2020

SUSTAINABILITY REPORT

SKRETTING SUSTAINABILITY PERFORMANCE

SKRETTING
a Nutreco company



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Introductions

A letter from our CEO



Welcome to Skretting's Sustainability Report 2020, documenting a number of our latest actions in what was an exceptionally testing year for so many of us. While the coronavirus pandemic continues to challenge the world on multiple levels, with lots of people still confronted with adversity and uncertainty, we have also seen some important positives come out of this demanding situation.

This has certainly been the case at Skretting, and I will forever be proud of the fact that despite all the traumas faced, every single one of our factories has remained open throughout the crisis – producing essential aquaculture feeds and solutions that have met the new demands of dramatically changed markets. These efforts enabled to contribute to the delivery of more than 21 million seafood meals every day last year.

Not only does this resilience typify the commitment of our people and teams, it also serves to demonstrate the value of having our own house in order and the importance of the safety culture embedded in our business. At the same time, we have continued to progress on diversity and inclusion, greenhouse gas emissions reduction and anti-microbial resistance, and there are plenty more initiatives in the pipeline.

We are and will always be an ambitious company; it's our intention to be a driving force in the global aquaculture space, enabling it to reach its full potential as a source of food security

Skretting has also been able to advance many of its stakeholder partnerships this past year.

We are and will always be an ambitious company; it's our intention to be a driving force in the global aquaculture space, enabling it to reach its full potential as a source of food security. But this is not something that we or anyone else can do alone. Collaboration is essential; as an industry, we are far stronger together than we are alone, and we have a shared responsibility to act.

As 2020 came to close, we were able to finalise the Nutreco Sustainability RoadMap 2025, which amongst other things defines our sustainability ambitions for the years ahead. Built upon our three pillars of sustainability, namely Health & Welfare, Climate & Circularity, and Good Citizenship, details of this new strategy can be found here, and you will also see several references to it throughout this report as it sets specific targets for our progress and engagement.

However, I would like to highlight that the work that went into the development of the RoadMap has reinforced sustainability's position at the heart of our daily business operations. Moving forward, we will endeavour to address specific concerns of all of our teams.

As this report illustrates, sustainability is very much part of the Skretting DNA, and yet we're also acutely aware that there's lots of scope for improvement, with a long way to go in many key areas. Nevertheless, I am extremely confident that the path we are now on can meet the demands of our future planet. We are better placed than ever before to help our partners around the world, and to accelerate the sustainable growth of the aquaculture industry. In doing so, we remain firmly focused on achieving our longstanding ambition of 'Feeding the Future'.



Therese Log Bergjord, Skretting CEO

About this report

Our approach

Skretting has a longstanding commitment to reporting progress on our sustainability journey. We have been issuing sustainability reports since 1999. Our first reports were compiled by Skretting Norway, and since 2013, we have also been reporting on our global business activities. Our sustainability initiatives are closely linked to our business operations and priorities.

Reporting structure

This global Skretting sustainability report focuses on who we are and our main sustainability achievements in 2020. It is available to our stakeholders and the public on our website. Our focus is to make it easier for readers to locate information that matters most to them. Local Skretting companies can also choose to publish their own sustainability reports to go more in depth on local issues.

Scope of this report

The quantitative data reported here covers the calendar year from January 1 to December 31, 2020, unless otherwise stated. The report covers all companies that are part of the Skretting division of Nutreco. The Skretting division represents the aquaculture nutrition and service activities of Nutreco. Nutreco is owned by private company SHV, and all public financial information is reported through SHV. This report provides only limited financial information.

Reporting framework

We prepared our report in accordance with the GRI Standards: core option. This report also aligns with the United Nations Sustainable Development Goals (SDGs), and throughout we have highlighted how our own goals are aligned with and support the SDGs.

Assuring our disclosures

Skretting does not have external verification of the disclosures made in the report. However, Nutreco has worked with an external company to verify specific information disclosed in the Nutreco Sustainability Report. If information disclosed in the current report has been verified during this process, it will be mentioned.

Other reports

As part the verification for the Nutreco Sustainability Report, the external verification party visited three Skretting locations to assess sustainability data quality and assessed a selected number of sustainability indicators at Nutreco level. Please refer to the Nutreco Sustainability Report and the external report on sustainability data quality for more information.

External links

Throughout this report, we have included links to a number of external websites to make it easier for the reader to learn more about our projects, partners and goals. These links are for reference only.

Our ambitions

By Trygve Berg Lea

My aquaculture career began at Skretting in 1981 – and now 2021 will be my last year with the group, and also the last annual Sustainability Report that I help deliver, although I am sure that there will be many more to follow.

This organisation has been on a remarkable journey these past 40 years – growing steadily and transitioning from working exclusively with small-scale, family-owned farms into a high-tech industry that's an integral component of international supply chains.



This prominent role has also seen us become a key part of multinational corporations.

Our purpose of 'Feeding the Future' is based on the challenge of feeding a global population that's forecast to reach close to 10 billion people by 2050. This fast growth will lead to a dramatic increase in demand for seafood like fish and shrimp, and this in turn brings the challenge of increasing aquaculture production in a sustainable way. I remain convinced that we can achieve this if the whole value chain pulls in the same direction.

In this regard, our key sustainability ambitions are as follows:

- Skretting will contribute to climate-neutral aquaculture production through feed
- Skretting will foster sustainable aquaculture through increased resource and nutrient efficiency
- Skretting will promote responsible sourcing practices
- Skretting will contribute to improving the health of farmed fish and shrimp
- Support innovation and the development of feed ingredients with a lower environmental or social footprint compared to conventional feed ingredients
- We will have an open mind when finding solutions to emerging sustainability dilemmas

Trygve Berg Lea,
Skretting Sustainability Manager





Skretting will contribute to climate-neutral aquaculture production through feed

Skretting has reported the GHG footprint of its operations since 2009. Looking to 2025, we intend to lead with a commitment to reduce our carbon emission both through our raw material purchases, and to make significant reductions in our energy usage in our operations. We will also adopt LCA methodology into the formulation of our diets to enable us to minimise the environmental impact of our feed products.



Skretting will contribute to improving the health of farmed fish and shrimp

Skretting is committed to working alongside customers to assist them and support their antibiotic reduction policies. We will achieve this by assisting in best-practice protocols as a service as well as offering a spectrum of feed additive solutions to reduce dependency and unnecessary use of antibiotics. Additionally, we will look to collaborate with other stakeholders and non-customers to establish best practice when it comes to antibiotic use. We believe that collectively these measures will help reduce the potential risks to people that are associated with anti-microbial resistance (AMR). To reduce the risk of AMR, Skretting will stop sales of antibiotics listed as critically important for human health by the World Health Organisation (WHO) by 2025.



Skretting will foster sustainable aquaculture through increased resource and nutrient efficiency

Part of our core competence is knowing the nutrient requirements of the fish and shrimp that we make diets for. This is the basis of making efficient feeds with low feed conversions, while not wasting valuable nutrients. This also makes it possible for us to use feed ingredients that are not in direct competition with human nutrition, and which support the development of a circular economy.



Skretting will promote responsible sourcing practices

In some regions of the world, the expansion of crops like soy and oil palm are associated with loss of biodiversity and accelerating climate change. Marine ingredients like fishmeal and fish oil can in some regions be linked to overfishing. Last year, Skretting launched its soy sourcing policy where we pledged to buy all soy and oil palm products from high risk regions deforestation free by 2025. Today, more than two-thirds of our marine ingredients come from fisheries that are certified as being responsible and in line with the FAO Code of Conduct for Responsible Fisheries. We also actively support projects aimed at improving responsible fishing practices and encourage fisheries to become certified.



Support innovation and the development of feed ingredients with a lower environmental or social footprint compared to conventional feed ingredients

Widely regarded as unconventional feedstuffs of plant or animal origin, the main novel ingredient technologies currently being evaluated by the feed sector include microbial and insect-based protein and oil sources. Indeed, last year, with the support of valued customers, Skretting developed commercial diets that use algae oils containing EPA and DHA and high-quality proteins based on insects, and we will continue to look to advance these and other such feeds in several markets.



We will have an open mind when finding solutions to emerging sustainability dilemmas

Today it's common to calculate the carbon footprint of products, and in many cases, people also perceive this as being the "footprint". But this is not the case. Only focusing on the carbon footprint will lead to several dilemmas. In the case of aquaculture feeds, we have put a lot of effort into being able to formulate feed with a low inclusion level of fishmeal from wild fish. We have put in place measures to also use more fishmeal coming from by-products and trimmings, as opposed to whole wild fish directly utilised as fishmeal. In general, fishmeal from whole wild fish has a low carbon footprint. If our only aim was to reduce the overall carbon footprint, we might increase the use of fishmeal from whole wild fish, but this would be a development that takes us in the wrong direction.

Today, we buy deforestation free soy from Brazil, which comes with a high carbon footprint due to historic deforestation in Brazil. We have no incentive in buying deforestation free soy as the carbon footprint of that product will be the same as from soy from recently deforested areas.

We have high standards for responsible sourcing, and we know we can influence our value chain. In this regard, a crucial question is, when we look at environmental performance in the value chain, when do we stay and try to influence a positive development and when do we walk away?

At Skretting, we think it is important to be open about our dilemmas and try to explain how we will try to find solutions which means we will need to balance between several sustainability issues. It's also likely that many of our ambitions are aligned with those of agricultural feed producers.

As I reflect on the past 40 years, it's abundantly clear that Skretting and the wider aquaculture industry have been consistently and proactively willing to meet sustainability challenges head on. My hope is that our sustainability journey and the efforts we have made offer the inspiration for other segments of the feed industry to follow.

Putting it into context

Comprising a diverse range of species and products, today's seafood supply chains provide essential nutrition to billions of people around the world. In addition to being the principal source of long chain omega-3 fatty acids, which are central to human health and development, these foods also provide crucial minerals such as calcium, phosphorus, zinc, iron, selenium and iodine, as well as vitamins A, D and B, and vital amino acids like lysine and methionine. We'll touch on this a bit further in the report.

It is widely accepted that even consuming small quantities of seafood can have a significant positive nutritional impact for people of all ages. These health benefits, along with population growth, rising incomes and increased urbanisation have resulted in a strong global consumption trend. According to the Food and Agriculture Organization of the United Nations (FAO), people have never consumed as much fish as they do today. The FAO's most recent data finds that the world consumption has doubled since the 1960s to an estimated 20.5 kg per capita in 2017, and also that the annual global growth in consumption has risen at twice the rate of the population's expansion every year for the last 40 years.

The plateauing of wild-capture fisheries has put a strong onus on aquaculture to meet most of the market's increasing need for seafood products.

Again, the FAO has evidenced that the industry is rising to the challenge and growing faster than any other major food production sector. Indeed, the human consumption of farmed fish and shrimp has already eclipsed that of products from wild fisheries and it is projected that by 2030, 60% of the seafood we consume will be farm produced, based on a total global harvest of 110 million tonnes.

As a signatory to the United Nations Global Compact Sustainable Ocean Principles, we recognise the urgency and global importance of a healthy ocean, and will take action to promote the well-being of the ocean for current and future generations.

In a report released in 2020 commissioned by the High Level Panel for a Sustainable Ocean Economy, titled Ocean Solutions that Benefit People, Nature and the Economy, it is stated that the ocean is capable of producing six times more seafood in a sustainable way by 2050, with a significant potential to expand ocean aquaculture if farms avoid adversely affecting surrounding ecosystems and use fish feed that is not made from wild caught fish.

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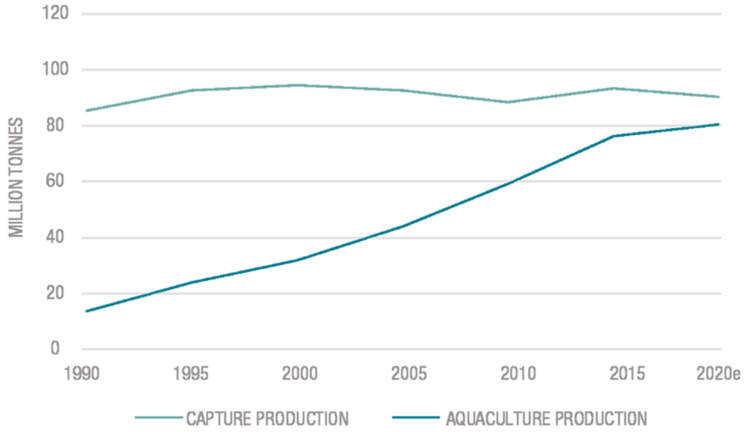
Aquaculture vs capture production



Source: FAO

The Sustainable Ocean Principles provide a framework for responsible business practices across sectors and geographies. They build upon and supplement the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

At Skretting, we believe there is much more than can be achieved.

Despite the clear growth trends, fish and shellfish account for only 7% of the proteins consumed worldwide, while just 2% of all the food that we eat comes out of the sea. This is despite our oceans covering more than 70% of the Earth's surface. Therefore, as we look ahead to the challenge of providing 9 billion people in 2050 with a healthy diet that is produced within planetary boundaries, aquaculture is uniquely placed to be one of the most productive and sustainable food systems for people and planet.

In 2020, Skretting produced 2.3 million tonnes of feed resulting in more than 21 million seafood meals per day.

Planetary challenges

We are part of a rapidly changing world. A fast-growing population that is becoming increasingly mobile and urbanised is transforming our planet at an unprecedented rate, and creating significant consumption challenges in the process.

Already, the incremental demand for food, fresh water and energy is putting a strain on some traditional, finite resources, and with the expectation that the global population will surpass 9.1 billion by 2050, the United Nations Food and Agriculture Organization (FAO) has predicted that current agricultural systems will not be able to supply enough food for everyone.

Meanwhile, the increased human activity is warming the planet. Indeed, 2019 was one of the hottest years on record, and the last decade was the hottest for 150 years. Furthermore, scientists have evidenced that the carbon dioxide level was the highest it had been for millions of years. Not surprisingly, we are seeing the influence of global warming and the climate change all around us – especially in the natural world.

Eventually, rising temperatures and extreme climate shifts could have a significant impact on crop yields and therefore food prices, and this in turn could threaten poorer communities.

At the same time, coastal areas will become increasingly susceptible to flooding and erosion as sea levels rise.

As a responsible global business, Skretting recognises that we must continue to innovate to enable the aquaculture industry and seafood supply chains to keep pace with the food demands of the future in the most pro-planet manner possible, including a focus on the protection of endangered species and sensitive ecosystems. With the understanding that we need to be more productive with less resources, we are proudly committed to applying new cost-effective and sustainable technologies to our products.

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To further reduce our impact on the natural world, we are also focused on cutting emissions and using energy much more efficiently. Additionally, to generate sufficient momentum to truly benefit society, we are increasingly encouraging and working with others within our supplier and customer networks, and also the broader aquaculture space, to adopt similarly proactive approaches within their own businesses.



Deforestation

At Skretting, we want to ensure we only purchase vegetable ingredients that have been cultivated by farmers who have not contributed to deforestation, protecting sensitive ecosystems and endangered species. In practical terms, this requires our procurement teams to have clear sourcing guidelines, including crieteria on how the plants are cultivated.

Compiling such criteria is not easy. Indeed, defining what is a forest and what is deforestation is complicated. This is because forests come in numerous forms, varying in composition, biophysical characteristics and the diversity of flora and fauna, among many other traits.

In addition, there is zero deforestation and zero net deforestation. Zero deforestation means no forest areas are cleared or converted, while zero net deforestation allows for the clearance or conversion of forests in one area as long as an equal area is replanted elsewhere.

Although many companies are addressing deforestation, corporate policies often tackle more than the activities related to the clearing of forests. They also detail other important elements of production that go beyond deforestation. For example, they might include no clearing of high conservation value (HCV) areas, respect for indigenous land rights, obtaining free, prior and informed consent from local communities, no use of forced or slave labour and commitment to transparency regarding production practices.

In many cases, some deforestation under certain conditions is also made legal by governments. As a company, this raises the issue of whether we should set our sourcing guidelines higher than the legal bar; and if so, how do we define these requirements? The challenge is further exacerbated by the numerous practical challenges that would prevent processing value chains from meeting several different criteria.

Another area of contention is how far in the value chain can, and should, Skretting take responsibility and enforce its requirements?

While continued deforestation when alternative options are available is not readily justified by society at large, there is a valid ethical debate questioning why developed countries should be able to ask countries with emerging economies to stop behaviour that developed countries actively participated in centuries before. This is not an easy question to answer.

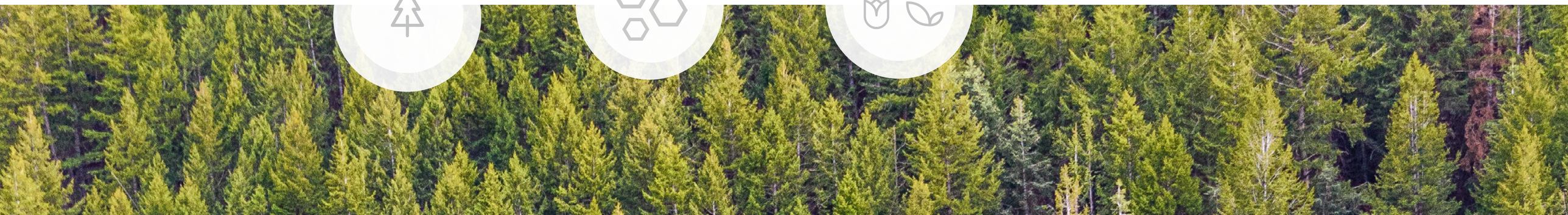
Skretting supports

Defining what is a forest and what is deforestation is complicated. Forests are diverse in terms of:

Composition

Biophysical traits

Flora and fauna



Commited to the ocean

The ocean is at the heart of our planet. Responsible for regulating global climate, temperature and weather patterns, as well as producing 70% of the oxygen we breathe and absorbing more than 30% of manmade carbon emissions, it is responsible for almost all life on Earth.

While it provides rich habitat for so many known marine animal and plant species, with many more varieties still to be discovered, the ocean also requires very careful protection. A crucial part of this is ensuring that those fish stocks that are caught for direct or indirect human consumption are fished responsibly – within clearly defined sustainable limits.

The ocean is responsible for regulating global climate, temperature and weather patterns, as well as producing 70% of the oxygen we breathe and absorbing more than 30% of manmade carbon emissions

Global demand for healthy seafood proteins continues to rise at a rapid rate, and with capture fisheries only capable of contributing modest additional volumes, it is up to aquaculture – one of the fastest-growing food production sectors – to meet most of the market's increasing needs.

The expectation from the Food and Agriculture Organization of the United Nations (FAO) is that total fish production will reach 201 million tonnes by 2030, compared with 171 million tonnes in 2016.

To achieve this, the aquaculture harvest will increase from 80 million tonnes to about 110 million tonnes, while capture fisheries production will remain at around 91 million tonnes.

At Skretting, we are committed to providing the platform from which fish and shrimp farmers can elevate their production levels in the most responsible manner possible, and thereby increase both food and economic security. To ensure there is no additional burden placed on the ocean, we continue to invest considerable R&D into the development and application of alternative feed ingredient solutions.

At the same time, with the understanding that by adopting best-practice it is possible to farm seafood in ways that have very little environmental impact, we will work even closer with producers and other stakeholders to implement improvements to farming systems globally and to also safeguard ocean health.

Signing the UN Global Compact on sustainable oceans

In October 2019, Skretting became an early signatory to the United Nations Global Compact, Sustainable Ocean Principles, calling on companies around the world to commit to securing healthy and productive oceans. By signing up to the compact's nine core principles, we are committed to taking action to prevent pollution, to manage our use of marine resources to ensure long-term sustainability, and to be transparent in our ocean-related activities and impacts.

Parent company Nutreco has been a member of the UN Global Compact since 2015.

Our endeavours and ambitions – many of which encompass collaborative, multi-stakeholder undertakings – have also been recognised by the World Benchmarking Alliance (WBA). In WBA's new annual Seafood Stewardship Index, Skretting was ranked as one of the top companies in its list of the 30 most influential seafood businesses, based on the commitment, transparency and performance to meet the UN's Sustainable Development Goals (SDGs).

To drive further innovation in our industry and to ensure the world's growing population has easy access to more sustainable, healthier and safer seafood, we will strive to identify new key action areas and align those closely together with customers, suppliers and partners.

Read more about this commitment here



Skretting and the United Nations Sustainable Development Goals

In 2015, the United Nations introduced a set of 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda.

Each goal has specific targets to be achieved by 2030. For the goals to be reached, everyone has a part to play: governments, the private sector, civil society and engaged people like the readers of this report. As the prime connection between people and the planet, sustainable food systems don't just help to end hunger. Moreover, the challenges that we face are a crucial aspect of the broader challenges faced by the planet and, in some ways more direct than in others, the food industry has the possibility to make an impact to achieve critical progress on all 17 SDGs.

According to the OECD, food security is linked to SDG2 (zero hunger) and SDG3 (good health and well-being). Livelihoods and rural development are reflected in SDG1 (no poverty), SDG6 (decent work and economic growth), and SDG10 (reduced inequalities). Sustainable resource use and climate change mitigation are contained within SDG12 (responsible consumption and production), SDG13 (climate action), SDG14 (life below water) and SDG15 (life on land). Other SDGs will also be important to the fulfillment of challenges facing the food system, including those related to education, institutions and gender equality.

The impact of companies on the Sustainable Development Goals

Goal	Rank	Priorit.
8. Decent work and economic growth	1	65%
3. Good health and well-being	2	55%
13. Climate action	3	54%
12. Responsible consumption and production	4	54%
5. Gender equality	5	53%
9. Industry, innovation and infrastructure	6	49%
17. Partnership for the goals	7	42%
7. Affordable and clean energy	8	40%
4. Quality education	9	38%

Goal	Rank	Priorit.
11. Sustainable cities and communities	10	34%
10. Reduced inequalities	11	33%
6. Clean water and sanitation	12	28%
16. Peace, justice and strong institutions	13	24%
1. No poverty	14	22%
15. Life on land	15	21%
2. Zero hunger	16	18%
14. Life below water	17	13%

Source: United Nations Global Compact, Uniting Business in the Decade of Action (2020)

Although important progress has been made through close collaboration between the public and private sectors, the United Nations Global Compact reports that the SDGs are not yet deeply enough integrated into the corporate purpose, governance and strategy of the majority of businesses and therefore, with only ten years left to reach the Sustainable Development Goals, we need to accelerate from decades of ambition to a 'Decade of Action' where companies should take a look at where we're falling short and set industry-specific goals, standards and execution plans.

Even though 84% of companies engaged in the initiative are taking action to advance the SDGs, only 29% of businesses feel that their industry is moving fast enough to deliver SDGs by 2030.

When companies prioritise the SDGs, there appears to be a correlation between the priority a company applies and the level of action they take. However, the number of companies prioritising certain SDGs remains low. This includes those related to poverty and living standards — Goal 1: No Poverty, Goal 2: Zero Hunger, and Goal 6: Clean Water and Sanitation — and relating to environmental impacts — Goal 14: Life On Land and Goal 15: Life Below Water.

In many areas, our sustainability program is closely aligned with the SDGs. However, due to our purpose, 'Feeding the Future', and our position in the seafood industry, we have the opportunity and responsibility to make a significant contribution to the achievement of two of the least prioritised goals by companies today: zero hunger and life below water. Throughout this report, we will highlight our contributions to meeting the SDGs.

Transparency and trust

Changing consumer demands, easier and faster access to information are driving forces towards more transparency.

Companies from varied sectors are under constant pressure from stakeholders to be more open about what they do, and in the food industry this means that we're facing more demand for information about ingredients, food fraud, animal welfare, human rights and child labour, to name some. Today's consumers are not only concerned about where products come from, but the conditions in which they were produced.

The latest FAO's State of World Fisheries and Aquaculture and the United Nations Global Compact's Ocean Stewardship 2030 reports state that sustainable seafood production depends on industry transparency to prevent negative environmental and social impacts. At the same time, they point out that strengthening trust among the different players in the value chain is an important challenge to be addressed.

This background helps to explain why we have defined transparency and trust as a new pillar for Skretting. Not only does it allow us to be more straightforward on what we stand for and what we contribute with to the seafood value chain. It also helps us to simplify the message with regards to what we do in sustainability and feed to food quality and safety through Nuterra and Nutrace, the two strong internal programs that are the foundations to build a concrete position as a transparent and trustworthy company.

In addition to showing that we have our own house in order and that we do business with integrity, being transparent also helps us to reduce reputational risk and to create trust in Skretting as the leading partner in driving the journey towards a more sustainable industry, as stated in our previous Sustainability Report. Moreover, we see that our commitment to transparency and trust also help us to attract and retain the talented people who are keen to work for a responsible company that cares about making a positive environmental and social impact.

Achievements in 2020

Driven by our commitment to make the life of our customers easier, 2020 proved that nothing is impossible as long as we are able to adapt to the realities of our business, while we stay focused on our goals. Hence, we were able to innovate by sharing best practices within the divisions in order to bring quality and safety to a next level, making our processes more solid and efficient through common systems to reduce risks and stay compliant.

Together with Nutreco and Trouw Nutrition, in 2020 we founded the Nutreco Quality Committee to secure harmonisation and best practice implementation within the company. This work allowed us to revise and update our Nutrace standard, which now includes an even clearer compliance criteria. At the same time, we were able to execute trainings for our teams in different areas like business continuity planning, complaint handling, monitoring of undesirable substances, HACCP, product technology, tracking & tracing and ingredient assessment.

We also launched a new Nutreco non-conformity model where we can work with improved documentation and we included sustainability in 75% of the global supplier audits in Skretting. In addition, we recertified some of our plants with our Nutrace standard according to plan. We learnt how to do this remotely, keeping the consistency that our internal operations and our customers demand.

An important learning for our teams was to get closer to the needs of our customers, by listening to how they deal with their challenges in order to co-create solutions that help them to achieve their goals. By doing this we validated how important traceability is and therefore we have put a stronger focus to improve our systems and provide documentation and analytical results when needed. We believe that this collaboration helped us to keep positioning Skretting as transparent and trustworthy partner.



Key partnerships

UN Global Compact Sustainable Ocean Principles

Skretting, through Nutreco, is member of the United Nations Global Compact programme, which supports companies seeking to conduct their business responsibly through the alignment of their strategies and operations with its Ten Principles on human rights, labour, environment and anti-corruption. The UN Global Compact also encourages companies to take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The UN Global Compact has a Sustainable Ocean Business Action Platform that convenes leading actors from business, academia and government institutions to determine how ocean industries can advance progress towards the Sustainable Development Goals (SDGs). The Action Platform has, in consultation with more than 300 stakeholders worldwide, developed the Sustainable Ocean Principles to emphasise the responsibility of businesses to take necessary actions to secure a healthy and productive ocean.

As signatory of these principles, Skretting recognises the urgency and global importance of healthy oceans and a sustainable aquaculture industry, and will take action to promote the wellbeing of the ocean for current and future generations.

The Sustainable Ocean Principles provide a framework for responsible business practices across ocean sectors and geographies, serving as a common reference point on ocean sustainability. They build upon and supplement the Ten Principles of the UN Global Compact, covering ocean health and productivity, governance and engagement, and data and transparency.

The ocean is vital to the wellbeing and prosperity of humankind.

To achieve the world community's ambitions as laid out in the Sustainable Development Goals, there is a need to expand our use of the ocean to produce food, energy, raw materials and transportation. Carrying out these activities in a sustainable manner will contribute to reducing global warming and environmental degradation, while also ensuring a healthy ocean that can provide significant opportunities for business and global economic growth.

As described in Sustainable Development Goal 14: Life Below Water, there is an urgent need to protect and restore the health of the ocean, which is rapidly deteriorating due to increasing temperatures, acidification, the depletion of natural resources, and pollution from land and sea.

Businesses have a shared responsibility, alongside government and civil society, to take necessary actions to secure a healthy ocean.

SeaBOS commits to time-bound, measurable sustainability goals

Skretting is a founding member of the unique science-industry initiative Seafood Business for Ocean Stewardship (SeaBOS), which represents 10 of the world's largest seafood companies and accounts for over 10% of seafood production globally. All of these member companies are aligned in the mission to lead a global transformation towards sustainable seafood production and a healthy ocean.

In 2020, and following four years of dialogue, SeaBOS committed to a set of time-bound and measurable goals that will ensure the seafood industry becomes more sustainable. In line with the original commitments from 2016, the CEOs of its membership agreed to achieve the following by the end of 2021:



Extend the collaboration with the Global Ghost Gear Initiative to solve the problem of lost and abandoned fishing gear; and combine to clean up plastics pollution from our coasts and waterways

Agree on a strategy for reducing impacts on endangered species and the use of antibiotics

Set CO_2 emissions reduction goals and reporting approaches from each company

Eliminate IUU fishing and forced, bonded and child labour in their operations; and implement measures to address those issues in their supply chains, with public reporting on progress in 2022 and 2025

These goals will guide SeaBOS activities over the coming years, and are accompanied by toolkits for action.

SeaBOS members also recognised the significant impact that climate change is having on seafood production, and affirmed that they have a role to play in addressing this challenge – through individual emission reductions targets and also as advocates for the implementation of the Paris Agreement.

They further acknowledged the need for government regulations to support sustainable fisheries and aquaculture management, to effectively mitigate climate change risks and impacts, and to provide for "climate smart" seafood production.

14 LIFE BELOW WATER SUSTAINABLE DEVELOPMENT GOALS

SeaBOS

SeaBOS's work also reflects and supports the recently-launched ocean action agenda set by the High Level Panel for a Sustainable Ocean Economy, a unique initiative by 14 world leaders who are building momentum for a sustainable ocean economy, which commits to sustainable management of 100% of their national waters.

14 LIFE BELOW WATER SUSTAINABLE DEVELOPMENT GOALS

Alongside Skretting/Nutreco, SeaBOS members comprise:

- Maruha Nichiro Corporation
- Nissui
- Thai Union
- Mowi
- Dongwon Industries
- Cermaq
- Cargill Aqua Nutrition
- CP Foods
- Kyokuyo

Key scientific partners include:

- The Stockholm Resilience Centre supported by the Beijer Institute for Ecological Economics at the Royal Swedish Academy of Science
- University of Lancaster and Stanford Centre for Ocean Solutions, with the scientific work funded by the Walton Family Foundation, the David and Lucile Packard Foundation and the Gordon and Betty Moore Foundation.

"The bold commitment made by the CEOs of all SeaBOS members is a major step forward. It will likely inspire action across the seafood industry – among SeaBOS companies, throughout their supply chains, and beyond. It will be hard, but necessary work, and my colleagues and I are looking forward to developing the science that can support making them a reality.
I am also keen to work with the monitoring of progress and learning from the process of advancing ocean stewardship."





Henrik Österblom, project leader and Deputy Science Director at Stockholm Resilience Centre
Source: Azote images

Global Salmon Initiative – Achieving goals through industry partnership

The Global Salmon Initiative (GSI) is a leadership programme established by salmon farming CEOs from around the world who share a vision of providing a healthy and sustainable source of protein to feed a growing population, while minimising their environmental footprint, and continuing to improve their social and economic contributions.

Skretting is an Associate Member of GSI, demonstrating our mutual interest in the continued growth and prosperity of the farmed salmon industry as well as our shared commitment to improving the sustainability of the sector. As such, we work closely with GSI members on specific projects where pooled knowledge and collaboration supports accelerated progress.

Feed ingredients play an important role in the efficiency of salmon farming – providing the fish with all the protein and essential nutrients required for their optimal health and growth, while also contributing to the many health benefits that people can obtain from eating salmon. Our aim is to help the industry maintain this nutritional profile, while also reducing environmental impacts. There are many ways that we can achieve this.



Reducing the reliance on wild fish for fish feeds



Optimisation of fish by-products



Finding alternative sources of omega-3 fatty acids



Improvements in forage fish dependency ratios (FFDR) and feed conversion ratios (FCR)

Climate Impact Project

In 2020, we joined other GSI members of GSI in becoming a member of a new climate impact project in partnership with the World Wildlife Fund (WWF). This project has the objective of reviewing and assessing all current reporting methodologies for carbon footprinting and to develop a guidance document for GSI members that supports them in data collection and climate impact reporting, as well as reinforcing further mitigation efforts. Other organisations such as SalmonChile and Norwegian Centre of Expertise Aquaculture are also being engaged in the project to ensure industry alignment.

"The members of GSI recognise that significant industry progress will require transformations across the supply chain. Which is why the active engagement of Skretting as an Associate Member in GSI, ensures we are working together, with the right knowledge and expertise, to catalyse innovations across all the major components of responsible salmon farming from raw ingredients, climate impact, and fish health - driving the whole industry towards a more sustainable future."

Sophie Ryan, GSI
Source: GSI



"Being part of the GSI gives us an opportunity to work collaboratively and precompetitively alongside passionate, like-minded companies from across the value chain, including Skretting. It provides a platform to access world leading expertise from the aquaculture feed sector to accelerate the progress of salmon farming and aquaculture globally. Through our collective focus on priorities of the industry, including the management of biosecurity challenges, the development of more sustainable and health-supporting feeds, as well as traceability and third-party certification advancements, we are ensuring a sustainable future for seafood and a better tomorrow."

Mark Ryan, Managing Director and CEO of Tassal
Source: Tassal



Introduction to RoadMap 2025

Skretting's sustainability ambition reached an important milestone in 2020 with the development of the new RoadMap 2025.

Built under the guidance of our parent company, Nutreco, and aiming to contribute to the SDGs, RoadMap 2025 is the result of a process that started in 2018 with a materiality assessment and involved the participation of close to 300 internal and external stakeholders, including customers, suppliers, NGOs and internal staff that were instrumental to identify the most relevant environmental, social and economic impacts relevant to our position in the value chain.

In RoadMap 2025 we have defined the material issues in which we believe we have an opportunity to distinguish ourselves, as they go beyond the standard practises that provide a license to operate to global companies in the food value chain. Thus, our new five-year strategy sets out renewed and measurable targets for the three sustainability pillars that will guide our work (Health & welfare; Climate & circularity; Good citizenship), with a clear focus on the areas in which we can contribute to make a difference in all of our operations, as well as other soft targets that will also be followed up in our journey.



Health and welfare

Health and welfare are at the core of everything we do as a company is an area where we can make a big difference, in partnership with our customers and other stakeholders in the value chain. Helping to make sure that animals are raised with optimal nutrition and good welfare is essential to achieve our purpose, 'Feeding the Future', and can even have a significant impact on human health.

We have committed to step up and assume responsibility for our position in the value chain by offering nutritional solutions that allow protein farmers to reduce their dependency on antibiotic usage.

Climate and circularity

People worldwide are becoming more aware of the environmental impacts of food production and their own dietary choices. According to the UN's Food and Agriculture Organization (FAO), global feed production represents 45% of the carbon footprint of livestock products. The most significant part of our environmental impact is in the supply-side of our business model and activities and we believe we can reduce our environmental impact by working together with partners at every stage of the value chain. In addition, through Nutreco, we have committed to setting Science-Based Targets in scopes 1, 2 & 3, and thus to reduce our overall carbon footprint. The approval of these targets has been published during Q1 2021.

Good citizenship

As a responsible company, we want to be a good citizen and have a positive impact on our main stakeholder groups. This includes doing business with respect for the rights of everyone impacted by our operations. It means providing a working environment where our employees feel safe, welcome and able to develop in their careers. And it involves working together in our communities towards a better way of life for everyone.

As part of a wide and complex value chain we know that the implementation of RoadMap 2025 will face different challenges. Therefore, and in line with what we have done through our previous reports, our sustainability journey will be embedded with transparency about the progress that we make and the actions that we will take to contribute to an even more sustainable aquaculture industry.

We invite you to read more details about our Roadmap 2025 here.



Pillar	Health & welfare	Climate & circularity	Good citizenship
Focus	Antimicrobial resistance (AMR)	Greenhouse gas (GHG) emission reductions	Diversity & inclusion
We do this by	Innovating leading to new products and services that will directly reduce dependency on antibiotic usage in animal husbandry and adopting five-step targets that will significantly reduce antibiotic usage by creating business opportunities for customers	Adopting Science-Based Target methodology setting emission reduction targets by energy efficiency programs and sustainable sourcing of ingredients incorporating life-cycle assessment methodology and utilisation of novel ingredients. Addressing responsible use of natural resources, biodiversity and ecosystems in compound feed ingredients	Addressing diversity and inclusion in staff. In addition, empowering local communities to raise themselves out of extreme poverty by farming sustainably with best practices technology to purpose
Soft targets	Animal welfare	Packaging Water Waste	Stakeholder engagement
Adressed by other departments			Employee development Occupational health and safety Human and labour rights

To measure the progress in our targets, at the end of 2020, our Nutreco Sustainability Platform launched its new online RoadMap 2025 Progress Assessment tool, which enables all OpCo General Managers and division Functional Directors to respond to specific questions related to the completion or partial completion of the targets.

This first exercise in the Progress Assessment tool was a “practice run” to identify potential areas of improvement and to establish baseline data to mark our starting point as we complete our targets and goals through December 2025.

Results of this first practice run will be analysed in the first half of 2021 and a scoring system developed to be able to score and monitor progress in 2021 and for the next five years.



Pillar	Health & welfare	Climate & circularity	Good citizenship
Focus	Antimicrobial resistance (AMR)	Greenhouse gas (GHG) emission reductions	Diversity & inclusion
Summary of targets	• No prophylactic use of antibiotics in feed • No use of antibiotics for growth or use of coccidiostat • No use of listed “critically important for human health” antibiotics	• Science Based Targets towards 2030 • LCA + sustainability filter in innovation • 100% deforestation-free • 100% of marine ingredients are certified • 5 - 10% ingredients are novel* • 100% recycled, reusable or compostable packaging • 0% coal and oil by 2030 • 0% waste to landfill	• Expand community development and Community engagement initiatives to touch the lives of 12,000 people • Ratings + audits of high-risk suppliers • 25% women in senior management (30% in Skretting)

*Novel ingredients are defined as unconventional feed ingredients from plant, animal and inorganic origins (not traditionally used by feed manufacturers), where after extensive R&D work and volume scale up, can be used as suitable alternatives for conventional ingredients in commercially relevant quantities.

Animal health & welfare

A holistic approach based on farm, feeds and health management

The World Health Organisation (WHO) cites antimicrobial resistance (AMR) as an increasingly serious threat to global public health, and it has been urging the implementation of coordinated action plans across all levels of society to slow its acceleration.

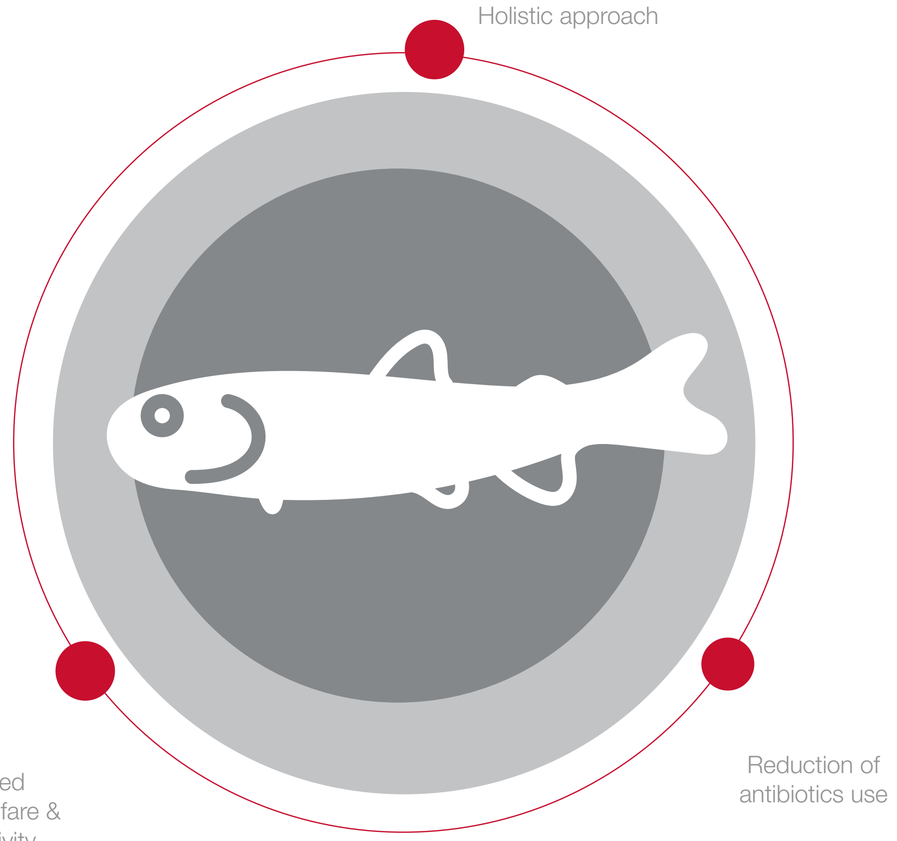
While Skretting does not add any antibiotics to our feeds unless requested by a customer and with the appropriate veterinary documentation, with the knowledge that the overuse of antibiotics in animal production contributes to AMR, Skretting advocates for a substantial reduction in farming's reliance on antimicrobial medication. Indeed, at the highest levels, we have been making the case for adopting a holistic approach based on farm, feeds and health management as a means to significantly reduce antibiotics on a global scale. Skretting has also provided conclusive evidence that such a proactive approach can improve animal welfare while improving productivity.

In addition to general nutrition, the application of functional ingredients in aquaculture feeds provides preventive health benefits that improve the tolerance of fish and shrimp to challenges such as disease and stress. The central role that such diets have in aquaculture health management and limiting the requirement for antimicrobial medications.

Skretting has unmatched experience in the field of health diets for aquaculture. Proactive in-feed solutions have been a key focus theme for Skretting ARC health R&D for the last three decades. We began working in this area in 1989 and launched the world's first fish health feed in 1992. This breakthrough diet proved that formulating diets with specific ingredients could result in stronger, more robust animals that are better equipped to deal with disease challenges. The investment in R&D has led to a stream of innovative health solutions for the global aquaculture industry.

Skretting has unmatched experience in the field of health diets for aquaculture

Despite considerable advancements in functional health, it is important to recognise that the considered use of antibiotics remains in the interests of human health and also for animal health and welfare. Broader health management however is essential, comprising strategies like optimised genetics, vaccination, biosecurity, physical pathogen control, low-stress handling and functional feeds.



The responsible use of antibiotics

While Skretting follows a holistic approach to fish health, whereby prevention through farming best-practices is better than cure, it's important to highlight that despite all of the preventative measures aimed at reducing disease risks, aquatic species still succumb to various health challenges. In these instances, medicated feeds remain the least invasive method of administering medicines, facilitating the effective treatment of these animals in a controlled, safe and welfare-friendly manner.

Our medicated feeds incorporate specifically authorised veterinary medicinal products. They are produced under controlled conditions in separate production lines to avoid the risk of cross contamination of medicine to other feeds. We also have a strong focus on lead time to ensure that animals get their treatments as quickly as possible.

The use of veterinary medicines in aquaculture, including antibiotics, is subject to specific laws and regulations. This legislation varies from region to region. Our feeds do not contain any antibiotics unless prescribed by a registered veterinarian for treating a specific and diagnosed disease.

As such, antibiotics in feed supplied by Skretting are used therapeutically and never prophylactically, maintaining our stance that industry-wide, antibiotics should be used as little as possible – under strict medical controls, and only when necessary.

As laid out by our RoadMap 2025, we believe that innovating new products and services will directly reduce aquaculture's dependency on antibiotic use in fish husbandry. Indeed, a strategy within the roadmap is aimed specifically at significantly curtailing the dependency on antibiotics in the animal husbandry sector.

We're committed to working alongside our customers to assist them and support their antibiotic reduction policies

We're also committed to working alongside our customers to assist them and support their antibiotic reduction policies. We'll do this by assisting in best-practice protocols as a service as well as offering a spectrum of feed additive solutions to reduce dependency and unnecessary use of antibiotics. Additionally, we will look to collaborate with other stakeholders and non-customers to establish best-practice when it comes to antibiotic use. We believe that collectively these measures will help reduce the potential risks to people that are associated with anti-microbial resistance (AMR).

3 GOOD HEALTH AND WELL-BEING

SUSTAINABLE DEVELOPMENT GOALS



"At Skretting, we are strongly working towards reducing the use of antibiotics in aquaculture, through recommending best farming practices, encouraging the use of vaccines and promoting the use of health diets to minimise the risk of disease. However, when bacterial diseases occur in farmed animals, we do believe that the prudent use of antibiotics in feed is an important tool to safeguard the animals' long-term health and welfare, which is essentially connected to food safety and human health."

Tra-My Le,
Global Product Manager Pharmafeed, Skretting



R&D to support animal health: introducing The Bubble

Advances in biological sciences combined with the development of computing, data processing and artificial intelligence are fuelling a new wave of technological innovation that will influence many sectors, including aquaculture. To accelerate this development, in 2020 Skretting launched The Bubble, a new research facility forming an integral part of Skretting Aquaculture Research Centre (ARC).

As part of the expansion, the new facility will enable the team of scientists at Skretting ARC to better understand the complexity of physiological interactions of aquaculture species using many technologies mirrored in the human health sector, including the same techniques that are used to detect breast cancer and pathogens like COVID-19.

“This facility will help us understand mechanisms behind effects, essentially finding out the ‘why’,” said Alex Obach, Skretting R&D Director. “We are not just observing changes, but we are understanding them to a greater extent than ever before. Why do some fish grow better? Why are some more resistant to challenges? When we understand the why, we can go further in our innovation. We are extremely excited about the opportunities these technologies offer Skretting and the aquaculture industry.”

Delphine Crappe, an expert in transcriptomics, biochemistry and cell culture leads the specialised team of scientists at The Bubble. “We have such a unique knowledge pool here in The Bubble, combined with the huge advantage that we can share knowledge and compare interactions daily,” says Delphine. “The intention is to keep growing and continuously evolve to adapt to the new challenges and techniques available in the market.”

Microarray, qPCR, OMICs, cell culture, rapid analytics and quantitative histology are just some of the methods which are allowing researchers to dig much deeper into the fundamental causes of health challenges and risks for aquatic animals.

Some of those techniques, like cell culture, will enable the team to work in an even more sustainable manner.



Evolving through collaboration

The Pincoy Project is a five years old Chilean initiative, where seven companies work together to reduce antibiotic use in Atlantic salmon farming using a novel approach in the global aquaculture industry (or any industry). All the partners work together, collaborating to produce a farming strategy, which help to produce robust and healthy fish. The overriding goal is to reduce Chilean antibiotic use by 50% by sharing latest knowledge, experience and innovations.

In Chile Piscirickettsiosis (or SRS) is an endemic disease, which can be controlled only with antibiotics once the outbreaks have started. However, Pincoy focuses on a holistic prevention and control strategy of the disease, using genetically resistant fish to SRS, using optimal vaccination strategies, feeding the fish with functional and high-performance diets, ensuring good farming conditions, delivering good welfare to the fish and only performing appropriate and necessary handling, each of them are essential to tackle this disease.

A Pincoy farming site must comply with over 23 fish health requirements with minimum and optimal scenarios and also by complying thorough follow up on animal welfare standards.

The overriding goal is to reduce Chilean antibiotic use by 50% by sharing latest knowledge, experience and innovations

Since Pincoy 1 the requirements have evolved together with the new developments in salmon aquaculture and therefore improved, including the lessons learned in the way of reaching the goal. Recently Pincoy 2.0 farming sites were harvested and the productive and sanitary data is being analysed, in order to have objective information to use for the next stage. Currently two new sites are farming homozygous resistant salmon to SRS. This unique fish was developed for the project and is being tested on field. This new group comply with all the requirements mentioned but they also are the first group to be followed up on animal welfare during the freshwater stage.

In October 2020 the Best Practice Manual was launched on an open webinar, were Pincoy shared the work done in the past 5 years. Since then the Manual has been shared with the stakeholders. Currently the Manual is available upon request at the website www.proyectopincoy.com.

The Project is sharing industry, project facts and news through LinkedIn. Additionally, the project continues to be the subject of media features and interviews, and featured in key industry seminars.

14 LIFE BELOW WATER SUSTAINABLE DEVELOPMENT GOALS

5 years
on the making

7 companies
collaborating

-50%
antibiotic use



AquaCare – improving water quality for fish and shrimp farming

In certain regions of the world, aquaculture producers face a growing challenge in terms of access to safe, clean water. As a key part of Skretting's ongoing commitment to improve the sustainability of the industry, we have extended our scope beyond the supply of sophisticated and sustainable feeds by creating the new global product line, AquaCare, specifically focused on providing practical solutions for improving water quality for fish and shrimp farming systems.

One Aquacare product, a simple-to-use probiotic, is designed to work preventatively with the objective to load the water in pond farming systems with beneficial bacteria that prevent the same space from being occupied by potentially harmful bacteria. The bacteria also improve water quality by actively utilising ammonia which is known to be lethal for fish at high concentrations, and consequently reducing the need for water exchange. Organic material, faeces, and small amounts of uneaten feed that would otherwise end up as sludge are consumed by the bacteria, enabling the faster preparation of ponds for the following cycle.



"AquaCare (AOcare in Vietnamese) – is an excellent new solution for Vietnam as a modern aquaculture producer. Through the water quality support that it will give farmers, we are confident that it will make a significant contribution to the industry's progress.

At the same time, our technical team is on-hand to support farmers nationwide with their water quality monitoring, and we have created a platform on social media where farmers and our technicians engage and exchange information related to water quality and other issues. Aquacare will be launched in India and Indonesia in 2021."



Arjen Roem,
Marketing Director Nutreco South East Asia

Climate & circularity

Committed to setting science-based targets

Through the 2015 Paris Agreement, world governments committed to limiting global temperature rise to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. To achieve this, greenhouse gas emissions (GHGe) must halve by 2030 – and drop to net zero by 2050. An emissions reduction target is defined as 'science-based' if it is developed in line with the scale of reductions required to keep global warming well below 2°C from pre-industrial levels.

In March 2020 Nutreco committed to set targets for our carbon emissions in line with the principles of science-based targets (SBT). The science-based targets initiative was formed towards the end of 2015 through a partnership between Carbon Disclosure Project (CDP), the UN Global Compact (UNGC), the World Resources Institute (WRI) and World Wildlife Fund (WWF).

Reduction of GHGe from our operations

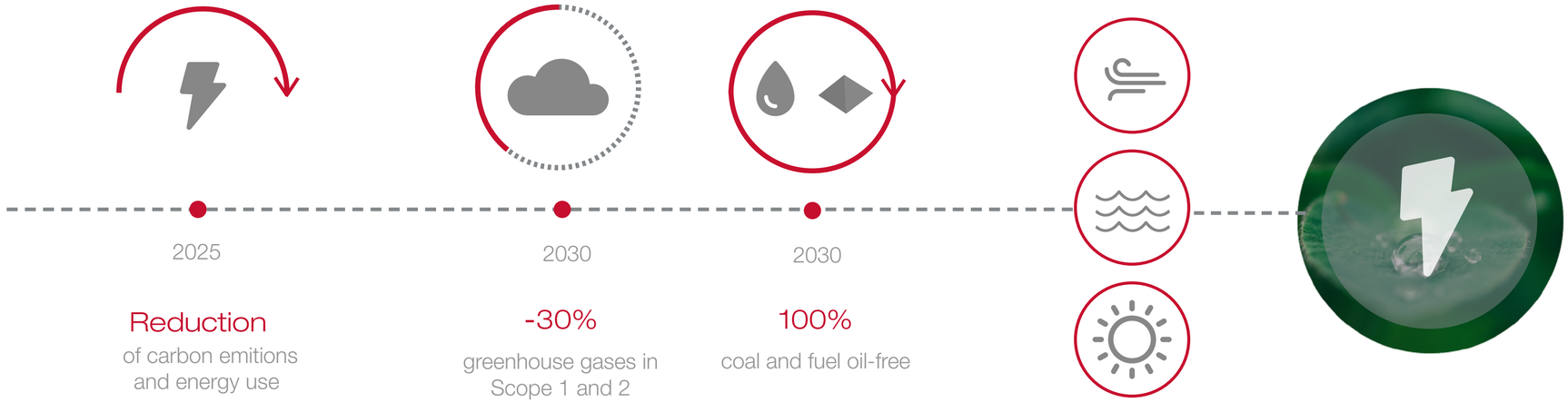
Skretting has reported the GHG footprint of its operations since 2009. In our previous sustainability ambition (Vision 2020), we made a bold commitment to halve the footprint of our operations by 2020. Reducing carbon emissions and using purchase of carbon credits was part of this ambition. Looking to 2025, Skretting is committed to lead with a true commitment to reduce our carbon emission and to do significant reductions in our energy usage in our operations.

Our targets

Skretting has an ambition to achieve a reduction of 30% of greenhouse gases in our Scope 1 & 2 emissions by 2030 and with a 2018 baseline. Scope 1 are all direct GHGe that come from sources that are owned or controlled by the Skretting. Typical examples are machines and equipment that uses oil and gas in our factories. Scope 2 are indirect GHGe from consumption of purchased energy like electricity, heat or steam. The energy here is generated outside our factories, but transported to our factories as energy.

How to reach our targets

We'll do this by focusing on energy reduction and increase the use of renewable energy. We will purchase green electricity where it is available. 'Green electricity' means electricity produced from renewable sources such as wind, solar and hydro. Skretting has also ambitions to significantly reduce energy usage when producing our feed. We are aiming for a shift in the use of energy sources. By 2025 Nutreco aims to consume less than 2% of coal and less than 5% of fuel oil. By 2030 the ambition is to be completely coal-free and fuel oil-free.



Reducing GHGe from our raw materials

Scope 3 emissions are the largest source of a Skretting's emissions when we produce our feed. Some studies we have undertaken shows that scope 3 emissions account for more than 90% of the total emissions of a product when we look at total emissions delivered at factory gate. To date, Skretting has been focusing our efforts on scopes 1 and 2, where we have more direct control.

However, as the climate change challenges are growing there is a need to reduce GHGe wherever possible. This means also reducing scope 3 emissions (emissions in our value chain). Scope 3 emissions do fall outside of Skretting' s direct control and ownership. This means it is more difficult to collect scope 3 data and the inherent control and ownership structure can create challenges when attempting to reduce these emissions.

Our targets

Under the SBT programme, we have committed to a 58% reduction per unit of value-added by 2030 in GHGe for our supply chain with a 2018 baseline. Our Scope 3 emissions are those created indirectly through our purchasing of raw materials and usage of external services. The emissions are dominated by the impact of crop production and land use change.

How to reach our targets

To meet our Scope 3 goal, Skretting will engage with our suppliers. We will work with suppliers that also have set SBTs, encourage suppliers to set their own SBT targets and work with suppliers to reduce their GHGe.

We will look to replace existing ingredients with alternatives that have lower GHGe and continue our work to support and develop novel ingredients. We will seek to minimise GHGe that are a result of deforestation and other land use change.

Reductions in this area can come from shifting our purchases from areas with a high rate of deforestation to areas with less deforestation. In the case we buy from areas with a high deforestation rate, Skretting will have an ambition of buying deforestation free material – like for example soy.

Skretting will also seek to reduce our scope 3 emissions that are linked to our operations like travel and waste.



The carbon footprint of feed

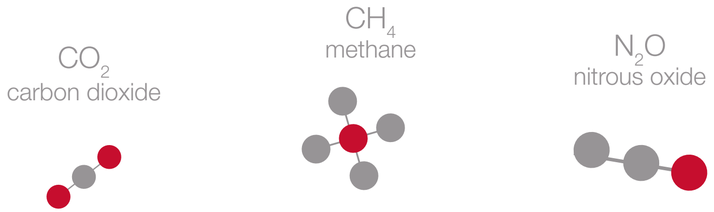
A carbon footprint considers the life cycle GHGe of products and services. The International Organization for Standardization (ISO) carbon footprint standard, ISO 14067:2018, defines this as the sum of greenhouse gases (GHGs) and (natural) GHG removals in a product system, expressed as CO_2e and based on life cycle assessment (LCA) principles using the single impact category of climate change. As such, all life cycle stages are considered in terms of a carbon footprint – from resource extraction, manufacturing and use, through to disposal or recycling. A partial carbon footprint, meanwhile, only considers selected life cycle stages.

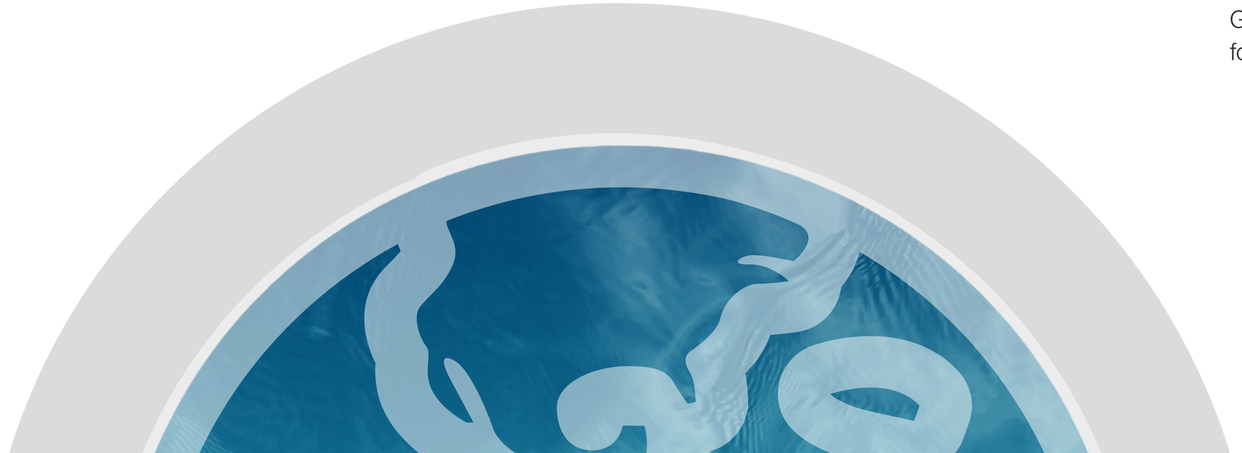
The key difference to an LCA is that a carbon footprint study assesses only a single environmental impact category (global warming potential), and not other potential environmental impacts, such as non-GHG emissions, acidification, eutrophication, toxicity, biodiversity. As with LCAs, carbon footprint does not address social or economic impacts.

Greenhouse gases are gases that contribute to global warming by absorbing and emitting infrared radiation.

There are many different gases classified as GHGs (both natural and caused by human activity) which, when released into the atmosphere, contribute to climate change.

The most prominent GHGs are:





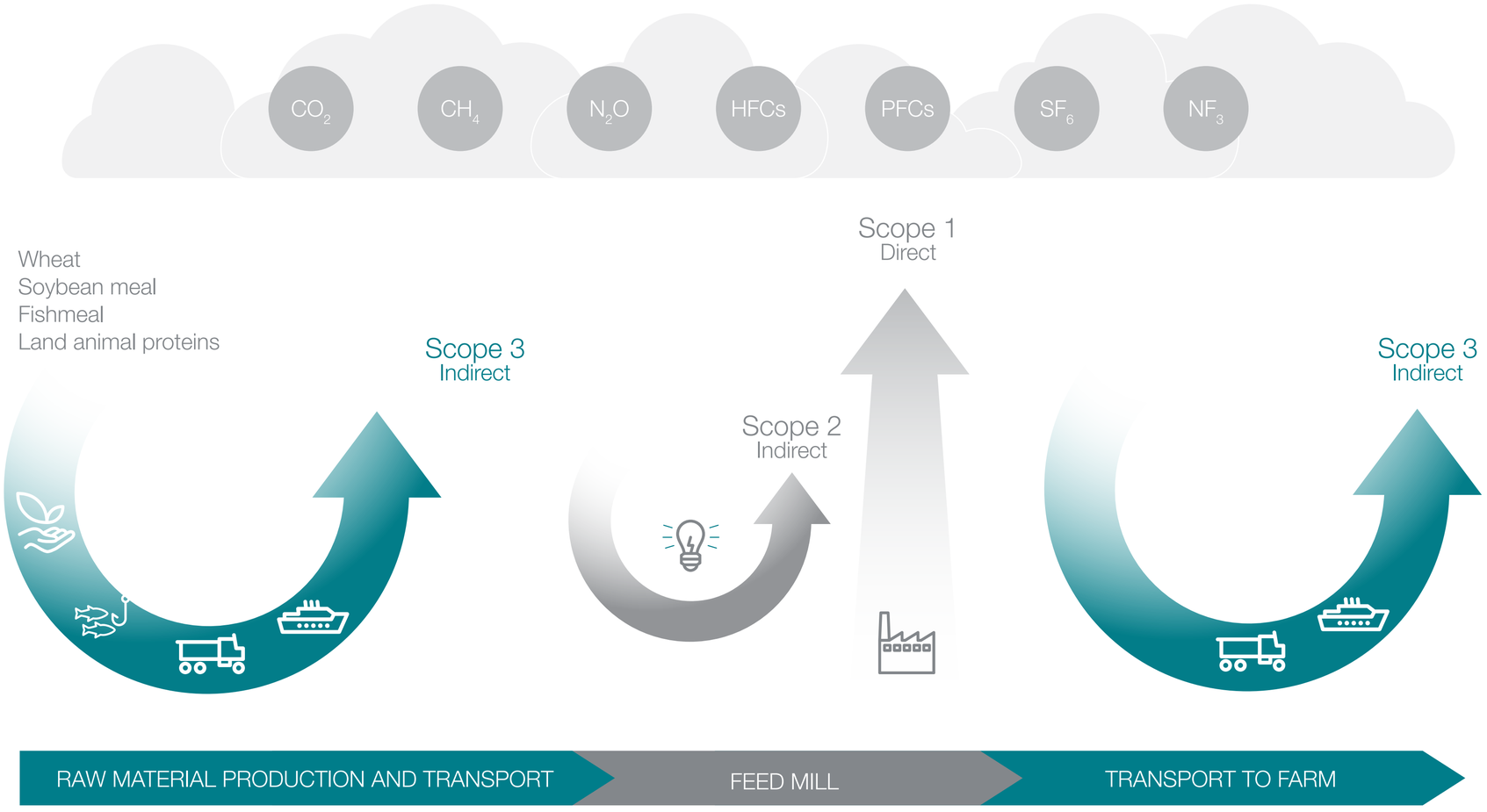
In the context of LCAs, the focus is on the GHGs arising from human activity as listed in the Kyoto Protocol. The unit of measurement considering GHGs as a sum parameter and thus for a carbon footprint is carbon dioxide equivalents (CO_2e).

Scope 1, 2 and 3 emissions

Scope 1: All direct GHGe that come from sources that are owned or controlled by the Skretting. Typical examples are machines and equipment that uses oil and gas in our factories.

Scope 2: Indirect GHGe from consumption of purchased energy like electricity, heat or steam. The energy here is generated outside our factories, but transported to our factories as energy.

Scope 3: Other indirect GHGe, such as those related to the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by Skretting. In the context of our business, the majority of Scope 3 emissions are related to the cultivation, manufacturing and transport of feed ingredients. Scope 3 emissions contribute most to the overall emissions of feed products.



Adapted from GHG Protocol

Allocation of emissions

When calculating a product's carbon footprint, the different life cycle stages and production processes need to be considered. However, many processes result in different outputs or products. One simple example of this is a soy processer that produces soybean meal, soy oil or soy protein concentrate. In such cases, the carbon footprint related to the process inputs (such as the soybeans) but also the process-related emissions need to be allocated to the different process outputs.

There are different principles on how to do this allocation, for example physical allocation (often based on mass shares of the outputs), energy allocation (for example based on the calorific contents of the outputs), or economic allocation (based on the values of the outputs). All come with advantages and disadvantages. According to the core LCA standards, where allocation cannot be avoided, physical allocation is the preferred option due to its robustness.

However, a physical allocation often attributes a higher share of the emissions to by-products, which seemingly contradicts the intention to utilise by-products to enhance a circular economy. Thus, ISO gives the option to select other allocation types when this can be justified. The economic allocation is defined as the preferred option for feed ingredients by the European Product Environmental Footprint (PEF) standard, in particular the PEF Category Rules for Feed as a relevant industry standard.

Calculating the footprint of a product



Direct land use change

The carbon footprint of a feed product should be declared considering direct land use change as required by the accepted international carbon footprint standards. Direct land use change mostly refers to the conversion of non-agricultural land to agricultural land following, for example, an increased market demand for an agricultural commodity. This conversion will result in short-term and long-term GHGe (due to biomass loss but perhaps also due to a long-term adaptation of the soil carbon pool until it reaches a new equilibrium).

Greenhouse gas emissions related to direct land use change have to be considered when the land use change happened within the past 20 years prior to the assessment. This means, when it can be demonstrated that ingredients are sourced from land that had been transformed 20 years prior to the assessment, no emissions from direct land use change need to be considered in the carbon footprint study.



Understanding carbon footprint values

To understand and compare the carbon footprints of different feed products it is important to fully understand the methodology being used. It should also be validated if the core requirements by the accepted and industry-relevant LCA standards are met (for example the requirements on including land use change emissions and selection, data quality or allocation principles). Otherwise, it will not be possible to compare like for like.

An example of these standards is PEFCR Feed for food producing animals.



1

That direct Land Use Change (LUC) is included tells us that the carbon footprint also includes the greenhouse gas emissions (GHG) related to land use change like e.g., deforestation which has happened within the last 20 years and is mainly linked to the agricultural feed raw materials

2

When GHG emissions are stated using mass allocation, Canada has a much higher value than Norway. A closer analysis would reveal that this is mainly due to the use of poultry by-products in the feed.

A mass based allocation attributes higher footprint shares to by-products when they have a higher mass e.g. compared to the main product, although they might come with a much lower economic value. Also, the processing of raw materials will often lead to increased energy use and hence, potentially a higher GHG emission

3

When GHG emissions are stated using economic allocation, Canada has a much lower value than Norway. A closer analysis would reveal that this is mainly due to the use of poultry by-products in the feed. Using economic allocation respects the lower value of poultry by-products

4

CO_2e/kg feed means carbon dioxide equivalents – indicating that the global warming potential of all green house gases have been considered and not only e.g. carbon dioxide

Improving our own operations

As a global leader in the supply of fish and shrimp feeds, Skretting contributes to the aquaculture industry's sustainable progress through the provision of feeds that have been formulated from responsibly sourced raw materials. An equally important part of this commitment is to ensure that our own house is in order when it comes to the production of these feeds, and this responsibility drives our focus areas of reducing energy use, greenhouse gas emissions, waste and water use across our operations globally. Skretting production (scope 1) contributes approximately 5% of the carbon footprint of feed.

A core objective in global operations is to support local operations as they build high levels of competence among the people operating our plants. Through this competence, and with high levels of participation in global projects, we fully expect to achieve our operational targets and be world leaders in fish and shrimp feed production. Skretting has always maintained strong collaborative global networks, working across many different disciplines. Local teams have faced many common challenges, and this has promoted a high level of sharing and listening at all levels.

Our footprint is always evolving, with new production facilities under construction, closures or plant extensions underway in most regions.

We continually monitor and report four key environmental KPIs, the data quality of which is continuously improved by having a third party taking a critical look at our reporting process.

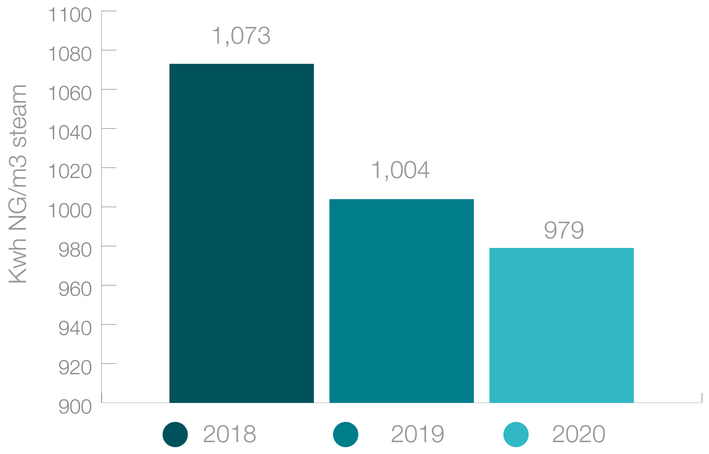
Two of the largest global projects in 2020 were energy reduction and KPI measurement. Our local teams have many projects focused on energy reduction. Successful projects are presented globally and, where appropriate, taken up by other plants so that they too can benefit from them. To-date, the largest energy saving gains have been made in the areas of steam boiler efficiency, dryer operation, and heat recovery solutions. Projects in these areas are having the largest impact on production kWh per tonne. Below is an example showing gas reduction in Skretting Spain over the last three years.

In addition, CO_2 emissions have been radically reduced in some operations. Globally, Skretting last year achieved a reduction of CO_2e of 7.5% from 2019 values. Some of these reductions were due to overall energy reductions, but the main driver of this decrease was the sourcing of greener energy.

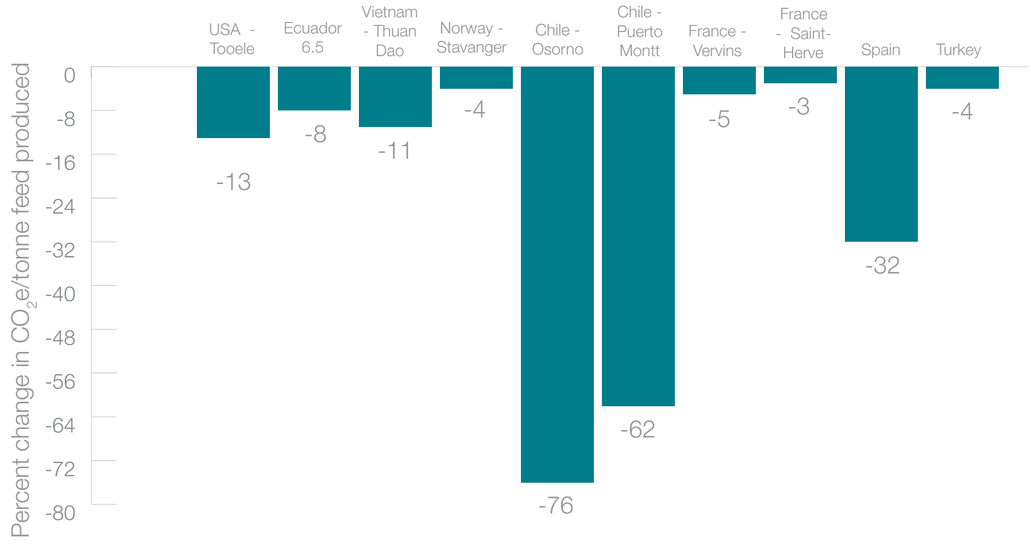
Shown below are the results from those Skretting plants that made the largest contribution to the total reduction. This is a trend that we expect to continue as better options become available in the market and new energy contracts are negotiated.

A key target in the coming years is to continue the yearly reduction of 2% energy consumption per tonne, while in the longer-term, we will look to make a 30% reduction in our CO_2 emissions by 2030 in scope 1 & 2 (from 2018 baseline data).

Steam boilers Aqua (Kwh Natural Gas / m3 Steam)



2020 CO_2e results compared to 2019 – percent change in CO_2e/tonne



Production KPI measurement

In 2020, Skretting launched a project to get 100% compliance to global production KPI reporting. Our goal is for our operations to have a standardised and documented way of working, with programmes put in place to facilitate continuous improvement.

The first step is to ensure the accuracy of our data, and already we have been successful in getting all of our plants reporting these production KPIs in the same way every month. This data will now be used to further drive improvements to reduce waste and save energy.

2020 vs 2019

Energy
Kwh per tonne

6%

In total we had a 6% increase in energy consumption in 2020 compared to 2019, due in part to a factory closure in Chile. In the longer term this will lead to an increase in overall energy efficiency. There are also examples of factories that have reduced their energy use with a large focus on process and maintenance. As part of our commitment to Science Based Targets, we will focus on achieving better energy efficiency going forward.

GHG emissions
Kilograms CO_2e per tonne

-9%

In 2020 we were able to significantly reduce our greenhouse gas emissions. This is mainly a result of that there has been shift to using more green energy in Ecuador, Spain and Chile. Some of our factories have also had GHG reduction coming from energy-saving projects. We are very pleased to see that increased awareness about our GHG emissions has led to significant reductions and we are already delivering on our commitment to Science Based Targets.

Water withdrawal
Litres per tonne

6%

In 2020 we registered an increase in water withdrawal of 5%. Overall, we see a very mixed picture where some factories have been able to make significant reductions while other have had an increase. We will work to share best practice in this field so we can stop the trend of increase in water withdrawal.

Waste generation
Kilograms per tonne

19%

The amount of waste produced each year is impacted by many factors, for example construction work at the factories or construction of new facilities. Additional activities such as having silos emptied and cleaned at regular intervals can also have big impacts on waste reporting. During 2020, we concluded that focusing on total waste generated is not satisfactory as a guiding KPI. Going forward we will focus on non-hazardous waste to landfill. Our Sustainability RoadMap has a goal that by 2025 50% of waste will be recycled and we send less than 15% of non-hazardous waste to landfill. By 2030 60% of waste will be recycled and we will send zero non-hazardous waste to landfill.

Skretting's global and local teams will continue to work closely together on innovations and improvements that will help us achieve our production goals – a challenge that is large in scope but equally exciting.



	2020	2019	2018	2017
Energy Kwh per tonne	342	323	316	316
GHG emissions Kilograms CO_2e per tonne	74	81	78	86
Water withdrawal Litres per tonne	670	635	617	633
Waste generation Kilograms per tonne	9	8	8	7

Skretting Italy initiates carbon neutral opportunities

With food production accounting for around a quarter of the world's greenhouse gas emissions, carbon footprint reduction is one of the most effective ways that supply chains can address the climate change challenge. Recognising the considerable opportunity to minimise the CO_2 emissions generated by the aquaculture feed production process and the fish farming sector, Skretting Italy launched new carbon neutral feed concept, Feed4Future, in 2020.

This first-to-market offering has paired Skretting's extensive knowledge of the nutritional requirements of aquaculture species with sustainable, lower impact feed ingredients responsibly sourced from carefully selected suppliers. In utilising Skretting's groundbreaking MicroBalance technology and incorporating innovative raw materials and high-quality by-products sourced from the food industry that don't compete with human consumption, Feed4Future diets have a 10% lower carbon footprint than standard diets, with the remaining CO_2 emissions compensated for by carbon credits*.

*Skretting CarbonBalance's carbon credit scheme is related to the Agrocortex REDD+ (Reducing Emissions from Deforestation and Forest Degradation) project in Brazil.

Food production accounts for around a quarter of the world's greenhouse gas emissions

Skretting believes that with the spotlight on the impacts of food production, Feed4Future can take Italian aquaculture to new levels of sustainability. Specifically, with 80% of fish farms' carbon footprint being related to feeds, its application means they are taking effective action against one of the most far-reaching issues facing our planet today – climate change. Furthermore, for those Italian producers looking to go a significant step further with fully carbon neutral fish farms, Skretting has developed CarbonBalance, a new programme supporting farmers and helping them achieve this ambition.

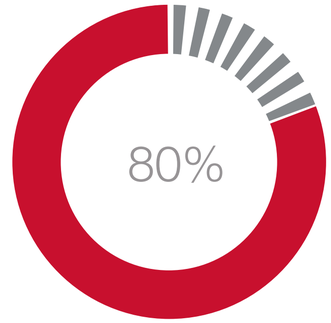
Following an initial assessment of each farm site, Skretting calculates the carbon footprint, identifies measures to reduce it, and then works together with those customers to achieve full neutrality.

CarbonBalance also provides links to those third-party certification bodies that are already onboard with the programme, and offers support in communicating these actions to the market.

Amongst other things, the communications element seeks to explain to broader audiences what makes these fish carbon neutral and the contribution they are making to sustainable, resilient food systems. Overall, such a pro-planet approach provides the platform from which responsible fish farmers can enhance their product offering and establish stronger competitive advantages.



Skretting Italy's carbon neutral offering is a follow-up of its successful "Acqua in Bocca!" customer engagement project. Launched in 2017, this ongoing project is designed to help the country's aquaculture value chain develop an effective value proposition based on sustainability that meets market expectations and requirements.



80% of fish farms' carbon footprint is related to feeds

-10%

Feed4Future diets have a 10% lower carbon footprint than standard diets

1. Initial assessment of farm sites
2. Carbon footprint calculation
3. Identification of measures to reduce it
4. Collaboration to achieve neutrality

Our new soy sourcing policy

As 2020 drew to a close, Nutreco announced the launch of a new soy sourcing policy, with the aim to simplify complex certification schemes for the procurement teams in Skretting and in our sister company, Trouw Nutrition. Forming part of Nutreco's Sustainability RoadMap 2025, this policy also serves to facilitate the complete removal of deforestation from our supply chains by 2025.

Deforestation is one of the major sustainability challenges for the aquaculture and agriculture sectors. Soy and oil palm are major deforestation drivers, with over half a million hectares of rainforest, peatland and savannahs destroyed each year for the expansion of these crops.

High-quality soy protein is fed to farmed animals and fish to support growth and healthy development. Soybean meal, soy protein concentrates, and other vegetable proteins and oils, can replace from one-third to one-half of the fishmeal in feeds for many farmed fish species, reducing the need for marine ingredients from capture fisheries. Oil palm products are rarely use in aquaculture diets.

Annually, Nutreco buys around 1.5 million tonnes of soy ingredients and 80,000 tonnes of oil palm products. Certification schemes and standards are numerous, and provide a variety of deforestation assurances.

At Nutreco, we realise that certification is not the only tool to ensure responsible use of natural resources. However, where independent certification is an option and available, it can be an effective tool to verify conformity to its principles where information is otherwise difficult to track and trace. Certifications are also continuously evolving to reflect increase knowledge and ambition levels. To address the challenge of ensuring compliance with certifications, our procurement teams have developed this transparent policy, highlighting soy-producing regions on low and high risk of deforestation, and outlining the procurement requirements in areas of higher risk.

Click in the image to read Nutreco's code of conduct



Click in the image to read Nutreco's soy sourcing policy



By the end of 2025, our ambition is to source soy and oil palm ingredients that are free from both legal and illegal deforestation, with the purpose of limiting our impact on biodiversity and climate change. This is defined as:

Class A

If the ingredient is from a region with a low risk of deforestation, then no certification scheme is required. If the ingredient is from a region with a high risk of deforestation, it must be purchased through a certification scheme which verifies no deforestation has occurred after a defined cut-off date(s). Soy and oil palm ingredients in Class A must be in a physically segregated supply-chain from ingredients defined in Classes B, C and D.

Class B

If the ingredient is from a region with a high risk of deforestation, it must be purchased through a certification scheme with a defined cut-off date, using either a mass-balance or credit system.

Class C

If the ingredient is from a region with a high risk of deforestation, it must be purchased through a certification scheme that verifies no illegal deforestation has occurred.

Class D

If the ingredient is from a region with a high risk of deforestation, it can be purchased without any certification.

To achieve deforestation-free soy and oil palm ingredients, all of these value chains will be employed throughout the implementation of our policy. In addition to the Nutreco Sustainability RoadMmap deadline of 2025 for deforestation-free soy and oil palm ingredients, ambitious intermediate milestones have also been determined for Skretting.

Further milestones for specific regions and/or species also continue to be evaluated. For the sourcing of all ingredients, our Nutreco Code of Conduct for Business Partners applies.

"Procurement is about buying the right product at the right time, price and place. When it comes to soy and oil palm, buying the right product is difficult, and I am excited that with this policy, our purchasing team has a tool to make it easier to do the right thing. Because ending deforestation is the right thing, and we don't just talk, we actually act."

Robert van den Breemer,
Skretting Procurement Director



A better-defined stance on novel ingredient sourcing and application

In 2020, Skretting maintained its leading role in the development and application of novel ingredients within the aquaculture space, fulfilling the industry's growing interest and demand for new protein raw materials and alternative sources of essential omega-3 long chain fatty acids for use in fish and shrimp feeds.

Widely regarded as unconventional feedstuffs of plant or animal origin, novel ingredient technologies currently being evaluated by the sector include microbial and insect-based protein and oil sources. Indeed, last year, with the support of valued customers, Skretting developed commercial diets that use algae oils containing EPA and DHA and high-quality proteins based on insects, and we continue to look to advance these and other such feeds in several markets.

The new Nutreco RoadMap 2025 has brought the ambition that by 2025, 5-10% of our feed ingredients will come from alternative, novel sources

Despite the challenging nature of introducing these ingredients to market – not least the long lead-ins required to set up new factories and scale-up production, the development of the new Nutreco RoadMap 2025 has brought the ambition that by 2025, 5-10% of our feed ingredients will come from alternative, novel sources.

At the same time, this focus, which falls within the RoadMap's Climate & Circularity pillar, has enabled Skretting (and parent company Nutreco) to further redefine such resources as "unconventional feed ingredients from plant, animal and inorganic origins (not traditionally used by feed manufacturers), where after extensive R&D work and volume scale up, can be used as suitable alternatives for conventional ingredients in commercially relevant quantities".

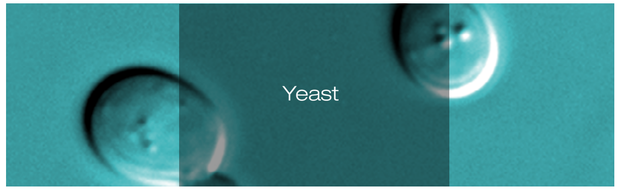
With work ongoing to use Life Cycle Assessment (LCA) to quantify the true footprint of our company, our products, and the raw materials that we buy, it is likely that the additional knowledge and data we gather will further refine our current novel ingredient definition, and enable us to make more informed decisions for the benefit of supply chains and our planet.

We will also continue our busy testing programme for novel ingredients, and maintain our worldwide search for new suppliers and technologies that fit in with our strict responsible purchasing protocols and can potentially become part of our commercial development pipeline.

Examples of novel ingredients









Despite our ambitions, novel ingredients need to come at lower cost and a much lower footprint than the materials they need to replace in our diets. We will invest the time and money only in those ingredients where we see this potential. All in all, it remains a challenge to get these novel ingredients into the mainstream for our diets and it requires a value chain effort to start to significantly shift the needle.

"The next few years will be a really interesting time for the continued development, commercialisation and application of more novel ingredients into the feed and food chains."



Jenna Bowyer, Skretting Procurement Category Manager Novel Ingredients

Advocating for a responsible blue whiting fishery

Blue whiting is one of the most abundant fish stocks in the semi-pelagic water masses of the Northeast Atlantic. It is very important as raw material for fishmeal and fish oil production in Europe. Nearly half of fishmeal production in North Western Europe originates from blue whiting.

In previous years, the blue whiting fishery has held a Marine Stewardship (MSC) certificate and been approved by the MarinTrust program. In 2020, there was a continuing dispute over quota allocation of blue whiting resulting in annual catches well in excess of the science-based advice. As a result of the dispute and the catch exceeding recommended limits, the Marine Stewardship Council (MSC) certification of the blue whiting fisheries in the North Atlantic was suspended on 30 December 2020.

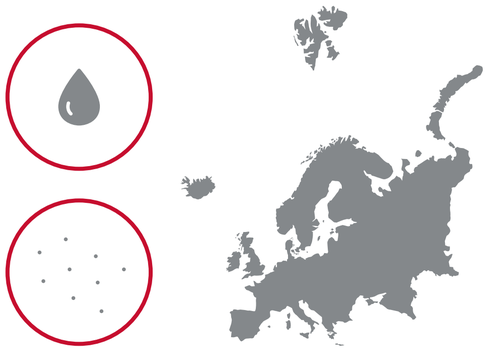
This fishery is relevant for Skretting Norway operations. As part of its procurement policy, Skretting Norway requires that the fishmeal and fish oil originating from whole fish must originate from MarinTrust approved fisheries. For Skretting and our customers, the loss of certification due to this dispute means a significant reduction in access to already scarce marine resources.

Commitments to sustainable fishing have been made by all coastal states involved in Northeast Atlantic fisheries through the adoption of the UN SDGs, in particular SDG 14 ‘life below water’. Skretting has SDG related targets through responsible sourcing criteria of marine ingredients, and certification offers a credible and impartial tool to demonstrate that we meet the ambitions to contribute to a healthy planet for future generations. Loss of certification would reduce progress against SDG 14.

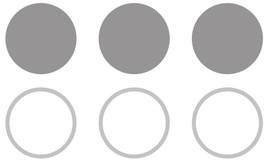
In 2020, Skretting sought support from fellow concerned stakeholders to work to maintain responsible management of the blue whiting fishery. Consequently, Skretting became a founding member of the North Atlantic Pelagic Advocacy Group (NAPA), a market-led approach to improve North Atlantic pelagic fisheries management. Partners include retailers, food service companies and suppliers who are working together with the aim to secure an agreement on total allowable catches for these fisheries in line with scientific advice for a long-term science-based management agreement.

In October 2020, Skretting formally contacted the delegations of the coastal states regarding negotiations for determining fishery quotas of shared stocks in the North East Atlantic. Skretting called for agreement and stressed that together we can find a sustainable approach to managing key fisheries in European waters. But we must act now.

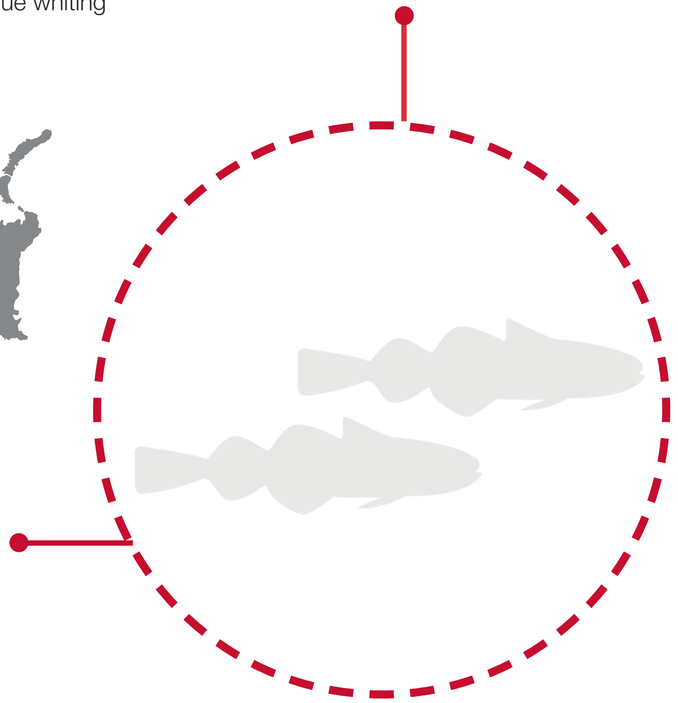
In 2021 Skretting will continue our cooperation with NAPA in working towards regaining responsible fishery management certification of the blue whiting fishery.



Blue whiting is extremely important as raw material for fishmeal and fish oil production in Europe



Nearly 50% of fishmeal production in North western Europe is made out of blue whiting



Good citizenship

Committed people for a committed company

One of the cornerstones of RoadMap 2025 is to employ talented and passionate professionals. At Skretting, we want committed employees; people who are proud to work for the global leader in aquaculture nutrition, because these are the most important ambassadors of our brand and our global purpose: ‘Feeding the Future’.

As Skretting continues to evolve – looking beyond feed for new business opportunities, we are increasingly putting together more creative, cross-functional teams, and introducing new skillsets and ways of thinking. To ensure that we continue to be in the best position to attract top talent and to help those individuals and our operations to reach their full potential, we are committed to providing an environment that is rich in diversity and fully inclusive.

As Skretting continues to evolve – looking beyond feed for new business opportunities, we are increasingly putting together more creative, cross-functional teams, and introducing new skillsets and ways of thinking

Of course, during 2020, our employees and teams were significantly challenged by the COVID-19 pandemic. We also saw the devastating impact of this crisis on the local communities, health systems and economies in the countries that we operate. As such, we are proud of those people that went the extra mile to ensure that fellow employees remained safe and got the support needed to take care of themselves and their families.

Still, and partly because of, the impact of COVID-19, Skretting and parent company Nutreco continued to invest in employees and managers last year, mainly through the following focus areas:

- Acquiring and investing in talent
- Building a more diverse workforce
- Shaping leadership behaviours
- Fostering health and well-being
- Customer intimacy and innovation
- Enhancing digitalisation and working from home

Diversity and inclusion

As a responsible, global company, we want to be a good citizen and have a positive impact on society. A key part of this requires us to provide a working environment in which our employees feel safe, welcome and able to develop in their chosen careers.

We're abundantly aware that today's global challenges make it more important than ever that we have a workforce with diverse ideas, backgrounds and viewpoints to help us approach issues from every possible angle. At the same time, we recognise that employees are seeking workplaces where they feel valued and included.

Skretting operates in and with highly diverse groups in terms of gender, culture, ethnicity, nationality and ways of thinking. We're committed to ensuring this is reflected in the diversity of our people and to building an inclusive culture where all people are respected, engaged and given opportunities for personal and professional development.

Today's global challenges make it more important than ever that we have a workforce with diverse ideas, backgrounds and viewpoints to help us approach issues from every possible angle

In recent years, we have introduced some important initiatives aimed at enhancing our diversity and inclusion (D&I), including our Taking the Stage programme that empowers women colleagues in the workplace, and an initiative that has been mapping the status of relevant D&I parameters and which also seeks to identify possible shortfalls across our business, on a region-by-region basis. Initially, the focus has been on ascertaining how we are performing with regards to gender, but subsequent investigations will also look at nationality and thinking styles.

Findings will feed into and shape new action plans that will be tailored to meet each region's local needs and regulations in order that each of our Operating Companies can take full ownership of their programme and generate awareness about it.

We believe that an engaged workforce leads to a positive and productive work environment, contributing to improved business results. Therefore, we will regularly measure our people's engagement and act on areas for improvement. Though this will be led by our Human Resources (HR) department, we believe that it's a core value of being sustainable and socially responsible.

As such, we'll amplify those efforts made by HR to ensure the widest possible adoption. Alongside Nutreco, we will continue developing and implementing actions to ensure we can attract and retain a diverse workforce, while creating awareness and enabling a more diverse leadership team.

"Through RoadMap 2025, we are undertaking a hugely important five-year journey with very specific new actions and targets. While we have made a great deal of progress in recent times, it's our expectation that the Skretting that the world sees in four years' time will be much more inclusive and richly diverse in terms of its people, culture, thinking styles and ideas than it is today. That can only benefit our organisation, our people, and the communities that we operate in."

Solveig Holter,
HR Director at Skretting



RoadMap 2025 contains the following three key commitments to D&I:

One out of three hires is female

We will target having 30% women in senior leadership positions by 2025

We will further implement our Taking the Stage programme to help facilitate this transition

"As a participant in the Taking the Stage programme with other women colleagues from all over SHV, I had the opportunity to stretch my capabilities and learn from experts. While working at Skretting I have been empowered to build my confidence and share my convictions. I am truly heard. When you are heard in an organisation, you can have a real impact. That is a powerful thing."

Sophie Noonan,
Global Communications Manager at Skretting



Increasing our commitment to communities in an unprecedented year

Throughout 2020, our local teams were heavily focused on supporting their communities through COVID-19. In addition to initiatives focused directly on supporting clients, our team at Skretting Ecuador helped over 10,000 families during 2020. Those families were affected not only by COVID-19, but also by the economic downturn Ecuador is facing. Skretting Ecuador joined the government of Guayas and other private companies to implement disinfection tunnels in markets, hospitals and areas with the highest number of citizens aimed at mitigating contagions.

Further donations were made through an alliance with entities such as the Durán Chamber of Industries, the Municipality of Durán, Diakonia food bank (Archdiocese) and with supply chain food company Tiendas Industriales Asociadas (TIA SA). The donations were delivered in the vulnerable areas of Durán, close to our operations. In addition, the Durán firefighter service was thanked and supported, and the team provided them with food for seven days.

Skretting Spain contributed several donations of non-perishable products to the Burgos Food Bank to cover the dietary needs of many people over several months, which also included personal donations from Skretting Spain employees.

In addition, during the early stages of the pandemic, the company participated in an initiative developed by FAE Burgos (Burgos Business Association Confederation), to purchase personal protective equipment (PPE) for healthcare staff at Burgos Hospital University, and offered its facilities to the health authorities to carry out screening tests in the zone.

In Italy, the Skretting team joined forces with sister company Trouw Nutrition Italy to purchase a CAT scanner for the Villafranca COVID-19 hospital during one of the most challenging times for the people of Italy.

At Skretting, we believe in supporting the communities in which we operate

Our team at Skretting North America identified local food banks as an essential support system for the most vulnerable people in their local communities, and this need was amplified in 2020. Our colleagues collected funds themselves that were then matched by the company and donated to local food banks in Vancouver, St Andrews and Tooele.

At Skretting, we believe in supporting the communities in which we operate, and these and many other initiatives have demonstrated our commitment.









Training women and young people in Egypt

At Skretting, we recognise the importance of supporting people in the early stages of their career, and ensuring that they are given every opportunity to thrive within our organisation. As part of our strategy to find and nurture emerging talent, we are committed to providing challenging opportunities and a framework to guide career growth for individuals in all of the regions and communities that we operate in.

In 2020, Skretting Egypt was recognised with a Lapwing Award from our parent company SHV for an important training and employment programme it has introduced for women and young people in the country. This initiative, which is being conducted in collaboration with the Sawiris Foundation for social development and the Netherlands embassy in Egypt, has been providing training in such areas as quality and laboratory analysis, production processes, purchasing, sustainability and living our values. It's also seeking to encourage the rights of young women.

The Lapwing Awards were introduced by SHV to encourage and acknowledge all of the great work that is being done across its family of companies.

Awarded
Training & employment program

Supports
women and youth

Areas
Laboratory analysis
Production
Sustainability
Purchasing







Code of Conduct for Business Partners

In 2020, we developed a new Code of Conduct for Business Partners (CoC BP), with separate supplements for suppliers of agricultural products and marine products.

This will help Nutreco and Skretting to engage with our business partners on sustainability, compliance and integrity issues, and we will only conduct business with companies or individuals that comply with the standards set out in this Code of Conduct. If a business partner fails to comply with the Code, Nutreco may take corrective measures, including termination of the business relationship. The CoC BP is available in several key languages for our business activities.

This is an important document as it ensures that our business partners align with what we stand for at Nutreco and Skretting; feeding the world in a responsible and sustainable way. We will also take a more active approach to ensure all business partners are aware of, and comply to, our expectations. Besides incorporating the code of conduct in our major contracts we will also regularly communicate its contents, including annual notification to all our raw material suppliers. This notification will contain the most recent version of the Nutreco Code of Conduct for Business Partners with supplements, re-informing the suppliers of the expectations we have.



Translated to several languages

Facilitates the finding of fitting partners with same sustainability, compliance and intergrity standards as us

Ensures ethical business

Continuing community development with Nigerian catfish farmers

Since 2015, as part of the “creating shared value” concept adopted by Skretting and parent company Nutreco to engage with small-scale, marginalised farmers in the communities that we are present, we have been managing a project in Ibadan, Nigeria, aimed at generating opportunities through sustainable aquaculture.

Partnering with a local NGO, the Catfish Sustainability Project (CSP) has convened hundreds of local fish farmers, shared best-practice production protocols and given invaluable training to enable them to produce fish much more sustainably. The initiative is funded by Nutreco and Skretting Nigeria, and facilitated by the Justice, Development and Peace Commission (JDPC) in Ibadan.

The Catfish Sustainability Project has convened hundreds of local fish farmers, shared best-practice production protocols and given invaluable training to enable them to produce fish much more sustainably

In January 2020, the fourth phase of CSP got underway with a target of adding a further 233 catfish farmers to the existing 467 project beneficiaries. At the end of the year, 175 new beneficiaries were added, totalling 642 catfish farmers (comprising 519 males and 123 females in 35 catfish farmer groups). Some 264 of the farmers accessed 247,275 kg of feed through the revolving feed input support provided between January-December 2020.

Through frequent capacity development programmes, those farmers in the project saw clear improvements in sales and income. Despite the COVID-19 pandemic affecting farmers’ sales, 47.96% of the existing catfish farmers and 22.8% of the new farmers increased their income from catfish production and marketing by 34.8%.

Following the objective of encouraging sustainable aquaculture system, the catfish farmers were frequently trained on best management practices, while implementation was ensured through constant monitoring and technical advisory services. Some 69% of these producers adopted these innovative best aquaculture practices, achieving an average fish survival rate of 93.5%. These elements contributed to an average income of 548,641 Naira (EUR 1,100 approximately) for each participating catfish farmer in 2020.

In 2021, we intend to scale-up the number of project beneficiaries to 850 farmers. At the same time, more programmes to help improve farmers’ adherence with best management practices, training and capacity development will be carried out for current and new groups. Additionally, the CSP team is working towards the provision of a revolving fund (feeds) for catfish farmers and to link them up with existing groups and institutions through learning visits.



Read more about this project here - Nutreco Sustainability Report 2020

48% of the existing catfish farmers

Increased production and marketing by 35%

23% of the new catfish farmers

Health and safety

In 2020, following Nutreco's progress, Skretting stepped up its efforts to ensure continued improvement in health and safety across the division. In February 2020, an HSE workshop was organised by SHV involving all of its companies. Among the items discussed and agreed were HSE related goals, targets and KPIs. This SHV-wide alignment in KPI reporting means a change for Nutreco and Skretting. Historically, Nutreco measured Lost Time Injuries (LTIs) and the HSE Audit score. The division updated the KPI reporting - changing from lagging indicators to leading indicators, with an increased focus on systemic issues and incident management. At the same time, the significant backlog in corrective actions critical to personnel safety was addressed. The status of these KPIs are reviewed monthly in business review meetings.

The Skretting global HSE networks were also formed, seeking out and spreading best practices throughout the division. Sharing best practices has been vital for the developments in safety in 2020. The main objective is to recognise the best method of doing something and to distribute the knowledge and experience obtained.

Skretting continued to roll-out Nutreco's Life Saving Rules across the division. An e-learning formed the basis of this effort, with specific focus put on Severe Injuries and Fatalities (SIFs) and Potential SIFs (PSIFs). Any failure of the Live Saving Rules is considered to be a PSIF.

Lessons From Incidents (LFIs) were distributed across the company, including what happened, the causes and actions that are to be taken to address the risk at other facilities with similar operations.

Our Skretting Safety Champions were also challenged to organise activities related to the central theme, with around 30 such actions held throughout the division.

Global teams organised webinars on safety leadership and lifesaving rules. For example, some local teams produced a webinar with their General Managers, Production Directors and HSE Engineers on health and safety.

Our youngest family members also joined in the action through an art contest with the theme: What does it look like when mom, dad, grandma or grandpa work safely?

Leading indicators		Target	2020	2019
Title	Indicator			
Annual Safety Maturity Assessment	Reactive - Interdependent	NA*	NA*	NA
Annual Training Maturity Assessment	% Trained & competent	100% competent by 2025	NA*	NA
Overdue/open corrective actions Incidents	# overdue actions/ # open actions	0/0	0/0	204/431
Overdue/open corrective actions Audit	# overdue actions/ # open actions	0/0	112/141	204/431
Lagging indicators				
Severe injuries & Fatalities (SIF)	# SIFs	NA**	0	NA
Potential Severe injuries & Fatalities (PSIF)	# PSIFs	NA**	29	NA
Total Recordable Case Frequency (TRCF)	TRCF	NA**	1.17	NA

*Not all KPI's have been measured yet as the projects are still being completed
**There are no targets for lagging indicators

Feed ingredients used to produce farmed fish and shrimp

Like humans, fish and shrimp have specific nutritional needs. These needs vary across species and life stages. Aquaculture feed can contain many different ingredients of vegetable, marine and land animal origin. These ingredients contribute nutrients like protein, amino acids, energy, fatty acids, vitamins and minerals to the finished feed, ensuring the fish and shrimp receive a complete nutritional package. We source our primary feed ingredients from agricultural crops, fisheries and by-products from human food processing.

Our current global feed ingredient usage is comprised of a significant amount of by-products. These are ingredients from the human food processing chain that would otherwise be wasted if not used in the feed industry. Examples can include by-products from processing of fish and land animals, and other materials like brewer's yeast.

Aquaculture is part of the emerging bioeconomy - comprised of those parts of the economy that use renewable biological resources from land and sea, such as crops, forests, fish, animals and micro-organisms to produce food.

We are actively searching for ingredients that will result in more innovative, low emission aquaculture feeds

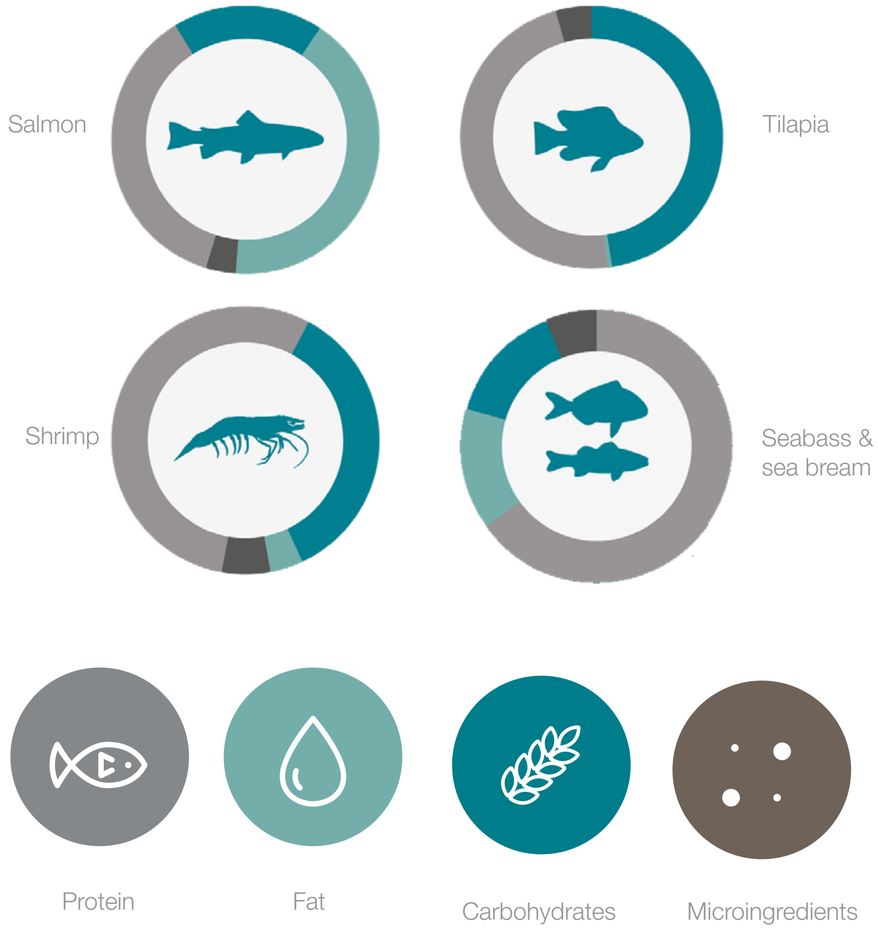
Skretting is involved in many different projects related to the use of by-products, including a research project called SYLFEED, an international and multidisciplinary 4-year project aiming to scale technology to convert wood residues into a protein-rich feed ingredient.

We are actively searching for ingredients that will result in more innovative, low emission aquaculture feeds. A reduction in emissions can come through reducing land use, reducing carbon footprint and increased use of products that are not traditionally used directly for food.

Agricultural crops represent the majority of feed ingredients for salmon, shrimp and tilapia. Marine ingredients are also important in salmon and shrimp diets.

Many years of research at Skretting ARC have meant that we can be increasingly flexible in the way that we use ingredients. We consider ingredients as carriers of nutritional components, and with advanced nutritional understanding we are less limited by the source ingredients.

What is in fish and shrimp feed?



Inclusion of different nutrients in Skretting feed

This table gives an overview of the ingredients included in Skretting feeds, together with averaged inclusion percentages.

	Primary raw material	Ingredient group	Typical examples	Salmon	Seabass & sea bream	Shrimp[2]	Tilapia	Average Skretting
				average % inclusion in feed				
Protein	Wild capture and farmed fish and crustaceans	marine proteins	fishmeal crustacean meal	9.5	19.9	13.3	0.8	12.4
	By-products from farmed land animals	land animal proteins[1]	poultry meal	13.4	16.7	5.8	5.4	11.2
	Agricultural crops	vegetable proteins	wheat gluten corn gluten soybean meal soy protein concentrate rapeseed meal sunflower meal lupin faba	34.3	32.7	38.7	44.5	35.8
Fat	Wild capture and farmed fish and crustaceans	fish oil	fish oil	9.8	10.0	3.2	0.3	7.5
	Agricultural crops	vegetable oils	rapeseed oil soybean oil camelina oil	19.3	3.5	2.4	0.3	10.4
	By-products from farmed land animals	land animal oils[1]	poultry oil	1.4	0.3	0.1	-	0.9
Carbohydrates	Agricultural crops	starch raw materials	wheat	10.1	15.1	30.4	44.6	18.3
Micronutrients	Micronutrients	vitamins minerals pigments	vitamin premixes mineral premixes pigments	2.2	1.8	6.2	4.2	3.3

1 Use of land animal by-products will depend upon market acceptance and legislation
2 Level of starch raw materials will be different in extruded and pelleted feed

The origin of our soy ingredients

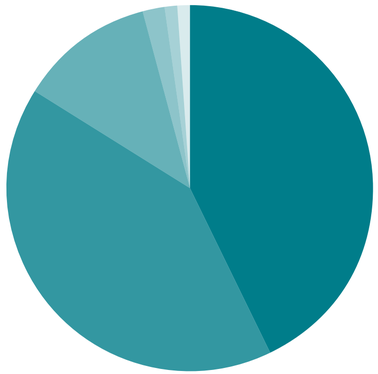
As stated in "Our new sourcing policy" chapter, the launch of the Soy & Oil Palm Sourcing Policy in 2020 was an important milestone in our commitment to address deforestation, the major sustainability challenge for our industry. As part of that, we have increased our efforts to trace the ingredients back to the country in which they were cultivated, which is a step further to our current traceability of the country of origin of the manufacturer that we source from. This additional step allows us to have a more detailed overview of the challenges we face when sourcing these ingredients for our feeds.

During 2020, 84% of the soy ingredients purchased by Skretting were identified as cultivated in North and South America, whereas the rest came from Asia, Europe and Africa. There is still 1% of our global purchases for which we did not have full traceability of the country of cultivation, but we are working to improve our systems and collaboration with suppliers to have the full picture during 2021.

A highlight compared to our previous report was that 79% of our global purchases of soy ingredients during 2020 were deforestation-free based on either it's country-of-cultivation or due to third party certification schemes such as ProTerra, improving the 33% recorded in 2019.

Class	Percentage	Sustainability claim
A	79	Skretting's soy and oil palm ingredients are deforestation-free
B	10	Skretting supports the production of deforestation-free feed ingredients from soy
C	0	The soy ingredient meets the FEFAC soy sourcing guidelines, e.g. no illegal deforestation has occurred
D	10	The soy ingredient(s) can be traced back to their country of cultivation
Unclassified	1	

Skretting's purchases of soy ingredients according to country of cultivation



43% South America
41% North America
12% Asia
2% Africa
1% Europe
1% Unknown

A highlight compared to our previous report was that 79% of our global purchases of soy ingredients during 2020 were deforestation-free based on either it's country-of-cultivation or due to third party certification schemes



The origin of our marine ingredients

Wild fish harvested from the ocean and processed into fishmeal and fish oil are typical ingredients of many aquaculture feeds. Typically, small pelagic fisheries are used by the fishmeal and fish oil industry, indeed most of the fishmeal and fish oil that Skretting sources is from such fisheries, but in some regions, these resources are also important for direct human consumption. Skretting strives to ensure that all of its marine-based feed ingredients come from sustainable sources. This requirement includes the aim to align industry incentives that support processes that lead to improved fisheries management.

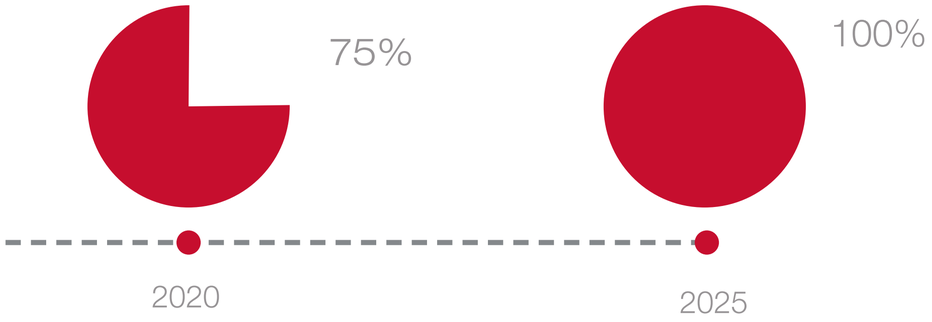
Skretting strives to ensure that all of its marine-based feed ingredients come from sustainable sources

Our ambition is that all fishmeal and fish oil we use originates from fisheries that are managed according to the FAO Code of Conduct for Responsible Fisheries.

This means that our suppliers must be able to demonstrate that the fishmeal and fish oil is certified according to the MarinTrust standard (which includes Marine Stewardship Council certification), or be participating in an improvement project with the aim of becoming MarinTrust certified.

In 2020, 75% of fishmeal and fish oil originating from whole fish that was purchased by Skretting came from fisheries certified according to the MarinTrust or MSC programmes, or from fisheries that were part of a MarinTrust fishery improvement programme (FIP). Our sustainability roadmap has the goal that by 2025 100% of fishmeal and fish oil purchased by Skretting will be MarinTrust certified or participating in a MarinTrust improvers programme.

Percentage of fishmeal and fishoil coming from whole fish - certified fisheries



Origin	None	MarinTrust FIP	MarinTrust	MSC	Certified / in a MarinTrust FIP
Whole fish %	16	1	43	30	75
Trimmings %	27	8	44	8	60
Total %	21	4	43	21	69

1) Data on marine ingredients origin and certification are based on Skretting global purchases. For 10% of our global purchases, we had incomplete information to determine certification status. Also excluded are data from Zambia, Nigeria, Honduras and partly China.

Fisheries of origin

Aquaculture feeds often contain fishmeal and fish oil that have been processed from wild-caught fish. These fisheries are sometimes referred to as ‘reduction fisheries’, where all catch is delivered to a factory for processing.

The small pelagic fish species caught for this purpose are commonly known as ‘forage fish’, and are often small, short-lived species like sardine, anchovy and herring that occupy a low trophic level in the marine ecosystem. Due to their specific population biology and dynamics, these species are frequently resilient to fishing pressure if catch is well managed, but overfishing is always a possibility without effective controls.

In some regions these species are important for direct human consumption. Through our sustainability programme, we strive to ensure that marine feed ingredients come from sustainable sources in the short- and long-term. We actively work to align industry incentives to support processes that will lead to improved fisheries management.

In addition to wild-caught fish, we are increasing the use of by-products from the processing of fish for human consumption. These offcuts are valuable as a raw material from which fishmeal and fish oil is often produced. It is estimated that approximately one third of fishmeal is made from by-products. This also makes it possible for us to use feed ingredients that are not in direct competition with human nutrition, and which support the development of a circular economy.



Fish species that make up the origin of fishmeal and fish oil produced from whole fish purchased by Skretting in 2020

Species	Fishmeal %	Fish oil %
Anchovy spp	19	17
Sardine spp	16	18
Blue whiting	14	-
Sand eel	11	7
Atlantic salmon (farmed)	-	7
Sprat	9	6
Menhaden	5	5
Norway pout	4	2
Herring	4	6
Jack mackerel	3	5
Mackerel	2	3
Peruvian anchoveta	1	13
Pacific anchoveta	-	3
Blue mackerel	1	-
Sheat fish	1	-
Others*	9	9
Sum	100	100

*Species classified as others are identified but grouped together as it consists of a big variety of species

In 2020, 40% of Skretting's fishmeal and fish oil came from trimmings and by-products, compared with 27% in 2019. Most of these by-products originated from wild capture fish processing for human consumption, but we have seen an increased use in by-products from processing of farmed species like salmon, tilapia and shrimp.

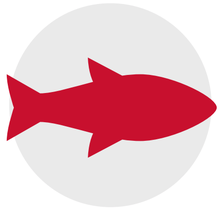
By-products are collected from processing activities conducted by seafood companies, retailers, aquaculture operations, and onboard fishing vessels and more. Skretting's ambition is that all the fishmeal and fish oil derived from trimmings can be traced back to its fishery origins and species of fish. These species must not be listed as endangered on the IUCN Red List of Threatened Species.

In 2020, most of fishmeal and fish oil made from trimmings and used in Skretting feed originated from the processing of tuna and other fish species that are commonly used for human consumption, such as mackerel and yellowtail. Some also originated from the processing of small pelagic species like herring and anchovy. Trimmings from aquaculture species, such as salmon, is also becoming a significant source of fishmeal and fish oil.

14 LIFE BELOW WATER SUSTAINABLE DEVELOPMENT GOALS

Fish species that make up the origin of fishmeal and fish oil produced from trimmings purchased by Skretting in 2020

Origin marine ingredients



60%

Whole fish



40%

Trimmings

Species	Fishmeal %	Fishoil %
Atlantic salmon (farmed)	-	26
Yellowtail	19	-
Skipjack tuna	18	2
Tuna spp	9	9
Yellowfin tuna	8	2
Chub mackerel	7	3
Sardine	6	4
Herring	5	13
Frigate tuna	5	2
Mackerel	4	6
Anchovy spp	-	4
Pollock	-	3
Menhaden	-	2
Jack mackerel	1	4
Araucanian herring	1	-
Shortfin scad	1	-
Hake	1	-
Tuna trimmings	1	-
Pacific anchoveta	1	-
Peruvian anchoveta	-	1
Araucanian herring	-	1
Other species*	14	20
Sum	100	100

*Species classified as others are identified but grouped together as it consists of a big variety of species used for human consumption.

This table shows the main fisheries from which we purchase some of our fishmeal and fish oil. The exact proportion of fishmeal and fish oil purchased from these fisheries will vary by country, and can vary over time.

The information provided below is adopted from the report by the Sustainable Fisheries Partnership "Reduction Fisheries: SFP Fisheries Sustainability. Overview 2020"

Stock species[1]	FIP information[3]			Certifications				MBAq Seafood watch (year assessment)[7]
	FIP name	FIP start year	FIP progress rating	MarinTrust	MSC[4]	Date of first MSC certification	# of MSC fisheries[5]	
Antarctic krill - Atlantic Southern Ocean	-	-	-	-	Cert, Sus[8]	June 2010	3	Good alternative (2017
Blue whiting - NE Atlantic	-	-	-	Yes	Cert	Jun-16	4	-
Gulf menhaden - Gulf of Mexico	-	-	-	Yes	FA	-	1	Good alternative (2015)
European sprat - Baltic Sea	-	-	-	Yes	Cert, FA,Wdrn	May 2017	3	-
European sprat - North Sea, Skagerrak and Kattegat	-	-	-	Yes	Cert, Wrdn	March 2017	3	-
Sandeels nei - Central Eastern North Sea	-	-	-	Yes	Cert	March 2017	2	-
Norway pout - North Sea	-	-	-	Yes	Cert	March 2017	2	-
European pilchard - NW Africa central	Morocco sardine - pelagic trawl and seine	2014	A	Yes[2]	-	-	-	-
Araucanian herring - Central-South Chile	-	-	-	Yes	-	-	-	-
Chilean jack mackerel - SE Pacific	-	-	-	Yes	Cert, FA	April 2019	2	-
Atlantic menhaden - NW Atlantic	-	-	-	Yes	Cert	September 2019	1	Good alternative (2015)
Anchoveta - Peruvian Northern-Central	Peruvian anchovy - industrial purse-seine	2017	A	Yes	-	-	-	-
Anchoveta - Peruvian Northern-Central	Peruvian anchovy - small scale purse-seine	2017	A	-[6]	-	-	-	-
Anchoveta - Southern Peru / Northern Chile (regions XV-I-II)	-	-	-	Yes	-	-	-	-
Anchoveta - Chilean Central Southern (regions V-X)	-	-	-	Yes	-	-	-	-

Click here to view the report by the Sustainable Fisheries Partnership

Notes: (1) This list covers fisheries from the reduction fisheries sector that are associated to one or more active fishery improvement projects (FIPs), or the certifications and rating programs considered. (2) Certified by MarinTrust as "by-product" fishery (for more information visit the MarinTrust website). (3) For more information on the currently active FIPs, please visit the Improvement Projects section in FishSource or the respective FIP public reports in Fishery Progress (FishChoice 2019). (4) MSC Status: Cert = Certified; FA = Full Assessment; Sus = Suspended; Wdrn = Withdrawn. (5) Refers to the number of fisheries that are in the MSC program and that overlap with the stock (source: SFP 2019; MSC 2019). (6) In Peru, the artisanal fishery for anchoveta must be used for human direct consumption only, thus it is outside of the scope of IFFO and the current overview. (7) Monterey Bay Aquarium Seafood Watch categories (MBAq 2019): Best Ch. = Best Choice; Good Alt. = Good alternative; Av = Avoid. Year assessment refers to the year the latest Seafood Watch assessment was conducted for the respective fishery. (8) The Rimfrost Antarctic krill MSC fishery has been suspended since June 2017. (9) There are improvement activities underway in this fishery, but it is still not evaluated as to meeting the requirements of a formal FIP. (9) The existing FIP was also recently accepted into the MarinTrust improvement program.

Stock species[1]	FIP information[3]			Certifications				MBAq Seafood watch (year assessment)[7]
	FIP name	FIP start year	FIP progress rating	MarinTrust	MSC[4]	Date of first MSC certification	# of MSC fisheries[5]	
Capelin - Barents Sea	-	-	-	Yes	-	-	-	-
European pilchard - NW Africa southern (Morocco)	Morocco sardine - pelagic trawl and seine	2014	A	Yes[2]	-	-	-	-
Sandeels nei - Dogger Bank	-	-	-	Yes	Cert	March 2017	2	-
Capelin - Icelandic	-	-	-	Yes	Cert	April 2017	1	-
Indian oil sardine - Goa	Indian oil sardine	2018	C	-	-	-	-	-
Pacific chub mackerel - Ecuador	Ecuador small pelagics	-	-	Yes[2,9]	-	-	-	-
Frigate tuna - Ecuador	Ecuador small pelagics	-	-	-[9]	-	-	-	-
Indian oil sardine - Maharashtra	Indian oil sardine	2018	not rated	-	-	-	-	-
Boarfish - NE Atlantic	-	-	-	Yes	-	-	-	-
Pacific anchoveta - Pacific Panama	Panama small pelagics	2011	A	-	-	-	-	-
South American pilchard - Gulf of California	-	-	-	Yes	Cert	July 2011	1	-
Pacific thread herring - Panama	Panama small pelagics	2011	A	-[9]	-	-	-	-
Pacific thread herring - Gulf of California	-	-	-	Yes	Cert, Wdrn	July 2011	3	-

Notes: (1) This list covers fisheries from the reduction fisheries sector that are associated to one or more active fishery improvement projects (FIPs), or the certifications and rating programs considered. (2) Certified by MarinTrust as “by-product” fishery (for more information visit the MarinTrust website). (3) For more information on the currently active FIPs, please visit the Improvement Projects section in FishSource or the respective FIP public reports in Fishery Progress (FishChoice 2019). (4) MSC Status: Cert = Certified; FA = Full Assessment; Sus = Suspended; Wdrn = Withdrawn. (5) Refers to the number of fisheries that are in the MSC program and that overlap with the stock (source: SFP 2019; MSC 2019). (6) In Peru, the artisanal fishery for anchoveta must be used for human direct consumption only, thus it is outside of the scope of IFFO and the current overview. (7) Monterey Bay Aquarium Seafood Watch categories (MBAq 2019): Best Ch. = Best Choice; Good Alt. = Good alternative; Av = Avoid. Year assessment refers to the year the latest Seafood Watch assessment was conducted for the respective fishery. (8) The Rimfrost Antarctic krill MSC fishery has been suspended since June 2017. (9) There are improvement activities underway in this fishery, but it is still not evaluated as to meeting the requirements of a formal FIP. (9) The existing FIP was also recently accepted into the MarinTrust improvement program.

Stock species[1]	FIP information[3]			Certifications				MBAq Seafood watch (year assessment)[7]
	FIP name	FIP start year	FIP progress rating	MarinTrust	MSC[4]	Date of first MSC certification	# of MSC fisheries[5]	
Slender thread herring - Mexico	-	-	-	Yes	Cert	October 2016	1	-
Slender thread herring - Gulf of California	-	-	-	Yes	Cert	October 2016	1	-
Middling thread herring - Mexico Pacific	-	-	-	Yes	Cert	October 2016	1	-
Sandeels nei - Central and Southern North Sea	-	-	-	Yes	Cert	March 2017	1	-
South American pilchard - Pacific Baja California	-	-	-	Yes	-	-	-	-
Madeiran sardinella - NW Africa	Mauritania small pelagics - purse seine	2017	C	-[9]	-	-	-	-
Bonga shad - NW Africa	Mauritania small pelagics - purse seine	2017	C	-[9]	-	-	-	-
Round sardinella - NW Africa	Mauritania small pelagics - purse seine	2017	C	-[9]	-	-	-	-
European anchovy - South Africa / SE Atlantic	-	-	-	Yes	-	-	-	-
Falkland sprat - Chilea (region X)	-	-	-	Yes	-	-	-	-
Anchoveta - Chilean Central-Southern (regions III and IV)	-	-	-	Yes	-	-	-	-
South Africa redeye herring - South Africa /SE Atlantic	-	-	-	Yes	-	-	-	-

Notes: (1) This list covers fisheries from the reduction fisheries sector that are associated to one or more active fishery improvement projects (FIPs), or the certifications and rating programs considered. (2) Certified by MarinTrust as “by-product” fishery (for more information visit the MarinTrust website). (3) For more information on the currently active FIPs, please visit the Improvement Projects section in FishSource or the respective FIP public reports in Fishery Progress (FishChoice 2019). (4) MSC Status: Cert = Certified; FA = Full Assessment; Sus = Suspended; Wdrn = Withdrawn. (5) Refers to the number of fisheries that are in the MSC program and that overlap with the stock (source: SFP 2019; MSC 2019). (6) In Peru, the artisanal fishery for anchoveta must be used for human direct consumption only, thus it is outside of the scope of IFFO and the current overview. (7) Monterey Bay Aquarium Seafood Watch categories (MBAq 2019): Best Ch. = Best Choice; Good Alt. = Good alternative; Av = Avoid. Year assessment refers to the year the latest Seafood Watch assessment was conducted for the respective fishery. (8) The Rimfrost Antarctic krill MSC fishery has been suspended since June 2017. (9) There are improvement activities underway in this fishery, but it is still not evaluated as to meeting the requirements of a formal FIP. (9) The existing FIP was also recently accepted into the MarinTrust improvement program.

The use of wild fish for feed

Fishmeal and fish oil from wild fish are both finite resources that are shared across a range of users with increasing demands, from direct human consumption to aquaculture to pig and poultry production. We promote the efficient use of these resources, producing increasing amounts of farmed salmon from a given input of fishmeal and fish oil.

We regularly update the industry with the amount of wild fish used to produce 1 kg of feed, based on the average, weighted raw material composition. The use of wild fish is commonly expressed as the forage fish dependency ratio (FFDR). It is calculated based on the use of fishmeal and fish oil. With the knowledge that we have at Skretting, salmon grower* feeds essentially require zero marine ingredients. This is possible due to 30 years of R&D at Skretting Aquaculture Research Centre.

Our sustainability programme aims to support the trend toward lower the inclusion rates of marine ingredients, as well as the increasingly efficient use of marine resources

Efficiency assessments of the marine ingredients used in aquaculture are important to fully understand their contribution to the global seafood supply. Fish in:fish out (FIFO) ratios have become an important but controversial metric used to ensure that aquaculture does not negatively impact wild fish stocks.

However, the fact that several approaches have been advocated to calculate the FIFO ratio, has brought criticism – particularly that the different approaches used leads to over- or under-estimates of aquaculture's dependence on marine ingredients.

The substitution of marine ingredients with alternate feed ingredients has significantly reduced the amount of fishmeal and fish oil in aquafeed formulations for most farmed fish species, resulting in a continually decreasing FIFO ratio. Our sustainability programme aims to support the trend toward lower the inclusion rates of marine ingredients, as well as the increasingly efficient use of marine resources.

FIFO measures the amounts of fishmeal and fish oil used to produce one weight equivalent of farmed fish back to wild fish weight equivalents, while the forage fish dependency ratio (FFDR) is the amount of wild-caught fish used to produce the amounts of fishmeal and fish oil required.

Skretting recognises difference between FIFO and FFDR and how they are used by different stakeholders in different situations. That said, with a finite supply of fishmeal and fish oil, further growth of the aquaculture feed production will automatically require an even further reduction of the inclusion of marine resources in the diets.



"We believe it is more important to communicate to the media and the consumers the need for sustainable sourced marine ingredients for fish feed, as applicable for any other ingredient used in aquafeeds. These should be expected to be subjected to the same level of scrutiny applied to marine-source materials whilst also of stressing the need of reduction of FIFO within the aquaculture sector."

Trygve Berg Lea, Skretting Sustainability Manager



About Skretting

Skretting is the global leader in providing innovative and sustainable nutritional solutions for the aquaculture industry. Skretting has production facilities in 18 countries, and we manufacture and deliver high quality feeds from hatching to harvest for more than 60 species. The head office is in Stavanger, Norway.

Skretting is the aquaculture division of Nutreco, which is headquartered in Amersfoort, the Netherlands. Nutreco is owned by SHV Holdings, a privately owned Dutch trading company, regarded as one of the world's largest private trading groups. SHV is a highly diversified company, with interests in transport, retail, oil, food and financial services. It currently employs around 60,000 people and operates in 58 countries.

The vision that inspires us

Together with our customers, suppliers and partners, we lead innovation to ensure access to more sustainable, healthier and safer seafood for the world's growing population.

The values we live by

Skretting follows a global culture that is open, in which all our people care deeply about what they do, about each other and the environment in which they work. To fulfil our purpose, 'Feeding the Future', we adhere to four clearly defined core values – Innovative, Caring, Collaborative and Capable – which are adopted throughout Nutreco. Our values are underpinned by SHV's most important values of integrity and loyalty.



Our purpose: Feeding the future

Our purpose, 'Feeding the Future', is based on the challenge of feeding a global population that's forecast to reach 9.5 billion people by 2050.

The fast-growing world population, increased urbanisation, a growing middle class and changing diets will lead to a surge in demand for protein, especially in emerging markets. Our ambition is to contribute to meeting the rising food needs in a sustainable manner. We will do this by constantly seeking innovative ways to raise the efficiency and nutritional value of our products, the productivity of our activities and those of our customers, and to reduce the environmental impact of our value chains. Sustainability is not just what we aspire to do, it's what we do.

OUR PURPOSE

Feeding
the Future

In 2020 Skretting produced 2.3 million tons of aquaculture feed. Sales were the highest in Americas and Europe. The turnover for the Skretting Division in 2020 was 2.5 billion euros.

Skretting has 3,483 full time employees. Eighty-one percent of the full-time employees are men and 19% are women. The number of employees is down by 18 from 2019. Skretting employs people from 61 nations and the average age is 39.



3,483
full time employees

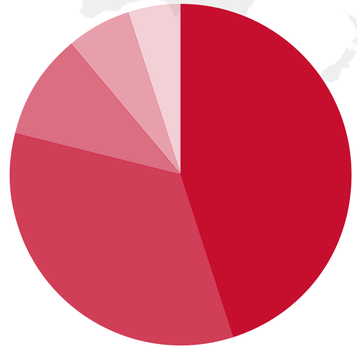
81%
men

19%
women

Average age
39

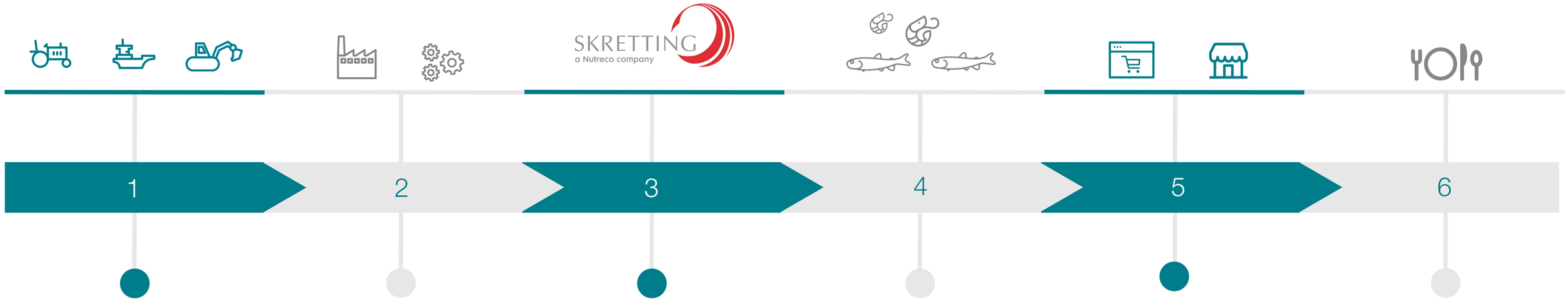
Region	Female	Male	Female %	Male %	Sum full time employees
Africa	54	707	12	88	462
Americas	163	1,071	12	87	1,234
Asia	156	707	18	82	863
Europe	256	576	31	69	832
Oceania	17	75	18	82	92
Total	607	2,837	19	81	3,483

Number of employees and gender in the different geographical regions



45% Americas
34% Europe
10% Asia
6% Africa
5% Oceania

Our role in the value chain



Primary producers

Agricultural crops, land farming and wild fisheries are directly and indirectly used for food, feed and energy. If not managed properly, primary producers of feed ingredients can contribute to a loss of biodiversity, climate change and human right violations.

Feed ingredients manufacturers

Raw materials are processed into ingredients that can be made into fish and shrimp feeds. Feed ingredients are selected for the nutrients they can provide, the absence of anti-nutritional or undesirable substances, economics and sustainability credentials.

Skretting

Skretting converts ingredients into innovative fish and shrimp feed products. Our operations are built upon a solid foundation of human resources provided with good labour conditions and a safe working environment.

Farmers

Aquaculture farmers feed their fish and shrimp to grow high-quality and nutritious food. Aquaculture farming performance is determined by animal health, nutrition and farm management.

Food distributors

Food distributors have an important role to play in promoting and advancing sustainable consumption and production of farmed fish and shrimp.

Consumers

People purchase and eat high-quality, safe and nutritious seafood – fish and shrimp.

Our operations



1 SKRETTING HQ
Head office: Skretting Group
Head office: Skretting Aquaculture Research Centre (ARC)

1 SKRETTING NORWAY
Plants: Stokmarknes, Averøy and Stavanger
Feed for: Atlantic salmon, seawater trout, cod, halibut, catfish and wrasse

2 SKRETTING FRANCE
Plants: Vervins and St Hervé
Feed for: Freshwater trout, sea bass, sea bream, turbot, salmon, catfish, tilapia, sturgeon, eel, carp and shrimp

3 SKRETTING ITALY
Plant: Mozzecane
Feed for: Freshwater trout, sea bass, sea bream, sturgeon, eel, catfish and carp

4 SKRETTING CHILE
Plants: Osorno and Pargua
Feed for: Atlantic salmon, pacific salmon, freshwater and ocean trout, tilapia, shrimp and yellowtail amberjack

5 SKRETTING SPAIN
Plant: Cojóbar
Feed for: Freshwater trout, sea bass, sea bream, turbot, sole, meagre, eel, carp, catfish, amberjack and sturgeon

6 SKRETTING CANADA
Plants: Vancouver and St Andrews
Feed for: Atlantic salmon, arctic char, pacific salmon, sable fish, sturgeon, trout, halibut and tilapia

7 SKRETTING JAPAN
Plant: Imari
Feed for: Yellowtail kingfish, red sea bream, bluefin tuna, amberjack, striped jack, sea bass, freshwater and seawater trout

8 SKRETTING AUSTRALIA
Plant: Hobart
Feed for: Atlantic salmon, chinook salmon, barramundi, yellowtail kingfish, abalone, prawn, freshwater and seawater trout

9 SKRETTING EGYPT
Plant: Belbies
Feed for: Tilapia, catfish, mullet, carp and sea bass

10 SKRETTING USA
Plant: Salt Lake City
Feed for: Barramundi, char, catfish, hybrid striped bass, koi, largemouth bass, pacific salmon, sturgeon, steelhead, tilapia and trout

11 SKRETTING TURKEY
Plant: Güllük
Feed for: Freshwater trout, carp, sea bass and sea bream

12 SKRETTING VIETNAM
Plants: Ho Chi Minh City and Long An Province
Feed for: Black tiger shrimp, whiteleg shrimp, giant freshwater prawn, red tilapia, snakehead, climbing perch, pangasius, sturgeon, Asian sea bass, grouper, cobia, clown featherback, snakeskin gourami and pompano

13 SKRETTING CHINA
Plant: Zhuhai
Feed for: Whiteleg shrimp, black tiger shrimp, trout, sea bass, snakehead, golden pompano, catfish and sturgeon

14 SKRETTING NIGERIA
Plant: Ibadan
Feed for: African catfish and tilapia

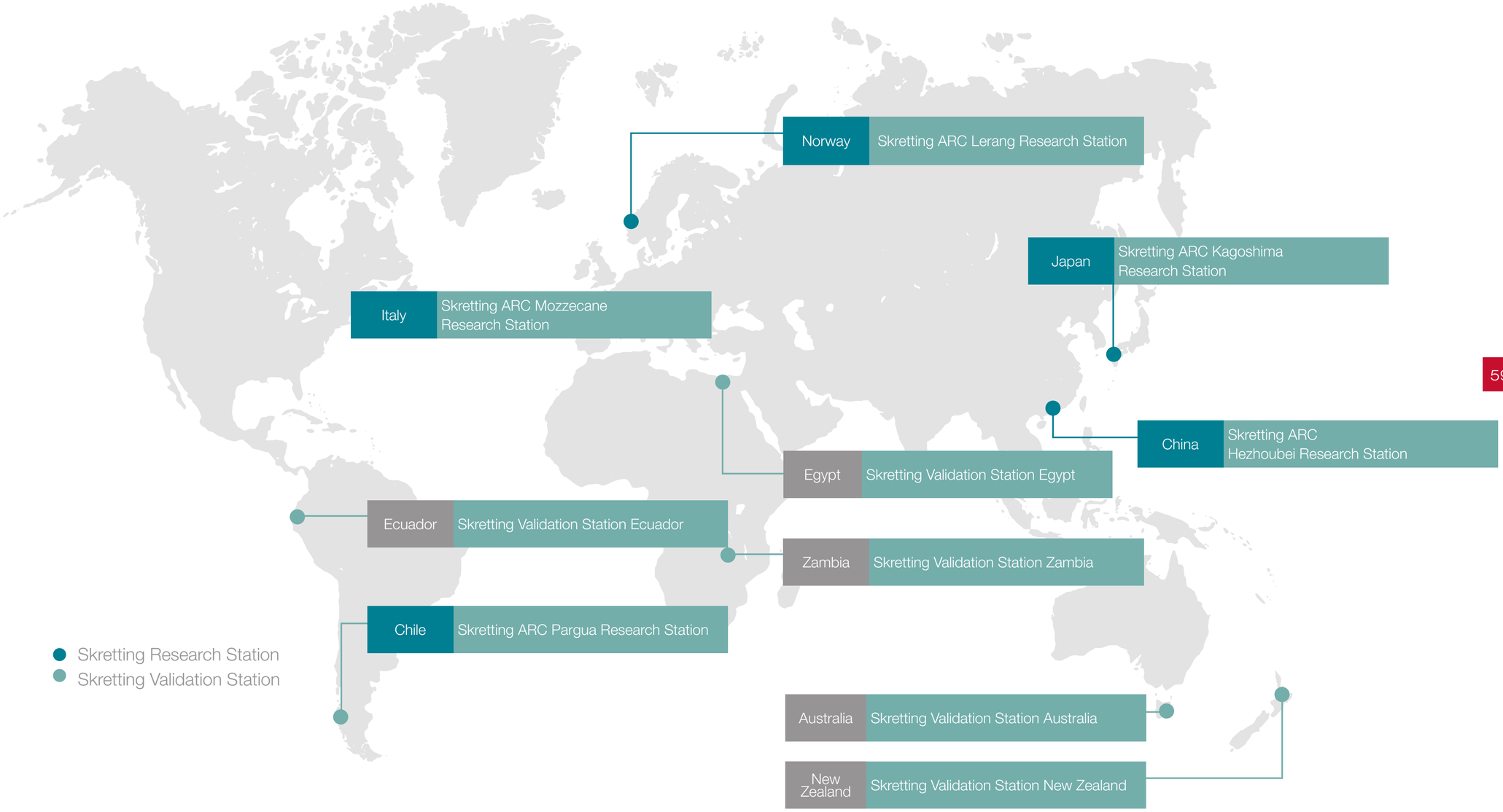
15 SKRETTING ECUADOR
Plants: Guyaquil x 3
Feed for: Shrimp, tilapia and trout

16 SKRETTING ZAMBIA
Plant: Siavonga
Feed for: Tilapia

17 SKRETTING HONDURAS
Plant: San Francisco de Yojoa
Feed for: Shrimp and tilapia

18 SKRETTING INDIA
Plant: under construction
Feed for: Whiteleg shrimp, sea bass, tilapia

Our research and validation stations



Certifications

In 2020, our OpCos continued to work closely with third-party independent bodies, customers and local authorities to ensure compliance with standards, regulations and certifications to guarantee the consistent formulation and production of high-quality animal nutrition and fish and shrimp feeds.

Skretting OpCos are certified to a number of ISO standards which help us ensure that we have consistent quality systems and continuous improvement. We are also certified according to private standards that are important for our customers to gain market access. Below is an overview of certifications and compliance held by our OpCos.

nutrace

Nutrace® is Skretting's company-wide management programme that ensures feed-to-food quality and safety. All internal operations are audited and all suppliers undergo a comprehensive evaluation and approval process to ensure premium-quality, renewable and responsibly managed resources. We conduct robust analyses of all approved raw materials - at delivery, throughout the formulation process, and up to the point of feed delivery.

	ISO 9001	ISO 14001	ISO 22000	HACCP	Global GAP	BAP	ASC Compliant	Organic	Others
ARC	■								ISO 17025
Australia	■	■		■	■	■	■		FeedSafe
Canada	■			■	■	■	■	■	
Chile	■	■			■	■	■		OHSAS 18001
China	■								
Ecuador	■			■	■	■	■	■	GMP Punto Verde
Honduras					■	■	■		GMP
Egypt	■	■	■			■			ISO 45001
France	■				■		■	■	RCNA, FQC Label Rouge
Italy	■	■		■	■		■	■	
Japan	■						■		
Nigeria			■						
Norway	■	■	■		■		■	■	Global G.A.P NON-GM
Spain	■	■	■		■		■		ISO 45001 HALAL, CIPA
Turkey	■		■		■	■			HALAL
USA	■			■	■	■			
Vietnam	■				■	■	■		
Zambia									

Compliant (= fulfilling requirements without certification).

Key stakeholders

Stakeholder engagement is the key starting point for a company, not only in terms of its sustainability reporting cycle, but also as a means to connect to its business strategy and demonstrate how a company is responsive to the legitimate needs and concerns of its key stakeholders. Stakeholder engagement is a key component that drives sustainability within Skretting.

Dimension	Stakeholder	Description & rationale
Individual	Consumers	Consumers often have important input about the sustainability of food production systems and they represent an important force in changing behavior in the food chain. They will also heavily influence the attitude of retailers and our customers when it comes to sustainability issues.
	Employees	Our people are important to us. Our company has many programmes to ensure personal development opportunities and a safe and healthy work environment. We have regular business updates and our intranet “Nutranet” provides regular update of events.
Social	Local community	Supporting local communities will secure the long-term prosperity of Skretting. Our policies and practices can create economic value in a way that also creates value for society by addressing its needs and challenges.
Economic	SHV	SHV, the owner of Nutreco and Skretting, has ambitions within the area of sustainability and have clear requirements to the sustainability performance of the companies they own and finance.
Value chain	Retailers	In many ways, retailers echo the demand and wishes of the consumer. They influence us in many ways. They set requirements to our customers and they often demand extensive documentation of our sustainability performance - for example through certification or private specification and audits.
	Farmers	Our customers are companies that produce aquaculture species typically for human consumption as seafood. Our company provides feed and in addition technical assistance through our service team and customer events. Information is made available via our website, customer magazines and we facilitate engagement through global forums, meetings and site visits.
	Suppliers	Our procurement department is actively engaged with our raw materials suppliers on a daily basis. We also have strategic engagement activities and workshops with suppliers and potential suppliers to identify opportunities or improvements within the supply chain. Suppliers are also invited to take part in the AquaVision conference.
Environmental	Legislating bodies	Governments are active in updating and developing new environmental legislation. We engage with government through our association with leading industry bodies. Our employees also give advice to government bodies on a variety of issues such as aquaculture feed legislation and issues relating to food safety.
	NGOs	Non-Governmental Organisations are instrumental in focusing on our sustainability challenges both within the environmental and social area. We cooperate with and learn from NGOs and at times we are critised for our activities. This can influence the perception of our work within the sustainability area.
Technical	Research institutes	We cooperate with many research institutes in the area of sustainability. For many years we have worked on reducing the dependency of marine raw materials. In later years more work has been dedicated towards reducing carbon emissions and deforestation. Research institutes develop new knowledge and methodology in these areas that we can use in our work.

Global stakeholder platforms

MarinTrust

MarinTrust, formerly known as the Global Standard for Responsible Supply (IFFO RS) has become the leading independent business-to-business certification programme for the production of marine ingredients. Skretting is a member of the MarinTrust governance board. The main purpose of the standard is:

- To ensure that whole fish used come from fisheries managed according to the FAO Code of Conduct for Responsible Fisheries
- To ensure no Illegal, Unreported and Unregulated (IUU) fishery raw materials are used
- To ensure pure and safe products are produced under a recognised Quality Management System, thereby demonstrating freedom from potentially unsafe and illegal materials
- To ensure full traceability throughout production and the supply chain

Sustainable Fisheries Partnership

Skretting is a sponsor of the Sustainable Fisheries Partnership (SFP). This non-profit organisation fills a specific gap between industry and the marine conservation community, utilising the power of the private sector to help less well-managed fisheries meet the environmental requirements of major markets. Their work is organised around two main principles: making available up-to-date information on fisheries for the benefit of major buyers and other fisheries stakeholders; and using that information to engage all stakeholders along the supply chain in fisheries improvements and moving toward sustainability.

SFP operates through two main principles: information and improvement.

Global Salmon Initiative

An important way in which Skretting is helping advance the salmon sector is through its membership of the Global Salmon Initiative (GSI). In partnership, GSI salmon farmers and feed companies have committed to working precompetitively together to accelerate progress towards ever increasing standards of sustainability for the farmed salmon industry, and to driving progressive innovation in the feed sector.
Skretting is a proud Associate Member of GSI. These are organisations that have a shared interest in the continued growth and prosperity of the farmed salmon industry as well as a shared commitment to improving the sustainability of the sector.

Associate Members work closely with the GSI members on specific projects where shared knowledge and collaborative working will support accelerated progress.

The ProTerra Foundation

Skretting is member of the ProTerra Foundation which is a not-for-profit organisation that advances and promotes sustainability at all levels of the feed and food production system. A commitment to full transparency and traceability throughout the supply chain and concern for corporate social responsibility and the potential detrimental impact of herbicide-resistant, genetically modified crops on ecosystems and biodiversity is at the heart of everything we do.
Independent third-party certification is central to the Proterra Foundation.

ProTerra certification ensures that high quality supplies of crops, food, and feed are independently certified and produced with improved sustainability.

UN Global Compact

Nutreco is a member of The United Nations Global Compact programme. This is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labor groups and civil society. Nutreco has been a member since 2015.

SeaBOS

In 2020, Skretting continued to be a key contributor to the Seafood Business for Ocean Stewardship (SeaBOS) initiative. CEOs from the 10 largest global seafood companies have joined forces through SeaBOS to create transformative change.

The work is divided into five task forces: (1) Illegal, Unreported and Unregulated (IUU) Fishing & Modern Slavery, (2) Transparency and Traceability, (3) Improving Regulations, (4) Internal Governance and (5) Innovation.

Round Table on Responsible Soy

Nutreco is member of the Round Table on Responsible Soy (RTRS), which is a civil organisation that promotes responsible production, processing and trading of soy on a global level.

RTRS encourages current and future soybean to be produced in a responsible manner to reduce social and environmental impacts while maintaining or improving the economic status for the producer through the development, implementation and verification of a global standard.

Roundtable on Sustainable Palm Oil

Nutreco has been a member in good standing of the Roundtable on Sustainable Palm Oil (RSPO) since near its inception. Committed to this multi-stakeholder platform, we purchase green palm certificates for all our palm oil products excluding kernel oil.

New York Declaration on Forests

Skretting is a signatory of the New York Declaration on Forests (NYDF), which is a voluntary and non-binding international declaration to take action to halt global deforestation. It was first endorsed at the United Nations Climate Summit in September 2014, and by October 2017 the NYDF supporters grew to include over 191 endorsers: 40 governments, 20 sub-national governments, 57 multi-national companies, 16 groups representing indigenous communities, and 58 NGOs. These endorsers have committed to doing their part to achieve the NYDF's 10 goals and follow its accompanying action agenda.

Aquaculture Stewardship Council

Established in 2010, the Aquaculture Stewardship Council (ASC) is a robust and credible environmental/social standard in the farmed seafood sector. It currently has over 1.6 million tonnes of farmed seafood independently certified and compliant to the standard. Nutreco's Sustainability Director sits on the Supervisory Board of the ASC. Currently Skretting is a member of the steering committee overseeing the work related to develop an ASC Feed Standard.

Sustainable Shrimp Partnership

Skretting is a founding member of the Sustainable Shrimp Partnership (SSP), a group of leading companies who share one mission: to make shrimp aquaculture a clean, stable, and successful practice for the world. In order to reach that goal, the leaders have set a clear and ambitious plan to elevate the whole sector to the next level.

Global Aquaculture Alliance

Skretting is a member of the Global Aquaculture Alliance (GAA), an international non-profit organisation that promotes responsible aquaculture practices through education, advocacy and demonstration.

For over 20 years, GAA has demonstrated a commitment to feeding the world through responsible and sustainable aquaculture.

It does this by providing resources to individuals and businesses worldwide who are associated with aquaculture and seafood. They improve production practices through partnerships with countries, communities and companies, as well as online learning and journalism that has an active readership in every country of the world.

GlobalGAP

Skretting is member of GlobalGAP, an organisation that has developed criteria for food safety, sustainable production methods, worker and animal welfare, and responsible use of water, compound feed and plant propagation materials. Skretting is also a member of the technical committee that oversees the GlobalGAP aquaculture standard.

European Feed Manufacturers' Federation

Nutreco is a member of the European Feed Manufacturers' Federation (FEFAC) Sustainability Committee, which meets two or three times each year in Brussels, Belgium, to address sustainability initiatives associated with the European feed industry.

A positive outcome of this committee was the roll-out of the FEFAC Soy Sourcing Guidelines, which lay out the minimum criteria that purchasing feed mills could incorporate when making their soybean, soybean meal and soy concentrate purchases.

Cerrado Manifesto Statement of Support Group

Established in 2017, Nutreco was one of 23 founding member signatories to the Cerrado Manifesto Statement of Support Group (SoS). The SoS has become the world's largest business-driven group calling for immediate action in defence of the Cerrado by supporting local and international stakeholders.

Today, there are 132 company signatories to the SoS across agro-industrial, farming and food processing, finance, packaged consumer goods, retail and foodservice and other supporter groups. Its key focus in 2019-2020 is to support the activity of the Brazilian Grupo de Trabalho do Cerrado (GTC) by accelerating the transition to deforestation and conversion-free soy production and to share knowledge and action plans with key Chinese companies and stakeholders.

The North Atlantic Pelagic Advocacy Group

The North Atlantic Pelagic Advocacy Group (NAPA) was created as a sector wide, multi-stakeholder initiative of partners to build a shared, global and non-competitive solution to complex sustainability issues in the Northeast Atlantic Pelagic fisheries .

NAPA represents retailers, foodservice companies and suppliers from EU and non-EU countries with the shared aim of sourcing sustainable and certified seafood in order to supply a growing demand for eco-labelled fish products. To achieve this, NAPA is seeking an agreement on total allowable catches for Northeast Atlantic Pelagic fisheries in line with scientific advice, and for a long-term science-based management agreement.

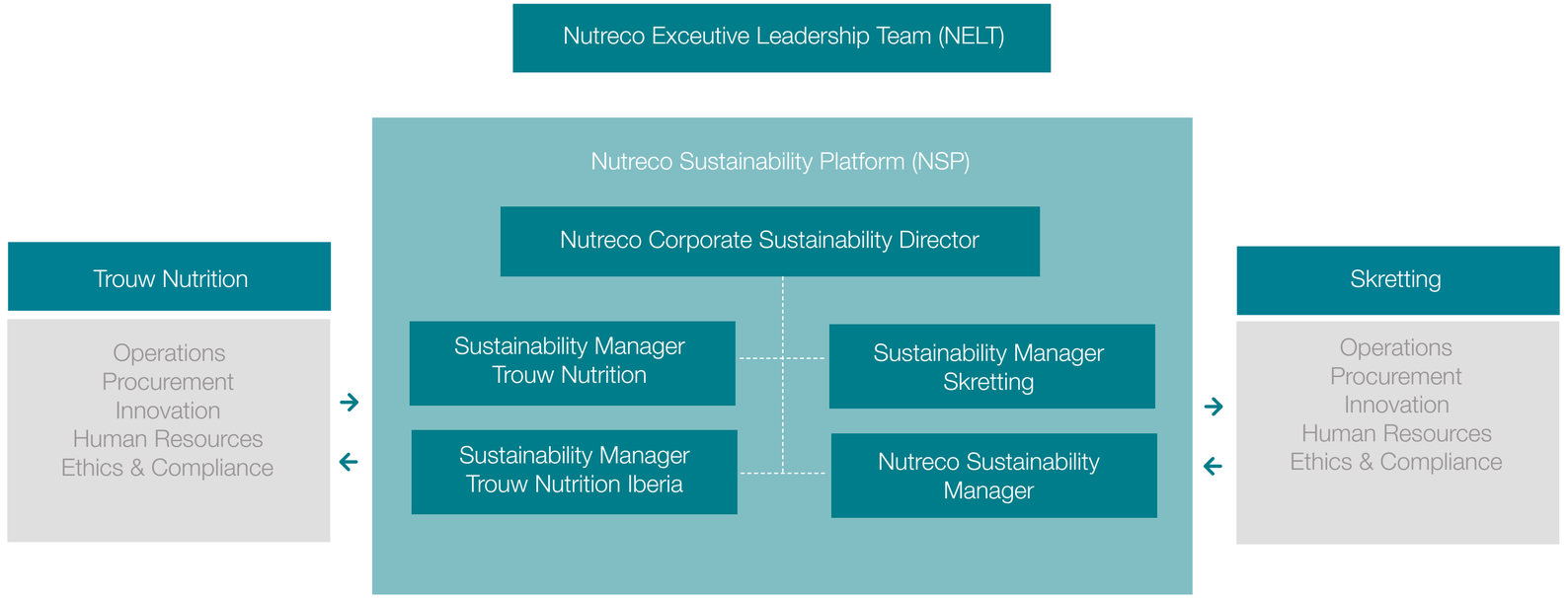
Governance

Nutreco, our parent company, is a global leader in animal nutrition through the Trouw Nutrition division, and in aquafeed through the Skretting division. In addition, it has NuFrontiers, an arm working to identify, develop and invest in next-generation breakthrough innovations throughout the value chain.

The CEO of Skretting is a member of the Nutreco Executive Leadership Team (NELT), led by Nutreco's CEO. To support the execution of RoadMap 2025, in September 2020 NELT approved a new sustainability governance that aims at embedding sustainability deeper into our business through:

- Commitment at the top: Nutreco's Corporate Sustainability Director reports to Nutreco's CEO
- Accountability will rest in NELT: Sustainability goals will be included in the annual and long-term incentives bonus remuneration plan for top management
- Strategic leadership: Nutreco provides guidance on strategy, while execution will be at division level
- Alignment across Nutreco: The divisions will work together to provide a clear and aligned execution plan for the different topics of RoadMap 2025
- Change management: Nutreco will support RoadMap 2025 through a focus on the "people side of the implementation"

Nutreco Corporate Sustainability Governance



Nutreco's Corporate Sustainability Director leads the Nutreco Sustainability Platform (NSP), comprising the sustainability managers of both divisions.

Each sustainability manager collaborates with functional departments (e.g. Procurement, Marketing, Human Resources, Ethics & Compliance, etc.) within their divisions, who will be in charge of executing the sustainability targets together with the operating companies that Skretting and Trouw Nutrition have in the world.

This allows NSP to have direct feedback from the business for the implementation of the sustainability strategy.

Ethics and compliance

Following the introduction or the new Code of Conduct in the second-half of 2019, covering all new Ethics & Compliance (E&C) policies adopted over the last three years (read story in our Sustainability Report 2019), the focus in 2020 was on fully embedding the new standards into business operations.

Although COVID-19 hampered physical contact with OpCos to a large extent, the E&C function managed to launch several initiatives to vitalise the policies in the business. E&C rolled-out the Nutreco Compliance Risk Management Framework to all OpCos, which reconciles E&C policies and control activities to be performed in the OpCos and reports on this to E&C.

This helps the business to put E&C policy requirements into daily practice and enables E&C to see where support is required. The framework produces semi-annual reports and generates action plans for OpCos where needed.

During 2020, through multi-functional cooperation, we also developed and introduced a new Code of Conduct for Business Partners. This document replaces our previous Supplier Code of Conduct and will be applied not only to raw material suppliers, but to a wider set of third-party relationships. It enables us to engage with our business partners on sustainability, compliance and integrity issues, and we will only conduct business with companies or individuals that comply with the standards set out in this code.

Although COVID-19 hampered physical contact with OpCos to a large extent, the E&C function managed to launch several initiatives to vitalise the policies in the business

At the same time, we welcome dialogue about our requirements and expect all business partners to actively address and mitigate non-conformities. These efforts adhere with the guidelines from the Universal Declaration of Human Rights, ILO and OECD and strengthen our approach with regards to protection of labour rights in our supply chain. Measures to address the above mentioned guidelines have also been included in Nutreco's Sustainability RoadMap 2025.

Additional E&C efforts included, for instance,the development of a Conflict of Interest disclosure tool, carrying out a thorough "soft controls" survey for selected OpCos, and handling of various "SpeakUp" cases that were reported via our internal SpeakUp tool or other channels.



Materiality

Our materiality assessment was done together with Nutreco. The materiality assessment was based upon 293 responses to a questionnaire sent to 700 stakeholders (a 42% participation rate). Of these responses, 35% were internal stakeholders and 65% external, of which 40% were Nutreco customers. NGOs academics, suppliers and management are also represented. A demographic analysis of participants is shown on the right side.

Our RoadMap to 2025 will be based on this materiality assessment, which addresses the major issues perceived by our stakeholders to be important or to be issues we can have influence due to our position in the food value chain.

The materiality assessment does not reflect whether an issue is material or not for society. In other words, a low material score on issues such as water use, waste generated or energy does not mean that these issues are not important for our planet, but rather that stakeholders do not believe Skretting and Nutreco have a potentially game-changing role in mitigating them. For example, we do not use enough energy or water to be a major influencer on these impacts.

The lower-tier score on climate change resulted from a misunderstanding of the scope of the issue. Respondents did not consider Nutreco's role in influencing the climate change impacts of its suppliers, and instead only considered Nutreco's relatively low manufacturing footprint. Nonetheless, at Nutreco, we assume our role as a good corporate citizen to responsibly address even issues with low materiality.

Respondents by stakeholder group

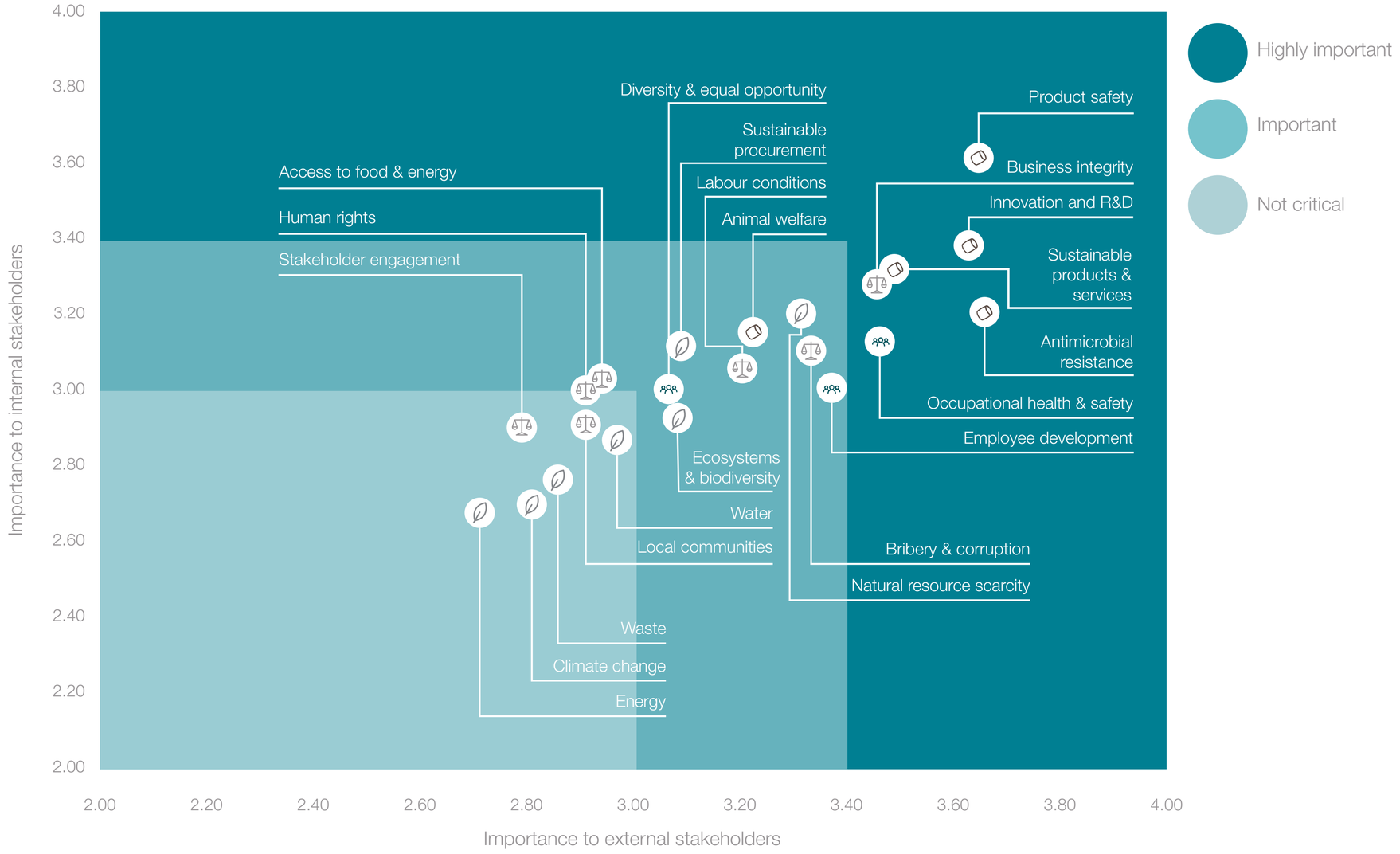


- Nutreco customer
- Nutreco Management
- Nutreco Supplier
- Nuterra Champion
- Academic
- SHV Sustainability Platform
- SHV Management
- NGO

Our RoadMap to 2025 will be based on this materiality assessment, which addresses the major issues perceived by our stakeholders to be important or to be issues we can have influence due to our position in the food value chain

Here are the results of our materiality assessment, which uses a scale of 1.0 to 4.0. If an issue scored less than three (3.0) we arbitrarily judged that, though it may be important, Nutreco's role in it is non-critical (in comparison to other industry sectors); issues scoring between 3.0 and 3.4 were considered important and material to Nutreco; and issues scoring greater than 3.4 were considered highly important and highly material for Nutreco to take priority action on.

Though we will address all issues highlighted in our materiality assessment, we will focus our resources on having a transformational impact on the highly material issues.



Environmental protection

Business integrity & ethics

Employees

Product responsibility

www.skretting.com/sustainability

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a Nutreco company

