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## Corporate Governance & Social Responsibility

### Corporate Governance

Iceland Seafood International is a limited liability company operating under Act No. 2/1995 respecting Public Limited Companies. Under its Articles of Association, the Company is governed by shareholders' meetings, the Board of Directors and the Chief Executive Officer.

The Company's Articles of Associations and rules of issuers of securities listed at Nasdaq First North make up the framework for the Corporate Governance practices for Iceland Seafood International. Reference is

also made to the Icelandic Guidelines on Corporate Governance which are published by the Iceland Chamber of Commerce, SA Business Iceland and Nasdaq Iceland.

### Board of Directors

At the Annual General Meeting of the Company, three members and one alternate member are elected to the Board of Directors.

The Board of Directors holds the supreme authority between shareholders meetings and promotes the development and long-term performance of the Group and the supervision of its operations. Together with

the CEO, they formulate the strategy policies, and set goals and risk parameters for the organisation.

The Board is responsible for the recruitment and dismissal of the CEO. The Rules of Procedure for the Board of Directors were adopted in line with Article 70 of the Public Limited Company Act, also defining the sub-committees appointed to operate on its behalf. These Rules of Procedure are supplementary to the Articles of Association.

### Board Committees

The Audit Committee ensures the quality of the financial statements and internal

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### Corporate Governance

controls. It has oversight of the external auditors. It also presents proposals for the selection of external auditors and ensures their independence. Members of the Audit Committee are Magnús Bjarnason, Ingunn Agnes Kro and Lee Camfield.

The Remuneration Committee is responsible for establishing a remuneration policy for the Company. Members of the Remuneration Committee are Liv Bergþórsdóttir and Magnús Bjarnason.

### **Chief Executive Officer**

The CEO carries out the day-to-day operations of the Company and must, in this respect, follow the policies and instructions laid down by the Board and abide by laws and regulations. The CEO must at all times conduct his work with integrity and take account of the Company's interests.



## **Corporate Governance & Social Responsibility**

### ESG measurements



Iceland Seafood first issued a corporate social responsibility report in 2018. This is the second year the company reports on the topic. The scope of the report for 2019 is broader than before as it covers increased operations and improved reporting on metrics. The report is based on the second version of voluntary non-financial guidelines for Environmental, Social, and Corporate Governance (ESG) disclosure issued by Nasdaq's Nordic and Baltic stock exchanges. The Nasdaq voluntary guide focuses on the ESG metrics that the World Economic Forum

has recommended to stock exchanges around the world. The following are the key metrics, but for more detail see ISI ESG-report.

### **Environmental Responsibility**

The key environmental aspects of Iceland Seafood are sustainable fisheries, energy use, greenhouse gas emissions, water use, and waste. The seven value-added factories represent the great majority of ISI's environmental footprint.

**Corporate Governance  
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**Environmental  
Responsibility**

Environmental Metrics	2019
Full Time Equivalents (FTE)	659
Annual Revenue (EUR m)	448
<b>E1 Direct &amp; Indirect GHG Emissions (MT CO2e)</b>	
Scope 1 (on site fossil fuel usage)	2.511
Scope 2 (Energy use)	2.369
Scope 3	-
<b>E2 Carbon Intensity</b>	
MTCO2e emissions/FTE	7,2
CO2e emission/Revenue (MT/EUR m)	10,6
<b>E3 Direct &amp; Indirect Energy Consumption</b>	
E3.1 Total amount of energy directly consumed (MWh)	3.186
E3.2 Total amount of energy indirectly consumed (MWh)	7.855
Renewable Energy consumption (MWh)	4.506
Non-Renewable Energy consumption (MWh)	6.539

<b>E4 Energy Intensity</b>	
Energy consumed/FTE (MWh/FTE)	15.3
Energy consumed/Revenue (MWh/EUR m)	22.5
<b>E5 Energy mix - top 5</b>	<b>%</b>
Renewable sources (hydro, geothermal, solar, wind)(MWh)	4.506 41
Natural Gas (MWh)	3.667 33
Oil (MWh)	1.366 12
Coal (MWh)	562 5
Nuclear (MWh)	519 5
<b>Renewable Energy Intensity</b>	
Renewable energy/Non-renewable energy	0,69
<b>E6 Water usage</b>	
E6.1 Total amount of water consumed ('000 m <sup>3</sup> )	57.1
E6.2 Total amount of water reclaimed (m <sup>3</sup> )	-

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Environmental  
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Environmental Metrics	2019
<b>Waste Management</b>	
Waste recycled (MT)	710
Waste not recycled (MT)	1.335
Total waste (MT)	2.045
Total waste generated/FTE (MT/employee)	3,1
Total waste generated/Revenue (MT/EUR m)	4,6
% Recycled Waste	35%
<b>E8. Climate Oversight / Board</b>	
Does your Board of Directors oversee and/or manage climate-related risks?	*

\* Board of Directors is conscious of climate-related risk and potential impact of this on the company operation, but such risk factors are not measured or managed in a structural manner.

<b>E9. Climate Oversight / Management</b>	
Does your Senior Management Team oversee and/or manage climate-related risks?	**
<b>E10. Climate Oversight / Management</b>	
Total amount invested, annually, in climate-related infrastructure, resilience, and product development.	***

\*\* Company management is conscious of climate-related risk and potential impact of this on the company operation, but such risk factors are not measured or managed in a structural manner.

\*\*\* Was not included in scope 2019 but will be included in 2020.



**Corporate Governance  
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Social Responsibility

Theses are key social metrics for social aspects of Iceland Seafood operations. For more detail see ESG-report [www.icelandseafood.com/investors](http://www.icelandseafood.com/investors).

Social Metrics	2019	Comments
<b>S1 CEO Pay Ratio</b>	<b>9</b>	CEO salary/ Company average salary.
<b>S2 Gender Pay Ratio</b>		
Total work force:	From 1:1 to 3,46:1	ISI has operations of different nature in various economies and tracks this ratio in each location. The broad range of the ratio represents this variety.
Production staff:	From 1:1 to 1,3:1	
Staff, other than production staff:	From 1:1 to 3,46:1	
<b>S3 Employee Turnover Ratio – Year-over-year change</b>		
S3.1) Full-time employees	26%	
S3.2) Part-time employees	11%	
S3.3) Contractors	0%	
<b>S4 Gender Diversity</b>	<b>Men</b>	<b>Women</b>
S4.1)Total enterprise headcount	59%	41%
S4.2) Entry- and mid-level	59%	41%
S4.3) Senior- and executive-level	68%	32%
<b>S5 Temporary Worker Ratio</b>	<b>20,2%</b>	
<b>S6 Non-Discrimination Policy</b>	<b>In place</b>	See Company website for more details.
<b>S7 Injury rate</b>	<b>0.06</b>	(Total accidents / FTE)
<b>S8 Global Health and Safety policy</b>	<b>In place</b>	See Company website for more details.
<b>S9 Child &amp; Forced Labor Policy</b>	<b>In place</b>	See Company website for more details.
<b>S10 Human Rights Policy</b>	<b>In place</b>	See Company website for more details.

**Corporate Governance  
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Governance

Theses are key aspects of Iceland Seafood governance. For more detail see the ESG-report.

Governance Metrics	Measurement/ Status	Comments
<b>G1 Board diversity</b>		
G1.1) Total board seats occupied by women	33%/50%	There is one women out of three boad mebers. The anternate board member is a woman that sits all meetings
G1.2) Committee chairs occupied by women	50%	One of two committee chairs is occupied by a woman.
<b>G2. Board Independence</b>		
G2.1) Does company prohibit CEO from serving as board chair?	Yes	
G2.2) Total board seats occupied by independents	67%	Two of three boardmembers are independent. The alternate board member is also independent.
<b>G3 Incentivized pay</b>	<b>No</b>	Company ´s employees are currently not financially incentivized for ESG performance.
<b>G4. Collective Bargaining Percentage:</b>		This was not included in the scope for 2019. Will be included for 2020.



**Corporate Governance  
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Governance Metrics	Measurement/ Status	Comments
<b>G5 Supplier Code of Conduct</b>	<b>No</b>	Individual subsidiaries have implemented supplier codes of conduct but an overarching group CoC is not in place. Development of Group CoC is currently in process, with target completion before year end 2021.
<b>G6. Ethics &amp; Anti-Corruption</b>		
G6.1) Does your company follow an ethics and/or Anti-Corruption policy?	Yes	See Iceland Seafood website for more details.
G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		No certification has been implemented.
<b>G7. Data Privacy</b>		
G7.1) Does your company follow a Data Privacy policy?		Partially implemented. Full implementation in 2020.
G7.2) Has your company taken steps to comply with GDPR rules?		Partially implemented. Full implementation in 2020.

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Governance Metrics	Measurement/ Status	Comments
G8. ESG Reporting	Yes	ESG metrics included in annual report and a more detailed ESG report available at Iceland Seafood's website.
G9. Disclosure Practices	No	Iceland Seafood has reported ESG metrics through an ESG report.
G10 External Assurance	No	ESG metrics have not been validated by a third party.

## **Disclaimer**

This report is furnished and intended for European market participants and should be viewed in that manner.

Any potential forward looking statements contained in this presentation are reflective of management's current views on future events and performance. Whilst the views are based on positions that management believes are reasonable, there is no assurances that these events and views will be achieved. Forward looking views naturally involve uncertainties and risk, and consequently, actual results may differ to the statements or views expressed.





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Iceland Seafood**

**[www.icelandseafood.com](http://www.icelandseafood.com)**