



Communication on Progress 2020

To our stakeholders,

I am pleased to confirm that Atlantic Sapphire reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

Our involvement underscores our long-standing commitment to conducting business in a sustainable, responsible manner. Further, we vow to make conscious decisions to ensure operations are conducted in accordance to internationally recognized sustainability principles.

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.

Sincerely yours,

Johan E. Andreassen
Chairman Atlantic Sapphire ASA & CEO Atlantic Sapphire USA

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HUMAN RIGHTS

Assessment, policy and goals

- Atlantic Sapphire respects internationally recognized human rights as established in the Universal Declaration on Human Rights and the International Labor Organization's Core Conventions. Human Rights is an area of importance to our employees, workers, shareholders, investors, customers, consumers, the communities in which we operate and civil society groups.
- Atlantic Sapphire believes that it is fundamental to its business to respect and protect human rights. We also believe that, as a business, we can positively impact human rights.
- Through Atlantic Sapphire's compliance with applicable laws and regulations and Code of Conduct, together with other company policies, we are committed to conducting our business ethically and upholding the highest standards of ethics and good business practices.
- Atlantic Sapphire's Human Rights Policy applies to all Atlantic Sapphire employees, anyone doing business for or with Atlantic Sapphire and others acting on Atlantic Sapphire's behalf. All employees and suppliers are expected to comply with this Human Rights Policy and all applicable Atlantic Sapphire policies.
- Atlantic Sapphire prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.
- Atlantic Sapphire is committed to the abolition of child labor and all forms of forced or compulsory labor.
- Violation of the Human Rights policy or the refusal to cooperate will result in disciplinary action, up to and including termination and referral to the appropriate authorities.
- Where Atlantic Sapphire has reasonable belief that any supplier or partner infringes or violates human rights, we reserve the right to cease such relationship immediately.

Implementation

- Atlantic Sapphire has a clear procedure where employees and other stakeholders can share their grievances. All employees are encouraged to report possible violations of our policies, as well as any possible violations of applicable laws
- All Atlantic Sapphire employees undergo ESMS training, including employee human rights policy, employee handbook and employee grievance mechanism procedures.
- Atlantic Sapphire encourages open communication with employees and community and provides processes for reporting any matters of concern. All reports of concern can be addressed directly to the CEO of Atlantic

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Sapphire, Head of Legal, and the Head of People or direct managers and supervisors through different channels, including direct emails and emails to forum@atlanticsapphire.com

- Atlantic Sapphire provides suggestion and grievance boxes in all locations for anonymous reports.
- Atlantic Sapphire will investigate, address, and respond to the concerns of employees and will take appropriate corrective action in response to any violation.

Measurement of outcomes

- Measurement, monitoring, auditing and coordination the Human Rights Policy is conducted by the People team and HSE manager as well as other managers accountable for all elements of the company's Environmental and Social Action Plan (ESAP), which is described in the Environmental and Social Management Systems (ESMS).
- In 2020, the company has specific targets to include 100% employee training.
- There has been no incident reported on any violations of Human Rights in Atlantic Sapphire during the reporting period. However, should such an event arise, any reports on possible Human Rights violations will be handled by the company as a grievance identified in the company's Environmental and Social Management System (ESMS) and managed, resolved, and registered accordingly.

LABOR

Assessment, policy and goals

- Atlantic Sapphire complies with the International Finance Corporation's (IFC) Performance Standard 2 regarding labor and working conditions.
- Where a legally recognized union represents employees, we are committed to establishing a constructive dialogue with their freely chosen representative.
- Atlantic Sapphire prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and any form of human trafficking.
- Atlantic Sapphire is committed to the abolition of child labor and all forms of forced or compulsory labor.
- Atlantic Sapphire prohibits the hiring of individuals under the legal age of employment in the relevant jurisdiction and under the age of 18 for positions in which hazardous work is expected.

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- Each employee plays a critical role in fostering a respectful work environment where individuals feel comfortable and valued for their contributions.
- All of Atlantic Sapphire's activities shall be conducted without discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion.
- We are committed to fostering a work environment that is free from harassment of any kind and/or any other offensive or disrespectful conduct.
- Atlantic Sapphire provides the applicable poster informing employees and contractors of their rights under applicable labor and employment laws, including their rights with respect to wages and benefits.
- Atlantic Sapphire compensates employees competitively relative to the industry and the local labor markets.
- Atlantic Sapphire operates in full compliance with applicable wage, overtime and benefits laws. In addition, Atlantic Sapphire operates in full compliance with applicable work hours and regulations as defined by applicable laws in the jurisdictions in which we operate.
- Labor principles are set in our Code of Conduct as well as our Environmental and Social Action Plan (ESAP) and our Human Rights Policy, available to all Atlantic Sapphire employees.
- Atlantic Sapphire's Code of Conduct is aligned with the United Nations Global Compact principles and Sustainable Development Goals as it relates to its business strategy, day-to-day operations, organizational culture and influence.
- Atlantic Sapphire also adheres to the Norwegian Code of Practice for Corporate Governance.

Implementation

- Atlantic Sapphire reports to the public on our human rights-related commitments, efforts and statements, consistent with this Human Rights Policy, as part of our annual ESG Report. This reporting cross references the UN Guiding Principles Reporting Framework.
- Atlantic Sapphire actively manages and mitigates health and safety risks in its production facilities; these include accidents, injuries and occupational diseases, as well as exposure to chemical hazards. The company designs and operates its production facilities with an emphasis on effective process safety programs to maintain a safe work environment and prevent accidents as part of its ESMS.

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- The company maintains general supervision of the health and safety of its employees predominantly through ongoing auditing, monitoring and evaluation of activities to ensure compliance, and it actively promotes a strong safety culture with its suppliers, vendors, and contractors.
- We believe that training and education can help reduce the risk of workplace accidents and encourage safe behavior in our facilities. All employees of Atlantic Sapphire are required to undergo training on company's Health and Safety procedures.

Measurement of outcomes

- The company established in 2019 Total Incidents Recorded (TIR) and Loss Time Incident (LTI) measurement, promoting a thorough reporting culture where all incidents are recorded. A tracking tool for this has been implemented across locations.
- In 2020, the company has specific targets to include 100% employee training.
- Measurement, monitoring, auditing and coordination the Labor policies is conducted by the People team, Head of Legal and managers accountable for all elements of the company's Environmental and Social Action Plan (ESAP).
- There have been no incidents reported on any violations of Labor in Atlantic Sapphire during the reporting period. However, should such an event arise, any reports on possible breaches in the area of Labor will be handled by the company as a grievance identified in the company's Environmental and Social Management System (ESMS) and managed, resolved and registered and reported accordingly.

ENVIRONMENT

Assessment, policy and goals

- Our framework for responsible governance includes our Environmental and Social Management System (ESMS), which comprises a set of policies, procedures and requirements for our internal capacity to identify and manage our Environmental, Social and Governance (ESG) impacts.
- During the reporting period, Atlantic Sapphire undertook an assessment to determine its ESG priorities, disclosure topics and risk factors adopting considerations from the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), the UN Global Compact and the UN Sustainable Development Goals (SDGs).

- Atlantic Sapphire analyzed the company's significant impacts and stakeholder expectations across relevant and important topics and prioritized through an iterative process the 16 topics considered most material across four topic categories including Environmental Responsibility.
- Atlantic Sapphire identified Energy Consumption, Local Effluents, GHG Emissions & Climate Change, and Biodiversity as material to its operations within its environmental scope and is investing resources and capabilities into maintaining the highest standards to make improvements in these areas.

Implementation

- Atlantic Sapphire lives a culture where everyone is responsible for driving value with a focus on engaged people, healthy fish, healthy environment, sustainable supply chain and financial performance.
- Atlantic Sapphire's Environmental and Social Management System (ESMS) helps ensure that the company takes extensive precautionary measures to reduce risks. All Atlantic Sapphire employees undergo specific relevant training for their scope of work, including training on environmental, safety and security policies.
- While the Board of Directors is ultimately responsible for the company's sustainability performance, the daily responsibility is integrated throughout the executive team.
- Through the ESMS, the company ensures that its employees receive guidance, support and training to maintain the high standards it has set itself for its environmental performance.

Measurement of outcomes

- Atlantic Sapphire has not been involved in any legal cases or events related to the environment in the reporting period.
- In 2020, the company has specific targets to include 100% employee training.
- Measurement, monitoring and auditing of the environmental and social management system (ESMS) and coordination is conducted by the People team and managers accountable for all elements of our Environmental and Social Action Plan (ESAP).

ANTI-CORRUPTION

Assessment, policy and goals

- Atlantic Sapphire anti-corruption policy is included in the Code of Conduct, available to employees, suppliers and contractors.
- At Atlantic Sapphire, there is a zero-tolerance policy against corruption. Corruption may involve payments or the exchange of anything of value and include the following activities: bribery, extortion, kickbacks or the abuse of a position of trust to acquire personal or business benefits for Atlantic Sapphire, for the individual or others.
- Atlantic Sapphire competes fairly, in full compliance with all applicable antitrust and competition laws.
- Atlantic Sapphire conducts its business in compliance with all laws that prohibit money laundering or financing for illegal or illegitimate purposes.
- Atlantic Sapphire members neither give nor accept gifts or entertainment that could raise concerns about their personal integrity or Atlantic Sapphire's integrity and independence.

Implementation

- Atlantic Sapphire has adopted its Code of Conduct to set expectations and provide guidance to the Company's Board of Directors and officers, employees (including part-time, temporary and seasonal), independent contractors and consultants.
- Atlantic Sapphire's Board of Directors and officers, employees (including part-time, temporary and seasonal), independent contractors and consultants, as well as anyone who works on the Company's behalf (including suppliers and other business partners) should always ensure that they are conducting business with reputable customers, for legitimate business purposes, with legitimate funds.
- In addition to the Code of Conduct, Atlantic Sapphire's Whistleblower Policy is available to employees and board members to report any violations of Atlantic Sapphire's policies.
- In 2020, Atlantic Sapphire developed a digital platform unit for training on the company's policies as part of the company's target to ensure full compliance with all company policies across locations.

- Training on the Code of Conduct and Whistleblower Policy was provided to all employees in the second half of 2020.
- Atlantic Sapphire has not received any reports on possible corruption violations in the reporting period.

Measurement of outcomes

- Atlantic Sapphire is committed to protecting the rights of those individuals who report or participate in an investigation of a possible violation of our Code to the company.
- Atlantic Sapphire has not identified or received reports regarding concerns related to issues of corruption.

Where to find out more?

[Atlantic Sapphire's ESG report 2019](#)

[Atlantic Sapphire's Code of Conduct](#)

[Atlantic Sapphire's Human Rights Policy](#)