

Grieg Group

WE WILL RESTORE OUR OCEANS



Communication of Progress

2019

Table of Contents

INTRODUCTION BY GROUP CHAIRPERSON	3
ABOUT GRIEG GROUP	4
OWNERS	4
INDUSTRIES	6
GLOBAL OPERATIONS.....	7
CORE VALUES.....	7
SUSTAINABILITY RISK & OPPORTUNITY	8
PURPOSE	10
SDGs AS OUR FRAMEWORK	10
OUR SUSTAINABILITY FOCUS.....	11
SUSTAINABILITY GOVERNANCE	12
MATERIALITY.....	12
FOUNDATION GOALS	14
DECENT WORK AND ECONOMIC GROWTH	14
PEACE, JUSTICE AND STRONG INSTITUTIONS	15
PARTNERSHIP FOR THE GOALS.....	17
<i>Case: Grieg Seafood.....</i>	<i>17</i>
STRETCH GOALS	18
QUALITY EDUCATION	18
GENDER EQUALITY	19
<i>Case: Grieg Star</i>	<i>20</i>
INDUSTRY, INNOVATION AND INFRASTRUCTURE.....	21
<i>Case – Grieg Seafood.....</i>	<i>21</i>
<i>Case - Grieg Investor.....</i>	<i>21</i>
CLIMATE ACTION.....	22
<i>Case: Grieg Seafood.....</i>	<i>23</i>
<i>Case: Grieg Green</i>	<i>23</i>
LIFE BELOW WATER.....	23
<i>Case: Grieg Seafood.....</i>	<i>24</i>
GRIEG FOUNDATION	25
ABOUT THIS REPORT	25

Introduction by Group Chairperson

The Grieg Group businesses have gained a reputation for forging long-term partnerships and creating value within shipping and logistics, aquaculture and finance. With offices in 14 countries and almost 2000 employees globally we achieved a sales revenue of 10.6 billion NOK in 2019.

On the 7th March 2019, we launched a new strategy that centres around a clear purpose: "We will restore our oceans" Using the UN Sustainable Development Goals (SDGs) as our framework, we have rewritten our business strategy to meet the future as a more resilient, innovative and collaborative group of companies. This transformation encompasses the whole Grieg Group, and although it is still early days, we are well on our way.

Sustainability is securely embedded at the core of our business, across the Group. It is a continuous work, it is challenging, and it is also key to adopting a mindset that is future-oriented, embraces our core values and allows us to actively seek opportunities that will continue to simultaneously create value for our owners, our customers, and other key stakeholders, as well as society at large.

In 2019 we established new partnerships in order to collectively tackle some of the biggest challenges our industries face. For example, in the maritime sector we are now active participants in Zeeds, a cooperation between different actors in the maritime and offshore sectors, tasked with developing sustainable fuel solutions. In the aquaculture sector, we joined forces with Tesco, one of the largest UK food retailers, and Nutreco, a world leader in animal and aquaculture feeds, to support Brazilian soy producers in relocating production to an area of the rainforest that was already cleared to avoid further deforestation in the Cerrado region.

A key success factor for finding solutions to some of the larger challenges that face our society, extending way beyond the remit of a particular sector, is access to expertise and development of competence. Furthermore, we entered into a three-year partnership with WWF in 2019 through the Grieg Foundation, aimed at identifying ways to reduce plastic pollution globally. Initially, the project aims to reduce waste by 50% in three ports in the Philippines, identify ways of scaling efforts globally, as well as identifying new business opportunities and partnerships.

Furthermore, we entered into a cooperation with both Young Sustainable Impact and Development Goals Forum, bringing young, bright, visionary talent on board to help us identify solutions to key sustainability challenges.

Our sustainability agenda has been a successful catalyst for collaboration internally between Grieg companies, enabling us to leverage different competencies we have within the group to seek solutions to sector specific challenges.

The Grieg Group is a member of the United Nations Global Compact and, as Chairperson of the Group, I confirm our continued support for the Global Compact and its ten principles. We are also a signatory of the UN Global Compact's Ocean Principles.

This Communication of Progress for our sustainability performance relates to our business activities for 2019. Nevertheless, at the time of writing this report, and for readers, it is impossible not to mention the global Covid-19 pandemic and the impact that this has had on lives, livelihoods, the business community and society at large during 2020.

For the Grieg Group, our main focus has been on adapting to new ways of working, whilst providing safe working conditions and taking care of our employees, including those who have been temporarily furloughed and those who have been directly impacted privately by the virus.

Across the Group, I have witnessed an incredible spirit of courage, endurance, agility and flexibility from employees, who have shown a great willingness to adapt under very difficult circumstances. Our culture has stood the test of our times, and the Grieg Group has grown through this experience, and is even more resilient as a result.

In the Grieg Group we strongly believe that sharing and learning from each other is essential for success. 2020 is a key milestone as we have 10 years left to meet the SDGs and realise the objectives of Agenda 2030. If we are to have a chance of meeting these ambitious goals, we need to act now, and we need to act together. I personally am very proud to work with competent and inspiring people every day who are committed to making this happen, both inside and outside of the Grieg Group.

Elisabeth Grieg

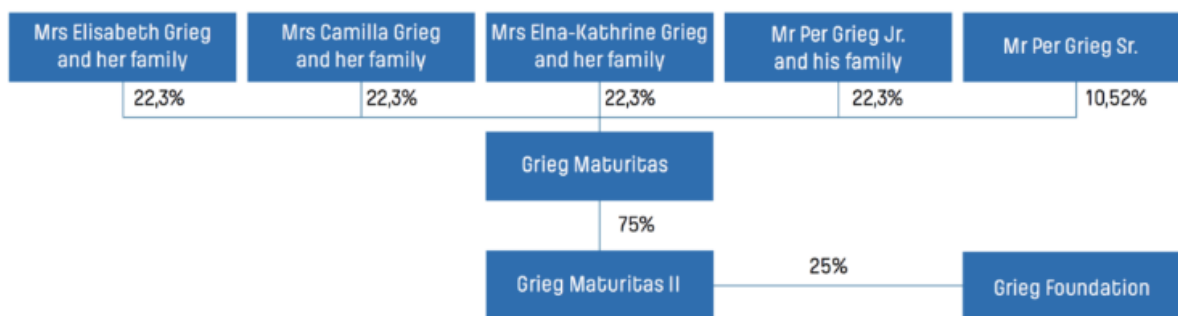
Chair Grieg Maturitas AS

About Grieg Group

Owners

The Grieg Group has been a family-owned company since its inception in 1884 and is deeply rooted in a long and proud maritime tradition. The Grieg family owns 75% of the Grieg Group (through Grieg Maturitas II) and the Grieg Foundation owns 25%.

Grieg Maturitas II is the holding company for the companies in the Group, which appoint their own Board of Directors and Senior Management Team. The fourth generation family owners (Elisabeth Grieg, Camilla Grieg, Per Grieg jr and Elna-Kathrine Grieg) are all employed in Grieg Maturitas II, and are executive Board members in one or more of the Grieg companies, but do not sit in the Senior Management Team at company level.



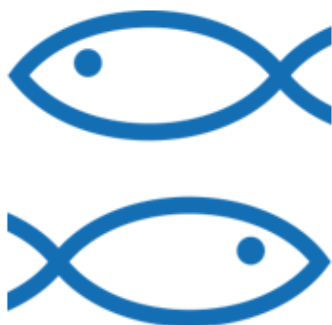
Grieg Maturitas is the holding company of the Grieg Group.



Grieg Maturitas Board (from top left to bottom right: Elisabeth Grieg (Chair), Per Grieg jr. (Board member), Elna-Kathrine Grieg (Board member), Camilla Grieg (Board member), Nina Willumsen Grieg (Board member), Rolv-Erik Spilling (Board member), Knut Nesse (Board member) and Nicolai Hafeld Grieg (Board member))

The Board of Directors in Grieg Maturitas II is comprised of the six owners whereas the four owners from the fourth generation and two owners representing the fifth generation of owners. In addition, two external board members. The Senior Management Team have responsibility for the day-to-day management of the company.

Industries



Seafood

At our locations in Norway, Shetland, and Canada, we are producing healthy, protein rich food in optimal conditions for farming salmon and trout.

Revenue 2019 MNOK: **8 428**

Employees 2019: **918**



Shipping and Logistics

Our services range from ensuring efficient port handling to designing and operating vessels. We also recycle vessels to a high ethical and environmental standard.

Revenue 2019 MNOK: **2 097**

Employees 2019: **990**



Investment*

Thinking long term, pays off. It is the cornerstone of all our investments and each investment product must have a meaningful impact on the overall portfolio.

Revenue 2019 MNOK: **85**

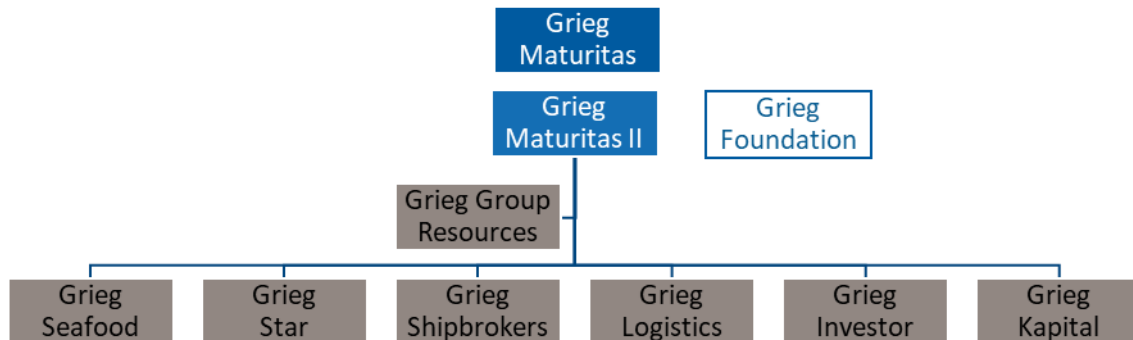
Employees 2019: **51**



*Investments is including Grieg Kapital, Grieg Investor, and other holding companies.

Global Operations

Grieg Group comprises of 65 companies operating out of eight countries. The head office is in Bergen, Norway.



Core Values

The values shared by the Grieg Group are expressed in the way business is conducted and in interaction with each other, with customers, suppliers and other stakeholders. They are the compass by which we navigate when doing business across the world. These values are solid, proud, open and committed.

Solid

We are in business for the long haul - our business and services shall contribute to a stable economic foundation and are based on sound ethical principles and taking care of each other and our environment.

Proud

We strive for and celebrate good results and are proud of the contribution we make to society. We assume responsibility for maintaining and developing a good working environment and a brand we are proud of.

Open

We promote transparency and open dialogue both within and across companies, as well as at an industry level. We are open-minded, honest and learn from each other. We strive to create room for action and possibilities.

Committed

We care about the work we do and the people around us. We commit to common goals and values and accept responsibility for society and the environment.

Sustainability Risk & Opportunity

As a whole, the Grieg Group's core business is dependent on a thriving maritime sector and healthy oceans. Across the industries in which we operate, there are a number of business-critical sustainability challenges that prevail and pose both business risks and opportunities for the Grieg Group. The board has responsibility for ensuring that these and other business risks are properly addressed, and this is done during an annual sustainability review.

Climate Risk

Sustainability is embedded in our current business strategy, and climate risk is monitored to ensure that we have a robust and climate resilient strategy. Individual companies have set some ambitious targets of net zero carbon emissions by 2030. This varies according to industry and we have therefore set a clear ambition that the entire Grieg Group will be carbon net zero by 2050.

Climate risks in the Grieg Group include our impact on the environment and measures taken to reduce this impact, as well as the risk of climate change on our business, including ocean warming and acidification, physical risks to assets and infrastructure such as aquaculture plants, and reputational risk in terms of our ability to adapt to changing customer expectations and regulatory changes.

Climate risk is high on the agenda for all our businesses. In the maritime sector, the main focus is on cleaner fuel, vessel design and operational efficiencies. We are strong advocates of IMO's vision of zero-emission shipping. In aquaculture, extreme weather poses risks to infrastructure and ocean warming is already having an impact on growing conditions for fish. We expect this impact to continue to develop and are continuously working to mitigate this impact.

Marine Biodiversity

Our aquaculture business, in particular is dependent on healthy oceans and inland waterways. We are managing our business impact on marine diversity carefully and sustainable farming practices are the foundation of Grieg Seafood's operations¹.

In the maritime sector, we ensure compliance with regulations regarding ballast water management, use of anti-fouling agents, and other forms for marine pollution.

All of our own vessels are recycled in accordance with EU regulations and The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. This is both an issue in terms of marine pollution but also a key focus for us in terms of protecting human rights and ensuring safe and secure working conditions for workers. Furthermore, Grieg Green² is transforming the ship-recycling industry through their services to both vessel owners and operators and recycling plants to ensure that recycling is carried out in a safe and environmentally responsible manner.

¹ <https://www.griegseafood.no/en/>

² <https://grieggreen.com/>

Diversity and Gender Equality

The Grieg Group has a zero-tolerance policy for discrimination. We cannot ignore the fact that we operate in some industries that have historically been male-dominated, and it is therefore even more important for us to be an inspiration for change by ensuring that our businesses provide long-term career opportunities regardless of gender or gender identity, ethnicity, sexual orientation, disability, age or religious or spiritual belief.

We work in global industries where there is a risk for breach of human rights in general, including modern slavery and poor working conditions. In 2019, we further developed our Code of Conduct, and developed e-learning for staff around sustainability risks and opportunities.

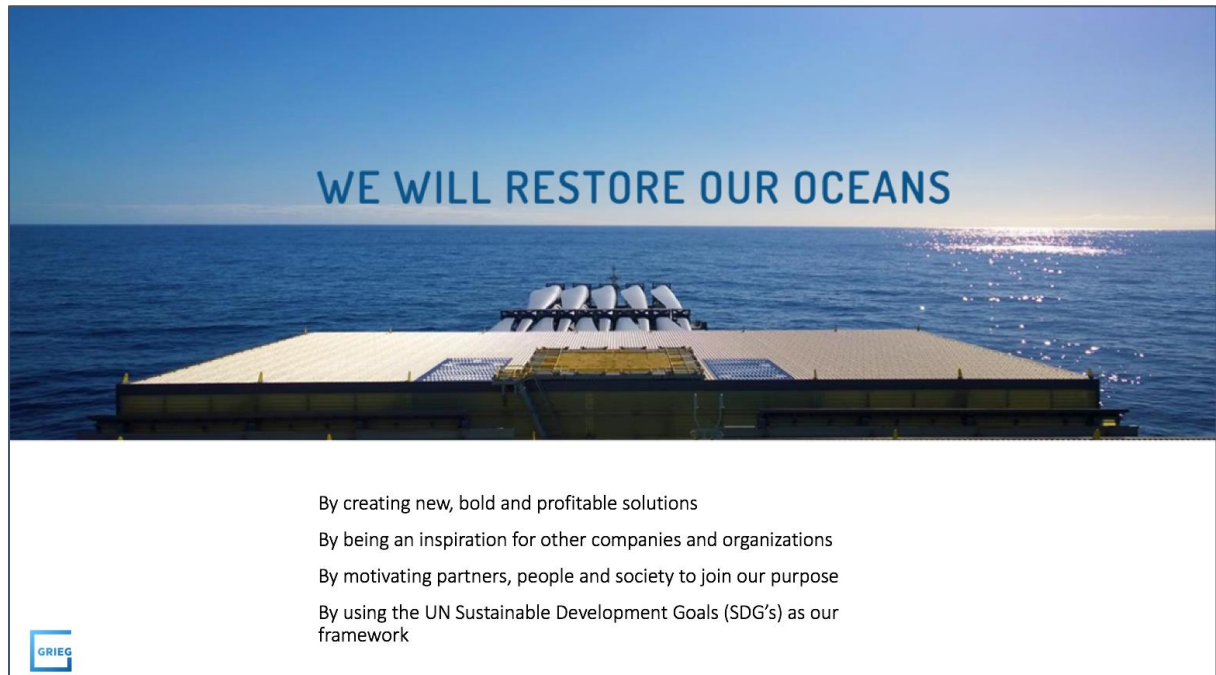
Digitalisation

Digitalisation is increasingly empowering us to make better decisions across our businesses and at the Group level. Digitalisation is a key driver of change and a key enabler for sustainable transformation both within and across the industries in which we operate. Digital tools have the capacity to impact our business across economic, social and environmental dimensions, from optimising feed systems to minimise waste, to planning voyages to reduce emissions, to helping investors monitor and reduce the carbon intensity of their investment portfolio.

Collaboration

Grieg Group acknowledges that the scale of impact that our strategy and purpose aspire towards can only be achieved through working closely with a wide range of industry stakeholders, bringing together a diversity of needs, expectations and expertise to ensure that solutions to today's problems meet the needs of all stakeholders. This is why we are members of MACN, IMO, the UN Global Compact and are signatories to the UN Ocean Principles. It is also why we have recently entered into a partnership with WWF, amongst others. Our goal in 2020 is to identify further relevant partnerships that we can leverage to meet our strategic goals and at the same time contribute to restoring our oceans and ensuring a thriving, sustainable maritime sector.

Purpose



SDGs as our Framework

Agenda 2030 with its 17 Sustainable Development Goals (SDGs) is the global agenda for sustainable development. In the Grieg Group we use selected SDGs as our strategic framework, guiding sustainable business operations across the whole group.

We have defined clear ambitions and targets both at group level and individually in each company. This report provides information regarding group-level targets and provides examples from different Grieg companies to illustrate how Group-level ambitions are cascaded to company level and also how companies are working hard to contribute to Group ambitions for sustainability, and in turn are taking action to resolve some of the key challenges we face, both as a company but also at a societal level.

This is a work in progress, and as such some results are not yet available, or are tentative pending verification. Our main task for 2019 has been to establish baselines and this work will also continue in 2020 for some of the more complex processes (e.g. GHG emissions).

The Grieg Group have adopted the ten principles of the United Nations Global Compact³ when implementing our sustainability objectives and we are signatories to the Sustainable Ocean Principles⁴. Both initiatives are aligned with the SDGs, the latter focusing on SDG 14.

"The future of humanity and nature is at stake, and bold actions are needed. Huge challenges are facing us but also enormous possibilities for businesses willing to embrace change. Using the UN Sustainable Development Goals as our framework, we are committed to create global solutions that will secure a sustainable future for our planet and the society at large"

Statement from Grieg family members

Our Sustainability Focus

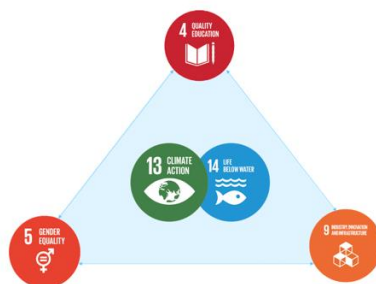
The Grieg Group has a long tradition in creating shared value for both business and society. We acknowledge that the 17 SDGs are interdependent and equally important. However, some of the sustainability themes are more relevant to the businesses we operate within, and it has therefore been natural for us to choose SDGs where we can have the greatest impact and where we also have the largest challenges at an industry level.

At Group level we have defined SDG 8, 16, and 17 as our license to operate, or "foundation", as we have chosen to call it. These goals set the foundation for how we run our businesses, with a focus on employee health and wellbeing, inclusive economic growth, transparency and accountability, and partnering to achieve greater impact on the sustainability challenges facing the industries in which we operate.

In addition to this foundation, we have set ourselves five impact goals, or "stretch" goals, relating to the areas in which we can really make a difference, and to help us focus our efforts in areas that are relevant for our business and our stakeholders. These goals relate specifically to SDG 4, 5, 9, 13, 14.

³ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁴ <https://www.unglobalcompact.org/take-action/ocean/signatories>



Our people are our most valuable resource. We need to invest in lifelong learning and ensure that we have the right competence on board (SDG 4), and be certain that our work force are diversified (SDG 5), because only then we can perform our best and innovate to find the new solutions together (SDG 9), that will create value for business and societies based around the ocean economy (SDG 14) and a net-zero carbon economy (SDG 13).

Sustainability Governance

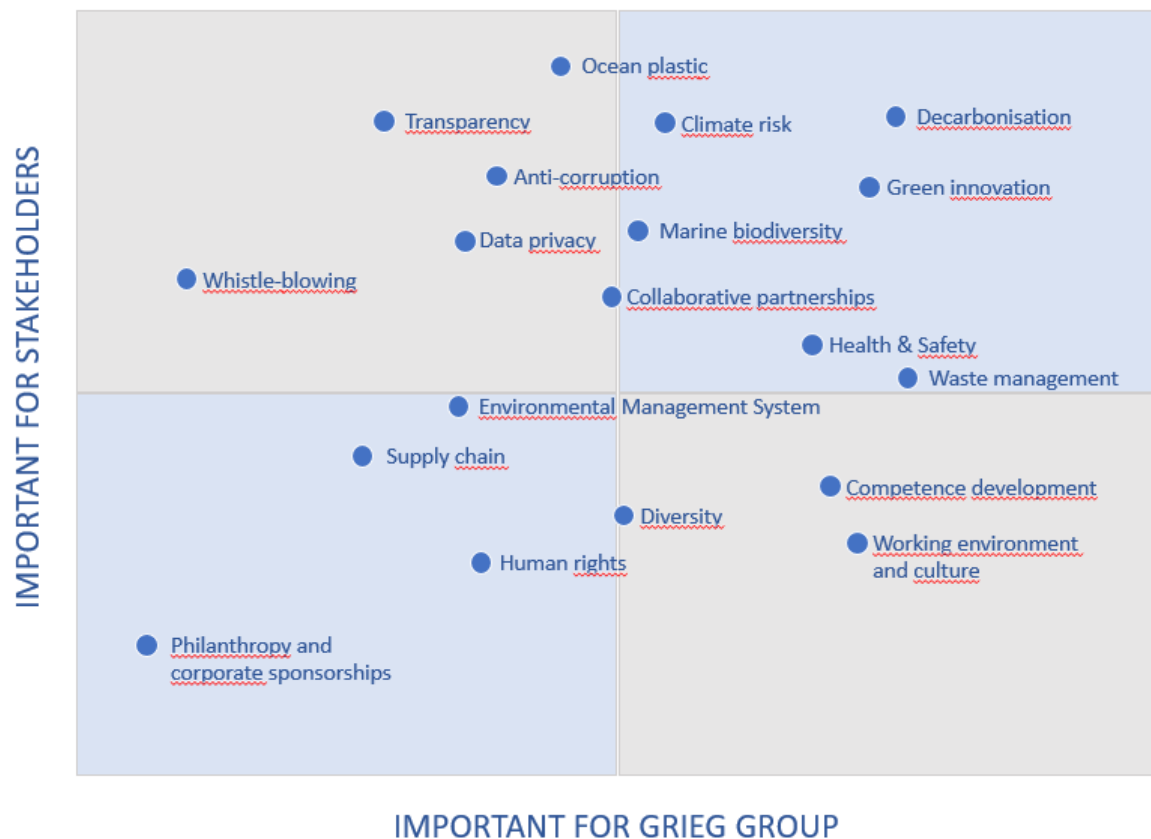
Sustainability is an area that is delegated largely to each individual company in terms of operationalising Group-level objectives. A Sustainability Advisory Committee (SAC) was established in 2018 when we began our journey towards developing a new business strategy for the Grieg Group. The SAC comprises of members from the top management team from each Grieg company to ensure that our strategy addresses the main issues that are relevant for all companies, as well as to ensure accountability for implementing strategic objectives.

The SAC met four times in 2019, and topics discussed included climate risk, practical implications and ways to adopt a ban on single-use plastic, decarbonisation planning, sustainable innovation and collaboration within and across companies.

The strategy and sustainability objectives are monitored by the Board, who has the overall responsibility for ensuring strategic objectives are met. Progress is presented to the Board.

Materiality

A key task performed early on by SAC was to develop a materiality assessment that was relevant at the Group level and also represented the interests of key stakeholders for each company. Each company representative conducted an analysis for their company and presented the results (material issues) to SAC. The results were aggregated to Group level, and foundation and stretch goals defined. Verification of the material issues has been on-going and a formal review of the materiality assessment will be conducted in 2021.



Some companies have chosen to focus on additional material issues where this is relevant to their specific industry, such as food safety and lice management for Grieg Seafood. The aim, therefore, at Group level, has been to identify material issues that are inter-sectoral. As such, issues are described at a generic level in the materiality matrix above. Climate risk, for example, includes physical risk to offshore farming infrastructure for Grieg Seafood, whereas Grieg Investor aims to understand climate risk in all forms, i.e. both physical and transition risk, across all asset classes. As such, climate risk is an inter-sectoral material issue at Group level but is defined differently at an operational level depending on each company. This has been a two-way, iterative process with companies defining relevant issues based on their industry and knowledge of stakeholder interests, and also identifying any gaps with Group-level objectives and potential actions to reduce such gaps.

Foundation Goals

Our foundation goals can be simply described as a set of underpinning principles that define a values-based approach to management. These values are encompassed by SDGs 8, 16 and 17, and span across the four areas covered by the UN Global Compact. Each area of the UN Global Compact is indicated by the following icons throughout this report.



LABOUR
RIGHTS



ENVIRONMENT



HUMAN
RIGHTS



ANTI-CORRUPTION

Decent Work and Economic Growth

Businesses are engines for job creation and economic growth, throughout the value chain. Decent work opportunities are good for business and society. Companies that uphold labour standards across their own operations and value chains face lower risk of reputational damage and legal liability, tend to be more productive, and are better positioned to attract and retain talent.

Non-discriminatory practices and embracing diversity and inclusion lead to greater access to skilled, productive workers. To grow our business, we need to have the right people on board, across the value chain. A key aim for the Grieg Group is to foster a great, inclusive working environment, with sound economic growth. We fundamentally believe that this is one of the factors that will differentiate us from our competitors and allow us to retain our position as one of the leading companies in the maritime sector.

We have developed group-wide policies to ensure that we are in compliance with local and national law and international norms in regard to human rights, labour rights, environmental management and anti-corruption. All Grieg companies adhere to the Group Business Code of Conduct and have adopted the Group Supplier Code of Conduct (or have developed their own that is at least as stringent as the Group's).

We are ambassadors for the Maritime Labour Convention. Furthermore, our economic growth shall be decoupled from environmental degradation. More on this can be found under SDGs 13 and 14 below.

All companies in the Group shall report on relevant initiatives related to their business operations through the Group Global Compact Communication of Progress. Some companies have also chosen to communicate sustainability performance through their own report. In addition, each company is bound by Norwegian law to report on performance when it comes to human rights, working environment, work-related accidents and sickness, gender diversity and measures taken to avoid discrimination.



Key Results 2019

Employees reporting satisfactory working conditions in employee survey: 84%

Sexual harassment/discrimination cases reported through EY: 0

Sick leave: 2.48%

Breaches to CoC or other compliance policies: 0

Peace, Justice and Strong Institutions

Peace, justice and effective, accountable and inclusive institutions are at the core of sustainable development. Business can enhance peace and support in building strong justice institutions by good governance, anti-corruption efforts, regulative and normative transparency and promote inclusion and respect.

We operate in a world where the success of our business is dependent on a functional and peaceful society. We thereby actively set high standards for integrity and ethical behaviour.

We strive for trust, respect and dialogue between the separate units and levels in the organisation, and in the areas in which we operate, through actively participating in bodies that try to regulate and better the business environment we operate within.

We aim towards full transparency in our organisation, by informing, inviting and including our employees in decision-making processes.

We have a zero-tolerance policy when it comes to corruption and bribery. All employees are required to take mandatory training in our ethical guidelines and code of conduct, which also cover anti-corruption and bribery.

Transparency across all Group companies is one of the principles underlying our foundation goals. All companies work in accordance with the Norwegian Recommendation on Corporate Governance. We are ambassadors for Maritime Anti-Corruption Network (MACN) nationally and internationally.

All suppliers are required to sign our Supplier Code of Conduct (SCoC). In 2019 this applied to all new suppliers and we have started work on engaging with existing suppliers around our SCoC.

We have a grievance mechanism for all employees which is operated by a third party (EY) in order to ensure confidentiality, ease of access and a systematic approach to managing complaints.



Key Results 2019

Employees completing our ethical guidelines training: 225

Complaints received through the Group Grievance Mechanism: 0

Complaints closed throughout the year: n/a

Partnership for the Goals

Achieving the ambitious targets of the 2030 Agenda requires global partnerships that bring together key partners across industries and along the whole value chain.

The private sector is an enabler for realising the SDGs, and the Grieg Group believe in and encourage partnership between companies within and outside of our Group. We encourage cooperation between companies, with authorities and organisations, and across geographical boundaries. Cooperation is needed to find better and new ways of growing a sustainable business.

We will strive to be innovative to meet the challenges of the SDGs, through new partnerships and cross sector cooperation. We will do this by being honest, exchange ideas and seek to understand and learn from our surroundings. We have an open-minded business approach and strive to create room for action and possibilities, which will enable strong partnerships from between public and private entities.

Grieg Star's joint venture with G2 Ocean is an example on how we are steadily moving towards our vision of «pioneering sustainable shipping».

We continuously work to secure and expand partnerships with civil society organisations to ensure that impact from our efforts across the Grieg Group and in the Grieg Foundation are relevant for and deliver maximum value to a range of stakeholders.



Key Results 2019

- Grieg Edge established as a catalyst for sustainable innovation in industries in which we operate.
- Grieg Foundation signs partnership with WWF to address plastic pollution.
- Grieg Seafood founding partners of the Cerrado Funding Coalition to stop further soy-driven deforestation in Cerrado region of Brazil.

Case: Grieg Seafood

The rainforest in the Cerrado region in Brazil is being destroyed at an unprecedented rate. Grieg Seafood, which relies on soy for its feed, decided to join forces with Nutreco (a supplier of feed to the aquaculture industry), and Tesco, one of the largest food retailers in the UK, to address the issue.

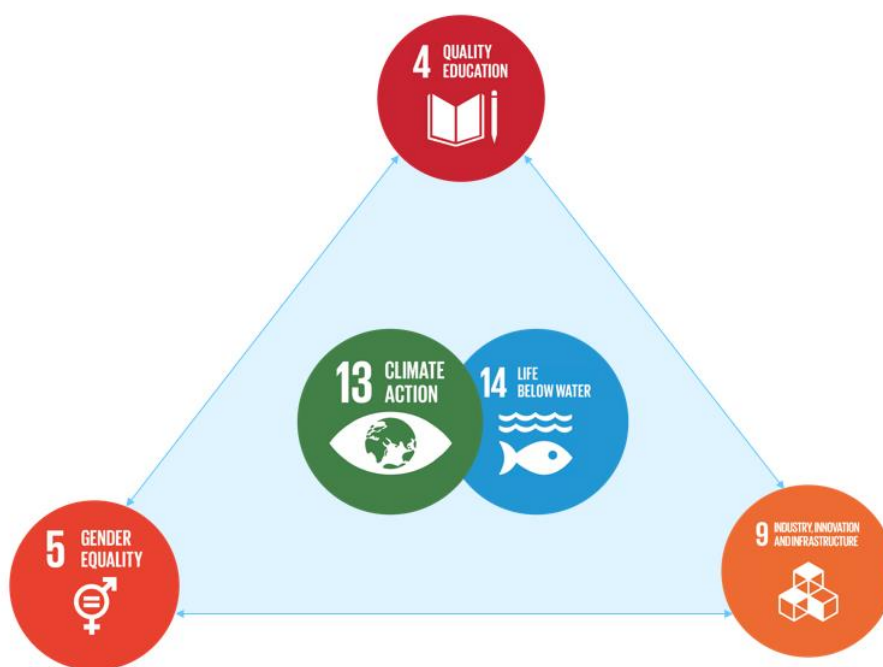
Soy used in salmon feed at Grieg Seafood is already certified deforestation-free. However, this is an industry-wide challenge that can only be addressed by engaging all the key players along the value chain.

The project, funded by the partners, aims to end all soy-driven deforestation in the Cerrado. Through mobilizing key players along the value chain, the project will provide financial incentives to encourage farmers to only farm on agricultural land

that has already been cleared and to halt the unnecessary clearing of more trees. The project hopes to be a key driver for preserving the remaining rainforest and protecting biodiversity in the region.

Read more about the project at www.cerradofundingcoalition.com.

Stretch goals



Quality Education



Knowledge is key for ensuring that we become a driving force in the search for new, bold global solutions. Our aim is to both harness and develop existing knowledge throughout the Group and also to acquire new knowledge, including through partnerships.

We strive to provide all employees with learning opportunities to develop competence aligned with both their current role and future career goals. From a strategic perspective, each employee shall possess the skills and knowledge required to enable Grieg to be in the forefront of the industries in which we operate. Our strategy for competence development shall be aligned with company level business strategies and be based on market trends and customer expectations.

A key focus for ensuring that we have the right competence at the right time and in the right place is ensuring that we are able to identify and provide relevant training opportunities through our global learning platform. In 2019, we started work on creating a global baseline for competence throughout the Group.

This work will continue in 2020, and our aim is to be able to predict training needs globally with a good degree of accuracy to ensure that we develop training programs that meet the needs of employees as they arise.

In 2019, we established a number of key partnerships with external organisations, both within the business community and with civil society. Key learnings from a workshop with Young Sustainable Impact (YSI) include identifying new and better ways of collaborating in order to increase our impact of such partnerships, as well as ways of working collaboratively across functions and companies in the Group by breaking down some of the existing silos.

Being able to develop and deliver global solutions for our customers is also dependent on our global supply chain. Our focus on competence development therefore will extend beyond our employees to encompass training and capacity building for key strategic supply chain partners. We aim to start this work in 2022.

In 2019, we set ourselves the goal of mapping strategic competencies across the Group so that we can establish company-specific development plans and ensure that we build capacity to realise our strategic objectives over the coming years. This work is still pending and we aim to have completed this in 2021.

Key results 2019

Average employees taken e-learning in sustainability across the Group: 44%
Employees taking mandatory compliance training: 225

Gender Equality



Gender equality is not just a human rights issue. Denying equal opportunities for all human beings is a tremendous waste of both human and economic potential, undermining inclusive growth globally.

We aim to be at the forefront on diversity across all business areas, where the best resources are available and where everybody is given the same opportunity to succeed. We believe that a diverse and balanced working environment is crucial for success both within business and society.

We work towards gender parity at all levels of the organisations in the Group, both for onshore and offshore operations. A key focus for the Grieg Group is therefore to ensure equal opportunities for access to work, professional development and career progression. And we will also promote gender equality and diversity towards business and supply chain partners.

At board level, 52% of Grieg Group board members are female, and 50% of Grieg company CEO's are female.

When looking at the Grieg Group as a whole, only 26% of employees are female. While this represents a small increase from 2018 (25%), we acknowledge that we still have a lot of work to do. This is partly due to the fact that we operate largely in industries that have traditionally struggled with achieving gender balance. We will continue to promote gender equality in our recruitment activities and people processes, and as advocates for gender balance in the industries in which we operate and with supply chain partners.

Key Results 2019

All our companies reported to SHE Index in 2019. Grieg Seafood came in top 10.

Case: Grieg Star



Our first female top-level officer

In 2019, Grieg Star set themselves the goal of having at least one female crew member in a top-level position, in alignment with our Group strategy, and Sustainable Development Goal 5. At the end of 2019, Grieg Star could proudly announce that 2nd Mate Laarni B. Espinosa had met the criteria for a Chief Mate position and been promoted to Chief Officer Trainee onboard the Star Lygra.

“Women play a significant role in the development and progress of our economy. To be recognized as part of the workforce in this challenging world of the maritime industry is a great leap towards gender equality and an acknowledgement of our contribution. And I am very grateful to Grieg Star for this opportunity,” says our fresh Chief Mate Trainee, Laarni B. Espinosa.

Industry, Innovation and Infrastructure



To become a positive driving force for sustainable development we must think big and bold and create a purpose-driven organisation with a culture of innovation. Innovation, both within and across our industries, is critical to our future success, but this must be sustainable; innovation that moves us in a direction that is aligned with the sustainable development goals.

Without a well-functioning infrastructure (industrial and financial) in the areas in which we operate, we will struggle to achieve our business targets. Investing and promoting innovation and R&D is essential for our success. We need to invest in solutions not only for the “best practice” today, but for “next practice” in the future.

Grieg Edge was also established in 2019 as a catalyst for sustainable innovation, identifying and developing new business opportunities both across Grieg companies as well as through strategic partnerships with actors within the industries in which we operate.

Key Results 2019

Established Grieg Edge

Grieg Star initiated *Rutesim*, a research-based project to reduce fuel consumption through optimised route planning.

Case – Grieg Seafood

Big data, machine learning and artificial intelligence have the potential to transform salmon farming. Today, Grieg Seafood is collecting data, such as temperature, oxygen, salinity and currents, from farms. The goal is to detect biological challenges at an early stage and implement mitigating measures. We are at the very beginning of an exciting journey in understanding how we can harness digitalisation to improve fish health and yield through providing analyses and digital decision-making support to farmers.

Case - Grieg Investor

Grieg Investor has developed Grieg Enigma, a digital tool that provides investors with critical information about their investments, including exposure to sustainability risk. This includes company ESG ratings, breaches with the UN Global Compact, exposure to controversial industries such as pornography, weapons, alcohol, gambling or tobacco, and climate risk exposure viewed through carbon intensity metrics. The main aim is to visualize sustainability risk data in a simple way that allows investors to make better investment decisions for themselves and for a more sustainable world, both now and in the future. Data is aligned with the principles of the UN Global Compact.

Climate Action



To achieve the Paris Agreement goal of limiting global warming to below 2°C, we need to transform the way we live and work. The effects of climate change pose a risk to all business areas, and industry as a whole. We are working to mitigate this risk and also to identify potential opportunities in a low-carbon economy.

When it comes to reducing our own emissions, we have a vision of net-zero emissions for our operations in all industries. Our main emissions from operations come from logistics and transportation, including from our own fleet. At the Group level, being office-based, our main emissions derive from energy use, waste management, business travel and commuting.

In 2019, we started work on developing a baseline for a decarbonisation plan for our office-based activities. In 2020 we will continue to collect data from our global operations in order to establish an accurate baseline for other key emissions sources and prioritise activities to reduce emissions over the coming years.

Our scope 3 emissions will be calculated for business travel, waste management and commuting from 2021. A key focus over the next years will be to engage with suppliers and identify key sources of GHG emissions across our value chain. This work has already been done by Grieg Seafood who have achieved an A rating for their CDP report. We will build upon this experience to ensure that all Grieg companies report on GHG emissions and develop annual goals to reduce these emissions by 2022. In 2019, our scope 3 emissions from business flights across all companies was 701 856 tonnes CO₂e.

While we continue to work closely with the owners of office space we rent, our ability to impact is often limited. However, we can make a considerable impact where we own office buildings ourselves. Grieg-Gaarden, our office in Bergen is certified to the Norwegian Eco-lighthouse standard, and in 2019 we had reduced our CO₂ footprint from the office by just over 20% since 2017 in Bergen. This is due to better waste management practices including an increase in recycled waste, lower fuel use from company cars, increased use of video-conferencing, optimised energy systems and a general focus on energy-saving measures. We aim to have three more offices certified to a recognised environmental management system by 2021.

For some Grieg companies, whilst carbon emissions from operations are low, there is an opportunity to develop market instruments to drive change towards a low-emissions economy. One example of this is Grieg Investors work with developing reporting and risk management tools enabling investors to understand current emissions and climate risk in their portfolios, set relevant goals, and over time track progress towards more climate-friendly portfolios. With over 100 clients representing AuM of 80 bn NOK the potential for influencing a shift to more sustainable portfolios by providing education and tools is sizeable. For more information on sustainable investment at Grieg Investor, see www.grieginvestor.no/eng.

Key Results 2019

- We defined the boundary for our Scope 1, 2 and 3 emissions, and started work on calculating our baseline and developing a roadmap for net zero emissions across the Group by 2050.
- Grieg Star successfully replaced all the HSFO on its vessels with IMO compliant VLSFO during the last months of 2019, reaching the limits stipulated in the 2020 Sulphur Cap and contributing to a reduction in emissions.

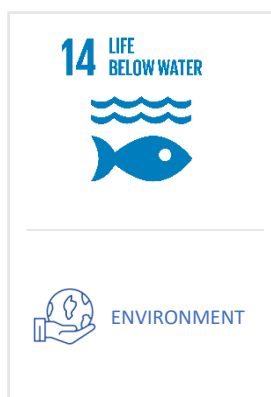
Case: Grieg Seafood

Grieg Seafood reports annually to the Carbon Disclosure Project (CDP) on their climate program. In 2019 Grieg Seafood received the highest score, CDP A for their report. "This result is an important recognition of our commitment to continuous improvement, and the hard work our team have put in over time. Our focus on rigorous data collection processes and on enhancing data quality has put us in a position where we start to know more about our progress and are able to measure it more accurately. We still have a way to go, but this is an important milestone for the company when it comes to reducing our environmental impact." Tor Eirik Homme, CSO in Grieg Seafood.

Case: Grieg Green

Grieg Green recycled our first vessel in 2001. Since then, we have been committed to sustainable recycling of our ships. Before the EU Ship Recycling Regulation came into force in 2019, we based our recycling on an extended version of what was agreed in the Hong Kong convention. Our policies on the matter clearly state that we shall always recycle vessels in accordance with best industry practice and in compliance with the European Ship Recycling Regulation (EU SSR) 1257/2013, which is based on the Hong Kong Convention (HKC) SR/CON/2009.

Life Below Water



Oceans face the threats of pollution, resource depletion and climate change, all of which are caused primarily by human actions. These threats place further pressure on environmental systems, like biodiversity and natural infrastructure. In order to innovative solutions that prevent and mitigate detrimental impacts to marine environments are essential.

Grieg is dependent on a healthy ocean and marine biodiversity for its business. We have to act responsibly and be a catalyst for change by actively seeking solutions across industries and in partnership with key stakeholders.

Our impact on marine resources will be carefully managed and we will be open and transparent about this impact as well as the results from the efforts we make to reduce it. All companies within the Group will work towards this objective and businesses in certain industries will be expected to take greater steps where the impact is greater.

In 2019, we set a group-wide goal to stop using single-use plastic by the end of 2020. Unfortunately, due to the impact of coronavirus, single-use plastic has actually increased. An example of this is the need to pack food in plastic foil to reduce the likelihood of the virus spreading. At the group level, we also entered into an agreement with Staples, our Norwegian supplier of office supplies, to work towards reducing the use of all single-use plastic in packaging.

Key Results 2019

Grieg Star managed to reduce 15,000 tonnes of plastic waste from our vessels in 2019. We achieved this through replacing bottled water with water dispensers and giving each crew member their own refillable water bottle.

Case: Grieg Seafood

Reducing plastic waste in Finnmark

Together with Bellona, Grieg Seafood initiated a pilot project in Finnmark, Norway to reduce plastic pollution in our operations.

The project started by developing a better understanding of the main sources of plastic pollution at our sites. A typical site with ten cages of 90 x 90 meter pens contains approximately 360 000 kg of plastic. It is estimated that 0.5% of this, 1 800 kg, disappears.

We looked into various initiatives to reduce our reliance on plastic and to use more solid products that last longer and do not degrade in the water. Together with sub-contractors, we have developed new products that are recyclable and reduce our consumption of plastic, ropes and lead, says Tor Eirik Homme, CSO Grieg Seafood

We identified partners in our value chain who can recycle plastic or were willing to invest in recycling infrastructure where necessary. For instance, nets made of nylon can be reused in various textiles and carpets or made into other nylon products.

Going forward, we will continue to work with waste management partners to increase the amount of plastic that gets recycled, and we will only use suppliers that have, or are willing to invest in, return schemes to recycle plastic waste.

«Grieg Foundation is a small foundation with big ambitions. Our goal is to leave footprints by empowering people and communities.»

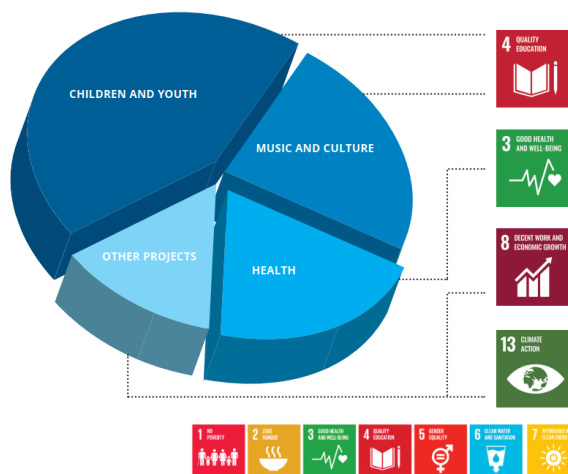
ELNA-KATHRINE GRIEG

Grieg Foundation

Grieg Foundation was set up in 2002 to provide funds that support sustainable projects in communities around the world.

Grieg Foundation is financed through its partial ownership of Grieg Group, securing 25% of all profits from the Group, which are then channelled into relevant projects to enhance our impact on sustainable development, aligned with the Group's sustainability strategy.

Everything we do is anchored in our commitment to the sustainable development goals.



Donations

2002-2019:

637 MNOK

2019:

44.2 MNOK

Children and Youth	19 MNOK
Music and Culture	10 MNOK
Health	8.5 MNOK
Other projects	6.7 MNOK

About this Report

The reporting period for this COP is 1st January 2019 to 31st December 2019. The report covers all aspects of our sustainability performance at a group level in all the countries where we have offices. For more information regarding the sustainability performance of each company, please visit the company's website. Please note that not all companies in the Grieg group publish their own sustainability report.

For queries regarding this report and other enquiries relating to our sustainability performance, please contact Gry Larsen, Leader of Sustainability and Public Affairs.