

ESG Case Study (1): Leroy Seafood Group

Leroy Seafood Group is a Norwegian seafood company that is one of the largest seafood companies in the world, with operations in Norway, Sweden, Denmark, Finland, the Netherlands, France, Spain, Portugal, and the United States.

The company is primarily engaged in the production, processing, and distribution of a wide variety of seafood products, including salmon, trout, shellfish, and whitefish. The company has its own fish farming operations and operates a number of processing plants, as well as a network of distribution centres and sales offices.

Additionally, it has implemented a number of measures to reduce its environmental impact, including the use of closed-containment systems to reduce the risk of disease and the development of sustainable fish feed made from plant-based ingredients.

Sustainability focus areas

The company aims to maintain a focus on areas where it has the greatest influence in terms of sustainability. A materiality assessment was performed in 2015, involving interviews of in-house and external stakeholders. The assessment concluded that sustainability reporting should focus on five main areas: product, employees, environment, society and value chain (particularly Scope 3 GHG emissions).

Fisheries: Zero tolerance for discarding fish.

Farming: Accidental release, density, use of medicines, reduction in discharge of nutrient salts.

Common: HSE, working environment, food safety, feedback from stakeholders, 100% utilisation of raw materials, waste, energy consumption, water consumption

Emissions

Leroy has set ambitious science-based targets to reduce its carbon footprint. The company aims to reduce its CO₂e emissions by 46% by 2030 compared to 2019 levels.

Leroy's greenhouse gas emissions are reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Group has mapped its "carbon hotspots" and identified the main sources of greenhouse gas emissions which are included in the Group's Scope 3 climate accounts.

Leroy has established a closer cooperation with shipping companies that provide well-boat and service boat services and has worked on enabling the companies to improve their procedures for gathering and reporting of relevant data.

Scope 3 emissions have decreased by 10.26% due to significant decrease in emissions from fish feed as well as moving well- and service-boat emissions to Scope 1.

Ocean Forest

Leroy's subsidiary Ocean Forest's vision is to substantially multiply food production from the sea in a sustainable manner by harvesting species from lower down in the food chain. This will reduce the footprint caused by production of fish while generating significant volumes of raw materials for human consumption, for feed and for clean energy and at the same time representing a substantial absorption of CO₂, thereby reducing Scope 3 emissions.

The strategy aims to achieve more efficient recycling of the unexploited resources in the environments surrounding fish farms. Excess nutrients in the sea generated by the production of fish are a resource that can be utilised for the production of species lower down in the food chain.

Given the fact that shells grow on particles and that microalgae surviving on the discharges of nutrient salts and macroalgae recycle dissolved nutrient salts, more efficient recycling of unexploited resources can be achieved in the environments surrounding fish farms.

On a wider perspective, the algae and shells farmed in an integrated fish farm will absorb CO₂ thereby reducing atmospheric carbon levels and reducing marine acidification. In turn, the algae will provide a biomass for production of renewable and non-polluting biofuel (neutral carbon cycle rather than utilisation of fossil energy sources).

Safer and healthier food with reduced impact on the environment and climate

Global demand for food is set to increase by 70% by the year 2050, and it is essential that food production in the future has the lowest possible utilisation of those resources that are in scarcity and with the lowest possible impact on the environment and climate.

Marine food production is more efficient in terms of land and resource utilisation and has a lower carbon footprint than food production on land. Moreover, marine food production has a much lower utilisation of fresh water than land-based food production.

The potential for increased food production from the sea is vast, provided that it remains within environmentally sustainable boundaries.

Low-trophic species such as algae, mussels and bottom fauna exploit the excess nutrients from agriculture, aquaculture and human activity, and convert these to harvestable biomass. We have the potential to harvest substantially higher volumes of biomass/food from the sea, without having to add additional resources in the form of feed, fertiliser etc.

The environmental challenges faced by the aquaculture industry can be solved and the industry has the potential to create eco-friendly jobs for the future. Our sea waters are our blue fields of the future. Increased farming of marine algae, fish and shellfish provides an environmentally efficient method of meeting the need for food for the coming generations without exhausting our valuable resources of fresh water and land.

The green fish factory

The Norway Seafoods factory in Berlevag is one of several Lerøy factories in Northern Norway.

Berlevag is a small village in Northern Norway with around 900 inhabitants. Lerøy Norway Seafoods' factory in Berlevag lies right by the quay, making it easily accessible to fishers. It buys all kinds of fish and king crab, produces fresh and frozen fillets, and is also home to a technical department. What distinguishes this factory from most others is that absolutely all of its energy consumption comes from renewable sources: water and wind.

"Lerøy Berlevag is entirely supplied by renewable energy. Even all of our forklift trucks and internal means of transport run on electricity and renewable energy", says the outgoing factory manager Frank Arne Hansen.

Although Lerøy has a global outlook, its local ties are an essential part of the company. Lerøy recommends that services should be procured locally where possible, for

environmental reasons, in order to give something back to the local community and to support local business communities.

In 2020, the Leroy Seafood Group bought goods and services worth NOK 8 million from 22 different companies in the municipality of Berlevag. The total value added generated by Leroy's operations in Berlevag Municipality came to NOK 626 million in 2020.

Sources: IMARC Group & Leroy Seafood