

August 10, 2011

Joint Statement by Cermaq ASA, Norwegian Society for the Conservation of Nature/Friends of the Earth Norway¹ and Forum for Environment and Development (ForUM)

Based on the complaint of 19 May 2009 and the OECD Guidelines for Multinational Enterprises, the National Contact Point for Responsible Business arranged for mediation between the parties. Friends of the Earth Norway, The Forum for Environment and Development (ForUM) and Cermaq ASA are in agreement that:

- a) The sustainable use of natural resources, including the precautionary principle and accountability in meeting social and environmental challenges, is crucial for the aquaculture industry's future.
- b) The Chilean aquaculture industry, including Cermaq, should have been operated in a more sustainable manner before the fish health crisis in Chile in 2007. Since 2007 Cermaq has undertaken constructive measures in their own business operations and contributed in developing knowledge making the industry more sustainable.
- c) The complaint by Friends of the Earth Norway and ForUM included claims about Cermaq and its business that have been refuted.
- d) Future cooperation and contacts shall be based on mutual trust and clarification of facts.

The aquaculture industry in Chile

- e) Where government regulation does not ensure the sustainability of aquaculture, the industry should take its share of responsibility. Cermaq acknowledges that the aquaculture industry in Chile, including Cermaq's aquaculture activities, was not sustainable as it was operated before the fish health crisis in 2007. The density of fish farms was too high in several places in Region X (10) of Chile, and the procedures required to prevent disease in fish were insufficient.
- f) There is a connection between the way aquaculture has been carried out in Chile and spread of fish diseases that led to the collapse of the industry in Chile in 2007. Sufficient account was not taken of the precautionary principle. Rapid growth in the industry combined with a lack of regulation contributed, and the national authorities did not have adequate regulation of the biological and operational conditions in Chile. Warnings were issued that the situation could lead to environmental and fish health problems. Retrospectively, Cermaq believes it would have been desirable for the industry and Cermaq before 2007 to have been stronger advocates for the development of a more sustainable framework for the industry. In Norway at the same time, knowledge concerning

¹ Hereinafter Friends of the Earth Norway

an appropriate regulatory framework for the industry was available and this would have provided a starting point for efforts to influence legislation in Chile.

- g) Friends of the Earth Norway and ForUM recognize that Cermaq has learned from the crisis in Chile and has made positive changes in procedures to prevent fish disease in Chile and in Cermaq's global business. Cermaq agrees with Friends of the Earth Norway and ForUM that the fish health crisis in Chile illustrates that the dissemination of best practice across its operations globally is important to ensure sustainability and improvement of operating procedures.

The basis for sustainable aquaculture

Cermaq emphasizes that its guidelines for ethics and social responsibility, as determined by its Board, has endorsed the OECD Guidelines for Multinational Enterprises. Cermaq's guidelines of Ethics and Social Responsibility provides that the company has a responsibility for people, communities and environment affected by its activities, and that Cermaq activity should be organized so as not to undermine the potential for future production based on the same resources. In addition, Cermaq is member of the UN Global Compact. Based on these values, Cermaq has endorsed the following:

- h) In keeping with the government of Norway's White Paper on Active Ownership (Report no.13 (2010-11) to the Storting "Active Ownership"), Cermaq will aim for leadership in social responsibility in the aquaculture industry. Cermaq will strive for excellence on environmental initiatives in its industry, including by contributing to the development and use of environmentally friendly technology.
- i) Cermaq has drawn lessons from the collapse in Chile, including a more structured approach to the exchange of knowledge and best practice between companies in the group regardless of business location.
- j) Based on internal and external, recognized research, and in line with the precautionary principle (as defined in the OECD Guidelines for Multinational Enterprises, including discussion of scientific uncertainty), Cermaq will further develop its efforts to minimize the risk of inflicting serious environmental damage on their surroundings.
- k) After the fish health crisis in Chile, Cermaq has contributed to new and important knowledge on the fish disease infectious salmon anemia (ISA) through projects to internal and external researchers, and through the establishment of a new research laboratory in Chile. Friends of the Earth Norway and ForUM recognize that this has provided new insights that are important for Cermaq and the industry, and provides a basis for better prevention of transmission of ISA and prevention of fish diseases.
- l) Cermaq has integrated human rights in the company's guidelines for social responsibility and respects human rights in line with OECD Guidelines Chap. II, 10-12 and Chap. IV, including by avoiding to infringe the human rights of others and to remedy violations of human rights where they occur both as a result of the company's own operations and in its supply chain.
- m) Cermaq respects indigenous rights in line with ILO Convention 169 and the UN Declaration of Indigenous Peoples (UNDRIP). Cermaq's operations in areas with

indigenous peoples in Chile, Canada and Norway will be in accordance with the provisions of these agreements. Cermaq will seek to enter into mutually beneficial agreements with indigenous people in all areas where their rights are affected by Cermaq's operations, including in Chile.

- n) Cermaq respects and promotes worker rights in foreign countries as in Norway, as embodied in the eight ILO core conventions of the "Declaration of Fundamental Principles and Rights at Work", including the right to freedom of association and collective bargaining. Cermaq will continue to participate in round table conferences organized by the Observatorio Laboral y Ambiental de Chiloé (Olach).
- o) Cermaq will continue reporting against sustainability indicators, which are anchored at the level of its board, based on Global Reporting Initiative (GRI) and customized indicators specifically designed for the business of aquaculture. Cermaq intends to continue the practice of external verification by an independent third party. In the further development of its qualitative and quantitative indicators, Cermaq will draw on feedback from both internal and external sources, including groups who may be affected by the business.

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