**Cermaq Code of Conduct – Feed Suppliers**

Cermaq is committed to upholding high standards related to the social and environmental aspects of its business. This Supplier Code of Conduct - Feed Suppliers has been established to ensure these standards are maintained throughout the feed supply chain. This document describes the minimum requirements that all Cermaq's feed suppliers are expected to uphold. Cermaq in turn expects its feed suppliers to request similar standards from their goods and service suppliers.

In addition to the Code of Conduct specific to feed suppliers, Cermaq’s general Supplier Code of Conduct is applicable and can be found on our website www.cermaq.com.

**Cermaq expects its feed suppliers to comply with the following requirements:**

1. **Responsible Sourcing and Sustainability**
   Feed suppliers to Cermaq are obliged to have a Responsible Sourcing Policy as well as appropriate measures in place that ensures compliance with the following requirements:
   - All raw material is to be purchased from sustainable sources and preferably accompanied by certifications
   - The supplier shall comply with all recognized crop moratoriums and local laws
   - Fishmeal and fish oil should be sourced only from fisheries that are regulated and monitored as being sustainable
   - The supplier shall promote responsible environmental management of small pelagic fisheries*
   - No ingredients used in the feed will originate from IUU catch (Illegal, Unreported, and Unregulated) or species categorised as vulnerable, endangered or critically endangered according to the IUCN red list of threatened species*
   - Fishmeal and fish oil shall be sourced from certified fisheries under a scheme that is defined by an ISEAL member* (e.g. Marine Stewardship Council) or IFFO Responsible Supply of Fishmeal and Fish Oil programs
   - Fish meal and fish oil shall have a FishSource score at acceptable levels for each species used as feed ingredient as required by the ASC standard*
   - Soy purchased by the feed manufacturer shall be certified by the Roundtable for Sustainable Soy or equivalent*

2. **Raw material composition**
   - The feed supplier is expected to disclose type of raw material, country of origin and name of supplier on a regular basis*. An exception related to disclosure of the name of the supplier is accepted if IP (Intellectual Property) rights are violated.
   - Information about raw materials approved by the feed supplier shall be presented to Cermaq on an annual basis
   - Introduction of new raw materials (not on the mentioned approved list) will require notification and approval by Cermaq prior to delivery

3. **Traceability**
   - All feed suppliers are expected to have an ingredient traceability system in place that has been audited and certified by a third party and must be able to trace the shipment of feed from the manufacturer to the point of relinquishing custody to Cermaq

* Aquaculture Stewardship Council (ASC) requirement
• The feed supplier must be able to ensure traceability of all feed ingredients that make up more than 1% of the feed to the source of the ingredient*, such as, but not limited to:
  o Marine raw ingredients traceable back to the source fishery
  o Soy traced back to the region grown
• Traceability systems shall be electronic and relevant data shall be available to Cermaq on a regular basis or upon specific requests
• The traceability systems shall as a minimum be in compliance with local and national laws and regulations

4. Food safety
• All suppliers shall have a control program in place for food safety that meets or exceeds the requirements in local and national laws
• The supplier must guarantee no use of prohibited and unauthorised substances in the process and in raw materials
• The methods used for analysis shall be certified and only accredited laboratories should be used
• The data should be available to Cermaq on a regular basis and upon specific requests
• Cermaq shall be entitled to perform audits and check the analysis conducted by the feed supplier
• The supplier warrants that the feed has such content that it is in compliance with local legal laws and regulations in the country where the feed is produced
• The feed supplier warrants that the contents of the feed is in compliance with the regulations in the countries where Cermaq products are to be sold, e.g. European Food Safety Authority (EFSA), FDA (US Food and Drug Administration) or Japan Ministry of Health, Labour and Welfare regulations.

5. Feed quality: Declaration and control of nutrient content and physical quality
• The supplier is to have an electronic system in place that allows for transferring data about declared values as well as to provide a basis for conducting audits
• Relevant data is to be made available to Cermaq on a regular basis and upon specific requests. Relevant data may include, but not be limited to:
  o Average inclusion rate of fishmeal and fish oil
  o Average percentage of fishmeal and fish oil sourced from wild capture/reduction fisheries
  o Average protein content
  o Average phosphorus content
• The feed supplier is to guarantee a nutrient composition on specific parameters such as, but not limited to, omega 3, pigment, fat, protein and digestible energy
• Feed supplier must guarantee technical qualities supporting the production process at the farm such as, but not limited to, percentage of fines in the feed at point of entry below 1% by weight of the feed*, no mould and free of fat leakage
• Discrepancies should always be compensated in line with the feed agreement and maximum response time should be one month

6. Management systems and procedures
• Cermaq suppliers shall have a management system in place that addresses, as a minimum, External Environment, Occupational Health and Safety, Food safety and Quality. The supplier should preferably be certified according to recognized standards such as ISO 9001, ISO 14001, ISO 22000, OHSAS 18001 or similar
• In addition, the supplier shall meet the requirements related to Cermaq certifications (relevant for feed suppliers) at all times including, but not limited to
  o Norway: Aquaculture Stewardship Council (ASC) and Global G.A.P.
o Canada: Aquaculture Stewardship Council (ASC) and Best Aquacultural Practices (BAP)
o Chile: Aquaculture Stewardship Council (ASC), Global G.A.P. and Best Aquacultural Practices (BAP)

- Feed suppliers are to have a claim handling function in place for efficient and prompt handling of claims and compensations
- Cermaq expects the supplier to have whistle blowing and crisis management procedures in place
- In case of serious incidents such as, but not limited to, pollution, contamination, human rights breaches and fatal accidents, the supplier shall notify Cermaq as soon as possible

7. Cermaq sustainability reporting
- As part of Cermaq sustainability reporting, Cermaq discloses information about the feed used in Cermaq production
- In addition to raw material composition and origin mentioned in section 2.0, Cermaq expects the suppliers to disclose and provide information on energy and GHG emissions for the feed company as a whole in addition to the energy and GHG emissions related to the feed supplied to the different farms*. The information should be provided electronically in line with agreed deadlines between the feed supplier and Cermaq

8. Supplier follow-up programme
- Cermaq expects that the feed supplier identifies and performs audits of it’s critical suppliers on a regular basis and shares information with Cermaq upon request
- In addition, Cermaq shall be allowed to perform own audits of the same suppliers upon requests

9. Cermaq customer follow-up
- Cermaq’s customers have from time to time requests related to feed and Cermaq’s feed suppliers, and Cermaq expects that these requests are prioritised and responded to by our feed suppliers within reasonable time limit
- In addition, the feed supplier must allow access to data, documentation and dedicated personnel to respond to questions that might arise

10. Implementation
- Feed suppliers that are in breach with this Code of Conduct can be rejected as a supplier to Cermaq, be disqualified for tenders or it may lead to termination of contract
- However, if feed suppliers are non-compliant with the above requirements, Cermaq may choose to work with the supplier to obtain improvements, and end the supplier relation if the supplier cannot demonstrate progress and improvements. In case of severe breach of this feed Code of Conduct, Cermaq shall be entitled to terminate the contract and will always consider doing so.
- In the event of an announced or unannounced audit of the supplier for the purpose of verifying compliance with the requirements in this document, Cermaq personnel, or consultants engaged by Cermaq, shall have access upon request to any part of the premises where work under a contract is being performed.
- The feed supplier is expected to maintain appropriate records to demonstrate conformance with the requirements where relevant.
- Cermaq’s feed suppliers are also expected to communicate the requirements to its employees and other sub-suppliers where relevant.

* Updated January 2017