

BAKKAFROST CORPORATE RESPONSIBILITY AND SUSTAINABILITY POLICY STATEMENT

Bakkafrost is a Faroese salmon, fishmeal, fish oil and fish feed producer. The company sells to businesses in European, Eastern European, Asian, and American markets. The company's mission is to produce healthy world-class salmon.

The company's values guide its behaviour and its approach to achieving its mission, in order to create long-term shared value. This means acting responsibly, showing respect and being persistent, efficient and ambitious.

The aquaculture industry is under growing pressure to increase production to meet the growing global demand for protein. To meet this demand within existing planetary boundaries, it is important to consider how this can be done sustainably and responsibly. Bakkafrost has a direct and indirect impact on the environment and society, so the challenge is to the greatest extent possible, to seek to avoid potential harmful impacts and increase positive ones.

OUR POLICY AND PRINCIPLES

This policy applies to all Bakkafrost operations and outlines the company's approach to its corporate responsibilities.

The company policy is to produce healthy salmon, with sustainable use of resources, minimum impact on the environment, maximum respect for people, and optimum value for its stakeholders and society. This is reflected in the company's strategy and its daily execution, and through the below set of principles, aligned to its five sustainability priorities:

1. To run a **healthy business**, the company must to grow efficiently and responsibly. Specifically, it must:
 - Uphold the highest ethical standards outlined in its Code of Conduct, and where possible, strive to go beyond compliance in its management of material sustainability issues.
 - Focus on meeting customer needs, responsible marketing of goods, and maintaining good international relations.
 - Strive to continually innovate, contributing to necessary research for the development of new products and markets, and sustainability opportunities.
2. To employ **healthy people**, the company must strengthen and protect its human capital. Specifically, it must:
 - Endeavour to attract and retain talent and expertise, build competency, and maintain high employee engagement.
 - Strive to create a sound accident and injury free working environment, and healthy working culture, in line with the Code of Conduct.
 - Create an inclusive and diverse work environment where everyone is treated respectfully, there is equal opportunity, and nobody is discriminated, in line with the Code of Conduct.

- Respect freedom of association and right to collective bargaining and not engage in any trafficked, forced or compulsory labour, including the exploitation of children as a labour force.
 - Support and respect the protection of all internationally recognised human rights and ensure that it is not complicit in any abuses of these. Its business partners are also expected to agree to and comply with these principles, as outlined in its contracts with the company, in line with the Code of Conduct.
3. To produce **healthy salmon**, the company must meet and exceed leading standards. Specifically, it must:
- Ensure the highest quality and safety of its salmon, including optimising its nutritional value and minimising undesirable substances.
 - Maintain the highest fish health and welfare standards in the production of salmon.
 - Remain open to collaboration at all levels and strive to meet, and where possible exceed, recognised and accepted international aquaculture and food production standards and certifications.
4. To conserve a **healthy environment**, the company must minimise its environmental impact. Specifically, it must:
- Strive to minimise pollution of the environment and impact on wildlife at each stage of the value chain, including minimising its carbon emissions and the impact of waste from its product's lifecycle.
 - Employ a sustainable approach to the use of natural resources, including its use of water, sourcing of energy, and sourcing of the ingredients used in the production of fish meal, oil and feed.
 - Support a precautionary approach to the management of sustainability, including environmental risks, and ensure employees have sufficient capability and knowledge to identify and mitigate these.
5. To operate in **healthy communities**, the company must add value and strengthen relationships. Specifically, it must:
- Seek to create value through a profitable operation, both locally, nationally and internationally, obtaining the greatest return for its capital.
 - Prioritise use of local suppliers and local labour, while maintaining the highest standards.
 - Demonstrate responsible citizenship and leadership on issues important to its stakeholders.
 - Engage openly with its local communities and be transparent in the reporting of its sustainability performance.
 - Support local initiatives through its community investments, particularly in areas where it has an impact or is impacted.

EXTERNAL STANDARDS

Bakkafrost is committed to embedding UN Global Compact's ten fundamental principles relating to human rights, labour, the environment and anti-corruption, into the business.

The company subscribes to a number of external standards and certification programmes across different parts of its value chain to ensure product sustainability, animal welfare, quality and safety. These are available at:

www.bakkafrost.com/fo/bakkafrost_about-us/sustainability/collaboration-and-certification

Bakkafrost is guided by the Global Reporting Initiative Standard and Blueprint for Business Leadership in the UN Sustainable Development Goals in the development of its sustainability strategy, and the Oslo Børs Guidance on the Reporting Corporate Responsibility in its public sustainability reporting.

RAISING CONCERNS

If any Bakkafrost employee is not able to justify any business activity on the basis that it does not meet our corporate responsibilities or the commitment to sustainability outlined in this policy, they must report this to bakkafrost@bakkafrost.com.

Approved and signed by the Board of Directors on 29th September 2018

Further company policies and guidelines are available to employees on the company intranet. Bakkafrost's Corporate Governance Principles, which include the company's Code of Conduct are available at www.bakkafrost.com.