

Aquaculture Stewardship Council

Salmon Standard

Final Assessment Report

Non-confidential issue

ASC Salmon Standard V1.0 June 2012

Marine Harvest Norway AS

Sandviksbodene 77, Bergen, Norway

Fleina & Nordfugloy Farm Cluster

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Contents

| | |
|---|----|
| 1. Executive Summary..... | 3 |
| 2. Scope..... | 4 |
| 2.1 Standard..... | 4 |
| 2.2 Species produced..... | 4 |
| 2.3 Client Details..... | 4 |
| 3. Audit Plan..... | 5 |
| 3.1 Previous Audits..... | 5 |
| 3.2 Auditors..... | 5 |
| 3.3 Audit Plan..... | 5 |
| 3.4 Staff Interviews..... | 5 |
| 3.5 Stakeholder Submissions..... | 6 |
| 4. Findings and Corrective Actions..... | 7 |
| 5. Evaluation Summary..... | 10 |
| 5.1 Principle 1: Comply With All Applicable National Laws and Local Regulations..... | 10 |
| 5.2 Principle 2: Conserve Natural Habitat, Local Biodiversity and Ecosystem Function..... | 10 |
| 5.3 Principle 3: Protect the Health and Genetic Integrity of Wild Populations..... | 12 |
| 5.4 Principle 4: Use Resources in an Environmentally Efficient and Responsible Manner..... | 14 |
| 5.5 Principle 5: Manage Disease and Parasites in an Environmentally Responsible Manner..... | 15 |
| 5.6 Principle 6: Develop and Operate Farms in a Socially Responsible Manner..... | 17 |
| 5.7 Principle 7: Be a Good Neighbor and Conscientious Citizen..... | 19 |
| 5.8 Section 8: Standards for Suppliers of Smolt..... | 19 |
| 6. Determination for Chain of Custody (CoC) Certification:..... | 22 |
| 6.1 Traceability..... | 22 |
| 6.2 Eligible operators and point(s) of landing..... | 22 |
| 6.3 Point from which Chain of Custody certification is required..... | 23 |
| 7. Certification Decision..... | 23 |
| Appendix 1 Detailed Findings..... | 24 |
| Appendix 2 Stakeholder Submissions..... | 25 |

1. Executive Summary

Marine Harvest ASA is one of the largest seafood companies in the world, and the world's largest producer of Atlantic salmon. The company employs 10 200 people, and is represented in 22 countries. In 2013 the company had a turnover of NOK 19 billion. Marine Harvest is listed on the Oslo Stock Exchange (OSE) and the New York Stock Exchange (NYSE). Marine Harvest supplies healthy, delicious and sustainably farmed salmon and processed seafood to more than 50 markets worldwide. The company is present and trusted in all major salmon farming regions in the world. Estimated salmon production for 2014 is 405 000 tonnes worldwide. (Website). Marine Harvest Norway has 214 licences approved for salmon aquaculture on 125 sites in 50 municipalities. Marine Harvest Norway employ 1349 employees and turns over 8.1b NOK. They produce 255,000 tons of head on gutted salmon and boast the 4 largest seafood factories in Norway. MHN have investments of 3 billion NOK and invest 70m NOK per annum in research and development. More information on Marine Harvest worldwide can be found on <http://www.marineharvest.com/>

The Fleina and Nordfugloy farm cluster is located in is located in Gildsskal , Nordland County

The site Fleina is located south of the Fleina island. It is approx. 50-120 meters deep under the site and a moderate degree of sloping bottom to the east. The fish farm site Nordfugloy is located in Gildsskal, Nordland County It is approx. 50-90 meters deep under the site and a moderate degree of sloping bottom to the east. The sites are under voluntary ABM system.

2. Scope

2.1 Standard

Aquaculture Stewardship Council Salomon Standard Version 1.0 June 2012

2.2 Species produced

Salmo salar (Atlantic Salmon)

2.3 Client Details

| | |
|----------------------------|--|
| Company Name: | Marine Harvest Norway AS |
| Address: | Sandviksbodene 77 |
| City/State: | Bergen |
| Province/Country: | Norway |
| Postal Code : | 5035 |
| | |
| Application Status: | Farm Cluster |
| Farm : | Fleina site number 29296 and Nordfugløy site number 11129 |
| Farm Activity: | On-growing production of Atlantic salmon in circular sea-cages, from smolt stage to harvest. |
| | |
| | |
| Receiving Water : | <p>The fish farm site Fleina is located in Gildsskal , Nordland County (GPS-position in center of site: 67° 05.719' N 13° 52.597' (Z!). The site Fleina is located south of the Fleina island. It is approx. 50-120 meters deep under the site and a moderate degree of sloping bottom to the east. The fish farm site Nordfugloy is located in Gildsskal, Nordland County (GPS-position in center of site: 67° 05.075' N 13° 51.459' (Z!).The site Nordfugloy is placed north of the Nordfugloy island. It is approx. 50-90 meters deep under the site and a moderate degree of sloping bottom to the east. The sites is under voluntary ABM system. There is other salmon farming activity in the area, including a nearby farm also belonging to MHN AS and GIFAS. There are wild salmonids present naturally in this area, although rivers within a 50 km radius do not, to our knowledge, have status as salmon carrying waterways (Laksefjellende vassdrag).</p> |

3. Audit Plan

3.1 Previous Audits

This is the farms first audit under the ASC Salmon Standard V1.0 June 2012.

3.2 Auditors

| | |
|--------------------------------------|---------------------------|
| Paul Casburn, Auditor (Lead Auditor) | Principle 1,2,3,4,5 and 8 |
| Leon Reed (Social Auditor) | Principle 6 and 7 |

3.3 Audit Plan

The audits of three Region Nord sites were conducted from the 1st to 6th December 2014 inclusive.

Days 1 -3 were office based and composed of an Opening Meeting and review of Principle 1, 2, 3 and 6 that included Regulations, Environmental Sustainability, Health Management, Wild populations, Social Accountability and Health & Safety ; and a review of Principles 4, 5, 7 and 8 that included the Use of Resources, Disease Management, Interaction with Local Communities and Freshwater Production

Days 4-6 were site based, the visit to Fleina and Nordfugloy occurring on 5th December.

3.4 Staff Interviews

| Attendee (Name, Surname) | Role/Organization | Opening meeting | Document review | Site visit | Closing meeting |
|--------------------------|--|-----------------|-----------------|------------|-----------------|
| Are Andreassen Moe | Environmental Coordinator | X | X | X | X |
| Frode Vik-Mo | Fish Health Manager RN | | X | | |
| Gudmund Bye | Quality Manager Sea Production | X | X | | |
| Tom Isaksen | Production Assistant | | X | | |
| Helen Crabtree Sjørrå | Human Resource Manager RN | X | X | | |
| Grim Sand Mathisen | Fish Health Manager Freshwater | | X | | |
| Gunn Mari Strømstad | Quality Manager RN | X | X | X | X |
| Ann Kristin Aaker | Project Manager Helgeland Havbruksstasjon | | X | | |
| Catarina Martins | Group Manager Environment & Sustainability | | | | X |
| Arnfinn Wennberg | Site Manager | | | X | |
| Paul Casburn | Technical Auditor | X | X | X | X |
| Leon Reed | Social Auditor | X | X | X | X |

Interviews were conducted of a number of other employees both based in the office and at the farm site.

Interviews with employees in respect of principle 6 were conducted in appropriate circumstances to ensure confidentiality and privacy.

3.5 Stakeholder Submissions

There have been no stakeholder submissions to date.

4. Findings and Corrective Actions

| No. | Clause in Standard | Detail of Major Non-Conformity | Corrective Action | CA Date | NC Status |
|-----|--------------------|---|--|-----------|-----------|
| 1 | 6.2.2 c | Young workers noted to be working over 10 hours and up to 12 hours in one day | Review of workload and transport the young worker on shore when required. | Completed | Closed |
| 2 | 6.5.1 a | <p>1. Electrical lock out procedures has not been established for the maintenance of equipment. No lock out system is available for both barges</p> <p>2. No robust checking process has been established for checking emergency lighting for both barges</p> <p>3. The barge at Fleina has electrical cables that were trailing throughout the barge and exposed to water.</p> <p>4. Step on entrance to the Fleina barge is loose and broken</p> <p>5. General slip and trip hazards throughout the Fleina barge.</p> <p>6. Emergency door locked off and could not be opened</p> | <p>1. Procedure for lock out of electrical maintenance of equipment is established. See attached document.</p> <p>2. Checking of emergency lights is done in accordance to procedure. See attached document</p> <p>3. The electrical cables are removed. It belongs to a vacuum cleaner.</p> <p>4. The steps are maintained so now there is not any danger when entering the door. See attached picture</p> <p>5. The deck has been tidied up so that there is no longer any trip hazard. See attached picture</p> <p>6. The emergency door has now been repaired and can now easily be opened. See attached picture</p> | Completed | Closed |
| 3 | 6.10.1 a | Review of working hours found that workers are working in excess of 48 hours on a regular basis. The shift pattern that is in operation means that employees are working 7 days in a row and 70 hours in a week for the first week of the shift pattern. Overtime is also carried out on top of the 70 hours. It is important to note that the shift averaged over the shift cycle is only 35 hours per week but is in breach of the average weekly working hours set out by the ILO. | Documentation from FHL, human resource department i MHN and felleforbundklubben | Completed | Closed |

| No. | Clause in Standard | Detail of Minor Non-Conformity | Corrective Action | | NC Status |
|-----|--------------------|---|---|---------------|--------------------------------------|
| 1 | 2.1.1 e | Results from Peak Biomass sampling are not complete. | Submit the results to the CAB as soon as the results are available. | June 2015 | To be reviewed at first surveillance |
| 2 | 2.1.2 e | Shannon Weiner scores for Nordfugloy have not yet been analysed. | Submit the results to the CAB as soon as the results are available. | June 2015 | To be reviewed at first surveillance |
| 3 | 2.1.3 e | The wrong counts on macro faunal taxa were submitted to ASC. | Submit the corrected numbers to ASC. | June 2015 | To be reviewed at first surveillance |
| 4 | 2.5.5 a, b + c | There is currently no system in place to log lethal incidents on a public website. | Develop a system to log incidents on an easily accessible public website. | Within 1 year | To be reviewed at first surveillance |
| 5 | 3.1.4 d | Lusedata.no is where the lice results are posted for the average for the management areas but not specific individual sites that are easily publicly available. | Develop a system to log lice counts on an easily accessible public website. | Within 1 year | To be reviewed at first surveillance |
| 6 | 3.1.6 e | No information submitted to ASC on lice monitoring of wild fish. | Submit to ASC information on wild lice monitoring relative to the area (ie Lusdata) | June 2015 | To be reviewed at first surveillance |
| 7 | 4.2.1 e | Marine Harvest North region has not submitted FFDRm to ASC. | Submit the FFDRm number to ASC. | June 2015 | To be reviewed at first surveillance |
| 8 | 4.2.2 f | Marine Harvest North region has not submitted FFDRo to ASC. | Submit the FFDRo number to ASC. | June 2015 | To be reviewed at first surveillance |

| | | | | | |
|-----------|---------|--|--|------------|--------------------------------------|
| 9 | 4.6.1 e | Submitted the wrong calculation result to ASC. | Submit corrected calculation. | June 2015 | To be reviewed at first surveillance |
| 10 | 6.4.1 c | There is a direct conflict with the code of conduct and the contract of employment. The contract of employment states "A contract of employment will terminate when an employee has reached normal retirement age. This under ethical standards is seen as age discrimination. | There will be an updated contract for MH where this is stated to be in accordance with the Norwegian legislation, not a specific age. | April 2015 | To be reviewed at first surveillance |
| 11 | 7.1.1 a | The farm has pro-actively arranged consultations with the local community, however this has not been done bi-annually at this stage. | There will be made a plan for consults with the local communities so that we cover all areas twice during 2015. | March 2015 | To be reviewed at first surveillance |
| 12 | 8.4 g | The hatchery exceeds the 5kg/mt discharge of phosphorus level. A variance request is applied for as the hatcheries all discharge into the Marine environment and not into freshwater. | Variance applied for on discharge to sea. | Done | To be reviewed at first surveillance |
| 13 | 8.13 b | There is no disease testing immediately prior to transfer of smolts. | MH takes samples prior to sending the smolts to sea but does not test unless problems are discovered. The options are to apply for a variance, based on the Norwegian requirements or test the smolts as required. | April 2015 | To be reviewed at first surveillance |

5. Evaluation Summary

5.1 Principle 1: Comply With All Applicable National Laws and Local Regulations

All applicable laws are available the Marine Harvest quality management system. All updates to local law is updated within the management system and is available to the whole of the Marine Harvest Group. Copies are maintained in the TQM system. All the documents have ID numbers. There are links within the documents to the law and permissions needed. The lease agreements has been provided for the farm the lease agreement is for Fleina NG 005 & NG008 and for Nordfugloy is NG002 & NG005 & NG008. Internal audits are carried out to ensure compliance with national and local laws and regulations. The last date that audits were carried out for both Fleina and Nordfugloy was 03/09/14. Government grants the lease once it is confirmed that national preservation areas are not affected.

The companies ID number is 959352887. The company is audited externally for tax and financial accounts. The company is a public company on the Oslo and New York stock exchange. All tax payments are details on the company profit and loss accounts, which are carried out by external accounting company. The accounting company is Ernest & Young. The accountant are detailing all tax payments within in the annual report for the stock markets which it is associated with. MHN has a full accounts department that deals with this as the company is listed on 2 stock exchanges.

Arbeidsmjolovan (AML) - This Details all relevant national and local labour laws and regulations. There is no minimum wage and the minimum work age is 16. All national labor codes and laws applicable to farm are available on the Marine Harvest Human Resources management system. Human Resources management team reviews all codes and laws and updates as required.

There are sediment samples taken during peak biomass that the results are posted on the government website www.fiskeridir.no. Sampling is carried out by a third party and to the MOM standard. This forms part of the approval process to issue lease agreement detailed 1.1.1. Ongoing sampling is carried out and grading matrix is issued by government of the production size that is allowed within the farmed area. Laws and regulations are covered by MOM B and MOM C sample programs for cage farms. See section 8 on freshwater conditions for hatcheries. The lease determines the volume of water discharge. The authorities review discharge records.

All monitoring is located on the website www.fiskeridir.no and is strictly monitored. The discharge information is captured is the MOM reports. The authorities review discharge records.

5.2 Principle 2: Conserve Natural Habitat, Local Biodiversity and Ecosystem Function

Compliance with this principle is generally good but here were three minor non-conformances. The. The first relates to the Shannon Weiner scores for Nordfugloy have not yet been analysed. The second is that the wrong counts on macro faunal taxa were submitted to ASC. There is currently no system in place to log lethal incidents on a public website and this is currently being addressed by Marine harvest. Results from Peak Biomass sampling are not complete.

Maps provided and clearly shows location of the sampling stations. The MOM C methods are used for the sampling. The MOM C sampling is a Norwegian standard NS 9410:2007. The site is all described as soft. Option 1 has been chosen. The sites have had previous production. There are historical MOM C readings and submissions as part of their licence conditions. The MOM C sediment sampling and analysis is the same as per the ASC requirement.

mV readings are recorded in the reports. The company's carrying out the mV readings are Helgeland Havbrukstasjon AS and Aqua Kompetance AS and they use mV recorders under the NS 9410:2007 standard. Analysed Aquaplan Niva have the accreditation for analysis. The results were below 1500 in the transitional zone: 215 and 124 mV. Samples have been taken at peak biomass but full results are not yet available for Nordfugloy. Option 2 Shannon Weiner has been chosen. Sediments collected by Aqua Kompetanse AS and Helgeland Havbrukstasjon AS under Norwegian standards.

The data provided shows results above the threshold as 4.25 and 5.3 respectively however the sampling from Nordfugloy while taken has not been analysed yet for peak biomass. Documents are retained and posted on website. The company that carried out this analysis is Aqua Plan Niva in Tromso under the same MOM C Norwegian accreditation.

Appropriate grab sampling was carried out. Taxa were counted in each grab. The companies used were Aqua Kompetance AS and Helgeland Havbrukstasjon AS. The results are 3 + 3 for both sites highly abundant tax not pollution indicators. Documents are retained and posted on website. The company that carried out this analysis is Aqua Plan Niva in Tromso under the same MOM C Norwegian accreditation. The wrong data was submitted to ASC.

The modelling / sampling system used in Norway is the MOM B and MOM C systems. These systems are accepted and developed by the competent authorities in Norway. MOM B and MOM C must be done carried out at time of peak Biomass. For each site there is at least one sampling from 2012 and has been accepted by the competent authorities and results are posted on website.

Each site has an automatic oxygen logger in one cage taking records at 10m and at 5m. They are manufactured by Nortek AS and the software used is called Realfish. It's updated continuously every 5 minutes. Even at peak biomass levels do not fall below 70%. Lowest readings were 91.6 and 89. Sensors are calibrated automatically and occasionally they are brought to the same depth to see if they are reporting the same temp. They are also cleaned occasionally. The farms are located in a good water region.

Samples are taken from the silos when feed arrives and the samples are pooled for quarterly testing. If there is a suspected poor sample or suspected poor feed then it's taken again. Quarterly tests are documented and observed. No sieving machine is used. Tests are carried out and results are recorded. The result was <0.15%.

The site has MOM B impact assessment carried out on all sites prior to a licence being granted. If the site is applying for more than 3000 ton production a MOM C test is carried out as well. These tests effectively are the reference sampling of a proposed site with risk assesment.2011 and 2014. All impacts are assessed under national legislation and sent to the ALTINN database which all regulatory authorities have access to. The public also have access to these reports.

Action plan dated 27/5/14 for Marine harvest Norway. Goals include disease control, reduction of CO2 etc. CO2 reduction is reported on annually as are all the goals set by the company from site to regional and the results are assimilated into the annual report on Marine harvest globally. The report for 2013 is online.

Map provided showing the location of both sites and the adjacent protected areas. No evidence to show that they are located in protected areas. The nearest protected area is in Fugloya and is 4km away.

Fleina and Nordfugloy registration numbers are 29296 and 11129 has a declaration on not being in a protected area. Signed by Are A Moe, Environmental co-ordinator 22/11/2014. The site is not in a protected area.

Records are maintained on animal and bird interactions. Bird nets prevent incidents happening. There have been no reports of bird entanglements. There is currently no system in place to log lethal incidents on a public website. Marine harvest are currently developing this. If there were incidents the staff assesses the incident and fixes the problem. This is clear following only one incident on each of the sites in the past production cycle. There is a procedure in place for dealing with lethal incidents on the TQM. ID 34070 and dated 30/9/14. The steps taken are logged and documented on the incident sheet and in the farm diary.

5.3 Principle 3: Protect the Health and Genetic Integrity of Wild Populations

Compliance to this principle was good. There were two minor non-conformances related to not having information on lice numbers easily publically available and no information submitted to ASC on lice monitoring of wild fish despite MHN supporting research on wild lice investigations.

Minutes on file for meetings on ABM activities such as Lice treatments. For each of the management areas there is a hired independent disease and lice co-ordinator. This is a paid position and they report to the food and safety department who are the food police in Norway.

Plan includes Hydrogen peroxide and synchronous treatments and the same drugs. There is also a transport route in the ABM for well boats for harvesting. Various documents provided showing treatment plans, Defined areas and planning and a list of the sites and proposed treatment dates. This has been submitted. Fallowing period is compulsory under Norwegian licencing and has to be approved by the food authority and the Department of Fisheries.

There is an agreement between WWF Norway and Marine harvest ASA from 2012. The goals are Reduce environmental impact, support WWF Norway's marine conservation work and share a commitment towards measurable results. Also project on modelling currents with SINTEF. Dialogue with Institute of Marine research, a government body, on looking at monitoring lice levels on wild fish in the fjords. They will place sentinel cages in the fjords for monitoring. This will happen next year.

The company has been heavily involved in supporting R+D projects over the years. There is a full section on R+D in the annual report. Inspected an ERA program looking at 'Environmental responses

to Organic and inorganic effluent from Aquaculture. They will help any group such as SINTEF as mentioned, with backup. Students from BODO have been given access to sea lice counts and information. The company has a 70m NOK research budget and it communicates its research in the annual report publicly available.

Below 0.5 gravid females per fish is the trigger level for the AMA. The level for MHN is 0.2 gravid females but young mobiles are also looked at. There is an annual review. Levels are set within the ABM by regional government. Documented testing for sea lice which includes mention of 0.5 limit of adult female lice per fish. From February to May 20 fish are sampled per cage and 5 cages making a total of 100 fish. Records of counts provided going back to beginning of stocking on the farm. Weekly testing of 20 fish on half the cage numbers. So 5 cages and 20 fish equals 100 fish per week. Staff are trained by the company vet. Fish are trapped using a box net. The fish are anesthetized and then lice are counted. Water is checked in the holding tank for any lice that have fallen off. Reports are placed on the Aquafarmer shared site. There are weekly national reports on lice numbers, actions treatments etc. Lusedata.no is where the lice results are posted for the average for the management areas but not specific individual sites that are easily publicly available. MHN are currently working on how to publish data on weekly counts. These weekly reports are put together by regional co-ordinators and a national co-ordinator, Ketil Rykhus, and is placed on a public website. The regional co-ordinator is Kristin Ottesen for Norland.

All salmon rivers in Norway are identified. There was national survey on wild stocking counts in 2007 carried out by the nature directorate. There is a web site from the environmental directorate that identifies each Salmon River that is rated. The nearest nationally important Salmon River from the sites is over 50km away and is called Beiarn. The only salmonid species are Atlantic salmon and occasional sea trout. Critical times are determined by the authorities as the springtime for smolt migration and takes into account when the spring melt comes and there is a de-licing coordination prior to wild migrations. These vary depending on Ice melt and other factors and is set by the regional food safety authority in conjunction with the regional lice co-ordinators. For 2014 the periods were from 23 May to 5th June for the Skjerstfjorden. The company vet is well informed and the regional lice co-ordinators are also well informed.

CAB have been informed that wild salmonids do occur. Details of lice monitoring records go back to beginning of the farm. The company MH has helped the fishery owners on the Sausvassdraget River when there was a survey carried out by Helgeland Havbruksstasjon in 2012. The fish vets went and showed how to count and document sea lice levels on wild salmonids. CAB has been given good access to documentation. There are annual surveys and reports carried out by the institute of marine research and the Veterinarian Institute. The main one is the 'Lakselusinfeksjonen pa vill laksefisk langs norskekysten I 2014'. Results are posted on the lusdata.no website.

Nothing submitted to ASC on wild fish monitoring despite the fact that MHN co-operate on projects such as a wild salmon lice counting on the Sausvassdraget River looking at lice levels. The sensitive period is from 23rd May until 5th June. The highest individual count was 0.05 for Fleina. For Nordfugloy the fish were split from Fleina after the high risk period. The feedback loop is present and very robust in the case of MHN and it's controlled nationally within the ABM's.

Statement from 2011 showing that Marine Harvest Norway use the MOWI strain of fish describing MHN's breeding program and stating that the fish used are non-transgenic. Aquagen fish area also

used. Declaration from Aquagen dated 30/9/13. All suppliers are MHN owned hatcheries using MOWI strain. All the hatcheries are MHN owned.

Overall declaration on MH website specifying number of escapes per region worldwide. There have been no escapes in the most recent production cycle. MH goal is zero escapes. Declaration on this including fish number escapes over the years can be found on the web. Dated 26th April 2013. Top KPI in the annual report. Strong focus on strengthening this area. Data sheet for Marine Harvest Norway have recorded no escapes in the past year from any site in this area. The fisheries directorate are told the amount of fish that are stocked in the cages. Mortality numbers are reported as are harvest numbers. Any discrepancies in these numbers can be investigated but there has been no queries on numbers.

Document from AQUASCAN on their counters being 98% accurate dated 25/11/14. Wing tech fish counter on the wellboat for fish 1-20kg stated accuracy at +/- 2%. The hatcheries are Marine harvest owned and the fish are counted by the vaccination machine where the fish are fed into it by hand and the count is very accurate. Carried out by the well boat when the wingtech machines are used and are calibrated on every intake and delivery. However the vaccination number is the one used. There is a stated accuracy of the counting machine is $\geq 98\%$. Final assessment of this % variation on count cannot be established until harvest. There is evaluation for the previous production cycle does calculate unexplained losses. The current data will be available once the harvest is finished.

National Escape prevention strategy: Established by the Ministry of Fisheries and Coastal Affairs on 16 August 2011 pursuant to the Act of 17 June 2005 No. 79. Amendments to the regulations in December 2011 and 2012. No's 1505 and 1282. All farms must comply. ID 27259 on the TQM of Marine harvest covers prevention planning. All covered under national rules and audited by appropriate authorities. MHN also has farm escape prevention documents listed as ID 27259 on the TQM Version1. Approved 12/6/12. There are further documents relating to training also in the TQM such as escape notification form.

There is crisis folder on each site and includes emergency numbers and what to do if. There is also escape kits that included gill nets and maps of the site that show the staff where to locate the nets in case of an escape. There is risk assessment in place for both sites. Staff regularly site down and review how to improve practices.

5.4 Principle 4: Use Resources in an Environmentally Efficient and Responsible Manner

Compliance to this principle was good but there were three minor non-conformances. The non-conformances were relating to the wrong information or an omission in sending information to ASC as required for to ASC.

Each site has feed records showing date quantity and type of feed used. Third Party supplier feed is used. Suppliers were informed by way of e-mail with the ASC standard requirements attached. Both suppliers have been audited to GGAP. Declaration from the feed company lists all ingredients and mentions the electronic traceability system. The GGAP audit from Skretting was not available to MHN however the GGAP number is noted and there is traceability in GGAP.

There is a full list of fish used as ingredients for both suppliers. Annual list of species used by Skretting can be found in their sustainability report which is in the public domain. MH list is found on the previously mentioned database.

Declarations on file and inspected. Both declare that no IUU species are used. Meal has not been sourced from a vulnerable source.

A full list of suppliers available for both feed suppliers plus a declaration assuring non GMO certificates. There are no transgenics used.

Marine harvest Norway has a hazardous waste policy. Declaration on proper disposal. There is a waste plan developed for each site. Lists waste contractor. Descriptions include batteries, oils, lights plastics and the like. A full list of materials are in the farm policy. There is a waste plan for each site that lists a description of all waste including morts, cages, ropes and discarded old cages. All the waste is described as being re-cycled.

Copper nets are not washed if they are located on the site. They will be phased out at the end of this cycle, declaration that copper treated nets are used on two cages but they are not washed.

Sediment analysis was done by Aqua Kompetense AS and were analysed by MoLab. and found to be well below the ASC threshold. Results were submitted. Mo lab are based in Mo I Rana. The CAB have been informed. Independent lab analysis has confirmed this. Also nets themselves tested against a standard net not in the sea, by Eurofins lab. This lab is fully accredited. Report from previous sampling confirms this. Copper levels were <34Cu/kg at 28Cu/kg on Nordfugloy.

5.5 Principle 5: Manage Disease and Parasites in an Environmentally Responsible Manner

Compliance to this principle was excellent. The FHMP is reviewed as needed and updated as things change. There is a full team that covers the VHMP. It covers freshwater, broodstock and production. There are effectively levels of FHMP. One National and one regional and then a site specific plan. The farms regional veterinarian is Frode Vik-Mo and last reviewed the regional plan with the team of site vets in December 2013. The site vet is Ragnhild Hanche-Olsen. Internal records on spreadsheets of each visit and reason for visit. Visitor log on each site for recording health visits. List of personnel available plus backups for holiday cover.

The farm vets are listed in a company document together with their Health personnel number as allocated by the Food and drug administration. These numbers qualifications can be checked online at the state authorisation office by inputting their personnel number. The website is www.hpr.sak.no. Frode Vik-Mo regional vet qualified in 2005. Ragnhild Hanche-Olsen site vet qualified in 2007. The site vet is contracted and works for HaVet AS.

Mort records are kept on the site and on the Aquafarmer system. The vet makes a report following every visit which also covers all the mortality from the period since the last visit. There are monthly vet visits. If there is increase in trends of mortalities then the vet also visits.

Morts on the site are stored in specially designed tanks and are ensiled using peracetic acid lowering the pH below 4 to kill pathogens. This is a national licence condition. Once the bins are full a

registered collector comes and pumps out the tanks. All sites in the area including non MHN farms are serviced by the same contractor. The waste goes to make biofuels. The company that picks up morts covers all of Norway

All mortality events are evaluated and reported on weekly by the regional vet. Mortality was checked on Aquafarmer. There have been no exceptional events. There has only been 6.89% in Fleina and 2.05% in Nordfugloy overall mortality since stocking.

All these records are kept and a report is made available. Once the mortalities are removed all are designated a cause of death and counted. There are monthly veterinary visits by the site vets where fish are dissected by law and must look at 30 post mortems for the site. The company sends samples to two labs. The Veterinary Institute looks for notifiable diseases if there are suspected diseases. The second is the Pathogen in Olesund. Monthly samples to Pathogen for PD. Up to 30 fish are sampled when morts and moribund fish are sampled. Samples are sent to laboratories. Two are used along with the National Veterinary Institute. Only external labs are used.

All are classified and reported on weekly to the board of directors and management teams and site managers including health groups. All data is submitted to the food safety authority.

Mortality reports reviewed. There are annual reports and generation reports. The data is available on the Aquafarmer going back over previous generations. All annual and generation reports are archived digitally. For Fleina the number of viral related mortality is 8911 (2.1%). For Nordfugloy the number is 17163 (1.5%).

More rigorous training for the staff in examining morts. All farm mortalities are kept in a data set including the past morts for previous production periods. There is a reduction plan for IPN by having a breeding program for several years (4-5). This is part of the overall strategy on mortality reductions. The staff has information sheets on each disease at hand including colour pictures. When a farm site has a disease issue the vet trains staff in disease ID using post mortem examples.

There is a full list in Aquafarmer data base. When a treatment is carried out the site manager can select the information on Aquafarmer into his report. All technical information is included and cannot be changed. MS222 is used for anesthetising the fish for lice checks. Commonly know now as Tricane. Residue monitoring data from 2009 to 2013 examined. Over 200 samples listed for substances such as Oxylinic acid. Results max value <10ppm detected. No banned therapeutants are used.

Fish health biologists are allowed to prescribe under Norwegian laws. Very strictly regulated and done as per requirement. Copies are maintained. Inspected H2O2 treatment for the 16/8/14 number 502697. Prescriptions are kept on the K drive internally. Records are kept for the previous 5 years.

Prescriptions have withdrawal periods and they are logged on Aquafarmer. This with drawl period then does not allow the site to be picked for harvest as the site will be locked on Aquafarmer. Maintained on Aquafarmer and in documentation on the farm.

Residue testing is carried out. Analysis is carried out by Eurofins. Results are presented in the annual global report. Cert of analysis report date 27/10/14 number NOF 004841-14 inspected. Test carried

out for Azamethiphos and Deltramethrin. Both <0.01 mg/kg results. The PTI for Fleina the PTI was 9.6. For Nordfugloy the PTI was 0. Product CV is in place that lists all treatments and stock history. The first buyer or wholesaler gets the product CV.

There is resistance to all treatments in Area North. Bio assays have been carried out since 2009. There were 23 tests carried out in 2014. Hydrogen peroxide was used as there is still sensitivity. There is also a mechanical lice flusher used that removes 80%+ of the lice physically using high pressure water being trialled.

If there is an expected disease then a report has to be made to the Food safety authority if there is anything suspicious. This is a legal requirement. The level accepted as significant in Marine harvest north is 0.18% weekly.

National regulations on trading of aquaculture animals and products of aquaculture animals and the prevention and combating of infectious diseases in aquatic animals on file. IPN and HSMB are both notifiable but in effect all diseases are notifiable. In effect they are very common so are not an issue for the farm sites. There has been no notifiable disease confirmed.

5.6 Principle 6: Develop and Operate Farms in a Socially Responsible Manner

All employees are aware that they can join trade unions and most of the employees are members of the union at the audited farm. Interviews with the workers confirmed that they are free to join unions to protect their rights. There is a Code of Conduct, which is provided to all employees and they are tested to show they have understood the Code of conduct. The Code of Conduct can also be accessed via intranet, which also allows access to human resources Policy & Procedure Manual. Marine Harvests Code of Conduct section 4.3 relates to this area. There are no outstanding cases against the farm site management for violations of employees' freedom of association and collective bargaining rights.

No evidence of Child Labour was identified during the audit. There is policy stating the rules on employing young workers. The Marine Harvest code of conduct section 4.4 sets out the main rules. Young workers risk assessment is carried out and displayed within the working areas. All young workers are assessed prior to employment. Working hours were noted to exceed 10 hours per day which is in breach of the standard. Working hours were verified for young workers through time management systems. Risk assessments are carried out for all young workers. No young workers are exposed to hazards and do not perform hazardous work. Young workers never carry out work on floating cages in poor weather conditions.

No evidence of forced, bonded or compulsory labour was identified. All employees are provided with contracts of employment. Confirmed within employee interviews that employees received a copy of the contract of employment. Employer does not withhold employee's original identity documents. Working hours are recorded by a biometric clocking system. Site management verifies hours. All employees confirmed working hours to be correct.

Discrimination is covered in the Marine Harvest code of conduct section 4.2 & 6.1. The anti-discrimination policy that is in place, states that the company does not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, age or any other condition that may give rise to discrimination. The contract states that "A contract of employment will terminate when an employee has reached normal retirement age. This was noted as a direct conflict with the Marine Harvest code of conduct. Employees that were interviewed stated that the company did not discriminate against them. Workers that were interviewed had not experienced or heard of any issues with regards to discrimination.

All employees are trained at the point of employment. PPE is provided to the employees and is being used correctly. Employees are trained in the correct use of the PPE. All PPE is checked monthly to ensure it is fit for use. Health and Safety risk assessments are carried out and reviewed every annually unless there has been a change and the assessment needs to be revised. Once the Risk assessment has been carried out a SWP (Safe Working Practice) or SOP (Standard Operating Procedure) is created and communicated to the workers and located near to the associated hazard for easy reference. Any Accidents/incidents or near misses are logged and investigated with action plan implemented if required. Marine Harvest have also designed an APP that employees can report any accidents or near misses straight away. All Diving is carried out by sub-contractors who are certified with copies maintained all Diving operations are overseen by a Marine Harvest Employee. Insurance is available for all workers to ensure that they are compensated to cover costs related to occupational accidents. Public liability insurance is also available to cover all over parties

Six issues were identified within the work environment health and safety section.

Employee's wages are recorded on an electronic accounting system and are verified. All wages paid are in line or above minimum wage requirements. Employees are paid weekly or monthly by electronic bank transfer. Wages and benefits are documented prior to the point of employment. Employees confirmed within interview process that information was available and electronic transfer payments are made.

All employees are provided with a contract of employment and a copy of the contract was available on the personnel files. There is a supplier/contract approval process, which is used to compile an approved list of suppliers/contractors. Risk, performance are included as part of the process. The Code of Conduct states that Contractors must comply with the Code of Conduct, which includes all social responsible practices and policies. There were records of communications with contractors.

Marine Harvest has a clear policy on conflict resolution, as part of the training process employees have to show they have read and understood company policies and procedures and this was confirmed during worker interviews. There was no evidence of grievances or complaints during the audit.

Marine Harvest has no incidences of excessive or abusive disciplinary actions. The company has a written policy for disciplinary actions. Marine Harvest has a performance management policy so this should be noted alongside the disciplinary policy. This process is used to improve the worker

All working hours are logged on Time Solutions System, which allows employees, and Management to monitor working hours. All working hours are compliant with the local legislation but do not meet international standards. Review of working hours found that workers are working in excess of 48 hours on a regular basis. The shift pattern that is in operation means that employees are working 70 hours in one week and then one week off. Overtime hours are carried out on the week that the 70 hours are conducted and means that working hours can be as high as 80 hours plus in a given week. This was noted that it was a breach of the ILO standard. All employees are paid overtime premiums and the premiums have been agreed and detailed within the collective bargaining agreement.

The company encourages employees to increase knowledge and participate in training courses and supports the workers in doing this. As stated in HR policy section 9 Employee training and development and education assistance programs. Employees confirmed that they are encouraged to learn and be involved with training courses. Other than compulsory health and safety training. Employees dictate the speed of additional training.

The Company has demonstrated application and management of company level policies and procedures in line with the standard requirements under principle 6. The Code of Conduct and HR Policies are in line with all social and labor requirements. The Senior Management approves corporate policy. The scope of all corporate policies covers all company operations.

5.7 Principle 7: Be a Good Neighbor and Conscientious Citizen

There is evidence of consultation with local and national communities and stakeholders.

A community engagement letter has been sent to each community covering the direction of the company and initiatives that are being developed. They have also provided details of new technology, therapeutic treatments and opportunities for future growth and information regarding ASC certification. However this has not been done bi-annually at this stage.

The farm would seek and obtain community approval before undertaking changes that restrict access to vital community resources. At this stage no plans are in place for any changes that would affect vital community resources.

5.8 Section 8: Standards for Suppliers of Smolt

Compliance to this section of the ASC standard was very good. The hatcheries were all belonging to Marine Harvest. There were two minor non-conformances. The first one was in relation to the hatchery's exceeds the 5kg/mt discharge of phosphorus level. A variance request is applied for as the hatcheries all discharge into the Marine environment and not into freshwater. The second related to their being no disease testing immediately prior to transfer of smolts. There is a very

robust system in place in Norway to monitor transfers however it's not the same as the ASC requirements.

The hatcheries used are Glomfjord (8 million land based flow through hatchery) and Salsbruket (8 million land based flow through hatchery). Two permits are needed. The Fylkesmannen I Nordland controls the water conditions and the discharge to sea. The second is controlled by the Norges vassdrags-og engeridirektorat that controls incoming waters. The site numbers for Glomfjord are 13188, 24016 and 11127. The licence numbers are NME0009, NME0048 and NME0044. Salsbruket site number 13180 and licence number NTNR0044.

As all the hatcheries discharge into the sea the only effluent monitoring is using the MOM sampling system. There is monthly monitoring in the hatcheries by written reports reporting on numbers, size, biomass, mortality etc. Submitted to the food safety authority's database called ALTINN. MOM B monitoring of the effluent area as the hatcheries discharge to the sea prior to licence being granted. The smolt suppliers are all internal and Marine Harvest owned. Arbeidsmjolovan (AML) - This Details all relevant national and local labour laws and regulations. There is no minimum wage and the minimum work age is 16.

Risk assessment in place including the MOM B which risk assesses the sites prior to establishment of the site. This establishes the carrying capacity of the environment in being able to cope with the new activity, by risk assessment. The MOM B is tested every 2 to 4 years depending on impact carried out at peak production. Results of sampling can reduce the production permission. The Glomfjord MOM B last done in June 2014. Scored 1 (low score best. Range 1-4). Also a MOM C sample at the same day. Shannon Weiner was 4.07. Salsbruket was last done in 2010 for MOM C. There was no reduction in production and the latest MOM C has just been taken but results are not available yet.

There is an environmental plan set up every year that establishes goals for reducing impact. Carried out by the site manager. For Marine harvest sites the RA is similar and there is a RA procedure in place. Looked at potential escapes and disease plus water supply and the risk assessment covers all these processes.

The Marine harvest hatcheries supply all feed used continuously into Aquafarmer on a daily basis. All the MH hatcheries use third party supplier feed.

For the Marine harvest hatcheries the vaccination machine is a Nordland Sett Vaks made machine NFT 10 and there is a statement form the company dated November 14 stating that the count accuracy is 100%.

The vaccination count is used for stocking as approved by the stock exchange rules under transparency of stocks. The hatcheries can verify the count by comparing the count to the volume of the vaccine actually used. The hatchery's states that there are 10,000 doses per 0.5 litres of vaccine. There are counts from the machine compared to this. Marine harvest has the same policy on the freshwater sites as the Marine sites. Each site has a waste management plan. All waste is disposed of through and approved re-cycled contractor. IRIS is the contractor for the Glomfjord hatchery. The Salsbruket hatchery use MNA and Matmortura as the contractor.

Same as the sea sites and the same regional veterinarian as the hatcheries are both owned by Marine harvest Norway. The freshwater vet is Grimm Sand Mathisen. There is a local vet health plan

for each MH hatchery. The same veterinarian is in charge as the hatcheries are owned by Marine harvest. The regional plan lists the diseases and vaccines. The supplier is Marine harvest themselves. Product CV's for final product include vaccines used and therefore the vaccine history is fully traceable. All salmon are vaccinated according to the decisions of MHN and as laid out under law. There is vaccination for Vibriosis, Furunculosis, IPN and winter ulcers.

There is some testing annually for Gyrodactylus in all the hatcheries. Once they go to sea the fish are tested for IPN and PD. Test in the MHN hatcheries are for 100 fish for weight and length and deformities. Samples are taken from the 100 fish and are retained for future testing if needed. These tests are only carried out if there is a disease outbreak following transfer. There is no testing pre transfer of smolts. The chemicals used are Formalin for Costia treatment, MS222 for anaesthetic and the vaccines.

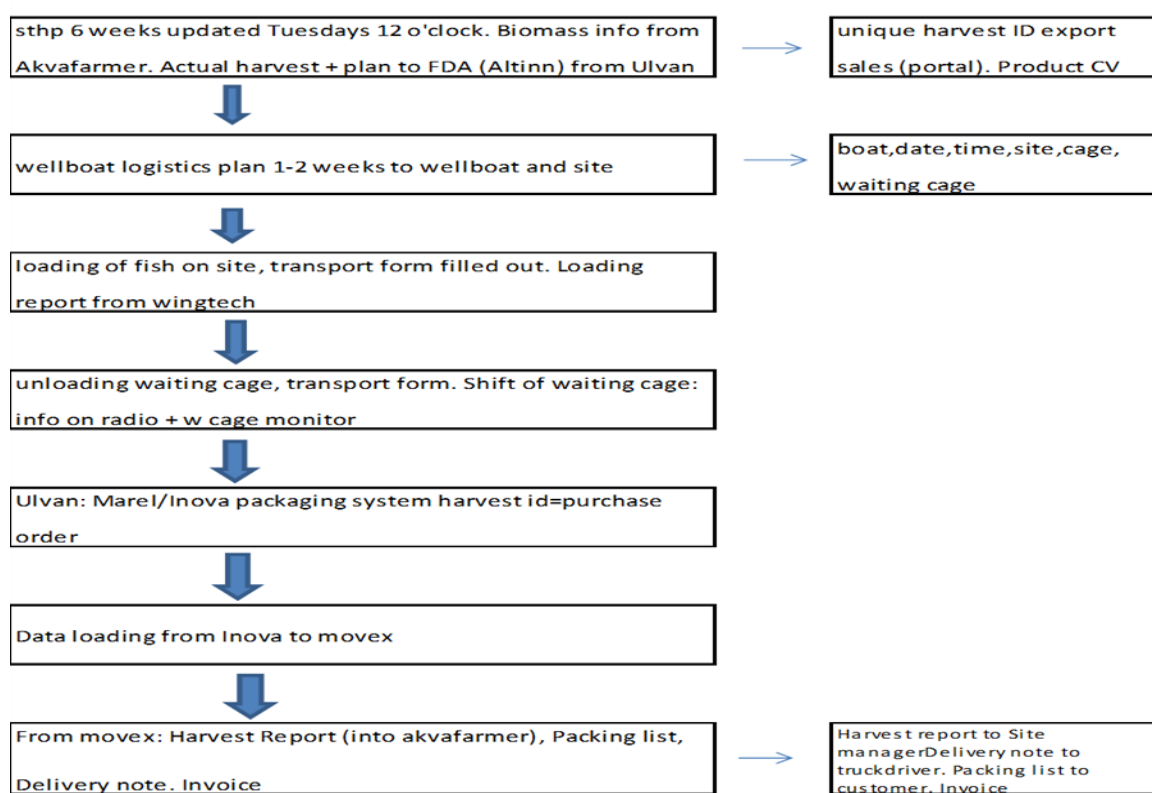
6. Determination for Chain of Custody (CoC) Certification:

Harvest and Chain of Custody:

No direct harvest takes place on this site. The fish are transported alive, by well boat, to one of Marine harvests processing facilities. The fish are held in holding cages, for a short period of time to recover from the handling and transportation in the well boat despite the conditions in this mode of transportation being excellent. The fish are then pumped into the processing facility where they are quickly and automatically killed and bled before going on to be processed. Fish are either sold head on gutted in iced and graded sizes or go to further processing into fillets and or sections.

6.1 Traceability

Traceability from site to harvest plant



6.2 Eligible operators and point(s) of landing

Only one farm is harvested per day, there is no risk of intermingling with other fish. Full traceability is in operation to retain identity of product.

There is no opportunity of substitution of certified with non-certified product prior to and at harvesting, the farm site in its entirety is within the unit of certification.

Only one farm is harvested per day with no possibility of introducing product from outside the unit of certification during harvest and well boat transfer.

Marine Harvest Norway Fleina & Nordfugloy Farm Cluster is the eligible operator, the point of landing is Marine Harvest processing facility.

6.3 Point from which Chain of Custody certification is required

CoC certification is required from the point where Salmon enter the processing facility control. Only products harvested as of or after the date of certification are approved to carry the ASC logo.

7. Certification Decision

SAI Global determines that the Marine Harvest Norway, Fleina and Nordfugloy farm cluster, meets the requirements of the ASC Salmon Standard V1.0 June 2012 and is therefore certified.

Appendix 1 Detailed Findings



MHN Fleina and
Nordfugloy_Checklist

Appendix 2 Stakeholder Submissions

No stakeholder submissions to date.