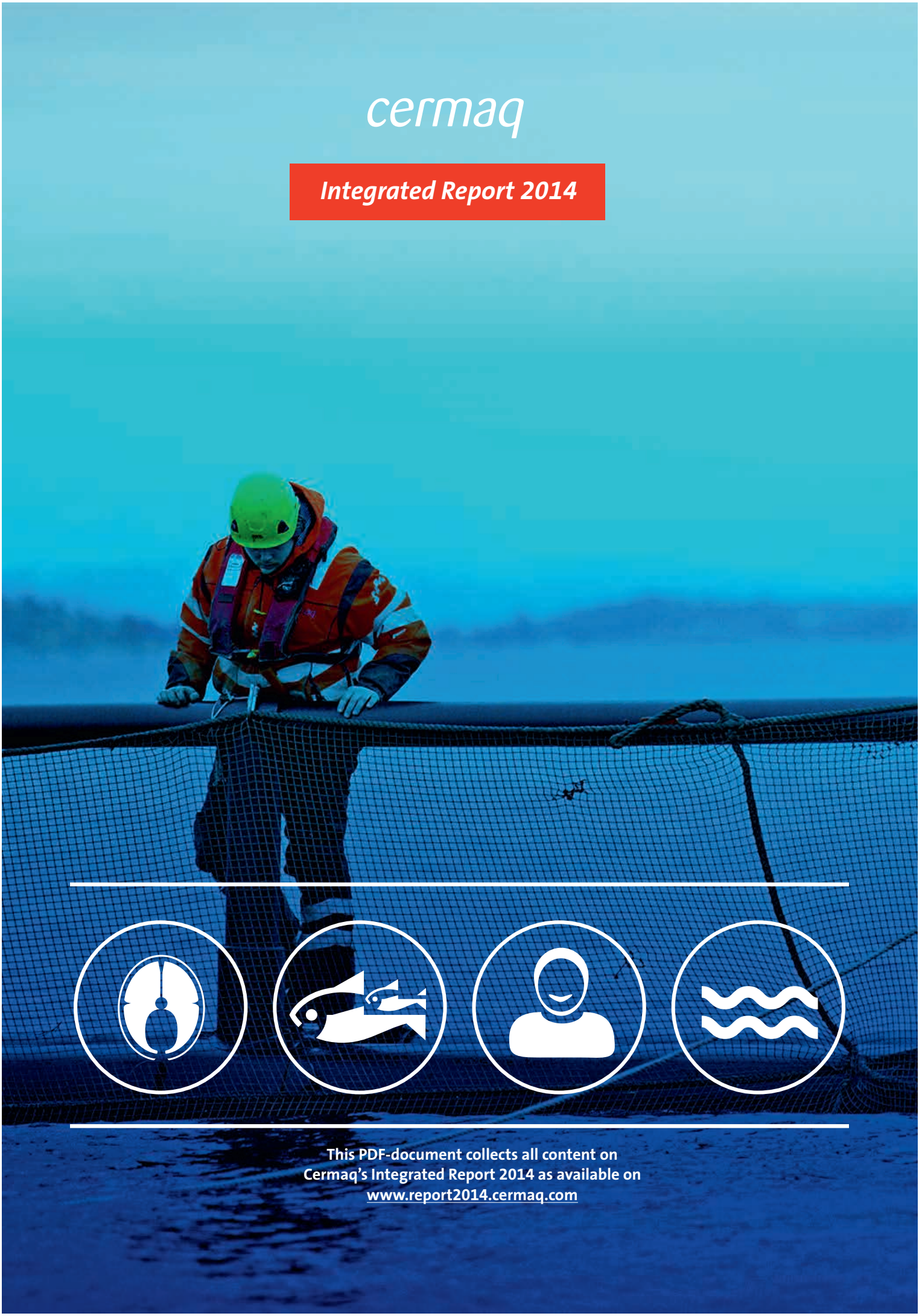
cermaq

Integrated Report 2014



This PDF-document collects all content on
Cermaq's Integrated Report 2014 as available on
www.report2014.cermaq.com

Content

ABOUT CERMAQ

Cermaq is one of the largest producer of salmonids in the world. We are present in the main global salmon farming regions, with operations in Chile, Canada and Norway, and employ in total about 4000 people.

Cermaq's vision is to be leading in sustainable aquaculture. In 2014 we delivered 136 700 tonnes healthy, sustainably farmed salmon and trout to the global market. Total operating revenue in 2014 was NOK 5.6 billion.

Cermaq is a fully owned subsidiary of Mitsubishi Corporation. Combined, Mitsubishi and Cermaq are the second largest producer of salmonids globally.

Organization chart

Cermaq's company structure is based on operating companies in Chile, Canada and Norway, and a lean head office located in Oslo, Norway.

Our operations

Cermaq Chile produces three species (Atlantic salmon, Coho salmon and Trout) and covers the value chain from brood fish to value added processing. The company has thirteen land based freshwater sites and is present in two lakes for smolt production. All Atlantic smolt stocked is produced in land based facilities. For on-growing in sea the company has 97 licences and the company has three processing plants. Most of the sea sites for Coho and trout are located in the area of Chiloé Island, in region X, while almost half of the Atlantic salmon is produced in region

XI and XII.

Cermaq Chile employs about 3 300 people, and delivered 68.6 thousand tonnes salmon and trout to the markets in 2014. Cermaq Chile is managed from Puerto Montt in Region X.

Cermaq Canada operates on both the east and west side of Vancouver Island, British Columbia. The company produces Atlantic salmon and has 27 sea sites and three freshwater land-based hatchery sites and one land-based broodstock site. Salmon is processed at a company-own facility in Tofino and under contract at a processing plant near Campbell River.

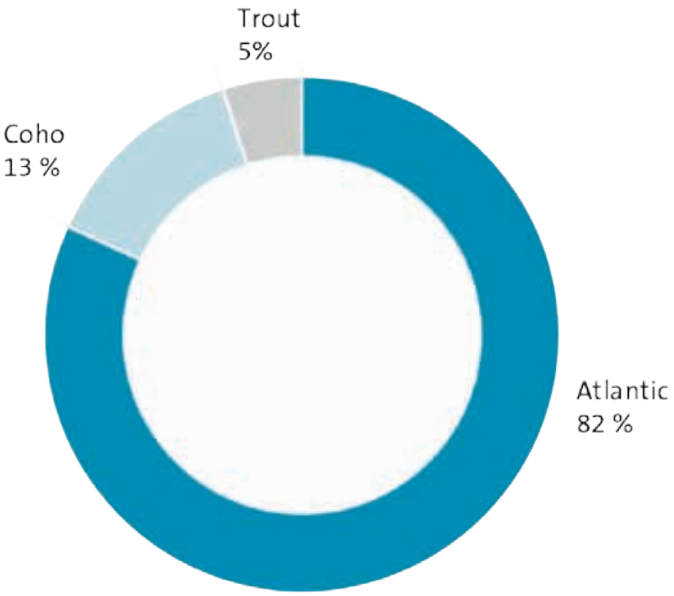
Cermaq Canada employs about 250 people, and delivered 18 thousand tonnes salmon to the markets in 2014. All operations are managed from the head office in Campbell River.

Cermaq Norway produces Atlantic Salmon with operations in Nordland (22 licenses and two processing plants) and in Finnmark (27 licenses and one processing plant). The three freshwater sites are all located in Nordland.

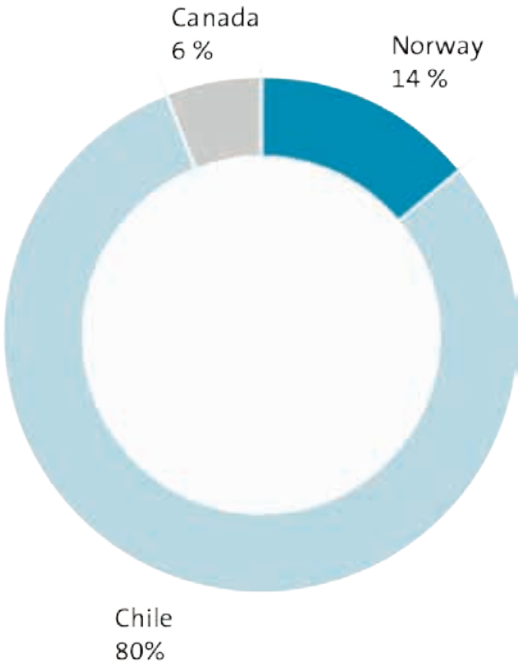
Cermaq Norway employs about 530 people, and delivered 50 thousand tonnes to the markets in 2014. Cermaq Norway is managed from Steigen, Nordland.

The parent company, Cermaq Group AS, is located in Oslo, Norway, and employs about 40 people, covering central finance, central it and corporate functions (legal, HR, communication and sustainability).

Sales per species 2014



Employees per region 2014



KEY FIGURES 2014

Financial figures

Financial figures 2014 - Amounts in NOK 1 000

INCOME STATEMENT	2014	2013	2012	2011	2010
Operating revenues	5 616 143	5 155 315	3 280 605	11 634 344	9 990 528
EBITDA 1)	768 323	793 869	(137 389)	1 685 520	1 778 299
EBITDA margin	13.7 %	15.4 %	-4.2 %	14.5 %	17.8 %
EBIT pre fair value adjustments 2)	472 017	542 117	(196 705)	1 368 526	1 439 344
EBIT margin pre fair value adjustments	8.4 %	10.5 %	-6.0 %	11.8 %	14.4 %
EBIT 3)	26 052	1 193 699	(403 905)	1 006 570	1 951 516
Net result continuing operations	(91 474)	903 486	242 651	792 834	1 514 669
Net result continuing operations	1 554	4 095	(2 304)	792 834	1 514 669
Net result continuing operations 4)	(89 920)	907 581	1 002 740	792 834	1 514 669
Net result discontinued operations 4)	1 311	2 979 411	(762 393)	-	-
Net result 4)	(88 609)	3 886 992	240 347	792 834	1 514 669
FINANCIAL POSITION	**2014**	**2013**	**2012**	**2011**	**2010**
Non-current assets	5 258 398	4 054 687	5 665 730	4 942 274	4 715 464
Current assets	5 488 199	9 741 575	6 421 305	5 415 043	4 897 325
Total assets	10 746 597	13 796 262	12 087 035	10 357 316	9 612 789
Equity, excl. non-controlling interests	5 057 042	9 601 373	5 637 018	6 113 166	5 728 611
Non-current liabilities	4 370 383	2 868 731	4 090 664	2 197 497	2 435 624
Current liabilities	1 320 680	1 302 618	2 317 726	2 000 800	1 425 307

Total equity and liabilities	10 746 597	13 796 262	12 087 035	10 357 316	9 612 789
Capital employed pre fair value adjustments 5)	7 604 358	10 514 137	9 260 925	6 858 419	6 214 328
FINANCING	**2014**	**2013**	**2012**	**2011**	**2010**
Total equity	5 055 534	9 624 913	5 678 644	6 159 019	5 751 858
Equity ratio 6)	47.0 %	69.8 %	47.0 %	59.5 %	59.8 %
Net interest bearing debt 7)	3 233 706	(2 613 314)	2 999 855	1 051 804	1 180 506
PROFITABILITY	**2014**	**2013**	**2012**	**2011**	**2010**
Operating margin 8)	0.5 %	23.2 %	(12.3)%	8.7 %	19.5 %
Dividend per share (paid and proposed)	52.80	1.80	1.00	4.63	5.40
Return on equity 9)	(1.8)%	50.8 %	4.1 %	13.3 %	30.0 %
Return on capital employed 10)	6.4 %	10.3 %	4.6 %	22.1 %	21.7 %
EBIT pre fair value adjustments/kg - fish farming 11)	3.4	3.8	(1.6)	7.1	9.4

1) EBITDA: Earnings before interest, taxes, depreciation and amortisation
2) EBIT pre fair value adjustments and non-recurring items: Earnings before interest, tax and fair value adjustments
3) EBIT: Earnings before interest and taxes
4) In accordance with reported figures in the income statement. See Note 5 for further information
5) Capital employed: Total equity + net interest bearing debt - fair value adjustment on biological assets
6) Equity ratio: Total equity/total assets in percent
7) Net interest bearing debt: Long term and short term interest bearing debt - cash balance
8) Operating margin: EBIT/operating revenues in percent
9) Return on equity: Net result/average total equity in percent
10) Return on capital employed: (EBIT pre fair value + income from associates)/capital employed in percent For 2011, 2010 and 2009 12-month average is used for capital employed, year end balances for prior years 2010 figure excludes material gains on sale of business/assets
11) EBIT pre fair value and non-recurring items per kg, gutted weight equivalent, in NOK

KEY FIGURES 2014

Sustainability figures

Sustainability figures 2014

TOPIC	UNIT	2014	2013	2012	2011
SOCIAL					
Employees	#	4130	4357	3239	3038
Fatalities	#	1	2	0	0
Absentee rate	% of total working days	2.0 %	2.80 %	2.40 %	3.00 %
Injury rate (H2 value, TRI)	Injuries per million hours worked	18	50	35	35
Lost-time injury rate (H1 value, LTIR)	Lost-time injuries per million hours worked	11	24	13	26
FISH HEALTH					
Fish escapes	# of fish	21	63 273	1	2
Fish mortality (ATS)	% mortalities (cullings not included)	6.8 %	6.4 %	7.3 %	8.4 %
Sustainable feed use	Feed factor	1.25	1.26	1.23	1.24
ENVIRONMENTAL					
Biodiversity	Weighted fallow time between cycles (weeks)	13	18	18	14
Energy consumption	GJ	724 993	709 270	542 168	456 692
GHG emissions	tonnes of CO_2e	51 563	50 472	37 208	30 208
GOVERNANCE					
Non-compliance with regulations	#	10	7	9	5
Local communities	% of sites committed to an Area Management Agreement	100 %	100 %	91.3 %	88.4 %

* NOTE: Updated numbers from 2011-2013 due to changed emission factors. See EN15-17.

RESULTS 2014
AND GOALS 2015

Objectives 2014	Results 2014
Organic growth in all regions	Cermaq grew with six new green licenses in Norway and four new licences in region region XII in Chile. In addition one new green licence was granted in Norway but is awaiting final confirmation.
Reduce ex-cage cost for Atlantic salmon in Chile as well as cost in Finnmark region	The ex-cage cost in Finnmark has been reduced throughout the year as planned. However, the planned reduction in ex-cage cost for Atlantic salmon in Chile has not been achieved due to an increase in mortality caused by SRS infection.
Significantly improvement in OHS performance, and 50 percent reduction in Lost Time Injuries	Lost Time Injuries were reduced by more than 50 percent. Tragically Cermaq experienced one fatality in 2014.
Control sea lice levels through improved procedures and increased use of new alternative technology	Cermaq Norway has introduced cleaner fish and lice skirts and was also engaged in testing closed containment. Cermaq Chile uses lice skirts and the industry has strengthened the coordination of sea lice treatment. Cermaq Canada experienced low levels of sea lice.
Zero escapes	Cermaq had two small escape incidents in 2014 where totally 21 fish were lost

Important objectives 2015

- A safe working environment for the employees, with a target to reduced Lost Time Injuries (Lost Time Injury Rate 8)
- Cost efficient production, with a target to reduce ex-cage cost in all regions
- Sustainable fish health, with a target to reduce mortality rate for Atlantic salmon to 5.5 percent for the year (rolling 12 months)
- Zero escapes
- ASC certification of sites in all regions

INTERVIEWS
WITH THE LEADERS

A YEAR OF TRANSFORMATION

Chair of the Board Mr Yu Sato and CEO Jon Hindar sum up an eventful year and offer a glimpse of the future.

MR. YU SATO
Chair of the Board

Why did Mitsubishi Corporation wish to enter the salmon farming industry?
Mitsubishi Corporation has been engaged in the marine products businesses, such as tuna, salmon and shrimp, for more than 50 years, and regards it as one of the core businesses of the company. Since 2011, the company has been in the salmon farming business as well through Salmones Humboldt in Chile. Hence, the acquisition of Cermaq was the very natural, necessary, and strategic step to proceed, so called "from catch to grow fish" concept.

How will Mitsubishi Corporation develop Cermaq as a company?
I wish to see Cermaq as "the Best Company" in the salmon farming industry in every aspect, and wish employees to grow good fish to be delivered to good markets by coming closer to the final consumers.

What do you see as your most important task as Chair of the Cermaq board?
In addition to the customary duties of the Chair role, I see one of my important roles as a link between Mitsubishi Corporation and Cermaq, and to ease the interaction between Cermaq and the parent company, and also to motivate all the employees together with the management team to lead the company to the best position.

What are your thoughts regarding Cermaq's approach to sustainability?
Mitsubishi Corporation endorses the work Cermaq has done and continues to do within all aspects of sustainability, and sees that the approach Cermaq has taken is very much in line with

the Mitsubishi Corporation's company policy, "the three corporate principles".

Which synergies do you see for Cermaq in the Mitsubishi Group, and what are your strategies for continued growth in salmon farming?

There can be several areas of synergies between Cermaq and Mitsubishi, which goes far beyond taking out operational synergies between the two salmon farming companies in Chile. These are primarily within the commercial side - particularly in Asia. Cermaq will also benefit from being able to link with Mitsubishi Corporation's vast networks and value chains covering all over the world as well as with the non-business areas, such as human resources development programs.

Mitsubishi Corporation has an expressed growth strategy within expanding industries. How do you see the global future potential for salmon farming?

As Mitsubishi Corporation, we anticipate a significant growth potential for the salmon farming industry, which must be very essential to feed the growing worldwide populations, and we believe that we will not only be part of this growth, but also contribute to the overall promotion of salmon in new markets over the globe.

JON HINDAR
CEO

During 2014, Cermaq has transformed from a public, listed company partly owned by the government to a private, delisted company with one owner – how has this changed the operation of the company?
Above all, beyond a hand full of people in the corporate functions and in top management, very few of my colleagues will really notice a difference from being a listed to a privately held company. From an operational point of view we will continue, as before, to improve our performance within the framework of sustainable aquaculture.

What were the key events, achievements and also failures for Cermaq in 2014?
From a corporate perspective, we succeeded to find a new highly competent majority owner with a long term industrial perspective. Operationally we had our best year ever in our Norwegian operations, despite the significant challenges in the marketplace following the Russian import embargo for the last five months of the year. We were also able to realize our growth ambitions through “green licences” in Norway, new licences in Region XII in Chile, and return to full capacity utilization in Canada. From a financial results perspective, the achievement were not satisfactory, largely caused by the significant decline in market prices in the North American market the last 7-8 months of the year, that explains lower revenue and lower volumes sold in Chile. In addition, we did not achieve our targeted cost reduction for Atlantics in Chile, mainly due to high mortality on large fish caused by the bacterial disease SRS. Despite a significant improvement in all activities related to OHS, reflected in a 50 percent reduction in H1 value, we experienced one work related fatality among our employees in 2014. In many ways this tragic

accident underlines why the strong drive in OHS activities will continue with full force in Cermaq.

Which are the main challenges and opportunities for Cermaq in terms of sustainability for the coming year, and how do they relate to Cermaq's longer term goals?
In the salmon farming industry there is no contradiction between good financial performance and operating in a sustainable manner. The sustainability challenges related to fish health are expected to continue also going forward. These are mainly linked to sea-lice and certain virus infections in Norway, primarily SRS and antibiotic usage in Chile, and algae blooms and certain disease challenges in Canada. The best possible management of these challenges, through preventive measures will be key to Cermaq, as well as the rest of the industry, and remains a prerequisite for Cermaq to reach its ambitions from a financial results perspective.

What is your opinion on GSI and its role in the development of the salmon industry?
GSI has in less than three years of operation achieved several important things. Some of the achievements are visible to the general public through a much more active approach to sustainability as an industry sector, including transparency and accountability. Between the member companies there has been significant transfer of knowledge and practices related to fish-health, industry standards, and within advances in sustainable resources for feed. GSI does not intend to play a role on the local scene, as this is already taken well care of by the various national salmon farmers associations, but on the global scene, GSI has an important role to play.

R&D is important in Cermaq, as defined in the articles of association. How does R&D impact the company and how does it add value?
Advances in sustainable aquaculture does not necessarily come by itself, and in general there is systematic and hard development work behind all the achievements that are made in this respect. As a leading global salmon farmer, Cermaq needs to take a lead also within R&D. Only within the area of preventive fish health, there are several concrete challenges associated with well-known disease agents and parasites. In addition there is also important work to do in order to prevent fish health challenges from causes that are not well understood today, or not even known at all. All of the above will invariably have a cost impact, but the current R&D costs relative to actual losses resulting from losing fish in the seawater stage are in fact quite insignificant. Hence, both Cermaq and the industry in general should have more room for increasing the R&D efforts going forward.

You have often underlined that the salmon farming industry must demonstrate that it deserves to grow – how?
This has simply to do with the fact that it is the authorities in the different farming countries, and more precisely the politicians in these countries, who by and large decide if the industry can grow. If the industry fails to demonstrate that it is capable of dealing with the sustainability challenges in the different countries in a way that is acceptable to the general public, it is unlikely that the politicians will allow the industry to grow. It is important to note that the sustainability-linked factors that limit growth are quite different between the different farming countries. However, there is a commonality in as much as the industry needs to demonstrate a serious and a proactive attitude in its ability to handle sustainable growth.

What are your expectations for 2015?

The global economy clearly has its challenges going forward, but the recovery of the US as a global growth engine and a continued good growth in China, give reason for some level of optimism, although the situation in Europe remains in my view concerning. For the salmon business, however, I firmly believe that the global demand growth will continue, and probably even faster than before in certain countries.

From what I can understand, we cannot expect that Russia will rebound as a significant market for salmon in the near future. Still, there are ample opportunities to compensate for this, both through growth in existing markets and development of new. Therefore market access is not a significant limiting factor, neither for Cermaq nor for the industry as such.

(Photos: Hans Fredrik Asbjørnsen)

STRATEGY

Cermaq's strategy is based on long term sustainable operations, risk adjusted cost leadership and growth ambitions.

Cermaq is well positioned to take advantage of increasing demand for aquaculture products and continued consolidation in the farming industry.

The purpose of Cermaq is to create value for the owner and the society through sustainable fish farming. Cermaq's position in the value chain has changed over the last years. The feed operations were sold in 2013. In 2014, Cermaq became part of Mitsubishi Corporation, bringing extended access to capabilities and competencies within processing and markets.

Cermaq's part of the larger value chain is illustrated below.

Cermaq's main activities in dark blue, Cermaq's emerging/growing activities in light blue. Cermaq is not engaged in fish feed production.

Risk adjusted cost leadership

Cermaq has a diversified exposure to salmon markets worldwide through presence in the main production regions for salmon, with production in Norway, Chile, and Canada. In Chile, Cermaq farms three species to further spread risk. This enables Cermaq to diversify operational risks related to environmental and fish health factors.

Cermaq applies a suit of measures to reduce sanitary and environmental risk at all stages

throughout the value chain. This is the basis for being leading in risk adjusted cost in all regions. A significant investment in research and development is seen as key to success in sustainable aquaculture.

As fish health and welfare are the basis for efficient growth and quality, preventive fish health is at the centre of Cermaq's strategy. Cermaq emphasizes the importance of ensuring that the local site managers are empowered to make operational decisions aimed at optimizing growth and good fish health. Cermaq sees coordination within the global industry as necessary to manage global biological challenges and consequently a foundation for long term value creation. The Global Salmon Initiative (GSI) is instrumental to achieve such coordination.

Growth
Cermaq aims to grow further, seeking profitable growth in selected areas through organic growth and/or acquisitions. Optimising the potential from cooperation with Mistubishi's current farming, processing, and marketing activities within seafood is highly prioritised.

Engaging in technology development is part of our operational approach to support the growth and profitability of the future industry.

Cermaq will continue to create value for the owner, enriching society, and contributing towards the preservation of the global environment by focusing on:

- Sound operations based on profitability, growth and product quality
- Committing to research and development to promote efficiency and quality within fish farming
- Acting responsibly in relation to sustainable use of natural resources, environmental and social concerns in the communities in which we operate
- Securing a safe working environment for all employees

CORPORATE
MANAGEMENT TEAM

The group management team consists of the CEO and six Chief Officers. Five of the team members are located in Norway, one in Canada, and one in Chile. There are six men and one woman in the group management team.

JON HINDAR (1956)

Chief Executive Officer

Jon Hindar took up the position as CEO of Cermaq in March 2012. Mr. Hindar holds a Master of Science in Chemical Engineering from the Norwegian University of Science and Technology, and has supplementary management education at IMD from Lausanne, Switzerland. He was previously the CEO of Norsun AS, Senior Vice President of Invitrogen Corp., CEO of Dynal Biotech ASA, and Partner and Managing Director of Fondsfinans ASA. Jon Hindar is on the board of amongst others Norconsult AS, Photocure ASA and Scatec Solar.

SYNNE HOMBLE (1972)

Chief Officer Legal and Corporate Functions

Synne Homble joined Cermaq in 2006, and has held different management positions in Cermaq. As Chief officer legal and corporate functions she is responsible for legal affairs, communication, HR, corporate responsibility, risk management and sustainability reporting. From 1998 to 2006 Homble was attorney at law in the Norwegian law firm Wikborg, Rein & Co. Mrs. Homble has her law degree from the University of Oslo, with special classes from Hamline School of Law, Minnesota, USA. Homble is a member of the board at Statnett SF and a member of the Norwegian OECD National Contact Point for responsible business, appointed by the Ministry of Foreign Affairs.

GEIR MOLVIK (1958)

Chief Operating Officer Norway

Geir Molvik joined the Cermaq group as Managing Director for EWOS Norway in 2006 and was appointed Chief Operating Officer Farming from June 2010, and Chief Operating Officer Norway from November 2013. He has broad experience in aquaculture from Hydrotech-gruppen, Hydro Seafood and Noraqua in Norway and from Georgia Sea Farms Ltd. in Canada and Tassal Ltd. in Tasmania, Australia. Molvik was Senior Vice President in Christiania Bank og Kreditkasse for several years. Molvik holds a MSc. from the University in Tromsø, Norway.

FRANCISCO MIRANDA MORALES (1975)

Chief Operating Officer Chile

With Veterinarian studies Miranda joined Cermaq's farming operations in Chile in 2000. In 2004 he transferred to Canada and took on responsibility for the sea water operations and was appointed managing director for Cermaq's farming operations in Scotland 2007. In 2009 he was appointed managing director for the farming operations in Chile, and was appointed Chief Operating Officer Chile from November 2013.

FERNANDO VILLARROEL (1974)

Chief Operating Officer Canada

Villarroel joined Cermaq in 1998 and held different financial positions in Mainstream Chile before he transferred to Mainstream Scotland where he worked as a financial controller. From 2005 to 2007 Villarroel worked as business controller for Mainstream Group. In 2007 he took over responsibility as managing director for the farming operations in Canada, and was appointed Chief Operating Officer Canada from November 2013. Villarroel is a financial accounting auditor with a degree in management.

AKIHIKO SOGA (1968)

Chief Integration Officer

Akihiko Soga is a graduate in faculty of law from Tokyo University, Tokyo, Japan. Soga joined Mitsubishi Corporation in 1992 and has been engaged mainly in seafood business. Soga has experiences in salmon, sashimi tuna and pelagic fish business and lived in London, U.K. from 1999 to 2006. Soga was Manager in Risk Management Unit in 2010, Manager in Feed and Meat Products Department in 2012, and has been Team Leader of Salmon Team, Marine Products Department since April, 2013.

STIG JARLE PETTERSEN (1960)

Chief financial officer

Stig Jarle Pettersen joined Cermaq as CFO in July 2014. Mr. Pettersen has his degree from Norwegian School of Economics and Business Administration (Norges Handelshøyskole) in Bergen, Norway. Stig Jarle Pettersen is a Norwegian state authorized public accountant and has more than 20 years of experience from leading finance positions in Hafslund Nycomed, Helicopter Services Group, Alpharma, Actavis, Xellia Pharmaceuticals and most recently as CFO in Affitech A/S.

(Photos: Hans Fredrik Asbjørnsen)

BOARD OF **DIRECTORS**

The highest governance body in Cermaq Group AS, the general meeting, elects the shareholder elected directors and the auditor and also approves the annual accounts and the board remuneration.

Cermaq's Board consists of seven directors. The CEO of Cermaq is the only executive director. There are two non-executive directors who are employed by the sole shareholder, Mitsubishi Corporation, and one director is external. Three directors are elected in a vote where all employees in the Norwegian companies are eligible and have voting rights. Six of the seven directors are men and one is female. The Board elects its own chair.

YU SATO (1961)

Chair of the board

Yu Sato is a graduate from Faculty of Social Sciences at Hitotsubashi University, Tokyo, Japan. Sato joined Mitsubishi Corporation in 1985 and has been engaged in food businesses. Sato has worked with various countries in Europe, in Americas, in Middle-East, and in Asia, by being stationed in London, UK, and in New York, USA. Sato was Senior Vice President of Mitsubishi Corporation (Americas) during 2012-2013, and has been General Manager of Strategy Planning (Food Business) at Living Essential Group CEO Office since April 2014.

HELGE MIDTTUN (1955)

Director

Helge Midttun is a business studies graduate from NHH (Norwegian School of Economics and Business Administration). Midttun was President and CEO of Aker BioMarine ASA 2006-2008, President and CEO of Fjord Seafood ASA 2003-2006 and President and CEO of Det Norske Veritas AS 2000-2002. Midttun is engaged in various board activities and he is Chair of the board of Rieber & Son ASA. Midttun has been a member of the Cermaq board since May 2009.

YUTAKA KYOYA (1962)

Director

Yutaka Kyoya is a graduate in faculty of commerce from Waseda University, Tokyo, Japan. Kyoya joined Mitsubishi Corporation in 1984 and has been engaged in food business. Kyoya has various experiences residing abroad including U.S.A, Malaysia and Singapore. Kyoya was Deputy General Manager of Living Essentials Group CEO Office in 2011, General Manager of Global Consumer Business Development Unit in 2012, has been a Division COO of Living Essential Resources Div. since April 2013 and a Senior Vice President of Mitsubishi Corporation since 2014.

JON HINDAR (1956)

Director

Jon Hindar took up the position as CEO of Cermaq in March 2012. Mr. Hindar holds a Master of Science in Chemical Engineering from the Norwegian University of Science and Technology, and has supplementary management education at IMD from Lausanne, Switzerland. He was previously the CEO of Norsun AS, Senior Vice President of Invitrogen Corp., CEO of Dynal Biotech ASA, and Partner and Managing Director of Fondsfinans ASA. Jon Hindar is on the board of amongst others Norconsult AS, Photocure ASA and Scatec Solar.

JAN ROBERT RØLI-GJERVIK (1963)

Employee elected director

Jan Robert Røli-Gjervik is production manager at Cermaq Norway's processing plant in Skutvik. He joined Cermaq in 2004 as a production worker, and became production manager in 2005. Røli-Gjervik comes from the transport and machine industry, has long experience within transport of salmon from processing plants, and holds a certificate of completed apprenticeship in seafood production. Jan Robert Røli-Gjervik was elected as a board member in Cermaq Group AS in 2013.

KETIL OLSEN (1954)

Employee elected director

Ketil Olsen has been working in Cermaq Norway since Jun 2008, and is currently controller located in Alsvåg in Nordland. Before he joined Cermaq Norway, Olsen worked as office manager at Artic Seafood Holding. Ketil Olsen has experience from banking and the whitefish industry, including pelagic and trawling industries. Ketil Olsen was elected as deputy board member to Cermaq's board in 2013, and was full member from November 2013.

LISE CAROLINE MORTENSEN (1973)

Employee elected director

Lise Mortensen is a Processing Manager at Cermaq Norway's processing plant in Alsvåg, Nordland. She started as a production worker at Alsvåg Fiskeprodukter in 2002, became production manager in Cermaq Norway in 2009, and was the acting processing manager at the processing plant in Hammerfest for a period in 2012. Lise Mortensen has work experience from the fishery industry since 1991, she holds a certificate of completed apprenticeship in seafood production, and she has undertaken studies in Aquaculture and Management at the University of Nordland, Norway. Lise Mortensen was elected as a board member of Cermaq Group AS in 2013.

(Photos: Hans Fredrik Asbjørnsen)

SUPERIOR FOOD

Delicate colour and perfect texture, exquisite flavour and rich in healthy nutrients are the characteristics to look for in salmon produced under first-class farming conditions.

WHY

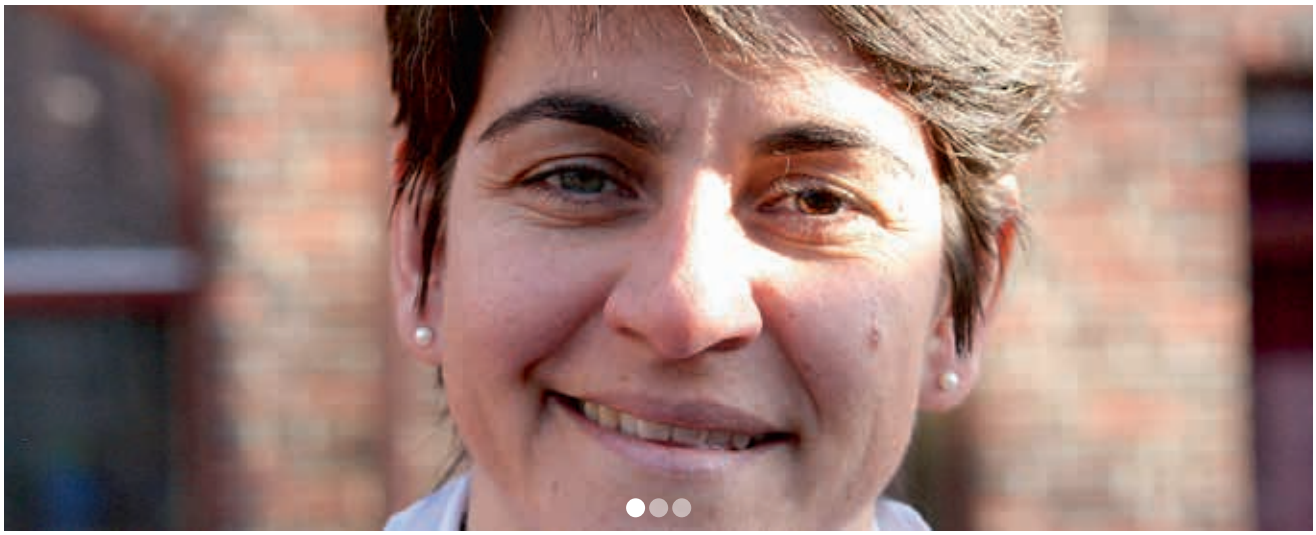
Sustainable aquaculture is the best supplier of healthy food

WHAT

In 2014 we produced salmon of the best quality

HOW

We safeguard quality through the entire value chain



CÉLINE PORTERIE
Director of Salmon Purchase and Sourcing at Labeyrie Fine Foods

"SALMON IS AN EXCEPTIONAL PRODUCT"

In selecting our suppliers we look for excellence in the quality of the salmon, good farming practices, and affordable prices allowing us to achieve a reasonable profit margin.

"As a processor we are in between the salmon suppliers and our customers aiming at increasing customer demand. In selecting our suppliers we look for excellence in the salmon they produce, good farming practices, and affordable prices allowing us to achieve a reasonable profit margin.

The key to achieving top quality salmon with delicate, even colour, and firm texture suitable for smoking, lies mainly in the practise of sustained high standards of food safety. Food safety standards are generally good, although there are a number of packing stations that are still striving to attain 100%. We have however noted a decline in standards of colour and texture; an increase in gaping, lighter colour, and excessive oil seepage from the fish. We also see a trend toward high energy diets and fish spending less time in the sea, and are concerned about how this can impact salmon quality.

Salmon owes much of its exceptional quality to the high Omega 3 content, which has gradually fallen during the past decade due to changes in the composition of commercial salmon feeds. With this in mind we anticipate that our suppliers are aware of and heed market requirements.

Another concern is the significant increase in use of sea lice treatments, and the negative effect this may have on the salmon industry's public profile. Animal welfare is another concern. In France the salmon industry has been subject to scathing criticism, and we need the aid and support of our suppliers in all aspects of communication and transparency to proactively prevent and rectify these unfortunate situations.

At Labeyrie Fine Foods (LFF) we regularly audit our suppliers, and invite our main suppliers to Paris to share their expertise with LFF Teams. One area of improvement we would like to see with our suppliers is that they become more focused on the customer, to be both reactive and proactive in relation to customers feedback, and to be capable of meeting specific demands for specific markets."

(Photos: Joar Grindheim/Intrafish.no)

WHY WE DO IT

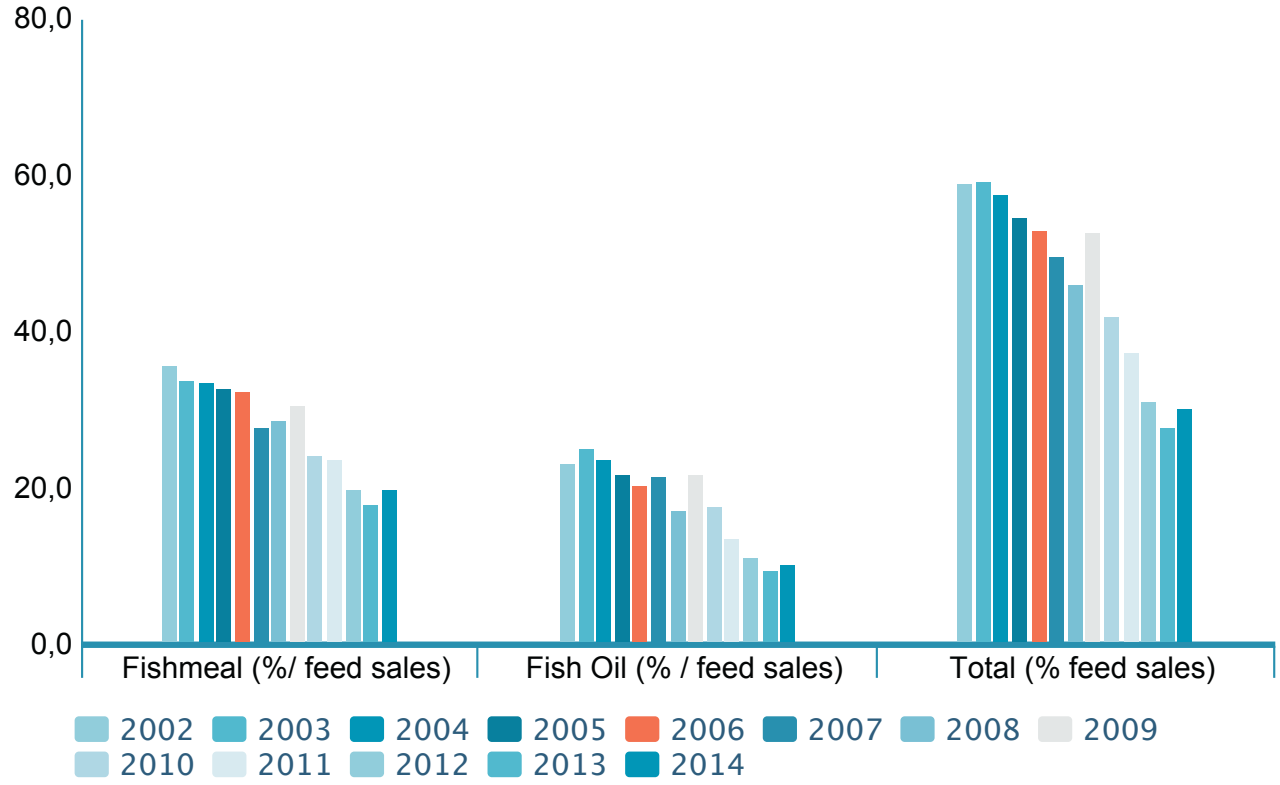
Quality is much more than the fillet we see before us on the plate. Quality must be consistent throughout the value chain, from the harvesting in clear, icy sea waters, correct feed and proper care of the fish, continuous testing and monitoring of product quality to correct handling during transport. Our principal customers demand high standards of quality from us and rightly so. It drives us to strive to achieve increasingly higher standards of excellence.
Our salmon receive all the nutrients they need through the feed. We are therefore always able to guarantee the same high quality. Our salmon are safe to eat, healthy, delicious-tasting and are easy to prepare.

WHAT WE DO

Feed ingredients

In 2014 the fish feed we used contained 30.5 percent marine ingredients (fish oil and fish meal) and 62.6 percent terrestrial ingredients, mainly soy beans concentrates and wheat gluten. 25 percent of the marine ingredients was trimmings.

EWOS Group: Marine Index



ASC certification

Cermaq's first ASC certified site is located in Region XII in Chile. This is also the first ASC certified site in Chile. For 2015 we have plans for certification of sites in Chile, Norway and Canada. As a member of Global Salmon Initiative (GSI) we aim to have all our sited certified in 2020.

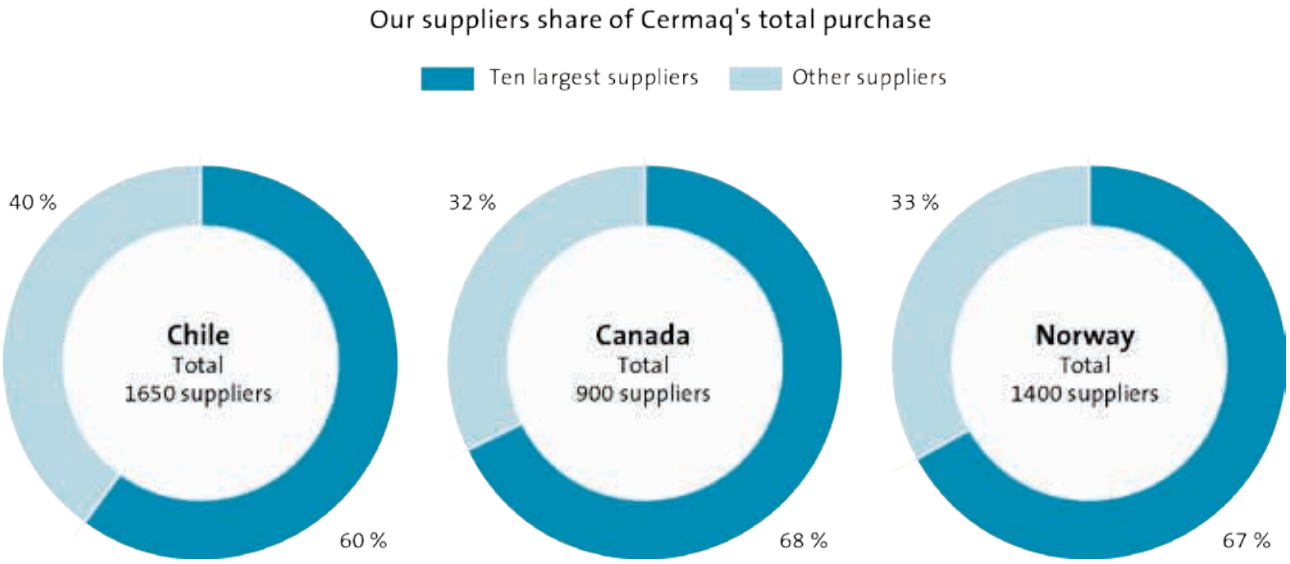
Food safety

Our salmon is tested for quality and safety at several steps during the harvesting and processing. In 2014 all products complied with the exacting food safety regulations or in accordance with the product standards of our own independent voluntary codes for safeguarding the impact on on health and safety.

100%
compliance
2010-2014

Supply chain

In 2014 we prepared a Supplier Code of Conduct, and in 2015 we will focus on implementing the new code which is directed at all supplier groups. Feed manufacturers are the largest supplier to fish farming, and the increasing share of agricultural ingredient requires more competence in these areas in Cermaq.



HOW WE DO IT

Salmon farming is strictly regulated in all regions where we operate. We have detailed routines and procedures are in place to ensure that we comply with all mandatory legislative requirements. Operational management is responsible for dealing with any non-compliance. All major acquisitions are subject to due diligence processes, which ensures that Cermaq meets the requirements for compliance, ethical standards and other criteria.

The group has a policy stipulating that systematic management of operational risk is to be established through management systems that are certified according to international standards. Management standards include responsibility, structure, reporting and allocation of responsibility in the organisation, regular risk assessment and action plans for on-going improvement, internal and external communication, and the establishment of procedures and operational controls.

The group has defined the principal areas as being Quality (ISO 9001), Environment (ISO 14001), Food Safety (ISO 22000) and Occupational Health and Safety (OHSAS 18001). In addition to the above standards, others are in place designed to meet local demand from customers, e.g. Global GAP in Norway and Best Agricultural Practices (BAP) in Canada.

Maximizing the fish production from the feed is also important for sustainability. Monitoring of feed consumption, the feed factor, is continuous and reported as a Key Performance Indicator each month.

More information about how we manage these aspects can be found here:

- Risk management
- BoD report
- Management approach to Product responsibility
- Quality

Our performance in 2014 can be found here:

- CEQ 03: Fallow time
- EN 12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas
- PR 2: Total number of incidents of non-compliance with regulatory and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.
- CEQ 13: Management standards.
- PR 9: Non-compliance with product laws and regulations.
- SO 8: Non-compliances with regulations.

62%

In 2030 more than 62% of the seafood we eat come from aquaculture (The World Bank)

65%

Salmon has a filet share of approximately
65% - no other farmed animal can beat that

+

Nutrition advisors all recommend eating
more seafood

HEALTHY FISH

Health is our number one consideration - that also applies to fish.

WHY

Fish health is basis for welfare, growth and quality

WHAT

We use preventative measures to reduce the need for treatments

HOW

Clear targets are set for fish health management, with commitment from sites to boardroom.

BRIT HJELTNES
Deputy Director, Fish and Shellfish Health
National Veterinary Institute, Member of OIE Fish Diseases Commission

"THE INDUSTRY SHOULD NOT ACCEPT THAT IT HAS TO LIVE WITH A NUMBER OF DISEASES"

Transparency and acknowledgement of the health issues is the first step towards action and solution.

Focus on fish health must involve employees at all levels and reward behavior that contribute to good fish health and fish welfare.

"Management may have lofty ideas, but it's at the cage edge that these are put into practice.

Salmon lice and the accelerating resistance they are developing toward treatments comprise the most significant challenge in the short term. In the longer term the challenge will be to develop a robust industrial structure that minimises the probability for development/emergence of new disease problems and reduces the significance and possibility for the spread of already existing problems. The industry should not accept that it has to live with a number of diseases such as PD (pancreas disease), HSMB (heart and skeletal muscle disease) and CMS (cardiomyopathy syndrome). The industry also faces a considerable challenge in reducing waste/effluent in the sea water phase.

Transparency and acknowledgement that one has a health problem, is the first step in taking action toward remedying this. In the future it will be more than ever vital to have cooperation and coordination within the industry. Fallow zones must be coordinated, distances must be reduced when transporting live fish. It should be possible to devise a joint, long-term plan of action to reduce the scope of these diseases. It is important to produce a robust fish, but also to develop methods of production and equipment that are considerate toward the fishes' wellbeing.

Fish farming is biological production. It is therefore important that expertise in biology and fish health play a key role in the organisation. It is also vital to build an organisational structure that focuses on fish health, involving employees on all levels and rewarding efforts that contribute to fish health and fish welfare. Management may have lofty ideas, but it's at the cage edge that these are put into practice.

In order to succeed there must be a fundamental relationship of trust between the aquaculture industry and the authorities. It must always pay to be open and honest. The authorities are dependent on having solid expertise that is developed further in practical fish farming and fish health, so that regulations and expectations of the industry are possible to accomplish in practice. "

(Photos: Erik Norrud)

WHY WE DO IT

Good fish health is the core of marine farming, from the time the eggs hatch until the fish are ready for harvesting. Prevention is better than treatment, and that is why we vaccinate the fish against diseases and check the fish continuously for infectious substances and for parasites such as salmon lice. In the fight against salmon lice both preventive and biological methods of treatment such as for example cleaner fish, are crucial. Medicinal treatments are the last option, and we follow a strict practice and routines that prevent use of medicines unnecessarily.

The net around the cage protects the salmon against predators such as sea lions and seals, but the salmon are aware of these animals and become stressed when they are nearby. Inside the cage the salmon swim in a ring or upstream, at a rate of 2- 3 km per hour. When the fish are stressed, they weaken and are then more susceptible to disease, and the quality of the fish meat can deteriorate. The fish can also become stressed and seasick when they are in a vessel. When transporting stock in a well-boat we must ensure that the fish have time to settle if the seas have been choppy during transport.

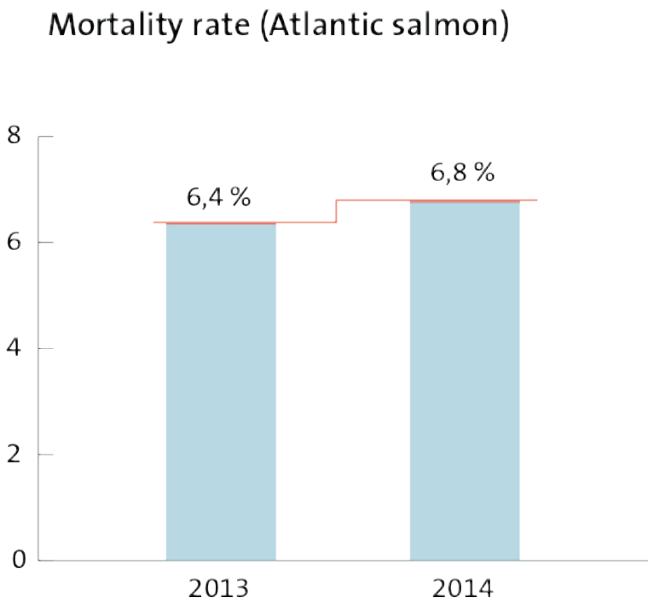
WHAT WE DO

Fish mortalities

In 2014 the rate for mortalities in Atlantic salmon was 6.8 percent, which is higher than the target we had aimed for. In Norway mortalities totalled just 4 percent. In Chile the Salmon Rickettsial Syndrome disease (SRS) is the principal cause of mortalities, while attacks from sea lions are the second most prevalent cause.

We measured mortalities on a rotational basis the last 12 months as we were then quickly able to see trends and initiate measures, such as harvesting farm livestock to avoid disease

spreading. We harvested the livestock at two farms in Norway in 2014: on one occasion due to a bacterial disease and the other due to the infectious salmon anaemia virus (ISA).



Antibiotics

We focus on prevention as a means to avoid administering treatments. Prevention includes good smolt quality, vaccines, avoiding stress and good feed. Nonetheless usage of antibiotics increased in 2014, especially in Chile for treatment of the SRS disease. All medication must be approved by authorised veterinary/fish health personnel. Reducing the use of antibiotics in Chile has high priority at Cermaq.

Salmon lice

Salmon lice represent different challenges in Norway, Chile and Canada, but regardless we strive to avoid high lice figures and we prefer non-medicinal measures to combat lice. We use among other things cleaner fish, lice skirts and fresh water against salmon lice. In the course of 2014 the Chilean industry has seen good results from improved coordination and monitoring of lice treatments, in regard to which types of treatment to be used when treating for lice, and good area management. The cooperation in GSI has also contributed toward worthwhile exchange of knowledge regarding different treatment methods from Norwegian to Chilean companies.

Global Salmon Initiative

The industry is facing joint challenges that can only be resolved by a unified and concentrated effort. The Global Salmon Initiative is an initiative where Cermaq and 16 other companies that account for around 70 percent of the world's farmed salmon production are focused amongst other things on improving fish health through the exchange of knowledge and cooperation within and across regions. The first status rapport was released in 2014.

Green licenses

In 2014 Cermaq was allocated six green production licenses. Prior to the allocation, all the companies that applied for green production licenses, prepared plans for technical and operational solutions to reduce the risk of escapes and spread of salmon lice. Cermaq accentuated among other things the use of eco-nets and lice skirts.

Research and development (R&D)

Cermaq is engaged in research within the company and also cooperates with a number of research environments. In 2014 the Research Council of Norway established two centres for Research-based Innovation (SFI) in marine farming, where the company participates in both. One of the centres concentrates on development of closed containment fish farming concepts aimed at reducing problems linked to mortalities and salmon lice, as well as finding ways to reduce the length of the production cycle for farmed salmon.

HOW WE DO IT

We have established a Cermaq Fish Health Team which consists of experts and scientists in Norway, Chile and Canada. The team targets fish welfare and health improvements throughout the production cycle in all three operating regions.

Research and development is a priority, which is organized in the Cermaq Innovation and Competence Centre, with activities within fish health and welfare, technology, genetics and breeding, nutrition and feeding. One example is the Stop SRS Project initiated in 2011 that looks into basic characteristics of the bacteria Piscirickettsia salmonis, the causative agent of SRS, the main cause of fish Mortality in our Chilean operations. About 40 percent of our R&D projects in 2014 were together with other industrial companies. Cermaq has also engaged in technical and operational concepts for “green licences” in Norway.

A key success factor is also to cooperate with other farmers and the industry in general to develop joint solutions to common challenges. Through our membership in Global Salmon Initiative and our strategy of entering into Area Management Agreements with other farmers, Cermaq is committed to cooperate and coordinate activities related to all aspects of fish health and animal welfare.

In Cermaq, responsibility for fish health and fish welfare is placed with the operational management and is an integral part of daily operations and management. Yearly targets are in place for key indicators such as fish mortality, sea lice levels and medicine use and are followed up by local and central management as well as the Board of Directors on a quarterly basis.

More information about how we manage these aspects can be found here:

- Risk management
- BoD report
- Management approach to Fish Health
- Research and development

Our performance in 2014 can be found here:

- FP 9 Animal raised
- CEQ 01 Mortality rate
- CEQ 02 Sea lice
- CEQ 04 Medicine use
- CEQ 05 Vaccination programme
- CEQ 06 Area Management agreements

The immune system for salmon and humans are more similar than that of salmon and cod

The level of the stress hormone cortisol varies by genetic lines

In 2014 the sequencing of the Atlantic salmon genome was completed

GREAT WORKPLACE

Competence and empowerment for operational decisions at local level

WHY

Our performance depends on the quality of people

WHAT

In 2014 we have focused on reduction in number of injuries

HOW

We strengthen awareness through a clear tone on the top and visible management

ØYVIND NILSEN
Site Manager at Hammer Sea Site
Nordland county, Cermaq Norway

"A SAFE PLACE TO WORK"

Cermaq is a good employer that takes good care of its employees.

"A good workday for me is when I get to finish all my tasks for the day. That is a good feeling at the end of a workday. A good workday is also when the fish has good appetite and we see that it is healthy. A large part of the workday is dedicated to feeding and inspection of the fish in the pens. If everything is not as it should be, we see it very quickly on the fish's appetite or behavior. It is also very important for the work environment that we have colleagues who are positive and in a good mood.

Cermaq is a good employer that takes good care of its employees. We get the equipment we need, and there is never any mess related to our salaries. We get the chance to share our ideas and get our voices heard on matters that are important to our daily work. Cermaq is a safe place to work; it is a large and financially solid company in a growing industry, so we don't need to worry about losing our jobs. This is important.

We notice that more emphasis is put on OHS. OHS is on the agenda in different contexts, OHS results are related to bonus payments, and we have implemented new routines concerning near misses reporting. Luckily, we have not had many accidents in our area, but focus on OHS is a very good thing."

(Photos: Karoline Pettersen)

LEAH WHEELDON

Quality Management Plan Administrator
at Cermaq Canada Processing Ltd., Tofino BC

"STRONG TEAM SPIRIT"

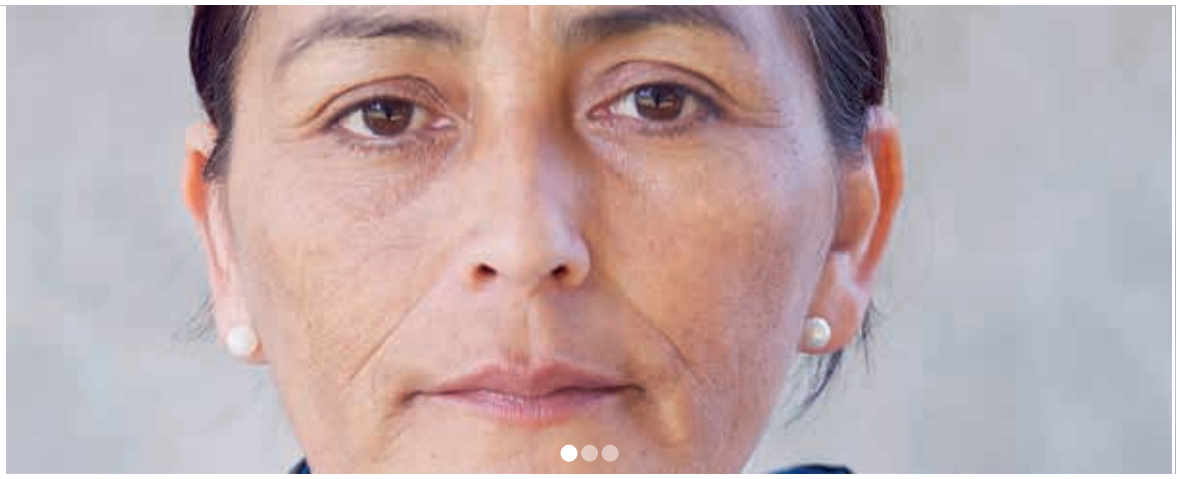
The full team support I feel here at Cermaq is amazing. It's a positive atmosphere, and I'm learning about the industry.

"I like to be busy from start to finish. I love it when things go smoothly, when there are no equipment breakdowns and all documents that come to me are nicely filled out, complete, in order. That's a good day. I like to know that things are working well on the floor in the plant; that makes everybody feel so much better. I really feel for them when something breaks down or they get a delay and I know they're going to be processing until much later. I'm also really glad to see when people who have been out travelling, on land or on the water, get back safe and sound.

Cermaq is an excellent employer, I'm really happy here. The full team support I feel here is amazing, coming out of my previous occupation. This is way better. It's a positive atmosphere, and I'm learning about the industry. The benefits and the full company support with Cermaq are impressive. When I started here I was really well supported with training. There are so many long-term employees in the plant that there's always someone who can answer a question anytime I need.

I really notice Cermaq's attention to Occupational Health and Safety because it's not something I was ever exposed to in my previous occupation. The stress that everyone puts on safety is really impressive to me. I really like the fact that the company puts safety for the workers first, and everyone seems to be on board. I'm very impressed with that."

(Photo: Grant Warkentin)



MARÍA RUIZ RIVERA
Secretary of Fresh Water Union
at Rio Pescado Hatchery (Recirculation Operator)

"BUILDING CONFIDENCE"

If I, together with my colleagues, meet the routine given for that day, for me that is a good day's work in Cermaq Chile. When we achieve the proposed objective ... I am happy!

"On the contrary, when something unexpected happens, if, for example, something happens to a colleague, if there is an accident, then that would be a bad day. I have already acted as a nurse several times... and, although I'm good at it, I would not want to be one!

For me, personally, I think Cermaq is a company that gives you confidence. They entrust us with a task and give us the freedom to do it. Not only do I feel this in this hatchery, but in all the sectors of the company in which I have had experience.

I think this company establishes a relationship of trust with its employees. You know that if you do things well, it will be recognized and they will come back to ask you to perform new tasks. I think what you do here is appreciated.

The trust is mutual, on the one hand the company knows that you will respond to their requests and, on the other hand, you know you can count on the company when needed. That has been my experience, at least. When my brother was sick and when my son died, the company took very good care of me, beyond what was expected. I am very grateful for that.

For Cermaq, the health and safety of its employees is a priority, I experience this every day. We start every day with 5-minute talks, in which we talk about the things we should be aware of. Our boss tells us that behind every one of us there is a family and they are waiting for us at home. In addition, we do exercises every day in order to prevent illness and pains.

Here they emphasize to us the importance of personal protective equipment, which we must use when we do our job. Additionally, recently they have greatly improved the facilities, they have

clearly marked areas of danger and security, every repair has been made with respect for our safety."

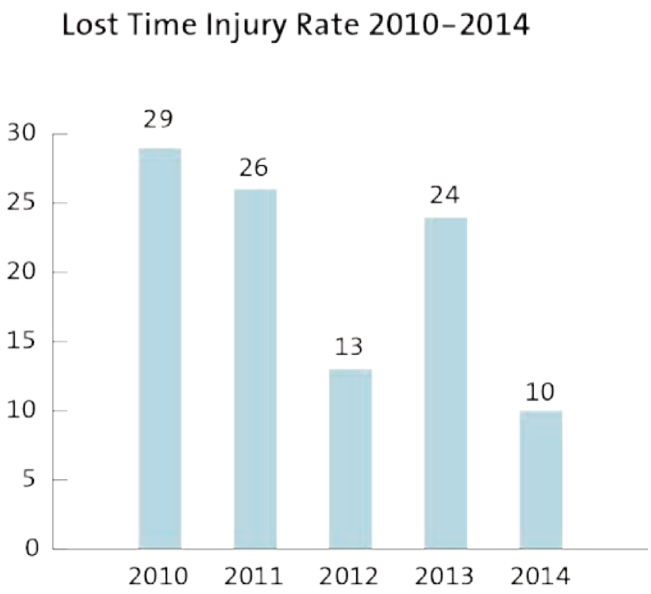
WHY WE DO IT

Producing healthy food in a sustainable manner is meaningful work. In our production from smolt to fillet there are many activities that are essential to producing wholesome food in a safe manner. Expertise is the common denominator whether this relates to fish farm employees, fish health experts, processing operators, vessel skippers, sales representatives or other positions/employees. Competence, authority and responsibility must go hand in hand. Cermaq has many resourceful and dedicated employees, and we organise in such a way that decisions are taken as close to the fish as possible.

Cooperating with trade unions and employee representatives, from Cermaq's Board of Directors to the individual farm site/facility, is fundamental to enabling us to continually improve, ensure safety on the job and not least have a congenial working environment. Historically, the aquaculture has had a high count of work accidents. At Cermaq we work conscientiously to remedy this, and we see that efforts made at all levels of the organisation are producing results.

WHAT WE DO

Occupational Health and Safety
In 2014, various tailored regional initiatives have been carried out to increase awareness of safety hazards, ensure compliance with OHS routines and manage safety performance. Chile and Norway have implemented a new quality system Intelex which makes it possible to further strengthen the management of OHS throughout the organisation. The system will be implemented in Canada in 2015.



First Nations

In Canada, our relationship with First Nations communities is very important to our vision of sustainable aquaculture and we strive to develop social, economic, and cultural relationships that are mutually beneficial.

Cermaq Canada and Ahousaht First Nation have partnered with Excel Career College to provide an Aquaculture Technician Diploma program for Ahousaht First Nation members. The students will sit for graduation in April 2015.

British Columbia is home to around 200 First Nations, about one third of all First Nations in Canada. Ahousaht First Nation is the largest of the Nuu-chah-nulth nations with over 2000 members. Approximately 1/3 of Ahousaht members live within Ahousaht traditional territories while the remainders live in other rural and urban areas.

Local Community

Our employees are part of local communities where Cermaq operates. It is important for us that both the industry as such and the company in particular are welcome locally. Cermaq aims to be an active and responsible partner where we have activities. In 2014 we received 5 complaints from neighbours, all of which were followed up. In 2014 NOFIMA presented a report that reveals the average fish farm in Norway provides 42 FTE (full-time equivalents) in primary production and supplier industry jobs.

HOW WE DO IT

The responsibility for occupational health and safety in Cermaq is placed with the operational management and is an integral part of daily operations and management. To support management, Cermaq has established an OHS cross border team that will seek to share best practices and be a driver for improvements in all regions. In addition we have yearly targets in place for key indicators such as absence rate, Lost Time injury rate (LTIR) and Total recordable Injury rate (TRI) that are followed up by local and central management as well as the Board of Directors on a quarterly basis.

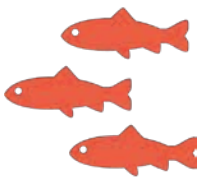
Local management plays a key role in managing relations with the local communities in which we operate, engaging in dialogue and various activities to develop and maintain a strong and positive relationship. The management team and Board annually review any local community complaints in connection with our activities.

More information about how we manage these aspects can be found here:

- Management approach to OHS
- Risk management
- BoD report
- Employees

Our performance in 2014 can be found here:

- LA 6 Type of injury and rates of injuries, occupational diseases, lost days, absenteeism and work-related fatalities by region and gender
- CEQ 11 Local community complaints
- SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs
- SO2 Operations with significant actual and potential impacts on local communities.
- LA 9 Average hours of training per employee by gender, and by employee category.
- Initiatives on social sustainability, Cermaq Chile, Canada and Norway [web]



One sea site is basis for 42 jobs in the aquaculture industry and the supplying industries
(figures from Norway)

A feed barge may have fitness room and even a jacuzzi - and has often a very nice view

See a film of a whale walrus visiting our staff
Thanks to Tom Erlend Hansen

THRIVING OCEANS

Engaging in marine farming in our respective ocean areas worldwide carries enormous responsibility.

WHY

Our future production depends on an unspoiled environment

WHAT

We monitor our impact and fallow our sites to allow nature to restore

HOW

We work with the entire chain of impact, from feed suppliers to local community projects

FRANCISCO MIRANDA
COO, Chile

"THIS INDUSTRY NEEDS TRANSPARENCY, GOOD REGULATIONS AND CLEARLY DELIVERED ENFORCEMENT OF THESE REGULATIONS."

In Cermaq we engage in all these areas as participants in building a robust and sustainable industry

"Cermaq has undergone tremendous development since I started as a brand new veterinarian in 2000. Now we strive to meet the same standards in all our operations globally, and my experience from working in Canada and Scotland for more than five years has been indispensable in managing the Chilean operations. I'm proud that Cermaq's first ASC certification was in Chile, and this was also the very first farm to gain ASC certificaton in Chile.

This industry provides great benefits to local communities, a variety of work places with numerous ripple effects. However, we have experienced how a severe fish health situation dramatically impacts local communities dependent on this industry. We need to be a long-term reliable partner with the local communities in which we operate, and encourage everyone in Cermaq to contribute to this.

I'm proud that Cermaq is taking many initiatives, not only through our own research linked to fish health, but also engaging in new technology such as closed containment cages and various methods of non-medical treatment against lice. Nonetheless, more effort is needed if we are to develop the industry to its full potential while respecting the environment.

This industry needs transparency, good regulations and clearly delivered enforcement of these regulations. In Cermaq we engage in all these areas as participants in building a robust and sustainable industry."

(Photos: Hans Fredrik Asbjørnsen)

WHY WE DO IT

We have a self-interest in preserving a good environment, so that these areas do not deteriorate and we can continue to produce. We also have a responsibility to prove we do not depreciate other elements in the sea and environment surrounding our activities. A marine farm leaves traces on the seabed below. These traces are transitory, and when the farm cages and moorings are removed, the seabed returns quicker to its natural state than it does for cultivated farmland to return to natural terrain.

Sea lions, seals, otters and other predators may also seek out fish farms in their hunt for food. We have many ways to avoid conflicts with predators, and ensure that no species are threatened. It is our responsibility to prevent our salmon from escaping. Prevention, expertise and preparedness are the catchwords for our work in preventing escapes. In Norway, escaped salmon can end up mixing with wild salmon, we now have a way to trace the fish through DNA registration so that we can be held responsible for every single fish that has escaped from one of our farms.

Technological development can reduce the impact that marine farming has on its surroundings. Cermaq is a participant in the development of improvements in open cages as well as development of closed containment systems. Not all ideas will succeed, but we are learning and developing our knowledge and expertise on an ongoing basis.

WHAT WE DO

Escapes

Marine farming affects the environment in several ways, among others through escapes. Cermaq had two escape incidents in 2014, both in Canada, where a total of 21 fish escaped. We believe company escape history will carry weight when companies are awarded opportunities for growth. In 2014 we decided to initiate implementing DNA traceability on the fish in Norway, and the first fully traceable fish will be released into marine cages in 2015.

CEQ 07 - Sum of Number of Escaped Fish

	CERMAQ CANADA	CERMAQ NORWAY	CERMAQ CHILE	GRAND TOTAL
2010	0	0	0	0
2011	0	2	0	2
2012	1	0	0	1
2013	0	0	63 273	63 273
2014	21	0	0	21

Marine mammals

Many sea mammals seek out fish farms. We endeavour to protect the fish and avoid coming into conflict with seals and sea lions, but occasionally situations arise where the sea mammals must give way. When a sea mammal is killed, this is always carried out in strict accordance with the regulations that among others requires competent hunters. In 2014 we began reporting for the entire group on the frequency of necessary killing of seals or other sea mammals.

Norway	Chile	Canada	Canada
13	1	4	1
[seals]	[sea lion]	[seals]	[otter]

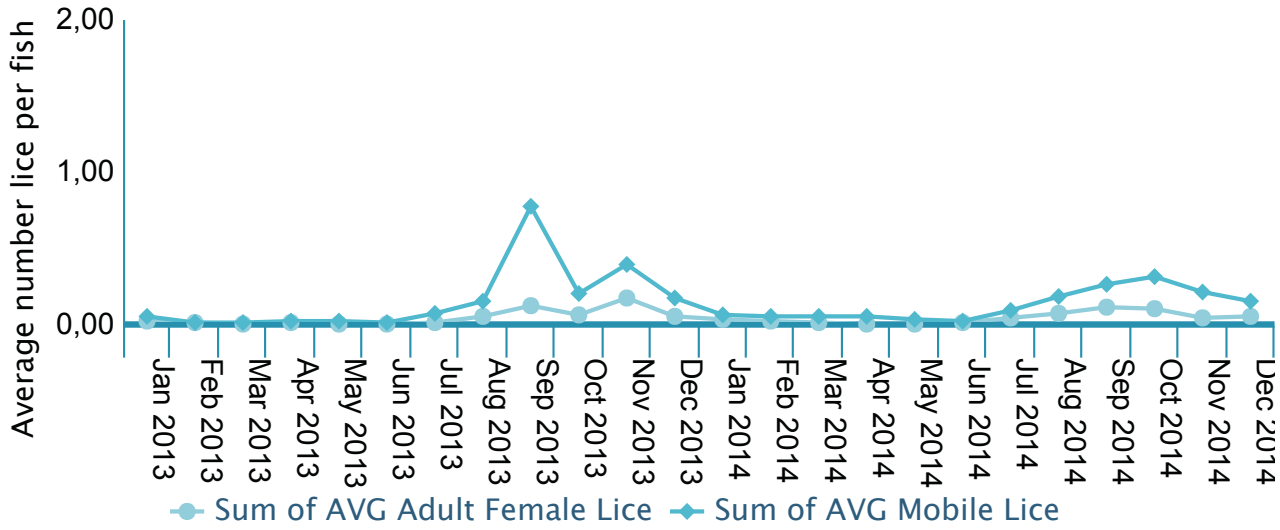
Wild salmon

In both Norway and Canada wild salmon have a unique position. With fish farms being in great number in relation to wild salmon stocks, the possible impact from marine farming is particularly significant in Norway. In Canada, the wild salmon reservoir vastly outnumbers the number of farmed salmon. Cermaq also supports a number of initiatives that strengthen wild salmon stocks in Norway and Canada. In Norway we participated in establishing the Stiftelsen Norsk Villaks Forvaltning (SNVF), the Norwegian Wild Salmon Management Institute, the body that develops management models for enhancing fishing in the rivers and tourism in connection with wild salmon fishing. In 2014 the institute published a booklet so that the model was available for general use.

Sea Lice

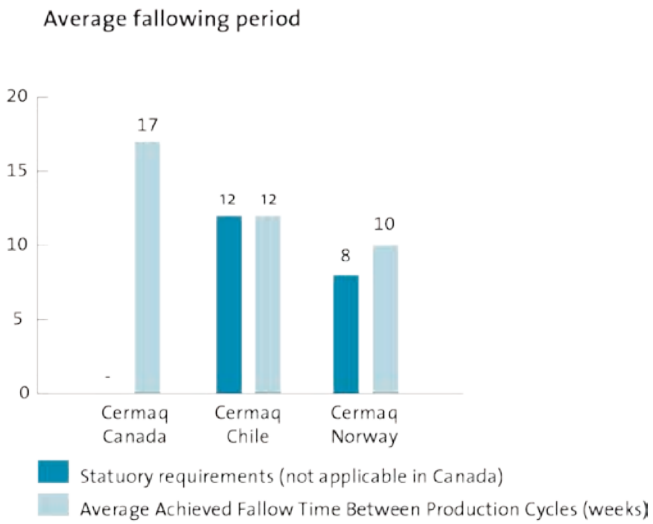
Sea lice can affect wild salmon particularly when they are near concentrated biomass of farmed fish. In order to keep within the limits for sea lice Cermaq employs many different measures. In 2014 we increased usage of lice skirts, and are now in the process of “making sewing alterations” to some of the skirts that were too long. We have also had excellent results with cleaner fish (lumpsuckers). These measures are vital for enabling us to limit usage of medicinal treatments.

CEQ 02 - Average Sea Lice Counts Norway, ATS
Atlantic Salmon (L.Salmonis)



Laying farming sites fallow

Laying farm sites fallow is important for both animal health and for the external environment. Each farm is laid fallow after the production is completed. The farm is often moved to a new site so that Mother Nature is given an even longer “rest” before new production commences.



Documenting company impact on resources

Approval for increased productions is dependent on a wealth of documentation, including contingency plans, benthic assessment and assessment of the impact on stakeholders access to resources as nature, wild fish, water as well as the impact on other industries, see example from Steigen, Norway

HOW WE DO IT

Cermaq follows a precautionary approach to the management of all risk areas through its risk assessment and reporting model. The ethical and corporate responsibility guidelines provide all Cermaq employees a clear understanding of what we stand for and the way we do business.

Cermaq monitors the impact of farming on the benthic zone, and ensures that requirements for fallowing and/or benthic status are met.

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

Cermaq works closely with its feed supplier EWOS. The feed supplier operates a supplier code of conduct, defining the principles for their purchase of raw materials and requirements to its suppliers. Cermaq developed its own Supplier Code of Conduct in 2014

As a member of the Global Salmon Initiative, Cermaq's objective is to achieve certification in accordance with the Aquaculture Stewardship Certification Standard (ASC) for its farming operations in 2020.

More information about how we manage these aspects can be found here:
- Management approach to sustainable feed
- Management approach to biodiversity
- Risk management
- BoD report

Our performance in 2014 can be found here:
- CEQ 01 Mortality rate
- CEQ 02 Sea lice
- CEQ 04 Medicine use
- CEQ 05 Vaccination programme
- CEQ 06 Area Management agreements
- CEQ 07 Escapes
- CEQ 03 Fallow time
- EN 11 Operational sites owns, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas
- EN 12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas
- EN 14 Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
- EN 3 Energy consumption within the organisation
- EN 4 Energy consumption outside of the organization
- EN 5 Energy intensity
- EN 6 Reduction of energy consumption
- FP 9 Animal raised
- EN 14 Materials used by weight or volume
- EN 15 Direct greenhouse gas (GHG) emissions (Scope 1)
- EN 16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)
- EN 18 Greenhouse gas (GHG) emissions intensity

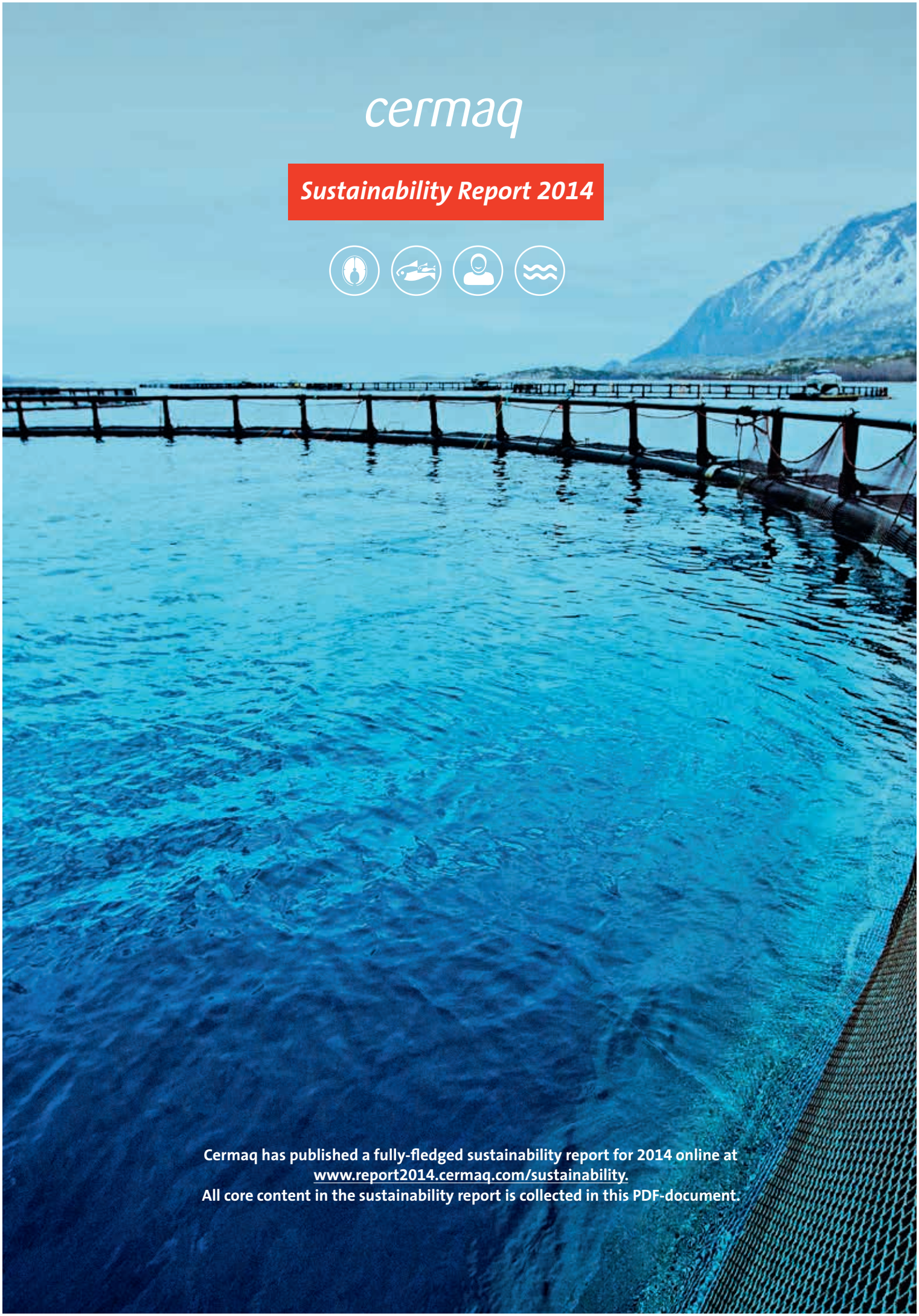
The high fences around the sites are not to keep the fish inside, but to keep the seals and sea lion from jumping inside

Smolt production expertise is also core for salmon ranching production in Alaska as well as for hydro power companies who regulate the water flow in rivers

The farming industry has picked up technical knowledge from the oil industry, e.g. for moorings, ROVs and diving.

cermaq

Sustainability Report 2014



Cermaq has published a fully-fledged sustainability report for 2014 online at www.report2014.cermaq.com/sustainability.
All core content in the sustainability report is collected in this PDF-document.

Contents

GRI REPORTING
PROFILE

Strategy and analysis

INDICATOR	QUICK LOOK

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

Interview with Chair of Board and the CEO

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

Cermaq's materiality analysis identifies the sustainability aspects that management considers to be of greatest impact to the organisation and of greatest concern to Cermaq's stakeholders. These aspects are taken into the Group's annual risk assessment and reporting model.

Cermaq's approach is based upon a risk assessment matrix, where management judges the probability of a risk to occur and the consequence of a potential risk (reputational as well as financial impact) for each material sustainability aspect. The perceived sustainability risk exposure is then categorized into critical, significant, and insignificant risk areas. The risks are subject to discussion and approval on a quarterly basis in central management meetings and the outcome is presented to the Board of Directors on a yearly basis.

The outcome is described below including a description of mitigating activities, performance in 2014 and targets for 2015.

Risk areas	Risk mitigating activities	Performance 2014	Targets 2015
Fish health	• Vaccination program • Use of functional	Our performance within fish health in	Cermaq has targets in place for all important

Risk of unfavorable biological conditions like disease outbreaks and high sea lice levels and/or high mortality	feeds supporting fish health • Sea lice treatments, including new preventive non-chemical measures like sea lice skirts and lump fish • Screening of fish • Improved routines and procedures by sharing best practice across regions • Area management agreements (e.g. coordination of sea-lice treatment in all regions) • R&D projects, e.g. contagious disease projects, sea-lice projects and projects on improving the environment (e.g. oxygen supplement)	2014 is described in the following indicators: • CEQ 01 Mortality rate • CEQ 02 Sea lice • CEQ 04 Medicine use • CEQ 05 Vaccination • CEQ 06 Area management agreements	elements related to fish health: • Reduce the 12 months mortality rate for Atlantic salmon in all regions within specified targets. • Be compliant with local action levels for sea lice counts • Reduce the level of Active Pharmaceutical Ingredients (API) from treatments by ton of production • 100% of sites committed to an Area Management Agreement
Escapes (impact on biodiversity) External conditions like climate change can cause extreme weather conditions. Sites can be exposed to rough storms etc. which increases the risk of damaged equipment and difficult working conditions that increase the risk of escapes.	• Investments un equipment preventive routines and procedures, training and maintenance. • Upgrading of net pens in Chile: The net around the lift up mortality system has been strengthened (100% of the sites now have double nets at the bottom). • Regular monitoring of the farm by using ROV system.	See indicator CEQ 07 for information about escapes in 2014	0 escapes in all regions
Occupational Health & Safety (OHS)	• The ISO 18001 standard shall be	See indicator LA 5 and LA 6 for information	• The long-term target is zero injuries. For

Risk of fatalities, injuries and high absence rate as a result of work-related incidents. Risk of non-compliances/fines, being considered as a less attractive employer, negative	implemented by all Cermaq companies. • Cermaq has establish a cross-regional functional OHS team that will focus on sharing best-practice and be a driver for improvements • Implementation of the Intelex OHS management system is planned for 2015 to strengthen the management of OHS risks throughout the organisation • Cermaq Chile has introduced mitigating activities for divers, including investment in new equipment (ROV) to reduce the number of dives needed and a safety training program for divers and their families • Cermaq Chile has implemented mitigating activities for all employees which include visible leadership activities in plants and sea/fresh water sites, incident reporting for prevention and promotion of self care, Man Overboard exercises on Sea Water and Fresh	about OHS performance in 2014.	2015 the target is to reduce the Lost Time Injuries Ratio(LTIR) to 8 for the Cermaq Group • The Group absence rate target is to achieve an absence rate below 2.4%. • Improve by 50% the total number of injuries (TRI) per million working hours

	Water sites, and an induction program for processing plants seasonal workers • Cermaq Canada has implemented measures to reduce the number of injuries, including the development of a certified injury management program to reduce lost time due to injuries, an annual employee safety perception survey, and safety visits to other industries to share best practices • Mitigating activities in Norway include the upgrade of equipment to reduce injuries, strengthened monthly OHS reporting and the establishment of a cross regional safety commitee		
Non-compliance with environmental, social, product and service and food quality regulations. Salmon farming is subject to extensive regulations in all areas of operations. Many of the regulations are addressing measures to secure sustainable farming. Significant	• Management systems such as ISO 9001, 22000, 14000 and OHSAS 18001 shall be in place in all Cermaq companies. • Cermaq is committed to obtain the ASC-standard through the Global Salmon Initiative membership and all operating	Details of non-compliances with regulations are described in indicators EN 29, SO 8, PR 2, PR 9, and CEQ 13.	Zero non-compliances

fines and damage to the reputation may be a consequence of serious non-compliances.	companies have developed plans for ASC certification		
Consumer Health & Safety Cermaq is producing food for direct human consumption. Non-compliance (food safety) incidents could lead to significant fines/litigation and reputational damage.	• The ISO 22000 standard shall be implemented by all Cermaq companies. This standard is a complete food safety management system incorporating the elements of prerequisite programs for food safety, HACCP and quality management systems. • In addition Cermaq Chile has implemented IFS (International Food safety) in the processing plants Quemchi and Ancud, and Global GAP in the same processing plants and 5 sites. • Also, Cermaq Chile complies with Walmart's own food safety standard. • Cermaq Norway is certified according to the Global GAP standard	Overview of management systems can be found in CEQ 13 and information about non-compliance related to food safety is found in PR 2.	• All management standards in place • Progress in accordance with established ASC Certification plans • Zero non-compliances with food-safety regulations
Sourcing/risk of non-sustainable feed supplies The risk of non-sustainable practices	• Cermaq has established a Supplier Code of Conduct with requirements to ensure high	Information about feed ingredients and sustainable raw materials used in Cermaq farming is found in EWOS 8.	Cermaq supplier program implemented

among our feed suppliers poses a risk also to Cermaq in terms of non-compliance with laws and regulations, the use of potentially unsafe and illegal materials, with reputational damage, potential fines/litigations, and financial loss as a consequence.	standards and strengthen risk management in our supply chain. • The Code describes the minimum standards that all Cermaq's suppliers are expected to uphold and are based on recognized international standards for supply chain sustainability, including the UN Global Compact. • The implementation of a supplier follow up program is ongoing in 2015		
Corruption Cermaq is mainly exposed to corruption risks through our supply chain and sales markets, many of which rank high on Transparency International's Corruption Perception Index. There is also a risk of corruption in Cermaq's own operations, but this is considered lower as all Cermaq operations are located in countries with strict legislation and low ranking on the TI index.	• Cermaq has a zero-tolerance policy for corruption and has defined ethical guidelines on corruption and procedures for whistle blowing. • Establishment of ethical and anti-corruption requirements to our suppliers in the new Cermaq Supplier Code of Conduct • Cermaq is a member of Transparency International Norway to support anti-corruption work. • A new web-based e-learning tool was rolled out to the whole organization	Details of training for anti-corruption are given in GRI indicator SO 4 and information about any whistle blowings in CEQ 12. Country-by-country information is found in CEQ 15.	Zero incidents of corruption

in 2012 and completed in 2013.
- Training on anti-corruption is conducted throughout the organization and is a mandatory part of management training
- Transparency about organisational ownership, management and operations, which is regarded as important to fight corruption
- Cermaq reports Country-by-Country information

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

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

G4-2

Organisational profile

INDICATOR	QUICK LOOK

G4-3 - Name of the organisation

Cermaq Group AS

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

Farmed Atlantic salmon, Coho salmon and trout, aslo under the Mainstream brand.

G4-5 - Location of the organizations headquarters

Dronning Eufemiasgt. 16, 0102 Oslo, Norway

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

Cermaq has significant operations in Norway, Canada and Chile. For more information see also our website:

www.cermaq.com

G4-7 - Nature of ownership and legal form

Cermaq Group AS is a private company where Mitsubishi Corporation holds 100 percent of the shares as of 31 December 2014.

G4-8 - Markets served

Cermaq sells its product globally, where the main markets are EU, USA, Russia, Brazil, China and Japan. For more information see also our website:

www.cermaq.com

G4-9 - The scale of the organization

Financial figures

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

Our 4134 employees represent a diverse group both in terms of culture and type of work. Still, a common set of core values unite our international and diversified activities.

[AVA1]Lages som ingress

Cermaq promotes equal work opportunities and just treatment of all its employees. Strict standards for health, safety and environment are set to ensure high level of safety. All employees are expected to contribute to a work environment free of discrimination.

Lean and operative central management

All operating companies are represented in Cermaq's Corporate Management Team. The team visits all of Cermaq's operating companies each year. This hands-on involvement is important to acknowledge the effort made by all employees and brings in-depth insight about everyday life in our different areas of operation.

Employment

At the end of 2014, Cermaq employed 4 134 people, a reduction of 227 employees since the end of 2013. The decrease is a partly a consequence of the divestment of Cermaq's feed division EWOS in 2013.

There are strong seasonal variations in employment in farming, especially related to the harvesting and processing plants. Chile is the largest region in terms of employment. Approximately 80 percent of all Cermaq employees were located in Chile by year end 2014.

Recruiting the right people is essential for the future success of our operations. Competent and dynamic human resources management plays a key role in our industry.

Our operations are based on local recruitment of management. In 2014 the proportion of management hired from local communities averaged 94 percent (90 percent in 2013).

This is in line with Cermaq's philosophy to trust local employees who best know the local conditions and culture. Possibilities for international assignments contribute to personal development as well as developing our corporate culture.

Total workforce in Cermaq group (incl Cermaq Group AS) by employment type, employment contract, region and gender, per 31 December 2014:

G4-10 - Total workforce by employment type, employment contract, region and gender

	CERMAQ GROUP AS		CERMAQ NORWAY		CERMAQ CHILE		CERMAQ CANADA		TOTAL	
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
Total employees	38	86%	532	100%	3314	100%	246	100%	4130	100%
Total supervised workers	6	14%	0	0%	2	0%	0	0%	8	0%
Total - Workforce	44	100%	532	100%	3316	100%	246	100%	4138	100%
Total Indefinate or Permanent employees	38	86%	436	82%	2487	75%	246	100%	3207	78%
Total temporary or fixed term employees	6	14%	96	18%	827	25%	0	0%	929	22%
Total Full time employees	44	100%	436	82%	3314	100%	246	100%	4040	98%
Total Part time employees	0	0%	96	18%	0	0%	0	0%	96	2%
Management and administration employees	44	100%	24	5%	273	8%	37	15%	378	9%
Other employees	0	0%	508	95%	3041	92%	209	85%	3758	91%
Female employees	13	30%	113	21%	915	28%	49	20%	1090	26%
Male employees	25	57%	419	79%	2399	72%	197	80%	3040	73%

Diversity

Cermaq promotes equal work for all its employees. Still, gender is a challenge we continue to face. Whereas 26 percent of our employees are female, women have a significantly higher representation amongst the seasonal workers in the processing plants.

The proportion of women in the Cermaq group was 26 percent at the close of 2014. At year-end 2014 Group management comprised seven persons; one woman and six men. Two members of Group management were Chilean citizens; one was Japanese, and four Norwegian. There were no women amongst the Group's managing directors. In total 16 percent of the Group's managerial groups are women (including all managers that report to the Managing Directors in the Group's companies).

In the longer term it is an aim to increase the percentage of female leaders in the Group. One means of achieving this is through in-house talent development.

Some of Cermaq's operations are located in areas inhabited by indigenous people. In Canada the

protocol agreement with Ahousaht First Nation sets ambitions for employment from Ahousaht, and also provides service opportunities. In Chile indigenous people are employed in line with employees in general, while Cermaq is aware of a history of discrimination against indigenous people.

Union relations

Good and constructive relations with employees and labor unions are essential to Cermaq, and are managed through well-established local management structures and practices. All employees are free to join any labor union.

G4-10

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

Percentage of employees covered by collective bargaining agreements

It is important to note that collective agreements do not necessarily reflect the actual participation in unions.

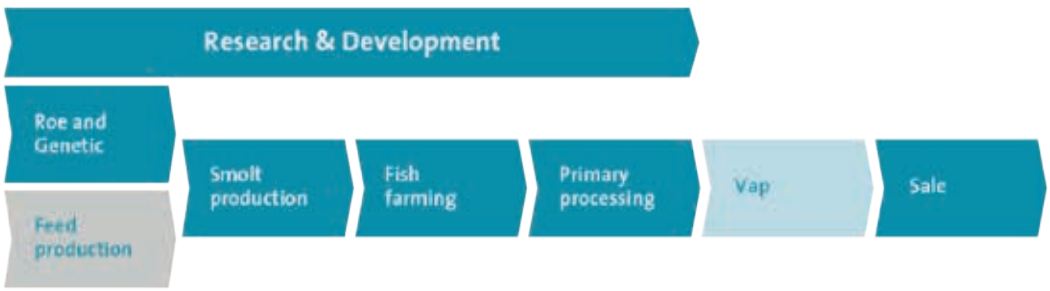
G4-11 - Percentage of employees covered by collective bargaining agreements

	2010	2011	2012	2013	2014
Cermaq Group AS	0%	14.6%	13.2%	20%	0%
Cermaq Norway	77.6%	92.5%	93.4%	93.7%	86%
Cermaq Chile	17.9%	18.6%	25.4%	23.8%	31%
Cermaq Canada	0%	0%	0%	0%	0%
Cermaq (ex Cermaq Group AS)	26.7%	26.9%	34.3%	31.41%	36%

Note: Employees covered by collective bargaining agreements are calculated as a percentage of all employees, both temporary and permanent employees

G4-11

G4-12 - The organizations supply chain



Cermaq's main activies in dark blue, Cermaq emerging/growing activies in light blue, Cermaq is not engaged in fish feed production.

Cermaq's value chain is concentrated around smolt production and fish farming as well as primary and secondary processing. Our extended value chain incorporates the different stages of fish feed production. In managing risks in our supply chain we are focusing on our fish feed suppliers which account for approximately half of our purchasing cost.

After the sale of EWOS in 2013, Cermaq and EWOS entered into an agreement which entails that EWOS continues to be our main supplier of fish feed for a period of time. EWOS' main suppliers are fish meal and fish oil processing companies and other raw material providers, such as companies supplying e.g. soy proteins, rapeseed oil, wheat and wheat gluten. EWOS has developed a supplier policy and Code of Conduct based on the UN Global Compact 10 principles, the same principles that are the foundation of Cermaq's Supplier Code of Conduct. Raw material suppliers must sign a self-assessment form and EWOS performs regular supplier audits. In addition, EWOS supports and encourages suppliers of marine ingredients to qualify as certified IFFO Responsible Sourcing.

Some key environmental issues within feed processing is to ensure that the raw materials used are not overexploited and that ecological and carbon footprint are minimized. EWOS indicators concerning marine and terrestrial raw material use are presented under the indicator EWOS 8. Information about EWOS energy use is found in EN 4 and CO2 emissions in EN 17.

Cost related to smolt is one of the largest cost components for production of salmon, and it is crucial for profitable production that the smolt has good health and quality. Cermaq is self-sufficient on smolt in Chile and Canada, while parts of the smolt in Norway are purchased from third party suppliers. Measures to increase own smolt production in Norway is ongoing.

Our main categories of purchases and our suppliers vary between regions:

Cermaq Norway

Cermaq Norway spent NOK 1.6 billion on goods and services to a total number of suppliers around 1400. The 100 largest suppliers account for approximately 93 percent of the total amount. The 10 largest suppliers account for approximately 67 percent. All the top 100 suppliers are registered in Norway except for one company registered in Lithuania.

Feed from EWOS accounts for 49 percent of the total amount spent on goods and services. Other important purchasing categories are logistics (e.g. well boats and other forms of transportation of fish and customs) (17%), technical equipment (11%), smolt and eggs (7%), maintenance of infrastructure and investments (5%), fish health (e.g. medicines) (1%), and processing plant services (1%).

Cermaq Chile

Cermaq Chile spent 175,072,542,647 CLP on goods and services in 2014. The total number of suppliers was 1463, of which 10 are international suppliers from Denmark, Germany, Canada and USA.

The 100 largest suppliers account for 88 percent of the total amount spent whereas the 10 largest account for 65 percent of the total amount.

Feed from EWOS represents 49 percent of the total amount spent on goods and services.

Other relevant items are transportation of feed and fish (11%), fish health (6%), equipment (maintenance, nets, feeding equipment, anchorage) (4%), fuel and oils (3%) and impregnation and net cleaning (3%)

Cermaq Canada

Cermaq Canada spent approximately CAD$ 107 million on goods and services in 2014 with a supplier base of approximately 900 suppliers. The top ten suppliers accounted for approximately 68 percent of the purchases made.

Feed from EWOS accounted for 50 percent of our total purchases, maintenance and operational costs accounted for 40 percent of the expenditures with contracted processing, health and biology, diving, fuel and insurance accounting for another 10 percent of our expenditures.

G4-12

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

The ownership of Cermaq changed in 2014, as Mitsubishi Corporation acquired all shares in the company. The company was then transformed from a public to a private company. Consequently the company was also delisted from the Oslo Stock Exchange. The name of the company changed from Cermaq ASA to Cermaq Group AS.

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

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

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

Engagement in global initiatives

G4-16 - Memberships of associations (such as industry associations) and national or international advocacy organizations

Norwegian Seafood Federation (FHL); British Columbia Salmon Farmers Association (BCSFA); Canadian Aquaculture Industry Alliance (CAIA); Salmon Chile, and Global Salmon Initiative (GSI).

Identified Material aspects and boundaries

INDICATOR	QUICK LOOK

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

The non-core business is not included in the GRI report. There are 4 employees in the Cermaq's non-core businesses.

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

Cermaq's materiality assessment

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

Cermaq's materiality assessment

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

Cermaq's materiality assessment

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

Cermaqs Materiality Assessment

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

Cermaq has restated the 2013 Statement of Income following the view of the Norwegian Financial Supervisory Authority (FSA) that disagreed with Cermaq's application of IFRS 10 Consolidated Financial Statements. See BoD report: Explanation of the accounts.

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

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

There are no changes in scope from last year. The divestment of EWOS means that the report does not cover EWOS in the same way as reports prior to 2013. Because EWOS is a significant supplier, EWOS data and information is included where relevant.

Stakeholder Engagement

INDICATOR	QUICK LOOK

G4-24 - List of stakeholder groups engaged by the organization

Stakeholder engagement

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

Stakeholder engagement

G4-26 - The organizations approach to stakeholder engagement

Stakeholder engagement

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

Overview of key topics and concerns

Report profile

INDICATOR	QUICK LOOK

G4-28 - Reporting period

Cermaq's reporting period follows the calendar year 2014

G4-29 - Date of most recent previous report

The previous GRI report is included in Cermaq's Annual Report 2013 published in April 2014.

Cermaq Annual Report 2013

G4-30 - Reporting cycle

Cermaq's GRI reporting cycle is annual

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

Please contact: Lise Bergan, Director Corporate Affairs. E-mail:

post.group@cermaq.com

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

GRI Content index

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

Cermaq is of the opinion that an external assurance process increases the quality and credibility of our GRI report. The GRI- report for 2014 is Cermaq's fifth externally assured report. It is assured by EY, our financial auditor in all the operating regions.

Based on what is perceived to be the most material indicators, EY has selected a number of indicators subject to assurance. The most important indicators are verified each year, whereas less material indicators are assured on a less frequent basis. All regions have been included in the assurance process. The indicators that have been assured are listed in the table presented in G4-32.

All sustainability indicators are reported in the external sustainability software Credit360. During the assurance process, the operating companies are required to document "evidence" of the reported data into the reporting system. The text commenting on results is subject to assurance as well as the GRI-data in general.

In-depth interviews with relevant Cermaq experts were conducted for a selected number of indicators as a part of the assurance.

Assurance letter

Governance

INDICATOR	QUICK LOOK

G4-34 - Governance structure of the organization

The general meeting is the highest governance body in Cermaq Group AS ("Cermaq").

The General meeting of Cermaq elects the shareholder elected directors and the auditor and also approves the annual accounts and the board remuneration. In addition, three directors of the Board are elected by and amongst the Norwegian employees.

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 Board does currently not have any sub-committees.

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

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

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

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

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

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

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

governance body

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

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

Cermaq's Board consists of seven directors, of which three are elected from and by the employees of the Norwegian companies. The CEO of Cermaq is the only executive director. There are three non-executive directors, of which two are employed by the sole shareholder, Mitsubishi Corporation, and one is external. Six of the seven directors are men and one is female.

The board members are elected for a period of two year. However, the general meeting may also choose to elect of dismiss directors within the tenure period.

The board members that are elected by the employees cannot be dismissed within the tenure period.

The Board elects its own chair. This is a requirement due to an agreement with the employees regarding not having a corporate assembly. Information about the year of birth, work experience and current position of the members of the Board is provided on the company web site.

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

The Chair of the Board is not an executive officer. However, the chair has an active role and has an office at Cermaq's corporate center in Oslo.

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

As Cermaq is fully owned by Mitsubishi Corporation, the company no longer has a nomination committee. The sole shareholder has the sole discretion to nominate and elect the board of directors, except for the three employee elected directors.

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

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

The ethical and corporate responsibility guidelines set the framework for managing any conflict of interest.

Any concerns are raised by the CEO to the Board. The Company also has a separate whistle blowing channel both for internal and external concerns, and whistle blowing incidents and non-compliances are reported in Cermaq's annual sustainability report. Mitsubishi Corporation, a company listed on Tokyo Stock Exchange, controls all shares of Cermaq through its wholly owned subsidiary MC Ocean Holding Ltd.

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

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

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

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

In order to obtain the best possible understanding of the company's operational activities in various regions as well as general knowledge of economic, environmental and social issues , the Board members regularly visits the operations and also participates in various conferences throughout the year.

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

Evaluation of the Board's performance has taken place annually. As the current Board is nominated by the sole shareholder, the future evaluation process will be assessed.

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

BoD report, section risks
Description of key impacts, risks and opportunities

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

BoD report, section risks
Description of key impacts, risks and opportunities

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

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

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

The Board reviews and approves Cermaq's sustainability report.

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

The CEO provides critical concerns to the Board.

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

There were two whistleblower issues during 2014. The issues were dealt with according to the company's procedures. Both cases resulted in measures to improve the situation that caused the concern.

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

The annual remuneration of the Board is determined by the general meeting. The remuneration to the Board is independent of the companys performance. Information about the remuneration of the Board for the period up to the ordinary general meeting in 2014 is included in the notes of the Groups annual accounts.

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

- Senior management remuneration should be competitive, enabling Cermaq to attract and keep good managers. Total compensation to managers should normally be at a level corresponding to remuneration received for similar positions in comparable enterprises in the country where the manager is acting.
- Senior management remuneration should be motivating. The remuneration should be structured to give incentives for continuous improvement of the companys operations, business results, sustainability and ability to secure a safe and sound working environment.
- The principal element of the remuneration is the basic salary, but additional variable elements of remuneration should be provided to motivate the managers performance. The variable elements of remuneration should appear reasonable with respect to the companys results and the individual managers performance during the relevant year.
- The remuneration system should be flexible. It should be modified when necessary.
- To be able to offer competitive salaries, Cermaq should have a remuneration system with room for special adaptations.

Basic salary

The basic salary is the main element of the managers remuneration packages. The basic salary should reflect market conditions and Cermaq annually obtains external annual surveys on remuneration of similar manager positions, exercised by external consultants.

Bonus scheme

The Cermaq Group has a bonus scheme that applies to the senior management teams of the Group. The Board conducts a yearly assessment of the bonus scheme and decides the bonus criteria for the next year.

Appr. one half of the bonus is related to individual criteria and the other half is related to four common company criterial with one criterion for each of the four dimension; business results, people, operations, and sustainability.

Pension scheme

Senior management in the Norwegian group companies with salary exceeding 12G (G= Basis Amount as defined by the Norwegian National Insurance) participates in the general pension scheme for pensionable income exceeding 12G. Severance pay The CEO should normally have a contract that considers the potential need for termination of employment if this is considered to be in the companys best interest.

Other

Other variable elements of remuneration may be used or other special supplementary payments may be awarded than those mentioned above if this is considered appropriate in order to attract and/or retain a manager.

G4-52 - Process for determining remuneration.

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

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

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

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

The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country in 2014:

Canada 7

Chile 38

Norway 10

The compensation includes bonus.

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

In Chile the highest paid employee had an increase in compensation which was

0.0 of the increase in median compensation from 2013 to 2014.

In Norway the highest paid employee had an increase in compensation which was 3.3 of the increase in median compensation from 2013 to 2014. The compensation includes ordinary bonus, whereas the extraordinary stay-on bonus in 2013 in not included in the calculation.

The calculation for Canada is omitted as the reference in 2013 was average wage against median wage measured for 2014.

Ethics and integrity

INDICATOR	QUICK LOOK

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

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

Ethical and corporate responsibility guidelines
Whistle blowing guidelines

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

Ethical and corporate responsibility guidelines

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

Whistle blowing guidelines

MATERIALITY

How the report has been defined: Cermaq Materiality Assessment

G4-18

Determining materiality

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

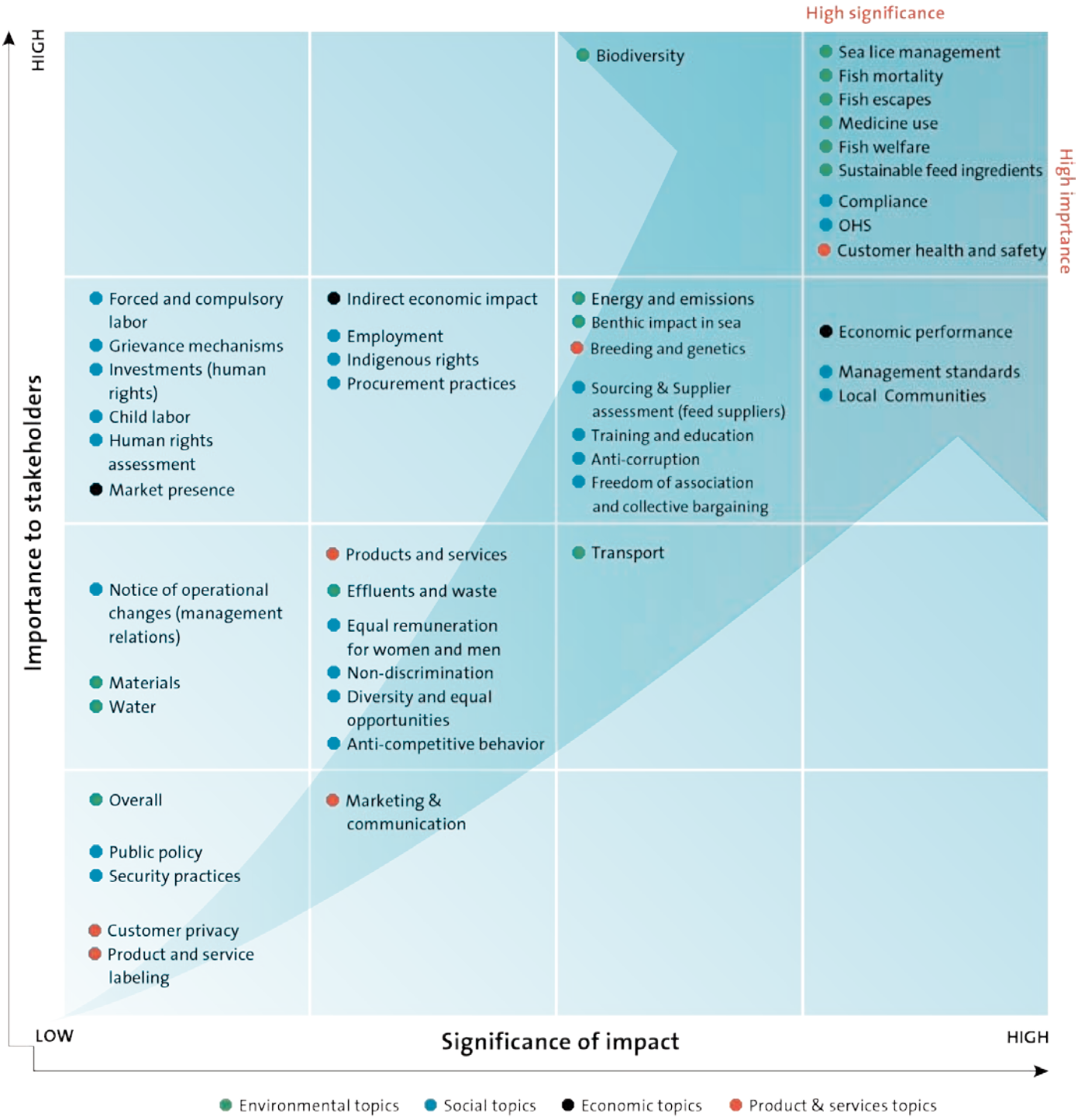
Our starting point is to report on topics where we have the largest impact and where stakeholder request for information is high. In defining material interests, Cermaq identifies its economic, social and environmental impacts and identifies the aspects that have the greatest influence on stakeholder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

The materiality assessment is subject to an annual review by our sustainability functional team to ensure that we report on material aspects and measure our performance against the right indicators. At certain intervals, we perform a thorough stakeholder assessment to inform our materiality analysis. In 2014, all business units were involved in a revisit of the matrix to assess the material aspects in our operations. An internal review was conducted which included feedback from external stakeholders based on meetings, dialogue, public debate and public reports in the regions in which the Group operates. A project to amend and introduce new indicators to support the most material aspects to Cermaq's business is planned in 2015.

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

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

Materiality matrix 2014:



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

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

From the figure it can be seen that some aspects that are most important to Cermaq are also the most material to our stakeholders. We are reporting on indicators within all these aspects, and Cermaq has in

addition developed sector specific indicators relevant for our fish farming operations. These indicators are base one similar protocols as GRI indicators and equally presented in Cermaq's GRI-report.

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

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

Responsibility

A draft of the materiality analysis is provided by the administration each year in tight cooperation and dialogue with operating companies in the different regions. The materiality analysis is subject to final approval from the Central Management team.

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

Follow-up of performance

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

Material aspects

G4-19

The following aspects are evaluated as the most important: Fish health and welfare (incl. sea lice management, fish mortality and medicine use), Fish escapes, Sustainable feed ingredients, Compliance, Occupational Health and Safety (OHS), Customer health and safety, Biodiversity, Economic performance, Management standards and Local communities.

As explained in G4-18, we report on additional aspects to meet the request for information from some stakeholder groups. These aspects are: Market presence, Energy, Emissions, Product and services, Training and education, Anti-corruption, Indigenous rights, Child labor and Human rights assessment.

Aspects boundaries within the organization

G4-20

All the material aspects listed in G4-19 are material to the whole organization except for Cermaq Group AS that is not involved in fish farming in an operational way, and consequently these aspects are not reported for Cermaq Group AS.

Other aspects where we report on selected indicators: Human rights assessment is only material to the Chilean operations because this is the only area that has been raised as a concern from specific stakeholders. The same is the case for the indicator Minimum wage level (Market presence) where concerns have been raised in earlier years about the wage level at processing plants.

Aspects boundaries outside the organization

G4-21

The following material aspects are material outside the organization: Sustainable feed ingredients, Biodiversity, Local communities, Occupational Health and Safety, Customer health and safety and Compliance. The aspects are material for suppliers in all the regions we operate.

As explained in G4-19, we report on additional aspects to meet the request for information from some stakeholder groups. The indicators selected within the aspects are also material outside the organisation: Market presence, Energy, Emissions, Product and services, Training and education, Anti-corruption, Indigenous rights, Child labor and Human rights assessment.

STAKEHOLDERS

List of stakeholder groups

G4-24

Cermaq has defined the following stakeholders; employees, customers, authorities and politicians, local communities, suppliers, NGOs, unions, indigenous people, industry association, providers of capital, and the general public.

Identification and selection of stakeholders

G4-25

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

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

Cermaq's approach to stakeholder engagement

G4-26

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

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

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

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

Suppliers include EWOS which is the sole feed supplier to Cermaq, and is the most important supplier in terms of total value of purchase. Following the sale of EWOS, Cermaq is building internal competence as feed purchaser and also initiated development of Supplier policy and Code of Conduct for suppliers adapted to the new organisation. Other main suppliers include suppliers of technical equipment and transport and local suppliers of goods and services. The local Cermaq companies maintain contact with their suppliers with frequency adapted to the needs.

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

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

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

Cermaq sees **industry associations** necessary for ensuring the framework conditions for the aquaculture industry. Thus, Cermaq is actively participating in the industry association, normally represented by senior executives in the board of the association. In 2014 Cermaq was co-chair of

GlobalSalmon Initiative, and had representation in the board of Salmon Chile, BCSFA (Canada), and CAIA (Canada). Cermaq also participates in FHL (Norway) andIFSA (International Salmon Farmers Association).

Although Cermaq now is 100 percent owned by Mitsubishi Corporation, Cermaq still defines **providers of capital** a stakeholder group. Financial institutions also approach Cermaq on topics related to specific sustainability concerns, and Cermaq strives to meet the needs for information and clarification. As in previous years, Cermaq submitted a report to the Carbon Disclosure Project (CDP), providing information on Cermaq's carbon emissions and the assessment of climate change risks and opportunities. (CDP is an investor initiative which collects and publicizes information on enterprises'emissions of greenhouse gases and other climate challenge related information.)

The **general public** is important for defining the framework conditions and support for aquaculture. Dialogue and transparent reporting are key elements for Cermaq’s engagement with the general public. Cermaq seeks to be proactive in being the source of information about its operations and to correct misinformation.

Key topics and concerns

G4-27

Stakeholder	Concerns	Cermaq response
Cermaq Canada		
First Nations	First Nations seeing the benefit of salmon farming in providing jobs for their people, ask for greater business opportunities and skills training.	Cermaq Canada and Ahousaht First Nation have partnered with Excel Career College to provide an Aquaculture Technician Diploma program for Ahousaht First Nation members. The students are set to graduate in April 2015. Cermaq Canada’s goal is to develop partnerships with First Nations in whose territory we operate.
Customers	Retailers want their suppliers to be more transparent and sustainable. They are looking for seafood from Aquaculture operations that are environmentally responsible. Transparent and practical information is being requested.	Cermaq Canada is committed to sustainable salmon farming and has 7 – 3rd party certifications to prove their commitment. • 4 ISO certifications, (EMS, QMS, OHS, FS) • Aboriginal Principles for Sustainable Aquaculture certification, • FIOSA – MIOSA Safety

		Alliance certificate of Recognition (COR) • Best Aquaculture Practices (3 star) To show commitment to continual improvement, Cermaq Canada is also pursuing ASC certification. We are providing more information directly to retailers who sell our salmon. Canada also posts sea lice and other information on its website to ensure easy access.
Local communities	Social acceptance of Aquaculture is important to Cermaq Canada. This acceptance varies in the communities where we operate and needs to improve.	Cermaq Canada is continually finding better ways to connect with our stakeholders. One of these ways is by supporting community activities. In 2014 we increased our sponsorships which focused on sports teams, health fundraiser events, educational development, and ocean sciences. We did more presentations and site tours.
Cermaq Chile		
Local communities	Interest in social training for communities in regions with limited work opportunities	The objective is support of skills training to find employment, improve small business or changing line of work, directed to support a different stakeholders of Cermaq in Chile. Local communities which benefit in 2014: • Liquiñe (Panguipulli, Los Rios Region, Indegenous community). • Cunco (Araucania region) • Ancud (Los Lagos region) • Calbuco (Los Lagos, region) • Dalcahue (Los Lagos region)
Indigenous peoples and local	Supporting sport activities	A concrete contribution to the

communities		quality of life of the communities in the close vicinity of our operations include supporting sports teams and clubs. A new program called "Cermaq protein that moves you" takes this engagement a step further to include other activities aimed at enhancing a healthy life style.Communities benefit in 2014: • Ancud (Los Lagos region) • Quemchi (Los Lagos region) • Calbuco (Los Lagos, region) • Dalcahue (Los Lagos region)
Trade unions	CSR Committee	Cermaq Chile also has established a CSR Committee chaired by our Chief Operating Officer in Chile, plus 4 company representatives in the HR, Environment, CSR and Quality domains, in addition to four representatives from company unions (one of fresh water, sea water and one of two process plant).
Cermaq Norway		
Local community	Positive ripple effects of the industry and local challenges	Cermaq has met with local administration and politicians in most of the municipalities where the company has operations to inform about and discuss current and planned activities as well as opportunities for growth and development.
Anglers and local NGOs	Impact on wild salmon	Joint projects with the angler's association on monitoring presence of farmed fish in several salmon rivers. (Repparfjordelva, Altaelva, Varpa)
Alta municipality	General concern over fish farming	Town hall meeting addressing people's concerns

Local communities	Impacts from the construction of a new smolt facility	Meetings with all neighbours who are or may be impacted of the facility as well as the construction work
Local communities	Sponsorships	Sponsorships of sports teams, clubs, foundations and schools in regions where Cermaq Norway operates.
Cermaq Group AS		
Politicians	Impacts of growth of the industry	Cermaq has presented its view on how sustainability must be respected in open meetings with politicians and also submitted its view in writing to public hearings.
Politicians, authorities, NGOs suppliers of capital, customers, general public	Impacts, challenges and opportunities related to the industry	Cermaq has an annual event – the Sustainability seminar – where representatives from the different stakeholder groups are invited to speeches and discussions around different sustainability issues. Representatives from the most critical salmon farming opponents to the speaker's platform may present their view on the industry's challenges. The seminar is also open to the general public.

MANAGEMENT APPROACH

The management approach explains how Cermaq manages the economic, environmental and social aspects that are material to the organization. For each aspect, a materiality assessment describes the view of our stakeholders and the materiality of the aspect for the company.

What is seen as material for Cermaq covers various aspects; external drivers, resources used by the company, key aspects in our business model, how Cermaq impacts the environment and society, and the financial input and output of the organization.

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

Economic

Economic performance

Why the aspect is material

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

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

What we do to manage the aspect

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

Evaluation of our approach
The annual report is the primary source for information about our economic performance, where the results are presented in the accounts and the Board's assessment of the results in the Board of Directors report.

As a fully owned subsidiary of Mitsubishi Corporation, Cermaq is not a listed company. Prior to the change in ownership in October 2014, Cermaq arranged annual Capital Markets Day and financial reports were presented quarterly to external stakeholder.

More information about economic performance in 2014 can be found in the following performance indicators; EC 1 *Direct economic value generated and distributed* EC 2 *Financial implications and other risks and opportunities for the organisation's activities due to climate change*, EC 3 *Coverage of the organisation's defined benefit plan obligations*, and EC 4 *Financial assistance received from government*.

Market presence

Market presence is not seen as one of the most important aspects in our materiality analysis. However, since this aspect still is important to some of our stakeholders, we report on this aspect as well as other relevant indicators where we have available data.

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

More information about performance in 2014 related to market presence can be found in the performance indicators EC 5 *Financial assistance* and EC 6 *Wages*.

Environment

Fish health and animal welfare

This section describes the management approach to the following aspects: Fish mortality, Sea lice management, Medicine use and Animal welfare.

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

Sea-lice levels, fish mortality rates and medical treatments are among important factors that need to be monitored on a regular basis in order to evaluate and ensure the healthiness of the fish, and thus animal welfare.

Sea lice represent a significant challenge for the salmon industry in some areas. Infestations of sea lice

can impact the health and welfare of farmed fish, which can serve as hosts for the parasites and increase the infection pressure on wild salmon stocks.

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

What we do to manage the aspect

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

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

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

Good animal health with no medicine is the optimal situation, and preventive fish health is Cermaq's main focus area. Antibiotics are used only when strictly needed and only upon approval by an authorised veterinarian. When needed, treatment against sea lice is done after protocol and with an evaluation of the efficiency of the treatment. Bath treatments can pose a risk situation for escapes and the company trains on empty pens to ensure that such operations can be managed successfully. Cermaq is engaged in developing vaccines against SRS, the bacterial disease that is the main reason for use of antibiotics in Chilean fish farming.

As a part of Cermaq's preventive fish health strategy, Cermaq has culled fish when certain pathogens have been detected. An example of this in 2014 is the culling of two pens at the farming site Langøyhovden in Nordland, Norway because of ISA-virus.

In addition to implementing fish health measures in our own operations, a key success factor is industry cooperation. Through our membership in Global Salmon Initiative and our strategy of entering into Area Management Agreements with other farmers, Cermaq is committed to cooperate and coordinate activities related to all aspects of fish health and animal welfare.

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

Evaluation of management approach

Fish health and animal welfare is an area where we have continuous efforts for improvement and in 2014 we strengthened our efforts further in many areas, e.g. in research and development to combat SRS. SRS represents the biggest fish health challenge in Chile, leading to increased mortality. Cermaq has also engaged in technical and operational concepts for “green licences” in Norway e.g. with our prototype for a closed system, the Aquadome addressing the sea lice challenge and risk of escapes in Norwegian farming.

We have established good cooperation with neighbouring farmers in Chile, in particular when it comes to coordination of sea lice treatments. Cermaq has also been active towards authorities in Chile supporting regulations and better enforcement of regulations.

More information about fish health and animal welfare conditions in 2014, and concrete initiatives introduced, is found in the presentation of the performance indicators; FP 9 *Animal raised* CEQ 01 *Mortality rate*, CEQ 02 *Sea lice*, CEQ 04 *Medicine use*, CEQ 05 *Vaccination programme* and CEQ 06 *Area Management agreements*.

Biodiversity

This section includes the management approach to the following aspects: Biodiversity and Escapes.

Why the aspect is material
Fish farming operations has the potential to impact biodiversity, both directly and indirectly. Such impacts could be temporary or permanent. Fish farming may impact biodiversity mainly through escapes; effluents; resource use (in feed); and diseases or parasites.

Escapes from farming may impact biodiversity in several ways. Escaped fish are food for predators; escapees seldom prey on wild fish. The most severe impact is interbreeding with wild salmon and potential spread of pathogens from farmed to wild fish. The potential for interbreeding with wild salmon is limited to Norway where both farmed and wild salmon are the same species, Atlantic salmon. The Norwegian Institute for Marine Research (IMR) monitors the impact of interbreeding in Norwegian salmon rivers, and has identified genetic pollution above the trigger level. Potential transfer of pathogens from farmed to wild salmon has not been detected, and is a difficult area of research.

Faming has an impact on those fish used for feed. However, this is not necessarily a threat to the species or the biodiversity. Responsible management of fishery stocks is important for sustainable fish farming. An increasing share of the fish feed comes from agriculture, where the impacts on biodiversity mainly is found on species in the vicinity of farm land and in areas of new farm land.

Fish farming impacts the flora and fauna in the near vicinity of the sea farms. The impact varies depending on a suit of factors as currents, depth, and type of sea bed. Fallowing of sites after the production cycle ensures that temporary impacts on biodiversity can be reversed. Impact on predators, especially sea mammals and birds, is a concern among some stakeholders. Whereas farming may impact birds and sea mammals at individual level, Cermaq is of the opinion that the farming operations do not impact the biodiversity for these predators.

What we do to manage the aspect

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

In Norway, Cermaq has applied for new green concessions, based on technology and operating principles to reduce the risk of escapes and sea lice. In our operations we seek to deter predators with measures that are not harmful e.g. throught the use of acoustic deterrent devices or predator nets. As member of Global Salmon Initiative, Cermaq aims for certification in accordance with the Aquaculture Stewardship Certification Standard (ASC) for its farming operations by 2020. In 2014, one of our farms in Chile was ASC certified, and throughout 2015 more of our farms are expected to achieve certification. ASC plans are in place for all of our operations to achieve the 2020 target.

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

Evaluation of management approach
Cermaq is working to ensure that the measures applied and the impact of our activities has a minimum of impact on biodiversity in the areas where we operate. Cermaq believes that present technology for open net pens allows for sustainable aquaculture, and Cermaq aims at demonstrating this in its operations. However, managing environmental impact is essential for a sustainable future for fish farming and Cermaq will always contribute to the development of new methods and technology, including a review of closed systems.

More information about biodiversity performance in 2014 can be found in the following performance indicators CEQ 07 *Escapes*, CEQ 03 *Fallow time*, EN 11 *Operational sites owns, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas*, EN 12 *Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas,* and EN 14 *Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.*

Sustainable feed

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

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

farming.

The agricultural sector is regulated at a national level where regulations vary significantly. Soy is one of the key ingredients used in fish feed. Other key ingredients are gluten (from wheat) and bi-products from crops grown for bio-energy production. Sustainable feed is not only about the environmental impacts, but also the social issues along the value chain. GMO-crops, especially soy and maize, are used in fish feed in many regions which is a concern for some of our stakeholders. Cermaq does not use GMO-crops as ingredients in the feed in our production in Norway, whereas this is not a requirement in Canada and Chile.

What we do to manage the aspect
Cermaq works closely with its feed supplier EWOS on these issues. The feed supplier has a supplier code of conduct, defining the principles for their purchase of raw materials and requirements to its suppliers.

Cermaq developed its own Supplier Code of Conduct in 2014. As member of Global Salmon Initiative, Cermaq aims for Aquaculture Stewardship Certification (ASC) for it farming operations by 2020, and we have already one certified farm in 2014. Maximizing the fish production from the feed is also important for sustainability. The feed use, the feed factor, is monitored continuously and reported as a Key Performance Indicators each month.

Evaluation of management approach
Cermaq's cooperation with the feed supplier is strong and good. Following the sale of EWOS in 2013, Cermaq has engaged more directly in the feed supply throughout 2014 e.g. through the establishment of a Supplier Code of Conduct. Whereas the focus has been mainly on the marine raw materials in the feed, the increasing share of agricultural ingredients requires more focus in this area. More information about performance in 2014 in feed sustainability can be found in performance indicator *EWOS 8*.

Compliance

Why the aspect is material
Cermaq's strategy is to cultivate the oceans to produce food for people at the same time as we maintain the future productivity of the same oceans. To meet our strategy, we must at all times be compliant with existing environmental regulations.

What we do to manage the aspect
Cermaq's target is full compliance with existing laws and regulations related to environmental regulations. On a quarterly basis companies are required to report any pending and closed non-compliances. Any-non compliances are reported to local and central management as well as the Board of Directors on a quarterly basis.

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

All major acquisitions are subject to due diligence processes, ensuring that any investments will be able

to fulfil Cermaq's requirements to compliance, ethical standards and other criteria.

Evaluation of management approach
Strengthening our routines and procedures is always an area of improvement and we will continue our efforts in 2015. More information about the status of non-compliances in 2014 can be found in the performance indicator EN29 *Non-compliance with environmental laws and regulations*.

Energy

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

However, some stakeholders are requesting information about energy use since climate change is an important global challenge. To meet these concerns Cermaq reports on relevant indicators where we have available data. Cermaq also reports to the Carbon Disclosure project (CDP). More information about Energy performance in 2014 can be found in the performance indicators EN 3 Energy consumption within the organisation, EN 4 Energy consumption outside of the organization, EN 5 Energy intensity, and EN 6 Reduction of energy consumption.

Emissions

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

Some of our stakeholders are requesting information about energy use since climate change is an important global challenge. To meet these concerns Cermaq reports on relevant indicators where we have available data. Cermaq also reports to the Carbon Disclosure project (CDP). More information about our performance in 2014 can be found in the performance indicators EN 1, *Materials used by weight or volume,* EN15 *Direct greenhouse gas (GHG) emissions (Scope 1)*, EN 16 *Energy indirect greenhouse gas (GHG) emissions (Scope 2)*, and EN 18 *Greenhouse gas (GHG) emissions intensity.*

Social/society

Compliance

Why the aspect is material
Being a responsible company, compliance with regulations is a must. Consequently reporting on the performance in this area is important. This section covers other types of non-compliances, not covered by the mentioned indicators, such as accounting fraud, workplace discrimination, or corruption. Non-

compliances related to fraud or corruption is subject to criminal laws and regulations and compliance is material to Cermaq.

What we do to manage the aspect
Cermaq's aim is full compliance with existing laws and regulations related to environmental regulations. On a quarterly basis companies are required to report any pending and closed non-compliances. Any-non compliances are reported to local and central management as well as the Board of Directors on a quarterly basis.

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

All major acquisitions are subject to due diligence processes, ensuring that investments will be able to fulfil Cermaq's requirements to compliance, ethical standards and other criteria. Information about non-compliances with product and environmental regulations are found in EN29 *Non-compliance with environmental laws and regulations*, and PR9 *Non-compliance with laws and regulations concerning the provision and use of products and services.*

Evaluation of management approach
To strengthen our routines and procedures is always an area of improvement which we had a continuous focus on in 2014 and we will continue our efforts in 2015. More information about the status of non-compliances in 2014 can be found in the performance indicator SO8 *Non-compliance with laws and regulations*.

Anti-corruption

Corruption is a threat to an open society and a hinder for long term value creation. Corruption exists in many forms, and any responsible company needs to be aware of the challenges and take the relevant actions and precautions.

We are located in countries that all score low on Transparency International's Corruption Perceptions Index, thus corruption is not seen as one of our most material aspects. However, this does not imply that corruption and bribery does not exist in these countries. Furthermore, we are exposed to other markets that rank high on the corruption index in the supply chain and in our sales markets. As this aspect is also important to some of our stakeholders, we report on relevant indicators where we have available data. In addition, we report country by country financial and organizational information.

Transparency about organisational ownership, management and operations is regarded as important to combat corruption. In 2013, Transparency International in Norway conducted a survey on the communication of organisational structure, openness about anti-corruption programmes and degree of country-by-country financial and organisational data among the 50 largest Norwegian listed companies . Cermaq was ranked as number three in the survey. Although Cermaq at year-end 2014 is no longer a listed company in Norway, our efforts in managing ethical and corruption risks continue.

More information about anti-corruption performance in 2014 can be found in the performance indicators CEQ 15 *Country-by-country financial and organisational data*, SO4 *Communication and training on anti-corruption policies and procedures* and CEQ 12 *Whistle blowing incidents*.

Local Communities

Why the aspect is material

Local communities are regarded as a material aspect in our analysis. There are strong and diverse views on salmon farming, and some parts of local communities and some groups in society are advocating against fish farming. Cermaq recognizes that the Group must demonstrate its respect for the communities and the environment in which it operates. Dialogue, transparency and public sustainability reporting are some of the tools used to demonstrate the quality of our operations. Establishing good relationships based on mutual understanding with the communities where we operate and with stakeholder groups affected by our activities is very important.

What we do to manage the aspect

The local management has a key role in managing the relations to the local communities in which we operate, engaging in dialogue and various activities to develop and maintain a strong and positive connection. The management team and Board review annually any local community complaints in connection with our activities. Complaints reported in 2014 involved mainly noise around one site in Norway. Other issues are typically transportation, emissions, and smell. These are followed up by establishing e.g. noise reducing equipment at our facilities and ensuring that any deviations from our procedures are closed.

Evaluation of management approach

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

More information about local community performance in 2014 can be found in the performance indicator CEQ 11 *Local community complaints,* SO1 *Percentage of operations with implemented local community engagement, impact assessments, and development programs,* SO2 *Operations with significant actual and potential impacts on local communities, and Stakeholder concerns and Cermaq's response* G4 27

Social/labor practices and decent work

Occupational health & safety

Why the aspect is material

Fish farming involves physical work sometimes under challenging weather conditions. In addition, many of our employees work at processing plants and are exposed to machinery and processing tools that need to be handled with care to avoid injuries.

What we do to manage the aspect
Cermaq shall ensure high level of occupational safety for its employees. This means that all operating companies are required to be certified according to the OHSAS 18001 standard for occupational health and safety. In addition, each region has routines and procedures in place that describe key working processes.

In 2014, the Group implemented a new quality system Intelex in Canada and in 2015, it will be implemented in Norway and Chile. Intelex makes it possible to further strengthen the management of OHS throughout the organisation. In 2014, different tailored regional initiatives have been carried out to increase awareness of safety hazards, ensure compliance with OHS routines and manage safety performance. Cermaq Chile has introduced measures to reduce the number of injuries at processing plants. In addition, training programs for divers have been organized and will continue in 2015. Other measures include daily safety walks and training. Cermaq Canada has continued the focus on identifying cause and type of injury and implementation of measures to reduce thenumber of injuries with a goal of achieving zero lost time accidents. Initiatives in Norway included a new safety governance model establishing local safety committees at all locations and a cross regional safety committee, implementation of near-miss reporting, investments in equipment to reduce injuries, OHS training and strengthening communication by introducing monthly OHS reporting and regular OHS news articles.

The responsibility for occupational health and safety in Cermaq is placed with the operational management and is an integral part of daily operations and management. To support management, Cermaq has established an OHS cross border team that will seek to share best practices and be a driver for improvements in all regions.

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

Evaluation of management approach
The Lost time injury rate has been followed up on a quarterly basis until 2014. Based on previous unsatisfying results, central management increased the reporting frequency to monthly reporting of progress in 2014 and implementation of safety measures and training in the different regions. This has led to greatly improved results and the initiatives will be continued in 2015. More information about Occupational Health and Safety performance in 2014 can be found in the performance indicator LA 6 *Type of injury and rates of injuries, occupational diseases, lost days, absenteeism and work-related fatalities by region and gender*.

Training and education

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

More information about training in 2014 can be found in the performance indicator LA 9 *Average hours of training per employee by gender, and by employee category.*

Social/product responsibility

Customer health and safety

Why the aspect is material

Producing food is a great responsibility, and product health and safety impacts are at the centre for customers, consumer as well as public concern, as all food also including farmed fish may contain undesired substances. The undesired substances in farmed fish are coming from the feed, mainly fish oil, but also from agricultural ingredients in the feed. There are also hygienic and sanitary challenges in the processing of fish and during transport and supply all the way to the final consumer.

What we do to manage the aspect

Food production is highly regulated in all regions that we operate. Whereas the food authorities are defining regulations to ensure food safety, Cermaq's operating companies have incorporated management systems to ensure that all regulations are adhered to. Cermaq aims to comply with food safety regulations and to supply safe, healthy and nutritious feed and food products to consumers. Cermaq companies have modern traceability systems in place to cover first tier traceability. All operating companies are required to be certified according to ISO 22000 where hazard analysis and critical control points (HAACP) is an integral part.

Evaluation of management approach

Cermaq believes that it has sufficient procedures in place to mitigate this risk, through the requirements described above. Our systems shall ensure that all our products supplied to our customers are sound and safe. More information about customer health and safety performance in 2014 can be found in the following performance indicator PR 2: *Total number of incidents of non-compliance with regulatory and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes* andCEQ 13 *Management Standards.*

Management standards

Why the aspect is material

The aquaculture industry is characterised by a high level of operational risk. The greatest risk exposures include challenges to fish health, food safety, production related constraints, and the health, environment and safety of the group's employees and contracting parties.

What we do to manage the aspect

The group has a policy stipulating that systematic management of operational risk is to be established through management systems that are certified according to international standards. The standards make requirements with respect to management responsibility, structure, reporting and allocation of responsibility in the organisation, regular risk assessment and action plans for on-going improvement, internal and external communication, and the establishment of procedures and operational controls.

The group has defined the most important areas as being Quality (ISO 9001), Environment (ISO 14001), Food Safety (ISO 22000) and Occupational Health and Safety (OHSAS 18001). In all regions these management standards shall be in place and re-certification is a management responsibility. In addition to the above standards, additional standards are in place to meet local demand from customers, e.g. Global GAP in Norway; Best Agricultural Practices (BAP) in Canada, and Global GAP and BAP in Chile.

Evaluation of management approach
Evaluation of which management systems are best suited for our business is a continuous process. As part of the Global Salmon Initiative membership, we committed ourselves in 2013 to work towards the Aquaculture Stewardship Council standard (ASC) which is an environmental standard for salmon farming, by 2020. At the end of 2014, Cermaq Norway and Canada established plans for obtaining the certification. Cermaq Chile achieved ASC certification of its first site in region XII in the beginning of 2014.

More information about our management standards in 2014 can be found in the following performance indicator CEQ 13 *Management standards.*

Compliance

Why the aspect is material
Cermaq is producing food to consumers, but Chile is the only region where we produce finished consumer products (Value Added Processing (VAP)). In Norway and Canada we are suppliers to VAP companies or brokers. It is of major importance to Cermaq as a food producer to respect all laws and regulations related to the product and the processes in our operations.

What we do to manage the aspect
Cermaq's goal is full compliance with existing laws and regulations related to product regulations. On a quarterly basis companies are required to report any pending and closed non-compliances. Any-non compliances are reported to local and central management as well as the Board of Directors on a quarterly basis.

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

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

Evaluation of management approach
Strengthening our routines and procedures is always an area of improvement and we will continue our efforts in 2015. More information about the status of non-compliances in 2014 can be found in the following performance indicator PR 9 *Non-compliance with product laws and regulations*.

Social/human rights

Indigenous rights

Cermaq has a clear goal of fully respecting indigenous rights. In Canada, our relationship with First Nations communities is very important to our vision of sustainable aquaculture and we strive to develop social, economic, and cultural relationships that are mutually beneficial. Cermaq continued its work in 2014 to establish a sustainable fish aquaculture business in the Aboriginal territories in which we operate. Our goal is to develop partnerships and protocols with First Nations in these areas. At present we have signed a protocol with Ahousaht First Nation and our aim is to enter into similar agreements with all Aboriginal groups in whose territory we operate. These protocols will provide benefits for the Aboriginal groups and provide stability for our operations. Cermaq Canada has developed ten principles of First Nations relations which is available on the Cermaq website under Social Sustainability.

In Chile, indigenous peoples like Mapuche are present in regions where we operate. Many indigenous peoples are employed at our facilities.

More information about incidents of violations involving the rights of indigenous peoples and actions taken in 2014 can be found in the performance indicator HR 8- *Total number of incidents of violations involving rights of indigenous peoples and actions taken.*

Child labour

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

More information about risk of child labour in 2014 can be found in the performance indicator HR5 *Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.*

Human rights assessment

To ensure that Cermaq is not compliant in any human rights violations in our operations, Cermaq Chile participated in two external human rights assessments in 2013, one in region X and one in region XII. Cermaq built further on its human rights work in 2014 through the establishment of a Supplier Code of Conduct which poses requirements to our suppliers including adherence to internationally recognized human rights. The Supplier Code of Conduct is available on our website. We will continue strengthening the work on human rights in our supply chain management and in our operations in 2015.

Products and services

Some stakeholders request information about our performance in this area. To meet these information needs Cermaq reports on relevant indicators where we have available data. More information can be found in the performance indicator EN 27 *Mitigation of environmental impacts of products and services*.

OUR PERFORMANCE

GRI Indicators

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

EC 1

Cermaq supports local communities with both financial and in-kind contributions. However, socio-economic benefits are most obviously manifested through payments to suppliers, employees, and local authorities.

The table presented below quantifies the overall economic value generated and distributed through Cermaq's activities.

EC 01 - Direct economic value generated and distributed

NOK 1,000	DESCRIPTION	2014	2013	2012	2011**
			Restatement*		
DIRECT ECONOMIC VALUE GENERATED					
Revenues		5 616 143	5 155 315	3 280 605	11 634 344
ECONOMIC VALUE DISTRIBUTED					
Operating costs	Cost of materials	-2 446 471	-2 197 544	-86 703	-7 447 360
	Other operating expenses	-1 705 250	-1 435 628	-1 021 833	-1 672 836
Employee wages & benefits		-740 036	-774 381	-633 745	-828 628
Payments to providers of capital	Interest expense	-104 752	-129 345	-52 030	-48 989
	Dividend payment	0	-4 884 000	-92 500	-428 000
Payments to government	Income tax expense	-21 158	-257 416	-295 927	-211 862
Community investments			-3 850	-3 904	-10 551
Sub total		-5 017 667	-9 682 164	-2 186 642	-10 648 226
Economic Value Retained		598 476	-4 526 850	1 093 962	986 118

NOTE:

* 2013 numbers are restated in accordance with the Cermaq consolidated financial statements. Dividend payment includes the extraordinary dividend distribution related to the sale of EWOS. See Board of Directors Report
** 2011 figures include EWOS

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANISATION'S

ACTIVITIES DUE TO CLIMATE CHANGE

EC 2

REGULATORY RISKS AND OPPORTUNITIES

Regulatory risks related to climate change:

Emission reporting obligations

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

Carbon taxes

CO_2 regulations and increased tax on fossil based fuel and energy represent a risk of higher operational costs.

General environmental regulations

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

General environmental regulation opportunities

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

Financial implications of the regulatory risks and opportunities:

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

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

Method used to manage the regulatory risks and opportunities:

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

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

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

PHYSICAL RISKS AND OPPORTUNITIES

Physical risks related to climate change:

Changes in weather patterns

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

Impacts on feed ingredients

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

Change in mean (average) temperature

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

Physical opportunities related to climate change:

Change in mean (average) temperature

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

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

Financial implications of the physical risks and opportunities

Financial implications related to physical risks are increased mortality, physical destruction of aquaculture facilities, loss of stock, spread of disease, and increased feed costs. Changes in sea water surface temperatures could impact the conditions for fish farming. In extreme cases, higher sea water temperatures may cause physiological stress to fish, reduce seawater oxygen levels and cause harmful algae blooms that all have negative financial impacts.

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

Methods used to manage the physical risks and opportunities:

Risks connected with extreme weather events are mitigated through applying site-specific risk assessments for elements such as weather patterns and temperatures, and implementing specific protocols. Changes to sea water surface temperatures are in some ways mitigated by the geographic diversity of Cermaq's operations. Evaluating further expansion potential is part of management yearly strategic process reviews.

OTHER RISKS AND OPPORTUNITIES

Other climate change opportunities:

The results from scientific studies show that farmed fish has a relatively low carbon footprint compared to other protein, such as beef and pork (SINTEF 2009, Carbon footprint of seafood products). The world's population is growing and demands more protein. Farmed salmon represents a solution to the challenge of climate change by providing a low-impact protein source.

Coverage of the organisation's defined benefit plan obligations

EC 3

Information related to this GRI indicator is presented in note 8 to consolidated financial accounts.

Financial assistance received from government

EC 4

Financial assistance from governments totaled NOK 5 386 905 mill in 2014 (4.1 mill in 2013). Cermaq Chile received the most of this assistance in the form of grants and other financial benefits e.g. government support to businesses that operate in remote areas and supplier training schemes.

EC 04 - Significant financial assistance received from government

CATEGORY	CERMAQ
Investment grants, research and development grants, and other relevant types of grants	3 752
Subsidies	
Tax relief/credits	1 634
Financial assistance from Export Credit Agencies (ECAs)	
Other financial benefits received or receivable from any government for any operation	
Grand Total	5 387

Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation

EC 5

Wage levels, especially in processing plants in Chile, have historically received attention and concern by some groups of stakeholders. At year end 2014 the minimum monthly wage was CLP 298 490 for employees working at the processing plant in Cermaq Chile. This is 32,5 percent more than the minimum monthly wage in Chile (CLP 225 000). The average wage level for permanent employees at the processing plants was CLP 573 554.

EC 05 - Permanent employees

	MIN	MAX	% EMPLOYEES
Rem. Total	298 490	300 000	1.9%
Rem. Total	300 001	400 000	1.7%
Rem. Total	400 001	500 000	15.1%
Rem. Total	500 001	More	81.3%
Average salary CLP:	591 221		100%

EC 05 - All employees

	MIN	MAX	% EMPLOYEES
Rem. Total	298 490	300 000	3.6%
Rem. Total	300 001	350 000	2.4%
Rem. Total	350 001	400 000	4.5%
Rem. Total	400 001	450 000	11.4%
Rem. Total	450 001	More	78.1%
Average salary CLP:	480 721		100%

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

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION

EC 6

We base our operations on local recruitment of senior management, and in 2014 the proportion of management hired from local communities averaged 94 percent (90 percent in 2013). Senior management includes the management team reporting directly to a Chief Operating Officer, and people reporting directly to Group Management team.

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

The proportion of females in management is low at 16 percent in 2014, however represents an improvement from 10 percent in 2013.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

EN 3

The total energy use in Cermaq (including Cermaq Group AS) was relatively stable between 2013 and 2014, with an increase of two percent.

EN 03 - Energy consumption by type (GJ)

ENERGY SOURCE	2014	2013	2012	2011
NON-RENEWABLE FUEL CONSUMED				
Diesel	355 451	343 871	226 213	188 723
Fuel Oil	26	60	17	52
Crude Oil	561	2 643	286	0
Gasoline/ petrol	49 305	53 556	44 368	46 203
LPG	0	0	0	0
Biodiesel blend	81 712	62 349	49 772	62 631
Natural gas	64	96	122	115
Propane	10 104	11 859	8 050	7 805
Total non-renewable consumption	497 224	474 433	328 828	305 529
RENEWABLE FUEL CONSUMED				
Biofuel	4 301	3 282	2 620	3 296
Total renewable consumption	4 301	3 282	2 620	3 296
ELECTRICITY PURCHASED FOR CONSUMPTION	**223 468**	**231 555**	**210 720**	**147 867**
Total electricity consumed	223 468	231 555	210 720	147 867
Total energy use (GJ)	724 993	709 270	542 168	456 692
Δ YoY	2.2 %	30.8 %	19 %	

NOTE:
Total includes Cermaq AS , Cermaq Chile, Cermaq Norway and Cermaq Canada.
Renewable fuel consumption has been adjusted from previous reports as it is B5 biodiesel blend

ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

EN 4

Feed is the main input when producing salmon and trout and feed costs constitute approximately 50 percent of the purchasing costs related to fish farming in Cermaq. EWOS is our main feed supplier and below is an overview of the energy consumption for EWOS in 2014.

EN 04 - Energy consumption outside the organisation

		2014	2013	2012	2011
GRI ENERGY TYPE	**ENERGY SOURCE**	**EWOS**	**EWOS**	**EWOS**	**EWOS**
Indirect	Electricity	505 043	456 881	537 515	474 800
Direct	Biomass (from rice husk)	104 290	75 340	66 481	76 772
Direct	Diesel	1 307	3 233	7 921	14 293
Direct	Fuel Oil	197 720	233 992	207 179	154 293
Direct	Gasoline/ petrol	0	36	94	188
Direct	LPG	70 925	240 741	147 598	67 471
Direct	Natural gas	350 957	232 342	312 292	442 852
Direct	Propane	1 111	1 121	1 115	1 569
Total direct + indirect		1 231 353	1 243 686	1 280 194	1 232 238
Δ YoY		-1 %	-3 %	4 %	

ENERGY INTENSITY

EN 5

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

In 2014, the energy use decreased from 4 GJ per ton produced (Live Weight) in 2013 to 3.6 GJ. All energy sources listed in EN 3 are included in the intensity ratio shown below.

EN 05 - Energy intensity

GJ/T	2014	2013	2012	2011
Cermaq (excl. Cermaq Group AS)	3,63	3,97	3,40	3,29

All types of energy sources are included in the intensity ratio. Only energy consumed inside the organization is included

REDUCTION OF ENERGY CONSUMPTION

EN 6

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

EN 06 - Reduction of energy consumption

	CANADA	CANADA	CHILE	CHILE	NORWAY
Type of energy saving initiative	Baseline study	Conversion and retrofitting equipment	Conversion and retrofitting equipment	Conversion and retrofitting equipment	Conversion and retrofitting equipment
Energy saving initiatives	In 2014, Cermaq Canada conducted a baseline Energy Use and GHG Emission assessment at two hatcheries and two farm sites	LED light trial - Saltwater sites: a trial was done on using LED lights, this resulted in 3 sites changing to LED lighting	Changing traditional lighting tubes to energy saving LED lighting	Fresh Water: Changing light bulbs from 400 W to 80W to reduce energy consumption	Installed landbased electricity on Marøya

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

EN 11

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

In Chile, Cermaq operates marine sites near the protected land areas in Las Guaitecas National Reserve. Also, Cermaq operates sites located approximately 40 kilometers north of the Alacalufes National Reserve.

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

DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

EN 12

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

In his 2009 BioScience paper (Aquaculture Production and Biodiversity Conservation), Professor James S. Diana examined the status and trends in seafood production and the positive and negative impacts of aquaculture on biodiversity conservation. Diana's ranking of negative aquaculture impacts included the following top-five in order of decreasing importance as threats to biodiversity. These are still considered highly relevant which is why Cermaq in its annual report provides data on each risk. Further information about indicators for each risk is given where applicable, including the extent of area impacted, duration of impacts and reversibility of impacts.

Perceived Biodiversity Impact Area (Diana, 2009)	**Connectivity with Cermaq's Reporting**
1. Escapement of aquatic crops and their potential hazard as invasive species.	Details about fish escapes are provided under CEQ 07. Cermaq experienced two minor incidents of fish escapes in Canada leading to a loss of 21 fish. Escapes are treated as serious incidents with attention from management and Board of Directors. The work to prevent escapes in all regions continues and results for 2014 were positive. Our operations in Canada and Chile farm Atlantic Salmon in areas where the species is not a natural part of the environment, and where breeding with native species of Salmon will not occur. In Canada, most scientists are confident escaped fish will not colonize the Pacific Coast because all past deliberate attempts to introduce Atlantic Salmon for sport fishing in BC and Washington State have failed.
2. The relationships among effluents, eutrophication of water bodies, and changes in the fauna of receiving waters.	The areas impacted are mainly the areas where we have operations and marine environments surrounding our sites. All Cermaq operations are expected to comply with local and national environmental regulations related to effluents and waste. To reduce the impact on biodiversity and environmental footprint on our sites, all our operations fully respect the fallow periods defined in regulations. We regularly monitor the state of the sea floor at all our farm sites. This is to make sure fish feces and feed pellets which can build up below farm pens are having a minimal impact, and to allow the sea floor to recover and avoid any longer term or irreversible impacts. Cermaq reports non-compliances with environmental regulations under EN 29, Fallow time under CEQ 03 and Area Management Agreements under CEQ 06. To reduce the level of anti-foulants used, Cermaq Canada continues trials of alternative methods, including metal nets and "brass nets". An initiative to reduce weight of nets to reduce paint pick-up lead to a

	decrease in the use of the active ingredient by 30 % from 2013 to 2014. Cermaq Norway has been testing Econets made of plastic (PET monofilament). No use of antifouling (Cu) is required for these nets.
3. Conversion of sensitive land areas such as mangroves and wetlands, as well as water use.	Increased use of vegetable raw material used in fish feed may have an impact on land use. Cemaq developed a new Supplier Code of Conduct in 2014, and the use of certified and traceable raw materials is important elements in supplier requirements going forward.
4. Other resource use, such as fish meal and its concomitant overexploitation of fish stocks.	The use of marine resources for the production of fish feed are covered more specifically under EWOS 8. EWOS, the main supplier of feed to Cermaq, has in recent years, through its Marine Independence Program, significantly reduced its proportional use of fish meal and fish oil in salmon feeds. In addition, the use of fish trimmings is increasing.
5. Disease or parasite transfer from captive to wild stocks.	Wild stocks are naturally infected with lice and lice are transferred from wild to captive fish. However, if not managed properly, sea lice levels on salmon farms could pose a risk to passing wild salmon stocks. Cermaq is transparent in its reporting of sea lice counts (see indicator CEQ 02), whilst CEQ 04 connects this with the use of medicines for the control of disease and parasites. Cermaq has a strong focus on minimizing the use of medical /chemical treatments and has taken a preventative approach to fish health. Both oral, chemical and biological treatments are implemented in our strategy for handling the problem. In 2014, Cermaq has tried out new non-chemical preventive measures like sea lice skirts and lump fish on some of our sites. Both methods show promising results.

Other impacts of aquaculture on biodiversity conservation, were considered by Prof. Diana to be of much lesser importance compared to the above, including: Genetic alteration of existing stocks from escaped hatchery products; Predator mortality caused by, for example, killing birds near aquaculture facilities; and Antibiotic and hormone use, which may influence aquatic species near aquaculture facilities.

HABITATS PROTECTED OR RESTORED

EN 13

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

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

EN 14

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

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

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

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

- Norway lobster, conservation status Least concern (LC)

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

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

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

In British Columbia, the industry is not having a negative impact on the populations of marine mammals. Resident harbor seal populations continue to grow and there is a trend of increasing numbers of migrating Californian sea lions moving up from the United States. Reports also show that the Stellar sea lion population is also growing. In late 2013, NOAA in the USA removed the eastern population of Steller sea lions (which are closest to BC waters) from its endangered species list, and no longer considers the population threatened.

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)
ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)
OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)

EN 15 EN 16 EN 17

For the reporting period 1st January 2014 to 31st December 2014, Cermaq's (including Cermaq Group AS) global gross GHG Scope 1 emissions totaled 35 792 tons of CO_2e (34 478 tons in 2013). Scope 2 emissions also increased from 11 754 tons of CO_2e in 2013 to 15 945 in 2014. The increase is mainly due to the increased energy consumption (explained in EN 3 and EN 5).

Our reporting is based on the GHG Protocol, the internationally recognized standard for the accounting and reporting of GHG emissions. We have used the financial control approach to define our organizational boundary and the operational scope for our reporting of scope 1 and 2. Emissions factors for our global operations have been taken from a number of publicly available sources such as: IEA, IPCC, EPA, DEFRA, SSB and BC Ministry of Environment.

Feed is the main input when producing salmon and trout and feed costs constitute approximately 50 percent of the production costs related to farming in Cermaq. EWOS is our feed supplier and Scope 3 emissions consists of EWOS estimated CO_2 emissions in 2014.

GHG emissions reported below includes CO_2-emissions only and all types of energy sources used.

EN 15 - Global GHG emissions (tonnes CO_2e)

GLOBAL TONNES OF CO_2E	2014	2013	2012	2011	2010	2009	2008
Biofuel	5 319	4 059	3 240	4 077	4 925	4 764	6 130
Crude oil	41	195	21	0	0	18	34
Diesel	26 201	25 327	16 540	13 785	10 006	9 463	11 595
Fuel Oil	2	4	1	4	57	15	16
Gasoline/ petrol	3 421	3 718	3 078	3 196	2 997	2 746	3 233
Natural Gas	4	5	7	6	4	5	0
Propane	627	740	492	473	2 394	2 321	3 529
Scope 1 (Direct emissions)	35 615	34 049	23 378	21 541	20 382	19 334	24 535
Purchased electricity	15 947	16 423	13 830	8 668	7 736	6 808	1 805
Scope 2 (Energy indirect)	15 947	16 423	13 830	8 668	7 736	6 808	1 805
Total gross emissions (Scope 1 and 2)	51 563	50 472	37 208	30 208	28 118	26 142	26 341
Scope 3 (EWOS direct and indirect)	n/a*	62 610	59 366	57 753	41 862	38 370 681	54 831

NOTE:

The methodology used is Defra Voluntary Reporting Guidelines.
The emission factors are derived from IPPC 2006, DEFRA, EPA. IEA, , DEFRA, SSB and BC Ministry of Environment.
All 100% owned operations are included in the overview (incl. Cermaq ASA).
*Scope 3 includes EWOS group CO_2 emissions. The 2014 numbers have not been received by EWOS.

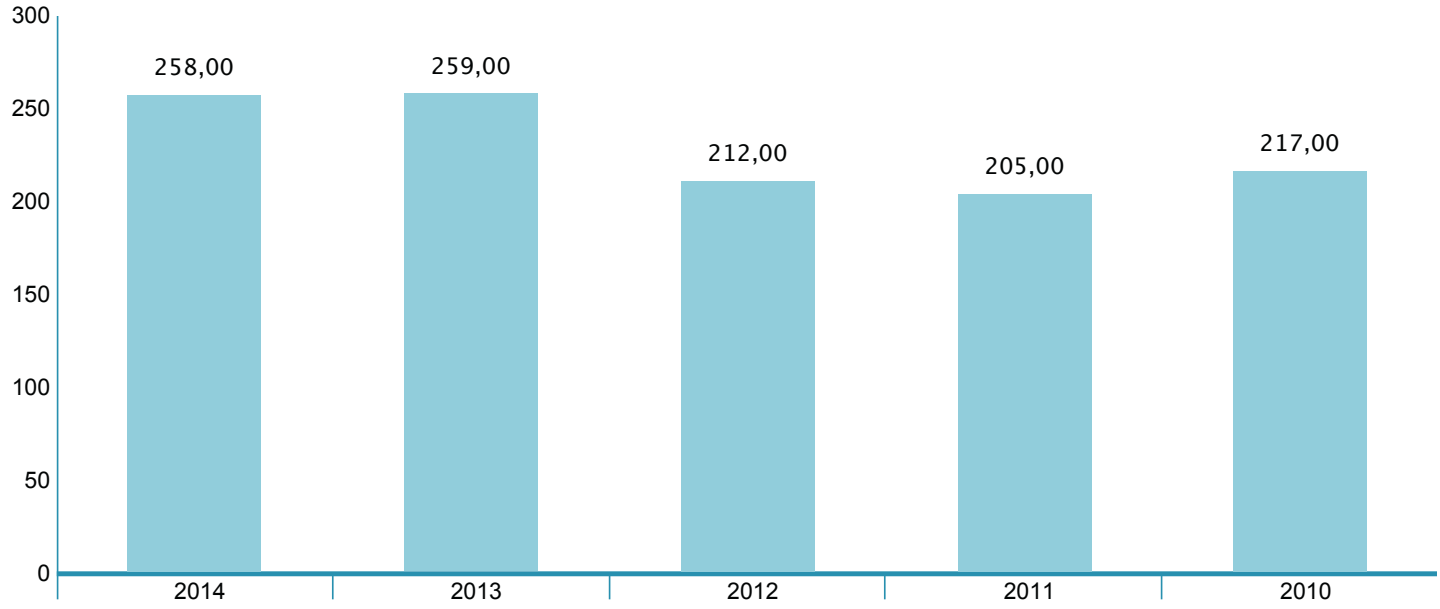
GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

EN 18

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

As can be seen below, the CO_2 emissions per ton of fish produced were stable from 2013 to 2014. Further details about energy consumption can be found in the indicators EN 3 and EN 5.

EN 18 - Greenhouse gas (GHG) emissions intensity
Intensity: kg CO_2e per tonne of fish produced (LW)



EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES

EN 27

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

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

Materials use

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

Water use

Cermaq does not have company-wide environmental goals related to water use and we operate in areas where water is not a scarce factor. Salmon farming relies upon the availability of clean water but is generally not an industry with high water consumption. In cases where water is used for salmon farming operations, it is as a rule discharged within quality parameters set by the local authority.

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

Emissions

Cermaq reports GHG emissions under EN 15, EN 16, EN 17 and EN 18. Salmon farming is not a high emission sector compared to other types of protein food production (e.g. pork and beef). In 2014, initiatives to reduce emissions included the conversion of two seawater sites in Cermaq Norway from the use of diesel generators to the use of electrical energy from hydropower. In Canada, a baseline Energy and GHG Assessment at two hatcheries and two sea sites was conducted and a Carbon and Energy Management Plan is being developed in 2015. Cermaq Chile continues to implement its strict equipment maintenance program, focusing on generators, to reduce emissions.

Effluents and waste

All Cermaq operations shall comply with local and national environmental regulations related to effluents and waste handling. The waste handling procedures vary with the local infrastructure in place.

In the new smolt facility under construction in Forsan in Nordland, Norway, the baseline is a 50 percent cleaning of the biosludge. Cermaq explores a new technology for energy production from all the biosludge from the facility.

Noise

Cermaq works actively to ensure that the activities on our sites do not produce any negative effects on our neighbors. In 2014, however, Cermaq Norway did receive some complaints about noise from a compressor on one of our sites. As a consequence, new equipment was installed. More details are provided in the indicator CEQ 11 Local community complaints.

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

EN 29

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

In 2014, there were three cases of environmental non-compliances closed with a total fine of USD 10 330, all in Cermaq Chile. These were all incidents that occurred in 2011, 2012 and 2013. In 2014, Cermaq Chile reported one new non-compliance that has not yet been concluded.

EN 29 - Incidents of non-compliance with regulations

	ENVIRONMENTAL REGULATIONS	
REPORTING UNIT	**INCIDENTS**	**FINES (USD)**
Cermaq Norway		
Cermaq Chile	3	10330
Cermaq Canada		
2014	3	10330
2013	1	3749
2012 Total	4	50745

OPERATIONS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ELIMINATION OF CHILD LABOR

HR 5

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

TOTAL NUMBER OF INCIDENTS OF VIOLATION INVOLVING RIGHTS OF INDIGENOUS PEOPLES

AND ACTIONS TAKEN

HR 8

During 2014, there were no reported incidents of violation involving the rights of indigenous peoples in the Cermaq Group.

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS

HR 9

To ensure that Cermaq is not compliant in any human rights violations in our operations, Cermaq Chile participated in two external human rights assessments in 2013, one in region X and one in region XII. The results from these assessments can be found in our 2013 report. In 2014, Cermaq buildt further on its human rights work through the establishment of a Supplier Code of Conduct which requires adherence to internationally recognized human rights by our suppliers. The Code is available on our web page.

PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENTS

PR 1

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

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES, BY TYPE OF OUTCOMES

PR 2

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

In 2014, there were no non-compliances with food safety regulations.

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

PR 9

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

In 2014, there were no non-compliances with product and service regulations.

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

FP 9

The salmonid species and tonness produced are summarised in the table below:

FP 09 - Percentage and total of animals raised and/or processed, by species and breed type

	2014
FISH PRODUCTION - ATLANTIC SALMON (TONNES (GWE))	
Norway	59 094
Chile	50 027
Canada	21 431
Total	130 552
FISH PRODUCTION - RAINBOW TROUT (TONNES (GWE))	
Chile	5 500
FISH PRODUCTION - COHO SALMON (TONNES (GWE))	
Chile	30 275

PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVICE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS

LA 5

Cermaq Norway

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

In addition, there are 17 safety representatives elected on the basis of geography and department division. They all meet once a year to evaluate and plan for new activities related to health and safety. The 17 safety representatives elect one person to represent them all and coordinate joint activities. The elected representative is part of the joint health and safety committee (“Arbeidsmiljøutvalget”). Any topic from any of the safety representatives can be put on the agenda of“Arbeidsmiljøutvalget”.

The elected safety representatives represent all employees.

Cermaq Chile

Safety committees exist in all places where there are more than 25 workers as required by law. At present Cermaq Chile has 13 such committees: nine related to fresh water, one in each of the three processing plants and one in the central office. In addition, and not required by law, Cermaq Chile has established four additional committees in the Sea water operations. This means that 100 percent of the employees are represented by such committees.

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

Cermaq Canada

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

The Joint Health and Safety Committee meets once per month. The minutes of the meetings are circulated to all Cermaq Canada employees and are posted on bulletin boards at all locations. An Action Item Database is maintained by the committee to record and monitor tasks to be completed.

A member of the management team attends each meeting as an observer and reports back in the monthly management meeting.

In addition to the Joint Health and Safety Committee, monthly safety meetings are held at all facilities.

TYPE OF INJURY AND RATE OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

LA 6

Cermaq suffered one fatal accident in Chile in 2014. An employee was caught by a rope while installing a predator net and fell into the water. All employees should be safe at work in Cermaq, and the incident has been investigated carefully to prevent that such an incident happens again. A number of measures have consequently been taken to strengthen the attention on safety and risk reduction on site. In Chile, corrective measures includes visible leadership (e.g. safety walks) carried out on a regular basis on sea sites, “Man Overboard” training to enhance accident prevention and lifesaving measures, in addition to campaigns for incident reporting for prevention and promotion of self-care.

To reduce the number of diving accidents, several measures have been introduced in Chile. Initiatives include investment in ROVs to monitor the nets and the testing of new predator nets of stainless steel to reduce the number of dives required. A training program was started in 2013 and is ongoing, with special attention to technical and practical diving issues and activities. In addition, assessment of diving skills and training is an ongoing activity, but has been strengthened further in 2014 and this process will continue in 2015.

The absence rate is 2 percent which is an improvement from 2.8 percent in 2013, and it remains very low throughout the group.

In 2014, high priority was given by to strengthen the OHS performance throughout the Group. Consequently, the bonus program for both management and employees in 2014 included targets for a 50 percent reduction in the number of injuries resulting in absence. This target was reached by the Group. Lost Time Injury Rate (LTIR) was 11 in 2014 which is a decrease from 24 in 2013. The Injury Frequency Rate decreased from 51 in 2013 to 18 in 2014.

LA 06 - Rates of injury by region

	NUMBER OF FATALITIES	ABSENTEE RATE	LOST TIME INJURY FREQUENCY RATE	INJURY FREQUENCY RATE	LOST TIME FREQUENCY RATE (F-VALUE)	NUMBER OF OCCUPATIONAL DISEASE CASES
	#	ABSENTEE DAYS AS A % OF TOTAL WORK DAYS	LOST TIME INJURIES PER MILLION WORKING HOURS	INJURIES PER MILLION WORKING HOURS	LOST TIME PER MILLION WORKING HOURS	#
Cermaq Group AS	0	2.4%	0	6	0	0
Cermaq Norway	0	4.9%	17	28	320	0
Cermaq Chile	1	1.7%	10	18	187	2
Cermaq Canada	0	1.8%	4	9	116	0
Total	1	2.0%	11	18	193	2

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

- Lost time frequency rate (F-value) only includes lost time from injuries up to one year and does not include lost time from occupational disease cases
- Injury frequency rate (TRI/H2-value) includes significant injuries (with and without absence) and does not include minor injuries where the employee can resume normal work and where only modest first aid treatment is necessary.
- Total work hours, which is the basis for the above calculations and Lost time injury rate, includes overtime related to workers working on sites (excluding management and administrative employees).

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

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

National laws on practices for recording and reporting accident statistics follows the 'ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases' in the regions where Cermaq operates

LA 06 - Rates of injury by gender

GENDER	FATALITIES	ABSENTEE RATE	LOST TIME INJURY RATE	INJURY RATE	LOST TIME FRQUENCY RATE	OCCUPATIONAL DISEASE CASES
	#	ABSENTEE DAYS AS A % OF TOTAL WORK DAYS	H1-VALUE/LTIR	H2-VALUE/TRI	F-VALUE	
Male	1	1.7%	13	19	243	1
Female	0	2.7%	5	15	49	1

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

LA 7

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

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

HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS

LA 8

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

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

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

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

LA 9

Employees receive systematic training to build competence according to their own and the organization's needs. In 2014 the training totaled 1 percent of total working time on average for all employees, compared to 1.1 percent in 2013.

The training for both female and male employees in Cermaq totaled 1 percent for each group in 2014 compared with 1.4 percent and 1 percent in 2013 respectively.

LA 09 - Average hours of training per year per employee by gender and employee category

CERMAQ GROUP INCLUDING CERMAQ GROUP AS	2011	2012	2013	2014
Average training hours as % of working hours (male and female)	0.5%	0.9%	1.1%	1.0%
Average female training hours as % of female working hours	2.0%	1.0%	1.4%	1.0%
Average male training hours as % of male working hours	1.5%	0.9%	1.0%	0.9%
Training management and administrative positions	0.1%	0.2%	0.2%	0.1%
Training other positions	0.5%	0.7%	0.9%	0.7%
Training permanent employees	0.4%	0.7%	0.9%	0.8%
Training temporary or fixed time employees	0.1%	0.2%	0.2%	0.2%

PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

SO 1

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

In Cermaq Norway, we have continuous dialogue with all counties, municipalities and local authorities where Cermaq has operations on various topics with regards to aquaculture, including information sharing on Cermaq activities and projects, and discussion of challenges and opportunities for growth and development. A joint project with the West Finnmark Hunting and Fishing association in (NJFF) is ongoing for mapping of farmed salmon in national rivers. In addition, Cermaq Group arranges an annual sustainability seminar (last seminar was held in May 2014) in Norway to discuss challenges and solutions in sustainable aquaculture. Examples of community engagements in 2014 include an open seminar at Alta Library on Oct 30, focusing on sustainable aquaculture and a meeting with neighbors with regards to the construction of a new smolt facility in Forsan.

In Cermaq Chile, we have a program in place for social training for communities. The objective is to support training to improve skills to find employment, support small businesses or facilitate career change, directed to support different stakeholders of Cermaq in Chile. A concrete contribution to the quality of life of the communities in the close vicinity of our operations include supporting sports teams and clubs. A new program called "Cermaq protein that moves you" takes this engagement a step further to include other activities aimed at enhancing a healthy life style. Cermaq Chile also has established a CSR Committee chaired by our Chief Operating Officer in Chile, plus four company representatives in the HR, Environment, CSR and Quality domains, in addition to four representatives from company unions.

In Cermaq Canada, the relationship with First Nations communities is extremely important to our vision of sustainable aquaculture, and we strive to develop social, economic, and cultural relationships that are mutually beneficial. Sponsorships focus on sports team, health fundraiser events, educational development and ocean sciences, e.g. the establishment of the Aquaculture Technician Diploma program in cooperation with Excel Career College. Cermaq Canada sponsors a variety of projects and activities to encourage employee participation, from sports and social events to exchange programs with sister companies.Cermaq Canada operates within the traditional territories of several First Nations on the BC coast. For a decade now, Cermaq Canada has had a protocol agreement with Ahousaht that ensures both the Nation and Cermaq Canada benefit from salmon farming in Ahousaht territory. Cermaq Canada is certified according to the Aboriginal Principles for Sustainable Aquaculture in British Columbia.

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

SO 2

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

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

All our operations are subject to assessment of local community impacts, and we report community complaints on an annual basis. In 2014, we received five community complaints. Four related to a processing plant in Nordland, Norway, and one related to one site in British Columbia, Canada. Further details are provided under the indicator CEQ 11 Local community complaints.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

SO 4

Our ethical and corporate responsibility guidelines prohibit any form of corruption. An e-learning anti-corruption training program was rolled out to management and employees in positions at risk in the majority of the operating companies in 2012. In 2013, Cermaq Canada completed the program.

Ethical and corporate guidelines are available to all employees and governance body members, and are communicated to all new employees. The management of Cermaq Norway completed an anti-corruption module as part of a broader training program in 2014. No new initiatives targeted at governance body members or employees in positions at risk were taken in 2014.

Anti-corruption requirements to Cermaq's suppliers were developed through the establishment of a new Supplier Code of Conduct in 2014. The work to implement this policy is ongoing in 2015.

In 2014, eight percent of all managers and administrative employees in Cermaq received anti-corruption training. One percent of other employees received training (all of them in Canada).

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

SO 8

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

In Norway, there was one incident of non-compliance with social regulations in 2014. The incident was related to an injury as a service truck fell over during transportation. The employee had received required training and adequate procedures were established, but proper routines or warnings were not in place. A fine of USD 6 727 was imposed.

In Chile, five cases of non-compliance with social regulations were closed with a total fine of USD 13 487. All five incidents occurred in 2013. In addition, there was one general non-compliance related to insufficient documentation provision during an audit, also originating in 2013 and totaling USD 336. Hence the total amount of fines were 13 823. Cermaq Canada had no cases of non-compliance with social regulations in 2014.

There are four additional incidents that have been reported in 2014, but have not been concluded or are under appeal. All relate to Cermaq Chile.

SO 08 - Societal regulations

	SOCIETAL REGULATIONS	
REPORTING UNIT	**INCIDENTS**	**FINES (USD)**
Cermaq Norway	1	6 727
Cermaq Chile	6	13 823
Cermaq Canada		
2014 Total	7	20 550
2013 Total	6	29 331
2012 Total	5	74 612

NOTE: 2013 figures have been updated to reflect non-compliances closed with a fine during the financial year, not in the year when the incident was reported.

OUR PERFORMANCE

Cermaq Indicators

FISH MORTALITY

CEQ 01

Fish mortality is a key measure to evaluate fish health in production. To monitor the situation, a 12 months rolling mortality rate was introduced in 2012. In 2013 the indicator was revised and a new definition introduced. The revised indicator measures mortality for the last 12 months as a proportion of an estimated number of fish in sea the last month (adjusted for harvest and mortalities). The benefit of a 12-month rolling rate is that seasonal variations are eliminated. The indicator is a more precise measure and a better "steering wheel" for management. Reduction in mortality is a key target in Cermaq and mortality is defined as a Key Performance Indicator. This means that it is reported monthly to the Central Management and the Board of Directors.

The 12 months rolling fish mortality for Atlantic salmon was 6.8 percent of fish in sea at end December 2014 for the Cermaq group, compared with 6.4 percent at the end of 2013. The mortality rate is higher in Chile (9.7 percent), primarily as a result of the disease SRS, than in Norway and Canada (4.1 percent and 7.1 percent). Norway experienced the lowest mortality rate within the group as a result of good biological conditions. The low rate of 4.1 percent in Norway is an inspiration for our work within fish health management.

In addition to Atlantic salmon, Cermaq Chile is farming Coho salmon and Rainbow trout. The biological condition and mortality rate for Coho has been better than for Atlantic salmon and Rainbow trout, mainly because Coho is less vulnerable to sea lice and SRS to the same degree as the two other species. At year-end 2014, the 12 month rolling mortality rate for Coho was 6.6 percent and the mortality rate for Rainbow trout was 10.6 percent.

Cullings as a result of disease epidemics are not included in the 12-month rolling rate. In 2014, two cullings were reported in Norway, one in Finnmark and one in Nordland. In Nordland, 82 427 culled fish was disposed due to the ISA virus, and in Finnmark 169 134 newly stocked smolt was disposed due to a bacteria similar to mouth rot experienced in Canada.

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

Fish mortality (Atlantic salmon)

REPORTING UNIT	2013	2014
Canada	5.6	7.1
Chile	9.0	9.7
Norway	4.2	4.1

SEA LICE COUNTS

CEQ 02

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

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

L. salmonis, on the other hand, is specific to salmonids.

Sea lice have several life stages: 1.) free swimming larvae in the water column, followed by 2.) stages that attaches to the host when they encounter a fish - typically the skin, fins, the gills and 3.) finally developing into movable stages of adult and sexually mature lice on the fish that can produce new progeny.

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

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

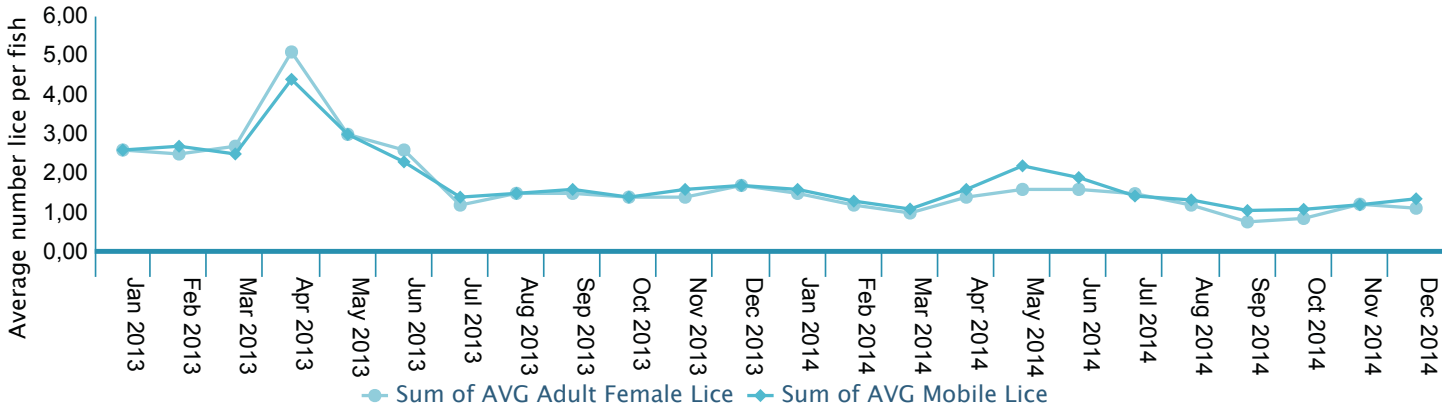
Sea lice counts were controlled below the local action levels for all countries.

Sea lice counts Cermaq Chile

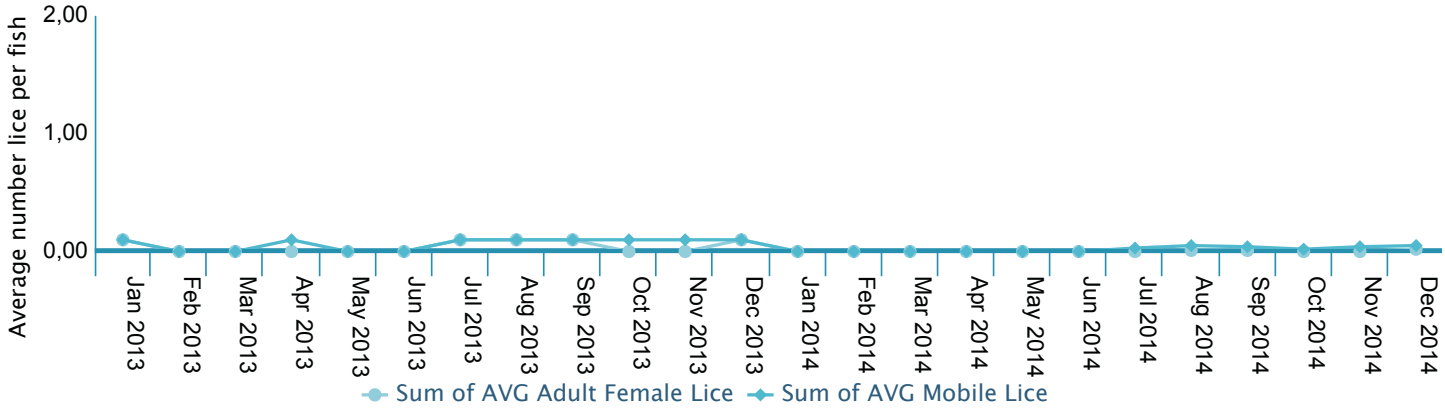
In Cermaq Chile the status of Caligus for Atlantic salmon and Trout has improved gradually since the peak in April 2013 and the average level of sea lice at end 2014 for Atlantic salmon is lower than end 2013, 2.29 in Q4 2014 compared to 3.07 in Q4 2013.

For Coho salmon, adult sea-lice are not a challenge to the same degree as for Atlantic and Trout and the level has remained low in 2014.

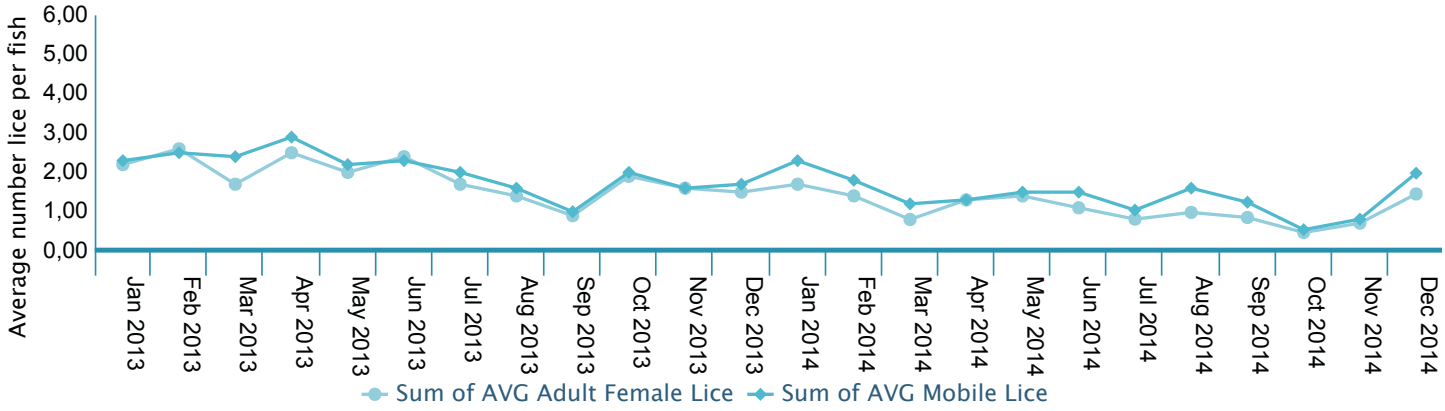
CEQ 02 - Average Sea Lice Counts Chile, ATS
Atlantic salmon (C. rogercresseyi)



CEQ 02 - Average Sea Lice Counts Chile, COS
Coho (C. rogercresseyi)



CEQ 02 - Average Sea Lice Counts Chile, RBT
Rainbow trout (C. rogercresseyi)

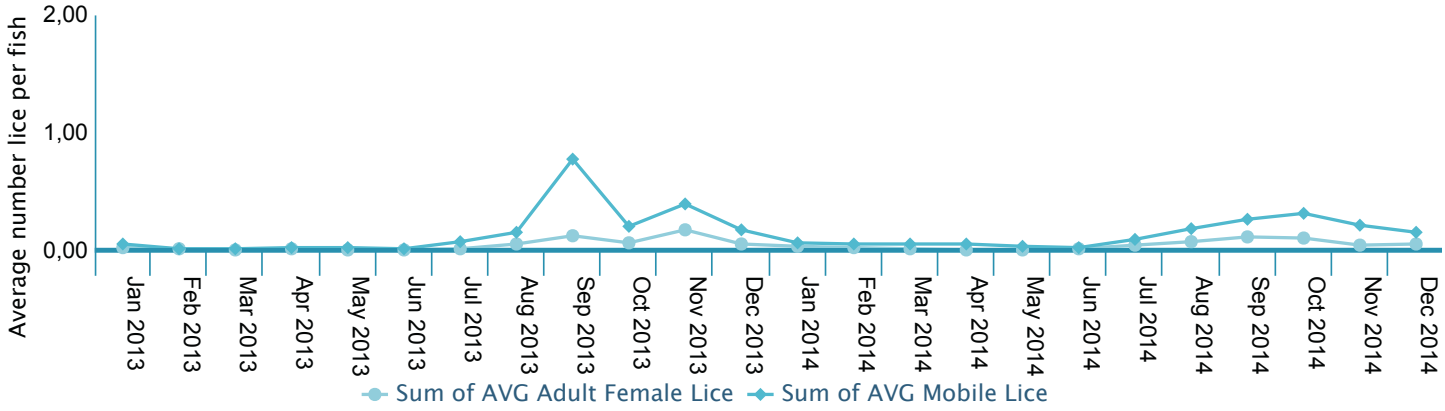


Sea lice counts Cermaq Norway

In Norway, the Norwegian Food Safety Authorities (NFSA) has published a list of salmon producers according to traffic-lights based on the average time in weeks sites have had levels of female adult lice above the maximum allowed level of 0.5. Cermaq Norway is placed under the green traffic-lights.

There has been a good effect in 2014 from preventive sea lice measures like tarps and lump fish, but only a few sites are equipped. There are lower levels of female adult lice in Q4 (0.07) compared to Q4 2013 (0.10), but slightly higher numbers of attached stages.

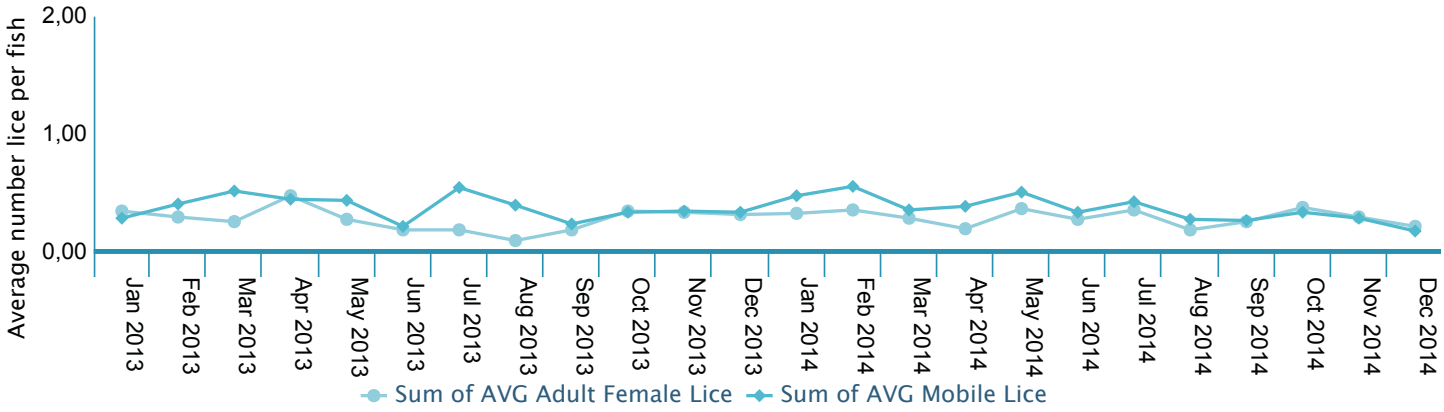
CEQ 02 - Average Sea Lice Counts Norway, ATS
Atlantic Salmon (L.Salmonis)



Sea lice counts Cermaq Canada

Sea lice levels have remained low in Cermaq Canada, and at the end of 2014, the levels were lower than at the end of 2013, 0.57 in the fourth quarter of 2014 compared with 0.68 in the same quarterin 2013).

CEQ 02 - Average Sea Lice Counts Canada, ATS
Atlantic Salmon (L.Salmonis)



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

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

	CHILE	NORWAY	CANADA
	TOTAL LICE (MOBILES+ADULT FEMALES)	**ADULT FEMALES**	**TOTAL LICE (MOBILES+ADULT FEMALES)**
2014	9	0.5	3

FALLOW TIME

CEQ 03

All operations fully respected the fallow requirements defined in regulations.

CEQ 03 - Average Achieved Fallow Time Between Production Cycles (weeks)

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

MEDICINE USE

CEQ 04

Cermaq works systematically with preventive health measures in all three countries. Screening programs for monitoring relevant pathogens, vaccines, functional feeds, stress mapping, more restrictive use of antibiotics, improving water quality, and more knowledge are key elements in our approach to ensure better fish health and welfare.

This has given us more tools to better forecast disease events and knowledge to lower the risk of disease outbreaks.

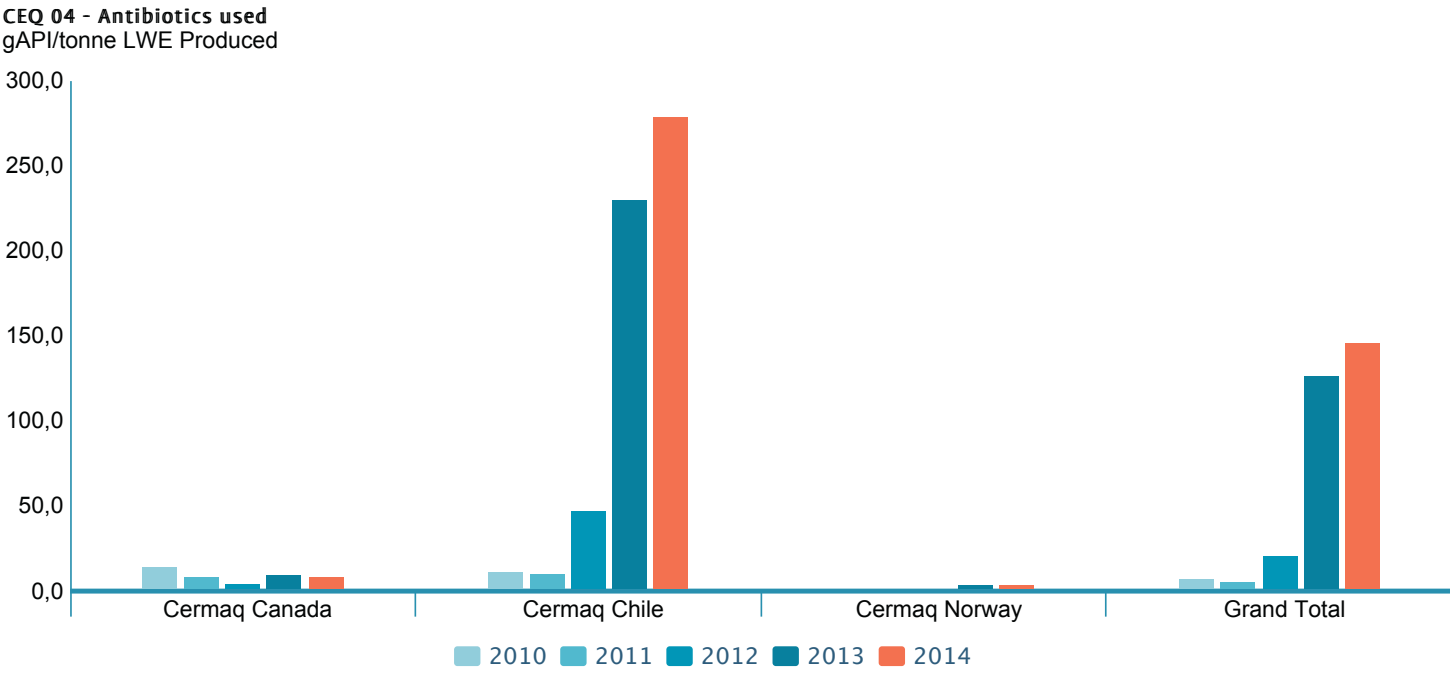
The use of antibiotics increased in 2014 as a result of the increasing number of SRS disease outbreaks in Chile. One of the priorities of the global research team is to find alternative methods to fight the disease, e.g. a more effective SRS vaccine.

Mouth Rot is the primary cause of mortality in newly entered smolt sites in Canada and antibiotics are the main tool to combat Mouth Rot at present. In Norway, antibiotics use remain low.

In all operating companies antibiotics are used only when strictly needed and never as a preventive measure. Antibiotics listed by World Health Organisation (WHO) as critically important for human medicine is not used on our operations.

Antibiotics used

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



The use of anti-sea lice bath treatments increased in Chile in 2014 because more bath treatments were needed to keep levels below local action requirements.

Norway increased the use of baths the past year to reduce lice counts. The increase in bath treatments is mainly due to a more challenging sea lice situation in the second half of the year in both Nordland and Finnmark. In-feed treatments have proven to be less effective in Norway with minimal use as a result.

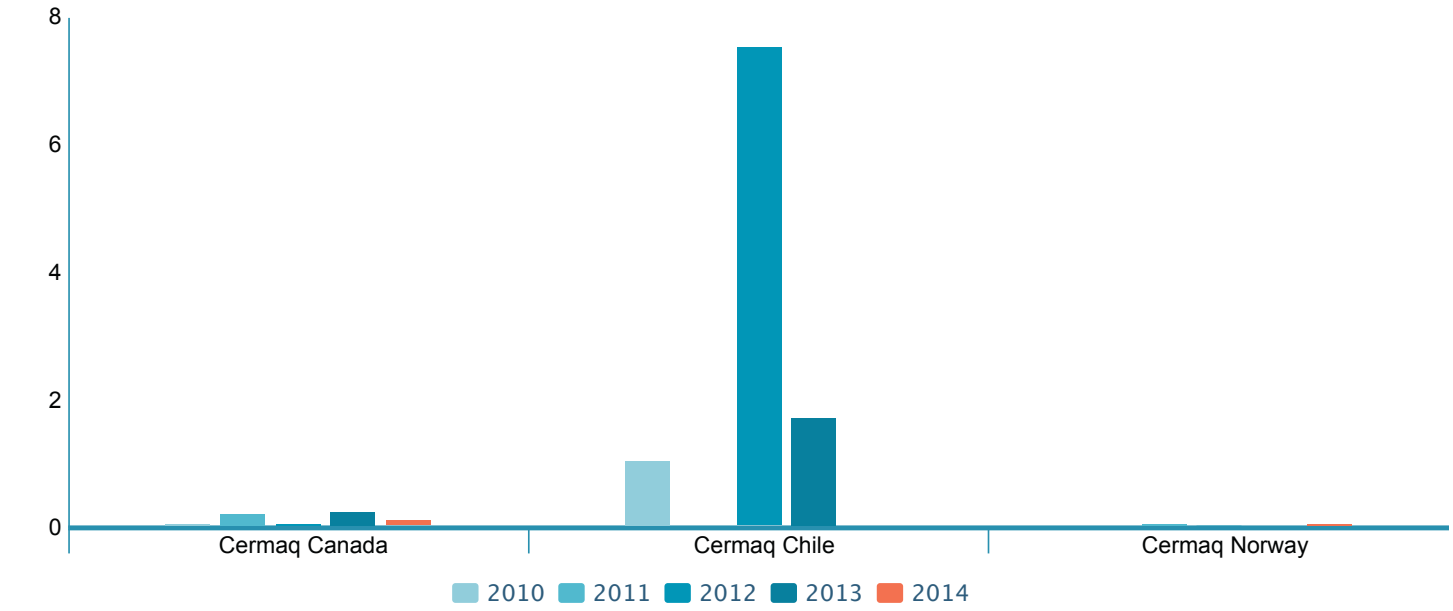
In Canada, in-feed treatment decreased the past year. Bath treatment has not yet been approved for general use, and consequently not used in Canada.

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

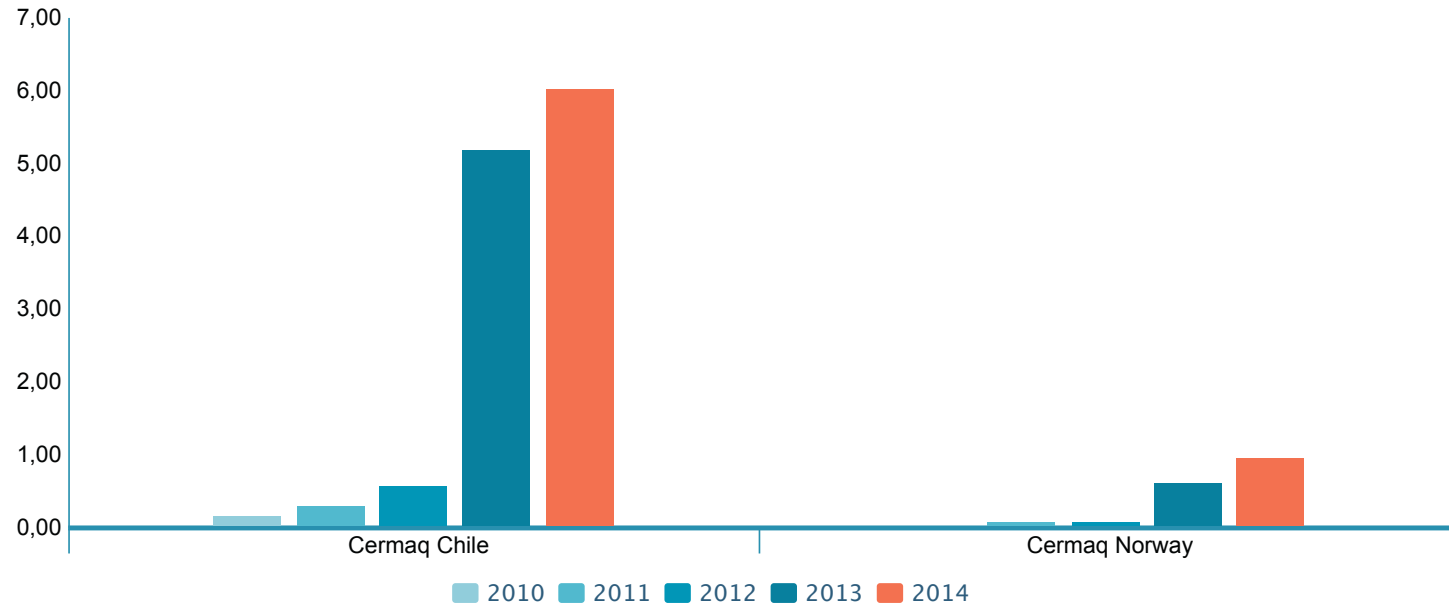
Sea lice treatment used

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

CEQ 04 - Sea lice treatment used in feed
gAPI/tonne LWE Produced



CEQ 04 - Sea lice bath treatment
gAPI/tonne LWE Produced



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

VACCINATION PROGRAM

CEQ 05

Our experiences from the ISA crisis in Chile resulted in more systematic work with preventive fish health measures in all three countries. Screening programs for monitoring relevant pathogens, vaccines, stress mapping, more restrictive use of antibiotic, improving water quality and more knowledge are key elements in our approach to ensure better fish health and welfare. This has given us more tools to better forecast disease events and knowledge to lower the risk for disease outbreaks.

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

other diseases.

CEQ 05 - Vaccination programme in Cermaq

	CANADA	CHILE	NORWAY
SRS		X	
Furunculosis	X	X	X
Vibriosis	X	X	X
Coldwater vibriosis	X		X
Winter sore			X
IPN		X	X
ISA		X	
Enteric Red Mouth	X		
Mouth rot	X		
IHN	X		

AREA MANAGEMENT AGREEMENTS

CEQ 06

An Area Management Agreement is a written agreement between stakeholders in a defined area. Such agreements are tailored to the local situation and, typically, may include agreement on fallowing and sea lice management strategies, vaccination programs, containment and contingency plans, recapture management plans and disease control strategies in farmed and wild fisheries.

Area management is crucial for effective, preventive management.

In 2014, all Cermaq sites were engaged in area management agreements or located in areas fully controlled by Cermaq.

Escapes

CEQ 07

In 2014, there were two minor incidents of fish escapes in Cermaq Canada. The net loss of fish was 21 fish. One fish escaped during routine sea lice sampling. 20 fish escaped due to a hole in a catch net. The two incidents happened at the sea site Rant Point in Clayoquot Sound.

Escapes are treated as serious incidents with attention from management and Board of Directors. Norway and Chile experiences no escapes in 2014, which is a positive sign that our efforts to prevent escapes are effective. After three incidents of escape in Chile in 2013, Chile now monitors the entire network installation by use of ROV (remotely operated vehicle). In addition, investments and initiatives were made to reduce the risk of new incidents; e.g. double nets. The work to prevent escapes in all regions continues and results for 2014 were positive.

In Norway Cermaq has introduced DNA traceability for its smolt production, enabling to determine with certainty whether an escaped salmon is farmed by Cermaq or not. The first smolt of this kind will be transferred to sea in autumn 2015.

CEQ 07 - Sum of Number of Escaped Fish

	CERMAQ CANADA	CERMAQ NORWAY	CERMAQ CHILE	GRAND TOTAL
2010	0	0	0	0
2011	0	2	0	2
2012	1	0	0	1
2013	0	0	63 273	63 273
2014	21	0	0	21

LOCAL COMMUNITY COMPLAINTS

CEQ 11

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

Five community complaints were reported in 2014, one in Canada and four in Norway (compared to seven in total in 2013). Three complaints involved noise, one related to traffic/transportation and one complaint related to environmental issues. The complaints are taken seriously and are followed up on. E.g. to minimize the noise from the processing plant, new equipment has been installed to accommodate our neighbors' concerns.

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

	CERMAQ CANADA	CERMAQ CHILE	CERMAQ NORWAY	CERMAQ GROUP
2010				
Environmental (Emission to air, Water etc.)	0	0	0	0
Noise	0	0	1	1
Smell	0	0	0	0
Traffic/transport	0	0	0	0
Other (pls describe)	0	0	0	0
Total	0	0	1	1
2011				
Environmental (Emission to air, Water etc.)	0	0	0	0
Noise	0	0	0	0
Smell	0	0	0	0
Traffic/transport	0	0	0	0
Other (pls describe)	1	0	0	1
Total	1	0	0	1
2012				
Environmental (Emission to air, Water etc.)	0	0	1	1
Noise	0	0	0	0
Smell	0	0	1	1
Traffic/transport	0	0	0	0
Other (pls describe)	0	0	1	1
Total	0	0	3	3
2013				
Environmental (Emission to air, Water etc.)	0	0	2	2
Noise	0	0	4	4
Smell	0	0	0	0
Traffic/transport	0	0	0	0
Other (pls describe)	0	0	1	1
Total	0	0	7	7
2014				
Environmental (Emission to air, Water etc.)	1	0	0	1
Noise	0	0	3	3
Smell	0	0	0	0
Traffic/transport	0	0	1	1
Other (pls describe)	0	0	0	0
Total	1	0	4	5

WHISTLE BLOWING INCIDENTS

CEQ 12

In 2014, two whistle blowing incidents were reported. For comparison, there were no cases of whistle blowing incidents in 2013. In 2013, a project was established to implement a whistle blowing channel for external stakeholders. Routines, procedures and a technical specification were developed and the solution was implemented in 2014.

MANAGEMENT STANDARDS

CEQ 13

The aquaculture industry is characterised by a high level of operational risk. The greatest risk exposures include fish health, food safety, production related constraints, effects of climate change, environmental changes, and the health and safety of the group's employees and contracting parties.

The group has a policy stating that systematic management of operational risk shall be established through management systems which are certified in accordance with international standards. The standards impose requirements with respect to management responsibility, structure, reporting and allocation of responsibility in the organisation, regular risk assessment and action plans for ongoing improvement, internal and external communication, and the establishment of procedures and operational controls.

The group has defined the most important areas as being Quality (ISO 9001), Environment (ISO 14001), Food safety (ISO 22000) and Occupational Health and Safety (OHSAS 18001). All operating companies are required to have all standards in place and re-certification is a management responsibility.

Cermaq Norway and Cermaq Canada had all standards in place in 2014. In Chile, the management standards were up for renewal in October 2014. This was postponed due to the reorganization. Thought this is unfortunate, it is however not related to the lack of underlying management systems, as the processing plants also are certified according to the standard IFS, Global GAP and BAP. Renewal of all certificates is expected in spring 2015.

Other certifications

Cermaq Chile has several additional certifications in place including the IFS International Food standards, Best Agriculture Practices (BAP), GLOBAL GAP and Carrefour standard at processing plants. Some sea water sites and hatcheries are also certified according to GLOBAL GAP and Carrefour standards. In addition, Cermaq Chile had one site certified in accordance with the Aquaculture Stewardship Council standard (ASC) in 2014.

In addition to the above ISO and OHSAS standards, all harvest sites in Cermaq Canada are, or are in the process of, being certified to Best Aquaculture Practices Standard. In addition, all sites in the Tofino area (more than half of total production) are certified to the Aboriginal Aquaculture Association's Aboriginal Principles for Sustainable Aquaculture standards.

Cermaq Norway received GLOBAL GAP certification in 2014. As a part of Cermaq's commitment to the Global Salmon Initiative (GSI), the Cermaq Groups's ambition is to have all its sites ASC-certified in 2020.

COUNTRY-BY-COUNTRY FINANCIAL AND ORGANISATIONAL DATA

CEQ 15

Transparency regarding organizational ownership, management and operations, is regarded as important to fight corruption. The table below shows Cermaq's financial and organizational data for each country in the Group.

CEQ 15 - Country-by-country financial and organisational data

COUNTRY	REVENUES BEFORE TAX	INCOME TAX	INVESTMENTS	COMMUNITY INVESTMENT	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	NUMBER OF EMPLOYEES
Cermaq Group AS	166.150	-59.303	15.140	0.235	0	38
Cermaq Norway	678.786	-180.867	458.805	1.584	0	532
Cermaq Chile	-691.320	170.056	179.710	0.582	3.516	3314
Cermaq Canada	8.790	1.340	40.842	2.120	0	246
Total	-68.762	-21.158	694.497	4.520	3.516	4130

NOTE: Community investments include support to various stakeholders and initiatives like e.g. NGOs, sports, culture, training and education and various charities and foundations. The revenues before tax and income tax for the Cermaq Group in total deviates from the sum of the companies listed above due to internal eliminations. For more information please consult the financial statements of Cermaq Group.

More information about financial assistance received can be found in GRI EC 4.

RAW MATERIAL INGREDIENTS

EWOS 8

Forage fishery dependency is a challenge for a growing fish farming industry. In recent years, EWOS has lowered the marine content in its feed and the research into 'marine independence' provides the knowledge for further significant reduction in the future if necessary. In addition, the use of fish trimmings and by-products has increased considerably. The specific content of marine ingredients in EWOS feed varies depending on price and availability of alternative raw materials. In 2014, the marine index for the EWOS group increased to 30.5 percent from 27.9 percent in 2013.

EWOS 08 - EWOS Group: Marine Index for salmonid feeds

YEAR	FISHMEAL (%/ FEED SALES)	FISH OIL (% / FEED SALES)	TOTAL (% FEED SALES)
2002	35.8	23.4	59.2
2003	34.1	25.2	59.3
2004	33.6	24	57.6
2005	32.9	21.9	54.8
2006	32.5	20.5	53
2007	28.1	21.7	49.8
2008	28.8	17.4	46.2
2009	30.7	22.1	52.8
2010	24.3	17.8	42.1
2011	23.8	13.7	37.5
2012	20.1	11.2	31.3
2013	18.1	9.8	27.9
2014	20	10.5	30.5

However, the efficiency in the use of marine ingredients is of greater relevance than dependency on marine ingredients. Farmed salmon is well-known to be very efficient in their conversion of forage fish and seafood by-products into healthy and nutritious farmed salmon. In 2014, we estimate that EWOS used 1.01 times marine protein (1.01 in 2013 and 1.03 in 2012) than protein produced by salmon farmers. For marine oil, EWOS used less oil (0.79) than produced by farmers. For comparison EWOS used 0.77 units of oil in 2013 and 0.86 units in 2012.

EWOS 08 - EWOS Group: Estimated Marine Nutrient Ratios

	MPDR	MODR
2010	1,25	1,32
2011	1,17	1
2012	1,03	0,86
2013	1,01	0,77
2014	1,01	0,79

Note: The figures are ex. EWOS Vietnam

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

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

EWOS 08 - EWOS Group: Country of origin

FISH SPECIES	COUNTRY
Anchovy	Peru, Chile, South Africa
Blue whiting	Norway, Denmark, Iceland, Faroe Islands, Ireland.
Capelin	Norway, Iceland
Sprat	Denmark, Norway
Menhaden	USA
Herring	Norway, Denmark, Iceland
Jack Mackrell	Chile
Norway Pout	Norway
Sand eel	Norway, Denmark.
Sardine	Chile, Mexico, Panama, Ecuador

EWOS prioritizes the use of feed ingredients that is judged to be sustainable based upon the best available information. Examples of the sources of information used to judge the sustainability of fisheries include: IMARPE and Sernapesca in South America, ICES in Europe, and National Marine Fisheries Service, Gulf States Marine Fisheries Commission, and Atlantic States Marine Fisheries Commission in the USA.

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

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

The table below shows the raw material use for salmonid feed primarily, but also raw materials used for other species like pangasius and tilapia, as well as the origin. In 2014, EWOS' use of marine ingredients derived from seafood trimmings and by-products was 25 percent (compared to 31.5 percent in 2013).

EWOS 08 - Overview of fish species used to make fishmeal and fishoil for EWOS group feed 2014

CATEGORY	SPECIES	FISHMEAL AND FISHOIL (TONNES)	CATEGORY %	TOTAL %
FISH TRIMMINGS & BYPRODUCTS				
	Herring trimmings	54 360	62.1 %	15.5 %
	White fish offal	21 346	24.4 %	6.1 %
	Hake trimmings	3 637	4.2 %	1.0 %
	Atlantic mackerel trimmings	3 090	3.5 %	0.9 %
	Capelin	2 357	2.7 %	0.7 %
	Various species	2 752	3.1 %	0.8 %
Fish trimmings & byproducts Total		87 542	100.0%	25 %
FORAGE FISH				
	Anchovy	135 085	51.6 %	28.6 %
	Blue whiting	46 256	17.7 %	13.2 %
	Menhaden	21 225	8.1 %	6.1 %
	Sardine	20 484	7.8 %	5.9 %
	Sand eel	12 504	4.8 %	3.6 %
	Sprat	7 596	2.9 %	2.2 %
	Various species	13 125	5.0 %	3.8 %
Forage Fish Total		262 035	100.0 %	75.0 %
OTHER MARINE INGREDIENTS				
	Krill	159	100 %	
Other Marine Ingredients Total		159		
Grand Total		349 736		

Notes: Species that individually make up less than 2 percent of the mix have been grouped together under 'various species'. This subset includes: Blue whiting, Jack Mackerel, Hake (trimmings only), Norway Pout and Sardine

GLOBAL ENGAGEMENTS

Large challenges can only be solved through collaboration and partnerships, and Cermaq is committed to support global initiatives aiming at improving environmental, social and economic conditions worldwide. Global initiatives contribute to creating a sustainable global environment on which the company is dependent. Cermaq's engagement includes overarching programs as well as more targeted programs e.g. industry specific, climate, or anti-corruption. Global initiatives Cermaq endorses include:

United Nations Global Compact (UN GC)

Through the membership in UN GC, Cermaq is committed to aligning its operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Cermaq became a member of UN GC and joined the Nordic UN GC network in 2011.

The ten principles:

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- make sure that they are not complicit in human rights abuses.
- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.
- Businesses should support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.
- Businesses should work against corruption in all its forms, including extortion and bribery

Cermaq's approach and response to the ten principles are summarized in Cermaq's COP - Communications On Progress.

Transparency international (TI)

Corruption undermines democracy and the rule of law. It also distorts national and international trade. Cermaq has been a member of TI Norway since 2011. Through the membership Cermaq supports TI's anti-corruption work. In addition TI is a channel for Cermaq to share its experience with other businesses and draw on other companies experience in the regions where the company is present.

Cermaq has implemented a zero-tolerance policy towards corruption within all its operations and anti-corruption requirements to our suppliers are established in the new Cermaq Supplier Code of Conduct.

Training on anti-corruption is conducted throughout the organization and is a mandatory part of management training.

In 2013, TI Norway initiated a survey with the aim to rank openness about anti-corruption programs, organizational structure and country-by country reporting among the largest companies listed at Oslo Stock exchange. Cermaq was ranked as #3 out of the largest 50 companies listed on the Oslo Stock Exchange. Cermaq is not listed on the stock exchange any more, this change has not reduced our focus on anti-corruption.

Carbon disclosure project

Cermaq acknowledges the need for reducing carbon emissions in order to combat climate change. In support of this, Cermaq has submitted its carbon emissions to the CDP annually since 2010.

The CDP disclosure process has increased the awareness of the company's emissions throughout the operations and it has enabled Cermaq to better define activities and set targets. Cermaq obtained a CDP score of 84 B in 2014 (based on 2013 emission figures). (CDP's rating on disclosure is from 0-100 and on performance from A-E).

Global reporting initiative (GRI)

GRI's Sustainability Reporting Framework enables all companies and organizations to measure and report their sustainability performance. By reporting transparently and with accountability, organisations can increase the trust that stakeholders have in them, and in the global economy. It also makes it possible to compare individual companies' performance. Cermaq started to report according to the GRI standard for 2009 and discloses its sixt report for 2014. Cermaq recognizes the value of external auditing of its report, and seeks external assurance for its sustainability reporting. The 2014 report meets the requirements of 'Comprehensive'

International agreements and conventions

Cermaq endorses a suit of international agreements and conventions. Some of the most central ones are the OECD Guidelines for Multinational Enterprises, the ILO Convention 169 and the UN Declaration of Indigenous Peoples (UNDRIP), UN Guiding principles on business and human rights and the eight ILO core conventions of the "Declaration of Fundamental Principles and Rights at Work"

These conventions are the basis for Cermaq's operations in all parts of the Group. Cermaq's reporting, e.g. management approach and performance indicators address central part of the scope in these conventions.

Global salmon initiative (GSI)

The Global Salmon Initiative (GSI) is a leadership initiative by global farmed salmon producers, focusing on making significant progress towards providing a highly sustainable source of healthy protein to feed a growing global population, whilst minimizing the environmental footprint, and continuing to improve the social contribution.

GSI was formally launched in August 2013. Now there are 17 members in GSI covering 70 percent of the global salmon production and committed to significant improvements in the sustainability of their operations. GSI launches it first progress report in 2014

GSI is concentrating their efforts on three priority areas facing the industry: bio security, feed sourcing and meeting industry standards, and has the intention to bring farms operated by the GSI members up to the Aquaculture Stewardship Council (ASC) standards in 2020.

EXTERNAL ASSURANCE

External assurance

G4-33

Cermaq is of the opinion that an external assurance process increases the quality and credibility of our GRI report. The GRI-report for 2014 is Cermaq's fifth externally assured report. It is assured by EY, our financial auditor in all the operating regions.

Based on what is perceived to be the most material indicators, EY has selected a number of indicators subject to assurance. The most important indicators are verified each year, whereas less material indicators are assured on a less frequent basis. All regions have been included in the assurance process. The indicators that have been assured are listed in the table presented in G4-32.

All sustainability indicators are reported in the external sustainability software Credit360. During the assurance process, the operating companies are required to document "evidence" of the reported data into the reporting system. The text commenting on results is subject to assurance as well as the GRI-data in general. In-depth interviews with relevant Cermaq experts were conducted for a selected number of indicators as a part of the assurance.

Building a better working world

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To the board of Cermaq Group AS

Independent assurance report – Cermaq Group AS's sustainability report for 2014

We have undertaken an independent control of Cermaq Group AS's (Cermaq) 2014 Sustainability Report (the Report), which includes the sections «Economic performance», «Fish health and animal welfare», «Compliance-environmental», «Biodiversity», «Energy», «Emissions», «Compliance- social/society», «Local Communities», «Occupational health & safety», «Customer health and safety», «Compliance-social/product responsibility» and «Management standards». We have assessed if the Report is based upon the relevant criteria in the guidelines for sustainability reporting from the Global Reporting Initiative G4 "In accordance" option "Comprehensive" (GRI G4), as well as the indicators that Cermaq has developed and disclosed (CEQ Indicators).

The management's responsibility
Cermaq's management is responsible for selecting the information, collecting the data for presentation and preparing the Report in accordance with the criteria in the guidelines for sustainability reporting from GRI G4 as well as the indicators that Cermaq has developed and disclosed (CEQ Indicators).

Auditor's tasks and duties
Our responsibility is to issue an independent opinion to the management on the Report based upon our work. Our work is performed in accordance with the ISAE 3000 standard for "Assurance Engagements Other than Audits or Reviews of Historical Financial Information." The standard requires that we plan and execute procedures to obtain limited assurance that the Report is prepared in accordance with GRI G4, as well as the indicators that Cermaq has developed and disclosed (CEQ Indicators).

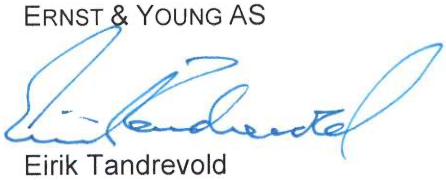
Our work has consisted of the following activities:

- Review of Cermaq's processes for preparation of the Report to give us an understanding of how sustainability is management in practice by the business
- Interviewed those responsible for the report to develop an understanding of the process of preparing the Report
- Verified on a sample basis information in the Report against underlying data and other information prepared by Cermaq
- Assessed the overall presentation of the report against the criteria in GRI G4 including controlling consistency of the information

In our opinion the evidence collected is sufficient and appropriate as the basis for our conclusion.

Conclusion
Based on our review and procedures performed we have not found any reasons to believe that the information in the report is not in line with the above mentioned criteria, and we have not identified factors indicating that the information in the report is not in accordance with GRI G4 or the indicators that Cermaq has developed and disclosed (CEQ Indicators).

Oslo, 5 May 2015
ERNST & YOUNG AS



Eirik Tandrevold
State Authorized Public Accountant