



THE TRANSPARENCY ACT **REPORT**

LERØY SEAFOOD GROUP ASA AND SUBSIDIARIES

*Approved and signed by the board of
Lerøy Seafood Group ASA and reporting subsidiaries 23 June 2023*



WE CARE

Report on Lerøy Seafood Group's efforts to promote fundamental human rights and decent working conditions under the Norwegian Transparency Act.

1 Introduction and background

The Transparency Act came into force on 1 July 2022. The main objective of the act is to ensure that businesses respect fundamental human rights and decent working conditions. The act also grants the general public access to information about how businesses manage their human rights risks.

The Transparency Act requires Lerøy Seafood Group ("Lerøy") to:

- carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises,
- account for its due diligence processes linked to human rights and decent working conditions, and
- respond to information requests from the public.

Lerøy Seafood Group ASA is a public limited company listed on the Oslo stock exchange and has committed itself to observing the prevailing Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES). "Lerøy" means Lerøy Seafood Group ASA and its subsidiaries as defined in Section 1-3 of the Norwegian Accounting Act.

This report covers the period 1 July 2022 to 31 December 2022 and includes the following, amongst other things:

- a general description of Lerøy's organisation, area of business, guidelines and procedures for dealing with actual and potential adverse impacts on fundamental human rights and decent working conditions
- information about actual adverse impacts and significant risks of adverse impacts identified by Lerøy when conducting due diligence
- information about measures that Lerøy has taken or is planning to take to eliminate actual adverse impacts or limit significant risks of adverse impacts and the results or expected results of these measures.

This report is a group report structured by the segments under which the respective subsidiaries are organised (see below).

The report covers the entire group and has been issued and signed by the board and CEO of Lerøy Seafood Group ASA and similarly by its reporting subsidiaries. The report has been uploaded to leroyseafood.com

1.1 The Lerøy group of companies

Lerøy is a world-leading seafood company with roots dating back to 1899. The group's core business is salmon and trout production, whitefish and shellfish fisheries, seafood processing, product development, marketing, sales and distribution.

A key aspect of Lerøy's strategy is to be a fully integrated supplier of the company's main products. The business is run through a number of subsidiaries in Norway and abroad. The head office is in Bergen, but the group operates along the entire Norwegian coast. Lerøy has production and packaging plants in Norway, Sweden, Denmark, Finland, France, the Netherlands, Portugal, Spain, Italy and Turkey. We also have sales offices in the US, UK, Japan and China.

We offer a wide range of sustainable, healthy products in more than 80 countries.

Every single day our employees supply seafood equivalent to five million meals to shops, restaurants, canteens and hotels.

Our vision is to be the leading and most profitable global supplier of sustainable high-quality seafood.

The group reports on three segments. The segment summary below shows the group's reporting subsidiaries under the Transparency Act as at 31.12.2022.

The group employed 5,972 people in 2022, of whom 2,379 outside Norway.

Lerøy Seafood Group ASA

Farming

- Lerøy Aurora AS
- Lerøy Midt AS
- Lerøy Midt Sjø AS
- Lerøy Vest AS
- Lerøy Vest Sjø AS
- Sjøtroll Havbruk AS
- Lerøy Sjøtroll Kjærelva AS
- Norsk Oppdrettservice AS

Farming

The Farming segment includes the group's salmon, trout and cleaner fish production, up to and including harvest.

The group has three fully integrated value chains for the production of salmon and trout in Northern, Central and Western Norway respectively.

The group's subsidiaries in this segment – Lerøy Aurora (north), Lerøy Midt (central) and Lerøy Sjøtroll (west) – are all major employers in the Norwegian coastal regions and should be visible and proactive in the areas in which they operate.

Wild Catch

- Lerøy Havfisk AS
- Nordland Havfiske AS
- Hammerfest Industrifiske AS
- Finnmark Havfiske AS
- Lerøy Norway Seafoods AS

Wild Catch

The Wild Catch segment comprises the companies acquired in 2016 when Lerøy became the sole owner of Havfisk AS and Norway Seafoods Group AS. These companies are heavily invested in whitefish fisheries and processing in Norway. Lerøy Havfisk currently operates ten trawlers, while Lerøy Norway Seafoods has factories in Berlevåg, Båtsfjord, Kjøllefjord, Melbu, Stamsund, Sørvær and Hammerfest. Båtsfjord, Kjøllefjord, Melbu, Stamsund, Sørvær and Hammerfest.

VAP, Sales and Distribution

- Lerøy Seafood AS
- Sjømathuset AS
- Lerøy Fossen AS
- Lerøy Norge AS
- Lerøy Bulandet AS

VAP, Sales and Distribution

Lerøy operates globally in the VAP, Sales and Distribution segment. The company is involved in sales, marketing and product development as well as the distribution and processing of the group's own raw materials and of large volumes of raw materials from partners and suppliers. Lerøy has wholesalers and processing plants in a number of markets across the world: Norway, Sweden, Denmark, Finland, the Netherlands, Spain, France, Portugal, Italy and Turkey. We also have sales offices in the UK, US, China and Japan. Global operations in this segment are expanding.

The group's values

**HONEST
OPEN
RESPONSIBLE**

Creative

2 Responsible business

2.1 Protecting human rights and decent working conditions

Lerøy is committed to respecting internationally recognised standards for human rights and decent working conditions and strives to adhere to all prevailing laws and regulations, including internationally recognised conventions on the protection of human rights and decent working conditions.

In particular, Lerøy is committed to observing the following international conventions and standards:

- International Bill of Human Rights and other relevant human rights treaties
- The ILO Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises where applicable

As well as observing the above-mentioned principles on the protection of human rights and decent working conditions, Lerøy also maintains a particular focus (as described in our code of conduct and policy documents) on the following aspects of human rights and decent working conditions, and we expect our suppliers and partners to do the same.

- Forced labour
- Child labour
- Permanent employment
- Decent pay and regulated working hours
- Unionisation and collective bargaining
- Discrimination and harassment

2.2 Board and management

The principles of fundamental human rights and decent working conditions have been fully adopted by the management and board.

The board has approved guidelines and policy documents as described in more detail below. The general managers of the reporting subsidiaries have been working with the group management and board to implement the Transparency Act.

2.3 Guidelines and policies

The key principles for protecting human rights and decent working conditions have been incorporated into the group's code of conduct and [policy documents](#) which apply to all of the group's subsidiaries.

- [Code of conduct](#)
- [Supplier code of conduct](#)
- Policy for human and labour rights
- Policy for health, environment and safety (HSE)
- Policy for diversity and inclusion
- Policy for whistleblowing
- Policy for procurement
- Policy for fish feed

2.4 Responsibility and operationalisation

Responsibility for implementing, operationalising and continually improving the due diligence process is distributed as follows:

- The board of Lerøy Seafood Group ASA has overall responsibility
- The group management and segment management oversee all due diligence across the group
- The general managers of the reporting subsidiaries are responsible for implementation and follow-up at their respective companies

The above-mentioned code and policy documents aim to establish

common principles and rules applicable to all Lerøy employees, suppliers and partners. The code of conduct reflects the group's values and provides guidance for employees and partners on the principles they need to adopt in relation to human rights and decent working conditions.

All employees are entitled to proper working conditions, including a written contract, correct pay, adequate training, support throughout their employment and the freedom to organise. The company is committed to equal rights for women and men. More information can be found in the group's [Equality, Non-Discrimination and Gender Pay Report 2022](#).

Every employee is obliged to practise the code of conduct. The group continually communicates with its employees and encourages transparency and engagement.

The group has adopted an anonymous, internal whistle-blowing procedure for employees wishing to report censurable conditions. A group-wide whistle-blowing committee has been created. The committee co-ordinates the process and implementation of necessary measures.

The companies in the Lerøy group report to the group on a quarterly basis in the form of a "compliance certificate". The certificate contains information about a number of relevant issues to ensure human rights and decent working conditions, including health and safety, the code of conduct and whistle-blowing.

The code of conduct and policy documents must be revised by the board every year. An annual wheel has been created to help ensure that measures are implemented over the

course of the year.

The group has created a [website for suppliers](#) on the group's global website. The website provides existing and new suppliers with information about the group's expectations for its suppliers. The group has produced a code of conduct for suppliers along with a declaration form, both accessible on the website for suppliers. These documents explain the group's requirements for its suppliers and aim to ensure that suppliers take a sustainable approach. The documents especially highlight the group's respect for human rights and decent working conditions as well as steps taken by the group to fight corruption and money laundering.

Interested parties may request more information about the Transparency Act by contacting the group via the [contact form on our website](#).

External whistle-blowers are urged to report any concerns via the company's [website](#). They may do so anonymously if they wish.

2.5 Communication with stakeholders

Lerøy continually communicates with its stakeholders in the form of quarterly reports and other communication in accordance with the guidelines issued by the Oslo stock exchange. See Annual Report 2022, page 242, for a list of stakeholders. Lerøy is also actively involved in various interest groups such as the Norwegian Seafood Federation.

3 Due diligence and relevant measures

3.1 Description of the due diligence process

The group has conducted a risk assessment of potential and actual

negative impacts on human rights and decent working conditions in relation to the group's activities and operations.

As part of the due diligence, the following general objectives have been adopted in line with the Transparency Act:

- Ensure that the business and its operations do not have potential or negative impacts on fundamental human rights or decent working conditions in respect of the business and its operations.
- Inform the general public by way of an annual report.
- Provide information on request.

3.2 Risk analysis

The group performs wide-ranging risk analyses in order to identify those aspects of the business, across countries and operations, including the supply chain, most at risk of causing negative impacts on human rights and decent working conditions.

The risk analyses are based on the OECD guidelines and focus on industry risk, geographic risk, product/service risk and business risk.

The group has carried out due diligence across the entire group, both within its own companies and of suppliers, with particular focus on human rights and decent working conditions as part of its compliance with the Transparency Act.

Lerøy has adopted centralised functions, shared management systems and standardisation across companies within the same segment. For that reason, we have conducted due diligence at a segment level covering all companies within the respective segments. The general managers of the reporting

subsidiaries have performed due diligence of their respective companies. If risks or findings specifically linked to a company within a segment are identified, it will be specified in the group report.

Priorities are made on the basis of the risk analyses predominantly according to severity and probability. Next, a detailed assessment is carried out of priority risk areas.

As mentioned initially, Lerøy has created a landing page for suppliers on the group's website. Here suppliers will be able to find the necessary information about the group's requirements for its suppliers.

A procurement policy and various procedures have been created to manage procurement within the group. The document applies to all companies across all segments. The policy document has been approved by the board and the management/board of all subsidiaries.

In the case of larger suppliers such as fish feed suppliers, we conduct annual audits looking at issues such as human rights and decent working conditions.

Audits are also carried out via third parties, most recently of all logistics suppliers.

Lerøy has a complex value chain with more than 9,000 suppliers in more than 30 countries. This means that there is a general risk associated with our value chain. Due to the wide range of suppliers, we have adopted a risk-based approach.

Under the risk-based approach, suppliers have been evaluated according to various risk criteria:

- Supplier category, (* Particular attention recommended by the

Norwegian Labour Inspection Authority)

- Service aquaculture
- Fish feed
- Building and construction*
- Shipbuilding and shipyards*
- ICT
- Transport*
- Cleaning*
- Food
- Rights to land and resources
- Recruitment agencies
- Equipment
- Others

- Sales
- Country of origin
- History

We have also evaluated selected suppliers against the following:

- Governance
 - Code of conduct
 - Policy documents
 - Compliance
 - QMS
 - Anti-corruption
 - Anti-competitive practices
- Value chain
 - Requirements and guidelines for own supply chain
- Human rights
 - Decent pay
 - Working time regulations
 - Equality and discrimination
 - Slavery and forced labour
 - Child labour
 - Union membership
 - Whistle-blowing procedures
- HSE
 - Working environment
 - Security
 - Sickness absence
 - Risk assessments

The results of the risk-based approach and evaluations are further assessed, and any necessary measures taken.

3.3 Summary of due diligence and measures

Below is a summary of the main risks identified during the risk analysis along with implemented and planned risk-reducing measures designed to stop, prevent or mitigate negative impacts.

When considering potential measures, we take into account Lerøy's specific involvement in the actual or potential harms that have been identified in order to determine the most appropriate measures. This means establishing whether Lerøy (a) caused (or would have caused) the adverse impact; or (b) contributed (or would have contributed) to the adverse impact; or whether (c) the adverse impact is (or would have been) directly linked to the business, products or services through a business relationship.

Other identified risks will be addressed in the same way by evaluating existing control mechanisms and considering the recommended measures. The risks are assigned to a responsible person, and a deadline is set for the completion and residual risk of planned risk-reducing measures.

The risk analysis carried out of the company found no actual adverse impacts or significant risks of adverse impacts following the due diligence process. However, the following areas will be given priority moving forward based on the risk analysis that was carried out:

- Health, safety and environment (HSE) at Lerøy
- Discrimination and harassment at Lerøy
- Governance in the supply chain



3.3.1 Health, safety and environment (HSE) at Lerøy

Lerøy maintains a robust HSE focus in all parts of its business and is working continually to reduce HSE risk in a variety of ways.

We have a higher injury incidence rate than we would like and will therefore be working to reduce our H1 value. If steps are not taken, there will be a heightened risk of new injuries occurring. (H1 value = number of injuries resulting in working time lost*1,000,000 / number of hours worked)

People are Lerøy's most important resource, and we aim to create the best possible working environment for our employees. Lerøy maintains a robust focus both on preventing accidents and incidents and on taking action if and when the worst were to happen. We are a learning organisation which learns from the mistakes we make and seek to use this learning to become an even better employer.

3.3.1.1 Measures and expected effects

We have launched a number of HSE initiatives which we expect to have a positive impact. Among the measure introduced are:

- Heightened focus by group management
- Recruitment of a central HSE resource
- Implementation of training tools
- Various skills development schemes
- Digitalisation projects
- Ongoing improvements
- Additional KPIs linked to HSE

The group expects these measures combined with day-to-day management to reduce the number

of injuries and the group's H1 value over time.

3.3.2 Discrimination and harassment at Lerøy

Lerøy is committed to genuine equality, and all employees are entitled to the same opportunities regardless of gender. Lerøy has 5,972 permanent and temporary employees, of whom 853 are contract workers. At the end of 2022 the workforce comprised 39% women and 61% men across the group. The gender ratio has been stable over several years, but in recent years we have seen a positive trend in the number of female workers.

Lerøy is working to ensure a safe, inclusive and rewarding working environment built on the group's values. Diversity and inclusion at Lerøy means that every employee is treated the same irrespective of gender, age, skin colour, origin, ethnicity, language, sexual orientation or religion.

3.3.2.1 Measures and expected effects

We are making continual improvements in the areas of fundamental human rights and decent working conditions across the business. Ongoing measures include management development programmes, a management handbook, seminars and increased support from HR to be able to identify and deal with incidents. All employees benefit from continual improvement measures such as communication and information around the group's code of conduct and values as well as regular training in procedures and policies.

The group provides e-learning programmes on the code of conduct, whistle-blowing, equality and

diversity.

Quality and diversity initiatives are part of Lerøy's overarching strategy. Increasing the proportion of female employees at the companies and at management level is an element in the group management's KPI scorecard. Initiatives are underway to increase diversity in all job grades. For more information about Lerøy's efforts to combat discrimination and harassment, see the [Equality, Non-Discrimination and Gender Pay Report 2022](#).

Norwegian fisheries organisations have entered into an agreement to prevent and eliminate all forms of harassment in the fishing industry. The Wild Catch segment maintains a particular focus on findings made by the industry concerning harassment and has consequently increased its focus on mitigating measures within the segment and across the industry.

Lerøy conducts an annual survey of all employees across the group in partnership with Great Place to Work. The employee survey asks specific questions about discrimination, bullying and harassment in order to identify the employees' workplace experiences.

The survey provides Lerøy with important insights in its ongoing efforts to improve the working environment and leadership.

The group expects the measures that have been launched to help create a safe, inclusive and rewarding working environment in line with the group's values.

3.3.3 Governance in the supply chain

We have found that some suppliers

need to conduct risk-based audits of their respective value chains and to develop certain policy documents. We will also follow up on some of our suppliers to ensure that they introduce procedures for regularly updating their codes of conduct along with whistle-blowing channels for anonymous whistle-blowing.

3.3.3.1 Measures and expected effects

We expect the closer relationship between supplier and procurement manager to generate the desired effects over time. In-house skills development along with close dialogue with each supplier are expected to result in the gradual introduction of new procedures both internally and externally.

3.4 General measures to eliminate, prevent or limit harmful effects

In order to mitigate the identified risks, Lerøy has introduced the following general measures:

- Updated code of code of conduct to further strengthen our efforts to promote human rights and decent working conditions
- Updated policy for human and labour rights
- Implementation of supplier code of conduct
- Whistle-blowing channel for employees
- Whistle-blowing channel for external parties
- Regular e-learning programmes for employees

The group's digital whistle-blowing channel enables employees to blow the whistle anonymously. Whistle-blowing cases are logged, investigated and treated in line with the whistle-blowing policy and internal procedures. Each whistle-blowing case must be treated on its

own merits. Depending on the nature, scope and severity of the case, investigations are carried out by the local management, the COO of the segment in question, the CEO or, in exceptional instances, by the board.

The measures taken will depend on the nature and severity of the non-conformity.

The group's whistle-blowing committee reports on the status of whistle-blowing cases to the group management and board every quarter.

The group has also established a whistle-blowing channel for external parties on the group's website. Every case is logged, investigated and treated in line with the group's internal procedures. Reported cases follow the same process as internal cases in that they are examined by the local management, the COO of the segment in question, the CEO or, in exceptional instances, by the board depending on the nature, scope and severity of the case. Cases are reported to the group management

and board on a quarterly basis. None of the cases reported in 2022 concerns decent working conditions or human rights.

In the past year the group has introduced a number of new procedures to follow up on the group's suppliers. An expanded procurement organisation is one of the steps that have been taken, and we expect it to play a key role in preventing and mitigating harms in the supply chain.

4. Information requests

The group received 5 requests for information in 2022 about how Lerøy deals with actual and potential adverse impacts on fundamental human rights and decent working conditions under the Transparency Act. The requests have been replied to in accordance with the provisions of the Transparency Act.

5. Additional follow-up by the Lerøy group

Lerøy will be following up on the due diligence and measures described above in accordance with procedures

and guidelines and by way of short and long-term initiatives. This includes communicating with stakeholders on how any adverse impacts are being handled and ensuring or co-operating on reparations and compensation where required.

Due diligence will be carried out at least once a year and in the event of material changes to the risk picture or material changes to the group's risk assessments. Lerøy will implement guidelines on how to conduct due diligence for use by all segments and all group companies in order to ensure a consistent approach to due diligence across the group.

Lerøy will respond to information requests from the group and subsidiaries as described [here](#).

Lerøy Seafood Group ASA will issue an annual report on behalf of the group. The report has been signed by the members of the board and the CEO.

Bergen, 23. June 2023
Board of Lerøy Seafood Group ASA

Arne Møgster
Styrets leder

Britt Kathrine Drivenes
Styremedlem

Karoline Møgster
Styremedlem

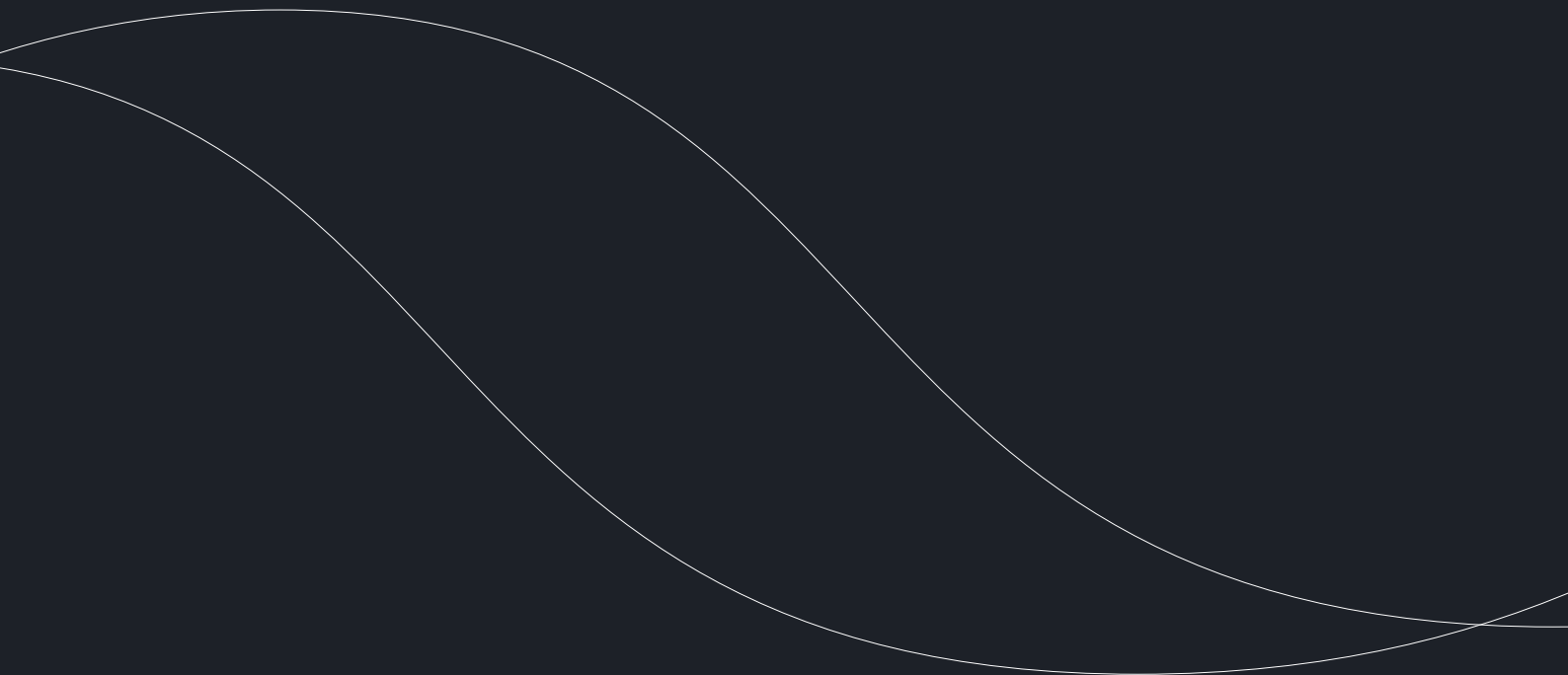
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