

CERMAQ

GLOBAL

Sustainability Report 2016



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CEO Message

Perspectives from Cermaq's CEO, Geir Molvik.



Working in the aquaculture industry for more than 30 years has been a spectacular journey, and in the past decade the focus on sustainable development in the industry has moved to the core of our operations. An important step forward in this regard was the adoption of the UN Sustainability Development Goals in 2015 which has had a significant impact on the global agenda. The goals were integrated into Cermaq's strategy in 2016, and demonstrate how sustainable aquaculture is a part of the solution.

ACHIEVING RESULTS THROUGH PARTNERSHIPS

The global megatrends of population growth, increased demand for protein, public health issues, as well as limitations in arable land and fresh water supplies, all point at aquaculture being needed to manage our common, global challenges.

In Cermaq, we have identified five of the 17 UN Sustainable Development Goals (SDGs) where we truly can make a difference. These are first and foremost SDG 14: Life below water, but also SDG 2: Zero Hunger, SDG 8: Decent work and economic growth, SDG 12: Responsible consumption and production, and SDG 13: Climate action. For each of these, we have identified actions and priority areas in our operations and in our value chain.

Cermaq's approach is based on the pillars of transparency, partnerships and performance. We believe a company which openly reports its results also has a better overview of its risk and opportunities, a stronger basis for dialogue with stakeholders, and a better ability to actually make progress on material topics.

We work in partnerships to achieve the greatest impact in our focus areas. The Global Salmon Initiative (GSI) aims to strengthen sustainable operations by sharing good practices and knowledge, through industry transparency and collaboration to enhance the ASC certification process. Achieving impact on SDG 14-Life below water requires a broad partnership, and in 2016 we engaged in the Seafood Business for Ocean Stewardship (SeaBOS) with seven of the world's largest seafood companies committed to Ocean Stewardship. This initiative connects for the first time the global seafood business to science, wild capture fisheries to aquaculture, and European and North American seafood companies to Asian companies.

With the integration of the SDGs, we continue our firm support of the UN Global Compact. Other core partnerships for us include EAT, focusing advancing the role of healthy and sustainable food produced within planetary boundaries. Equally, we take part in the FReSH program led by EAT and the World Business Council for Sustainable Development (WBCSD), gathering business to transform the global food system in the face of major health and environmental challenges.

SOLID PERFORMANCE IN A STRONG MARKET

2016 was a year characterized by global reduction in supply and record high prices. Furthermore the market was affected by restriction on market access to both Russia and China. The normalization between Norway and China towards the end of the year will be important for the Norwegian market and the entire salmon industry. As a global industry, market access and trade agreements are essential for the salmon farming industry.

As of 1 December 2016, Cermaq Chile and Salmenes Humboldt merged as one company under the name Cermaq Chile. By merging the two Mitsubishi Corporation owned companies, synergies can be realized and Cermaq can increase its competitiveness. The merged company holds 130 licenses in Chile. From next year, Cermaq's sustainability reporting will cover the operations of the merged company in Chile.

Cermaq will publish its financial results in the second half of 2017, as the financial year ends 31 March. In 2016, we met our goals on health and safety, an area we have highly prioritized over the last years to bring our industry in par with the best industries. Skilled employees are needed at all levels and we must offer attractive and safe workplaces.

In 2016, a total of 426 fish escaped our operations. While this is 426 too many, the number should be related to the total of 45 million fish we contain in the sea at all times.

We tripled the number of ASC certified sites from 6 to 18 during 2016, with new certifications in all regions. The ASC certification process will continue in all regions, and we aim to have all sites certified in 2020.

IMPROVEMENTS THROUGH RESEARCH AND INNOVATION

Aquaculture is founded on research and innovation. Cermaq invest significantly in research and new technology development; in an internal R&D branch and in external collaboration in programs and projects.

In 2016 we applied for development licenses for the concept “iFarm”, a sensor based technology enabling individualized farming, a totally new approach to farming in sea pens which is likely to further enhance fish health management and sustainability.

A strength in the salmon industry is the culture of sharing knowledge, which comes naturally when we farm in public waters and fully depend on the performance of our neighbours. This culture characterizes also the Research and Innovation in our industry.

BUSINESS IS ABOUT PEOPLE

Salmon farming is local production everywhere, and all our operations belong in their local communities. That is where our value creation takes place and that is where our employees live. I am proud of all the work places, many in remote areas, Cermaq provides and not at least, of the knowledge and dedication of each Cermaq colleague. Together with our suppliers, our customers and the communities in which we operate we will continue this spectacular journey.

To the management of Cermaq Group AS

INDEPENDENT AUDITOR'S REPORT

Report on the Cermaq Sustainability Report 2016

We have reviewed certain information in the Cermaq – Sustainability Report 2016, sections Report Foundation, Performance (excl. CDP Report 2016) and CEO Message, as well as certain information presented in the Cermaq – 2016 Quarterly Sustainability Performance Reports (in total referred to as "the Report"), presented on www.cermaq.com. The Report is the responsibility of and has been approved by the management of Cermaq Group AS ("Cermaq"). Our responsibility is to draw a conclusion based on our review.

We have based our work on the international standard ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. The objective and scope of the engagement were agreed with the management of the Company and included those subject matters on which we have concluded below.

Based on an assessment of materiality and risks, our work included analytical procedures and interviews as well as a review on a sample basis of evidence supporting the subject matters. We have performed interviews and meetings with management and individual resources responsible for the preparation of the Report at corporate level. In our work we have focused in particular on the key indicators (CEQ Indicators) presented in both Cermaq's Quarterly Sustainability Performance Reports and the Sustainability Report 2016 as well as indicators submitted to the Global Salmon Initiative (GSI). We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of assurance on the subject matters. In such an engagement, less assurance is obtained than would be the case had an audit-level engagement been performed.

Conclusions

Based on our review, nothing has come to our attention causing us not to believe that:

- Cermaq has applied procedures to identify, collect, compile and validate information for 2016 to be included in the Report, as described in the Report.
- Information presented for 2016 is consistent with data accumulated as a result of these procedures and appropriately presented in the Report.
- Cermaq has applied a reporting practice for its sustainability reporting aligned with the reporting principles set out in the GRI 101 Foundation Standard of the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The Report has been prepared in accordance with the GRI Standards – Core option.

Oslo, 24 April 2017
Deloitte AS



Kjetil Nevstad
State Authorised Public Accountant (Norway)



Frank Dahl
Deloitte Sustainability

Key Figures 2016

Below you will find the key figures for the calendar year.

| TOPIC | UNIT | 2016 | 2015* | 2014 | 2013 | 2012 | 2011 |
|--|---|---------|---------|---------|---------|---------|---------|
| Sales | | | | | | | |
| Operating revenue | NOK bn | 8 | 6.4 | 5.6 | 5.2 | 3.3 | 11.7 |
| Sales volume | GWE '000 tonnes | 137 | 163 | 138 | 142 | 121 | 109 |
| Social | | | | | | | |
| Employees | # | 3352 | 3928 | 4130 | 4357 | 3239 | 3038 |
| Fatalities | # | 0 | 0 | 1 | 2 | 0 | 0 |
| Absentee rate | % of total working days | 2.5% | 2.6% | 2.0% | 2.8% | 2.4% | 3.0% |
| Injury rate (H2 value, TRI) | Injuries per million hours worked | 9 | 10 | 18 | 50 | 35 | 35 |
| Lost-time injury rate (H1 value, LTIR) | Lost-time injuries per million hours worked | 6 | 7 | 11 | 24 | 13 | 26 |
| Fish health | | | | | | | |
| Fish escapes | # of fish | 426 | 7346 | 21 | 63 273 | 1 | 2 |
| Fish mortality (ATS) | % mortalities | 7% | 6.3% | 6.8% | 6.4% | 7.3% | 8.4% |
| Sustainable feed use | Feed factor | 1.26 | 1.31 | 1.25 | 1.26 | 1.23 | 1.24 |
| Environment | | | | | | | |
| Biodiversity | Weighted fallow time between cycles (weeks) | 17 | 31 | 13 | 18 | 18 | 14 |
| Energy consumption | GJ | 697,185 | 751,831 | 724,993 | 709,270 | 542,169 | 456,692 |
| GHG emissions | tonnes of CO ₂ e | 51,995 | 57,988 | 54,671 | 53,481 | 39,693 | 32,011 |
| Governance | | | | | | | |
| Non-compliance with regulations | # | 10 | 11 | 10 | 7 | 9 | 5 |

Cermaq | Key Figures 2016

| | | | | | | | |
|-------------------|--|------|------|------|------|--------|--------|
| Local communities | % of sites committed to an Area Management Agreement | 100% | 100% | 100% | 100% | 91.30% | 88.4 % |
|-------------------|--|------|------|------|------|--------|--------|

** 2015: 15 months from 01.01.2015 to 31.03.2016 due to change in financial accounting year. Previous years are 12 months calendar year.*



Cermaq indicators

Cermaq reports on a number of indicators considered material for Cermaq and the industry. The performance on these Cermaq-specific indicators in 2016 can be found below, together with an overview of all reported indicators.

Cermaq reports in accordance to a wide selection of sustainability principles. We measure our performance against these principles and seek continuous improvement.

Cermaq reports on topics that have been found material for our operations and to our stakeholders. How we define our material topics is described in further detail in our [Materiality Analysis](#). We use the Global Reporting Initiative (GRI) framework to identify specific indicators to report on for each material topic, and these are presented under [GRI indicators](#). In addition, we have developed a separate set of material indicators which are made specifically for our operations. These can be found on this page.

Below you will find an overview of all Cermaq indicators reported by material topic for 2016, and our performance on each of the Cermaq specific indicators.

Overview of indicators

The list below provides an overview of all indicators reported by Cermaq in 2016, both GRI indicators and Cermaq specific indicators.

| FOCUS AREA | MATERIAL TOPIC | INDICATORS |
|--|---|---|
|  HEALTHY AND NUTRITIOUS FOOD | <ol style="list-style-type: none"> 1. Product quality, health and safety 2. Fish health and welfare 3. Feed ingredients | <ul style="list-style-type: none"> • Raw material ingredients • Customer health and safety assessment • Fish mortality • Medicine use • Vaccination program • Sea lice counts • Animal species and breed type • Non-compliance with product health & safety • Fines for product non-compliance |
|  THRIVING OCEANS | <ol style="list-style-type: none"> 4. Biodiversity and feed sourcing 5. Biosecurity 6. Blue economy | <ul style="list-style-type: none"> • Feed sourcing and supplier assessment • Raw material ingredients • IUCN red list species with habitats in areas of operation • Wildlife interactions • Vaccination program • Fish escapes • Sea lice counts • Area Management Agreements • Economic value generated and distributed • Country-by-country financial and organizational data |
|  PEOPLE LEADERSHIP | <ol style="list-style-type: none"> 7. Safety & workplace 8. Community relations 9. Human Rights | <ul style="list-style-type: none"> • Injuries, lost days, absence • Senior management hired from local community • Local community engagement programs • Local community complaints • Non-compliance with societal regulations • Incidents of violations involving indigenous peoples' rights • Economic value generated and distributed • Country-by-country financial and organizational data |
|  RESPONSIBLE PRODUCTION | <ol style="list-style-type: none"> 10. Value chain approach 11. Certifications 12. Beyond compliance: Responsible business conduct | <ul style="list-style-type: none"> • Fallow time/benthic impact • Water withdrawal and recycled input materials • Non-compliance with environmental regulations • Whistle blowing • Training on anti-corruption • Incidents of corruption • ASC certification |



CLIMATE ACTION

13. Adaptation

14. Emissions

15. Innovation

- Financial implications, other risks and opportunities due to climate change
- Energy consumption
- GHG emissions (Scope 1, 2 and 3)
- Energy reduction initiatives

Cermaq indicators

This section presents the sustainability performance of Cermaq's operations in Norway, Chile and Canada in 2016 for each of the Cermaq specific indicators. The table below shows all Cermaq specific indicators reported by material topic in 2016.

| MATERIAL TOPIC | INDICATOR | MATERIAL TOPIC | INDICATOR |
|--------------------------------------|--------------------------------|-------------------------------------|---|
| Fish Health and Welfare | CEQ1 Fish Mortality | Biosecurity | CEQ2 Sea lice |
| | CEQ4 Medicine use | | CEQ6 Area Management Agreements |
| | CEQ5 Vaccination program | Responsible production | CEQ 3 Fallow time |
| Feed sourcing and ingredients | CEQ 8 Raw Material Ingredients | Local communities | CEQ 11 Local Community Complaints |
| Biodiversity | CEQ 7 Escapes | Responsible business conduct | CEQ 12 Whistle Blowing Incidents |
| | CEQ 17 Birds and Mammals | Economic growth | CEQ 15 Country by Country Financial and Organisational Data |
| Certifications | CEQ 16 ASC | | |

CEQ 1 FISH MORTALITY

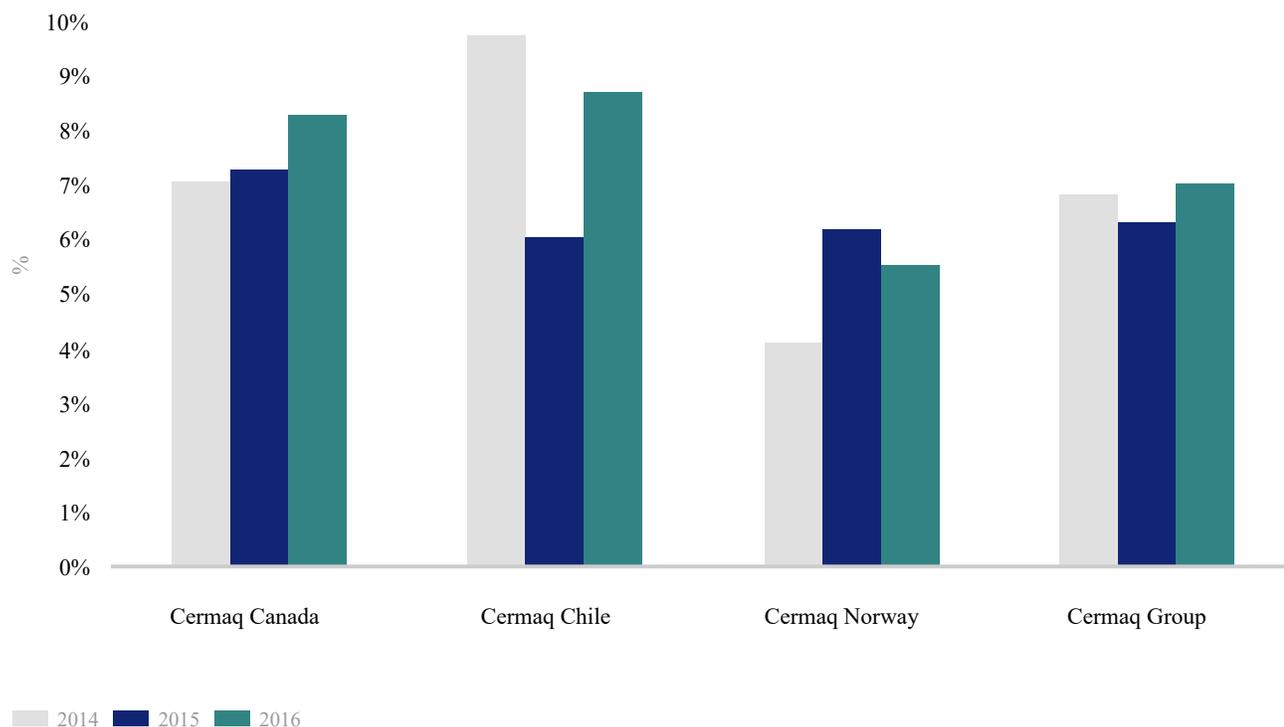
Fish mortality is a key measure to evaluate fish health and welfare. To monitor fish mortality, a 12 months rolling rate was introduced in 2012. The rate measures number of fish mortalities for the

last 12 months as a proportion of an estimated number of fish in the sea the last month. The benefit of a 12-month rolling rate is that long term trends are better represented. The indicator is a precise measure and a better “steering wheel” for management. Reduction of fish mortality is a key target in Cermaq and fish mortality is defined as a Key Performance Indicator. This means that it is followed up closely and reported monthly to the Central Management team and the Board of Directors.

The 12 months rolling fish mortality for Atlantic salmon was 7 percent at the end of December 2016 for Cermaq Group, compared with 6.3 percent in 2015. Cermaq Chile had higher mortalities compared with 2015 (6 percent) and had the highest mortality rate within the Group this year (8.7 percent). The increase was largely due to the algae blooms in March 2016 and the consequences of these events on the gills, general health conditions and performance of the salmon. Cermaq Norway decreased mortalities from 6.2 percent in 2015 to 5.5 percent in 2016. Cermaq Canada’s mortality rate was 8.3 percent, an increase from 7.2 percent in 2015, mainly related to environmental challenges such as algae blooms and low dissolved oxygen events seen in British Columbia.

FISH MORTALITY (ATLANTIC SALMON)

12 months rolling mortality rate - ATS

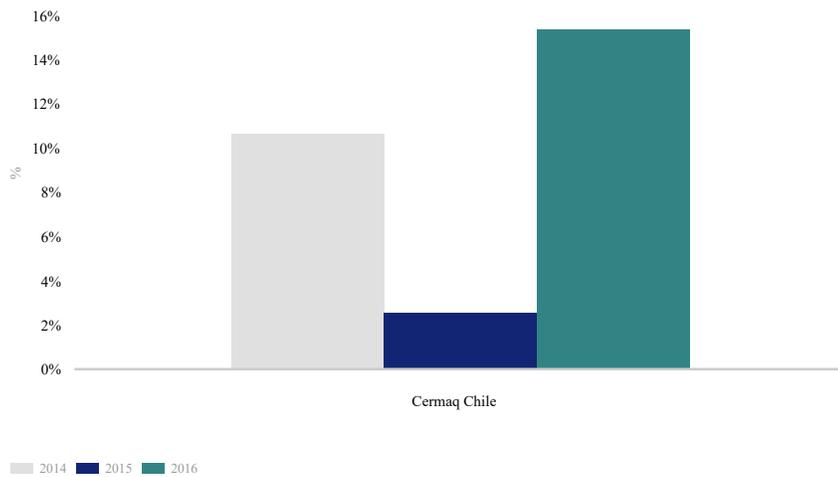


In addition to Atlantic salmon, Cermaq Chile is farming Coho salmon and Rainbow trout. At year-end 2016, the 12 month rolling mortality rate for Coho decreased to 4.5 percent (from 8.5 percent

and 2016, the 12 months rolling mortality rate for COS decreased to 11.5 percent (from 9.5 percent in 2015). The mortality rate for Rainbow trout significantly increased from 2.5 percent in 2015 to 15.3 percent this year mainly due to one event of SRS in the XI region.

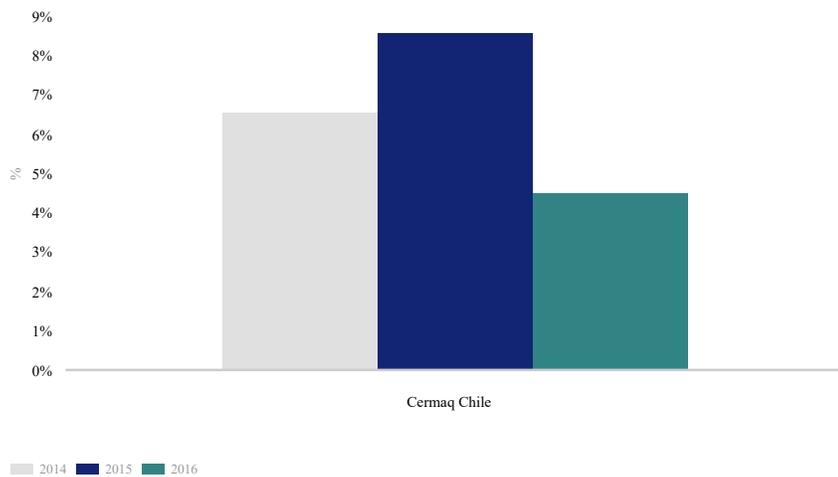
Fish Mortality (Rainbow Trout)

12 months rolling mortality rate - RBT



Fish Mortality (Coho salmon)

12 months rolling mortality rate - COS



Cullings are programmed events with the main objective to preserve the fish health situation of a locality, usually triggered by the presence of a disease. Each country has their own set of rules, including the type of disease to be culled and the time schedule to reduce the possibilities of transmission to other farms and companies. Also, when needed, Cermaq’s Fish Health team can propose culling events in order to maintain the general sanitary condition of an area.

During 2016, five cullings were reported in Cermaq at a Group level, where the fish was removed and transported to final disposal, complying with all local regulations. Three events were recorded in Norway as voluntary cullings due to heart related disorders such as HSMI and CMS. Chile reported one event in April which was a consequence of fish health challenges after the large algae bloom event seen in March 2016. Cermaq Canada reported one event in September, also related to algae blooms.

The stocking density is compliant with national regulations which are for Atlantic salmon 25 kg/m³ in Norway and 17 kg/m³ in Chile. Canada does not have a regulatory limit, however Cermaq Canada's normal stocking density is 20 kg/m³.

CEQ 2 SEA LICE

Controlling sea lice levels is a high priority in all regions where Cermaq operates because high levels of sea lice negatively impact the immune systems of the fish and directly affects fish health and welfare. Also the skin of the salmon can be damaged by sea lice and the skin is one of the most important barriers against other diseases. It is also a priority to keep lice levels low to ensure it does not negatively impact wild salmon stocks.

Lice occur naturally in the marine environment. There are two species of lice that affect farmed salmon: *Caligus* sp. and *Lepeophtheirus salmonis*. Infestation by either lice species may result in stress and reduced immune competence, making the fish more susceptible to other diseases and health challenges. Therefore, effective lice management is a very important measure in fish health work, and is a pre-requisite for sustainable aquaculture. Sea lice management can be preventive, reducing the parasitic levels in normal farming practices without handling the fish. Preventive measures are thus less stressful for the fish and do not involve chemical use. Chemical treatments include bath and in feed treatment. Cermaq works continuously to enhance our sea lice management in all regions, with a focus on preventive measures.

LOCAL ACTION LEVELS (MEAN NUMBER OF LICE PER FISH)

In 2016, sea lice counts were controlled below the local action levels for all Cermaq operations. The local action levels in 2016 are provided in the table below.

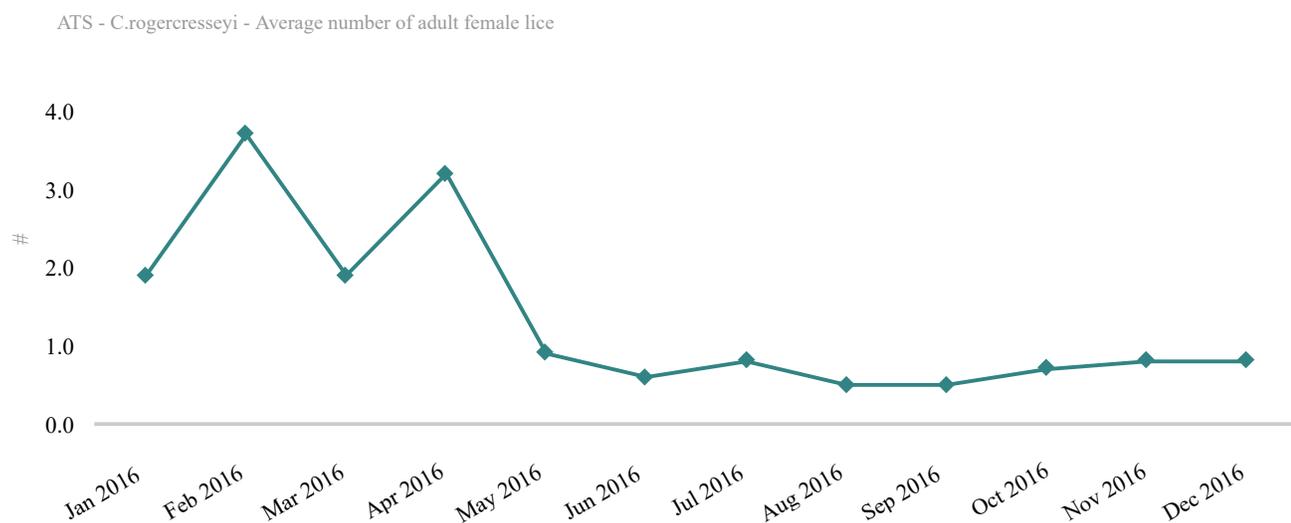
CEQ 02 - Local Action Levels, mean Level of Lice per Fish

| | CHILE | NORWAY | CANADA |
|------|-------------------|---------------|--------------------------------------|
| | Ovigerous Females | Adult females | Total lice (mobiles + adult females) |
| 2016 | 3 | 0.5 | 3 |

SEA LICE COUNTS CERMAQ CHILE

In Cermaq Chile the status of *Caligus* for Atlantic salmon and Trout has improved since the peak in April 2013. For Coho salmon, adult sea lice are not a challenge to the same degree as for Atlantic and Trout and the level has remained low in 2016. In total, the average count for adult female lice in Cermaq Chile (all species) was 0.91 in 2016 compared to 0.73 in 2015. There were somewhat higher counts in Q1 in 2016 compared with Q1 in 2015 (1.48 vs. 0.88).

Average Sea Lice Counts Chile - Atlantic salmon



The sea lice counts for Atlantic salmon in Chile was on average 1.36 adult female lice in 2016 compared to 1.42 in 2015.

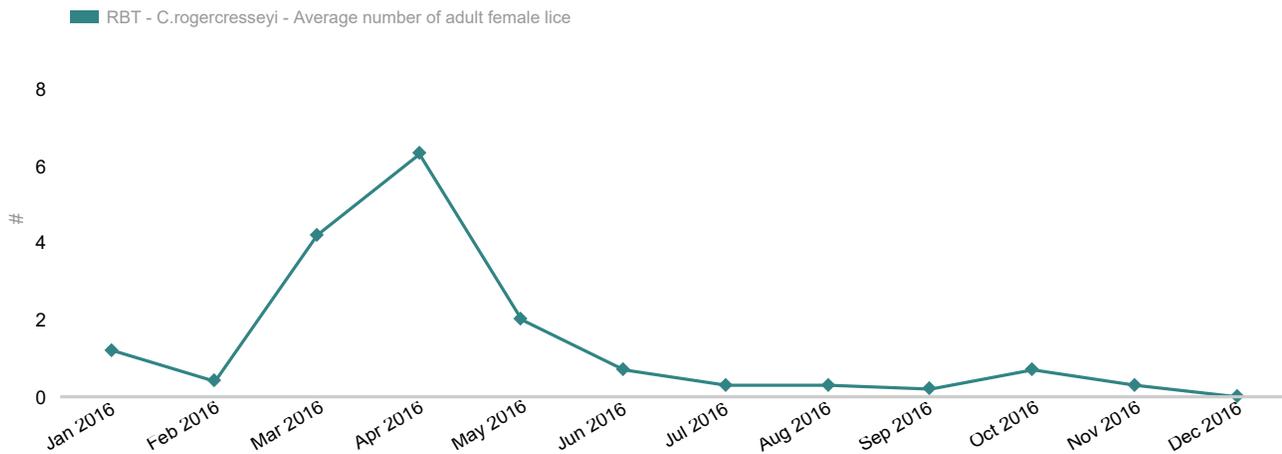
There were somewhat higher counts in Q1 2016 compared to Q1 in 2015 (2.5 vs. 1.6), with higher counts in February (3.7) and a second increase in April. These higher counts were due to the environmental challenging conditions recorded during the Chilean Summer, specifically related to the algae blooms, after which handlings and treatments were reduced to a minimum to maintain fish health and welfare. After the algae blooms, an industry wide coordinated bath treatment was performed to reduce levels, resulting in on average the same loads as recorded for 2015. The lowest average count was in August and September after the winter coordinated bath treatment with 0.5 female parasites, which are also the months with coldest water temperatures.

Average Sea Lice Counts Chile - Coho salmon

Coho salmon is typically less affected by sea lice and the counts were zero adult females during the

whole year.

Average Sea Lice Counts Chile - Rainbow Trout



The sea lice counts for rainbow trout in Chile shows one large event between February and May, with higher counts. The higher counts are related to the harmful environmental conditions seen in the Summer, including the algae blooms. The average adult female count for 2016 was 1.4 lice, which is an increase from 0.76 in 2015. The sea lice counts also are influenced by season and location of sites, with the highest counts in April with 6.3 female parasites and the lowest in December With zero parasites, after moving the fish to a less affected location.

SEA LICE COUNTS CERMAQ NORWAY

In Norway, the Norwegian Food Safety Authority (NFSA) has published a list of salmon producers ranked according to a traffic light system. The system is based on the average period of time were the sites have had levels above the maximum allowed level of 0.5 adult female lice. Cermaq Norway is placed under the green traffic-lights.

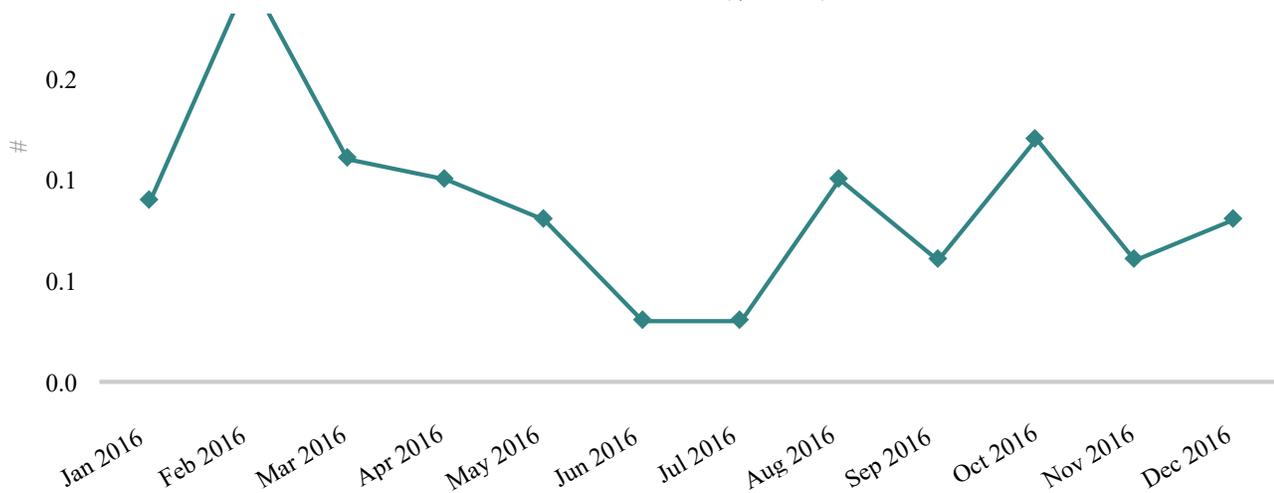
In 2016, Cermaq Norway has scaled up its use of preventive sea lice measures such as lice skirts and cleaner fish with positive results. The average adult female counts for Atlantic salmon in Norway was low in 2016, with the highest count in February with 0.2 lice, while the counts for the remaining months of 2016 were low and well below regulatory limits.

Average Sea Lice Counts Norway - Atlantic salmon

ATS - L.salmonis - Average number of adult female lice

0.2





In Q1 2016, the counts were higher compared to Q1 2015 (0.13 vs. 0.05). This was largely due to an increased load in Finnmark, mainly because of low sea temperatures combined with rough weather conditions, making it difficult to perform treatment.

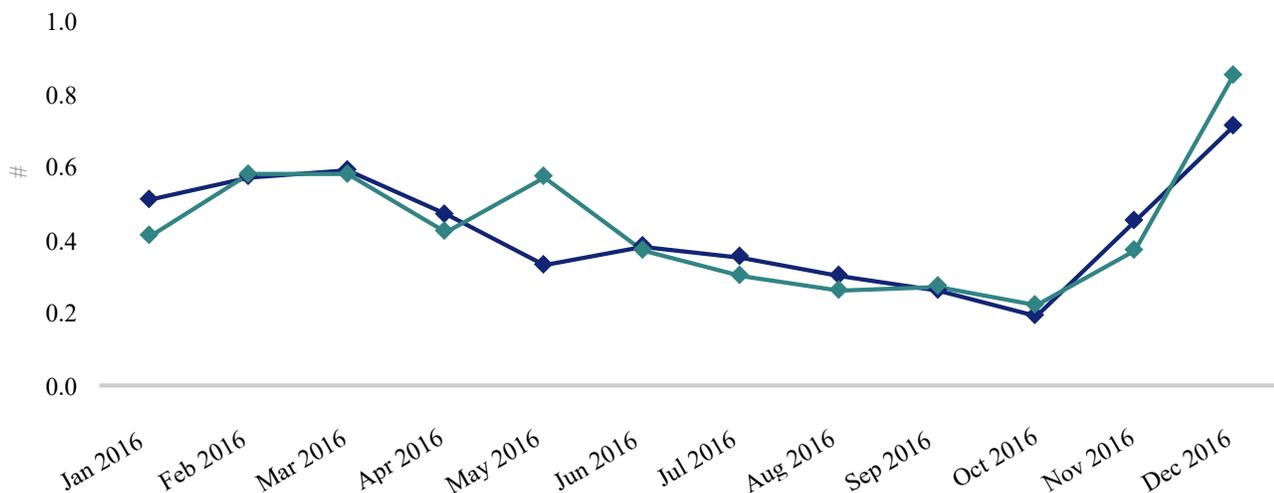
SEA LICE COUNTS CERMAQ CANADA

In Cermaq Canada, the sea lice levels decreased significantly in 2016, from 1.71 average adult female lice and mobile lice in 2015 to 0.86 in 2016.

Average Sea Lice Counts Canada - Atlantic salmon

ATS - L.salmonis - Average number of adult female lice

ATS - L.salmonis - Average number of mobile lice



In December, the sea lice load increased and was 0.85 adult females and 0.71 mobile lice. The lice

levels were influenced by favorable environmental conditions which allowed parasite development as well as the migration of wild salmon.

CEQ 3 FALLOW TIME

Cermaq complies with local and national environmental regulations related to effluents and waste, fallowing time and benthic impact assessment. All operations fully respected the fallowing requirements defined in regulations in 2016.

Fallowing and benthos assessment is necessary to make sure that fish feces and feed pellets won't build up below or around farm pens, to monitor sea floor status and avoid any longer term or irreversible impacts. We monitor our fish feeding every day with underwater cameras to reduce spill of fish feed and reduce negative impacts of nutrient release, such as Nitrogen and Phosphorus. Also dissolved oxygen is measured on a daily basis at farm level to monitor the environmental condition needed to keep good health and welfare of our fish.

Fallow time is measured per week, from the last fish has been harvested and the first fish stocked in the next cycle. Fallow time respond to local regulations in Chile and Norway. There is no regulatory limit in Canada, but best management practice is used.

CEQ 03 - Average Achieved Fallow Time Between Production Cycles (weeks)

| WEEKS | CERMAQ CANADA | CERMAQ CHILE | CERMAQ NORWAY |
|------------------------|---------------|--------------|---------------|
| Statutory requirements | - | 12 | 8 |
| 2010 | 22 | 24 | 29 |
| 2011 | 13 | 12 | 17 |
| 2012 | 24 | 12 | 17 |
| 2013 | 27 | 12 | 14 |
| 2014 | 17 | 12 | 10 |
| 2015 | 55 | 12 | 25 |
| 2016 | 18 | 12 | 21 |

Local authorities play an important role auditing all salmon farming companies. If a deviation is detected, Cermaq reports the non-compliances with environmental regulations under indicator 307-1.

In the last years Cermaq has performed trials of alternative fish nets that do not require copper based antifouling paint. Cermaq Canada has made trials of brass and metal nets, Chile has used stainless steel nets for farming and currently Norway is using Econets made of plastic (PET monofilament). The main goal is to reduce our impact on the environment, reduce handling of net exchange and prevent predator attacks through stronger net alternatives.

CEQ 4 MEDICINE USE

Cermaq is working systematically with preventive health measures in all countries of operation. Key elements include screening programs for monitoring relevant pathogens from broodstock until harvest size fish, the systematic use of vaccines, feeding with functional feeds, monitoring of water quality, mapping stress in our farmed salmon, and a restrictive use of antibiotics.

The tools developed over several years and the generation of knowledge has allowed for better forecasting of disease events, to lower the risk of disease outbreaks and secure the health and welfare of the fish. Despite preventive measures, sometimes treatment with medicine is necessary, and there are strict procedures in place for the use of medicine such as antibiotics and sea lice treatments. These chemical treatments are used strategically and only when strictly needed to avoid also the generation of resistance.

ANTIBIOTICS USE

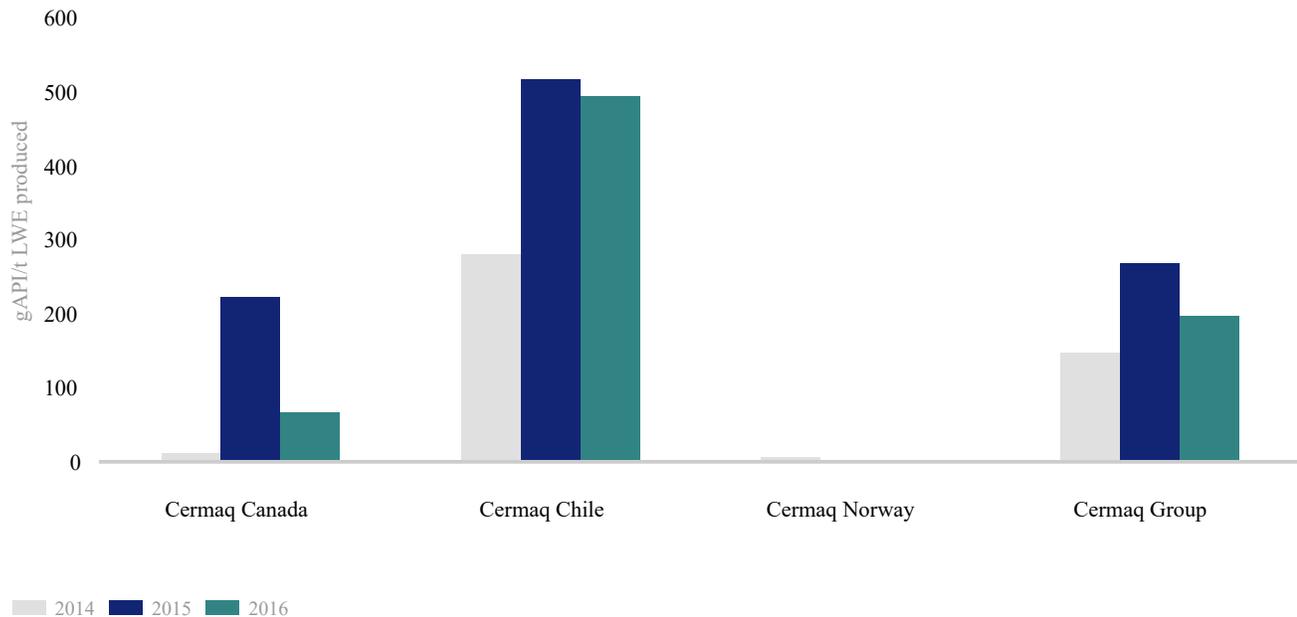
In Cermaq it is important that antibiotic treatments are held to a minimum, only when strictly needed to restore fish health and welfare. Our policy for the use of antibiotics is to limit the use to cases where:

- Animal welfare is threatened by a bacterial disease
- A diagnosis of disease exist with a prescription of antibiotic by an authorized person
- The antibiotic has a proven therapeutic effect against the disease, and
- The antibiotic is approved for use in fish farming

Our calculation of antibiotics use is a ratio between the amount of active ingredients used by tons of live weight of fish produced. This ratio is hence affected by seasonal variations and unpredicted mortality events such as algae bloom mortalities.

CEQ 4 - Antibiotic used

Grams Active Pharmaceutical Ingredients (API) per tonne live weight (LWE) produced for antibiotic use



In Cermaq Norway, no antibiotics were used in 2016. In previous years, the main reason for any use of antibiotics in our Norwegian operations has been mouth rot. The use has however been minimal, with the aim to ensure fish health and welfare. The Cermaq R&D team has been working in partnership with suppliers to develop solutions to control this disease with good results.

In Cermaq Canada, mouth rot was the primary cause of mortality in smaller fish and SRS was the main cause in larger fish in 2016. Both diseases require treatment with antibiotics. At the present there are few alternatives to treat fish for these diseases and our global R&D team is focusing their efforts to provide more tools and knowledge to find sustainable solutions. The environmental challenges experienced in 2015, including warmer sea water temperatures, improved in the Canadian operations during 2016, and the antibiotic use decreased 70% the past year.

In Cermaq Chile, the use of antibiotics per ton production decreased by 4% in 2016. The reduction was largely a result of new vaccine strategies for SRS (*Piscirickettsia salmonis*), the disease which is the reason for most antibiotic use in salmon farming in Chile. New strategies includes a live vaccine and double vaccination, a new antibiotic treatment regime and use of genetic resistant fish (QTL SRS). Finding a solution to the SRS challenge is a key priority for Cermaq's R&D team.

These developments, together with a constant focus on a responsible use of antibiotics, led to a

26% reduction in antibiotics use at a Group level compared to 2015.

Grams Active Pharmaceutical Ingredients (API) per tonne live weight (LWE) produced for antibiotic use

| | CERMAQ CANADA | CERMAQ CHILE | CERMAQ NORWAY | CERMAQ GROUP |
|------|---------------|--------------|---------------|--------------|
| 2013 | 10 | 230 | 4 | 127 |
| 2014 | 9 | 279 | 5 | 147 |
| 2015 | 220 | 513 | 1 | 266 |
| 2016 | 65 | 493 | 0 | 197 |
| Δ | -70% | -4% | -100% | -26% |

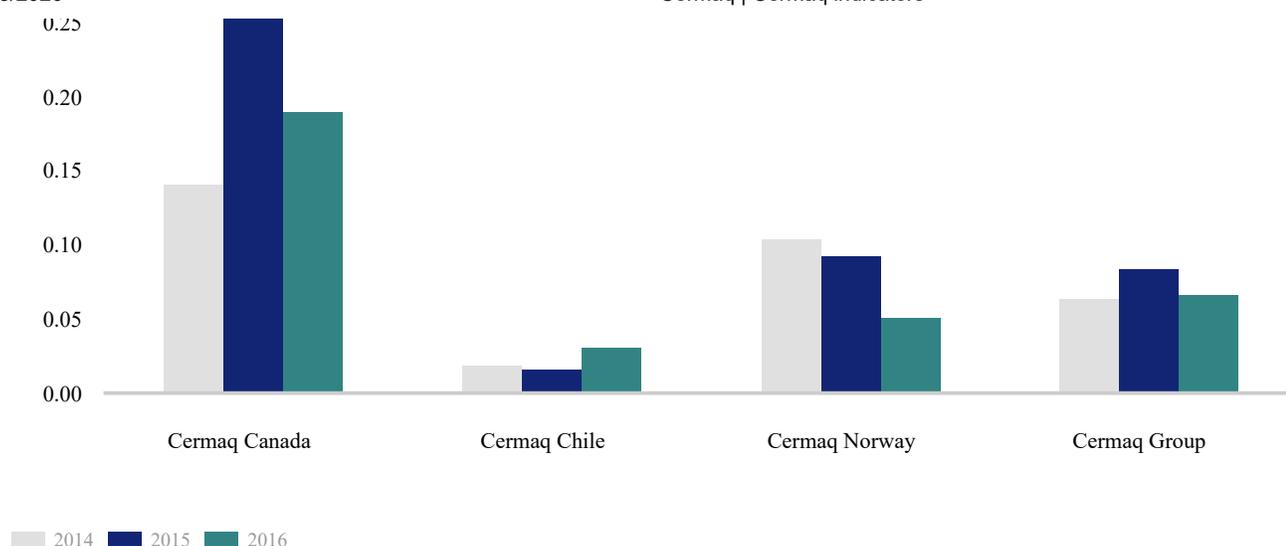
Starting in 2016, Cermaq has also been reporting the antibiotic use online on a quarterly basis. In our quarterly sustainability report we provide the amount of active ingredient of antibiotic used by tonnage harvested, at the moment when the sites are fully harvested (*closed cycle*). This calculation follows the same measure used worldwide in the protein industry to allow for comparison with other protein producers, and hence differs from the calculation presented here (based on LWE produced per calendar year, instead of ton harvested per closed cycle of approximately 18 months).

SEA LICE TREATMENT USE

Sea lice is a challenge for the industry worldwide and each country has specific set of requirements with thresholds which determines the proper management. Cermaq has policies and procedures in place to ensure that all treatments are conducted in accordance with local regulations and area management plans. More details can be found under the indicator Sea lice counts (CEQ2).

CEQ 4 - Sea lice treatment used in feed

Grams Active Pharmaceutical Ingredients (API) per tonne live weight (LWE) produced for sea lice treatment in feed.



In Canada, only in-feed sea lice treatment is approved for use and the amount used decreased in 2016. Oral Emamectin is delivered through the fish feed and remains an effective alternative. The use of in feed treatments remained low in Cermaq Chile in 2016, however feed treatments increased in use compared to previous years. Challenges related to the algae blooms influenced sea lice management in the first part of the year, with an industry wide coordinated sea lice treatment performed during Spring to control industry levels. In Norway, there is limited use of in feed treatments mainly due to efficacy reasons.

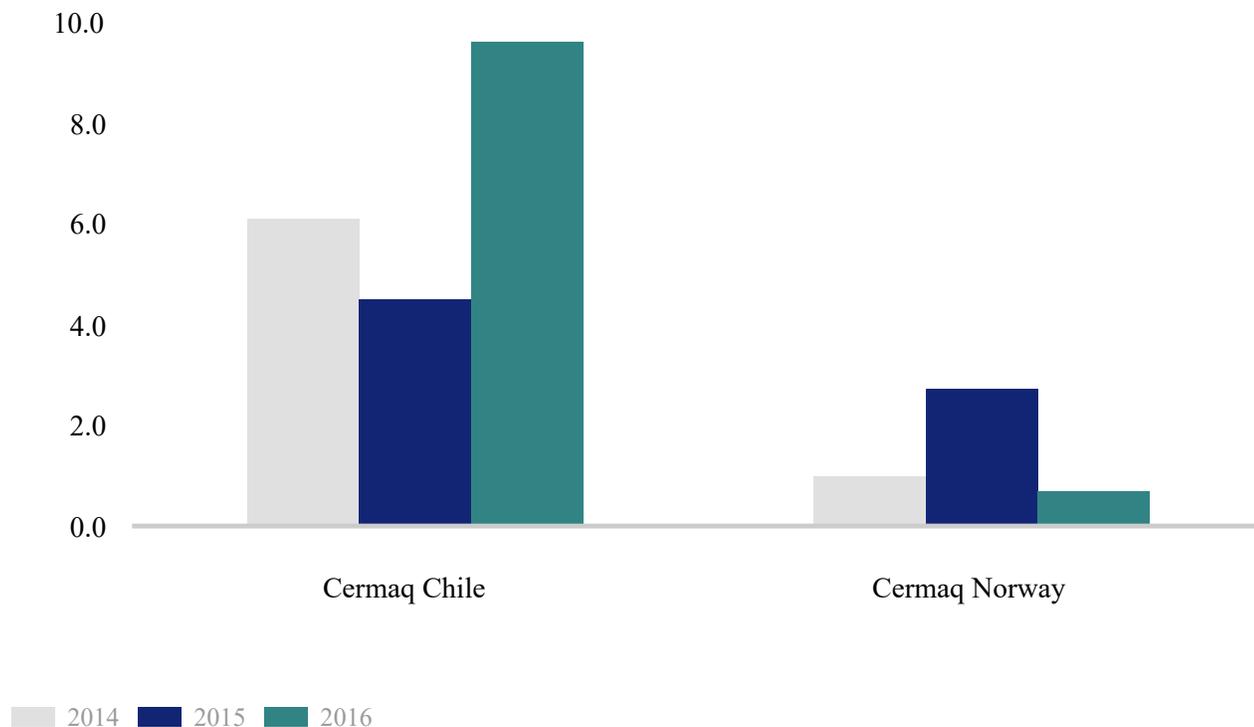
In 2016, the amount of Active Pharmaceutical Ingredients (grams API) per tonne live weight (LWE) used for in feed treatment was 0.05 for Norway, 0.03 for Chile and 0.19 for Canada. For Canada and Norway, the use decreased by 30% and 46% respectively, compared with 2015. In Chile, the in feed use increased by 89% mainly due to the challenging environmental conditions and because in feed treatment is used at the moment of stocking, which increased after the algae blooms.

Grams Active Pharmaceutical Ingredients (API) per tonne live weight (LWE) produced for sea lice treatment in feed.

| | CERMAQ CANADA | CERMAQ CHILE | CERMAQ NORWAY | CERMAQ GROUP |
|----------|---------------|--------------|---------------|--------------|
| 2013 | 0.277 | 1.749 | 0.042 | 0.990 |
| 2014 | 0.139 | 0.017 | 0.103 | 0.063 |
| 2015 | 0.271 | 0.015 | 0.092 | 0.083 |
| 2016 | 0.189 | 0.031 | 0.050 | 0.083 |
| Δ | -30% | 89% | -46% | -22% |

CEQ 4 - Sea lice treatment used in bath

Grams Active Pharmaceutical Ingredients (API) per tonne live weight (LWE) produced for sea lice treatment in bath



The use of sea lice bath treatment for Chile reached 9.67 gAPI/tonne LWE for 2016, which is a significant increase from 2015, and largely due to the challenging environmental conditions resulting from the algae blooms.

For Norway the sea lice bath treatment use was 0.67 gAPI/tonne LWE, which is a decrease of 75% compared with 2015. Cermaq Norway has had a strong focus on preventive sea lice management in the past year, with measures such as cleaner fish and skirts. Also hydrogen peroxide is used, which requires handling of the fish, but where the active ingredients is broken down into water and oxygen and hence has very limited environmental impacts. Increasing sea lice resistance to chemical treatments is a concern for the industry in Norway and for Cermaq Norway it is a goal to strengthen preventive management and non-chemical alternatives further, while maintaining a strong focus on fish health and welfare, including reducing stress on the fish.

Grams Active Pharmaceutical Ingredients (API) per tonne live weight (LWE) produced for sea lice

treatment in bath

| | CERMAQ CANADA | CERMAQ CHILE | CERMAQ NORWAY | CERMAQ GROUP |
|----------|---------------|--------------|---------------|--------------|
| 2013 | 0.00 | 5.20 | 0.64 | 3.04 |
| 2014 | 0.00 | 6.04 | 0.98 | 3.46 |
| 2015 | 0.00 | 4.46 | 2.67 | 3.10 |
| 2016 | 0.00 | 9.67 | 0.67 | 3.95 |
| Δ | 0% | 115% | -75% | 26% |

CEQ 5 VACCINATION PROGRAM

Preventive fish health is an effective approach to strengthen animal welfare and resistance to environmental and biological challenges. Preventive measures include broodstock and fish screening for viral and bacterial diseases to reduce transmission, using genetically resistant fish by means of natural breeding techniques (QTL), functional feed and the use of vaccines.

The vaccines available in Norway, Canada and Chile are related to the particular needs of each country. The vaccines used, are those assessed as effective for the species and for the disease in each specific region. Examples of diseases we vaccinate against are IPN, Vibriosis, ISA, BKD, Furunculosis, SRS, IHN and Enteric Red Mouth Disease. Vaccination is delivered mostly in the hatcheries by injectable vaccines. The objective is to protect the fish for the challenges faced during sea water farming. After the vaccination the smolts will have time to obtain immunity and thereby be protected against disease at the moment of stocking.

The fish can also be vaccinated to prevent disease in the fresh water phase or it can receive a booster. The goal of boosters is to increase the first immune response or the first defenses gained by the very first vaccination, allowing for a faster and stronger response against the disease. Cermaq's global R&D team has a particular focus on developing effective solutions for SRS and mouth rot/ *Tenacibaculum*.

To fight SRS, Cermaq Chile has been working with oral boosters from Centrovet for the past years on their sea water operations and with the introduction of a novel live vaccine against *P. salmonis* from Pharmaq, which is also a double injectable vaccine strategy. Cermaq Canada and Chile also started using a live vaccine from Elanco to fight BKD.

Vaccination program in Cermaq (2016)

The following figure includes all the diseases for which vaccines are delivered by country of origin.

| CEQ5 VACCINATION PROGRAM | | | |
|--------------------------|--------|-------|--------|
| | Canada | Chile | Norway |
| SRS | | X | |
| Furunculosis | X | X | X |
| Vibriosis | X | X | X |
| Coldwater vibriosis | X | | X |
| Winter ulcer* | X | | X |
| IPN | | X | X |
| ISA | | X | |
| Enteric Red Mouth | X | | |
| IHN | X | | |
| BKD | X | X | |

* Experimental trial for *Moritella viscosa*.

CEQ 6 AREA MANAGEMENT AGREEMENTS

Area based management agreements are of great importance for effective and preventive fish management. Area Management Agreements can be a voluntary measure, such as a best management practice, or it can be a national wide requirement, formalized under a written area management agreement between stakeholders in a defined area.

Regardless of the origin of these agreements, the agreements are tailored to the local situation and, typically, may include topics such as following and sea lice management strategies,

vaccination programs, containment and contingency plans, recapture management plans and disease control strategies in farmed and wild fisheries.

In 2016, all Cermaq sites operated under area based management agreements or were located in areas fully controlled by Cermaq.

CEQ 7 ESCAPES

Cermaq has comprehensive procedures for preventing and managing fish escapes. Fish escapes are regarded as serious incidents which receive special attention from Cermaq management and the Board of Directors. Fish escapes may typically occur if nets are damaged, because of weather conditions, after handling of the nets for bath treatments, or as a consequence of predator attacks. An early detection of a fish escape allows to recover the salmon and reduce the impact of the escape event.

Measures include fish escape prevention plans in all regions, contingency plans, and monitoring activities. In Cermaq Chile, monitoring is in place for the entire network installation by use of remotely operated vehicle (ROV), to assess the status of nets and detect any holes to prevent escapes. Cermaq Canada has tested metal nets, Cermaq Chile has tested and used stainless steel nets for farming in the XI region and currently Norway is using Econets made of plastic (PET monofilament). These stronger nets prevent larger interaction with predators, ruptures, and possible fish escapes. They also do not use copper based paint to reduce negative impacts on the environment.

Other measures include regular inspections of infrastructure, reporting to learn from previous escapes, implementation of and training in procedures securing the facility in case of escapes, and recapture of escaped fish. In Norway, Cermaq has an emergency cooperation with farmers in the county of Finnmark in case of an escape. Inspections are performed by the authorities in all regions with regards to escape prevention.

Number of escaped fish by region

| YEAR | CERMAQ CANADA | CERMAQ NORWAY | CERMAQ CHILE | GRAND TOTAL |
|------|---------------|---------------|--------------|-------------|
| 2013 | 0 | 0 | 63273 | 63273 |
| 2014 | 21 | 0 | 0 | 21 |
| 2015 | 2 | 500 | 6844 | 7346 |

| | | | | |
|------|---|-----|---|-----|
| 2016 | 1 | 425 | 0 | 426 |
|------|---|-----|---|-----|

The work to prevent escapes is a priority and is ongoing in all regions. In 2016, there was one minor incident of fish escape in Cermaq Canada, leading to one fish escaping during a handling. In Chile, no fish escapes were recorded during 2016. In Norway, three incidents led to the escape of a total of 425 fish. Two incidents were related to a sea lice bath treatment and the other incident related to a harvest service supplier, where 25 fish escaped.

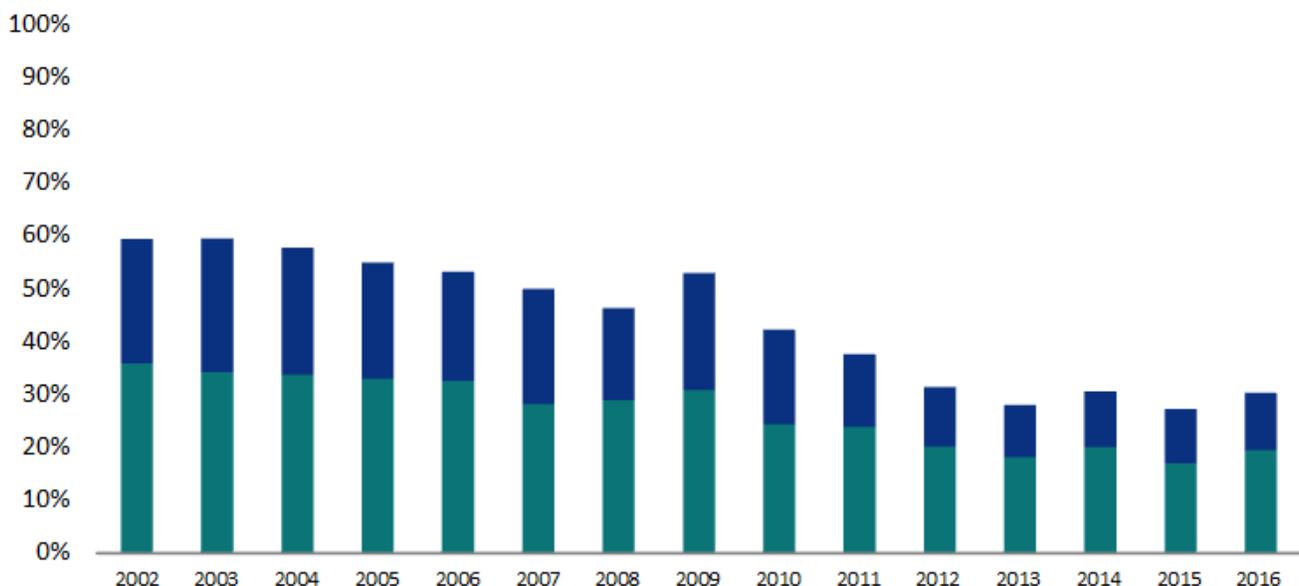
In Norway, Cermaq has introduced DNA traceability for its smolt, enabling to determine whether an escaped salmon is farmed by Cermaq or another company. The first smolt of this kind was transferred to sea in 2015.

CEQ 8 RAW MATERIAL INGREDIENTS

At a global level, EWOS is the main feed supplier of Cermaq's farming operations and hence this indicator is based on EWOS data.

Forage fishery dependency has been a challenge for a growing fish farming industry. Salmon needs marine ingredients to grow healthy and to keep a good content of omega-3. The past years, the use of fish trimmings and byproducts in fish feed has increased considerably. In 2016, the marine index for EWOS increased to 30.1 percent from 27.2 percent in 2015. The specific content of marine ingredients in EWOS feed varies depending on price and availability of alternative raw materials.

Marine content in salmonid feeds



■ Fishmeal ■ Fish Oil

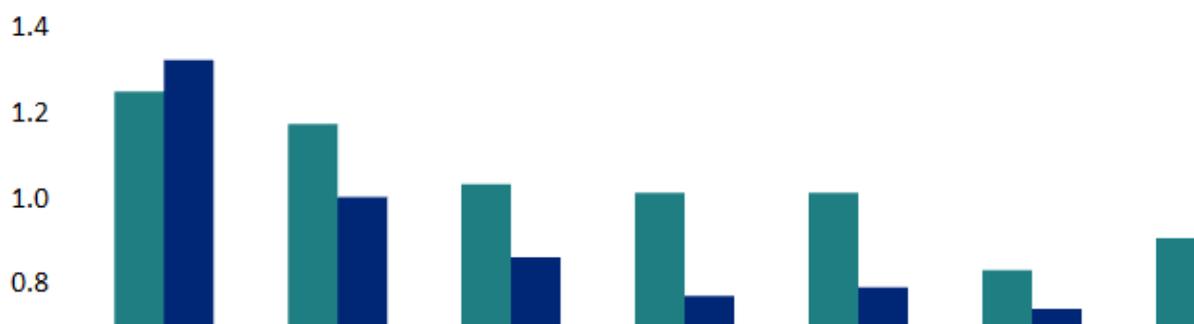
Notes: 2011-2016 figures are excl. EWOS Vietnam

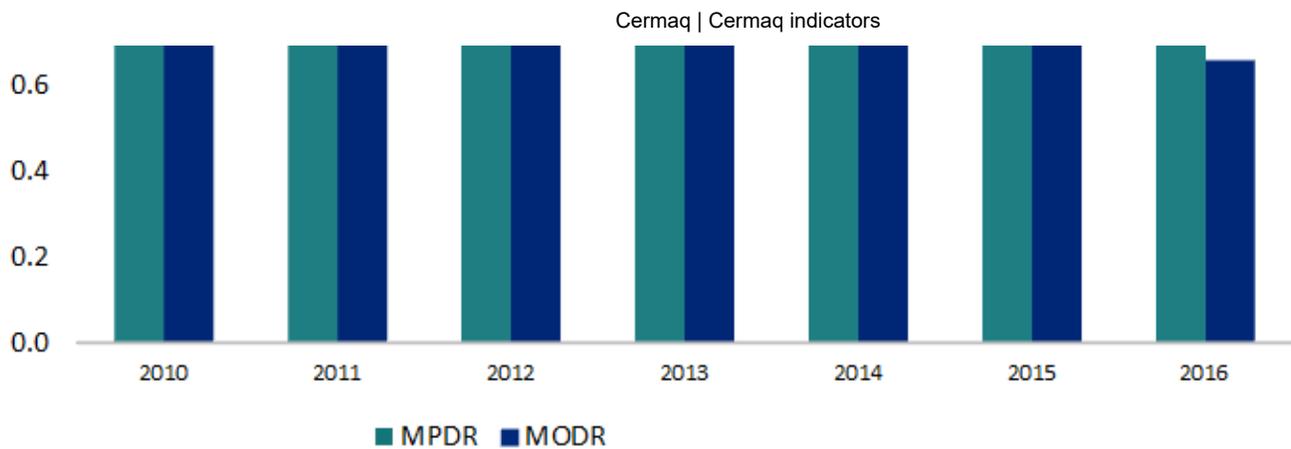
In the FAO report “The State of World Fisheries and Aquaculture 2016” (SOFIA 2016), it is reported that fish meal used in feed for salmon aquaculture has been decreasing for the past 20 years. At the same time aquaculture production at a global level has grown but not the capture production from forage fisheries (SOFIA Figure 1), indicating that the dependency between these two activities are decoupling. Efficient use of marine ingredients, byproducts and replacement with plant ingredients has allowed the salmon to grow keeping its good quality and the advantages relative to other proteins. Specifically in the past years EWOS and other feed suppliers have introduced new ingredients and lowered the marine content in its feed. The research into 'marine independence' provides the knowledge for further significant reduction in the future if necessary, for example using insects or algae in salmon feed. Under this scenario aquaculture is growing decoupled from fishery activities.

The marine nutrient dependency ratio (MNDR) is the ratio of each marine-derived nutrient used to feed salmon divided by the amount of each marine nutrient produced as a result of salmon farming (Crampton et al., 2010). Thus, it estimates the amount of marine protein and oil produced in salmon farming relative to the marine protein and oil consumed in the form of forage fish. The marine protein dependency ratio (MPDR) is the calculation made for proteins and the marine oil dependency ratio (MODR) is for oils and fats. Dietary protein sources and oils or lipids from all capture fish, shellfish or zooplankton are classified as marine sources. (Nofima Report 36/2014).

The efficiency in the use of marine ingredients is important, and farmed salmon is well known to be very efficient in its feed conversion. For example in 2016, EWOS estimated a MPDR of 0.90 (compared to 0.83 in 2015 and 1.01 in 2014), which means that the build-up of proteins by salmon has been higher than the amounts received through the feed. For marine oil the development is similar. EWOS used less oil in the feed (0.66) than the amount produced by the salmon. For comparison EWOS used 0.74 units of oil in 2015 and 0.79 units in 2014.

Estimated Marine Nutrient Ratios





Note: The figures are excl. EWOS Vietnam

The following list shows the countries of origin for many of the fish species used in fishmeal and fish oil purchased by EWOS and used in Cermaq’s production.

Country of origin

| FISH SPECIES | COUNTRY |
|---------------|--|
| Anchovy | Chile, China, Peru |
| Blue whiting | Denmark, Faroe Islands, Iceland, Ireland, Norway, UK |
| Capelin | Iceland, Norway |
| Gulf menhaden | USA |
| Norway Pout | Denmark, Norway |
| Sand eel | Denmark, Norway |
| Sardine | Chile, Panama |
| Sprat | Denmark, Norway, Ireland |

Cermaq has strict requirements to its feed suppliers, and encourages certified sources of ingredients. As stated on their web page, EWOS prioritizes the use of feed ingredients that is judged to be sustainable based upon sources such as IMARPE and Sernapesca in South America, ICES in Europe, and National Marine Fisheries Service, Gulf States Marine Fisheries Commission, and Atlantic States Marine Fisheries Commission in the USA. EWOS is a strong supporter of the IFFO

Responsible Supply Standards, and in line with Cermaq's requirements, EWOS does not accept IUU/illegal fishing as sources for the fish oil or fish meal they purchase.

EWOS participated in the development of the RTRS and ProTerra standards for responsible soy and also supports the FEAC guidelines for responsible soy. In 2014, both EWOS and Cermaq signed The New York Declaration on Forests aiming at stopping deforestation and focusing especially on soy and palm oil.

EWOS source soy products from Brazil, their main supplier, that are certified to ProTerra, RTRS or equivalent. Use of soy products from other countries can be approved given evidence that they are responsibly sourced or that the suppliers have development programs in place to achieve credible third-party certification.

The table below shows the fish species and category of raw material used for salmonid feed primarily, but also raw materials used for other fish species like pangasius and tilapia. In 2016, EWOS' use of marine ingredients derived from fish trimmings and by-products was 33 percent (compared to 32.2 percent in 2015).

Overview of fish species used to make fishmeal and fishoil for EWOS group feed 2016

| CATEGORY | SPECIES | CATEGORY % | TOTAL % |
|--|-----------------------------|------------|-------------|
| Fish trimmings & byproducts | Herring trimmings | 50.8 | 16.3 |
| | White fish offal | 24.1 | 7.8 |
| | Hake trimmings | 3.0 | 1.0 |
| | Atlantic mackerel trimmings | 7.9 | 2.5 |
| | Capelin | 3.5 | 1.1 |
| | Various species | 10.8 | 3.5 |
| Fish trimmings & byproducts Total | | 100 | 33.0 |
| Forage Fish | Anchovy | 29.2 | 19.6 |
| | Blue whiting | 31.2 | 20.9 |
| | Capelin | 3.5 | 2.3 |

| | | |
|---------------------------------------|------------|-------------|
| Gulf menhaden | 7.9 | 5.3 |
| Norway pout | 2.0 | 1.3 |
| Sand eel | 2.3 | 1.6 |
| Sardine | 9.4 | 6.3 |
| Sprat | 10.7 | 7.2 |
| Various species | 3.8 | 2.5 |
| Forage Fish Total | | |
| Other Marine Ingredients | 100 | 67.0 |
| Other Marine Ingredients Total | | |
| | | 100% |

Notes: Species that individually make up less than 2% of the mix have been grouped together under 'various species'. Countries making up less than 2% of the total fish meal + fish oil are not listed.

More information on EWOS feed ingredients, sourcing and sustainability management is available in the EWOS sustainability report on their webpage.

CEQ 11 LOCAL COMMUNITY COMPLAINTS

We recognize that our operations impact our neighbors and local communities in various ways, and we take care to register all complaints to our operations in order to address the root cause and make improvements. Cermaq operates in remote areas and engages closely with local communities. In order to operate sustainably we need to have a respectful interaction with our local communities for a long term period.

There were no community complaints reported in 2016, compared to six in total for all regions in 2015.

CEQ 12 WHISTLE BLOWING INCIDENTS

Whistle blowing is regarded as positive in Cermaq Group because we get the opportunity to correct any incidence of wrong doing. Cermaq's current whistle blower channel for external stakeholders was established in 2014, with appropriate routines, procedures and technical specifications.

In 2016, a total of 7 whistle blowing incidents were reported (internal and external). For comparison, there were five cases of whistle blowing incidents in 2015. The reports were assessed and closed in accordance with procedures.

Below are the whistle blowing incidents recorded in Cermaq by country for the past three years.

| | 2014 | 2015 | 2016 |
|---------------------|----------|----------|----------|
| Cermaq Norway | 1 | 1 | 1 |
| Cermaq Chile | 0 | 1 | 4 |
| Cermaq Canada | 0 | 3 | 2 |
| Cermaq Group AS | 1 | 0 | 0 |
| Cermaq Group | 2 | 5 | 7 |

CEQ 15 COUNTRY-BY-COUNTRY FINANCIAL AND ORGANISATIONAL DATA

Transparency regarding organizational ownership, management and operations, is regarded as important to fight corruption and to demonstrate responsible business conduct. The table below shows Cermaq's financial and organizational data for each country in the Group.

| COUNTRY | REVENUES BEFORE TAX | INCOME TAX | INVESTMENTS | COMMUNITY INVESTMENT | FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT | NUMBER OF EMPLOYEES |
|-----------------|---------------------|------------|-------------|----------------------|---|---------------------|
| Cermaq Group AS | -106 | 30 | 1 | 0.6 | 2.5 | 40 |
| Cermaq Norway | 1556 | -338 | 371 | 1.2 | 1.4 | 578 |

| | | | | | | |
|---------------|-------------|-------------|------------|----------|-----------|-------------|
| Cermaq Chile | 170 | -151 | 176 | 0.3 | 7.4 | 2481 |
| Cermaq Canada | 868 | -225 | 101 | 0.4 | 0.2 | 253 |
| Total | 2488 | -684 | 649 | 3 | 12 | 3352 |

Numbers in mill. NOK

Period accounted for is 01.01.2016 to 31.12.2016.

NOTE: Figures include Salmones Humboldt for nine months (April-Dec.) except for Community investments, Financial assistance received from government and Number of employees. Community investments include support to various stakeholders and initiatives such as NGOs, sports, culture, training, education and various charities and foundations. For more information please consult the financial statements of Cermaq Group.

CEQ 16 ASC CERTIFICATION

The Aquaculture Stewardship Council (ASC) aims to be the world's leading certification and labelling program for responsibly farmed seafood. The ASC's primary role is to manage the global standards for responsible aquaculture, which were developed by the WWF Aquaculture Dialogues.

As of December 2016, Cermaq had 18 ASC certified sites. Of these 5 were in Norway, 5 in Canada and 8 in Chile.

ASC works with aquaculture producers, seafood processors, retail and foodservice companies, scientists, conservation groups and consumers to:

- Recognize and reward responsible aquaculture through the ASC aquaculture certification program and seafood label.
- Promote best environmental and social choice when buying seafood.
- Contribute to transforming seafood markets towards sustainability.

Cermaq aims to certify its farming sites to the salmon standard for responsibly farmed salmon from the Aquaculture Stewardship Council (ASC). This is the first time that Cermaq reports ASC

from the Aquaculture Stewardship Council (ASC). This is the first time that Cermaq reports ASC certification as a separate indicator in our annual report. Ongoing certifications can also be found on ASC's website. The table below provides an overview of all ASC certified sites in Cermaq as of 31 December 2016.

| COUNTRY | SITE NAME | FISH SPECIES | PRODUCTION CAPACITY |
|---------|-------------------|--------------|---------------------|
| Norway | Anevika | ATS | 5400 |
| | Nordnes | ATS | 3480 |
| | Store Lerresfjord | ATS | 3480 |
| | Oksøya | ATS | 5400 |
| | Veggfjell | ATS | 3480 |
| Chile | Canal Contreras | ATS | 4500 |
| | Punta Laura | ATS | 4800 |
| | Punta Laura Norte | ATS | 3000 |
| | Unicornio Sur | ATS | 3500 |
| | Estero Navarro | ATS | 5236 |
| | Isla García | RBT | 4500 |
| | Isla Marta | RBT | 3750 |
| | Unicornio | RBT | 3750 |
| Canada | Bare Bluff | ATS | 2640 |
| | McIntyre Lake | ATS | 2640 |
| | Mussel Rock | ATS | 2050 |
| | Brent Island | ATS | 3000 |
| | Venture Point | ATS | 3393 |

Note: Production capacity is in tons as maximum allowed biomass by farming site during one farming cycle. The production capacity is granted from 2015 until 2020, depending on the issue date of the certification

A certified farming site must comply with several requirements, including 150 sustainability criteria such as wildlife interactions, sea lice counts, fish escapes and unexplained loss among others. Some indicators such as wildlife interactions and sea lice counts must be reported and be publicly available. This information is provided in the [Cermaq ASC Dashboard](#).

Advantages of ASC salmon

ASC certification can help consumers make positive environmentally and socially responsible choices when buying seafood. It gives at-a-glance reassurance that the seafood comes from a farm which uses responsible farming methods that minimize environmental and social impacts. It lets consumers enjoy seafood with a clear conscience; they know where it's come from and how it's been produced. It ensures transparency, so that seafood products are traceable from farm to fork.

CEQ 17 BIRDS AND MAMMALS

Cermaq recognizes the potential for fish farming operations to impact biodiversity, either directly or indirectly. We operate in areas with rich biodiversity where several species of plants and animals interacts with our farming activities. Also in Chile salmonids are non-native fish species where our operations could have an impact on biodiversity.

Cermaq does not operate any sites in any protected areas as defined by the International Union for Conservation of Nature (IUCN) or National legislation. Birds and mammals mortalities is reported by accidental and intentional events and has been calculated as a total number of interactions divided by the total number of active sites from January to December 2016, following the definition set by the Global Salmon Initiative (GSI).

| | ACCIDENTAL | | INTENTIONAL | |
|--------|------------|---------|-------------|---------|
| | Birds | Mammals | Birds | Mammals |
| Chile | 0 | 0.02 | 0 | 0 |
| Norway | 4.6 | 0 | 1.4 | 0 |
| Canada | 0.2 | 0.05 | 0 | 0 |

A requirement of the Aquaculture Stewardship Council, wildlife interactions on ASC certified sites are covered by public reporting within 30 days of any death of birds or marine mammals, whether unintentional or intentional. ASC requirements also include a requirement of no mortalities of endangered or red-listed marine mammals or birds as defined by IUCN or national endangered species list.

Cermaq will continue to install preventive measures and monitoring to reduce the number of interactions with wildlife. Please consult Cermaq's ASC dashboard for reports of incidents with wildlife on ASC certified sites in each region.



GRI Indicators

Cermaq reports on topics that have been found material for our operations and to our stakeholders, and use the Global Reporting Initiative (GRI) Standards as the framework.

How we define our material topics is described in further detail in our [Materiality Analysis](#). We use the GRI Standards as the framework to identify specific indicators to report on for each material topic, and these are presented on this page. In line with best practice, Cermaq has chosen to use the updated GRI Standards for the 2016 GRI report, which has been prepared in accordance with the Core level. In addition, we have developed a separate set of material indicators which are made specifically for our industry and our operations. These can be found under [Cermaq indicators](#).

Here you will find the GRI indicators categorized in General Disclosures, Economic, Environmental and Social indicators for our operations in Norway, Chile and Canada for 2016.

GRI General Disclosures

1. ORGANIZATIONAL PROFILE

102-1 NAME OF THE ORGANIZATION

Cermaq Group AS

102-2 ACTIVITIES, BRANDS, PRODUCTS, AND SERVICES

Farming and sales of Atlantic salmon, Coho salmon and trout, under the brands Cermaq, Mainstream and Cultivos Marinos.

102-3 LOCATION OF HEADQUARTERS

Dronning Eufemias gate 16, 0102 Oslo, Norway

102-4 LOCATION OF OPERATIONS

Cermaq has significant operations in three countries, in Norway, Canada and Chile. For more information read about [our organization](#).

102-5 OWNERSHIP AND LEGAL FORM

Cermaq Group AS is a fully owned subsidiary of Mitsubishi Corporation.

102-6 MARKETS SERVED

Cermaq sells its salmon products globally, where the main markets are USA, EU, Norway, Canada, Brazil, Chile, Japan, China and Russia.

102-7 SCALE OF THE ORGANIZATION

Cermaq operates in three countries, subsidiaries and associated companies of significant size are:

- Parent company Cermaq Group AS
- Cermaq Holding AS
- Cermaq Norway AS
- Cermaq Canada Ltd.

- Inversiones Cermaq S.A
- Mainstream Chile S.A
- Cermaq Chile S.A.
- Nueva Mainstream Chile S.A.

The GRI report covers Cermaq's aquaculture operations.

Key figures

102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

Workforce

102-9 SUPPLY CHAIN

Cermaq's value chain

102-10 SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN

On 1st of December 2016 Cermaq's Chilean operations were merged with Salmones Humboldt, a salmon farming company fully owned by Mitsubishi Corporation, and the company is operating under the name Cermaq Chile S.A.

Other changes in the operations include:

- Cermaq Norway has in previous years relied on smolt production from external suppliers. In October 2016, Cermaq's new hatchery started to operate in Forsan, which has a total production capacity of 12.2 million smolts by year and allows production from hatching until smoltification.
- In Norway, Norgrain was discontinued in 2016.

102-11 PRECAUTIONARY PRINCIPLE OR APPROACH

Cermaq follows a precautionary approach to the management of all risk areas (including sustainability) through its annual risk assessment process and reporting model. The model allocates responsibility and tasks for risk mitigating activities connected with any identified critical or significant risks, in the process are included the countries where

Cermaq has significant operations. Furthermore, the company's guidelines for ethical and corporate responsibility explicitly state that "If doubts arise as to whether an activity is permitted or justifiable on the basis of the ethical and corporate responsibility guidelines, the person in question should seek advice from his/her immediate superior."

Cermaq has been closely following up risks in its farming operations through monthly and quarterly reporting, including external sustainability reporting each quarter starting in 2016. Risks are assessed and followed up by management.

One of Cermaq's five values is Long term perspective explained by the view that long term profit comes before short term gain because Cermaq's success is defined by value creation over time and lasting customer satisfaction.

102-12 EXTERNAL INITIATIVES

Global initiatives

102-13 MEMBERSHIP OF ASSOCIATIONS

Norwegian Seafood Federation (Sjømat Norge, formerly known as FHL); British Columbia Salmon Farmers Association (BCSFA); Canadian Aquaculture Industry Alliance (CAIA); Salmon Chile, Global Salmon Initiative (GSI); UN Global Compact.

2. STRATEGY

102-14 STATEMENT FROM SENIOR DECISION MAKER

Please see the CEO comments to the GRI report

3. ETHICS AND INTEGRITY

102-16 VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR

The following codes and guidelines have been implemented and are widely distributed throughout the Cermaq Group. They are also available on our web page.

Cermaq values

Ethical and Corporate Responsibility guidelines

Whistle blowing.guidelines

4. GOVERNANCE

102-18 GOVERNANCE STRUCTURE

The general meeting is the highest governance body in Cermaq Group AS (“Cermaq”). The General meeting of Cermaq elects the shareholder elected directors, the auditor and also approves the annual accounts and the board remuneration. In addition, three directors of the Board are elected by and amongst the Norwegian employees.

The Board sets the strategic direction for the company and resolves budgets, annual goals and guidelines for the operations of the company. Further, the Board monitors the company’s management and operations, resolves matters outside the ordinary course of business and appoints the CEO. The Board established a remuneration committee in 2016 to develop recommendations to the Board in matters concerning remuneration. The Board did not have any other sub-committees in 2016. The CEO is responsible for the daily management and operations of the company and reports to the Board.

Environmental and social topics are followed up by Cermaq’s global Sustainability Functional Team (SFT), which is chaired by the Head of Sustainability and Risk, and which has the Chief Legal Council (member of the Cermaq management team) as sponsor. Material issues and sustainability reports are reviewed by the SFT before providing recommendations to the Cermaq management team, who has the decision making authority.

5. STAKEHOLDER ENGAGEMENT

102-40 LIST OF STAKEHOLDER GROUPS

The stakeholder groups are described under Stakeholder engagement

102-41 COLLECTIVE BARGAINING AGREEMENTS

Workforce

102-42 IDENTIFYING AND SELECTING STAKEHOLDERS

The stakeholder identification process is described under Stakeholder engagement

102-43 APPROACH TO STAKEHOLDER ENGAGEMENT

The approach to stakeholder engagement is described under [Stakeholder engagement](#)

102-44 KEY TOPICS AND CONCERNS RAISED

Overview of key topics and concerns are available under [Stakeholder engagement](#)

6. REPORTING PRACTICE

102-45 ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The GRI report covers Cermaq's aquaculture operations. Entities included are presented under 102-7. Please consult the Financial accounts after publication in Q3 2017 for more details.

102-46 DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

Materiality assessment and targets for those topics included are discussed and reviewed by the Global Sustainability Functional Team and approved by Cermaq management. The data for Cermaq's sustainability report is collected through the consolidation system Cr360. Each operating company provides its data into the system following the four eyes principle, with separate individuals entering and approving the data. The data is quality assured both at regional level and by Cermaq Group, who consolidates the report. Quality control of key performance indicators is furthermore conducted monthly and quarterly, and the reports are reviewed by Cermaq management. For deviations from target, follow up actions are required.

In this GRI report, only Cermaq data is reported, with the exception of 6 disclosures which include Salmones Humboldt data (indicated under each disclosure).

Cermaq's Materiality Assessment

102-47 LIST OF MATERIAL TOPICS

Cermaq's Materiality Assessment

102-48 RESTATEMENTS OF INFORMATION

Cermaq has decided to continue to report the GRI report by calendar year also in 2016, while the financial accounts are reported in accordance with the Mitsubishi Corporation fiscal year, from April to March. Please consult the 2016 financial accounts for any further

restatements.

102-49 CHANGES IN REPORTING

Cermaq's 2016 GRI report is prepared in accordance with the new GRI Standards to a Core level. In 2015, Cermaq reported in accordance with GRI G4 Comprehensive level.

From 2016, Cermaq reports its financial accounts in accordance with the Mitsubishi Corporation fiscal year, from April to March, which means that the financial and sustainability accounts are now published separately. The GRI report continues to be reported by calendar year for 2016 to allow for inclusion in benchmarking processes and timely release relative to other industry and sustainability reports.

In this GRI report, only Cermaq data is reported, with the exception of 6 disclosures which include Salmones Humboldt data (indicated under each disclosure).

102-50 REPORTING PERIOD

Cermaq's GRI reporting period follows the calendar year 2016, from January to December 2016. Since 2016, Cermaq follows the Mitsubishi accounting year from April to March and will release its financial accounts separately. Some parts of the GRI general disclosures hence refer to information that will be released with the financial accounts in Q3 2017.

102-51 DATE OF MOST RECENT REPORT

The previous GRI report was published in April 2016 and is available [here](#).

102-52 REPORTING CYCLE

In 2016, Cermaq follows an annual GRI reporting cycle from January to December.

102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

Please contact: Lise Bergan, Director Communications and Corporate Affairs. E-mail: post.group@cermaq.com

102-54 CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

This report has been prepared in accordance with the GRI Standards, Core level.

102-55 GRI CONTENT INDEX

[GRI Content Index](#)

102-56 EXTERNAL ASSURANCE

| | | | | | | | |
|---|---------------------------------|---|--------|--------|------------------|--------|----------------|
| <i>Revenues</i> | | 8,003,918,198,678,616,149,155,3153,280,605 | | | | | 11,634,344 |
| Economic Value Distributed | | | | | | | |
| <i>Operating costs</i> | <i>Cost of materials</i> | -3,218,779,674,992,446,472,197,54486,703 | | | | | -7,447,360 |
| | <i>Other operating expenses</i> | -947,822,268,208,705,250,435,6281,021,833 | | | | | -1,672,836 |
| <i>Employee wages & benefits</i> | | -889,812-1,001,21740,036-774,381 -633,745 | | | | | -828,628 |
| <i>Payments to providers of capital</i> | <i>interest expense</i> | -116,554-124,407-104,752-129,345 -52,030 | | | | | -48,989 |
| | <i>Dividend payment</i> | 0 | 0 | 0 | -4,884,00092,500 | | -428,000 |
| <i>Payments to government</i> | <i>Income tax expense</i> | -683,52915,254 -21,158 -257,416 -295,927 | | | | | -211,862 |
| <i>Community investments</i> | | -2,549 | -3,135 | -4,520 | -3,850 | -3,904 | -10,551 |
| <i>Sub total</i> | | -6,859,050,053,578,022,189,682,1642,186,642 | | | | | -10,648,226 |
| Economic Value Retained | | 1,144,86845,106 593,956 -4,526,850,093,962 | | | | | 986,118 |

* 2016: 12 months from 01.01.2016 to 31.12.2016. 2016 figures include Salmones Humboldt for 9 months (April-Dec.) except for Community investments and Payments to government.

** 2015: 15 months from 01.01.2015 to 31.03.2016 due to change in financial accounting year. Previous years are 12 months calendar year.

201-2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Climate change has the potential to significantly impact the salmon farming industry, and risks related to e.g. extreme weather conditions and natural events are assessed as a high risk area for Cermaq Group. Climate change impacts may also affect the industry's feed supply due to a decrease in agricultural production, changes in forage fisheries, replacement of species or changes in amount of inclusion. Climate change adaptation is hence an increasingly important aspect of Cermaq's risk management.

The industry also sees opportunities related to climate change. The results from scientific

The industry also sees opportunities related to climate change. The results from scientific studies show that farmed fish has a relatively low carbon footprint compared to other protein sources, such as beef and pork (e.g. FAO 2014: “The State of World Fisheries and Aquaculture” and the GSI sustainability report 2015). The world’s population is growing and demands more protein. Farmed salmon represents a solution to the challenge of climate change by providing a low-impact protein source.

Below is an overview of main risks and opportunities related to climate change for Cermaq Group, including the implications and management.

PHYSICAL RISKS AND OPPORTUNITIES

Changes in weather patterns

Increased frequency of extreme weather events may cause storms, mudslides and/or flooding, resulting in damage to hatcheries and fish farm sites with sea water cages. This may have consequences for the safety of employees, fish escapes and insurance costs.

In Cermaq’s operations, extreme weather such as storms and currents are experienced in all regions quite regularly. Norway experienced a hurricane in February 2015 which resulted in significant material damage (the hurricane “Ole”). In British Columbia, challenging environmental conditions were experienced in the past summer caused by prolonged periods without rain, rising seawater temperatures, algae presence and low dissolved oxygen. In Chile, several algae blooms were reported in February and March 2016 due to high seawater temperatures, higher solar radiation and sea water salinity, which resulted in a significant loss of biomass in the industry. These events occurred during a strong “El Niño” - Southern Oscillation event, which has an erratic behavior that affects global weather patterns and which also has been reported to be influenced by climate change.

Impacts on feed ingredients

Weather changes could impact the availability and price of raw materials (both marine and terrestrial) for feed produced which means higher feed costs for salmon farmers.

Risks related to change in mean (average) temperature

Warmer water could affect aquaculture in temperate zones, making it impossible to farm some species. The Marine Climate Change Impacts Partnership (MCCIP) publishes

information about risks connected to warmer water temperatures, such as an increase in disease-causing pathogens.

Higher temperatures also may lead to the introduction or displacement of new fish species and the risk of new sanitary challenges. Several fish parasites have shorter live cycles in warmer temperatures, which could increase the loads and which in turn may impact fish health and welfare.

Risks related to ocean acidification

Ocean acidification due to increased levels of CO₂ poses a risk to marine life, and may affect the environmental conditions for salmon production and the availability of marine ingredients in the salmon feed. As pointed out in an analysis made by Kroeker et al (2013), in general heavily calcified organisms, including calcified algae, corals and mollusks are the most negatively impacted, whereas crustaceans, fish, fleshy algae, seagrass and diatoms are less affected or may even benefit from acidification. Some fleshy algae and diatoms may benefit, although marginally, from the same conditions. Algae blooms are known to have negatively impacted salmon farming sites in Canada and Chile and pose a risk to fish health and welfare. (Source: *Impacts of ocean acidification on marine organisms: quantifying sensitivities and interaction with warming*; *Glob Chang Biol.* 2013 Jun; 19(6): 1884–1896).

Opportunities related to change in mean (average) temperature

Increasing sea water temperatures could enhance the growing conditions for salmon farming, allowing for faster growth rates and reduced production costs. A report from MCCIP explains opportunities connected to growth and type of species cultivated. Rising sea water temperatures could increase growth rates for some fish species (e.g. Atlantic Salmon), and new species could be cultivated (e.g. Sea Brass and Bream). Increase in water temperature may lead to the displacement of local species or introduction of new species.

Changes in sea water temperatures could allow for new salmonid farming sites located farther north than before.

Financial implications of the physical risks and opportunities

Financial implications related to physical risks are increased fish mortality, physical

destruction of aquaculture facilities, loss of stock, spread of disease, higher cost in disease prevention and increased feed costs. Changes in sea water surface temperatures could impact the conditions for fish farming. In extreme cases, higher sea water temperatures may cause physiological stress to the fish, reduce seawater oxygen levels and cause harmful algae blooms that increase the risk of mortality and fish health issues, which all have negative financial impacts. Increased water temperatures may also lead to increased sea lice load and hence higher treatment costs. Challenges in the feed supply chain due to climate related issues may lead to lower availability of feed and increased costs.

Higher temperatures in some regions could mean faster growth, which results in decreased production costs for our fish farming operations. However, because the optimal water temperature for growing salmon is 12 to 14 degrees, if temperatures rise above 15 degrees, growing conditions become suboptimal and can increase risk of diseases, prompt algal blooms and lead to longer production cycles.

How we manage the physical risks and opportunities

Risks connected with extreme weather events are mitigated through applying site-specific risk assessments for elements such as weather patterns and temperatures, and implementing specific protocols and climate change adaptation measures.

Changes to sea water surface temperatures are in some ways mitigated by the geographic diversity of Cermaq's operations. Evaluating further expansion potential is a part of the management's yearly strategic process reviews.

REGULATORY RISKS AND OPPORTUNITIES

Emission reporting obligations

There is a general trend towards regulation related to carbon footprint disclosure at point of sale. This may affect all products marketed in the EU.

Carbon taxes

CO2 regulations and increased tax on fossil based fuel and energy represent a risk of higher operational costs.

General environmental regulations

General environmental regulations

Changes in environmental regulations may pose a risk, such as emissions regulations for production sites, increased taxation on energy and fuel and increased reporting demand.

General environmental regulation opportunities

Any new regulations are an opportunity if the organization is well prepared. Immediate compliance can be a competitive advantage.

Financial implications of the regulatory risks and opportunities

Cermaq expects financial implications on two levels: increased operational costs and resources for reporting and labelling purposes; and possible inability to comply with new legislation. Ultimately this could interfere with the access to international markets for our products.

Investment in time and efforts to comply with new regulations and follow-up and reporting procedures are financial implications of pursuing the opportunities.

How we manage the regulatory risks and opportunities

Cermaq Chile has developed a tool for measuring the carbon footprint of salmon products and has since 2009 onwards been able to determine the carbon footprint of its products. Based upon the information obtained it may be possible to:

Decide upon active strategies for managing the carbon footprint of salmon products in the future, and minimize GHG emissions wherever possible

Cermaq's sustainability functional team discusses new regulations and initiatives and their impact on our business. Compliance with regulations is followed up in the quarterly sustainability reporting process.

202-2 PROPORTION OF SENIOR MANAGEMENT HIRED FROM LOCAL COMMUNITY

Cermaq bases its operations on local recruitment of senior management, and in 2016 the proportion of management hired from local communities averaged 65 percent (compared with 78 percent in 2015). Senior management includes the management team reporting

directly to a Chief Operating Officer, and people reporting directly to Group Management team.

International assignments are seen as positive for personal development in a multinational organization like Cermaq, and employees are encouraged to gain international experience to help share knowledge between our operations and to develop our corporate culture.

| PROPORTION OF LOCAL HIRES AND FEMALE MANAGERS | | CERMAQ GROUP AS | CERMAQ NORWAY | CERMAQ CHILE | CERMAQ CANADA | CERMAQ GROUP INCL. CERMAQ AS |
|---|---|-----------------|---------------|--------------|---------------|------------------------------|
| | | | | | | |
| 2014 | | | | | | |
| Total size of management group | # | 6 | 8 | 7 | 10 | 31 |
| Number of local hires | # | 6 | 8 | 7 | 8 | 29 |
| Number of female management hires | # | 1 | 1 | 1 | 2 | 5 |
| % of senior management hired from local community - local hires | % | 100% | 100% | 100% | 80% | 94% |
| Proportion of female managers | % | 17% | 13% | 14% | 20% | 16% |
| 2015 | | | | | | |
| Total size of management group | # | 7 | 8 | 7 | 10 | 32 |
| Number of local hires | # | 2 | 8 | 7 | 8 | 25 |
| Number of female management hires | # | 1 | 1 | 1 | 2 | 5 |
| % of senior management hired from local community - local hires | % | 29% | 100% | 100% | 80% | 78% |
| Proportion of female managers | % | 14% | 13% | 14% | 20% | 16% |
| 2016 | | | | | | |
| Total size of management group | # | 6 | 9 | 12 | 10 | 37 |
| Number of local hires | # | 3 | 4 | 9 | 8 | 24 |
| Number of female management hires | # | 0 | 1 | 2 | 2 | 5 |
| % of senior management hired from local community - local hires | % | 50% | 44% | 75% | 80% | 65% |

| | | | | | | |
|-------------------------------|---|----|-----|-----|-----|-----|
| Proportion of female managers | % | 0% | 11% | 17% | 20% | 14% |
|-------------------------------|---|----|-----|-----|-----|-----|

The proportion of female managers in Cermaq is low at 13.5 percent in 2016 and represents an unfortunate decrease from 15.6 percent in 2015. The decline reflects changes in the Group management team as well as management in the operational companies.

205-2 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Cermaq's ethical and corporate guidelines are available to all employees and governance body members, and are communicated to all new employees. The Guidelines prohibit any form of corruption. An e-learning anti-corruption training program was rolled out to management and employees in positions at risk in the majority of the operating companies in 2012. In 2015, a new e-learning program was developed, targeting employees in positions with high risk exposure. In total, 220 employees across all operating companies underwent e-learning and a self-assessment training program to increase own awareness and knowledge relating to corruption risks in 2015 and 2016.

In 2016, 90 percent of managers and administrative employees in Cermaq Canada received anti-corruption training, in Cermaq Chile 34 percent received training and in Cermaq Norway 68 percent received training. In Cermaq Group AS, 85 percent of managers and administrative employees received anti-corruption training.

Anti-corruption expectations to Cermaq's suppliers were also developed through the establishment of the Cermaq Supplier Code of Conduct in 2014, which is communicated and was updated in January 2017 on Cermaq's website.

205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

There were no confirmed incidents of corruption in Cermaq Group in 2016.

FP 9 PERCENTAGE AND TOTAL OF ANIMALS RAISED AND/OR PROCESSED, BY SPECIES AND BREED TYPE

Gutted weight (GWE) is a measurement of fish production. It is a calculation where the biomass in tons of closing stocks of live fish is added with the biomass in tons harvested, subtracted by the opening stock in tons of live fish for a specific period of time. This biomass determination is corrected by a 1.2 factor in order to determine the live weight of the biomass or LWE.

Our key performance indicators on medicine use in our annual reports are ratios of amount of active ingredients by LWE.

The salmonid species and tonnes produced (LWE) are summarised in the table below.

| FISH PRODUCTION (LWE) | VOLUME | 2016 |
|-----------------------|---------------------|--------|
| Atlantic salmon | <i>Tonnes (LWE)</i> | |
| <i>Cermaq Norway</i> | | 64,777 |
| <i>Cermaq Chile</i> | | 36,416 |
| <i>Cermaq Canada</i> | | 23,831 |
| Coho salmon | <i>Tonnes (LWE)</i> | |
| <i>Cermaq Chile</i> | | 12,428 |
| Rainbow trout | <i>Tonnes (LWE)</i> | |
| <i>Cermaq Chile</i> | | 4,842 |

Fish production is the increase of tonnes in biomass produced within a year, which also

considers the amount in tonnes of biomass harvested in the same period.

Atlantic salmon production (LWE) increased in Norway, Chile and Canada compared with the 2015 production, to 64.777, 36.416 and 23.831 tonnes respectively. Also during 2016, there was a reduction of Rainbow Trout production of 1.379 tonnes LWE in Chile and a stronger reduction of Coho salmon production of 12.810 tonnes LWE in the same country. This reduction was largely a consequence of unfortunate events such as the volcano eruption in Chile during 2015 and later the algae blooms in March 2016.

GRI Environmental Indicators

301-1 MATERIALS USED BY WEIGHT OR VOLUME

301-2 RECYCLED INPUT MATERIALS USED

The disposal of products and packaging materials is a steadily growing environmental challenge. Establishing effective recycling and reuse systems to close product cycles can contribute significantly to increase material life cycle, resource efficiency and it can decrease costs.

All Cermaq operations shall comply with local and national environmental regulations related to effluents and waste handling. The waste handling procedures vary with the local infrastructure in place. Recycling and reuse of packaging materials should always consider that human health is first and for Cermaq it is priority to couple smart use of materials with food safety of our final products.

This year, Cermaq is starting to report the recycled input materials used to manufacture the organization's primary products and services. The work to strengthen our reporting in this area will continue going forward. This indicator provides insight into what extent our materials are collected and successfully converted into useful materials for new production processes, as well as to what extent we have designed products and packaging capable of being recycled or reused.

In 2016, 55% of the input materials (by tonnes used) were recycled at a Group level. Input packaging used was 1 130 tonnes of materials at a Group level while for output

packaging used was 1.130 tonnes of materials at a Group level, while for output packaging it was 779.431 tonnes.

Cermaq reported input materials used that were recycled, including plastics and wood pallets (used in the transportation of fish feed), cardboard for final product elaboration and wood pallets for storage in processing plants.

Materials used by weight or volume

| PACKAGING SOURCE | MATERIAL TYPE | PACKAGING TYPE | TOTAL USED (TONNES) | DESCRIPTION |
|------------------|-----------------|------------------|---------------------|-------------------------------------|
| Output packaging | Plastic | 6-PS | 776791 | Product boxes |
| Output packaging | Wood | Pallets | 715 | Product pallets |
| Output packaging | Paper/cardboard | Paper | 103 | Box residues |
| Output packaging | Plastic | 2-HDPE | 90 | Plastics used in final products |
| Output packaging | Plastic | 7-Other plastics | 1732 | Polystyrene boxes |
| Input packaging | Plastic | 5-PP | 166 | Supersacs & film feed packaging |
| Input packaging | Wood | Pallets | 762 | Feed pallets |
| Input packaging | Wood | Pallets | 14 | Pallets for storage final product |
| Input packaging | Paper/cardboard | Paper | 1 | Paper for elaboration final product |
| Input packaging | Plastic | 2-HDPE | 99 | Plastic |
| Input packaging | Plastic | 4-LDPE | 88 | Supersacs feed packaging |

Recycled input materials used

| RECYCLED INPUT MATERIALS USED | CERMAQ NORWAY | CERMAQ CHILE | CERMAQ CANADA |
|-------------------------------|---------------|--------------|---------------|
| Plastic 5-PP | 0 | 0% | 37% |

| | | | |
|-----------------|------|------|-----|
| Plastic 4-LDPE | 100% | 0% | 0 |
| Plastic 2-HDPE | 0% | 100% | 0% |
| Wood | 0% | 100% | 48% |
| Paper/cardboard | 0% | 100% | 0% |
| Total | 100% | 100% | 46% |

Note: Norway, Chile and Canada report total of materials used by type of packaging for those materials which are in recycling programs.

302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

The total energy use in Cermaq (including Cermaq Group AS) decreased 7.3% percent in 2016 compared with the previous year.

Energy Consumption by Type (GJ)

| | ENERGY SOURCE | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-----------------------------|------------------|---------|---------|---------|---------|---------|---------|
| Non-renewable fuel consumed | Diesel | 421,584 | 444,214 | 437,163 | 406,220 | 275,985 | 251,353 |
| | Fuel Oil | 17 | 20 | 26 | 60 | 17 | 52 |
| | Crude Oil | 713 | 567 | 561 | 2,643 | 286 | 0 |
| | Gasoline/ petrol | 38,261 | 51,288 | 49,305 | 53,556 | 44,368 | 46,203 |
| | LPG | 0 | 0 | 0 | 0 | 0 | 0 |
| | Natural gas | 75 | 82 | 64 | 96 | 122 | 115 |
| | Propane | 6,554 | 6,457 | 10,104 | 11,859 | 8,050 | 7,805 |

| | | | | | | | |
|--|---------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total non-renewable consumption | | 467,205 | 502,627 | 497,224 | 474,433 | 328,828 | 305,529 |
| Renewable fuel consumed | Biofuel | 4904 | 4939 | 4,301 | 3,282 | 2,620 | 3,296 |
| Total renewable consumption | | 4904 | 4939 | 4,301 | 3,282 | 2,620 | 3,296 |
| Electricity purchased for consumption | | 225,076 | 244,265 | 223,468 | 231,555 | 210,720 | 147,867 |
| Total electricity consumed | | 225,076 | 244,265 | 223,468 | 231,555 | 210,720 | 147,867 |
| Total energy use (Gj) | | 697,185 | 751,831 | 724,993 | 709,270 | 542,169 | 456,692 |
| Δ YoY | | -7.3 % | 3.7 % | 2.2 % | 30.8 % | 19% | |

Note: Total includes Cermaq AS, Cermaq Chile, Cermaq Norway and Cermaq Canada. Diesel includes 95 percent biodiesel blend.

Energy consumption and emissions are calculated by country and is not calculated based on fish species in Chile. Norway and Canada only produce Atlantic salmon. In Chile, Coho salmon typically requires less energy use due to a shorter life cycle and consequently less GHG emissions.

Cermaq reports to the Carbon Disclosure Project (CDP) and more details can be found in our CDP reports available on our webpage.

302-2 ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

Feed is the main input when producing salmon and trout and feed costs constitute approximately 50 percent of the purchasing costs related to fish farming in Cermaq. EWOS continues to be our main feed supplier and below is an overview of the energy consumption for EWOS in 2016.

EWOS Energy Consumption by Type (Gj)

| | | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-----------------|---------------|---------|---------|---------|---------|---------|---------|
| GRI Energy Type | Energy Source | EWOS | EWOS | EWOS | EWOS | EWOS | EWOS |
| Indirect | Electricity | 436,744 | 474,333 | 505,043 | 456,881 | 537,515 | 474,800 |

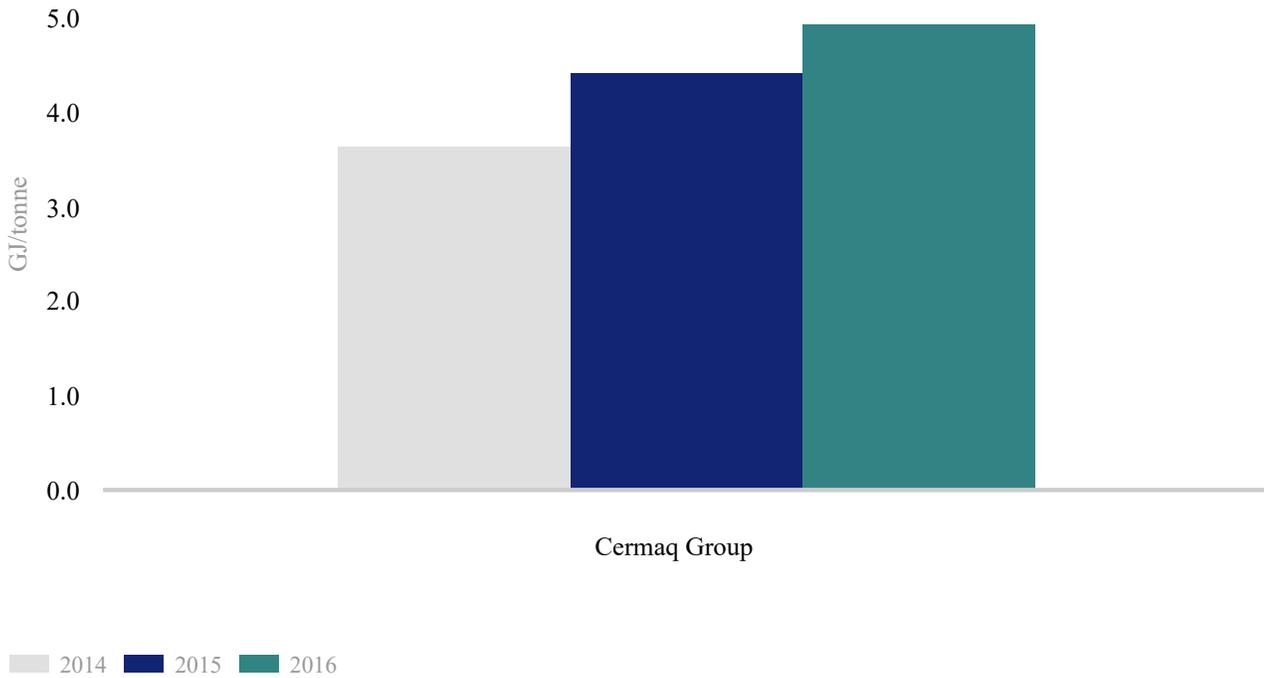
| | | | | | | | |
|--------------------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Direct | Biomass (from rice husk) | 83,145 | 119,486 | 104,290 | 75,340 | 66,481 | 76,772 |
| Direct | Diesel | 2,186 | 2,644 | 1,307 | 3,233 | 7,921 | 14,293 |
| Direct | Fuel Oil | 146,254 | 175,309 | 197,720 | 233,992 | 207,179 | 154,293 |
| Direct | Gasoline/ petrol | 0 | 0 | 0 | 36 | 94 | 188 |
| Direct | LPG | 62,895 | 100,680 | 70,925 | 240,741 | 147,598 | 67,471 |
| Direct | Natural gas | 282,620 | 295,878 | 350,957 | 232,342 | 312,292 | 442,852 |
| Direct | Propane | 1,256 | 1,266 | 1,111 | 1,121 | 1,115 | 1,569 |
| Direct | Biofuel (wood) | 49,374 | 59,914 | 41,510 | | | |
| Total direct + indirect | | 1,064,474 | 1,229,511 | 1,272,863 | 1,243,686 | 1,280,194 | 1,232,238 |
| Δ YoY | | -13% | -3% | 2% | -3% | 4% | |

**Biofuel use is reported by EWOS for the first time in 2014*

302-3 ENERGY INTENSITY

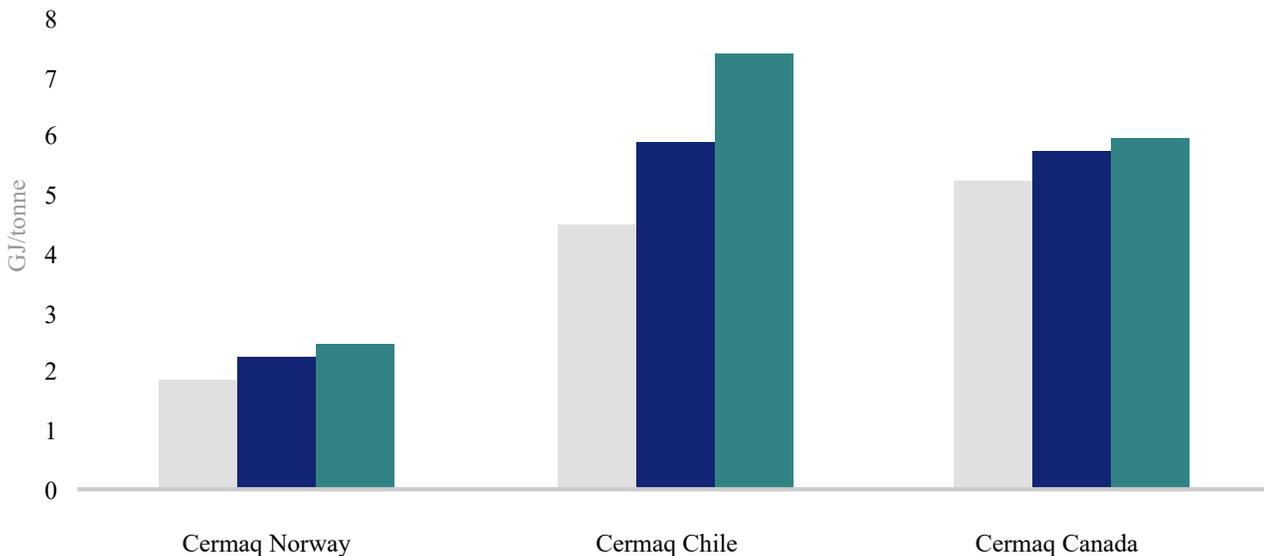
The most relevant energy intensity ratio within salmon farming is to express the energy used in terms of tons of fish produced (GJ/tonne fish Production LWE). This provides a measure of the energy efficiency within the organization. However, some of the energy use is fixed and does not vary with production (e.g. housing facilities at sea sites and energy used in administrative buildings and processing plants). This means that in years with fewer fish in the sea the energy consumption per ton of production will be influenced in a negative way by the fixed consumption.

All energy sources listed in 302-2 are included in the following graph, where the amount of Giga Joules (GJ) used by tonne fish production (LWE) at a Group level is shown.



At a group level the energy use increased from 4.4 GJ per ton produced LWE in 2015 to 4.9 GJ in 2016, also affected by that the fish production (LWE) was reduced during 2016. Our ratio increased by 11.6% at a Group level, even though that we used 54.646 GJ less energy than 2015.

The energy intensity by country shows a similar trend, were all countries increased the energy use by tonne of fish produced. Canada increased by 3.6%, Norway by 10.1% and Chile by 26%.



2014 2015 2016

In absolute numbers, however, a 13% decrease was recorded in Cermaq Chile (59.651 GJ). Even though that the total amount of energy was reduced the energy consumption GJ/tonne LWE increased, driven by a large reduction in production as consequence of the algae blooms in 2016 and the Volcano eruption in 2015. For Cermaq Canada the trends were similar, with an absolute energy use decrease by 0.8% (1.174 GJ) while the energy consumed by tonne fish produced (LWE) increased by 3.6%. Energy intensity in both countries was influenced by lower fish production LWE.

In Norway the absolute energy use increased by 4.2% (6.403 GJ) mainly due to the opening of a new recirculation hatchery at Forsan. These types of facilities require higher energy consumption due to the use of equipment that allows fresh water recycling. In order to reduce energy use, heat recovery systems were installed at Forsan which in the future will decrease the use of 47.605 GJ per year, equal to a reduction of 476 tons of CO₂ emissions by year.

302-4 REDUCTION OF ENERGY CONSUMPTION

Cermaq has a number of initiatives to reduce energy consumption, with some examples provided in the table below. One initiative includes the Carbon and Energy Management Program (CEMP) in Cermaq Canada. The plan includes a year target on 5% of emission reductions for 2018 based on 2014 baseline, the program has identified KPIs and recorded initiatives for carbon emission reduction with identified members and responsibilities. Greenhouse gas emissions baselines are developed following The Greenhouse Gas Protocol. CEMP have outlined initiatives for emission reductions which are ongoing.

The program also uses an energy tracking tool, where energy consumption and emissions (kg/tonnes CO₂) can be recorded for tonnes of fish biomass produced by year, facilities, group of fish, growth stage and feed consumption. Energy consumption is registered on a monthly basis, based on type of energy consumed, amounts used and costs. CEMP was developed for the entire operation following a continual improvement approach in alignment with the ISO50001 Energy Management Standard.

A sample of initiatives per country are provided in the table below.

| ENERGY SAVED | TYPE OF ENERGY SAVING INITIATIVE | ENERGY SAVING INITIATIVES |
|--------------|--|---|
| Canada | 1.174 GJ Carbon and Energy Management Program | <ul style="list-style-type: none"> - Power factor improvement in hatcheries. Installation of capacitor banks to clean up the power and rectify inefficiencies. This is to alleviate power disruptions at the site and prevent surcharges. - Dual gen-set (currently a pilot at Saranac farming site). Power requirements on farm sites vary during the day, when feeding, there is a large power requirement and during non-feeding hours, power requirements are greatly reduced. Dual gen-set installations allow small generators to run when power requirements are low and the larger gen-set kicks in when requirements increase. - LED under water lighting in hatchery - LED under water lighting in farming sites (currently piloting at Dixon Bay & Ross) - Efficient drives (VFD) for hatcheries. Installation of the Variable Frequency Drives allows for use of properly-sized motors. The VFD allows the power to be turned down, rather than maintaining power load and adjusting flow through valving when lower flows are required. - Power meter (currently piloting at Bare Bluff and Saranac sites) This initiative is designed to monitor power requirements so that generators (one or two) could be matched to those requirements. - Using an Energy tracking tool for follow up and improvement of the energy use - Regular communication to create awareness and training to the employees. |
| Chile | n/a Conversion and retrofitting equipment, renewable energy installations | <ul style="list-style-type: none"> - Improvement of efficiency in processes - Environmental awareness and change of lighting to energy saving - Use of electro technical equipment at peak times and process redesign. - Conversion and retrofitting equipment. - Changes in personnel behavior with regards to energy use, installation of lights with motion sensor in Process Plants and changes to energy efficient lighting at sites - Installation of more efficient sprinklers for cleaning process lines in Process Plants. - Rechargeable batteries taken in use in flashlights used by security personnel. Use of solar panels (solar energy) for monitors of |

| | | |
|--------|----------------|---|
| | | automatic feeding system. Staff training in areas related to energy efficiency (e.g. turning off lights or computers when not in use). Maintenance of electricity generating equipment in farms according to hours of use |
| Norway | 36.000 GJ/year | Heat recovery from water |
| | 11.605 GJ/year | Heat recovery from air |
| | n/a | Conversion and retrofitting equipment |
| | n/a | Conversion and retrofitting equipment |
| | n/a | Recycling |
| | n/a | Changes in personnel behavior |

Freshwater site at Forsan uses recovery systems, to significantly reduce heating in the production of smolt. The system uses the heat of the waste water, to increase the water temperature.

Freshwater site at Forsan uses recovery systems from air, to significantly reduce heating in the production of smolt. Systems are implemented to allow exchange of exhaust air with fresh air within the facility, in order to control humidity. Implementation of LED lights in the hatchery for energy consumption reduction.

Econets are replacing old nets that require copper antifoulants. This is part of the strategy for green production in sea-sites. Copper treated nets also require frequent exchanges which are high demanding energy processes.

Elaboration of an energy project with cofounding from ENOVA to convert five sea sites from diesel-powered generators to land based electricity. Implementation is expected during 2017.

Freshwater site at Forsan uses recycling technology to significantly reduce pump use and freshwater use in the production of smolt.

Sailing/driving boats at lower speeds to reduce fuel consumption and switching lights in barges.

303-1 WATER WITHDRAWAL BY SOURCE

Cermaq requires all its operations to be certified in accordance with the ISO14001 Environmental management standard. This shall help ensure that any local negative environmental impacts are identified and managed, in a systematic way, for continuous improvement. We seek improvements in our work to mitigate any negative environmental impacts of our products and services.

Cermaq does not operate in areas where water traditionally has been a scarce factor. However, water management is a part our annual risk analysis. Salmon farming relies upon the availability of good quality water during the entire life cycle of the salmon; starting from broodstock farming, egg production, fingerling process, smoltification and growing phase in the ocean.

Reporting the total volume of freshwater withdrawn by source contributes to an understanding of the overall scale of potential impacts and risks associated with the organization's water. It is also an indication of the organization's importance as a user of water, and provides a baseline figure for other calculations relating to efficiency and use.

Activities to manage water use and water quality in Cermaq include the installation of a new recycling technology at the freshwater site at the Forsan facility in Norway to significantly reduce water use in the production of smolt. In Chile, the Rio Pescado recirculation hatchery recycles the water used in the facility. Future energy-saving initiatives and projects related to resource use are continuously assessed in each of Cermaq's operations. Water used for salmon farming operations shall always be discharged within quality parameters set by the local authorities.

Starting in 2016, Cermaq is reporting water withdrawal externally, broken down by source. We will continue to develop our methods for reporting of water use going forward.

The following is a breakdown of water use by source at Group level in cubic meters (m3).

| AMOUNT WITHDRAWN IN M3 | CERMAQ GROUP |
|------------------------------------|--------------------|
| Purchased water for industrial use | 202.268 |
| Groundwater withdrawal | 28.474.248 |
| Rivers and lakes | 344.484.029 |
| Subtotal | 373.160.545 |
| Rainwater | 0 |

| | |
|-------------------------------|-------------|
| Total water withdrawal | 373.160.545 |
|-------------------------------|-------------|

304-4 IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

Below is an overview of IUCN red list species in or in the vicinity of Cermaq’s operations. Cermaq works continuously to ensure good environmental practices on its farms to minimize negative effects on biodiversity. Any incidents with birds and mammals are publicly reported on Cermaq’s ASC dashboard on www.cermaq.com, and in the GSI sustainability report for all Cermaq operations.

CHILE

The Chilean Ministry of Environment provides a list of 2935 species, with the conservancy state by species, of those there are 100 Chilean native mammals categorized critical endangered (CR), endangered (EN), vulnerable (VU), near threatened (NT) and Data deficient (DD). Within this there are 40 cetacean species included, were 22 are considered as Data Deficient species.

The following list includes all species of cetaceans, mapped by the Chilean Ministry of Environment and categorized as CR, EN, VU, NT and LC by the IUCN red list, which are located in the regions were Cermaq Chile operates. DD species were not included in the following lists.

Marine mammals

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|---------------------------|------------------------------|----------------|
| Balaenoptera borealis | Ballena sei o Rorcual boreal | EN |
| Balaenoptera musculus | Ballena azul | EN |
| Balaenoptera physalus | Ballena fin | EN |
| Caperea marginata | Ballena Franca Pigmea | EN |
| Cephalorhynchus eutrophia | Delfín chileno | NT |

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|-----------------------------------|----------------------------------|----------------|
| <i>Eubalaena australis</i> | Ballena franca austral | LC |
| <i>Megaptera novaeangliae</i> | Ballena jorobada | VU |
| <i>Physeter macrocephalus</i> | Cachalote gigante | VU |
| <i>Tursiops truncatus</i> | Delfín nariz de botella | LC |
| <i>Ziphius cavirostris</i> | Ballena picuda de Cuvier | LC |
| <i>Balaenoptera acutorostrata</i> | Ballena minke | LC |
| <i>Delphinus delphis</i> | Delfín común | LC |
| <i>Grampus griseus</i> | Falso calderón | LC |
| <i>Hyperoodon planifrons</i> | Ballena nariz de botella del sur | LC |
| <i>Lagenorhynchus cruciger</i> | Delfín cruzado | LC |
| <i>Stenella attenuata</i> | Delfín manchado esbelto | LC |
| <i>Stenella coeruleoalba</i> | Delfín listado | LC |
| <i>Steno bredanensis</i> | Delfín de pico áspero | LC |

The next list provides the Carnivorous mammals with habitat in the sea or fresh water where Cermaq Chile operates.

Carnivorous mammals

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|--------------------------------|-------------------------|----------------|
| <i>Arctocephalus philippii</i> | Juan Fernandez fur seal | VU |
| <i>Lontra felina</i> | Chungungo | EN |
| <i>Lontra provocax</i> | Huillín | EN |
| <i>Ommatophoca rossii</i> | Foca de Ross | LC |
| <i>Otaria flavescens</i> | Lobo marino común | LC |
| <i>Mirounga leonina</i> | Elefante marino | LC |

Birds

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|---|-----------------------|----------------|
| <i>Anas platalea</i> | Pato cuchara | LC |
| <i>Anas specularis</i> | Pato anteojillo | NT |
| <i>Ardea cocoi</i> | Garza cuca | LC |
| <i>Asio flammeus</i> | Nuco | LC |
| <i>Asthenes anthoides</i> | Canastero del sur | LC |
| <i>Calidris canutus</i> | Playero ártico | NT |
| <i>Cinclodes oustaleti baekstroemii</i> | Churreta | LC |
| <i>Coscoroba coscoroba</i> | Cisne coscoroba | LC |
| <i>Cygnus melanocoryphus</i> | Cisne de cuello negro | LC |
| <i>Gallinago paraguaiae</i> | Becacina | LC |
| <i>Gallinago stricklandii</i> | Becacina grande | NT |
| <i>Heteronetta atricapilla</i> | Pato rinconero | LC |
| <i>Ixobrychus involucris</i> | Huairavillo | LC |
| <i>Larosterna inca</i> | Gaviotín monja | NT |
| <i>Larus modestus</i> | Gaviota garuma | LC |
| <i>Merganetta armata</i> | Pato cortacorrientes | LC |
| <i>Numenius borealis</i> | Zarapito boreal | CR |
| <i>Pelecanoides garnotii</i> | Yunco | EN |
| <i>Phalacrocorax bougainvillii</i> | Guanay | NT |
| <i>Phalacrocorax gaimardi</i> | Lile | NT |
| <i>Pluvianellus socialis</i> | Chorlo de Magallanes | NT |

| | | |
|---------------------------------|------------------------------|----|
| <i>Pterodroma externa</i> | Fardela blanca | VU |
| <i>Puffinus creatopus</i> | Fardela blanca | VU |
| <i>Rallus antarcticus</i> | Pidén austral | VU |
| <i>Spatula platalea</i> | Pato cuchara | LC |
| <i>Spheniscus humboldti</i> | Pingüino de Humboldt | VU |
| <i>Spheniscus magellanicus</i> | Pingüino de Magallanes | NT |
| <i>Eudyptes chrysocome</i> | Pingüino de penacho amarillo | VU |
| <i>Eudyptes chrysolophus</i> | Pingüino macaroni (VU) | VU |
| <i>Pygoscelis papua</i> | Pingüino papúa | NT |
| <i>Strix rufipes</i> | Concón | LC |
| <i>Sula variegata</i> | Piquero | LC |
| <i>Tachyeres patachonicus</i> | Quetru volador | LC |
| <i>Tachyeres pteneres</i> | Quetru no volador | LC |
| <i>Thalassarche chrysostoma</i> | Albatros de cabeza gris | EN |
| <i>Thalassarche melanophris</i> | Albatros de ceja negra | NT |
| <i>Vultur gryphus</i> | Cóndor | NT |

Fish

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|------------------------------------|-------------|----------------|
| <i>Diplomystes nahuelbutaensis</i> | Tollo | EN |
| <i>Eleginops maclovinus</i> | Róbalo | LC |
| <i>Micropogonias manni</i> | Huaiquil | LC |
| <i>Mugil cephalus</i> | Lisa | LC |

In Chile, Cermaq uses predator nets at farms to avoid marine mammals and birds entering into the farm site and to prevent attacks that are stressful for the fish. In Chile, farming companies are required to report immediately to The Undersecretary of Fisheries and Aquaculture (Subpesca) the culling of any marine mammal at the farm.

Stronger nets have been tested in order to reduce the interaction with wildlife, including stainless steel nets and PET monofilament nets. Both nets are more resistant to strain and to external forces, keeping their shape and reducing the risk of accidental entrapment. Nets for birds are installed at the farm sites to protect the fish, which are constantly assessed to check their structural function.

NORWAY

In Norway, several species are included on the IUCN red list. From all species a total of 13 birds, 1 mammal, 9 fish, 4 algae, 2 mollusks, 1 vascular plant and 3 coral species appear on the national conservation list with habitats in our area of operations. Of them the 13 species of birds and 1 Mammal species are considered to interact closely to our farming sites. The 14 species are categorized as critical endangered (CR) with 1 species, 5 endangered (EN), 3 vulnerable (VU) and 5 near threatened (NT).

The lists below provide the common name, scientific name and the risk category classification for each species.

Birds

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|-------------------------|--------------|----------------|
| <i>Uria aalge</i> | lomvi | CR |
| <i>Rissa tridactyla</i> | krykkje | EN |
| <i>Uria lomvia</i> | polarlomvi | EN |
| <i>Alca torda</i> | alke | EN |
| <i>Sterna hirundo</i> | makrellterne | EN |

| | | |
|---------------------------------|-------------|----|
| <i>Fulmarus glacialis</i> | havhest | EN |
| <i>Cepphus grylle</i> | teist | VU |
| <i>Fratercula arctica</i> | lunde | VU |
| <i>Gavia adamsii</i> | gulnebbloom | NT |
| <i>Larus canus</i> | fiskemåke | NT |
| <i>Somateria mollissima</i> | ærfugl | NT |
| <i>Oceanodroma leucorhoa</i> | stormsvale | NT |
| <i>Stercorarius parasiticus</i> | tyvjo | NT |

Mammals

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|--------------------|-------------|----------------|
| <i>Lutra lutra</i> | oter | VU |

The Norwegian lobster is no longer a red listed species.

CANADA

In Canada, there are 146 species related to the general geographical location of Canadian operations, the ocean and/or farming operations. Of them, 15 are mammals, 5 reptiles species, 4 fish and 126 birds. Many of the species have a broad distribution in the environment and may not interact directly with the facilities, however they were included into this mapping.

The list below include the scientific name, the common name and the risk category for the species which are in the Endangered, Near threatened and Vulnerable categories in the vicinity of Cermaq Canada's operations (Least concern and Data deficient were not included with a total of 87 bird species).

Marine mammals

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|-----------------------------------|-----------------------------|----------------|
| <i>Enhydra lutris</i> | Sea otter | EN |
| <i>Spilogale gracilis</i> | Western spotted skunk | LC |
| <i>Callorhinus ursinus</i> | Northern fur seal | VU |
| <i>Eumetopias jubatus</i> | Steller sea lion | NT |
| <i>Zalophus californianus</i> | California sea lion | LC |
| <i>Mirounga angustirostris</i> | Northern elephant seal | LC |
| <i>Balaenoptera borealis</i> | Sei whale | EN |
| <i>Balaenoptera musculus</i> | Blue whale | EN |
| <i>Balaenoptera physalus</i> | Fin whale | EN |
| <i>Megaptera novaeangliae</i> | Humpback whale | LC |
| <i>Eschrichtius robustus</i> | Gray whale | LC |
| <i>Physeter macrocephalus</i> | Sperm whale | VU |
| <i>Tursiops truncatus</i> | Common bottlenose dolphin | LC |
| <i>Delphinus delphis</i> | Short-beaked common dolphin | LC |
| <i>Globicephala macrorhynchus</i> | Short-finned pilot whale | DD |

Reptiles

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|-----------------|-------------|----------------|
|-----------------|-------------|----------------|

| | | |
|------------------------------|--------------------------|----|
| <i>Caretta caretta</i> | Loggerhead Sea Turtle | EN |
| <i>Chelonia mydas</i> | Green Sea Turtle | EN |
| <i>Dermochelys coriacea</i> | Leatherback Sea Turtle | VU |
| <i>Lepidochelys kempii</i> | Kemp's Ridley Sea Turtle | CR |
| <i>Lepidochelys olivacea</i> | Olive Ridley Sea Turtle | VU |

Fish

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|--------------------------------|--------------------|----------------|
| <i>Thunnus alalunga</i> | Albacore Tuna | NT |
| <i>Acipenser medirostris</i> | Green Sturgeon | NT |
| <i>Acipenser transmontanus</i> | White Sturgeon | LC |
| <i>Sockeye Salmon</i> | Oncorhynchus nerka | CR |

Birds

| SCIENTIFIC NAME | COMMON NAME | CLASSIFICATION |
|--------------------------------|------------------------|----------------|
| <i>Chen canagica</i> | Emperor goose | NT |
| <i>Gavia adamsii</i> | Yellow-billed loon | NT |
| <i>Phoebastria immutabilis</i> | Laysan albatross | NT |
| <i>Phoebastria nigripes</i> | Black-footed albatross | NT |
| <i>Pterodroma inexpectata</i> | Mottled petrel | NT |

| | | |
|------------------------------------|------------------------|----|
| <i>Ardenna griseus</i> | Sooty shearwater | NT |
| <i>Calidris pusilla</i> | Semipalmated sandpiper | NT |
| <i>Melanitta fusca</i> | White-winged scoter | EN |
| <i>Brachyramphus marmoratus</i> | Marbled murrelet | EN |
| <i>Clangula hyemalis</i> | Long-tailed duck | VU |
| <i>Phoebastria albatrus</i> | Short-tailed albatross | VU |
| <i>Ardenna creatopus</i> | Pink-footed shearwater | VU |
| <i>Ardenna bulleri</i> | Buller's shearwater | VU |
| <i>Synthliboramphus hypoleucus</i> | Xantus's murrelet | VU |

In Canada, Cermaq uses bird and predator nets at all farms throughout the production cycle to deter marine mammals. In Canada, farming companies are also required to report immediately to Fisheries & Oceans Canada (DFO) the culling of any marine mammal at the farm.

In British Columbia, the industry is not having a negative impact on the populations of marine mammals. Resident harbor seal populations continue to grow and there is a trend of increasing numbers of migrating Californian sea lions moving up from the United States. Reports show that the Steller sea lion population is also growing.

305-1 DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)

305-2 ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)

305-3 OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)

For the reporting period 1st January 2016 to 31st December 2016, Cermaq's global gross GHG Scope 1 emissions totaled 34 090 tons of CO₂e (36 664 tons in 2015). Scope 2 emissions were 17 905 tons of CO₂e in 2016 compared to 21 325 in 2015. Scope 1 emissions are lower and electricity purchase decreased somewhat in 2016 and together

with a decrease in Scope 2 led to a decrease in emissions by 5994 tonnes of CO₂e. Details on Cermaq's energy consumption can be found under Energy Consumption (indicators 302-1, 302-2 and 302-3).

Our reporting is based on the GHG Protocol, the internationally recognized standard for the accounting and reporting of GHG emissions. We have used the financial control approach to define our organizational boundary and the operational scope for our reporting of scope 1 and 2. Emissions factors for our global operations are based on sources including IEA, IPCC, SSB, EIA, RE-DISS, Green-e and BC Ministry of Environment.

Feed is the main input when producing salmon and trout and feed costs constitute approximately 50 percent of the production costs related to farming in Cermaq. EWOS continued to be our main feed supplier in 2016 and Scope 3 emissions consists of EWOS estimated CO₂ emissions in 2016. Please see the EWOS sustainability report for further details. GHG emissions reported below includes CO₂-emissions only and all types of energy sources used.

| GLOBAL TONNES OF CO2E | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Crude oil | 53 | 42 | 41 | 195 | 21 | 0 | 0 |
| Diesel | 30,672 | 32,348 | 31,958 | 29,720 | 20,047 | 18,197 | 15,336 |
| Biofuel | 303 | 305 | 266 | 203 | 162 | 204 | 246 |
| Fuel Oil | 1 | 1 | 2 | 4 | 1 | 4 | 57 |
| Gasoline/ petrol | 2,652 | 3,560 | 3,421 | 3,718 | 3,078 | 3,196 | 2,997 |
| Natural Gas | 4 | 4 | 4 | 5 | 7 | 6 | 4 |
| Propane | 405 | 403 | 627 | 740 | 492 | 473 | 2,394 |
| Scope 1 (Direct emissions) | 34,090 | 36,664 | 36,319 | 34,586 | 23,807 | 22,080 | 21,034 |
| Purchased electricity | 17,905 | 21,325 | 18,352 | 18,896 | 15,886 | 9,931 | 8,846 |

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <i>Scope 2 (Energy indirect)</i> | <i>17,905</i> | <i>21,325</i> | <i>18,352</i> | <i>18,896</i> | <i>15,886</i> | <i>9,931</i> | <i>8,846</i> |
| <i>Total gross emissions (Scope 1 and 2)</i> | <i>51,995</i> | <i>57,988</i> | <i>54,671</i> | <i>53,481</i> | <i>39,693</i> | <i>32,011</i> | <i>29,879</i> |
| <i>Scope 3 (EWOS direct and indirect)</i> | <i>50,942</i> | <i>61,444</i> | <i>57,457</i> | <i>62,610</i> | <i>59,366</i> | <i>57,753</i> | <i>41,862</i> |

Note: Biofuels have been included for the first time in 2016 and also been included for previous years to allow for comparison. All emission factors including Scope 2 are location based. The location based electricity emissions for Cermaq Group AS, Cermaq Norway and Canada has been updated and corrected for previous years to allow comparisons. The location based factors are derived from IEA (2015) and BC Ministry of Environment (2012).

305-4 GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

Cermaq is reporting an intensity measurement based upon “tons of CO₂e per ton of fish produced (LWE)”. This is a relevant ratio for our industry.

As can be seen below, the CO₂ emissions per ton of fish produced for Scope 1 and Scope 2 increased by 7.7% from 2015 to 2016, partly due to a reduction in fish production.

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Intensity: kg of CO ₂ e per tonne of fish produced (LWE) | 360 | 334 | 258 | 259 | 212 | 205 | 217 |

The increase was largely driven by less fish production (Live Weight Equivalent, LWE). Accounting absolute emissions in tonnes of CO₂ shows that Cermaq Canada reduced the absolute emissions by 18 tonnes CO₂, while Cermaq Chile emitted 5 860 tonnes less CO₂ compared to 2015. Cermaq Norway reduced the emissions by 114 tonnes. At a Group level, a total of 5 992 tonnes less CO₂ was emitted to the environment during 2016

(Scope 1 + Scope 2).

Further details about energy consumption can be found under Energy consumption (indicators 302-1,302-2 and 302-3).

307-1 NON COMPLIANCES WITH ENVIRONMENTAL LAWS AND REGULATIONS

Cermaq works actively to ensure that our operations respect and are compliant with local, national and international laws. If any non-compliances occur, we take it seriously and investigate at the appropriate level to correct the issue before measures are taken to mitigate the risk of re-occurrence.

In 2016, there was one case of environmental non-compliances closed with a fine. The non-compliance was issued in 2014 and was closed during 2016. The non-compliance involved one hatchery water inlet in Chile that created some difficulties for native fish swimming in the river.

| REPORTING UNIT | TOTAL MONETARY VALUE OF SIGNIFICANT FINES (USD) | TOTAL NUMBER OF NON-MONETARY SANCTIONS | CASES BROUGHT THROUGH DISPUTE RESOLUTION MECHANISMS |
|----------------|---|--|---|
| Cermaq Norway | 0 | 0 | 0 |
| Cermaq Chile | 3503 | 0 | 0 |
| Cermaq Canada | 0 | 0 | 0 |
| 2016 | 3503 | 0 | 0 |

GRI Social Indicators

403-2 TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM AND NUMBER OF WORK RELATED FATALITIES

All employees should be safe at work in Cermaq, and a number of measures have been

taken to strengthen the attention on safety and risk reduction in our operations. Cermaq has had a high focus on safety in our operations, with visible results the past few years.

Dedicated and competent employees are fundamental; likewise are robust management systems and procedures to manage risk and assessment of all relevant aspects of our operations. Visible leadership on OHS is important in Cermaq, and health and safety is also reflected in our Leadership Principles. The first principle explicitly states that “Health and safety of people are always first”. Measures include sharing of good practice between regions, encouraging a strong safety culture through various activities, the use of adequate safety equipment and adherence to OHS routines.

In 2016, there were encouraging results in all our regions. In Cermaq Canada, there were 11 months with zero lost time injuries (H1) in 2016, recording one lost time injury in April. In Cermaq Chile, the OHS performance continued to improve from 2016 and showed good results and decreasing trends in injury frequency rate (H2) and in lost time injury by occupational disease. In Cermaq Norway, there has been a good trend in the absence rate and lost time injuries, the latter showing a significant decrease from 12 lost time injuries in 2015 to 4 lost time injuries in 2016. There were no fatalities in Cermaq Group in 2016.

In 2016, the Group absence rate was 2.5 percent, and it remains low throughout the group. The lost time injury rate was 6 in 2016 which continues the positive trend and significant reduction from 24 recorded H1 injuries in 2013 and 10 in 2014. The injury frequency rate decreased from 18 in 2014 to 10 in 2015 and continued further down to 9 in 2016. At the same time, the lost time frequency rate was 184 at a Group level in 2016, which is an increase from the 151 recorded in 2015.

To reduce the number of diving accidents, a high risk area, several measures have been introduced in Cermaq Chile the past years which show promising results. Initiatives include investment in ROVs to monitor the nets and the testing of new predator nets of stainless steel and PET monofilament to reduce the number of dives required. A training program was started in 2013 and is ongoing, with special attention to technical and practical diving issues and activities. In addition, assessment of diving skills and training is an ongoing activity.

RATES OF INJURY BY REGION

| | OF FATALITIES | RATE | TIME INJURY RATE (H1) | FREQUENCY H2 | TIME OF LOST DAYS FREQUENCY (F-VALUE) | DISEASE CASES | DISEASE RATE (ODR) |
|--|---------------|------|-----------------------|--------------|---------------------------------------|---------------|--------------------|
|--|---------------|------|-----------------------|--------------|---------------------------------------|---------------|--------------------|

Absentee days as a % of total work days
 Lost time per million working hours
 Injuries per million working hours
 Number of lost days per million working hours
 #
 Number of lost days by occupational disease per million working hours

| 2016 | | | | | | | |
|---|----|------|---|----|-----|----|---|
| Cermaq Group AS | 0. | 2.9% | 0 | 0 | 0 | 0. | 0 |
| Cermaq Norway | 0. | 4.6% | 4 | 12 | 161 | 0. | 0 |
| Cermaq Chile | 0. | 2.2% | 6 | 8 | 185 | 0. | 0 |
| Cermaq Canada | 0. | 1.8% | 2 | 15 | 246 | 0. | 0 |
| Cermaq Group including Cermaq Group AS* | 0. | 2.5% | 6 | 9 | 184 | 0. | 0 |

RATES OF INJURY BY GENDER

| ALL EMPLOYEES BY GENDER | NUMBER OF FATALITIES | ABSENTEE RATE | LOST TIME INJURY RATE (H1) | INJURY FREQUENCY H2 | LOST TIME FREQUENCY (F-VALUE) | OCCUPATIONAL DISEASE CASES | OCCUPATIONAL DISEASE RATE (ODR) |
|-------------------------|----------------------|---------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------------------|
|-------------------------|----------------------|---------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------------------|

Absentee days as a % of
 Lost time per million working hours
 Injuries per million working hours
 Number of lost days per million working hours
 #
 Number of lost days by occupational disease per million working hours

total work days *million hours working hours* *million working hours*

| 2016 | | | | | | | |
|---------------|----|------|---|----|------|----|---|
| Female | 0. | 3.6% | 2 | 5 | 184a | 0. | 0 |
| Male | 0. | 2.2% | 7 | 10 | 184a | 0. | 0 |

During 2016, the absence rate for female employees was 3.6% which is somewhat higher than the male rate, while lost time injury rate and injury frequency rate was lower among female employees.

Notes: National laws on practices for recording and reporting accident statistics follows the 'ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases' in the regions where Cermaq operates.

Contractors are not included in 2016 figures (reference 403-2 b). Cermaq reports OHS data using units that are consistent with Cermaq's previous reporting practices, rather than adopting any new GRI Standards formulas. The changes would require modification of Cermaq internal processes which did not allow the implementation between the release of the GRI Standards in November 2016 and the current reporting process for 2016. Reporting practice for 2017 will be assessed during the year.

Lost time frequency rate (F-value) only includes lost time from injuries up to one year and does not include lost time from occupational disease cases. Total work hours includes overtime related to workers working on sites (excluding management and administrative employees).

411-1 INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES

During 2016, there were no reported incidents of violation involving the rights of indigenous peoples in the Cermaq Group.

TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|------|------|------|------|------|
| Cermaq Norway | # | 0 | 0 | 0 | 0 |
| Cermaq Chile | # | 0 | 0 | 0 | 0 |

| | | | | | | |
|----------------------|---|---|---|---|---|---|
| <i>Cermaq Chile</i> | # | 0 | 0 | 0 | 0 | 0 |
| <i>Cermaq Canada</i> | # | 0 | 0 | 0 | 0 | 0 |

For the past 4 years no incidents of violations involving right of indigenous peoples has been recorded in any country where Cermaq operates.

413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

Cermaq wants to be a responsible partner in the local communities where it operates, with a long term perspective. Establishing and maintaining good relationships based on dialogue, transparency and mutual understanding is a priority.

All Cermaq operations have local community engagement and development programs in place. Engagement activities include sponsorships of sports teams, clubs, foundations and schools in regions where Cermaq operates. Cermaq regularly conducts community meetings and engage in dialogue with a wide group of organizations on relevant topics, and openly share information about its operations to stakeholders.

CERMAQ CANADA

Cermaq Canada is committed not only to sustainable salmon farming operations on Vancouver Island, but to supporting the local communities in its areas of operation. A major part of that commitment is community sponsorships and donations.

Cermaq Canada focuses on:

- Youth
- Aboriginal partnership communities
- Health and Wellness
- Sports events
- Education
- Community fundraising and special events

- Employees

Cermaq Canada sponsors community sports in communities all around Vancouver Island. Recently, the PacificSport Vancouver Island's IGNITE program in Campbell River. The program provides training and educational opportunities for athletes, bringing professional trainers to the communities where the athletes live. Cermaq Canada also recently donated \$100,000 to the City of Campbell River to help build a field house at the city's new all-weather turf field. The field house and turf will be used and enjoyed by sports teams from all over Vancouver Island who come to play in Campbell River. On the West Coast of the Island, Cermaq Canada also regularly provides sponsorships to aboriginal sports teams.

As a science-based business, sponsorships that educate and inform people are a priority. Several years ago, Cermaq Canada provided \$50,000 to help get the Ucluelet Aquarium project started. The aquarium has since been built and enjoyed by tens of thousands of local visitors, and visitors from around the world, and is one of the best places on the Island to learn about marine life in BC coastal waters. Cermaq Canada also regularly contributes to the Campbell River Salmon Foundation, which is dedicated to preserving and restoring wild salmon habitat in the Campbell River region. The foundation has helped restore and protect wild salmon runs in the Campbell River system for many years.

Health is another main focus. For many years, Cermaq Canada has sponsored fundraisers for Cystic Fibrosis Canada, which funds research into the disease. We are also an annual gold sponsor for the Howie Meeker Golf Classic in Support of Special Olympics, which raises money for local Special Olympics athletes. Cermaq Canada is also supporting small-scale health programs, such as the Junior Chef Program at Phoenix Middle School, which teaches tweens how to cook and be creative in the kitchen.

As producers of a healthy food product, we look for sponsorships that match our values, and which promote sports, science, and health. We are proud to be able to give back to the communities where we operate, and where our employees live, work and play

CERMAQ CHILE

Cermaq Chile is committed to supporting local communities and is continuously engaged in activities with a wide group of partners and stakeholders, including local trade unions, schools, and indigenous peoples.

Through Cermaq Chile's established Corporate and Social Responsibility (CSR) committee, regular meetings were held in 2016 between Cermaq and union representatives, discussing key topics. Participants included the Chief Operating Officer from Cermaq Chile, company representatives from Human Resources; Environmental department, CSR, Product Quality team as well as five representatives from the unions.

In 2016, Cermaq Chile continued its "*Cermaq Puertas Abiertas*" program, which involves opening its facilities to all surrounding communities, including indigenous peoples, to allow them to learn more about Cermaq's activities. During 2016 the activities included visits from students, open seminars, two visits from local authorities to show neighbours how Cermaq Chile operates. To Cermaq Chile, the local community engagement is also considered an opportunity to share operational information and share results. Such informational meetings were conducted in Trafún Hatchery in X region and in Punta Arenas XII Region.

During the year, Cermaq Chile continued to support social training in regions with limited work opportunities. The objective of the training is generally to support the development of skills which may help stakeholders to find employment, improve small businesses, or to change their field of work. Most recently, this initiative was conducted in the local community of Mechuque Island in the X Region, where 20 women were trained in sowing and confection of clothes, to promote self-employment.

Cermaq Chile also supported former employees affected by downturns in the employment market by funding training programs to help them retrain in a new skill. Training programs funded in 2016 included basic vehicle mechanics for 23 former employees, and training in food handling for 15 former employees.

CERMAQ NORWAY

Cermaq Norway aims to be a responsible community partner in its areas of operation, and actively engages in local activities and community development. Establishing and maintaining good relationships based on dialogue, transparency and mutual understanding is a central part of Cermaq Norway's community engagement.

In 2016, Cermaq Norway engaged in activities with different stakeholders from local communities including municipalities, anglers associations, local NGOs, suppliers and customers. Cermaq Norway met with local administration and politicians in most of the

municipalities where the company has operations to discuss current and planned activities and opportunities for development. Cermaq also conducted open meetings addressing people's concerns and answering questions about Cermaq's operations, including a meeting with neighbours who are or may be impacted by the construction of a new processing plant.

During the year, Cermaq Norway continued its commitment and offered sponsorships of sports teams, clubs, foundations and schools in Finnmark and Nordland where it operates. It also continued to fund the surveillance of salmon wild stocks in cooperation with Varpa River system.

To be open about performance, Cermaq Norway provided information on the environmental status of its operations on its website. Reporting included information about e.g. sea lice, wildlife interactions and any escapes to ensure easy access and to provide the public with updated information about ASC certified sites. Cermaq Norway also engaged with R&D institutions, through research and surveys such as financing of an environmental water study in cooperation with NCE.

416-1 ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

100 percent of our product categories are assessed for health and safety impact improvements. This is part of the ISO 22000 standard, which is fully implemented in all three countries. Further details about Cermaq's management standards are given in indicator CEQ 13 Management Standards.

416-2 INCIDENTS OF NON-COMPLIANCES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

Cermaq works actively to ensure that our operations respect and are compliant with local, national and international laws. If any non-compliances occur, we take it seriously and investigate at the appropriate level to correct the issue before measures are taken to mitigate the risk of re-occurrence. Cermaq has comprehensive certifications and management systems in place to ensure that the highest standards are met and complied with.

In 2016, there were no non-compliances with the health and safety requirements of products and services in Cermaq.

419-1 NON-COMPLIANCES WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

Cermaq works actively to ensure that our operations respect and are compliant with local, national and international laws. If any non-compliances occur, we take it seriously and investigate at the appropriate level to correct the issue before measures are taken to mitigate the risk of re-occurrence.

Compliance with social regulations includes occupational health and safety, including adherence to national legislation related to e.g. working hours and working conditions. In Norway and Canada, there were no incidents of non-compliance with social regulations in 2016. In Chile, there were a total of nine social non-compliances closed with a fine, totaling 26 956 USD. Of these nine, two were social and one was administrative non-compliances recorded and closed during 2016 with a total fine of 7 929 USD.

The six other general non-compliances were closed with a fine during 2016 with total fine of 19 027 USD, and these incidents were all registered in 2015. The two sanctions with no monetary fine recorded in 2016 were administrative non-compliances, were one was opened in 2014 and the other in 2016.

| REPORTING UNIT | TOTAL MONETARY VALUE OF SIGNIFICANT FINES (USD) | TOTAL NUMBER OF NON-MONETARY SANCTIONS | CASES BROUGHT THROUGH DISPUTE RESOLUTION MECHANISMS |
|-------------------|---|--|---|
| Cermaq Norway | 0 | 0 | 0 |
| Cermaq Chile | 26956 | 2 | 0 |
| Cermaq Canada | 0 | 0 | 0 |
| 2016 Total | 26956 | 2 | 0 |
| 2015 | 73340 | 6 | 0 |
| 2014 | 20550 | 5 | 0 |
| 2013 | 29331 | 4 | 0 |

Note: This disclosure corresponds with SO8 and PR9 under the G4 GRI Standard, which were merged under 419-1.

SCREENING AND ASSESSMENT OF FEED SUPPLIERS

All Cermaq's feed suppliers have been assessed taking into account environmental, labour, human rights and anti-corruption criteria as specified in Cermaq's Supplier Code of Conduct and Cermaq's Supplier Code of Conduct – Feed suppliers. The main sub-suppliers to Cermaq's feed suppliers are fish meal and fish oil processing companies and other raw material providers, such as companies supplying e.g. soy proteins, rapeseed oil, wheat and wheat gluten. Cermaq's main feed supplier EWOS has developed a supplier policy and Code of Conduct based on the UN Global Compact 10 principles, the same principles that are the foundation of Cermaq's Supplier Code of Conduct. Raw material suppliers must sign a self-assessment form and EWOS performs regular supplier audits. In addition, EWOS supports and encourages suppliers of marine ingredients to qualify as certified IFFO Responsible Sourcing. This practice is in line with Cermaq's expectations to feed suppliers laid out in our Supplier Code of Conduct and our Feed Supplier Policy.

EWOS continued to be Cermaq's main supplier of fish feed in 2016 in all Cermaq's countries of operation. However, Cermaq has entered into agreement with two additional feed suppliers, Skretting and Biomar, which both have comprehensive standards in place. Environmental, social and governance criteria outlined in Cermaq's Supplier Code of Conduct are evaluated before entering into any new feed agreement. In addition, Cermaq's Supplier Code of Conduct- Feed suppliers specifies more detailed sustainability requirements to new and existing feed suppliers.

414-1, 308-1, 412-3 SCREENING OF NEW FEED SUPPLIERS

All new feed suppliers to Cermaq in 2016 were screened using environmental criteria, human rights and labor practices criteria as well as criteria for impacts on society. Specific requirements assessed can be found in the Cermaq Supplier Code of Conduct and the Cermaq Supplier Code of Conduct – Feed suppliers.

414-2, 308-2 NEGATIVE IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Cermaq is constantly working on developing its supply management practices, and

acknowledge the complexity of our supply chain. In 2016, no significant actual and potential negative impacts were identified in the supply chain concerning human rights impacts, labor practices or impact on society. Some key environmental issues within feed processing are to ensure that the raw materials used are not overexploited and that the ecological and carbon footprints are minimized. As our main feed supplier, we present EWOS indicators concerning marine and terrestrial raw material use under the indicator CEQ8. More information about EWOS energy use and CO₂ emissions can be found in indicator 302-2. More details can also be found in the EWOS Sustainability Report.

We will continue our work to identify and mitigate risks in our supply chain.

Workforce

Employment in Cermaq

Our 3 886 employees represent a diverse group both in terms of culture and type of work. Still, a common set of core values unite our international and diversified activities.

Cermaq promotes equal work opportunities and just treatment of all its employees. Strict standards for health, safety and environment are set to ensure high level of safety. All employees are expected to contribute to a work environment free of discrimination.

LEAN AND OPERATIVE CENTRAL MANAGEMENT

All operating companies are represented in Cermaq's Corporate Management Team. The team visits all of Cermaq's operating companies each year. This hands-on involvement is important to acknowledge the effort made by all employees and brings in-depth insight about everyday life in our different areas of operation.

EMPLOYMENT

As of 31 December 2016, Cermaq employed 3 886 people, a reduction of 42 employees since the end of 2015. There are strong seasonal variations in employment in farming, especially related to the harvesting and processing plants. Chile is the largest region in terms of employment and the number of employees reported includes Salmones Humboldt employees. Approximately 76 percent of all Cermaq employees were located in Chile by year end 2016.

Recruiting the right people is essential for the future success of our operations. Our operations are based on local recruitment of management. In 2016 the proportion of management hired from local communities averaged 65 percent (78 percent in 2015). This is in line with Cermaq's philosophy to trust local employees who best know the local conditions and culture. Possibilities for international assignments contribute to personal development as well as developing our corporate culture

102-8 Information on employees and other workers per 31 December 2016:

| | CERMAQ GROUP AS | | CERMAQ NORWAY | | CERMAQ CHILE* | | CERMAQ CANADA | | TOTAL | |
|---|--------------------|------|------------------|------|------------------|------|------------------|------|--------|------|
| Total employees | 40 | 95% | 578 | 100% | 3015 | 100% | 253 | 100% | 3886 | 100% |
| Total supervised workers | 2 | 5% | 0 | 0% | 2 | 0% | 0 | 0% | 4.1 | 0% |
| Total - Workforce | 42 | 100% | 578 | 100% | 3017 | 100% | 253 | 100% | 3890.1 | 100% |
| Total Indefinite or Permanent employees | 40 | 95% | 486 | 84% | 2058 | 68% | 253 | 100% | 2837 | 73% |
| female | 14 | 33% | 104 | 18% | 423 | 14% | 47 | 19% | 588 | 15% |
| male | 26 | 62% | 382 | 66% | 1635 | 54% | 206 | 81% | 2249 | 58% |
| Total temporary or fixed term employees | 2 | 5% | 92 | 16% | 957 | 32% | 0 | 0% | 1051.1 | 27% |
| female | 0 | 1% | 29 | 5% | 408 | 14% | 0 | 0% | 437.4 | 11% |
| male | 2 | 4% | 63 | 11% | 549 | 18% | 0 | 0% | 613.7 | 16% |
| Total Full time employees | 39 | 93% | 486 | 84% | 3015 | 100% | 253 | 100% | 3793 | 98% |
| female | 13 | 31% | 104 | 18% | 831 | 28% | 47 | 19% | 995 | 26% |
| male | 26 | 62% | 382 | 66% | 2184 | 72% | 206 | 81% | 2798 | 72% |
| Total Part time employees | 1 | 2% | 92 | 16% | 0 | 0% | 0 | 0% | 93 | 2% |
| female | 1 | 2% | 29 | 5% | 0 | 0% | 0 | 0% | 30 | 1% |
| male | 0 | 0% | 63 | 11% | 0 | 0% | 0 | 0% | 63 | 2% |
| Management and administration employees | 40 | 95% | 28 | 5% | 339 | 11% | 39 | 15% | 446 | 11% |
| Other employees | 0 | 0% | 550 | 95% | 2676 | 89% | 0 | 0% | 3226 | 83% |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|------------------|------|------|------|------|-------|------|------|------|-------|-----|
| Female employees | 14 | 33% | 133 | 23% | 831 | 28% | 0 | 0% | 978 | 25% |
| Male employees | 26 | 62% | 445 | 77% | 2,184 | 72% | 0 | 0% | 2,655 | 68% |

*Including Salmones Humboldt

Note: During high season (November until February), Chile and Norway typically has a high proportion of temporary workers to assist with processing of harvested fish.

DIVERSITY

Cermaq promotes equal work for all its employees. Still, gender is a challenge we continue to face. Whereas 25 percent of our employees are female, women have a significantly higher representation amongst the seasonal workers in the processing plants.

At year end 2016 Group management team comprised of six members. Two members of Group management were Chilean citizens and four Norwegian. There were no women amongst the Group's managing directors. In total 14 percent of the Group's managerial groups are women (including all managers that report to the Managing Directors in the Group's companies). Despite a declining trend the past three years, it is an aim to increase the percentage of female managers in Cermaq. One means of achieving this is through in-house talent development.

Some of Cermaq's operations are located in areas inhabited by indigenous peoples. In Canada the protocol agreement with Ahousaht First Nation sets ambitions for employment from Ahousaht, and also provides service opportunities. In Chile and Norway indigenous people are employed in line with employees in general, while Cermaq is aware of a history of discrimination against indigenous people. In Chile most of the indigenous people are Mapuche while in Norway are Sami people.

UNION RELATIONS

Good and constructive relations with employees and labor unions are essential to Cermaq, and are managed through well-established local management structures and

practices. All employees are free to join any labor union.

COLLECTIVE BARGAINING AGREEMENTS

Below is an overview of Cermaq employees covered by collective bargaining agreements. It is important to note that collective agreements do not necessarily reflect the actual participation in unions.

102-41 Collective bargaining agreements

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------|------|------|------|------|------|------|------|
| Cermaq Group AS | 0% | 15% | 13% | 20% | 0% | 0% | 0% |
| Cermaq Norway | 78% | 93% | 93% | 94% | 86% | 82% | 85% |
| Cermaq Chile | 18% | 19% | 25% | 24% | 31% | 30% | 26% |
| Cermaq Canada | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Cermaq Group (excl. AS) | 27% | 27% | 34% | 31% | 36% | 36% | 36% |

Note: Employees covered by collective bargaining agreements are calculated as a percentage of all employees, both temporary and permanent employees.

CERMAQ

GLOBAL

Stakeholder engagement

Stakeholder engagement activities are carried out both at a local and global level in Cermaq, and our aim is to engage in constructive dialogue based on respect and transparency.

In Cermaq, we work with key stakeholder groups to share knowledge, information and enhance our performance. Our stakeholders show strong interest in Cermaq's sustainability approach and performance. We remain open to dialogue with stakeholders who are directly involved with or impacted by our industry or who constructively engage in seeking industry improvements.

Approach to stakeholder engagement

Identification of stakeholders for engagement

Cermaq's approach to stakeholder engagement is to concentrate on entities or individuals that reasonably can be expected to be significantly affected by the organization's activities, products, and/or services; and whose actions reasonably can be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.

Stakeholders may have rights under national laws as well as under international conventions. Important international conventions related to indigenous rights are ILO Convention 169 and the UN Declaration of Indigenous Peoples (UNDRIP). Other central conventions include the eight ILO core conventions of the "Declaration of Fundamental Principles and Rights at Work" and the International Bill of Human Rights, including the right to freedom of association, collective bargaining and human rights.

Our approach to stakeholder engagement

Cermaq's main stakeholder groups include our owner, employees and unions, customers, authorities, local communities, suppliers, civil society and NGOs.

Dialogue with our **owner and Cermaq employees** is continuous, through established management structures and practices. Employee relations are comprehensively regulated by law and agreement in the countries in which Cermaq operates. Cermaq applies one set of standards and values across its operations. The expertise, engagement and efforts of all employees are crucial to the success of Cermaq's business. Cermaq's relations with its employees and unions are described in more detail in the sustainability report (sections 102-8 and 102-41).

Customers include seafood wholesalers, processors and retailers in the main salmon markets. The sales organization in each local Cermaq company works directly with their customer in export markets. Transparent reporting is a useful instrument in Cermaq's customer relations. Dialogue with customers is based in Cermaq's ambition to be a preferred supplier for its customer.

Authorities include regulators and politicians at the local, regional and national levels who define the framework conditions for the industry. Cermaq believes transparent dialogue is a prerequisite for arriving at good and balanced decisions and policies. Cermaq reaches out to authorities and is always meeting requests for dialogue or information. The company will continue to prioritize the dialogue with authorities and politicians, in all the countries where Cermaq operates, describing the performance and challenges of the industry.

Local communities are important to ensure acceptance for Cermaq's local operations, support for future growth and recruitment of employees. Cermaq contributes to local activity and employment and wants to be a reliable partner for the local communities in areas of operation. Regular dialogue and community meetings are conducted in all regions.

Indigenous peoples are an important stakeholder group to Cermaq and have distinctive rights in some of the areas in which Cermaq operates. The First Nations of British Columbia, Canada, have special titles and rights under Canadian laws and legislation. It is important for the Group to be aware of potential challenges its operations might represent, and Cermaq acknowledges First Nations as important stakeholders. Cermaq has participated in several conferences on First Nation relations. The main priority has been the Ahousath First Nation with whom Cermaq has a protocol agreement, and also dialogue with other First Nations in the territories in which the company operates. Mutually beneficial agreements with indigenous people in BC, Canada is a strong foundation for Cermaq's operations in areas where indigenous peoples' rights are affected by its operations.

Feed suppliers constitute a material stakeholder group in Cermaq, since feed constitutes about half of our total purchasing costs. Following the sale of EWOS, Cermaq is building internal competence as a feed purchaser. In 2015, Cermaq launched a Supplier Code of Conduct and a policy for feed suppliers stating detailed sustainability requirements. These documents were updated in January 2017 and are available at our web page. Other main suppliers include suppliers of technical equipment and transport as well as local suppliers of goods and services. The local Cermaq companies maintain contact with their suppliers with frequency adapted to the needs.

Civil society and the NGO community is diverse and Cermaq is selectively concentrating on those NGOs that seek constructive improvements in the industry. This includes wide groups of environmental organisations, labour organisation and NGOs dedicated to other relevant topics. Cermaq reaches out to these groups when arranging sustainability seminars, take direct contact for regular updates and when specific events occur. NGOs can provide positive input giving the company a broader perspective and insight.

Cermaq sees industry associations necessary for ensuring the framework conditions for the aquaculture industry. Thus, Cermaq is actively participating in the industry association, normally represented by senior executives in the board of the association. In 2016, Cermaq's CEO was co-chair of the Global Salmon Initiative (GSI), and Cermaq had representation in the board of Salmon Chile, BCSFA (Canada), CAIA (Canada), and Sjømat Norge (Norwegian Seafood Federation).

Although Cermaq now is 100 percent owned by Mitsubishi Corporation, Cermaq still defines providers of capital a stakeholder group. Financial institutions also approach Cermaq on topics related to specific sustainability concerns, and Cermaq strives to meet the needs for information and clarification.

Key topics

Stakeholder dialogue takes place in both structured and unstructured ways and plays an important role in our reporting. Some key topics discussed in our stakeholder dialogue in 2016 are presented below.

| STAKEHOLDER | TOPIC | CERMAQ RESPONSE |
|----------------------|--|--|
| CERMAQ CANADA | | |
| First Nations | First Nations are seeing the benefit of salmon farming in providing jobs for their people and are partnering in business opportunities and skills training. | <p>Cermaq Canada’s goal is to develop partnerships with First Nations in the territories of operation.</p> <p>Cermaq Canada is respectful of the traditional territories of indigenous peoples. The company works to operate in a manner consistent with the United Nations Declaration on the Rights of Indigenous Peoples.</p> <p>As part of the partnership agreement with Ahousaht First Nation, Cermaq Canada has provided 20 post-secondary scholarships to members of their community. The company also provides other sports and community sponsorships.</p> |
| Customers | Retailers want their suppliers to be more transparent and sustainable. They are looking for seafood from Aquaculture operations that are environmentally and socially responsible. | <p>Cermaq Canada is committed to sustainable salmon farming and has 8 third party certifications to prove its commitment:</p> <ul style="list-style-type: none"> · 4 ISO certifications, (EMS, QMS, OHS, FS) · Aboriginal Principles for Sustainable Aquaculture certification, · FIOSA – MIOSA Safety Alliance certificate of Recognition (COR) · Best Aquaculture Practices (3 star) · Six sites certified to the ASC standard and more pending |
| Customers | Transparency and practical information about our operations and products | <p>Cermaq Canada provides information directly to retailers who sell its salmon to help answer consumer questions. Cermaq Canada posts comprehensive public reporting data online and posts fact sheets, blog posts and news items providing information about common questions and topics.</p> |

| | | |
|-------------------|---|--|
| Local communities | Local community concern about aquaculture impacts | Social acceptance of aquaculture is important to Cermaq Canada. This acceptance varies in the communities where we operate. Cermaq maintains a policy of responsible corporate citizen and proactively builds and maintains collaborative relationships between the company and its stakeholders. This includes community sponsorships. In 2016, the focus was on sports teams, health fundraiser events, educational development, and ocean sciences. |
|-------------------|---|--|

CERMAQ CHILE

| | | |
|--------------|---------------|--|
| Trade unions | CSR Committee | Cermaq Chile has established a CSR Committee chaired by the Chief Operating Officer, in addition to 4 company representatives in the HR, Environment, CSR and Quality fields, in addition to four representatives from company unions. |
|--------------|---------------|--|

| | | |
|--|--|--|
| Indigenous peoples and local communities | Corporate Social Responsibility Program "Cermaq Puertas Abiertas" | <p>This program involves opening our facilities along our Chilean operations to allow the community to know our farming practices. In 2016, activities included:</p> <ul style="list-style-type: none"> • 11 visits of students to Cermaq facilities. • 14 seminar with expert speakers on aquaculture open to the community. • 2 local authority visits to Cermaq facilities. • Other activities with stakeholders to share knowledge and good practice |
|--|--|--|

Also, community meetings to explain Cermaq's operations and results were held in:

- Trafún Hatchery
- Punta Arenas

| | | |
|-------------------|--|--|
| Local communities | Social training for communities in regions with limited work opportunities | Cermaq Chile operate close to Mechuque, which is a small island within the Archipelago of Chiloé in Chile with a population of 1 090 habitants. In 2016, Cermaq Chile funded a training course for women to promote their skills on the cut and confection of clothes and to promote the development of self-employment. The training session attendants received 18 hours of theoretical training and 32 hours of practical training. At the end of the training course, each participant could define, organize and perform specific process for curtain design and interior decoration, as needed by potential customers. |
|-------------------|--|--|

| | | |
|-----------|---|---|
| Employees | Training former employees from processing plants of Dalcahue, Ancud and Quemchi | <p>Due to low fish production as consequence of a large algae bloom event recorded on March 2016, our operations in Chile had to dismiss employees of the processing plants and Cermaq provided training session to promote the development of self-employment:</p> <ul style="list-style-type: none"> • Basic vehicle mechanic training session for 11 former employees from the Ancud plant. • Food handling training session for 15 former employees from the Quemchi plant. • Basic vehicle mechanic training session for 12 former employees in the Dalcahue plant. |
|-----------|---|---|

CERMAQ NORWAY

| | | |
|------------------------|--|---|
| Local communities | Positive ripple effects of the industry and local challenges | Cermaq has met with local administration and politicians in most of the municipalities where the company has operations to inform about and discuss current and planned activities as well as opportunities for growth and development. |
| Local communities | Impacts from the construction of a new processing plant | Meetings with all neighbors who are or may be impacted by the facility as well as the construction work. |
| Anglers and local NGOs | Joint projects | Joint projects with the angler's association on monitoring presence of farmed fish in several salmon rivers (Repparfjordelva, Altaelva, Varpa). Financing of surveillance of wild stocks in cooperation with Varpa River system is ongoing. |
| Customers | Transparency and practical information about our operations and products | Cermaq Norway continues to provide information on e.g. sea lice, wildlife interactions and any escapes on its website for some farms to ensure easy access and to comply with requirements in the ASC standard. |
| Municipalities | General public concern over fish farming in regions of operation | Open meetings addressing people's concerns and answering questions about Cermaq's operations. Meetings regarding cooperation and development in the county (e.g. new processing plant) |
| Local communities | Sponsorship | Sponsorships of sports teams, clubs, foundations and schools in Finnmark and Nordland where Cermaq Norway operates. |

| | | |
|--------------------------------|----------------------|---|
| Environmental R&D institutions | Research and surveys | Financing includes an environmental water study in cooperation with NCE |
|--------------------------------|----------------------|---|

CERMAQ GROUP AS

| | | |
|-------------|-----------------------------------|---|
| Politicians | Impacts of growth of the industry | In open meetings with politicians, Cermaq has presented its view on the criticality of sustainability in the industry and Cermaq has also submitted its view in writing to public hearings. |
|-------------|-----------------------------------|---|

| | | |
|--|---|---|
| Politicians, authorities, NGOs, owner, customers, general public | Impacts, challenges and opportunities related to the industry | Cermaq Group AS organizes an annual Sustainability Seminar which focus on the impacts, challenges and opportunities related to the industry. Representatives from different stakeholder groups are invited to discuss relevant sustainability issues. Salmon farming critics are regularly invited to the speaker's platform to present their view on the industry's challenges. The seminar is also open to the general public. The most recent seminar was held in Oslo on 12 May 2016. |
|--|---|---|

| | | |
|-------|--|--|
| Owner | Sharing of best practices with other Mitsubishi subsidiaries | Sharing of the best practices with other Mitsubishi subsidiaries in the food industry is a relevant stakeholder engagement that we have with our owner. Cermaq Group employees participate in internal sustainability groups, roundtables and events on regular basis during the year. |
|-------|--|--|

| | | |
|------------------|----------|---|
| R&D institutions | Research | Cermaq Group engages in research and development projects with fish feed and vaccine suppliers, working in partnerships. Cermaq Group is engaged in the development of new vaccines by funding research projects and working on feed trial by the use of the R&D licenses granted to Cermaq Norway. |
|------------------|----------|---|

Cermaq's materiality analysis

The concept of materiality is the foundation of Cermaq's sustainability reporting.

We conduct a materiality analysis to prioritize reporting on aspects that are material to us and our stakeholders, and to communicate Cermaq's sustainability impact and select indicators for more frequent follow-up.

Our starting point is to report on topics where we have the largest impact and where stakeholder request for information is high. From 2016, we have aligned our material topics with specific UN Sustainable Development Goals (SDGs) that we can significantly impact.

Materiality process

Determining materiality

In defining material interests, Cermaq identifies its economic, social and environmental impacts and identifies the topics that have the greatest influence on stakeholder assessment and decisions. The topics identified as material both to Cermaq and to Cermaq's stakeholders provide the basis for the selection of indicators that we measure our performance against. A part of the process is furthermore to identify material indicators that should have targets – for measuring and improving performance over time. These form the basis of our sustainability reporting and the results are presented in our annual report.

The materiality assessment is subject to an annual review by our global Sustainability Functional Team with representatives from all regions and across disciplines. This is to ensure that we report on material aspects for the organization as a whole and measure our performance against the right indicators. At certain intervals, we perform a thorough stakeholder analysis to inform our materiality assessment process. In 2013, Cermaq invited all its external stakeholders (e.g. shareholders, NGOs, local communities, media, and analysts) to participate in a survey and perform a ranking of 32 sustainability aspects.

Focus areas established in 2016



**Healthy and
nutritious food**



**Thriving
oceans**



**People
leadership**



**Responsible
production**



**Climate
action**

In 2016, a broader process was conducted to inform and update our materiality analysis from a customer perspective and by integrating the UN SDGs. We reviewed the targets and indicators and identified five specific SDGs for special consideration in our stakeholder assessment, based on our perceived ability to make a significant impact: SDG2 Zero hunger, SDG8 Decent work and economic growth, SDG12 Responsible consumption and production, SDG13 Climate action and SDG14 Life below water.

In addition, we conducted a benchmark study to incorporate customers' sustainability expectations into our analysis. The study was based on publicly available information from sustainability branded food retailers, collected in April-August 2016, with an emphasis on requirements to sustainable salmon farming and aquaculture. This analysis was incorporated into our materiality assessment. Cermaq's sustainability framework, which incorporate the five focus areas and the materiality analysis, was based on input from all Cermaq regions and across relevant functions, and was reviewed and approved by Cermaq's central management team and the Board in the Fall of 2016.

Our five focus areas provide the structure for a set of 15 material topics with relevant indicators. Cermaq specific indicators are reported internally to Cermaq's central management team and the Board on a monthly and quarterly basis. Starting in 2016, key figures are also reported publically on our web page on a quarterly basis. Relevant GRI indicators are reported annually and are available together with the Cermaq specific indicators in our annual sustainability report.

It is Cermaq's ambition that through transparency and open reporting on material topics, we will further strenghten the constructive dialogue between Cermaq and its stakeholders.

Follow up of performance

The operational responsibility for ensuring sustainable business practice ultimately lies with the Managing Director for each of the operations owned by Cermaq. The Board of Directors holds the overall responsibility to ensure that necessary systems and procedures are in place.

Monitoring and follow-up of sustainability performance is conducted at both local and corporate levels. A set of sustainability KPIs are reported and evaluated monthly by the central management team. Each quarter, the local and central management as well as the Board of Directors receive a comprehensive sustainability report and assess the organization's sustainability performance. For the material indicators, Cermaq has set yearly targets and the performance is evaluated in accordance with established risk management procedures. Corrective actions are taken for indicators which deviate from the set targets.

All the material aspects listed above as material are material to the whole organization except for Cermaq Group AS that is not involved in fish farming in an operational way.

Material topics and indicators

The material topics are listed below and are explained in further detail in the Management Approach.

| FOCUS AREA | MATERIAL TOPIC | INDICATORS |
|--|---|--|
| HEALTHY AND NUTRITIOUS FOOD | <ol style="list-style-type: none"> 1. Product quality, health and safety 2. Fish health and welfare 3. Feed ingredients | <ul style="list-style-type: none"> • Raw material ingredients • Customer health and safety assessment • Fish mortality • Medicine use • Sea lice counts • Animal species and breed type • Non-compliance with product health & safety • Fines for product non-compliance |
| THRIVING OCEANS | <ol style="list-style-type: none"> 4. Biodiversity and feed sourcing 5. Biosecurity 6. Blue economy | <ul style="list-style-type: none"> • Feed sourcing and supplier assessment • Raw material ingredients • IUCN red list species with habitats in areas of operation • Wildlife interaction • Fallow time/benthic impact • Vaccination program • Fish escapes • Sea lice counts • Area Management Agreements • Economic value generated and distributed • Country-by-country financial and organizational data |
| PEOPLE LEADERSHIP | <ol style="list-style-type: none"> 7. Safety & workplace 8. Community relations 9. Human Rights | <ul style="list-style-type: none"> • Injuries, lost days, absence • Senior management hired from local community • Local community engagement programs • Local community complaints • Non-compliance with societal regulations • Incidents of violations involving indigenous peoples' rights • Economic value generated and distributed • Country-by-country financial and organizational data |

**RESPONSIBLE
PRODUCTION**

- 10. Value chain approach
- 11. Certifications
- 12. Beyond compliance:
Responsible business conduct

- Water withdrawal and recycled input materials
- Non-compliance with environmental regulations
- Whistle blowing
- Training on anti-corruption
- Incidents of corruption
- ASC certification

**CLIMATE
ACTION**

- 13. Adaptation
- 14. Emissions
- 15. Innovation

- Financial implications, other risks and opportunities due to climate change
- Energy consumption
- GHG emissions (Scope 1, 2 and 3)
- Energy reduction initiatives

GRI Index

In the table below you will find an overview of all indicators in Cermaq's Sustainability Report 2016, in accordance with the GRI Standards, Core level.

| GRI STANDARD | DISCLOSURE | URL | OMISSION |
|---|---|-----------------------------------|-----------------------------------|
| Universal Standards | | | |
| GRI 102: General disclosures 2016 | 102-1 Name of the organization | | This disclosure cannot be omitted |
| | 102-2 Activities, brands, products, and services | | This disclosure cannot be omitted |
| | 102-3 Location of headquarters | | This disclosure cannot be omitted |
| | 102-4 Location of operations | | This disclosure cannot be omitted |
| | 102-5 Ownership and legal form | | This disclosure cannot be omitted |
| | 102-6 Markets served | | This disclosure cannot be omitted |
| | 102-7 Scale of the organization | | This disclosure cannot be omitted |
| | 102-8 Information on employees and other workers | | This disclosure cannot be omitted |
| | 102-9 Supply chain | | This disclosure cannot be omitted |
| | 102-10 Significant changes to the organization and its supply chain | | This disclosure cannot be omitted |
| | 102-11 Precautionary Principle or approach | | This disclosure cannot be omitted |
| | 102-12 External initiatives | | This disclosure cannot be omitted |
| | 102-13 Membership of associations | | This disclosure cannot be omitted |
| | 102-14 Statement from senior decision-maker | | This disclosure cannot be omitted |
| | 102-16 Values, principles, standards, and norms of behavior | | This disclosure cannot be omitted |
| | 102-18 Governance structure | | This disclosure cannot be omitted |
| | 102-40 List of stakeholder groups | | This disclosure cannot be omitted |
| 102-41 Collective bargaining agreements | | This disclosure cannot be omitted | |

| | | |
|---|---|-----------------------------------|
| | 102-42 Identifying and selecting stakeholders | This disclosure cannot be omitted |
| | 102-43 Approach to stakeholder engagement | This disclosure cannot be omitted |
| | 102-44 Key topics and concerns raised | This disclosure cannot be omitted |
| | 102-45 Entities included in the consolidated financial statements | This disclosure cannot be omitted |
| | 102-46 Defining report content and topic Boundaries | This disclosure cannot be omitted |
| | 102-47 List of material topics | This disclosure cannot be omitted |
| | 102-48 Restatements of information | This disclosure cannot be omitted |
| | 102-49 Changes in reporting | This disclosure cannot be omitted |
| | 102-50 Reporting period | This disclosure cannot be omitted |
| | 102-51 Date of most recent report | This disclosure cannot be omitted |
| | 102-52 Reporting cycle | This disclosure cannot be omitted |
| | 102-53 Contact point for questions regarding the report | This disclosure cannot be omitted |
| | 102-54 Claims of reporting in accordance with the GRI Standards | This disclosure cannot be omitted |
| | 102-55 GRI content index | This disclosure cannot be omitted |
| | 102-56 External assurance | This disclosure cannot be omitted |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | This disclosure cannot be omitted |
| | 103-2 The management approach and its components | This disclosure cannot be omitted |
| | 103-3 Evaluation of the management approach | This disclosure cannot be omitted |

Topic Specific Standards

| | | |
|---|---|---------------------------|
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Applicable to Core option |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Applicable to Core option |
| GRI 202: Market presence 2016 | 202-2 Proportion of senior management hired from the local community | Applicable to Core option |
| | | |
| GRI 205: Anti- corruption | 205-2 Communication and training about anti-corruption policies and procedures | Applicable to Core option |
| | 205-3 Confirmed incidents of corruption and actions taken | Applicable to Core option |
| GRI G3.1 FPSS | FP9 Percentage and total of animals raised and/or processed, by species and breed type. | Applicable to Core option |
| GRI 301: Materials 2016 | 301-2 Recycled input materials used | Applicable to Core option |

| | | |
|---|---|---------------------------|
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Applicable to Core option |
| | 302-2 Energy consumption outside of the organization | Applicable to Core option |
| | 302-3 Energy intensity | Applicable to Core option |
| | 302-4 Reduction of energy consumption | Applicable to Core option |
| GRI 303: Water 2016 | 303-1 Water withdrawal by source | Applicable to Core option |
| GRI 304: Biodiversity 2016 | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Applicable to Core option |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Applicable to Core option |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Applicable to Core option |
| | 305-3 Other indirect (Scope 3) GHG emissions | Applicable to Core option |
| | 305-4 GHG emissions intensity | Applicable to Core option |
| GRI 307: Environmental Compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | Applicable to Core option |
| GRI 403: Occupational Health and Safety 2016 | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Applicable to Core option |
| GRI 411: Rights of Indigenous People 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | Applicable to Core option |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Applicable to Core option |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Applicable to Core option |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Applicable to Core option |
| GRI 419: Socioeconomic compliance | 419-1 Non-compliance with laws and regulations in the social and economic area | Applicable to Core option |

Material Topics not covered by GRI Standards

| CATEGORY | DISCLOSURE NAME | URL | OMISSION |
|----------|-----------------|-----|----------|
|----------|-----------------|-----|----------|

| | | |
|-------------------------------|---|-----------------------------------|
| Fish Health and Welfare | CEQ1 Fish Mortality | Cermaq Indicator - Material topic |
| | CEQ4 Medicine use | Cermaq Indicator - Material topic |
| | CEQ5 Vaccination program | Cermaq Indicator - Material topic |
| Feed sourcing and ingredients | CEQ 8 Raw Material Ingredients | Cermaq Indicator - Material topic |
| Biodiversity | CEQ 7 Escapes | Cermaq Indicator - Material topic |
| | CEQ 17 Birds and Mammals | Cermaq Indicator - Material topic |
| Biosecurity | CEQ2 Sea lice | Cermaq Indicator - Material topic |
| | CEQ6 Area Management Agreements | Cermaq Indicator - Material topic |
| Local communities | CEQ 11 Local Community Complaints | Cermaq Indicator - Material topic |
| Responsible farming | CEQ 3 Fallow time | Cermaq Indicator - Material topic |
| Certifications | CEQ 16 ASC | Cermaq Indicator - Material topic |
| Responsible business conduct | CEQ 12 Whistle Blowing Incidents | Cermaq Indicator - Material topic |
| Economic growth | CEQ 15 Country by Country Financial and Organisational Data | Cermaq Indicator - Material topic |