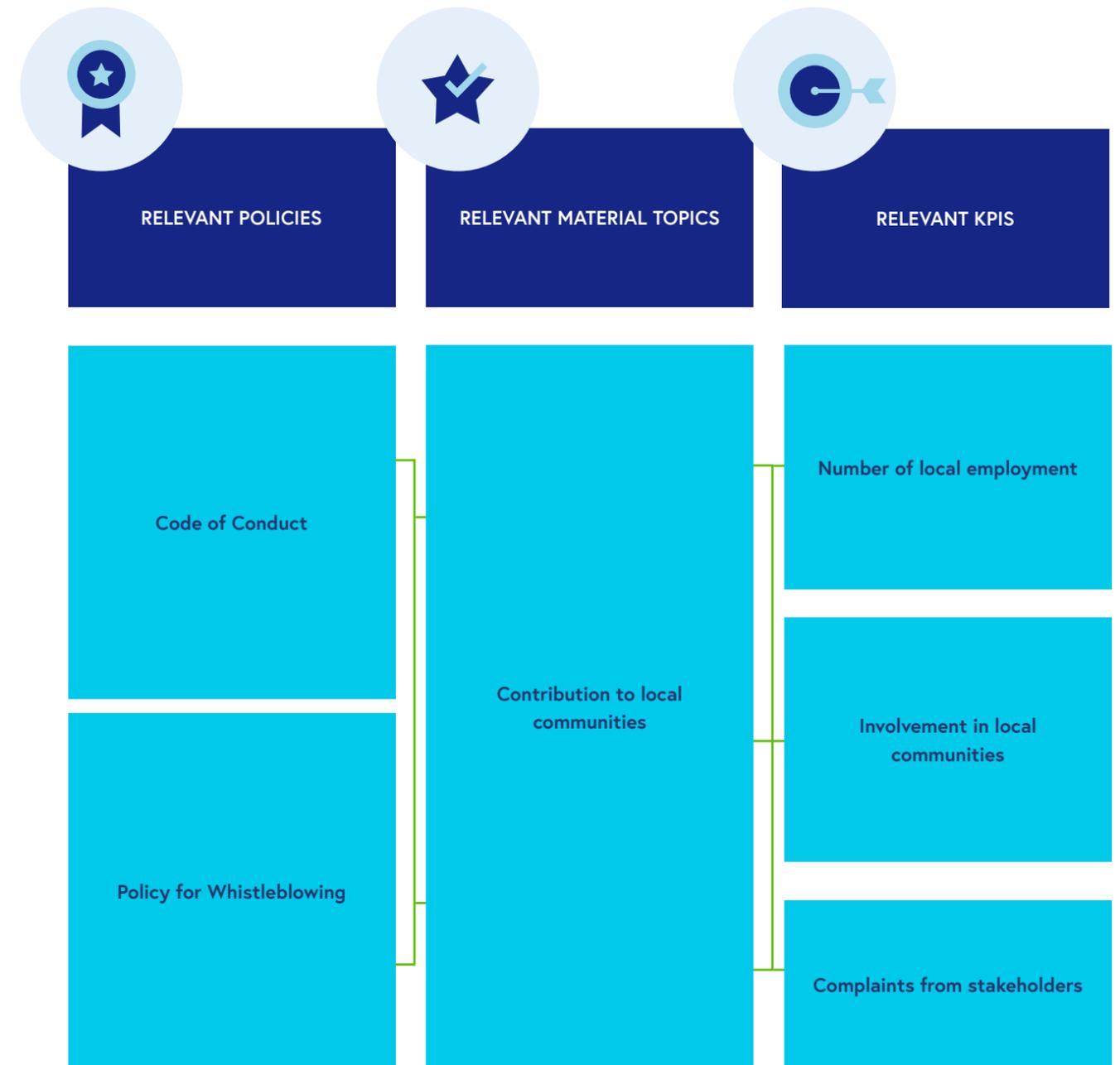
The local communities along the coast of Norway, the United Kingdom, Peru and Chile are important for us and the Group's operations. We can only succeed when the communities thrive and share in our success. In addition to protecting local environments, we work to strengthen our positive contribution to local value creation by creating jobs, using local suppliers of goods and services, paying local taxes and supporting local sporting and social initiatives.

## 6. Strengthen our communities

# WHY IT MATTERS AND OUR AMBITION

Local communities around the world provide critical infrastructure for the Group's operations and make up much of our workforce. With a strong presence in these communities, the Group also have a significant impact on local economic development, social opportunities and the environment. We contribute to the development of local communities by creating attractive and decent jobs, supporting local suppliers, and by investing in and sponsoring local projects and social initiatives. The tax contributions of our business and employees also make up an important source of income for local authorities. The Group promotes responsible and ethical business practices, both in its own operations and throughout its supply chain. We have a strong focus on mitigating corruption, which undermines local institutions and economic development.

Given the scale of procurement within our group (LSG have more than 4,000 suppliers in Norway alone), we place ethical and sustainability requirements on our suppliers. Our global presence requires us to keep a close and continuous dialogue with local stakeholders, and hence we expect our subsidiaries to communicate regularly and well with local authorities and civil society. AUSS's ambitions is to create lasting value through the production of healthy and sustainable marine products as well as having a direct positive impact on the local communities in which the Group operate. We as a Group take our responsibility seriously and take action for sustainable value creation and the strengthening of our communities.



# CONTRIBUTION TO LOCAL COMMUNITIES

AUSS journey began in a small island municipality in Norway. Hence, we understand the value of involving local communities in decision-making processes, and support both economic development and social initiatives in the areas in which we operate.

## THE CHALLENGE

Similar to many other international Group's, AUSS' Portfolio Companies are operating in decentralized, local and at times less developed communities. As we are given access to local resources and have a local footprint, it is crucial to maximise our positive contribution in cooperation with local stakeholders, and reduce negative impacts. AUSS place great emphasis in giving back to the people that is living in the Group's communities by supporting and creating local business and social activities.



## OUR APPROACH

AUSS and all our Portfolio Companies are guided by our Code of Conduct to support the development of thriving local communities. We shall also contribute positively to maintain a good environment in the communities where the Group's businesses are located. To help guide us, and contribute to good decision making towards these commitments we base our choices on the Group's Code of Conduct and its policies.

All Portfolio Companies are expected to communicate our business information accurately and comprehensively towards local communities. Further, we seek to engage in local discussions and meet with local stakeholders to discuss relevant topics. Portfolio Companies shall also cooperate with non-governmental organisations (NGOs), regulators, trade union, and the research community to support sustainable development of the communities in which the Group operate.

AUSS wants to ensure stakeholders in local communities are given the opportunity to communicate areas of improvements and register eventual suspicions about matters that are in breach of AUSS' values and policies. Several of our Portfolio Companies has established external reporting channels for complaints, and we work to establish similar communication channels within the other Portfolio Companies. All complaints are considered and answered, and if deemed necessary, measures are taken to counteract the reported issues.

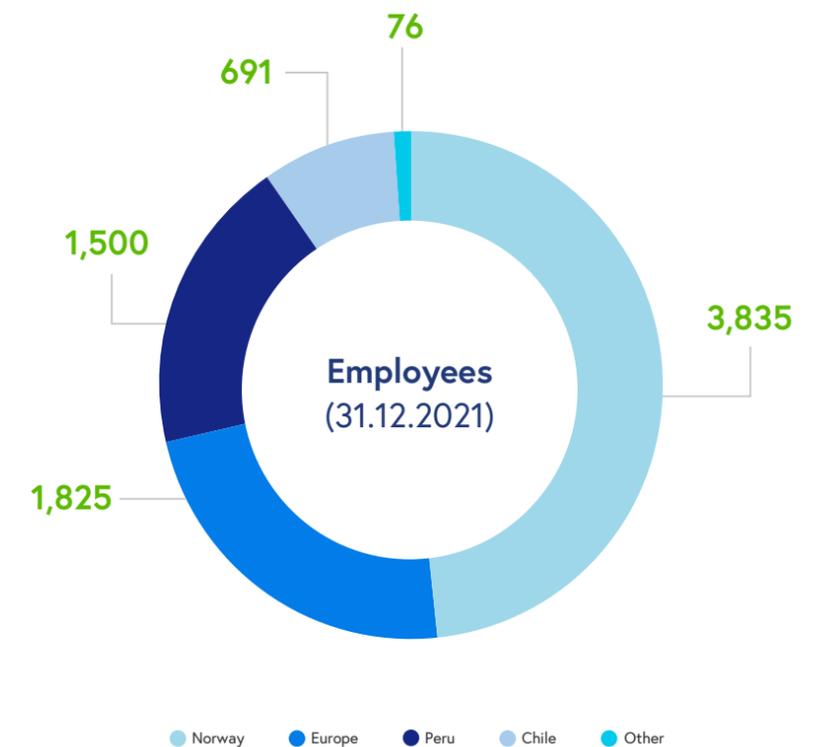
The Group's obligation to create value for AUSS's and our Portfolio Companies' shareholders also extends to the local communities in which we operate. In many places the Portfolio companies are the cornerstone of the community and one of the most important employers. The use of local suppliers and our

contribution to local business activity and commerce, can further make substantial positive footprints in the communities. For example through generating local tax, as well as creating local jobs and social activities which contribute to keeping local communities vibrant and thriving. We also encourage our Portfolio Companies to maximise the use of local suppliers, work force and producers where they operate.

## OUR PERFORMANCE

Our Portfolio Companies report annually any complaints received from the stakeholders, including potential cases of ethical misconduct. Every complaint is investigated, replied on, and necessary measures taken. Good cooperation with our stakeholders is important to us, and as a Group we take all complaints seriously. All complaints from 2021 have been answered and measures have been taken where this has been possible. The major part of the complaints are from neighbors of the aquaculture business and related to noise.

Stakeholder complaints	2019	2020	2021
Number of complaints	15	29	55



## AUSTRAL GROUP S.A.A. (PERU)

### The Muève Program

This program seeks to promote healthy lifestyles among boys, girls, youth and adults in the areas where we operate. In 2021, two main activities were carried out, the summer school and the dance competition.

Results, summer school:

- > 124 kids registered
- > 98 finished the program
- > 24 sessions of 1 hour each

Results, dance competition:

- > More than 110 participants distributed in 3 categories

### Your Future Program

Austral signed an alliance with the Forge Foundation, to provide 101 scholarships to young NEETs from our areas of influence (Coishco, Chancay and Callao) and children of workers.

Results:

- > 73 participants from Callao, Chancay, Coishco, Pisco and Piura.
- > 33 got a job (24 women – 9 men)

### Competitive business program

This program is developed by the GRI and its main objective is that supplier companies can identify and manage their indicators (economic, social and environmental), in this way they can have a competitive advantage to Access new markets.

Results:

- > 31 suppliers and 7 shipowners presented their first Sustainability Report

## FOODCORP CHILE S.A. (CHILE)

Participation in the Food Bank of the Sea. Through the Association of Fisheries Industries (Asipes), food rations (frozen and canned produced by companies in the sector) are delivered to vulnerable older adults from long-stay residences located in the regions of the Biobío, Ñuble, Maule and La Araucanía. The program provides nutritious food on a regular basis to 72 establishments, where there are more than 3,000 residents.

Participation in the Advisory Committee for Business Administration at the local educational establishment; CFT Lota. The validation of the study program is supported to help the continuous improvement of the educational process and integration into the world of work. Technical and motivational talks will also be scheduled to help students.

FoodCorp also provides scholarships to children of workers who achieve the best 10th grade point averages and plan to pursue higher education.

# WORDS AND DEFINITIONS

**ASC** - The Aquaculture Stewardship Council

**AUSS** - Austevoll Seafood ASA

**Austral** - Austral Group S.A.A.

**BFARM** - Br. Birkeland Farming AS

**BRBI** - Br. Birkeland AS

**CDP** - the Carbon Disclosure Project

**CO<sub>2</sub>** - Carbon dioxide

**CO<sub>2</sub>e** - Carbon dioxide equivalent

**CoC** - Code of Conduct

**Corruption** - Abuse of entrusted power for private gain, which can be instigated by individuals or organisations.

**(the) Group** - AUSS and its subsidiaries (LSG, Austral, BFARM, BRBI, FC)

**ESG** - Environmental, Social, and Governance, the three dimensions of sustainability

**FC** - FoodCorp Chile S.A.

**FFDR** - Feed Fish Dependency Ratio (FFDR) is the quantity of wild fish used per quantity of cultured fish produced

**Fish welfare** - Quality of life perceived by the fish itself

**Food safety** - Ensuring that food produced does not represent a risk for the consumer

**Food safety culture** - Attitudes, values and beliefs relating to food safety shared by a group of people

**FOS** - Friend Of the Sea

**FTE** - Full time equivalent

**GHG** - Greenhouse Gas

**GlobalG.A.P.** - Global Good Agricultural Practices

**GRI** - Global Reporting Initiative

**GSSI** - Global Sustainable Seafood Initiativ - a public-private partnership on seafood sustainability with more than 90 participants across the seafood value chain

**GWT** - Guttled Weighted Tonnes

**HACCP** - Hazards Analysis and Critical Control Points

**HoReCa** - The Hotel, Restaurant, and Catering industry

**HSE** - Health, Safety and the Environment

**IEA** - the International Energy Agency

**IPM** - Integrated Pest Management

**ISO 14001** - a certification describing the requirements for an effective environmental management system (EMS). It provides a framework that an organisation can follow.

**KPI** - Key performance indicators

**LACO AS** - The name of AUSS' ultimate parent company

**LSG** - Lerøy Seafood Group ASA

**Marin Trust Standard** - a responsible fishmeal and fish oil supplier certification from the leading organisation concerning marine ingredients, the Marine Ingredients Organization.

**MOM** - Modelling Overvåkning Matfiskanlegg (Modelling - Surveillance - Fish farm)

**MSC** - The Marine Stewardship Council

**MT** - MetricTonnes

**NA or N/A** - Not applicable

**NGO** - Non-Governmental Organisation

**Pelagia** - Pelagia Holding AS

**Portfolio Companies** - AUSS' subsidiaries as well as jointly controlled companies.

**Science-Based Targets (SBT)** - Targets based on what research has shown to be necessary to reach the targets in the Paris Agreement.

**SDGs** - the United Nations Sustainable Development Goals

**SCM** - Supply Chain Management

**Scope 1** - Direct greenhouse gas emissions

**Scope 2** - Indirect greenhouse gas emissions from purchased energy

**Scope 3** - All indirect greenhouse gas emissions excluding purchased energy

**Sea lice** - A parasite living mostly on salmon

**Survival rate** - 12 months rolling mortality = (total # of mortalities in sea last 12 month - total # of culled fish due to illness or similar and not in harvest figures)/ (closing # of fish in sea + total # of mortalities in last 12 months + total # harvested fish in last 12 months + total # of culled fish in sea)

**t or T** - Tonnes

**TCFD** - the Task Force on Climate-Related Financial Disclosures

**The Group** - AUSS and its subsidiaries

**TSC** - technical screening criteria (here: related to the EU Taxonomy)

**UN** - The United Nations

**Welfare indicator** - An indirect measurement of fish welfare

**Whistleblowing** - Reporting censurable conditions to a person with the authority to do something about it