



Ahead Together

ICELAND SEAFOOD INTERNATIONAL
ANNUAL REPORT 2020



Sustainability

Corporate Governance 32

ESG Measurements 33

Environmental
Responsibility 34

Social Responsibility 37

Governance 38

Akranesviti Lighthouse
64°51'50.8"N 24°02'20.0"W

Sustainability

Corporate Governance structure

Iceland Seafood’s corporate governance framework is defined by Act No. 2/1995 on Public Limited Companies (hereafter referred to as the “Act on Public Companies”), the Nasdaq Iceland Rules and is set out in the Company’s Articles of Association. Under its Articles of Association, the Company is governed by shareholders’ meetings, the Company’s Board of Directors (hereafter referred to as the “Board of Directors” or the “Board”) and the Chief Executive Officer. The Shareholders hold the decision-making powers in the Company through shareholders meetings that are held at least once a year. The Board of Directors is authorized to allow shareholders to participate in proceedings at shareholders’ meetings through electronic means without being present at the meeting venue if it deems that available equipment is sufficiently secure for this purpose.

The Company adheres to the principles set forth in the Corporate Governance Guidelines, published by the Iceland Chamber of Commerce in co-operation with SA Business Iceland and Nasdaq Iceland (hereafter referred to as the “Guidelines”). As of the date of this statement there are two deviations from full compliance with the Guidelines. The Company does not have a board nomination committee, the reason

being that due to the nature of the Company and close connection to the seafood sector, it is considered important to have representatives from key seafood suppliers of the Company on its board. These board members bring both valuable sourcing capabilities and sector knowledge to the board of Iceland Seafood. At the date of this statement, three of five board members of the Company are directors and/or owners of key suppliers of Iceland Seafood and are as such not independent from the company. These board members do not participate in dealings with items connected to their own business or business that is related to them, except from normal trading of seafood.

Board of Directors

The Company’s Board of Directors shall be composed of three to five members and up to one alternate member, elected at the Annual General Meeting for a term of one year. 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 strategy, policies and set goals and risk parameters for the Group. The Board is responsible for the recruitment and dismissal of the CEO.

In accordance with Article 70 (5) of the Act on Public Companies the Board of Directors has set itself formal Rules of Procedure which are supplementary to the Articles. According to the Rules the Board of Directors may elect committees that operate on behalf of the Board. All Board committees set themselves specific rules of procedure.

Board Subcommittees

The Board of Directors has appointed two subcommittees, Audit Committee and Remuneration Committee.

The Audit Committee’s main responsibilities include monitoring the integrity of the financial statements of the Group, reviewing the effectiveness of the Group’s internal controls and risk management systems and overseeing the selection, appointment and relationship with the Group’s external auditor.

The Remuneration Committee is responsible for establishing a remuneration policy for the Company. The Remuneration Committee shall assist the Board in ensuring that compensation arrangements support the strategic aims of the Company and enable the recruitment, motivation and retention of senior executives while also complying with legal and regulatory requirements.

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 takes account of the Company’s interest.

Further information on Iceland Seafood’s Corporate Governance are available on the Company’s website www.icelandseafood.com/investors





Iceland Seafood International is adopting a systematic, comprehensive approach to sustainability work. This is the third year the company reports on the topic. The scope of the report for 2020 is broader than before and it shows the development of key metrics in the last three years. For the first time the report includes upstream and downstream emissions as a part of further development of the understanding of total effect that the group's operations have.

The report is the result of the continued implementation of a data capture process across the group to record the key sustainability metrics of the operations. 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 exchange

Sustainability

Environmental responsibility

The key environmental aspects of Iceland Seafood are sustainable fisheries, energy use, greenhouse gas emissions, water use and waste. The value added factories within Iceland Seafood represent the great majority of Iceland Seafood’s direct environmental footprint. The continuing operations of the Group are the focus and the Ecomsa

subsidiary is excluded from the reporting. Carr & Sons were acquired in November 2020 and will be included in the report for 2021. The tables below provide an overview of key ESG metrics for the year 2020, more detailed analysis including comparsion with previous years is provided in the 2020 ESG report www.icelandseafood.com/CSR

Environmental Metrics	2020
Full Time Equivalents (FTE)	591
Annual Revenue (EUR m)	370
E1 Direct & Indirect	
Scope 1 (on site fossil fuel usage) (MT)	1.034
Scope 2 (Energy use) (MT)	1.092
Scope 3 (MT)	27.931
E2 Carbon Intensity (scope 1 and scope 2)	
MTCO2e emissions/FTE	3,6
CO2e emission/Revenue (MT/EUR m)	5,7

Environmental Metrics	2020	
E3 Direct & Indirect Energy Consumption		
E3.1 Total amount of energy directly consumed (MWh)	2,450,829	
E3.2 Total amount of energy indirectly consumed (MWh)	5,568,171	
Renewable Energy consumption (MWh)	3,789,601	
Non-Renewable Energy consumption (MWh)	4,229,382	
E4 Energy Intensity		
Energy consumed/FTE (MWh/FTE)	13,6	
Energy consumed/Revenue (MWh/EUR m)	21,7	
E5 Energy mix - top 5		
Renewable sources (hydro, geothermal, solar, wind) (MWh)	3,789,601	47%
Natural Gas (MWh)	3,053,368	38%
Oil (MWh)	1,013,780	13%
Other (KWh)	76,972	1%
Peat (KWh)	51,927	1%

Sustainability

Environmental responsibility

Environmental Metrics	2020
Renewable Energy Intensity	
Renewable energy/Non-renewable energy	0,90
E6 Water usage	
E6.1 Total amount of water consumed (' 000 m3)	67.588
E6.2 Total amount of water reclaimed (m3)	-
E7 Environmental operations	
E7.1) Does your company follow a formal Environmental Policy?	Yes, See ISI website for more details.
E7.2) Does your company follow specific waste, water, energy, and/or recycling polices?	No, there is currently not a company wide policy in place.
E7.3) Does your company use a recognized energy management system?	No, there is currently not a company energy management system in use.

Environmental Metrics	2020
Waste Management	
Waste recycled (MT)	872
Waste not recycled (MT)	2.849
Total waste (MT)	3.721
Total waste generated/FTE (MT/employee)	6,3
Total waste generated/Revenue (MT/EUR m)	10,1
% Recycled Waste	23%
E8. Climate Oversight / Board	
Does your Board of Directors oversee and/or manage climate-related risks?	Yes
E9. Climate Oversight / Management	
Does your Senior Management Team oversee and/or manage climate-related risks?	Yes

Environmental Metrics		2020
E10. Climate Oversight / Management		
Total amount invested, annually, in climate-related infrastructure, resilience, and product development.		Solar cells generating 175,000kWh per annum part of the investment in the UK. Replacement value c.a. £140k
Certified sustainable seafood		
Total products sold (MT)		77,765
Certified sustainable seafood (MT)		33,043 (42.5%)



Sustainability

Social Responsibility

These are the key social metrics for social aspects of Iceland Seafood operations. For more details see ESG report.

* See Company website for more details.

Social Metrics	2020	Comments
S1 CEO Pay Ratio	8,1	CEO salary / Company average salary.
S2 Gender Pay Ratio		
Total work force:	From 1:1 to 1,96:1	IS 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 1,15:1	
Staff, other than production staff:	From 1:1 to 1,95:1	
S3 Employee Turnover Ratio – Year-over-year change		
S3.1) Full-time employees	7%	
S3.2) Part-time employees	6%	
S3.3) Contractors	0%	

Social Metrics	2020	Comments
S4 Gender Diversity	Men	Women
S4.1)Total enterprise headcount	57%	43%
S4.2) Entry- and mid-level	54%	46%
S4.3) Senior- and executive-level	77%	23%
S5 Temporary Worker Ratio	32,4%	
S6 Non-Discrimination Policy	In place	*
S7 Injury rate	0,04	(Total accidents / FTE)
S8 Global Health and Safety policy	In place	*
S9 Child & Forced Labor Policy	In place	*
S10 Human Rights Policy	In place	*

Sustainability

Governance

These are the key aspects of Iceland Seafood Governance. For more details see the ESG report.

Governance Metrics	2020	Comments
G1 Board diversity		
G1.1) Total board seats occupied by women	40%	There are two women on the board.
G1.2) Committee chairs occupied by women	100%	Two of two committee chairs are occupied by women.
G2. Board Independence		
G2.1) Does company prohibit CEO from serving as board chair?	Yes	
G2.2) Total board seats occupied by independents	40%	Two of five boardmembers are independent.
G3 Incentivized pay	No	Company's employees are currently not financially incentivized for ESG performance.
G4. Collective Bargaining Percentage	48%	

Governance Metrics	2020	Comments
G5 Supplier Code of Conduct	No	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.
G6 Ethics & Anti-Corruption		
G6.1) Does your company follow an ethics and/or Anti-Corruption policy?	Yes	See IS website for more details.
G6.2) Workforce formally certified compliance?		No certification has been implemented.
G7 Data Privacy		
G7.1) Does your company follow a Data Privacy policy?	Yes	A Data Privacy policy was implemented for the group in 2020.
G7.2) Has your company taken steps to comply with GDPR rules?	Yes	Work on complying with GDPR rules was finished in 2020.

Governance Metrics	2020	Comments
G8. ESG Reporting	No	In 2021 the company will align its continuing efforts with one or more of the UN Sustainable Development Goals (SDGs).
G10 External Assurance		
G6.1) Does your company follow an ethics and/or Anti-Corruption policy?	No	ESG metrics have not been validated by a third party.





WE ARE ICELAND SEAFOOD
www.icelandseafood.com

Garðskagaviti Lighthouse (1897)
64°05'00.4"N 22°41'40.1"W

