



2014

SUSTAINABILITY REPORT

WHY GRIEG SEAFOOD IS DEDICATED TO SUSTAINABILITY



Fish farming requires that the local communities accept salmon farming in their areas.

A fish farmers' main cost drivers, risks and opportunities are increasingly connected to successfully managing our impact on the environment, our personnel and the local communities where we operate. Systematic efforts to secure balanced sustainability are therefore fundamental in order to facilitate long-term, profitable growth. These efforts are increasingly material for the industry's viability.

Fish farming is based on the management of shared natural resources. Professional management of these resources is of high interest to our stakeholders and is essential for our own profitability. The clearest example is fish biology, where operational challenges like disease, sea lice and escapes are central to the local ecosystem. The handling of these issues then has consequences for product quality, treatment costs and fish loss.

Fish farming requires that the local communities accept salmon farming in their areas. Hence it is important for Grieg Seafood to contribute with positive effects to the local communities where salmon is produced and processed, both with regard to environmental impact and in terms of social consequences.

We are an active member of the Global Salmon Initiative (GSI.) GSI is a group currently comprising 17 companies which represent approximately 70 % of the global production of salmonids. The companies have committed to cooperation and transparency, in order to reach a shared goal of producing a sustainable and healthy product. A product that meets a

growing population's need for protein, whilst minimizing any negative environmental impacts, and positively contributing to a better society.

This initiative obliges us to seek ambitious goals relating to:

- Minimising environmental impact
- Securing sustainable feed
- Continuing to improve our contributions to the development of local communities
- Supporting economic growth and stability
- Producing a healthy and nutritious product in a sustainable way

In 2014 we have, in collaboration with the other GSI members, continued to develop the focus of the initiative through regular meetings between the CEOs of the member companies. One priority has been to develop common performance indicators and approaches to transparency and communication.

Global Salmon Initiative (GSI)

GSI is a group currently comprising 17 companies which represent more than 70 % of the global production of salmonids. The companies have committed to cooperation and transparency, in order to reach a shared goal to produce a sustainable and healthy product that meets a growing population's need for proteins, while any negative environmental impact is reduced and influence on the society is improved.



FAO predict growth in the world's population to 9 billion by 2050



The need for protein expected to grow by 70% world wide.



Farmed fish could provide a daily food supply for more than 500 million people by 2050

OUR PRIORITIES



All aspects of the matrix are considered to be important, while the aspects in the upper right corner are considered the most important.

Grieg Seafood has defined key priority areas for sustainability. Our priorities will ensure that our efforts respond to our main stakeholders' expectations of us, as well as enable us to achieve our goals and create long-term value. The priorities also take into account our long-term commitments through GSI.

Our Materiality matrix

The prioritisation of sustainability issues was carried out according to the guidelines developed by Global Reporting Initiative (GRI) G4. A multidisciplinary group including representatives of the management team was involved in the preparation and completion of this work. All aspects of the matrix are considered to be important, while the aspects in the upper right corner are considered the most important.

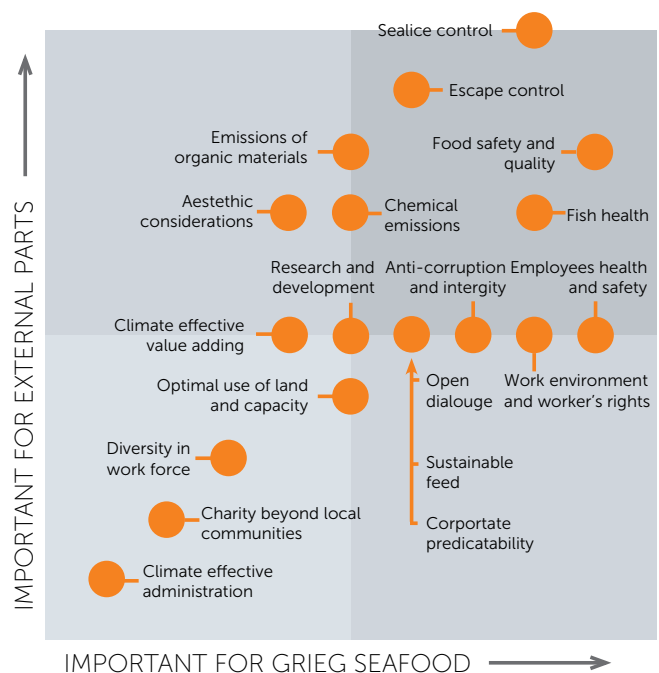
The assessment, which was conducted in 2013 and further aligned with the GSI in 2014, was based on a survey of our stakeholders' expectations of us. Identified aspects of sustainability were ranked in terms of importance to each stakeholder group, as well as an assessment of potential risks and opportunities related to Grieg Seafood's achievement. The matrix shows the sustainability aspects that emerged through the materiality analysis, and it clarifies our priorities. All aspects of the matrix are considered to be important, while the aspects in the upper right corner are considered the most important.

This report provides information on our approach to managing the issues of highest priority, and describes our main principles, and our performance, results and future goals and ambitions.

Our high priority sustainability issues are:

- Food safety and quality
- Fish health
- Sea lice control
- Escape control
- Employee safety and working environment
- Anti-corruption and integrity
- The ripple effect in communities
- Transparency and stakeholder dialogue (this section)

Materiality analysis for sustainability



Transparency and stakeholder dialogue in 2014

Grieg Seafood's values are openness, respect and ambition; we therefore aim to develop our communication to meet the information needs of our stakeholders. We engage with our stakeholders through several initiatives and approaches. The below gives an overview of some of these, and highlights stakeholders' key concerns.





Shareholders

We keep an ongoing dialogue with our owners about strategy and results. This includes frequent meetings with the board.

Our shareholders are concerned with the long-term value creation and returns, and therefore place special emphasis on risk factors such as mortality, lice, escapes and other aspects related to keeping the fish alive and healthy.

Investors and asset managers

We also strive to keep an open dialogue with potential investors and asset managers, through mediums such as, amongst others, this annual report, quarterly presentations and separate meetings with potential investors.

Similar to our existing owners they are concerned with long-term value and returns, and therefore we place special focus on risks related to mortality, lice, and escapes. Some investors specifically state that they regard management of these issues as a key indicator for potential value creation in the future.

National and international authorities

We believe in open dialogue with the authorities in the countries where we operate, and we contribute our views on areas that are important to us. We also strive to meet all requests for meetings and dialogue.

National authorities have until now emphasised challenges related to biology, biodiversity, food safety and long-term value creation.

Local authorities and communities

Our operation depends on acceptance from local authorities and communities. Dialogue with local communities mainly takes place through local stakeholders. In British Columbia (BC) there is a particular focus on dialogue with representatives of the local indigenous population. In these areas we therefore work with First Nations to ensure that these concerns are handled well.

Local communities are often concerned with local activity and employment, but also the influence on common natural resources and the landscape.

Customers

We work to understand and meet our customers' expectations. This is often based on direct feedback or surveys.

Customers are particularly concerned with food safety and quality, often demanding clear certification and approach to the reduction of environmental impact.

Employees

We work to understand our employees' needs and expectations, and we place particular focus on training and development, through collaboration with schools, apprenticeships and active stimulation of our employees to further their knowledge within their special fields. We also keep dialogue with trade unions representing our employees. In 2014 we gathered the global management group to discuss what should characterise the Grieg Seafood culture.

Employees are especially concerned with safety and their working environment.

Non-Governmental Organisations (NGOs)

There are many different stakeholder organisations and we concentrate our attention on the most important associations constructively seeking improvements in the industry. This includes many environmental organisations and organisations working specifically with key issues. As part of our contribution to GSI, and the development of the ASC standard, we have participated as an active member of a working group on sustainable feed. This has included dialogue with a range of stakeholders, including NGOs who were invited to share their views and expectations.

NGOs are particularly concerned about our impact on the ecosystem around our operations, sustainable feeds and food safety.

Suppliers

We constantly work with suppliers to ensure that they operate according to our sustainability requirements. This especially applies to our suppliers of feed and staffing services. This cooperation has a strong focus on meeting requirements for equal treatment.

Suppliers are concerned with our integrity and establishing of clear but realistic requirements, as well as work to improve the fish-in-fish-out ratios.

FOOD SAFETY AND QUALITY



There are no traces of illegal medicines in farmed fish, and no findings of legal drugs, organic pollutants or heavy metals above the limit.



Why this is important to us

Producing high-quality and safe food is our main objective. Food safety and quality is of the highest importance to our customers. Salmon and trout producers must be able to verify the quality of the fish from egg to market. The absence of undesirable microorganisms and traces of chemicals and medicines are essential to provide customer food which is not only guaranteed to be safe, but looks as tasty and healthy as possible too.

Our main principles

We strive to always provide products that meet our customers' high expectations of quality. This requires full traceability and strict quality control at every stage of the production process. To maintain security around our approaches we focus on clear and open communication about our work methods and standards.

Our efforts and results in 2014

Safe food of high quality must have the optimal nutritional value and be absent of harmful foreign substances and pathogenic elements. We are subject to an EU-imposed monitoring program for aquaculture based on EU Directive 96/23 EC. This monitors that we stay below recommended maximum values for hazardous residues of medicines in food. Since the program began in 1998, the level of residues has remained significantly below the recommended maximum limits for all who participated in the surveillance.

The Norwegian Institute of Nutrition and Seafood Research (NIFES) carries out the monitoring on behalf of the Food Safety Authorities. In 2013 NIFES concluded in the report "Farmed fish are safe foods" that:

"There are no traces of illegal medicines in farmed fish, and no findings of legal drugs, organic pollutants or heavy metals above the limit."

It is also significant that in December 2014 the Norwegian Scientific Committee for food safety (Vitenskapskomiteen for Mattrygghet (VKM)) concluded that;

"Farmed fish have less residues than wild fish" and that "There are no longer any reasons to believe that fertile women and girls should limit their consumption of oily fish from a health perspective"

With this they revoked a statement to the contrary from a similar assessment in 2006.

To produce safe and high quality food, Grieg Seafood has introduced standards that exceed government demands for quality and traceability. Among other measures, we have attained certification of our production management. Our operations in Rogaland are certified to the extensive GLOBAL G.A.P. standard. At Shetland the GLOBAL G.A.P. work is nearly complete and we aim for certification in mid-2015. In Finnmark we are in the process of preparing for a GLOBAL G.A.P. certification, and in BC we are certified to BAP, which is equivalent to GLOBAL G.A.P. These standards cover the entire value chain as a "code of conduct." It is maintained by annual audits and unannounced inspections. We have also started work to certify according to the ASC, focused at two sites in Finnmark, and are in the process of selecting sites in BC. Grieg Seafood operates devices by the standards that include Natureland, The British Retail Consortium, The Soil Association, Freedom Food, The Organic Food Federation, Protected Geographic Indication, SSPO, and Friend of the Sea. Furthermore our sales company, Ocean Quality, is certified by the standards GLOBAL G.A.P., Chain of Custody, and ASC Chain of Custody.

We have an ongoing focus on preventive measures in production and on ensuring a high standard of hygiene in all our operations. Hence we ensure good hygiene practices in boats, installations and processing plants, based on knowledge and awareness among our employees. The production is



Value chain for food safety

Purchases

- Quality criteria for feeds
- Traceability through "Fishtalk"

Fish farming

- Preventive health measures and treatment
- Traceability through "Fishtalk"
- GLOBAL G. A. P. certification

Harvesting

- Preventive hygienic and quality measures
- Traceability through "Fishtalk" and Maritech
- Approved HACCP system
- Norwegian Food Safety Authority monitors residues in fish
- GLOBAL G. A. P. certification

Sales & distribution Customer

- Risk assessment and preventive measures
- Standards for transport and storage
- ASC Chain and Custody approach
- Communication about GLOBAL G. A. P. certification
- Systems to register and follow up customer feedback
- Approved HACCP system
- Food Safety Authorities monitor residue substances in fish
- GLOBAL G. A. P. certification

continuously followed up by the local authorities such as the Food safety Authority, which for instance has inspected and approved the HACCP system of the process plant.

The production management program "Fishtalk" provides traceability from insertion of roe until the fish are harvested. Fishtalk also provides a complete overview of all feed used and any treatments applied.

In 2014 GSF has created a group Quality Network which will look at challenges regarding hygiene at our process plants. Microbiology is the main focus of this group, especially *Listeria monocytogenes*. We have also established monthly reporting for all regions.

Other initiatives in 2014 include a snapshot that is made available to the group on a daily basis. This includes information on amount harvested, grading percentage, reasons for downgrades and fish core temperature and listeria monitoring. In Shetland we have re-structured the harvest room to ensure minimum bleed out time is achieved, and introduced new crate scales system with up to date software allowing for flexibility in label design, increase the crate bead density to 30g/l to minimise crate breakage and introduced additional daily crate quality checks.

Our ambitions and goals

Going forward the Quality focus group will continue to standardize our approach to quality management to ensure that we employ best practice and enable knowledge sharing and cooperation. As part of this we will strive to develop common approaches to monitoring and performance management.

Global G.A.P.

is a voluntary international standard for food production, both in agriculture and aquaculture. The standard comprises food safety, animal welfare, sustainability, employment and traceability.

Fishtalk

is a production management system with many modules. Grieg Seafood deploys Fishtalk to record and report central ongoing production parameters from egg to harvesting. Defined targets are fed into the system throughout the process.

Maritech

is a data acquisition system specially adapted to harvesting and sales processes.

Aquaculture Stewardship Council (ASC)

ASC was founded in 2010 by WWF and IDH in order to establish global standards for sustainable seafood production. ASC standards set requirements for processes and marginal values to minimise negative environmental and social effects from fish farming. GSI members have committed themselves to work towards ASC by 2020.

FISH HEALTH



It is important and a duty for us as fish farmers to work systematically with fish health through prevention, so that the fish get the best conditions to stay healthy



Why it is important to us

Fish health is vital to ensure sustainable resource utilisation. Good fish health implies that the highest possible share of fish are doing well, growing normally and survive at all stages of the lifecycle. It is an important duty for us as fish farmers to work systematically with fish health through prevention, so that the fish get the best conditions to stay healthy. High mortality also has a major negative impact on profitability.

Our main principles

We aim for a systematic long-term approach to achieve good growth and high harvesting quality, with a focus on ensuring resistance. This includes the preparation of overall fish health plans for each region. The plans cover regionally adapted infection prevention and vaccine strategies. Fish health plans are revised upon need, but at least once a year. For an optimal mutual response, we also focus on local cooperation and transparency with other participants.

Our efforts and results

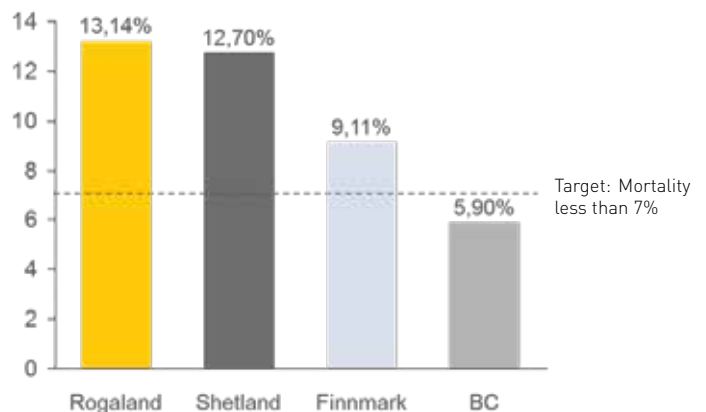
We work every day to ensure that we keep the fish alive and healthy. Preventive fish health measures are essential to our success. These measures include our health feed programs which focus on increasing the fish robustness and ability to cope with stress and external influences, thereby also reducing medical treatments. These preventive programmes involve measures such as; site visitation order, use of disinfectant and disinfectant footbaths, routine mortality removal and offsite storage, isolation of installations by prohibiting transfers between facilities unless the boat is disinfected, and PCR screening for earlier detection of parasites, viruses and bacteria.

Another important preventive measure is the establishment of management agreements to maintain best practice cooperation with other actors in the same area.

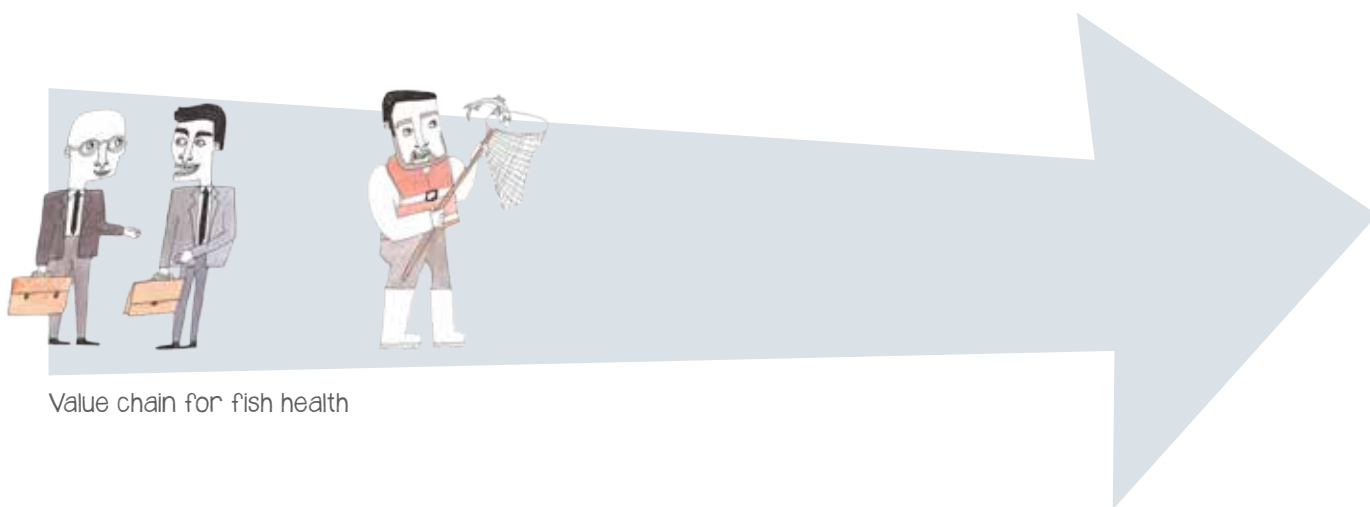
We monitor the health situation at all our locations. In 2014 we have delivered results towards our commitment to improve performance management of fish health throughout

the group. We have introduced weekly reporting on indicators such as mortality, and daily snapshots are also available to management from all regions. In 2014 we have also reached our goal of reporting our mortality rate in a way that is comparable to the rest of the sector. As part of the GSI we now report according to the standards agreed by this group. An important contributor to the monitoring efforts is statutory fish health checks at all locations. This includes monthly reporting on fish health to the authorities, which includes records of external injuries, eventual diagnoses and mortality. Monitoring is also adapted to the region. For instance in Rogaland we carried out gill controls for detecting AGD twice weekly during vulnerable periods.

Figure 1: 12 months rolling mortality supplied as one number for Jan - Dec *



*Mortality is defined as: Total no. of mortalities in sea last 12 months - total no. of culled fish due to illness or similar and not included in the harvested number)/(closing no. of fish in sea the last month + total no. of mortalities in sea the last 12 months + total no. of harvested fish the last 12 months + total no. of culled fish in sea (due to illness or similar and not included in the harvested number)) X100



Value chain for fish health

Purchases

- Quality feeds
- Health feeds program
- Medicines and vaccination

Fish farming

- Integrated fish health plans for each region
- Measures to prevent contamination, and vaccination strategies
- Monthly fish health controls
- Local cooperation
- Records in "Fishtalk"

Figure 1 shows an overview of the mortality rate of all our regions. In 2013 mortality was reported as dead biomass per biomass produced, from 2014 on we will report this in terms of individuals in line with the GSI indicator. Grieg Seafood aims for less than 7% mortality. In 2014 we achieved this goal for Atlantic salmon in BC, this is despite challenges with predators, algae and Tenacibaculum. There have also been positive developments in the other regions, although our ambitions have not been reached in the other regions. The causes of death have mainly been related to seal predation, smolt quality and gill challenges in the UK, the diseases PD and CMS in Rogaland, and IPN, Yersinia ruckeri and Tenacibaculum outbreaks in Finnmark.

Some of the measures to fight disease and promote fish health do however involve medical treatment. Table 1 shows an overview of regional use of antibiotics. Although we aim to avoid the use of antibiotics, there are some diseases that must be treated this way due to the welfare of the fish. In 2014 there has been a small number of treatments overall, with the exception of our BC operations.

2014 antibiotic use in BC was down from 2013 and we are now working on detailed plans to reduce these levels further in 2015. In Finnmark we used antibiotics in relation to a Tenacibaculum outbreak. In Shetland we were forced to use antibiotics when we received smolt that was infected with furunculosis. In both cases the antibiotics treatments were effective. Rogaland has had no antibiotics treatments in 2014.

Table I. Amount of active pharmaceutical ingredient (API) used (in grams) per ton of fish produced (LWE)

ANTIBIOTICS	GSF BC	GSF F	GSF R	GSF UK
gram/tonnes	256	0,23	0,00	0,16

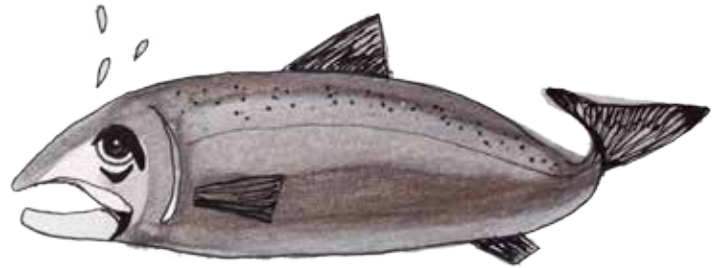
Our ambitions and goals

Our aim is to keep the average mortality rate for the group to a maximum of 10%. In order to reach this goal we will make the necessary investments in the sites that have high mortality rates, and make sure that we learn from internal and external best practices to keeping the fish alive. This will be done through our newly established Fish health technical group. This group will develop common policies and guidelines, as well as set clear goals and a realistic and detailed plans for how to reach these goals. A key focus will be to reduce the levels in antibiotics used in BC. The Fish health technical group will report their suggestions directly to the top management group.

SEALICE CONTROL



In short: Sea lice management is paramount to secure long-term sustainability of the industry.



Why it is important to us

Dealing with lice is high on our stakeholders' agenda due to the potential negative impact on wild populations and farmed salmon's health and welfare alike. Treating lice is also cost and resource intensive and high levels imply lower productivity and quality. Improper handling of lice can lead to resistant lice, which again could lead to natural constraints on future growth of the industry. In short: Sea lice management is paramount to secure long-term sustainability of the industry.

Our main principles

Lice levels should stay below Norwegian authorities' limits in all our fish farms in Norway. We also strive to comply with the same standard in our operations in other countries. To ensure compliance we strive always to be ahead of lice outbreaks through continuous monitoring and response. Delousing efforts should also be balanced with a focus on fish welfare and avoiding resistance. We therefore prioritise non-chemical delousing methods when possible. For the best possible shared response, we will also focus on local cooperation, coordination and transparency with other participants.

Our efforts and results

A key step in our efforts to prevent and treat against lice is the statutory systematic monitoring of sea lice levels in all our fish farms. The salmon is checked for lice every week at water temperatures above 4 °C. At water temperatures below 4 °C lice is counted every other week, out of consideration for fish health and welfare. Due to less pressure with regards to sea lice in BC, the routine differs slightly. Based on the results, relevant agents are applied. Examples of such measures include conducting lice counts several times a week at high sea lice levels as well as susceptibility testing of sea lice populations before treatment is engaged.

In 2014 we have convened a cross-regional technical group to discuss best practices for managing and monitoring sea lice levels. This group will continue to meet on a regular basis.

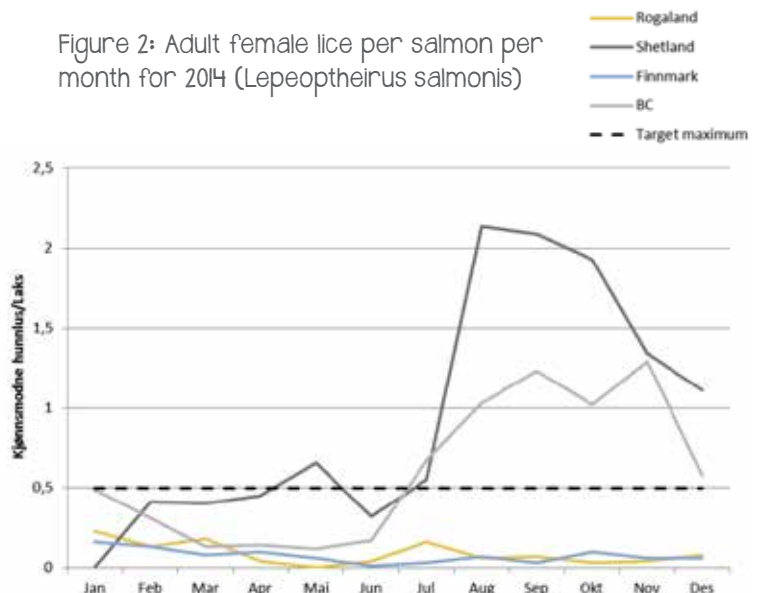
Revolving use of the fewest possible chemical agents is extremely important in lice treatment, in order to minimize the development of resistance to current treatment. We have therefore focused on "rolling over" the use of chemical agents and active use of wrasse. In Rogaland we now have extensive experience with the use of wrasse. The natural conditions are not right for the traditional use of wrasse in the other regions,

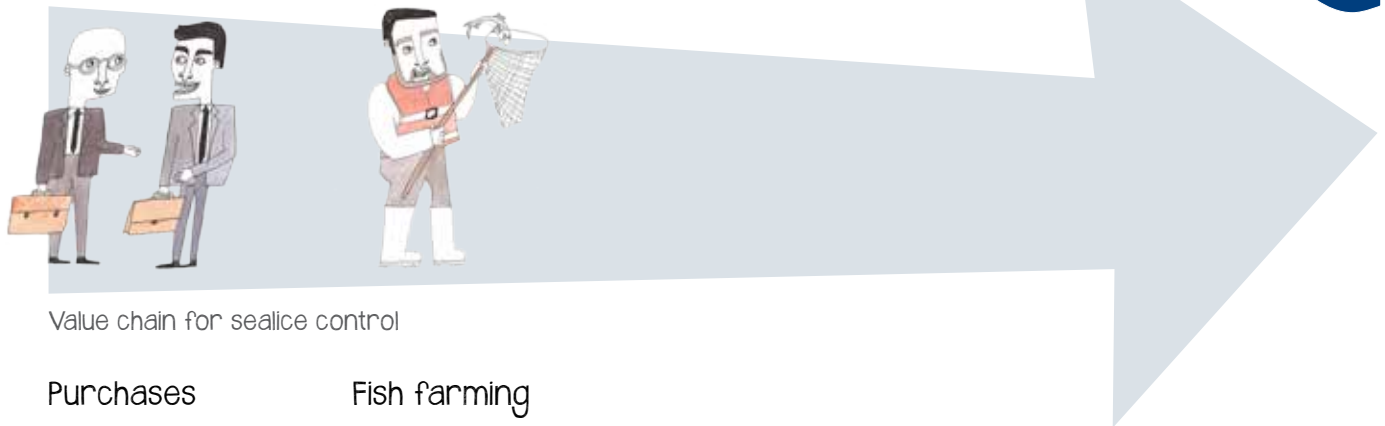
but the last three years we have commenced on projects in an attempt to develop the use of lumpsuckers in Rogaland, Finnmark and Shetland. The results are promising, but there are still some challenges to be resolved before lumpfish are an effective method to control sea lice on salmon. We are also looking into the use of several alternative non-therapeutic sea lice options. There are some technologies that can be deployed against lice. For example in Finnmark and Shetland we have introduced sea lice skirts. We also cooperate with other actors in the regions where we operate to keep sea lice levels low.

Figure 2 shows the average monthly level of sexually mature female lice in each region of Grieg Seafood. Grieg Seafood has defined 0.5 sexually mature females as a threshold for implementation of measures in each region. This is stricter than the national guidelines in the UK and BC. Sea lice levels is still our biggest challenge, although in three out of four regions we have managed to keep the sea lice levels relatively constant as compared to 2013. Unfortunately the sea lice challenge grew in Shetland in 2014. This was in part caused by large, pre-harvest salmon, as well as gill problems in some of the localities which meant that these fish could not endure lice treatment. In BC we still face challenges in managing sea lice levels when the wild salmon come back to the coast and up the rivers bringing with them sea lice.

In Rogaland the combination between wrasse and 100% clean

Figure 2: Adult female lice per salmon per month for 2014 (*Lepeoptheirus salmonis*)





Value chain for sea lice control

Purchases

- Delousing agent

Fish farming

- Preventive measures
- Continuous monitoring of levels
- Balancing chemical and non-chemical treatment
- Records and follow-up through "Fishtalk"

nets has been an important factor in keeping sea lice levels low. Good grooming of wrasse is also important, and good hiding places and feeding of wrasse in periods with little lice is important.

In 2014 we have also strengthened monitoring of sea lice levels through monthly reporting and reviews at global management team level.

Figure 3, and figure 4, to the right shows the amount of medicinal active substances used in in-bath and in-feed treatments respectively. As the numbers show Finnmark had the lowest sea lice level, but has used the highest amount of active substances in relation to their production level. This has several explanations; in comparison to Rogaland, wrasse is not available in Finnmark. We were furthermore forced to give some «double» treatments in Finnmark when the initial treatment was ineffective. Alternating the treatments also impacted the high level of active substances used this year in Finnmark, in particular with regards to the use of chitin inhibitors for large fish. In Shetland and Rogaland treatments have been limited to in-feed treatments for small fish which has lower levels of active substances.

In Shetland there is a large discrepancy with regards to sea lice levels and the use of active substances. This is because Shetland has mainly relied on the use of hydrogen peroxide (H2O2). H2O2 is a naturally occurring, though potent, oxidising agent that breaks down into H2O (water) and O2 (oxygen) when used in an aquatic environment.

Our ambitions and goals

We have defined a target of not more than an average of 0,5 sexually mature female lice per site. Although this is more stringent than the requirement for localities outside of Norway we want to strive towards the same goal throughout the Group. In Norway our aim is even lower. To ensure that we achieve our goal of combating lice while avoiding resistance, we will continue to make necessary investments to implement the most effective treatment methods. In this work, we have a focus on non-chemical treatments. We have adjusted our plans for managing sea lice levels, and will have a particular focus on managing the levels in Shetland.

Also considering the lice challenge we work to implement

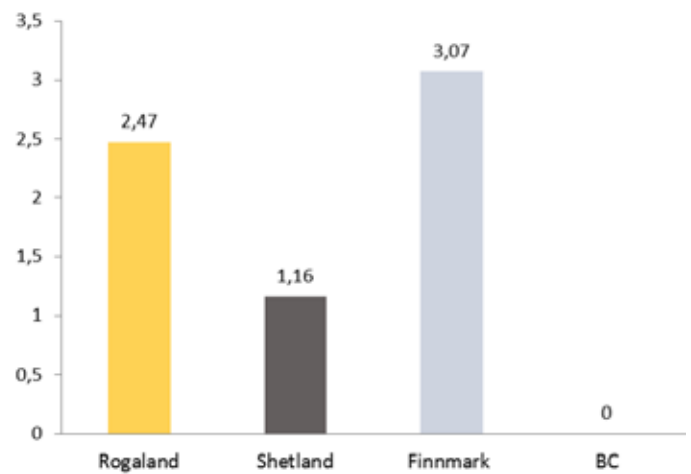


Figure 3: Medicinal in-bath treatments: amount of active pharmaceutical ingredients (API) used (grams) per tonne of fish produced (LWE).

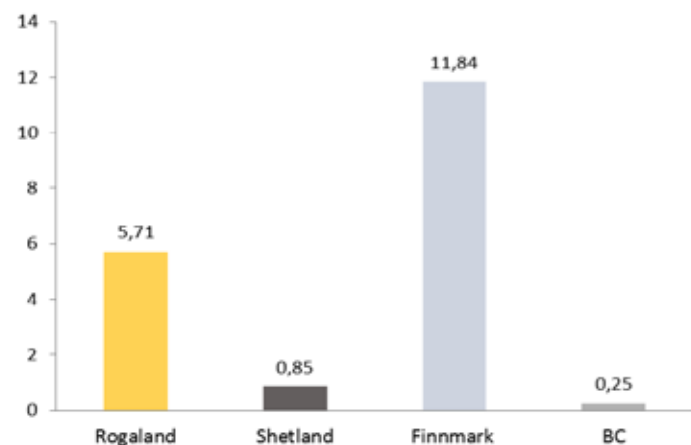


Figure 4: *Medicinal in-feed treatments: amount of active pharmaceutical ingredients (API) used (grams) per tonne of fish produced (LWE).

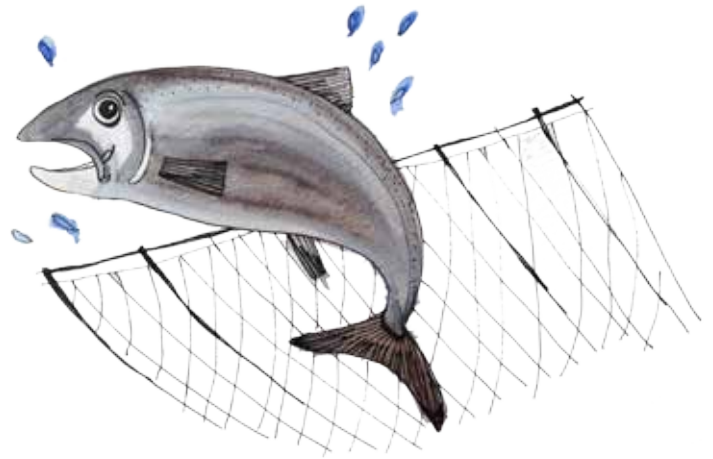
common performance indicators and targets comparable across the Group and the industry in general.

We are working on getting more treatments approved and have started a trial application for a new product in BC. We are also looking into the use of alternative mechanical/thermal methods.

ESCAPE CONTROL



We have zero tolerance for fish escaping our facilities, and we work continuously to prevent escape.



Why it is important to us

Salmon escaping the nets are a big concern to us because of the possibility of negative influences on the wild fish stock, especially wild salmon and trout. Escape may harm the industry's reputation and influence the external conditions for future growth, in addition to financially harming the company.

Our main principles

We have zero tolerance for escapes from our facilities, and we work continuously to prevent escapes. In order to facilitate this work, we will ensure high technical standards on our locations through long-term investments and necessary resources. On the sites, we will continue to work with routines and build the relevant competencies and capacities.

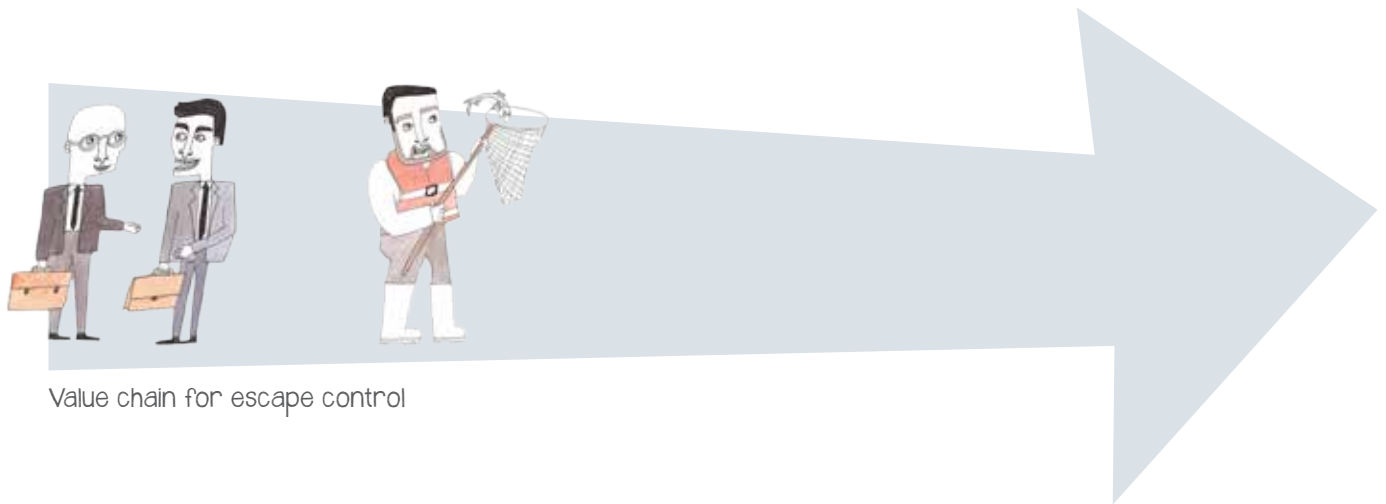
Our efforts and results

The Norwegian authorities have established strict demands for producers regarding escape prevention. We work continuously in order to meet these demands. Escape control requirements are further reinforced through GLOBAL G.A.P. requirements and the ASC standard that we are working towards. Throughout 2014 we have continued to develop our production prerequisites, thus avoiding escapes and fulfilling increasing demands from the authorities. In Shetland we have ongoing replacement of equipment when required to ensure the facilities meet the appropriate standards. In Finnmark we have established new land-based facilities for smolt production which will produce bigger smolt. This provides increased predictability and control within the cages. We have

also continued efforts to improve facility control and training for our employees working with net bags in order to prevent escapes, and inspections of vessels, moorings and facilities are carried out according to regulations.

Additional inspections are also carried out after periods of harsh weather, and we work to make sure that employees attend courses on escaping once every two years at minimum. New employees also receive risk and procedural training with Operational Managers within their first week, and do not carry out work operations alone until the necessary expertise has been acquired. In 2014 we had a serious incident in Teistholmen in Rogaland, when parts of the installations nearly capsized due to heavy storms. Major resources were deployed to protect the fish and avoid escapes whilst working closely with the Norwegian Food Safety Authority.

As shown in table 2 we unfortunately had three escapes in Finnmark in 2014, of which two were significant, one in freshwater and one at sea. The fresh water episode happened as a result of a human error as the cages had not been doubly secured. Efforts are being made to improve routines and ensure sufficient training of all personnel to avoid the possibility of a reoccurrence. The large incident at sea was due to a hole in a net which was discovered at the time of harvest. The last escape was reported as an incident connected to delousing of a cage. A small hole was found in the net and recapture procedures were set in action immediately resulting in the capture of two fish.



Value chain for escape control

Purchases

- Investments in facilities and technology

Fish farming

- Preventive measures
- Continuous monitoring of levels
- Training and raising awareness among employees
- Large smolt
- Records and follow-up through "Fishtalk"

GSF entity	Number of fish escape incidents and number of fish escaped (net after recapturing fish)	
Rogaland		0
Shetland		0
Finnmark	3 incidents, 26 946 fish escaped	
BC		0

Our ambitions and goals

Our goal is zero occurrences of escape, and therefore zero escaped fish. An important means to achieve this is to continuously ensure the NYTEK standard at our facilities. In the future we will continue to focus on preventative projects, and as part of this we will ensure a systematic approach to reporting near occurrences and actual occurrences. As with other focus areas we will work to learn from internal and external best practice and make sure that we make the necessary investments.

EMPLOYEES' HEALTH, SAFETY AND WORK ENVIRONMENT



We shall provide a work place where our employees can thrive and develop.



Why it is important to us

It is our responsibility to ensure that our employees are safe and satisfied at work. Concurrently, our employees' motivation is also a fundamental factor in securing productivity and loyalty, in addition to attracting new employees. In addition to our full time administrative employees, those at the edge of the cages and at the process facilities, we have a responsibility to support our suppliers and part time employees who contribute to production and transport. Among these suppliers there is a risk of unacceptable salary and employment conditions. We therefore work systematically to ensure that our business with our suppliers is conducted in a healthy, safe and enjoyable way.

Our main principles

Ensuring our employees' health and safety demands a positive safety culture including guidelines, procedures and processes as instruments to prevent and manage injuries, sickness, accidents and fatalities. We want a workplace where our employees thrive and develop. The overall HSE goal is to avoid injuries to human beings, the environment and material goods. Our zero philosophy can best be described as: accidents don't just happen, they are caused. All accidents can therefore be prevented. We will therefore strive towards an excellent safety culture where the individual employee has a personal understanding of risk and consequence.

Positive working conditions and all workers' rights shall be safeguarded according to international and national conventions, and we will work to ensure that this applies to hired workers and suppliers. We will have a focus on working systematically to avoid social dumping in relation to our production. We will work continuously to identify areas of improvement and implement measures and prioritise resources in order to put in place the necessary measures above and beyond statutory tasks.

Our efforts and results

We shall provide a work place where our employees can thrive and develop. Grieg Seafood has throughout 2013 worked continuously to improve our employees' health, safety and work environment. We work in accordance with the authorities' demands for health, environment and safety. This applies to such areas as preventing and following up on sick leave and accidents that caused personal injury throughout 2014.

Grieg Seafood is dedicated to securing proper training and oversight of our new employees. The goal is to ensure that an employee:

- Is acquainted with the guidelines, procedures etc. applicable to the position in which they are employed.
- Is integrated into the business in a satisfactory way.
- Is followed up in relation to the tasks he or she is to complete, ensuring that both follow-up work and any deviations from expectations can be documented.

When we hire someone, we have clear expectations to the work our new employee will be doing. We have expectations of goal orientation, effectiveness, quality, professional delivery and that the person is to become a part of our work culture. Our new employee expects to contribute as quickly as possible, and to enjoy meaningful work with great colleagues where relationships can develop. Some are preoccupied with career and knowledge development. Some want varying degrees of responsibility, delegated tasks and opportunities to determine their workday, etc. They all wish for competent leaders who guide and facilitate development.

As we sometimes employ subcontracted workers, we also work systematically to follow up these staffing companies in order to ensure that the company's hired workforce is not exposed to social dumping through employment contracts which don't safeguard relevant workers' rights and demands for an adequate work environment.

Table 3: Indicators of occupational health and safety in 2014

GSF entity	Fatalities	Lost time injuries*	Absence rate	Long-time sick leave
Rogaland	0	1	3.15	1.95
Shetland	0	1	3.19	0.4
Finnmark	0	4	5.87	4.51
BC	0	0	0.56	0.9
ASA	0	0	0.84	0

*Lost time injuries: Number of injuries at work and work-related, including fatalities, leading to unfitness for work and absence from the next working day or working shift

Table 3 gives an overview of our results with regard to occupational health and safety. These are reported in accordance with GSI's guidelines in order to ensure comparability with the industry. This helps us towards the goal set last year of ensuring a common approach to reporting sick leave across the group. We have made focused efforts to reduce sick leave in the regions where this has historically been high. Finnmark had high levels of sick leave in 2014, but has now managed to reduce these significantly, although these levels remain the highest in the group. The reduction has in a large part been due to efforts to create a more positive working culture. Similarly, in Shetland, the new regional manager has focused on creating an open and positive working environment. Furthermore in Shetland we now have in place an improved health and safety policy. Staff training has also been undertaken at all levels. In Rogaland we have conducted internal audits every year focusing on HSEQ matters. The company's site managers and line leaders attend leadership training courses. An HSE-manager has been employed to increase HSE awareness and help routines going forward. In Rogaland and Finnmark we have also conducted Employee questionnaires during the summer every year as a part of the company's leadership tools. These are experiences that we will aim to learn from in the rest of the company.

At a group level we have gathered the global management team to discuss how we should work together and how our leaders should behave..

Our ambitions and goals

Our ambition is zero injuries and accidents. We will therefore continue to work in order to improve awareness and routines going forward. A key goal for 2015 is to reduce company-wide sick leave.

In 2015 we will work on building a Grieg Seafood culture that emphasizes feedback and clarity, both good and bad. We believe that this will be important in terms of satisfaction, sick leave and for ensuring safety. We also aim to develop our leaders, and to ensure that our leaders get the feedback they need to improve their performance.

INTEGRITY AND ANTI-CORRUPTION



We do not accept corruption or bribes in order to further business interests or personal goals.



Why is it important to us?

Integrity in all parts of our business and activities helps safeguard us against disruptions, sanctions, loss of reputation, and contributes toward protecting our creation of value in favour of various interest groups.

The work toward anti-corruption and integrity is also fundamental in order to live in accordance with our values of openness and respect.

When it comes to regulatory compliance we pay special attention to the regulations pertaining to our industry in addition to anti-corruption regulations, ensuring competition and workers' rights. We feel these areas are of critical importance toward strengthening and protecting our business.

Our main principles

Our business is based on the normal/strict norms of ethics and complying with relevant regulations. We do not accept corruption or bribes in order to further business interests or personal goals. We will have internal routines of control protecting both the business and our employees against fraud and breaches of laws and regulations, and we work to strengthen the defences of our business through goal-oriented training and control. Our external alert body and clear procedures for following up alerts is an important element of these defences.

Our efforts and results

In order to promote integrity we work continuously to make sure that our main principles will remain perennial when it comes to our understanding of risk, and that it is realised to as greater a degree as possible. Concerning integrity we do not just mean compliance with laws and regulations, but also a continuous awareness of the effect of our strategies, activities and results on our surroundings and interested parties. We strive toward a continuous internal dialogue between colleagues, managers and interested parties to ensure that our choices and decisions are well-founded and understood.

In 2014 we updated our code of conduct based on a risk assessment and made these available to all employees via our

intranet. We have also established an external whistleblowing function, where all employees can report any concern relating to compliance with for example; our own code of conduct or laws and regulations.

We also made efforts to reduce the risk of conflicts of interest. One such measure has been to ensure that all members of the group and local management report any relations that might impact their ability to be impartial. This could include ownership in, or close relations with one of our suppliers.

As shown by table 4 we had no incidents of final non-compliances in 2014.

GSF entity	Incidents of non-compliances	Fines imposed (in USD)
Rogaland	0	0
Shetland	0	0
Finnmark	0	0
BC	0	0

Our ambitions and goals

We will continuously work to ensure that our regulations and policy documents focus on our most important areas of risk. We maintain our previous ambition of ensuring that we comply with both internal and external demands through holistic training, management and analysis. An important element to this work includes increasing the stream of information pertaining to conditions worthy of criticism and other opportunities for improvement. We do not accept corruption or bribes in order to further business interests or personal goals. In 2015 we will work to raise awareness of our code of conduct, and of our external body for alerts and procedures for proper follow-up of alerts.

RIPPLE EFFECTS IN LOCAL COMMUNITIES



We wish to ensure that our activities cause positive ripple effects in our local communities.



Why it is important to us

Grieg Seafood can affect the local communities in which we operate, both positively and negatively. At the same time we depend on these communities thriving and on good relationships with our neighbours and host municipalities. Positive ripple effects can contribute to a spread in settlement, maintenance and establishment of new jobs, development of income and infrastructure through taxation; Negative ripple effects can potentially surface due to increased activity and reduced traffic safety on local roads, noise and unpleasant smells from fish farming and processing as well as unwanted activity around recreational areas and holiday locations.

Our main principles

We wish to ensure that our activities cause positive ripple effects in our local communities. We will therefore use local suppliers as often as we can. We wish to also contribute economically to local development, especially when it comes to activities with children and youth. We will also work to attract new employees and will raise awareness of fish farming and the work and development opportunities within our industry.

Table 5: Ripple effects in local communities (numbers are in NOK)

GSF entity	Local sponsorship	Local procurement	Total
Rogaland	597 370	33 699 999	34 297 369
Shetland	620 599	151 214 098	151 834 697
Finnmark	1 195 612	139 524 675	140 720 287
BC	461 926	407 772 390	408 234 316

A particular focus in our Norwegian locations is to work with schools and students to create awareness of the possibilities in fish farming. In Rogaland we have established a training scheme together with high schools in the county. Grieg Seafood Rogaland has been a trainee company for many years and the experience has been highly positive. By contributing as a trainee company we can contribute to local employability, maintain the competency level of potential employees within the local area, and the trainee scheme itself can be an entrance for future employment. In Rogaland our production facilities are visited by schools and kindergartens several times per year. This is, again, so that children and youth in the area can gain insight into what it is like to work within

the salmon rearing industry. In Finnmark we also have a partnership with Nordkapp maritime technical school, to work to increase recruitment to the industry, through working with the students throughout their studies. In Finnmark we are also active in schools. For instance we have organised aquaculture days for 8th graders at schools in Alta and Loppa in order to teach the students about fish farming, and what it is like to work there. We do this so that children and youth can gain insight into what they can expect working with salmon rearing. We are also one of the main sponsors of "Håp i havet". This is a forum bringing together students, scientists, politicians and business to discuss the opportunities related to fishing and aquaculture in Norway.

In BC we work to listen and respond to the concerns of the indigenous peoples that live in our local communities, and we are therefore also a contributor to the First Nations initiative.

Throughout 2014 we have also strived to create positive local ripple effects by maintaining our focus towards being a contributor to the local community by supporting local sports teams and other cultural organisations focusing on children and youth. Grants to certain initiatives in the local communities in which we operate also serve as an important contribution toward ensuring positive ripple effects. Every region actively supports and provides recreational activities for children and youth in addition to other cultural events. In Rogaland, for example, we are the main sponsor of the Grieg Race during the Tomato Festival at Finnøy every year.

Our ambitions and goals

Moving forward we will continue to support activities for children and youth. We will also work to establish a common approach to how we can secure a positive effect on, and good relations with, our local communities.

GRIEG FOUNDATION

Grieg Foundation

By being part of the Grieg Group we also contribute 25 % of any profit to the Grieg Foundation through our owner Grieg Holdings AS. This profit goes to international and national charities, among them SOS Barnebyer, Haukeland Hospital, art and culture and many other areas.

Grieg Foundation's contributions mainly go toward:

- Medical research or health projects in general
- Music or other cultural initiatives
- Education and sport

