

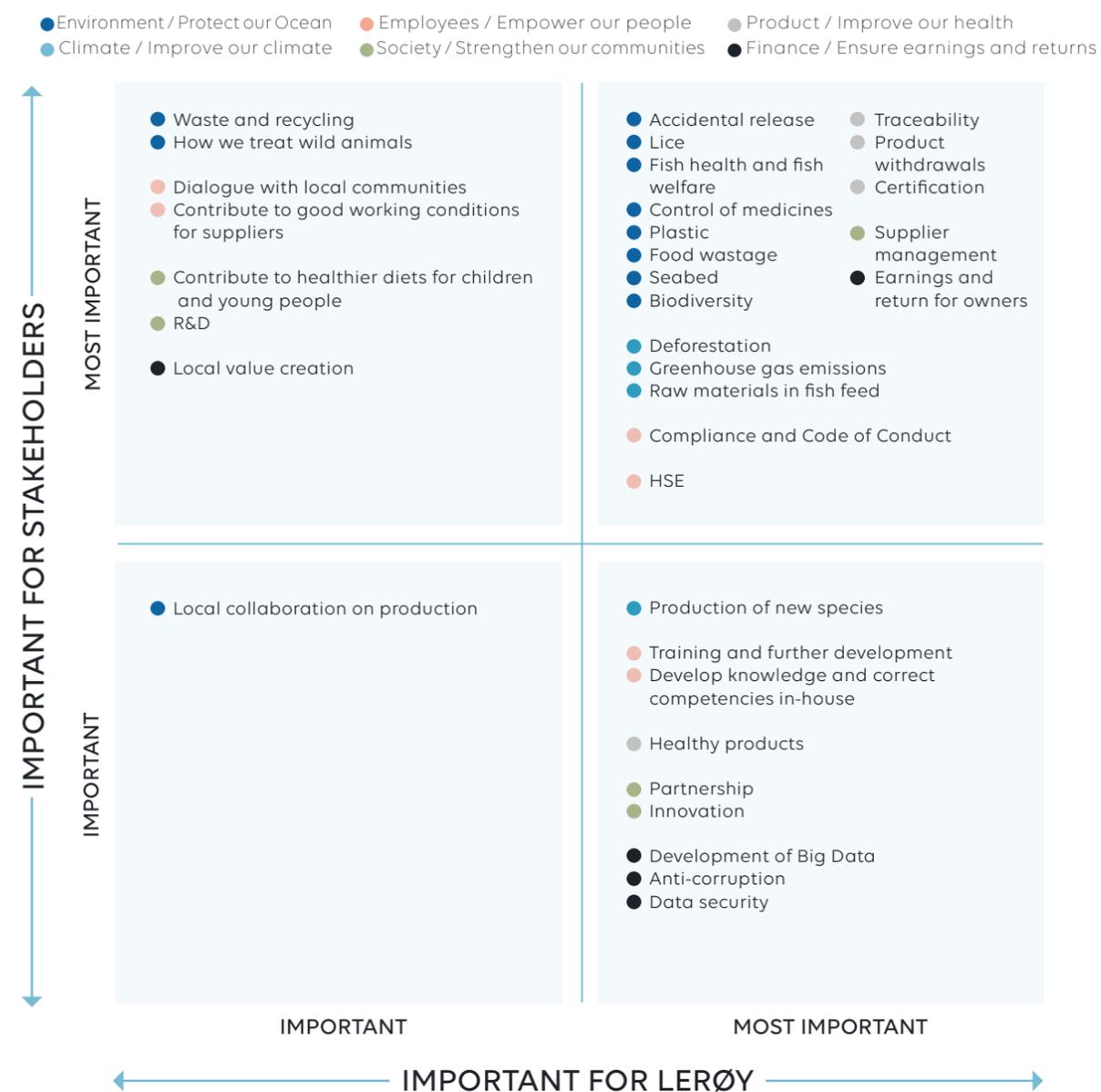
Materiality assessment

In accordance with the GRI Standard, Lerøy carried out their first materiality assessment in 2016. This was updated in 2020. The purpose of the assessment is to identify those topics related to sustainability that are of most importance for the company and our key stakeholders.

The result is based on feedback from our external and internal stakeholders, provided via interviews, dialogue and meetings, in addition to feedback from customers, the authorities, NGOs etc. Interest in various types of sustainability has seen explosive growth in recent years, with a knock-on

effect on results regarding important areas where Lerøy must maintain focus. The results from the materiality assessment are divided into six areas. The importance of these areas will vary according to the different stakeholders. See the table on dialogue with stakeholders on page 207.

We have made a change to our materiality assessment this year in comparison with the report issued in 2019, by changing some of the items reported so that they are more specific within the different materiality areas. There are no significant changes in the table.



Global Reporting Initiative (GRI) Content Index 2020

Background

Lerøy Seafood Group has chosen to communicate their work on sustainability by reporting in accordance with the Global Reporting Initiative or GRI. The GRI standard is the leading standard for sustainability reports and comprises different principles, guidelines and performance indicators to be used by companies in order to measure and report on economic, environmental and social factors. This is an international standard frequently utilised for sustainability, and will therefore be familiar for many of our stakeholders.

The GRI standards are organised hierarchically, with two main components:

- Universal standards
- Topic-specific standards
 - Series 200: Economic
 - Series 300: Environmental
 - Series 400: Social



Universal standards are obligatory, while topic-specific standards are selected according to the nature of business and impact. The companies can choose between two levels of ambition, and Lerøy has chosen to report in accordance with the "Core" reporting practice. This entails issuing reports according to the standards in which elements such as type of operation, materiality, impact and executive risk management are described.

The UN's 17 Sustainable Development Goals have boosted sustainable development globally, particularly over the past years. As with many other businesses, Lerøy has an active approach towards sustainability, and is a member of UN Global Compact Norway.

Scope

GRI reporting comprises all active companies with associated employees in the Group.

Input

The information in the GRI Content Index is sourced from our different business systems for reporting figures within economy, society and the environment. If the information is sourced from other external sources, this is specified.

External verification

The GRI Content Index is reviewed in house and presented to the Audit Committee and Board of Directors of Lerøy Seafood Group. To ensure that our reports comply with requirements for the GRI standard and are correct, Lerøy has contracted a third party to review and verify our reports. Our reports are reviewed by PWC, who are also the Group's independent auditors.

A selected number of our indicators have been verified during the audit. These are the following indicators:

- > Sick leave (%)
- > Undesired incidents, Near accidents (number)
- > Undesired incidents, Safety observations (number)
- > LTI-H value (%)
- > Escapees (number)
- > Average number of fully grown lice per fish in LSG Farming (number)
- > Antibiotics used in sea (kg active substance)
- > Volume of delousing agents used via bath (kg active substance)
- > Volume of delousing agents used via feed (kg active substance)
- > Survival in sea (%)
- > Average density per cage, in sea, (kg/m³)
- > Percentage of certified marine species caught (%)
- > Average MOM B score
- > FFDRm, salmon
- > FFDRo, salmon
- > Share of deforestation-free soy protein concentrate from Brazil with traceability (%)
- > Climate accounts, Scope 1 and Scope 2

Management

Lerøy's vision is: "We shall be the leading and most profitable global supplier of sustainable high-quality seafood." By reporting in accordance with GRI-standards, we can demonstrate our work within three areas for sustainability: economy, society and the environment. By establishing specific targets within these different areas, we can continue to improve and manifest a clear direction in relation to achieving our goals and our vision.

Focus areas relating to the materiality assessment

Focus areas	Comments	Governance tools
ENVIRONMENT / PROTECT OUR OCEANS		
- Number of escapees (units)	Impact on wild salmon strains is a possible environmental impact from our operation. We have a 0-vision, and a high focus on minimizing the risk for escapees	KPI Policy Procedures Risk analysis Reporting
- Number of cages treated for lice (number) - Average number of fully grown lice per fish in LSG Farming (number)	Impacts on wild salmon are defined as a possible environmental impact from our operation, were the authorities have set very strict requirements to the industry. Lerøy has a comprehensive framework for reducing lice	KPI Policy Procedures Risk analysis Reporting
- Average density per cage, in the sea (kg/m ³) - Survival in sea (%)	Good fish welfare is a prerequisite for good operation and profitability, and is closely followed through a number of management tools	KPI Policy Procedures Risk analyses Reporting
- Antibiotics used in sea (kg active substance) - Volume of delousing agents used via bath (kg active substance) - Volume of delousing agents used via feed (kg active substance)	We have a goal, not to use antibiotics. If we do this, it is completely for fish health reasons. We generally seek to minimize the use of medication or chemical treatments	KPI Policy Procedures Risk analysis Reporting
- Volume of plastic purchased (kg)	Plastic in the ocean is a global problem. Our Group is depending on what is produced in the sea, and we want to help to ensure that a minimum of plastic goes astray	KPI Policy Procedures Reporting
- Wild Catch: Increase production of meal, oil and ensilage - VAP, Sales & Distribution: Reduce number of fish on floor and volume of unsold products	Lerøy's goal is to use the whole fish, and minimize food waste through our value chain	KPI Policy Procedures Reporting
- Average MOM B score - Average fallow period (number of days) - Percentage of certified marine species caught (%)	We seek to minimize our impact during our operation, and have a range of KPIs and policies in this area	KPI Policy Procedures Risk analysis Reporting
CLIMATE / IMPROVE OUR CLIMATE		
- Share of deforestation-free soy protein concentrate from Brazil with traceability (%)	We seek to minimize the impact on our operation through our entire value chain. Including raw materials for fish feed	KPI Agreements Partnership
- Science-based targets: 46 % reduction by 2030	Lerøy works to cut climate emissions throughout its value and supply chain	SBT Policy Agreements Partnership Reporting
- Percentage of certified marine raw materials (%) - Total percentage of certified raw materials (%) - FFDRm salmon - FFDRo salmon - Share of deforestation-free soy protein concentrate from Brazil with traceability (%)	Lerøy works to cut climate emissions, especially in relation to raw materials for fish feed. The work includes own projects as well as various collaborative project	Policy Various collaboration projects

Focus areas relating to the materiality assessment, cont.

Focus areas	Comments	Governance tools
PRODUCT / IMPROVE OUR HEALTH		
- Percentage of traceability tests conducted (%)	A vertically integrated value chain is an important part of Lerøy's strategy. Full traceability is a benefit of being vertically integrated	Policy Testing R&D activities
- Product recalls (number)	Food safety has the highest priority in the group, and is a prerequisite for consumer confidence. To ensure consumer confidence good routines for product recall is part of the measures implemented	Policy Testing R&D activities Risk analyses
- Number of localities certified in Farming in accordance with ASC/Global Gap (%)	Lerøy has a high customer focus, and is happy to meet consumer needs both today and in the future. Certifications are an important part of this	KPI Policy Various certification schemes
- Percentage of certified marine species caught (%)		
- Share of factories with GFSI certificate (%)		
SOCIETY / STRENGTHEN OUR COMMUNITIES		
- Audits, supplier (number)	Lerøy is focused on the footprint from our entire operation, including ours suppliers. Close follow-ups and cooperation with our suppliers are crucial for us to achieve our goals	Policy Agreements Evaluation Audit
- In-house audits (number)		
- Non-approved audits (number)		
EMPLOYEES / EMPOWER OUR PEOPLE		
- Share of employees who have received training in business ethics (%)	It is important to comply with legislation protecting human rights, and we have therefore prepared a Code of Conduct that is obligatory for all our employees and all persons who work at our facilities. Our suppliers and other partners shall also approve and comply with the Code of Conduct	Policy Supplier follow-up Procedures Internal routines
- Sick leave (%)		
- Undesired incidents, Near-accidents (number)	Health, safety and the environment for all persons who work at Lerøy have high priority. We shall prevent injuries and provide a workplace where there is room for everyone, with a good working environment	Policy Values Procedures
- Undesired incidents, Safety observations (number)		
- LTI-H value %		
- Cases involving corruption (number)	Compliance is a high priority, and we shall follow all acts and regulations at all times. This applies to all our employees and for hired personnel who work for Lerøy	Policy Values Procedures Code of Conduct
FINANCE / ENSURE EARNINGS AND RETURNS		
- ROCE %	To ensure that our operations are sustainable, we have to earn money and be able to pay a return to our owners. It is therefore important to also focus on this area	Policy Vision Values Procedures Code of Conduct
- Equity ratio %		
- Dividends over time %		

Dialogue with stakeholders

Lerøy's values are open, honest, responsible and creative. It is therefore very important for us to maintain positive and open dialogue with all our stakeholders. As such, Lerøy obtains knowledge of and familiarity with those areas of interest to our stakeholders and can communicate how we work on the different areas. By maintaining regular and positive dialogue, we work together on improvements within individual areas, also reinforcing competencies in the different companies. Dialogue with stakeholders is important and helps Lerøy make progress towards the Group's goal to be the most sustainable supplier of high-quality seafood.

Lerøy carried out a materiality assessment in 2016 with a view to the company's reports in accordance with the Global Reporting Initiative's (GRI) standard. This project has covered interviews with external and internal stakeholders, and the work on the project has identified those aspects that are of importance for achieving Lerøy's goals and, at the same time, the aspects of interest to the stakeholders.

In recent years, there has been an explosion in interest from different stakeholders, particularly regarding sustainability

reporting. We respond to questions and take part in dialogues several times a week with different stakeholders. This is an ongoing process, where dialogue with different stakeholders is continuously updated throughout the year. The Group has therefore not implemented any special measures to identify our stakeholders as part of the report for 2020. We believe that our daily activities provide us with a good overview of our most important stakeholders.

Our overview of stakeholders is originally based on our review from 2016 and own experience over several years gained from various types of dialogue involving stakeholders. Examples of dialogue are collaboration projects, meetings, conferences, lectures, dialogue via different media, research by IPSOS on behalf of Lerøy, audits and other platforms.

The different stakeholders are selected on the basis of the impact they have with regards our operations and the impact Lerøy has on the stakeholders in terms of economics, society and the environment. In order to fulfil the requirements made by the different stakeholders for reporting, we have implemented indicators for the different areas. These are referred to in the GRI index.

Groups of stakeholders	Indicator principal focus	Collaboration platform	Year	Quarter	Week
Financial institutions	Earnings	Meetings	x		
	Compliance	Seminars	x		
	Climate	Interim presentations		x	
	Sustainability	Visits to facilities Web Dialogue	x		x
Insurance company	Earnings	Meetings	x		
	Compliance	Seminars	x		
	Climate	Interim presentations		x	
	Sustainability	Visits to facilities Web Dialogue	x		x
Shareholders Analysts Investors	Earnings	Investor forum	x		
	Compliance	Conferences	x		
	Climate	Seminars	x		
	Opportunities	Interim presentations		x	
	Risk	Web			x
	Reputation Sustainability Dividends	Dialogue	x		
The Board of Directors	Earnings	Meetings	x		
	Compliance	Seminars	x		
	Climate	Conversations	x		
	Opportunities	Web			x
	Risk				
	Reputation Sustainability Dividends				
Employees	Sustainability	Intranet			x
	Earnings	Web			x
	Reputation	Newsletters			x
	Working environment	Reports		x	x
	Development	Meetings E-learning	x		
Authorities	Compliance	Meetings	x		
	Climate	Presentations	x	x	
	Sustainability	Various fora	x		
	Employment	Collaboration projects	x		
	Taxes and duties	Audits	x		
	Food safety	Web			x
	Framework conditions				

ESG Information

Dialogue with stakeholders, cont.

Groups of stakeholders	Indicator principal focus	Collaboration platform	Year	Quarter	Week
Customers	Product	Dialogue			x
	Food safety	Meetings	x		x
	Sustainability	Seminars	x		
	Earnings	Project collaboration	x		
	Expertise	Partnership	x		
	Ethics	Web			x
	Product quality	Presentations	x	x	
	Certifications	Audits	x		
		Trade shows	x		
	Visits	x			
Suppliers	Earnings	Dialogue			x
	Ethics	Meetings			x
	Long-term perspective	Seminars	x		
		Project collaboration	x		
		Partnerships	x		
		Web			x
		Presentations	x	x	
		Audits	x		
	Visits	x			
NGOs	Sustainability	Dialogue			x
		Meetings	x		
		Seminars	x		
		Presentations	x	x	
		Collaboration projects	x		
		Web			x
Neighbours	Local ripple effects	Dialogue	x		
	Employment	Meetings	x		
	Sustainability	Interim presentations	x	x	
	Contributions to infrastructure	Web			x