

BioMar Group

In BioMar, we are never in doubt that our responsibility goes beyond applicable legislation. For many years we have been running our business striving to take on corporate responsibility. We are committed to promoting innovation, collaboration, sustainability and performance. This means that we always are looking for new ways improving our way of doing business, minimizing our environmental impact and caring for our employees, neighbours and the world around us. We embrace the UN Sustainable Development Goals, which we believe are assisting our industry value chain, the NGO's, the consumers, the politicians and our other stakeholders around the same agenda: Making sure we deliver a more sustainable world for the generations to come.

At a global level we stimulate the collaboration between our units, providing opportunity for mutual inspiration and sharing of best practice. At the same time, we drive a continuous focus on raising the bar for how we are doing business, no matter where in the world we impact people and the environment. We strive to set ambitious targets and to find the right local initiatives fitting the local needs and opportunities. Each year, we are describing our ambitions, approach and initiatives in our corporate sustainability report.

Business Ethics

As we are growing, we keep reinforcing our way of doing business. We promote integrity and responsibility at all levels in the organization. In 2018 we continued training in our new Code of Conduct "The Right Way", providing an extensive introduction to our ethical guidelines for all employees. The Code of Conduct stresses our commitment to international human rights, health & safety, environmental care, fair competition and anti-corruption.

Furthermore, we launched the Schouw & Co e-learning module in business ethics as mandatory training for all managers and commercial staff. The training will be offered to new employees as they join the company.

In 2019, we will continue our focus assessing and developing our suppliers, and we will implement a new Supplier Code of Conduct underlining our commitment to human rights.

Training	Not completed	Completed
Business Ethics	7%	93%

Environment

We have set up targets related to the UN Sustainable Development Goals for areas such as use of fresh water, recycling of waste and CO2 emissions. Despite successful focus on improving our energy efficiency we have unfortunately not been able to reach our original targets for CO2 emissions, primarily due to a change in our operational portfolio in recent years, which includes new operations in China and Turkey, where emissions from primary electricity generation are much higher than our traditional manufacturing base in Europe and S. America. In addition, a reduction in volumes in Norway, combined with a requirement to report at the higher national emissions factor (due to the secondary market in renewable electricity guarantees of origin) led to an increase in our reported CO2 emissions in this market.

We maintain our focus on energy efficiency and have reduced our overall energy consumption per tonne of feed produced by 4% during 2018. Energy efficiency is reported and monitored monthly

across our operations, and is a primary KPI for our operational teams. Energy efficiency is a key focus area at our regular global process network meetings.

During 2018, we observed differences in interpretation of the reporting criteria at some sites that subsequently required additional harmonization efforts at corporate level. These harmonization efforts ensure consistency in the data for future reporting and have been backwardly implemented in order to ensure accurate year on year comparisons.

Environmental Impact*	Target 2020	2016	2017	2018
CO2 Emission (2016 baseline)	20% Reduction	Index 100 (61kg/t)	Index 103 (63 kg/t)	Index 123 (75 kg/t)
Packaging Waste	100% Recycled	99.6 %	99.8%	99.9%
Energy Efficiency (KWT/T)	NA	NA	299	287

*Preliminary figures. Final figures to be reported in BioMar Sustainability Report 2018

Safety & Engagement

In BioMar safety always comes first and we are collaborating with our factories to minimize the risk factors inherent in our daily work. Over recent years we have experienced a too high accident rate and so have enhanced our executive focus supporting managers and employees in creating a cultural change. We have been able to lower our LTI rate from 6.4 in 2016 to 5.0 in 2018, now including China, Turkey and Ecuador. Unfortunately, at the same time the severity rate increased slightly from 0.09 in 2017 to 0.12 in 2018 due to a small number of accidents requiring medium-term sick leave (10-30 days). 6 of our 14 factories have been without any accidents in 2018. We will continue our safety focus during 2019.

Health & Safety	Target 2020	2016	2017	2018
LTI Rate	< 2.0	9.1	6.4	5.0
Days Lost/Employee	No target	0.10	0.09	0,12

Employee engagement is an important factor living our purpose. In the spring of 2018 we measured our Employee Engagement at all operational sites, except our JV in China. We used an external provider with a strong portfolio of international companies to be able to benchmark our results.

Our overall level of engagement is in the top category of international companies measuring employee engagement. Our engagement level increased from 71 in 2016 to 77 in 2018 with a loyalty level of 86 compared to 82 in 2016. All managers get support to work with the results and maintain/improve our practices.

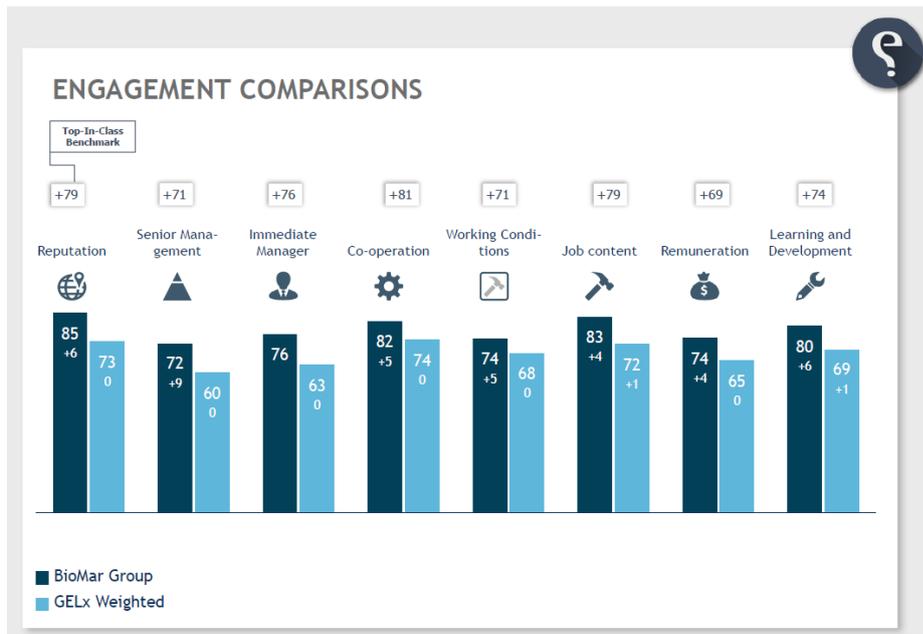


Figure 1: The results of our employee engagement are compared to weighted local benchmarks (GELx). As the figure shows we are in the top-in-class categories of international companies measuring employee engagement.

We have during 2018 been engaged in fortifying our IT-security, creating awareness around risks and safety precautions. All employees using a PC as a part of their daily work have completed e-learning modules themed around IT security and daily behavior protecting BioMar against viruses and phishing. Furthermore, we have intensified our work identifying and harmonizing global IT processes, creating solid structures and a less stressful work environment for all employees using and supporting IT in their daily work.

Gender Diversity

When looking at gender diversity in management, we have maintained our good results from 2017., where we had a leap forward advancing from 14% to 19% women in managerial roles (consolidated companies). We have at the same time increased the number of women in the organization in general, building a stronger pipeline for gender diversity.

In 2018, a female board member joined the board with a very strong skill set, increasing our diversity profile. During the year, we made changes in several of our local management teams. The preferred candidates were all men. Looking at executive management (business unit management teams and corporate management ex. Executive Committee), we are 19% female leaders. In the Executive Committee no women are present.

To increase our growth of female talents below the level of the management teams, we chose to dedicate 40% of our seats at the Schouw Talent Program 2018 to female talent. The talent program has been designed to accelerate the growth of employees with a high potential to develop towards more strategic roles. The program is designed and facilitated by HR in BioMar Group in collaboration with INSEAD and open to all Schouw & Co companies.

Diversity	2016		2017		2018	
Gender	Female	Male	Female	Male	Female	Male
Management	14%	86%	19%	81%	19%	81%
Total	19%	81%	20%	80%	20%	80%

Stories

Reducing global CO2 footprint

In our global process network, the process engineers from our plants meet to discuss possibilities for reducing our environmental impact. Best Practice and news on innovative actions are shared across the globe resulting in an accelerated development of our factories, strengthened competences globally and a continuous focus at optimizing the consumption of natural reserves.

As an example, our factory in Turkey was inspired by the network to optimise the production process which resulted in a decrease in the total energy consumption in the factory of approximately 10%. The decrease has been kept at this level since the changes were deployed in July 2018.

Accelerated growth of strategic capabilities

In BioMar Group we focus on developing all employees, ensuring that we get a good match between the individual employee's aspiration and ability and the business requirements of tomorrow. To support our effort, we are following a yearly wheel consisting of several development processes. In 2018 we chose to increase our focus on a special group of employees: The employees with potential to take more strategic and complex roles. The initiative was adopted by Schouw & Co and the entire conglomerate invited to participate.

The purpose of the program is to strengthen our leadership pipeline. Through a mix of class room training, assignments, executive focus, peer support and mentoring, the participants are challenged to create viable business impact and grow their capabilities as much as possible through a 14 months period. The program is delivered in collaboration with INSEAD.

Inspiring the employees of tomorrow

In many of our business units we collaborate with local schools and universities to increase interest in natural sciences and the aquaculture industry. We receive entire school classes and we take interns to support their education. Furthermore, we have supported local schools by sponsoring lab equipment.

In Denmark we have throughout 2018 welcomed more than 170 students to the world of aquaculture, letting them experience and work with problem solving and innovation within feed production.