



ISI ICELAND
SEAFOOD

90 Years
Together

ICELAND SEAFOOD INTERNATIONAL
ANNUAL REPORT 2021

90
YEARS 1932-2022

ESG Performance

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Hopsnes Lighthouse
N63° 49' 54.182" W22° 24' 59.887"



90
YEARS 1932-2022

ESG Performance

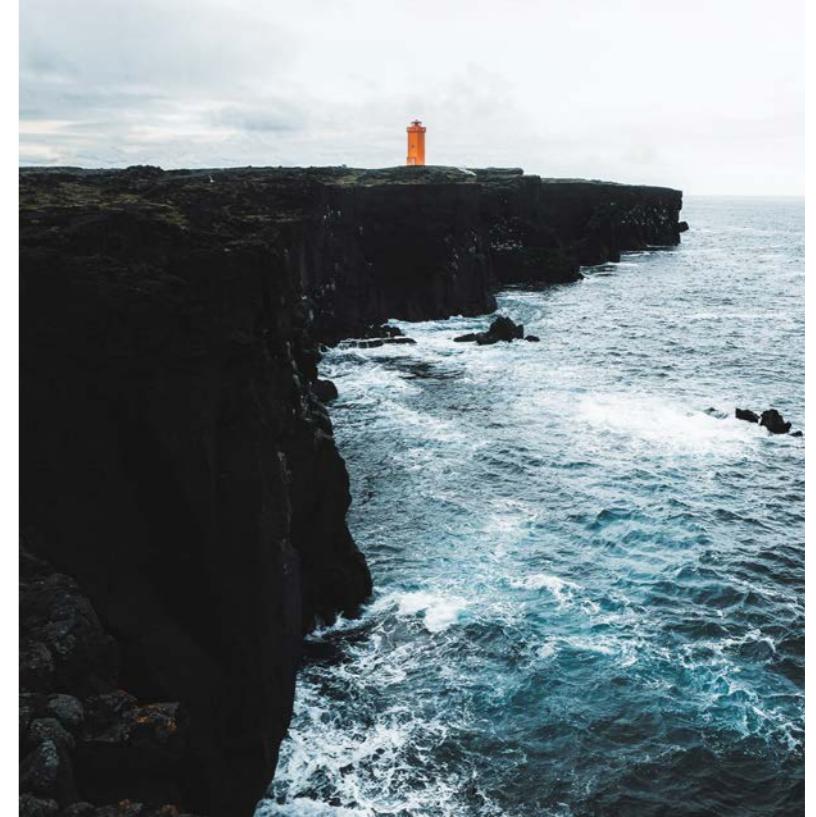
Introduction

This report is our fourth published Environmental, Social, and Corporate Governance (ESG) report. The scope is aligned with last year's report, and it shows the development of key metrics. Iceland Seafood International is continuously improving its sustainability work by adopting a systematic and comprehensive approach to it. On January 1st of 2022 a new position, Head of ESG, was established for the Group. This new position strengthens our efforts towards increased sustainability as we work towards incorporating ESG matters into budget work for 2023 onwards, set ambitious yet realistic goals and plan future investments, especially in renewable energy generation.

This year marks the first year where our efforts in sustainability are linked with the UN Sustainable Development Goals (SDGs). We believe that by aligning our business and ESG strategy with the SDGs we can be a part of the solution, resulting in long-lasting positive change.

This report is the result of continued efforts of a data collection process across the group to report key sustainability metrics. The metrics are in accordance with the second version of voluntary non-financial guidelines for Environmental, Social, and Corporate Governance (ESG) issued by Nasdaq's Nordic and Baltic stock exchange. Moreover, we have put emphasis on sustainable sourcing as well as waste management.

The report reflects our current understanding of our social responsibility. With this publication we are not declaring full understanding of the effects the operation has but we commit to continuously take steps towards improving our understanding of the effects and identify both the opportunities and challenges we face towards increased sustainability.



Corporate Governance

We are a global company, encompassing a diverse workforce within our 11 businesses. We have set clear ethical standards regarding Corporate Social Responsibility (CSR) and Business Integrity applying to the entire Group.

We aim to be transparent and accountable at every level. Governance of sustainability is driven by Board of Directors and Executive Leadership. Head of ESG has the responsibility to drive actions and make sure that long term focus on Environment, Social and Governance aspects is aligned with business priorities.

Iceland Seafood's corporate governance framework is defined by Act No. 2/1995 on Public Limited 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, 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.

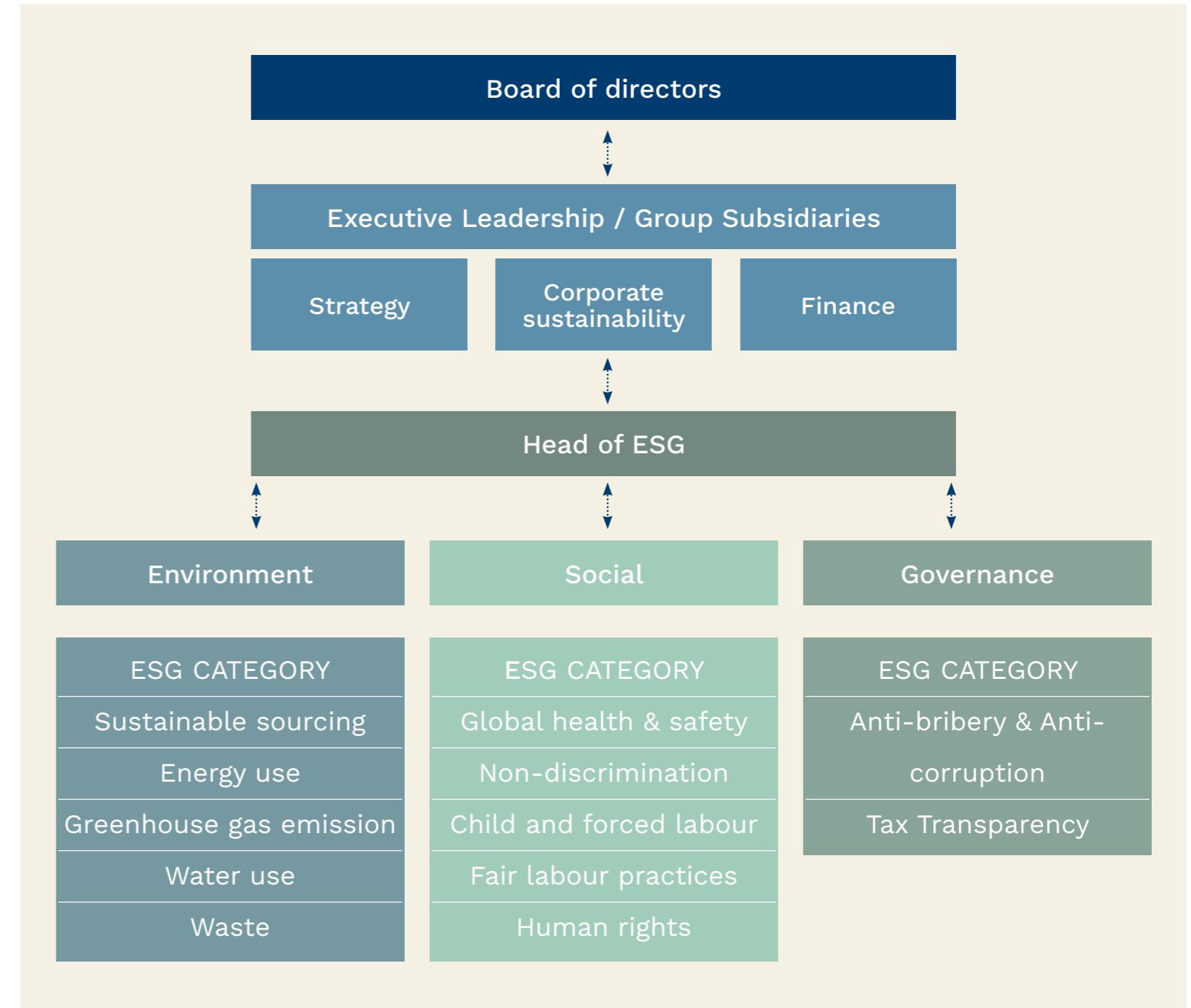
The Company adheres to the principles set forth in the Corporate Governance

Guidelines, published by the Iceland Chamber of Commerce in co-operation with SA Business Iceland and Nasdaq Iceland. As of the date of this statement there are 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 report, 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. In addition, there are guidelines on Arm's Length Principles and Transfer Pricing Mechanism in place.



Board
has 5 members,
2 are female.
The chairman is female.

Audit
committee has 3 members,
1 is female.
Committee chair is female.

Remuneration
committee has 3 members,
1 is female.
Committee chair is female.

Board of Directors

5 GENDER EQUALITY
 The Company's Board of Directors is composed of five members and 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.

Board Subcommittees

The Board of Directors has appointed two subcommittees, Audit Committee and Remuneration Committee. These two independent board members chair each 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 always conduct his work with integrity and takes account of the Company's interest.

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

Fair Labour Practices**8** DECENT WORK AND ECONOMIC GROWTH

Our employees have the right to form or join associations of their own choice and be covered by collective bargaining agreements.

Tax Transparency**16** PEACE, JUSTICE AND STRONG INSTITUTIONS**17** PARTNERSHIPS FOR THE GOALS

We always pay the correct amount of tax in the correct country

and we don't use "tax-havens". It is our goal to always be fair and to resolve differences in opinions with local tax authorities and other governmental organisations in a constructive and positive manner.

We constantly monitor the ever-changing tax landscape and whenever changes are made, we seek to adopt the new approach and improve our internal processes to always be compliant.

**Anti-Bribery / Anti-Corruption****16** PEACE, JUSTICE AND STRONG INSTITUTIONS**17** PARTNERSHIPS FOR THE GOALS

Iceland Seafood believes that business should be conducted honestly, fairly, and legally. Bribery and corruption negatively affect growth and business operations resulting in inequality and unfair income distribution.

The Group has a zero tolerance towards bribery and corruption and expects employees, suppliers, contractors, and other business partners to act with integrity and without acts of bribery or corruption. This is expressed in further detail in our CSR Policy.

Data ethics**16** PEACE, JUSTICE AND STRONG INSTITUTIONS

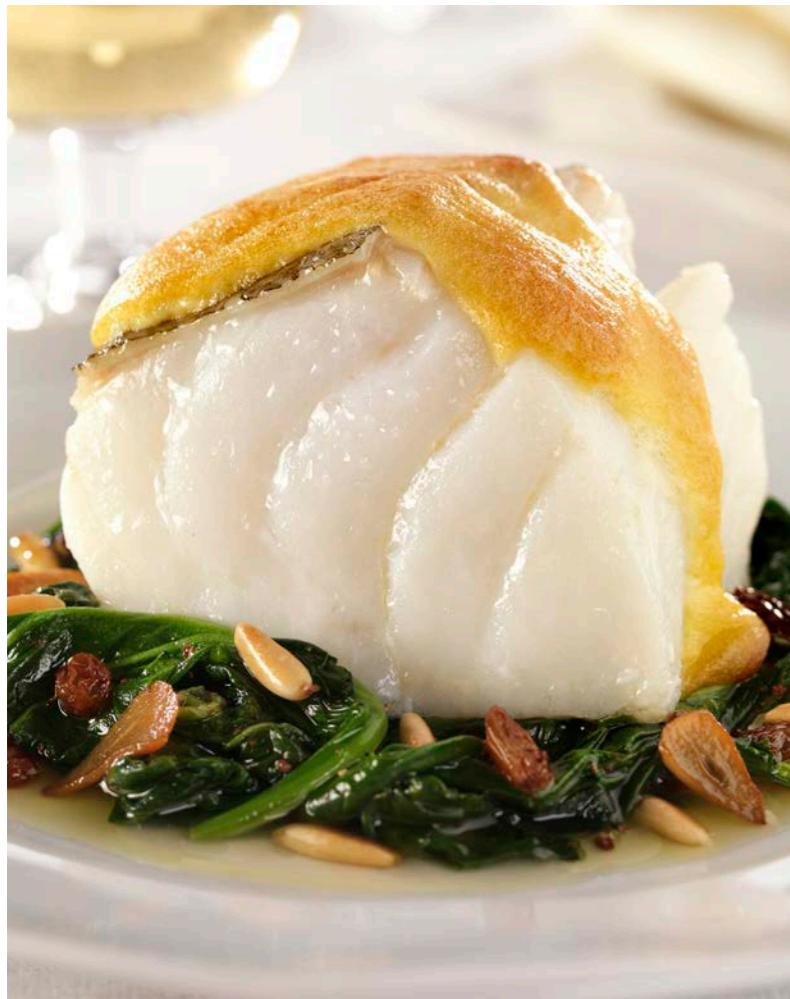
Our business is increasingly reliant on data and technology. Data and technology are strongly linked with ethics and integrity of our operation. It improves our service ability to our customers and eases our employee's working life.

It's important to maintain high ethical standards in processing personal data. Personal data processing within the Group is in accordance with fundamental principles and rules regarding data protection and privacy.

Iceland Seafood has implemented appropriate technical and organizational measures to protect personal data and to ensure that the processing of personal data, conforms with national laws.

In addition, it's extremely important to handle customers and other stakeholders' data carefully and correctly. The data we possess is often confidential and we need to ensure our customers and stakeholder's trust.

The key environmental aspects of Iceland Seafood are sustainable fisheries, energy use, greenhouse gas emissions, water use and waste. For this report the scope for environmental metrics, apart from sustainable fisheries, are the value-added factories within the Group. These sites represent the great majority of Iceland Seafoods environmental footprint.



Sustainable sourcing

14 LIFE
BELOW WATER



Iceland Seafood International has always recognized the need for managing fish stocks in a responsible way and the importance of ensuring food safety for generations to come. Since FAO adopted the FAO code of conduct for responsible fisheries in 1995 it has been the blueprint for responsible fishing nations on how to manage fish stocks.

Maintaining healthy fish stocks and ensuring that information on fishing and the treatment of marine ecosystems is reliable, traceable, and transparent is of great economic and social importance. Proper and responsible treatment of natural resources is vital for ensuring that fish stocks continue to be sustainably harvested. As one of the largest exporters of fish products from Iceland we are a member of the association Fisheries Iceland (SFS).

The association promotes, responsible fishing industry in harmony with the environment and society and has made a declaration for corporate social responsibility that many stakeholders in the fisheries sector in Iceland participated in developing and subsequently implemented, including Iceland Seafood.

Certification of sustainable fisheries and aquaculture

We promote and practice responsible sourcing of seafood and monitor the level of certified products within the value chain. We support a precautionary approach in our operations and throughout our value-chain, ensure that products from illegal, unreported, and unregulated fisheries (IUU fishing) do not enter our value chain.

Various credible standard schemes are certifying fisheries and seafood. The largest third-party certification that has the biggest global success is maintained by Marine Stewardship Council, MSC. They certify the wild caught fish stocks and individual levels of the value chain to ensure traceability from catch to consumer. For a company to be able to distribute certified fish it must have a third party audited system to ensure traceability and adherence to the standard. A certification for responsible aquaculture is maintained by the Aquaculture Stewardship Council, ASC.

All subsidiaries of Iceland Seafood have a valid chain of custody certification towards the MSC standards, ensuring traceability of our products. A part of the trade in aquaculture products within Iceland Seafood are certified towards ASC chain of custody.

40%
certified sustainable
seafood sold in 2021



ESG Performance

Environment

Greenhouse gas emissions

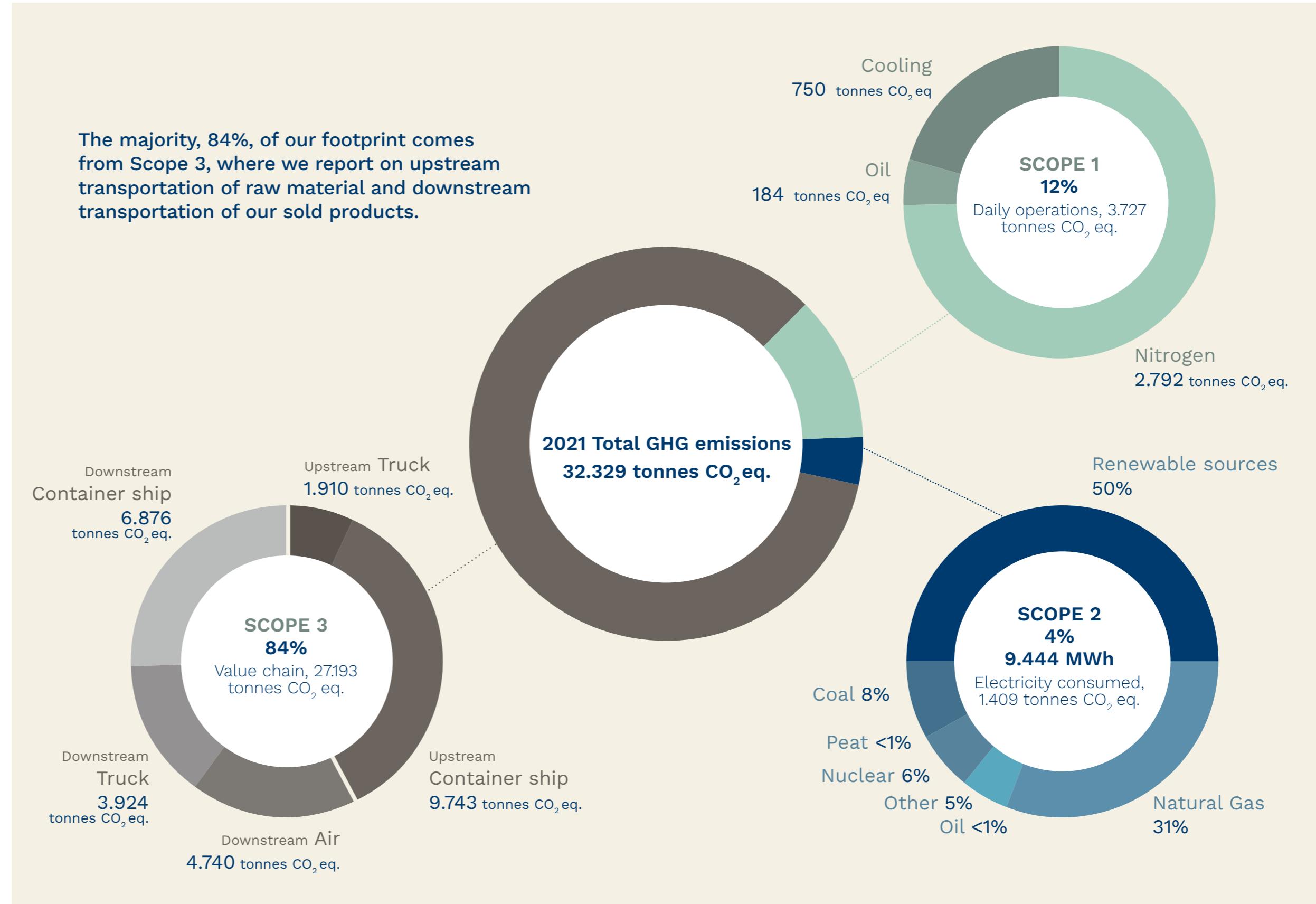
The road to understanding our carbon footprint is continually evolving and every year the reporting is more detailed. The majority, 84%, of our footprint comes from Scope 3, where we report on upstream transportation of raw material and downstream transportation of our sold products. Scope 2 includes the electricity used in the Value-Added Divisions. Finally, Scope 1 includes direct emissions from our daily operation e.g., coolants and fuel used on vehicles.

Second year of reporting Scope 3 emissions

The emissions from our overall value chain are reported in Scope 3, a category in constant development. This year the Scope 3 emissions are 26% higher than the 2020 values. The reason is twofold: firstly, there is an increase of 21% in annual revenue, and secondly, the reporting is more detailed and with less assumptions than last year.

This category will be the focus for the coming reporting years and more KPIs will be added as the data collection progresses. Detailed data as well as the 2020 values can be seen in data tables on page 42.

The majority, 84%, of our footprint comes from Scope 3, where we report on upstream transportation of raw material and downstream transportation of our sold products.



Effects of climate change

13 CLIMATE ACTION



Increased greenhouse gas emissions have led to climate change and global warming. We depend on the ocean for our operation and set focus

on climate change throughout the operation. Climate change could affect the company in various ways but the two following have been identified as the major risk factors.

OCEAN ACIDIFICATION

Majority of the global carbon cycle is

circulated through the ocean which absorbs the greater part of excess heat from GHG emissions causing acidification. The ocean is the home to a vast variety of marine species and acidification disrupts the balance of life found in the ocean which can affect seafood supplies.

EXTREME WEATHER EVENTS

Climate change increases the frequency of extreme weather events. This can affect the availability of seafood due to dangerous sea conditions as well as delaying transportation of seafood from producer to the end consumer.

Minimising our carbon footprint

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



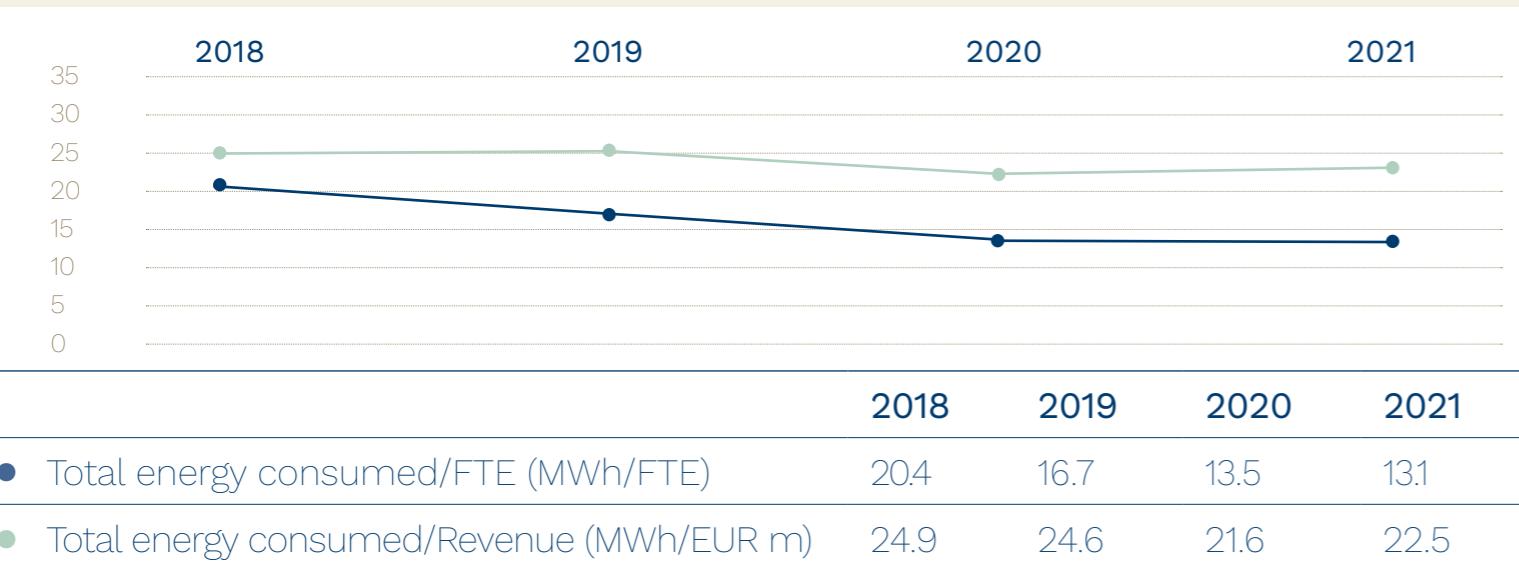
Innovation and investment are an important requisite for success in environmental matters. Innovation, moreover, lays the foundation for valuable jobs in the fisheries sector and related industries. This in turn lays the groundwork for continued development and achievement in environmental matters.

50%

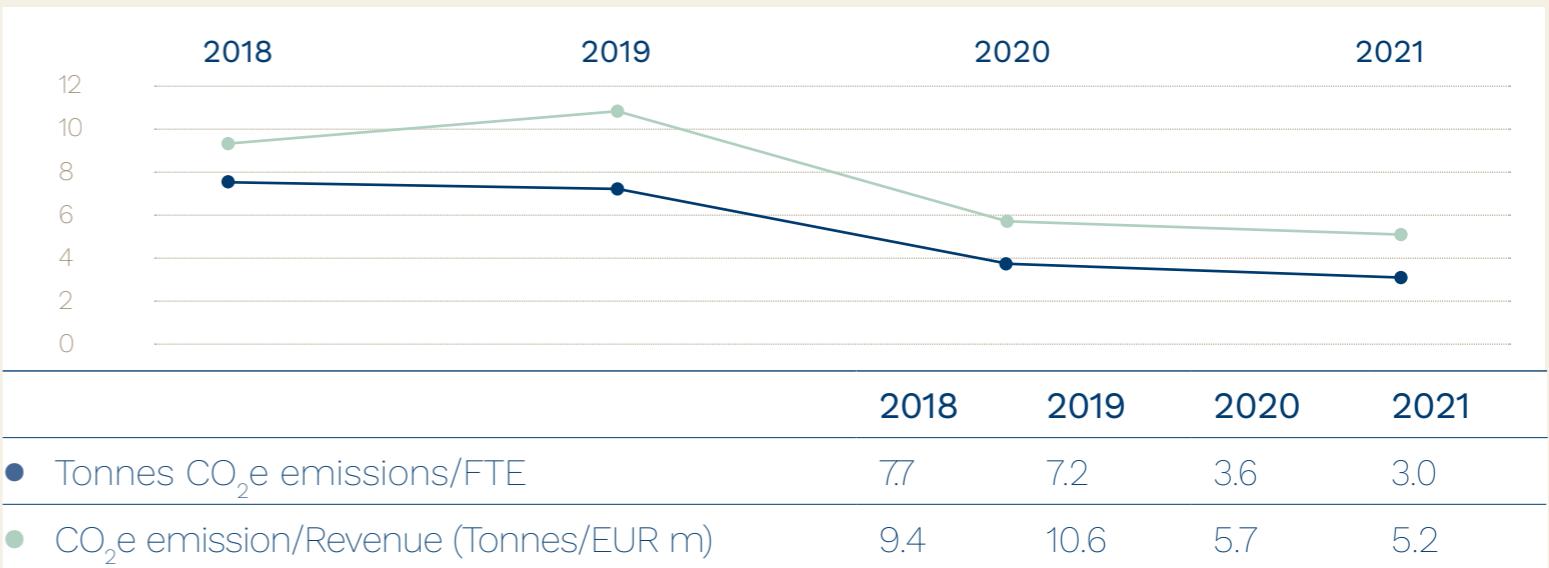
of energy used is from renewable sources

Key to being a part in combating climate change is minimising our footprint and systematically decrease our energy intensity, while also accounting for changes in operational structure.

Energy Intensity - 2018 to 2021



Carbon Intensity - 2018 to 2021



ESG Performance

Environment

2021 is the first full year since Iceland Seafood UK started operating a new cold store in Q3 2020. A cold store is a very energy intensive parameter, so the fact that our energy intensity per revenue has only increased from 21,7 to 22,5 MWh/EUR m is a clear positive. This is achieved because other parameters in our operation have decreased their overall energy consumption per revenue. Another positive road to minimising our carbon footprint can be seen in our carbon intensity reduction, which continues to reduce.

Going forward, we continue to develop our roadmap towards minimising our carbon footprint by:

- Measuring and assessing the greenhouse gases emitted from our operation.
- Using the data collected to continually find opportunities to limit and reduce our environmental impact.
- Supporting the development of environmentally friendly technology by investing in them for our operations.
- Identifying opportunities to reduce the use of fossil fuels and increase the share of eco-friendly energy sources that are realistic and economically viable.

- As opportunities arise, we switch from HFC refrigerants in our cold stores to others that do not cause greenhouse effects.

Electricity use accounts for 5% of our total GHG emissions. Our renewable energy intensity has increased from 0,90 in 2020 to 0,99 in 2021, but we can do even better. Iceland seafood recognises the environmental and social responsibility of increasing the share of renewable energy within its operations. This can be done in two ways; buying electricity from an electricity provider with increased share of renewables in its grid and/or by generating renewable electricity on site. Iceland Seafood UK has installed solar panels on site, increasing their share of renewable energy and increasing the overall sustainability.

Our operations in both Spain and Ireland are currently in the planning phase of installing solar cells. The solar cells in Ireland would cover 18% of the electricity demand, saving around 29 tonnes of CO₂ emissions annually. The solar cells in Spain would cover 25% of the energy demand, saving around 128 tonnes of CO₂ emissions annually. These two projects are estimated to reduce our total electricity grid consumption by 10%.

Furthermore, investment in technology can help reduce energy use as has been realised in Ireland. Where a linerless machine installed in Dunn's site, helped reduce energy per unit of output by over 33%.

Responsible use of water

30%
of water used
is reclaimed

6
CLEAN WATER
AND SANITATION



Fish processing is a very water intense process and in 2021 Iceland seafood used 85.865 m³ of water but reclaimed 25.616 m³ of water. Reclaimed wastewater, treated at a wastewater treatment facility, can be reused in applications such as irrigation and industrial processes. This is a very important process in areas where water is a scarce resource.

Waste

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION



It's our ambition to reduce amount of waste as much as possible. Waste that cannot be eliminated shall be reused or recycled. Most of the waste produced from our operation is organic waste in the Argentinian subsidiary Achernar, where 74% of the total reported waste is organic waste from shrimp processing.

In 2021 we saw recycled waste decrease from 23% to 14%. If we exclude Achernar from these numbers, our recycle rate is 53%. This shows us that finding alternative handling for the shrimp waste is very important for our environmental impact. There has already been established group on this matter, which includes representatives from other shrimp processors in the area and we are looking forward to seeing results from that work.

THE FUTURE OF WASTE: Waste is one of our focus points going forward. The recycling rate of our total waste needs to be improved by increasing the awareness of all employees. We aim to coordinate waste handling between divisions and are looking at smart solutions regarding registration of waste on site. This will increase the accuracy of the amount of waste generated even further.

ESG Performance

Social

Iceland Seafood is committed to be fair, equitable and respectful to employees, associates, competitors, customers, the society, and all business or professional relationships. Iceland Seafood recognises and supports international human right treaties.

This, along with the key metrics regarding social aspects, are detailed in the Group's CSR policy that focuses on human rights, fair labour practices, non-discrimination, anti-bribery/corruption, and tax transparency.

Employees

8 DECENT WORK AND ECONOMIC GROWTH

 The core of social aspects of Iceland Seafood operations is focused on the employees. We employ a diverse group of over 940 people, from various countries, backgrounds, and cultures. The Group focuses on the importance of attracting employees with the right skills and ambition to provide high quality service, exceed customer demands and achieve financial and strategic goals.

Our objective is to ensure that the employees feel empowered to deliver to the highest standards.

Gender pay ratio

We have operations of different nature in various economies. The gender pay ratio is tracked in each location. In some cases, there are only a few office employees behind the ratio, while in other locations the workforce consists of production workers, salespeople, and office staff. The broad range of the ratio represents this variety.

For total workforce the ratio between median male salary vs. median female salary for each subsidiary varies from 1:1 (equal salaries) to 1,45:1 (median male salary is 1,45 times higher than female salary). The difference is highest in subsidiaries with few office employees. For production staff, the ratio varies from 1:1 to 1,3:1.

Total work force	From 1:1 to 1,45:1
Production staff	From 1:1 to 1,3:1
Business staff	From 1:1 to 1,42:1

Health & Safety

The company strives to supply its employees with a good and save work environment. Management in each subsidiary oversees

compliance with all local laws and regulations. Production sites have in place appropriate OHS and emergency preparedness and response management systems.

Covid posed certain challenges to the operation of Iceland Seafood but in return we gained resilience. Value added division are a part of essential operation and therefore did not shut down during covid lock down periods. Employee safety was ensured with appropriate PPE, physical distancing and by separating groups.

Human Rights

No human right violations reported in 2021

We recognize our responsibility to respect and support human rights throughout our value chain. Human rights are a fundamental part of our operation, they are impacted by GHG emissions, effects of climate change, responsible use of water, waste management, our employees and their health & safety, customers, suppliers, and the entire governance of our Group. We have zero-tolerance against any human rights abuse and violations.

We want to promote a culture of diversity and equal opportunity based on competence, experience, and performance. We expect everyone to treat others with respect, dignity and common courtesy and we have zero-tolerance against discrimination, victimization, harassment, and bullying. We do not discriminate against gender, ethnicity, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation or social background.

We have zero-tolerance for child and/or forced labour in any of the Group's operations or at our suppliers or sub-suppliers.



Iceland Seafood knows that resilient and thriving communities give a happier and more content workforce. Knowing this our subsidiaries donate to various causes in their respective areas. The monetary amount and number of donations are evaluated and decided by each subsidiary. The focus has been on engaging children in various activities and donating to causes where most aid is needed.

Origin Green Goldmember



Oceanpath participates in the pioneering national sustainability program in Ireland where government, private sector and food producers work together on sustainability targets that respect the environment and serve local communities.

Origin Green recognises members who are performing at a high level or excelling in their sustainability performance or as stated on the Origin Green website "To attain Origin Green Gold Membership a company must demonstrate exceptional annual performance in areas such as raw material sourcing; water and energy efficiency; waste reduction; packaging; and social sustainability."

Oceanpath became an Origin Green Goldmember in 2021.

For more information go to:
www.origingreen.ie



Data tables

The key figures for emissions, energy, water consumption and waste are collected from the production sites, other figures are collected from all subsidiaries of Iceland Seafood. The ESG and sustainability information has not been validated by third party.

Production levels increased as recovery from the Covid 19 pandemic continued and for the first time the data tables include figures from Carr & Sons and Ahumados Domínguez. This results in increase in GHG emissions and energy usage between 2020 and 2021. In addition Iceland Seafood UK started operating a new coldstore resulting in a higher indirect energy consumption.

ESG Metrics	2018	2019	2020	2021
Full Time Equivalents (FTE)	492	659	591	771
Annual Revenue (EUR m)	403	448	370	449



Environmental Metrics	2018	2019	2020	2021
E1 GHG Emissions				
E1.1. Scope 1 (tonnes CO ₂ e)	418	2.511	1.034	3.727
E1.2. Scope 2 (tonnes CO ₂ e)	3.364	2.369	1.092	1.409
E1.3. Scope 3 (tonnes CO ₂ e)	-	-	21.517	27.193
E2 Carbon Intensity				
E2.1 a) MTCO ₂ e/FTE	7,7	7,2	3,6	3,0
E2.1 b) MTCO ₂ e/Revenue EUR m	9,4	10,6	5,7	5,2
E3 Energy Usage				
E3.1 Total amount of energy directly consumed (MWh)	2.075	3.186	2.451	675
E3.2 Total amount of energy indirectly consumed (MWh)	7.985	7.855	5.568	9.444
Renewable energy consumption (MWh)	4.900	4.506	3.790	4.861
Non-Renewable energy consumption (MWh)	5.156	6.539	4.229	5.258

Data tables

Environmental Metrics	2018	2019	2020	2021
E4 Energy Intensity				
Energy consumed/FTE (MWh/FTE)	-	15,3	13,6	13,1
Energy consumed/Revenue (MWh/EUR m)	25,0	22,5	21,7	22,5
E5 Energy mix				
Renewable sources (hydro, geothermal, solar, wind) (MWh)	4.900	49%	4.506	41%
Natural Gas (MWh)	4.560	45%	3.667	33%
Oil (MWh)	-	-	1.366	12%
Other (KWh)	70	1%	-	-
Peat	-	-	-	-
Nuclear (MWh)	139	2%	519	5%
Coal (MWh)	290	3%	562	5%
Renewable energy intensity				
Renewable energy/Non-renewable energy	0,95	0,69	0,9	0,99
E6 Water usage				
E6.1 Total amount of water consumed (m³)	64.479	57.114	67.588	85.865
E6.2 Total amount of water reclaimed (m³)	0	0	0	25.616

Environmental Metrics	2018	2019	2020	2021
Certified Sustainable Seafood				
Total products sold (MT)	84.426	100.128	77.765	103.113
Certified Sustainable Seafood (MT)	22.004	26%	21.210	21%
Waste management				
Total waste	1.294	2.045	3.502	5.513
% Recycled	75%	35%	23%	14%
Total MT waste generated/FTE	3	3	6	7
Total MT waste generated/ Revenue EUR m	3	5	10	12

Data tables

Environmental Metrics	2021
E7 Environmental operations	
E7.1) Does your company follow a formal Environmental Policy?	Yes. CSR (icelandseafood.com)
E7.2) Does your company follow specific waste, water, energy, and/or recycling polices?	No. Ongoing
E7.3) Does your company use a recognized energy management system?	No
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
E10 Climate Oversight / Management	
Total amount invested, annually, in climate-related infrastructure, resilience, and product development.	-

Social Metrics	2021	Comments
S1 CEO Pay Ratio	9,3	
S2 Gender Pay Ratio		
Total work force:	From 1:1 to 1,45:1	One of the reasons for the broad range of this ratio is due to ISI operating in various economies
Production staff:	From 1:1 to 1,3:1	
Staff, other than production staff:	From 1:1 to 1,42:1	
S3 Employee Turnover Ratio – Year-over-year change		
S3.1) Full-time employees	11%	
S3.2) Part-time employees	1%	
S3.3) Contractors	5%	
S4 Gender Diversity		Men Wom.
S4.1) Total enterprise headcount	49%	51%
S4.2) Entry- and mid-level	48%	52%
S4.3) Senior- and executive-level	62%	38%

Data tables

Social Metrics	2021	Comments
S5 Temporary Worker Ratio	14%	
S6 Non-Discrimination Policy	In place	CSR (icelandseafood.com)
S7 Injury rate	0,1	Total accidents (major and/or minor) / FTE
S8 Global Health and Safety policy	In place	CSR (icelandseafood.com)
S9 Child & Forced Labor Policy	In place	CSR (icelandseafood.com)
S10 Human Rights Policy	In place	CSR (icelandseafood.com)

Governance Metrics	2021	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	54%	

Data tables

Governance Metrics	2021	Comments
G5 Supplier Code of Conduct	No	Ongoing Individual subsidiaries have implemented supplier codes of conduct but an overarching group CoC is not in place.
G6 Ethics & Anti-Corruption		
G6.1) Does your company follow an ethics and/or Anti-Corruption policy?	Yes	CSR (icelandseafood.com)
G6.2) Workforce formally certified compliance?	No	Ongoing
G7 Data Privacy		
G7.1) Does your company follow a Data Privacy policy?	Yes	Implemented in 2020
G7.2) Has your company taken steps to comply with GDPR rules?	Yes	Finished in 2020

Governance Metrics	2021	Comments
G8 ESG Reporting	Yes	
G9 Disclosure Practices		
G9.1) Does your company provide sustainability data to sustainability reporting frameworks?	Yes	
G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes	Efforts have been aligned with relative UN Sustainable Development Goals
G9.3) Does your company set targets and report progress on the UN SDGs?	Yes	Ongoing
G10 External Assurance	No	Ongoing



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