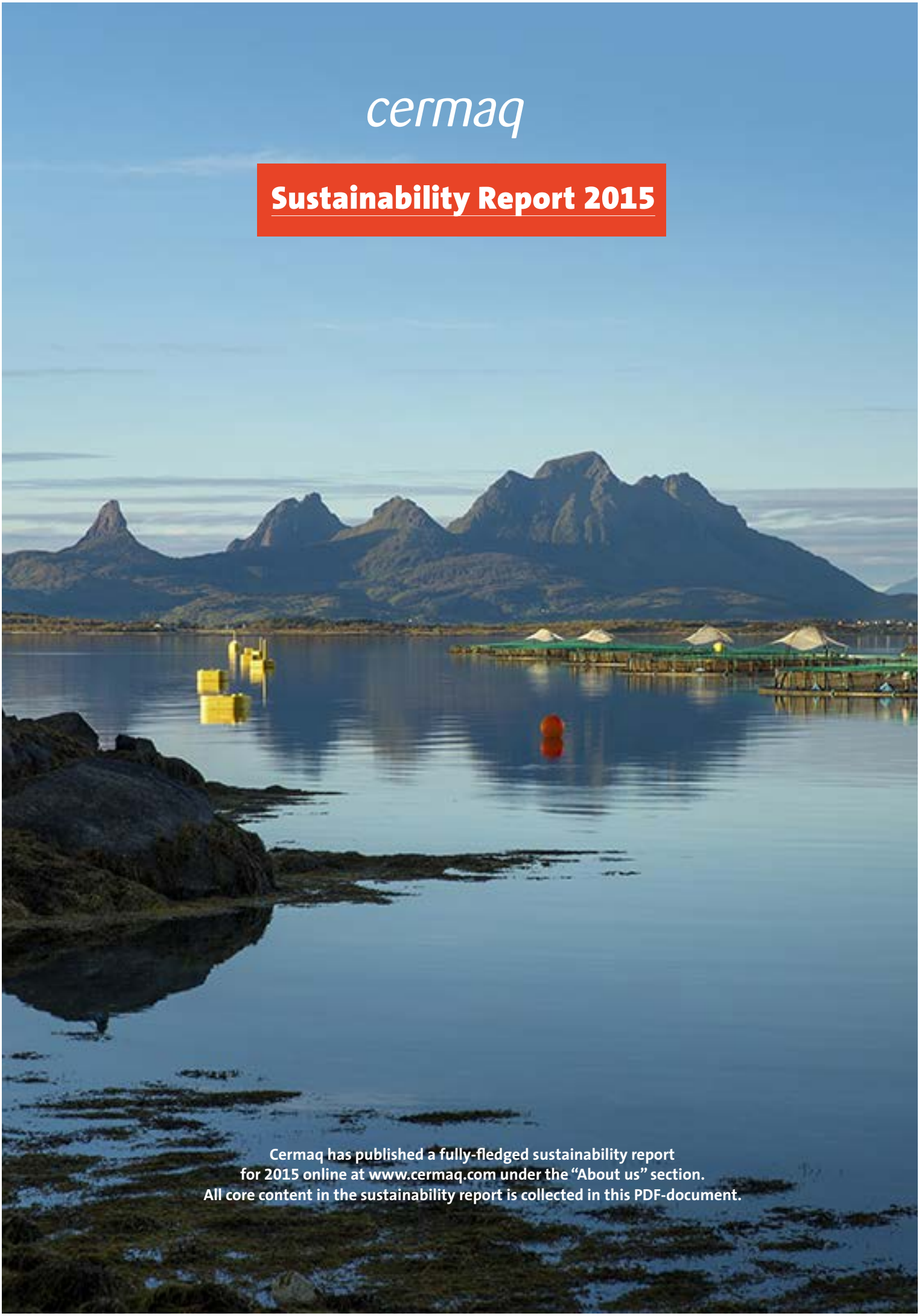
cermaq

Sustainability Report 2015



Cermaq has published a fully-fledged sustainability report
for 2015 online at www.cermaq.com under the "About us" section.
All core content in the sustainability report is collected in this PDF-document.

Contents

How the report has been defined: Cermaq Materiality Assessment

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

Our starting point is to report on topics where we have the largest impact and where stakeholder request for information is high.

Determining materiality

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

The materiality assessment is subject to an annual review by our sustainability functional team to ensure that we report on material aspects and measure our performance against the right indicators. At certain intervals, we perform a thorough stakeholder analysis to inform our materiality assessment process. In 2014, all business units were involved in a revisit of the matrix to assess the material aspects in our operations. An internal review was conducted and feedback included from external stakeholders based on meetings, dialogue, public debate and public reports in the regions in which the Group operates.

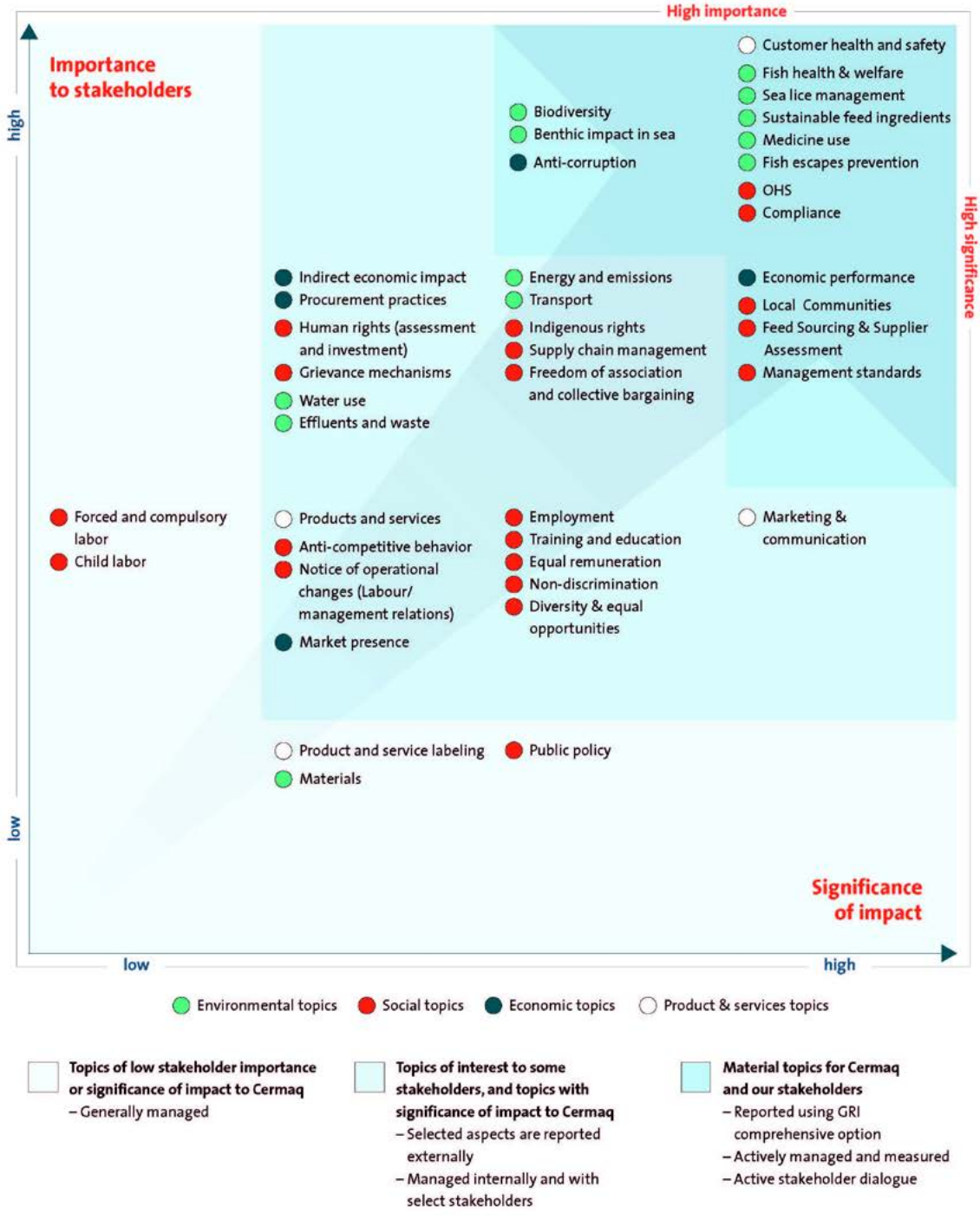
In 2013, Cermaq invited all its external stakeholders (e.g. shareholders, NGOs, local communities, media, and analysts) to participate in a survey and perform a ranking of 32 sustainability aspects. The stakeholder

response is incorporated in the materiality analysis below.

As a part of the implementation of Cermaq's new strategy starting in 2016, the sustainability strategy will be developed to further support the business strategy. Materiality will continue to be a central aspect going forward.

The indicators for the aspects with significant impact from an internal perspective should be subject to quarterly follow-up of progress when relevant.

MATERIALITY ANALYSIS 2015:



Significance of impact: Cermaq's assessment of significant economic, environmental and social impact from its operations

Importance to stakeholders: Topics that substantially influence the assessment and decisions by stakeholder groups related to Cermaq's operations

From the figure it can be seen that some of the topcis most important to Cermaq are also material to our stakeholders. We are reporting on indicators within all these topics, and Cermaq has in addition developed industry specific indicators relevant for our fish farming operations.

Our stakeholder survey showed that some aspects are ranked as very important to some stakeholders. For some of these aspects, where we have available data, we are publishing information to meet the request or concerns of these specific stakeholder groups.

It is Cermaq's ambition that its integrated annual report will enhance transparency and the constructive dialogue between Cermaq and its stakeholders.

RESPONSIBILITY

A draft of the materiality analysis is provided by the administration each year in tight cooperation and dialogue with operating companies in the different regions. The analysis is prepared by Cermaq's Sustainability Functional Team, with representatives from each region within relevant disciplines. The materiality analysis is subject to final approval from the Central Management team.

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

FOLLOW-UP OF PERFORMANCE

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

Material aspects

The following aspects are evaluated as the most important: **Customer Health and Safety, Occupational Health and Safety (OHS), Fish health and welfare, Sea lice management, Medicine use, Fish escape prevention, Sustainable feed ingredients, Local communities, Economic performance, Biodiversity, Management standards, Feed sourcing & supplier assessment, Benthic impact in sea, Anti-corruption** and **Compliance**.

These topics are explained in further detail in the Management Approach. We also report on additional aspects to meet the request for information from some stakeholder groups. These aspects are: Market presence, Energy, Emissions, Product and services, Training and education, Indigenous rights, Child labor and Human rights assessment.

Aspect boundaries

ASPECT BOUNDARIES WITHIN THE ORGANIZATION

All the material aspects listed above as material are material to the whole organization except for Cermaq Group AS that is not involved in fish farming in an operational way. Other aspects where we report on selected indicators: Human rights assessment is relevant mainly to our Chilean operations and this is the only area that has been raised as a concern from specific stakeholders. The same is the case for the indicator Minimum wage level (Market presence) where concerns have been raised in earlier years about the wage level at processing plants in Chile.

ASPECT BOUNDARIES OUTSIDE THE ORGANIZATION

The following material aspects are material outside the organization: Sustainable Feed Ingredients, Biodiversity, Local Communities, Anti-corruption, Occupational Health and Safety, Customer Health and Safety, Feed Sourcing and Supplier Assessment, and Compliance. The aspects are material for suppliers in all the regions we operate.

As explained above, we report on additional aspects to meet the request for information from some stakeholder groups. The indicators selected within these aspects are also material outside the organization: Market presence, Energy, Emissions, Product and services, Training and education, Indigenous rights, Child labor and Human rights assessment.

Stakeholder dialogue

Our stakeholders show strong 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 activities are carried out both at local and the corporate level in Cermaq, and our aim is to engage in constructive dialogue based on respect and transparency.

Approach to stakeholder engagement

Identification of stakeholders for engagement

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

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

Our approach to stakeholder engagement

Dialogue with employees is continuous, through well-established local management structures and practices. Employee relations are comprehensibly regulated by law and agreement in the countries in which Cermaq operates. Cermaq applies one set of standards and values across its operations. The competence, engagement and efforts of all employees are crucial to the success of Cermaq's business. Cermaq's relations with its employees and unions are described in more detail in G4 10-12.

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

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

Local communities are important to ensure acceptance for Cermaq's local operations, support for future growth and recruitment of employees. Cermaq contributes to local activity and employment and is a reliable partner for the local communities in which it operates. Dialogues with local communities are addressed mainly through the local stakeholder groups described above.

Suppliers include our main feed supplier EWOS, which is as of 2015, the most important supplier in terms of total value of purchase. Following the sale of EWOS, Cermaq is building internal competence as feed purchaser. In 2015, Cermaq launched a Supplier Code of Conduct and a policy for feed suppliers stating detailed sustainability requirements. Other main suppliers include suppliers of technical equipment and transport as well as local suppliers of goods and services. The local Cermaq companies maintain contact with their suppliers with frequency adapted to the needs.

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

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

In Chile, Cermaq is engaged in several activities with indigenous groups. One example is Liquiñe, Panguipulli, in the region of Los Rios, where Cermaq Chile has conducted skills training sessions to support the participants in finding employment, improving small business or changing their line of work.

Cermaq sees industry associations necessary for ensuring the framework conditions for the aquaculture industry. Thus, Cermaq is actively participating in the industry association, normally represented by senior executives in the board of the association. In 2015, Cermaq's CEO was co-chair of the Global Salmon Initiative (GSI), and Cermaq had representation in the board of Salmon Chile, BCSFA (Canada), CAIA (Canada), and Sjømat Norge (Norwegian Seafood Federation).

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

As in previous years, Cermaq submitted a report in 2015 to the Carbon Disclosure Project (CDP), providing information on Cermaq's carbon emissions and the assessment of climate change risks and opportunities.

Key topics

Key topics in our stakeholder dialogue

Stakeholder dialogue which takes place in both structured and unstructured ways plays an important role in our reporting. In addition to our owner, our key stakeholder groups include customers, employees, regulators and politicians, local communities, suppliers, NGOs, unions, indigenous peoples, and industry associations. Some key topics discussed in our stakeholder dialogue in 2015 are presented below.

STAKE HOLDER	TOPIC	CERMAQ RESPONSE
		CERMAQ CANADA
First Nations	First Nations seeing the benefit of salmon farming in providing jobs for their people and ask for greater business opportunities and skills training	Cermaq Canada's goal is to develop partnerships with First Nations in whose territory we operate. As part of our partnership agreement with Ahousaht First Nation, Cermaq Canada has provided 15 post-secondary scholarships to members of their community.
Customers	Retailers want their suppliers to be more transparent and sustainable. They are looking for seafood from Aquaculture operations that are environmentally responsible.	Cermaq Canada is committed to sustainable salmon farming and has 8 - 3rd party certifications to prove its commitment: • 4 ISO certifications, (EMS, QMS, OHS, FS) • Aboriginal Principles for Sustainable Aquaculture certification, • FIOSA – MIOSA Safety Alliance certificate of Recognition (COR) • Best Aquaculture Practices (3 star) To show commitment to continual improvement, Cermaq Canada is also pursuing ASC certification and had two sites certified in 2015 and is pursuing 2 more sites in 2016. Cermaq Canada posts sea lice data and other information directly on its website to ensure easy Access.
Customers	Transparency and practical information about our operations and products	Cermaq Canada is providing more information directly to retailers who sell its salmon. Canada also posts information on e.g. sea lice, wildlife interactions and any fish escapes on its website to ensure easy access and transparency.
Local communities	Local community concern about aquaculture impacts	Social acceptance of aquaculture is important to Cermaq Canada. This acceptance varies in the communities where we operate and needs to improve. Cermaq Canada is continually finding better ways to connect with our stakeholders. One of these ways is by supporting community activities. In 2015 we further increased our sponsorships which focused on sports teams, health fundraiser events, educational development, and ocean sciences.

CERMAQ CHILE		
Trade unions	CSR Committee	Cermaq Chile has established a CSR Committee chaired by our Chief Operating Officer in Chile, in addition to 4 company representatives in the HR, Environment, CSR and Quality fields, in addition to four representatives from company unions (fresh water, sea water processing plants).
Indigenous peoples and local communities	Sponsorship and support of sport activities	Cermaq supports local sports teams and clubs. Communities benefiting in 2015 are: • Puerto Montt (Los lagos region) • Ancud (Los Lagos region) • Quemchi (Los Lagos region) • Calbuco (Los Lagos, region) • Dalcahue (Los Lagos region)
Local communities	Social training for communities in regions with limited work opportunities	Cermaq Chile supports social training in regions with limited work opportunities. The objective is support of skills training to find employment, improve small business or changing line of work, directed to support different stakeholders of Cermaq in Chile. Local communities which benefited in 2015: • Lican (Puyehue, Los Lagos Region) • Pellines (Los Lagos Region) • Calbuco (Los Lagos Region) • Liquiñe (Coñaripe, Araucania Region) • Tac (Quemchi, Los Lagos Region) • Cunco (Los Lagos region)
	Diffusion activities in Processing Plants	Cermaq met with local administration and politicians in most of the municipalities where the company has operations to inform about and discuss current and planned activities. Local technical students from School are invited to visit Processing Plants. Maullin (Los Lagos Region) Ancud (Los Lagos Region) Tal Tal (Antofagasta Region) Metalic walkways for patrimonial touristic routes. Dalcahue (Los Lagos Region)
	Donations	

CERMAQ NORWAY		
Local communities	Positive ripple effects of the industry and local challenges	Cermaq has met with local administration and politicians in most of the municipalities where the company has operations to inform about and discuss current and planned activities as well as opportunities for growth and development.
Local communities	Impacts from the construction of a new smolt facility	Meetings with all neighbors who are or may be impacted of the facility as well as the construction work
Anglers and local NGOs	Joint projects	Joint projects with the angler's association on monitoring presence of farmed fish in several salmon rivers (Repparfjordelva, Altaelva, Varpa). Financing of surveillance of wild stocks in cooperation with Varpa River system
Customers	Transparency and practical information about our operations and products	In 2015, Cermaq Norway started providing more information on e.g. sea lice, wildlife interactions and any escapes on its website for some farms to ensure easy access and to prepare for our planned ASC certifications.
Municipalities	General public concern over fish farming in regions of operation	Open meetings addressing people's concerns and answering questions about Cermaq's operations. Meetings regarding cooperation and development in the county (e.g. possible new processing plant)
Local communities	Sponsorship	Sponsorships of sports teams, clubs, foundations and schools in Finnmark and Nordland where Cermaq Norway operates.
Environmental R&D institutions	Research and surveys	Financing of environmental water study in cooperation with NCE
CERMAQ GROUP AS		
Politicians	Impacts of growth of the industry	In open meetings with politicians, Cermaq has presented its view on the criticality of sustainability in the industry and Cermaq has also submitted its view in writing to public hearings.
Politicians, authorities, NGOs, owner, customers, general public		

	Impacts, challenges and opportunities related to the industry	Cermaq Group AS organizes an annual Sustainability Seminar in Oslo where representatives from the different stakeholder groups are invited to discuss relevant sustainability issues. Salmon farming critics are regularly invited to the speaker's platform to present their view on the industry's challenges. The seminar is also open to the general public.
Owner	Sharing of best practices with other Mitsubishi subsidiaries in the food industry	Participation in internal sustainability groups, roundtables and events

Management Approach

Cermaq prioritizes the management of economic, environmental and social aspects of our operations that are assessed to be material for the organization and its stakeholders.

A central element in Cermaq's management approach is the risk assessment of sustainability challenges and opportunities to the business provided in the Cermaq Materiality Matrix. What is seen as material for Cermaq covers various aspects: external drivers, resources used by the company, our strategy and business model, how Cermaq impacts the environment and society, and the financial input and output of the organization.

The interconnection and interdependency between the resources used by the company and its relationships with its stakeholders, is critical to Cermaq's value creation. Consequently our report aims to present the impact of the financial aspects on the non-financial aspects and vice versa.

For each material topic presented, the materiality of each topic for the company is described together with the view of our stakeholders and, how each topic is managed and an evaluation of the management approach.

Cermaq has company and industry specific indicators in place in addition to the GRI aspects. Our approach

to both categories of topics is presented below.

Economic aspects

ECONOMIC PERFORMANCE

WHY IT IS MATERIAL

This topic is material to Cermaq since Cermaq's purpose is to create value for its owner, employees and society in general through sustainable aquaculture. Economic performance is the foundation for the financing of the company as well as for being an attractive employer and responsible community partner.

Cermaq's Core Values constitute guidelines for desired attitudes on individual, company and group level, to achieve long term value creation. A sound economic performance is a premise for reaching our goals and contributing to sustainable aquaculture on a long term basis.

WHAT WE DO

Cermaq's strategy lays the basis for the company's value creation and long term performance. The Board of Directors has set Key Performance Indicators (KPI) for the economic performance, and monthly financial reports are presented to the Board of Directors. Also the bonus systems for senior management and for all employees include economic performance of the Company.

Reflecting a new business context for Cermaq, in 2015, a new strategy was developed which will enter into force from 2016. Our management systems including the KPIs will be revised in the coming year to incorporate the new strategic direction.

ASSESSING OUR PERFORMANCE

The annual report is the primary source for information about our economic performance, where the results are presented in the annual accounts and the Board's assessment of the results is presented in the Board of Directors report. The annual report is available online on Cermaq's web site.

As a fully owned subsidiary of Mitsubishi Corporation since 2014, Cermaq is not a listed company.

Performance indicators for 2015:

- EC 1 Direct economic value generated and distributed
- EC 2 Financial implications and other risks and opportunities for the organisation's activities due to climate change
- EC 3 Coverage of the organisation's defined benefit plan obligations

- EC 4 Financial assistance received from government.

MARKET PRESENCE

Market presence is not considered as a material topic in Cermaq's materiality assessment. However, since this topic still is important to some of our stakeholders, we report on it as well as on other relevant indicators where we have available data.

Socio-economic benefits are most obviously manifested through payments to suppliers, employees, local authorities as well as payment of dividends to owners. However, Cermaq also supports local communities with both financial and in-kind contributions. Cermaq offers competitive entry wage levels above minimum wage limits and values skills, competence and seniority in its wage systems.

Performance indicators for 2015:

- EC 5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

- EC 6 Proportion of senior management hired from the local community at significant locations of operation.

Environmental aspects

FISH HEALTH AND ANIMAL WELFARE

WHY IT IS MATERIAL

Fish health and animal welfare is a specific topic of importance to Cermaq. This section describes the management approach to the following Cermaq-specific aspects: Fish mortality, Sea lice management, Medicine use and Animal welfare.

Healthy fish is a necessity in all fish farming operations and of crucial importance to the salmon industry in upholding productivity, reducing impacts on the environment, and ensuring fish welfare. Knowledge about the fish's health status and ensuring optimal production parameters is therefore crucial.

Sea-lice levels, fish mortality rates and medical treatments are important factors that need to be monitored on a regular basis to evaluate and ensure the healthiness of the fish, and thus animal welfare and these factors may also have environmental impacts.

Sea lice continue to represent a significant challenge for the salmon industry in some areas. Infestations of sea lice can impact the health and welfare of farmed fish, which can serve as hosts for the parasites and

increase the infection pressure on wild salmon stocks. Treatment against sea lice may also impact other organisms in the sea.

All diseases in farmed fish originate from wild fish and may cause mortality. In the wild, these pathogens are less likely to cause illness as the wild salmon is far less concentrated. Some disease can be treated with medicine, but disease caused by viruses cannot be treated with medicine and in some rare cases, may require harvest of the stock.

WHAT WE DO

Fish health depends highly on fish welfare. Keeping the fish in good condition, in a favourable location, is therefore a key element in Cermaq´s preventive fish health management. In our operations, we pay great attention to water quality, vaccines, genetics, stress reducing practices (including mapping of stress levels), bio-security, diagnostics, area management, nutrition, and monitoring of pathogens to be able to foresee and avoid outbreaks. As a part of Cermaq's preventive fish health strategy, Cermaq may perform fish cullings when certain pathogens have been detected.

In the countries where Cermaq operates the regulations are founded on the framework Aquatic Animal Health Code of the World Organisation for Animal Health (OIE).

Biological knowledge is essential and a core component of our strategy is to carry out research within fish health and fish welfare. The Cermaq Fish Health Team consists of fish health experts and scientists in Norway, Chile and Canada. The team targets fish welfare and health improvements throughout the production cycle in all three operating regions.

Good animal health with no medicine is the optimal situation, and preventive fish health is Cermaq's main focus area. Cermaq has developed an antibiotic policy emphasizing a sustainable use of antibiotics. Antibiotics are used only when strictly needed and only upon approval by an authorized veterinarian. Antibiotics listed by the World Health Organization (WHO) as critically important for human medicine is not used in our operations. Cermaq is engaged in developing vaccines against SRS, the bacterial disease that is the main reason for use of antibiotics in Chilean fish farming. All treatments against sea lice is done after protocol and with an evaluation of the efficiency of the treatment. Bath treatments can pose a risk situation for escapes and the company performs training on empty pens to ensure that such operations can be managed successfully. In addition to implementing fish health measures in our own operations, a key success factor is industry cooperation. Through our membership in Global Salmon Initiative and our strategy of entering into Area Management Agreements with other farmers, Cermaq is committed to cooperate and coordinate activities related to all aspects of fish health and animal welfare.

The responsibility for fish health and fish welfare is placed with the operational management and is an integral part of daily operations and management. Yearly targets are in place for key indicators such as mortality, sea lice levels and medicine use, and are followed up by local and central management as well as the Board of Directors on a monthly or quarterly basis. An improvement target on morality performance is included in the bonus system for Cermaq employees.

ASSESSING OUR PERFORMANCE

Fish health and animal welfare is an area where we have continuous efforts for improvement and in 2015 we strengthened our efforts further in many areas. Research and development to develop vaccines to combat SRS is continuing and trials with double vaccination were performed in 2015 with promising results. SRS represents the biggest fish health challenge in Chile, leading to increased mortality. Hence, finding a solution is of great importance to Cermaq and the industry. Cermaq continues to engage in technical and operational concepts for "green licences" in Norway e.g. with developing and testing of a prototype for a closed system, the Aquadome, addressing the sea lice challenge and risk of escapes in Norwegian farming.

We have established good cooperation with neighboring farmers in Chile, in particular when it comes to coordination of sea lice treatments. Cermaq has also been active towards authorities in Chile supporting the development and better enforcement of regulations. In Norway, alternative treatments to combat sea lice are in use such as lice skirts and lump Fish.

Performance indicators for 2015:

- CEQ 01 Fish mortality
- CEQ 02 Sea lice counts
- CEQ 04 Medicine use
- CEQ 05 Vaccination program
- CEQ 06 Area Management Agreements
- FP 9 Percentage and total of animals raised and/or processed, by species and breed type

BIODIVERSITY

WHY IT IS MATERIAL

Biodiversity is considered a material topic to Cermaq since farming operations have the potential to impact biodiversity, both directly and indirectly. Such impacts could be temporary or permanent. Fish farming may impact biodiversity mainly through escapes; effluents; resource use (in feed); and diseases or parasites.

Fish escapes from farms may impact biodiversity in several ways. Escaped fish are food for predators; escapees seldom prey on wild fish. The largest impact may be interbreeding with wild salmon and potential spread of pathogens from farmed to wild fish. The potential for interbreeding with wild salmon is limited to Norway where both farmed and wild salmon are the same species, Atlantic salmon. In the Canada and Chile operations, this is hence not a significant risk. The Norwegian Institute for Marine Research (IMR) monitors the impact of interbreeding in Norwegian salmon rivers, and has identified genetic pollution above the trigger level in several rivers. Potential transfer of pathogens from farmed to wild salmon has not been

detected, and is a difficult area of research.

Farming has an impact on the fish types used for feed. However, this is not necessarily a threat to the species or the biodiversity. Responsible management of fishery stocks is important for sustainable fish farming and a central issue for the industry. An increasing share of the fish feed comes from agriculture, where the impacts on biodiversity mainly is found on species in the vicinity of farm land and in areas of new farm land. Marine proteins and oils are limited resources and hence soy is increasingly used in fish feed instead of fishmeal. To mitigate risks related to the sustainable use of forests, the soy used in the feed supply chain should come from certified sources. As an example, Cermaq's main feed supplier EWOS requires certification through ProTerra or Round Table on Sustainable Soy (RTRS) from their soy producers in Brazil, and as a minimum, the raw materials must meet the requirements in the FEFAC Soy Sourcing Guidelines. These standards shall ensure that the soy production does not involve clearing land in vulnerable ecological areas.

Fish farming impacts the flora and fauna in the near vicinity of the sea farms. The impact varies depending on a suit of factors such as currents, depth, and type of sea bed. Fallowing of sites after the production cycle ensures that temporary impacts on biodiversity can be reversed. Impact on predators, especially sea mammals and birds, is a concern among some stakeholders.

WHAT WE DO

Cermaq monitors the benthic impacts of fish farming, and ensure that requirements for fallowing and/or benthic status are met. Our main feed supplier EWOS has a sourcing practice aiming to ensure that the fish used in the feed comes from stocks that are not overexploited. In 2014, Cermaq developed a supplier policy that includes requirements for all our suppliers, and in 2015 a code of conduct specifically for feed suppliers was developed with concrete sustainability requirements.

In Norway, Cermaq has been granted green licenses, based on technology and operating principles to reduce the risk of escapes and sea lice. In our operations we seek to deter predators with measures that are not harmful e.g. through selective use of acoustic deterrent devices or predator nets. Impact on wildlife, including birds and mammals, is monitored and reported. As member of the Global Salmon Initiative (GSI), Cermaq has plans in place for certification in accordance with the Aquaculture Stewardship Certification Standard (ASC) for its farming operations. In 2015, four of our farms in Chile and two farms in Canada received ASC certification, and two more sites received certification in Chile and one in Norway in January 2016. The coming year a number of our farms are expected to achieve certifications in line with our GSI commitment.

Cermaq is also engaged in local community projects e.g. monitoring the impact from farmed salmon on wild salmon and enhancing the management of wild salmon. In Cermaq, the responsibility for impacts on biodiversity is placed with the operational management and is an integral part of daily operations and management.

ASSESSING OUR PERFORMANCE

Cermaq is working to ensure that our activities and measures applied have minimum impact on biodiversity in the areas where we operate. Cermaq believes that present technology for open net pens allows for sustainable aquaculture, and Cermaq aims at demonstrating this in its operations. At the same time Cermaq is also engaged in testing and developing alternative technical solutions e.g. closed containment systems as the Aquadome. Managing environmental impact is essential for a sustainable future for fish farming and Cermaq will always contribute to the development of new methods and Technology.

Performance indicators for 2015:

- CEQ 03 Fallow time
- CEQ 07 Escapes
- EN 11 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas
- 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
- EN 13 Habitats protected and restored
- EN 14 Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

SUSTAINABLE FEED INGREDIENTS

WHY IT IS MATERIAL

Sustainable feed ingredients is a material topic to Cermaq since animal production is based on feed, and for each trophic level in the value chain the large part of energy is lost. Consequently, efficient animal production requires optimizing of the feed both in terms of which feed ingredients to use and how each ingredient is sourced in a sustainable way.

If fish farming is to be sustainable, the industry depends on sustainable feed resources. Fish feed consist of marine ingredients and ingredients from agriculture. The fish oil (fats) and fish meal (protein) is made from forage fisheries. Historically stocks have been overexploited, and there are concerns related to many stocks especially in international waters. Hence, an increasing share of the fish feed comes from agriculture. Sustainability in the agricultural sector is therefore increasingly relevant for fish farming.

The agricultural sector is regulated at a national level where regulations vary significantly. Soy is one of the key protein ingredients used in fish feed. Other key ingredients are gluten (from wheat), rapeseed oil and bi-products from crops grown for bio-energy production. GMO-crops, especially soy and maize, are used in fish feed in many regions which is a concern for some of our stakeholders. Sustainable feed is not only about

the environmental impacts, but also the social issues along the value chain.

WHAT WE DO

In 2014, Cermaq developed a Code of Conduct for Suppliers specifying environmental and social expectations to its suppliers. Throughout 2015, Cermaq has worked closely with its main feed supplier EWOS on these issues. EWOS has a supplier code of conduct, defining the principles for their purchase of raw materials and requirements to their suppliers. Towards the end of 2015, Cermaq has entered into agreements with other feed suppliers and a feed supplier policy has been developed communicating requirements to e.g. feed ingredients and the feed production process.

As a member of the Global Salmon Initiative, Cermaq has set ambitious targets for Aquaculture Stewardship Certification (ASC) for its farming operations by 2020, which includes sustainable feed requirements. In 2015, we obtained six certifications across our global operations.

Maximizing the fish production from the feed is also important for sustainability. The feed use, the feed factor, is monitored continuously and reported as a Key Performance Indicators each month.

Cermaq does not use GMO crops as ingredients in the feed in our production in Norway, whereas this is not a requirement in Canada and Chile.

ASSESSING OUR PERFORMANCE

Cermaq's cooperation with our main feed supplier EWOS is strong and good. In 2015, Cermaq also entered into agreements with Biomar and Skretting, suppliers with established sustainability practices in line with Cermaq expectations. Cermaq has engaged more directly in the feed supply e.g. through the establishment of a Supplier Code of Conduct in 2014 and a specific policy for feed suppliers in 2015. Cermaq will continue to seek collaboration with its feed suppliers on strengthening sustainability performance. Whereas the focus has been mainly on the marine raw materials in the feed, the increasing share of agricultural ingredients indicates a higher focus on this topic in the coming years.

Performance indicator for 2015:

- EWOS 8 Raw material ingredients

COMPLIANCE

WHY IT IS MATERIAL

Compliance with environmental laws and regulations is material to Cermaq and is a premise for long term value creation. Cermaq's strategy is to cultivate the oceans to produce food for people at the same time as we maintain the future productivity of the same oceans. To meet our strategy, we must at all times be compliant with strict environmental regulations.

WHAT WE DO

Cermaq's target is full compliance with environmental laws and regulations. On a monthly basis, all Cermaq operating companies are required to report any pending and closed non-compliances. Non-compliances are reported to the local and central management as well as the Board of Directors on a monthly basis.

Salmon farming is highly regulated in all regions in which we operate and detailed routines and procedures are in place to ensure that we meet laws and regulations. The responsibility for non-compliances is placed with the operational management.

All major acquisitions are subject to due diligence processes, ensuring that any investments will be able to fulfil Cermaq's requirements to compliance, ethical standards and other criteria.

ASSESSING OUR PERFORMANCE

Strengthening our routines and procedures is always an area of improvement and we will continue our efforts in 2016.

Performance indicators for 2015:

- EN 27 Extent of impact mitigation of environmental impacts of products and services
- EN 29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

ENERGY

Although considered important, energy is not seen as one of the most important aspects in Cermaq's materiality analysis. One reason is that energy used in salmon farming is significantly lower compared to other type of food production such as beef, pork and chicken. In salmon farming, for instance, we do not need to use energy to provide heating for the animals. Salmon adapts to the water temperature.

However, some stakeholders are requesting information about energy use since climate change is an important global challenge. To meet these concerns Cermaq reports on relevant indicators where we have available data. Cermaq also reports to the Carbon Disclosure project (CDP).

Performance indicators for 2015:

- EN 3 Energy consumption within the organisation
- EN 4 Energy consumption outside of the organization
- EN 5 Energy intensity
- EN 6 Reduction of energy consumption

EMISSIONS

It is estimated that food production accounts for 25 percent of the global emissions of greenhouse gasses[1]. Consequently what type of food is produced may have an impact on global warming. The results from scientific studies show that farmed fish has a relatively low carbon footprint compared to for example beef and pork. Emissions is therefore not considered an area where Cermaq has a significant impact, but where fish farming is rather a part of the solution.

Some of our stakeholders are requesting information about our emissions since climate change is an important global challenge. Following the Paris 2015 agreement, energy use and emissions is furthermore considered a central area of interest to an increasing number of stakeholders. Cermaq therefore reports on energy use and emissions indicators where we have available data for 2015. In addition Cermaq reports to the Carbon Disclosure project (CDP).

Performance indicators for 2015:

- EN 15 Direct greenhouse gas (GHG) emissions (Scope 1)
- EN 16 Energy indirectgreenhouse gas (GHG) emissions (Scope 2)
- EN 17 Other indirect greenhouse gas (GHG) emissions (Scope 3)
- EN 18 Greenhouse gas (GHG) emissions intensity

PRODUCTS AND SERVICES

Managing the environmental impacts of the development of our products is important to Cermaq and is a part of our continuous work to comply with laws and regulations in areas of operations. Specific information with regards to this aspect can be found in indicator EN27 Extent of impact mitigation of environmental impacts of products and services, and in the environmental compliance chapter.

Social aspects

ANTI-CORRUPTION

WHY IT IS MATERIAL

Anti-corruption is considered material to Cermaq and is considered a threat to business performance and an open society, and a hinder for long term value creation. Non-compliances related to fraud or corruption is

subject to criminal laws and regulations and compliance is of great importance to Cermaq.

Corruption exists in many forms, and any responsible company needs to be aware of the challenges and take the relevant actions and precautions. Cermaq is located in countries that all score low on Transparency International's Corruption Perceptions Index. However, this does not imply that corruption and bribery does not exist in these countries. Furthermore, we are exposed to other markets that rank high on the corruption index in the supply chain and in our sales markets.

WHAT WE DO

Transparency about organisational ownership, management and operations is regarded as important to combat corruption. Cermaq reports openly on results in its annual accounts and on operational performance, management and governance on our web site. Guidelines for preventing corruption and enhancing our ethical standards are described in the Cermaq Ethical and Corporate Responsibility guidelines which include instruction of use and access to our Whistle Blower hotline.

The responsibility for compliance with applicable laws and regulations is placed with the operational management. In addition, Cermaq has a central legal function that can be consulted by operational management. Guidelines for preventing corruption and enhancing our ethical standards are described in our Ethical and Corporate responsibility guidelines. In 2015, web based anti-corruption training was introduced which will continue in 2016. Participation is decided taking a risk based approach in each operating Company.

All major acquisitions are subject to due diligence processes, ensuring that investments will be able to fulfil Cermaq's requirements to compliance, ethical standards and other criteria.

In 2013, Transparency International in Norway conducted a survey on the communication of organisational structure, openness about anti-corruption programmes and degree of country-by-country financial and organisational data among the 50 largest Norwegian listed companies . Cermaq which was a listed company at that time was ranked as number three in this survey. Although Cermaq is no longer a listed company in Norway, our efforts in managing ethical and corruption risks continue.

ASSESSING OUR PERFORMANCE

Anti-corruption training is ongoing and further needs will be evaluated based on the results and feedback. Policies and procedures are in place to mitigate risks and the anti-corruption work is continuously followed up by Cermaq's Legal department in cooperation with our operating companies.

<u>Performance indicators for 2015:</u>

- SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

- SO4 Communication and training on anti-corruption policies and procedures

- SO5 Confirmed incidents of corruption and actions taken
- CEQ 12 Whistle blowing incidents
- CEQ 15 Country-by-country financial and organisational data

LOCAL COMMUNITIES

WHY IT IS MATERIAL

Local communities are regarded as a material aspect in our analysis. Our operations are located in numerous local communities, farming in common waters and dependent on well-functioning relations and partnerships. There are strong and diverse views on salmon farming, and although many local stakeholders are positive to opportunities provided by fish farming operations, some parts of local communities and some groups in society are advocating against fish farming. Cermaq recognizes that the Group must demonstrate its respect for the communities and the environment in which it operates. Establishing good relationships based on mutual understanding with the communities where we operate and with stakeholder groups affected by our activities is very important.

WHAT WE DO

Dialogue, transparency and public sustainability reporting are some of the tools used to demonstrate the quality of our operations. Cermaq's local managers have a key role in engaging in dialogue and activities with local communities to develop and maintain a strong and positive relation.

Cermaq's management team and Board review any local community complaints in connection with our activities. Complaints reported are typically issues related to transportation, emissions, and smell from some operations. These are followed up by establishing e.g. noise reducing equipment at our facilities and ensuring that any deviations from our procedures are closed.

ASSESSING OUR PERFORMANCE

Cermaq will contribute to local activity and employment and will be a reliable partner for the local communities in which the Group operates. Any material complaint related to the Group's operations is taken seriously and receives management attention. Cermaq works actively to ensure that our procedures are complied with and that any issues of concern around our sites are managed before there is a reason for a complaint. We reduced the number of complaints from seven in 2013 to five in 2014. In 2015 we had six complaints in total. We will continue to focus on this important aspect.

Performance indicators for 2015:

- CEQ 11 Local community complaints

- SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs
- SO2 Operations with significant actual and potential impacts on local communities
- G4-27 Stakeholder concerns and Cermaq's response.

INDIGENOUS RIGHTS

Although not considered a material aspect on a Group level, Cermaq has a clear goal of fully respecting indigenous rights and working towards achieving good local community relationships. In Canada, our relationship with First Nations communities is of particular importance to our vision of sustainable aquaculture and we strive to develop social, economic, and cultural relationships that are mutually beneficial. Cermaq continued its work in 2015 in managing sustainable fish aquaculture business in the Aboriginal territories in which we operate in British Columbia. Our goal is to develop partnerships and protocols with First Nations in these areas.

Cermaq has signed a protocol with Ahousaht First Nation and our aim is to enter into similar agreements with all Aboriginal groups in whose territory we operate. These protocols will provide benefits for the Aboriginal groups and provide stability for our operations. Cermaq Canada has developed ten principles of First Nations relations which is available on the Cermaq website under Social Sustainability. In Chile, indigenous peoples like Mapuche are present in regions where we operate and many employees from indigenous groups are employed at our facilities.

Performance indicator for 2015:

- HR 8 Total number of incidents of violations involving rights of indigenous peoples and actions taken

CHILD LABOUR

Cermaq is located in regulated labour markets where child labour is not considered a common challenge, hence child labour is not seen as one of the most important aspects in the materiality analysis. However, because the use of child labour is a very serious crime, and information is requested from some stakeholders, we report on any identified risks of child labour in our operations or with our suppliers.

Performance indicator for 2015:

- HR5 Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child Labour

HUMAN RIGHTS ASSESSMENT

Management of human rights risks in all Cermaq operations and in our supply chain is a priority. Although not considered a material aspect, human rights issues are an integrated part in our local community work, ongoing stakeholder dialogue and risk management processes.

In 2015, Cermaq strengthen our work in this area through the establishment of a Supplier Code of Conduct which poses requirements to our suppliers in adherence to internationally recognized human rights. The Supplier Code of Conduct is available on the Cermaq website. This work will build on two external human rights assessments conducted by Cermaq Chile in 2013. In 2016, we will strengthen our work on human rights by conducting case studies and participating in human rights due diligence training organized by the Norwegian OECD contact point.

Performance indicator for 2015:

- HR 9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments

COMPLIANCE

WHY IT IS MATERIAL

Compliance with social laws and regulations is material to Cermaq and critical to our social license to operate. Cermaq's aim is full compliance with laws and regulations in our areas of operation.

WHAT WE DO

Cermaq's operating companies are required to report any pending non-compliances and cases closed on a monthly basis. Any material non-compliances are reported to local and central management as well as the Board of Directors. The regulatory regime varies significantly between our countries of operation, and the management of this aspect is hence adjusted to the requirements of each area of operation.

The responsibility for non-compliances is placed with the operational management. In addition, Cermaq has a central legal function that can be consulted by operational management. Guidelines for preventing corruption and enhancing our ethical standards are described in our Ethical and Corporate responsibility guidelines.

All major acquisitions are subject to due diligence processes, ensuring that investments will be able to fulfil Cermaq's requirements to social compliance, ethical standards and other criteria.

ASSESSING OUR PERFORMANCE

Strengthening our routines and procedures to ensure strict compliance with applicable laws and regulations is always a high priority. We have had a continuous focus on reporting and follow-up of any non-

compliances in 2015 and the sharing of best practices in our operations, e.g. to enhance our OHS performance across our countries of operation. We will continue our efforts in 2016.

Performance indicator for 2015:

- SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Labour practices and decent work

OCCUPATIONAL HEALTH AND SAFETY (OHS)

WHY IT IS MATERIAL

Health and safety performance is of material importance to Cermaq and the sustainability of its operations. Fish farming involves physical work sometimes under challenging weather conditions. In addition, many of our employees work at processing plants and are exposed to machinery and processing tools that need to be handled with care to avoid injuries.

WHAT WE DO

Cooperating with trade unions and employee representatives, and working continuously with OHS performance, from Cermaq's Board of Directors to the individual farm site, is fundamental to enabling steady improvement, ensure safety on the job and have a motivating working environment. Historically, the aquaculture industry has had a high count of work accidents. At Cermaq we work conscientiously to remedy this, and we see that efforts made at all levels of the organisation are producing results. In 2015, our Canada and Chile operations continued to show improvements while the Norwegian operations have carried out a number of tailored regional initiatives to increase awareness of safety hazards, ensure compliance with OHS routines and manage safety performance.

Examples of initiatives include OHS awareness campaigns in Chile, continued focus on divers' training to mitigate the risk of diving accidents and "man overboard" training. In Canada, targeted activities to reduce the number of injuries have led to 12 consecutive months of zero lost time injuries the past year. In Norway, work is continuing to increase awareness of safety risks including the initiation of an OHS winter campaign to strengthen performance related to challenging winter conditions, including slip and fall accidents, and activities to reduce risks associated with the use of service boats. In 2015, all operating companies have now implemented the new quality system Intelex, which makes it possible to further strengthen the management of OHS risks throughout the organisation.

All operating companies are required to be certified according to the OHSAS 18001 standard for occupational health and safety to ensure good practices. In addition, each region has routines and procedures in place that describe key working processes.

The responsibility for occupational health and safety in Cermaq is placed with the operational management

and is an integral part of daily operations and management. To support management, Cermaq has established an OHS cross border team with regular meetings that seek to share best practices and be a driver for improvements in all regions.

Our long term target is zero injuries. In addition we have yearly targets in place for key indicators such as absence rate, Lost time injury rate (LTIR) and Injury frequency rate (TRI) that are followed up by local and central management as well as the Board of Directors on a monthly basis. Improvement targets on OHS performance were included in the bonus system for Cermaq employees also in 2015.

ASSESSING OUR PERFORMANCE

The Lost time injury rate was followed up on a quarterly basis until 2014. Based on previous unsatisfying results, central management increased the reporting frequency to monthly reporting of progress in 2014 and required the implementation of safety measures and training in the different regions. This led to greatly improved results in 2014 and the improvement continued in 2015.

Performance indicators for 2015:

- LA 5 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
- LA 6 Type of injury and rates of injuries, occupational diseases, lost days, absenteeism and work-related fatalities, by region and gender
- LA 7 Workers with high incidence or high risk of diseases related to their occupation
- LA 8 Health and safety topics covered in formal agreements with trade unions

TRAINING AND EDUCATION

To achieve good operational results, employees must receive systematic training. In addition, Cermaq shall facilitate personal and professional development of each employee and on-the-job training. It is the operational performance that is a good indication of the competence of our workforce. Training and education is therefore not seen as one of the most important aspects in our materiality analysis, but since this aspect still is important to some of our stakeholders, we also report on this aspect.

Performance indicator for 2015:

- LA 9 Average hours of training per employee by gender, and by employee category

Product responsibility

CUSTOMER HEALTH AND SAFETY

WHY IT IS MATERIAL

Producing food is a great responsibility and providing high quality and healthy food to our customers is material to our business. Product health and safety impacts are central for consumers and society at large, as all food including farmed fish may contain undesired substances. Any undesired substances in farmed fish are typically coming from the feed, mainly fish oil, but also from agricultural ingredients in the feed. There are also hygienic and sanitary challenges in the processing of fish and during transport and supply all the way to the final consumer which requires adherence to strict quality standards.

WHAT WE DO

Food production is highly regulated in all regions where we operate. Whereas the food authorities are defining regulations to ensure food safety, Cermaq's operating companies have incorporated management systems with procedures to ensure that all regulations are adhered to. In addition, Cermaq has developed own principles and policies to ensure that Cermaq's products are of high quality and set strict sustainability standards, e.g. as described in the Cermaq Sustainability Principles. Cermaq works continuously to adhere to strict food safety regulations and to supply safe, healthy and nutritious food to our consumers.

Cermaq's companies have modern traceability systems in place to cover first tier traceability. All operating companies are required to be certified according to the ISO 22000 standard where hazard analysis and critical control points (HAACP) is an integral part.

ASSESSING OUR PERFORMANCE

On the basis of our management systems, Cermaq works continuously to ensure that we meet the highest standards of product quality and food safety. Our systems shall ensure that all our products supplied to our customers are safe and sustainably produced. Cermaq works to further improve performance and build trust by committing to ASC certification of a number of sites by 2020. In addition, our standards will be assessed and renewed with the implementation of the new Cermaq strategy from 2016.

Performance indicators for 2015:

- PR 1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
- PR 2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes
- PR 9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
- CEQ 13 Management Standards

MANAGEMENT STANDARDS

WHY IT IS MATERIAL

The aquaculture industry is characterized by a high level of operational risk. The greatest risk exposures include challenges to fish health, food safety, production related constraints, and the health, environment and safety of the group's employees and contracting parties. Having robust management systems in place serves to enhance performance and mitigate operational risks in our daily operations, and is hence considered material to Cermaq.

WHAT WE DO

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 make requirements with respect to management responsibility, structure, reporting and allocation of responsibility in the organization, regular risk assessment and action plans for on-going 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). In all regions these management standards shall be in place and re-certification is a management responsibility. In addition to the above standards, additional standards are in place to meet local demand from customers, e.g. Global GAP in Norway; Best Agricultural Practices (BAP) in Canada, Global GAP and BAP in Chile, and Aquaculture Stewardship Council (ASC) in all regions.

ASSESSING OUR PERFORMANCE

Evaluation of which management systems are best suited for our business is a continuous process. As part of Cermaq's Global Salmon Initiative (GSI) engagement, we committed ourselves in 2013 to work towards achieving certification of the ambitious Aquaculture Stewardship Council standard (ASC) on our sites by 2020. At the end of 2015, Cermaq Canada has certified two sites and Cermaq Chile has certified four sites in accordance with the ASC standard. Cermaq Norway is expecting three certified sites in early 2016. Cermaq was the first company in Chile to achieve ASC certification in 2014.

Performance indicator for 2015:

- CEQ 13 Management standards

COMPLIANCE

WHY IT IS MATERIAL

Cermaq is producing food to consumers, but Chile is the only region where we produce finished consumer

products (Value Added Processing (VAP)). In Norway and Canada we are suppliers to VAP companies and brokers with an increasing share to retailers. It is of great importance to Cermaq as a food producer to adhere to all laws and regulations for product safety and production processes in our operations.

WHAT WE DO

Cermaq's works continuously to ensure full compliance with existing laws and regulations related to product regulations. On a monthly basis companies are required to report any pending and closed non-compliances. Any significant non-compliances are reported to local and central management as well as the Board of Directors within the month of occurrence.

Salmon farming is highly regulated in all regions where we operate and detailed routines and procedures are in place to ensure that we meet laws and regulations. The responsibility for non-compliances is placed with the operational management.

All major acquisitions are subject to due diligence processes, ensuring that investments will be able fulfil Cermaq's requirements to compliance, ethical standards and other criteria.

ASSESSING OUR PERFORMANCE

Strengthening our routines and procedures is always an area of improvement and we will continue our efforts in 2016.

Performance indicator for 2015:

- PR 9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

Supply chain – Feed

WHY IT IS MATERIAL

This section presents the economic, environmental and social Specific Standard Disclosures for Cermaq's material topic Feed sourcing and supplier assessment. Supply chain management is important to Cermaq and work is ongoing to enhance the identification, monitoring and follow up of environmental and social risks in our supply chain. Sustainable fish farming depends on sustainable fish feed. Feed supply and feed quality is of particular importance to Cermaq and feed sourcing and supplier assessment is therefore a material topic in our materiality analysis and a prioritized area within our supply chain management.

For further information on feed ingredients and how we manage this topic, please see our management approach for Sustainable feed ingredients.

WHAT WE DO

Cermaq has established a Supplier Code of Conduct applicable for all our suppliers. The Code of Conduct specifies expectations to suppliers on environmental and social aspects such as anti-corruption, human rights, labor rights and external environment. In addition, Cermaq developed a Policy for feed suppliers in 2015, specifying requirements and expectations of particular importance for ensuring a sustainable feed supply from feed Companies.

Throughout 2015, Cermaq has worked closely with its main feed supplier EWOS on these issues. EWOS has a supplier code of conduct, defining the principles for their purchase of raw materials and requirements to their suppliers. Towards the end of 2015, Cermaq entered into agreements with other feed suppliers where environmental and social expectations in the Supplier Code of Conduct have been a part of the negotiations.

As a member of the Global Salmon Initiative, Cermaq has set ambitious targets for Aquaculture Stewardship Certification (ASC) for its farming operations by 2020, which includes sustainable feed requirements. In 2015, we obtained six certified farms in Chile and Canada while three more is expected in Norway in the beginning of 2016.

Maximizing the fish production from the feed is also important for sustainability. The feed use, the feed factor, is monitored continuously and reported as a Key Performance Indicators each month.

ASSESSING OUR PERFORMANCE

Cermaq's cooperation with our main feed supplier EWOS is strong and good, and we are in the process of developing relations with new feed suppliers. Following the sale of EWOS in 2013, Cermaq has engaged more directly in the feed supply e.g. through the establishment of a Supplier Code of Conduct in 2014 and the policy for feed suppliers in 2015. Whereas the focus has been mainly on the marine raw materials in the feed, the increasing share of agricultural ingredients indicates a higher focus on this topic in the coming years.

Performance indicators for 2015:

- EN32 Percentage of new suppliers that were screened using environmental criteria
- EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken
- LA14 Percentage of new suppliers that were screened using labor practices criteria
- LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

- SO9 Percentage of new suppliers that were screened using criteria for impacts on society
- SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken
- HR10 Percentage of new suppliers that were screened using human rights criteria
- HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken
- EWOS 8 Raw material ingredients

Sustainability Indicators

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

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

Here you will find Fish Health, Environmental, Economical, Social and Compliance information of our operations in Norway, Chile and Canada.

Cermaq Indicators

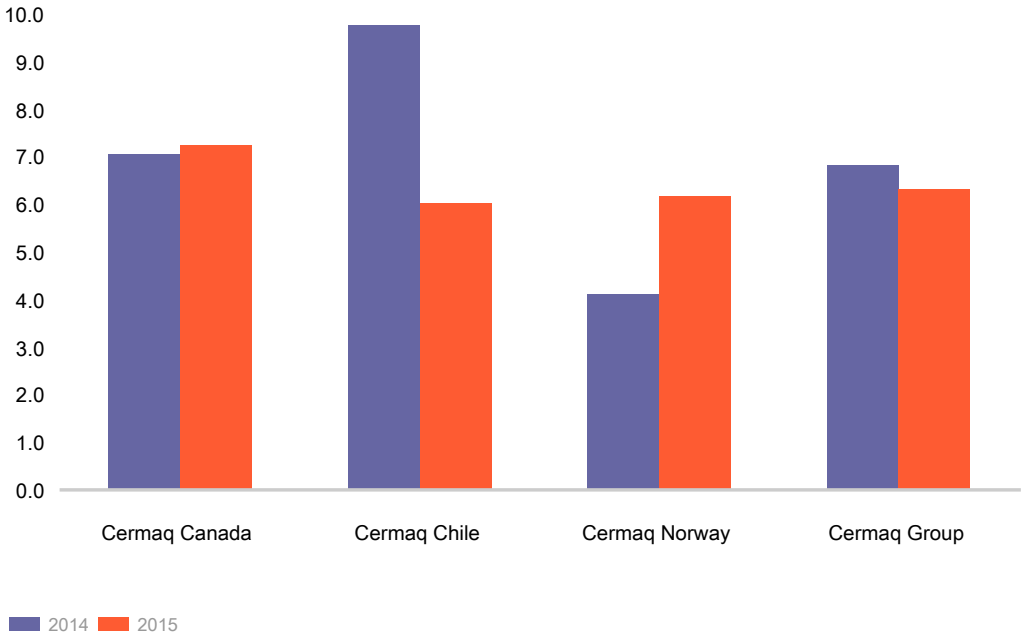
CEQ 1 FISH MORTALITY

Fish mortality is a key measure to evaluate fish health in production. To monitor fish mortality, a 12 months rolling rate was introduced in 2012. The rate measures mortality for the last 12 months as a proportion of an estimated number of fish in sea the last month (adjusted for harvest and mortalities). The benefit of a 12-month rolling rate is that seasonal variations are eliminated. The indicator is a more precise measure and a better “steering wheel” for management.

Reduction in mortality is a key target in Cermaq and mortality is defined as a Key Performance Indicator. This means that it is reported monthly to the Central Management team and the Board of Directors.

The 12 months rolling fish mortality for Atlantic salmon was 6,3 percent of fish in sea at the end of December 2015 for the Cermaq Group, compared with 6.8 percent at the end of 2014. Cermaq Chile achieved a significant reduction in mortalities compared with 2014 and had the lowest mortality rate within the Group this year (6,0 percent), largely due to a continued and focused effort on fish health management. Cermaq Norway had 6,2 percent fish mortality and Cermaq Canada 7,2 percent.

Fish Mortality (Atlantic salmon)



In addition to Atlantic salmon, Cermaq Chile is farming Coho salmon and Rainbow trout. At year-end 2015, the 12 month rolling mortality rate for Coho increased to 8,5 percent (from 6,5 percent in 2014) mainly due to challenging biological conditions including SRS. The mortality rate for Rainbow trout was significantly reduced from 10,6 percent in 2014 to 2,5 percent this year.

Cullings as a result of disease epidemics are not included in the 12-month rolling rate. In 2015, no cullings were reported in Cermaq Group.

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

CEQ 2 SEA LICE

Controlling sea lice levels is a high priority in all regions where Cermaq operates because high levels of sea lice negatively impact the immune systems of farmed fish. It is also a priority to keep lice levels low to ensure there is no potential risk of negatively impacting wild salmon stocks.

Lice occur naturally in the marine environment. There are two species of lice that affect farmed salmon: Caligus sp. and Lepeophtheirus salmonis . Caligus in general is not host-specific and infects a wide range of marine fish species such as herring, Atlantic cod and Zaithe, as well as salmonids. There are different subspecies of Caligus that dominate in each region: Caligus elongatus in Norway, Caligus clemminsi in Pacific Canada, and Caligus rogercresseyi , in Chile.

L. salmonis, on the other hand, is specific to salmonids. It has several life stages: (1) free swimming larvae in the water column, followed by (2) stages that attaches to the host when they encounter a fish - typically the skin, fins, the gills and (3) finally developing into movable stages of adult and mature lice on the fish that can produce new progeny.

Both species lives off the mucus, skin and blood of their fish host, and consequently irritate infected fish.

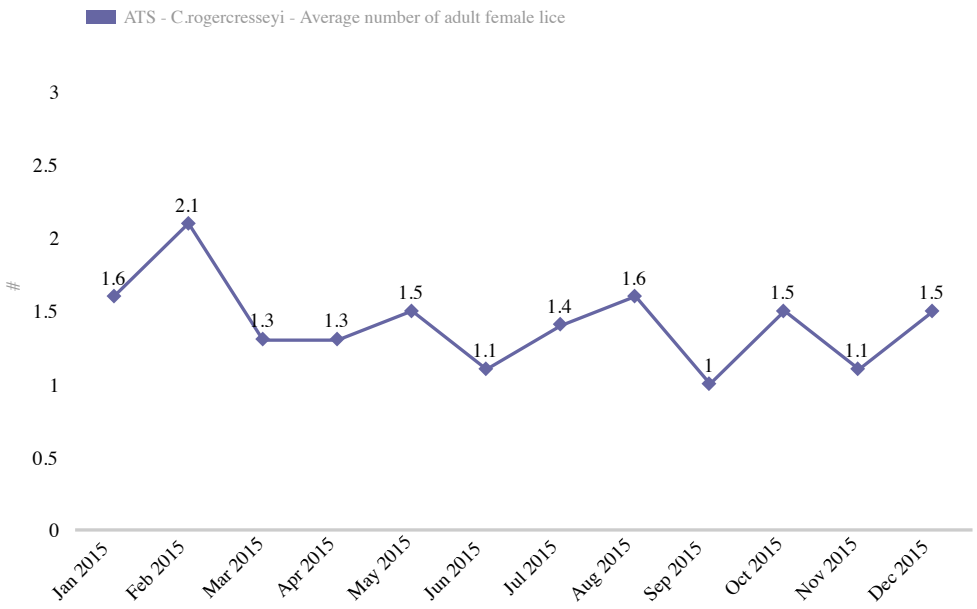
Heavy infestation by either lice species may result in stress and reduced immune competence, making the fish more susceptible to other infections. Therefore, effective lice-management is a very important measure in preventive fish health work, and is a pre-requisite for sustainable aquaculture.

Sea lice counts Cermaq Chile

In Cermaq Chile the status of Caligus for Atlantic salmon and Trout has improved since the peak in April 2013. For Coho salmon, adult sea-lice are not a challenge to the same degree as for Atlantic and Trout and the level has remained low in 2015. In total, the average count for

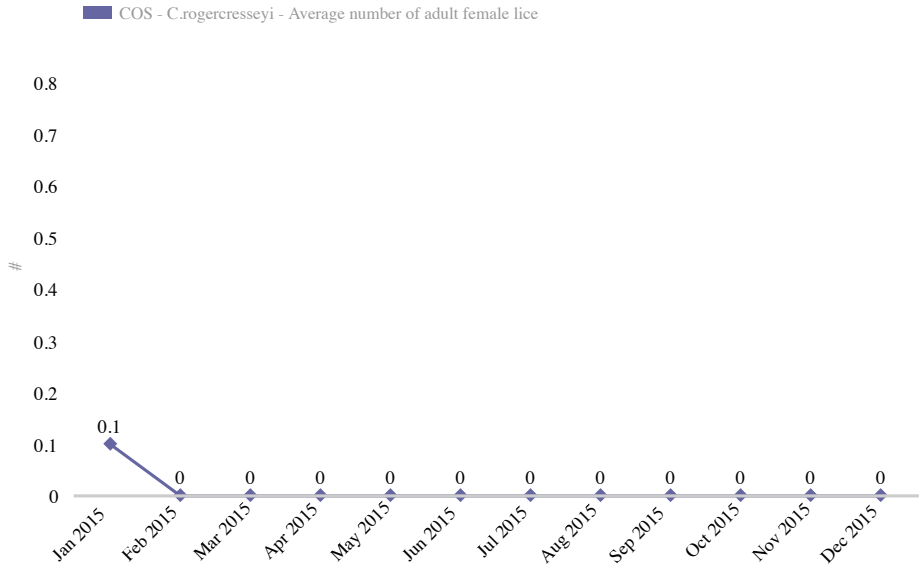
adult female lice in Cermaq Chile (all species) was 1,41 in 2015 compared to 1,25 in 2014. There were somewhat higher counts in Q4 in 2015 compared with Q4 in 2014 (1,37 vs. 1,07).

Average Sea Lice Counts Chile - Atlantic salmon



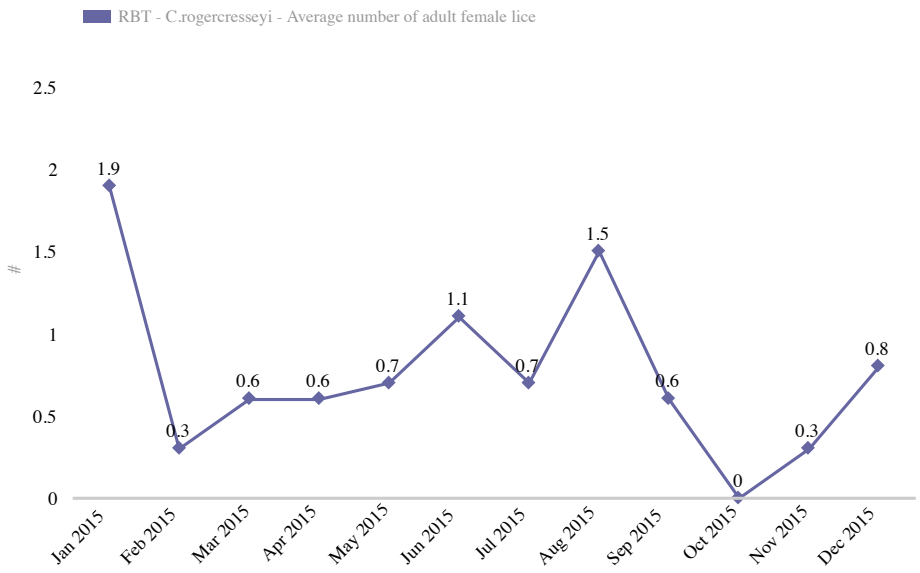
The sea lice counts for Atlantic salmon in Chile has keep a steady tendency during 2015, with slight higher counts in February with 2,1 adult female. The counts correspond to summer season were the parasites have better environmental conditions to develop. While the lowest average count was in September after winter with 1 female parasite, which is the month with coldest water temperatures.

Average Sea Lice Counts Chile - Coho salmon



Average adult female sea lice counts in Coho salmon in Chile also had a steady and low tendency with an average of 0,01 parasites. Coho salmon constantly shows that is less affected by the parasite, where the highest counts was of 0,1 female and was also recorded in summer season.

Average Sea Lice Counts Chile - Rainbow Trout



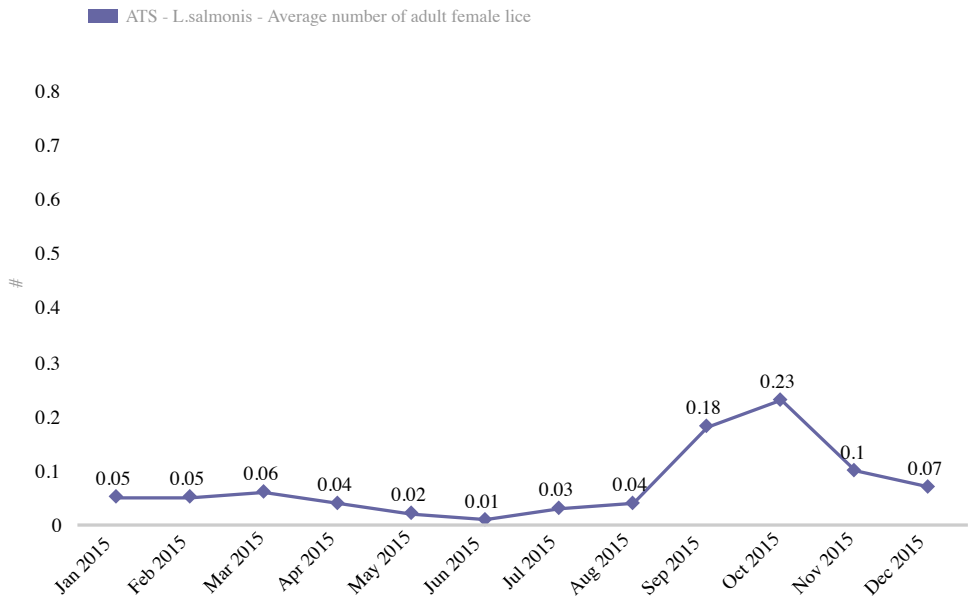
The sea lice counts for Rainbow trout in Chile has shown uneven tendency, nevertheless the adult female count for 2015 was 0,76 parasites, which is a decrease from the 2014 counts. The sea lice counts also are influenced by season, with the highest counts on January with 1,9 female parasites and the lowest al October with 0 parasites. During October and November two coordinated bath treatment were performed in Chilean Industry in which Cermaq participate. The outcome of the coordinated treatment, result in the lowest count of 0 parasites and due to a new strategy to stock Trout in XII region, where there is no sea lice.

Sea lice counts Cermaq Norway

In Norway, the Norwegian Food Safety Authorities (NFSA) has published a list of salmon producers according to traffic-lights based on the average time in weeks sites have had levels of female adult lice above the maximum allowed level of 0,5. Cermaq Norway is placed under the green traffic-lights.

There has been a good effect in 2015 from preventive sea lice measures like lice skirts and lump fish, however only a few sites are equipped. For the year, the sea lice levels remained low, however in Q4, there were higher counts compared to Q4 2014 (0,13 vs. 0,07 average) largely due to an increased load in Finnmark, which previously have had low sea lice counts.

Average Sea Lice Counts Norway - Atlantic salmon

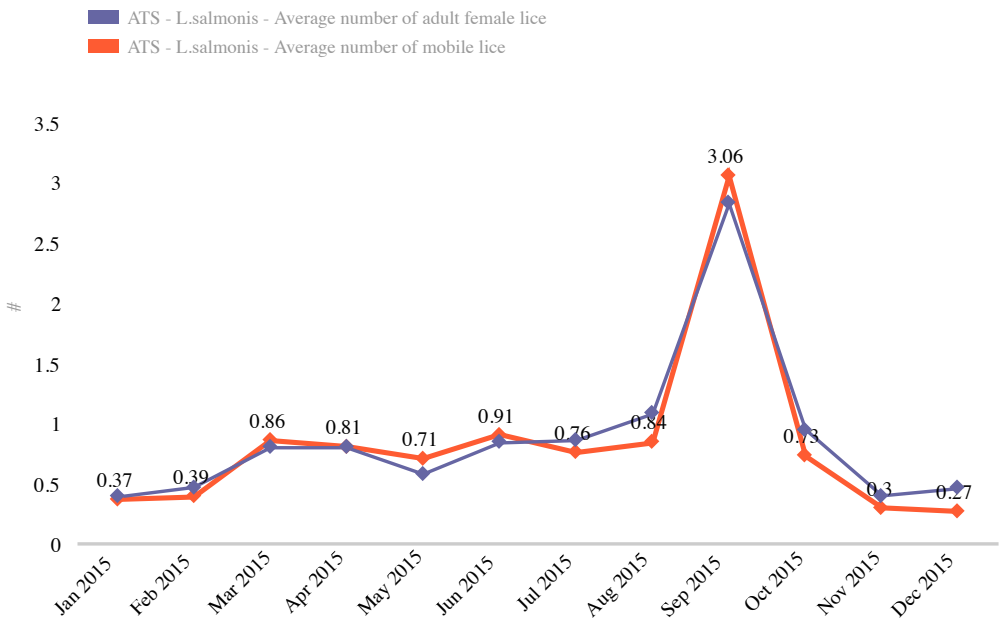


The average adult female counts for Atlantic salmon in Norway has been low with the highest count in October with 0,23 parasites, thus seasonal tendency is also seen, were autumn was the most challenging time of 2015. The counts for the remaining months of 2015 have a low tendency.

Sea lice counts Cermaq Canada

Sea lice has been a rather insignificant fish health issue on the west coast of Canada. However, the level has risen steadily throughout 2015. In Cermaq Canada, the sea lice levels increased from 0,66 average adult female and mobile lice in 2014 to 1,7 in 2015. In Q4 2014, the counts were 0,57 compared with 1,04 in the same period in 2015. Elevated levels were largely due to higher than normal water temperatures, high salinity and large numbers of wild salmon.

Average Sea Lice Counts Canada - Atlantic salmon



Average adult female count in Canada has been influenced by season, where autumn was the most challenging time of 2015. In September adult female load reached 2,83 parasites, while mobile lice reached 3,06. The sea lice levels were strongly influenced by favorable environmental conditions which allowed parasite Development.

Sea lice are reported regularly in accordance with local regulations, see table of local action levels.

Local Action Levels (Mean number of lice per fish)

In 2015, sea lice counts were controlled below the local action levels for all Cermaq operations. The local action levels in 2015 are provided in the table below.

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

	CHILE	NORWAY	CANADA
	Adult Females	Adult Females	Total lice (mobiles+adult females)
2015	3	0.5	3

CEQ 3 FALLOW TIME

All operations fully respected the fallow requirements defined in regulations in 2015.

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

CEQ 4 MEDICINE USE

Cermaq works systematically with preventive health measures in all our countries of operation. Screening programs for monitoring relevant pathogens, vaccines, functional feeds, stress mapping, more restrictive 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 used

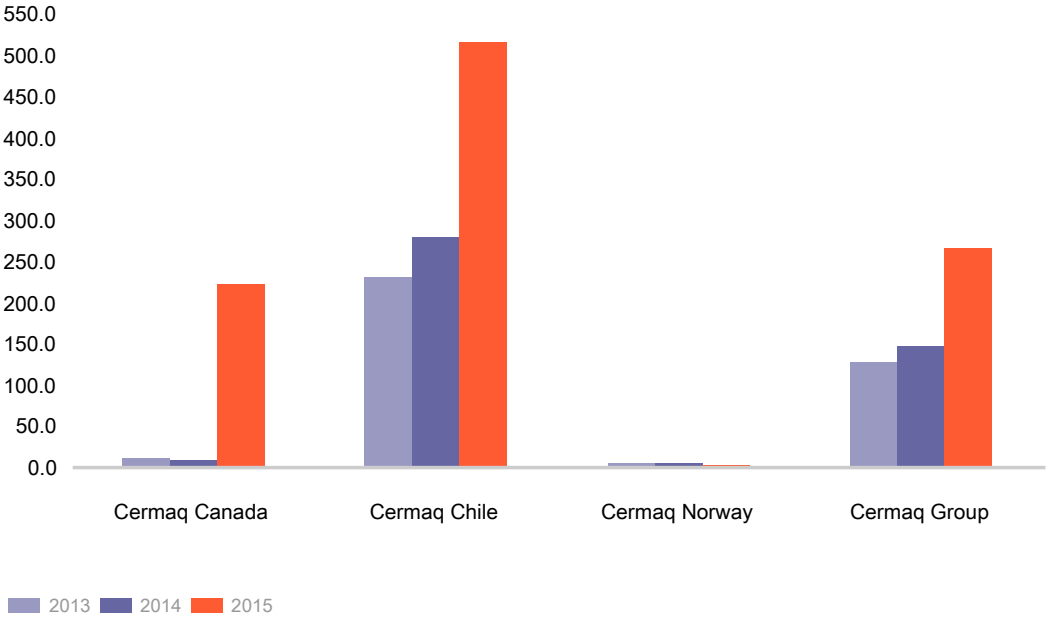
In Norway, antibiotics use decreased in 2015 and remains low. In Canada, mouth rot is the primary cause of mortality in newly entered smolt sites and antibiotics are the main tool to combat this disease at present. Towards the end of 2015, increased treatments with antibiotics were necessary also to treat Piscirickettsia in Cermaq Canada, a situation that is expected to improve in the beginning of 2016.

In Cermaq Chile, the use of antibiotics continued to increase in 2015 as a result of the increasing number of SRS disease outbreaks in the industry (Piscirickettsia salmonis). One of the priorities of Cermaq's global research team is to find alternative methods to fight the disease, among other measures a more effective SRS vaccine.

It is Cermaq's policy to restrict the use of antibiotics as far as necessary, and only use it when strictly needed, and never as a preventive measure.

CEQ 4 - Antibiotic used

g/Active Pharmaceutical Ingredients (API) per tonne live weight (LW) produced



The antibiotic use has increased in Canada as well in Chile due to the sanitary challenges on each country, while in Norway has decreased by 74%. Sanitary Challenges that use antibiotic are those related to bacterial diseases outbreaks and are used to improve Health and Welfare of Our Fish .

	CERMAQ CANADA	CERMAQ CHILE	CERMAQ NORWAY	GRAND TOTAL
2013	10.20	230.27	4.38	127.15
2014	9.05	279.10	4.68	146.81
2015	220.08	513.39	1.24	265.86
Δ	2333%	84%	-74%	81%

Sea lice treatment used

In Canada, in-feed treatment increased the past year to keep the sea lice counts below local action levels. Oral Emamectin treatment remains effective. Bath treatment has not yet been approved for general use, and are consequently not used in Canada.

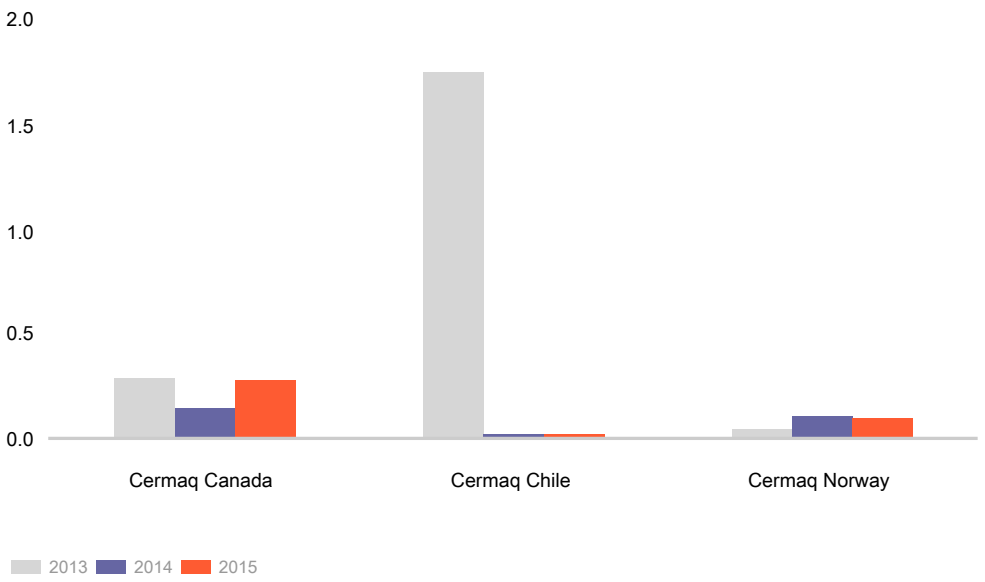
The use of in feed treatments remained low in Cermaq Chile. Bath treatments also decreased in Chile in 2015, although it increased towards the end of the year due to a higher lice load.

Cermaq Norway increased the use of baths the past year to reduce lice counts. The increase in bath treatments is mainly due to a more challenging sea lice situation in the second half of the year, particularly in Finnmark. Increasing sea lice resistance to treatment is a concern and alternative methods are tested. In-feed treatments have proven to be less effective in Norway with minimal use as a result.

Cermaq has policies and procedures in place to ensure that all treatments are conducted in accordance with local regulations and area management plans.

CEQ 4 - Sea lice treatment used in feed

gAPI/tonne LWE Produced



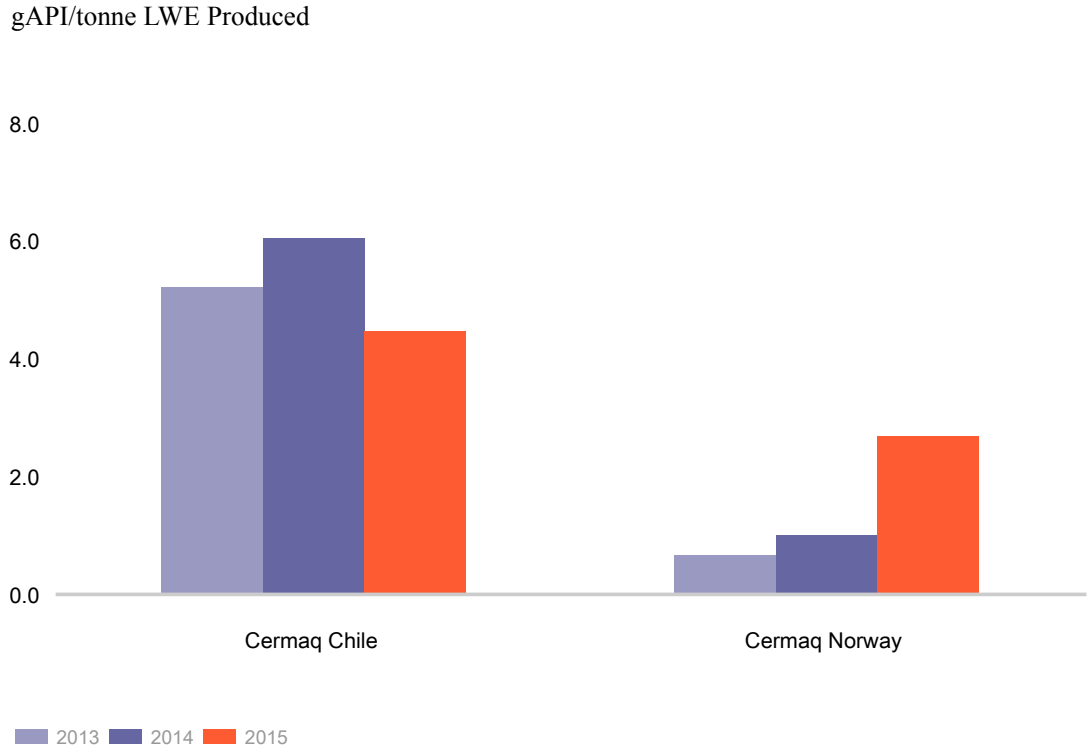
The amount in grams of Active Pharmaceutical Ingredients (gAPI) per tonne live weight (LWE) of fish produced during 2015 was 0.09 for Norway, 0.01 for Chile and 0.27 for Canada. For Chile and Norway, the use decreased in 2015 by 14% and 10% respectively. While for Canada has increased by 95% due to challenging conditions and due to in feed treatment is the only approved tool to reduce parasitic loads.

	CERMAQ CANADA	CERMAQ CHILE	CERMAQ NORWAY	GRAND TOTAL
2013	0.28	1.75	0.04	0.99
2014	0.14	0.02	0.10	0.06
2015	0.27	0.01	0.09	0.08
Δ	95%	-14%	-10%	31%

CEQ 4 - Sea lice bath treatment

The use of sea lice bath treatment for Chile reached 4.46 gAPI/tonne LWE for 2015, which is a 26% decrease from 2014. For Norway the sea lice bath treatment use was 2.67 gAPI/tonne LWE, which is an increase of 173%, due to the challenging sea lice condition in the second half of the year.The use of sea lice bath treatment for Chile reached 4.46 gAPI/tonne LWE for 2015, which is a 26% decrease from 2014. For Norway the sea lice bath treatment use was 2.67 gAPI/tonne LWE, which is an increase of 173%, due to the challenging sea lice condition in the second half of the year.

CEQ 4 - Sea lice treatment used in bath



The use of sea lice bath treatment for Chile reached 4.46 gAPI/tonne LWE for 2015, which is a 26% decrease from 2014. For Norway the sea lice bath treatment use was 2.67 gAPI/tonne LWE, which is an increase of 173%, due to the challenging sea lice condition in the second half of the year.

	CERMAQ CANADA	CERMAQ CHILE	CERMAQ NORWAY	GRAND TOTAL
2013	0.00	5.20	0.64	3.04
2014	0.00	6.04	0.98	3.46
2015	0.00	4.46	2.67	3.10
Δ	0%	-26%	173%	-11%

Non-medical treatments are also used to combat sea lice. Examples are functional feeds supporting fish health, sea lice skirts and lumpfish, and inclusion of fresh water in the cages. All methods show promising results. The non-medical preventive measures may reduce the need for medical treatments to maintain levels below local action levels.

CEQ 5 VACCINATION PROGRAM

Our experiences from the ISA crisis in Chile resulted in more systematic work with preventive fish health measures in all three countries. Screening programs for monitoring relevant pathogens, vaccines, stress mapping, more restrictive 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.

As an integral part of our preventive health measures vaccines are used, when they are assessed as effective for the species in the specific region. Examples of diseases we vaccinate against are IPN, Vibriosis, ISA, Furunculosis, SRS, IHN and Enteric Red Mouth Disease. Cermaq performs Research and Development projects to facilitate the development of more effective vaccines against SRS and other diseases.

Vaccination program in Cermaq (2015)

CEQ 05: VACCINES COMPONENT			
	Canada	**Chile**	**Norway**
SRS		X	
Furunculosis	X	X	X
Vibriosis	X	X	X
Coldwater vibriosis	X		X
Winter ulcer			X
IPN		X	X
ISA		X	
Enteric Red Mouth	X		
Mouth rot	X		
IHN	X		

CEQ 6 AREA MANAGEMENT AGREEMENTS

An Area Management Agreement is a written agreement between 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 programs, containment and contingency plans, recapture management plans and disease control strategies in farmed and wild fisheries.

Area management is crucial for effective, preventive management.

In 2015, all Cermaq sites were engaged in area management agreements or located in areas fully controlled by Cermaq.

CEQ 7 ESCAPES

Escapes are treated as serious incidents with attention from management and Board of Directors. After three incidents of escape in Chile in 2013, Chile started to monitor the entire network installation by use of ROV (remotely operated vehicle). In addition, investments and initiatives were made to reduce the risk of new incidents; e.g. double nets. The work to prevent escapes is a priority and continues in all regions.

In 2015, there were two minor incidents of fish escapes in **Cermaq Canada**, each leading to one fish escaping during handling. **In Chile**, two incidents led to the escape of a total of 6844 fish. One escape incident was related to a sea lice bath treatment and the other was due to a sea lion attack causing a hole in the net, leading to the escape of 6767 fish. In Norway, 500 fish of an estimated average weight of 50 grams were lost and could not be accounted for when a tank on land bursted in July. It is likely that most of this fish did not escape in the ocean, but was lost due to predators and between rocks on land. However, the incident was still reported as an escape to the authorities as a precautionary matter.

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

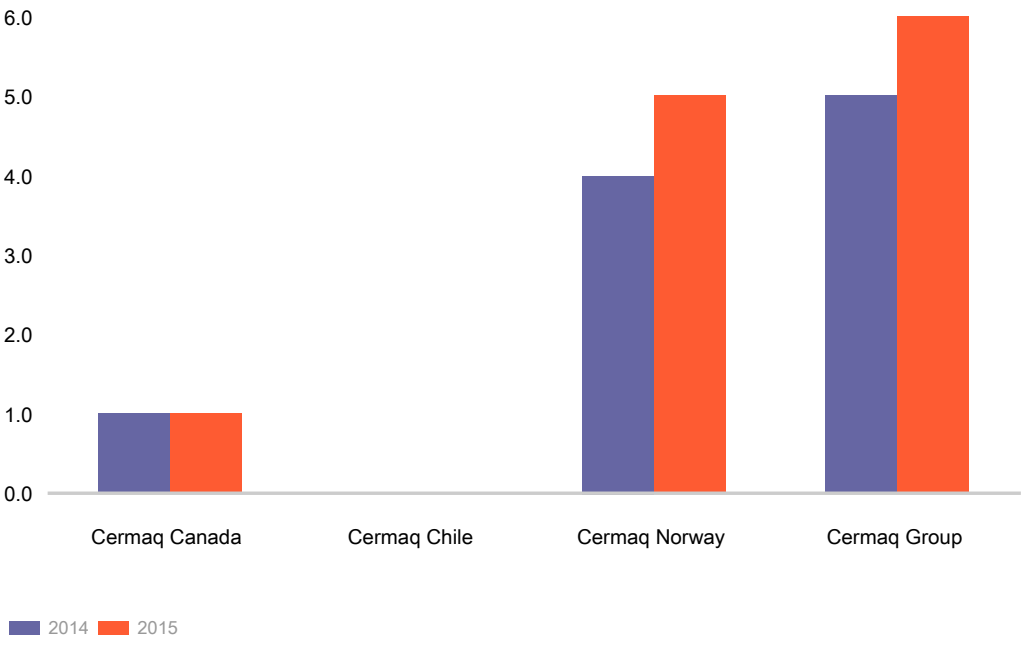
SUM OF NUMBER OF ESCAPED FISH	OPCO			
Year	Cermaq Canada	Cermaq Norway	Cermaq Chile	Grand Total
2013	0	0	63273	63273
2014	21	0	0	21
2015	2	500	6844	7346

CEQ 11 LOCAL COMMUNITY COMPLAINTS

We recognize that Our operations impact our neighbors and local communities in various ways, and we take care to register all complaints to our operations in order to address the root cause and make improvements.

In total, six community complaints were reported in 2015, compared to five in total in 2014. One complaint was registered in Canada concerning noise, which was settled quickly. In Norway, there were a total of five complaints, of which one concerned noise, two were related to environmental issues and two involved concerns about visual pollution regarding the installation of new smolt tanks. The complaints were all followed up on and solved. E.g. the smolt tanks were painted to reduce reflection and visual impact on neighbors. To investigate the environmental complaints in Norway, an environmental impact assessment was conducted which found very good conditions.

CEQ 11 - Summary of Local Community Complaint Incidents, by Type and by Operating Company



CEQ 12 WHISTLE BLOWING INCIDENTS

In 2015, a total of five whistle blowing incidents were reported. For comparison, there were two cases of whistle blowing incidents in 2014. In 2013, a project was established to implement a whistle blowing channel for external stakeholders. Routines, procedures and a technical specification were developed and the solution was implemented in 2014.

	2013	2014	2015
Cermaq Norway	0	1	1
Cermaq Chile	0	0	1
Cermaq Canada	0	0	3
Cermaq Group AS	0	1	0
Cermaq Group	0	2	5

CEQ 13 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 of climate change, environmental changes, and the health and safety of the group's employees and contracting parties.

The group has a policy stating that systematic management of operational risk shall be established through management systems which are certified in accordance with 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 operating companies are required to have all standards in place and re-certification is a management responsibility. All operating companies had all standards in place in 2015.

As a part of Cermaq's commitment to the Global Salmon Initiative (GSI), the Group has furthermore developed plans for all regions to be ASC certified by 2020.

Other certifications

Cermaq Chile has several additional certifications in place including the IFS International Food standards in Processing Plants; Four stars Best Agriculture Practices (BAP) in Processing Plants, Feed Plant for fish, hatcheries and sea sites; GLOBAL GAP in Processing Plants and some sea sites as hatcheries; and Carrefour, Wallmart, Hallal and Kosher standards at processing plants. In addition, Cermaq Chile had four certified sites in accordance with the Aquaculture Stewardship Council standard (ASC) in 2015 with two more obtained in January 2016.

In addition to the ISO and OHSAS standards, all harvest sites in Cermaq Canada are in the process of being certified to Best Aquaculture Practices Standard. With two ASC certifications obtained in 2015, Cermaq Canada was the first salmon farming company in Canada to have multiple farms certified to the ASC standard, and the second company in Canada to earn this prestigious certification. In addition, all sites in the Tofino area (more than half of total production) are certified to the Aboriginal Aquaculture Association's Aboriginal Principles for Sustainable Aquaculture standards.

Cermaq Norway received GLOBAL GAP certification in 2014, in addition to the ISO and OHSAS standards. One site was ASC audited in 2015 with two more expecting certification in early 2016.

	QUALITY MANAGEMENT STANDARD ISO 9001	FOOD SAFETY MANAGEMENT STANDARD ISO 22000	ENVIRONMENT MANAGEMENT STANDARD ISO 14001	OCCUPATIONAL HEALTH & SAFETY STANDARD 18001
Cermaq Norway	Yes	Yes	Yes	Yes
Cermaq Chile	Yes	Yes	Yes	Yes
Cermaq Canada	Yes	Yes	Yes	Yes

CEQ 15 COUNTRY-BY-COUNTRY FINANCIAL AND ORGANISATIONAL DATA

Transparency regarding organizational ownership, management and operations, is regarded as important to fight corruption. This indicator shows Cermaq's financial and organizational data for each country in the Group. Cermaq has been reporting country by country data for several years.

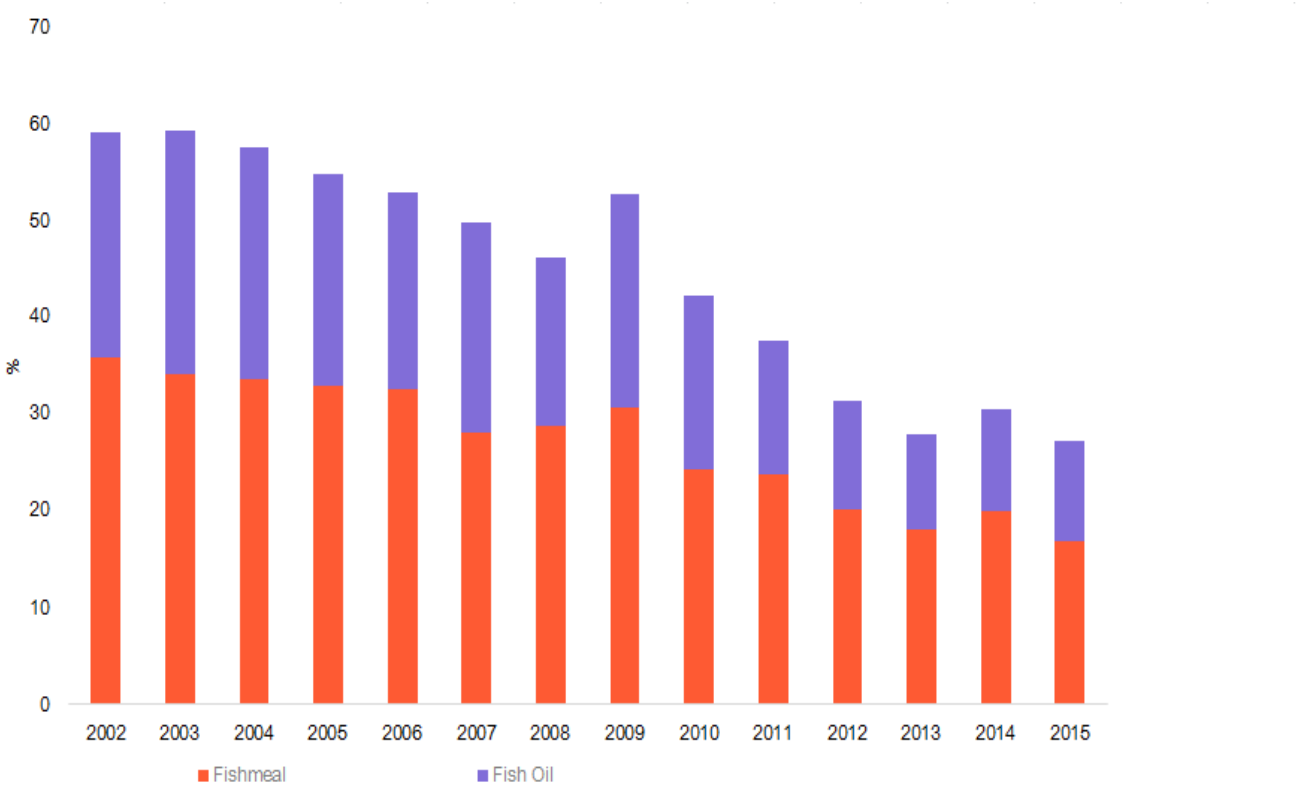
Cermaq is committed to continued transparency on country-by-country data and will provide this information also for 2015. Due to the transition into a new fiscal year in 2016, these figures will be made available in the Financial accounts in August 2016.

More information about financial assistance received from government can be found in indicator EC4 Financial assistance received.

EWOS 8 RAW MATERIAL INGREDIENTS

EWOS was Cermaq's main feed supplier in 2015, hence this indicator is based on EWOS data. 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 the research into 'marine independence' provides the knowledge for further significant reduction in the future if necessary. In addition, the use of fish trimmings and by-products has increased considerably. The specific content of marine ingredients in EWOS feed varies depending on price and availability of alternative raw materials. In 2015, the marine index for EWOS decreased to 27.2 percent from 30.5 percent in 2014.

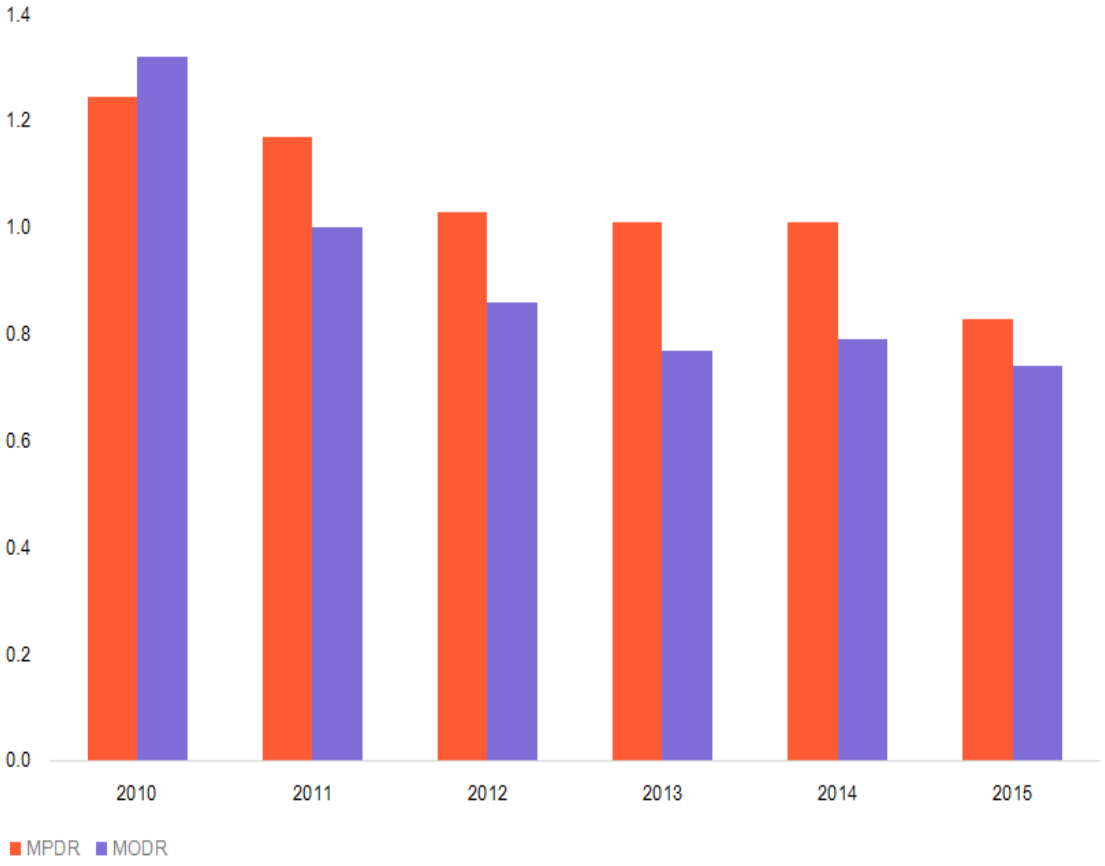
Marine content in salmonid feeds



Notes: 2011, 2012, 2013 and 2014 and 2015 figures are ex. EWOS Vietnam

However, the efficiency in the use of marine ingredients is of greater relevance than dependency on marine ingredients. Farmed salmon is well-known to be very efficient in their conversion of forage fish and seafood by-products into healthy and nutritious farmed salmon. In 2015, we estimate that EWOS used 0.83 times marine protein (1.01 in 2014 and 1.01 in 2013) than protein produced by salmon farmers. For marine oil, EWOS used less oil (0.74) than produced by farmers. For comparison EWOS used 0.79 units of oil in 2014 and 0.77 units in 2013.

Estimated Marine Nutrient Ratios



Notes: The figures are ex. EWOS Vietnam

The **marine oil dependency ratio (MODR)** is calculated by dividing the amount of nutrient input in the feed by the amount of nutrient output in the fish produced. The **marine protein dependency ratio (MPDR)** is calculated by dividing the amount of nutrient input in the feed by the amount of nutrient output in the fish produced.

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

Country of origin

FISH SPECIES	COUNTRY
Anchovy	Peru, Chile, China
Blue whiting	Denmark, Iceland, Ireland, Norway, UK.
Capelin	Norway, Iceland
Sprat	Denmark, Norway, Ireland.
Menhaden	USA
Herring	Norway, Denmark, Iceland
Jack Mackrell	Chile
Norway Pout	Norway, Denmark
Sand eel	Norway, Denmark.
Sardine	Chile, Panama

EWOS prioritizes the use of feed ingredients that is judged to be sustainable 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, and Atlantic States Marine Fisheries Commission in the USA.

EWOS is a strong supporter of the IFFO Responsible Supply Standards and 81 percent of EWOS' marine raw materials are purchased from companies certified according to this standard. EWOS does not accept IUU/illegal fishing as sources for the fish oil or fish meal they purchase.

EWOS participated in the development of the RTRS- and ProTerra standards for responsible soy. Around 60 percent of the soy purchased is sourced from suppliers RTRS or similar certified soy.
In 2014, both EWOS and Cermaq signed *The New York Declaration on Forests* aiming at stopping deforestation and focusing especially on soy and palm oil.

The table below shows the raw material use for salmonid feed primarily, but also raw materials used for other species like pangasius and tilapia, as well as the origin. In 2015, EWOS' use of marine ingredients derived from seafood trimmings and by-products was 32.2 percent (compared to 25 percent in 2014).

Overview of fish species used to make fishmeal and fishoil for EWOS group feed 2015

CATEGORY	SPECIES	CATEGORY %	TOTAL %
Fish trimmings & byproducts	Herring trimmings	50.8	16.3
	White fish offal	24.1	7.8
	Hake trimmings	3.0	1.0
	Atlantic mackerel trimmings	7.9	2.5
	Capelin	3.5	1.1
	Various species	10.8	3.5

Fish trimmings & byproducts Total		100	32.2
Forage Fish	Anchovy	41.6	28.2
	Blue whiting	18.9	12.8
	Capelin	10.1	6.8
	Menhaden	4.9	3.3
	Sardine	10.6	7.2
	Sprat	6.6	4.4
	Various species	7.3	5.0
Forage Fish Total		100	67.7
Other Marine Ingredients	Krill		0.08
Other Marine Ingredients Total			
			100%

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

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

GRI Economic Indicators

EC 1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

This indicator will be published in our Financial accounts in Q2 2016.

EC 2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANISATION'S ACTIVITIES DUE TO CLIMATE CHANGE

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

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

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

PHYSICAL RISKS AND OPPORTUNITIES

Changes in weather patterns

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

In Cermaq's operations, extreme weather such as storms and currents are experienced in all regions quite regularly. Norway experienced a hurricane in February 2015 which resulted in significant material damage (the hurricane "Ole"). In British Columbia, challenging environmental conditions were experienced in the past summer caused by prolonged periods without rain and rising seawater temperatures.

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

Risks related to change in mean (average) temperature
Warmer water could affect aquaculture in temperate zones, making it impossible to farm some species. The Marine Climate Change Impacts Partnership (MCCIP) publishes information about risks connected to warmer water temperatures, such as an increase in disease-causing pathogens.

Risks related to ocean acidification
Ocean acidification due to increased levels of CO2 poses a risk to marine life, and may affect e.g. the environmental conditions for salmon production and the availability of marine ingredients in the salmon feed.

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

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

Financial implications of the physical risks and opportunities

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

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

How we manage the physical risks and opportunities

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

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

REGULATORY RISKS AND OPPORTUNITIES

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

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

General environmental regulations

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

General environmental regulation opportunities

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

Financial implications of the regulatory risks and opportunities:

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

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

How we manage the regulatory risks and opportunities:

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

Label salmon products with the carbon footprint

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

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

EC 3 COVERAGE OF THE ORGANISATION'S DEFINED BENEFIT PLAN OBLIGATIONS

Information related to this GRI indicator is presented in the Financial accounts, available in Q2 2016.

EC 4 FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Financial assistance from governments totaled NOK 20 864 173 in 2015. Cermaq Chile received the most of this assistance in the form of grants and other financial benefits e.g. government support to businesses that operate in remote areas and supplier training schemes.

CATEGORY	CERMAQ
Investment grants, research and development grants, and other relevant types of grants	18,793,345
Subsidies	
Tax relief/credits	2,070,828
Financial assistance from Export Credit Agencies (ECAs)	
Other financial benefits received or receivable from any government for any operation	
Grand Total	20,864,173

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 2015 the minimum monthly wage was CLP 241 000 for employees working at the processing plant in Cermaq Chile. The average wage level for permanent employees at the processing plants was CLP 555 184.

Permanent Employees

	MIN	MAX	% EMPLOYEES
Rem. Total	241,000	300,000	2.30%
Rem. Total	300,001	400,000	1.90%
Rem. Total	400,001	500,000	9.60%
Rem. Total	500,001	More	86.20%
Average salary	555,184		100%

All Employees

	MIN	MAX	% EMPLOYEES
Rem. Total	241,000	250,000	1.80%
Rem. Total	250,001	300,000	3.90%
Rem. Total	300,001	350,000	2.40%
Rem. Total	350,001	400,000	4.20%
Rem. Total	400,001	450,000	8.10%
Rem. Total	450,001	more	79.60%
Average salary	473,603		100%

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

EC 6 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 2015 the proportion of management hired from local communities averaged 78 percent (94 percent in 2014). Senior management includes the management team reporting directly to a Chief Operating Officer, and people reporting directly to Group Management team.

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

PROPORTION OF LOCAL HIRES AND FEMALE MANAGERS		CERMAQ GROUP AS	CERMAQ NORWAY	CERMAQ CHILE	CERMAQ CANADA	CERMAQ GROUP INCL. CERMAQ AS
2014						
Total size of management group	#	6	8	7	10	31
Number of local hires	#	6	8	7	8	29
Number of female management hires	#	1	1	1	2	5
% of senior management hired from local community - local hires	%	100%	100%	100%	80%	94%
Proportion of female managers	%	17%	13%	14%	20%	16.1%
2015						
Total size of management group	#	7.	8.	7.	10.	32.
Number of local hires	#	2.	8.	7.	8.	25.
Number of female management hires	#	1.	1.	1.	2.	5.
% of senior management hired from local community - local hires	%	28.57%	100.%	100.%	80.%	78%
Proportion of female managers	%	14.29%	12.5%	14.29%	20.%	15.6%

The proportion of females in management is low at 15,6 percent in 2015 and represents a slight decrease from 2014.

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

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

FISH PRODUCTION 2015	
Atlantic salmon (Tonnes (GWE))	
Norway	57.052
Chile	33,366
Canada	20,735
Total	111,153
Rainbow Trout (Tonnes (GWE))	
Chile	6,221
Coho salmon (Tonnes (GWE))	
Chile	25,238

Fish production is the increase of tonnes in biomass produced within a year, which also considers the amount in tonnes of biomass harvested in the same period. The tonnes are recorded as gutted fish and the calculation considers opening, closing and harvested biomass of the fish.

GRI Environmental Indicators

EN 3 ENERGY CONSUMPTION WITHIN THE ORGANISATION

The total energy use in Cermaq (including Cermaq Group AS) increased 3,7 percent between 2014 and 2015, mainly due to an increase in energy consumption. Cermaq reports to the Carbon Disclosure Project (CDP), and more details can be found in our CDP reports available on our webpage.

Energy Consumption by Type (GJ)

	ENERGY SOURCE	2015	2014	2013	2012	2011
Non-renewable fuel consumed	Diesel	350,374	355,451	343,871	226,213	188,723
	Fuel Oil	20	26	60	17	52
	Crude Oil	567	561	2,643	286	0
	Gasoline/ petrol	51,288	49,305	53,556	44,368	46,203
	LPG	0	0	0	0	0

	Biodiesel blend	93840	81,712	62,349	49,772	62,631
	Natural gas	82	64	96	122	115
	Propane	6,457	10,104	11,859	8,050	7,805
Total non-renewable consumption		**502,627**	**497,224**	**474,433**	**328,828**	**305,529**
Renewable fuel consumed	Biofuel	4939	4,301	3,282	2,620	3,296
Total renewable consumption		**4939**	**4,301**	**3,282**	**2,620**	**3,296**
Electricity purchased for consumption		244,265	223,468	231,555	210,720	147,867
Total electricity consumed		**244,265**	**223,468**	**231,555**	**210,720**	**147,867**
Total energy use (GJ)		**751,831**	**724,993**	**709,270**	**542,168**	**456,692**
Δ YoY		**3.7 %**	**2.2 %**	**30.8 %**	**19%**	

Note: Total includes Cermaq AS , Cermaq Chile, Cermaq Norway and Cermaq Canada

Energy consumption and emissions are calculated by site and is not calculated based on fish species. In Chile, Coho salmon typically requires less energy use and consequently less GHG emissions as it has a shorter production cycle.

EN 4 ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

Feed is the main input when producing salmon and trout and feed costs constitute approximately 50 percent of the purchasing costs related to fish farming in Cermaq. EWOS is our main feed supplier and below is an overview of the energy consumption for EWOS in 2015.

EWOS Energy Consumption by Type (GJ)

		2015	2014	2013	2012	2011
GRI Energy Type	Energy Source	EWOS	EWOS	EWOS	EWOS	EWOS
Indirect	Electricity	474,333	505,043	456,881	537,515	474,800
Direct	Biomass (from rice husk)	119,486	104,290	75,340	66,481	76,772
Direct	Diesel	2,644	1,307	3,233	7,921	14,293
Direct	Fuel Oil	175,309	197,720	233,992	207,179	154,293
Direct	Gasoline/ petrol	0	0	36	94	188
Direct	LPG	100,680	70,925	240,741	147,598	67,471
Direct	Natural gas	295,878	350,957	232,342	312,292	442,852

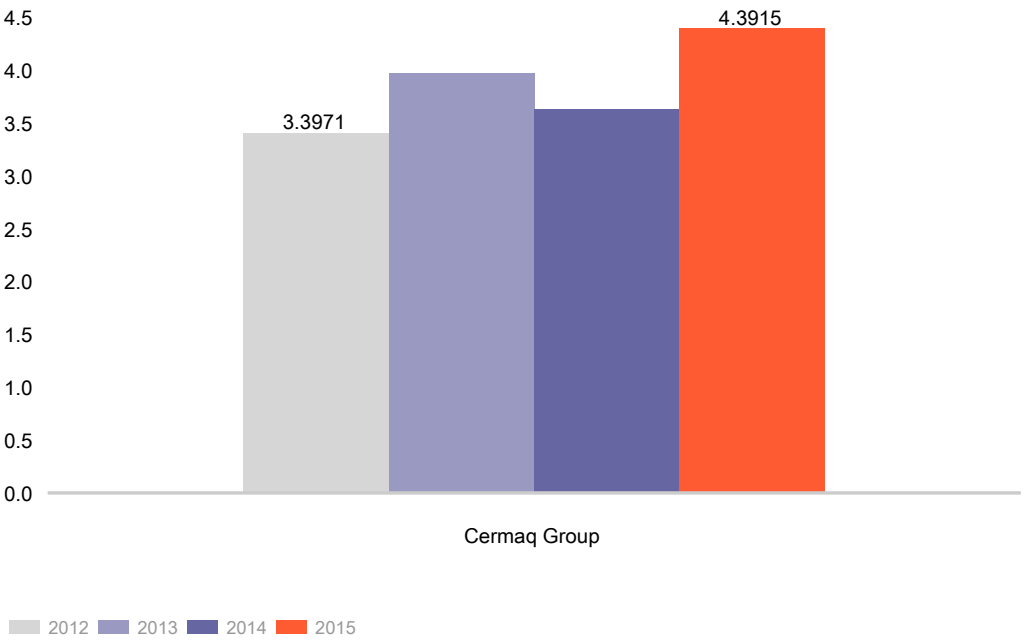
Direct	Propane	1,266	1,111	1,121	1,115	1,569
Total direct + indirect		1169597	1231353	1243686	1280194	1232238
Δ YoY		-5%	-1%	-3%	4%	

**Biofuel use was reported by EWOS for the first time in 2014 and constitutes 41 510 GJ in 2014 and 59,914 GJ in 2015 in addition to the above. It has not been included in the numbers for comparability with previous years.*

EN 5 ENERGY INTENSITY

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

The energy use increased from 3.6 GJ per ton produced (Live Weight) in 2014 to 4,4 GJ in 2015. All energy sources listed in EN3 are included in the intensity ratio shown below.



EN 6 REDUCTION OF ENERGY CONSUMPTION

Cermaq has a number of initiatives to reduce energy consumption. A sample of initiatives per country is provided in the table below.

ENERGY SAVED	TYPE OF ENERGY SAVING INITIATIVE	ENERGY SAVING INITIATIVES
Canada n/a	Carbon and Energy Management Program developed	Carbon and Energy Management Program was developed Future energy-saving initiatives and projects identified as part of program with metrics to be reported in the future GHG and Energy Awareness Workshops were performed throughout

Chile	n/a	Conversion and retrofitting equipment, renewable energy installations	Installation of lights with motion sensor in Process Plants. Installation of more efficient sprinklers for cleaning process lines in Process Plants. Changes to energy efficient lighting at sites Rechargable batteries taken in use in flashlights used by security personnel. Use of solar panels (solar energy) for monitors of automatic feeding system. Staff training in areas related to energy efficiency (e.g. turning off lights or computers when not in use). Maintenance of electricity generating equipment in farms according to hours of use
Norway	n/a	Conversion and retrofitting equipment	Processing plant in Skutvik has reduced energy consumption by 3,5% in 2015 by using energy efficient solutions on all replacements trough the year and generally focusing on using less energy.
	n/a	Energy efficient equipment installation	Heat-exchange system in place at Forsan freshwater and low energy lighting (LED - Light Emitting Diode).
	n/a	Conversion and retrofitting equipment	Econets are replacing old nets that require copper antifoulants. This is part of the strategy for green production in sea-sites. 5 sites in Nordland and 1 in Finnmark.
	n/a	Recycling	Freshwater site at Forsan uses recycling technology to significantly reduce freshwater use in the production of smolt.

EN 11 OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

Cermaq does not operate any sites in any protected areas as defined by International Union for Conservation of Nature (IUCN) or National legislation.

In Chile, the nearest protected area is Alacalufes National Reserve, which is approximately 40 kilometers South West of Cermaq operations. Marine sites are also located near the Las Guaitecas National Reserve. In Norway, the nearest protected area is Saltstraumen, where we have one site located approximately 70 kilometers away, which is not a part of the same fjord system. In Canada, the government has classified protected areas as Federal, Provincial parks or Ecological reserves. In British Colombia there is siting criteria that dictates where Cermaq can operate and no sites are allowed in these areas.

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 recognizes the potential for fish farming operations to impact biodiversity, either directly or indirectly.

Biodiversity impacts were examined in the BioScience paper “Aquaculture Production and Biodiversity Conservation”(2009) by Professor James S. Diana, assessing 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. These are still considered highly relevant which is why Cermaq in its annual report provides data on each risk.

PERCEIVED BIODIVERSITY IMPACT AREA	CONNECTIVITY WITH CERMAQ’S REPORTING
1. Escapement of aquatic crops and their potential hazard as invasive species	Details about fish escapes are provided under CEQ 7. Escapes are treated as serious incidents with attention from management and Board of Directors. The work to prevent escapes is a high priority in all regions where Cermaq operates. Our operations in Canada and Chile farm Atlantic Salmon in areas where the species is not a natural part of the environment, and

	where breeding with native species of Salmon will not occur. In Canada, most scientists are confident escaped fish will not colonize the Pacific Coast because all past deliberate attempts to introduce Atlantic Salmon for sport fishing in BC and Washington State have failed.
2. The relationships among effluents, eutrophication of water bodies, and changes in the fauna of receiving waters	The areas impacted are mainly the areas where we have operations and marine environments surrounding our sites. All Cermaq operations are expected to comply with local and national environmental regulations related to effluents and waste. To reduce the impact on biodiversity and environmental footprint on our sites, all our operations fully respect the fallow periods defined in regulations. We regularly monitor the state of the sea floor at all our farm sites and perform benthic impact assessments. This is to make sure fish feces and feed pellets which can build up below farm pens are having a minimal impact, and to allow the sea floor to recover and avoid any longer term or irreversible impacts. Cermaq reports non-compliances with environmental regulations under EN 29, Fallow time under CEQ 3 and Area Management Agreements under CEQ 6. To reduce the level of anti-foulants used, Cermaq Canada continues trials of alternative methods, including metal nets and “brass nets”. In Chile stainless steel nets have been introduced. Cermaq Norway has been testing Econets made of plastic (PET monofilament). No use of antifouling (Cu) is required for these nets.
3. Conversion of sensitive land areas such as mangroves and wetlands, as well as water use	Increased use of vegetable raw material used in fish feed may have an impact on land use. Cemaq developed a Supplier Code of Conduct in 2014 and a Feed Supplier Code of Conduct in 2015, and the use of certified and traceable raw materials is important elements in supplier requirements going forward.
4. Other resource use, such as fish meal and its concomitant overexploitation of fish stocks	The use of marine resources for the production of fish feed are covered more specifically under EWOS 8. EWOS, the main supplier of feed to Cermaq, has in recent years, through its Marine Independence Program, significantly reduced its proportional use of fish meal and fish oil in salmon feeds. In addition, the use of fish trimmings in fish meal is increasing.
5. Disease or parasite transfer from captive to wild stocks	Wild stocks are naturally infected with lice and lice are transferred from wild to captive fish. However, if not managed properly, sea lice levels on salmon farms could pose a risk to passing wild salmon stocks. Cermaq is transparent in its reporting of sea lice counts (see indicator CEQ 2), whilst CEQ 4 connects this with the use of medicines for the control of disease and parasites. Cermaq has a strong focus on minimizing the use of medical /chemical treatments and has taken a preventative approach to fish health. Both oral, chemical and biological treatments are implemented in our strategy for handling the problem. In Cermaq Chile, a strategy to reduce the impact of diseases is vaccination, which depends on the species and disease present. In 2015, double vaccination against SRS was performed and a new strategy for the use of antibiotics introduced, including earlier treatment. In 2015, Cermaq Norway has continued to apply new non-chemical preventive measures against sea lice such as lice skirts and lump fish on some sites. Both methods show promising results and will be scaled up in 2016.

Other impacts of aquaculture on biodiversity conservation, were considered by Prof. 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 13 HABITATS PROTECTED OR RESTORED

As Cermaq does not have any sites located in protected areas, this indicator is not relevant for Cermaq operations.

EN 14 TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK

In Chile, the following red listed species have habitats in the area of our operations:

- Peale's Dolphin, conservation status data deficient
- On land: Huemul; Conservation Endangered (EN), Darwin's Fox, conservation status Critically Endangered (CR) and the Condor, conservation state Near Threatened (NT).

In Chile, Cermaq uses predator nets at farms to avoid marine mammals entering into the farm site and to prevent attacks that are stressful for the fish.

In Norway, a total of 13 types of birds appear on the national conservation list with habitats in our area of operations:

- Lomvi (CR)
- Krykkje, Polarlomv, Alke, Makrellterne, Havhest (EN)
- Teist, Lunde (VU)
- Gulnebblom, Fiskemåke, Ærfugl, Stormsvale, Tyvjo (NT)

In addition, the otter is considered a vulnerable species (status VU) and has operations in Finnmark and Nordland. The Norwegian lobster is no longer a red listed species.

In Canada, the following red listed species have habitats in our area of operations:

- North American otter, conservation status Least Concern (LC)
- Steller sea lion, conservation status Near threatened (NT)

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

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

EN 15 - DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)

EN 16 - ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)

EN 17 - OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)

For the reporting period 1st January 2015 to 31st December 2015, Cermaq's global gross GHG Scope 1 emissions totaled 29 747 tons of CO_2e (30 296 tons in 2014). Scope 2 emissions were 18 508 tons of CO_2e in 2015 compared to 15 947 in 2014. Scope 1 emissions are relatively stable from 2014, however electricity purchase increased somewhat in 2015 and led to an increase in emissions (figures on Cermaq's energy consumption can be found in indicators EN 3 and EN 5).

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

Feed is the main input when producing salmon and trout and feed costs constitute approximately 50 percent of the production costs related to farming in Cermaq. EWOS was our main feed supplier in 2015 and Scope 3 emissions consists of EWOS estimated CO_2 emissions in 2015. Please see the EWOS sustainability report for further details on the Scope 3 emissions. GHG emissions reported below includes CO_2-emissions only and all types of energy sources used.

GLOBAL TONNES OF CO2E	2015	2014	2013	2012	2011	2010	2009	2008
Crude oil	42	41	195	21	0	0	18	34
Diesel	25,737	26,201	25,327	16,540	13,785	10,006	9,463	11,595
Fuel Oil	1	2	4	1	4	57	15	16
Gasoline/ petrol	3,560	3,421	3,718	3,078	3,196	2,997	2,746	3,233
Natural Gas	4	4	5	7	6	4	5	0
Propane	403	627	740	492	473	2,394	2,321	3,529
Scope 1 (Direct emissions)	29,747	30,296	29,990	20,138	17,463	15,457	14,569	18,406
Purchased electricity	18,508	15,947	16,423	13,830	8,668	7,736	6,808	1,805
Scope 2 (Energy indirect)	18,508	15,947	16,423	13,830	8,668	7,736	6,808	1,805
Total gross emissions (Scope 1 and 2)	48,255	46,243	46,413	33,968	26,131	23,193	21,377	20,211
Scope 3 (EWOS direct and indirect)	61,444	57,457	62,610	59,366	57,753	41,862	38,370,681	54,831

Note: Biofuel is not included in Scope 1.

Cermaq has introduced Location based and Market based electricity factors from 2015 in accordance with the Scope 2 amendments of the GHG Protocol. The location based electricity emissions for Cermaq Group were 21 324 tCO2e in 2015 and the market based electricity

emissions for Cermaq Group were 9 848 tCO2e in 2015. To enable comparison with previous years, the table reflects emissions factors for electricity based on 2014 factors for Norway, Chile and Canada (British Columbia). The market based and location based factors are derived from IEA (2015) and calculated by CO2 Focus.

EN 18 GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

Cermaq is reporting an intensity measurement based upon "tons of CO_2e per ton of fish produced (LWE)". This is a relevant ratio for our industry. Both scope 1 and scope 2 emissions are included in the ratio.

As can be seen below, the CO_2 emissions per ton of fish produced increased somewhat from 2014 to 2015, partly due to a reduction in production. Further details about energy consumption can be found in the indicators EN 3 and EN 5.

	2015	2014	2013	2012	2011	2010
Intensity: kg of CO2e per tonne of fish produced (LW)	282	258	259	212	205	217

Note: Biofuel is included in calculations previous to 2015.

EN 27 EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES

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

We seek improvements in our work to mitigate any negative environmental impacts of our products and services. Examples of impact and initiatives are presented below:

Materials use

Significant resources used in our production processes are raw material ingredients for feed production, smolt for fish farming and packaging materials (feed-bags, fish boxes and cardboard). Indicator EWOS 8 explains how our main feed supplier EWOS manages the use of marine ingredients in fish feed.

Water use

Salmon farming relies upon the availability of clean water but is generally not an industry with high water consumption. In cases where water is used for salmon farming operations, it is as a rule discharged within quality parameters set by the local authority. Cermaq does not have company-wide environmental goals related to water use and we operate in areas where water is not a scarce factor. However, we report annually on water use to our owner Mitsubishi Corporation. Furthermore, water is an element of Cermaq Canada's Carbon and Energy Management Program, program which is under consideration for wider use in Cermaq's operations. Activities in 2015 include installation of new recycling technology at the freshwater site at the Forsan facility to significantly reduce freshwater use in the production of smolt. Future energy-saving initiatives and projects are identified as part of the CEM program with metrics to be reported in the future.

The water usage has not been considered a material aspect of fish feed production. However as water added in the production process and later dried it contributes to the energy usage in the production of feed and will be reported going forward.

Emissions

Cermaq reports GHG emissions under EN 15, EN 16, EN 17 and EN 18. Salmon farming is not a high emission sector compared to other types of protein food production (e.g. pork and beef). In 2015, a number of initaitives were conducted in Cermaq Group. Cermaq Canada is implementing the Carbon and Energy Management Program, conducting workshops on greenhouse gas emissions and energy awareness. Future energy-saving initiatives and projects identified as part of program with metrics to be reported in the future. In Cermaq Norway, a heat-exchange system has been put in place at the Forsan facility and low energy lighting (LED - Light Emitting Diode). In Cermaq Chile, the use of solar panels (solar energy) for monitors of the automatic feeding system, staff training in areas related to energy use, and installation of lights with motion sensor in processing plants.

Effluents and waste

All Cermaq operations shall comply with local and national environmental regulations related to effluents and waste handling. The waste handling procedures vary with the local infrastructure in place. During 2015, Cermaq Chile continued with periodic monitoring of discharges from hatcheries. In Cermaq Canada, the metal net trial is continuing in 2016 and initiatives to reduce antifoulant use is ongoing. In the new smolt facility under construction in Forsan in Nordland, Norway, the baseline is a 50 percent cleaning of the biosludge. Cermaq explores a new technology for energy production from all the biosludge from the facility.

Noise

Cermaq works actively to ensure that the activities on our sites do not produce any negative effects on our neighbors. In 2015, there were two complaints concerning noise from Cermaq's operations. More details are provided in the indicator CEO 11 Local community complaints.

GRI Social Indicators

HR 5 OPERATIONS WITH SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN

Cermaq Group did not identify any significant risk for incidents of child labor or young workers being exposed to hazardous work in Cermaq during 2014.

HR 8 INCIDENTS OF VIOLATION OF RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN

During 2015, there were no reported incidents of violation involving the rights of indigenous peoples in the Cermaq Group.

HR 9 OPERATIONS SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS

Cermaq is commited to ensuring human rights concerns in own operations and in our supply chain. Through the establishment of a Supplier Code of Conduct in 2014, the Group has expressed clear expectations that require adherence to internationally recognized human rights by our suppliers. The Code is available on our web page. In our Ethical and Corporate Responsibility Guidelines principles for human rights are addressed.

Cermaq Chile participated in two external human rights assessments in 2013, one in region X and one in region XII. The results from these assessments can be found in our 2013 report. Work is ongoing to assess human rights risks in our operations and in 2016 we are participating in the Norwegian OECD Contact Point's workshops on human rights due diligence. In 2016 we will continue our efforts in this area.

PR 1 PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED

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

PR 2 NON-COMPLIANCE WITH REGULATIONS CONCERNING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

Cermaq works continously to ensure that our operations comply with or exceed requirements in local, national and international laws and regulations. If any non-compliances occur, for whatever reason, we take it seriously and investigate at the appropriate level to correct the issue before measures are taken to mitigate the risk of re-occurrence. Cermaq has comprehensive certifications and management systems in place to ensure that the highest standards are met and complied with. Please see indicator CEQ 13 Management standards for more details.

In 2015, there were no non-compliances with food safety regulations.

	FOOD SAFETY REGULATIONS	
Reporting unit	Incidents	Fines (USD)
Cermaq Norway	0	0
Cermaq Chile	0	0
Cermaq Canada	0	0
2015 total	0	0
2014	0	0
2013	0	0
2012	0	0

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

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

In 2015, there were no non-compliances with product and service regulations.

	PRODUCT AND SERVICE REGULATIONS	
Reporting unit	Incidents	Fines (USD)
Cermaq Norway	0	0
Cermaq Chile	0	0
Cermaq Canada	0	0
2015 total	0	0
2014	0	0
2013	0	0
2012	0	0

EN 29 MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

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

In 2015, there were no cases of environmental non-compliances closed.

	ENVIRONMENTAL REGULATIONS	
Reporting unit	Incidents	Fines (USD)
Cermaq Norway	0	0
Cermaq Chile	0	0
Cermaq Canada	0	0
2015 total	0	0
2014	3	10330
2013	1	3749
2012	4	50745

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

Cermaq works continously to ensure that our operations respect and are compliant with local, national and international laws and regulations. If any non-compliances occur, for whatever reason, we take it seriously and investigate at the appropriate level to correct the issue before measures are taken to mitigate the risk of re-occurrence. Compliance with social regulations includes occupational health and safety, including adherence to national legislation related to e.g. working hours and working conditions.

In Norway, there were no incidents of non-compliance with social regulations in 2015. There were, however, two general non-compliances. One was related to the processing plant in Alsvåg. In 2012, the size and holding cages at the plant was extended in agreement with the local

LA 5 WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER OHS COMMITTEES

Cermaq Norway

The joint health and safety committee is organised between elected safety representatives and nominated employer representatives as required by local regulations ("Arbeidsmiljøutvalget").

In addition, there are 26 safety representatives elected on the basis of geography and department division. They all meet twice a year to evaluate and plan for new activities related to health and safety. The 26 safety representatives elect two persons (one per region) to represent them all and coordinate joint activities. The elected representatives are part of the joint health and safety committee ("Arbeidsmiljøutvalget"). Any topic from any of the safety representatives can be put on the agenda of Arbeidsmiljøutvalget. The elected safety representatives represent all employees.

In addition to Arbeidsmiljøutvalget, Cermaq Norway has established a safety committee that meets every month to discuss and act on safety issues that require immediate attention. The two safety representatives are members in addition to management representatives.

Cermaq Chile

Safety committees exist in all places where there are more than 25 workers as required by law. At present, Cermaq Chile has 10 such committees: six related to fresh water, one in each of the three processing plants and one in the central Office.

Committees consist of three elected employee representatives and three company representatives (from the different operational areas). Typically, the managers represented are middle managers (e.g. fresh water manager). The committees agree on a working plan that includes safety inspections, accident investigations and training. The committees meet once a month. Most of the issues are resolved in the committee, but if needed, topics are raised to the Central Management team.

Cermaq Canada

The joint health and safety committee is organized between elected employee and nominated employer representatives as required by local regulations. The committee has representation organized by geographical area and departmental divisions. The current joint health and safety committee has four employer representatives (East Coast Saltwater, West Coast Saltwater, Freshwater and Processing) and six employee representatives (East Coast Saltwater, West Coast Saltwater, East Coast office, West Coast office, Processing plant and Freshwater). This means that 100 percent of the employees are represented. Each representative serves for two years on the committee and can seek re-election or re-nomination.

The Joint Health and Safety Committee meets once per month. The minutes of the meetings are circulated to all Cermaq Canada employees and are posted on bulletin boards at all locations. An Action Item Database is maintained by the committee to record and monitor tasks to be completed. A member of the management team attends each meeting as an observer and reports back in the monthly management meeting. In addition to the Joint Health and Safety Committee, monthly safety meetings are held at all facilities.

LA 6 OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

All employees should be safe at work in Cermaq, and a number of measures have been taken to strengthen the attention on safety and risk reduction in our operations. Cermaq has had a high focus on safety in our operations, with visible results the past few years. In 2015, there were encouraging results in all our regions.

In Cermaq Canada, we had 11 months consecutive with zero lost time injuries in 2015. In Cermaq Chile, the OHS performance continued to improve from 2014 and showed good results. OHS performance is also a high priority in Cermaq Norway, where a number of measures were introduced in 2015 to further improve results, including a Winter campaign to address particular issues related to seasonal challenges and rough weather conditions on sea sites.

To reduce the number of diving accidents, several measures have been introduced in Cermaq Chile the past years which show promising results. Initiatives include investment in ROVs to monitor the nets and the testing of new predator nets of stainless steel to reduce the

number of dives required. A training program was started in 2013 and is ongoing, with special attention to technical and practical diving issues and activities. In addition, assessment of diving skills and training is an ongoing activity that continued in 2015.

In 2015, the Group absence rate was 2,6 percent, and it remains very low throughout the group. The Lost Time Injury rate was 6 which is a decrease from 24 in 2013 and 10 in 2014. The Injury Frequency rate decreased from 51 in 2013 to 18 in 2014 and continued further down to 10 in 2015.

Rates of injury by region

	NUMBER OF FATALITIES	ABSENTEE RATE	LOST TIME INJURY RATE (H1)	INJURY FREQUENCY RATE H2	LOST TIME FREQUENCY RATE (F-VALUE)	OCCUPATIONAL DISEASE CASES
	#	Absentee days as a % of total work days	Lost time injuries per million working hours	Injuries per million working hours	number of lost days per million working hours	#
			2015			
Cermaq Group AS	0.	2.1%	0	0	0	0.
Cermaq Norway	0.	5.4%	12	22	521	0.
Cermaq Chile	0.	2.2%	5	9	94	1.
Cermaq Canada	0.	2.1%	4	6	189	0.
Cermaq Group including Cermaq Group AS	0.	2.6%	6	10	151	1.

Note: The above data relates only to Cermaq's workforce, including employees and supervised workers. Contractors who work on our premises and for which Cermaq is responsible for occupational health and safety are not included in the overview.

Lost day calculation includes only scheduled work days and starts the day after the accident, with the exception of Cermaq Chile, where lost days include all days of the week.

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.

GENDER	FATALITIES (#)	ABSENTEE RATE (ABSENTEE DAYS AS A % OF TOTAL WORK DAYS)	LOST TIME INJURY RATE (H1-VALUE/LTIR)	INJURY RATE (H2-VALUE/TRI)	LOST TIME FREQUENCY RATE (F-VALUE)	OCCUPATIONA DISEASE CASES
Male	0	2.4%	7	12	195	0
Female	0	3.0%	3	4	13	1

Note: We report OHS data using units that are consistent with Cermaq's previous reporting practices, rather than adopting the GRI formulas:

Lost time frequency rate (F-value) only includes lost time from injuries up to one year and does not include lost time from occupational disease cases

Injury frequency rate (TRI/H2-value) includes significant injuries (with and without absence) and does not include minor injuries where the employee can resume normal work and where only modest first aid treatment is necessary.

Total work hours, which is the basis for the above calculations and Lost time injury rate, includes overtime related to workers working on sites (excluding management and administrative employees).

LA 7 WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION

Cermaq employees are not considered to be exposed to any significant risk related to diseases in any of the production units, but Cermaq has procedures and action plans in place in case of a serious incident.

Chile reports that divers (in general) are at risk of osteonecrosis if safety instructions are not adhered to before, during and after the diving. Chile has intensified training of divers and their families since 2014, and has also reduced the need for dives due to investments in monitoring equipment and mortality extraction.

LA 8 HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS

In Cermaq Norway, there are three collective agreements with Trade Unions in place and they all cover topics related to employee protection. Hence 100 percent of our collective agreements in Norway cover health and safety topics.

In Cermaq Chile, comprehensive OHS measures are required by law. Hence, none of our Union agreements include health and safety topics since compliance with OHS laws and regulations is a requirement.

In Cermaq Canada no workers are organized, hence there are no formal agreements with Trade Unions covering health and safety topics.

LA 9 AVERAGE HOURS OF TRAINING

Employees receive systematic training to build competence according to their own and the organization's needs. In 2015 the training totaled 0.9 percent of total working time on average for all employees, compared to1 percent in 2014.

The training for both female and male employees in Cermaq totaled 0.9 percent for each group in 2015 compared with 1 percent for each group in 2014.

Average hours of training per year per employee by gender (incl. Cermaq Group AS)

	2011	2012	2013	2014	2015
Average training hours as % of working hours (male and female)	0,5%	0,9%	1,1%	1,%	0,9%
Average female training hours as % of female working hours	2,%	0,9%	1,3%	1,%	0,9%
Average male training hours as % of male working hours	1,5%	0,9%	1,%	1,%	0,9%

SO 1 OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT PROGRAMS

All Cermaq operations have local community engagement and development programs in place. Engagement activities include sponsorships of sports teams, clubs, foundations and schools in regions where Cermaq operates. We engage in active participation in different debates, dialogues and meetings regarding sustainable aquaculture, the seafood industry in general and Cermaq's activities with local communities and other stakeholders in areas of Production.

In **Cermaq Canada**, the relationship with First Nations communities is extremely important to our vision of sustainable aquaculture, and we strive to develop social, economic, and cultural relationships that are mutually beneficial. Sponsorships focus on sports team, health fundraiser events, and educational development. Cermaq Canada sponsors a variety of projects and activities to encourage employee participation, from sports and social events to exchange programs with sister companies. Cermaq Canada operates within the traditional territories of several First Nations on the BC coast. For a decade now, Cermaq Canada has had a protocol agreement with Ahousaht that ensures both the Nation and Cermaq Canada benefit from salmon farming in Ahousaht territory. Cermaq Canada is certified according to the Aboriginal Principles for Sustainable Aquaculture in British Columbia. Examples of local community engagement activities in 2015 include First Nations basketball team sponsorships; Soccer teams, both ladies and men; Baseball, volleyball and hockey team funding; Funding for First Nation science camp programs for youth; Ahousaht youth programs; funding for Ahousaht First Nation Elders, for attendance at events and for the monthly lunch program; and donations of salmon for fundraising events such as the Cystic Fibrosis and the Canada Cancer societies.

In **Cermaq Chile**, we have a program in place for social training for communities. The objective is to support training to improve skills to find employment, support small businesses or facilitate career change, directed to support different stakeholders of Cermaq in Chile. A concrete contribution to the quality of life of the communities in the close vicinity of our operations include supporting sports teams and clubs. A program called "Cermaq protein that moves you" was introduced in 2014, which takes this engagement a step further to include other activities aimed at enhancing a healthy life style. Cermaq Chile also has established a CSR Committee chaired by our Chief Operating Officer in Chile, plus four company representatives in the HR, Environment, CSR and Quality domains, in addition to four representatives from company unions. Examples of local community engagement activities in 2015 include lesson in food handling for entrepreneurs, donation of walkways in touristic patrimonial routes and guided visits for technical school students in processing plants. Other specific activities in 2015 were a drawing competition for kids related to OHS activities of working parents, sponsorship of internal soccer championships and Olympic games in Ancud with gear donations.

In **Cermaq Norway**, we have continuous dialogue with all counties, municipalities and local authorities where Cermaq has operations on various topics with regards to aquaculture, including information sharing on Cermaq activities and projects, and discussion of challenges and opportunities for growth and development. As an example, Cermaq is taking part in a joint project with the West Finnmark Hunting and Fishing association in (NJFF) for mapping of farmed salmon in national rivers. In addition, Cermaq Group arranges an annual sustainability seminar (last seminar was held in June 2015) in Norway to discuss challenges and solutions in sustainable aquaculture.

For additional information on local community engagements in 2015, please also see G4-27 *Key topics and concerns.*

SO 2 OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

There might be influences from fish farming that raise concerns in local communities. We strive for close and good cooperation with local communities, addressing areas of concern to find the best solutions. Being a reliable partner for the local communities is key to achieve a sustainable and long term value creation in our operations.

Our operations provide workplaces that are important for local communities. Fish farming is often located in remote coastal areas with limited employment opportunities. Our operations can provide long term working places and thus be an important contributor to local activities and employment.

All our operations are subject to assessment of local community impacts, and we report community complaints on an annual basis. In 2015, we received six community complaints compared with five in total in 2014. Five of the complaints were related to our operations in Norway and one complaint was in Canada. All complaints were accommodated and solved to minimize any negative impact of our operations. Further details are provided under the indicator CEQ 11 *Local community complaints.*

SO 3 OPERATIONS ASSESSED FOR RISKS OF CORRUPTION AND SIGNIFICANT RISKS IDENTIFIED

Cermaq's guidelines on preventing corruption are stated in the Cermaq Ethical and Corporate Responsibility Guidelines. The Guidelines build on Cermaq's Core Values and Corporate Governance Principles, and provide all employees and other stakeholders with a clear understanding of what we stand for and the way we do business. The Guideline is distributed to all employees and is a part of a company-wide compliance program which include anti-corruption training.

In the Fall of 2015, 240 employees across all Cermaq's operating companies were selected to conduct anti-corruption training based on their positions being assessed to be the most exposed to corruption risk. This group of employees were asked to conduct online e-learning to increase own awareness and perform a self-assessment of corruption risks. This process will be concluded in 2016.

Cermaq's operations in Canada, Chile and Norway have all been included in the risk analysis through processes conducted internally in each region, coordinated by the central Compliance department in Cermaq Group. No significant risks related to corruption were identified in 2015.

SO 4 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Cermaq's ethical and corporate guidelines are available to all employees and governance body members, and are communicated to all new employees. The Guidelines prohibit any form of corruption. An e-learning anti-corruption training program was rolled out to management and employees in positions at risk in the majority of the operating companies in 2012. In 2015, a new e-learning program was developed, targeting employees in positions with high risk exposure. In total, 240 employees across all operating companies will undergo e-learning and self-assessment to increase own awareness and knowledge relating to corruption risks in 2015 and 2016.

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

In 2015, 50 percent of managers and administrative employees in Cermaq Canada received anti-corruption training, in Cermaq Chile 24 percent received training and in Cermaq Norway 81 percent received training. In Cermaq ASA, 53 percent of managers and administrative employees received anti-corruption training. The training program continues in 2016.

S0 5 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

There were no confirmed incidents of corruption in Cermaq Group in 2015.

FEED SUPPLIER SCREENING AND ASSESSMENT

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

EWOS continued to be Cermaq's main supplier of fish feed in 2015 in all Cermaq's countries of operation. However, in November 2015, Cermaq Norway entered into agreement with one additional feed supplier. Environmental, social and governance criteria outlined in Cermaq's Supplier Code of Conduct were evaluated entering into the new feed agreement. In addition, Cermaq's Feed Supplier Code of Conduct specifies more detailed sustainability requirements to new and existing feed suppliers.

EN 32, LA14, SO9, HR10 Screening of new feed suppliers

All new feed suppliers to Cermaq in 2015 were screened using environmental criteria, human rights and labor practices criteria as well as criteria for impacts on society.

EN33, LA15, SO10, HR11, EC9 Significant actual and potential negative impacts in the supply chain and actions taken

Cermaq is constantly working on developing its supply management practices, and acknowledge the complexity of our supply chain. In 2015, no significant actual and potential negative impacts were identified in the supply chain concerning human rights impacts, labor practices or impact on society. Some key environmental issues within feed processing are to ensure that the raw materials used are not overexploited and that the ecological and carbon footprints are minimized. As our main feed supplier, we present EWOS indicators concerning marine and terrestrial raw material use under the indicator EWOS 8. Information about EWOS energy use is found in EN 4 and CO2 emissions in EN 17. More details can also be found in EWOS Sustainability Report.

We will continue our work to identify and mitigate risks in our supply chain in 2016. One initiative is the development of a human rights due diligence case as a part of a program initiated by the OECD contact point in Norway, to be established in 2016.

Overview of performance indicators

Some indicators are listed under more than one topic.

TOPIC	NAME/CONTENT OF INDICATOR	INDICATOR CODE	PRESENTED IN
ENVIRONMENT			
Fish health	Fish mortality	CEQ 1	Cermaq indicators
	Sea lice	CEQ 2	Cermaq indicators
	Vaccination programs	CEQ 5	Cermaq indicators
	Area management agreements	CEQ 6	Cermaq indicators
	Feed Ingredients	EWOS 8	Cermaq indicators
	Medicine use, (antibiotics and sea lice treatments)	CEQ 4	Cermaq indicators
Biodiversity	Sea lice	CEQ 2	Cermaq indicators
	Area management agreements	CEQ 6	Cermaq indicators
	Escapes	CEQ 7	Cermaq indicators
	Feed Ingredients	TBD	Cermaq indicators
	Operations sites in or adjacent to protected areas	EN 11	GRI environmental indicators
	Impact on biodiversity in protected areas	EN 12	GRI environmental indicators

	Habitat protected or restores	EN13	GRI environmental indicators
	Total number of IUNC Red listed species within operational areas	EN 14	GRI environmental indicators
	Medicine use, (antibiotics and sea lice treatments)	CEQ 4	Cermaq indicators
Animal husbandry	Percentage of animals by species, breed and type	FP 9	GRI economic indicators
Emission effluent and waste	Extent of impact mitigation related to material, water use, waste etc.	EN 27	GRI environmental indicators
Energy	Energy consumption within the organisation	EN 3	GRI environmental indicators
	Energy consumption outside the organisation	EN 4	GRI environmental indicators
	Energy intensity	EN 5	GRI environmental indicators
	Reduction of energy consumption	EN 6	GRI environmental indicators
	Direct Greenhouse gas (GHG) emissions (Scope 1)	EN 15	GRI environmental indicators
	Energy indirect Greenhouse gas (GHG) emissions (Scope 2)	EN 16	GRI environmental indicators
	Other indirect Greenhouse gas (GHG) emissions (Scope 3)	EN 17	GRI environmental indicators
	Greenhouse gas (GHG) emissions intensity	EN 18	**GRI environmental indicators**

SOCIAL

Health and safety	Workforce represented in formal joint OHS committees	LA 5	GRI social indicators
	Occupational health and safety performance (injuries, absentees etc.)	LA6	GRI social indicators
	Workers with high incidence or high risk of disease related to their occupation	LA 7	GRI social indicators
	Health and safety covered in formal agreements with trade unions	LA 8	GRI social indicators

	Product and services where health and safety impacts are assessed	PR 1	GRI social indicators
Workforce	Average hours of training	LA9	GRI social indicators
	Proportion of senior managers hired from local community	EC 6	GRI economic indicators
Local communities	Operations with implemented community engagement programs	SO1	GRI social indicators
	Local community complaints	CEQ 11	Cermaq indicators
	Operations with significant actual and potential negative impacts on local communities	SO2	GRI social indicators
Human rights	Operation with risk of child labour	HR 5	GRI social indicators
	Incidents of violation of human rights	HR 8	GRI social indicators
	Operations subject to human rights reviews	HR 9	GRI social indicators

ECONOMIC

	Country-by Country disclosure of financial date	CEQ 15*	Cermaq indicators
	Direct economic values generate and distributes	EC 1*	GRI economic indicators
	Financial implications and other risks and opportunities related to climate change	EC 2	GRI economic indicators
	Coverage of the organisation's defined benefit plan obligations	EC 3*	GRI economic indicators
	Financial assistance received from government	EC 4	GRI economic indicators
	Range of ratios of standard entry levels vs. minimum wages	EC 5	GRI economic indicators

GOVERNANCE

Corruption	Operations assesse for risks for corruption	SO 3	GRI social indicators
	Anti- corruption training and communication	SO 4	GRI social indicators
	Confirmed incidents of corruption and actions taken	SO 5	GRI social indicators
Management standards	Management standards (ISO certifications)	CEQ 13	Cermaq indicators
Compliance	Non-compliance on health and safety impacts of products	PR 2	GRI social indicators
	Monetary value of fines for non-compliance related to regulations on use of products and services	PR 9	GRI social indicators
	Monetary value of fines for non-compliance related to regulations on environment	EN 29	GRI social indicators
	Monetary value of fines for non-compliance related to societal regulations	SO 8	GRI social indicators
	Whistle blowing incidents	CEQ 12	Cermaq indicators

**Due to change of fiscal year to 1 April -31 March, the information will be published later*

Note that data of total work force in Cermaq and collective bargain agreements are presented in the GRI index.

Cermaq's screening and monitoring of suppliers is presented under the section GRI Social indicators. We use the relevant GRI indicators in the work with our Suppliers.

GRI Index

For the sixth consecutive year, Cermaq reports the organization's sustainability work and performance in accordance with the Global Reporting Initiative's (GRI) principles.

Cermaq has for the past three years chosen the GRI Comprehensive option, which gives our stakeholders a thorough insight into the way we work and manage our material topics.

Below you will find the general standard disclosures of our sustainability report, with information on our strategy and profile, governance and ethics. On this page you will also find the GRI Content Index with an overview of all indicators reported in our 2015 Sustainability report.

Our sustainability performance is available in the Sustainability Indicators section of our 2015 report.

Strategy and analysis

G4-1 Statement from the most senior decision-maker of the organisation

Please see the CEO comments to the GRI report.

G4-2 Description of key impacts, risks, and opportunities

Cermaq's materiality analysis identifies the sustainability topics that the management considers to be of greatest impact for the organization and of greatest concern to Cermaq's stakeholders. These topics are incorporated into Cermaq's annual risk assessment and reporting model.

Cermaq's approach is based upon a risk assessment process where management judges the probability of a risk to occur and the consequence of a potential risk (financial impact as well as impact on reputation, health & safety, and external environment) for each material sustainability risk. The perceived risk exposure is then categorized into critical, significant, and insignificant risk areas. The risks are subject to discussion and approval twice a year in Cermaq's central management meetings and a risk analysis is presented to the Board of Directors also twice a year.

An overview of the key risks, opportunities and impacts are described below including a description of mitigating activities, performance in 2015 on specific indicators and targets for 2016. A further description of the main processes in place to address these risks is described in the Management Approach. The risks presented below also reflect industry concerns as well as general sustainability trends that affect Cermaq's operations. In 2016, Cermaq has initiated a new strategy process where longer term sustainability goals and objectives will be established.

RISK AREAS	RISK MITIGATING ACTIVITIES	PERFORMANCE 2015	TARGETS 2016
Fish health and welfare Risk of unfavorable biological conditions like disease outbreaks and high sea lice levels affect sanitary conditions, fish health and welfare.	• Vaccination program • Use of functional feeds supporting fish health • Sea lice treatments, including new preventive non-chemical measures like sea lice skirts and lump fish • Screening of fish • Improved routines and procedures by sharing best practice across regions • Area management agreements (e.g. coordination of sea-lice treatment in all regions) • R&D projects, e.g. contagious disease projects, sea-lice projects and projects on improving the external environment (e.g. oxygen supplement)	Our performance within fish health and welfare in 2015 is described in the following indicators: • CEO 1 Mortality rate • CEO 2 Sea lice • CEO 4 Medicine use • CEO 5 Vaccination • CEO 6 Area management Agreements	Cermaq has targets in place for all important elements related to fish health: • Reduce the 12 months mortality rate for Atlantic salmon in all regions within specified targets • Be compliant

with local action levels for sea lice counts in all regions
- Reduce the level of Active Pharmaceutical Ingredients (API) from treatments by ton of production
- 100% of sites committed to an Area Management Agreement

Escapes and impact on biodiversity

External conditions such as climate change can cause extreme weather conditions. Sites can be exposed to rough storms etc. which increases the risk of damaged equipment and difficult working conditions that increase the risk of

- Investments in equipment, preventive routines and procedures, training and maintenance.
- Upgrading of net pens in Chile: 100% of the sites now have double nets at the bottom.
- Regular monitoring of farms by using ROV system
- Crisis management manual and local procedures in place, describing routines for e.g. management of and reporting of fish escapes
- Procedures for managing and reporting of wildlife interactions (birds and mammals)
- Benthic sampling, monitoring and follow up

Our performance with regards to escapes and impact on biodiversity in 2015 is described in the following indicators:

- CEO 7 Escapes
- CEO 3 Fallow time
- EN 11 Operational sites in areas of high biodiversity value
- EN 12 Significant impacts on biodiversity
- EN 14 IUCN red list species in areas of operation

Wildlife interactions are reported annually by Cermaq and the industry to the Global Salmon Initiative (GSI), and is available on GSI's webpage.

- 0 escapes in all regions
- Exceed minimum requirements in standards and regulations related to fallow time

escapes. In Norway in particular, escapes may impact wild salmon stocks because of interbreeding. In all our operations, there are also risks related to benthic impacts and wildlife interactions around our sites.

Occupational Health & Safety (OHS)

In our industry, there is a risk of severe injuries and high absence rate as a result of work-related incidents. Risk of non-compliances/fines, being considered as a less attractive employer, negative attention from the local communities, and reputational damage as a

- The ISO 18001 standard has been implemented by all Cermaq companies
- A cross-regional functional OHS team has been established sharing best-practices and to be a driver for improvements
- Implementation of the Intelex OHS management system in 2015 to strengthen OHS management
- Examples of mitigating initiatives in Cermaq Chile include the establishment of Safety Committees at fresh water sites; behavior accident prevention program on Processing Plants; mitigating activities for divers, incl. investment in new equipment (ROV) to reduce the number of dives
- Cermaq Canada has an Occupational Safety Standard of Excellence certification in place; implemented measures to reduce the number of injuries;

Cermaq Group achieved its target of having less than 8 Lost Time Injuries per mill. working hours in 2015.

See indicator LA 5 and LA 6 for information about our OHS performance in 2015.

- The long-term target is zero injuries. For 2016 the target is to reduce the number of Lost Time Injuries (LTI) to 6 for Cermaq Group
- The Group absence rate target is to achieve an absence rate below 2,4% in

result.	safety visits to other industries to exchange good practice, OHS surveys and OHS awareness campaigns • Mitigating activities in Norway include established local and cross-regional safety committees; monthly OHS reporting and a Winter OHS campaign 2015		2016.
Non-compliance with environmental, social, product and service, and food quality regulations. Salmon farming is subject to extensive regulations in all areas of operations. Many of the regulations are addressing measures to ensure sustainable farming. Significant fines and damage to the reputation may be a consequence of serious non-compliances.	• Management systems such as ISO 9001, 22000, 14000 and OHSAS 18001 are in place in all Cermaq companies • Cermaq is committed to obtain the ASC-standard through the Global Salmon Initiative membership with plans for ASC certification of all sites by 2020	Details of non-compliances with regulations are described in indicators EN 29, SO 8, PR 2 , PR 9, and CEO 13.	Zero non-compliances
Customer Health &	• The ISO 22000 standard has been implemented by all Cermaq	Overview of management systems can be found in CEO	• All management

Safety Customer health and safety is of material importance to Cermaq. Cermaq is producing food for direct human consumption. Any non-compliance (food safety) incidents could lead to significant reputational damage and fines/litigation.	companies. This standard is a complete food safety management system incorporating the elements of prerequisite programs for food safety, HACCP and quality management systems. • In addition Cermaq Chile has implemented IFS (International Food safety) in the processing plants Quemchi and Ancud, and Global GAP in the same processing plants and on several sites. • Also, Cermaq Chile complies with Walmart's own food safety standard. • Cermaq Norway is certified according to the Global GAP standard. • ASC certification ongoing With six certifications obtained in 2015	13 and information about product health and safety assessments can be found in PR 1. Non-compliance related to food safety is addressed in PR 2.	standards in place • Progress in accordance with established ASC Certification plans • Zero non-compliances with food-safety regulations
Feed sourcing and supplier assessment The risk of any non-sustainable practices among our feed suppliers poses a risk also to Cermaq in terms of non-compliance with laws and regulations, the use of potentially	• Cermaq has established a Supplier Code of Conduct which describes the minimum standards that all Cermaq's suppliers are expected to uphold, based on international standards for supply chain sustainability, including topics under the UN Global Compact. • A policy for feed suppliers was established in 2015 • The establishment of a Group supply chain system is under consideration for enhanced monitoring and follow up • The implementation of a supplier follow up program is ongoing	Cermaq developed a supplier management program in 2015 which is continuing in 2016. Information about feed ingredients and sustainable raw materials used in Cermaq farming is found in the indicator EWOS 8. In addition, feed sourcing and supplier assessment information can be found in EN 32, EN 33, LA 14, LA 15, SO 9, SO 10, HR 10, HR 11 and EC 9.	All feed suppliers screened using labor rights, human rights, environmental and social criteria

unsafe and illegal materials, with reputational damage, potential fines/litigations, and financial loss as a consequence.				
Anti-corruption Cermaq is mainly exposed to corruption risks through our supply chain and sales markets, many of which rank high on Transparency International's Corruption Perception Index. There is also a risk of corruption in Cermaq's own operations, but this is considered lower as all Cermaq operations are located in countries with strict legislation and low ranking on the TI index.	• Cermaq has a zero-tolerance policy for corruption and has defined ethical guidelines on corruption and procedures for whistle blowing • Establishment of ethical and anti-corruption requirements to our suppliers in the Cermaq Supplier Code of Conduct • Cermaq is a member of Transparency International Norway to support organized anti-corruption work • A new web-based e-learning tool for anti-corruption was rolled out in 2015 • Transparency about organisational ownership, management and operations, which is regarded as important to fight corruption • Cermaq reports Country-by-Country information	Details of training for anti-corruption are given in GRI indicator SO 3, SO 4 and SO 5, and information about any whistle blowings in CEO 12. Country-by-country information is found in CEQ 15, available in the Financial accounts.	• Zero incidents of corruption • Training performed of personnel in identified risk exposed positions	

Cermaq's management approach with regards to sustainability reflects a growing interest amongst stakeholders towards the Group's social and environmental work and impacts. In order to manage the long term influence of material topics on the organization, sustainability risks and opportunities are systematically monitored and managed, as described throughout our sustainability report.

Management of financial risks is presented in our Board of Directors report.

Organisational profile

G4-3 Name of the organisation

Cermaq Group AS

G4-4 Primary brands, products, and/or services

Farmed Atlantic salmon, Coho salmon and Trout, also under the Mainstream brand.

G4-5 Location of the organizations headquarters

Dronning Eufemias gate 16, 0102 Oslo, Norway

G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report

Cermaq has significant operations in Norway, Canada and Chile. For more information read about our organization.

G4-7 Nature of ownership and legal form

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

G4-8 Markets served

Cermaq sells its product globally, where the main markets are EU, USA, Russia, Brazil, China and Japan. More information about our products

G4-9 The scale of the organization

Key figures

Financial accounts (to be released later in 2016)

Cermaq subsidiaries and associated companies of significant size are:

- Parent company Cermaq Group AS
- Cermaq Holding AS
- Cermaq Norway AS
- Cermaq Canada Ltd.
- Inversiones Cermaq S.A
- Mainstream Chile S.A
- Cermaq Chile S.A.
- Nueva Mainstream Chile S.A.
- Norgrain AS

The GRI report covers the aquaculture operations, i.e. operations in Norgrain AS are excluded.

G4-10 Total number of employees by employment contract and gender.

Description of employment in Cermaq

G4-11 Percentage of total employees covered by collective bargaining agreements

Description of collective bargaining agreements in Cermaq

G4-12 The organizations supply chain

Cermaq's Supply Chain

G4-13 Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain

In 2015 there were no significant changes in terms of Cermaq's size, structure, ownership or supply chain.

G4-14 How the precautionary approach or principle is addressed by the organization

Cermaq follows a precautionary approach to the management of all risk areas (including sustainability) through its annual risk assessment process and reporting model. The model allocates responsibility for risk mitigating activities connected with any identified critical or significant risks (see section G4-2). Furthermore, the company's guidelines for ethical and corporate responsibility explicitly state that "If doubts arise as to whether an activity is permitted or justifiable on the basis of the ethical and corporate responsibility guidelines, the person in question should seek advice from his/her immediate superior."

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

G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

Endorsing global initiatives

G4-16 Entities included in the organization's consolidated financial statements

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

Identified Material aspects and boundaries

G4-17 Entities included in the organization's consolidated financial statements

Financial accounts (available later in 2016)

G4-18 The process for defining the report content and the Aspect Boundaries

The data for Cermaq's sustainability report is collected through the consolidation system Cr360. Each operating company provides its data into the system following the four eyes principle, with separate people entering and approving the data. The data is quality assured both at regional level and by Cermaq Group, who consolidates the report. Quality control of key performance indicators is furthermore conducted monthly and quarterly, and the reports are reviewed by Cermaq management.

Cermaq's Materiality Assessment

G4-19 The material Aspects identified in the process for defining report content

Cermaq's Materiality Assessment

G4-20 The Aspect Boundary within the organization for each material aspect

Cermaq's Materiality Assessment

G4-21 The Aspect Boundary outside the organization for each material Aspect

Cermaq's Materiality Assessment

G4-22 The effect of any restatements of information provided in previous reports, and the reasons for such restatements

The divestment of EWOS in 2013 (feed production) impacts historical figures and this is commented in the relevant sections of the report.

Please consult the accounts for the financial year 2015 after release of this GRI report for any further restatements.

G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries

There are no changes in scope from last year. However, transitioning into the Mitsubishi Corporation financial year (from April to March) in 2016, the financial and sustainability accounts for 2015 are published

at different times. The GRI report will still refer to the financial accounts on relevant disclosures, and these figures will be released a few months after the GRI report.

Stakeholder Engagement

G4-24 List of stakeholder groups engaged by the organization

Stakeholder engagement

G4-25 The basis for identification and selection of stakeholders with whom to engage

Stakeholder engagement

G4-26 The organizations approach to stakeholder engagement

Stakeholder engagement

G4-27 Key topics and concerns that have been raised through stakeholder engagement

Overview of key topics and concerns

Report Profile

G4-28 Reporting period

Cermaq's reporting period for the financial accounts follows the Mitsubishi fiscal year from April 2015 to March 2016. However, for practical reasons in the transition period, the reporting period for the sustainability indicators follows the calendar year 2015, from January to December. From 2016 onwards, Cermaq will follow the Mitsubishi fiscal year for both the financial and sustainability accounts

G4-29 Date of most recent previous report

The previous GRI report was published in May 2015 and is available on www.report2014.cermaq.com.

G4-30 Reporting cycle

In 2015, Cermaq follows an annual GRI reporting cycle from January to December.

G4-31 The contact point for questions regarding the report or its contents.

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

G4-32 The 'in accordance' option the organization has chosen, the GRI Content Index, and the reference to the External Assurance Report

Cermaq has chosen to report in accordance with the GRI comprehensive option.

GRI Content Index

External assurance letter

G4-33 The organization's policy and current practice with regard to seeking external assurance for the report.

External assurance increases the quality and credibility of the GRI report. The GRI report for 2015 is Cermaq's 6th externally assured report. It is assured by Deloitte, our financial auditor in all the operating regions.

Deloitte AS has carried out the assurance process in accordance with attestation standard ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" established by the International Auditing and Assurance Standards Board, to provide a limited level of assurance on the Cermaq AS Sustainability Report 2015. Deloitte has selected a number of indicators subject to assurance based on Cermaq's material aspects. The material indicators are verified each year, whereas less material indicators are assured on a less frequent basis. All regions have been included in the assurance process.

All sustainability indicators are reported in the external sustainability software Cr360. During the assurance process, the operating companies are required to document supporting "evidence" of the reported data into the reporting system. The text commenting on results is subject to assurance as well as the GRI-data in general. In-depth interviews with relevant Cermaq experts were conducted for a selected number of indicators as a part of the assurance.

Please consult the External Assurance letter for further details.

External Assurance letter

Governance

G4-34 Governance structure of the organization

The General Meeting is the highest governance body of the parent company of the group, Cermaq Group AS ("Cermaq").

The General Meeting resolves the Articles of Association of the company and elects the Directors of the Board as well as the auditor. In addition, three directors of the Board are elected by and among the Norwegian employees. The General Meeting also resolves other matters as provided for in the Norwegian Private Limited Companies Act, including approval of the annual accounts and the Board remuneration.

The Board sets the strategic direction of the company and resolves budgets, annual goals and guidelines for the operations of the company. Further, the Board monitors the company's management and operations, resolves matters outside the ordinary course of business and appoints the CEO. The Board did not have any sub-committees in 2015.

The CEO is responsible for the daily management and operations of the company and reports to the Board.

G4-35 The process for delegating authority from the highest governance body

Authority is delegated from the Board to the CEO, which in turn delegates to the senior management and through the line down in the organization.

G4-36 Executive-level position or positions with responsibility for economic, environmental and social topics

Senior management with responsibility for economic, environmental, and social topics reports to the CEO, who in turn reports to the Board.

All line managers are responsible for the social and environmental aspects of the operations within their line, in addition to the economical results.

G4-37 Processes for consultation between stakeholders and the highest governance body

Consultation and dialogue with stakeholders are a line responsibility where different consultations are conducted in all parts of the organization, supported by specialized functions such as Sustainability and Communication. Consultations and concerns raised by stakeholders are presented to the CEO and Board as appropriate, and the CEO often participates in meetings with stakeholders. Each year, Cermaq invites stakeholders to an open sustainability seminar to discuss important aspects of the industry and Cermaq's operations.

G4-38 The composition of the highest governance body and its committees

Cermaq's Board consists of eight directors, of which three are elected from and by the employees of the Norwegian companies. The CEO of Cermaq is the only executive director. There are four non-executive directors, of which three are employed by the sole shareholder, Mitsubishi Corporation, and one is external. All eight directors are men as of year-end 2015.

The directors of the board are elected for a period of two years. However, the general meeting may also choose to elect or dismiss directors within the period. The board members that are elected by the employees cannot be dismissed within the elected period.

The Board elects its own chair. Information about the year of birth, work experience and current position of the members of the Board is provided on the company web site.

G4-39 Whether the Chair of the highest governance body is also an executive officer

The Chair of the Board is not an executive officer. The Chair is an officer of the owner Mitsubishi Corporation

and he is based in Cermaq's office in Oslo.

G4-40 The nomination and selection processes for the highest governance body and its Committees

As Cermaq is fully owned by Mitsubishi Corporation, the company no longer has a nomination committee. The sole shareholder nominates and elects the Board of Directors, except for the three employee elected directors.

The three employee elected directors are elected in a vote where all employees in the Norwegian companies are eligible and have voting rights.

G4-41 Processes for the highest governance body to ensure conflicts of interest are avoided and managed

The ethical and corporate responsibility guidelines set the framework for managing any conflict of interest. Any concerns are raised by the CEO to the Board. The Company also has a separate whistle blowing channel both for internal and external concerns, and no. of whistle blowing incidents and non-compliances are reported in Cermaq's annual sustainability report.

Mitsubishi Corporation, a company listed on the Tokyo Stock Exchange, controls all the shares of Cermaq through its wholly owned subsidiary MC Ocean Holding Ltd.

G4-42 The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

The Board prepares a meeting plan for the year that is designed to ensure an adequate balance between the Board's strategic role and the Board's control and supervisory role. At least once a year an extended strategy meeting is held. In this meeting goals and priorities for strategic development are made, constituting the foundation for the Board's and the management's work on strategic matters throughout the year. The Board has an active role in strategic development and focuses on having this on the Board's agenda throughout the year.

The Board has adopted a set of instructions for the Board's work in the Rules of procedures for the Board. The rules of procedures describe the Board's functions, tasks and responsibility, and also the CEO's duties and obligations towards the Board.

G4-43 Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics

The Board of Directors receives monthly reporting covering development of financial status as well as occupational health and safety, market development, operational performance, and Key Performance Indicators (including sustainability KPIs). In its meeting the Board assesses quarterly Sustainability reports with detailed reporting and analysis of economic, environmental and social indicators. The Board also considers such matters integrated in each matter on the Board's agenda.

G4-44 Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics

As the current Board is nominated by the sole shareholder, the sole shareholder is managing the evaluation of the board.

G4-45 The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities

The BoD's risk management activities focus on regular assessments of exposure and, where deemed appropriate, on risk mitigating activities. The risk categories the BoD asesses include:

- Financial risks as; currency risk, interest rate risk, credit risk, and liquidity risk
- Strategic, operational and market risks as; salmon prices, risk related to feed prices and feed utilization, biological risk, and regulatory risk

Cermaq Group has determined that operational risks shall be governed and controlled by way of management systems certified according to ISO or equivalent standards. Key areas have been identified and all Cermaq operating companies are certified according to the ISO standards for quality (ISO 9001), environment (ISO 14001), food safety (ISO 22000) and Health, Safety and Environment (HSE) (OHSAS 18001). Please see G4-2 Impacts, risks, and opportunities for further details.

BoD report, section on Risks (available later in 2016)

G4-46 The highest governance body's role in reviewing the effectiveness of the organization's risk management processes

In the BoD's regular risk assessment a review is included of the previous risk assessment and if needed relevant improvement in process is made. Please see G4-2 Impacts, risks, and opportunities for further details.

BoD report, section on Risks (available later in 2016)

G4-47 Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

The Board reviews key risks twice per year. Key Performance Indicators in the areas Business results, Operations, Sustainability and People are reported to the Board on a monthly basis. Each quarter a separate sustainability report is issued to the Board, addressing indicators to measure the company's performance on material environmental and social aspects, and mitigating measures in case of substantial deviations from targets.

G4-48 The highest committee or position that formally reviews and approves the organization's sustainability report

The Board reviews and approves Cermaq's sustainability report.

G4-49 Process for communicating critical concerns to the highest governance body

The CEO provides critical concerns to the Board.

G4-50 The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them

There were five whistle blowing incidents reported during 2015. The issues were managed in accordance with the company's procedures.

G4-51 Remuneration policies for the highest governance body and senior executives

The annual remuneration of the Board is determined by the general meeting. The remuneration to the Board is independent of the company's performance. Information about the remuneration of the Board for the period up to the ordinary general meeting in 2015 is included in the notes of the Group's annual accounts (to be published in August)

Remuneration to senior management is determined based on the following main principles:

Senior management remuneration should be competitive, enabling Cermaq to attract and keep good managers. Total compensation to managers should normally be at a level corresponding to remuneration received for similar positions in comparable enterprises in the country where the manager is acting.

The remuneration should be structured to give incentives for continuous improvement of the company's operations, business results, sustainability and ability to secure a safe and sound working environment.

The Cermaq Group has a bonus scheme that applies to the senior management teams of the Group. The Board conducts a yearly assessment of the bonus scheme and decides the bonus criteria for the next year. For 2015, approximately one half of the bonus was related to individual criteria and the other half was related to four common company criterial with one criterion for each of the four dimension; business results, people, operations, and sustainability.

Information on remuneration in Cermaq Group for 2015 will be available as part of the Financial accounts for the fiscal year 2015.

Financial accounts (available later in Q2 2016)

G4-52 Process for determining remuneration

The Board decides the CEO's salary and the CEO sets the salary for his senior management team. Cermaq annually obtains external annual surveys on remuneration of similar manager positions, exercised by external consultants to ensure reasonable and good remuneration.

G4-53 How stakeholders' views are sought and taken into account regarding remuneration

Cermaq is open to stakeholder views on all topics, and present relevant views to the Board. Stakeholders may also address the shareholder directly and give input that the shareholder may use in the internal process of assessing and defining remuneration systems.

G4-54 The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country

The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country was 7 in Cermaq Canada and 3,4 in Cermaq Norway in 2015.

G4-55 The ratio of percentage increase in annual total compensation for the organization's highest- paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country

In Chile, the highest paid employee had an increase in compensation which was 0.0 of the increase in median compensation from 2014 to 2015.

In Norway, the highest paid employee had an increase in compensation which represented 3.3 of the increase in median compensation from 2014 to 2015.

In Canada, the highest paid employee had an increase in compensation which represented 7.0 of the increase in median compensation from 2014 to 2015.

Ethics and Integrity

G4-56 The organization's values, principles, standards and norms of behaviour

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

Cermaq Values

Ethical and corporate responsibility guidelines

Whistle blowing guidelines

G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behaviour

Ethical and corporate responsibility guidelines

Whistle blowing guidelines

G4-58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour

Whistle blowing guidelines

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo

Tel: +47 23 27 90 00
Fax: +47 23 27 90 01

To the management of Cermaq Group AS

Independent Auditor's Report on the Cermaq Sustainability Report 2015

We have reviewed certain information in the Cermaq Sustainability Report 2015 ("the Report"), presented on www.cermaq.com. The Report is the responsibility of and has been approved by the management of Cermaq Group AS ("Cermaq"). Our responsibility is to draw a conclusion based on our review.

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

Based on an assessment of materiality and risks, our work included analytical procedures and interviews as well as a review on a sample basis of evidence supporting the subject matters. We have performed interviews with management responsible for the Report and for certain sustainability issues at corporate level. In our work we have focused in particular on the most material indicators including energy and greenhouse gas indicators and key indicators that Cermaq has developed and disclosed (CEQ Indicators), as well as indicators submitted to the Global Salmon Initiative (GSI).

We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of assurance on the subject matters. In such an engagement, less assurance is obtained than would be the case had an audit-level engagement been performed.

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

- Cermaq has established procedures to identify, collect, compile and validate information for 2015 to be included in the Report, as described in the Report.
- Information presented for 2015 is consistent with data accumulated as a result of these procedures and appropriately presented in the Report.
- Cermaq applies a reporting practice for its sustainability reporting aligned with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (version G4) reporting principles.
- The Report fulfils in accordance level Comprehensive according to the GRI guidelines.

Oslo, 9 May, 2016
Deloitte AS

Kjetil Nevstad
State Authorized Public Accountant (Norway)

Frank Dahl
Deloitte Sustainability