



Benchmark®

Benchmark ESG Report

November 2020



Driving sustainability in aquaculture

Sustainability is our mission

Benchmark’s mission is to drive sustainability in aquaculture by delivering products and solutions that improve sustainability for aquaculture producers through better health, yield and animal welfare.

We believe that by fulfilling our mission we can help to meet the needs of a growing global population for healthy, nutritious food while minimising the impact on the environment and communities where aquaculture is present.

We also seek to make our business increasingly sustainable, identifying environmental, social and governance (ESG) opportunities and actively managing risks that are material to our business and to our stakeholders.

Our sustainability strategy is aligned to addressing the risks and opportunities in nine ESG factors, all of which are aligned with the UN Sustainable Development Goals.

Stakeholder engagement and material ESG factors

Our key stakeholders are our customers, our employees and our shareholders; our broader group of stakeholders include the communities in which we are present, government bodies and regulatory authorities, industry participants and end consumers. We have an open dialogue and collaborative relationships with our key stakeholders which enable us to identify risks and opportunities associated with material ESG factors and inform our strategy.






We consider material ESG factors those that have a significant impact on our business and that are important to our key stakeholders. These factors include the economic viability of our business, ethics and governance, the impact of our products, fish health and welfare, and the wellbeing of our people. This is the first time that we present our material ESG factors in our Annual Report. Going forward we are implementing a process to review and update them on an annual basis based on an internal assessment and input from our stakeholder engagement.



Aligned to UN Sustainable Development Goals

ESG Risk and Opportunity factors	Sustainable Development Goals				
GHG emissions, waste and effluents					
Impact of our products on the food chain					
Animal health and welfare					
Antibiotics					
Diversity and inclusion					
Working conditions, health and safety					
Ethics and governance					
Community impact					

Ways in which we engage with our stakeholders

<div>Employees</div> <div></div>	<ul style="list-style-type: none">• Appointment of employee representative to Operations Board• Monthly feedback from network of ‘employee champions’ and health and safety representatives covering all locations• Monthly Group townhalls led by the Executive Management Team with emphasis on an open and honest dialogue with Q&A• Ad hoc employee surveys to address issues of concern such as well being and working environment through the Covid-19 pandemic• Engagement through Group online intranet platforms
<div>Customers</div> <div></div>	<ul style="list-style-type: none">• Regular dialogue through physical and online meetings, customer webinars and social media• Customer participation in product trials• Joint projects with customers to develop new solutions, for example for new feeding protocols for indoor shrimp farming in Vietnam• Provision of technical support to promote optimal use of our products and improved farming practices• Customer participation through interviews and feedback in Benchmark’s thought leadership publications
<div>Shareholders</div> <div></div>	<ul style="list-style-type: none">• Shareholders General Meeting• Webcast presentations and investor roadshows• Ad hoc meetings with management team and Non-Executive Chairman• Feedback obtained through corporate broker and financial PR advisers• Organised investor visits to Benchmark’s sites• Participation in investor events for both institutional and retail investors
<div>Local communities</div> <div></div>	<ul style="list-style-type: none">• Community projects through our Benchmark for Better (‘B4B’) initiative<ul style="list-style-type: none">– Covid-19 relief activities in Colombia, Brazil, Ecuador and Thailand– Ongoing support to local schools in our communities in Thailand and Colombia– Litter picking in local beach and canals in Norway and the UK• Volunteering activities facilitated through volunteering policy introduced in 2020
<div>Industry</div> <div></div>	<ul style="list-style-type: none">• Participation in industry organisations and initiatives including Global Salmon Initiative, Global Aquaculture Alliance, INFOFISH, SalmonChile, Sjømat Norge and NCE Seafood Innovation• Participation in industry conferences and trade fairs• Partnerships with research institutes

Our Sustainability Programme – addressing our ESG opportunities and risks

Benchmark’s Sustainability Programme is focused on five areas which together address the material ESG factors across the Group. The programme is set and implemented through an operating structure which ensures alignment across the organisation and local implementation. This is particularly important given the diverse nature of our facilities and geographic reach as well as the different aquaculture markets we serve.

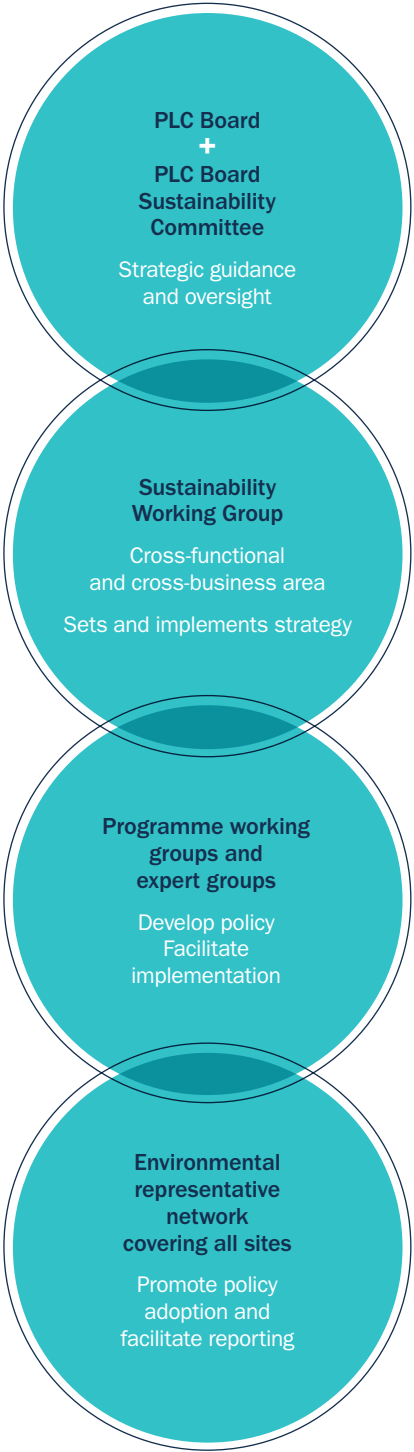
Our ESG operating structure

Benchmark’s PLC Board Sustainability Committee provides guidance and oversees our sustainability work while our Sustainability Working Group is responsible for articulating and implementing our sustainability strategy supported by ad hoc working groups and a network of environmental representatives.

Through this structure of working groups and local representatives we bring together cross-functional expertise across geographies. This enables us to set targets and programmes aligned to regional and local needs, and to design Group policies that reflect the diversity of our Group.

This is the first year that we have applied an ESG framework to our sustainability programme, linking each programme area to the ESG risks they address. For each programme area we have a set of policies, targets and plans as set out on page 45. We are committed to reporting on progress in a transparent and consistent way and in accordance with industry recognised standards where applicable.

You can also find our GHG emissions for the Group on page 89.



Five focus areas

Our sustainability programme has five focus areas which together address the main drivers of sustainability and ESG risks in our business recognising that financial sustainability and corporate governance are addressed through our finance and legal functions.



Sustainability Case Study:

Benchmark for Better: community Covid-19 relief efforts

As well as working hard to keep our people safe and operations running through this challenging time, our teams around the world have also been supporting local communities in need through our B4B initiative.

During the period our teams have distributed over 500 food parcels and disinfection products to help people working in the supply chain and local communities in Brazil and Ecuador. Our team delivered groceries, cleaning supplies and home schooling materials to support the local village close to our Genetics site in Punta Cana, and we made donations to the local foodbank in the Wachirabarami District, Thailand.

About Benchmark for Better

Benchmark for Better ('B4B') is the Company's new communities and charity initiative launched this year which is an umbrella for our existing charitable and community work, and a platform from which to build from.

B4B combines charity and sustainability, aligning our efforts with the UN Sustainable Development Goals and with our corporate purpose of improving the sustainability of aquaculture. We also look beyond our corporate existence and contribute to improvements for our wider communities, making a meaningful and positive impact on the communities in which we operate – for its people, animals and the environment.



Canal cleanup, London, UK



Ocean cleanup, Bergen, Norway

Working with our communities



Benchmark’s ESG matrix

ESG risks and opportunities																
Focus areas	GHG emissions	Waste and effluents	Product impact and innovation	Biodiversity	Diversity and inclusion	Health, safety and working conditions	Society and community impact	Fish health and welfare	Antibiotic use	Risk management	Corporate governance	Transparency and traceability		Benchmark Policies and practices	FY20 progress	FY21 Goals
Product impact Develop products that have a positive impact on the sustainability of aquaculture														<ul style="list-style-type: none">Performance monitoring and quality controlSupplier certificationWhistleblowing policyAnti-bribery and sanctioned countries policies	<ul style="list-style-type: none">Launch of SEP-Art, a sustainable Artemia technology to separate the nauplii from the Artemia cystSignificant progress towards the launch of BMK08 and CleanTreat®. CleanTreat® purifies the medicinal treatment waters to avoid residues being released into the oceanEstablished collaboration with members of University in Bodø, Norway to develop projects aimed at improving the sustainability of our products	<ul style="list-style-type: none">Incorporate Group sustainability framework into product innovation processExtend sustainability certification in our supply chain
Environment Reduce our GHG emissions and waste														<ul style="list-style-type: none">GHG Emissions policyWaste and effluentsPlasticsTravel	<ul style="list-style-type: none">Established baseline environmental data (see page 89-90)Implemented Environmental Management System ('EMS') in Iceland and Norway212MWh generated from sludge waste in Salten facility, equivalent to c. 17t fossil fuelCommenced reprocessing and reuse of sodium hydroxide containers used in production in Thailand40% electricity reduction in research centre in Italy with use of inverter pump technology	<ul style="list-style-type: none">Develop plans at a site level to reduce GHG emissions towards our ambition to be net carbon zero by 2050Continue to reduce waste to landfill
Animal health and welfare Promoting animal health and welfare through our products and our operations														<ul style="list-style-type: none">Use of operative welfare indicatorsGene Editing Position StatementCode of ConductAntibiotic Position StatementPharmacovigilance training	<ul style="list-style-type: none">Established Group Animal Welfare Committee bringing together experience from all business areasReduced animal handling incidents an important KPIFunded award winning research on benefits of eliminating shrimp ablation practice (Aquaculture Alliance innovation Award)	<ul style="list-style-type: none">Implement Group-wide welfare indicator reportingDevelop Group-wide animal welfare training for all employees working with fish and shrimp
Being well Care for our people and empower them to reach their personal potential														<ul style="list-style-type: none">Whistleblowing policyCode of conductDiversity and dignity at workSafeguarding policyGender pay gap reportData protection policyTravelling abroad guidanceModern slavery policy	<ul style="list-style-type: none">Early and proactive response to Covid-19 to ensure employee safetyTrained a team of mental health first aiders across the GroupLaunched Group online training platform Appointed Employee representative and launched Employee network increasing employee engagementReduction in accident rate and lost time	<ul style="list-style-type: none">Increase content and use of training platformRelaunch corporate values following the Company's significant restructuringDouble number of trained mental health first aiders
Communities Making a positive impact on the communities in which we operate														<ul style="list-style-type: none">Charitable giving policyVolunteering policy	<ul style="list-style-type: none">Launched Benchmark for Better ('B4B'), Benchmark's new charity and community initiative (see page 42-43).Implemented a Group volunteering policy, allowing employees to take two days to volunteer for a chosen charityDistributed food parcels in Thailand, Colombia and Brazil during Covid-19 lockdownOver 100t of Advanced Nutrition product donated to local community in Thailand for villagers to farm fish	<ul style="list-style-type: none">Establish community activities in two new locations while maintaining support for existing projects

Benchmark’s new salmon egg production facility...

...designed for

efficiency



Benchmark’s SalmoBreed Salten site in Norway was this year recognised for its energy efficiency by Kystmiljø.

The site, officially opened in May 2019, has the capacity to produce 150m salmon eggs per year and was designed with sustainability credentials at its core.

“Salten was built to boost our salmon egg production capacity. The site is the most advanced land-based salmon egg production facility in the world, and our focus here is on fish health, welfare, quality and environmental efficiency.” Ann-Kristin Skaugvold, General Manager SalmoBreed Salten.

Renewable energy and biogas production
The purpose-built site minimises its environmental footprint by using 100% renewable energy as well as sending fish and sludge waste for biodigestion. In 2019 biodigestion of waste generated 212,235kWh thereby saving the equivalent consumption of over 17t of fossil fuels.

Energy contribution corresponding to energy consumption for 10 households

212,235kWh

Boosting consistency and profitability for our customers

Benchmark focuses on this throughout its offering, with water quality, probiotics, immunostimulants, advanced nutrition, genetically resistant strains and enclosed environmental systems; supporting improved animal health and welfare, and reduced environmental impact.

In this specific example, Benchmark’s Advanced Nutrition team partnered with leading Vietnamese shrimp producer, Viet-Uc, to evaluate the production benefits of farming indoors with limited water exchange compared to traditional outdoor farming. Together with the use of Benchmark’s high quality Advanced Nutrition products and technical protocol, the indoor method of farming has shown to improve productivity, consistency and reduce environmental impact.

Vietnam is one of the world’s largest exporters of shrimp and Viet-Uc, run by entrepreneur Van Thanh Luong, started its aquaculture operations with the successful production of shrimp post larvae and soon expanded into further integration, including the on growing of shrimp. As part of this enterprise the company has been investing in large-scale indoor farming capacity.

One of the main risk factors in shrimp production is disease outbreaks. To achieve the highest level of biosecurity, it is essential to control the culture cycle as much as possible. Reducing the entry of possibly contaminated water into the ponds is an important element in the production chain.

Zero-water exchange protocols in indoor facilities offer the opportunity to control environmental factors and biosecurity which results in more predictable farming.

Viet-Uc



New Advanced Nutrition protocol and products driving sustainability in indoor shrimp farms

In a series of trials, Benchmark’s Advanced Nutrition team advised on a tailored protocol for indoor farming to manage environmental factors. Viet-Uc applied Benchmark’s high quality products including water conditioner (Sanolife PRO-W), a feed coating to improve shrimp gut bacteriology (Sanolife PRO-2), and a health booster diet to improve shrimp resistance against environmental stress (Sano S-PAK).

The results were clear:

- **Higher productivity and increased predictability:** water quality control and the use of high quality probiotics and immunostimulants reduced environmental stress on the animals, resulting in less size variation at harvest.
- **Reduced water use:** lower production costs due to lower energy consumption as a result of no pumping needed for water exchange. Overall input cost per animal was reduced.
- **Improved environmental stewardship:** less chemicals were used during the process a result of zero water exchange.

“It is important to control what can be controlled and our Advanced Nutrition products do exactly this. This study is testament to our mission of enabling producers to improve their sustainability and profitability.”

Olivier Decamp
Benchmark’s Advanced Nutrition
Segment Director

“The Advanced Nutrition team have really supported the growth at Viet-Uc’s shrimp production operations. Over the past year, they have helped us perform several successful commercial-scale production trials in our indoor system. We are now making joint efforts in testing and adopting their protocols from this study on a larger, industrial scale. We look forward to continuing our partnership.”

Can Nguyen
Viet-Uc’s Vice President of Production in charge of the collaboration between the two groups

Protecting the environment and greenhouse gas emissions

Overview Our environmental programme is an element of the Group sustainability programme. It managed through a series of environmental representatives at each site reporting through the Group Heath Safety and Environmental Manager. Reporting is through the Sustainability Working Group into the Sustainability Committee chaired by Kevin Quinn, Non-Executive Director.

Streamlined Energy and Carbon Reporting Regulations (SECR) Responsibility The Group Health, Safety and Environment Manager is responsible for collating environmental data, on a monthly basis, and reporting to the Benchmark Board. Data collected for compiling this report is collected from each of our sites using a standard spreadsheet template and centrally collated. Wherever possible data are directly measured. Estimates have been made where a team is located in shared premises and direct measurements are not available. These estimates represent just 1% of our total emissions. Our Genetics site in Chile and Health sites in Chile and Inverness are not included in the scope as they were not fully operational during the year.

Methodology The calculations are aligned with the Greenhouse Gas Protocol and the Global Reporting Initiative Disclosure Standards. The approach covers Scope 1 and Scope 2 emissions as well as Scope 3 emissions relating to air travel. Additionally, we are reporting on the amount of waste sent to landfill and the amount of potable water consumed by our sites.

The period 1 October 2019 – 30 September 2020 represents our baseline reporting year.

Data sources For calculation of carbon equivalents, the data issued by the International Energy Agency has been used for the electricity related emissions and, for all other emissions, the UK Government GHG Conversion Factors 2020 spreadsheet has been used.

Energy consumption During the year we consumed 35,675 MWh of energy which consisted of:

	UK	Global (excluding UK)
Gas	72 MWh	6,101 MWh
Electricity	174 MWh	26,019 MWh
Company vehicle transport	1.7 MWh	3,288 MWh
Personal vehicle transport (UK only)	13.8 MWh	

SECR intensity measures The intensity measures we have chosen to use are MWh per £m of revenue and tonnes of carbon dioxide equivalent (tCO2e) per £m of revenue.

Total energy consumed	35,675 MWh	= 296 MWh/£m revenue
Total revenue	£120.4m	
Total carbon emissions	7,336 tCO2e	= 60.93 tCO2e/£m of Revenue
Total revenue	£120.4m	

Environmental impacts Our key environmental impacts have been identified as:

- Electricity consumption
- Air travel
- Vehicle travel
- Disposal of waste outputs
- Potable water consumption

Electricity Electricity consumption is our biggest environmental impact and globally, the Company has consumed 26193 MWh of electricity; Of this, 70% has been obtained from renewable sources.

Electricity carbon equivalent = 3,410 tCO2e

Travel Our next largest impact after energy is travel and reducing our travel related footprint is a key aim of our environmental programme. The coronavirus pandemic brought an abrupt halt to all but essential air travel with negligible associated emissions since the end of March. We have found innovative ways of maintaining internal and external communications and as we move out of the pandemic and resume travel, our teams will be targeted with keeping travel significantly below previous levels.

Air travel Air travel data has been taken from our travel agents or from travel submissions from those sites that do not use travel agents. During the reporting period our employees undertook 2,443,022 kilometres of air travel which has resulted in the following emissions:

Air travel carbon equivalent = 463 tCO2e

Car fuel The UK car fuel data are taken from mileage declarations, fuel records and business mileage expense claim records.

Carbon equivalent = 16.7 tCO2e

For our operations outside of the UK, car fuel data are taken from mileage declarations. The resultant emissions are:

Carbon equivalent = 893 tCO2e

Next steps All our sites have been challenged to reduce their carbon footprint however, over the coming year we will be working with specific sites to reduce our environmental impact in each of the key impact areas. Those sites that collectively contribute 80% or more to one of the impact areas will be developing an understanding of their impact and setting reduction targets.

Environmental protection Net zero carbon by 2050 Establishing our emissions during this baseline year has given us a clear view of our carbon impacts. This year we have set out our ambition to be a net zero organisation for Scope 1 and 2 related emissions by 2030 and for all emissions by 2050.

Environmental compliance Compliance with all relevant environmental legislation in countries where the Group operates is the baseline from which we drive our improvements. There have been no breaches of environmental legislation during the reporting period.

Waste We aim to divert as much waste from landfill as possible by segregating waste streams where we can. Wherever possible waste is recycled, used in biodigestion processes or sent to waste incinerator sites to be burned to produce energy. It is our ambition to be a ‘zero waste to landfill’ company and will be setting out goals to achieve this aim.

	UK	Global (excluding UK)
Waste to landfill	21 tonnes	233 tonnes

As a result of a programme of donating out of specification product to communities local to our Thailand facility,126 tonnes of waste have been diverted from landfill.

Potable water Water scarcity is impacting every continent and at Benchmark we want to be certain that our operations do not impact on people’s ability to access potable water. We have conducted a risk assessment to establish whether we operate in water stressed areas and we measure potable water consumption at our sites. None of our sites is currently in a water stressed area. Our potable water consumption was 58,022m³.