



Aligned to UN Sustainable Development Goals

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

Our Sustainability Programme – addressing our ESG opportunities and risks

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

Our ESG operating structure

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

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

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

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

PLC Board
+
PLC Board
Sustainability
Committee

Strategic guidance
and oversight

Sustainability
Working Group

Cross-functional
and cross-business area
Sets and implements strategy

Programme working
groups and
expert groups

Develop policy
Facilitate
implementation

Environmental
representative
network
covering all sites

Promote policy
adoption and
facilitate reporting

Five focus areas

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

Product Impact

Environment

Being Well

**Animal Health
and Welfare and
Ethics**

Communities

ESG Report continued

Benchmark's ESG matrix

	ESG risks and opportunities
Focus areas	
Product impact Develop products that have a positive impact on the sustainability of aquaculture	GHG emissions Waste and effluents Product impact and innovation Biodiversity Diversity and inclusion Health, safety and working conditions Society and community impact Fish health and welfare Antibiotic use Risk management Corporate governance Transparency and traceability
Environment Reduce our GHG emissions and waste	
Animal health and welfare Promoting animal health and welfare through our products and our operations	
Being well Care for our people and empower them to reach their personal potential	
Communities Making a positive impact on the communities in which we operate	

Benchmark Policies and practices	FY20 progress	FY21 Goals
<ul style="list-style-type: none"> • Performance monitoring and quality control • Supplier certification • Whistleblowing policy • Anti-bribery and sanctioned countries policies 	<ul style="list-style-type: none"> • Launch of SEP-Art, a sustainable Artemia technology to separate the nauplii from the Artemia cyst • Significant progress towards the launch of BMK08 and CleanTreat®. CleanTreat® purifies the medicinal treatment waters to avoid residues being released into the ocean • Established collaboration with members of University in Bodø, Norway to develop projects aimed at improving the sustainability of our products 	<ul style="list-style-type: none"> • Incorporate Group sustainability framework into product innovation process • Extend sustainability certification in our supply chain
<ul style="list-style-type: none"> • GHG Emissions policy • Waste and effluents • Plastics • Travel 	<ul style="list-style-type: none"> • Established baseline environmental data (see page 89-90) • Implemented Environmental Management System ('EMS') in Iceland and Norway • 212MWh generated from sludge waste in Salten facility, equivalent to c. 17t fossil fuel • Commenced reprocessing and reuse of sodium hydroxide containers used in production in Thailand • 40% electricity reduction in research centre in Italy with use of inverter pump technology 	<ul style="list-style-type: none"> • Develop plans at a site level to reduce GHG emissions towards our ambition to be net carbon zero by 2050 • Continue to reduce waste to landfill
<ul style="list-style-type: none"> • Use of operative welfare indicators • Gene Editing Position Statement • Code of Conduct • Antibiotic Position Statement • Pharmacovigilance training 	<ul style="list-style-type: none"> • Established Group Animal Welfare Committee bringing together experience from all business areas • Reduced animal handling incidents an important KPI • Funded award winning research on benefits of eliminating shrimp ablation practice (Aquaculture Alliance innovation Award) 	<ul style="list-style-type: none"> • Implement Group-wide welfare indicator reporting • Develop Group-wide animal welfare training for all employees working with fish and shrimp
<ul style="list-style-type: none"> • Whistleblowing policy • Code of conduct • Diversity and dignity at work • Safeguarding policy • Gender pay gap report • Data protection policy • Travelling abroad guidance • Modern slavery policy 	<ul style="list-style-type: none"> • Early and proactive response to Covid-19 to ensure employee safety • Trained a team of mental health first aiders across the Group • Launched Group online training platform Appointed Employee representative and launched Employee network increasing employee engagement • Reduction in accident rate and lost time 	<ul style="list-style-type: none"> • Increase content and use of training platform • Relaunch corporate values following the Company's significant restructuring • Double number of trained mental health first aiders
<ul style="list-style-type: none"> • Charitable giving policy • Volunteering policy 	<ul style="list-style-type: none"> • Launched Benchmark for Better ('B4B'), Benchmark's new charity and community initiative (see page 42-43). • Implemented a Group volunteering policy, allowing employees to take two days to volunteer for a chosen charity • Distributed food parcels in Thailand, Colombia and Brazil during Covid-19 lockdown • Over 100t of Advanced Nutrition product donated to local community in Thailand for villagers to farm fish 	<ul style="list-style-type: none"> • Establish community activities in two new locations while maintaining support for existing projects

The Company has continued its series of focus groups with the aim to establish how informed people are about our strategy and developments at Benchmark; assess staff buy-in to our philosophy and values; understand the extent to which employees feel informed and motivated by communications from different sources; capture ideas around new initiatives; identify training needs; give employees an opportunity to speak up and be heard; and promote employee engagement and collaboration.

Employees with disabilities

The Group values diversity and aims to make best use of everyone's skills and abilities. We are therefore committed to equal opportunities at every stage of our employees' careers. Our policy on employees with disabilities is to fully and fairly consider people with disabilities for all vacancies.

We interview and recruit people with disabilities and endeavour to retain employees if they become disabled while they work for us. Where possible, we will retrain employees who become disabled and adjust their working environment, so they can maximise their potential.

Employee share ownership

The Group has a policy of encouraging share ownership and 83.4% of the Group's employees hold shares or options in the Company.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the current or prior year.

Protecting the environment and greenhouse gas emissions

Overview

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

Streamlined Energy and Carbon Reporting Regulations (SECR) Responsibility

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

Methodology

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

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

Data sources

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

Energy consumption

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

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

SECR intensity measures

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

Total energy consumed 35,675 MWh = 296 MWh/£m revenue
Total revenue £120.4m

Total carbon emissions 7,336 tCO₂e = 60.93 tCO₂e/£m of Revenue
Total revenue £120.4m

Environmental impacts

Our key environmental impacts have been identified as:

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

Electricity

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

Electricity carbon equivalent = 3,410 tCO₂e

Travel

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

Air travel

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

Air travel carbon equivalent = 463 tCO₂e

Car fuel

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

Carbon equivalent = 16.7 tCO₂e

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

Carbon equivalent = 893 tCO₂e

Directors' Report continued

Next steps

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

Environmental protection

Net zero carbon by 2050

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

Environmental compliance

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

Waste

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

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

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

Potable water

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

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Branches outside the UK

The Company has a branch in Switzerland for the purposes of engaging an employee who is resident in Switzerland.

Information elsewhere in the report

The information set out below is contained in other areas of this report.

		Pages of this report
Financial instruments	Details of the Group's financial risk management objectives and policies including the Group's policy for hedging, and the exposure of the Company and its subsidiaries to price risk, credit risk, liquidity risk and cashflow risk.	116 to 120
Important events	Particulars of important events affecting the Company or its subsidiaries.	2-3, 10-11, 20-21
Post-balance sheet events	Description of post-balance sheet events.	None
Future developments	Likely future developments in the business of the Company or its subsidiaries.	10-11, 20-21
R&D	Details of R&D activities of the Company and its subsidiaries.	31, 33, 35
Risk management	Details of the Company's risk management framework, activities in the year and principal risks and uncertainties.	56 to 61
Directors' remuneration and interests	Details of Directors' remuneration, interests in shares of the Company, share options and pension arrangements.	77 to 83
Principal activities and business review	Business review, details of 2020 results, key performance indicators, outlook for future years.	2 to 3, 4 to 55
Financial risk management	Objectives and policies for management of financial risk.	73 to 76
Share capital	Details of the issued share capital and movements during the year.	151

This report was approved by the Board on 27 November 2020 and signed on its behalf.

Jennifer Haddouk
Company Secretary
27 November 2020