



## To our stakeholders

I am pleased to confirm that Marine Harvest ASA reaffirm its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption.

In this annual Communication on Progress we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely  
Alf-Helge Aarskog/sign CEO

### Global Compact COP report 2017

#### Human Rights Principles

##### **Principle 1:” Businesses should support and respect the protection of internationally proclaimed human rights”**

Marine Harvest supports and observes the Universal Declaration of Human Rights in our operations. Marine Harvest also requires a similar commitment from our suppliers and participants in our supply chain.

Marine Harvest aims to understand and comply with all applicable laws and international conventions on human rights, to which Marine Harvest subscribes and supports.

##### **Principle 2:” Make sure that they are not complicit in human rights abuses”**

Marine Harvest aim to know and understand where our operations, suppliers or supply chains, due to local conditions, custom, practices or otherwise, might represent a potential risk of human rights violations.

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If allegations occur, we ensure that situations or allegations of human rights violations are investigated and followed up. We are particularly aware in the event of reluctant or unsatisfactory answers to questions from potential business partners, and other 'red flags' that might suggest that a party might be avoiding an open and transparent view of their operations or conduct or that of their sub-suppliers.

## **Labor Principles**

### ***Principle 3: " Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining"***

Marine Harvest recognizes the right of all workers and employees to freely form and join groups for the promotion and defense of their occupational interests, including the right to engage in collective bargaining.

Marine Harvest aims to know and understand all local or applicable legal obligations, in relation to labor and collective bargaining. We encourage engagement in open and free dialogue concerning conduct of labor and labor relations in Marine Harvest.

Marine Harvest is particularly aware of pressure from outside interest groups, or others who have a political agenda on labor and collective bargaining contrary to Marine Harvest policy and other conduct that might suggest that activities cannot be part of an open dialogue with Marine Harvest employees on labor practices.

### ***Principle 4: " The elimination of all forms of forced and compulsory labor"***

Marine Harvest is committed to the abolition of all forms of forced or compulsory labor.

Marine Harvest aim to understand where our operations, suppliers or supply chain, due to local conditions, custom, practices or otherwise might represent a risk of having underage workers or forced labor. We aim to gather knowledge, understand and comply with all applicable laws and international conventions on labor practices to which Marine Harvest subscribes and supports.

We ensure that seasonal employment of workers is also included under this policy.

We are particularly aware of suppliers who deliver through sub- suppliers and whose operations they are reluctant to disclose, or open to inspections and visits.

### ***Principle 5: " The effective abolition of child labor"***

Marine Harvest is committed to the abolition of child labor.

Marine Harvest has a minimum age for employment as not lower than the age of completion of compulsory schooling as set by national law, and in any event not lower than 15 years of age.

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Marine Harvest aim to understand where our operations, suppliers or supply chain, due to local conditions, custom, practices or otherwise might represent a risk of having underage workers or forced labor. We aim to gather knowledge, understand and comply with all applicable laws and international conventions on labor practices to which Marine Harvest subscribes and supports.

We ensure that seasonal employment of workers is also included under this policy.

We are particularly aware of employees of suppliers who appear to be underage or working under coercion.

**Principle 6: “The elimination of discrimination in respect of employment and occupation”**

Marine Harvest’s activities shall be conducted without discrimination on the basis of race, ethnicity, national or other origin, disability, age, gender, sexual orientation, language, religion or any other characteristic where a person is not treated as an individual.

Marine Harvest aims to show respect for individuals, and not treat people as members of a class. We base employment decisions on the basis of job qualifications (e.g. education, prior experience, skills) and merit.

We aim to provide a work environment free from harassment and bullying.

We are particularly aware of signs of a hostile work environment or situations in which any person could feel excluded or unwelcome, of violation of labor law, or refusals to work, or otherwise cooperate with, certain individuals because of a general characterization.

**Environmental Management Policies & Procedures**

**Principle 7 : “Business should support a precautionary approach to environmental challenges”**

Marine Harvest aims to supply a growing population with outstanding food resources without hampering our planet. Through our continued efforts to understand the impact of our operations, we work to not only reduce our environmental impact but to create new opportunities and solutions that will make us a front runner in environmental responsibility. We believe that a healthy planet and healthy business performance are mutually reinforcing and, as such, our long-term business success depends on protecting the environment for future generations. “Planet” is one of Marine Harvest’s four guiding principles. It encapsulates Marine Harvest’s vision of producing salmon in a sustainable and environmentally responsible manner by setting up long terms goals, measuring progress towards these goals and describing what are our mitigation efforts. Marine Harvest is committed to having all our seawater and freshwater sites certified for sustainability. By 2020, we aim to be 100% certified by the Aquaculture Stewardship Council (ASC), a standard developed in collaboration with WWF. At the end of 2016, Marine Harvest had 31 % of our sites ASC-certified, reaffirming that we are the leading producer of ASC certified farmed salmon.

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Our long-term success is dependent on our ability to manage the relevant risks associated with our goals. In Marine Harvest, risk management includes biological risk where several environmental related aspects are covered such as sea lice pressure, sustainable feed ingredients, escapees and medicine use.

We have conducted a materiality analysis as part of our annual reports and in conjunction with our ongoing, global sustainability strategic planning efforts. Our materiality analysis highlights areas of both opportunity and risk to help us refine our overall strategic reporting approach, improve performance and guide our R&D activities. The assessment of material issues has been conducted with the involvement and final approval of our Group Management Team. It has also been conducted in accordance with the Global Reporting Initiative G4 guidelines. The choice of which environmental aspects are material for Marine Harvest is a result of a dialogue with stakeholders that include regulators, customers, investors, suppliers, employees, local communities and NGOs. From the sixteen issues considered as highly important both for Marine Harvest and our stakeholders, five are directly related to environmental challenges including escape prevention, medicine use, lice management, sustainable feed and climate friendly food production. For each of these material elements Marine Harvest has defined key performance indicators that help us measuring our progress towards minimizing our environmental impact. Our progress in minimizing environmental impacts is strongly linked with R&D innovations that have encouraged the development and implementation of environmental friendly solutions such as the use of cleaner fish in sea lice management and the replacement of marine feed ingredients by more sustainable vegetable ingredients.

Effective environmental management and stewardship cannot be achieved in isolation. Therefore, Marine Harvest is committed to working with peer-companies to address a range of immediate and longer-term environmental challenges. In 2013, an industry-led sustainability initiative was launched: the Global Salmon Initiative (GSI). Marine Harvest is a co-founder of this initiative, which includes producers representing approximately 50% of the global farmed salmon production. By working together on three target areas, the Aquaculture Stewardship Council (ASC) standard, sea lice management and feed and nutrition, the industry aims at making significant progress towards fully realizing a shared goal of providing a highly sustainable source of healthy protein to feed a growing population, while minimizing our environmental footprint, and continuing to improve our social contribution.

With work still underway to reach the agreed United Nations development goals, we strongly believe that our business can play an important role in contributing to a sustainable future. Out of the 17 development goals set by the UN, we can contribute significantly to at least seven: good health and well-being, decent work and economic growth, industry, innovation and infrastructures, responsible consumption and production, climate action, life below water and partnership for the goals. We are committed to contributing to the UN sustainable development goals, including goal 14 "Conserve and sustainably use the oceans, seas and marine resources for sustainable development".

One example of such commitment is the new international alliance for a global, sustainable

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seafood industry, called Seafood Business for Ocean Stewardship. This is an initiative that, for the first time, connects the global seafood business to science, wild-catch fisheries to aquaculture, and European and North American companies to their Asian counterparts. The organization's ambition is to lead a global transformation towards sustainable seafood production and a healthy ocean. For more information please go to [keystonedialogues.earth](http://keystonedialogues.earth).

***Where to find out more?***

Our website: <http://www.marineharvest.com/>

Our Annual Report 2017: <http://hugin.info/209/R/2177429/840178.pdf>

Our Industry handbook 2018:

<http://marineharvest.no/globalassets/investors/handbook/salmon-industry-handbook-2018.pdf>

Global Salmon Initiative: <http://www.globalsalmoninitiative.org/>

Aquaculture stewardship Council: <http://www.asc-aqua.org/>

Keystone Dialogues: <http://keystonedialogues.earth/>

**Principle 8 : *“Undertake initiatives to promote greater environmental responsibility”***

Environmental responsibility is a key concern in all Marine Harvest's activities. This is reflected in a number of initiatives listed below:

- Marine Harvest's vision of leading the Blue Revolution embraces environmental responsibility (Planet) as a guiding principle;
- Long term goals that promote environmental responsibility have been set and include: 1. To be 100% ASC certified by 2020, 2. To achieve zero-escapes, 3. To achieve a survival rate >95% from smolt to harvest, 4. To control sea lice using integrated tools, 5. To reduce medicine use through development of non-medicinal solutions and 6. To reduce by 10% the energy use at all our processing plants by 2018.
- Several Key Performance Indicators (KPIs) related to environmental stewardship have been set and are monitoring and reported on a regular and transparent basis in our annual reports. These include metrics related to energy use and GHG emissions, escape events, biodiversity related projects, medicine use, sea lice management and sustainable feed.
- Since 2008, Marine Harvest Group has worked with the WWF-Norway to improve the fact-based understanding of the aquaculture industry. Our cooperation with WWF is a mutual exchange of ideas and target setting. We are confident such cooperation with WWF-Norway will contribute to improve corporate stewardship of the environment and thereby support WWF-Norway's mission and goal of transforming markets, institutions and policies to reduce threats to the diversity of life on Earth.

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- In 2013, we announced our commitment to have all our production units certified against the Aquaculture Stewardship Council salmon standard by 2020. Of all existing standards addressing environmental issues, this is the one that imposes the strictest environmental. The ASC salmon standard helps protect communities and the environment, and helps to ensure the ongoing viability of the salmon aquaculture industry by minimizing the industry's key impacts. During 2017, we certified a total of 13 new sites, bringing the accumulated total to 72 sites. This represents 31 % of all our farming facilities. Please see the table below for more information about the percentage of farms certified by Business Unit. In Regions West and Mid in Norway, more than 50% of our harvested volumes are now ASC certified. In addition to ASC, Marine Harvest farming sites are already Global GAP certified. This ensures we operate with a common approach across the globe.
  - In 2017 we continued working with the Global Salmon Initiative (GSI), a leadership initiative by global farmed salmon producers, focused on making significant progress towards fully realizing a shared goal of providing a highly sustainable source of healthy protein to feed a growing global population, whilst minimizing our environmental footprint, and continuing to improve our social contribution.
  - In Marine Harvest we run global environmental networks with colleagues working in the area of environment and sustainability to share best practices and implement new solutions.

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Global Salmon Initiative: <http://www.globalsalmoninitiative.org/>

Aquaculture stewardship Council: <http://www.asc-aqua.org/>

#### ***Principle 9: "Encourage the development and diffusion of environmentally friendly technologies."***

Marine Harvest is committed to encourage the development and diffusion of environmental friendly technologies.. Across the globe we have several examples of developments on environmental friendly technologies:

- Testing new farming technologies such as close containment at sea that minimizes the risk of escapes and lice challenges.
  - Further development and optimization of non-medicinal tools for lice management
  - Use of cutting-edge Recirculating Aquaculture Systems (RAS) for future land-based farming of both salmon and marine cleaner-fish species.
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- Test and implement new net materials that are more resilient toward net cleaning and challenging weather conditions.
  - Test new net coating solutions and cleaning technologies as an alternative to copper coatings and high-pressure cleaning at sea
  - Switched from diesel to onshore power generation in Norway allowing a reduction in GHG emissions from seawater farming operations
  - Replacement of old equipment with more energy-efficient alternatives at our processing plants in Canada.
  - Building the new feed plant in Scotland powered by more environmental energy sources such as liquefied natural gas (LNG).
  - Development of new molecular technology that allow us to monitor benthic biodiversity without the need to preserve fauna in hazard chemicals such as formalin.
  - Development of EPA and/or DHA for salmon feed from phototrophic algae by “trapping” carbon emissions from oil refineries, thereby utilizing carbon dioxide as a resource

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### ***Principle 10: “Businesses should work against corruption in all its forms, including extortion and bribery”***

Marine Harvest expects all employees worldwide to comply with applicable laws and regulations governing our business activities.

The company is committed to high ethical standards in the conduct of our business worldwide, and will not engage in fraudulent or corruptive business activities.

We keep a particular focus on business data, financial reporting, payments, suppliers relationships, competition laws, money laundering prevention, compliance with sanctions laws, conflict of interests, insider trading and stock tipping.

Marine Harvest works at all times with customers and suppliers in a manner consistent with our reputation as a reliable, honest and trustworthy business partner.

We guide ethical behavior through our Code of Conduct describing the company and the employees obligations, through corporate values, leadership principles, guiding principles, responsibilities, whistleblowing procedures for raising concerns, processes and sanctions in the event of violation, as

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well as the specific items spanning from compliance with laws, fraud and corruption and conflict of interests.

All employees and leaders are trained in ethical dilemmas and the code of conduct through annual e-learning and workshops.

***Where to find out more?***

Our website: <http://marineharvest.com/people/code-of-conduct/>

Our website: <http://marineharvest.com/people/life-in-marine-harvest/>

Our website: <http://marineharvest.com/about/code-of-conduct-suppliers/>

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