Skretting Norway

Sustainability Report 2014

SKRETTING
a Nutreco company

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In 2014, Skretting Norway continued work to both describe our environmental impact and our attempts to reduce that impact where we consider it important and achievable. We are now able to collect important sustainability key performance indicators (KPIs) on a regular basis and incorporate these into our financial reporting system. This will enable us in the future to analyse and manage our environmental and social impact on a regular basis.

I am glad to see that pilot projects we earlier initiated at our factory in Stokmarknes have resulted in significant energy savings. Once we have gained more experience, these solutions can also be implemented in our factories in Averøy and Stavanger. In addition, Skretting Norway has reached its goal of establishing energy management equivalent to what is demanded in the ISO 50001 standard (Energy Management Systems).

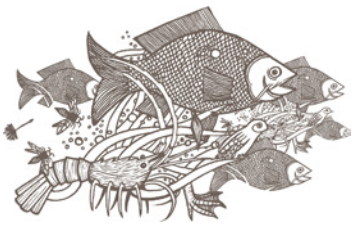
In 2014, there was an episode whereby we had to stop products entering the market due to batches of fishmeal containing above legal limits of hexachlorbenzen. This incident was discovered by our own quality system, Nutrace. Skretting Norway also notified Norwegian Feed Safety Authorities about the incident. I am satisfied to see that our quality system Nutrace is functioning well and as a result we were able to minimise the potential damage of such an incident.

Skretting Norway has also been successful in offering our customers sustainable nutritional solutions. Products like Premium and Protec are among our customers' favourites and contribute to efficient salmon production. In 2014, we were also audited against the Aquaculture Stewardship Council (ASC) standard for responsible salmon production and found to be in full compliance with its feed requirements.

In 2014, Skretting Norway also signed the United Nations' 'New York declaration on deforestation'. Tropical deforestation is widely regarded as one of the most serious global environmental problems of our time. As such, Skretting is committed to supporting raw material production initiatives that do not occur in regions subject to deforestation.

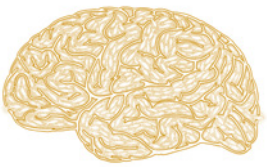
The Skretting companies publish a Consolidated Sustainability Report covering the performance from their global operations in 2014. This report can be found online at www.sustainability.skretting.com

Erlend Sødal
Managing Director, Skretting Norway



Chapter 1:

HAVING OUR OWN HOUSE IN ORDER



Chapter 2:

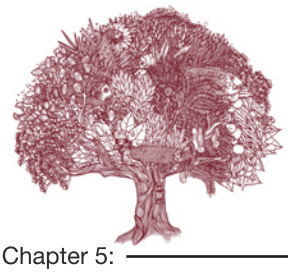
DEVELOPING SUSTAINABLE NUTRITIONAL SOLUTIONS

Chapter 6:

INVOLVE AND MOTIVATE

SEA™

Sustainable Economic Aquafeeds



Chapter 5:

CREATING A SUSTAINABLE BASE FOR FEED

Chapter 4:

FINDING ALTERNATIVES TO LIMITED MARINE RESOURCES

Chapter 3:

SECURING ANIMAL HEALTH

Skretting: Producer of Sustainable Economic Aquafeeds (SEA)

Skretting's commitment to sustainability is expressed through the Sustainable Economic Aquafeeds (SEA) programme. This identifies the key sustainability issues facing the aquaculture industry and the actions Skretting will take to address them. The programme comprises six guiding pillars, founded on the objectives of the 'Sustainability Vision 2020' set by our parent company Nutreco, although they have been slightly modified to reflect the unique characteristics of the aquaculture industry. The six pillars will be used to clearly define our ambitions for the future and to establish a framework for our sustainability reporting.

Chapter 1:
HAVING OUR OWN HOUSE IN ORDER

Skretting believes that sustainability begins at home and as such we are firmly committed to ensuring our own house is in order. Our sustainability commitment includes pursuing greater energy efficiencies as well as reducing the amount of waste and emissions generated through our direct operations. Human resources are another vital input and we strive to provide the best working environment possible.

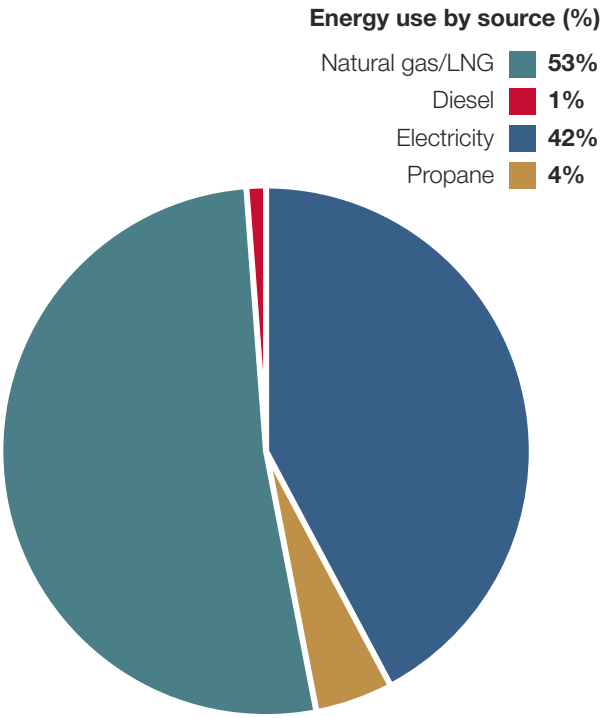
Energy

The energy management team identified and implemented a number of energy efficiency projects at all three plants during 2014. A major project involved the installation of a heat recovery system at the factory in Stokmarknes. In using heat pump and water distribution systems, the temperature level can be raised so that recovered heat can be used to pre-heat process water, process air and boiler water. In 2015, we will work with adjustments and improvements to achieve further energy savings based on this energy recovery solution. The details and progress of the energy projects were reported to Nutreco to facilitate the sharing of best practice throughout its global operations.

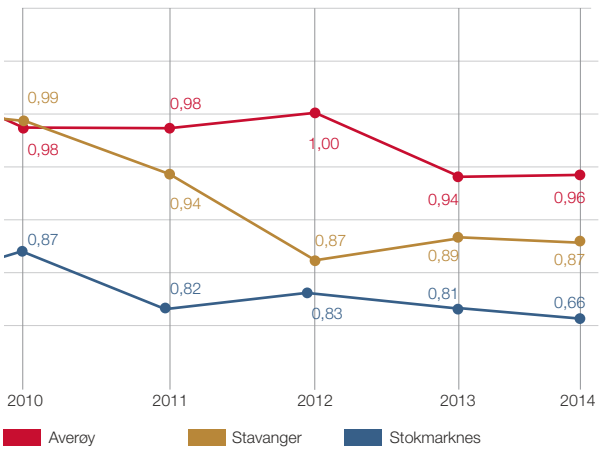
Skretting Norway used a total of 582 TJ, which came from a combination of sources as shown in the graph below. The average energy consumption per tonne was 0,895 GJ/t, which was the same as in 2013. Significant effort was made to achieve the goal of harmonising the specific energy consumption at all three plants. Despite this, the gap between the plants widened in 2014 due to the most efficient plant (Stokmarknes) becoming more efficient because of the investment in heat recovery equipment.

Skretting Norway has a goal of establishing energy management equivalent to what is demanded in the ISO 50001 standard (Energy

Energy use by source (%)



Specific Energy Use (GJ/t)



Management Systems). The factories in Stavanger and Averøy conducted internal audits according to this standard in December 2014. These audits confirmed the factories had systems in place to fulfil the requirements in the ISO 50001 standard. A similar and successful audit was conducted at the factory in Stokmarknes in November 2013. This means that in 2014, Skretting Norway established its operations at the desired level regarding Energy Management Systems.

In 2014, Skretting Norway installed energy measurement equipment on the most energy-intensive process steps in all of its factories. All of the energy measurement data are registered in a common energy monitoring system (Energinet). This enables us to conduct energy benchmarking in a simple manner. A major focus area in 2015 will be to apply the energy monitoring systems to identify and implement best practices on energy use between factories with regard to process equipment and products.

GHG Emissions

In 2014, Skretting Norway generated a total of 19,567 tonnes of CO_2e from its direct operations (scope 1). This was equivalent to 30kg CO_2e/tonne feed which was exactly the same as in 2013. The relative amount of energy sources used in 2014 were the same as in 2013. All emissions generated from electricity were offset through the voluntary purchase of Renewable Energy Certificates (RECs).

At Averøy, a tank boat is used as an oil-hub. At present, the tanker is supplied with energy from its own machinery. In 2015, we plan to supply energy from an electrical shore line that will reduce GHG emissions from operating the oil-hub.

20,332 tonnes of CO_2e was emitted from the transportation of feeds from our plants to customers, the majority of which is done via boat. The average CO_2 emissions were 60kg per nautical mile. Dependent upon the capacity utilisation of the boats, this is equivalent to 50-65 grams of CO_2 emissions per nautical mile and tonne. Some 89% of feed sold was transported by boat and 17% of all feed sold was transported in bulk.

GHG EMISSIONS

30 kg CO_2 e/ tonne feed

The shipping company Eidsvaag, which transports almost all Skretting feeds by boat, is in the process of undergoing Eco-Lighthouse certification. This environmental certification scheme is Norway's most widely used certification scheme for enterprises seeking to document their environmental efforts and to demonstrate social responsibility. Eidsvaag has concluded all work related to the certification and expects formal recognition in the first-half of 2015.

Waste and Effluent

A total of 3,117 tonnes of non-hazardous waste and 16 tonnes of hazardous waste were created by Skretting Norway in 2014. This equated in total to 4,8kg per tonne of feed which was higher than in 2013 (3,6kg/t). All of this was defined according to the NS9431 Standard and the European Waste Catalogue. All waste was disposed of according to regulation.

In 2014, Skretting Norway took part in a Nutreco pilot project aimed at improving the quality of data collection and embedding sustainability into the business. A waste and waste disposal method was one of five operational KPIs that were measured during this pilot, along with energy, CO_2, water and lost time injuries (LTI). This year, we have changed our reporting to the total amount of non-hazardous and hazardous waste generated per tonne of feed produced. We also report on how the waste was disposed of according to GRI guidelines. In 2014, nearly 90% of all non-hazardous waste was reused, recycled or recovered. 100% of hazardous waste was reused or recycled. These results clearly document that Skretting has a well managed waste handling system.

There was an increase in waste produced by both the Averøy and Stavanger factories. These increases mainly related to an under-reporting of the quantity of medicated feed that was disposed of in 2013. In addition, feed produced from batches of fishmeal in 2014 identified to contain above legal limits of HCB (hexachlor-benzen) were disposed of as waste. From

Hazardoes Waste type and disposal method (EN23)	
Composted hazardous waste	
Reused hazardous waste	
Recycled hazardous waste	28,3 %
Recovered hazardous waste	71,7 %
Incinerated hazardous waste	
Landfilled hazardous waste	
Hazardous waste disposed by deep well injection	
On-site stored hazardous waste	
Total hazardous waste (kg per tonne produced)	0,02
Non Hazardous Waste type and disposal method (EN23)	
Composted non-hazardous waste	12,3 %
Reused non-hazardous waste	0,1 %
Recycled non-hazardous waste	32,6 %
Recovered non-hazardous waste	54,8 %
Incinerated non-hazardous waste	
Landfilled non-hazardous waste	0,2 %
Non-hazardous waste disposed by deep well injection	
On-site stored non-hazardous waste	
Total non-hazardous waste (kg per tonne produced)	4,79

4,79 kg non-hazardous waste per tonne produced of which 90% was reused, recycled or recovered.

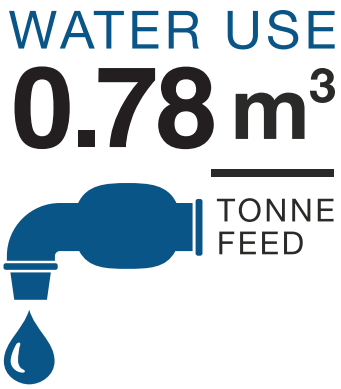
Averøy, both these fractions were incinerated at Statkraft Trondheim and used for heat energy recovery. The Stokmarknes factory reduced its waste by 18% in 2014. The variation in waste volumes is largely attributed to the cleaning

of oil tanks, which is conducted at 1-5 year intervals. The amount of combustible waste (fractions NS9912 and NS9913) was reduced by 25 tonnes, which was mainly because vitamins and minerals now come in larger packaging.

In 2014, Skretting Norway had no uncontrolled spills and our zero spills goal was met.
In 2014, Skretting received 14 odour complaints and one noise complaint. In addition, a neighbour to the Averøy factory complained about particle deposits on car and property. All odour complaints were related to the Stavanger factory. The Stavanger factory is located very close to residential areas (less than a few hundred metres) and it is a challenge to avoid odour complaints. It can also be difficult to judge that even though a complaint was made, we still might operate within our permits related to odour. Our aim is to not burden the local community with odour from our operations.
In March 2014, Skretting started a new treatment plant that reduces odour emissions from the Stokmarknes factory. The investment has been planned over time and thorough research has been conducted to identify the most effective technology. Odour measurements have been made and confirm the treatment plant functions. The results of the measurements document that Skretting Stokmarknes operates within its permits relating to odour.

Water

A total of 505,211 m^3 of water was used in the direct production of feeds in 2014. This equates to a consumption level of 0,78 m^3 of water per tonne of feed produced, which is 20% higher than in 2013. The increase in water consumption is partly because the Stokmarknes factory used freshwater instead of seawater as refrigerant for a period of 2-3 months. In addition, a technical upgrade in the factory resulted in unforeseen and significant increased water consumption for a period of 5-6 months.



We are working to implement technical improvements at our factories that will influence water usage. These solutions should provide significant reduction in water consumption in 2015.
The water source for all Skretting factories is municipal water supply.

Health and Safety

The zero accidents goal was not met, with a total of 19 injuries occurring on Skretting premises in 2014. Twelve of these accidents were minor incidents that did not require the employee to take time off, with a further four injury and lost day cases resulting in 1-4 days off. The remaining three cases were caused by a head injury due to work in a confined space, one accident led to burns and one incident where the employee contracted a bacterial infection after cleaning a silo. The three most serious cases required the employees to take 14-30 days off work. One of the accidents happened in 2013, but was not reported before 2014. An additional 20 near misses were recorded and corrective actions taken to prevent these from reoccurring in the future.

Absenteeism

Absenteeism decreased from 5,14% in 2013 to 4,90% in 2014, the majority of which came from long-term cases (>4 days). The higher than average working age (44,7 years) of the factory workforce at Skretting Norway results

in long-term cases associated with chronic health conditions such as shoulder, knee, back and heart problems. Our HR department works closely with these employees and their managers to develop strategies to get them back to work or to find alternative positions that are more suited to their conditions. In 2013, the average absenteeism in Norwegian Industry was 4.4% (source: Norsk industri) and as such it seems that Skretting is slightly above the industry average.

Professional Development

Skretting provides a number of opportunities that facilitate professional development. This includes annual performance reviews that are conducted for all staff to monitor progress and set goals for the future. For administrational staff, this is done using a human resource information system (HRIS) system. In 2014, Skretting implemented a new HRIS system. All HRIS users were trained in self-evaluation in 2014, and leaders were given training to evaluate their employees.

HRIS is essentially an intersection of human resources and information technology through HR software. This allows HR activities and processes to occur electronically. Nutreco looks upon introduction of the new HRIS system as an important means to achieve their strategic objectives.

Injuries and Lost Days in 2014

	2013		2014	
Plant	Injuries	Lost Days	Injuries	Lost Days
Stavanger	2	0	3	0
Averøy	9	8	9	7
Stokmarknes	11	39	7	66
Total	22	47	19	73

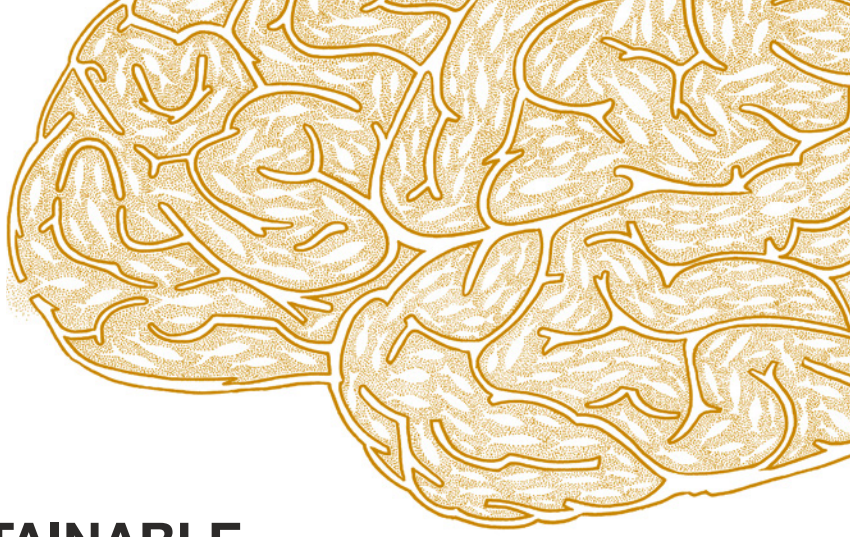
In 2014, Skretting Norway spent NOK 1,69 million on professional development, which is less than in 2013. As part of Skretting's focus on cost reductions last year it placed stronger emphasis on conducting internal training programmes. We estimate that in 2014 a total of 20,000 hours was used for professional development.

In January 2014, we arranged a multidisciplinary training course for personnel from sales, marketing, production, quality, logistics and HR. More than 50 Skretting employees participated in this programme.

The e-learning module in HSE was not completed in 2014 as planned and we did not reach the goal that all manufacturing personnel should have completed this training. It is a goal to reach this target in 2015.

Abstenism	2013	2014
Abstenism (%)	5,1	4,9
Total average age	42,9	44,7

	2013		2014		2013	2014
	Men	Women	Men	Women	Total	Total
Production and logistics	163	10	164	14	173	178
Sales and Head Office	29	40	26	30	69	56
Management	37	10	36	10	47	46



Chapter 2:
DEVELOPING SUSTAINABLE NUTRITIONAL SOLUTIONS

Meeting the growing global demand for protein will require innovative solutions that enable more food to be produced from a fixed resource base. The aquaculture industry offers a viable solution since aquatic animals are more efficient at feed conversion than terrestrial animals. However, Skretting believes there is always room for improvement and is therefore determined to help the aquaculture industry become even more proficient. This will be achieved through continued investment in R&D focused on sustainable nutritional solutions that deliver positive economic, environmental and social outcomes, as well as tools that can be used to measure progress.

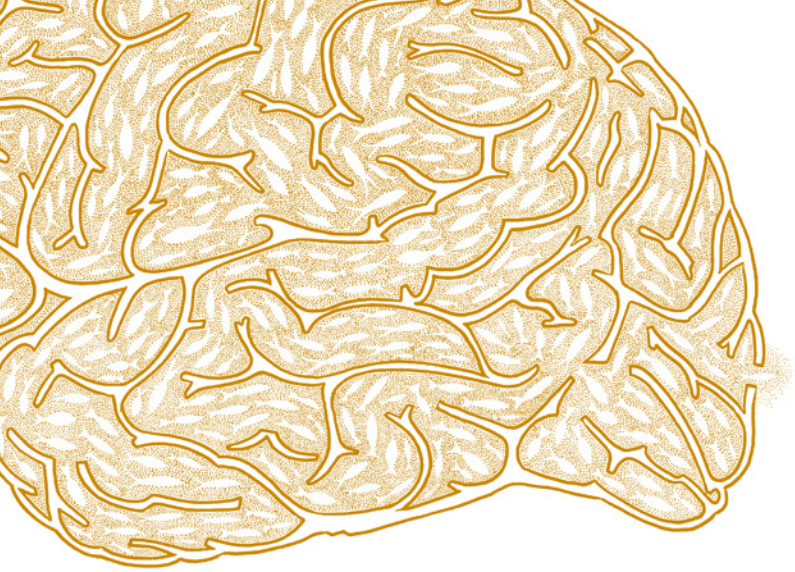
Feeding 9 Billion People

Faced with the global challenge of establishing a sustainable supply of food capable of feeding a population that is widely expected to swell to 9 billion people by 2050, animal and seafood protein producers must substantially increase efficiency and performance, whilst making the the most of the limited resources available. Skretting's commercialised innovations – the culmination of our experience, knowledge and research – will become ever more essential to helping these businesses successfully meet this challenge and will further set us apart from our competitors. Skretting has made a significant contribution to improving the efficiency of the aquaculture industry by helping to reduce the feed conversion ratio (FCR) of key aquaculture species. Skretting ARC has been very active in this area of research, which has enabled us to become industry leaders in delivering high-performance aquafeeds that are proven to deliver faster fish growth and improved feed efficiency.

Follow up on commitments

– High performance grower feeds to represent >30% of total grower feed volume sales by 2014

Skretting ARC has been very active in research, which has enabled us to become industry leaders in delivering high-performance aquafeeds that are proven to deliver faster fish growth and improved feed efficiency.



More and more customers have experienced that Optiline Premium is both an efficient and economic product. In 2014, sales of Optiline Premium accounted for 56% of all Skretting defined grower feed products. This development has been supported by a number of documentation trials and customer meetings with information about the Optiline Premium product and its benefits from a sustainability perspective.

Future Commitments

- Introduce a high performance grower feed for trout farmed in cages in the sea
- Introduce a diet which will enhance growth performance at low temperature

Measuring Performance

Skretting has engaged in in developing tools to measure sustainability metrics. In 2014, the majority of this work was linked to following up our commitments.

Follow up on Commitments

- Undergo external audit to assess our compliance with feed related requirements in ASC in 2014

The Aquaculture Stewardship Council (ASC) enables fish farmers to be certified to a number of aquaculture standards, including the ASC Salmon Standard. This standard contains a number of provisions that the feed producer and the products delivered to the farm to be certified must fulfil.

In September 2014, we were successfully audited against the ASC Salmon Standard feed requirements and received an ASC feed statement that we were in compliance with the feed requirements of the standard. During 2014, we provided documentation on feed to 12 farming sites that are in the process of certification according to the ASC salmon farming standard. To our knowledge, these sites have all fulfilled feed related criteria.

Follow up on Commitments

- To build competence in environmental footprinting methodologies and their application to aquafeed

In 2014, Skretting participated in giving input and discussing methodology regarding the report ‘Resource utilisation of Norwegian salmon farming in 2012’ compiled by the research institution NOFIMA. This report follows up the work on resource utilisation and eco-efficiency of Norwegian salmon production in 2010 and contains a resource budget for the Norwegian salmon production in 2012, showing the flow of major nutrients from feed to whole body and edible product. The retention in whole body and fillet of protein, fat and energy as well as the retention of the essential omega-3 fatty acids EPA and DHA and phosphorus, were calculated. The marine sustainability indicators often used to evaluate aquaculture productions (FIFO, marine protein dependency ratio, forage fish dependency ratio) were also calculated for Norwegian salmon production in 2012 and 2013.

- The full NOFIMA report can be found here www.fhf.no/prosjektdetaljer/?projectNumber=900912

Future Commitments

- Further develop our SEA programme in 2015 so we are able to offer more detailed specific environmental information that can be used by customers to describe and calculate their environmental footprint

Chapter 3:
SECURING ANIMAL HEALTH

Many aquaculture systems are open to the natural environment, which exposes the fish to stresses such as extreme temperatures and a range of parasites that can lead to negative health impacts. Skretting is committed to helping farmers secure animal health through continued investment in R&D, which helps to improve the sustainability of production by maintaining a high level of animal welfare as well as increasing the efficiency of production.

Functional Nutrition

Skretting has made a significant contribution to developing nutritional solutions that help to increase the resilience of fish to stress and illness. Protec is Skretting's industry leading health promoting diet that is used widely around the world for salmonids and other species. Protec helps to shield the skin, gut and gills, it supports the immune system, provides building blocks for new cells and optimises the balance between fish, microbes and environment. The same functional ingredients used in Protec have been added to Skretting's Supreme transfer diet, which is proven to help prepare fish for transfer from hatcheries to sea cages.

Follow up on Commitment for 2014

– Sales of functional feeds to be above 10% of total sales volume in 2014

In 2014, we reached our goal as Protec represented 11.2% of our product sales. We view this as evidence that our customers find Protec a valuable tool to secure fish health and welfare. There was also a marked increase in sales of medicated feed used for delousing in 2014 as shown in the following table.

Volume of Active Substance Used in Medicated Feed (exports not included) (kg)

Substances	2013	2014
Delousing	1732	2774
Deworming	359	532
Antibiotics	971	506

The growth in deworming products was due to favourable conditions for the parasite. Similarly, the use of delousing treatments was driven by the increase in the prevalence of sea lice as well as the growing resistance of lice to commonly used treatments. The growth in deworming treatments is due to an increase in the prevalence of Eubothrium sp. in seawater. Some of the antibiotics are used for bacterial diseases on wrasse and lumpfish. These are fish that are not consumed and are only farmed for the purpose of reducing the number of sea lice in salmon stocks.

Future Commitments

– To extend our offering of products improving health and welfare to address the challenges linked to AGD (amoebic gill disease) and sea lice

Chapter 4:
FINDING ALTERNATIVES TO LIMITED MARINE RESOURCES

The aquafeed industry has attracted considerable attention with regards to its use of fishmeal and fish oil. Skretting has made significant progress towards reducing its reliance on these marine ingredients through investment in R&D that has enabled the increased use of alternative raw materials. Efforts have also been made to improve the traceability of marine ingredients to ensure those used in Skretting feeds come from responsibly managed fisheries.

Flexibility in Formulations

The average raw material composition of Skretting diets did not change radically from 2013 to 2014. In line with the overall development during the last decade, we have reduced our fishmeal use by substituting it with vegetable protein sources. Soy protein concentrate is now the most important protein source in our diets. The use of fish oil was stable compared to 2013. The targeted EPA & DHA level in the salmon flesh decides the use of fish oil. Most of the Norwegian fish farming industry targets a level of 6–7.5% EPA and DHA in the main grower diets. This level is above what we consider the nutritional requirement for long chain omega-3 fatty acids in salmon diets. Any future reduction of fish oil use will require

Average Inclusion Rate of Feed Ingredients (%)

	2013	2014
Marine Protein	%	%
Fishmeal	17,6	14,8
Fish silage from white fish	0,1	0,5
Vegetable Protein		
Soy protein concentrate	25,4	25,4
Faba beans	3,8	4,3
Wheat gluten	6,6	8,1
Sunflower meal	3,4	3,5
Corn gluten		0,1
Marine Oil		
Fish oil	11,2	12,1
Vegetable Oil		
Rapeseed oil	19,2	18,7
Carbohydrate		
Wheat	10,6	9,7
Other	2,1	2,9

either reducing EPA & DHA levels in the diet and/or starting to use alternative raw material sources to supply EPA & DHA in the diet.

Traceability of Marine Ingredients

The traceability of marine ingredients is fundamental to ensuring our supplies are coming from responsibly managed fisheries. Therefore, it is a requirement for our suppliers to provide information about the species and fisheries of origin for all fishmeal and fish oil sold to Skretting Norway. A summary of this information is shown in the following table. This provides assurance that our suppliers are in compliance with the requirements stipulated in our Marine Policy.

– **Species Origins Tables and IUCN Status**

Reduction fisheries				
Species and Fishery	Latin Name	IUCN Status	Fishmeal	Fish Oil
Anchoveta - Peruvian northern-central stock	*Engraulis ringens*	Least Concern	38%	26%
Lesser sand eel - North Sea	*Ammodytes marinus*	Not assessed	7%	10%
Capelin - Icelandic	*Mallotus villosus*	Not assessed	4%	2%
Blue whiting - Northeast Atlantic	*Micromesistius poutassou*	Not assessed	24%	3%
European sprat - North Sea	*Sprattus sprattus sprattus*	Not assessed	5%	15%
Capelin - Barents Sea	*Mallotus villosus*	Not assessed	1%	1%
Norway pout - North Sea	*Trisopterus esmarkii*	Not assessed	2%	2%
Atlantic herring - Icelandic summer-spawning	*Clupea harengus*	Not assessed		<1%
Boar fish	*Capros aper*	Not assessed	2%	<1%
Unknown			<1%	<1%
Atlantic herring - Norwegian spring-spawning	*Clupea harengus*	Least Concern	2%	2%
Gulf menhaden - Gulf of Mexico	*Brevoortia patronus*	Not assessed		25%
Chilean sardine	*Strangomera bentincki*	Not assessed		3%
Chilean jack mackerel	*Trachurus murphyi*	Data Deficient		<1%
Atlantic horse mackerel	*Trachurus trachurus*	Not assessed	<1%	<1%
Sum			85%	80%

Trimmings				
Species and Fishery	Latin Name	IUCN Status	Fishmeal	Fish Oil
Unknown			3%	11%
Atlantic herring - Norwegian spring-spawning	*Clupea harengus*	Least Concern	6%	5%
Atlantic herring - Icelandic summer-spawning	*Clupea harengus*	Least Concern	4%	1%
Atlantic herring - North Sea	*Clupea harengus*	Least Concern	1%	3%
Capelin – Barent Sea	*Mallotus villosus*	Not assessed	<1%	<1%
Capelin - Icelandic	*Mallotus villosus*	Not assessed	1%	<1%
Sum			15%	20%

In 2014, approximately 87% of all fishmeal and 74% of the fish oil purchased by Skretting Norway came from IFFO Approved Fisheries. This is in line with our goal to source 90% of our fishmeal and 80% of our fish oil from approved fisheries by 2015. A portion of marine ingredients came from trimmings of fish caught for human consumption, which represented 15% of fishmeal and 20% of fish oil purchased in 2014. This is significantly less than in 2013.

87% FISHMEAL

74% FISH OIL

FROM IFFO RS APPROVED FISHERIES IN SKRETTING NORWAY FEEDS

Future Commitments

- Source at least 90% of our fishmeal from IFFO RS approved fisheries by the end of 2015
- Source at least 80% of our fish oil from IFFO RS approved fisheries by the end of 2015

» Chapter 5: CREATING A SUSTAINABLE BASE FOR FEED

Skretting and parent company Nutreco focuses on supplier engagement through the group-wide Supplier Code of Conduct (http://www.nutreco.com/globalassets/nutreco-supplier-code-of-conduct.pdf). In 2014, 98% of Skretting's spend on feed raw materials was accounted for by suppliers that had signed the code. In addition, all suppliers of marine ingredients and soy products have signed the code.

Follow up of Commitment
- To undertake at least one pilot audit according to the Nutreco Supplier Code of Conduct in 2014
- In 2014, Skretting developed an audit manual to follow up its suppliers according to the requirements described in the Supplier Code of Conduct. During 2014, Skretting undertook five pilot audits of suppliers according to the code
- Deforestation
- Tropical deforestation is widely regarded as one of the most serious global environmental problems of our time. In 2014, Skretting Norway signed the United Nations "New York declaration on deforestation"

Future Commitments
- To incorporate sustainability as part of regular audits of our suppliers in 2015
- To use soy concentrate from Brazil that comes from non-deforested areas, according to the definitions in the ProTerra and /or RTRS standard in 2015

Sustainable Partnerships
- Follow up on commitments with regard to sustainable partnerships
- To engage in at least two multi-stakeholder platforms in 2014

In 2014, Skretting was board member of the International Fishmeal and Fish Oil Organisation Responsible Supply standard (IFFO RS), member of the advisory panel for the Aquaculture Stewardship Council committee (ASC) Feed Dialogue, and member of advisory panel for GlobalGAP Aquaculture Committee. We also work in cooperation with the Sustainable Fishery Partnership (SFP).

Future commitments
- To engage in at least two multi-stakeholder platforms in 2015
- Feed-to-food quality and safety
- Follow up on commitments
- Zero product recalls and/or feed safety incidents reported to authorities in 2014
- We were not able to fulfil this goal as in 2014 Skretting reported a food safety incident to Norwegian authorities

In late June, Skretting revealed elevated levels exciding statutory limits of hexachlorobenzene (HCB) in fishmeal as a consequence of Nutrace routines for monitoring and control of our feed and raw materials. According to procedures, Skretting notified the authorities, customers and competitors. Skretting traced contaminated fishmeal batches back to the suppliers and implemented measures. With the same monitoring system we could demonstrate that the finished feed still was far below the Norwegian government's limit of 10 micrograms per kilogram (ppb). The National Institute of Nutrition and Seafood Research (NIFES) took samples of fish from affected farms, commissioned by the Food Safety Authorities. When results were available, NIFES concluded that a meal with the affected farmed salmon only contributed a very small percentage of the amount of HCB one can eat with no health risk.

Future commitments
- Zero product recalls and/or feed safety incidents reported to authorities in 2015

Chapter 6:
INVOLVE AND MOTIVATE

A sustainable future is not viable without the involvement of motivated people. In recognition that the impacts of feed production extend beyond the manufacturing process, Skretting is committed to taking a supply chain approach to stakeholder engagement. To do this, a range of initiatives are in place to enable us to connect with people that have varying opinions on feed production and different abilities to implement the necessary change to create a more sustainable future.

Employee Engagement

All members of the management team successfully followed up sustainability objective as part of their performance contract in 2014. These covered a variety of long-term and short-term goals relating to the full spectrum of issues from the SEA programme. For example, strategies to increase the flexibility of formulations, implementing more efficient production processes, developing innovative nutritional solutions and engaging with stakeholders.

Follow up on 2014 Commitments

– All members of the management team to have one sustainability objective as part of their KPIs in 2014

Skretting is a transparent company. We expect openness and integrity in everyone that works for the company and require them to conduct their business activities in compliance with the Nutreco Code of Ethics, both in the letter and in the spirit of the code. In 2014, all employees in Skretting had to undertake e-learning training in Nutreco's Code of Ethics. This document with associated guidelines and policies explains among other things how Skretting relates to basic human rights, labour rights and how one ensures business integrity and deal with conflicts of interest.

Also in 2014, 18 members of Skretting management and management staff with particular emphasis on purchasing staff and sales/marketing staff, conducted an e-learning module on the understanding of sustainability in Skretting and in our business. The module also included conducting a test with a passing grade. The people that took the test gave positive feedback and said that the e-learning module increased their understanding of what sustainability means.

Follow up on Commitments

– Undertake a pilot project to engage employees in sustainability during 2014

AquaVision will take place

in Stavanger, Norway

13–15 June 2016.

www.aquavision.org

AquaVision

Future Commitments

– Make e-learning module on sustainability available to all employees through the Skretting Academy platform in 2015

Stakeholder engagement

As an essential link in the feed-to-food value chain, understanding and responding to stakeholder needs is key to the success of our business. Skretting engages with stakeholders through a diverse range of methods. One of our primary forums for stakeholder engagement is AquaVision, a biennial conference organised by Nutreco and Skretting for top executives in aquaculture.

AquaVision 2014 in Stavanger had more than 400 delegates from 45 countries that took part in a busy conference programme. The conference clearly showed that there was no doubt that the aquaculture industry is a winning industry, and as such it needs to find the most viable industrial species to feed a global population that is going to grow to 9 billion people by 2050.

Kofi Annan who was the keynote speaker in 2012, told the conference not to change what it had been doing but asked the industry to accelerate progress. Similarly, in 2014, Sir Bob Geldof was complimentary about the industry and challenged it to find solutions that are good for business, but also good for the planet. These were clear messages from our keynote speakers – two very different individuals with very different backgrounds – but both with a passion to feed the world and both with strong messages for us to take or to bring the world forward.

With most of the population growth forecast to be in Asia and Africa, the sustainable expansion into developing countries and new aquaculture regions should be high on the industry's agenda, as should its desire to innovate by increasing yields and controlling its raw material use. Another increasingly important requirement will be to increase the involvement of governments, regulatory bodies and NGOs to make sure that aquaculture remains a responsible industry.

The next AquaVision will be held in 2016 and will be the 10th edition of the conference.

Follow up on commitment

– Establish a Sustainability Advisory Committee to identify sustainability issues that are relevant to our business during 2014
– We have not been able to follow up on this commitment and will follow up in 2015

Future commitments

– Organise AquaVision 2016
– Establish a Sustainability Advisory Committee to identify sustainability issues that are relevant to our business during 2015

Delivering sustainable
feed solutions for aquaculture

www.skretting.no

www.sustainability.skretting.com

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