CERMAQ

SUSTAINABILITY REPORT 2023

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Highlights

People

96 %
EMPLOYEE PRESENCE

14 %
WOMEN IN MANAGEMENT TEAMS

3,500
VISITORS AT CERMAQ'S ARCTIC SALMON CENTER

Product

1,000,000,000
HEALTHY MEALS TO MARKET IN FY 2023

>99 %
MONTHLY SURVIVAL RATE (AVERAGE) IN OUR SEA SITES

0
PRODUCT QUALITY RECALLS

Planet

100 %
OF SEA SITES MANAGED IN COORDINATION WITH NEIGHBOURING SITES

1.2 kg
FEED TO PRODUCE 1 KG SALMON

0.3 kg CO_2e
PER KG SALMON

CEO Statement

Cermaq is a leading global salmon producer driving transformation of our food system towards healthier and more climate-resilient food. From some of the purest waters on Earth, our salmon gives our customers food they can feel good about eating, that tastes great, is heart-healthy, kind to the planet – and safe.

There has never been greater urgency to address important topics such as Health, Environmental Concerns, Fish Welfare, and Reduced Carbon Footprint. Our industry faces increasing challenges around the globe, and we ae committed to making improvements. We need to solve those challenges through innovation and R&D to improve our performance and support healthy oceans and communities. We must work together towards solutions, as we are all dependent on nature and a strong license to operate.

Aquaculture and salmon farming is a key part of the food transformation needed to meet the ambitions of the Paris Agreement to limit temperature rise to well below 2 degrees Celsius compared to pre-industrial levels. And aligned with the advice from FAO, Blue Food Assessment, and most recently the COP28, we focus on growing our production in a sustainable way, reducing the climate and environmental footprint of each kg of salmon we produce.

Food products should support not only the planetary health, but also the health of every consumer. Seafood has strong positive health impacts, and in most parts of the world, the consumption of seafood is far below health authority guidance. Farmed salmon is a modest share of global aquaculture but has large potential to replace parts of the consumption of red meat in markets with high meat consumption, for example USA and Europe.

Steven Rafferty, CEO of Cermaq

As a food producer in remote areas, salmon farming is also vital to societies where aquaculture is a key driver for vibrant, local communities, and as a large contributor to value creation in the countries.

Salmon farming has developed tremendously over the past decade. Through research we have achieved insight in fish health and welfare, developed vaccines and adapted our operations. Research and innovation have developed a basis for the technology progress and evolution. Cermaq has a dedicated R&D team for fish health located at the University in Bergen, Norway. Researchand innovation are seldom a one-person task, and Cermaq works with universities and research institutes, industry partnerships, suppliers, start-ups, and students to enhance new knowledge and good solutions.

When we farm fish, we have full responsibility for their health and welfare. That is a responsibility we take very seriously. Good fish health and welfare is not only a responsibility, but also the most robust foundation for good business performance.

It is essential that our employees have the right skills to care for our fish all the way from the egg to plate. The concern and interest from stakeholders in animal welfare is increasing, and it is our responsibility to better share relevant information about the welfare of our salmon through their lifetime.

Cermaq has been a pioneer in transparency and sustainability reporting. While not obligatory until 2025, Cermaq has already begun to move from GRI reporting towards CRSD reporting. This years' report is a strong step towards compliance with these future requirements.

As Cermaq's financial year runs from April – March, this report is also adjusting our reporting from calendar year reporting to reporting by the financial year. This report covers performance over 15 months, both annual performance (calendar year 23) and Financial Year 23 (April-March).

In preparing this report, our focus has been to understand the intention behind and requirements from CSRD. Learning the system, the process for the double materiality analyses, and the requirements to future metrics has been an exciting journey.

The adaptation towards CSRD is reflected in the descriptions of our impacts, risk and opportunities and the focus on key actions rather than anecdotal elements. We maintain our committmenth to be transparent about our ambitions, operations, and performance and to do our best in presenting this in a complete, neutral, and accurate way.

“As a food producer in remote areas, salmon farming is also vital to societies where aquaculture is a key driver for vibrant, local communities, but also a large contributor to value creation in the countries.

Implementing new reporting, introducing new performance indicators, and data gathering will take time, and in this sustainability report we build on the indicators we have used in our previous GRI reports. The auditing of the sustainability report covers only the specified indicators see Appendix 2.

We welcome the framework for sustainability reporting and how this can play a role in addressing global climate and biodiversity challenges as the figures in the future will be comparable with our peers, making the industry even more transparent.

Steven Rafferty
CEO

General information

About the company

Cermaq Group AS is a holding company fully owned by MC Ocean Holdings Limited, a subsidiary of Mitsubishi Corporation (MC).

Cermaq Group AS and its subsidiaries are a vertically integrated global producer and one of the world's largest suppliers of farmed salmon, with significant operations in Norway, Canada and Chile. The head office is located in Oslo, Norway.

Cermaq Group have many subsidiaries. The sustainability report covers Cermaq's aquaculture operations.

Cermaq reports financial results through Mitsubishi Corporation. As of April 2019, Cermaq has been granted exemption by the Norwegian Tax Administration and does not publish Annual Reports. Cermaq's financial year is aligned with MC and runs from April 1st to March 31st.

Cermaq is a globally leading salmon farming company, holding #4 position globally. Regionally, it ranks #4 in Canada and Norway, and #3 in Chile. Cermaq's value chain starts with smolt production, and our sales product are whole, gutted fish, filets, and some volumes of frozen portion packs of salmon. The production cycle for Atlantic salmon is 9-15 months in fresh water and 14-24 months in seawater. We produce Atlantic salmon in all three operating regions; in Chile we also produce Coho salmon. Cermaq is a B2B producer and markets its salmon in multiple markets of which EU, US, Brazil, Japan, and China are the largest. The total sales volumes in the financial year 2023 was 231 k tons Live Weight Equivalent (LWE).

The company has been focusing on organic growth through operational efficiencies and integration. The development over the reporting period (1st January 2023-30th March 2024) has been characterized by steady growth, focus on sustainability, and active engagement in industry-wide initiatives.

In Norway the operations are growing organically through buying volumes allowance in accordance with the traffic light system established for supporting sustainable growth. Cermaq's operation in Norway are located in production areas 9 and 12, both qualifying for growth on every occasion since the system was launched. A new smolt facility is under construction in Finnmark and this will provide smolt for our current volumes and may also support future growth.

In Chile, the production volume has remained stable over the past few years, our focus has been on improving the operational excellence at all stages of our production chain. Also, in Chile a new smolt facility is under construction. The Recirculating Aquaculture System (RAS) facility in Chacao Canal in Los Lagos region will contribute significantly to our supply of high quality smolt and the performance in the seawater phase. A sales office in Brazil has been established to be closer to our costumers meeting their needs as closely as possible.

The production in BC, Canada has been suffering from the political uncertainty following the announcement of a transitional plan for open net farming. During the entire reporting period there has been great uncertainty for the future of salmon farming in BC, Canada.

Risk management

Raising live animals with production cycle of 2-3 years from hatching of eggs and supplying the fresh product to market, carries multiple risks. Risk management plays a key role in Cermaq and is aligned with MC standards and regulatory requirements in each country of operations.

The purpose is to protect the business by preparing for any crisis event that affects the business, i.e. practice of all-hazard response against potential incidents that disrupt business operations and to secure business continuity capabilities.

Cermaq Risk Management is based on the principle that exposure is to be managed as close as possible to the relevant risk. This results in decentralized risk management where local operations have high empowerment to take decisions and effectuate them.

All regions have risk management systems and contingency plans for the relevant risk facing operations whether related to fish health and welfare, employee's health and safety, environmental issues, product safety, and other. The Managing Director for each company holds the responsibility for local risk management. Cermaq Group Management Team manages the overall risk management framework, including internal controls and periodic assessment of the operation's Business Contingency Management (BCM) preparedness. The annual assessment is prepared by a team composed by Internal Audit, Treasury & Insurance, and Sustainability functions with input from the operating companies. The assessment includes a heat map of potential incidents and their impact on operations of core facilities as well as an evaluation of first response measures and business continuity plans. The board is updated on the results of the periodic assessments.

Cermaq runs an annual due diligence process on human rights and working conditions in line with regulatory requirements in Norway. The result is presented in a separate report available on our web site.

In addition to operational risk described above, Cermaq as a global company is exposed to financial risks originating from cross border activities. The group is exposed to volatility in market prices such as commodities, interest rates, and currencies. These risks are to a large extent mitigated by diversification and operational risk reduction measures and to a minor extent by using financial derivatives. The management of financial risk is undertaken by Central Finance within the framework provided by MC.

Governance

The general meeting of Cermaq elects the Board of Directors, the auditor and approves the annual accounts and the board remuneration. The Board sets the strategic direction for 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 CEO is responsible for the daily management and operations of the company and reports to the Board.

The rules of procedure for the Board of Directors defines the Board's functions, duties and responsibilities, the rules relating to notice of meeting and transaction of business and the General Manager's responsibilities and duties towards the Board.

The Board established a remuneration committee in 2016 to develop recommendations to the Board in matters concerning remuneration. The Board did not have any other subcommittees in 2023.

The nomination to the Board and the remuneration of the board members is done by the general assembly, and Cermaq's administration is not positioned to report on the considerations done by the general assembly.

At end of financial year 2023, the Board of Directors consisted of four members, all male of which one is independent. Cermaq Group AS does not have employee representation in the Board. The chair of the Board of Cermaq Group is separate from the Chief Executive Officer of Cermaq. The current members of the Board of Directors are presented on Cermaq's web site: cermaq.com/about-us/organisation. Cermaq's code of conduct applies to all Board members. The code of conduct addresses multiple areas including conflict of interest.

The Board has approved a framework for risk management to ensure that Cermaq has good internal controls and appropriate systems for risk management. The Board performs a periodic risk review on development in the risk factors assumed to have the largest financial impact, and of key measures that have been implemented to manage these risks. This includes an assessment of the development of key sustainability indicators against set targets. Sustainability has a central part in salmon farming and hence has the focus of the Board. Sustainability concerns and critical concerns are addressed frequently in multiple ways, such as risk analyses, OHS updates, whistle blowing incidents, compliance report or raised directly by the CEO. The Board advances its knowledge on key sustainability topics from regular visits to Cermaq's operations and from specific presentation from internal and external experts.

The sustainability managers across Cermaq prepare the sustainability statement. The process and content are approved by the Global Management Team, chaired by the CEO. The performance on key sustainability indicators, covering the majority of topics in the sustainability statement, is presented to the Board.

Cermaq Global Management Team as of end of financial year 2023 had seven members, all male, with a broad geographical diversity: one British, one Canadian, one Chilean and four Norwegian citizens. The current members of the Global Management Team are presented on Cermaq's web site. Cermaq Global Management Team members have a fixed salary and bonuses, where the bonus is based on performance on multiple goals including sustainability goals. The remuneration in the financial year 2023 was not related directly to climate goals.

Double materiality analyses

Cermaq has over the last 15 years conducted materiality assessment in accordance with the GRI framework.

While we have carefully conducted and documented all the steps in the process for all topics covered by ESRSs, we based our assessment on limited consultations with external stakeholders for the DMA purpose, instead using our customized stakeholder surveys covering customers, local communities, authorities/politicians as well as information published by stakeholders. Our operations are spread across many regions and communities and have multiple relations to our many stakeholders. Through dialogues and direct contacts, we have a good overview of our stakeholders' concerns.

Cermaq has in the same period been a pilot for our owner Mitsubishi Corporation's testing of the TNFD framework. This work has also been included in our DMA process.

“Cermaq has in the same period been a pilot for our owner Mitsubishi Corporation’s testing of the TNFD framework. This work has also been included in our Double Materiality Analysis process.

Cermaq conducts an annual due diligence process of the compliance of supply chain with fundamental human rights and decent working conditions. This process is published on web site as an account of due diligence.

In assessing which elements to include in the reporting, we have sought to make a consistent total assessment of the severity elements together with the likelihood. We have also prioritized a focused report content as we believe this provides the best information to the readers.

In this report the following material Impacts, Risks and Opportunities (IROs) are included:

ENVIRONMENT

ESRS E1: GHG emissions, Energy intensity, Climate risks and opportunities

ESRS E3: Water use, Marine ingredients in feed

ESRS E4: Sourcing of feed ingredients (e.g. soy), Wild salmon, Protected areas, Interactions with wildlife

ESRS E5: Salmon feed, Packaging material, Waste management, Recycled materials

SOCIAL

ESRS S1: Working conditions, Equal treatment

ESRS S2: Workers in the value chain

ESRS S3: Rights of indigenous peoples, Community Resilience

ESRS S4: Health and safety of consumers

GOVERNANCE

ESRS G1: Fish health and welfare, Political engagement

While we believe we have identified the relevant material scope for Cermaq’s sustainability statement, we recognize that the DMA process should be further strengthened to be fully compliant with CSRD.

In the DMA and in the descriptions, we have applied the following time horizons: medium-term horizon as 1-5 years, and long-term horizon as more than 5 years.

Restatements

There are restatements from last years report, regarding climate.

The emissions factor behind scope 1 and scope 2 are updated. All updates on scope 1 emission factor are based on DEFRA, 2023 guidelines. Scope 2 emissions factors are updated based on each local authorities’ updates.

As this report covers 15 months, the metric data are presented as calendar year data, financial year data (FY) or 15-months data, specified for each metric.

While our GRI-reports in previous years have been externally audited, the auditing of this years report has been limited to key indicators. This is specified in the list of indicator page 64.

Climate change (ESRS E1)

Through the double materiality assessment, we have identified the GHG emissions, Energy use, Climate risks and opportunities as material to our operations, and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance.

Description of impacts

Climate change is the single largest threat to our future. Increases in global temperatures have the potential to change our world dramatically. As all food production, salmon farming comes with GHG-emissions. Farmed salmon is a climate-friendly food source with a smaller carbon footprint compared to land animals. Still, everyone must do their part to cut GHG-emissions in order to limit the global temperature increase in this century to 1.5 degrees Celsius.

Salmon farming can have both negative and positive impacts on the climate. On the negative side, salmon farming contributes to greenhouse gas emissions from fish production, feed production, transport, processing, and waste management. The feed production and transport to markets account for the majority of the company's total climate footprint. From the total value chain, the emission from Cermaq's own production (called scope 1 and 2) constitutes approximately 10 percent, while feed is almost 50 percent and transport to market (both part of scope 3) constitutes almost 35 percent of the emissions. For salmon transported to distant markets the transport to market adds significantly to the carbon footprint. The remaining contributions come from packaging, well boats, and other. While our mission is to reduce total emissions in our production, climate change presents us with a dual challenge, where we must use significant amounts of energy in actions to mitigate the negative effects that these changes have had on our ecosystems. Just as we affect our environment, the environment also directly affects our production, and it is something we must adapt to in order to ensure the production of quality protein.

On the positive side, salmon farming can also help mitigate climate change by providing a low-carbon source of protein and omega-3 fatty acids, which can replace more emission-intensive animal products.

Strategy and policies

Ensuring alignment with the needs of society is core in Cermaq's strategy. Meeting the target of the Paris Agreement on climate change is truly a societal need.

Cermaq has committed to reducing absolute emissions of CO_2 equivalent by 35% by 2030 for scope 1 (own operations), scope 2 (purchase of heat and electricity), and scope 3 (value chain) emissions with 2019 as base year. This commitment is in line with the Science Based Targets Initiative (SBTi), which aligns with the Paris Agreement.

As the commitment was made, an estimation was made of the cuts for each operating company for scope 1, scope 2 and for scope 3 split on feed and transport.

Goals and actions

The goal, of reducing our greenhouse gas emissions across our entire production chain and in the different countries where we operate, is not an easy task. Each country has different social, political, and environmental contexts, hence applying the same reduction actions is not feasible. In this report, we are sharing the combination of targeted measure that help us work towards our climate goals, which are aligned with the IPCC and the Paris Agreement.

Paradoxically, as climate change continues to effect our operations, our energy use increases in some situations. This is directly in contrast to our commitment to reducing GHG emissions. This highlights that the need to transition towards renewable energy sources is even greater.

Transition to renewable energy

Electrification of sea sites and boats is a key instrument to reduce our GHG emissions. Throughout Norway and in the Canadian regions in which Cermaq operates, electricity is mainly derived from hydroelectric power. In Norway, two sites were electrified in 2023 and two more will be electrified in 2024. We had two service boats and 4 site-boats with hybrid delivered in financial year 23. In total, 50 % of our sea sites in Norway are electrified, following a plan for electrification of our growing number of total sites. A challenge for the full electrification of our facilities is the lack of infrastructure in many rural areas, and the limited access to renewable energy especially in the Finnmark county.

In the region in Canada that Cermaq operates, the main source of electricity is from hydroelectric power. Electrification of seawater facilities is important to reduce dependency on electricity generated by fossil fuels. A feasibility study has been completed that looked at supplying electrical power to up to eight marine sites, including the Closed Containment System, in the Tofino region. Further development to create this connection is underway.

To further reduce emissions Cermaq Canada has purchased two Battery Energy Storage Systems with energy management systems. This equipment will work in a hybridized manner with the diesel generators to reduce generator runtimes and fuel consumption.

In Chile, where much of the electricity is produced based on fossil fuel, we purchase certificates that ensure the electricity comes from renewable sources. Our actions are related to operational improvements on all types of sites regarding energy usage, e.g. introducing a new diesel-electric well-boat to our sea sites operations. Cermaq established an Energy Management System to ensure a responsible use of resources and reducing energy losses across the value chain. This system is a regulatory requirement in Chile.

> “Each country has different social, political, and environmental contexts, hence applying the same reduction actions is not feasible.

Value chain measures

We work with our feed suppliers towards reduction targets. Our contracts include performance-based goal schemes and sustainability reduction targets related to GHG emissions.

In Canada, we are tracking downstream transport emissions to better understand how to mitigate and reduce our carbon footprint. This also includes climate impact of the EPS packaging material.

Planning cuts within total growth

The company is developing new gap analyses for climate emissions based on our SBT commitment and planned volume growth, to strengthen our roadmap for GHG cuts in Scope 1, 2 and 3 to meet our commitment.

> **“Increases in global temperatures have the potential to change our world dramatically.**

Performance

GHG emissions, Scope 1/ Scope 2/ Scope 3
GHG intensity
Calendar year figures

Tons of CO_2e	2023	2022	2021	2020	2019
Diesel	54,523	53,654	53,031	47,503	45,964
Gasoline	1,482	1,400	1,974	1,830	2,063
LPG	1,095	1,886	1,992	1,858	2,228
Natural Gas	1	3	2	5	2
Propane	348	313	298	425	921
Scope 1 Total	57,448	57,256	57,297	51,621	51,178
Biofuel	59	60	427	415	393
Scope 2 Loc-based	13,651	13,692	16,291	18,924	22,986
Scope 2 Mkt-based	28,093	23,442	23,494	30,222	29,441
Scope 3 feed	631,808	612,310	754,069	636,059	599,237
Total gross emissions (Scope 1 &2 Loc-based)	71,099	70,948	73,588	70,545	74,164
Total gross emissions (Scope 1 &2 Mkt-based)	85,541	80,699	80,791	-	-
Emission intensity: $KgCo_2$/Ton Fish (LWE)	299	331	317	322	478

Restated figures from 2022 report, due to emission factors update. Scope 1 and scope 3 updates done based on DEFRA (GWP based on IPCC AR5). Scope 2 emission factors updated based on each country local authorities’ updates. Purchase through renewable certificates is included in Market based calculations in the table.

Biofuel, lubricants and external boats services removed from scope 1. Amounts are included in different categories.

Energy intensity

Energy consumption in MWh
Calendar year figures

	Energy source	2023	2022	2021
Non-Renewable	Diesel	203,401	200,161	199,881
	Gasoline	5,825	5,502	7,855
	LPG	4,766	8,213	8,746
	Natural Gas	4	13	10
	Propane	1,497	1,346	1,364
Total non-renewable consumption		215,493	215,235	217,857
Renewable fuel consumption	Biofuel	3,378	3,386	3,594
Electricity consumed		92,784	90,357	94,129
Total MWh consumed		311,656	308,979	315,580
Energy intensity	MWh/Tons (LWE)	1.3	1.4	1.3

Raneson, a hybrid vessel.

Implications, risks, and opportunities due to climate change

Risk	Opportunity
CHANGE IN WEATHER PATTERNS (EXTREME WEATHER, SUCH AS STORMS, DROUGHTS, MUDSLIDES AND/OR FLOODING)	
Could result in damage to hatcheries and fish farm sites with sea water cages. This could increase the risk of fish escapes and influence insurance costs. May also have consequences related to the safety of employees at sites.	None
COSTS AND AVAILABILITY OF FEED INGREDIENTS	
Climate related challenges could negatively impact the availability and price of raw materials (both marine and terrestrial) and could significantly increase the cost of salmon farming. Feed ingredients from agriculture have higher contribution to our carbon footprint than marine resources.	Climate change could increase the productivity and diversity of marine resources that can be used as feed ingredients. Cermaq is actively researching alternative feed ingredients to mitigate limitations in availability of both marine and terrestrial feed ingredients.
CHANGE IN MEAN (AVERAGE TEMPERATURE) AND TEMPERATURE PEAKS (HEAT WAVES)	
Warmer seawater temperatures could impact where salmon farms can be located and could also change and increase disease-causing pathogens and/or parasites. Warmer temperatures can also raise salinity, algae blooms, raise the chance of hypoxia to fish and raise production costs. Heat waves in the ocean may have significant negative impact on fish health and welfare. Changes in temperature may add costs by requiring more frequent monitoring and intervention to ensure the environmental and animal welfare standards are met. Cooling water in freshwater facilities requires large amount of energy. Adding oxygen to the water columns due to low oxygen saturation when the temperature rises also requires large amount of energy.	Higher water temperatures could enhance the growing conditions for salmon farming, in areas where the temperature is below optimal temperature range allowing faster growth rates and reduced production costs. Changes in sea water temperatures could allow for new salmonid farming sites located further north than before. New species could be cultivated (e.g., Sea Brass and Bream).
OCEAN ACIDIFICATION	
Ocean acidification due to increased levels of CO_2 poses a risk to marine life and may affect the environmental conditions for salmon production and the availability of marine ingredients in the salmon feed. Algae blooms may be more frequent and can pose a risk to fish health and welfare.	None

Water and marine resources (ESRS E3)

Through the double materiality assessment, we have identified Water use and Marine ingredients in feed as material to our operations and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance.

Description of impacts

Salmon farming operations utilize fresh water, sea water, and marine resources for production of fish. Use of these resources have potential impacts on the environment as well as other users.

The first stages of our fish development are mainly carried out on land using fresh water as we seek to simulate the natural reproductive process of salmon that occurs in rivers. The eggs are incubated in fresh water and after hatching farmed until they reach a size and weight that allows them to survive in the sea. To follow the natural process and development of salmon, we move the fish to cages in the sea, where the salmon can reach their adult state and finally be harvested. In the harvest and processing stage water is key to maintaining quality and safety, ensuring a final product of the highest quality.

Our land-based operations use fresh water, either in hatcheries utilizing flowthrough or recirculating aquaculture systems, in processing plants for cleaning fish and maintaining hygienic standards or in offices, warehouses and other facilities for domestic use.

These operations may have impacts on the water resources by using large volumes of water, discharging effluents, altering the flow regimes, and affecting the water quality and aquatic biodiversity in the source and receiving waters. The impact depends on the quality of the water source. Hence, we ensure that the location and construction of our facilities do not compromise water sources and are not in conflict with other users and purposes, such as drinking, irrigation, recreation, and ecosystem services.

Water is also important for feed production, for growing the agricultural raw material and for the feed processing.

The marine content in feed is less than 20%, made from marine resources from forage fisheries and from trimming and discards respecting our strict requirements including not sourcing from IUU catch (Illegal, Unreported, and Unregulated) fisheries. Our ocean-based operations use seawater to rear our fish. The major impact in seawater are the reversible changes on the seabed below the sea sites. This topic is addressed in the chapter Biodiversity and ecosystems.

Strategy and policy

Responsible sourcing of feed ingredients is defined in Cermaq's Code of Conduct for feed suppliers, defining strict requirements for sourcing of fish meal and fish oil and for traceability of marine ingredients.

Our farming regions are rated as low-risk areas both from a water stress and a water depletion perspective, see (Aqueduct Water Risk Atlas 2022 www.wri.org/aqueduct). All use of fresh water in the regions we operate is regulated, and our use is based on approvals requiring strict monitoring.

As water is one of the most precious resources in our industry, we have developed different technologies to make more efficient and responsible use of it. Flowthrough systems filter effluent water prior to discharge. Recirculating Aquaculture Systems (RAS) filter, treat and recirculate water, greatly reducing the uptake of water into the facility. All our new projects and productive improvements are focused on reducing water use and improving its quality, both for its use and for its restitution to the environment.

The health and state of the environment in which we operate is directly related to the quality of the product we generate. Healthy ecosystems = quality salmon.

Goals and actions

Managing water sources

Cermaq uses water from different sources for the development of our production process. These sources include:

- Surface water bodies (Rivers and Lakes)
- Sea water
- Groundwater

Our water use is based on permits. The authorities authorize quantities according to the capacity/availability of water in the area and the usage needs of the users in the sector as a whole. With this, the different local authorities ensure that there is enough water left for the development of the local flora and fauna, an amount of water commonly known as “Ecological Flow” which is the minimum necessary to ensure the nature of the place. Hence, we operate without putting our environment at risk.

The water sources we use depends entirely on the location where we are operating. Generally, all our operation sites are close to one of the different water bodies mentioned above. This is a determining factor in the locations we define to establish and operate. Due to variations during the year in temperature and content of nutrients, minerals, and microorganisms we may have to modulate and treat the water to ensure that it is in optimal conditions for its use in cultivation or process.

All water returns must comply with physical/chemical parameters defined by local authorities, in order not to alter the natural loads of water bodies and also not to exceed their natural load capacities. Before returning the waters to nature, the water is treated in water treatment plants, where we ensure that solid and chemical residues have been removed, to comply with local regulations.

Increasing Raw Material Basket

Our salmon feed must provide all the essential nutrients required for good animal health and high product quality. As the sources for these nutrients may change over time, Cermaq has gradually replaced some marine resources with alternative ingredients such as algae oil, among others. This diversification of the raw material basket is key to reducing dependency on any single resource and enhancing the resilience of our feed supply.

To ensure sustainability, novel feed ingredients should fullfill multiple requirements, not compete with human food sources, play a role in reducing the carbon footprint, and must be produced sustainably. By embracing innovation and exploring new raw material options, we can continue to improve the environmental performance of our feed while maintaining the high standards of quality and nutrition our salmon require. A consistent approach to engaging with our feed suppliers is essential for driving meaningful improvements in sustainability.

By focusing on key areas such as biodiversity, climate impact, resource use, and human rights, we can ensure that our supply chain partners share our commitment to responsible practices. This collaborative effort is crucial for advancing sustainability in the aquaculture industry and securing the long-term viability of our operations.

At Cermaq, we are committed to continuous improvement and innovation in our feed practices. Through strategic partnerships and a focus on sustainable sourcing, we aim to lead the way in creating a more sustainable and responsible aquaculture industry.

Certified Raw Materials

At Cermaq, we recognize the critical importance of using certified raw materials in our feed. Certification ensures that the raw materials we use are sourced sustainably and responsibly, minimizing the impact on marine ecosystems, and promoting the long-term health of fish populations. By prioritizing certified sources, Cermaq contributes to the conservation of marine biodiversity and helps safeguard the future of the aquaculture industry.
Moreover, using only certified raw materials ensures that all ethical considerations are taken into account. This includes fair labour practices, respect for human rights, and the welfare of communities involved in the supply chain. Certification provides assurance that our sourcing practices uphold the highest ethical standards, aligning with our commitment to social responsibility.

Working in partnerships for responsible management of marine resources

Through our partnership with SeaBOS, Cermaq engages with many of the world's largest seafood companies and leading international science partners in key actions to improve the situation for marine resources. This includes digital standards for seafood traceability, preventing vessels engaged in IUU fishing from using port services and facilities, code of conduct for responsible vessel behaviour, scientific assessment, and management of fish stocks, especially for tuna and Antarctic krill, which are important for the global seafood industry and marine ecosystems. By working together with science and society, SeaBOS aims to transform the seafood sector and promote a healthy and productive ocean for the benefit of future generations.

Landscape in Chile.

Performance

Water use and recycle

Water reduction

Cermaq's total water use was reduced by 9.7% from fiscal year 2022 to fiscal year 2023.

Water use from different sources, fiscal year 2023

Surface water use	83.4%
Ocean water use	8.1%
Ground water use	8.3%
Third party water source	0.2%

Water use distribution by country in percent, fiscal year 2023

Canada	15.2%
Chile	57.7%
Norway	27.1%

Water discharges, fiscal year 2023

To surface	54.1%
To ocean	41.6%
To ground water	4.4%
To third parties	0.02%

Before returning used water to the environment, we treat it, ensuring that solid and chemical residues have been removed, complying with local regulations.

"Flowthrough systems filter effluent water prior to discharge. Recirculating Aquaculture Systems (RAS) filter, treat and recirculate water, greatly reducing the uptake of water into the facility.

Efficiency in use of marine raw materials

During the past few years Cermaq has reduced the use of marine raw materials in the feed reducing the Feed Fish Dependency Ratio for fish meal (FFDRm) and for fish oil (FFDRo).

Feed Fish Dependency Ratio (FFDR) is a measure used in the ASC standard for salmon. FFDR measures the quantity of wild fish used per quantity of cultured fish produced. This measure can be calculated based on fishmeal (FM) and/or fish oil (FO). Below are the FFDR for fish meal and fish oil using the formulas in the ASC standard.

Cermaq, Canada

Calendar year	FFDRm	FFDRo
2021	0.6	2.8
2022	0.6	2.5
2023	0.6	2.4

Cermaq, Chile

Calendar year	FFDRm	FFDRo
2021	0.5	1.8
2022	0.3	1.7
2023	0.3	1.7

Cermaq, Norway

Calendar year	FFDRm	FFDRo
2021	0.3	1.7
2022	0.4	1.4
2023	0.4	1.1

Marine sources in feed

Salmon feed contain marine ingredients as fish meal, fish oil from forage fisheries and from trimmings and discards from fisheries, and oil from marine algae.

The table shows species used in 2023 by our feed producers as raw marine ingredients in our feed.

Canada	Chile	Norway
Sardine	Sardine (Araucarian Herring)	Anchovy
Pollock	Anchovy	Blue whiting
Pacific Thread Herring	Mackerel	Boarfish
Mackerel	Jackmackerel	Capelin
Peruvian anchoveta	Sardine (Monterrey & Crinuda	Cod
Anchovy	Japanese anchovy	Haddock
Herring	Alaska pollock	Herring
Baltic sprat	Peruvian anchovy	Mackerel
Hake	Frigate Tuna	North Sea Herring
Blue whiting	Shortfin scad	Norway pout
Krill		Peruvian anchoveta
Norway pout		Plaice
		Saithe
		Sandeel
		Sprat

More information on feed can be found in Appendix 1.

Our feed is based on sustainably sourced ingredients.

Biodiversity and ecosystems (ESRS E4)

Through the double materiality assessment, we have identified sourcing of feed ingredients (e.g. soy), Wild salmon, Protected areas, and Interactions with wildlife as material to our operations and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance. Sourcing of marine ingredients in feed is addressed in the chapter on water and marine resources.

Description of impacts

All food production has an impact, and in Cermaq, we focus on avoiding irreversible changes and minimizing our footprint and impact, in the ocean areas where we have sea sites, on land where we have processing plants and fresh-water facilities, and through the value chains especially related to feed ingredients.

Potential impacts from interactions with the ocean ecosystem exist where there are aquaculture activities. These impacts may include pathogen and parasite transfer, where the impact of sea lice is a particular concern. Sea lice are naturally occurring in the ocean and may attach to farmed salmon. Wild juvenile salmon migrating from rivers to the ocean environment are particularly vulnerable due to their small size. Sea lice on Cermaq's salmon is strictly regulated and stringently managed to reduce the risk of potential transmission.

Escapes of salmon from farms may impact biodiversity. Beyond being food for predators, in Norway escaped salmon may interbreed with wild salmon.

Our farming may be impacted by wild species. These may be predators as birds and marine mammals that attack the salmon and stress the fish, even when they do not succeed in catching and eating the fish. Also, algae and jellyfish may pose a risk to the health and welfare of our salmon.

Aquaculture activities may also have impacts on the seabed and interactions with marine mammals and birds. During the production cycle the seabed underneath the site might be impacted by particles from faeces and uneaten feed. This is a temporary impact, managed by monitoring, benthic samples, and fallowing time for the restoration of the seabed before the site can be re-stocked.

Some of our farming sites are in habitats for protected animals or species on the red list of IUCN. This requires special attention from the employees on the site including personnel engaged in transport to and from the sites.

“Aquaculture activities may also have impacts on the seabed and interactions with marine mammals and birds.

Strategy and policies

Cermaq's strategy for the period 2020-2025 highlights clean farming as the concept that guides Cermaq's operations to ensure high biosecurity, low environmental footprint, and good fish health and welfare.

Clean farming also implies transparency and traceability throughout the value chain, from hatchery to market. By implementing clean farming practices, Cermaq aims to achieve thriving oceans, which means that the marine ecosystems where Cermaq operates are healthy, resilient, and diverse.

Cermaq's impact on biodiversity on land is relevant to soy, a key ingredient in feed. Cermaq's policy on soy in feed is to use only sustainable soy products that are certified by the Round Table on Responsible Soy (RTRS) or ProTerra. These certifications ensure that the soy production does not cause deforestation, conversion of natural habitats, or violation of human rights or labour standards. Cermaq also supports the development of alternative feed ingredients that can reduce the dependence on soy and other land-based crops.

One of the significant obstacles hindering progress in sustainability is the lack of transparency in global animal feed supply chains. The opacity of these supply chains exposes the sector to unforeseen risks and vulnerabilities, making it imperative to prioritize transparency and traceability initiatives. Recognizing this challenge, we are taking proactive steps to enhance the visibility and traceability of our supply chains. Transparency in our supply chain is not just a goal but a necessity. By improving the visibility of our sourcing practices, we can better understand the origins and impacts of the raw materials we use.

Soybean field.

This commitment to transparency offers several benefits:

- Risk Mitigation: By having a clear view of our supply chains, we can identify and mitigate potential risks and vulnerabilities. This proactive approach ensures that we are prepared for any disruptions or challenges that may arise.
- Stakeholder Assurance: Transparency allows us to provide assurances to our stakeholders – including customers, regulators, communities, and investors – that we prioritize responsible and sustainable sourcing. This builds trust and confidence in our operations.
- Sustainable Practices: By understanding the full scope of our supply chains, we can ensure that our sourcing practices align with our sustainability goals. This includes promoting biodiversity, reducing environmental impact, and supporting ethical practices.

Cermaq's commitment to biodiversity and ecosystem health is unwavering. By prioritizing transparency and traceability, diversifying our raw material basket, and enforcing our Code of Conduct, we are setting a benchmark for sustainability in the aquaculture industry. These efforts are essential for maintaining the integrity of our operations and ensuring a sustainable future for our industry and the planet.

Cermaq's Code of Conduct for feed suppliers addresses our requirements for sustainable practices for sourcing of all ingredients in feed. Our feed suppliers are required to follow our stringent Code of Conduct, which mandates sustainable and ethical sourcing practices. This code ensures that all raw materials are procured in a manner that supports environmental sustainability, social responsibility, and economic viability.

The environmental policy for Cermaq Canada states the company's commitment to improve environmental performance through evolving environmental objectives, targets, and programs as well as educate and train employees in environmental issues and impacts.

Co-production of kelp at a Cermaq site.

Goals and actions

Cermaq's goal is to reduce negative impact in areas where we operate, specially on the ocean, that means no permanent benthic impacts on biodiversity, zero chemical release to sea from spills or from sea lice bath treatment, and co-production of non-fed species (e.g., seaweed) for utilization of nutrients from suitable farms and on fallowed sites whenever possible. We call this clean farming.

Management systems that are certified to the ASC, Global GAP or ISO 14001 standard identify environmental aspects and the goals that the company strives to reach for each one. This in turn triggers the development of actions and initiatives that the company undertakes to achieve those goals. The certified management system thus provides for an organized framework for the company to drive continual improvement that is verified by external audits.

Zero escapes

As escaped salmon may impact wild salmon, Cermaq's goal is to have no escapes. In Norway, escaped salmon may interbreed with wild salmon. Atlantic salmon cannot interbreed with Pacific salmonids, but escaped salmon may disturb wild salmon spawning in the river.

In addition, we cannot guarantee for the welfare of fish that has escaped from our farming.

Planning, training, and monitoring is our approach to ensure that the risk of escapes is as low as possible.

We have implemented multiple measure to avoid escapes such as fish escape prevention plans in all regions, contingency plans, and monitoring activities. Additional measures are Remotely Operated Vehicles (ROVs) for monitoring the nets, predator nets, regular inspections of infrastructure, reporting to learn from previous escapes, implementation of and training in procedures securing the facility in case of escapes, and recapture of escaped fish. Inspections are performed by the authorities in all regions with regards to escape prevention.

Minimize impact on ocean ecosystems

Sea sites may impact each other. Hence, area management is important to reduce the environmental and biological risks. This coordinated operation includes elements as:

- Synchronizing the production cycles of different farms to minimize the exposure of smolts to adult fish and potential pathogens.
- Implementing coordinated sea lice monitoring and treatment protocols to prevent outbreaks and reduce the need for chemical use.
- Sharing data and information among farmers, authorities, and stakeholders to improve transparency and collaboration.

By coordinating the activities and practices of different farms within the same area, Cermaq can optimize the production efficiency, animal welfare, and ecological sustainability of its operations. Our goal is that all sea sites take part in area management.

Multitrophic aquaculture

Multitrophic aquaculture has the potential of circular use of nutrient in the ocean.

In Norway, algae growth is tested as a co-production at one of our sea sites. In Chile, Cermaq holds licenses for the production of yellowtail, oysters, mussels, abalones, algae, and other marine species. In Canada, Cermaq is also working in partnership with First Nations and marine plant aqua specialists to trial kelp culture at two of our fallow sea sites.

In collaboration with the Universidad Austral de Chile and the Centro INCAR, Cermaq Chile is researching multitrophic aquaculture to determine if bivalve molluscs can utilize the nutrients from salmon farming sites. There is potential in this technique for the salmon industry, but there are also challenges related to modifications in the technical structures and their environmental implications.

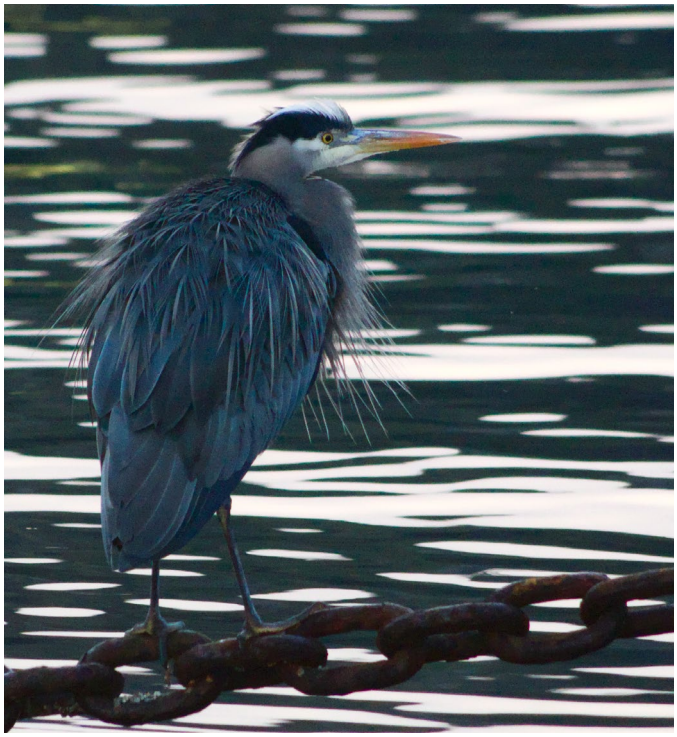
Minimize interactions with wildlife

Cermaq recognizes the potential for fish farming operations to impact biodiversity, either directly or indirectly. Cermaq uses preventive measures and monitoring to reduce the number of interactions with wildlife. However, interaction may happen, and birds' and mammals' mortalities are reported for accidental and intentional events.

In areas where large predatory sea mammals occur, Cermaq uses external nets and fences at farms to avoid marine mammals entering into the farm site and to prevent attacks that are stressful for the fish. Nets for birds are installed at the farm sites to protect the fish. The nets are constantly assessed to check their structural function. All nets in our operations are designed to not harm predators. However, sometimes there are unintentional negative interactions with wildlife.

In rare situations, and subject to local regulations, we have to take out a predator to secure the health and welfare of our fish when there are no other effective measures to avoid attacks. This is the last resort where lethal actions require approval from authorities for each incident. Interactions with wildlife are documented and reported.

Cermaq does not operate in protected areas as defined by the International Union for Conservation of Nature (IUCN). Still, there are a many IUCN red list species in or in the vicinity of Cermaq's operations in Chile, Canada, and Norway. The ASC certification requires that there are no mortalities of endangered or red-listed marine mammals or birds as defined by IUCN or national endangered species list. The Global Seafood Alliance Best Aquaculture Practices requires salmon farms to actively favour passive and/or non-lethal methods of predator control, with no controls, other than non-lethal exclusion, be applied to species listed as "critically endangered" or "endangered" on the IUCN Red List or that are protected by local or national laws. Specific written permission for such control is granted by the regulator.



Wildlife near our sea sites.

Sustainable sourcing of soy

Our goal is that all our soy we use shall be sourced sustainably. We only use soy protein concentrate (SPC) that is certified by ProTerra or equivalent standards, which guarantee that the soy does not come from deforested areas, respects labour rights and social responsibility, and reduces environmental impacts. From cooperation with feed produces as well as salmon companies and European retailers, the Brazilian soy suppliers to the salmon industry, CJ Selecta, Caramuru and Imcopa, in 2021 implemented a 100 per-cent deforestation and conversion free soybean value chain with 2020 as their cut-off date.

Performance

Operational sites in or adjacent to protected areas

In 2023, Cermaq had 69 active sea sites in operation. A sea site operates for a production cycle of 14-24 months, then it is fallowed for several months before the sited is stocked with new fish. In many places the pens and barge are moved to be used at another location and the site is then left without visible constructions.

Approval for a location for salmon farming requires substantial documentation of the condition in the ocean and the seabed to ensure that salmon farming will not have a footprint that may result in long term harm or impact sensitive habitats. At peak production (that is shortly before harvest), benthic samples are made to measure the reversible impact from the production. This is in accordance with national regulations. Based on the results, the required fallow period may be prolonged beyond the minimum period, to allow the ecosystems under the pen to be fully restored before new stocking of the site can take place.

In Norway, all sea sites except one reached our goal of status “good” or “very good” in the reporting period.

Protecting bio-sensitive areas is important in all countries Cermaq operates in. In Canada, Cermaq does not operate sites within Marine Protected Areas (MPAs), but does operate in Clayoquot Sound, a UNESCO Biosphere Region but operations are outside of the Core Protected zones.

Chile has significantly increased it Marine Protected Areas in the past decade. Cermaq Chile operates some sea sites within protected areas, as they were located there before the status as protected area was given.

Cermaq Norway has no sites in protected areas, but operates sites near protected areas, i.e. Altafjord and Repparfjord in Finnmark.

Landscape in British Columbia, Canada.

Interaction with birds and sea mammals

Below is the total number of lethal interactions with birds and sea mammals divided by the total number of active sites from January to December 2023.

	ACCIDENTAL		INTENTIONAL	
	Bird	Mammal	Bird	Mammal
Cermaq Norway	1.8	0.04	0.07	0
Cermaq Chile	0	1.0	0	0
Cermaq Canada	0.3	0.4	0	0

Escapes of salmon

Number of escaped fish by region.

Fiscal year	Cermaq Canada	Cermaq Norway	Cermaq Chile
2021	2	1	0
2022	0	7,308	0
2023	0	246	0

Area management

In the calendar year 2023 all Cermaq sites operated under area-based management agreements (AMAs) or were in areas fully controlled by Cermaq and managed coordinated.

Fiscal year	Cermaq Canada	Cermaq Chile	Cermaq Norway
	%	%	%
2021	100	100	100
2022	100	100	100
2023	100	100	100

Average Fallow Time Between Production Cycles

Average Fallow Time (weeks) Between Production Cycles.

Region	Cermaq Canada	Cermaq Chile	Cermaq Norway
Statutory requirements	-	12	8
2021	14	12	13
2022	14	12	28
2023	14	12	30

Resource use and circular economy (ESRS E5)

Through the double materiality assessment, we have identified Salmon feed, Packaging material, Waste management, and Recycled materials as material to our operations and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance.

Description of impacts

Producing and supplying markets with farmed salmon, requires numerous materials and generates multiple types of waste. Adapting our value chain from a linear to a circular use of resources forms a basis for resilient and responsible resource use.

Feed represents the lion's share of both production cost and the carbon footprint of salmon farming, making innovations in feed ingredients and efficient feed conversion very important. Feed ingredients include marine ingredients, being less than 20%, and vegetable protein and fats of which soy protein concentrate (SPC) holds the largest share. As salmon farming grows, so the demand for feed ingredients grows.

The non-biological materials we use are classified into two categories, incoming and outgoing. The incoming are all the materials and supplies we purchase to carry out our production from smolt to harvest. Some examples of key materials in these processes are the nets we use for raising the fish in the sea, flotation elements to keep our sites on the surface, walkways, feed pipes, anchors and weights to keep our sites in place, equipment, and machinery to process our fish, ropes, tanks for the freshwater stage, disinfectants, medicines, fuels, and the workwear, among others.

Petroleum products used in salmon farming include diesel, gasoline, oils, hydraulic fluid, propane, natural gas, and other. They are usually organic liquid or vapour primarily containing hydrocarbons with smaller percentages of sulphur, nitrogen, and oxygen. Spills from petroleum products into the environment may have negative impacts on the ecosystem, and we do our utmost to avoid this.

Like any operation that uses petroleum products on land or at sea, our operations may have impact on ocean, beaches, and the coastline as materials from our operations may accidentally be released e.g. due to bad weather and very strong currents to which we are exposed.

Downstream, we have all the packaging materials we use in packing the finished product we sell to our customers. The packaging serves two roles: maintaining the quality and safety of the product until it reaches the end consumers. The main materials we use in the case of frozen

products are cardboard, plastic bags, adhesive tape, labels, and absorbent cloths. For fresh product, the main materials include expanded polystyrene (EPS) boxes, plastic liners to seal the product in the boxes, labels, adhesive tape, and ice (usually wrapped in plastic) to ensure the optimal temperature in the products.

Expanded polystyrene (EPS) is hydrocarbon-based material used for a multitude of purposes. It is an excellent choice as a material to create boxes for transporting fresh salmon due to its light weight, insulative properties and hygienic nature. These properties save on carbon emissions during transport, and keep fish cold and clean.

Expanded polystyrene foam (EPS), based on fossil oil, is recognized as «recycled at scale» and «recycled in practice» of UNEP (United Nations Environment Program).

The main concerns around the use of EPS are its capacity to be recycled and its fragile nature when broken. In some regions, recycling facilities are scarce or non-existent. Fractured EPS has a tendency to crumble into smaller particles when released into the environment.

Effective management of fish boxes is required to encourage recycling and to mitigate the risk of release to the environment.

> **“Feed represents the lion’s share of both production cost and the carbon footprint of salmon farming**

Strategy and policy

Transitioning commercial activities from a linear to a circular use of resources will make our business more resilient and more resource efficient, benefiting the environment.

Our requirements to suppliers are covered in our Supplier Code of Conduct based on our high standards related to the social and environmental impact of our business.

Cermaq reuses and recycles waste whenever possible and ensures proper disposal or treatment of unavoidable waste. Increasing recycling is a priority and Cermaq aims to have no waste to landfill. Cermaq also engages with local communities and authorities to support waste management initiatives and awareness campaigns.

Cermaq has procedures in place to firstly prevent accidental releases of both hazardous and non-hazardous material, plans in place to respond to accidental releases if they occur, and mechanisms for clean-up and reporting.

Cermaq engages in beach cleaning activities in all regions where we operate. In Chile monthly cleanings of the surrounding areas where we operate is required by law, and there are administrative requirments in Norway. As well, Cermaq Canada has policy in place where the marine sites are required to perform monthly beach cleans within their tenure boundary and a wider-area beach cleanup of the adjacent bays, channels, and waterways on an annual basis.

The Cermaq Canada Marine Debris policy (available on our website) declares, amongst other commitments, that Cermaq will participate in the removal of marine debris in the geographic area of its operations at the request of the community, regardless of source.

Goals and actions

Circular economy plan for waste

To reach our goal of zero waste to landfill, Chile has implemented a circular economy program since 2021, successfully valorising 100% of the sludge generated in its on-land production process. Additionally, partnerships with local waste managers have been forged, and a digitization process has been implemented to ensure traceability of the company's waste. Efforts are being made to obtain a zero-waste certification that supports this commitment and allows for effective definition, pursuit, and achievement of our target.

Cermaq Canada has started the journey towards realizing a circular economy. Waste stream mapping is underway, and circularity is being assessed to transition from a “take-make-waste” linear model to a circular economy with a Zero Waste-to-Landfill goal. The Vancouver Island Coast Economic Developers Association, in partnership with the Synergy Foundation, assessed Cermaq Canada’s circularity and an overall circularity score of 53% was obtained. Current initiatives are underway to improve that score, including recycling and repurposing of nets, considerations for alternative product packaging, clothing and other textile reuse and recycling, efficient recycling and composting programs for domestic waste, awareness initiatives and programs for improving fuels and electrical consumption.

Improve product packaging

The packaging format may vary slightly between each of our producing countries and the requirements requested by the customers. That is why it is key to work with the customers on improvements and reduction of material use.

Since 2023, Chile's Extended Producer Responsibility (REP) Law establishes that producers and importers are responsible for the domestic environmental management of their packaging, even after it has been used by the consumer. Hence, we must track what consumers do post-use of packaging.

Our main company approach for waste management is based on the “R’s”: Reduce, Reuse, Recycle, Reject, and Repair.

Canada is researching alternative packaging materials to reduce the use of expanded polystyrene packaging.

Mapping use of plastics

To find the plastic footprint of salmon farming, Cermaq Norway has registered all plastics used in a smolt facility, a sea site, and a processing plant over one year. Cermaq pilots this plastic project for Global Salmon Initiative (GSI).

The pilot, which was run with the expert counsel of the Responsible Plastic Management Program team, set the objectives to categorize all plastic by type, use, function, source, quantity, and fate, leading to plastic ID and indexing for tracking performance over time. The pilot has been carried out on three Cermaq locations in Norway, the hatchery Forsan in Nordland, the sea site Toknebuktneset in Finnmark and the processing plant in Rypefjord in Finnmark.

Cermaq registered all plastics used through its value chain in Norway, from smolt, via sea site and a processing plant. In total, 350 different plastic items were found. These were categorized in three main groups: single use, short term use and long-term/ infrastructure.

The single use plastics include packaging, fish boxes, containers, feedbags, disposable lab coats etc. There are relatively few different items, 46 in total, where 90% of the total amount was used in the processing

plant. Sea site production had the fewest single use items.

The short-term use plastic includes for example gloves, life vests, sampling equipment, ropes, and boots. There were 131 different items, where sea site production counted for almost half of the item numbers.

The long-term use/infrastructure category includes water pipes, tanks, pumps, cage collars, walkways, lice skirts, plastic boats, conveyer belts, insulation etc., where most was used in the smolt facility.

> **“Our main company approach for waste management is based on the “R’s”: Reduce, Reuse, Recycle, Reject, and Repair.**

Salmon in EPS boxes.

Managing organic waste

Fish that cannot be sold due to quality issues or mortalities that occur in our sites is considered a waste for us. Still, it is a valuable resource that holds both nutrients and energy. This type of materials is sent to different reduction treatment plants, which turns what is waste for us into raw material for feed or for other types of consumption such as pet food in accordance with local regulations. Additionally, if this type of waste cannot be used as feed or by-product, it is sent to plants for biogas generation (in accordance with regulations) or composted for use as a soil additive for gardens and farms.

Beach cleaning

In Chile, the law is very clear and requires monthly cleanings of the surrounding areas where we operate, which is strongly monitored throughout the year. Additionally, we voluntarily carry out multiple beach cleaning campaigns in naturally occuring sink zones and when local communities request or inform us.

Canadian regulators have requirements built into the marine farm’s licenses that require debris generated by the facility to be collected or treated and disposed of in accordance with applicable regulations. Apart from chemically hazardous materials such as oil, diesel fuels and gasoline, objects such as nets and ropes are physically hazardous to wildlife by entanglement or entrapment. These objects must be reported to the regulator and retrieved, if possible, within a certain timeframe.

The company also sponsors, organises and/or participates in community beach and upland cleanups in the areas that Cermaq Canada operates in.

In Norway, an annual cleaning of shores in near vicinity of the sites is required through discharge permits. Cermaq engages many youth for summer work for additional beach cleaning in the regions it operates.

Performance

Packaging used, calendar year 2023

Input packaging: Packaging coming with raw materials used in the production process. These are the main ones recycled in each Operating Company.

Output packaging: Packaging related to wrapping or dispatching of products produced by the company.

Packaging source	Material type	Packaging type	Total used (tons)
Output Packaging	Wood	Pallets	1,543.2
Output Packaging	Plastic	2-HDPE	47.8
Output Packaging	Plastic	4-LDPE	1,220
Output Packaging	Plastic	5-PP	108.7
Output Packaging	Plastic	6-PS	3,842.3
Output Packaging	Plastic	7-Other plastics	4,648.9
Output Packaging	Paper/Cardboard	Cardboard	6,489.9
Input Packaging	Wood	Pallets	2,507.5
Input Packaging	Plastic	1-PET	65.1
Input Packaging	Plastic	2-HDPE	0.3
Input Packaging	Plastic	4-LDPE	273.8
Input Packaging	Plastic	5-PP	411.7
Input Packaging	Plastic	6-PS	29.9
Input Packaging	Plastic	7-Other plastics	121.5
Input Packaging	Paper/Cardboard	Cardboard	145.8

Salmon waste management, calendar year 2023

Treatment	Silage Tons
Reduction plant	10,742
Compost/ Fertilizer	17
Biofuel	5,085

Raw materials in feed

Even when the feed use is less than 1.2 kg per kg salmon, producing large volumes of salmon takes large volumes of feed. Cermaq used close to 300,000 MT of feed in FY 2023.

The main groups of ingredients in the feed are illustrated in the table below. The exact composition in each of our regions of operation varies based on availability, regulatory requirements, and market considerations.

Category	Category content	%
Marine oils	Fish oil, trimmings, algae oil	2-12 %
Vegetable oils	Rapeseed oil, linseed oil	3-18 %
Land animal oils *	Poultry oil	4-10 %
Micro ingredients	Vitamins, minerals	4-5 %
Marine proteins	Fishmeal, trimmings	2-14 %
Vegetable proteins	Soy protein concentrate	2-30 %
Land animal proteins *	Feather meal	4-20 %
Carbohydrates	Wheat, corn	8-12 %

*Land animal oils and proteins are used only in Chile and Canada Cermaq.

Proper nutrition is key for health, welfare and growth.

Own Workforce, ESRS S1

Through the double materiality assessment, we have identified Working conditions and Equal treatment as material to our operations and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance.

Description of impacts

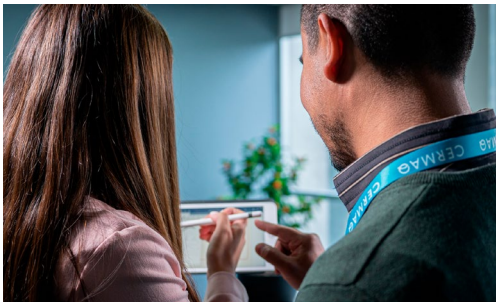
Choosing seafood for a healthy future as a career is a lifestyle. It is based on values. We farm fish, live animals whom we care for. We supply healthy, seafood protein with small footprint contributing to healthy lives and a healthy planet.

Cermaq has around 2900 employees in Canada, Chile, France, Norway, Brazil and USA. The farming operations are in Canada, Chile, and Norway. Salmon farming provides attractive and long-term workplaces that have relatively high income and are important for the economy of families and communities.

Our employees come from various countries, backgrounds, and beliefs. Most employees in Cermaq live in rural areas. Many have their workdays outdoors in wild and beautiful nature.

Working in aquaculture operations may also expose our employees to harsh weather conditions, noise, heavy lifting, slippery surfaces, stress, and isolation. This may have negative physical and psychological impacts. Globally, aquaculture has a high level of injuries. Cermaq has implemented various measures, such as providing personal protective equipment, conducting regular safety trainings, establishing emergency procedures, and promoting a culture of safety awareness among its workers. As a result, Cermaq has achieved a lower injury rate than the average for the aquaculture industry.

Work is an important quality of life, and we are proud to provide our employees a meaningful, developing, and diverse workplace with a strong commitment and contribution to the local communities and to the global sustainability agenda.



Cermaq employees.

Strategy and policies

A good working environment is essential for the well-being and productivity of our employees. It means that they feel safe, respected, valued, and motivated at work. It also means that they have opportunities to learn new skills, grow professionally, and contribute to the company's vision and goals. Developing a performance driven culture to foster effective execution, curiosity, transparency, and trust is a basis for Cermaq's strategy.

As Cermaq's operations are both local and global in nature, it is critical to nurture local cultural uniqueness while at the same time, sharing knowledge with the organisation globally. A good working environment fosters a sense of belonging, pride, and loyalty among our employees.

Cermaq's policy on health and safety policy states that:

- Cermaq will promote a culture of self-care with the emphasis on risk awareness in everything we do.
- Cermaq will continuously work to provide and improve our physical and psychosocial work environment.
- Cermaq will actively promote and support the safety programs and procedures designed to eliminate the risk of injury and occupational disease for our employees and contractors.
- Cermaq commits to implement safety practices that will meet or exceed the safety regulations that are in place in every jurisdiction in which we operate.

The policy underlines the Cermaq golden safety rules all employees shall follow:

1. I work safe.
2. I encourage my colleagues to work safely.
3. I don't take chances.
4. If my work is not safe, I will not do it.
5. I report unsafe conditions.

Our global policies as Code of Conduct, Conflict of Interest, Whistleblowing, and Acceptable IT Use, all reflect our core values of accountability, honesty, and integrity, and guide our employees in making the right decisions in their daily work. There are also local policies adapted to the local needs. These policies demonstrate our commitment to being a responsible and trustworthy employer, partner, and corporate citizen.

Employee safety related KPIs are incentivised as a part of all annual bonus schemes.

Goals and actions

Occupational health and safety

We have annual targets for absentee rate, lost time injury rate, injury rate, injury frequency rate and goal of zero fatalities. Each department has goals for recording a minimum of near-misses and performing emergency drills for all employees, for example first aid, man overboard, and fire. An action plan is developed on an annual basis and reviewed and revised throughout the year. Tasks and projects are assigned and tracked. Workers have regularly scheduled safety meetings at the local level. All accidents are recorded in an internal system and analysed systematically in order to prevent recurrence. Information from accidents is shared for learning purposes through the monthly OHS report.

All contractors are prequalified with a self-assessment where OHS training is described, and all contractors must by contract report all occupational accidents to Cermaq. In addition, we may also involve and work with our permanent contractors on their OHS efforts.

Attractive workplace

Employee branding is important to be an attractive workplace, and attracting women is particularly important in our industry. Cermaq Norway has a defined goal for increasing share of women at sea sites and women in management position and is active at presenting the work opportunities at schools and universities.

> "Employee safety related KPIs are incentivized as a part of all annual bonus schemes.

Performance

Workforce

The table below refers to calendar year end 2023. The table is based on the total of 2891 employees in Norway, Canada and Chile.

		Cermaq Canada	Cermaq Chile	Cermaq Norway	Cermaq Group	Cermaq Total
Employees	Total employees	219	1,898	732	42	2,891
Indefinate or Permanent employees	**Total Indefinate or Permanent employees**	**216**	**1,613**	**624**	**40**	**2,493**
	Female	**34**	**451**	**159**	**14**	**658**
	Male	**182**	**1,162**	**465**	**26**	**1,835**
%	Total Indefinate or Permanent employees - % of Total Workforce	98.6	84.8	83.7	95.2	85.8
	Female - % of Total Workforce	15.5	23.7	21.3	33.3	22.6
	Male - % of Total Workforce	83.1	61.1	62.3	61.9	63.2
Temporary or fixed term employees	**Total temporary or fixed term employees**	**3**	**285**	**108**	**2**	**398**
	Female	**1**	**100**	**31**		**132**
	Male	**2**	**185**	**77**	**2**	**266**
%	Total temporary or fixed term employees - % of Total Workforce	1.4	15.0	14.5	4.8	13.7
	Female - % of Total Workforce	0.5	5.3	4.2	0.0	4.5
	Male - % of Total Workforce	0.9	9.7	10.3	4.8	9.1
Full time employees	**Total Full time employees**	**213**	**1,897**	**713**	**41**	**2,864**
	Female	**33**	**550**	**177**	**13**	**773**
	Male	**180**	**1,347**	**536**	**28**	**2,091**
%	Total Full time employees - % of Total Workforce	97.3	99.7	95.6	97.6	98.5
	Female - % of Total Workforce	15.1	28.9	23.7	31.0	26.6
	Male - % of Total Workforce	82.2	70.8	71.9	66.7	71.9
Part time employees	**Total Part time employees**	**1**	**1**	**19**	**1**	**22**
	Female	**1**	**1**	**13**	**1**	**16**
	Male			**6**		**6**
%	Total Part time employees - % of Total Workforce	0.5	0.1	2.6	2.4	0.8
	Female - % of Total Workforce	0.5	0.1	1.7	2.4	0.6
	Male - % of Total Workforce	0.0	0.0	0.8	0.0	0.2
Management and administration employees	**Total Management and administration employees**	**46**	**214**	**96**	**42**	**398**
	Female employees	**21**	**44**	**48**	**14**	**127**
	Male employees	**25**	**170**	**48**	**28**	**271**

		Cermaq Canada	Cermaq Chile	Cermaq Norway	Cermaq Group	Cermaq
%	Total Management and administration employees - % of Total Workforce	21	11	13	100	14
	Other employees - % of Total Work-force	0.0	0.0	0.0	0.0	0.0
	Female employees - % of Total Work-force	9.6	2.3	6.4	33.3	4.4
	Male employees - % of Total Workforce	11.4	8.9	6.4	66.7	9.3

Injuries and absentees

FY2023	Number of fatalities	Absentee Rate (%)	Lost time injury Frequency Rate (H1)	injury Frequency rate (H2)
Cermaq Group AS	0	3.6	0	0
Cermaq Canada	0	2.3	0	2.3
Cermaq Chile	0	4.0	5.8	7.9
Cermaq Norway	0	4.6	1.4	9.1
Cermaq total	0	4.0	4.2	7.7
Female of total	0	6.2	1.4	2.0
Male of total	0	3.2	5.2	9.6

HS management systems

Cermaq Canada is certified according to ISO45001, while Cermaq Chile is certified according to the IFS and the BAP Standards both covering occupational health and safety. Also, the ASC certification has requirements to OHS management for employees.

All Cermaq employees are covered by an occupational health and safety management system.

OHS health service

Cermaq employees have insurance that secures them health service in the event that an employee suffers an injury, including medical care, treatments, medications, rehabilitation and payment equivalent to the days of absence.

Work training on OHS

Occupational Health and Safety training is implemented both in line with local laws and regulations and certifications, see actions above.

Whistle blowing

Below are the total number of whistle-blowing incidents in calendar year 2023. Whistle blowing may address other topics and concerns not related to own workforce.

	Cermaq Norway	Cermaq Group	Cermaq Chile	Cermaq Canada	Total
Whistle-blowing incidents	3	0	65	0	68

“If my work is not safe, I will not do it.

Workers in the value chain, ESRS S2

Through the double materiality assessment, we have identified Workers in the value chain as material to our operations and describe our actual and potential positive and negative impacts as a basis for our goals, actions, and reporting of performance.

Description of impacts

As feed is a critical component of salmon farming, our focus on impacts is primarily on the value chain of salmon feed. Many individuals are engaged throughout this chain, involved in sourcing feed ingredients such as fish meal, fish oil, soy, corn, wheat, other plant and animal products, and novel raw materials, before the feed companies produce the fish feed.

These ingredients are imported from various countries, providing work opportunities in those regions. However, some of these countries may pose risks of human rights violations and non-compliance with decent working conditions. Cermaq's feed suppliers analyse these risks by assessing both the country and the industry to ensure that any ingredients used in the feed comply with Cermaq's ethical standards and are free from conflicting issues.

Employees in other supplier value chains also include a wealth of local suppliers, representing substantial employment and activity in their local communities.

In the area of equipment for sea site operations (e.g., nets, pens, barges), for freshwater sites, and processing plants, the suppliers are often large national, regional, or even global companies with long and complex value chains.

While Cermaq does not have full insight into the situation for workers throughout the entire value chain, we clearly state our ethical expectations to our suppliers. This includes the certifications they should request from their suppliers. Cermaq partners with feed suppliers to address these issues, and we regularly engage with our feed suppliers to ensure adherence to our ethical standards.

Strategy and policies

Cermaq Supplier Code of Conduct has been established to ensure responsible practices throughout the supply chain. Suppliers are encouraged to implement the UN Global Compact Ten Principles in their organizations and integrate the UN Sustainable Development Goals in their strategies. The document describes the standards that all Cermaq's suppliers are expected to uphold. The code specifies requirements for human rights, labour rights and health and safety for workers. Cermaq expects its suppliers to request similar standards from their suppliers and subcontractors.

Goals and actions

ESG tool for feed

In the realm of sustainable business practices, the importance of Environmental, Social, and Governance (ESG) considerations cannot be overstated. The Global Salmon Initiative (GSI) has together with World Wildlife Fund (WWF) pioneered an innovative ESG tool designed to address the multifaceted challenges within the salmon farming industry. This tool is not only pivotal for environmental stewardship but also plays a crucial role in mitigating social risks and ensuring the welfare of workers throughout the value chain.

Addressing Social Risks

The salmon farming industry is characterized by a complex supply chain that spans multiple countries and involves a diverse workforce. This complexity brings with it significant social risks, including potential human rights violations, labour abuses, and non-compliance with decent working conditions. The GSI's ESG tool is instrumental in identifying, assessing, and mitigating these risks. By providing a standardised framework for evaluating social performance, the tool helps companies ensure that their operations and those of their suppliers adhere to high ethical standards.

One of the key features of the ESG tool is its ability to conduct comprehensive risk assessments. These assessments consider various factors such as the country of origin, the nature of the industry, and historical data on labour practices. By doing so, the tool enables companies to pinpoint high-risk areas within their supply chain and implement targeted interventions to address these issues. This proactive approach not only protects workers but also enhances the company's reputation and ensures compliance with international labour standards.

Protecting Workers in the Value Chain

Workers are the backbone of the salmon farming industry, and their well-being is paramount to the sector's sustainability. The ESG tool emphasises the importance of safeguarding workers' rights and promoting fair labour practices across the entire value chain. This includes everyone from those engaged in the sourcing of feed ingredients, such as fish meal, fish oil, soy, corn, and wheat, to employees in processing plants and sea site operations.

Cermaq, a leading member of the GSI, exemplifies the commitment to worker welfare by using the ESG tool to monitor and improve labour conditions. The tool helps ensure that all feed ingredients are sourced from suppliers who uphold Cermaq's ethical standards, thereby preventing the use of materials from regions with known human rights violations. Moreover, the tool supports ongoing dialogue with suppliers, fostering transparency and accountability.

Enhancing Transparency and Traceability

Transparency and traceability are critical components of a sustainable supply chain. The ESG tool aids in enhancing visibility across the value chain, allowing companies to trace the origin of their raw materials and verify the working conditions under which they were produced. This level of transparency is essential for building trust with stakeholders and ensuring that all aspects of the supply chain meet stringent social and ethical criteria.

By leveraging the ESG tool, companies can offer concrete evidence of their commitment to social responsibility. This not only strengthens stakeholder relationships but also mitigates risks associated with supply chain disruptions, regulatory non-compliance, and reputational damage.

The ESG tool developed by the GSI has together with World Wildlife Fund (WWF) is a transformative instrument that significantly enhances the salmon farming industry's ability to manage social risks and protect workers. By providing a robust framework for assessing and improving labour practices, the tool ensures that companies like Cermaq can uphold the highest ethical standards throughout their value chain. This commitment to social responsibility is crucial for fostering a sustainable, resilient, and equitable industry that benefits all stakeholders.

Cermaq is committed to integrating this tool into our operations, starting from Q3 2024, in collaboration with our feed suppliers. By utilizing this tool, we aim to gain comprehensive insights into our supply chain, enhancing transparency and accountability. The ESG tool will enable us to systematically assess and address social risks, ensuring that our practices align with high ethical standards and support decent working conditions for all individuals involved. Results from the initial application of the ESG tool are expected by the end of the year. These insights will not only inform our strategies for improving social responsibility but also strengthen our partnerships with feed suppliers and other stakeholders. Through this proactive approach, Cermaq is dedicated to fostering a sustainable and socially responsible salmon farming industry, contributing positively to the communities and ecosystems we engage with.

Due diligence assessments

Enterprises operating in Norway must demonstrate that their supply chain is in compliance with fundamental human rights and decent working conditions and publish an annual account of due diligence. The statement applies to Cermaq Group AS and its subsidiaries.

Since the company faces risks within some supply chains related to feed and equipment, the company has prioritized measures to reduce the risks, including:

- Conducting dialogues with suppliers regarding the risks of human rights violations and decent working conditions.
- Updating contract terms and appendices to our standard contracts, setting requirements for labour rights and respect for human rights.
- Conducting regular investigations, such as workplace audits, to assess working conditions.
- Negotiating with feed suppliers to accept certification according to the ASC standard feed mill during the next contract period.

Performance

The Transparency Act Report

In the most recent assessment Cermaq has not identified that its operations have caused or contributed to significant risks of human rights violations or decent working conditions.

Fishing boat (photo SeaBOS).

Affected communities, ESRS S3

Through the double materiality assessment, we have identified Rights of Indigenous Peoples and Community resilience as material to our operations and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance.

Description of impacts

Location of salmon farming has been defined by the coastlines where the ocean conditions have met the requirements for raising salmon. Salmon farming takes place mostly in rural communities, and has brought development, growth and activity to many local communities which traditionally may have experienced a decline in population or a reduction in economic and social opportunities. Many of the local communities in which Cermaq operates are remote and isolated. Cermaq also operates in areas with Indigenous communities that have ancestral rights and connections to the land and sea where salmon farming takes place. This is in particular the case in British Columbia, Canada, but there are also indigenous peoples and communities with such connections in Chile and Norway.

Salmon farming can provide jobs, income, and infrastructure for these communities, as well as opportunities for local businesses and services. Cermaq's activities generate tax revenues, local purchases, and social investments that benefit the regions where the company operates. In many local communities Cermaq plays a significant role as employer with substantial ripple effects for the economy of the community. However, salmon farming may also pose environmental and social risks, for example conflicts with wild fisheries, tourism industry, and loss of traditional culture and values may all arise if not carefully considered as integral to operational plans. The local communities have many stakeholders and their views on salmon farming may differ.

In the end, salmon farming cannot operate successfully in local communities unless it is welcomed by the community as the farming in the sea takes place in common waters.

Strategy and policy

Cermaq's strategy for local communities is to engage with them in a transparent, respectful, and mutually beneficial way, creating shared value with key stakeholders and rightsholders.

A basis for this is demonstrating visible progress on sustainable farming, ocean impacts, responsible production, and climate action.

Cermaq aims to be a responsible community partner by:

- Listening to the needs and expectations of the local authorities and other stakeholders and addressing their concerns.
- Contributing to the social and economic development of the communities where it operates through job creation, local sourcing, and infrastructure improvements.

- Minimizing the environmental impact of its operations and ensuring the sustainability of the natural resources it depends on.
- Collaborating with other actors in the aquaculture sector, such as governments, NGOs, research institutions, and industry associations, to promote best practices and innovation.

Cermaq Canada has defined 10 principles for its relations to First Nations, including UNDRIP overarching principles and implementation of the Truth and Reconciliation Committee (TRC) Call to Action #92, on the role of business in promoting reconciliation. Cermaq acknowledges the rights and title of Indigenous Peoples and work to ensure that when operating in traditional territories, it respects the environment, local culture, and traditional practices of Nations in whose territories we farm.

Goals and actions

In BC, Canada our goal is to reinforce our long-term strong relation to Ahousaht First Nation and to explore potential partnership pathways with other local First Nation groups.

Key activities related to this include:

- Contributing with materials and training to the Ahousaht Nation-owned 'Hatchery in a Box', which resulted in thousands of wild chum salmon fry released into their territorial rivers.
- A joint electrification project between Cermaq and Ahousaht, the goal of which is to bring more reliable and greener electrical power to both Ahousaht development plans and nearby salmon farms.
- Contributed to early planning discussions to support the development of an Indigenous Centre for Aquatic Health Sciences in Laichwiltach territory, a project led by Wei Wai Kum First Nation. This project aims to build a research laboratory and marine data hub in the city of Campbell River, housing key data sets related to aquaculture and marine health, performing lab duties at a globally recognized level, as well as a resource and training centre for First Nation Guardians and stewardship teams.
- Organised and accompanied a delegation of representatives from three Vancouver Island First Nations to Norway in October 2023. The purpose of the trip was to view cutting-edge technology and discuss how it may be implemented in British Columbia in the future. Presentations from several technology companies, as well as a wide-ranging itinerary, resulted in a successful journey that sparked several positive and on-going conversations.

Cermaq employee.

In Chile, Cermaq aims for long-term development and relations to positively impact the locations where we operate.

The key actions include:

- Open Doors program where we invite our neighbours to our facilities. Showing the day-to-day life of a Cermaq employee and the work we do as a way to demonstrate the internal standards set by the company and the national and international regulations we comply with.
- We carried out company organised beach cleanups, and supported those organised by other organisations, in which community, authorities and different salmon farmer associations played a key role. For us, it is important that we work and communicate together to maintain optimal conditions in the beach areas within our operational areas, neighbouring communities, and watersheds.
- We also held environmental workshops to promote local recycling and composting initiatives, focused on isolated communities, to support the reduction of waste generation in areas with reduced access to waste disposal facilities.

In Norway, our goal is to build strong relations, add value, and increase our social license to operate. Establishing and maintaining good relationships based on dialogue, transparency, and mutual understanding is a central part of Cermaq Norway's community engagement.

- Being an active partner in the local communities is basis for our support to the long list of organizations and initiatives; spanning from theatre groups to support groups for dementia, swimming clubs, students' associations, hunting and anglers' clubs, to sports clubs for children and youth.
- Cermaq management also meets regularly with local administration and politicians in all the municipalities where the company has operations to discuss current and planned activities and opportunities for development, as well as challenges going forward.
- Cermaq Norway is dependent on access to labour and engages with local communities, municipalities, and local companies to offer attractive education and jobs locally. The education model "Steigenmodellen" is a good example. It is an education model where youth can get a certificate of apprenticeship after 4 years of combined education and apprenticeship in a company. This model has given good results and provides attractive opportunities for local youth, as well as attractive recruitment possibilities for local companies. Last year we had a total of 17 youth in the Steigenmodellen.
- We are also engaged with R&D institutions to the benefit of local fjords, waters, and rivers. We continued to fund the surveillance of salmon wild stocks in cooperation with Varpa River system, with very encouraging results. In Finnmark county, we are a partner in research projects looking at the potential interbreeding success of escaped salmon in the national wild salmon rivers Altaelva and Repparfjordelva. Cermaq is one of the founders of the foundation Anadrom supporting activities to strengthen local salmon stocks in the rivers.
- Our engagement in beach cleaning continues. To keep our beaches clean from plastics and debris we provided work experience for youth as summer employees to address our common need. Our operations engaged youths between 15 and 18 years, in various parts of our operations and many of them were dedicated to cleaning the beaches in our two operating regions.

Performance

Operations with local community engagement, impact assessments, and development

Due to government processes that have been underway for several years in Canada, and thentremendous uncertainty about the future of salmon farming in British Columbia, efforts from Cermaq Canada have focused on maintaining our high standard of operational practices while working closely and collaboratively with Nations partners, government, communities in the development of modern aquaculture plans as part of the transition process. Cermaq has been mindful of the stress and concern the uncertainty these government processes have brought to our communities and have worked on good communication and calm collaborative leadership to support our network in Canada.

In Norway two neighbour meetings were held at Sørøya in Finmark related to the construction of a new freshwater facility in a small community more than 70 degrees north. The construction is a very large investment that will provide many full-time workplaces when it comes in operations.

South of Puerto Montt, close to Chiloé, Cermaq is building a freshwater facility, a large construction providing workplaces during construction period and multiple permanent workplaces.

Beach cleaning carried out in all our regions is an important task to keep our beached free from debris, no matter the source of the debris. It also involves values as cooperation and engagement between employees and other members of the local communities. In Norway, beach cleaning provides work during summer to many youths, and for many of them this is their first work experience.

Beach cleaning.

Inviting neighbours to share our plans, performance, and concerns is building trust and our social license to operate. Open Door activities in Chiloé and the Magallanes region in Chile gave during 2023 more than 100 people the opportunity to get to know our facilities and processes.

Following the many projects and activities in Ahousaht territory the year culminated in a Holiday Party in the village, which saw nearly 800 community members join Cermaq staff and representatives to share stories, food, and gifts.

Right of Indigenous Peoples

In the reporting period, there were no complaint on Cermaq's business conduct registered from First Nations in territories in which we operate.

Customers and consumers, ESRS S4

Through the double materiality assessment, we have identified Health and safety of consumers as material to our operations and describe our actual and potential positive and negative impacts as basis for our goals, actions, and reporting of performance.

Description of impacts

Cermaq is a global leader in sustainable aquaculture, producing healthy and nutritious salmon for consumers around the world. Salmon is not only a delicious and versatile food, but also a rich source of protein and essential fatty acids that can benefit human health and well-being.

Our production of more than 230,000 tons LWE (Live Weight Equivalent) in the fiscal year of 2023 corresponds to more than 1,000 million meals and reaches consumers in multiple markets with EU, US, Brazil, Japan, and China being our largest markets.

Farmed salmon is sold mainly as fresh product in the market and the consistent supply of fresh salmon is key to customers. As the fresh product has a short shelf life, traceability and 3rd party certifications are key to customers. Traceability and certifications are equally important for the frozen salmon market.

As the world population is expected to reach 9.7 billion by 2050, the demand for food, especially animal protein, will increase significantly. However, the current food system contributes to greenhouse gas emissions, biodiversity loss, and environmental degradation. Almost 80% of agricultural land is used for feed production. Therefore, a global food transition is needed to shift from animal-based to plant-based diets, and to increase the consumption of seafood, which has a lower environmental impact and a higher nutritional value than other animal sources. As a high-quality food, farmed salmon is well positioned to replace meat in many markets.

Cermaq salmon is one of the richest sources of omega-3 fatty acids, known to lower the risk of cardiovascular disease and provide other health benefits. Increasing one's intake of fish is recommended in public dietary advice as a healthy source of protein and of other essential nutrients.

All foods may contain unhealthy substances present in the environment or absorbed from what the animals eat. Fatty fish is known to accumulate certain undesirables. Fortunately we control the diet of our farmed salmon and can thereby minimize the amounts of environmental pollutants. To ensure the high quality of farmed salmon, the feed producers purify the fish oil in the feed when needed. Removal of undesirables from the nutrient chain benefits both the environment as well as making farmed Cermaq salmon one of the purest seafoods available.

From the most suitable areas for salmon farming on earth, our salmon is shipped to give our customers food they can feel good about eating, it tastes great, it is heart-healthy, it is kind to the planet – and it is safe.

Strategy and policy

Cermaq's Strategy is to grow our production of healthy seafood produced responsibly with lowering the carbon footprint, reducing environmental impact and ensuring strong fish health and welfare.

Food safety

Food safety remains the highest priority within Cermaq. It is also at the core of the expectations of our customers and consumers. Ensuring food safety is deeply integrated into the daily operations of key business functions including the farming, harvesting, processing and distribution of farmed salmon.

Our products meet or exceed all statutory and regulatory requirements for food safety as well as our customers mutually agreed-upon Food Safety requirements. 100 percent of our product categories are assessed for health and safety impacts. This is part of the ISO 22000, which is fully implemented applying to our operations in Canada and Norway, and the IFS standards implemented in Cermaq Chile. The processing plants in Chile have BAP (Best Aquaculture Practice) certification from the Global Aquaculture Alliance. In addition, we have the ASC (Aquaculture Stewardship Council) and Cermaq Chile has Certified Humane Chain of Custody certification for Atlantic Salmon and Coho Salmon species.

Customers

As a B2B partner, our strategy is based on three main pillars:

- We build long term relations with our customers based on high service level.
- We provide high quality products with certifications and specifications meeting customer needs.
- We provide transparent and reliable information about our salmon, such as its origin, health, welfare, environmental impact, and social responsibility, to enable our customers to make informed choices and communicate with their consumers.

Goals and actions

Zero non-compliances with health and safety requirement

Food safety has the highest priority, and our goal is to have full compliance with regulations in all regions at all times. Through our comprehensive food safety programs, we continuously monitor and control any physical, chemical and biological risks associated with our products.

The bacteria *Listeria monocyogenes* is a well-known risk in food production and is managed through good hygiene practices, thorough monitoring programs and action plans for what to do in case of a detection. Should there be a risk of unsafe food, Cermaq has rigorous and robust procedures to ensure that the product does not reach consumers.

We have a strict product recall procedure that defines the different stages that are executed in the event of a product recall in situations where a quality issue may affect our customers or not meeting market requirements. During the period 2023-2024, our company has not experienced any market recalls of unsafe products or market health alerts.

Customer complaints and feedback

Cermaq has a tradition of delivering goods and services according to the market expectations and takes pride in maintaining high customer satisfaction. Our regular customers surveys give us important feedback on the aspects customers value and how they assess Cermaq as supplier. Any customer complaints should be managed without delay and in a respectful and correct way. Our customer complaints procedure, defines how to act to identify the root cause and the follow up with the customer.

Traceability

Product traceability is guaranteed through a robust control system that uses codes corresponding to the batch number, which is a unique number that allows us to track

the history of the product from its origin to the customer, facilitating effective actions against product recalls.

Performance

ASC certification

In 2023, a total of 78% of Cermaq Norway's net harvest biomass (excluding discards) was ASC certified. For Cermaq Chile the share of ASC certified salmon was 36% and for Cermaq Canada 24%.

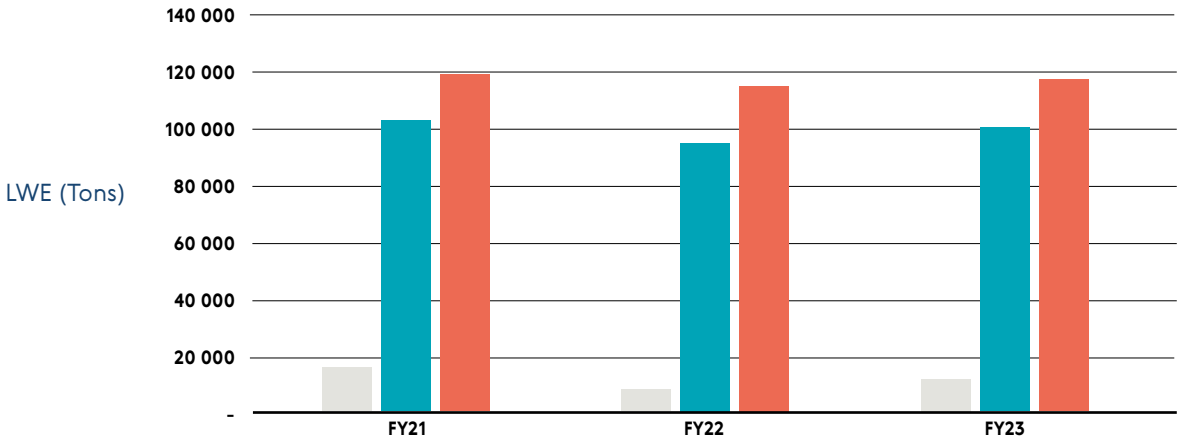
For updated information on site status see: Find a farm - ASC International (asc-aqua.org)

Non-compliances with food safety regulations

In 2023, there were zero non-compliances regarding product quality and safety in any operating region.

Supply of Atlantic salmon and Coho salmon

Fish production (LWE in Tons) Fiscal Year 2023



	FY21	FY22	FY23
Cermaq Canada ATS	17 690	9 449	12 732
Cermaq Norway ATS	102 470	95 667	101 230
Cermaq Chile ATS+ COS	119 438	115 660	117 461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Fish health and welfare

Through the double materiality assessment, we have identified Fish health and welfare as material to our operations and describe our actual and potential positive and negative impacts as a basis for our goals, actions, and reporting of performance.

Description of impacts

Raising salmon comes with the full responsibility for the health and welfare of the fish throughout their lives. That is a responsibility we take very seriously. Good fish health and welfare is not only a responsibility, but also the most robust basis for good business performance.

Farmed animals live other lives than wild animals. The survival of farmed salmon is tremendously high compared to nature, which is nothing less than what should be expected. In nature, from the eggs that are hatched only a few salmon return to the river to spawn. In farming, we define the conditions, and the survival is high, ca. 94 % in the ocean. However the salmon face other challenges that may compromise their health and welfare.

A healthy fish cared for with the highest welfare standards performs better and is ultimately better quality. This is essential for the productivity and sustainability in our farming and our commitment to the fish that we raise.

When the fish is left alone in water of good quality with access to right nutrition, the fish will thrive, and welfare is not likely of being challenged. However, pathogens and in the ocean also parasites, alga blooms, and jellyfish may compromise fish health and welfare, and our focus is to avoid this from happening.

We do not always succeed, and situations may suddenly occur or develop rapidly. As salmon live in water and in large stocks, it is not possible to treat the fish individually. This means that individual fish may suffer before action is taken, and that actions will be taken also for individual fish that are not in need.

Today, avoiding sea lice attaching to the salmon is the one situation that has the largest negative impact on fish welfare. Acceptable presence of the natural occurring parasite is regulated, and many types of treatment stress the salmon, and may cause harm, lead to reduced resistance against infections, and compromise welfare.

Raising animals also means terminating life, and whether this is harvesting of full-size fish or culling of fish to avoid fish health and welfare being compromised, fish welfare is at the centre also at the point of termination of life.

> “The survival of farmed salmon is tremendously high compared to nature, which is nothing less than what should be expected.

Strategy and policies

Growing salmon is Cermaq's business. High quality farmed salmon is our product. Ensuring fish health and welfare, through preventive measures is at the core of our business strategy.

Cermaq's fish welfare policy is centred around the application of the best available scientific and operational knowledge to ensure industry-leading standards in fish welfare, which exceed legal requirements. The policy encompasses the production of Atlantic salmon and Coho salmon across Cermaq's operating regions, with a clear stance against the use of genetically modified or triploid fish and cleaner fish, due to welfare concerns.

Our policy for the use of antibiotics is to limit the use to cases where:

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

The Managing Directors and the Group Management Team oversee the policy, goals, KPIs, and performance on fish welfare, supported by dedicated fish health teams in each operating company. Fish welfare is a key responsibility for all involved in fish production at Cermaq, and there is a dedicated research team focused on fish health and welfare that supports all operating companies and drives research and trials.

Both freshwater facilities and sea water sites have health plans outlining standards, procedures and actions including treatments. The plans are developed and revised by our designated veterinarians/aqua medicine experts and checked by both authorities and auditors.

Goals and actions

Vaccination

Use of vaccinations against bacterial and viral diseases is a core preventive measure to safeguard fish health and welfare.

Vaccination is delivered primarily in the hatcheries by injectable vaccines. After the vaccination the smolts will have time to obtain immunity and thereby be protected at the moment of stocking against disease faced during life in sea water. The fish can also be vaccinated to prevent disease in the freshwater phase.

All fish shall be vaccinated with the available vaccines specific to the species farmed and diseases found in each region, Chile, Canada, and Norway.

Smolt in freshwater facility.

Screening and monitoring

Our approach is to develop preventive measures against diseases by identifying the causative pathogens and revealing the transmission routes of these pathogens. The first line of preventive measures are systematic pathogen screening and strict hygiene adapted to the production system.

We screen our fish to prevent the presence of pathogens. In Norway we screen our brood stock for ISAv, HPR0, PRv, PMCv and IPNv, and the grow out fish for ISAv, PRv, PMCv and sometimes for ISAvHPR0. We also screen for the presence of the bacteria *Moritella viscosa* and *Tenacibaculum spp.* when needed. In Canada we screen for BKD, SRS, IHNv, VHSv, A sal, ERM and PRv. In Cermaq Chile we screen our fish for the following pathogens ISAv, ISAvHPR0, IPNv, SRS, BKD in addition to the governmental exotic disease screening were PD, IHN, VHS and others are screened for.

The fish behaviour is monitored daily from the surface and in the ocean production as well as from cameras at different depths inside the pen, and actions are taken if abnormal behaviour is seen. Both depth distribution, swimming patterns and feeding are elements important to assess the welfare, and key parameters are registered. We utilize a scientifically recognized method for welfare scoring, using a protocol where elements scored and registered include environment, population parameters, and individual traits including several external traits on e.g. skin, fins and head status.

“When the fish is left alone in water of good quality with access to right nutrition, the fish will thrive, and welfare is not likely of being challenged.

Optimizing feed

Our salmon require high-quality feed that provides a balanced array of nutrients essential for their growth, health, and development. These nutrients include proteins, vitamins, minerals, and, crucially, omega-3 fatty acids such as eicosapentaenoic acid (EPA) and docosahexaenoic acid (DHA). Omega-3 support brain and nervous system development, enhance immune systems, and improve reproductive performance. Proper nutrition is vital for maintaining strong bones, muscle development, and overall vitality, ensuring that our salmon remain robust and healthy throughout their lifecycle. In addition, these nutrients play a critical role in maintaining the skin health of the salmon. Healthy skin is essential for protecting salmon against pathogens and parasites, reducing the risk of infections and diseases, and improving overall fish welfare.

Ensuring our salmon are rich in omega-3 not only promotes their health but also provides significant consumer health benefits, meeting the demand for nutritious food options that support cardiovascular health, brain function, and inflammation reduction.

Optimizing feed in a sustainable manner is vital for environmental, economic, and nutritional reasons. Traditional fish feeds often rely on fishmeal and fish oil sourced from wild stocks, leading to overfishing and depletion of marine resources. By utilizing sustainable feed alternatives such as plant-based proteins, algae, and insect meal, we can significantly reduce environmental impact and preserve marine biodiversity. Additionally, optimizing feed formulations improves feed conversion ratio, making our production more resource-efficient and reducing waste. This not only minimizes our environmental footprint but also enhances the economic viability of our operations by lowering feed costs, which are typically the largest expense in aquaculture.

Moreover, tailoring feed formulations for different seasons helps optimize the health and performance of our salmon. In summer, when water temperatures are higher, salmon

metabolism increases, necessitating feed that supports higher energy requirements and growth rates. Conversely, in winter, cooler water temperatures slow down metabolism, requiring feed formulations that support maintenance and health during periods of lower activity. Seasonal optimization ensures that our salmon receive the appropriate nutrients year-round, enhancing their resilience and overall performance.

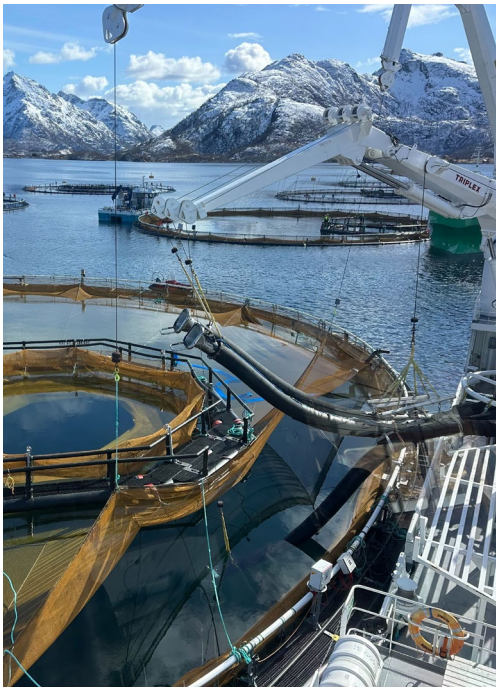
Cermaq is part of the Arctic Salmon Research Centre, a collaborative initiative with Nofima and the Norwegian University of Life Sciences (NMBU). Through this partnership, Cermaq aims to advance the general knowledge of salmon nutrition and feed composition under Arctic environmental conditions in Finnmark, characterized by varying day lengths and low sea temperatures. Our research focuses on optimizing growth, feed utilization and strategies, fish health, and product quality to ensure the best outcomes for salmon farming in these unique and challenging conditions.

New, improved technologies

Laser has proven to be effective against salmon lice and gentle on the salmon. Avoiding mechanical delousing measures means leaving the fish swimming in peace and quiet without stressing them. After extensive evaluation at parts of Cermaq's operations in Norway, lasers nodes will be put into use at suitable facilities in all Cermaq's operations in Norway.

In Norway, Cermaq is testing submersible pens, where cages are lowered to a depth of 25 m and thus keep the salmon below the water layer where the salmon lice are. So far this looks very good, the salmon is lice-free. Submersible cages have a major advantage in avoiding lice. In addition, the cage has less risk of fish escapes and is less exposed to storms and waves and thus also suitable for more exposed areas.

At the same time, the submersible pen utilizes the sea's natural circulation of clean, cold, and oxygen-rich water. The fish are monitored using cameras and sensors, and thus we can monitor how the fish behave and ensure that fish health and welfare are good.



Stocking fish in a cage with iFarm.

Cermaq has tested several closed containments both in Norway and in Canada, but so far, the technologies have not proven successful. However, we believe the technology will be available in the future.

The iFarm project is finalized in 2024 after four years development. The project has been successful giving significant knowledge and experience. As expected, the technology is not yet ready for commercial use. The report on the project is publicly available.

Preventive sea lice management

Our main strategy when it comes to sea lice is prevention, avoiding the sea lice to attach to our salmon. The most used preventive measure is lice skirts around the pen used during periods when lice larvae levels in the water currents are highest.

If treatment is needed, we will select treatment that is both efficient and gentle to the fish. The use of laser against sea lice is spreading as it reduces the sea lice

pressure significantly and does not stress the fish. In-feed treatment is also gentle to the fish but may lead to sea lice developing resistance and can also have environmental impacts. In-bath medical treatment will both stress the fish and may lead to sea lice developing resistance, and the water must be properly disposed.

Hydrogen peroxide is also used, which requires handling of the fish, but the active ingredient is quickly broken down into water and oxygen and hence has very limited environmental impacts. Non-medical measures include various treatment with fresh water and sea water where the physical treatment will stress the fish.

During treatment, the impact on welfare is monitored and registered, and treatment stops if acceptable welfare cannot be maintained. To avoid sea lice developing resistance it is important to have multiple options for treatment and selecting the right type for each situation.

Escapes

We cannot guarantee for the welfare of fish that has escaped from our farming. Our goal is zero escapes and we have implemented multiple measure to avoid escapes. See more information in the chapter on biodiversity.

High Survival

Cermaq aims for the maximum level of survival until harvest and that a minimum of the harvested fish is downgraded from causes compromising fish welfare. Low mortality and low share of downgraded fish are both linked to high fish welfare, even if there are situations where these are not correlated.

Welfare certification

In Chile, Cermaq engages in multiple projects related to fish welfare. The Fish welfare certification system is covering the full life cycle with check points and standards from hatching to harvest. Certification in accordance with animal welfare allows for product labelling.

Performance

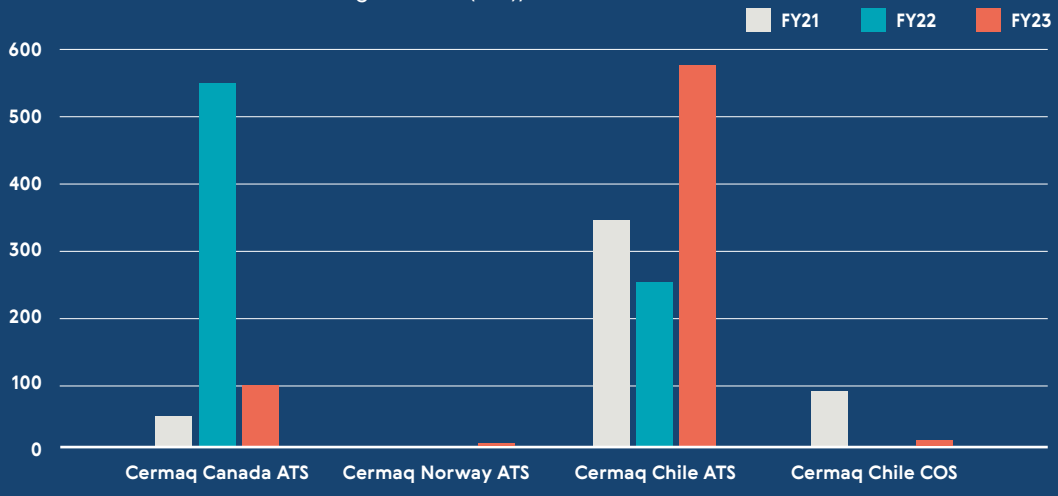
Vaccination

We vaccinate our fish with the available vaccines specific to the species farmed and diseases found in each region.

Vaccination Program 2023	Cermaq Canada	Cermaq Chile	Cermaq Norway
SRS		X	
Furunculosis	X	X	X
Vibriosis	X	X	X
Coldwater vibriosis	X		X
Winter ulcer	X		X
IPN		X	X
ISA		X	X
Enteric Red Mouth			
IHN	X		
BKD		X	

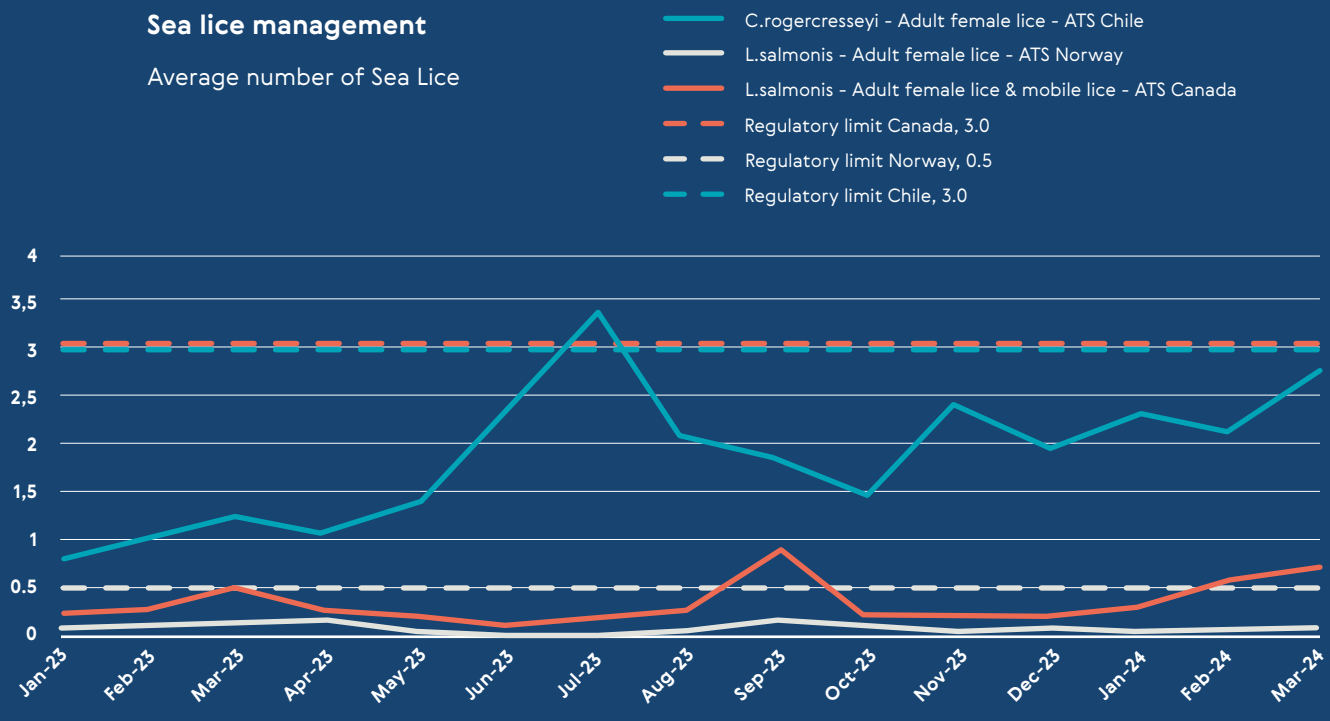
Antibiotic use

Antibiotic use (FY 2023)
Gram Active Pharmaceutical Ingredients (API)/LWE



Sea lice management

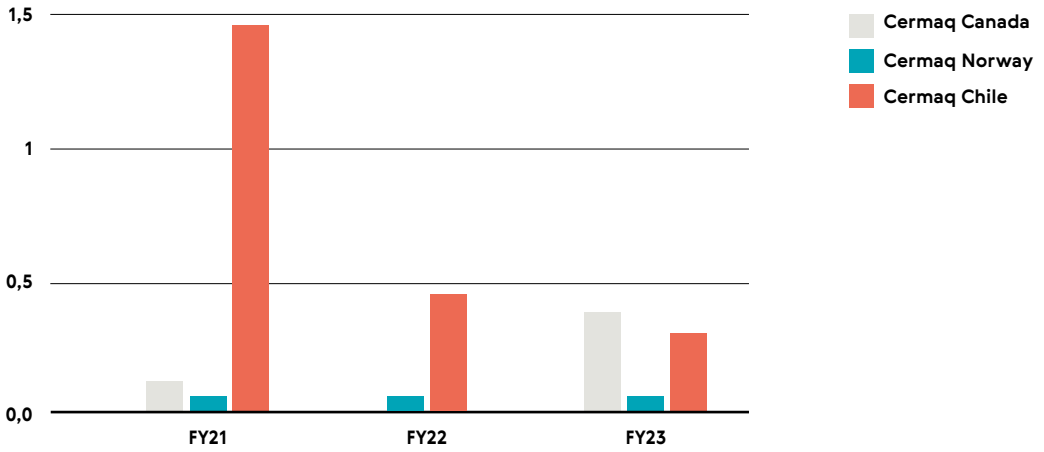
Average number of Sea Lice



In Norway the sea lice regulatory limit is 0.2 in period from calendar week 21 to 26, which is the time of out-migrating smolt in the areas Cermaq Norway has operations.

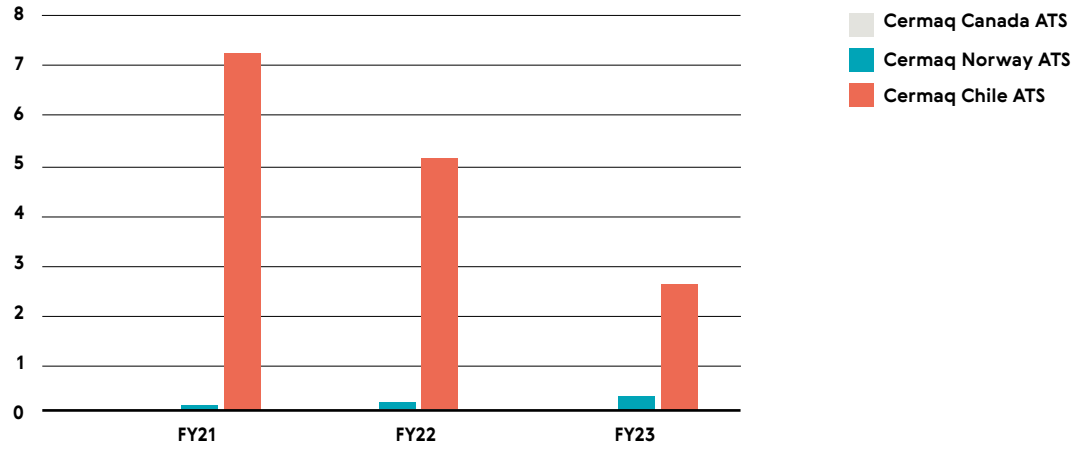
Sea Lice Treatment Used in Feed

Grams Active Pharmaceutical Ingredients (API)
per Ton Live Weight (LWE) produced



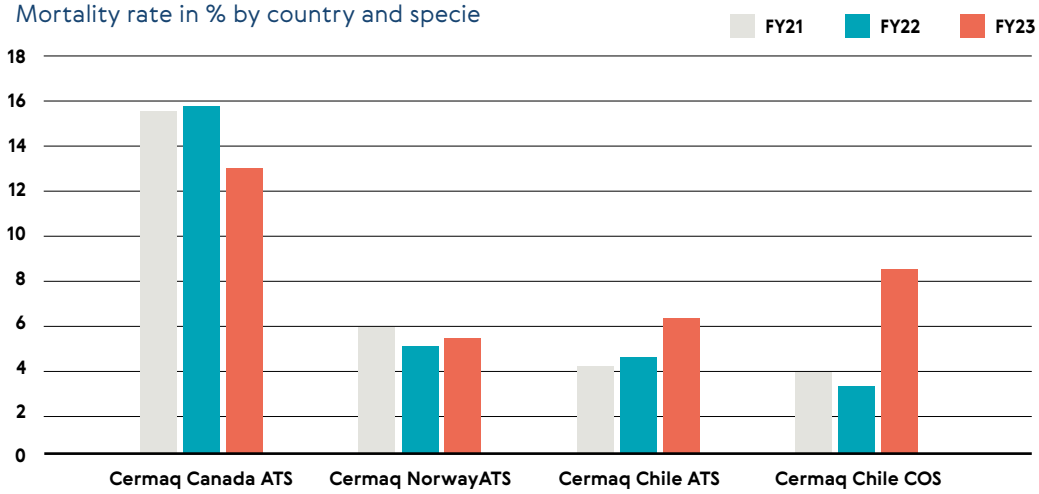
Sea Lice Treatment Used in Bath

Grams Active Pharmaceutical Ingredients (API)
per Ton Live Weight (LWE) produced



Fish mortality

12 months rolling mortality rate (FY)
Mortality rate in % by country and specie



The mortality rate is calculated based on the GSI standard. This is not necessarily the same calculation as used by national authorities.

A close eye on fish welfare.

Political engagement, ESRS G1

Through the double materiality assessment, we have identified political engagement as material to our operations and describe the impacts and risks as a basis for our goals, actions, and reporting of performance.

Description of impacts

Salmon farming is a highly regulated industry, requiring approval for total volume of fish on land and in ocean, approval for volumes for each production facility, detailed regulation on production equipment and a wealth of regulation covering all aspects of production, including documentation, and reporting to authorities.

Strict regulations and effective enforcement of regulations support an accountable industry that meets the high standards of the public and all levels of government.

The development of regulations applying to our industry is key for our future successful growth of sustainable salmon farming. It is important to Cermaq that politicians, administrations, in Canada also First Nations, know our industry and how regulations interface with our operations. Hence, Cermaq engages actively in all regulatory development processes to share operational and technical knowledge. This exchange of information forms part of the information the regulators use to create new, effective, and efficient regulations that support future predictability for jobs, activities, and investment.

Strategy and policies

Cermaq's Code of Conduct prohibits any form of financial or other support directly to political parties.

However, the option to support or voice political views in cases that concern business interests is included in the Code of Conduct.

Goals and actions

Cermaq aims for respectful and open relations to local authorities and politicians, within the framework allowed by applicable regulation. These relations include that local authorities and politicians should know about our operations, key contact persons and that contacts can easily be made both ways.

National authorities and politicians are important for Cermaq's political engagement. We address them directly or via our industry associations with the aim to ensure that regulation achieve the best future framework for our industry.

Visiting our facilities is an important action as this is the best way to illustrate the practical impact of regulations. This goes for sea sites, as well as processing plant, freshwater sites, feeding centrals, or other.

Performance

Attendance in Industry associations

Participation in and working through industry associations is an integral part of our engagement efforts last year. Below are the memberships as of 31 March 2024

- Cermaq Norway is member of Norwegian Seafood Federation (Sjømat Norge).
- Cermaq Canada is member of British Columbia Salmon Farmers Association (BCSFA) and Canadian Aquaculture Industry Alliance (CAIA).
- Cermaq Chile is member of Salmon Chile, Salmon Council, and Magallanes Region Salmon Breeders Association.
- Cermaq Group is member of Global Salmon Initiative (GSI), Seafood Business for Ocean Stewardship (SeaBOS), and Norwegian Seafood Federation (Sjømat Norge).

Main topics covered by political engagement activities

Below are the key topics Cermaq has engaged in directly, independent of or in addition to the work of industry associations.

Norway

Introduction of a new resource tax. Cermaq supported higher taxation on salmon farming but suggested a lower increase of the tax and another model which would be less bureaucratic, hence reducing the risk of distorting competition with other farming regions. It remains to be seen how the impacts of the tax will unfold.

White Paper on animal welfare. Cermaq was the only aquaculture company to provide initial input to the Ministry for their preparation of a White Paper on animal welfare. Our aim is to have a framework of regulations that favour actions to support fish welfare. The White Paper is expected before year end. Cermaq's input is published on the Ministry's web site.

ISA regulation. Based on our learning from Chile and comprehensive research, we gave input to the Food authorities on updating the mitigation plans against ISA.

Public Inquiry (NOU) on salmon farming. Cermaq gave input to the Report on "Comprehensive management of aquaculture for sustainable value creation", based on our belief in strict, effective and efficient regulations aiming for sustainable growth. Cermaq's input is published on the Ministry's web site.

Canada

Transition plan. Cermaq has engaged with provincial and federal authorities in the announced transition plan from open net salmon farming in BC, presenting limitations and opportunities for future salmon farming in BC waters and how this can be incorporated in a transition plan.

Cermaq remained a committed supporter of the Coalition of First Nations for Finfish Stewardship throughout the year, whose lobbying efforts has drawn attention to the fact that currently, all salmon farming in British Columbia is done under some form of agreement with First Nations.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Appendix 1 Marine sources in feed

Countries of origin for many of the fish species used in fishmeal and fish oil purchased by Cermaq's feed suppliers and used in Cermaq's production

Country of origin

Fish species	Country
Peruvian Anchoveta	Chile, Peru, Japan, Ecuador
Sardine (various species)	Several
Sand eel	Norway, Denmark
Sprat	Norway, Denmark
Anchovy (various species)	Chile, China, Japan, Mexico, Peru, South Africa
Blue Whiting	Denmark, Norway, Iceland
Atlantic Herring	Norway, Iceland, Mexico, Denmark
Norway Pout	Norway, Denmark
Jack Mackerel	Mexico, Chile, Equador
Mackerel	Norway, Mexico, Denmark, Chile, Morocco
Pacific Anchoveta	Panama
Menhaden	USA
Baltic Sprat	Denmark
Boarfish	Norway, Iceland, Denmark
Gulf Menhaden	USA
Pollock	USA
Tilapia	Several
Pacific Menhaden	Chile
Mote Sculpin	Chile
Pacific Thread Herring	Mexico
Shrimp	Denmark
Herring	Chile
Krill	Antarctica
Sardinella	Morocco, Mauritania
Pilchard	Japan, Mexico, Panama, Ecuador, Morocco, Mauritania
European Sprat	Norway, Denmark
Capelin	Norway, Iceland, Denmark

Country of origin, cont.

Fish species	Country
Sandeel Nei	Denmark, Norway
Thread Herring	Mexico
By-Product Alaska Pollock	USA
By-Product European Plichard	Morocco, Mauritania
By-Product Atlantic Cod	Norway, Iceland
By-Product Atlantic Herring	Norway, Denmark
By-Product Saithe	Norway, Iceland
By-Product Atlantic Makcerel	Norway
By-Product Blue Whiting	Norway
By-Product Anchoveta	Chile, Peru, Panama, Ecuador
By-Product European Anchovy	Morocco

Appendix 2
List of indicators

Indicators marked in **bold** are externally audited, see auditor report, page 67.

Environment

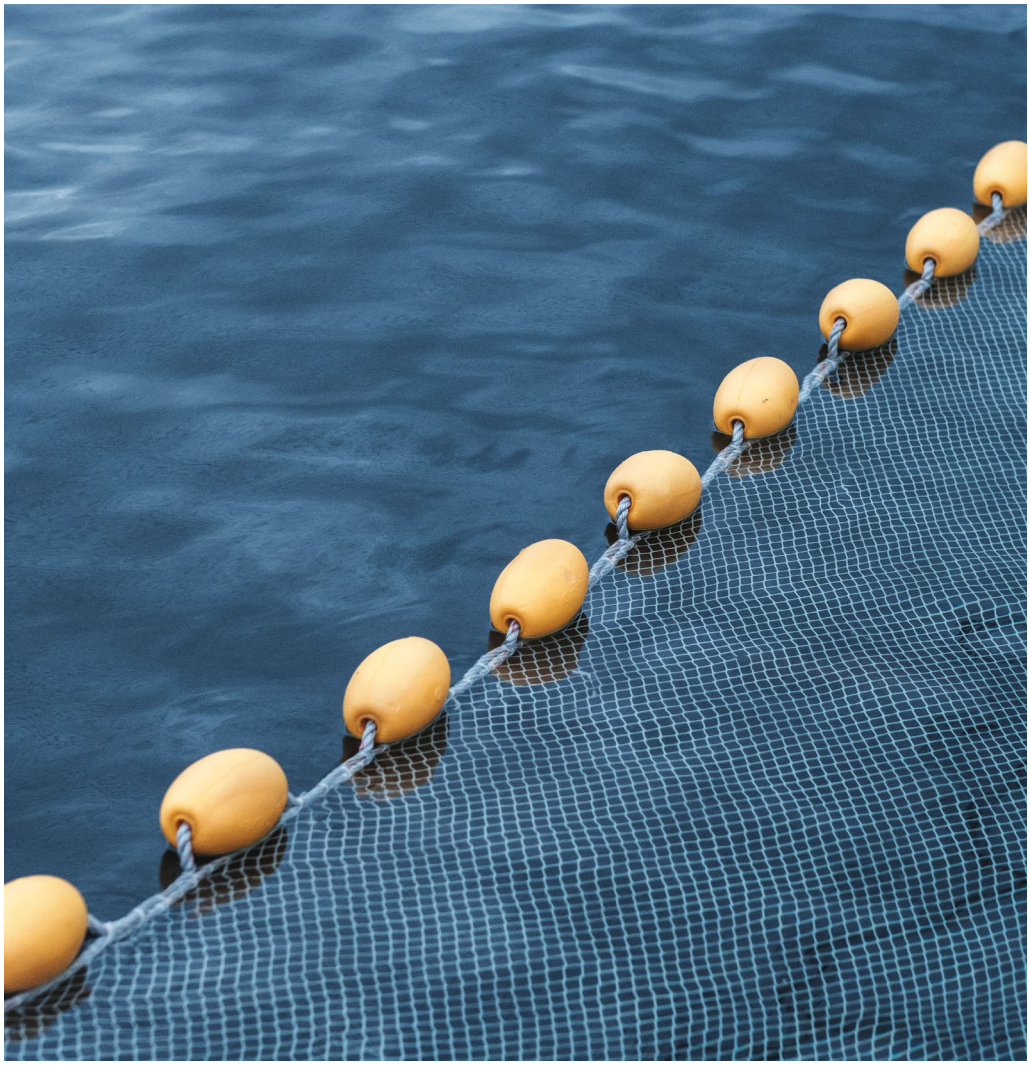
Category	Indicator	Page
Climate change, ESRS E1	**GHG Emissions Scope 1, Scope 2 and Scope 3**	14
	GHG intensity	14
	Energy intensity	15
	Implications, risk and opportunities due to climate change	16
Water and marine resources, ESRS E3	Water use and recycled	20
	Efficiency in use of marine raw materials	20
	Marine sources in feed	21
Biodiversity and ecosystems, ESRS E4	Operational sites in or adjacent to protected areas	27
	Interactions with birds and sea mammals	28
	Escapes	28
	Area management	28
	Fallow time between production cycles	28
Resource use and circular economy, ESRS E5	**Packaging used**	33
	Salmon waste management	34
	Raw materials in feed	34

Social

Category	Indicator	Page
Own workforce, ESRS S1	**Workforce**	38
	Injuries and absentees	39
	OHS management systems	39
	OHS health service	39
	Work training on OHS	39
	Whistle blowing	39
Workers in the value chain, ESRS S2	Transparency Act report	42
Affected communities, ESRS S3	Operations with local community engagement, impact assessments, and development	46
	Right of indigenous peoples	46
Product and consumers ESRS S4	**Supply of salmon**	49
	ASC certification	49
	Non-compliances with food safety regulations	49

Governance

Category	Indicator	Page
Fish health and welfare, ESRS G1	Vaccination	55
	Antibiotic use	56
	Sea lice management	56
	Fish mortality	58
Political engagement, ESRS G1	Main topics covered by political engagement activities	60



Appendix 3 Abbrevations

Below are the main abbreviations used in this report.

ASC	Aquaculture Stewardship Council
AMA	Area Management Agreements
A sal	Aeromonas salmonicida
ATS	Atlantic Salmon
B2B	Business to Business
BAP	Best Aquaculture Practice
BC	British Columbia, Canada
BKD	Bacterial Kidney Disease
COS	Coho Salmon
CSRD	Corporate Sustainability Reporting Directive
DHA	Docosahexaenoic Acid
EPA	Eicosapentaenoic Acid
EPS	Expanded Polystyrene
ERM	Enteric Red Mouth disease (Yersiniosis)
ESG	Environmental, Social, and Governance
FFDR	Forage Fish Dependency Ratio
FM	Fish Meal
FO	Fish Oil
FY	Financial Year/Fiscal Year (from 1st April - 31st March)
GHG	Greenhouse Gas
GSI	Global Salmon Initiative
HPRO	A non-Pathogenic Virus
IFS	International Featured Standard Food
IHN	Infectious Haematopoietic Necrosis
IHNv	Infectious Haematopoietic Necrosis virus
IPN	Infectious Pancreatic Necrosis
IPNv	Infectious Pancreatic Necrosis virus
ISO	International Organization for Standardization
ISA	Infectious Salmon Anaemia
ISAv	Infectious Salmon Anaemia virus
IUCN	International Union for Conservation of Nature
IUU	Illegal, Unreported and Unregulated fisheries
KPI	Key Performance Indicator
LWE	Live Weight Equivalent
MPA	Marine Protected Areas
OHS	Occupational Health and Safety
PAH	Polycyclic Aromatic Hydrocarbons
PD	Pancreas Disease
PMCv	Piscine Myocarditis virus
PRv	Piscine orthoreovirus
RAS	Recirculating Aquaculture Systems
ROV	Remotely Operated Vehicles
SAv	Salmonid Alfavirus
SeaBOS	Seafood Business for Ocean Stewardship
SPC	Soy Protein Concentrate
SRS	Salmon Rickettsial Septicemia
UNDRIP	United Nations Declaration on Rights of Indigenous Peoples
UNESCO	United Nations Educational, Scientific and Cultural Organization
VHSv	Viral Haemorrhagic Septicemia virus
WFE	Whole Fish Equivalent

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NO-0103 Oslo

To the Management of Cermaq Group AS

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON CERMAQ GROUP AS SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Management of Cermaq Group AS on selected Environmental, Social and Governance ("ESG") information (the "Selected Information") within Sustainability Report for the reporting period ended 31 March 2024.

Our limited assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 March 2024, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work

Cermaq Group AS has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.
The Selected Information in scope of our engagement, as presented in Sustainability Report for the year ended 31 March 2024. is as follows:

Indicators according to appendix	"Reporting in accordance with the indicators listed in appendix 1. The specific indicators are reported in accordance with the specific requiremets in the GRI Standards, published by the Global Reporting Initiative (globalreporting.org) and the Global Salmon Initiative."

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.
Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Management' responsibilities

The Management are responsible for:

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- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Management.

Our independence and quality management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1*, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.

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- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 19. September 2024
Deloitte AS

Jill Osa-Svanberg
State Authorised Public Accountant

This document is signed electronically

APPENDIX 1: Indicators

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Appendix 1

GRI indicators

GRI Code	Indicators
307-1/ 416-1/ 416-2/ 419-1	Number of final non-compliance resulting in fines (social, product, social, services, economic and environmental)
403-2	Number of employee fatalities
403-9	Work-related injury or ill health
403-9	Work-related injury that results in an injury
403-9	Absence rate
2-7/ 2-8	Full time employees
301-2	Salmon waste treatment (Sea sites)
301-2	Salmon waste treatment (Processing plants)
305-2	KWh bought from renewable certificates at (by type of site) / produced by us
305-1	Direct Scope 1 - GHG emissions
305-2	Energy indirect Scope 2- GHG emissions
305-3	Other indirect (Scope 3) GHG emissions
301-1	Packaging used (sold products) Out packing

GSI indicators

Indicators
Fish escapes
Fish mortality
Antibiotic use
Sea lice counts
Sea lice treatments: in-bath
Sea lice treatments: in-feed
Sea lice treatments: hydrogen peroxide
Sea lice treatment: non medicinal methods
Wild life interactions: Accidental/ intentional
Use of marine ingredients in feed: Fish oil and meal dependency ratio
ASC certification (biomass)
Size of salmon stocked to net pens (grams per individual)
Salmon stock in ocean net pens at start of year (Tonnes)
Stocking of juveniles (Tonnes)
Harvest (Tonnes)
Feed use (Tonnes)
LWE for human consumption

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Osa-Svanberg, Jill
State Authorised Public Accountant (Norway)
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