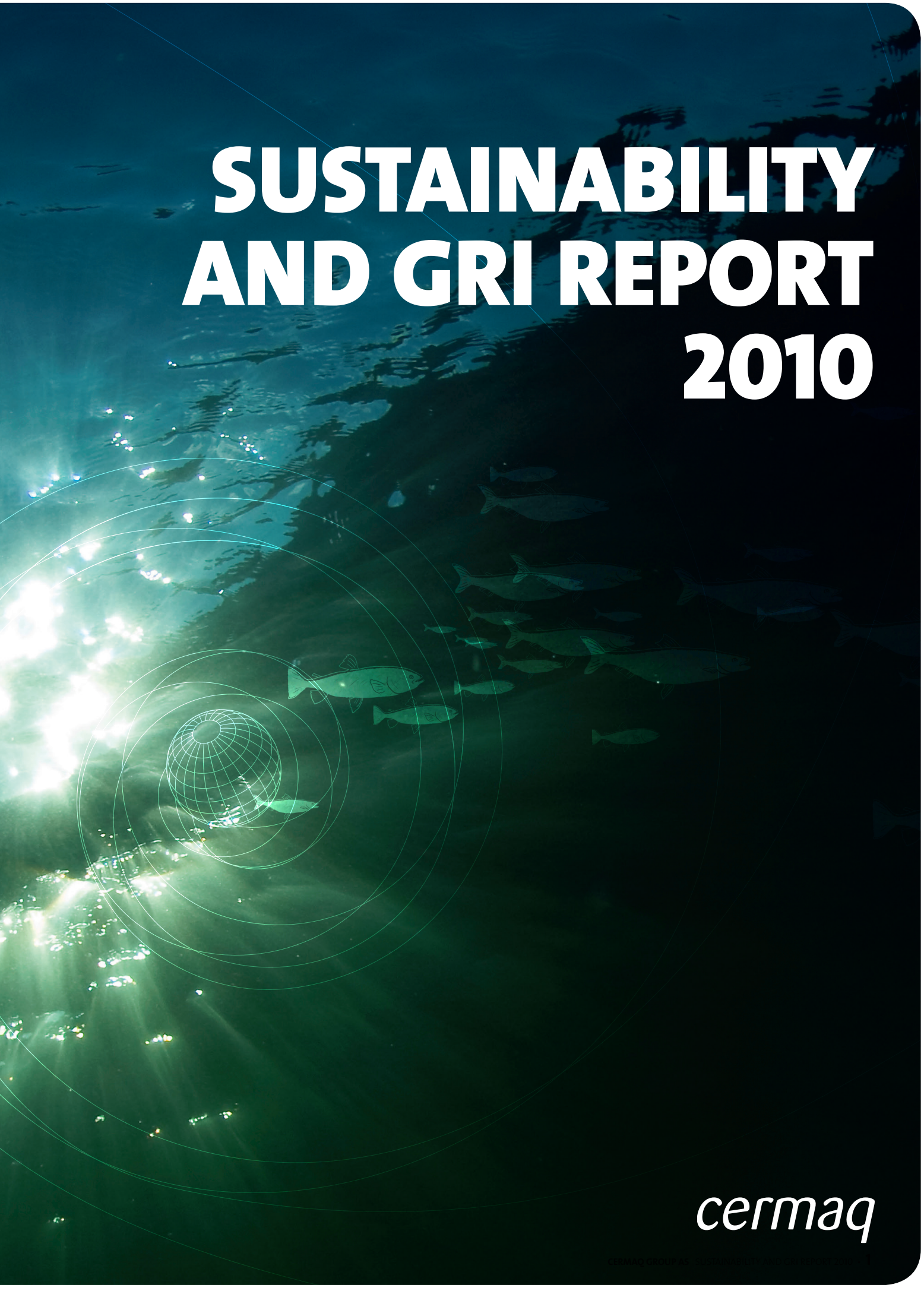

SUSTAINABILITY AND GRI REPORT 2010

cermaq

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GRI indicators

1. STRATEGY AND ANALYSIS

1.1.Statement from the most senior decision-maker of the organization.

➜ CEO's Statement

1.2.Description of key impacts, risks, and opportunities.

➜ Risks and oppurtunities

➜ Corporate Governance: Risk management and internal control

2. ORGANIZATIONAL PROFILE

2.1.Name of the organization

Cermaq ASA

2.2.Primary brands, products, and/or services.

➜ EWOS

➜ Mainstream

2.3.Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

➜ EWOS

➜ Mainstream

2.4.Location of organization's headquarters.

Grev Wedels Plass 5, P.O. Box 144 Sentrum, 0102 Oslo, Norway

2.5.Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

➜ Our world

2.6.Nature of ownership and legal form.

➜ Shareholder Information

Cermaq ASA is a public company listed on the Oslo Stock Exchange. The Norwegian State is the principal shareholder in Cermaq ASA with a shareholding of 43,5 percent.

2.7.Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

➜ EWOS

➜ Mainstream

2.8.Scale of the reporting organization.
➜ Key figures 2006-2010
➜ Annual accounts 2010 (Note 3, page 75)

2.9.Significant changes during the reporting period regarding size, structure, or ownership.
➜ Highlights 2010
➜ Annual accounts 2010 (Note 4, page 76)

2.10.Awards received in the reporting period.
➜ Highlights 2010

3. REPORT PARAMETERS

3.1.Reporting period (e.g., fiscal/calendar year) for information provided.
Cermaq's reporting period follows the calender year 2010

3.2.Date of most recent previous report (if any).
The previous GRI report is included in Cermaq's Annual Report 2009 published in April 2010.

3.3.Reporting cycle (annual, biennial, etc.)
Cermaq's GRI reporting cycle is annual

3.4.Contact point for questions regarding the report or its contents.
Please contact: Lise Bergan, Director Corporate Affairs. Email: cermaq@cermaq.com

3.5.Process for defining report content.
GRI Section 3.5

3.6.Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.
GRI Section 3.6

3.7.State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).
We consider the boundary for our sustainability reporting (see 3.6) to be sufficient to comply with the GRI completeness principle.

3.8.Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
Cermaq has not reported sustainability information for any joint ventures, subsidiaries, leased facilities, or outsourced operations in 2010

3.9.Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.
GRI Section 3.9

3.10.Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
In August 2010, Cermaq disposed of its fish farming operation Mainstream Scotland to Morpol ASA. For this reason, we have adjusted historical sustainability performance data given in this report to exclude Mainstream Scotland. The purpose of this adjustment is to ensure comparability with performance data pre-

sented for the year 2010.

3.11.Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.
The most significant change in Cermaq's sustaianbility reporting for 2010 is that we have shifted from a Level C report to a Level B report. Therefore, we include a broader presentation of our reporting profile; we include a description of management approach for each of the 6 GRI categories; and we have increased the number of GRI performance indicators from 10 to 20.

3.12.Table identifying the location of the Standard Disclosures in the report.
The location of standard disclosures is made clear through the links and content in this GRI index.

3.13.Policy and current practice with regard to seeking external assurance for the report.
➜ Auditor's Review on Cermaq Sustainability Report 2010

Cermaq seeks limited external assurance for its 2010 sustainability reporting. The assurance is carried out in adherence to both AA1000AS and ISAE3000.

4. GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

4.1. Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.
➜ Corporate Governance: Corporate assembly and BoD composition and independence (p. 48)

4.2. Indicate whether the Chair of the highest governance body is also an executive officer.
The Chairman of the Board of Directors is not also an executive officer of Cermaq ASA.

4.3.For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.
➜ Corporate Governance: Corporate assembly and BoD composition and independence (p. 48)

4.4.Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.
➜ Corporate Governance: General meetings (p. 47)

4.5.Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).
➜ Corporate Governance: Remuneration of BoD and Remuneration of the Executive Management (p.48)

4.6.Processes in place for the highest governance body to ensure conflicts of interest are avoided.
➜ Corporate Governance: Equal treatment of shareholders and transactions with close associates (p. 46) ➜ Cermaq ethical guidelines

4.7.Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.
➜ Corporate Governance: The work of the BoD (p. 48)

4.8.Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.
➜ Cermaq sustainability principles
➜ Ethical and social responsibility guidelines
➜ Whistle blowing guidelines

The following codes and guidelines have been fully implemented and widely distributed throughout the Cermaq group and are available at Cermaq.com.

4.9. Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

➜ See section 3.9
➜ See section 1.2

As an output to the internal sustainability reporting cycle (see 3.9), Cermaq's executive management receive a quarterly sustainability report outlining social and environmental performance for the preceding period and highlighting any emerging issues or concerns. This report is also issued to the Board of Directors on a semi-annual basis. In addition, Cermaq's quarterly risk analysis framework periodically includes an assessment of sustainability risk (see 1.2) for the attention of the Board of Directors.

4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

➜ Corporate Governance: The work of the BoD (p. 48)

4.11. Explanation of whether and how the precautionary approach or principle is addressed by the organization.

➜ See section 1.2

Cermaq follows a precautionary approach to the management of all risk areas (including sustainability) through its routine risk assessment and reporting model. The model allocates responsibility for risk mitigating activities connected with any identified critical or significant risks (see 1.2). Furthermore, the companies guidelines for ethical conduct explicitly states that "In case of doubt as to whether an activity is legal or ethically defensible, an immediate superior or legal expertise, where applicable, shall be consulted in advance to the extent this is practically possible."

4.12. Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

➜ Board of Directors' Report

Cermaq does not presently subscribe to any externally developed sustainability charter. However, all Cermaq business units are working towards certification under International standards for quality management, environmental management, occupational health and safety and food safety management. An overview of the status in presented in the [Board of Directors Annual Report - Printed report]. In addition, Cermaq has itself voluntarily developed a set of internal Sustainability Principles that are widely distributed both internally and externally to the organisation.

4.13. Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.

Norwegian Seafood Federation (FHL) ; Salmon of the Americas (SotA); Salmon Chile; British Columbia Salmon Farmers Association (BCSFA) ; Canadian Aquaculture Industry Alliance (CAIA) : Scottish Salmon Producers' Organisation SSPO; International Fishmeal and Fish Oil Organisation (IFFO) ; European Feed Manufacturers' Federation FEFAC etc.

4.14. List of stakeholder groups engaged by the organization.

➜ OUR APPROACH: Stakeholders

4.15. Basis for identification and selection of stakeholders with whom to engage.
➜ OUR APPROACH: Stakeholders

4.16. Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.
➜ OUR APPROACH: Stakeholders

4.17. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.
➜ Sustainability (materiality matrix)

More specifically, Cermaq has responded to the following key concerns during 2010:
➜ Section 4-17

> DISCLOSURE ON MANAGEMENT APPROACH
Management approach

ECONOMIC
EC1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change.
N/A

EC3. Coverage of the organization's defined benefit plan obligations.
➜ Pension costs and obligations (Note 8, page 82)

EC4. Significant financial assistance received from government.

EC5. Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.
Limited to Mainstream Chile.

EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
N/A

EC7. Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
N/A

EC9. Understanding and describing significant indirect economic impacts, including the extent of impacts.
N/A

ENVIRONMENTAL

EN1. Materials used by weight or volume.

EN2. Percentage of materials used that are recycled input materials.
N/A

EN3. Direct energy consumption by primary energy source.

EN4. Indirect energy consumption by primary source.

EN5. Energy saved due to conservation and efficiency improvements.

EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.
N/A

EN7. Initiatives to reduce indirect energy consumption and reductions achieved.
N/A

EN8. Total water withdrawal by source.
N/A

EN9. Water sources significantly affected by withdrawal of water.
N/A

EN10. Percentage and total volume of water recycled and reused.
N/A

EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
N/A

EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

EN13. Habitats protected or restored.
N/A

EN14. Strategies, current actions, and future plans for managing impacts on biodiversity.
N/A

EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
N/A

EN16. Total direct and indirect greenhouse gas emissions by weight.

EN17. Other relevant indirect greenhouse gas emissions by weight.
N/A

EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved.
N/A

EN19. Emissions of ozone-depleting substances by weight.
N/A

EN20. NOx, SOx, and other significant air emissions by type and weight.
N/A

EN21. Total water discharge by quality and destination.
N/A

EN22. Total weight of waste by type and disposal method.
N/A

EN23. Total number and volume of significant spills.
N/A

EN24. Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
N/A

EN25. Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
N/A

EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

EN27. Percentage of products sold and their packaging materials that are reclaimed by category.
N/A

EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

EN29. Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
N/A
NotEN30. Total environmental protection expenditures and investments by type.
N/A

SOCIAL: LABOR PRACTICES AND DECENT WORK

LA1.Total workforce by employment type, employment contract, and region.

LA2.Total number and rate of employee turnover by age group, gender, and region.
N/A

LA3.Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
N/A

LA4.Percentage of employees covered by collective bargaining agreements.

LA5.Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.
N/A

LA6.Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
N/A

LA7.Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.

LA8.Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
N/A

LA9.Health and safety topics covered in formal agreements with trade unions.
N/A

LA10.Average hours of training per year per employee by employee category.

LA11.Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
N/A

LA12.Percentage of employees receiving regular performance and career development reviews.
N/A

LA13.Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.
N/A

LA14.Ratio of basic salary of men to women by employee category.
N/A

SOCIAL: HUMAN RIGHTS

HR1.Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.
N/A
HR2.Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
N/A

HR3.Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
N/A

HR4.Total number of incidents of discrimination and actions taken.
N/A

tHR5.Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.
N/A

HR6.Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

HR7.Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.
N/A

HR8.Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
N/A

HR9.Total number of incidents of violations involving rights of indigenous people and actions taken.

SOCIAL: SOCIETY

SO1.Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.
N/A

SO2.Percentage and total number of business units analyzed for risks related to corruption.
N/A

SO3.Percentage of employees trained in organization's anti-corruption policies and procedures.

SO4.Actions taken in response to incidents of corruption.
N/A

SO5.Public policy positions and participation in public policy development and lobbying.
N/A

SO6.Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
N/A

SO7.Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.
N/A

NotSO8.Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

SOCIAL: PRODUCT RESPONSIBILITY

PR1.Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
N/A

PR2.Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

PR3.Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
N/A

PR4.Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
N/A

PR5.Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
N/A

PR6.Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
N/A

PR7.Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.
N/A

PR8.Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
N/A

PR9.Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.
Link

Our approach

SUSTAINABILITY

Below, we outline our approach to stakeholder engagement and give details about Key topics and concerns that have been raised and how the organisation has responded. We also describe the Group's annual risk assessment and reporting model. Lastly, we present our statement of commitment to the AA1000 Accountability Principles (2008).

Our stakeholder engagement

Our stakeholders show increasing interest in Cermaq's sustainability 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. Stakeholder engagement is carried out both at local and at corporate level and our aim is to engage constructively based on respect and transparency.

The materiality of our sustainability reporting is based on continuous stakeholder dialogue which takes place in both structured and un-structured ways. We characterize our engagement with specific prioritized stakeholder groups as follows:

Dialogue with our **EMPLOYEES** is continuous, through well-established local management structures and practices. During 2010, Cermaq once again ran a Talent Program, pulling together selected employees from diverse business areas, units and functions with the aim of supporting their personal development at work and to share information about the wider Cermaq organization. Relations with employees and unions are described in more detail on pages 17 and 18 of the printed report.

SHAREHOLDERS, analysts and providers of capital are key stakeholders, and continuous contact is important to ensure accurate assessment of our business. During 2010, Cermaq carried out an email survey of financial analysts' opinions on Cermaq's corporate reporting. We also took part in the Carbon Disclosure Project for the first time, providing information on Cermaq's carbon emissions and our assessment of climate change risk and opportunity. (CDP; an investor initiative which collects and publicizes information on enterprises' emissions of green house gasses and other climate challenge related information.)

Strong relations with customers and suppliers are key to our operations and our business success.

SUPPLIERS of feed materials are of utmost importance to EWOS. A particular focus has been on suppliers of marine ingredients where quality, safety and nutrition, as well as sustainability aspects, are addressed. The **CUSTOMERS** of EWOS are local fish farmers. During 2010, EWOS carried out a perception analysis amongst its customers in Norway in order to find ways to further strengthen customer relations.

For our farming operations the key supplier of feed is EWOS. Customers include seafood wholesalers, processors and retailers in the main salmon markets. Mainstream do not market branded products.

AUTHORITIES and politicians are stakeholders at local, regional and national level who define the framework conditions for our industry. We believe transparent dialogue is a prerequisite for arriving at good and balanced decisions. Recent significant criticism of salmon farming has demonstrated that the industry, including Cermaq, has significant potential to improve the dialogue with authorities and politicians, describing the performance of and challenges to our industry.

Cermaq has increased its dialogue with the **NGO COMMUNITY** during 2010. Examples include meetings and exchange of views with organizations as WWF, Bellona, Friends of the Earth, Pure Salmon Campaign, The Norwegian Association of Hunters and Anglers and Olach to mention a few, as well as our participation in the Salmon Aquaculture Dialogue with all its local and

international stakeholders. In September 2010, WWF Norway was invited to make a presentation to the full Cermaq management group, including the local management teams from EWOS and Mainstream. NGOs that constructively seek industry improvements can give valuable input to Cermaq.

Cermaq operates in some areas with a population of **INDIGENOUS PEOPLE**. The First Nations of British Columbia, Canada, have special titles and rights according to the Canadian constitution. It is important for the group to be aware of potential challenges our operations might represent, and we therefore acknowledge these indigenous people as important stakeholders. In 2010 Cermaq renewed a protocol agreement with the Ahousaht First Nation. Cermaq's ambition is to have mutual advantageous agreements with First Nations in all the territories in which we operate in British Columbia.

Cermaq sees **INDUSTRY ASSOCIATIONS** efficient and necessary for ensuring the framework conditions for the aquaculture industry. Thus, Cermaq are actively participating in the industry association normally represented by senior executives in the Board of the association. In 2010 we have representation in Salmon Chile, BCSFA (Canada), CAIA (Canada) and FHL (Norway).

The aquaculture companies in British Columbia initiated a campaign in 2010 with the objective to build their social license by presenting the industry and operations in ads, media outreach and events. Both EWOS and Mainstream participate in this campaign which is funded by the participating companies.

ROUND TABLE DISCUSSIONS IN CHILE

The NGO OLACH (Observatorio Laboral y ambiental de Chiloé) initiated a dialogue called Economic and Social Dialogue of the Salmon industry in 2010, inviting salmon companies, labour organizations and politicians/authorities to participate. Mainstream Chile was one of the companies participating in the dialogue.

The basis was the implementation of the new Chilean aquaculture law, the urgent need not to repeat the mistakes made before the ISA virus crisis. The objective was to achieve understanding and commitments between the parties.

The project conducted 5 meetings in 2010 and has achieved agreements that are going to be completed during 2011 related with social corporate responsibility, trainings and tools to fight and determine salmon industry unemployment. The Dialogue continues in 2011.

GRI Section 4.17 - Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those topics and concerns, including through its reporting.

Cermaq remains open to dialogue with stakeholders who are directly involved with or impacted by our industry or who constructively engage in seeking industry improvements. Stakeholder engagement is carried out both at local and at corporate level and our aim is to engage constructively based on respect and transparency.

The table below provides some examples of how Cermaq responded to specific stakeholder concerns during 2010:

Stakeholders	Concerns	Cermaq's Responses
Forum for Environment and Development (ForUM) and Friends of the Earth, Norway	In 2009, ForUM and Friends of the Earth, Norway, filed a formal complaint against Cermaq under the OECD's Guidelines for Multinational Enterprises.	This case is still being processed and Cermaq has participated in meetings with the Contact Point and also submitted documentation and information to the National Contact Point to enable them to assess whether there is any substance to the complaint. Cermaq wants to continue dialogue with the parties that filed the complaint. In 2010, Friends of the Earth Norway participated in a meeting with Cermaq that was unrelated to the OECD complaint process, while ForUM has not participated in the OECD's National Contact Point meetings and has refused to meet Cermaq for dialogue.
Friends of the Earth Norway	In 2010, Cermaq received negative publicity because EWOS, via its sub-contractor GC Rieber Oils AS, purchased fish oil from West Sahara.	Cermaq responded with a new and thorough assessment of the purchase, utilising external legal counsel and initiating contact with the Norwegian Ministry of Foreign Affairs about the case. Cermaq has not been specifically advised by the Ministry of Foreign Affairs to discontinue the purchase, but it has also not managed to establish to an adequate degree that the purchase was in accordance with the Norwegian authorities' recommendations. Cermaq subsequently resolved to discontinue the purchase. In 2011, Cermaq and EWOS will continue our efforts to strengthen our routines for managing the supply chain.

Multiple Stakeholders	During 2010, there have been various external initiatives towards the development of independent standards for salmon farming. These initiatives include WWF Salmon Aquaculture Dialogue (SAD) and Global Aquaculture Alliance (GAA) BAP Salmon Farm Standards	WWF SAD: Cermaq has attended dialogue meetings during 2010 and submitted detailed comments to the draft standards. These comments are publicly available here. GAA BAP: Cermaq submitted detailed comments to the draft GAA standards.
WWF Norway	General concerns about the environmental impact of salmon farming	Cermaq has engaged with WWF Norway through a series of meetings during 2010, including an invitation to WWF Norway to make a presentation to the Cermaq group management meeting in September, where the management representatives for all Cermaq owned fish feed and fish farming companies were gathered.
Canada First Nations Communities	Mainstream Canada operates within the traditional territories of several First Nations on the BC coast.	Mainstream Canada and Ahousaht First Nation renewed a protocol agreement on Jan 8, 2010. The protocol guides the principles for working together and establishing a sustainable and mutually beneficial salmon farming operation. Representatives from Ahousaht First Nation and Cape Mudge First Nation in British Colombia visited Norway to gain knowledge about Norwegian salmon farming.
Investors and other stakeholders	Increasing interest amongst stakeholders related to Cermaq social and environmental impacts and activities	In 2010, Cermaq launched its integrated annual and sustainability report for 2009, providing information on central environmental, social and economical aspects related to the operations of Mainstream and EWOS. This report was based on the Global Reporting Initiative (GRI) Guidelines. To address material concerns for our industry Cermaq has expanded the reporting and defined company specific indicators for areas such as; use of antibiotics, sea lice, escapes, and marine raw materials.
OLACH and other Chilean NGOs	Concern over the social and environmental impacts of salmon farming in Chile	The NGO OLACH (Observatorio Laboral y ambiental de Chiloé) initiated a dialogue called Economic and Social Dialogue of the Salmon industry in 2010, inviting salmon companies, labour organizations and politicians/authorities to participate. Mainstream Chile was one of the companies participating in the dialogue.
Investors	There is a growing expectation upon companies all over the world to measure, manage, disclose and ultimately reduce their greenhouse gas emissions.	Cermaq made its first publicly available disclosure to the Carbon Disclosure Project in 2010. Cermaq got a mid-range 'disclosure score' of 63, indicating "Growing maturity in understanding and managing company-specific risks and potential opportunities related to climate change" and a 'performance score' C (A is 'leading'), indicating that we are "on the journey" and that we have "some activity on climate change".
Cohen Commission, formally named the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River	In Canada, the Cohen Commision is reviewing concerns regarding the decline of Sockeye salmon in the Fraser River in 2009. Aquaculture is one of the elements the commission is reviewing.	Cermaq and its subsidiary, Mainstream Canada, has engaged with this enquiry also during 2010 and supported the commission with information requests.
Pure Salmon Campaign	Broad concerns related to the social and environmental impacts of salmon farming.	In particular, representatives of Pure Salmon wanted to engage with senior management in Cermaq. To meet this need, Cermaq arranged for Mr Bart Naylor and Mr Don Staniford, Pure Salmon, to meet directly with the Chairman of Cermaq Board of Directors and the CEO of Cermaq ASA in

		relation to the AGM.
Bellona	Concerns about the environmental impact of salmon farming, with focus on: escapes; sea lice; organic discharge; and feed resources	Cermaq held a meeting with Bellona during 2010 to open the door for further discussion and mutual understanding on the issues of concern.

GRI Section 1.2 - Description of Key Impacts, Risks and Opportunities

Key impacts on sustainability and effects on stakeholders

Cermaq's materiality analysis identifies the sustainability aspects that management consider to be of greatest impact to the organisation and of greatest concern to stakeholders.

These aspects are taken into the Group's annual risk assessment and reporting model. Our approach is based upon a typical risk assessment matrix, where management judge the probability and consequence (financial impact) for each material sustainability aspect. The perceived sustainability risk exposure is then categorised into critical (none), significant (three) and insignificant (two) risk areas. The outcome is described below including a description of how these risk areas are being addressed:

Risk Areas	Progress in Addressing these Areas
Occupational Health & Safety (OHS) - Significant risk for Mainstream - Significant risk for EWOS	All Cermaq operations are working towards OHSAS 18001 Occupational Health & Safety Management Standard. At year-end 2010, the majority of Cermaq's operations had attained this standard, with the exception of Mainstream Norway, EWOS Scotland and EWOS Innovation. Details of Cermaq's OHS performance are presented under GRI indicator LA7.
Biodiversity risk - Significant risk	Further details on Cermaq's approach to managing biodiversity impacts are given in the disclosure on environmental management approach and GRI indicator EN12. All Cermaq operations are working towards ISO 14001 Environment Management Standard. At year-end 2010, the majority of Cermaq's operations had attained this standard, with the exception of Mainstream Norway and EWOS Innovation.
Consumer Health & Safety - Significant risk	All Cermaq operations are working towards ISO 22000 Food Safety Management Standard. At year-end 2010, all EWOS feed operations had attained this standard and Mainstream operations have begun the process. EWOS Innovation is not ISO 22000 certified. Details of non-compliances with food safety regulations are described in GRI indicator PR2.
Corruption - Insignificant risk	Cermaq considers corruption risk to be very low. However in 2010, an anti-corruption training session was provided for group management employees from Cermaq, Mainstream and EWOS. This training will be followed up with the release of anti-corruption guidelines. Details of training for anti-corruption are given in GRI indicator SO3.

The impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization.

Cermaq's management approach towards sustainability reflects a growing interest amongst stakeholders towards the group's social and environmental impacts. In order to manage the long term influence of this on the organisation, sustainability risks and opportunities are systematically managed, as described above.

Our goals for managing sustainability risks in the coming year are presented in Cermaq's annual report for 2010.

Cermaq ASA and AA1000 Accountability Principles (2008)

Cermaq actively engages with its stakeholders to identify, understand and respond to issues of mutual interest. Stakeholder engagement takes place both at local and at corporate levels and our aim is to engage constructively based on respect and

transparency.

In this regard, Cermaq is implementing the three principles of AccountAbility as described under AA1000APS (2008):

· The Foundation Principle of Inclusivity
· The Principle of Materiality
· The Principle of Responsiveness

Below, we expand on our experience in sustainability management and reporting and describe some of our challenges related to implementing each of the above three principles:

INCLUSIVITY

Our stakeholders show increasing interest in Cermaq's sustainability performance and 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. We are committed to be accountable to those whom we impact or who have impact on us. However, this does not mean that we accept all stakeholder requests. A successful future for our industry is dependent on sustainable conduct from all players engaged in the aquaculture industry and we are open to those who constructively seek industry improvements.

Our recent stakeholder engagement activities are explained in some detail in our Sustainability Report 2010 (See chapter titled "Our Stakeholder Engagement"). However, we recognise that we need to work further on communicating how the various stakeholders are involved in the development of an accountable and strategic approach to sustainability.

MATERIALITY

Cermaq's process for determining materiality enables us to identify the sustainability aspects that we consider to be of greatest impact to the organisation and of greatest concern to our stakeholders. This is consistent with criteria for the principle of materiality as described by AccountAbility.

Cermaq has defined a set of Sustainability Principles that clearly sets out our social and environmental ethics for all stakeholders to see. These principles were developed based upon extensive internal dialogue between Cermaq and employees in each of the business areas, to identify areas of key social and environmental impact. Attention was also paid to external sustainability standards, such as the Global Reporting Initiative, and ongoing stakeholder dialogues like the WWF Salmon Aquaculture Dialogue and the EU Consensus project. The resulting set of principles provides the basis for our judgement on the materiality of content included in this report and also to ensure the completeness of our sustainability reporting.

We report on a combination of both GRI and customised (CEQ) indicators. The latter have been designed to measure sustainability impacts that are specific to our feed and fish farming operations, such as fish escapes and use of medicines in fish farming. For consistency, these customised indicators are designed in the same way as the GRI indicators, with a detailed protocol for each indicator, helping to ensure consistency in the way data is compiled by the reporting units.

Our sustainability performance is published in the Sustainability Report 2010 and the accompanying website (www.report2010.cermaq.com/our-approach/sustainability). However, we recognise that our customised (CEQ) indicators can be even further communicated and cross-referenced to relevant industry guidelines and raised stakeholder concerns.

RESPONSIVENESS

Cermaq responds to stakeholder issues that affect or relate to our sustainability performance. We do this through our ongoing decisions, actions and performance as well as through communication with stakeholders at both corporate and local levels in both structured and un-structured ways. Cermaq has a detailed Communication Strategy that makes clear how the Cermaq group shall communicate with all stakeholder groups. Recently, we have stepped up our activities to provide transparent information and be in open dialogue about the impact of our operations on environment and society.

The Sustainability Report 2010 is a major part of our structured stakeholder responsiveness, however management are continually responding to the needs, concerns and expectations of stakeholders through our daily work. Examples of Cermaq's recent responses can be found in section 4.17 in the GRI index.

Cermaq adheres with criteria for the principle of responsiveness as described by AccountAbility. However, we recognise that we can be even more transparent in how stakeholders concerns related to sustainability impact and performance are responded to as part of an on-going process, especially on local level.

Our approach

DISCLOSURE ON MANAGEMENT APPROACH

In this section, Cermaq presents its approach towards managing environmental, social and economic aspects of our business.

Environmental Approach

POLICY

Cermaq's approach to the environment, in which we operate and upon which we depend, is set out in the published set of Cermaq Sustainability Principles.

The individual operating companies are responsible for implementing an Environmental Management System based upon the ISO 14001 standard. The updated status with regard to attainment of this is presented here.

ASPECTS

We include the following material environmental aspects in our sustainability reporting: Biodiversity; Emissions, Effluents and waste; Materials; Energy; Products and services.

BIODIVERSITY

Cermaq recognizes the potential for fish farming operations to impact biodiversity, either directly or indirectly. However, in 2010 we have not identified any specific significant impacts of our activities or our products on biodiversity in the areas where we are operating.

In 2009, Professor James S. Diana(BioScience paper - Aquaculture Production and Biodiversity Conservation)examined the status and trends in seafood production and the positive and negative impacts of aquaculture on biodiversity conservation. Diana's ranking of negative aquaculture impacts included the following four areas that we agree to be of high relevance for salmon feed or farming operations: Escapes; Effluents; Resource use; and Diseases or parasites.

Cermaq's performance in these areas is presented under the feed and farming sections of this report and in more detail on here.

Cermaq believes that present technology for open net pens allows for sustainable aquaculture, and we aim at demonstrating this in our operations.

Closed-containment technology does not currently represent a viable alternative, especially related to energy usage but also escapes remain a risk in closed containment farming.

However, managing environmental impact is key for a sustainable future for fish farming and Cermaq is always looking for ways to improve. Cermaq will be following the development of closed-containment aquaculture, and will consider testing of new concepts and explore the possibilities of closed-containment fish farming if suitable projects are presented.

EMISSIONS

Cermaq established Green House Gas (GHG) emissions reporting in 2009 and submitted a disclosure to the Carbon Disclosure Project. This exercise has confirmed that our operations are not carbon intensive. This was also substantiated by a SINTEF report in 2009. Cermaq will continue reporting to Carbon Disclosure Project.

EFFLUENTS AND WASTE

All Cermaq operations are expected to comply with local and national environmental regulations related to effluents and waste. Mainstream group has set a goal to manage the use of medicines, including antibiotics, in each operating region.

ENERGY

Goals for the management of energy use per unit of production are set locally by each operating company. EWOS consumes the most energy in the Cermaq group, and has high focus on managing energy use per tonne of feed produced.

MATERIALS

Cermaq does not have organisation wide environmental goals related to the use of materials. Salmon farming is well known as an efficient farming process, with lower feed conversion rates than farmed land animals (FHL, 2008. Environment Report p.25) and efficient utilisation of valuable nutrients.

WATER

Cermaq does not have company wide environmental goals related to water. Salmon farming relies upon the availability of clean water; however it is generally not a heavily consumptive process. In cases where water is abstracted for farming operations, it is generally discharged back to source within quality parameters agreed with the local authority.

ADDITIONAL INFORMATION

During the past year Cermaq has engaged with stakeholders including NGOs like WWF Norway, WWF salmon aquaculture dialogue and Bellona. These engagements have been useful for our focus with regard to our environmental impacts.

Social Approach - Labour practices and decent work

Cermaq is a large employer providing employment often in rural areas. Our focus is to be a responsible employer and contractor of workforce in the regions in which we operate. These regions have strong regulatory frameworks with efficient enforcement in the area of labour practices and decent work.

Cermaq respects the four fundamental principles and associated rights that are considered fundamental to social justice by the International Labour Organisation (ILO) and included in Global Compact. Furthermore Cermaq also adheres to the OECD's Guidelines for Multinational Enterprises. Cermaq joined UN Global Compact in February 2011.

POLICY

Cermaq has defined policies and standards that apply for the entire group, including: ethical and social responsibility guidelines; whistle blowing guidelines; and sustainability principles directly related to labour practices and decent work. These policies are available for download here.

Individual operating companies are also responsible for implementing an OHS Management System based upon the OHSAS 18001 standard. The updated status with regard to attainment of this is presented here.

ASPECTS

We include the following material aspects in our reporting on labour practices and decent work: Occupational health & safety; Employment; Labour/Management relations; Training and education; Diversity and equal opportunity.

OCCUPATIONAL HEALTH & SAFETY

Cermaq shall ensure high level of occupational safety for its employees. We aim to have all operating companies certified according to the OHSAS 18001 standard for occupational health and safety.

EMPLOYMENT, TRAINING AND EDUCATION

Employees shall receive systematic training. Cermaq shall facilitate personal and professional development of each employee.

LABOUR/MANAGEMENT RELATIONS

Cermaq employees are entitled to join any trade union. The companies in the group shall facilitate good relations between the management and the employees and unions.

DIVERSITY AND EQUAL OPPORTUNITY

We wish to have an inclusive working environment. Discriminations based on ethnic background, nationality, language, gender, sexual orientation or religious belief is not tolerated. The companies in the group shall promote equal opportunities and fair treatment of all employees.

ADDITIONAL INFORMATION

Mainstream Chile operates in a region and sector where NGOs and other stakeholders have shown specific interest related to conditions for employees in the industry. To meet this concern we disclose detailed information about the wage conditions in the Chilean operations.

Cermaq expects its suppliers to have responsible standards, and we will work with our suppliers to seek improvements. We address suppliers through screening and questionnaires also related to labour aspects.

Social Approach - Society

As a large employer and a food and feed producer we impact society in various ways. We contribute to employment, often in rural areas. Our focus is to be a reliable partner in the local communities as well as in the larger society.

POLICY
Cermaq's policies and standards apply for the entire group, including: ethical guidelines and sustainability principles directly related to society and local communities stating that;

• We train key employees to avoid corruption in our business.
• We take steps to minimise any problems related to discharge from our feed plants, fish farms and processing plants.

Mainstream Canada has defined its basis for relations with local First Nations communities who have special titles and right in the regions in which we operate in British Columbia.

ASPECTS
We include the following material societal aspects in our reporting: Community; and Corruption.

COMMUNITY
Cermaq will contribute to local activity and employment and will be a reliable partner for the local communities in which we operate.

CORRUPTION
Our ethical and social responsibility guidelines prohibits any form of corruption.

Awareness training on corruption was given to all management teams in all operating companies in 2010. This training resulted in more specific and detailed guidelines especially related to gifts.

Special attention will be given to this issue in future as the feed operations will be entering the Vietnamese market which is seen by Transparency International as having more challenges related to corruption than the other countries in which Cermaq has been operating.

ADDITIONAL INFORMATION
There are strong and diverse views on salmon farming, and some parts of local communities and some groups in society are advocating against our operations. Cermaq recognizes that we must demonstrate our respect for the communities and the environment in which we operate. Dialogue, transparency and public sustainability reporting are some of our tools to demonstrate the quality of our operations.

Mainstream Canada operates within the traditional territories of several First Nations on the British Columbia coast. Our relationship with these communities is important to our vision of sustainable aquaculture and we strive to develop social, economic, and cultural relationships that are mutually beneficial. Cermaq's ambition is to have mutual advantageous agreements with First Nations in all the territories in which we operate in British Columbia.

Also in the area of scientific knowledge there are strong and diverse views. Cermaq believes that knowledge must be the basis for our decisions and our operations. Cermaq invests in research and development, partly in our own research company, EWOS Innovation, while also supporting external research.

Social Approach - Human rights

Cermaq respects the four fundamental principles and associated rights that are considered fundamental to social justice by the International Labour Organisation (ILO) and included in Global Compact. Furthermore Cermaq also adheres to the OECD's Guidelines for Multinational Enterprises. Cermaq's operating companies per year end 2010 are located in OECD countries which have strong regulatory frameworks with efficient enforcement in the area of human rights.

Cermaq joined UN Global Compact in February 2011.

POLICY
Cermaq has defined policies and standards that apply for the entire group, including: ethical and social responsibility guidelines, whistle blowing guidelines and sustainability principles directly related to social aspects. Cermaq's ethical policy states equal work opportunities, just treatment and a working environment free of discrimination.

ASPECTS
We include the following material human rights aspects in our reporting: Investment and procurement practices; Abolition of child labour; Prevention of forced and compulsory labour; Non-discrimination; Freedom of association and collective bargaining; Indigenous rights.

INVESTMENT AND PROCUREMENT PRACTICES
All major investments are subject to a due diligence process, ensuring that investments fulfill our requirements to compliance, ethical standards and other criteria. EWOS has a pre-approval process for suppliers including a self assessment form addressing the material aspects of human rights.

ABOLITION OF CHILD LABOUR

Child labour is not a material issue in the countries in which we operate. Cermaq does not have company wide goals related to child labour. Where young workers, like students for example, are employed they are not exposed to hazardous work.

PREVENTION OF FORCED AND COMPULSORY LABOUR

Forced and compulsory labour is not a material issue in the countries in which we operate. Cermaq does not have company wide goals related to these areas.

DISCRIMINATION

The company wide objective is clearly stated as no incidents of discrimination.

Cermaq respects and adheres to the freedom of association and collective bargain.

INDIGENOUS RIGHTS

Cermaq has a clear goal of no violation of indigenous rights.

We emphasize consultations with First Nations in British Columbia Canada where the rights and titles of First Nations constitute the basis for our operations in the region. Cermaq's ambition is to have mutual advantageous agreements with First Nations in all the territories in which we operate in British Columbia.

Mainstream Canada has identified its basis for relations with First Nation communities
http://www.mainstreamcanada.com/sustainability/social-sustainability.php

Social Approach - Product Responsibility

Although Cermaq's business areas do not sell products directly to consumers, we are producing farmed salmon for direct human consumption. As a player in the food industry value chain, we are subjected to strict laws and regulations in the countries of operation. Due to the complexities related to product responsibility a set of management tools have been implemented.

POLICY

We rely on the ISO 22000 food safety management standard as a tool to develop methods and procedures in order to achieve the goals we set. All operating companies in the Cermaq group are either certified ISO 22000 or working towards certification. The updated status with regard to attainment of this is presented here.

The EWOS feed operations also rely upon various industry standards for good practice, such as the Universal Feed Assurance Scheme in UK and the GLOBALGAP Compound Feed Manufacturing (CFM) Standard.

ASPECTS

The following material aspects are included in Cermaq's reporting on product responsibility: Customer health and Safety; Product information.

CUSTOMER HEALTH AND SAFETY

All operating companies are to be certified according to ISO 22000 where HAACP is an integral part. We aim to comply with food safety regulations and to supply safe, healthy and nutritious feed and food products to our customers.

PRODUCT INFORMATION

We aim to comply with laws and regulations pertaining to product information and labelling.

ADDITIONAL INFORMATION

As Cermaq is engaged in food production, we recognise significant risk arising from any potential incidents impacting consumer health and safety. We believe that we have sufficient activities in place to mitigate this risk, through the policy that we have described above.

Economic Approach

Cermaq is committed, through its 'Sustainable Aquaculture' mission, to bring sustainable socio-economic benefits to the regions in which we operate. Organization wide goals relating to this include those described in the Board Report on Corporate Governance:

- Cermaq's objective is to create value for its owners, employees and society in general through sustainable aquaculture.
- Long term dividend level should be in the range of 30-50 percent of the Company's adjusted profit after taxes

POLICY

Cermaq has set out its strategy for creating value through sustainable aquaculture. Cermaq's Core Values constitute guidelines for desired attitudes as individuals, companies and group, to achieve long term value creation. Our ethical guidelines further ensure that any person acting on behalf of Cermaq acts in an ethically sound way.

ASPECTS

The following material economic aspect is included in Cermaq's reporting:

ECONOMIC PERFORMANCE AND MARKET PRESENCE

Socio-economic benefits are most obviously manifested through payments to suppliers, employees, local authorities and payment of dividends to investors. However, Cermaq also supports local communities with both financial and in-kind contributions.

ADDITIONAL INFORMATION

In terms of risk profile, the fish farming industry is characterized by a high level of risk. Cermaq must be able to sustain considerable cyclical fluctuations in profitability as a result of price volatility as well as lower results due to production related challenges. It is also recognized that the salmon industry is a young industry, still in a strong growth phase, and with significant potential for consolidation.

Our approach

PERFORMANCE

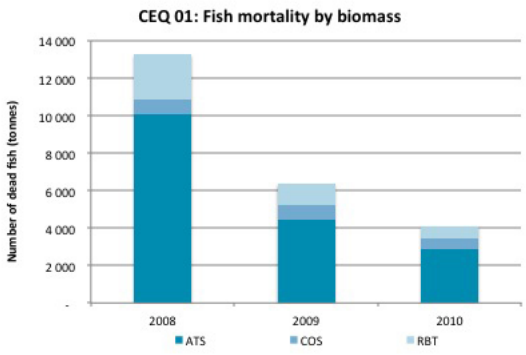
Below, Cermaq presents detailed sustainability performance indicators in two groups. First, we present the customised "CEQ" indicators that specifically address unique sustainability impacts related to the production of fish feed and farmed fish. Second, we present a set of GRI indicators that we have determined as being material to our operations.

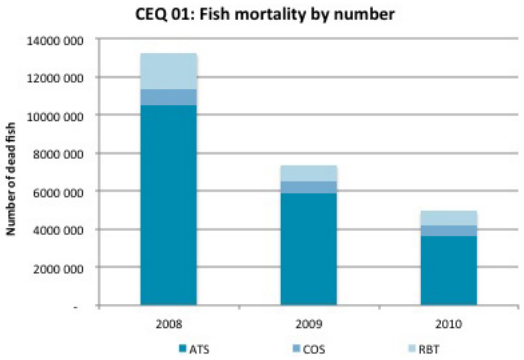
Cermaq Indicators

CEQ 01 - FISH MORTALITY

Fish mortality is a key measure to evaluate fish health in production. The charts below show a continued significant reduction in fish mortalities in Mainstream group during 2010, despite increasing productivity. During the year, total mortalities reduced -32% by number and -35% by biomass, compared to 2009.

Continuous reduction in mortality is a key target for Mainstream group.





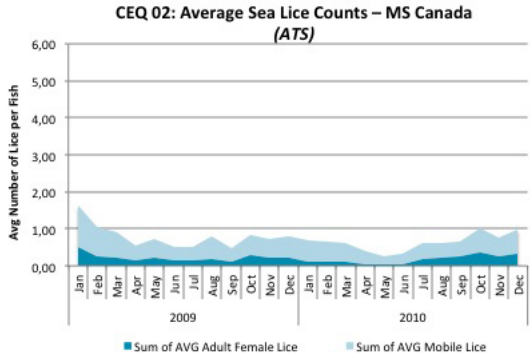
ATS = Atlantic Salmon
COS = Coho
RBT = rainbow trout

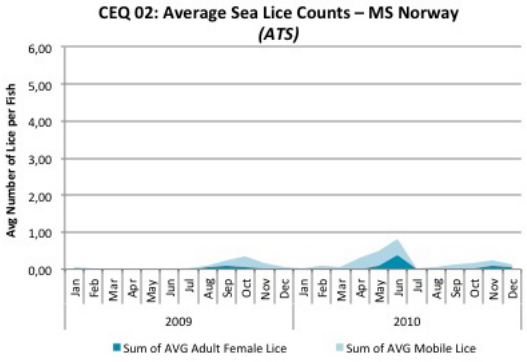
Additional information

CEQ 02 - SEA LICE

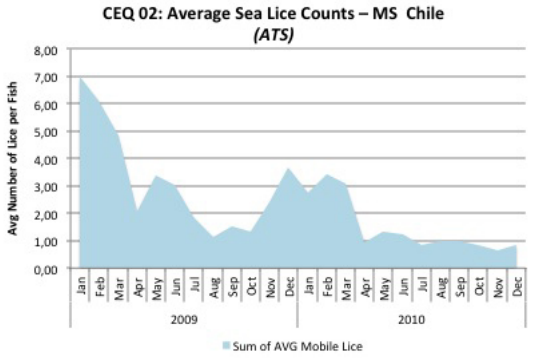
Mainstream has experienced overall low sea lice levels in 2010. In accordance with local regulations sea lice were reported regularly, see table of local action levels.

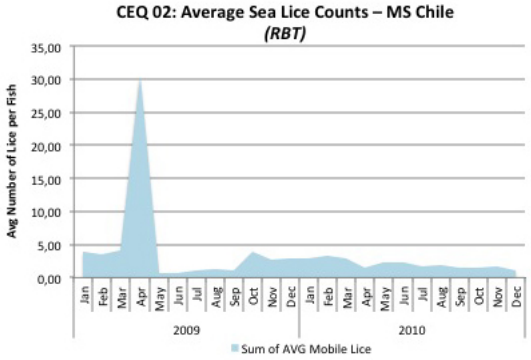
L.SALMONIS

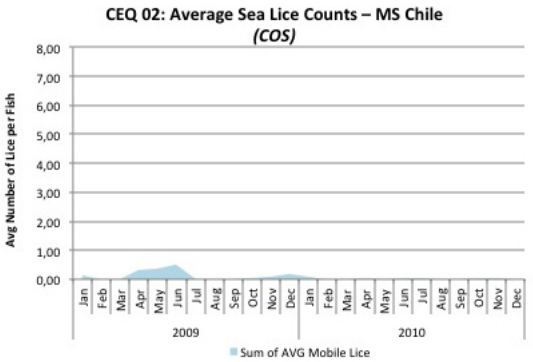




CALIGUS ROGERCRESSEYI







CEQ 02: Local Action Levels (Mean Number of Lice per Fish)

	Chile	Norway		Canada	Scotland	
	Mobile	Mobile	Adult ♀	Mobile	Mobile	Adult ♀
Jan	6	3	0.5	3	3	1
Feb	6	3	0.5	3	3	0.5
Mar	6	3	0.5	3	3	0.5
Apr	6	3	0.5	3	3	0.5
May	6	3	0.5	3	3	0.5
Jun	6	3	0.5	3	3	0.5
Jul	6	3	0.5	3	3	1
Aug	6	5	1	3	3	1
Sep	6	5	1	3	3	1
Oct	6	5	1	3	3	1
Nov	6	5	1	3	3	1
Dec	6	5	1	3	3	1

Additional information

CEQ 03 - FALLOW TIME

All operations fully respected the fallow periods defined in regulations.

CEQ 03: Average Achieved Fallow Time Between Production Cycles

Weeks	Mainstream Canada	Mainstream Chile	Mainstream Norway
Statutory Requirement	-	12	8
Internal Target	12	-	-
Achieved 2010	22	23.6	29
Achieved 2009	14	21.7	26

Additional information

CEQ 04 - MEDICINE USE

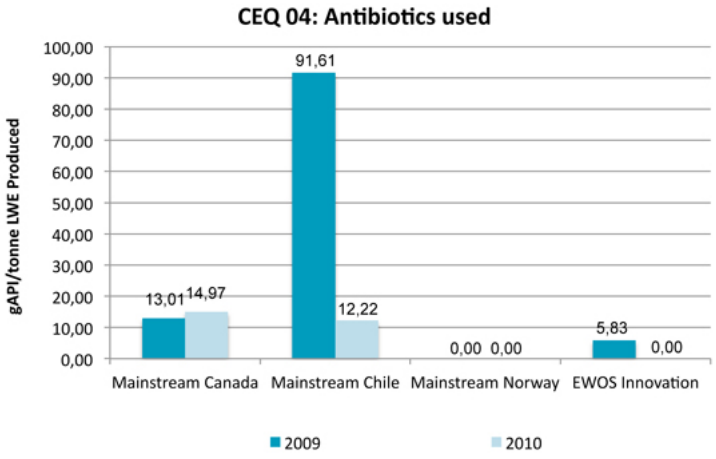
Cermaq works systematically with preventive health measures in all three countries. Screening programs for monitoring relevant pathogens, vaccines, functional feeds, stress mapping less use of antibiotics, improving water quality, and more knowledge are key elements in our approach to ensure better fish health and welfare.

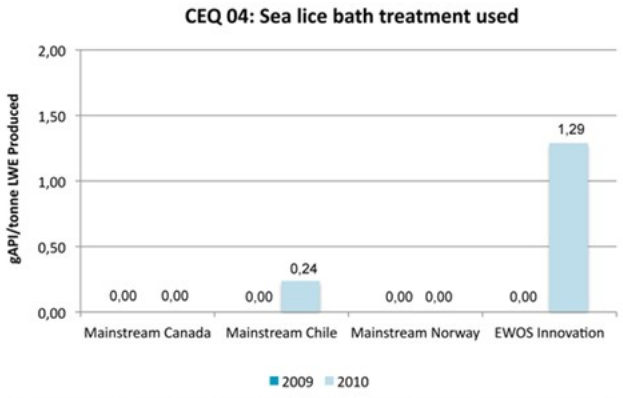
This has given us more tools to better forecast disease events and knowledge to lower the risk of disease outbreaks.

Antibiotics are used only when strictly needed. The reduction from 2009 to 2010 was 76 percent in gAPI/tonne of live weight fish produced.

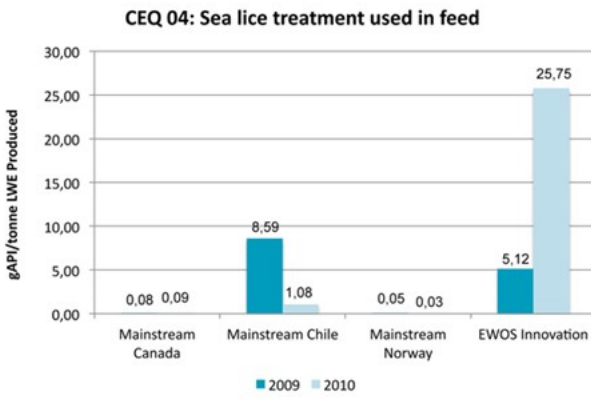
Our treatment against sea lice was lower in 2010 than in 2009. All our treatments were done in accordance with local area management plans and without any resistance issues.

Functional feeds are implemented as one of the tools to improve fish health and growth, also in concerning to sea lice.





In 2010, we changed the protocol for collecting data on Bath treatments. Therefore the data is not directly comparable with data reported in 2009.



Additional information

CEQ 05 - VACCINATION PROGRAM

Experience from the ISA crisis in Chile have made us work more systematically with preventive health measures in all three countries. Screening programs for monitoring relevant pathogens, vaccines, functional feeds, stress mapping, less use of antibiotic, improving water quality and more knowledge are key elements in our approach to ensure better fish health and welfare. This has given us more tools to better forecast disease events and knowledge to lower the risk for disease outbreaks.

Vaccinations are used when assessed effective for the species and in the region as an integral part of our preventive health measures. Examples of diseases the fish are vaccinated against are: IPN, SRS, Vibriosis, ISA, Furunculosis, and Enteric Red Mouth.

CEQ 05: Vaccine component

	Canada	Chile	Norway
SRS		x	
Furunculosis	x		x
Vibriosis	x	x	x
Coldwater vibriosis			x
Winter sore			x
IPN		x	x
ISA		x	
Enteric Red Mouth	x		
T. maritimum*	x		

* from this year class

Additional information

CEQ 06 - AREA MANAGEMENT AGREEMENTS

An Area Management Agreement is a agreement amongst stakeholders in a defined area. Such agreements are tailored to the local situation and, typically, may include agreement on fallowing and sea lice management strategies, vaccination programmes, containment and contingency plans,

catchment management plans and disease control strategies in farmed and wild fisheries.

Area management is crucial for effective, preventive management.

In 2010 69 percent of our sites were engaged in area management agreements or located in areas fully controlled by Mainstream. This includes all sites in Norway and Chile, but none of the sites in Canada.

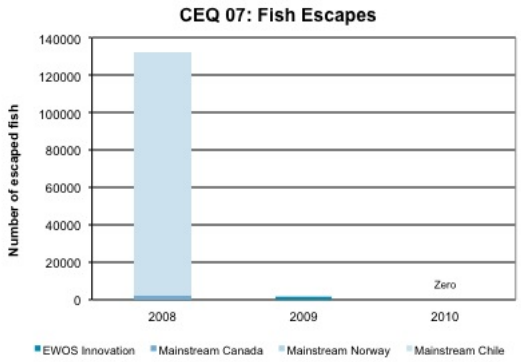
Additional information

CEQ 07 - ESCAPES

We reached our zero escapes target for 2010.

The total number of fish in the sea was 46.4 million at the end of the year.

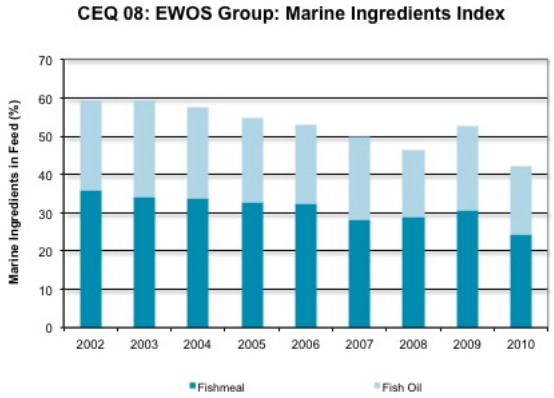
Our goal had been reached through training procedures and technical maintenance on fish farm sites.



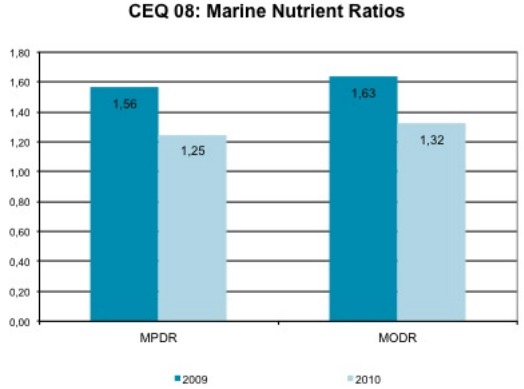
Additional information

CEQ 08 - MARINE INDEX AND NUTRIENT RATIOS

Forage fishery dependency is a challenge for a growing fish farming industry. In recent years, EWOS has lowered the marine content in its feed and our research into 'marine independence' provides the knowledge for further significant reduction in the future if necessary. The specific content of marine ingredients in EWOS feed varies depending on price and availability of alternative raw materials and because of this, in 2010 the marine index for the EWOS group decreased to 42 percent (53 percent in 2009 and 47 percent in 2008).



However, it is the efficiency in the use of marine ingredients that is really of greater relevance than dependency and farmed salmon are well known to be very efficient in their conversion of forage fish and seafood byproducts into healthy and nutritious farmed salmon. In 2010, we estimate that EWOS used only 1.25 times more marine protein (1.56 in 2009) and 1.32 times more marine oil (1.63 in 2009) than fish farmers produced through using EWOS feed.



Whilst salmon farming is no doubt an efficient use of forage fish that have no established alternative market for human consumption, we recognise that

it is also important to use by-products from seafood processing as a source for feed materials. In this regard, EWOS increased its use of marine ingredients derived from seafood trimmings and by-products to 21 percent in 2010 (18 percent in 2009 and 8 percent in 2008).

CEQ 08: Overview of fish species used to make fishmeal and fishoil for EWOS feed

Category	Species	Fishmeal and fishoil (tonnes)	Category %	Total %
Fish trimmings & byproducts	Herring trimmings	43 527	53 %	11 %
	Various Species	38 122	47 %	10 %
Fish trimmings & byproducts Total		**81 649**	-	**21.2 %**
Forage Fish	Anchovy	152 065	50 %	40 %
	Sand Eel	33 116	11 %	9 %
	Sprat	32 320	11 %	8 %
	Menhaden	30 308	10 %	8 %
	Various Species	53 325	18 %	14 %
Forage Fish Total		**301 135**	-	**78.4 %**
Other Marine Ingredients	Krill	1 507	100 %	0.4 %
Other Marine Ingredients Total		**1 507**	-	**0.4 %**
Grand Total		**384 291**	-	-

Note: Species that individually make up less than 5% of the mix have been grouped together under 'various species'. This subset includes: Herring, Blue whiting; Capelin; Pilchard; Norway Pout; Sardine; Jack mackerel and Atlantic mackerel

The following list indicates the countries of origin for many of the fish species used in fishmeal and fishoil purchased by EWOS:

Fish species	Country
Anchovy	Peru, Chile
Menhaden	USA
Sprat	Denmark
Norway Prout	Norway, Denmark
Sand Eel	Denmark, Norway
Herring	Norway, Denmark, Iceland
Blue Whitting	Norway, Denmark, Iceland
Jack Mackerel	Chile
Capelin	Norway, Iceland

EWOS prioritises the use of feed ingredients that it judges to be sustainable and this judgement is based upon the best available information. Examples of the sources of information used to judge the sustainability of fisheries include: IMARPE and Sernapesca in South America; ICES in Europe; and National Marine Fisheries Service, Gulf States Marine Fisheries Commission, Atlantic States Marine Fisheries Commission in the USA.

EWOS currently does not purchase Atlantic Mackerel, due to disagreement between EU, Norway, Iceland and Greenland on setting a common quota.

Furthermore, EWOS terminated its purchases of Pilchard / Sardines processed in Western-Sahara with effect July 1 2010.

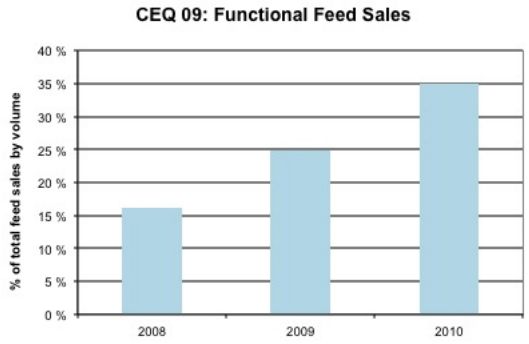
Additional information

CEQ 09 - FUNCTIONAL FEEDS

Functional feeds have specialised formulations and/or components which give the feed a positive effect over and above their nutritional value. They are used to support fish well-being and to reduce the risk of disease effects in fish stocks. The EWOS Prebiosal and EWOS Boost functional feeds are well establish in salmon farming regions around the world.

EWOS has for many years put efforts into providing well documented functional feeds for its customers, thereby supporting the sustainability of the aquaculture industry. As a result of this investment, 2010 sales of EWOS functional feeds represented 35 percent of total feed sales by volume, an increase from 25 percent in 2009 and 16 percent in 2008.

Mainstream Group uses appropriate vaccines and functional feeds wherever it is considered to be feasible and effective as a preventive fish health approach.



Additional information

CEQ 10 - SUPPLY CHAIN AUDITING

Audits of EWOS's raw material suppliers are planned based upon the results of a risk analysis that considers quality and food safety risks. This indicator is used to measure 'actual' compared to 'planned' supplier audits.

A total of 31 supplier audits were planned in 2010 and 30 audits were completed.
A total of 18 audits were planned in 2009 and 14 audits were completed.
A total of 32 supplier audits were completed in 2008.

EWOS continues to strengthen its program for supply chain diligence through activities that are coordinated by the Quality Management Team and the

Sourcing and Purchasing Team.

CEQ 10: Number of Supplier Audits Planned and Carried out

		EWOS Norway	EWOS Chile	EWOS Canada	EWOS Scotland	Total
2009	Target	12	6	0	0	18
	Actual	11	3	0	0	14
	%	92 %	50 %	-	-	78 %
2010	Target	12	6	8	5	31
	Actual	14	6	5	5	30
	%	117 %	100 %	63 %	100 %	97 %

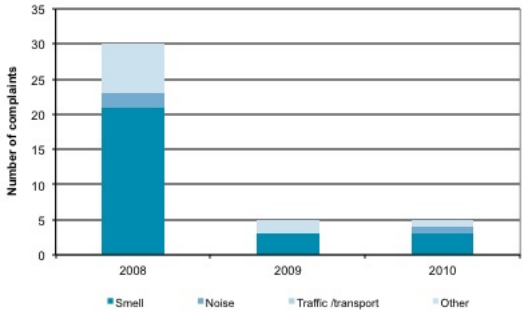
Additional information

CEQ 11 - LOCAL COMMUNITY COMPLAINTS

We recognise that our operations impact our neighbours 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. The chart below shows that the total number of community complaints received during 2010 was 5 in total, equivalent to the number of complaints in 2009.

In 2010, EWOS registered only three complaints about odour. The corresponding number in 2009 was 3 and in 2008 it was 21. EWOS Norway received one complaint about levels of dust and Mainstream Norway received one complaint about noise.

CEQ 11: Local Community Complaints



Additional information

CEQ 12 - WHISTLE BLOWER INCIDENTS

In 2010, there were 3 cases of whistle blowing in the group. One of these cases was reported anonymously.

The notifications were managed in accordance with the company's routines. Specific corrective measures were agreed upon.

There were no cases of whistle blowing in 2009.

Additional information

CEQ 13 - INTERNATIONAL MANAGEMENT STANDARDS

The aquaculture industry is characterised by a high level of operational risk. The greatest risk exposures include fish health, food safety, production related constraints, effects in connection with changes in the climate, environment, and the health, environment and safety of the group's employees and contracting parties.

The group has a policy stipulating that systematic management of operational risk is to be established through management systems that are certified according to International standards. The standards impose requirements with respect to management responsibility, structure, reporting and allocation of responsibility in the organisation, regular risk assessment and action plans for ongoing improvement, internal and external communication, and the establishment of procedures and operational controls.

The group has defined the most important areas as being quality (ISO 9001), environment (ISO 14001), food safety (ISO 22000) and occupational health and safety (OHSAS 18001). All subsidiaries have continued working with this in 2010, and the table below shows the certification status at year end.

CEQ 13: Management Standards Status at Year End 2010

Business Area	Country	Quality Management Standard ISO 9091	Food Safety Management Standard ISO 22000	Environment Management Standard ISO 14001	Occupa-tional Health & Safety Management Standard OHSAS 18001
Mainstream	Norway	Yes	Pending Feb 2012	Pending Feb 2012	Pending Mar 2011
Mainstream	Chile	Yes	Yes (in part)	Yes	Yes
Mainstream	Canada	Yes	Pending Spring 2011	Yes	Yes
EWOS	Norway	Yes	Yes	Yes	Yes
EWOS	Chile	Yes	Yes	Yes	Yes
EWOS	Canada	Yes	Yes	Yes	Yes
EWOS	Scotland	Yes	Yes	Yes	Pending Aug/ Sept 2011
EWOS Innovation	Norway	Yes	No Start 2011	Pending 2011	Pending 2011
EWOS Innovation	Chile	Yes	No Start 2011	Pending 2011	Pending 2011

Additional information

GRI Indicators

EC 1 - DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, INCLUDING REVENUES, OPERATING COSTS, EMPLOYEE COMPENSATION, DONATIONS AND OTHER COMMUNITY INVESTMENTS, RETAINED EARNINGS, AND PAYMENTS TO CAPITAL PROVIDERS AND GOVERNMENTS.
Cermaq supports local communities with both financial and in-kind contributions. However, socio-economic benefits are most obviously manifest through payments to suppliers, employees, local authorities and payment of dividends to investors.

The table presented below quantifies the overall economic value generated and distributed through Cermaq's activities:

EC 1

NOK 1 000		2010	2009	2008	Notes
Direct Economic Value Generated		**10 156 374**	**9 017 897**	**8 728 884**	
Revenues		9 990 528	8 971 715	8 715 572	
		96 859	0	0	
		68 987	46 182	13 312	
Economic Value Distributed		**-8 797 140**	**-8 287 462**	**-8 686 399**	
Operating costs	*Cost of materials*	-6 271 245	-6 028 564	-6 565 363	
	Other operating expenses	-1 314 649	-1 401 034	-1 189 374	
Employee wages & benefits		-723 195	-684 207	-629 010	
Payments to providers of capital	*Interest expense*	-107 784	-101 363	-121 546	
	Dividend payment	-139 846	0	-208 562	
Payments to government	*Income tax expense*	-233 174	-72 294	27 456	
Community investments		-7 247	-	-	*Cermaq started to collect this figure in 2010*
		1 359 234	**730 435**	**42 485**	
Economic Value Retained					

EC 3 - COVERAGE OF THE ORGANISATIONS DEFINED BENEFIT PLAN OBLIGATIONS
Information related to this GRI indicator is presented in note 8 to consolidated financial accounts.

EC 4 - SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT
The Norwegian State is the principal shareholder in Cermaq ASA with a shareholding of 43.5 percent. The company has laid down in its Articles of Association that the Board of Directors shall withold its consent for any acquisition that would result in the holding of the Norwegian State falling below 34 percent.

EC 4

NOK '000

Category	EWOS	Mainstream	Total
Investment grants, research and development grants, and other relevant types of grants	8 500	1 055	9 555
Subsidies	940	0	940
Tax relief/credits	863	10 968	11 831
Grand Total	**10 303**	**12 023**	**22 326**

EC 5 - RANGE OF RATIOS OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION.
Wage levels, especially in processing plants in Chile, have historically received attention and concern by some groups of stakeholders.

At year end 2010 average monthly wage for all operational level employees in Mainstream Chile was CLP 325, 554, which is 89% more than the minimum monthly wage in Chile (CLP 172,000).

The entry level wage bracket begins at CLP 215,000, which is 25% above the minimum wage. Mainstream Chile has 19.3% of its employees in that category.

Cermaq will continue offering competitive entry wage levels and value skills, competence and seniority in our wage system.

EC 5
Permanet Employees – Only Operational level

	from	to	share of employees
Rem. Total	215 000	300 000	23.53 %
Rem. Total	300 001	400 000	40.29 %
Rem. Total	400 001	500 000	17.21 %
Rem. Total	500 001	mas	18.97 %
			100.00 %

All Employees – Only Operational level

	from	to	share of employees
Rem. Total	215 000	250 000	19.32 %
Rem. Total	250 001	300 000	29.19 %
Rem. Total	300 001	350 000	17.43 %
Rem. Total	350 001	400 000	19.46 %
Rem. Total	400 001	450 000	7.70 %
Rem. Total	450 001	mas	6.89 %
			100.00 %

Since 1st July 2009, the minimum monthly wage in Chile is 172.000 CLP

Additional information

EC 7 - PROCEDURES FOR LOCAL HIRING AND PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION.

We base our operations on local recruitment of senior management, and in 2010 the proportion of management hired from local communities averaged 93 percent (89 percent in 2009). Senior management is the management team reporting directly to a Managing Director and people reporting directly to CCMT members.

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

The proportion of females in management is low, in average 10 percent (17 percent in 2009).

Additional information

EN 1 - MATERIALS USED BY WEIGHT OR VOLUME.

Cermaq recognises the importance of efficiency in use of resources, especially in a world where population growth is significantly increasing the global demand for food. Aquaculture is a very efficient way to transform materials with low or no market for direct human consumption into healthy and tasty fish products. Salmon are very efficient in their conversion of feed and its constituent nutrients, much more so that land animals in fact.

Feed ingredients from both marine and terrestrial origins are procured by EWOS for the production of fish feed. Further detail on the composition and formulation of EWOS's fish feed can be found in a sequence of EWOS SpotLight editions, available for download at www.ewos.com .

The main direct materials used by Mainstream for producing farmed salmon include fish feed and smolts (juvenile fish).

For 2010, we report the materials used by each business area, under the categories outlined in the GRI protocol for EN 1 (excluding energy sources, which are reported under EN 3 and EN 4):

EN 1

GRI Category 1	GRI Category 2	Description	Units	2010 EWOS	2010 Mainstream
Direct Materials	Raw Materials	Feed Ingredients	Tonnes	963 018	-
	Associated Process Materials	n/a	n/a	n/a	n/a
	Semi-manufactured Goods	Fish feed	Tonnes	-	142 138
		Smolt	Number	-	36 894 716
	Materials for Packaging	Pallets	Number	266 725	-
		Plastic feed packaging	Tonnes	2 941	-

Note: We are not ready yet to report reliable packaging data for Mainstream Group

EN 3 - DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE.

EN 4 - INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE.

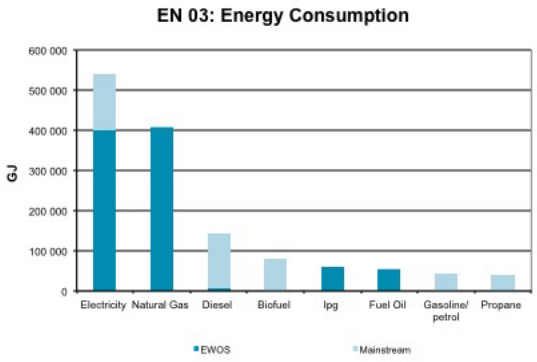
Total group energy consumption was GJ 1 368 484 in 2010 (GJ 1,251,123 in 2009). This is an 9.4 percent increase in group energy use. These figures include also the energy consumption of Cermaq's head office.

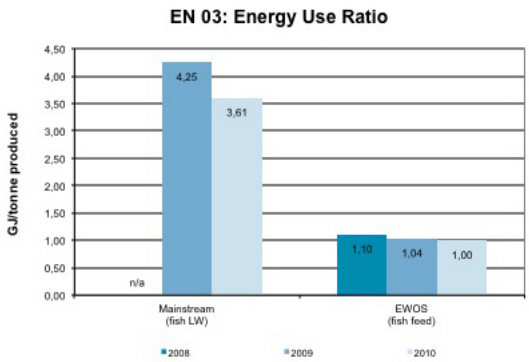
EN 3 / 4: Purchased Energy Consumption by Type (GJ)

GRI Energy Type	Energy Source	2010 EWOS	2010 Mainstream	2010 Total	2009 Total	2008 Total
Indirect	Electricity	398 406	141 559	539 965	466 771	453 871
Direct	Natural Gas	405 903	70	405 973	287 923	360 858
Direct	Diesel	6 976	137 165	144 141	136 733	172 088
Direct	Biofuel	0	79 641	79 641	77 041	99 115
Direct	lpg	60 293	0	60 293	65 235	0
Direct	Fuel Oil	54 812	798	55 610	111 846	268 102
Direct	Gasoline/ petrol	144	43 344	43 487	39 828	46 681
Direct	Propane	1 354	37 727	39 081	65 232	57 266
Direct	Crude oil	0	0	0	250	455
Direct	Butane	0	0	0	0	2 512
Total		**927 888**	**440 304**	**1 368 193**	**1 250 858**	**1 460 947**
Divisional %		68 %	32 %			
Δ YoY				9 %	-14 %	

EWOS accounted for 68 percent of group energy use, consuming a total of GJ 927 888 (GJ 838 360 in 2009), an increase of 10.7 %. The main energy sources were natural gas, electricity and lpg. The average energy use per tonne of feed produced dropped slightly from 1.04 GJ/t to 1.00 GJ/t.

Mainstream accounted for 32 percent of group energy use, consuming a total of GJ 440 304 (GJ 412 498 in 2009), an increase of 7%. The main energy sources were electricity, diesel and biofuel. The average energy use per tonne of salmon produced (live weight) dropped from 4.25 GJ/t to 3.61 GJ/t.





The primary indirect energy source purchased and consumed by EWOS and Mainstream is electricity.

We have not calculated the corresponding primary energy consumed in the production of indirect energy.

Our direct energy consumption (EN3) and indirect energy consumption (EN4) is shown in the table.

EN 5 - ENERGY SAVED DUE TO CONSERVATION AND EFFICIENCY IMPROVEMENTS.

We estimate that in 2010 Cermaq operations have undertaken proactive efforts to save 5,751 GJ of energy per year. This represents an energy saving of almost 0.5%, based on total energy consumption in 2010.

The initiatives mainly include retrofitting of equipment in our production facilities. Brief details of the initiatives are given in the table below.

EN 5

Operating Company	Energy Saving Initiative	Energy Saved (GJ)	Status
Mainstream Canada	Replacement of diesel generators at Little Bay Bear Hatchery	1 326	Expected
EWOS Scotland	Electric reduction investment	834	Estimated
EWOS Scotland	Upgrade of feed production line	2 215	Estimated
EWOS Chile	Automatic boiler system	1 376	Actual
Total		**5 751**	

EN 12 - DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS.

Cermaq recognises the potential for fish farming operations to impact biodiversity, either directly or indirectly. However, in 2010 we have not identified any specific significant impacts of our activities or our products in the areas where we are operating.

In his 2009 BioScience paper (Aquaculture Production and Biodiversity Conservation), Professor James S. Diana examined the status and trends in seafood production and the positive and negative impacts of aquaculture on biodiversity conservation. Diana's ranking of negative aquaculture impacts included the following top-5 in order of decreasing importance as threats to biodiversity:

Perceived Biodiversity Impact Area(Diana, 2009)	Connectivity with Cermaq's Reporting
1. Escapement of aquatic crops and their potential hazard as invasive species.	Escapes are reported under CEQ 07. Mainstream has a zero escapes target and has succeeded in meeting this in 2010. Mainstream Canada farms only Atlantic Salmon in an area where the species is not a natural part of the environment and where breeding with native species of Salmon will not occur nor would escapes result in an invasive colonization by escaped fish
2. The relationships among effluents, eutrophication of water bodies, and changes in the fauna of receiving waters.	All Cermaq operations are expected to comply with local and national environmental regulations related to effluents and waste. Cermaq reports any non-compliances with environmental regulations under EN 28 and is active in Area Management Agreements as described under CEQ 06.
3. Conversion of sensitive land areas such as mangroves and wetlands, as well as water use.	Not applicable to Cermaq and the context of salmon farming.
4. Other resource use, such as fish meal and its concomitant overexploitation of fish stocks.	The use of materials is reported under EN 1. The use of marine resources for the production of fish feed are covered more specifically under CEQ 08. EWOS has in recent years, through its Marine Independence Program, significantly reduced its proportional use of fishmeal and fish oil in salmon feeds. In 2010, a paper by scientists at EWOS Innovation demonstrates how salmon farming can be a net producer of fish protein and oil.
5. Disease or parasite transfer from captive to wild stocks.	Mainstream is transparent in its reporting of sea lice counts under CEQ 02. Whilst CEQ 04 connects this with the use of medicines for the control of disease and parasites. Mainstream has specific focus on reducing as much as possible the use of treatments and taking a preventative approach to fish health.

The table above summarises the linkage between areas of perceived biodiversity impact according to Professor Diana and Cermaq's transparent

reporting.

Other impacts of aquaculture on biodiversity conservation, were considered by Diana to be of much lesser importance compared to the above, including: Genetic alteration of existing stocks from escaped hatchery products; Predator mortality caused by, for example, killing birds near aquaculture facilities; and Antibiotic and hormone use, which may influence aquatic species near aquaculture facilities.

EN 16 - TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT.

For the reporting period 1st January 2010 to 31st December 2010, Cermaq's global gross GHG emissions increased to 68,642 tonnes of CO2e (64,607 tonnes of CO2e in 2009). This increase is mainly due to increased EWOS feed production and therefore increased energy consumption.

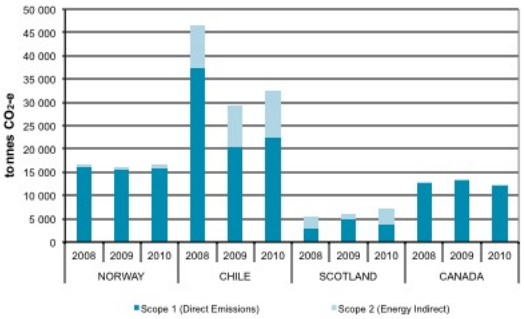
EN 16: Global GHG Emissions

Global tonnes of CO2e	**2010**	**2009 Adjusted**	**(Base year) 2008 Adjusted**
Natural gas	24 267	16 663	21 630
Diesel	10 480	9 924	12 552
Fuel oil	4 340	8 680	20 713
Biofuel	5 559	7 069	6 918
Propane	2 539	4 386	3 750
Lpg	3 768	4 345	0
Gasoline/petrol	3 044	2 790	3 274
Butane	-	-	172
Crude oil	-	18	33
Scope 1 (Direct emissions)	53 997	53 875	69 042
Purchased electricity	14 645	10 732	12 767
Scope 2 (Energy indirect)	14 645	10 732	12 767
Scope 3 (Other indirect)	-	-	-
Total gross emissions	**68 642**	**64 607**	**81 809**
Intensity: kg of CO_2e per tonne of output	66.1	71.7	-
Intensity: tonnes of CO_2e per mNOK revenue	6.9	7.2	9.4

Our reporting is based on the GHG Protocol, the internationally recognised standard for the accounting and reporting of GHG emissions. We have used the financial control approach to define our organisational boundary and the operational scope for our report includes scope 1 (direct) and scope 2 (energy indirect) emissions. We do not yet collect sufficient data to enable meaningful reporting of scope 3 (other indirect) emissions. Emissions factors for our global operations have been taken from a number of publicly available sources such as: IEA, IPCC, EPA, DEFRA, SSB and BC Ministry of Environment.

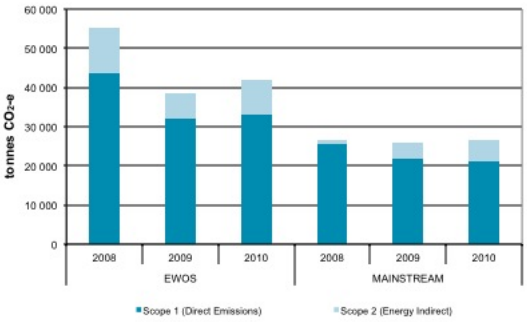
The geographic breakdown reveals that our operations in Chile are the largest contributor (47%) to our global emissions. Scotland is the lowest contributor (11%).

EN 16: Emissions by Geographic Division



The divisional breakdown reveals that EWOS is the largest contributor (61%) to our global emissions, due to the relatively higher scale of feed production compared to fish production.

EN 16: Emissions by Business Division



Our base year is 2008. We have recalculated figures for 2008 and 2009 to account for the sale of Mainstream Scotland, which accounted for 1,533 tonnes of CO2-e emissions in the base year.

We are reporting an intensity measurement based upon 'tonnes of CO2e per tonne of output'. This is a relevant ratio for our industry.

Cermaq does not have an emissions target, other than to establish GHG emissions measurement and reporting at a local level for all reporting units.

We recognise that feed and fish production itself accounts for only a small part of the total carbon footprint for farmed salmon production. Here, we

report on the GHG emissions that come from our use of direct and indirect energy sources. Wider GHG emissions in the feed supply chain are not accounted for in these figures, however EWOS has for some time worked with experts from Dalhousie University in Canada to develop an ecological footprint model for fish feed which has helped us to learn more about the environmental impacts of various raw materials used in feed. More information about this work is available in EWOS SpotLight Sustainable Salmon Feed: Marine Ingredients, available for download at www.ewos.com.

EN 26 - INITIATIVES TO MITIGATE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES, AND EXTENT OF IMPACT MITIGATION.

We seek improvements in our business to mitigate the environmental impacts of products and services. Examples of initiatives taken are listed in the table below:

Aspect	Initiatives Taken
Materials use	Cermaq reports materials use under EN1. However, the use of marine ingredients in fish feed is of more specific interest to some stakeholders. Therefore, the customised indicator CEQ08 explains how EWOS manages the use of marine ingredients in fish feed. In 2010, we estimate that EWOS used only 1.25 times more marine protein (1.56 in 2009) and 1.32 times more marine oil (1.63 in 2009) than fish farmers produced through using EWOS feed. EWOS also increased its use of marine ingredients derived from seafood trimmings and by-products to 21 percent in 2010 (18 percent in 2009 and 8 percent in 2008).
Water use	Cermaq does not have company wide environmental goals related to water use. Salmon farming relies upon the availability of clean water but is generally not a heavily consumptive process. In cases where water is abstracted for farming operations, it is generally discharged back to source within quality parameters agreed with the local authority.
Emissions	Cermaq reports GHG emissions under EN16. EWOS Innovation and Canadian researchers have developed a model to measure the eco-footprints of aquafeeds and assist in sourcing more sustainable feed inputs. Raw materials from marine ecosystems have higher footprints than those from terrestrial systems, especially fish from higher trophic levels used for fishmeal and oil. Other drivers for eco-footprinting include the energy used to produce, process and transport feed inputs, along with feed milling.
Effluents	All Cermaq operations are expected to comply with local and national environmental regulations related to effluents and waste.
Noise	Our operations are not especially noisy and this is confirmed by the fact that we received only one noise complaint, related to Mainstream Norway, during 2010.
Waste	In 2010, EWOS used 2,941 tonnes of plastic feed packaging (output). There was a small decrease in packaging use in 2010, to 3.23kg of packaging per tonne of feed sold (3.25kg/tonne in 2009).

Cermaq requires all operations to be accredited to ISO14001 Environmental management standard. This ensures that any local negative environmental impacts are identified and managed, in a systematic way, for continuous improvement.

EN 28 - MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS.

Cermaq's point of entry to social and environmental responsibility is to ensure that our operations respect and are compliant with local, national and international laws.

Where breaches do occur, for whatever reason, we take it seriously and investigate at the appropriate level before measures are taken to mitigate the risk of reoccurrence.

The incident of non-compliance with environmental regulations in EWOS Canada relates to permitted ammonia levels in the sewer discharge. EWOS Canada has been addressing this Metro Vancouver to achieve the permitted levels.

EN 28: Incidents of non-compliance with regulations

	Environmental regulations	
Reporting Unit	**Incidents**	**Fines (USD)**
EWOS Innovation	0	0
EWOS Canada	1	0
EWOS Chile	0	0
EWOS Norway	0	0
EWOS Scotland	0	0
Mainstream Canada	0	0
Mainstream Chile	0	0
Mainstream Norway	0	0
2010 Total	**1**	**0**
2009 Total	0	0
2008 Total	6	0

Further details on incidents of non-compliance reported to Cermaq in 2010 are given here:
– An incident of non-compliance with environmental regulations in EWOS Canada, related to permitted ammonia levels in the sewer discharge. EWOS Canada continues to work with Metro Vancouver to achieve the permitted levels.

Additional information

LA 1 - TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION.

Our 3 533 employees represent a diverse group both in terms of culture and work conditions.

Still, a common set of core values unite our international and diversified activities.

Recruiting the right people is essential for the future success of our operations. Competent and dynamic human resources management plays a key role in our industry.

Our operations are based on local recruitment of management. In 2010 the proportion of management hired from local communities averaged 93 percent (89 percent in 2009), ranging from 71 percent to 100 percent.

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.

The proportion of females in management is low, in average 10 percent (17 percent in 2009). Low female management representation is quite typical for the industry, and Cermaq acknowledges that this represents a challenge as well as an opportunity.

LA 1

2010	Canada	Chile	Norway	Scotland	Cermaq Group Total	EWOS	Mainstream
Employees	99 %	88 %	94 %	94 %	91 %	83 %	93 %
Supervised workers	1 %	12 %	6 %	6 %	9 %	17 %	7 %
Permanent	98 %	51 %	73 %	92 %	61 %	88 %	54 %
Temporary	2 %	49 %	27 %	8 %	39 %	12 %	46 %
Full time	99 %	100 %	63 %	94 %	91 %	96 %	90 %
Part time	1 %	0 %	38 %	6 %	9 %	4 %	10 %
Male	84 %	72 %	76 %	85 %	74 %	81 %	72 %
Female	16 %	28 %	24 %	15 %	26 %	19 %	28 %
Mgmnt & Admin	17 %	5 %	23 %	46 %	11 %	26 %	6 %
Other	83 %	95 %	77 %	54 %	89 %	74 %	94 %

Additional information

LA 4 - PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS.

Good and constructive relations with employees and labour unions are essential to Cermaq, and are managed through well established local management structures and practices. All employees are free to join any labour union.

It is important to note that collective bargains do not necessarily reflect the actual participation in unions.

LA 4: Employees covered by collective bargaining agreement (%)

Division	OpCo	2008	2009	2010
Cermaq	CEQ	0 %	0 %	0 %
EWOS	EI	28 %	14 %	24 %
	EW Ca	61 %	53 %	70 %
	EW Ch	48 %	58 %	60 %
	EW No	59 %	55 %	58 %
	EW Sc	0 %	0 %	0 %
Mainstream	MS Ca	0 %	0 %	0 %
	MS Ch	54 %	23 %	19 %
	MS No	79 %	69 %	85 %
EWOS Total	EWOS	46 %	48 %	52 %
Mainstream Total	MAINSTREAM	52 %	29 %	29 %
Group Total	GROUP	50 %	33 %	34 %

Additional information

LA 7 - RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES BY REGION.

Cermaq did not experience any fatal accidents amongst our employees in 2010, nor amongst contractors supplying serveices to our operations.

The number of injuries increased from 2009 to 2010. This unfortunate development will receive our attention in the coming year. Absentee rates were slightly up.

There are significant variations between the companies. Each operating company identifies their own relevant and suited initiatives to reduce the level of injuries and absentees due to illness.

LA 7

		2010			2009			2008		
Division	Units	EWOS Group	Main-stream Group	Total Cermaq Group	EWOS Group	Main-stream Group	Total Cermaq Group	EWOS Group	Main-stream Group	Total Cermaq Group
Fatalities	Number	0	0	0	0	0	0	0	0	0
Injury rate	Injuries per million hours worked	15.6	36.8	31.0	15.6	31.2	27.4	26.2	37.6	34.1
Lost-time injury rate	Lost-time injuries per million hours worked	10.9	27.5	24.1	-	-	-	-	-	-
Absence rate	% of total work days	3.5 %	3.5 %	3.4 %	3.9 %	2.9 %	3.1 %	4.4 %	5.4 %	5.0 %
Occupational disease cases	Number	1	6	7	-	-	-	-	-	-

Note:
- We report OHS data using units that are consistent with Cermaq's previous reporting practices, rather than adopting the GRI formulas.
- The above data relates only to our workforce, including employees and supervised workers. Data has been adjusted to exclude Mainstream Scotland
- During 2010, Cermaq operations reported only 5 incidents of injuries to contractors, in Chile.
- Minor injuries are included in injury rate, but excluded from lost-time injury rate
- Lost day calculation includes only scheduled work days and starts the day after the accident.
- 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

Additional information

LA 10 -AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY EMPLOYEE CATEGORY.

Employees receive systematic training to build competence according to their own and the organisation's needs. In 2010 training programmes amounted to an average for all employees of 0.9 percent of total working time.

LA 10

	2008	2009	2010
Cermaq	-	1.4 %	1.3 %
EWOS	0.8 %	0.2 %	1.2 %
Mainstream	0.6 %	0.6 %	0.8 %
Total	**0.6 %**	**0.5 %**	**0.9 %**

Additional information

HR 6 - OPERATIONS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE ELIMINATION OF CHILD LABOR.

Overall, we did not see any significant risk for incidents of child labour in Mainstream or EWOS operations during 2010. Any risk for incidents of young workers being exposed to hazardous work appears to be low, is limited to Mainstream group and EWOS Innovation and is managed through the use of 'mentors' and/or through training, instruction and risk assessment in order to ensure that these workers are not exposed to hazardous work.

HR 9 - TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLE AND ACTIONS TAKEN.

During 2010, there were no reported incidents of violation involving the rights of indigenous people.

Additional information

SO 3 - PERCENTAGE OF EMPLOYEES TRAINED IN ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES.

Our ethical and social responsibility guidelines prohibit any form of corruption.

Awareness training on corruption was given to all management teams in all operating companies in 2010. This training resulted in more specific and detailed guidelines especially related to gifts.

A total of 57 managers participated in this training. This is 14 percent of Management and administration employees in Cermaq.

The board agreed in February 2011 on a new set of guidelines for ethics and social responsibility. The guidelines provide a comprehensive overview of social responsibility in Cermaq, including areas such as trade unions, employees, local society, environment, anti-corruption and integrity.

Additional information

SO 8 - MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS.

Cermaq's point of entry to social and environmental responsibility is to ensure that our operations respect and are compliant with local, national and international laws.

Where breaches do occur, for whatever reason, we take it seriously and investigate at the appropriate level before measures are taken to mitigate the risk of reoccurrence.

Three incidents of non-compliance with societal regulations in EWOS Chile relate to late submission of monthly taxes.

Two incidents of non-compliance with societal regulations in Mainstream Chile, relate to the processing plant in Calbuco: not treating a physical fight between two employees as a working accident; and the use of a vigilance camera was not recorded correctly. One further incident of non-compliance occurred at one of the land based fresh water sites, where the schedule of working days in one month was not in law for some of the employees. All incidents have been resolved.

The total amount of fines was 109 032 USD. Of this 79 921 USD were related to the late submission of monthly taxes and 29 11 USD to the Mainstream Chiles breaches of labour regulations.

SO 8: Incidents of non-compliance with regulations

	Societal regulations	
Reporting Unit	**Incidents**	**Fines (USD)**
EWOS Innovation	0	0
EWOS Canada	0	0
EWOS Chile	3	79 921
EWOS Norway	0	0
EWOS Scotland	0	0
Mainstream Canada	0	0
Mainstream Chile	3	29 111
Mainstream Norway	0	0
2010 Total	**6**	**109 032**
2009 Total	3	60 564
2008 Total	16	28 316

Further details on incidents of non-compliance reported to Cermaq in 2010 are given here:
– Three incidents of non-compliance with societal regulations in EWOS Chile relate to late submission of monthly taxes.
– Two incidents of non-compliance with societal regulations in Mainstream Chile, relate to the processing plant in Calbuco: not treating a physical fight between two employees as a working accident; and the use of a vigilance camera was not recorded correctly. One further incident of non-compliance occurred at one of the land based fresh water sites, where the schedule of working days in one month was not in law for some of the employees. All incidents have been resolved.

Additional information

PR 2 - TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES, BY TYPE OF OUTCOMES.

Cermaq's point of entry to social and environmental responsibility is to ensure that our operations respect and are compliant with local, national and international laws.

Where breaches do occur, for whatever reason, we take it seriously and investigate at the appropriate level before measures are taken to mitigate the risk of reoccurrence.

In 2010, EWOS Chile reported an incident of non-compliance with food safety regulations related to antibiotic residues. The investigation found

antibiotic residues present in poultry bi-products received during late 2009. Since 1 January 2010 a strict and complete control of antibiotic residues in poultry bi-products was implemented and no new incidents have been reported.

PR 2: Incidents of non-compliance with regulations

	Food safety regulations	
Reporting Unit	**Incidents**	**Fines (USD)**
EWOS Innovation	0	0
EWOS Canada	0	0
EWOS Chile	1	0
EWOS Norway	0	0
EWOS Scotland	0	0
Mainstream Canada	0	0
Mainstream Chile	0	0
Mainstream Norway	0	0
2010 Total	**1**	**0**
2009 Total	1	0
2008 Total	1	0

Further details on incidents of non-compliance reported to Cermaq in 2010 are given here:
– EWOS Chile reported an incident of non-compliance with food safety regulations related to antibiotic residues. The investigation found antibiotic residues present in poultry bi-products received during late 2009. Since 1 January 2010 a strict and complete control of antibiotic residues in poultry bi-products was implemented and no new incidents have been reported.

Additional information

PR 9 - MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES

Cermaq's point of entry to social and environmental responsibility is to ensure that our operations respect and are compliant with local, national and international laws.

Where breaches do occur, for whatever reason, we take it seriously and investigate at the appropriate level before measures are taken to mitigate the risk of reoccurrence.

There were no incidents of non-compliance with laws and regulations concerning the provision and use of products and services.

PR 9: Incidents of non-compliance with regulations

	Product and service regulations	
Reporting Unit	**Incidents**	**Fines (USD)**
EWOS Innovation	0	0
EWOS Canada	0	0
EWOS Chile	0	0
EWOS Norway	0	0
EWOS Scotland	0	0
Mainstream Canada	0	0
Mainstream Chile	0	0
Mainstream Norway	0	0
2010 Total	**0**	**0**
2009 Total	n/a	n/a
2008 Total	n/a	n/a

Additional information

Our approach

REPORTING PROFILE

Below, we explain our process for defining the parameters for our sustainability reporting, with special focus on the report scope and boundary. We describe how we have defined the materiality of aspects covered in our sustainability report and we reveal the data measurement techniques that we have used.

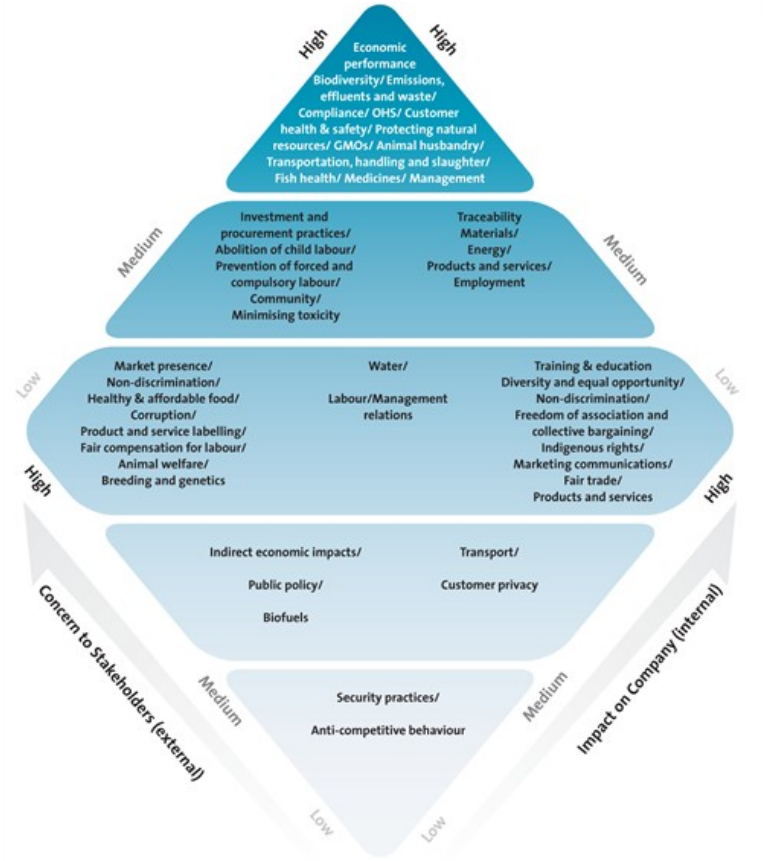
GRI Section 3.5 - Report Scope and Boundary

Process for defining report content - Materiality, Stakeholder Inclusiveness, Sustainability Context, Completeness

DETERMINING MATERIALITY

In compiling this report, we cover topics and indicators that reflect the most significant economic, environmental and social impacts from our operations. In 2008, Cermaq defined a set of Sustainability Principles that clearly sets out our social and environmental ethics for all stakeholders to see. These principles were developed based upon extensive internal dialogue between Cermaq and employees in each of the business areas, to identify areas of key social and environmental impact. Attention was also paid to external sustainability standards, such as the Global Reporting Initiative, and ongoing stakeholder dialogues like the WWF Salmon Aquaculture Dialogue and the EU Consensus project. The resulting set of principles provides the basis for our judgement on the materiality of content included in this report and also to ensure the completeness of our sustainability reporting.

During 2010, Cermaq carried out a full materiality analysis on a wide range of sustainability aspects. This takes account of known impacts and concerns amongst internal and external stakeholders.



Our reporting prioritizes issues of high concern, like compliance, occupational healthy and safety, biodiversity and energy use. We also include selected issues of medium-high concern like labor relations, corruption risk and indigenous rights. Some issues, like water usage and waste management, have not yet been fully addressed at Corporate level and Cermaq continues to prepare performance data in a structured and comprehensive way for future reporting of these and other aspects.

Cermaq reports on a combination of both GRI and customised indicators. The latter have been designed to measure sustainability impacts, such as fish escapes and use of medicines in fish farming, that are specific to our feed and fish farming operations. For consistency, these customised indicators are designed in the same way as the GRI indicators, with a detailed protocol for each indicator, helping to ensure consistency in the way data is compiled by the reporting units.

IDENTIFYING STAKEHOLDERS AND PRIORITISING TOPICS IN THE REPORT

Many of our stakeholders, NGO s, investors and authorities, show increasing interest in our sustainability performance. We engage with each of these identified stakeholder groups at varying levels of intensity. It is our ongoing dialogue with each group that enables us to be sure that we are responding to all reasonable expectations and interests.

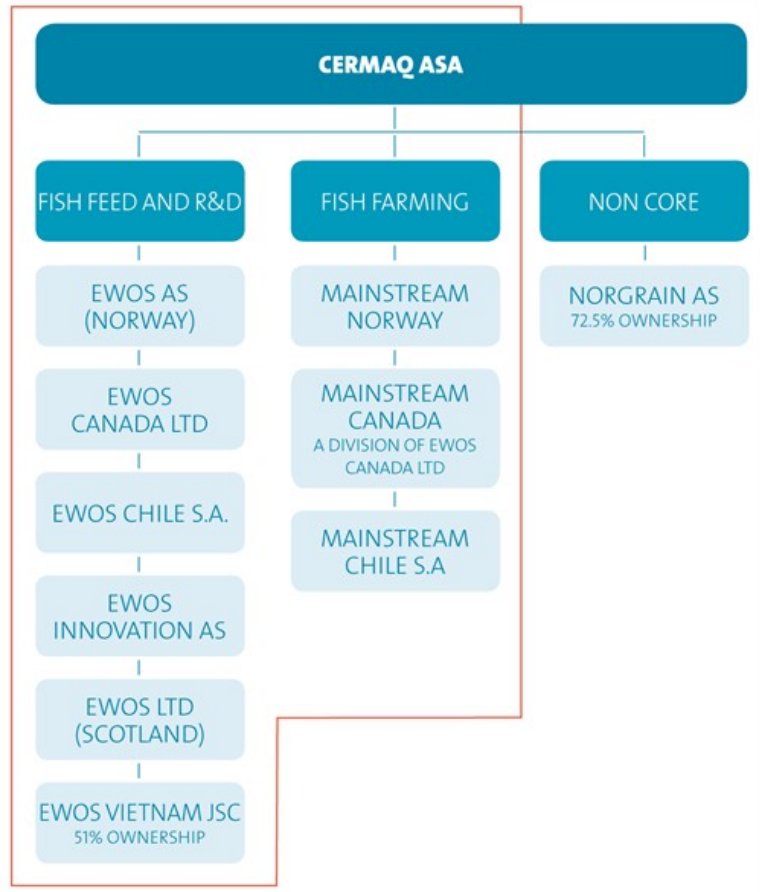
It is our hope that our GRI report will facilitate more transparent and constructive dialogues between Cermaq and our stakeholders. As such, we report on social and environmental topics that we know to be of external interest, like medicine use, sea lice, fish escapes and feed materials, for example. Cermaq is well placed to make this judgement based upon the experience of management and through its ongoing engagement with industry dialogues and involvement in industry conferences.

GRI Section 3.6 - Report Scope and Boundary

Cermaq sustainability reporting encompasses wholly-owned feed, farming and R&D operations where Cermaq has full financial control and is therefore able to properly manage any significant sustainability impacts.

The focus of our sustainability reporting is on EWOS feed and R&D operations and Mainstream fish farming operations. Cermaq head office is included in reporting on certain sustainability indicators like workforce and OHS. The representative office in Vietnam is included for workforce related data only. The feed business in Vietnam, where Cermaq acquired a majority of the shares in mid December 2010, is not included in this year's report.

Cermaq has its focus on being a global leader in the aquaculture industry. Non-core businesses, such as Norgrain AS and Denofa AS, will be disposed of when the conditions are favourable. Therefore Cermaq does not include its non-core business interests in the sustainability reporting.

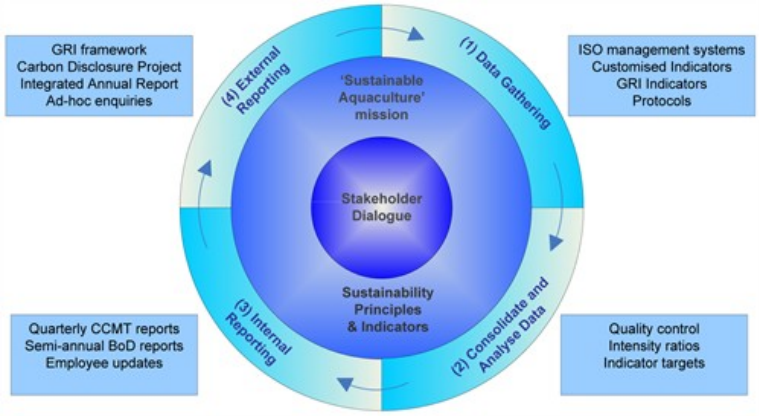


The boundary of the sustainability report is marked with a red line.
Minority shareholdings not included.
The establishing of the EWOS Vietnam joint venture was not completed at year end 2010.

GRI Section 3.9 - Report Scope and Boundary

DATA MEASUREMENT TECHNIQUES

Cermaq has established a system for gathering, consolidating, analysing and reporting non-financial data. This sustainability management system has become critical to the production of regular internal sustainability reports for group management and the Board of Directors. It is also critical to the production of the annual integrated report, including GRI Index, and Cermaq's disclosure to the Carbon Disclosure Project.



An overview of the Cermaq sustainability reporting cycle

The reporting cycle is fundamentally based upon our insights from years of continuous dialogue with stakeholders like owners, customers, suppliers, employees and NGOs. These insights have been compiled into a set of sustainability principles at corporate level and also into management standards at local operating level. Surrounding this, Cermaq's reporting cycle has four distinct phases:

→ First, sustainability indicators are routinely and consistently applied to measure local sustainability performance on a

quarterly basis through a systematic data gathering process (1). The reporting process is well developed with handbooks, definitions and documented audit trails.

- The resulting data is then consolidated and analysed (2) at the corporate level, providing detailed information about sustainability performance throughout the group.
- These performance insights are then reporting internally (3) to group management, using a simple traffic light analysis to identify areas of concern and any specific issues that may require remedial measures. Every half-year, the internal sustainability management report is presented to the Board of Directors. All employees are also updated every half-year with key outputs from the reporting cycle, through email or newsletters.
- The cycle is concluded with external sustainability reporting (4) which is structured according to the GRI Framework and distributed via channels such as the Cermaq annual sustainability report or our submission to the Carbon Disclosure Project and other ad-hoc stakeholder enquiries.
- Feedback from internal and external sustainability reports is used to inform improvements to the reporting cycle in future, closing the loop between stages (4) and (1).

The non-financial reporting system has been continuously improved and is now well established using MS Excel. However, during the first half 2011 Cermaq will implement a new web-based sustainability data management system called CRedit360. This solution will further enable Cermaq to manage, aggregate, optimize and report - both internally and externally - on the group's environmental and social performance.

BASES OF CALCULATIONS

We have applied the following key calculations in our sustainability reporting:

Performance Indicator	Units	Calculation
Medicine use	g API / tonne fish produced	Grams of active pharmaceutical ingredient (API) / Tonnes of fish production (Live Weight)
Marine index	% of feed produced	(Tonnes of fishmeal + Tonnes of fish oil) / Tonnes of fish feed produced * 100
Marine nutrient ratio	-	Nutrient Ratio = Marine nutrients consumed by salmon / Marine nutrients produced in salmon
Energy consumption	GJ / tonne produced	GJ energy consumed / Tonnes of material produced (feed or fish (Live Weight))
GHG emissions by weight	kgCO2e	GJ energy consumed by source * GHG emission factors
OHS	Injury frequency rate	Number of injuries / million working hours
OHS	Lost time injury frequency rate	Number of lost time injuries / million working hours
OHS	Occupational disease cases incident rate	Occupational disease cases / hundred full time workers
OHS	Absentee days	Absentee days as a % of total work days

DIVERGENCES FROM GRI INDICATOR PROTOCOLS

In the reporting performance data for GRI indicator LA1(Total workforce by employment type, employment contract and region), total workforce is based on financial reporting. Other employee data in the GRI report is based on reporting specifically made for the sustainability report.

In reporting performance data for GRI indicator LA7, Cermaq has chosen to continue reporting using the OHS formulas listed above, instead of adopting the GRI formulas. This is to ensure consistency in the annual report, compared to previous years, for such an important sustainability indicator.

In reporting performance data for GRI indicator EN4, we have reported intermediate energy purchased and consumed from non-renewable energy sources but we have not yet calculated the corresponding primary energy consumed in the production of indirect energy.