

# Our performance Q3 2018

## CERMAQ CANADA July - September 2018

Occupational health and safety performance continued to be strong in our Canadian operations this quarter. Cermaq Canada had an absence rate of 2.5 percent and lost time injury rate of 0 lost time injuries per million working hours. In the quarter, 10 fish escaped in one incident, and there were no non-compliances. Sea lice levels at a few fish farms in Clayoquot Sound region have been higher than usual compared with the same quarter last year, leading to a higher average lice count. Use of sea lice treatment in feed increased to 0.6 grams of active ingredient in feed per ton of live weight equivalent harvested.

The rolling 12 month fish survival rate decreased compared with the same period last year, with a rolling survival rate of 89.7 percent; the use of antibiotics by closed cycle also increased significantly this quarter compared to the previous year. We describe our guidelines for antibiotic use at the end of this report below.

CERMAQ CANADA				
INDICATOR	Unit	Q3 2018	Q3 2017	Calendar year 2017
<b>FISH HEALTH</b>				
Survival rate in our fish farming (Atlantic salmon)	12 months rolling rate	89.7%	93.9%	94.3%
Use of antibiotics	gAPI/t harvested	252	9	51
Use of treatments against sea lice (in feed)	gAPI/t LWE produced	0.6	0.3	0.3
<b>ENVIRONMENT</b>				
Escapes	Number of fish escaped	10	0	0
Sea lice counts	Average adult female and mobile lice	4.71	1.0	1.2
<b>SOCIAL</b>				
Non-compliances	Number of non-compliances closed with a fine	0	0	0
Absence rate	Absentee days as a % of total work days	2.5%	2.1%	1.7%
Lost time injury rate (H1)	Lost time injuries per million working hours	0	0	0
Injury frequency rate (H2)	Injuries per million working hours	7	0	8
Lost time frequency rate (F-value)	Lost time from injuries per million working hours	0	0	0

# CERMAQ CHILE July - September 2018

Occupational health and safety performance continued to be good in our Chilean operations this quarter. The absence rate of 2.3 percent was slightly higher compared with the same quarter last year, as were the lost time injury rate and injury frequency rate, while lost time frequency decreased. One non-compliance was closed with a fine this quarter. Sea lice counts were unchanged compared with the same period last year at 0.97 lice per fish and antibiotics use by closed cycle and sea lice treatment increased. There were no fish escapes in Cermaq Chile this quarter.

The survival rate for Atlantic Salmon and Rainbow Trout improved this quarter compared to the same period last year, with rolling survival rate of 94.7 percent for Atlantic Salmon and 98.6 percent for Trout. The survival rate for Coho Salmon decreased to 95.5 percent compared to 96.7 percent during the same period in the previous year. This quarter we had an increase in our measure of antibiotic use compared to the same quarter last year, with a use of 433 grams active ingredient used per ton harvested compared with 359 grams per ton during Q3 2017. The main reasons for antibiotic use were control of Piscirickettsiosis (SRS), yersinosis, and furunculosis. We describe our guidelines for antibiotic use at the end of this report below.

Cermaq has a strong commitment to finding a sustainable solution for SRS, which currently can be partially controlled by traditional vaccination and managed by the use of antibiotics. For the last five years Cermaq's R&D team has worked actively with industry and academic partners to develop new and effective vaccines to fight SRS, promote vaccine innovation and their proper use. Cermaq Chile will continue to work on initiatives to reduce SRS during the farming stage, by encouraging the

CERMAQ CHILE				
INDICATOR	Unit	Q3 2018	Q3 2017	Calendar year 2017
<b>FISH HEALTH</b>				
Survival rate in our fish farming (Atlantic salmon)	12 months rolling rate	94.7%	93.8%	93.8%
Survival rate in our fish farming (Coho)	12 months rolling rate	95.5%	96.7%	95.4%
Survival rate in our fish farming (Trout)	12 months rolling rate	98.6%	96.9%	97.0%
Use of antibiotics	gAPI/t harvested	433	359	356
Use of treatments against sea lice (bath)	gAPI/t LWE produced	8.9	6.8	6.2
<b>ENVIRONMENT</b>				
Escapes	Number of fish escaped	0	207861	212562

Sea lice counts	Average adult female lice (Caligus)	0.97	0.97	1.1
<b>SOCIAL</b>				
Non-compliances	Number of non-compliances closed with a fine	1	1	12
Absence rate	Absentee days as a % of total work days	2.3%	1.7%	1.9%
Lost time injury rate (H1)	Lost time injuries per million working hours	8	6	6
Injury frequency rate (H2)	Injuries per million working hours	8	7	7
Lost time frequency rate (F-value)	Lost time from injuries per million working hours	69	123	97

## CERMAQ NORWAY July - September 2018

While the absence rate was 3.3 percent this quarter in Cermaq Norway, a decrease from 3.9 percent in the same period in 2017 and lost time injury rate decreased, injury frequency rate and lost time frequency rate increased compared with the same period in 2017. There were no non-compliances this quarter. There were regrettably three fish escapes from Cermaq Norway where a total of 5,813 fish escaped. 46 Fish weighing approximately 2 kilograms each escaped in Nordland due to a tear in a net, while 5,765 fish weighing approximately 0.5 kilograms each escaped due to a fire and a further two escaped fish with an average weight of approximately 4 kilograms were caught by a fisherman in Finnmark and identified as Cermaq fish through gene analysis.

In terms of environmental performance, sea lice counts were 0.07 adult female lice per fish while sea lice bath treatment decreased to 0.7 grams of active pharmaceutical ingredient per ton of live weight equivalent produced. The majority of farms have very good sanitary conditions and overall lice counts are maintained well below the regulatory limit of 0.5 average adult female lice per fish.

The rolling fish survival rate decreased compared with the same period last year, with a rolling survival rate of 93.6 percent this quarter. There was no use of antibiotics by closed cycle for salmon harvested this quarter in Cermaq Norway.

### CERMAQ NORWAY

INDICATOR	Unit	Q3 2018	Q3 2017	Calendar year 2017
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#### FISH HEALTH

Survival rate in our fish farming (Atlantic Salmon)	12 months rolling rate	93.6%	96.1%	95.7%
Use of antibiotics	gAPI/t harvested	0	0.8	0.2
Use of treatments against sea lice (in bath)	gAPI/t LWE produced	0.7	0.8	0.3

#### ENVIRONMENT

Escapes	Number of fish escaped	5813*	0	0
Sea lice counts	Average adult female lice	0.07	0.08	0.1

#### SOCIAL

Non-compliances	Number of non-compliances closed with a fine	0	0	0
Absence rate	Absentee days as a % of total work days	3.3%	3.9%	4.8%
Lost time injury rate (H1)	Lost time injuries per million working hours	0	3	5.0
Injury frequency rate (H2)	Injuries per million working hours	11	3	10
Lost time frequency rate (F-value)	Lost time from injuries per million working hours	122	104	91

*\*Escapes in Cermaq Norway updated September 2019 after final harvesting*

# How each indicator is measured

## Fish health

**Fish survival:** The welfare status of farmed fish is of interest to a range of industry stakeholders. In Cermaq, we continuously strive to improve fish welfare through a range of measures and initiatives.

Survival can be used as one simple measure to gain an overview of the fish health situation. The indicator is a rolling 12 month measure which calculates survival number for the last 12 months as a proportion of the estimated number of fish in the sea in the last 12 month of the year (adjusted for harvest and mortalities). This is to adjust for short term variations and to enable to show longer term trends.

**Antibiotic use:** Medicines is a necessary tool in all kinds of animal farming to ensure animal welfare. In salmon farming, some geographical regions or companies have been able to significantly reduce their use of antibiotics over time, whilst others are relatively high users. This measure is useful to gain an overview and control of the antibiotics use in the operations, and ensure that our antibiotic policy is adhered to. We measure the total use of antibiotics divided on the biomass harvested within a quarter. We have chosen this measure as we consider that it gives the best indication of the sustainability of our production and product safety. Also this measure gives a good relation between antibiotic use and stock treated by period and provides better association between treatments and final products.

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

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

**Sea lice treatment:** This indicator seeks to quantify the amount of different types of sea lice treatment used by Cermaq. Bath treatments and in-feed treatments are included in the indicator,

where the most significant by region is published. Preventive methods are not included in the reporting; only treatments to ensure that sea lice levels are in compliance with regulatory set limits. A summary of non-pharmaceutical and preventive measures used in Cermaq, can be seen [here](#). In Canada, only treatment in feed is used, while in Norway and Chile, bath treatments are most common are hence reported here. Treatments with hydrogen peroxide is not included in this figure.

**Escapes:** Our goal in Cermaq is zero escapes. Escapes may pose negative effects through possible interaction between the escaped salmon and wild salmon including the risk of compromising genetic integrity and increase competition in the freshwater environment. For fish farmers, escapes also represent a loss of valuable assets. Preventing escapes is a high priority and in the case of any incidents of escape, we work intensively to recapture as many fish as possible. This indicator aims to quantify the number and extent of fish escape incidents and what action has been taken to prevent recurrence, to minimize the risk of similar incidents in the future.

## **Environment**

**Sea lice counts:** Sea lice represent a continuing challenge across operations in many regions. Control of sea lice in a sustainable way is critical to the future sustainability and growth of the salmon farming industry. We are therefore closely monitoring the sea lice counts in each region to gain an overview of the lice situation in Cermaq. Counts are made for each site, and the number reported here represents an average of each Cermaq operating company. The lice counting for each country is linked to the sea lice levels triggering treatment in the different salmon farming areas.

**Non-compliances:** Our clear goal is to comply with all applicable laws and regulations in our countries of operation. The level of any non-compliances within our operating companies also helps indicate our ability to ensure that operations conform to expected performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. This indicator seeks to measure the compliance with environmental, social, and product regulations in our operations. It refers to final non-compliances closed with a fine.

## **OHS**

Cermaq employees shall be safe and secure at work. Occupational health and safety initiatives are integral parts of the Group's risk management. The OHS challenges are differing between the operating companies. Each operating company identifies its own relevant and suited initiatives to reduce the level of injuries and absence due to illness. Operating companies also engage regularly in the sharing of best practices to manage and mitigate common challenges, including the definition and measurement of a set of common OHS indicators reported monthly to the management.

**Absence rate:** This indicator measures absence related to employees' health including sickness, lost time from injuries (at work or outside work), or occupational disease.

**Lost time injury rate (H1):** This indicator measures injuries among our employees that lead to lost time direct per million working hours.

**Injury frequency rate (H2):** This indicator measures the total number of injuries among our employees per million working hours.

**Lost time frequency rate (F-value):** This indicators measures lost time from injuries among our employees per million working hours.