



Benchmark®



Driving sustainability in aquaculture

Benchmark Holdings plc
ESG Report 2021



Driving sustainability in aquaculture

The challenge:

Aquaculture plays a crucial role in global food security. To feed a human population expected to reach almost ten billion people by 2050, aquaculture needs to continue to grow sustainably.

Benchmark's mission:

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

Our business is powered by committed people driven by the desire to make a difference. Guided by our values – innovative, passionate, collaborative and commercial – we contribute to a sustainable aquaculture future in ways that feed the world without harm.



Responsible Operator



Proactive Industry Leader



Real Impact Across the Value Chain

How do we achieve this?

We focus on three complementary business areas that are critical to the productivity and sustainability of aquaculture across the production cycle.



Genetics

Professional genetics provide a crucial starting point in aquaculture.

Through Benchmark's specialist genetics, fish and shrimp grow faster and live healthier lives using less resources – thus improving sustainability across the value chain, from egg to plate.

We apply the latest genomic tools in our salmon, shrimp and tilapia breeding programmes to deliver genetic traits that drive growth, quality and disease resistance.

Through our team of world-class geneticists we are the leading provider of aquaculture genetics services, building experience with 20 species in 16 countries.

Revenue from continuing operations

£46.8m

2020: £41.5m



Advanced Nutrition

Early stage nutrition plays a critical role in the development of fish and shrimp up until the time of harvest.

We specialise in the early stages of production. We have a broad portfolio of nutritional, health and environmental solutions based on our proprietary technology which,

together with our expert technical support, enable our customers to optimise their production. We are the leading provider of Advanced Nutrition solutions to hatcheries worldwide.

Revenue from continuing operations

£70.5m

2020: £59.4m



Health

Sea lice is one of the biggest sustainability challenges in salmon farming, affecting yield and animal welfare whilst constraining growth.

In FY21, we launched our breakthrough solution Ectosan® Vet and CleanTreat® in Norway, adding to Salmosan® Vet, our existing solution for sea lice.

Ectosan® Vet and CleanTreat® is highly efficacious, has an environmental profile and improves animal welfare.

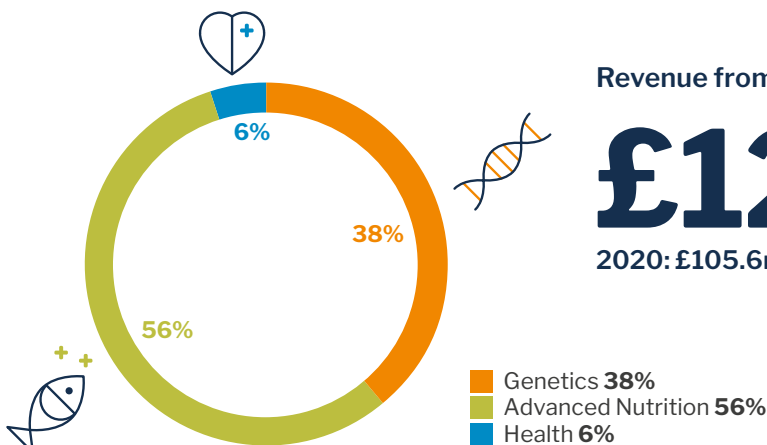
We are working on expanding the use of CleanTreat®, our innovative purification system, more broadly in the industry to purify water from medicinal bath treatments before it is returned to the ocean.

Revenue from continuing operations

£7.8m

2020: £5.2m

Group revenue by business area



Revenue from continuing operations

£125.1m

2020: £105.6m



Kevin Quinn
Chair of the Sustainability Committee

Composition as at 30 September 2021

The members of the Sustainability Committee are:

Member	Number of meetings attended	Committee tenure
Kevin Quinn (Chair)	3/3	3 years
Trond Williksen	3/3	1 year
Ivonne Cantu	3/3	3 years

Sustainability Committee Report

As the Chair of the Sustainability Committee, I am pleased to present the Committee's FY21 report which demonstrates Benchmark's **continued** dedication to sustainability, having embedded Environment, Social, and Governance ("ESG") factors throughout our operations and decision-making over the year.

Responsibilities

The Committee, established in June 2018, is responsible for providing guidance and overseeing Benchmark's sustainability work. Acting on behalf of the Board, the Committee ensures that the focus and governance of the Company's sustainability work is aligned to its ESG principles and mission of driving sustainability in aquaculture. This is achieved through quarterly meetings where strategic priorities, ongoing projects and emerging issues are reviewed. The Committee is also responsible for maintaining a dialogue with the Company's stakeholders on ESG matters, which then informs the Company's ESG materiality assessment and priorities.

This year, we were pleased to see a significant interest from stakeholders in sustainability areas, with these discussions mostly centring around climate risk, water management and animal welfare. We welcome this increasing engagement and interest, which reinforces the confidence that we have in our vision to address the

sustainability challenges and opportunities in the aquaculture industry.

Progress in FY21

We are committed to driving sustainability in aquaculture and as such, our aim is to be a responsible operator and proactive industry leader having a real impact across the aquaculture value chain. This is underpinned by our portfolio of products and solutions and the way we conduct our operations through our sustainability efforts.

FY21 was a successful year for Benchmark's sustainability efforts with significant progress made. Through a collaborative approach across the Group, the priorities which had been laid out were either fully achieved or saw important developments materialise. This was made possible in part due to the visible culture transformation which Benchmark undertook in the year, which has strengthened the commitment to the Company's sustainability mission in every person within the organisation.

Highlights in the year include:

- **Reaffirming our net zero targets and developing a roadmap to achieve them.** FY21 saw us conduct a review to understand which aspects of the Group hold the greatest opportunity to reduce our environmental impact, including through increased renewable use, decreased energy consumption or investment. One of the outcomes of this initiative was the identification of electricity consumption in our facility in Thailand as being one the Group's main contributors to our GHG footprint, leading to the engagement of an external energy consultant to identify ways to reduce our footprint. Although this project was delayed due to restrictions associated with the COVID-19 pandemic, the work has resumed and will be completed in FY22. Furthermore, FY21 saw an increase in scope 1 and 2 emissions due to the scaling up of operations in Chile, Iceland and the United States, which is countered by the progress in reducing our intensity measures. As a growing business, this absolute increase was anticipated, and we are likely to continue to see an increase in our absolute energy consumption as we grow in the short term. However, we are working in parallel to improve our energy efficiency, adopt sustainable technologies and access renewable energy sources, and we remain committed to our targets of becoming net zero through a science-based targets pathway.
- **Conducting a review of our ESG policies and disclosures** in order to

align them to best practice, increasing transparency for our stakeholders. As a result of our review, we issued a revised environmental policy, which is now broader in scope and depth. Additionally, it now addresses the Company's position on key environmental and climate-change considerations, such as water, waste, and biodiversity, amongst others. Along with this, the Company's whistleblowing, antibribery and corruption, and fair competition policies were also updated. These updates are significant as they allow Benchmark to more accurately communicate its stance on ESG-related matters and act on it as the business continues to grow and develop.

- **Aligning Group-wide efforts on animal health and welfare**, which is a critical driver of sustainability in the aquaculture industry. Late in FY20, an Animal Welfare Committee was established, composed of experts from all three business areas. During FY21, the Committee conducted a review of the Company's practices and standards across different geographies and species to identify areas of opportunity, share knowledge, and suggest points of improvement. The key action which was taken from this was the development of a new Group-wide animal health and welfare training program. This initiative has been successful, with impressive numbers being seen across the Company, such as in Norway where 100% of employees are trained in animal health and welfare. Progress-driven initiatives have also been undertaken, such as in Iceland where the content of the animal health and welfare course was extended through the launch of a new programme tailored for our shrimp operations.
- **The commencement of a Group-wide climate risk assessment** as a foundation towards Task Force on Climate-related Financial Disclosures ("TCFD") reporting. This began in FY21 with a preliminary qualitative assessment of physical and transitional climate risks to the Company, and will continue throughout FY22 to integrate a quantitative, scenario-based analysis. This is an important step to ensure that the Company's priorities and strategies are aligned to its climate risks and will also serve to inform the Group on climate opportunities that can be seized. As part of this project, a full assessment of Water risk was conducted according to the WRI Aqueduct Tool. The results of this were encouraging, showcasing that of

our four locations in high water-stressed areas, three are office spaces with minimal consumption, and total water consumption of these four locations combined amounts to 115m³, representing 0.1% of the Group's total potable water use.

Looking Forward

At Benchmark, sustainability is a process of continuous improvement. Looking forward to FY22, we will continue to work towards our stated objectives underpinned by improvement in our KPIs. In addition, the projects underway to identify opportunities for improvement, including energy efficiency studies and our climate risk assessment, will continue to inform future strategic decisions of the Group.

I would like to thank the members of the Sustainability Committee, the sustainability working group, and all the people around the Group involved in our sustainability effort, for their continued commitment throughout the year. I look forward to continuing our work in 2022 to progress Benchmark's mission of driving sustainability in aquaculture.

Kevin Quinn

Chair of the Sustainability Committee
29 November 2021

Driving sustainability in aquaculture

At Benchmark, we recognise that the future of aquaculture lies in sustainability. As a proactive industry leader, we acknowledge both the need to feed a growing global population and to preserve and protect the planet's resources. Bridging this gap is what motivates us and, driven by committed people with a desire to make a difference, our products and solutions are designed to align the aquaculture industry towards a more efficient and sustainable future.

Egg sorting at our Salten site



Today, aquaculture produces more than half of the fish used for human consumption and has the potential to be a sustainable way of safeguarding the world's food supply with healthy and protein-rich food into the future.

With the continued growth of aquaculture, our vision is to enable a more sustainable and adaptable industry that can meet its challenges. This requires a deep understanding of its emerging needs and adoption of new technologies and innovations across the value chain, which is where we come in.

Our aim is to be a proactive industry leader and a responsible operator with real impact across the value chain.

We make important contributions to the sustainability of the industry through the way we manage our operations, our collaborative industry approach to develop solutions and improved standards and through our broad range of products and solutions in Genetics, Advanced Nutrition and Health:

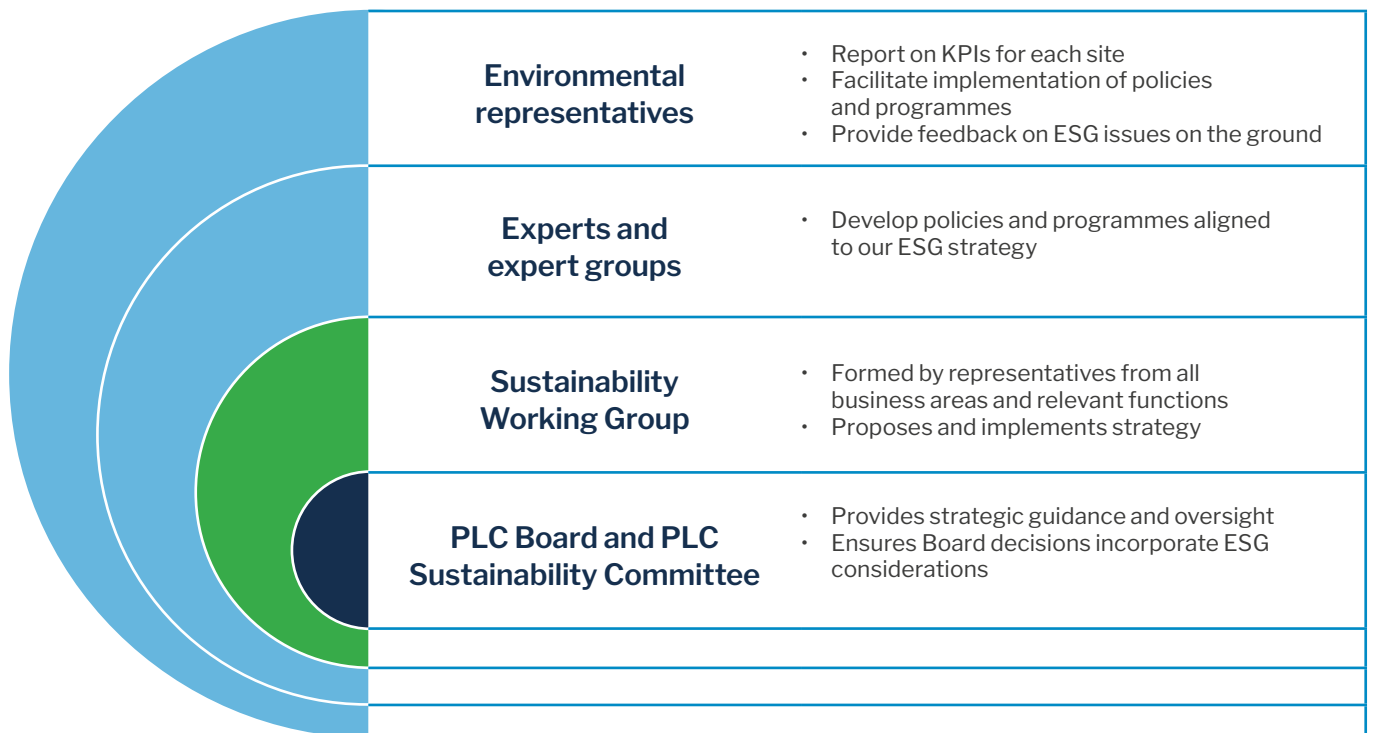
- **Genetics** is the very starting point of the production chain in aquaculture. Good genetics have a material impact on efficiency, incidence of disease and survivability across the whole production cycle.
- In **Advanced Nutrition** we focus on the early stages of production, which greatly influence growth and health in the later stages, compounding the positive impact of our solutions.
- In **Health** we focus on addressing one of the biggest sustainability challenges in salmon production: sea lice.

How we implement our sustainability strategy

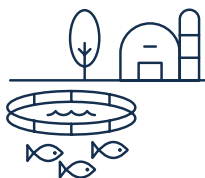
Sustainability is embedded throughout our operations, from the way we make strategic decisions, to how we handle animals in our facilities and source raw materials. To enable this we have a governance framework which originates at the Board level and runs across the organisation.

- The Board’s **sustainability committee**, comprising two Directors, the head of the Sustainability Working Group and the Company Secretary meets quarterly and is responsible for providing guidance, overseeing the Company’s sustainability programme and considering emerging issues and risks. The committee also ensures that the Board takes into account sustainability considerations when making strategic and operational decisions.
- The **Sustainability Working Group**, which includes representatives from our three business areas as well as from key functions, is responsible for developing and implementing the Company’s sustainability strategy and working programme. Through its members, the Sustainability Working Group engages with our key stakeholders including customers, suppliers, employees and shareholders to inform its assessment of material ESG issues and its strategy.
- A network of **environmental representatives** at each of our sites enables the implementation of policies and programmes across all our operations, allowing us to identify risks and opportunities and set appropriate targets at a local level.

Our ESG operating structure



Animal Health and Welfare



Environment



People and Communities



Our Work in line with the UN Sustainable Development Goals

Benchmark supports the 17 UN Sustainable Development Goals ("SDGs") and acknowledges their importance as a foundational basis. Through our core values and mission to contribute to a sustainable aquaculture future, with every action we aim to support one or more of the 17 SDGs. While we contribute to many of the SDGs directly or indirectly, those to which we make the most significant contributions are highlighted below.

2 ZERO HUNGER



By improving food productivity, the availability of nutritious food for a growing global population increases. Our solutions thus contribute to safeguarding global food supply.

3 GOOD HEALTH AND WELL-BEING



By producing a range of species, the needs of different markets can be met with nutritious food. We also support a diverse workforce and local communities, ensuring the well-being of our people is a priority.

13 CLIMATE ACTION



Our solutions improve resource efficiency in aquaculture, which already has a lower environmental impact than other animal proteins, reducing the carbon footprint. We are also committed to reducing our own footprint and integrating climate considerations into our decision-making. Additionally, since we are positioned at the start of the value chain, these trickle through into our customer's environmental footprint.

8 DECENT WORK AND ECONOMIC GROWTH



We promote decent economic work and growth through our collaboration with our clients and suppliers, as well as through our internal operations and employees. We have policies and processes in place, such as an anti-slavery policy, which we take extremely seriously as a responsible operator. As a global operator, we are both an employer as well as a supplier to an industry which feeds developing regions, encouraging both decent work and economic growth.

5 GENDER EQUALITY



We recognise our diverse community and workforce, and are committed to ensuring the inclusion and support for all. We have processes in place to support these goals, and are continuously looking to initiate dialogue and action in regards to how we can do more.

10 REDUCED INEQUALITIES



14 LIFE BELOW WATER

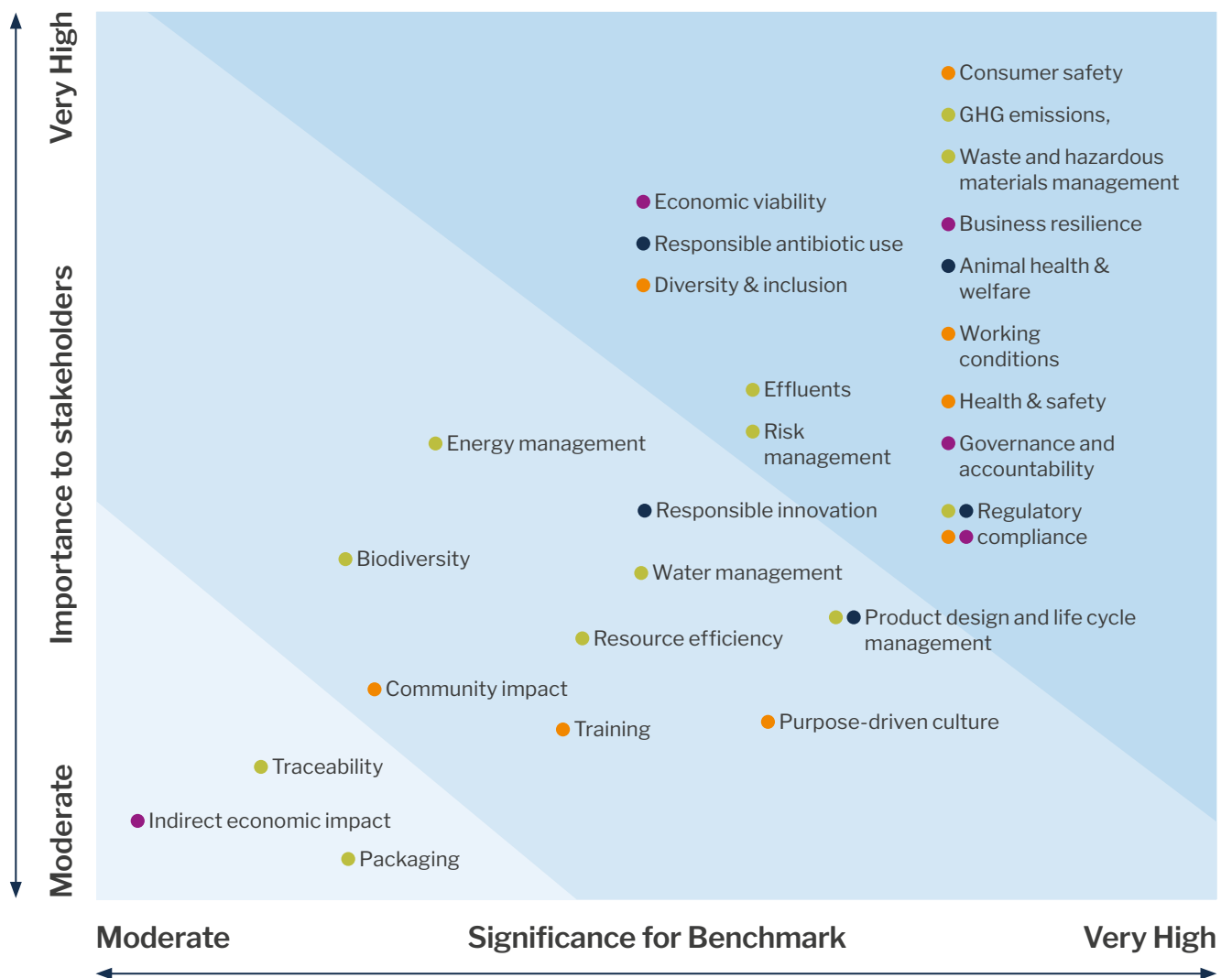


Our solutions and operations promote animal health and welfare as well as the reduced use of antibiotics. We source sustainable certified marine ingredients to minimise our impact, and develop solutions – such as CleanTreat®, which prevents medicines from being released into the sea – to ensure we are contributing to a healthier life below water.

Materiality assessment - Defining our focus areas

Every year we conduct a materiality assessment to identify and prioritise ESG issues that affect our business and our stakeholders. In FY21 we applied the GRI materiality analysis recommendations and SASB's Materiality Map in our assessment. As part of our review we obtained feedback from internal and external stakeholders. Internally, this meant examining our operations through discussions within our Sustainability Working Group and Sustainability Committee. Externally, we obtained input from key shareholders as well as an external ESG consultant and looked at material factors affecting our customers.

Through our materiality assessment we defined the three focus areas in our sustainability programme: animal health and welfare, environment and people and communities. Governance, accountability and compliance are incorporated in our governance framework and policies. Business resilience covers many aspects of our business from finance to operations and our people programmes. Within our ESG programme we focus on climate change risk and resilience.



Key

- Animal Health & Welfare
- Environment
- People & Community
- Financial Report

FY21 progress

We are pleased with the progress made in FY21 in our ESG programme overall and in each of our three programme areas. A focus of our effort this year was to conduct a review of our policies and disclosures to ensure that these are aligned with best practice and meet the interests of our stakeholders. As a result, we adopted a new environmental policy and updated our whistleblowing, antibribery and corruption, and fair competition policies. We have also enhanced our disclosure of metrics and KPI's which will allow our stakeholders to follow our progress.

Another topic of focus this year was climate risk. In FY21, we commenced the work towards a comprehensive Group-wide climate risk assessment in line with

The Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, which are designed to enhance the clarity and reliability of climate-related disclosures.

We began the process by performing a qualitative assessment considering acute and chronic physical climate-related risks to the business, including the availability and condition of water due to its importance as a key input for Benchmark's operations and potential impact through water-related extreme weather events. As a next step, we completed a preliminary quantitative analysis of this risk, using the WRI Aqueduct framework to look at groundwater table depletion, drought, coastal flooding, and riverine flooding risks across the Group. This has informed

our water policy and has flagged up potentially vulnerable parts of our operations which we will continue to monitor. Where relevant, we have taken precautionary actions, such as with our Thailand facility for which we have developed a business interruption plan due to the predicted prevalence of flood events.

Our climate risk assessment will continue to be an important input in our decision making, and, moving forward, we will complete our work to identify all physical and transitional risks and their potential financial and physical impacts. We will develop mitigating actions and stress-test our resilience by using scenario-based analysis.

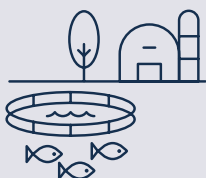
2021 Highlights

Animal health and welfare

Our Animal Welfare Committee carried out a review of our protocols across all our species and made regular training a priority to drive improvement.

During the year we delivered animal welfare training to all of our employees who handle fish and shrimp.

As an industry leader, we bring animal health and welfare to the forefront. In 2021 we issued Insights 2: Animal Health and Welfare – a publication bringing together the views and insights of a broad range of industry participants. The publication is available at: <https://www.benchmarkplc.com/media/brochures>.



Environment

Having set out an ambition to achieve net zero Scope 1 and 2 emissions by 2030 and net zero Scope 1, 2 and 3 by 2050, we developed specific targets and priorities, establishing a yearly roadmap to achieve our goals.

Our CleanTreat® purification system received the highest environmental score by the Aquaculture Sustainability Council ("ASC"), the world's leading independent certification scheme for aquaculture.

We made improvements in our facilities in Iceland, Fellsmere and Thailand which will increase our energy efficiency and reduce our environmental footprint.

Our factory in Thailand achieved the ECO Factory Award, which is granted when a strong commitment is shown towards responsible operations.



Our people and communities

We delivered a wellness programme to support remote workers through the COVID-19 pandemic and increased our number of mental health first aiders.

We established a new committee to develop a new policy on Diversity and Inclusion that reflects our current organisation and our stakeholders' interests.



Animal health and welfare

Animal health and welfare is present throughout our operations - from the impact of our products, to the way we do R&D, to our breeding programmes and the technical support we provide.

Animal health and welfare plays a dual role: contributing to sustainability and driving productivity for our customers. These two dimensions are not mutually exclusive; rather, they complement each other. Healthier fish lead to a more profitable business. A sustainable farming system with good animal welfare is not only a benefit for the animals and the environment, but an essential contributor to the success of our customers.

How we promote animal welfare

- We use operative animal welfare indicators, which form part of our **Health Plans** tailored to each species. This ensures that animal health and welfare is continuously observed and measured and remains as a guiding focus in our fish-handling operations.
- When conducting **animal testing**, we apply the principles of the three R's (reduce, refine, replace) to each test to ensure that our testing is as limited as possible, and re-evaluate this process to continuously improve our methods.
- Our Animal Welfare Committee, composed of veterinary professionals from our different business areas, exchanges ideas on new practices to improve our protocols.

- Our **Antibiotic Use Policy** outlines a clear, principled approach to antibiotic use within Benchmark, supporting the 3Rs framework of 'reduce, replace and refine' for antibiotic stewardship in animals. Furthermore, we conduct our operations in line with regulatory frameworks where applicable, such as the European Medicines Agency ("EMA") guidance on antibiotic use, to ensure that we are engaging in prudent and responsible use of antibiotics.
- We continue **to collaborate** on co-funding award-winning research proving the benefits of eliminating the commonly used shrimp ablation practice. This research has been given the Aquaculture Alliance Innovation Award and works towards establishing a new norm of shrimp handling in the aquaculture industry. We do not do ablation in our operations.
- During the course of this year, we have made it a priority to **develop Group-wide welfare training for all employees working with fish and shrimp**. This initiative has acted as a project of collaboration and communication with employees in all areas of our business and has allowed our values of animal health and welfare to be practised from start to finish.

2021 highlights from our Group-wide animal health and welfare training:

- **Iceland:** We extended the content of our training course on fish health and welfare with participation of an external expert veterinarian, achieving an average attendance of 93%.
- **Norway:** 100% of employees trained in animal health and welfare.
- **Chile:** 100% of employees trained in animal health and welfare.
- **Thailand:** Animal health and welfare training began in October.
- **Colombia:** Animal health and welfare training commenced.
- **United States:** Animal training commenced in Miami, and has continued in Fellsmere.

The Shanghai Declaration

This year, Benchmark pledged its support for the Shanghai Declaration, a key output from the Global Conference on Aquaculture Millennium +20, which outlines a road map to optimise aquaculture's role in achieving the 2030 Agenda for Sustainable Development. Benchmark's statement of support for the declaration, along with 24 other leading organisations, sets out our commitments and priorities towards a common vision for the industry.

Read the Shanghai Declaration, and our accompanying Statement of Support, by scanning the QR code or at the following link:



<https://aquaculture2020.org/declaration/>



Animal Health and Welfare KPIs

	FY21
% of sites which have begun implementing or fully implemented internal animal health and welfare training	100
Number of disease outbreaks recorded in all production sites (OIE-listed)	0

Animal health and welfare is one of the sustainability drivers that motivated the creation of Benchmark 20 years ago. Animal health and welfare remains at the heart of the Company and is an increasingly important consideration for our stakeholders.

As a proactive industry leader, further improvements were driven across the business in 2021 as we:

- Established a Group Animal Welfare Committee with representatives from our three business areas – genetics, health and advanced nutrition – to share best practices, implement Group standards across our locations and species and identify opportunities for improvement.
- Conducted a Group-wide review of our animal welfare practices across our facilities with standard data collection for all species and operations, from research to production, and conducted a Group survey to identify ways in which we can improve animal health and welfare in our operations.
- As a result of our review, we launched a number of new initiatives, including modified sampling protocols to improve animal welfare.
- Developed Group training for all Benchmark employees who have fish and shrimp under their care.
- Our co-funded research on the benefits of eliminating ablation practices in shrimp hatcheries won the 2021 Global Aquaculture Alliance Innovation Award.
- Published a second edition of Benchmark Insights, entitled, *Animal Welfare – Drivers, Trends and Best Practice*. The publication brought together scientists, academics, customers and investors to share their views on the development and improvement of fish and shrimp welfare, with the goal of connecting industry participants to drive improvements across the value chain.

Animal health and welfare is in our DNA



Animal Welfare – Drivers, Trends and Best Practice

"Our mission is for all our employees to be welfare ambassadors – for them to have welfare in their minds when working to ensure all our animals are safe and healthy, and for them to transfer this knowledge and best practice to our customers globally."

Dr Marcela Salazar
Chair of Animal Welfare Committee

Environment

As a responsible operator, Benchmark is committed to a programme of continuous improvement to minimise our environmental footprint. This means focusing our efforts on energy consumption, greenhouse gas emissions, waste reduction and resource management in all aspects of our operations. We do this through our Group environmental policy, and we report on our progress in compliance with the Streamlined Energy and Carbon Reporting ("SECR").

Our environmental footprint and SECR are managed through:

- **Governance:** we have an environmental programme in place led by the Group Health, Safety and Environmental ("HSE") Manager and managed locally through Environmental Representatives at each site. Performance and progress are reported through the Sustainability Working Group to the Sustainability Committee chaired by Kevin Quinn, Non-Executive Director.
- **Responsibility:** the Group Health, Safety and Environmental Manager is responsible for collating

environmental data on a monthly basis. Data is collected from each site using a standard spreadsheet template and centrally collated. Wherever possible, data is directly measured, with estimates made where a team is located in shared premises and direct measurements are not available. These estimates represent less than 1% of our total emissions.

- **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 and 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 at our sites.

For calculations 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 2021 spreadsheet has been used. The reporting period is from 1 October 2020 to 30 September 2021.

Intensity measurement - We have chosen the metrics gross scope 1 and 2 emissions in tonnes of CO₂e per £million revenue and gross scope 1 and 2 energy use in MWh per £million revenue. These are commonly used intensity metrics and enable benchmarking with similar organisations. Our FY21 revenue of £125.1m was used for intensity measurements.

Our KPIs and SECR disclosures

Our key environmental impacts have been identified as: electricity consumption, gas consumption, vehicle travel, disposable water outputs, and potable water consumption.

To enable a valid year-on-year comparison, FY20 has been recalculated to exclude any emissions related to divested companies and to include historic data obtained for our Genetics site in Chile. The Health business area offices in the UK and Chile are included in the current year calculations but were not operable throughout the previous financial year.

Our KPIs

	FY21			FY20		
	UK	Global (excl UK)	Group Total	UK	Global (excl UK)	Group Total
Emissions (tCO₂e)						
Scope 1 (tCO ₂ e)	4	2,424	2,428	15	2,525	2,540
Scope 2 - location based (tCO ₂ e)	6	4,213	4,219	19	3,710	3,729
Total scope 1 & 2 (location) (tCO₂e)	10	6,637	6,647	34	6,235	6,269
Intensity ratio (per £m Revenue)			52.84			64.51
Energy (MWh)						
Total renewable electricity consumption (MWh)	0	20,882	20,882	0	20,643	20,643
Total non-renewable electricity consumption (MWh)	31	9,827	9,858	72	8,847	8,919
Total gas consumption	20	5,650	5,670	100	6,042	6,142
Vehicle transport	24	2,433	2,457	4	2,416	2,420
Emissions related to other fuels	0	560	560	20	905	925
Total energy consumption (MWh)	75	39,352	39,427	196	38,853	39,049
Energy intensity ratio (per £m Revenue)			313			326

Electricity consumption is our biggest environmental impact and, globally, the Company has consumed 30,740MWh of electricity; of this, 68% has been obtained from renewable sources.

Our drive to achieve net zero emissions is based on a science-based targets approach of absolute contraction following the 1.5°C scenario, with our policies being centred around the UN Sustainable Development Goals and the Paris Agreement. We have adopted the following definition of net zero: 'A net

zero organisation will set and pursue an ambitious 1.5°C aligned science-based target for its full value-chain emissions. Any remaining hard-to-decarbonise emissions can be compensated using certified greenhouse gas removal.'

In FY21, we observed a slight absolute increase in scope 1 & 2 CO₂e emissions. This is due to the scaling up of our operations in Chile, Iceland, and the United States, making it a reflection of business growth. We are aware of these increases and are implementing

solutions to continue our journey towards being net zero, such as through the installation of a hybrid thermal energy system for our Fellsmere site (United States) which was completed at the end of the year and will significantly reduce the facility's gas consumption into the future. Our scope 1 emissions stem from use of gas and other fuels and Company-operated vehicles. Our scope 2 emissions relate to our electricity consumption. Our target is to reduce our gross scope 1 and 2 emissions by 42% from the FY20 baseline year to 2030.

Similarly, we have observed an absolute increase in our energy consumption accounted for by the increased size of operations. We have a roadmap to reduce our energy consumption, and have begun projects to achieve this, such as through the onboarding of an external consultant to produce an energy study for our Thailand factory, which accounts for the majority of our GHG footprint.

This project was delayed by six months due to the COVID-19 pandemic which restricted activities in Thailand, but will be completed in FY22 and will further inform our pathway to absolute contraction.

Looking forward to FY22, we will roll-out our updated environmental policy through local workshops, with the output

being implementation plans to achieve our net zero targets. As part of this, we will define relevant metrics and targets for each site, routinely monitoring them and using the data as a springboard for identifying and prioritising improvements.

	Water (m ³)				
	Financial Year	UK/Europe	Americas	Asia	Group Total
Freshwater usage (m ³)	FY20	7,325	6,507	50,529	64,361
	FY21	21,586	4,002	39,103	64,691
	FY21	FY20			
	Group Total	Group Total			
Freshwater usage (m ³) intensity ratio (per £m Revenue)	514	538			

The increase in freshwater usage in UK/Europe is attributable to our Genetics facility in Iceland which has initiated a research project involving salmon fingerlings requiring mains water. In Asia, the drop in freshwater usage is linked to a three month temporary halt in the use of a spray dryer (the site's main consumer of water) due to replacement of the spray dryer and the installation of new fire prevention measures. Of our total freshwater usage, only 0.06% accounts for drinking water.

We have conducted a water risk assessment in line with the WRI Aqueduct Tool to ascertain that our operations do not impact on water access in our communities. The results showed that of our four locations in high water stressed areas (Turkey, Mexico, Belgium and Italy), three are office spaces with minimal water consumption. In Italy, we have a research centre where we only use seawater thus safeguard access to potable water for local communities. These four locations consumed 115m³ water in FY21, representing 0.1% of our total potable water use. Additionally, we have a water policy in place to ensure responsible management at each of our sites and to guide future actions.

Air travel benefitted from the travel restrictions from COVID-19. As we emerge from the pandemic, we have adopted a policy aimed at reducing air travel, including using digital tools instead of physical meetings where possible and combining business trips that require air travel to reduce the number of trips made.

The UK car fuel data is taken from mileage declarations, fuel records and business mileage expense records. For operations outside the UK, car fuel data is taken from mileage declarations. We are implementing a vehicle policy to transition our existing fleet to electric vehicles where these are available and within their replacement cycle.

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 incinerated at authorised waste incinerator sites to produce energy.

Throughout the year, our Thailand factory has continued to donate out-of-specification product to communities local to the facility, diverting 113 tonnes of waste from landfill. Additionally, their investigations into how to avoid sending to landfill waste from the effluent treatment plan has diverted a further 69 tonnes.

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.

	Air travel emissions (tCO ₂ e)			
		FY21	FY20	
		Group Total	Group Total	
Air travel (tCO ₂ e)		86	464	
	Vehicle emissions (tCO ₂ e)			
		FY21	FY20	
		Group Total	Group Total	
UK car fuel (tCO ₂ e)		6	17	
Total Group Vehicle emissions (tCO ₂ e)		988	893	
	Landfill (tonnes)			
		FY21	FY20	
		Group Total	Group Total	
Landfill waste (tonnes)		160	233	
	Environmental fines (£)			
		FY21	FY20	FY19
				FY18
Total cost of environmental fines (£)		0	0	0
			0	0

How we promote environmental considerations (2021 highlights)

- In 2021, we updated our **environmental policy** to better align it to our ESG materiality assessment, stakeholder input and best practice. Our new policy also allows us to increase transparency by setting KPIs based on GRI standards. In the policy, we outline our stance on climate change, biodiversity, energy management, water resources management, sustainable materials management, waste management, Company-operated vehicles and business travels. The policy can be found at <https://www.benchmarkplc.com/sustainability/esg-download-centre/>
- Commercial use of our CleanTreat® technology in Norway began in 2021. This cutting-edge water purification system removes medicine from treatment water before safely returning cleaned water to the sea. CleanTreat® received the highest recognition for environmental protection and sustainability offered by the ASC – the world’s leading certification scheme for farmed aquaculture.
- We are working towards **increasing certified sourcing for raw materials** to ensure that environmental considerations are present at all stages of our production cycle.
- In line with our targets to **reduce GHG** emissions across our business, we have made progress towards encouraging the use of electric vehicles with the first installation of a charging point at one of our sites, and adding electric vehicles to our fleet as vehicles get replaced.
- This year, we have commenced the work towards a comprehensive Group-wide **climate risk assessment** which will be completed in 2022. This will enable us to identify, evaluate and mitigate the climate risks that exist for us, as well as giving us the environmental context necessary to identify opportunities to improve our operations from a climate perspective.



Our people and communities

Our people – well-being

Benchmark is powered by committed people driven by the desire to make a difference. Everything we do is guided by our values – innovative, passionate, collaborative and commercial – and is brought to life by our colleagues, partners and the local communities in which we operate. Shaping a sustainable future for aquaculture would be impossible without the ambitious and motivated individuals who make Benchmark what it is, and take it to where it can go.

As such, our people play a huge role in how sustainability is carried out at Benchmark. As an employer, producer and supplier, we want to make sure that we contribute positively to local value creation and knowledge cultivation and allow each employee to reach their full potential whilst feeling encouraged. As a

global Company that touches many cultures and countries, we acknowledge our responsibility in ensuring a safe and harmonious working environment for all, with no exceptions to that rule. We take this responsibility extremely seriously; upholding an ethical business practice is a key principle for Benchmark.

With a good working environment, good results are generated in every aspect – whether environmentally, socially or financially – which is what we always strive for.

How we ensure a healthy environment for our people and communities

- Throughout COVID-19, with various national restrictions and lockdowns in place, we made sure to support our community through their home-working experience and organised a number of collective online activities to maintain a spirit of connection and inclusion.

Gender balance within Benchmark

Workforce Segment	Number of Females	Number of Males	Total Employees	Total % of Segment Occupied by Females	Total % of Segment Occupied by Males
Executive Directors	1	1	2	50	50
Operations Board	4	4	8	50	50
Senior managers	20	41	61	33	67
Managers/tech experts	79	133	212	37	63
Employees	206	307	513	40	60
Total workforce	310	486	796	39	61

Nutrition team

Wachirabarami Kindergarten and Wat Bua Bang School, Phichit Province



- We have now introduced a **‘Future of Work’ policy** embracing the best of the new working arrangements forced upon us by COVID-19, allowing our people more flexibility with how they perform their work. This policy aims to contribute towards a healthy work-life balance.
- This year, we conducted our second **Employee Engagement Survey** to understand how our employees view and relate to five key metrics: purpose (what Benchmark stands for), enablement (the conditions that enable individuals to do their job well), autonomy (the influences of positive work and health), reward (intrinsic and extrinsic rewards for workplace effort) and leadership (examining the way in which leaders listen, support and enable positive change). This survey is run by a third party to ensure complete anonymity and allows us to keep track of our working environment and how our peers are feeling, enabling progress and change in the areas that are identified as needing additional focus.
- In 2021, we launched our new **Performance Framework**. This new framework came from our recognition that managing employee performance should be an everyday activity based on frequent, open and honest conversations. This is replacing our previous annual performance evaluation to transform it into a four-stage process, with a different focus to the conversation each quarter: objective-setting to give focus and goals for the year ahead, development discussions to give the support needed to fulfil these objectives and grow in the Company, check-in sessions and an end of year review. We are very proud that in our first year of introduction, the performance reviews have been embraced with great success with all people in the Company receiving feedback.
- We have begun the process of putting together a **Diversity and Inclusion Working Group**, which will act to establish how to best continue our efforts in diversity and inclusion within Benchmark. The Working Group will bring forth ideas, projects and feedback on our efforts, as well as a varied perspective through its members, to best represent Benchmark and pave the way for a tailored strategy that is representative of Benchmark and its people. The Working Group will also focus on defining diversity and inclusion KPIs that are relevant and can be captured within the context of Benchmark.
- Our employee turnover statistics at 13.63% are healthy, demonstrating

the engagement of our people with Benchmark’s mission, values and work. We see this as a reflection of the positive and encouraging work environment which is created as part of our One Benchmark culture and carried forward by all of the incredible and passionate individuals that are a part of it.

Health and safety

We take the health and safety of our employees very seriously and have a health and safety management system in place that covers 100 percent of our operations. Every employee expects to return home from work unharmed and we believe that this responsibility is down to all of us as a responsible operator. We ask every employee to sign up to our health and safety commitment:

- **Nothing is more important than health and safety.**
- **Nothing we do is worth being hurt for.**
- **Nothing is so important we cannot take time to do it safely.**
- **We will never witness an unsafe act or condition without taking action.**

We operate mandatory health and safety training for all new employees and have not had any fatalities for employees and contractors. The well-being of our people will always be a top priority within the Group, and we are committed to upholding this.

Benchmark for Better

Through the Benchmark for Better initiative, we support community-level projects in three key areas: education, environment and animal welfare in aquaculture.

We do this by allocating charitable donations to projects put forward by our people and designed to deliver positive change for people and the environment

in the communities surrounding Benchmark’s operations across the globe. Additionally, our volunteering policy grants our employees two days per year to devote to these activities. There are many examples of our work across the world.

As part of the initiative, our team in Wachirabarami, Thailand, organised a project to support sustainability and safety in the region. They planted 170 trees at a local primary school and donated fire extinguishers, sports and medical equipment and waste bins, amongst other resources. The team also painted the school and provided training on fire extinguisher use and waste separation.

Through our support of the Mama Magda Aquaculture Fund, run by Ghent University, we continue to contribute to educating the next generation of aquaculture researchers, farmers, producers and specialists in developing countries.

In the UK, members of our team volunteered at City Harvest, contributing to food security by distributing surplus food from retailers and the catering sector to those in need. Elsewhere, our tilapia team in Miami donates fish with an estimated market value of more US\$25,000 every year to local communities of low-income immigrants.

Benchmark for Better also provides support to our colleagues. For example, when two Benchmark employees in India were struggling to get medical support for family members who had COVID-19 during the peak of the pandemic, we sourced two oxygen concentrators and delivered them from the UK. Once the families had used them, they were donated to the local community.



Phichit Factory is in Industrial Estate Authority of Thailand (IEAT-Phichit Province) area which has ‘Laman Canal’ to support rainwater, adjacent to the community in Village Moo 7 and Village Moo 8. Advanced Nutrition join with neighbourhood-community to remove sewage and weeds from the canals every year to facilitate the flow of water to prevent flooding within community in line with the ECO Factory project on biodiversity.



Ectosan[®] Vet and CleanTreat[®]: a transformative solution

In 2021, Benchmark reached a momentous milestone. The launch of Ectosan[®] Vet and CleanTreat[®] was the culmination of more than ten years of research, development, innovation and rigorous trials, as well as substantial investment. Ectosan[®] Vet is the first veterinary medicinal sea lice treatment introduced to the Norwegian salmon market in over a decade and – together with CleanTreat[®], our water purification system – it represents a transformative solution for the industry.

The next generation of sea lice treatment

Ectosan[®] Vet is a bath treatment for pre-adult and adult sea lice on Atlantic salmon and rainbow trout and meets the highest standards of efficacy, safety and fish welfare.

Environmental stewardship

The treatment is applied exclusively in a contained environment on wellboats and used solely with our water purification system, **CleanTreat[®]**. This ensures that all treatment water is retained in the wellboat and the medicine is removed from the treatment water before safely returning clean water to the sea. The system also removes organic material from the treatment water, including sea lice – an essential step in combating parasitic resistance to medicines.

The Aquaculture Stewardship Council (“ASC”) have included CleanTreat[®] as a mitigation tool in their ‘Weighted Number of Medicinal Treatments’, awarding it a score of ‘zero’ – the best score possible. CleanTreat[®] supports farmers in meeting key ASC criteria, providing

a valuable tool which does not increase the ‘Weighted Number of Medicinal Treatments’. Importantly, this supports farmers to use Integrated Pest Management strategies, which are crucial for effective and robust sea lice management.

Commercial launch in Norway in partnership with our customers

In July 2021, Benchmark received Marketing Authorisation for Ectosan[®] Vet in Norway and we successfully conducted our first treatments with market-leading Norwegian salmon producers in August. By providing insight into their needs and participating in commercial trials, our customers have been instrumental in the development of this breakthrough solution.

We continue to work closely with our customers throughout all treatment stages, assisting in treatment optimisation and in the development of best practices. With this collaborative approach, we will continue to drive sustainability in the salmon industry.

Proactive industry leader



Crew in front of our Platform Supply Vessel during the installation phase of our CleanTreat® system



Technician adjusting the valve orientation on the CleanTreat® system

"We have been delighted with the positive response from the industry to the approved use of this cutting-edge treatment in Norway. We have added a significant tool to the industry to enable predictable health management and therefore growth of the industry for years to come. The team and I are looking forward to the months and years ahead, supporting the sustainable growth of the aquaculture industry."

John Marshall
Head of Health

2021 was a year of significant investment across our facilities globally. Benchmark is committed to operating well-designed, safe facilities that make efficient use of resources, support good animal health and welfare and promote ecosystem health. We continually look for ways to improve our operations to reduce our GHG emissions and overall environmental footprint.

In 2021, we invested a total of £18.0m in expansion and maintenance projects in our facilities around the world to support our growth and meet our ESG commitments as a responsible operator:

- In Thailand, we invested £3.2 million to improve our safety, fire resilience and environmental impact of our facility. Our plant in Phichit, Thailand is our largest manufacturing site in Advanced Nutrition and runs at close to capacity; we are proud of our team who were able to maintain supply and customer service levels throughout the construction works.
- In Fellsmere, US, we invested £0.9 million in the first phase of a 40% capacity expansion project to produce around 100,000 shrimp breeders per year. In line with our environmental goals, we are installing energy efficient heating systems, which are expected to reduce current energy consumption by 50% – an improvement that will make a significant contribution towards our net zero targets.
- In Iceland, we invested £4.0 million in a new biosecure salmon egg incubation centre to meet periods of peak demand within our existing facility. The new facility will use 100% renewable energy.
- In Chile, we invested £0.8 million in a new salmon genetics broodstock unit equipped with the highest standards of biosecurity and technology. We are seeking, on a voluntary basis, a disease-free certification as part of our commitment to animal health and welfare. We have received the first selected breeders to produce new generations from our SagaChile strain.

Investing in our facilities



Our Fellsmere Team



Curacalco and Ensenada Chile – the new Salmon Broodstock Unit

"The new incubation centre in Iceland is based on Benchmark's production philosophy: to ensure the highest levels of biosecurity and supply of high-quality, genetically improved eggs year round."

Jonas Jonasson
Head of Production in Benchmark Genetics

Creating a One Benchmark Culture

Following the Company's reorganisation in 2020, we set a clear priority: to create a One Benchmark culture aligned with our new strategic identity and goals. We are promoting an environment in which our people are engaged; where they can develop, feel motivated and contribute their time and talents effectively towards our goals.

In 2021, we implemented a new **strategic priorities framework**, aligning the Group's efforts towards the same goals. We reset our **values**, recognising our new commercial identity, and developed new **remuneration and performance management frameworks**. In addition, we created **cross-Group initiatives** in strategic areas, including innovation and sustainability.

Our values underpin who we are at Benchmark, how we interact and how we make decisions. To establish values that truly resonate with people across our diverse Group, we sought input from Benchmark's teams around the globe. Employee champions in 18 countries shaped the values proposed by the leadership team, incorporating suggestions from people in all areas of the business. In an approach carefully designed to strengthen the One Benchmark community, the final set of values was introduced to teams through 35 local, highly interactive workshops.





We have already seen improvements since introducing the One Benchmark culture. The overwhelmingly positive responses to our employee engagement survey, for example, demonstrates progress in several important areas. Some highlights from the survey results include:

- An overall score of 88% puts us in the top quartile of companies for employee engagement.
- 85% of our people confirmed that Benchmark's purpose made them feel good about the work they do.
- 80% of our people believe that our leadership provides a clear vision of Benchmark's direction; this was 16% higher than in the 2019 survey, before our restructuring and management changes.

One Benchmark



Our Values

 Innovative	 Passionate
 Collaborative	 Commercial

Top quartile of companies for employee engagement

88%

"I have been extremely impressed with the high level of engagement and enthusiasm that all our people have shown in embracing new global initiatives and programmes which are all key in driving our journey towards a true One Benchmark culture."

Corina Holmes
Group Head of People



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