



Group Policy

Sustainable Farming

SUSTAINABLE FEED

Policy owner: COO
Approver: CEO

Valid from: 28.06.2022
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1 The purpose of this policy is

To outline how Grieg Seafood works with fish feed and what principles we follow.

2 Policy statement

We aim to provide our customers and consumers with healthy products produced from sustainable feeds. When purchasing salmon feed, we consider the human consumer, the fish itself and the footprint of the raw materials and manufacturing.

Consumer health and safety as well as good fish health, welfare and growth comprise the foundation of the composition of our feed. In addition, we work with our feed supply chains to reduce negative environmental, social and governance impacts and risks, with the aim of driving continuous improvements as the science and tool improve. We recognize that much work must be done in our feed supply chains towards a more sustainable food system, a challenge the aquaculture industry shares with other animal protein sectors as well as other industries who utilize the same raw materials in their products. “Novel” feed ingredients can be one part of the solution, but it is equally important to improve the existing ingredients that we have. An obstacle to reach this goal is opaque value chains without sufficient traceability, impacted by how global commodities generally are traded today. As such, a first important step is to improve transparency and traceability across our feed supply chains.

Grieg Seafood is not a feed ingredient manufacturer. Instead, we set requirements to our feed suppliers and engage in dialogue and initiatives with them and other stakeholders about critical issues. Feed purchases are evaluated through thorough analyses where nutritional values, as well as fish health, sustainability and cost-benefit aspects are taken into account.

3 Our principles

General

- We follow all applicable laws and regulations and require our suppliers to do the same. We require feed suppliers to demonstrate that they comply with all legal and regulatory requirements in the applicable region.

Food safety and product quality

- All substance limits set by the food safety authorities in the countries where we operate are rigorously followed.
- Fish oils of North Atlantic origin with high content of dioxins and dioxin-like PCBs are purified to meet quality level.
- Raw materials with added Ethoxyquin are not used.
- We have minimum level required for EPA/DHA in our feed.
- Secure correct pigment quality at harvest.
- Feed suppliers must warrant they are certified in relevant areas such as, but not limited to, ISO 9001:2008, HACCP, BAP and Global GAP.
- All novel ingredients require specific approval by Grieg Seafood before use in our feed.

Fish health, welfare and growth

- All nutritional requirements of the fish must be fulfilled.
- All raw materials approved by the supplier must be documented with inclusion level, nutritional values, and fish health aspects before use. These may include, but are not limited to, level of long chain fatty acids (EPA/DHA), digestible protein, minimum requirement of fishmeal inclusion, maximum inclusion of individual vegetable ingredients and pigment inclusion.
- We have high focus on improved feed efficiency and performance.

Sustainability

- We expect continuous improvements in our feed supply chains on environmental, social and governance risks. Our end goal is not to divest from any ingredients but to improve the supply chains. Better traceability is the first step to be able to do that.
- Generally, we aim to prioritize feed ingredients that are suited for the area produced, are more abundant than alternatives and more sustainably produced.
- The feed must comply with the ASC feed standard.
- Deforestation and biodiversity
 - Ingredients must not contribute to deforestation and conversion of natural ecosystems, including conversion of peatlands.
 - We certify ingredients with high risk:
 - South American soy products are certified. Brazilian soy products are certified and supplied by deforestation and conversion free Brazilian soy suppliers.
 - Palm oil used as a binder is certified.
- Marine ingredients
 - Marine ingredients must not originate from illegal, unreported, or unregulated fisheries.
 - Fisheries used in our feed must be healthy and well managed.
 - Forage fisheries must come from certified fisheries.
 - We aim to be a net producer of fish by 2030.
- Human rights
 - Basic human rights (including, but not limited to, freedom of association and collective bargaining, as well all the abolition of child labor, forced labor and discrimination) should be protected in all parts of the feed supply chains.
 - Local communities, including indigenous communities, should not be harmed by the production of raw materials or ingredients.
 - We encourage the primary production of raw materials that support local communities economically in various geographies.
- Climate
 - Feed is the largest contributor to our GHG footprint. Towards 2030, we aim to reduce GHG emissions from our feed by 30% (2018 baseline)
- Circularity
 - Resources should be used efficiently and sparingly in feed formulations to eliminate waste.
 - We generally support utilizing co-products to produce fish feed ingredients, as it is in line with a circular economic approach.

- We strive to avoid using feed ingredients that are suitable for human grade consumption.
- Freshwater consumption
 - Freshwater use when producing feed raw materials or ingredients should be sustainable.
- Pollution
 - The production of raw materials or feed ingredients should not cause significant pollution to communities or ecosystems.
- Governance
 - Ingredients in our feed should not contribute to illegality upstream or downstream.
- Specific origins of concern
 - We do not source from Western Sahara, as the Norwegian Foreign Ministry advise Norwegian businesses to avoid commercial activities in this territory due to the illegal annexation by Morocco. Special care should be executed to avoid inclusion of fish from the waters of Western Sahara into ingredients of neighboring origins.

Traceability

- We require basic information on each ingredient and raw material in the feed we buy, including the origin of all ingredients used as well as how they were produced.
 - This covers the entire supply chain – from farm/boat to feed manufacturer.
 - While we recognize that it will take time to provide the traceability needed in all supply chains, we require continuous improvements every year.
- Feed pellets delivered to our farms are covered by a tracing system.

Pre-competitive collaboration

- We promote pre-competitive collaboration across our value chain and industry as well as with other animal protein industries to drive improvements and reduce ESG risks in the ingredients we share.
- We engage with stakeholders and promote awareness of the need to move towards more sustainable feed.

4 Tracking, reporting and key performance indicator

Key Performance Indicators

- GHG emissions from feed to be reduced absolutely by 30% from 2018 by 2030, despite projected production growth
- Reduce our biological FCR from fry to harvest by 5% by 2030 (base year 2021)
- All marine ingredients (forage fisheries) certified by MSC or MarinTrust (including Fisheries Improvement Programmes)
- FFDRo below 2.52 (ASC requirement)
- FFDRm below 1.20 (ASC requirement)
- FFDRm and FFDRo below 1 by 2030
- All Brazilian soy protein concentrate certified according to ProTerra or segregated RTRS

- Alle Brazilian soy protein concentrate supplied by Brazilian vendors with a 2020 cut-off date + robust MRV system
- All palm oil used certified according to Round Table on Sustainable Palm Oil
- Share of novel ingredients to 5% of feed volume by 2030
- Gradually improved traceability of each raw material supply chain
- Ingredients should be subject to an environmental, social and governance risk assessment
- All documents regarding feed are stored in an internal system

5 Definitions

ASC: Aquaculture Stewardship Council

MSC: Marine Stewardship Council

Novel ingredients: feed ingredients that have not previously been used at commercial levels.

Ethoxyquin: an antioxidant used as an additive to prevent oxidation and preserve high quality of feed raw materials during transport.

BAP: Best Aquaculture Practices

HACCP: Hazard Analysis and Critical Control Point

ESG: Environmental, Social and Governance

FCR: Feed Conversion Rate

FFDRo: Forage Fish Dependency Ratio Oil

FFDRm: Forage Fish Dependency Ratio Meal

6 Responsibility for implementing and adhering to this policy

Board of Directors

- Monitors compliance with the policy and results of the KPIs, as this policy is an integrated part of our business strategy

CEO & Global Management Team

- CEO approves this policy
- Champion the policy

Director Feed and Nutrition

- Review and update the policy
- Communicate policy organizationally
- Advise and assist regional directors, managers and supervisors in addressing issues
- Responsible for results of the KPIs and corrective actions

COO's, Regional Directors, Managers & Supervisors

- Communicate policy to all staff

- Adhere to policy
- Address issues
- Provide regular training programs
- Responsible for results of the KPIs and corrective actions

All staff

- Adhere to policy
- Attend regular training/awareness programs
- Responsible for results of the KPIs and corrective actions

7 Related documents or references

This policy is implemented in conjunction with:

- Grieg Seafood Fish health and welfare policy
- Grieg Seafood Human Rights policy
- Grieg Seafood Climate action policy
- Norwegian Transparency Act
- The Norwegian Ministry of Foreign Affairs' advice against business activities in Western Sahara