
2021

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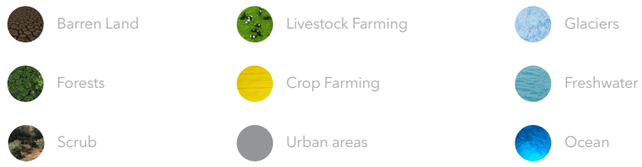


Our customers must be able to trust and rely on us as a responsible business partner with high ethical standards.

Carlos Diaz, CEO

Navigating troubled waters

Despite the challenges brought on by the pandemic, BioMar delivered a solid year in 2021. With the Russian invasion of Ukraine, the outlook for 2022 seems tough but resolvable.

In 2021 BioMar had solid growth across all markets with a significant increase in volumes and revenue. A favourable commercial position drove growth in high-end product ranges. However, the bottom-line results were affected by the global rise in raw material prices, logistics costs, and energy prices.

As we entered 2022, the year looked promising, with the pandemic effects beginning to disappear and normality gradually returning. However, another crisis quickly became a reality, which undoubtedly will affect this year for all of us.

We followed our values and took the tough decision to suspend all trade operations with Russia for feed sales and raw material procurement. Russian sales have been an important part of our business, especially for the BioMar units in Denmark and Norway. We had also sourced key raw materials from the area now affected by the conflict.

To our surprise, other major feed suppliers chose to profit from the situation rather than take a similar decision as us. Regardless of the business implications, we would make the same decision again. Why? Because it is the right thing to do.

We are not witnessing a food crisis for the people in Russia but a humanitarian crisis for the people in Ukraine.

Our customers must be able to trust and rely on us as responsible business partners with high ethical standards.

I am delighted with the work and performance of our employees and the company. We are facing a situation no one has seen before. Energy prices have spiked, commodity prices have risen significantly, and unprecedented logistics costs.

Long term strategic relations are essential for the future. We work with our customers to find sustainable commercial solutions and new contract models that take into account market volatility while driving innovation and the search for novel raw materials in a win-win relationship.

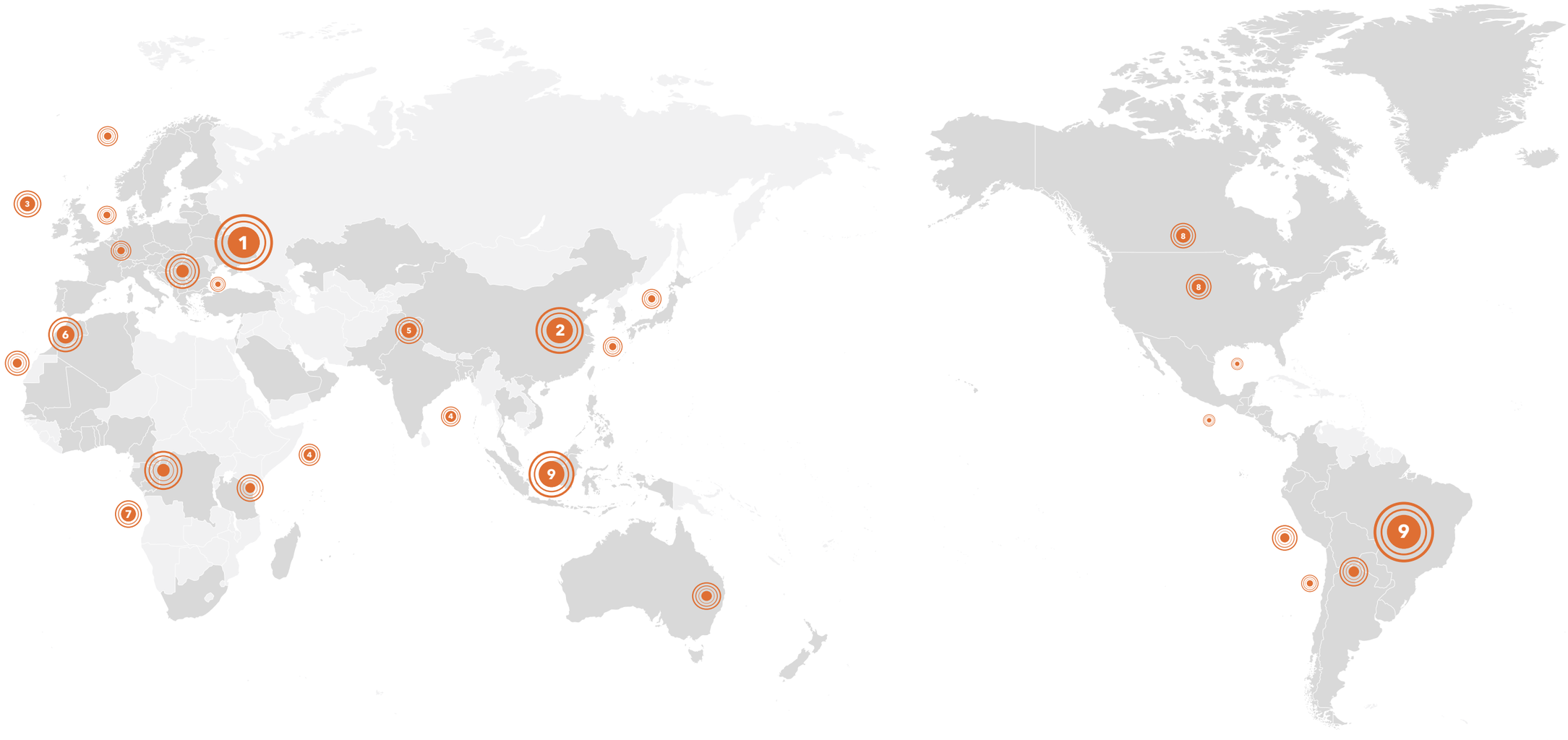
We must adapt to doing business in a new way, with sustainability more critical than ever. At BioMar, we have a long history in this field, looking for pragmatic and innovative solutions and always striving to "walk the talk". Transparency and traceability will increase in importance, so we are modernising our services with a digitalisation project that will allow efficiency for us and our customers.

At BioMar, we map, assess and mitigate all kinds of risks daily to ensure the supply of the best products and solutions. Our customers should end up in the news - not because of something we did wrong but because of what we did right.

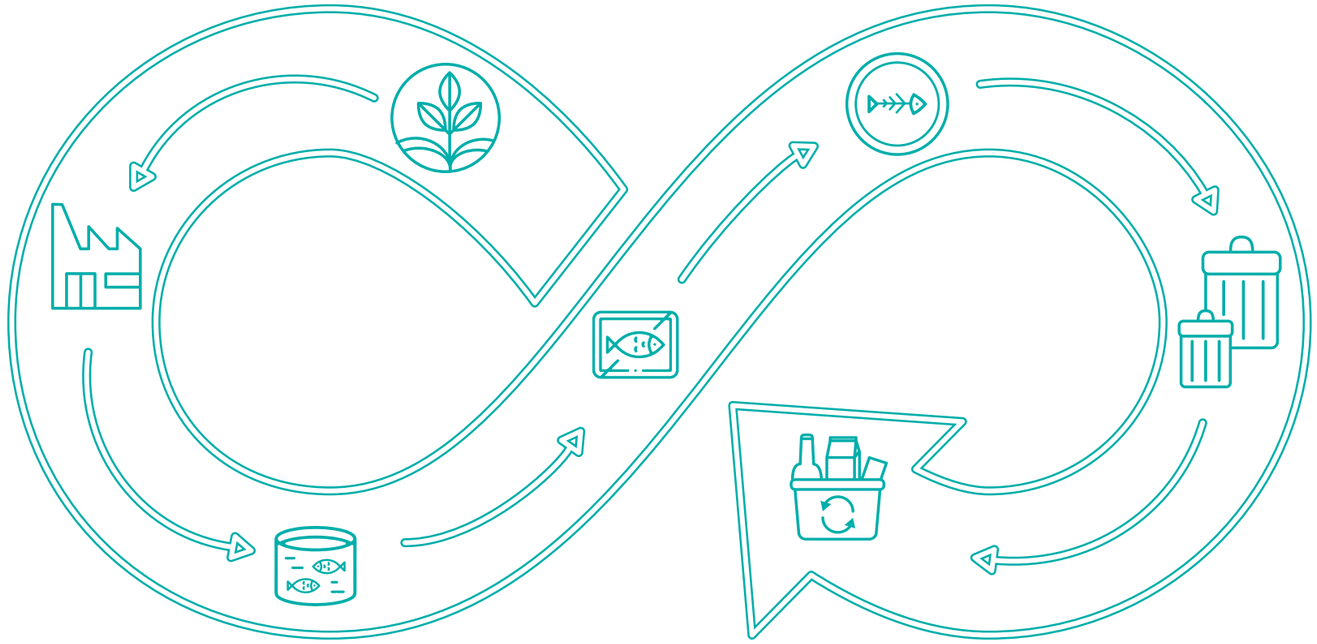
In this report, you will read about our ambitious goals and KPIs as we strive for continuous improvement. I wish to take this opportunity to thank our customers, suppliers, stakeholders and, of course, our employees for their support. Our mantra "results are created by people" has never been more relevant than in these times.

Global Commodity Challenges

Challenges in global commodity trade are numerous, varied, and prevalent worldwide. BioMar has expertise in identifying hotspots and stakeholder concerns while navigating risks to develop safe and sustainable feed solutions for our customers.



1. War, Sanctions, Supply
2. Lock-down, Supply
3. Fishery Management, Quota
4. Fishery Management, Modern Slavery
5. Land Dispute
6. Land Dispute, Resource Depletion
7. Poaching
8. Biodiversity
9. Biodiversity, Deforestation, Land Conversion
10. Ecosystem



Circular Economy Thinking

BioMar seeks to decouple feed supply chains from directly competing with food for human consumption. Tapping into unutilised waste streams is a way to add value to feed and the planet.

In a circular economy, resources are kept in use for as long as possible to extract their maximum value. Products and materials are recovered and renewed, leveraging business models designed to support this regenerative activity.

For the aquafeed sector, this means: i) identifying waste streams for direct (or minimally processed) use, such as marine or terrestrial by-products, and/or ii) upgrading/upcycling waste streams to higher-value products for use as feedstuff, such as microbial products from forestry residues.

Increasing circular raw material use is particularly important for feed producers, considering the finite and scarce supply of vital nutrients like phosphorus and omega-3 fatty acids and the ever-increasing need to reduce our competition with human food sectors. In addition, the increasing demand for bioenergy further limits resource availability due to bioenergy's heavy reliance on crops such as corn, rapeseed and plant by-products.

To meet the "50% Restorative and/or Circular Ingredients by 2030" ambition, BioMar follows the European Union's Waste Framework Directive[1] and has classified raw materials into the following categories: main products, co-products, by-products, and waste products (table 1), with by-products and waste products defined as circular raw materials.

Despite having different origins, circular raw materials have the following characteristics: (1) The value of by-products and waste products is not critical for the profitability of the main product, and (2) the raw material has little or no market for human consumption. Examples of circular raw materials include land animal and marine by-products originating from the food processing industry.

Product Classification

	Primary ingredients		Secondary ingredients	
Category	1	2	3	4
Types	Main products	Co-products	By-products	Waste Products
NRV	$$$	$$$ / $$	$$ / $	$ / 0
Nutrients	+++	+++ / ++	++ / +	+ / -
Wild fish	Oil	Meal	Trimmings	Blood
Soybean	Oil	Meal, SPC, Lecithin	Hull, distillates	
Guar	Gum	Meal		
Rapeseed	Oil	Cake, Meal		
Wheat	Meal	Flour, Gluten, Bran		
Land Animals	Meat	Milk, Leather etc	Blood-/feather-/bonemeal	
Sunflower	Oil	Meal	Fiber	
Peas	Starch	Protein	Hull	
Beans	Starch	Protein	Hull	
Krill	Oil	Protein		

Table 1: Simplified overview of raw materials and their product types classified according to the European Union's Waste Framework Directive[1]. NRV = Net Realisation Value.

Our sustainability commitment includes continual improvement in our activities through:

- Cutting-Edge Knowledge
- Certified Management Systems
- Challenging Goals for Improvements
- Advanced Technology

BioSustain™

The following tools are the core of BioMar's sustainability tool kit.

Sustainable Solution Steering

Sustainability in the aquaculture industry starts with the feed and its raw materials. Sustainable Solution Steering helps to foster the use of high quality, low-impact raw materials in feed recipes, thereby promoting sustainable aquaculture and responsibly produced seafood.

BioSustain™ is applied, science-based sustainability. We make sustainability tangible.

The Sustainable Solution Steering method, originally developed by BASF, systematically reveals risks and opportunities along the entire value chain and enables the strategic steering of a product portfolio towards greater sustainability and revenue growth.

Through BioSustain™, we commit to mitigate sustainability risks while supporting value chain sustainability ventures. We promise transparency through annual disclosures in our integrated sustainability report.

Environmental Impact Assessment

Environmental Impact Assessment (EIA) is the systematic process of identifying and quantifying the environmental consequences of a current or proposed action/product. It improves transparency, practicability, flexibility, cost-effectiveness, credibility and accountability.

With BioSustain™ LCA tool version 5, we have taken life cycle assessments in aquaculture and the aquafeed industry to another level. This tool is used strategically and for accountability to document environmental impacts and improve our business. It also provides a service to our customers and helps them increase their business' environmental competitiveness.

This is the most sophisticated and dynamic LCA tool available, based on high-quality background data and expert LCA knowledge. We use it extensively to support customers and stakeholders seeking EIA documentation for certification.

Blue Impact™

Blue Impact™ solutions are the outcomes of BioSustain™. Through the sustainability tools, methods and know-how, we enable business initiatives that materialise into products or services aimed at sustainable development. Blue Impact™ is the "umbrella" term for these solutions.

Material Flow Analysis

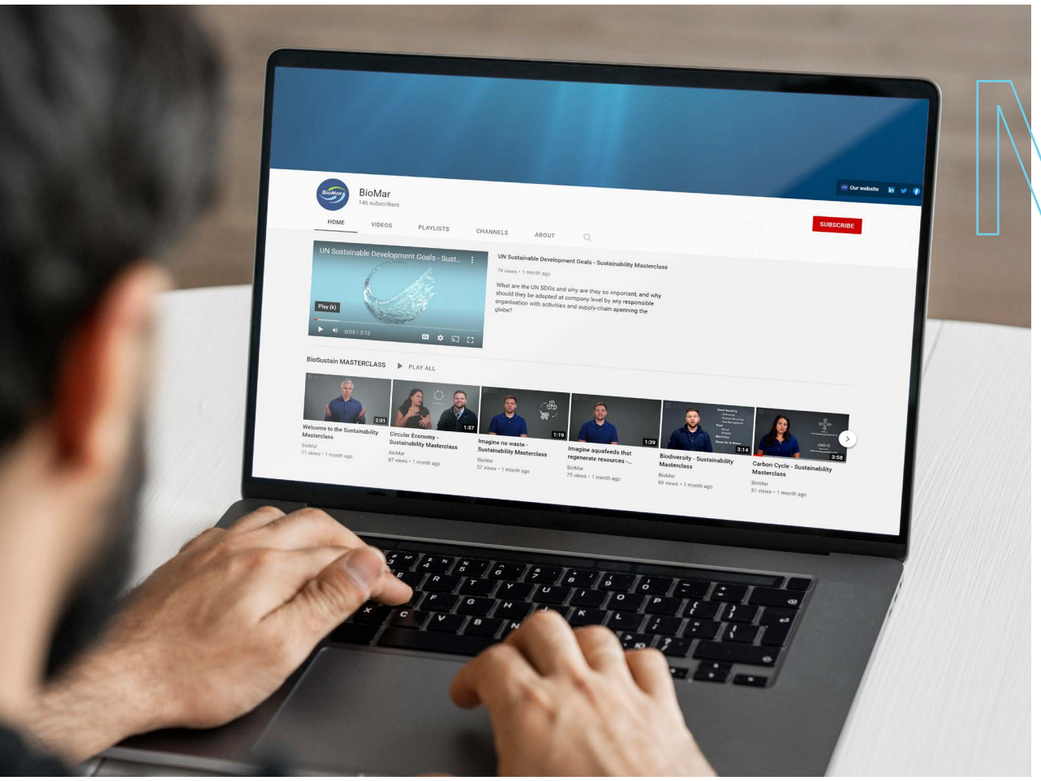
Material Flow Analysis (MFA) is an analytical tool that tracks and quantifies the consumption and losses of materials or substances within a defined system to identify strategies to optimise their use. BioMar plays an active role in building a circular economy by using MFA to map key materials and identify business opportunities for increasing recycling and closing resource loops.

For a decade and a half, we have analysed, mapped and steered our raw material and product portfolio to create and drive more sustainable solutions for the industry. We call these solutions Blue Impact™.

As feed may depend on scarce resources, BioMar prioritises minimising resource consumption and recovering and reusing by-products throughout the supply chain. We use MFA to aid in this strategic decision-making and partner with suppliers to realise our sustainability and circular economy goals.

Educational content throughout the report will be marked with our BioSustain™ Masterclass logo.

We have launched an educational platform on YouTube to share information on sustainability topics relevant to aquaculture.



MASTER CLASS

BioSustain™ Masterclass

BioSustain™ MASTERCLASS

BioSustain™ Masterclass Videos:

Welcome to the Sustainability Masterclass

Circular Economy

Biodiversity

Resource Scarcity

Carbon Cycle

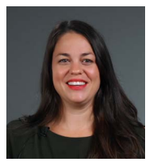
UN SDGs

Global sustainability issues are posing major challenges. Environmental issues like global warming, deforestation, water use and many more affect this planet and everyone on it every day.

In recent years, we have noticed a massive increase in sustainability interest. We have requests from all our units and departments, customers and external stakeholders.

To answer this call, we have launched an educational platform on YouTube where we share BioMar's sustainability vision, strategy and methods to achieve our goals.

We hope that our BioSustain™ Masterclass will teach both internal and external stakeholders the fundamentals regarding our methods and sustainability hotspots.



Helen Ann Hamilton, Ph.D.
Global Sustainability Manager - Technical

Erik Olav Gracey
Global Sustainability Manager - Commercial

BLUE IMPACT™

Transforming Aquaculture

Discover Tool

Feed

Analysis Reports

Customers Compliance to Standards

Meeting Customers Needs

Thought Leadership

With aquafeeds being the bottleneck to the responsible growth of the aquaculture industry, our Blue Impact™ services are designed to progressively transform aquaculture.

Blue Impact™ services are tailor-made for the aquaculture industry and are derived from our BioSustain™ programme. We use applied sustainability to ensure science-based metrics are embedded into our customers' feeds and businesses.

Aquafeed contributes up to 80% of most environmental impacts of aquaculture production. With the careful selection of raw materials, the best available technology, and cutting-edge knowledge on fish nutrition, it is possible to reduce the direct and indirect impact on the planet significantly.

Blue Impact™ uses applied, science-based sustainability to select low impact ingredients that will help to progressively transform aquaculture.

Blue Impact™ services go beyond low impact feeds and include consultancy services and digital tools like the Discover app, allowing consumers to see their seafood's sustainability and nutritional profile.

As we continue to innovate towards a sustainable future, we believe that Blue Impact™ will be the catalyst for driving change.

Introducing the BioSustain™

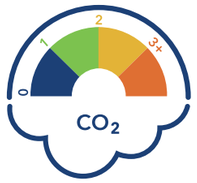
Impact Parameters

BioMar has created the BioSustain™ Impact Parameters to provide an understanding of the most critical environmental impact areas from feed production. BioMar has developed these indicators to guide and define sustainable innovation in feed and aquaculture.

Our highly skilled sustainability scientists use the most accurate data and robust scientific methodologies. We actively engage in high-level projects to improve data coverage, data quality and methodological development. We frequently use Life Cycle Assessment, Material Flow Analysis and other industrial ecology tools and methods for decision support.

At BioMar we are on a blue journey to create aquaculture feeds with the lowest possible impact on our environment. We take a holistic view of sustainability and have identified target areas of critical importance to humanity.

Quantifying and disclosing the impacts of our feeds help steer us towards a more sustainable aquaculture industry.

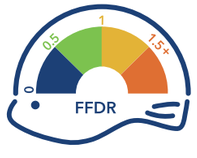


Carbon Footprint

Climate change caused by Greenhouse Gas Emissions (GHGs) is one of the biggest threats to the planet and its inhabitants. Carbon footprint is a measure of the cumulative GHG emissions from the lifecycle of a product or service expressed in CO_2 equivalents.

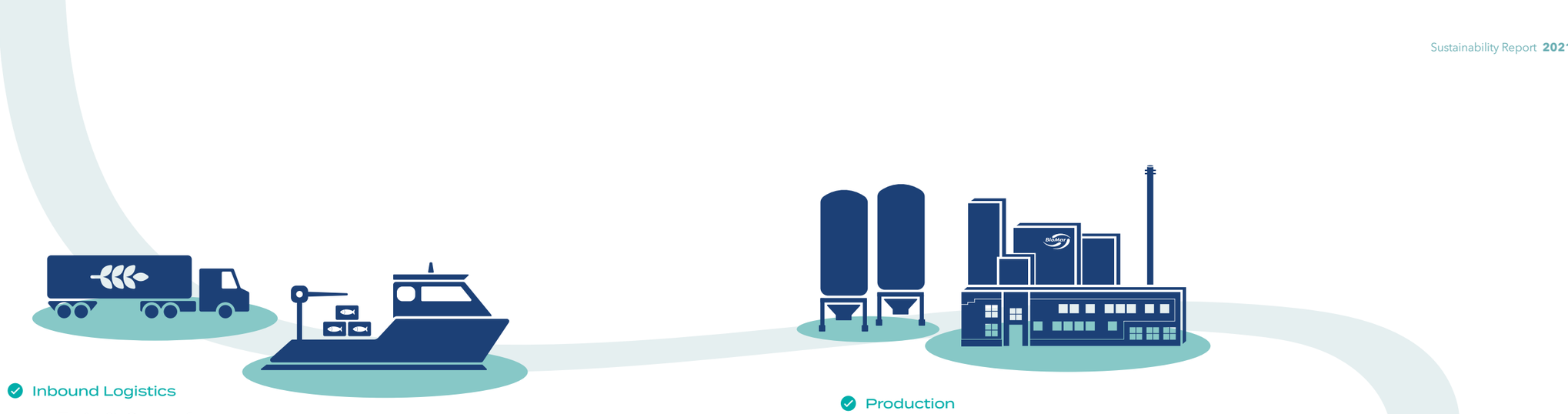
Circular & Restorative

Global food production is currently operating beyond planetary boundaries for a sustainable future. Aquafeed should therefore be decoupled from environmental degradation and direct competition with human food production. This indicator shows the percentage of circular and restorative ingredients.



Forage Fish Dependency Ratio (FFDR)

Marine ingredients are limited resources that should be used responsibly. The FFDR is a measure of forage fish equivalents utilise to produce one unit of farmed seafood.



Inbound Logistics

Production

Outbound Logistics

Sales & Marketing

Customer

Our contribution in the value chain

Key

- R&D
- Control & Quality
- HR
- Data & IT
- Finance
- Logistics
- Sustainability

BioMar has set ambitious requirements and improvement objectives for the company, which includes all departments, operations and business units. To achieve this, all BioMar factories invest in modern production facilities that meet the highest standards for environmentally friendly production.

By focusing on sustainability throughout our internal value chain, we have developed and improved our product ranges over the years to reduce the environmental impact.

It all starts with responsible purchasing of low impact raw materials and cost-effective feed production. High-quality and efficient feed types where nutrients are utilised for growth and minimal loss to the environment is a main reason why aquaculture is one of the most sustainable food production systems.

Our focus on sustainability and efficiency include; Step-by-step quality control, environmental impact assessments, full traceability, responsible transport and recycling of packaging and waste.

In addition, our proactive sales force and technical teams offer state-of-the-art solutions to our customers to improve sustainability and transparency throughout the entire value chain.

We are continuously focused on keeping our house in order and reducing the footprint from feed production.

Materiality

Sustainability is a very broad topic. It is important to understand how to prioritise and align time, resources, and investment

In 2020/21, we conducted our fourth extensive materiality assessment addressing ESG topics and updated our materiality matrix based on the results. The Governance Group (TGG), now Position Green Advisory, was used as an independent third party to do the mapping and to ensure objective inputs from all parties.

Identifying material risks and opportunities associated with sustainability strengthens risk management, improves the basis for decision-making, and allows for more targeted communication.

The matrix functions as a guide in managing our sustainability agenda and our intention is to review and adjust the matrix every 2-3 years to meet external and business contextual changes. We concentrate on the highest priority items in our Sustainability Report.

Our sustainability strategy focuses on taking responsibility, minimising negative social and environmental impacts and enhancing our positive reputation. These focus areas make up the framework for our ambitions, targets and milestones.

1. Emergency preparedness
2. Water management
3. Business partner & customer due diligence
4. Political accountability
5. Philanthropy and sponsorships
6. Employee development
7. Standards and certifications
8. Energy management
9. Waste management
10. Local pollution
11. Sustainability governance
12. Hazardous materials and chemicals
13. Climate risk
14. Diversity and equal opportunity
15. Local communities
16. Human rights
17. Carbon footprint
18. Stakeholder engagement
19. Local ecosystem impacts in use
20. Nutrition and public health
21. Supply chain risk
22. Consumer health and safety
23. Raising industry ESG standards
24. Bribery and corruption
25. Responsible use of medicines
26. Labour relations and rights
27. Environmentally responsible sourcing
28. Ethical business conduct
29. Socially responsible sourcing
30. Employee health and safety
31. Low-impact feed solutions/ products

Table 2: BioMar Group Materiality Matrix 2020/2021 conducted by The Governance Group, now Position Green Advisory.

Stakeholder Management

BioMar has a long tradition of networking and interacting with stakeholders inside and outside the aquaculture industry. This has contributed to shaping BioMar into the company it is today.

Throughout our history, lasting more than 50 years, BioMar has engaged actively in a continued dialogue with internal and external stakeholders. There have been joint projects in improving the nutritional and environmental performance of feed and developing multi-stakeholder approaches for defining the best practices in the industry. BioMar also supports and is involved in public research projects and local educational activities. These activities strongly contribute to developing our corporate culture and driving continuous improvements in our operations and products.

With regards to sustainability and ESG, stakeholder engagement is fundamentally important. Against the backdrop of new communication opportunities, such as social media, BioMar recognises that we must engage with stakeholders in new ways and that virtual and in-person representation is essential. Relating external engagement to core business activities is not an easy task. In addition, building internal awareness and interest can be challenging in a global environment.

Our goal is to reach out to all interest groups to discuss and transform information and learn from business intelligence. The first step is mapping our stakeholders. We have identified those to whom we have a legal, commercial or moral responsibility, such as our regulators, customers and the communities around our facilities.

Employees and suppliers are essential on an additional level since our business operations depend on them. Potential future clients or employees, such as students, are also important. We value diverse perspectives within our business, e.g. groups who can highlight new opportunities or areas that need attention, such as media or NGOs.

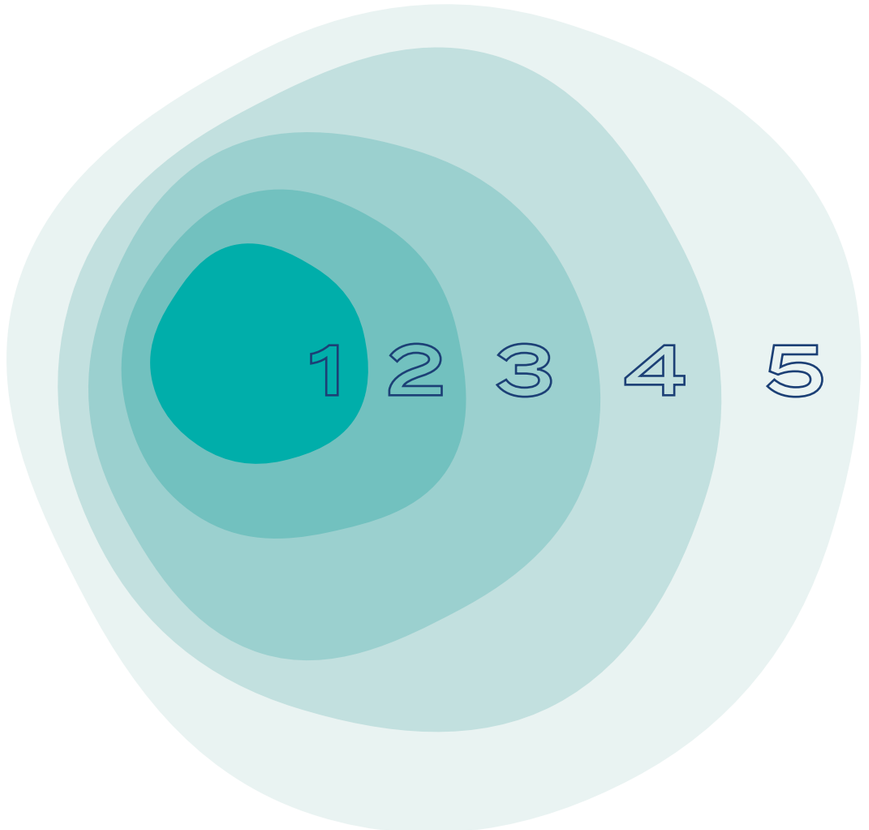


Figure 1. Stakeholder onion illustrating layers of stakeholders and interest groups of variable relevance and importance to BioMar.

01

Management & Employees

02

Customers
Owners
Suppliers
Partners
Associations

03

Agencies
Investors
Government
Communities
Regional/Local Government

04

NGOs
Students
National Government
Competitors

05

Media

Engagements

At BioMar, we thrive on mutually beneficial collaborations, and we are honoured to work with several organisations striving for continuous improvement in the aquaculture industry.

ASC
| Committee Member

www.asc-aqua.org

The Aquaculture Stewardship Council (ASC) is the world's leading certification scheme for farmed seafood. The ASC label only appears on food from farms that have been independently assessed and certified as environmentally and socially responsible.

FEFAC
| Committee Member

www.fefac.eu

The European Feed Manufacturers' Federation (FEFAC) has an adapted governance structure with decision and advisory bodies. It includes committees focusing on animal nutrition, feed production, feed safety and sustainability, and specialised committees on aquafeed, premix and milk replacers.

GFLI
| Committee Member

www.globalfeedlca.org

The Global Feed LCA Institute (GFLI) is an independent animal nutrition and food industry institute with the purpose of developing a publicly available Animal Nutrition Life Cycle Analysis (LCA) database to support meaningful environmental assessment of animal nutrition products and stimulate the continuous improvement of the environmental performance in the animal nutrition and food industry.

GlobalG.A.P.
| Contributer

www.globalgap.org

GLOBALG.A.P. is a brand of farm assurance solutions created in cooperation with producers, retailers, and other stakeholders from across the food industry. These solutions include a range of standards for safe, socially and environmentally responsible farming practices.

Blue Food Partnership
| Committee Member

www.weforum.org/blue-food-partnership

The Blue Food Partnership is led by Friends of Ocean Action in collaboration with the World Economic Forum and World Resources Institute. The vision of the Sustainable Aquaculture Working Group is to enable the sustainable increase of aquaculture growth to help achieve the Sustainable Development Goals and deliver actions that contribute to food security, climate action, and nutrition, among other areas.

Donau Soja
| Supporter

www.donausoja.org

Donau Soja is an international, non-profit organisation promoting GM-free, sustainable and regional protein supplies, for which the Donau Soja Standard and its Guidelines comprise the foundation pillars.

EATIP
| Committee Member

www.eatip.eu

EATIP is an international non-profit association dedicated to developing, supporting and promoting technology and innovation in European aquaculture.

Global Roundtable on marine ingredients
| Member

www.marineingredientsroundtable.org

The Global Roundtable on marine ingredients is a sector-wide, multi-stakeholder initiative working to drive environmental and social improvements in key fisheries globally.

GSA
| Member

www.globalseafood.org

The Global Seafood Alliance (GSA), formerly known as the Global Aquaculture Alliance (GAA), is an international, non-profit trade association dedicated to advancing responsible seafood practices through education, advocacy and third-party assurances. GSA developed the Best Aquaculture Practices standard (BAP).

GSI
| Committee Member

www.globalsalmoninitiative.org

The Global Salmon Initiative (GSI) is an initiative led by farmed salmon CEOs who share a vision of providing a healthy and sustainable source of protein to the growing population while minimising environmental impacts and improving their social and economic contribution.

Engagements

IFFO
| Committee Member

www.iffo.net

The Marine Ingredients Organisation (IFFO) is an international trade organisation that represents the marine ingredients industry, such as fishmeal, fish oil and other related industries.

Marin Trust
| Committee Member

www.marin-trust.com

MarinTrust is a unique international certification programme for marine ingredient certification, including the main standard, a chain of custody standard and an improver programme.

NAPA
| Member

www.seafish.org

The North Atlantic Pelagic Advocacy (NAPA) Group is a market-led approach to improving North Atlantic pelagic fisheries management, particularly for mackerel, herring, and blue whiting.

RSPO
| Member

www.rspo.org

Roundtable on Sustainable Palm Oil (RSPO) is a not-for-profit that unites stakeholders from the seven sectors of the palm oil industry: oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organisations (NGOs), to develop and implement global standards for sustainable palm oil.

RTRS
| Member

www.responsiblesoy.org

The Round Table on Responsible Soy Association (RTRS) is a non-profit organisation promoting the growth of production, trade, and use of responsible soy.

SFP
| Member

www.sustainablefish.org

Sustainable Fisheries Partnership (SFP) is working toward a world where everyone has access to sustainable seafood. They engage with seafood industry actors to promote responsible practices that reduce environmental impacts and ensure plentiful seafood supplies.

Nordic Business Network for Human Rights
| Committee Member

www.humanrights.dk

The Nordic Business Network for Human Rights (NBNHR) is a professional network for global companies who work with human rights impacts in their organisations or supply chains. The Danish Institute for Human Rights (DIHR) has taken on the secretariat role and moderator for the network.

Ocean Panel
| Committee Member

www.oceanpanel.org

The High Level Panel for a Sustainable Ocean Economy (Ocean Panel) comprises of 14 world leaders working towards a healthy ocean through effective protection, sustainable production and equitable prosperity.

ProTerra
| Committee Member

www.proterrafoundation.org

The ProTerra Foundation is a not-for-profit organisation that aims to promote social and environmental responsibility at all levels of the feed and food production system. It assists all food operators in implementing and demonstrating their sustainability commitment effectively.

SSP
| Member

www.sustainableshrimppartnership.org

Sustainable Shrimp Partnership (SSP) is a group of companies committed to achieving and promoting the highest environmental and social standards with a shared mission to make shrimp farming a thriving global practice.

Sustainable Brands
| Member

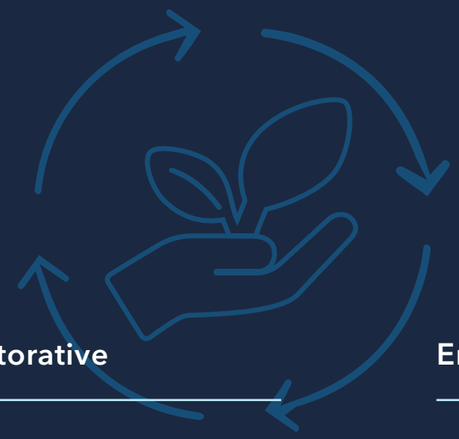
www.sustainablebrands.com

Sustainable Brands is a global community of brand innovators aiming to shape the future of commerce worldwide.

Powered by Partnership
Driven by Innovation

Our Promise

BioMar makes a promise, to our planet and its people, with a set of ambitious targets that will seek to aid in the regeneration of our environment while enabling humanity to thrive.



Climate Action

1/3 by 2030

Reduce BioMar total feed GHG footprint by 1/3 by 2030

BioMar is responding to an urgent call-to-action for companies to set emissions reduction targets backed by a global network of UN agencies, business and industry leaders. We have set company-wide emission targets in line with climate science to ensure we are net-zero no later than 2050.

BioMar has set verifiable science-based targets through the Science Based Targets initiative (SBTi). We have committed to ambitious GHG emissions reduction targets following the 1.5°C pathway. Climate scientists define this as necessary to meet the goals of the Paris Agreement.

With aquafeed representing a significant proportion of the carbon footprint of farming, our farmers will be able to directly benefit from a reduction in their own on-farm footprint.

Circular & Restorative

50% by 2030

BioMar feeds are 50% circular and restorative by 2030

In BioMar, we take action for our areas of responsibility. We encourage and stimulate restorative practices in our supply chain and have set targets for minimum inclusion levels of circular and restorative ingredients.

BioMar considers raw materials originating from by-products and waste streams to be circular. We seek to decouple feed supply chains from directly competing with food for human consumption.

We define restorative ingredients as raw materials that significantly shift the balance between ecosystem impacts and human production systems. The goal is to stimulate net-positive environmental outcomes compared to time-bound relevant benchmarks.

Enable People

100,000 by 2030

100,000 people directly engaged in capacity building initiatives by 2030

At BioMar, we are actively engaging our entire value chain as we believe we can create a far-reaching impact on the world through capacity building, which lies at the core of all resilient societies.

We provide training courses and development programmes for employees, farmers and communities. We actively engage in third party agricultural and fishery improvement programmes and supplier improver initiatives. Through these initiatives, we aim to directly enable 100,000 people annually by 2030.

We promote human and labour rights through initiatives like responsible pay and diversity targets. Through innovation, we create aquafeeds enabling people to make healthier and more sustainable food choices. We continue our commitment of active participation in the public debate around sustainable nutrition.

16

Climate Action

Our Targets

2030

Reduce BioMar total feed Greenhouse Gas (GHG) footprint by 1/3 by 2030

- Science-based targets through the Science Based Targets initiative (SBTi)
- Aligned with reductions required to keep global warming to less than 1.5°C
- Scope 1 & 2 Net-Zero within our own operations by 2045, baseline 2020
- 4.2% year-on-year absolute GHG emissions reduction target (Scope 1 & 2)
- Scope 3 reduction by 30%, baseline 2021

Milestones 2021

- Established baselines for scope 1, 2 and 3 reporting
- Developed a detailed master plan for decarbonisation of our operations
- Committed to the SBTi for scope 1, 2 and 3 reductions
- Developed climate action targets aligned with 1.5°C trajectory
- Established framework for supply chain engagement and raw material assessments
- Achieved emissions reductions through switching fuel sources, low carbon procurement and technological solutions

Climate Action

Ninh Bình, Red River Delta,
Ninh Bình Province, Vietnam

Our promise: Climate Action

We commit to company-wide, science-based targets to reduce carbon emissions of our feeds by one third by 2030. This will ensure we are net-zero* no later than 2050.

* Within our own operations.

SBTi and GHG Protocol at a glance

Scope 1, 2 & 3

Greenhouse Gas emissions need to halve by 2030 and reach net-zero by 2050 to avoid the worst effects of climate change. Companies worldwide have joined the race to net-zero.[2] However, robust accounting methods and reporting programmes are required to ensure that reductions are meaningful and based on the best available science.

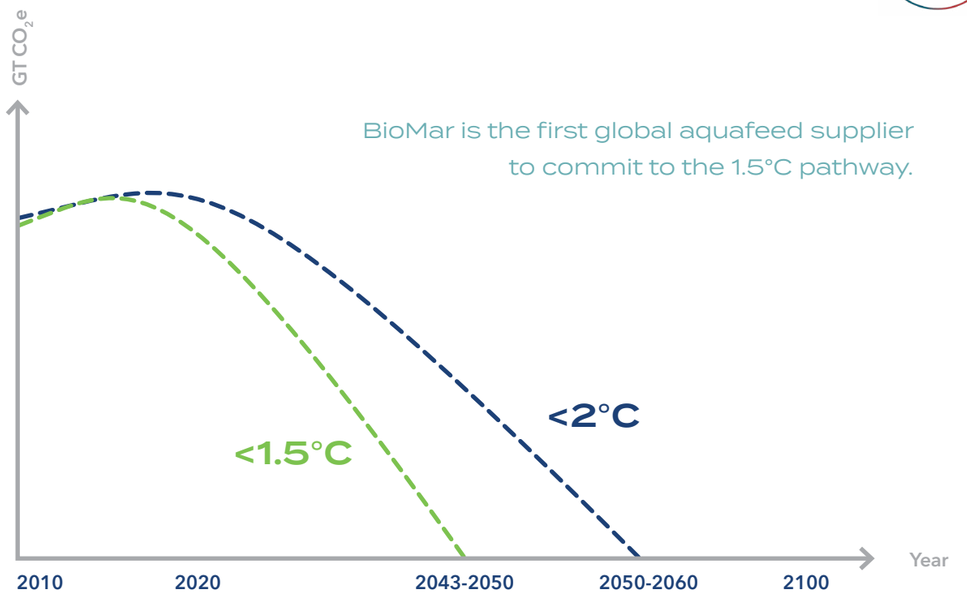


Figure 2. In a Well Below 2°C scenario emissions decrease less quickly. In a 1.5°C scenario, global net emissions reach zero earlier than a 2°C scenario. [5]

The Greenhouse Gas (GHG) Protocol

The GHG Protocol is the world's most widely used set of standards for GHG accounting. Developed by the World Resources Institute and the World Business Council for Sustainable Development, the GHG protocol establishes comprehensive frameworks for measuring and managing GHG emissions throughout the value chain.[3]

The standards provide accounting resources for reporting emissions from companies, cities, NGOs, policy actions, specific industries and individual products. The GHG protocol is so widely used that the Corporate Accounting and Reporting Standard, in specific, provides the accounting basis for essentially every corporate GHG reporting programme in the world. [4]

Science Based Targets Initiative (SBTi)

The SBTi is a programme for driving ambitious GHG reductions in the private sector by enabling companies to set and validate science-based climate targets. The framework for target-setting is continually being adapted to meet the latest climate science and urgency to reduce. An SBTi standard and set of criteria are used to ensure that corporate targets align with the reductions needed to reach net-zero no later than 2050.[5]

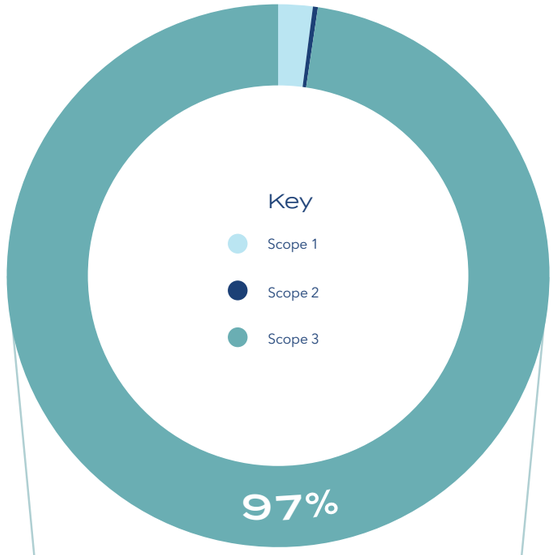
More than 2,200 organisations have committed to the SBTi, with over 1000 companies having approved targets. As of 2021, one-third of global market capitalisation was covered by SBTi companies.[5]

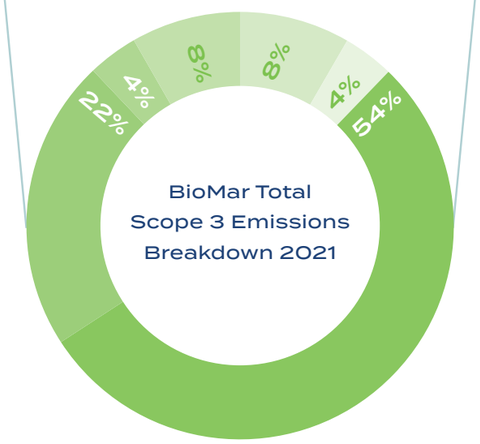
The SBTi differentiates targets for i) scope 1 and 2 emissions and ii) scope 3 emissions. Scope 1 and 2 targets must follow a 1.5°C trajectory, which requires 4.2% year-on-year reductions. Near-term scope 3 targets must, at a minimum, be aligned with the level of decarbonisation required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures. However, the long-term scope three targets must align with a net-zero no later than the 2050 pathway. If a company's relevant scope three emissions are 40% or more of total scope 1, 2, and 3 emissions, a scope three target is required.[6]

More than 2,200 organisations have committed to the SBTi, with over 1000 companies having approved targets. As of 2021, one-third of global market capitalisation was covered by SBTi companies.

SCIENCE BASED TARGETS

Scope 1, 2 & 3 Emissions 2021





Key

- Marine Oils
- Marine Dry Matter
- Microingredients
- LAPs/PAPs
- Plant Oils
- Plant Ingredients

Scope 1, 2 & 3

Ambitious science-based reduction targets

BioMar has become the first global aquafeed supplier to commit to ambitious GHG emissions reduction targets following 1.5°C pathway. To make these reductions a reality, BioMar has developed a long-term master plan focusing on operations and broader supply chain partners to create innovative solutions that make sustainability profitable.

The science is clear. If we don't curb global greenhouse emissions and temperatures continue to rise, the results will be catastrophic. BioMar is the industry leader in developing sustainable, low-impact feed solutions. Now, we are going further by committing to ambitious GHG reduction targets under the SBTi.[5]

BioMar Group commits to reduce absolute scope 1 & 2 GHG emissions 42% by 2030 from a 2020 base year.

BioMar Group commits to reduce absolute scope 3 GHG emissions from purchased goods and services 30% by 2030 from a 2021 base year.

These targets are in line with reducing emissions to hold temperature rise to 1.5°C above pre-industrial levels and avoid the worst climate impacts.

* Estimated to be validated in August 2022

97% of BioMar's total emissions originate from the production and transport of our raw materials.

Decarbonisation of our operations

Photo. Ellinor Wiker and Jostein Warem Karlsen, Myre, BioMar Norway

We are closely following the development of low-carbon technologies and working hand-in-hand with equipment suppliers to help bring these innovations to commercial reality in our operations.

Photo. Biological odour treatment system, BioMar Australia

As part of our 2030 Climate Action ambition, BioMar established a team with expert external support to develop a detailed master plan for decarbonising our operations. We identified the steps required to reduce our Scope 1 & 2 greenhouse gas (GHG) emissions aligned with climate science and a commitment to a science-based 1.5°C target.

Our plan focuses on:

- Reducing energy consumption
- Using certified sustainable energy sources (from wind, hydropower or solar sources)
- Generating sustainable power on-site and development and deployment of technology that will, in the medium-term, radically reduce our GHG from our plants.

As part of our 2030 Climate Action ambition, BioMar established a team with expert external support to develop a detailed master plan for decarbonising our operations. We identified the steps required to reduce our Scope 1 & 2 greenhouse gas (GHG) emissions aligned with climate science and a commitment to a science-based 1.5°C target.

BioMar has already made significant initial progress towards decarbonisation and delivered an absolute Scope 1 & 2 GHG emission reduction of over 9% (equating to a 15% reduction per tonne produced) in 2021 compared to our 2020 baseline. BioMar has committed to a low-carbon future and will continue this journey in the coming years.

In 2021, BioMar made its first commitment to upgrade to state-of-the-art, high-efficiency electric boiler systems to supply process steam to one of its largest production plants. The change will increase the overall efficiency of steam production, reduce our dependence on gas as a primary fuel and, together with the sourcing of low-carbon power, further reduce GHG emissions from the plant. The investment contributes significantly to our Climate Action 2030 goal of reducing Scope 1 & 2 GHG emissions by 42% by the end of the decade and will be used as a pilot to develop this technology further.

BioMar has embedded our ambitions for reducing GHG emissions into our operational teams and systems. Throughout 2021, our Global Manufacturing IT specialists worked to develop a standardised energy monitoring system which fully integrates our process control and Business Intelligence systems across our operations. This system will embed the best practices and real-time optimisation of energy use in our plants. We will roll out the system in 2022, supported by a Global Energy Efficiency programme focused on maximising efficiency and minimising energy waste.

BioMar has embedded our ambitions for reducing GHG emissions into our operational teams and systems.

We are closely following the development of low-carbon technologies and working hand-in-hand with equipment suppliers to help bring these innovations to a commercial reality in our operations. In the coming years, low-carbon technology will be further rolled out across our existing operations and has already been included in our designs for future expansion. In 2021, BioMar announced a significant expansion of extrusion capacity in Ecuador - these new lines have been prepared from the outset for a low-carbon future.

Carbon Footprint

Tonnes of CO_2-eq. per tonne of feed

2.2

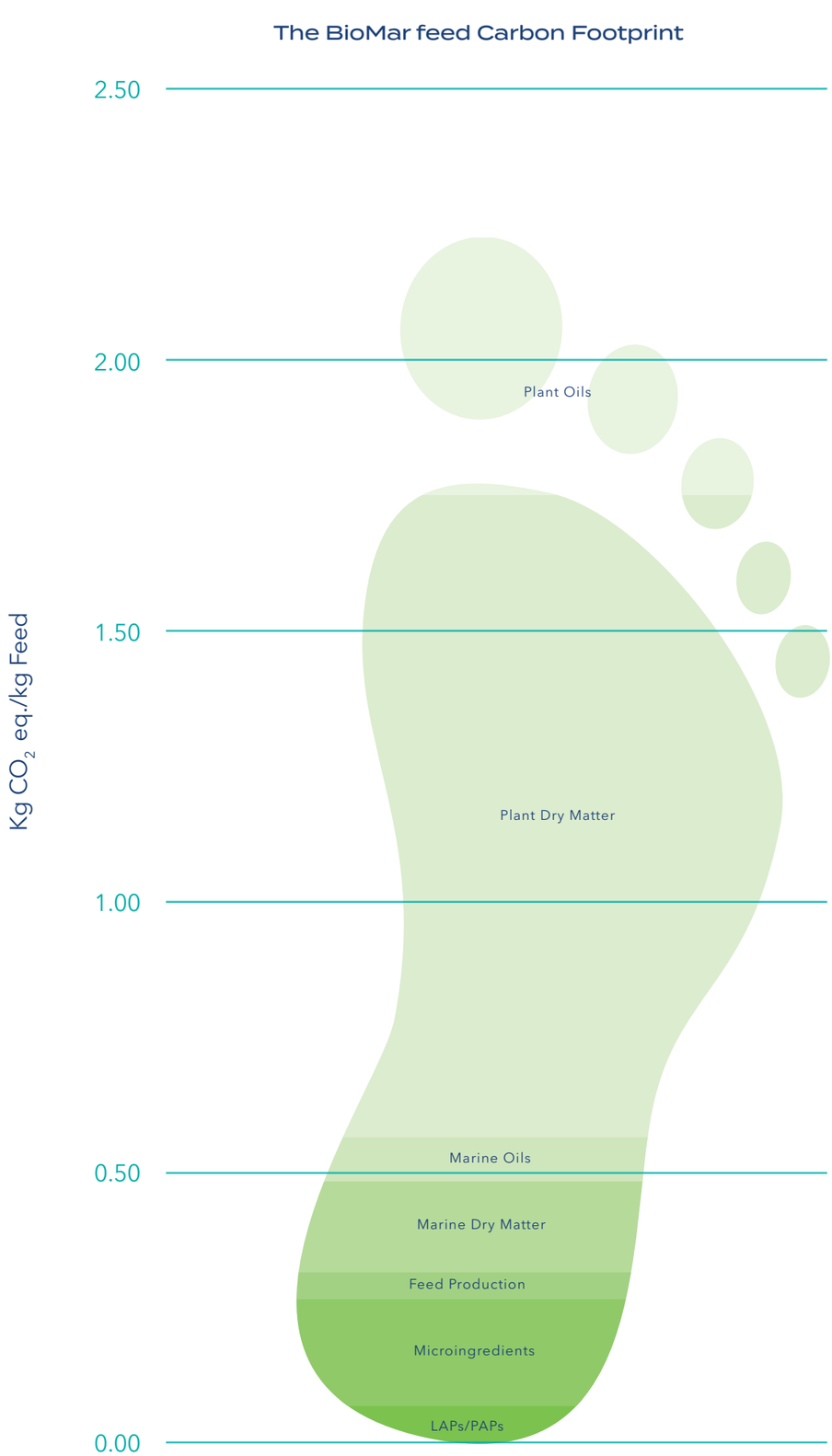
The Carbon Footprint (CF) of feed is a measure of the total greenhouse gas emissions generated from the different stages of the feed's life cycle. Feed footprints are associated with a scope, commonly "cradle-to-gate" or "cradle-to-grave." Cradle-to-gate assessments measure the total greenhouse gas emissions from raw material extraction and product manufacturing through to the factory gate. Cradle-to-grave includes the emissions above and distribution, use, and end-of-life.

A Carbon Footprint indicates the product's impacts on the climate, particularly global warming, and is expressed as kilograms of CO_2 equivalents per tonne of produced feed.

The BioMar feed Carbon Footprint is a cradle-to-gate assessment that follows the European Union Product Environmental Footprint (EU PEF) methodology, a harmonised EU methodology for measuring the environmental impacts of products. The methodology has recently been updated and includes peat and land use change.[7]

In 2021, the average BioMar group feed Carbon Footprint was 2.2 tonnes of CO_2 equivalents per tonne of feed produced.

Figure 3. The overall annual Carbon Footprint per tonne of feed produced in BioMar Group in 2021.



Environment

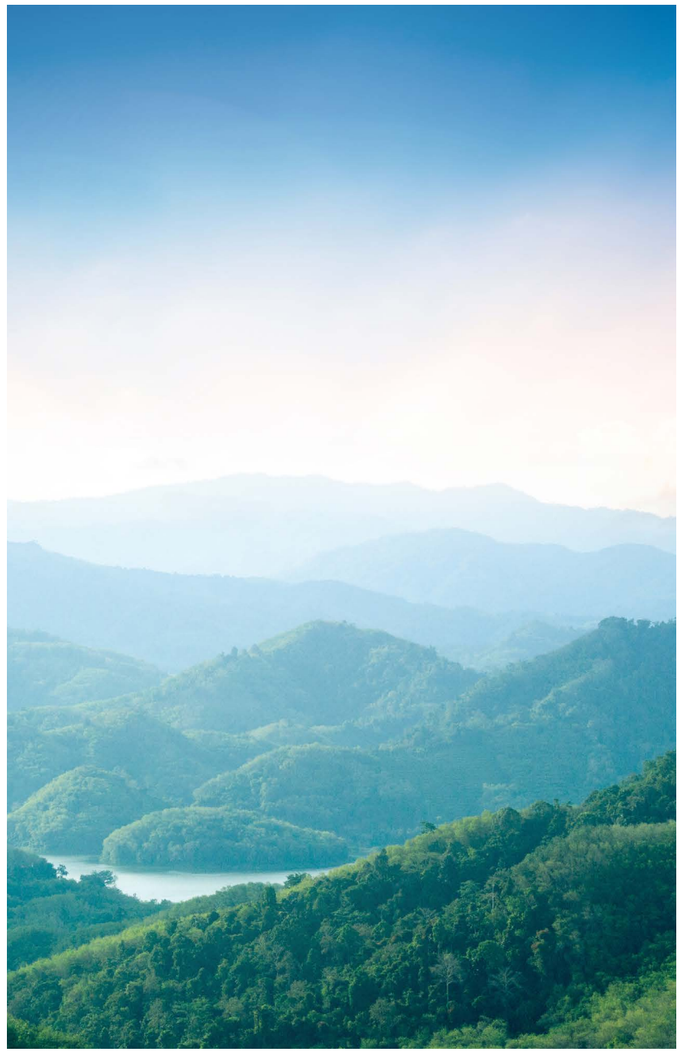
Everything we produce or consume has an impact on our planet. Our strategy is to maximise our resource use by adopting responsible consumption policies that minimise waste and carbon emissions whilst optimising recycling.

Energy Management and Greenhouse Gas Emissions

The GHG Protocol Corporate Standard classifies a company's GHG emissions into scope 1, 2 and 3 emissions and allows scope 2 emissions to be calculated using either a location or a market-based approach.[4]

A location-based method reflects the average emission intensity of power grids in the geographical location (country level) where energy consumption occurs. A market-based method reflects emissions from electricity that companies have contracted from a specific supplier. Emission factors must be disclosed and meet the requirements under the GHG Protocol Corporate Accounting and Reporting Standard (for example, relating to supply from wind, solar or hydro sources).[4]

Total energy use and scope 1 and 2 emissions from BioMar are included in table 3.



0.46 m^3/MT

Water

We aim to reduce the consumption of drinking quality fresh water in production.

>95%

Waste

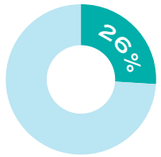
We continue to build on our historical performance level of 95%+ reduce/reuse/recycle (3R) of waste from our operations.

Greenhouse Gas Emissions

51.9 Kg CO_2e / Tonne

Distribution GHG Emissions

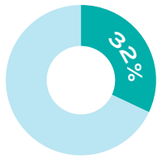
Market Based



61.2 Kg CO_2e / Tonne

Distribution GHG Emissions

Location Based



1.02 GJ / Tonne

Distribution Energy Use

Key Scope 1 Scope 2

Energy Use & GHG Emissions	Scope 1 (GJ)	Scope 2 (GJ)	Total Energy (GJ)	Location Based Total GHG Emissions (CO,e, MT)	Market Based Total GHG Emissions (CO,e, MT)
Salmon Division	708,064	316,543	1,024,607	60,140	46,895
EMEA Division	236,210	91,973	328,183	18,270	17,370
Asia Division	20,397	12,333	32,730	5,328	5,328
LATAM Division	88,164	79,357	167,521	9,352	9,352
TOTAL	1,052,835	500,206	1,553,040	93,090	78,945

Table 3. The table discloses scope 1 and 2 energy use in gigajoule (GJ) and total greenhouse gas (GHG) emissions in tonnes of CO_2 equivalents by BioMar manufacturing divisions in 2021 using IEA factors, expressed as both location based and market based figures in accordance with the SBTi and GHG protocol. [3, 5]

Photo. In Chile, our maxi-bags are cleaned, dyed, and turned into rainproof ponchos by local indigenous communities
Photo credit. FUE

Circular Feed Bags

Being mindful of our planet's resources at BioMar extends beyond our feed recipes to include the packaging of our aquafeeds. Our local markets have established innovative solutions for upcycling their feed bags.

The more life cycles you can get out of a product, the better for the environment. Reusing a product is the ideal solution but is not always possible, especially with food and feed packaging. In Costa Rica our feed bags are cleaned and sterilised before being reused up to 14 times.

Finding new ways to use our feed bags is a great way to extend their life. In Chile, our maxi-bags are cleaned, dyed, and turned into rainproof ponchos by local indigenous communities. These repurposed ponchos are then sold at local markets and to tourists caught in the irregular rainfalls in Patagonia.

In many of our markets the BioMar bags are transformed into polypropylene pellets and used to manufacture new BioMar bags or other plastic-based products. In Ecuador, they recycle their bags and turn them into playgrounds for local communities. In Norway, BioMar bags can be found in car bumpers and pot plants, while in the UK, they are in recycling buckets and even garden furniture. In Vietnam, your shopping bag might have had its first life as a BioMar feed bag.

We also tried to use our recycled material within our value chain. Around 75% of the feed bags in Denmark comes from recycled material. The pallets transporting our feeds in Australia were once the BioMar feed bags.

When we adopt a circular thinking mindset, then the possibilities of what even a feed bag can become are only limited by our imagination.

24

Circular & Restorative

Our Targets

2030

50% Circular & Restorative ingredients in our feed by 2030

- We seek to decouple feed supply chains from directly competing with food for human consumption
- Increase the use of circular ingredients
- Increase the use of restorative ingredients
- Annual reporting on hotspot raw material compliance
- Increased evidence-based transparency

Milestones 2021

- Defined methodology and established baselines
- Selected key raw materials for further development
- Re-engaged in Mauritanian FIP
- Improved certification level of hotspot raw materials
- Updated and improved global sourcing policies
- Established BioSustain™ impact parameters
- Reached 23% circular and/or restorative ingredients

Circular & Restorative

Giant Kelp Forest,
Tasmania, Australia

Our promise: Circular & Restorative

Through innovation and sustainable sourcing we will collaborate with industry partners and redefine traditional aquaculture feed ingredients. By 2030 50% of our raw materials will be Circular & Restorative.

What it means to be Restorative

Agricultural commodities, like soy and wheat, represent a large proportion of aquafeeds and are often associated with issues such as climate change, biodiversity loss, soil degradation and water use. BioMar seeks to decouple our feed supply chain from environmental damage by increasing the use of plant ingredients produced using restorative practices.

Restorative practices are central to sustainable and responsible seafood. Feed represents approximately 80% of the environmental impact of most farmed seafood.[8] At BioMar, feed raw materials, rather than feed production, are responsible for more than 95% of the environmental footprint, and plant ingredients are primarily to blame.

The science is clear. Industrial agriculture cannot maintain its usefulness to society with the current rates of ecological damage and resource use. The key is to restore a balance between the societal benefits of agriculture with the societal benefits of healthy ecosystems.

Therefore, restorative production is the first critical step to reversing the current trends and moving agriculture towards a more sustainable future.

To encourage and stimulate restorative practices in our supply chain, we have set ambitious targets for minimum inclusion levels of restorative ingredients.

Based on life cycle end-point methodology, which goes beyond carbon footprints and includes all impact categories, we define restorative ingredients as raw materials that significantly shift the balance between ecosystem impacts and production systems.

The goal is to drive net-positive environmental outcomes compared to time-bound relevant benchmarks. This includes working with suppliers to improve agricultural practices and developing next generation low-impact raw materials.

* Inclusion level of circular and/or restorative ingredients in BioMar feeds 2021

From sawdust to protein.

Photo. Monica Juarez Ceballos, LetSea Norway

BioMar Norway

There is a promising new feed ingredient from the forests of Norway!

In Norway approximately 8% of the raw materials in a salmon diet come from Norway. The Foods of Norway research and development project could create a new local industry of producing raw materials with a low environmental impact. [9]

Within Foods of Norway, BioMar is developing raw materials from Norwegian forestry by-products that do not compete directly with human food production. The trees' fibrous structure is broken down into simpler forms of sugar, which are used to ferment protein-rich yeast.

In 2021, a regenerative feed ingredient based on Norwegian spruce was fed to salmon in seawater trials until harvest size.

The trial showed promising results, providing important information about how such feed ingredients impact the growth and health of the fish and the quality of the fillet.

In addition, large-scale trials like these allow us to look at production costs and the total sustainability picture.

This project represents an entirely new way of producing feed raw materials. Large bioresources and residues are available in Norway, and this project demonstrates that it is possible to obtain feed raw materials from forests, macroalgae, and other waste streams.

"Through our good partnership with BioMar, we are ready to evaluate yeast in feed for salmon in seawater"

Head of Foods of Norway, Professor Margareth Øverland.

BioMar Costa Rica puts this circular economy thinking into practice by using upcycled waste from sustainable cane sugar production as a valuable feed ingredient.

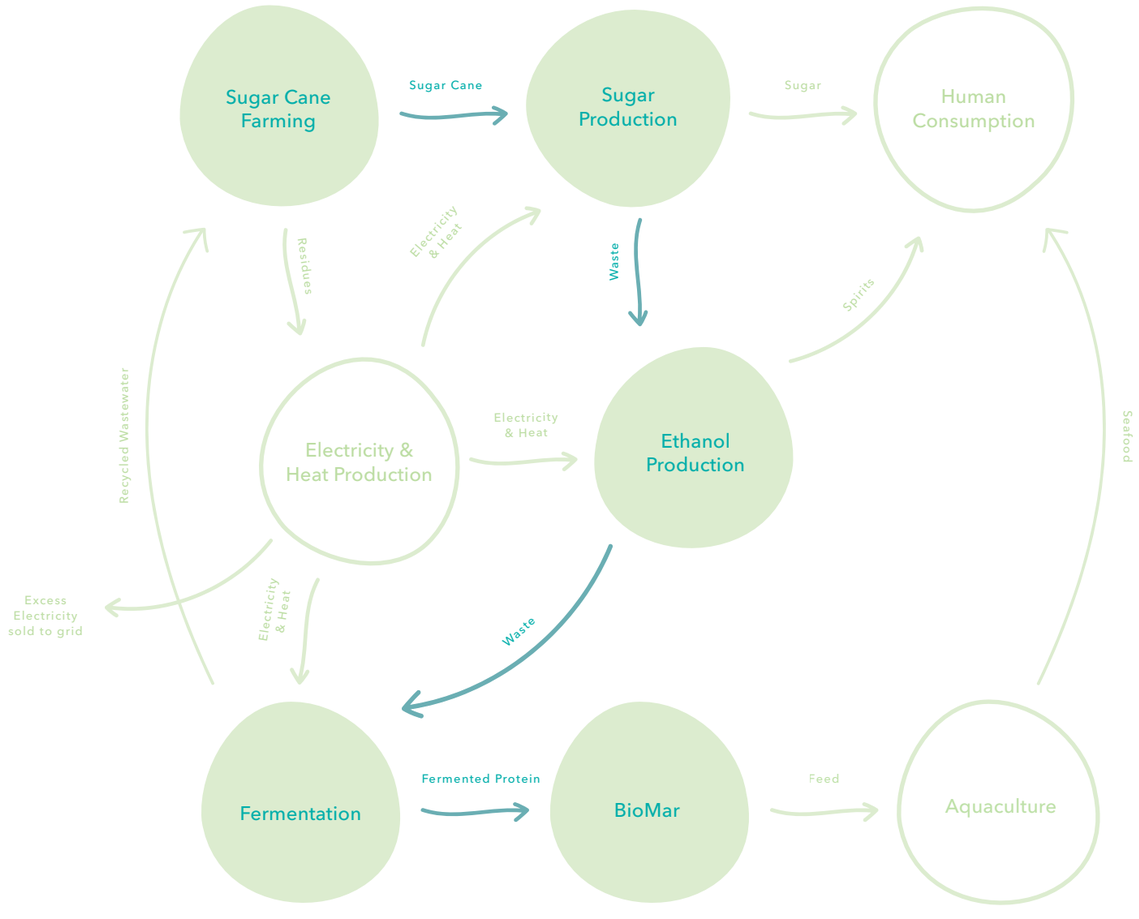


Figure 4. Circular production of single-cell protein from sugar production waste

Photo. Eduardo Coronas, BioMar Costa Rica

BioMar Costa Rica

Making sugar even sweeter

Using waste to make valuable products is the backbone of the circular economy. Upcycled processing wastes can provide an excellent alternative to traditional aquafeed proteins (e.g. soy and fish meal) and provides a market for otherwise lost resources.

BioMar Costa Rica puts "circular economy thinking" into action through their partnership with local sugar cane producer, Taboga by producing fermented protein from waste streams. This protein has been used at commercial scale for over six years and helps decouple aquafeed supply chains from directly competing with food for human consumption.

Taboga uses responsibly produced sugar cane to make sugar and ethanol products as their primary business. Taboga's environmental stewardship is showcased by their adherence to strict environmental/quality certifications such as USDA organic, Bonsucro, International Sustainability & Carbon Certification, amongst others.[10] The traditional issues associated with sugar cane farming, including slash and burn agriculture, have been phased out, and all resources are recycled to their maximum extent.

Taboga's co-developed fermented protein results from a fermentation process several waste steps down the process chain. First, sugar cane is used to produce sugar and differentiated sugar products. The sugar production waste is then used to make ethanol products. Only after the maximum amount of value has been extracted, the final remains are made into a fermented protein.

Circular thinking is prevalent throughout the entire production process. For example, wastewater from the fermentation process is reused for irrigation during sugar cane farming (figure 4). In addition, agricultural residues are turned into clean electricity to power the entire production process.

So much electricity is produced that the excess is sold back to the grid to power other industries.

BioMar continually seeks new partnerships to develop the next generation of aquafeeds that help us meet our restorative and circular ambitions.

Forage Fish Dependency Ratio (FFDR)
Marine ingredients are limited resources that should be used responsibly. The FFDR is a measure of forage fish equivalents utilised to produce one unit of farmed seafood.[11]

Forage fish dependency

Marine ingredients are limited resources that should be used responsibly. The forage fish dependency ratio (FFDR) indicates the amount of wild marine resources used to produce 1 kg of fish or shrimp, as calculated according to the ASC farm standards.

This measure accounts for the protein and oil contribution from wild fish equivalents, where the most limiting factor determines the feed FFDR. The FFDR of farmed seafood is calculated by multiplying the FFDR of the feed by the economic Feed Conversion Ratio (eFCR).

The figure to the right represents BioMar's global raw material use in 2021. The origin of marine ingredients differs slightly from year to year, and the availability fluctuates. This affects the FFDR. The 2021 numbers have improved from 2020 and we are nearing a 1:1 ratio.

BioMar Group	2017	2018	2019	2020	2021
FFDRm (Fishmeal)	0.85	0.53	0.48	0.49	0.45
FFDRo (Fish oil)	1.05	0.87	0.94	1.23	1.17
FFDR	**1.05**	**0.87**	**0.94**	**1.23**	**1.17**

Table 4. BioMar Group Fish-In:Fish-out ratios calculated according to the ASC formula - Forage Fish Dependency Ratio for meal and oil.[11]

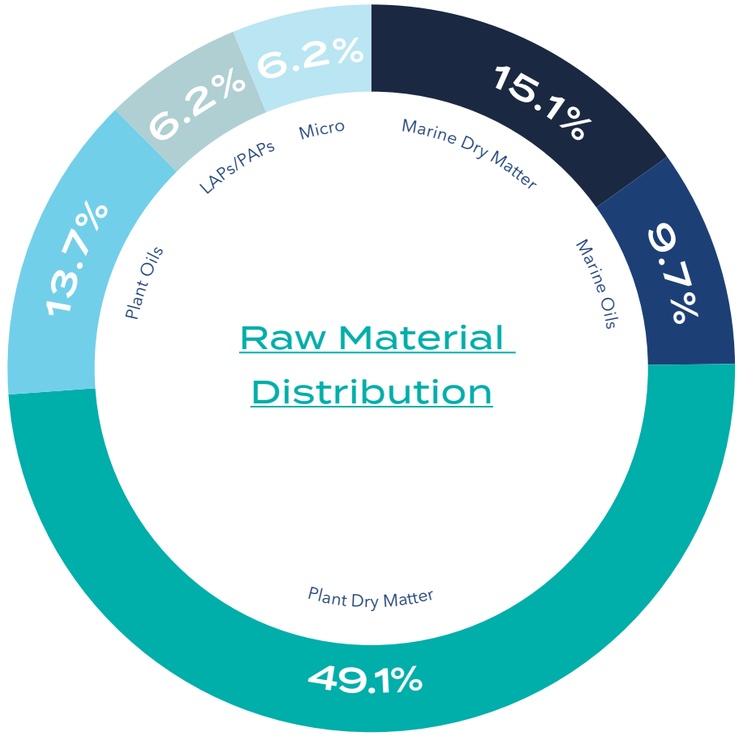
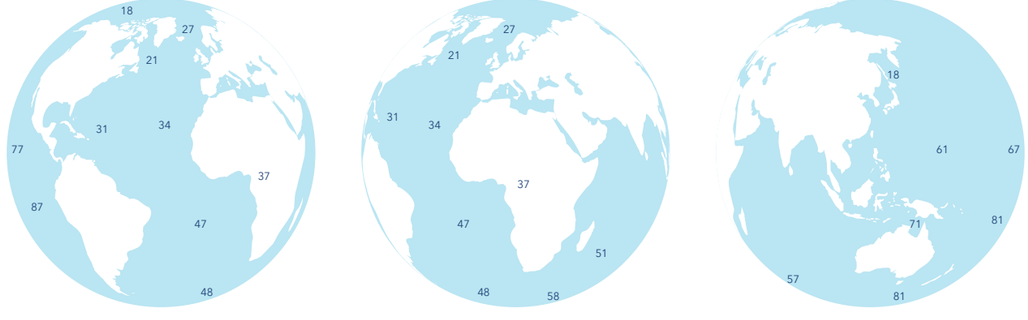


Figure 5. Distribution of the major nutritional contributors making up BioMar Group's total feed recipe of 2021.

FAO Major Fishing Areas



Area	Sea
18	Arctic Sea
21	Atlantic, Northwest
27	Atlantic, Northeast
31	Atlantic, Western Central
34	Atlantic, Eastern Central
37	Mediterranean and Black Sea
41	Atlantic, Southwest
47	Atlantic, Southeast
48	Atlantic, Antarctic
51	Indian Ocean, Western

Area	Sea
57	Indian Ocean, Eastern
58	Indian Ocean, Antarctic & Southern
61	Pacific, Northwest
67	Pacific, Northeast
71	Pacific, Western Central
77	Pacific, Eastern Central
81	Pacific, Southwest
87	Pacific, Southeast
88	Pacific, Antarctic

Marine Ingredients

Species	Fishing Areas	Marine Protein		Marine Oil		Total Volume		
	FAO	Tonnes	Share	Tonnes	Share	Tonnes	Share	Trimmings
Anchoveta	87	71,842	33.1%	34,818	24.9%	106,660	29.9%	0.0%
Atlantic Herring	27	36,726	16.9%	16,125	11.6%	52,851	14.8%	82.3%
Wild seafood by-products*	27, 31, 34, 37, 57, 77, 87	21,433	9.9%	6,895	4.9%	28,328	7.9%	92.6%
Atlantic Sardine	27, 34, 37, 47, 51, 57, 77	8,023	3.7%	18,500	13.3%	26,522	7.4%	23.7%
Farmed seafood by-products	27, 87	2,858	1.3%	19,099	13.7%	21,957	6.2%	100.0%
Antarctic Krill	48	15,123	7.0%	-	0.0%	15,123	4.2%	0.0%
Blue Whiting	27	13,206	6.1%	1,127	0.8%	14,333	4.0%	0.0%
Pacific Sardine	61, 81, 87	8,412	3.9%	5,096	3.7%	13,507	3.8%	0.0%
Anchovy	27, 34, 37, 47, 61, 77, 87	2,749	1.3%	10,550	7.6%	13,299	3.7%	1.5%
Pacific Mackerel Spp.	57, 71, 77, 81, 87	7,176	3.3%	4,288	3.1%	11,464	3.2%	3.8%
Sprat	27	6,316	2.9%	4,248	3.0%	10,564	3.0%	10.9%
Sandeel	27	8,589	4.0%	1,521	1.1%	10,110	2.8%	0.0%
Atlantic Mackerel Spp.	27, 34	5,280	2.4%	3,878	2.8%	9,158	2.6%	79.2%
Sardinella	34, 37	449	0.2%	5,605	4.0%	6,055	1.7%	17.2%
Alaska Pollock	18	85	0.0%	5,628	4.0%	5,713	1.6%	100.0%
Pout	27	4,579	2.1%	873	0.6%	5,452	1.5%	5.4%
Capelin	27	3,157	1.5%	374	0.3%	3,531	1.0%	48.2%
Other	27, 34	672	0.3%	566	0.4%	1,238	0.3%	0.0%
Red-Eye Round Herring	47	162	0.1%	116	0.1%	278	0.1%	0.0%
Pacific Herring	77, 87	180	0.1%	83	0.1%	263	0.1%	8.3%
Red Baitfish	77, 81	191	0.1%	25	0.0%	217	0.1%	0.0%
Pacific Menhaden	87	70	0.0%	143	0.1%	212	0.1%	0.0%
Total		217,277	100.0%	139,558	100.0%	356,835	100.0%	32.5%
MSC		72,266	33.3%	34,799	24.9%	107,066	30.0%	
MarinTrust		164,137	75.5%	82,851	59.4%	246,988	69.2%	
Fishery Improvement Projects		12,453	5.7%	7,345	5.3%	19,798	5.5%	
ASC Compliant**		171,544	79.0%	109,859	78.7%	281,403	78.9%	
Trimmings		64,801	29.8%	51,065	36.6%	115,865	32.5%	

Table 5. Species in marine meals and oils used by BioMar in 2021 are disclosed in the table to the right in descending order, according to total volume (metric tonnes). Respective shares of species and MSC, MarinTrust, FIP and ASC-compliant material is also shown. China volumes are not included.
*Includes species landed in compliance with the revised EU Common Fisheries Policy Landing Obligation (discards ban), fully implemented on January 1st, 2019.
**ASC Compliance in accordance with species standards and their respective indicators in the ASC Interim solution for marine ingredients. [12]

Micro Algae

Over time, microalgae will likely overtake the role as the primary source for omega-3 in aquafeeds.

BioMar first introduced microalgae omega-3 into commercial salmon feeds in 2016 after three years of R&D and planning. BioMar worked with several salmon farmers and retailers willing to take a chance on microalgae, and today's success is an excellent example of collaborating across the value chain.

Passing a million tonnes

The first customers to adopt microalgae in their diets were Kvarøy Fiskeoppdrett, Scottish Sea Farms and Lerøy in their salmon and Ventisqueros in their coho. These commitments helped it achieve commercial viability, and today, the inclusion of microalgae has become commonplace in feed for several species at BioMar.

In September 2021, BioMar passed 1 million tonnes of feed containing microalgae omega-3. As of May 2022, this has increased to approximately 1.4 million tonnes.

We can help relieve pressure on our oceans through microalgae supplementation in aquaculture feeds while ensuring that farmed seafood receives optimal nutrition.

Experience with algae-based raw materials

We can help relieve pressure on our oceans through microalgae supplementation in aquaculture feeds while ensuring that farmed seafood receives optimal nutrition

Bringing this ingredient to the market required support from the entire value chain, not to mention the BioMar people who found solutions to technical challenges.

This year, BioMar Denmark significantly scaled up the inclusion of microalgae into their raw material portfolio. Microalgae has now been included in their flagship product and marks the birth of next-generation feeds with a highly sustainable profile.

Even though microalgae has become mainstream at BioMar, we are exploring its use for various other purposes with extensive internal and external research projects. A recent example was the "Alga4Fuel&Aqua" project, a collaboration between BioMar Hellenic, the University of Thessaly and other key stakeholders.

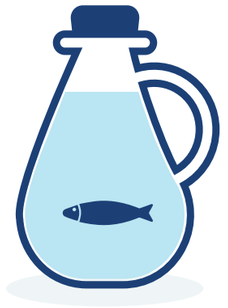
1 MMT
WITH ALGAPRIME™ DHA

In September 2021, BioMar passed 1 million tons of salmon feed containing microalgae omega-3.

Hotspot

Raw Materials

BioMar continuously assesses which purchasing criteria are necessary to ensure and document that raw materials associated with sustainability issues are responsibly sourced.



Fish oil

79%

ASC Compliant

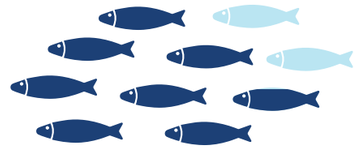
- MSC
- MarinTrust
- FIP or equivalent
- FishSource™

Soy

95%

Certified

- RTRS
- ProTerra
- Donau Soja
- U.S. SSAP



Fishmeal

79%

ASC Compliant

- MSC
- MarinTrust
- FIP or equivalent
- FishSource™

Palm oil

100%

Certified

- RSPO
- Green Palm or equivalent

Krill meal

100%

Certified

- MSC

Figure 6. This figure discloses certification in percentage terms of hotspot raw materials used in BioMar feed in 2021.

33

Enable People

Our Targets

2030

100,000 people directly and indirectly engaged in capacity building initiatives annually by 2030

- All salaries above living wage level
- 100% equal progression through career levels
- 100% equal pay

Milestones 2021

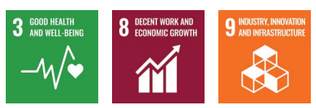
- Over 42,300 people impacted by capacity building initiatives
- Executive commitment to diversity in leadership
- Baseline mapping for responsible pay
- 19 out of 22 countries where we employ staff have above living wages
- Peakon Engagement Survey placed us in the top 10% of global manufacturing companies with a net promoter score (NPS) of 48
- Officially supports Mandatory Human Rights Due Diligence (MHRDD) at EU level through the Nordic Business Network for Human Rights[14]
- Launched educational sustainability platform, BioSustain™ Masterclass

Enable People

Gregor Bwye and customer,
Loch Awe, Scotland

Our promise: Enable People

We commit to enable 100,000 people annually by 2030 through capacity building initiatives to help build resilient societies. By enabling the few, we can have a resounding ripple effect to people far beyond our traditional reach.



UN Year of Artisanal Fisheries & Aquaculture 2022

The United Nations General Assembly has declared 2022 the International Year of Artisanal Fisheries and Aquaculture (IYAFA 2022). The Year aims for increased global understanding and action to support dialogue and partnership between different fisheries stakeholders.

IYAFA 2022 will focus on the importance of small-scale artisanal fisheries and aquaculture for our food systems, livelihoods and the planet. Small-scale fishers, fish farmers and fish workers are well-positioned to foster transformative change in how fish and fish products are produced and consumed. This change will have positive ripple effects felt throughout the global food system.[15]

The aim is to raise awareness, strengthen science-policy interaction, empower stakeholders to take action and build new or strengthen existing partnerships.

IYAFA 2022 can also act as a catalyst for implementing the Code of Conduct for Responsible Fisheries and taking concrete steps toward achieving the Sustainable Development Goals (SDGs).[16, 17]

BioMar supports this initiative and will engage in activities that empower artisanal fisheries and fully recognise their contributions to human well-being, food systems and poverty alleviation. Responsible and sustainable use of fisheries and aquaculture resources is a high priority for BioMar and artisanal fisheries are key to realising this.

Responsible Shrimp

BioMar Ecuador

Whiteleg Shrimp (*Litopenaeus vannamei*)

" Shrimp farming can have a heavy environmental footprint and the expansion of any market requires us to consider the impact on people and the environment "

Florie Hovine,
Member Manager, Earthworm Foundation

We have partnered with Earthworm Foundation, an international non-profit undertaking social and environmental projects, to drive responsible shrimp projects in Ecuador. Here, we redefine the feed model and create capacity building initiatives to drive social change and best sustainability practices in the region.

Over the last year, BioMar and Earthworm Foundation have been assessing the Ecuadorian shrimp industry to build a framework for addressing the major issues in the industry. The project has taken a holistic approach, analysing everything from sourcing raw materials to the production and processing of shrimp. This includes raising awareness and training staff in global best practices that go beyond standard certification schemes.

Local communities are often not directly involved in the operations of shrimp farms, as workers require specific skills not usually found locally. The BioMar-Earthworm Foundation project will support educational programmes aimed at upskilling local people to enable them to become qualified for shrimp farming employment. This way, local communities benefit from the expected expansion of the Ecuadorian shrimp sector.

Shrimp is primarily considered a commodity and is often farmed and processed in bulk. Through this project there is an opportunity to create fully traceable, value-added products that consider both social and environmental impact parameters.

By partnering with a highly respected and knowledgeable organisation that specialises in social and environmental initiatives, like the Earthworm Foundation, there is an opportunity to work closely with Ecuadorian shrimp producers to support them by sharing improved environmental and social practices.

Today's consumers are becoming more and more conscious about their seafood choices. They want to know where their seafood comes from and the impact it has had on the environment and local communities.

People with Purpose

At BioMar, we know that our value chain is more than just a series of transactions. By actively contributing to the growth of customers, suppliers, and communities, we can create a far-reaching impact on the world by capacity building.

Given our position in the middle of the seafood supply chain, we have a unique opportunity to elicit real change by demonstrating how a responsible company can positively influence society.

Fulfilling our purpose means looking critically at all aspects of our own business while innovating for a sustainable future, but also engaging in the public debate and enabling customers, employees, communities, and partners to act and contribute.

We believe, it makes sense to consider our company as an open, infinite part of society, where we have an obligation to take responsibility beyond our own business.

Enabling people is more than training courses and development programmes. True enablement starts with human and labour rights. Sustainable development is impossible without access to education and health care, time for family, and respect without diversity boundaries.

BioMar actively promotes human and labour rights through initiatives like responsible pay and diversity targets. Equality and ethical salaries are essential steps toward resilient societies.[18]

Photo. (above) BioMar Ecuadorian Sustainability Team, Amparo González, Santiago Zapata, Isabel Rodríguez, Fabio Soller, Laurence Massaut

Our commitment is to enable people far beyond our business. Together, we can build a better future for the planet and people.

Photo. Jon Poulsen, Technology Centre, Brande, Denmark
Photo credit: Allan Trolle

Responsible Pay

Photo. Giancarlos Merchán , BioMar Ecuador

BioMar is committed to Responsible Pay, which we define as living wages and equal pay for equal work.

A living wage reflects the salary level required to uphold a decent standard of living.[19]

In some countries, a minimum salary is not enough to pay for expenses such as food, education, housing and other living costs.[20] Many wage earners need to work overtime, receive government support, or take second jobs to pay for the necessities of family life.

In BioMar, we collaborate with WageIndicator [20], which measures living wages in 196 countries, and majority at a regional level. While the minimum wage is a mandatory pay criterion, a living wage is voluntary and reflects the salary level required to uphold a decent standard of living, comparable accross countries. It includes fundamental human rights, including not suffering social deprivations and being able to withstand crises.

With a living wage, an employee should be able to avoid excessive overtime hours, the need to work more than one job, involuntary servitude, or submitting their children to child labour.

Living wages are linked to Article 23 of the UN Declaration on Human Rights, according to which everyone "has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity." [21]

Photo. Global R&D Team, Trondheim, Norway

Diversity & Equality

BioMar believes diversity contributes to the development of innovative solutions and societal growth.

A commitment to diversity, inclusion and equality calls for more than measuring gender, sexual orientation, race, religion, culture, age, and disabilities. It must promote a culture where differences and different opinions are considered valuable assets to the company.

BioMar is a diverse company with employees from more than 50 different nationalities. We strive for equal opportunities for employment, promotion, pay, and professional development and an environment of no harassment or discrimination.

Our focus on diversity and equality are embraced by our new policies for employment, salary, and medical services, which are based on our Code of Conduct.[18]

We have made a pledge to ensure:

- Equal pay for equal work
- Gender diversity in the leadership pipeline
- Inclusion of workforce with disabilities
- Global management with cultural diversity

Capacity Building

By engaging in knowledge dissemination across our entire value chain, we can exponentially increase our positive impact on the world through capacity building.

Sharing the knowledge and experience we gain from research and innovation accelerates our journey towards an equitable and responsible aquaculture industry. BioMar's contribution to capacity building is divided into two categories: direct and indirect capacity building.

Direct Capacity Building

Direct capacity building takes place when we engage with customers, employees, suppliers, community members and industry stakeholders worldwide. These interactions are direct knowledge sharing opportunities.

Worldwide, our subject matter specialists meet with customers at their farming sites, ingredient manufacturers at their factories, or with seafood purchasers. These meetings present opportunities to share knowledge to improve farm management, production methods, animal welfare or raw materials to deliver feed and seafood that cater to the responsible consumer.

BioMar people volunteer as presenters at conferences and forums to disseminate their knowledge and experience on various industry improvement initiatives.

Indirect Capacity Building

In many parts of the world, sustainability is often not obtainable until certain basic conditions are met. Many of the world's fisheries and agricultural regions lack the knowledge, resources, and capital to produce more sustainably or responsibly at scale.

BioMar can help address these deficiencies by engaging in agriculture and fishery improvement projects in our supply chain. This "indirect" capacity building can facilitate entire industry shifts towards global, responsible and equitable fisheries and agricultural practices.

Our philosophy is that most of our raw materials should come from certified suppliers who have proven to deliver on the requirements outlined in our Sourcing Policy and Code of Conduct for Suppliers. [22, 23]

However, recognising the different levels of global development and our overall goals to Enable People, we will engage with suppliers from lesser developed sourcing regions or industries that do not immediately qualify as a supplier to BioMar through selected improvement programmes.

Photo. (top left)
Torunn Forberg, Kyla Zatti, Monica Juarez and Maja Erichsen at Letsea, for the final sampling of the Foods of Norway project.

Photo. (bottom left)
Zhongli Ji, BioFarm, BioMar Tongwei, China

Photo. (below)
Soya farmers in the Protein Partnership Programme.

Photo credit: Donau Soja

We have many examples of how our knowledge and financial support have vastly improved raw material production. Among the BioMar selection criteria for choosing development programmes include:

- Number of people receiving relevant training.
- Clear goals and milestones.
- Led by reputable NGOs and / or industry organisations.

Through such programmes, we address the challenges of an equitable and responsible food system while highlighting the inseparable links between healthy people, healthy societies, and a healthy planet.

3 billion people worldwide rely on seafood as their main source of protein.[27]

The future is Blue

Seafood provides us with a nutrient-dense and climate-friendly protein food choice. Over 2000 different species of blue foods offer a wide range of essential nutrients.[24]

Blue foods are nutritious and diverse foods derived from aquatic environments, including streams, rivers, lakes, wetlands, seas, and oceans. The various species caught and cultured in these environments provide the primary source of protein for 3 billion people worldwide. Recent credible scientific initiatives have highlighted the critical importance of Blue Foods for global food security and health.[24]

The Blue Food Assessment includes over 100 scientists from more than 25 institutions, including the Stockholm Resilience Centre, Stanford University's Centre for Ocean Solutions and EAT-Lancet. This interdisciplinary team supports decision-makers in evaluating opportunities, tradeoffs and implementing solutions to build healthy, equitable and sustainable food systems.[24]

Following the Blue Food Assessment, the 2021 UN Food Systems Summit considered the role of blue foods in helping to transform the global food system for the first time.

High-value protein from aquaculture

Aquaculture is one of the most efficient converters of feed into high-quality food. The nutritional composition of a seafood product depends primarily on what they eat. Fed aquaculture has the advantage that diets can be controlled and optimised. This leads to optimal yields and quality when farmed correctly and responsibly.[25]

Protein from seafood is readily digestible, has an optimal amino acid profile, and contains essential micronutrients, such as vitamin D, selenium and iodine. In addition, fatty fish is rich in long-chained unsaturated fatty acids, which are indirectly involved in regulating inflammatory responses and blood pressure.[26]

Wild fish harvests have stagnated, and many stocks are fully or overexploited. Therefore, increasing the global seafood supply through aquaculture is essential to provide healthy and sustainable protein for a growing population. [27]

Photo. Nicole Asqui Guadamud,
BioMar Ecuador

Enable People

In 2021, BioMar reached more than 42,300 people through our capacity building initiatives.

Our efforts to achieve greater gender equality in management continued in 2021. While women are under-represented at the executive management level, our leadership pipeline has been strengthened significantly by increasing the ratio of women in management. [28]

In 2021, we focused on establishing a robust system to address the concept of living wages. We examined our approach to living wages across the organisation, mapped current pay levels and updated our salary policy. This exercise identified pockets of wages that did not meet our standards within the organisation. BioMar is outlining an action plan to enable the development of jobs and staff to accelerate the journey towards higher wages. The development initiatives will be designed to have a ripple effect on the local communities through knowledge and skill transfer.

At the company level, our lost-time-injury (LTI) rate increased from 3.0 to 5.3 compared to 2020. Most incidents recorded were of a less serious nature. BioMar is committed to keeping industrial injuries and their resulting negative impact at a minimum by conducting a root cause analysis and establishing action plans. [28]

In 2021 we reached over 42,300 people with capacity building initiatives

BioMar Employees
participating in formal development activities
1 219

Community Members
participating in capacity building activities
1 726

Customer & Supplier Staff
participating in capacity building activities
6 014

Conference Participants
listening to BioMar speakers at conferences around the world
8 514

Development Programme Participants
participating in Improvement Programmes with BioMar
24 831

BioMar Australia

Results are created by People

BioMar Australia in 2021 was awarded the Tasmanian Employer of the Year by the Tasmanian Training Awards and the Employer of Choice award by the Australian Business Awards.[29, 30]

Photo. (From left to right)
Victoria Alers, Evan Thompson, David Whyte, Drew McGowan, Andrew Reid

BioMar Australia commenced production in 2020 and was immediately met with additional challenges due to the global pandemic creating a rapidly changing work environment. The team was forced to adapt quickly to these challenges and respond promptly to customer needs.

This propelled BioMar Australia's staff on a course of rapid development, and management implemented practices that prioritised training, talent attraction and cultural development, resulting in good engagement.

The BioMar culture empowers our teams to maximise their full potential and achieve incredible results.

BioMar Australia was subsequently recognised by the Australian Business Awards and the Tasmanian Training Awards as an employer of choice. These awards are given to companies that demonstrate the core values of business innovation, employee engagement, and customer satisfaction via a set of comprehensive award categories.[29,30]

Local communities repurposing feed bags

In BioMar Chile, most aquafeed maxi bags are sent to recycling. However, some feed bags have been set aside for a circular upskilling initiative to support local communities in repurposing them.

In conjunction with Fomento Upcycling Empresarial (FUE), a training project was carried out for the indigenous community to learn how to transform maxi bags into new products. Each month, BioMar delivers a small amount of feed bags to the FUE, from which the indigenous community makes waterproof cloaks (ponchos), grocery bags or even backpacks.[31]

With each maxi-bag up to 10 grocery bags can be made.

As the project scales up, it is hoped that this initiative can provide local communities with new skills in sewing and hand-making crafts and an additional income as they will be able to sell them to tourists and at local fairs.

BioMar Chile

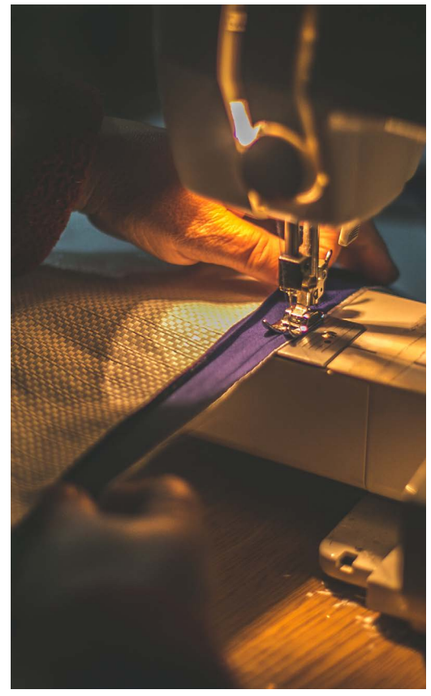


Photo credit. FUE

13

BioMar is a leading supplier of high-performance, sustainable aquafeeds. We supply feed for over 50 different species to more than 90 countries from 17 production facilities worldwide.

BioMar Group

Our promise to the planet and people

We make a promise, to our planet and its people with a set of ambitious targets that will seek to aid in the regeneration of our environment while enabling humanity to thrive.

Company Timeline

1962

- BioMar is established in Denmark by a group of Danish fish farmers under the name Dansk Ørredfoder A/S.
- BioMar is among the first in Europe to introduce pelletised dry feed.

1988

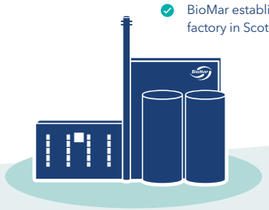
- BioMar pioneers extruded fish feed.
- Ecoline is the first environmentally declared fish feed in the world and wins prestigious Danish Environmental Award for improved eco-performance.

1990's

- Dansk Ørredfoder A/S takes over Aqualim S.A. in France and BioMar AS in Norway and consolidates under BioMar A/S.

1995

- BioMar establishes a factory in Scotland.



1996

- BioMar establishes production in Karmøy, Norway.

2000

- BioMar acquires 50% of two factories in Chile, achieving full ownership in 2002.

2001

- BioMar establishes production in Greece.

2005

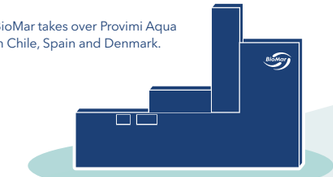
- Schouw & Co. becomes majority stakeholder in BioMar A/S.

2007

- BioMar launches the sustainability concept and improvement programme, BioSustain™

2008

- BioMar takes over Provimi Aqua in Chile, Spain and Denmark.



2009

- BioMar launches the SMARTfeed™ concept in Norway.
- BioMar launches the first fish feed in the EU with probiotics.

2012

- BioMar establishes a JV with Aquacorporacion Internacional in Costa Rica.
- MS Høydal is the world's first cargo ship powered by liquefied natural gas (LNG).

2015

- BioMar establishes a JV with Tongwei, in China.
- BioMar partners with the Antarctic Wildlife Research Fund to facilitate and promote research on the Antarctic ecosystem.

2016

- BioMar establishes a JV with Sagun in Turkey.
- BioMar's JV in China acquires the fish feed company Haiwei.
- BioMar is first to use novel omega-3 from microalgae in feed at commercial scale.

2017

- BioMar acquires shrimp feed factory, Alimentsa in Ecuador.
- BioMar establishes a global hatchery unit in France.

2018

- BioMar first to launch consumer facing transparency tool.
- Redesigned targeted global health strategy and concept, SmartCare™.

2019

- BioMar becomes full owner of the Joint Venture factory in Chile.

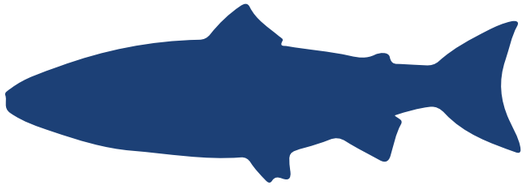
2020/2021

- BioMar establishes production in Australia.
- BioMar establishes a new factory in China.
- BioMar acquires the majority of shrimp feed factory, Viet-Uc, in Vietnam

45

2021

Species distribution fed by BioMar



62%

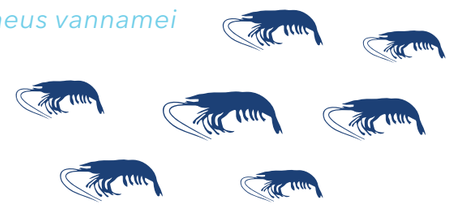
Atlantic Salmon

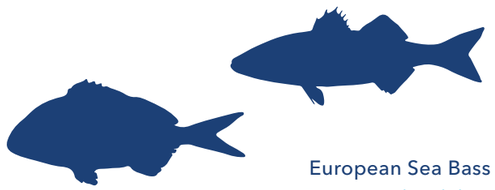
Salmo salar

11%

Shrimp

Penaeus vannamei





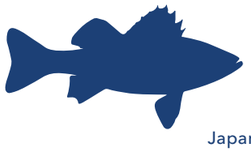
European Sea Bass

Dicentrarchus labrax

7%

Gilthead Sea Bream

Sparus aurata



3%

Japanese Seabass

Lateolabrax japonicus

Rainbow Trout (saltwater)

Oncorhynchus mykiss

9%

Rainbow Trout (freshwater)

Oncorhynchus mykiss

2%

Tilapia

Oreochromis niloticus

European Eel

Anguilla anguilla

4%

+ other species

Meagre

Argyrosomus regius

Siberian Sturgeon

Acipenser baeri

2%

Coho

Oncorhynchus kisutch

Markets & Operations

BioMar is a leading supplier of high-performance, sustainable aquafeeds. We supply feed for over 50 different species, to more than 90 countries from 17 production facilities around the world.

BioMar Group has its head office in Aarhus Denmark, and divides its operations into four divisions: Salmon Division, EMEA Division, LATAM Division and the new Asia Division that will support our growth ambitions in the region.

Our approach stimulates local market engagement while ensuring global synergies in processes and access to world-class knowledge and expertise. Our business units are led by local managers with solid experience and knowledge from within the sector.

The Salmon Division has operations in Norway, Scotland, Chile and Australia. The EMEA Division covers the EMEA region and includes all species, except salmon. EMEA production facilities are located in Denmark, France, Spain, Greece and Turkey. The LATAM Division operates in Costa Rica and Ecuador and has a product focus on hatchery and shrimp. The Asia Division consists of operations in China and the newly acquired production facility in Vietnam.

Our main business areas are sustainable feeds for salmon and trout in Norway, the UK, Chile and Australia. In Continental Europe, we produce feed for trout, sea bass, sea bream, meagre and eel. In South and Central America, we provide feed for shrimp, cobia and tilapia. In Asia, our main business is feed for shrimp, Japanese seabass, snakehead, sturgeon and trout. We suspended all sales, trading and sourcing activities in Russia after the invasion of Ukraine.

Figure 7. BioMar markets and production by country including manufacturing units and ATC centres.

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Structure & Operational Model

To serve global customers, we will continue adjusting our approach, optimising our product portfolio, and prioritising customer support. Our structure reinforces BioMar's strategy of combining global excellence with local agility.

BioMar's organisational and management structure will reflect our strategy and global focus across divisions. BioMar is currently setting a new strategic course, emphasising protecting the core and simultaneously accelerating and future-proofing the business. The structure and model will adapt accordingly.

In line with strategic growth aspirations, BioMar's operational model comprises four divisions: Salmon, EMEA, Asia and LATAM.

Our model serves different customer profiles and market conditions and has proven to be efficient in facilitating global synergies and effective collaboration with customers.

Board Members

Chairman
Jens Bjerg Sørensen

Asbjørn Reinkind

Jørgen Wisborg

Marianne Kirkegaard

Anders Wilhjelm

Executive Committee

CEO
Carlos Diaz

CFO
Claus Eskildsen

VP Salmon
Paddy Campbell

VP EMEA
Ole Christensen

VP LATAM
Henrik Aarestrup

VP Asia
Francois Loubere.

VP People, Purpose & Communications
Sif Rishoej

Global Functions

Global Sustainability Director
Vidar Gundersen

Global R&D Director
Simon Wadsworth

Global Sourcing Director
Morten Møjbæk

Global Business Development Director
Michael Gammelgaard

Global Marketing Director
Katherine Bryar

Global IT Director
Henrik Frøsig

Group Finance Director
Carsten Nielsen

Global Manufacturing & Technology Director
Roger Hendry

Head of Global Quality
Marco Espinoza

We are innovators dedicated to an efficient and sustainable global aquaculture.

e

Sustainability Committee

BioMar is committed to high standards of corporate responsibility and ESG, which the Sustainability Committee oversees.

The Sustainability Committee (SC) is responsible for the sustainability strategy and performance of BioMar. It is crucial for good governance and integrating business and sustainability priorities, so the company can deliver on expectations and further develop.

Our Global Sustainability Director leads the SC and core members include the CEO, CFO, VP People, Purpose and Communication, the Global Sourcing Director and the Global Manufacturing and Technology Director. Other active participants are global functions responsible for delivering on initiatives and KPIs related to sustainability performance.

Part of our role as a multinational company, which sources raw materials in the global market, is to ensure that our suppliers meet the standards detailed in our Code of Conduct and other applicable policies. In addition, we require our employees and business partners to comply with our Code of Conduct and make it the foundation for how we drive our business.

In all our activities, we must comply with the laws, rules and regulations of the countries in which we operate, including, but not restricted to, labour and environmental issues.

The term 'ESG'

Different terminology is used to describe the area where business intersects with nature and society. Two terms have become dominant in recent years: ESG (environmental, social, and governance) and sustainability. However, there are implications to be aware of when shifting semantics.

Terminology such as corporate social responsibility, green, sustainability, and ESG are used to describe the area overlapping business and society. While these terms look like synonyms, each implies a different call to action and level of responsibility.

For example, sustainability and ESG, the two most common terms, differ primarily based on 'sustainability's' outward-looking reporting and action, while 'ESG' focuses on inward-looking disclosures. A company's 'lingo' choice is extremely important, and we have recently seen a rise in the use of the term ESG.

Business leaders today must focus on what matters

The core reason for the increasing use of ESG is the investment community's arrival on the sustainability scene. ESG criteria are connected to financial performance and have become the language for investors to measure and distinguish investment funds and companies on sustainability performance and risk.

The main reason why investors are now 'all-in' is that the nature of the systemic risk that climate change poses has become more apparent. There is increased pressure from shareholders and other stakeholders and many economic opportunities within the sustainability/ESG space. Big trends draw big money, and the shift to a carbon-free economy is as big of a movement as they come.

Meanwhile, there are some philosophical concerns with this finance-led language. Viewing sustainability through a market lens and maximising profit is, in large, what led to our current ecological collapse and the vast inequality in the first place. ESG is an acronym for categories of things companies should work on - but these areas need to be infused with meaning and science. Sustainable, circular, restorative, or ESG must be founded on credible scientific methods to quantify and qualify ambitions, targets and performance.

Including finance in the discussion is essential despite ESG lacking the tangibility of modern sustainability science. We cannot achieve momentum in corporate sustainability with investors on the sideline. Either way, business leaders today must focus on what matters: action at the speed and scale required to build a net-positive world.[32]

Updated Code of Conduct

Being a responsible company is the "BioMar Way." We make holistic decisions beyond profit and loss – doing the right thing even when no one is watching.

It is increasingly important to document our policies, practices and overall approach to being a responsible company. As a part of this work, we have updated our Code of Conduct to reflect our current strategy.[33]

Among our principles stipulated in the new edition, we would like to highlight our commitment to:

- Setting health and safety as a first priority
- Promoting human rights internally and in our value chain[18]
- Building a diverse and inclusive workforce
- Improving our environmental and social impact
- Engage and collaborate with local communities
- Access to grievance mechanisms and remedies
- Free competition and zero corruption
- Addressing conflicts of interest
- Protecting data and information

We have a new version of our Code of Conduct for suppliers and updated policies within functional areas such as Sourcing, People, Quality, and Manufacturing. [22]

Furthermore, we are changing our business development methodology to enhance our focus on human rights, including land rights and impacts on local communities.

All relevant staff confirm their commitment to our Code of Conduct in a formalised signing process.

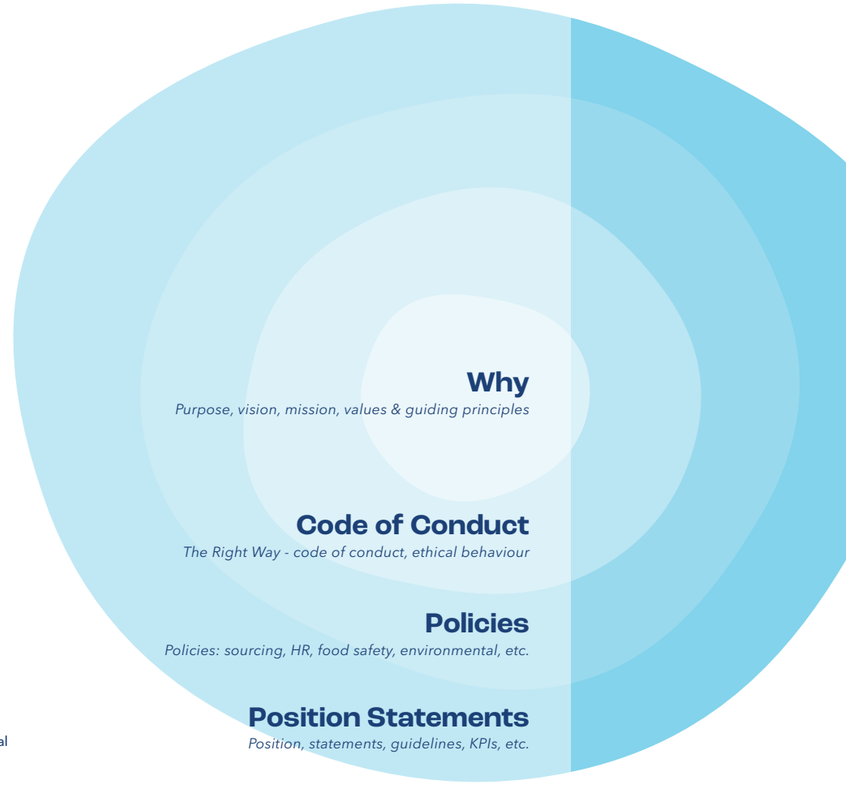
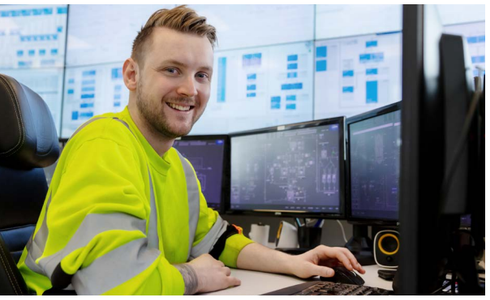


Figure 8. Illustration of corporate policies in BioMar, emanating from global core statutes, code of conducts and high impact policies to more market driven position statements.

Photo. (below)
Ädne Falkeid, Karmøy, Norway

New

People Policies



We promote strong employee engagement through skill development and ensuring fair pay.

Results are created by people. We know our purpose is lived through people dedicated to a shared vision for our industry and future. We do not believe policies and guidelines can fully capture our actions or ambitions. However, we need to ensure that no one is in doubt about the basic principles forming our company. That is why we continuously update and promote the global policies related to our internal practices and supply chain.

This year, we launched a new policy for our suppliers and internal practices regarding the environment, quality, and people. Our Code of Conduct is the framework governing all of them.[33]

The most important new elements of our People Policies are BioMar's Employment Policy, Salary Policy and Medical Services Policy. [34]

Photo. (above) Nguyen Thi Nhu Quynh, Tran Ngoc Hoa, Tran Ngoc Ha, Nguyen Thanh Truc, Nguyen Ngoc Minh, BioMar Viet Uc, Vietnam

Employment Policy

Our Employment policy defines fundamental principles within recruitment, contracting, and onboarding in BioMar Group, to which all business units must comply.

In BioMar, we believe in being an employer of choice. We promote strong employee engagement through skill development and ensuring fair pay. In addition, as a global company with employees in many different functions, we must stipulate that there are working conditions which cannot be compromised.

We ensure that:

- We contract all workers on responsible conditions
- We do not use child labour or forced labour
- We promote diversity and equality
- We uphold dialogue with employees and their organisations
- We integrate and train all staff

Salary Policy

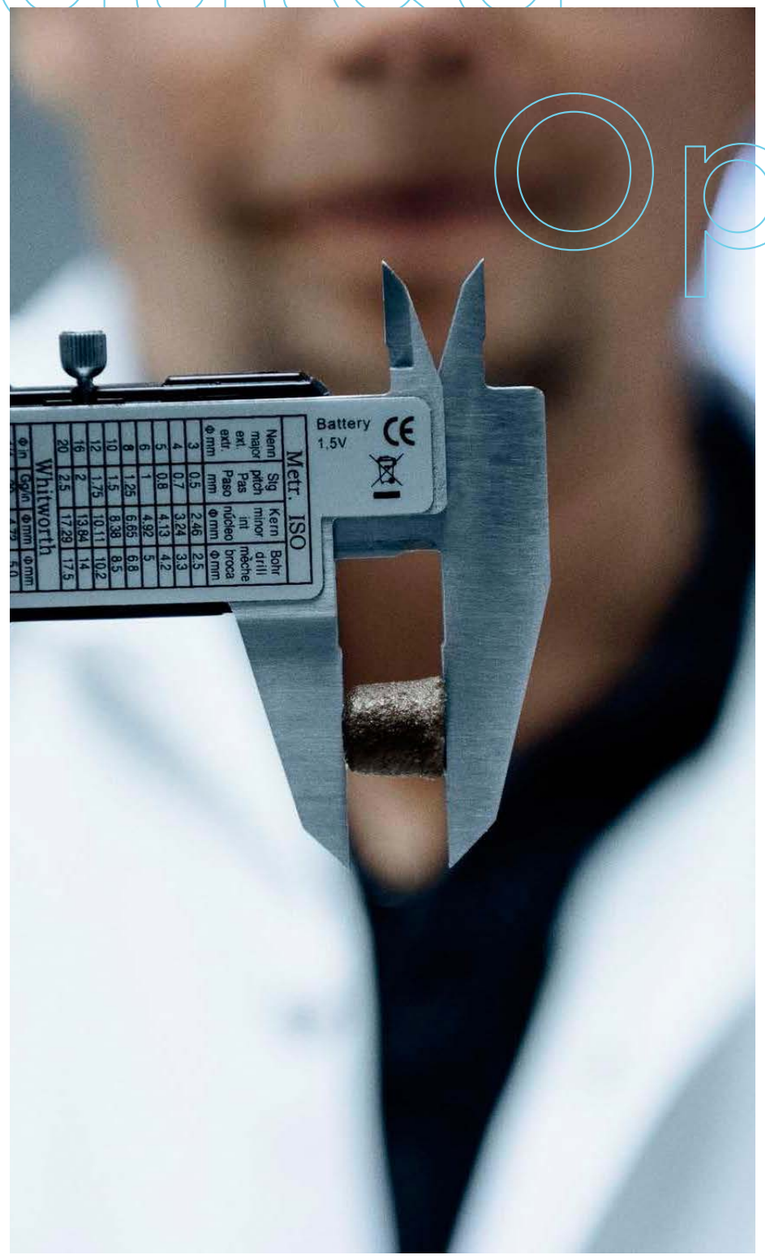
Our overall principles for pay are stipulated in a new Salary Policy, where we commit to:

- Transparency on salary principles
- Determine pay levels by a recognised methodology
- Use external as well as internal salary benchmarks
- Ensure a clear link between pay, performance, and responsibilities
- Uphold yearly salary adjustment cycle
- Respect collective negotiations and agreements with the involvement of unions and/or employee representation

Medical Services Policy

Our Medical Services Policy underlines that every employee must be able to work without risks to their health and safety. The use of medical services are for promoting employee health while safeguarding human and labour rights.

Updated Operational Policies



Our policies are periodically reviewed by the BioMar Executive Committee and updated as appropriate to ensure our objectives are achieved.

As a global manufacturer of high-performance aquafeeds, BioMar strives to meet our customers' needs in an environmentally responsible and sustainable way. We aim to minimise our impact on the surrounding environment and promote the long-term environmental and economic sustainability of our operations.

Compliance with our policy requirements is a responsibility of all employees throughout the organisation; these requirements are embedded and integrated into our local management systems at every stage of the manufacturing & supply process.

BioMar is committed to operating responsibly across our operations and within the wider supply chain. Our policies are publicly available and disseminated to all employees and relevant parties.[34]

BioMar also works continuously to demonstrate care for communities where we operate and ensure the health and welfare of our employees.

BioMar is highly focused on quality and food safety requirements from customers, markets and regulations. We ensure a safe level of protection to human health associated with the consumption of farmed aquatic species, thereby recognising our responsibility as a supplier to the food chain.

To support our commitment to quality and food safety, the environment and sustainability, we aligned with the updated versions of BAP, GLOBALG.A.P and the ASC Feed Standard and updated all Group operational policies.

The updated Environmental Policy and Quality & Food Safety Policy sit alongside our other operational policies, which apply to all BioMar Group companies in which BioMar maintains operational control. [34]

Our policies are periodically reviewed by the BioMar Executive Committee and updated as appropriate to ensure we achieve our objectives.

Responsible Sourcing

Through clear and transparent principles, we want to contribute actively and consciously to the developments within our supply chain

Sustainable and high-performance feeds all begin with sourcing high-quality raw materials. The responsible sourcing of raw materials is essential for our product portfolio.

We have been a key contributor to the global growth of aquaculture and will continue this journey while taking pride in producing our products in a responsible manner.

We believe that building trust with our stakeholders is the key to sustainable business growth. We recognise our responsibility to support the development of requirements in our industry.

Based on this development, we saw the need to reinforce our commitment to ethical, social, and environmental principles in our supply chain practices; hence we created a new and updated set of Responsible Sourcing Principles outlined in our documents.[22]

We have highlighted the specific requirements when sourcing marine and vegetable raw materials in our Position Statements, emphasising the importance of full transparency through traceability information. Furthermore, commitment is required toward sustainable fisheries and deforestation practices. Outlined is also our focus on the long-term sustainability of our supply chains through circular and restorative principles. We seek to progressively decouple feed supply chains from directly competing with food security by implementing ambitious initiatives on circular and restorative principles.

Through these clear and transparent principles, we want to contribute actively and consciously to the developments within our supply chain. Our responsible sourcing principles outline our ways of working and the minimum standards we require in relation to conducting responsible sourcing in and with BioMar. [22]

Sourcing Documents:

BioMar Responsible Sourcing Policy

Code of Conduct for Suppliers

Marine ingredients Position Statement

Vegetable ingredients Position Statement

Sustainability Report 2021

Sourcing Policy

At BioMar, we care about our planet and its people. Raw materials play an important role in our social and environmental impact. We have, therefore, pledged to ensure responsible sourcing of our feed ingredients.

To deliver on our commitment, we work with suppliers to guarantee high-quality and safe feed ingredients that also meet our circular and restorative ambitions.

We ensure that our products are based on responsibly produced raw materials. We are committed to sourcing with high integrity and high ethical standards, ensuring that our principles and meticulous approach applies throughout our supply chain.

The "Responsible Sourcing Policy" specifies the 5 Fundamental Principles, which all suppliers must comply with when supplying raw materials to BioMar globally. Our local companies might apply additional local sourcing policies and processes; however, this is always within the frame of the global policy.

To read our full Responsible Sourcing Policy go to:
https://www.BioMar.com/en/global/sustainability/sourcing/

Principle 1:
Conduct business lawfully and with integrity

Principle 2:
Be dedicated to collaboration and transparency

Principle 3:
Ensure product quality and food safety

Principle 4
Protect natural resources

Principle 5:
Uphold human and labour rights

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Quality Systems & Certifications

In BioMar, we focus on quality and food safety to ensure compliance with local regulatory frameworks and mutually agreed customer requirements.

Our customers and local markets provide the requirements for certification across our businesses; we build on base-level ISO 9001 certification at all production locations and include ISO 14001, ISO 22001, ISO 45001, ISO 50001 and ISO 17025 at specific locations depending on the needs. In addition, we follow market-related standards, certify to BAP, GLOBALG.A.P., and other product standards, and are working on deploying the new ASC Feed Standard across all applicable markets.

We consider food safety one of our most important tasks and strive to reach the highest possible security. We impose strict internal procedures for all processes at our facilities and apply a level of control that often exceeds official requirements. We thoroughly assess our product portfolio on a global level.

We have a harmonised approach towards food safety, with quality systems that i) monitor performance and compliance and ii) ensure local management plans are aligned with local requirements. Our Global Quality function supports activities to raise awareness, encourage participation, train employees in Quality and Food Safety matters and work further with suppliers and customers to align on Quality and Food Safety requirements of our products and services.

In 2021, we found no major health and safety impacts nor identified any non-compliance with regulations.

* Haiwei (China) plant is not included in overview as it falls out of our definition of Operational Control

Wesley Vale, Australia

POWER Efico SmartCare®

Atlantic Salmon, King Salmon, Barramundi

ISO 9001, ISO 14001, ISO 22000, GlobalG.A.P., BAP, FeedSafe

Myre, Norway

BLUE IMPACT POWER SmartCare®

Atlantic Salmon, Rainbow Trout, Atlantic Cod

ISO 9001, ISO 14001, GlobalG.A.P.

Karmøy, Norway

ORBIT POWER SmartCare®

Atlantic Salmon, Rainbow Trout, Atlantic Cod

ISO 9001, ISO 14001, GlobalG.A.P.

Grangemouth, Scotland

POWER Symbio SmartCare®

Atlantic Salmon, Rainbow Trout, Halibut

ISO 9001, ISO 14001, ISO 22000, BAP

Duran, Ecuador

EXIA LARVIVA INICIO

Vannamei

ISO 9001, GlobalG.A.P., BAP

Castro, Chile

ORBIT POWER SmartCare®

Atlantic Salmon, Coho, Rainbow Trout

ISO 9001, ISO 14001, ISO 22000, ISO 45001, GlobalG.A.P., BAP

Pargua, Chile

POWER SmartCare®

Atlantic Salmon, Coho, Rainbow Trout

ISO 9001, ISO 14001, ISO 22000, ISO 45001, ISO 17025, GlobalG.A.P., BAP

Ercilla, Chile

POWER SmartCare®

Atlantic Salmon, Coho, Rainbow Trout

ISO 9001, ISO 14001, ISO 22000, ISO 45001, ISO 17025, GlobalG.A.P., BAP

Volos, Greece

Efico Maxio SmartCare®

Sea Bass, Sea Bream, Rainbow Trout

ISO 9001, ISO 14001, GlobalG.A.P.

Brande, Denmark

Efico ORBIT INICIO

Rainbow Trout, Atlantic Salmon, Yellowtail Kingfish

ISO 9001, Global.G.A.P.

Nersac, France

Efico Maxio LARVIVA®

Rainbow Trout, Sea Bass, Sea Bream

GlobalG.A.P.

Duenas, Spain

Efico Maxio SmartCare®

Sea Bass, Sea Bream, Meagre, Turbot

ISO 9001, ISO 14001, GlobalG.A.P.

Ben Tre, Vietnam

EXIA LARVIVA®

Vannamei, Monodon

BAP

BioMar-Tongwei, (JV) China

Efico

Sturgeon, Rainbow Trout, Largemouth Bass

ISO 9001

Soke, (JV) Turkey

Efico Maxio SmartCare®

Rainbow Trout, Sea Bream, Sea Bass

GlobalG.A.P.

Cañas, (JV) Costa Rica

Efico EXIA

Tilapia, Vannamei, Cobia

ISO 9001, ISO 50001, GlobalG.A.P., BAP

Outlook & Financial Statements

Strong sales volumes and a significant increase in revenue produced the expected earnings improvement in the year's final quarter. Guiding for sustained sales growth and earnings improvements in 2022.

BioMar is one of the world's largest manufacturers of quality aquafeed for the aquaculture industry. The company's operations are divided into four divisions:

- The Salmon Division covers our operations in Norway, Scotland, Chile and Australia. The division supplies quality feed for Atlantic salmon, Pacific salmon and trout.
- The EMEA Division covers the EMEA region and involves all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece and Turkey.
- The LATAM Division covers Latin American operations involving shrimp and fish other than salmon. The division has production facilities in Ecuador and Costa Rica.
- The Asia Division covers operations for fish and shrimp production in Asia, currently with production facilities in China and Vietnam.

The unconsolidated business operations in Turkey and China are driven through 50/50 joint ventures with local partners.

Financial Performance

Through a strengthened contract base in several markets, BioMar, as expected, grew volume sales by 14% year on year in Q4 2021 and reported revenue up by 33% to DKK 4,044 million from DKK 3,045 million in Q4 2020. In addition to higher volume sales, the revenue improvement was better than expected and attributable particularly to higher selling prices caused by higher prices of raw materials.

As a result, full-year 2021 revenue was up by 14% to DKK 13,300 million from DKK 11,649 million in 2020. The revenue improvement was based on an 8% increase in volumes sold relative to 2020, supplemented by higher selling prices caused by higher raw materials prices. Relative to last year, the effect of exchange rate developments on sales was generally positive at about DKK 140 million, mainly in the fourth quarter.

Supported by strengthened sales in Norway and Australia, the Salmon Division grew overall volume sales while sales in Chile and Scotland softened. The division remains committed to generating growth through close collaboration with customers to maintain its position as the preferred supplier of feed solutions.

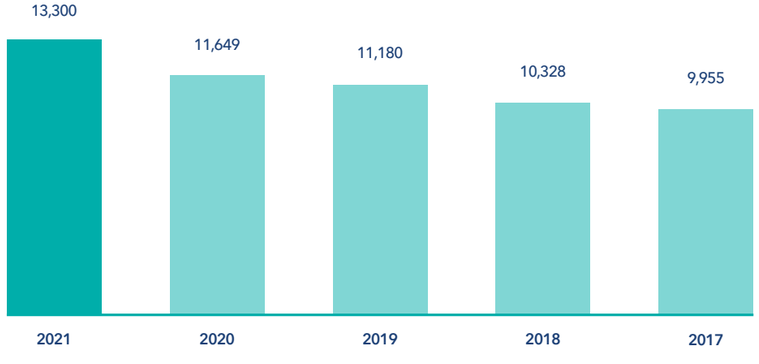
The EMEA Division reported a modest improvement in volume sales in 2020 when sales in Greece were extraordinarily strong. In other words, the factories in Denmark and Spain drove the improvement.

The LATAM Division reported significant year-on-year progress in volume sales. The sales increase was primarily attributable to increased shrimp production in the region, partially supported by the challenging conditions facing the fish farmers' Asian competition. In addition, BioMar continued the efforts to attract more large customers.

International commodity markets and supply chains continue to be characterised by instability. The challenging supply situation has made it difficult to operate as efficiently as the company would want. At the same time, raw material prices and freight and energy costs have increased at a pace not witnessed for many years. The entire year was marked by challenges in fully offsetting the sharp rise in raw materials prices and the increase in freight and energy costs. In addition, disruptions to the supply of raw materials resulted in higher recipe costs and increased logistics costs in certain markets.

However, performance strengthened thanks to solid sales in the latter part of the year, resulting in an increase in EBITDA from DKK 266 million in Q4 2020 to DKK 274 million in Q4 2021. This brought the full-year 2021 EBITDA to DKK 911 million, compared with DKK 972 million in 2020, which was in line with expectations.

Working capital amounted to DKK 1,399 million at 31 December 2021, compared to DKK 955 million at 31 December 2020. Working capital includes increased capital tied up in inventories, attributable to a higher level of activity and higher raw materials prices combined with global logistics challenges. Capital tied up in receivables also increased due to increased activity and pressure in some markets for extended credit terms. The use of supply chain financing increased from DKK 829 million at 31 December 2020 to DKK 1,058 million at 31 December 2021, primarily due to higher prices of raw materials.



While still high, ROIC excluding goodwill fell to 15.9% at 31 December 2021 from 18.4% at 31 December 2020.

Business Review

During the past two years, BioMar has consistently adapted to the coronavirus situation in each market, implementing a wide range of measures to protect its employees and to support local communities in the worst affected areas. The negative impact on BioMar's overall volume sales has been relatively modest to date, but certain markets have faced greater challenges than others.

BioMar Group	Q4 21	Q4 20	2021	2020
Volume ('000 of tonnes)	405	354	1,446	1,342
Revenue (DKKm)	4,044	3,045	13,300	11,649
- Salmon Division	3,150	2,307	9,809	8,542
- Other divisions	894	768	3,491	3,107
Employees	1,483	1,377	1,445	1,377

Currently, the most significant impact of the pandemic is the surge in prices of raw materials and freight and energy costs and the significant challenges relating to the supply of critical raw materials. This affects all of BioMar's markets to varying degrees and puts earnings under pressure, as it is not always possible to entirely pass on the increased costs to selling prices.

In September 2021, BioMar announced plans to establish four new extrusion lines in Ecuador. The investment will expand annual extruded shrimp feed capacity by about 200,000 tonnes when fully executed. The initial phase of the project, involving an investment of about DKK 125 million in two extrusion lines, is expected to be completed during Q4 2022.

The Vietnamese partnership agreement signed in February 2021 with Viet-Uc, a leading player in Vietnam's shrimp farming industry, is still progressing in a promising direction, however, at a much slower pace than anticipated due to pandemic-related challenges that impacted Vietnam severely in 2021. The new partnership is still expected to strengthen BioMar's global position in the shrimp feed market and secure a presence in the important Asian aquaculture market.

Outlook

From an overall perspective, long-term demand for farmed seafood generally seems sound. BioMar is focused on leveraging its strong market position and realising the positive effects of the strategic investments made in recent years.

At the beginning of the year, BioMar expected volume sales to increase by no less than 5% in 2022 and anticipated revenue in the DKK 14.0-15.0 billion range. However, changes in raw materials prices and foreign exchange rates may impact full-year revenue. Given the current outlook, BioMar now guides for full-year 2022 revenue in the DKK 16.0-17.0 billion range.

EBITDA was expected at the beginning of the year in the DKK 980 -1,040 million range. The forecast was uncertain about unstable supply chains, volatile raw materials prices, and energy costs. Since then, the Russia/Ukraine situation has caused additional uncertainty and resulted in suspended sales to Russia.

Earnings are further impacted by the change of accounting policies concerning cloud solutions and the provisions made for the lawsuit in Norway. On the other hand, the acquisition of AQ1 is expected to lift earnings slightly.

The international sanctions have increased the risk pertaining to receivables and other assets related to Russia, where BioMar's exposure is some DKK 90 million. A provision for a loss of DKK 45 million was made in Q1 2022. A full or partial writedown of these assets would inherently be categorised as a non-recurring cost. In light of the significant uncertainty, earnings forecasts for the year are expressed before provisions for losses on these assets.

Against this background, BioMar now expects to generate full-year 2022 EBITDA in the DKK 890-940 million range before provisions for losses on assets related to Russia.

Associates and joint ventures are recognised at a share of profit after tax. Based on a generally high activity level and the favourable conditions currently enjoyed by Salmones Austral and LetSea, BioMar now guides for a share of 2022 profits of DKK 80 million compared with the previous estimate of DKK 55 million.

Joint Ventures and Associates

BioMar manufactures aquafeed in China and Turkey through 50/50 joint ventures with local partners. These activities are not consolidated, but having a strong presence in these markets is very important to BioMar due to its significant growth potential.

The two feed businesses reported combined 2021 revenue (100% basis) of DKK 972 million and EBITDA of DKK 60 million, against revenue of DKK 682 million and EBITDA of DKK 40 million in 2020. BioMar successfully generated significant growth in both markets, whereas operations in Turkey remained challenged by difficult market conditions in 2021.

The associated businesses include the Chilean fish farming company Salmones Austral and three minor businesses, Letsea, ATC Patagonia and LCL Shipping.

The non-consolidated joint ventures and associates are recognised in the 2021 consolidated financial statements at a DKK 45 million share of profit after tax, compared with a DKK 36 million share of loss in 2020. The significant improvement was in line with expectations. It was generally attributable to Salmones Austral in Chile, as settlement prices on farmed salmon are now recovering strongly in that market from a low point in 2020 caused by the coronavirus pandemic.

Income Statement – BioMar Group	2021	2020
Revenue	13,300	11,649
EBITDA	911	972
Depreciation and impairment losses	352	335
EBIT	559	637
Profit after tax in assc's and joint ventures	45	-36
Net financial items	-58	-68
Profit before tax	546	534
Tax on profit/loss for the year	-146	-141
Profit for the year	400	393
Cash Flows		
Cash flows from operating activities	249	1,028
Cash flows from investing activities	-358	-131
Cash flows from financing activities	63	-845
Balance Sheet		
Intangible assets	1,354	1,178
Property, plant and equipment	1,683	1,625
Other non-current assets	1,273	1,004
Cash and cash equivalents	262	293
Other current assets	5,454	4,401
Total assets	10,025	8,500
Shareholders' equity	2,936	2,655
Interest-bearing liabilities	2,820	2,258
Other liabilities	4,269	3,587
Total equity and liabilities	10,025	8,500
Financial Data		
EBITDA margin	6.8%	8.3%
EBIT margin	4.2%	5.5%
ROIC excluding goodwill	15.9%	18.4%
ROIC including goodwill	11.5%	13.4%
Working capital	1,399	955
Net interest-bearing debt	1,932	1,532

Table 6. BioMar Group financial figures for 2021 and 2020 in DKK millions.

Income Statement – Schouw	2021	2020
Revenue	24,219	21,273
EBITDA	2,208	2,209
Depreciation and impairment losses	861	833
EBIT	1,346	1,376
Profit after tax in assc's and joint ventures	50	-34
Net financial items	-64	-133
Profit before tax	1,332	1,209
Tax on profit/loss for the year	-293	-300
Profit for the year	1,038	912
Cash Flows		
Cash flows from operating activities	531	2,296
Cash flows from investing activities	-950	-533
Cash flows from financing activities	250	-1,630
Balance Sheet		
Intangible assets	3,571	3,423
Property, plant and equipment	5,078	4,659
Other non-current assets	1,700	1,427
Cash and cash equivalents	490	635
Other current assets	10,685	7,851
Total assets	21,524	17,994
Shareholders' equity	10,684	9,605
Interest-bearing liabilities	3,453	2,599
Other liabilities	7,386	5,790
Total equity and liabilities	21,524	17,994
Financial Data		
EBITDA margin	9.1%	10.4%
EBIT margin	5.6%	6.5%
ROIC excluding goodwill	14.1%	15.3%
ROIC including goodwill	11.4%	12.3%
Working capital	4,566	3,107
Net interest-bearing debt	2,773	1,936

schouw&co

Ownership

The BioMar Group is fully owned by Schouw & Co., a Danish industrial conglomerate listed on the Nasdaq Copenhagen Stock Exchange that practises ownership through and alongside company management.

BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries and a global player with a presence in all major shrimp and fish farming regions. Schouw & Co. took an initial ownership interest in BioMar in 2005, and the company became a wholly-owned subsidiary through a merger process in 2008. BioMar accounts for about half of Schouw & Co.'s revenue.

Besides aquaculture feeds, Schouw & Co's subsidiaries comprise of non-woven textiles for personal care and industrial applications, hydraulic solutions and components, electronics and advanced mechanics, and components for the automotive industry.

Schouw & Co. maintains close dialogues on such issues as strategy, financing, accounting, investments, and acquisitions and exercises active ownership alongside company management teams.

Table 7. Schouw & Co. A/S financial figures for 2021 and 2020 in DKK millions.

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