

INTEGRATED REPORT **2017**

ECO-EFFICIENCY,
INNOVATION AND
SUSTAINABILITY



MESSAGE OF THE **CHAIRMAN** **OF THE BOARD OF DIRECTORS**

> (102-14)



Mario
Brescia Moreyra

We are very pleased to present to you in the following pages our Second Integrated Report which merges the Annual Report with the Sustainability Report of Tecnológica de Alimentos S.A (TASA). This effort is based on the standards of the Global Reporting Initiative and forms part of our commitment to provide clear and transparent information regarding our economic, environmental and social performance to all of our stakeholders.

2017 has been a special year for TASA. In August we celebrated 15 years since we set out on this great voyage. During this time, we have been able to navigate firmly the route set by our founders and directors: to be a world leading Peruvian company in the fishing sector, which cares for the sea and the environment where it operates in order to produce marine foods and ingredients of the highest quality.

Our fifteenth anniversary coincided with a significant change in the Company's management structure. In September, Carlos Pinillos left the General Management after 15 years of successful performance and handed over the position to Gonzalo De Romaña, an executive of the Grupo BRECA, who occupied the position of Manager of Administration and Finance (CFO) of TASA between 2010 and 2014 and subsequently that of General Manager (CEO) of Agrícola Hoja Redonda. We are sure that Gonzalo is the ideal person to assume the challenge of continuing to lead TASA on the road to success.

After four years, the first fishing season of 2017 was finally auspicious, establishing a national quota of 2.8 million tons, with TASA as the most efficient company, fishing almost 98% of its quota, considerably above the industry average (85.8%). Unfortunately, during the initial days of exploratory fishing, prior to the start of the second season, a high presence of juvenile anchovy was recorded. The companies

which form part of the Sociedad Nacional de Pesquería (SNP - National Fishing Society), took the decision, in coordination with the sectorial authority, to suspend fishing operations until January 2018, when the oceanographic conditions improved, thus demonstrating our commitment and conviction in defending above all sustainability and responsible fishing.

This situation evidently affected our results. However, the measures adopted in a timely manner to reduce costs, contributed to minimizing the losses and maintaining intact the Company's strength. The positive aspect was that the latest technical studies of IMARPE showed the presence of a wide range of sizes, which guarantees the sustainability of the resource and augurs well for good fishing seasons in future.

2017 was a year which highlighted, on the other hand, the spirit of solidarity of the Peruvian people. The natural disasters generated by the Coastal Niño Phenomenon in the North of Peru, united us as a country. TASA actively participated in the campaign #UnaSolaFuerza (#ASingleForce), led by the Government, making available several vessels to transfer, through the maritime bridge coordinated with the SNP, food and donations to the affected areas. We made 14 voyages, carrying more than 700 tons of humanitarian aid, among which were 49 prefabricated classrooms to prevent thousands of students from Trujillo from losing the start of the school year.

With regard to environmental management, we continued implementing technologies which contribute to the optimization of our processes, the reduction of emissions, residue management and the treatment of effluents. Our program "Good fishing sustainability practices with an ecosystemic focus" also completed 10 years of activity.

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Its principal objective is to implement a continuous monitoring system of the marine ecosystem in order to contribute to knowledge of the relationship between fishing and the various environmental variables which affect it, so as to generate conservation awareness. This program has already trained our crews in the sighting and correct liberation of superior marine predators which may involuntarily remain trapped in fishing nets. Each vessel also has a representative, known as TASA Cuidamar (Sea-carer), who is responsible for recording all of the information obtained in the voyages. By means of this initiative, developed through an agreement with the NGO ProDelphinus, we have become a benchmark of the sector in matters of sustainability and care of the marine environment.

With regard to our human resources management, the implementation of the Trainee program stands out, which has enabled us to recruit and train young talents who can develop a career path in our organization.

In our social management area, for the sixth consecutive year, we promoted in all of our plants the Great TASA Effect Challenge, through which our collaborators performed actions addressed at providing innovative solutions to various environmental problems present in their localities, in coordination with authorities and students from their zones of influence. Additionally, two of the social projects which we promoted, achieved important goals: SUMAQ, an initiative that trained women leaders of Huanta (Ayacucho) as entrepreneurs and producers of nutritious foods based on pressed salted fish, became a qualified supplier of the social program Qali Warma, which will have a very positive impact on their income and future sustainability. The SME Pescart, for its part, composed of artisanal fishermen from Chimbote, Ancash, achieved the commercialization of more than 3 tons a month of fresh marine products and customer loyalty in several markets. PESCART was also a finalist of the VIII Premio Corresponsables (Jointly Responsible Parties Prize) 2017, held in Madrid Spain, competing with more than 450 CSR and social entrepreneurship projects from Latin America.

This year, we also obtained other valuable awards. The Asociación Perú 2021 presented us, for the fifth consecutive year, with the award Empresa Socialmente Responsable (ESR – Socially Responsible Company). We obtained the Premio Excelencia a la Mejor Gestión Integral de Riesgos Laborales (Prize for Excellence for the Best Integrated Workplace Risk Management) of Rímac Seguros and the employment portal Laborum and Arellano Marketing chose us as the best Employer Brand in the category of Fishing and Agroindustry. Finally, the Ministries of Education, Defense and Labor and Promotion of Employment, each distinguished us with awards for our supportive participation during the crisis of the Coastal Niño Phenomenon.

In view of all of the milestones achieved, we decided to renew our commitment to sustainable development, the management of which is expressed in the subjects which are reported on in this publication, and on which we have been strengthening our sustainability strategy based on three pillars: sustainable value chain, people development and contribution to our environment.

I would like to conclude this message by thanking our employees for their hard work and dedication and our clients and suppliers for their loyalty and preference. I take advantage of this occasion to renew our commitment to continue to dedicate our best efforts so that this dream come true, called TASA, may continue to grow, and continue to be a benchmark of leadership, ethics, solidity, quality, efficiency, innovation and sustainability in the world fishing industry.

Sincerely,

Mario Brescia Moreyra



CHAPTER 1: OUR COMPANY



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WHO ARE WE?

>(102-5, 102-12, 102-13 y 102-14)¹

We are a leading Peruvian company in the fishing sector which produces marine foods and ingredients of high quality and added value. We are the world's leading producer and exporter of fishmeal and fish oil. Our more than 2700 collaborators are aligned with the corporate values which are oriented towards the commitment to excellence, integrity, comprehensive development and sustainability. In this way, **we have become a leading, ethical and sustainable company which promotes innovation and operation in harmony with the community and the environment**

We participate actively in the issues of the sustainable development agenda of the industry, the Government and the civil society. In Peru, we are a member of the Sociedad Nacional de Pesquería (National Fishing Society) and form part of the Associations of Fishmeal Producing Plants (APRO, Spanish acronym), non-profit civil organizations created to strengthen the relationship of the fishing industry with the communities where

they operate, jointly optimizing their intervention and complying goals and objectives in search of the common wellbeing. On an international level, we are a member of The Marine Ingredients Organization (IFFO), dedicated to promoting the industry of marine ingredients on a global level, and of The Global Organization for EPA and DHA Omega -3S (GOED Omega 3), dedicated to promoting the benefits and the consumption of this type of fatty acid.

Since 2015, we have been aligned with the Sustainable Development Goals (SDG) of the United Nations, establishing in the year 2017 a direct contribution commitment to SDG N°14 "Underwater Life". Additionally, we maintain our commitment to the United Nations Global Compact and the Biodiversity and Company Initiative, promoted by the Ministry of the Environment of Peru, as space of interaction and exchange of information, knowledge and experiences between the business sector and the Government.

BRECA
GRUPO EMPRESARIAL

Breca is a Peruvian business conglomerate with an international presence, formed more than 100 years ago, by the Brescia Cafferata family. It participates actively in various sectors of the economy and includes leading companies such as: Rimac, Minsur, Intursa, Urbanova, Exsa, Qroma, Clínica Internacional, Aesa I&M, Raura, Melón, Taboca, Tricolor, Viñas de Oro, among others.

It also owns BBVA Continental Bank on an equal basis with BBVA Bank from Spain. From its origins, BRECA has been characterized by its entrepreneurial attitude and curiosity to learn. Furthermore, it stands out due to its financial strength, diversification and great interest in innovation and generation of a positive impact on society.

¹ Refers to the indicators of the Global Reporting Initiative.

GENERAL INFORMATION

The administrative offices are located in the city of Lima, in Jirón Carpaccio #250, Floor 11 - San Borja, Lima 41 - Peru. Telephone (+511) 611-1400 and fax (+511) 611-1401.

> (102-3)

According to its Articles of Association, the objective of Tecnológica de Alimentos S.A. (TASA) is to engage in the fishing activities of extraction, transformation and commercialization of hydro-biological resources for direct and indirect human consumption and non-food products, in the form, manner and conditions established by the General Fishing Law, its regulations and other complementary norms.

Furthermore, it may engage in the industrialization, transformation, manufacture, distribution, export, import and commercialization of (i) oil by-products and fatty acids (including their refining, processing and purchase-sale); (ii) products derived from raw materials, inputs and consumer products, principally for the food industry and/or for human or animal consumption, in their most varied forms (including their processing and purchase-sale); (iii) nutraceutical, pharmaceutical products or vitamin supplements.

Additionally, the company can engage in providing: (i) shipyard, anchorage and dry dock services, oriented towards construction, modification, maintenance and repair of vessels and marine equipment, among others; (ii) metalworking services; (iii) supply services; (iv) people transport services; (v) towing services; (vi) port services; (vii) dock services; and (viii) services such as consultancy, supervision and/or work execution, among others. In order to fulfill its objective and perform the activities related to it, the company may carry out all of the acts and enter into all of the contracts permitted by law to joint-stock companies.

> (102-2)

The company started its fishmeal and fish oil processing activities in October 2002, and of products for human consumption in January 2003.

TASA is a company that has consolidated over the years with the merger of companies such as SIPESA, EPESCA, Pesquera Fátima S.A.C., Empresa Pesquera Oboll S.R.L., as well as the acquisition of Pesca Perú Callao Sur S.A. On January 1, 2016, TASA absorbed TASA Omega S.A., a company dedicated to the refining of fish oil, concentration of EPA and DHA and the commercialization of these products. TASA Omega S.A. was extinguished without being liquidated.

At December 31, 2017, the composition of the shareholding of TASA is as follows:
> (102-5)

SHAREHOLDER	N° OF SHARES	VALUE OF SHARES	%
Inversiones Breca S.A.	987,635	S/ 987,635,000	99.9962 %
Domingo Julio Huamaní Eliot	17	S/ 17,000	0.0017 %
Odón Teves León	12	S/ 12,000	0.0012 %
Julio Nasaël Neyra Contreras	9	S/ 9,000	0.0009 %
Total	987,673	S/ 987,673,000	100 %

Nominal value > 1000

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MISSION, VISION AND VALUES

> (102-16)

MISSION

To provide our customers with high quality products of marine origin, maximizing the nutritional properties of the resource with sustainable management.

VISION

To be a world-class company, leader and innovator in the sustainable utilization of marine resources for nutritional purposes.



OUR BUSINESS UNITS

> (102-2, 102-7)



FISHING

We operate one of the most important fleets of Peru: 48 vessels with a total hold capacity of 20,150 MT². Of this capacity, 40% have modern refrigeration systems which guarantee an optimum supply of products for human consumption.



FISHMEAL AND FISH OIL

We have 12 Steam Dried production plants, located strategically along the Peruvian coast, with installed production capacity of 1,729 MT of raw material per hour. TASA is the first fish oil and fishmeal exporter in Peru, with a market share of 26% and 22% in 2017, respectively.

Products:

- Fishmeal
- Fish oil



OMEGA 3

We produce refined and concentrated "Omega 3" fish oil, a powerful nutritional supplement which is adapted according to the needs of its clients from the food, nutraceutical and pharmaceutical industry.

Products:

- Refined oil (18 / 12).



- Concentrates of Omega 3 oil with various levels of concentration of EE (ethyl esters) and TG (triglycerides).

HUMAN CONSUMPTION

We operate one of the largest frozen plants of South America, with a production capacity of 521 MT / day and storage capacity of 14,960 MT distributed in three cold storage rooms.

We have distribution centers located in Cusco, Juliaca, Abancay and Andahuaylas.

Products:

- Frozen: horse mackerel and mackerel, (whole, headless and gutted), salmon, basa, tilapia, jumbo squid (fillet, mantle, fin, tentacle), hake, mahi-mahi, silver smelt, bonito, mussels, pippin, anchovy, trout and prawns.
- Canned: Mackerel pieces (1/2 pound), Tuna solids (1/2 pound).
- Others: anchovy and jumbo squid hamburgers.



SHIPYARD

We provide services of construction, repair, maintenance and structural modification of vessels required by the shipbuilding industry on a national and international level.

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² It also purchases raw material from other vessels (ship owners) which comply with our requirements and standards in accordance with the current legal regulations.

PRESENCE ON A NATIONAL LEVEL

> (102-4, 102-7)

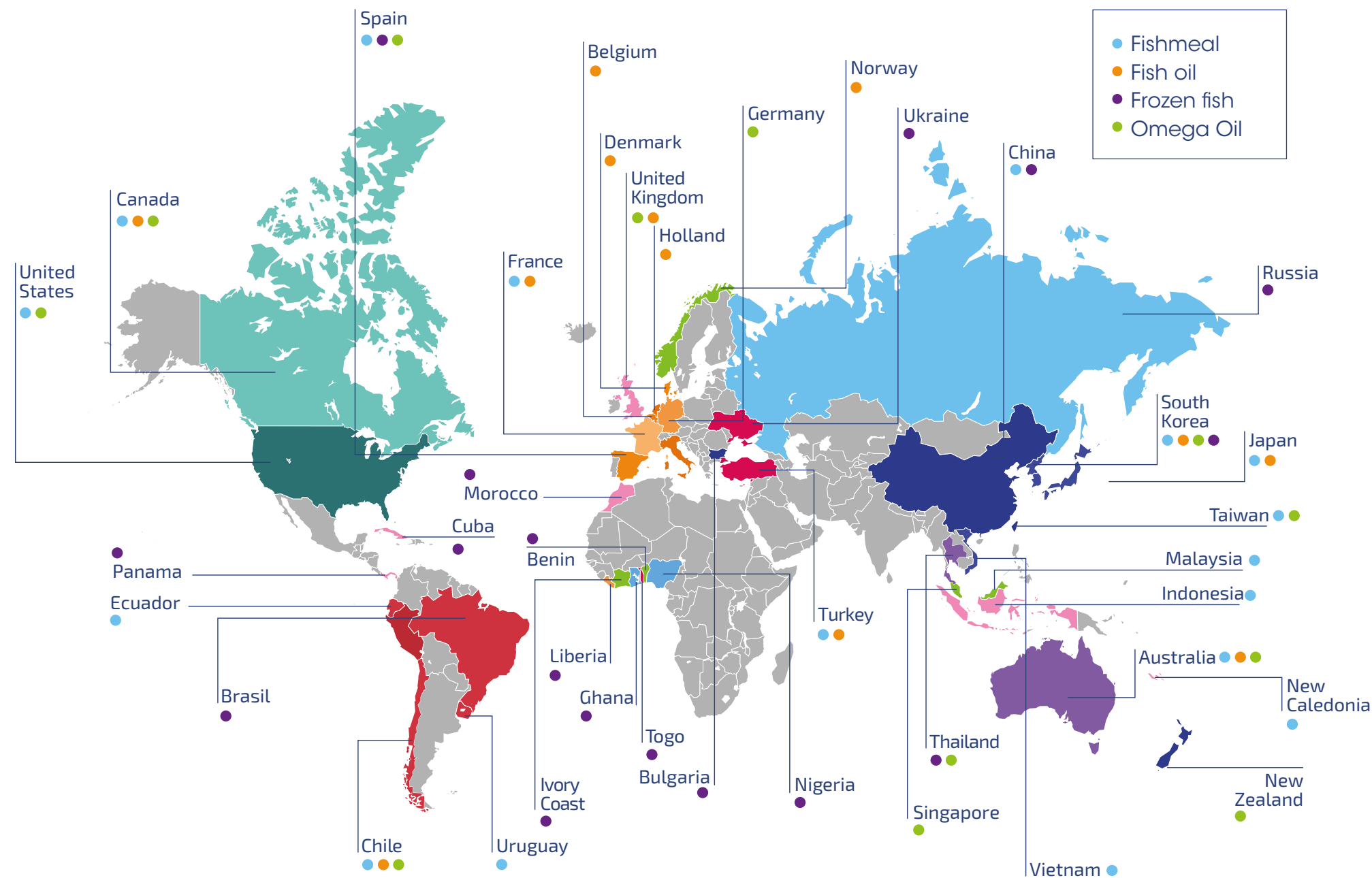


MT / Hour indicates the production capacity of metric tons per hour.

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INTERNATIONAL PRESENCE

> (102-6)



REPORTE
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ETHICAL MANAGEMENT

CORPORATE GOVERNANCE

> (102 -16, 102 -18)

Our company is led by a Shareholders' Meeting and Board of Directors. The General Shareholders' Meeting is composed of Inversiones BRECA S.A. with a participation of 99.9962% and other minority shareholders. The Board of Directors meets at least once a year and has the support of the BRECA Group and the advice of Estratégica, its corporate service center, in various aspects, such as the undertaking of new projects and investments.

BOARD OF DIRECTORS

In the year 2017, the Board of Directors consisted of seven Directors³, who establish and control the compliance of the guidelines for the management and operation of TASA, such as corporate values, ethical principles, norms and policies. Additionally, the Board of Directors is responsible for analyzing the performance of the company, risk management and human talent management, through the direct reporting of Senior Management, to whom they delegate the management of the operation and administration of the organization.

COMPOSITION OF THE BOARD OF DIRECTORS

Mario Brescia Moreyra > President of the Board of Directors

Rosa Brescia de Fort > Director

Fortunato Brescia Moreyra > Director

Pedro Brescia Moreyra > Director

Alex Fort Brescia > Director

Jaime Araoz Medanic > Director

³ Mr. Humberto Speziani Cuevas was a Director until September of 2017.

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SENIOR MANAGEMENT

> (102-18)

Is composed of 19 management areas and is led by the General Management. The evaluation of its members considers the achievement of results and the development of competencies.

The incentive system for Senior Management is defined based on the performance achieved in the mentioned aspects, which, in the case of each management is validated by the Central Managements and the General Management; and, in the case of the General Management, by the Breca Talent Committee. The annual remuneration of Senior Management is established and regulated directly by our corporate service center.

Gonzalo De Romaña Rey de Castro⁴ > General Manager

Dereck Zimmermann Franco > Central Fishing Manager

Edgar Aroni Boy > Central Operations Manager

Pedro Lozada Herrera > Central Administration and Finance Manager

Claudio Castañeda Galloso > Production Manager

⁴ Carlos Pinillos was General Manager until August of 2017.

> (102-18)

Christian Fernández Guzmán > Occupational Health and Safety and Environmental Manager

Gonzalo Cáceres Tejada⁵ > Sales Manager USA

Gustavo Ferreyros Cabieses > Commercial Manager

Hortencia Rozas Olivera > Legal Manager

Javier Igarashi Hasegawa > Quality Manager

José Rainuzzo Rodríguez > Research and Development Manager

José Tagle Schreier > Logistics Manager

Juan Bellido Morales > Fishing Manager

Michael Patzl Trelles > Institutional Relations Manager

Pablo Gamero Broggi > Human Resources Manager

Rick Pope > Commercial Manager Omega

Julio Yzaguirre Pérez > IT Manager

Rubén Namihas Castro > Audit Manager

Sonia Torres Becerra > Comptroller

⁵ Gonzalo Cáceres Tejada, Sales Manager USA, belongs to TASA USA.



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MANAGEMENT COMMITTEES

Senior Management is responsible for the monthly reporting of management indicators, compliance of objectives and goals, as well as sustainability and impact management metrics before the Board of Directors and the Corporate Center. It also establishes committees to supervise the progress of the strategic projects of the company.

We have semiannual committees, where the Board of Directors discusses key aspects of our organizational management: Audit, Risk and Compliance Committee and the Talent Committee. In each committee managements present their results, identify risks and report the ethics cases.

Furthermore, Management Committees have been established for each unit and plant, which meet on a monthly basis and through which collaborators can present to their area managers concerns and proposals regarding various social, economic and environmental aspects.

Finally, with regard to the follow up of the occupational safety and health risks, 100% of our collaborators are represented in the Occupational Safety and Health Committees of each unit, which meet on a monthly basis in compliance with the current national regulations.

MANAGEMENT OF ETHICS AND INTEGRITY

> (103-2, 103-3, 407-1, 408-1, 409-1)

We have a Code of Ethics and Conduct that describes the way in which we work and behave. Its contents reflect our values and summarize the fundamental beliefs of the company, incorporating the guidelines of the BRECA Group.

We are concerned with creating awareness and forming our collaborators under this Code, therefore, during the 2016-2017 period we have carried out face-to-face training talks in 100% of our plants and vessels. Additionally, its contents are permanently available in our internal means of communication (intranet, mailings, bulletins in plants and offices).

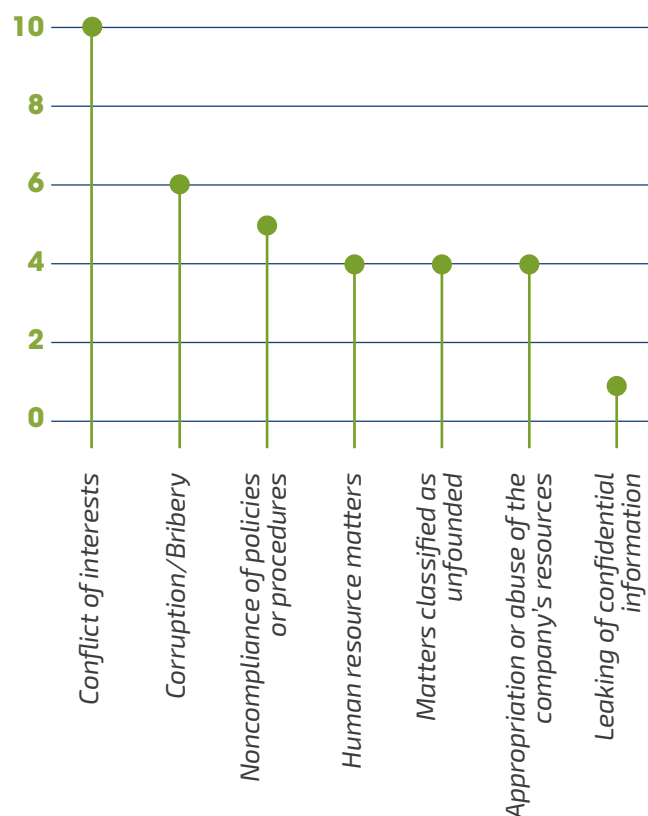
This year, in the framework of the First Encounter with TASA Suppliers which brought together more than 100 participants, the Code of Conduct and Ethic for suppliers was launched, which establishes the fundamental aspects for their correct behavior and performance. With this advance, we seek to ensure ethical management throughout our value chain and, at the same time, raise the labor, commercial and compliance standards in the industry.

We have an Integrity Channel that enables all of our stakeholders to report formally events

considered unethical, which are perceived or identified during daily work, especially those related to labor practices.

In 2017 a total of 34 complaints were received due to alleged noncompliance of the Code of Conduct and Ethics, of which 67% originated from the operating units and 33% from the administrative areas.

The typology of the complaints received was as follows:



All the complaints presented were investigated by the Internal Audit area in 70% of the cases. In the remaining 30%, the participation and leadership of other areas was necessary based on the type of complaint. These revisions are carried out based on the guidelines defined by the Compliance Committee of the Code of Ethics and Conduct, composed of the General Manager, the Human Resources Manager, Legal Manager, Internal Audit Manager and Central Administration and Finance Manager, who are responsible for analyzing and evaluating the preventive and corrective measures for optimum compliance of our guidelines.

Finally, during 2017, we developed new preventive measures to strengthen our ethical and integrity management. Last August we began the implementation of the Compliance Model, in order to strictly comply with Law N° 30424 "Administrative Responsibility of Legal Entities", by means of which we formalized our "zero tolerance" policy towards acts of corruption, money laundering and terrorism financing.

RISK FOCUS AND MANAGEMENT

> (102-11)

The risk management process is led by the Strategic Management area which, with a transversal view of the organization, periodically consolidates, analyzes, prioritizes and monitors risks that could significantly affect our results and the sustainability of the business. This process is carried out in coordination with the persons responsible for the areas that could be affected by the materialization of risks.

Through the impact evaluation and risk probability, these are categorized as follows:

- 1. Strategic risks:** mainly, those that can generate an important economic impact for the business and/or generate damages in the environment, human losses or negative repercussion in the media.
- 2. Operating risks:** mainly, those that can affect the operating processes and which, despite not having such a significant impact as the strategic risks, require a continuous revision for their mitigation and control.
- 3. Financial risks:** These are managed by the Comptroller Management, the area responsible for the revision and approval of the company's procedures, to ensure that there are adequate controls in this area.
- 4. Physical Safety Risks:** The Risk Management Procedure is in place to prevent unlawful activities and incidents of corruption in the operations, and determine the threat context and scenarios in each of its installations. In this way, relevant or significant risks are identified, analyzed, monitored and communicated to all of the personnel involved in the process and/or in the installation.

A monthly status of the risk matrix is presented in the General Management Committee.

Additionally, the company has a **Crisis Management Plan** and a **Business Continuity Plan**. These documents are a guide for facing situations that could affect the operations and/or reputation of the company, establishing action plans and assigning the people responsible for their implementation.

SUSTAINABLE MANAGEMENT

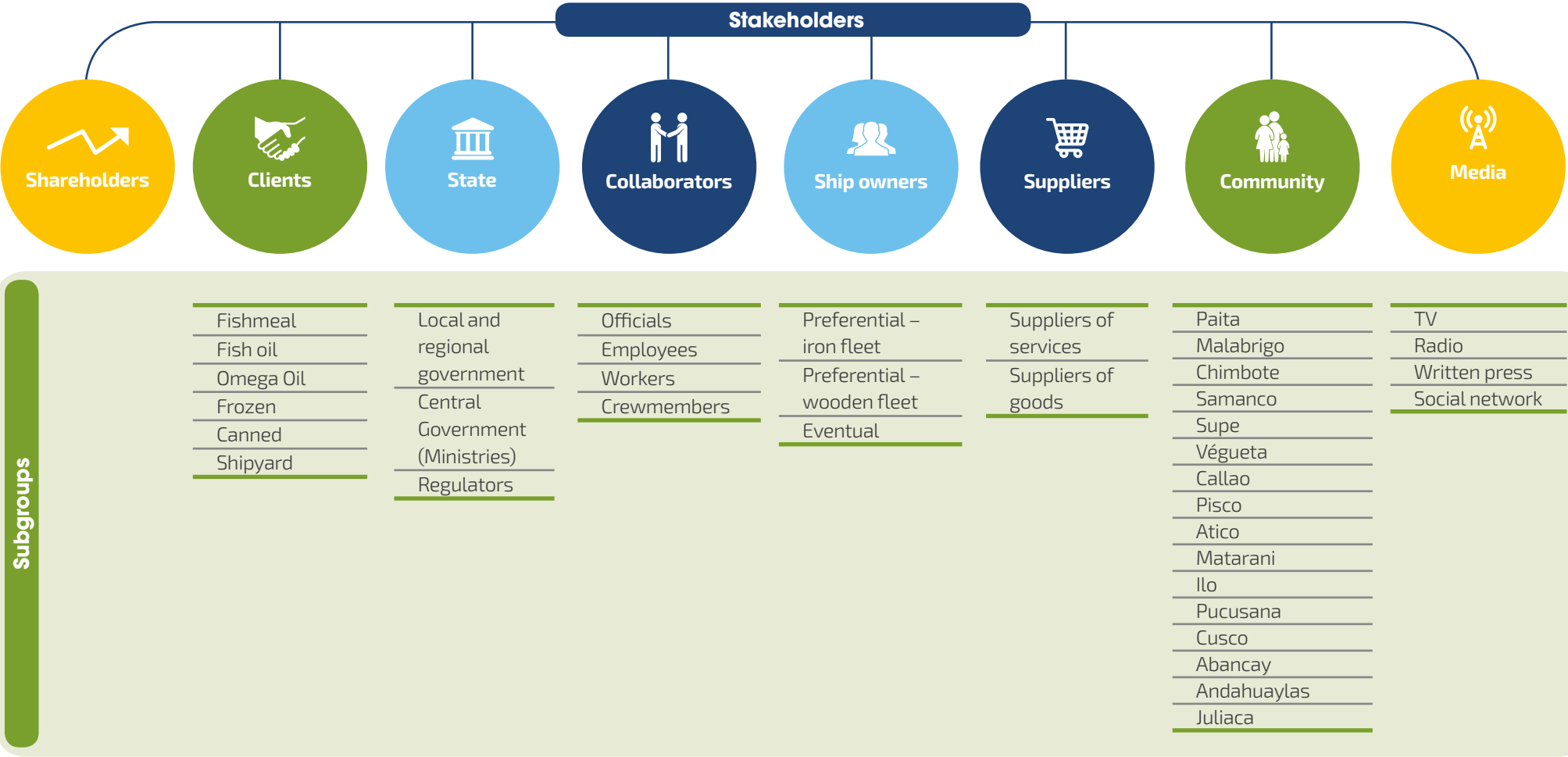
OUR STAKEHOLDERS

In 2017, we updated the Stakeholder Mapping methodology to measure the risk levels and bonding and interaction opportunities, incorporating new evaluation criteria: impact, orientation and relationship. This methodology allows us to be more rigorous and exhaustive in the collection of the information and in the

definition of profiles for the classification of the stakeholders.

Any change in the mapping implies a redefinition of the macro stakeholders with a direct impact on the strategic objectives. Hence, its modification is subject to the annual revision and approval of the Senior Management.

In the case of the Community stakeholders, semiannual workshops are held with the participation of the Management Committee of each unit and invited collaborators in all the plants, where the information for the implementation of the Social Management Plan is validated and updated.
> (102-40, 102-42, 102-43)



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COMMITMENTS TO THE STAKEHOLDERS



SUPPLIERS

Commitment

To generate mutually beneficial relationships with serious suppliers, which satisfy the needs of the company and are satisfied with the fulfilment of our commitments.

Expectations

Mutually beneficial long term relationships. Development of local suppliers.

SHAREHOLDERS

Commitment

Shareholders very satisfied with the management of the company and the results obtained.

Expectations

World class management and results.

SHIP-OWNERS

Commitment

Ship-owners satisfied with attractive conditions and mutually beneficial relationships oriented towards the long term that permit the company to obtain a stable quota over time.

Expectations

Mutually beneficial long-term relationships.

CLIENTS

Commitment

To generate confidence on the part of the clients with the quality of our products and service levels to guarantee long term relationships.

Expectations

Homogenous quality, safety, traceability, compliance, friendly and expeditious attention. Development of innovative food products and supplements.

MEDIA

Commitment

That they recognize and publicize TASA as an ethical company in its economic and environmental performance, and which supports its community.

Expectations

To have accurate and updated information of the economic, social and environmental performance of the company.

STATE

Commitment

To be recognized as a company that complies with the current tax, labor, and sectorial, environmental, local regulations, among others.

Expectations

Compliance of norms and role model of good fishing practices.

COMUNIDAD

Commitment

The society and the communities where we operate recognize us as a socially responsible company, respectful of the environment and the fishing resources.

Expectations

Respect for the environment and the fishing resources. Social and economic development in the area of influence.

COLLABORATORS

Commitment

Motivated collaborators committed to the objectives and values of TASA in a pleasant and safe environment that promotes their professional and personal development.

Expectations

Development, occupational safety and health and good labor climate.



COMMUNICATION CHANNELS WITH OUR STAKEHOLDERS

> (102-43)

The communication focus that we maintain with our stakeholders is bidirectional and promotes the relationship. Our communication channels seek to provide reliable information regarding the company

and collect the expectations and interests of the internal and external public. Additionally, we have specific spaces by stakeholders, according to the needs and expectations of both parties.

	Integrated report	Sustainability consultation spaces	Web	Social networks	External diffusion and communication materials	ComuniTASA (printed and digital bulletin)	Internal diffusion and communication materials	RevisTASA (printed and digital magazine)	RED TASA (internal spokespersons)	Intranet	Satisfaction survey
Shareholders	x		x	x				x			
Clients	x		x	x	x			x			x
State	x	x	x	x	x	x		x			
Collaborators	x	x	x	x		x	x	x	x	x	x
Ship-owners	x	x	x	x		x		x			
Suppliers	x	x	x	x	x	x		x			x
Community	x	x	x	x	x	x		x			
Media	x	x	x	x	x	x		x			



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DIALOGUE WITH THE STAKEHOLDERS⁶

> (102-44, 102-46)

We have maintained a tradition of consultation during the past seven years to evaluate the perception of the stakeholders regarding our performance and conduct in the local industry and environments, and recently to validate the materiality of our sustainability reports.

This year we consulted 20 representatives of our stakeholders, through a panel that gathered 16 representatives from the community of Malabrigo, and interviews where 4 sustainability experts were consulted.

The expressed opinions reflected the expectations with regard to our environmental management, such as the treatment of effluents; our social management, such as the development of common agendas that incorporate interests of the community (tourism, entrepreneurship, citizen safety); the surveillance of the compliance of standards in the value chain; and other aspects related to ethical management, such as the incorporation of the Compliance system.

ENVIRONMENTAL

SOCIAL

OTHERS

RECOMMENDATIONS FOR TASA

Community Stakeholders: representatives of the Malabrigo Port	Sustainability experts
<ul style="list-style-type: none">➤ Additional information and diffusion regarding the compliance of effluent management standards and their potential impact on the marine ecosystem.➤ Support of environmental community initiatives such as: infrastructure for the collection of garbage, care of green areas and environmental awareness campaigns.	<ul style="list-style-type: none">➤ Leadership of a national initiative to create awareness in the society of the Social Development Objective 14: Conserve and use the oceans and seas and marine resources in a sustainable manner for sustainable development.
<ul style="list-style-type: none">➤ Development of a common agenda between TASA and artisanal fishermen.➤ Support in the improvement of the urban infrastructure, with special attention to the modernization of the port.➤ Collaboration for the development of citizen safety and tourism projects.➤ Development of the work plan for local suppliers.➤ Active participation of our representatives in the local festivities and customs.	<ul style="list-style-type: none">➤ Greater demand with regard to formality levels and compliance of standards in its main ship-owner chain.➤ Surveillance of the compliance of Human Rights, such as decent work in the chain.
	<ul style="list-style-type: none">➤ Incorporation of compliance systems, as part of ethical management.

⁶ This stage responds to the Inclusion principle of the stakeholders, according to the guidelines of the Global Reporting Initiative.

SUSTAINABILITY STRATEGY

UPDATING AND VALIDATION OF MATERIAL ASPECTS⁷
> (102-46, 103-1)

The definition of materiality forms a part of our strategy and planning processes. Said definition is not only applied in order to prepare the sustainability reports, but also aims, above all, to enrich the design and display of our sustainability strategy and, with this, that of the business.

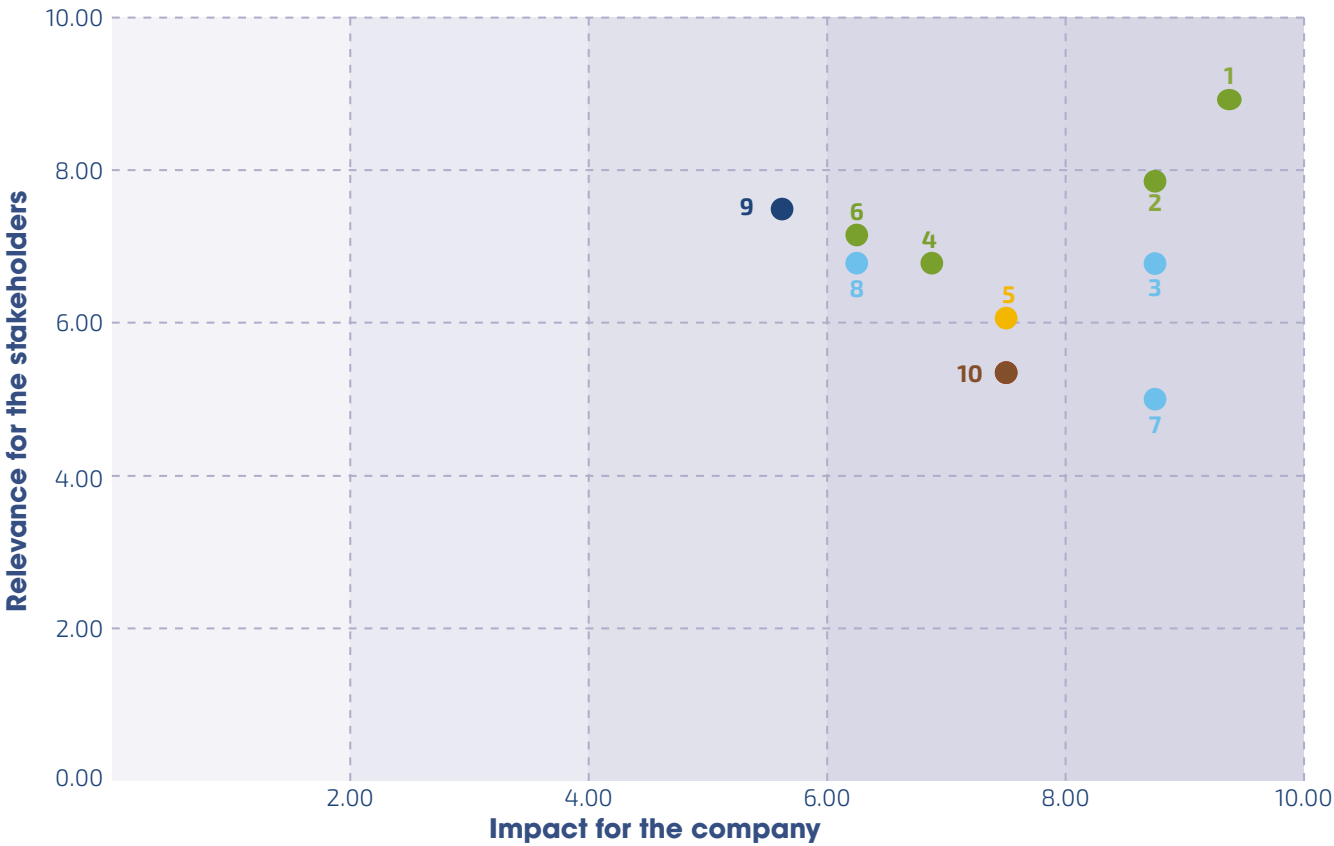
Based on material aspects from previous periods and in the framework of the approach of our sustainability strategy, we complement our inquiry through:

- The search of trends in sustainability from secondary sources such as recent studies or research.
- The monitoring of rankings, reports and specialized studies of our industry

This work allowed us to corroborate that the 10 material aspects defined in the Sustainability Report 2016 are still valid as relevant aspects for TASA and our stakeholders.

For this report, in addition to the principles for the preparation of reports, we have considered the principles related to the definition of quality: precision, balance, clarity, comparability, reliability and punctuality.

MATERIALITY MATRIX



1. Climatic changes and phenomena

2. Sustainability of the marine resource

3. Quality and safety of the product

4. Industrial losses

5. Work relationships

6. Management of effluents and residues

7. Efficient processes and high operating standards

8. Sustainability standards and certifications

9. Relationships with external stakeholders

10. Food and nutrition sustainability

● Environmental

● Work

● Regulatory – Institutional

● Social

● Others

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⁷ This stage of the analysis responds to the principle of sustainability and materiality context according to the guidelines of the Global Reporting Initiative (GRI).

ALIGNMENT OF MATERIAL ASPECTS WITH GRI STANDARDS

> (102-46, 102-47, 103-1)

	Material aspects	GRI Standards	Coverage ^a	Stakeholders Involved
1	Climate change and phenomena	Biodiversity, water, emissions	External	Environment, State, Community
2	Sustainability of the resource			
3	Quality and safety of the product	Health and safety of the clients Marketing and Labelling	External/Internal	Clients, Shareholders, Collaborators
4	Industrial losses	Occupational health and safety	External/Internal	Community, Environment
5	Work relationships	Liberty of association and collective negotiation	Internal	Shareholders, Collaborators
6	Effluent and residue management	Effluents and residues	External/Internal	Environment, State, Community, Collaborators
7	Efficient processes and high operating standards	Economic performance	External/Internal	Environment, State, Community, Collaborators
8	Sustainability standards and certifications	-	-	-
9	Relationships with external stakeholders	-	-	-
10	Food sustainability and nutrition	-	-	-

^a This guideline responds to the principle of Completeness.

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DESIGN OF THE SUSTAINABILITY STRATEGY

> (103-1)

During 2017, we worked hard to strengthen our sustainability focus, defining the management priorities. This effort contemplates a roadmap with specific objectives, goals and initiatives that will enable us to enhance our active commitment to the growing challenges of the industry and the Agenda 2030 of the United Nations.

This process involved the following actions:

- Alignment with the sustainability model of the BRECA Group, "Opportunities that transcend", which represented the strategic framework for the construction of the TASA approach.
- Detailed diagnosis of the trends of the industry and of the leading sustainability organizations on a global level.
- Updating of material aspects.

- Construction of a sustainability model with pillars and management priorities.
- Definition of objectives for each priority, as well as a temporary horizon by implementation stages.
- Alignment of the sustainability model with the objectives, goals and indicators of Sustainable Development of the United Nations.

This entire process received the leadership of the general management, the involvement of all the management areas and the technical assistance of the internal specialists by each priority.

The result of this work will be presented in the year 2018 before the Board of Directors of the BRECA Group and includes an operating plan which will develop the three guideline pillars of our strategy.

Our pillars of sustainability



We ensure a
sustainable
value chain



We develop
our people



We build a
better world



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AWARDS AND PRIZES

This year, we continued to demonstrate leadership of the sector in fundamental aspects, such as safety, sustainability and quality in its industrial processes.



DISTINCTION OF SOCIALLY RESPONSIBLE COMPANY

For the fifth consecutive year, the association Perú 2021 awarded TASA the Distinction of "Socially Responsible Company". This award reflects TASA's compliance of policies and practices which evidence articulated sustainability management.



BEST OCCUPATIONAL RISK MANAGEMENT

For the second consecutive year, we obtained from Rimac Seguros the "Prize for Excellence for the Best Comprehensive Management of Occupational Risks", in recognition of our occupational health and safety policies, present in all of our operations.



EMPLOYER BRAND

We received the "Employer Brand 2017" award from the Laborum employment portal, obtaining first place in the category Fishing and Agroindustry. The evaluation is based on more than 13 thousand surveys aimed at identifying the sectors and companies in which Peruvians prefer to work.



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ALLIES IN THE CATEGORY "DREAM EMPLOYER"- AIESEC

For the third consecutive year, the company renewed its alliance with AIESEC to contribute to competency development and learning in favor of its university members. This year, the international association awarded us the recognition of "Dream employer" for our contribution to the development of young leadership.



PERÚ

Ministerio
de Educación

"ALLIES FOR EDUCATION 2017" – MINISTRY OF EDUCATION

The Ministry of Education recognized our commitment to the country's education through the TASA Effect Challenge project, implemented in 36 schools in communities adjoining our operations. This distinction also recognizes the help we provided during the emergency of the Coastal Niño Phenomenon.



PERÚ

Ministerio
de Defensa

RECOGNITION FROM THE MINISTRY OF DEFENSE

The Ministry of Defense awarded us a diploma of recognition for the support shown for the victims of the events in the North of the country at the start of 2017, which was implemented through the establishment of a maritime bridge and the donation of half a million cans of fish by the industry.



PERÚ

Ministerio de Trabajo
y Promoción del Empleo

RECOGNITION FROM THE MINISTRY OF LABOR

We received recognition from the Ministry of Labor and Promotion of Employment (MTPE), for the support we provided to the population affected by the Coastal El Niño. Through its program Perú Responsable (Responsible Peru), the institution recognized the rapid action of our collaborators in mitigating the needs of the victims of the climatic events in the North.



DONDE QUIERO TRABAJAR 2017 (WHERE I WANT TO WORK) – ARELLANO MARKETING

We received the prize "Dónde Quiero Trabajar" - DQT 2017 (prepared by Arellano Marketing) in the ranking of the Fishing and Agroindustry sector. The objective of the DQT prize is to identify which are the sectors and companies with greatest power of attraction and retention of Peruvian human talent in the country.

CHAPTER 2: ECONOMIC ENVIRONMENT



ECONOMIC ENVIRONMENT

THE WORLD

During 2017, the world economy showed a growth of 3.6%, compared to 3.0% in the previous year. This was the result of the synchronized growth of the industrialized economies (USA 2.3%, Eurozone 2.6%, Japan 2.1% and United Kingdom 1.7%) and of the emerging economies (China 6.9%, India 6.3%, Russia 1.8%, Mexico 1.5% and Brazil 1.4%). Industrial metals attracted increased demand, thanks to the growth of the Chinese economy. The prices of said metals increased considerably (copper 21.9%, zinc 23.9%), reactivating mining investment. The international economic environment also contributed to Latin America finding a way out of recession. With regard to the principal commodities, as opposed to 2016, when their prices were falling, oil and copper experienced growth of 10.9% and 21.9%, respectively. At the same time, others, such as soya and pork bellies, fell by 6.79% and 2.75%, respectively. The Commodity Index grew by 4.36% during the year¹.

CHINA

The Chinese economy grew by 6.9%, an increase of 0.2% compared to 2016. This growth was the result of the advance of the industrial sectors such as agriculture, manufacturing and mining, which showed a similar trend to the retail and services sectors. During 2017, the results of the agricultural sector increased by 0.3% compared to 2016, presenting a total increase of 3.9%. Manufacturing

industry grew by 7.2% and electricity, thermal energy, gas and water grew 8.1%. The mining sector fell by 1.5%, the effect of which was countered, thanks to the growth of the services sector (8.2%) and retail sales (10.1%).

UNITED STATES

With the new policy "America First", proposed by President elect Donald Trump, it was intended to limit the entry of immigrants to the USA and stimulate private investment. Meetings were also proposed in order to renegotiate the Free Trade Agreement with Canada and Mexico (NAFTA). During 2017, US growth was driven by private spending, services and investments, which grew 2.2%, 11% and 2.4%, respectively. On the other hand, exports grew 2.1%, while imports fell 0.7%. International trade contributed 0.36% to the growth of GDP. The unemployment rate continued to fall, ending 2017 at 4.1%, in contrast with previous years with levels of 4.9% (2016) and 5% (2015).

EUROZONE

In 2017 the growth of the Eurozone remained at 1.7%, due mainly to the growth of Germany and Italy of 2.8% and 1.7%, respectively. On the other hand, the Eurozone presented the lowest rate of unemployment since 2009, with an average of 8.7% for the entire region.

¹ Bloomberg Commodity Index.



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PERU

2017 was a difficult year for Peru, which was reflected in the downturn in economic growth of 2.3%, a figure below the levels of 2015 (3.3%) and 2016 (4%). The companies focused on the local market were the most affected, due to a severe fall in internal demand. This was the result of various factors, such as the Coastal Niño Phenomenon, the fall in public spending, corruption scandals, among others. The recovery of the world economy, on the other hand, contributed to the growth of Peru with the revitalization of sectors such as mining, construction and non-primary industry.

During 2017, the trade balance exceeded that of the previous year by \$3,879MM, achieving a surplus of \$5,609MM. Said level was achieved due to the increase in metal prices and a higher volume of exports.

After experiencing inflation levels of up to 4%, as a result of the floods caused by the Coastal Niño Phenomenon, in the final months of 2017, Peru's inflation recovered, closing the year with its lowest level of the last 8 years (1.4%).

THE FISHING SECTOR IN PERU

In the year 2017, the fishing sector in Peru recorded an increase of 20.3% between January

and October. However, the postponement of the second Centre North fishing season caused a decline of 45.65% in the last two months of the year, compared to the same period of the previous year. In total, during 2017, the national landing of anchovy was 3.16 MM of MT, a figure higher than the level of 2016, which was 2.71 MM of MT. TASA contributed 0.82 MM of MT to the national landing. The sector continued to develop fishing intended for human consumption which, during 2017, concentrated on the mackerel resource, achieving a total landing of 81.025 TM., 32.5% less than the level obtained in 2016 (120,341 MT)².

² Continuing the trend of recent years, in 2017 no horse mackerel was available.

PERFORMANCE OF OUR BUSINESS UNITS

FISHING

> (102-7)

ANCHOVY FISHING

In 2017, we landed a total of 823,679 MT of anchovy, which represented 26% of the national catch. Our own fleet caught 508,780 MT of anchovy and we purchased an additional 314,899 MT. This total represented 21% more MT than what was obtained in 2016, a year in which 681,898 MT were landed.

MACKEREL FISHING

In 2017, we landed 24,925 MT of mackerel, achieving the greatest participation of this species in the entire Peruvian fishing industry. Our catch represented 30% of the national catch (81,025 MT).

FISHING MAINTENANCE

In order to comply with the maintenance plan, the class inspection plan and the works required by our

OUR LANDING OF ANCHOVY DURING THE YEAR 2017 WAS 823,679 MT, 21% MORE THAN THE PREVIOUS YEAR.

insurance company to guarantee the safety and operability of our fishing vessels, 11 overhauls were carried out in the SIMA Chimbote Shipyard, 5 in the TASA Shipyard and one in the Maggiolo Shipyard.

Main investments:

- A cold plant with a reverse circulation system was installed in the vessels TASA 425 and TASA 61 in order to improve the conservation and quality of the raw material, closing the year with 19 vessels with RSW System.
- New equipment was installed in the vessels TASA 51 and TASA 52, including a chiller (cold equipment for the vessels), receiver and condenser, in addition to vats and sprinkles, which permitted the restructuring of the holds, the improvement of the RSW recirculation

system and of the safety conditions of said vessels.

- The project of watertight holds was executed in vessels TASA 21, TASA 22, TASA 23, TASA 36, TASA218, TASA 414, TASA 415, in order to improve the conservation and quality of the raw material.
- The sonars of TASA 43 and TASA 61 with a range of 2000 meters were changed, for new SU-90 SIMRAD sonars with a range of 4,500 meters.
- Bridge Navigational Watch & Alarm Systems (BNWAS) were installed in the entire fleet as support for the crew in navigational safety.
- The installation of the NOBELTEC system was completed in all the vessels, in order to improve the fishing prospection information, as well as navigational safety in the vessels.

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FISHMEAL AND FISH OIL

> (102-7)

PRODUCTION OF FISHMEAL

In 2017, our operation produced 201,561 MT of fishmeal, 21 % more than 2016, when 166,331 MT were produced. Of the total production, 63% was Super Prime and Prime quality, which represented 126,859 MT, compared to 2016 when 101,791 MT of said qualities were obtained.

PRODUCTION OF OIL

In 2017, our operation produced 24,403 MT of fish oil, 2.5% less than 2016, year in which 25,023 MT

were produced. This reduction was due to a lower percentage of oil present in the composition of the raw material, which generated a lower yield per MT. The production of oil with a good profile of Omega 3 represented 11,811 MT, equivalent to 48.4% of the total produced during the year. In 2016, only 8,792 MT were produced, which represented 35.1% of the annual total.

Our production and yield levels of fishmeal and fish oil in the last two years were as follows:

		2016	2017
Landing Anchovy MT		681,900	823,679
Fishmeal Produced	MT	166,331	201,561
	Conversion Ratio	4.09	4.09
Oil Produced	MT	25,023	24,403
	Yield %	3.68	2.96

Source: In house

PRINCIPAL INVESTMENTS

> (203 -1)

In 2017, an investment of more than US\$ 7MM in new acquisitions was carried out for our plants.

Plants	Principal investments
Malabrigo	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment.
Chimbote	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment. Installation of Water Treatment Plant.
Samanco	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment.
Supe	<ul style="list-style-type: none"> Automation of the Red and White Water Separation System. Implementation of the Water Treatment System.
Végueta	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment. Purchase of duel 1500 BHP Boiler.
Callao Norte	<ul style="list-style-type: none"> Purchase of Hot Air Drying Drum. Displacement Water Project. Plant Cleaning Water Treatment.

Plants	Principal investments
Pisco Norte	<ul style="list-style-type: none"> Installation of Tank APROPISCO 2000 m³. Displacement Water Project. Plant Cleaning Water Treatment.
Pisco Sur	<ul style="list-style-type: none"> Installation of Tank APROPISCO 2000 m³. Displacement Water Project. Plant Cleaning Water Treatment.
Atico	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment. Water Treatment Plant to Vessels.
Matarani	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment. Water Treatment Plant.
Ilo	<ul style="list-style-type: none"> Displacement Water Project. Plant Cleaning Water Treatment. Water Treatment Plant.

Source: In house

HUMAN CONSUMPTION

> (102-7)

We commercialize different products for human consumption in the form of frozen, fresh and canned goods under our Kontiki brand. In 2017, we received a total of 26,131 MT of raw material in our Human Consumption unit, of which 25,007 MT originated from our own fleet and 1,123 MT from purchases from third parties.

Total Landing	2017	
Destination	MT	%
Total landing own fleet	25,007	96%
Total landing purchased from third parties	1,123	4%
	26,131	100%

Source: In house

From the total landed by our own fleet, 99.67% was represented by the mackerel resource.

Total Landing Own Fleet	2017	
Species	MT	%
Mackerel	24,925	99.67%
Tunas	83	0.33%
Total (MT)	25,007	100%

Source: In house









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> (102-7)




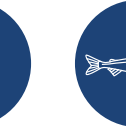
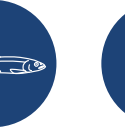
With regard to the raw material purchased from third parties, it was composed of various species.

Raw Material Purchased from Third Parties 2017

							
SPECIES	Anchovy	Silver side	Albacore	Mahi mahi	Squid	Trout	TOTAL (MT)
MT	214	66	708	25	108	4	1,123
%	19.01%	5.85%	63%	2.19%	9.59%	0.35%	100%

Source: In house

Total Landing Own Fleet 2017

						
DESTINATION	Frozen TASA	Frozen Outsourcing	Canned Outsourcing	Fresh Sale	Confiscation Produce	TOTAL (MT)
MT	19,417	699 *	58	4,787	47	25,007
%	77.64%	2.80%	0.23%	19.14%	0.19%	100%

Source: In house

In order to optimize the profitability of the resource, our company prioritized the frozen process over the sale of fresh and canned. In 2017, we froze (TASA and outsourcing) a total of 20,116 MT*, which represented 80.44% of the total landed by our fleet.

* The 20,116 MT represent the sum total of Tasa Frozen (19,417 MT) + Outsourcing Frozen (699 MT).

FROZEN

> (102-7)

Of the total raw material that we received for Human Consumption, we were able to freeze 19,300 MT of products.

Species	Presentation	MT produced
Mackerel	Whole Frozen block	17,034
	HG Frozen block	1,166
	Fillet IQF Frozen	1
Albacore	Whole IQF	748
	Fillet IQF	0
Mahi mahi	Fillet IQF	20
Squid	Cooked Squid Frozen Block	1
	Cube Squid Frozen	5
	Mantle Frozen Block	47
	Tentacle Frozen Block	16
	Fin Frozen Block	20
	Nape Frozen Block	8
Silverside	HG IQF	60
Trout	GG/IQF	4
Anchovy	Whole IQF/Block	155
	HG/IQF Block	3
	Anchovy Pulp	4
Anchovy and squid hamburgers	Omegaburger	9
Total (MT)		19,300

Source: In house

In addition, we purchased a total of 4,656 MT of finished frozen product. Of this total, 3,035 MT were imported and 1,621 MT were purchased locally.

Purchases	Frozen product	MT
Imported	Basa	243
	Mussels	12
	Horse Mackerel	2,379
	Salmon	72
	Tilapia	329
Total Importación (TM)		3,035
Local	Horse Mackerel	1,274
	Shrimp	4
	Hake	331
	Trout	4
	Tuna	1
	Mahi mahi	7
Total Local (MT)		1,621
Total (MT)		4,656

Source: In house

CANNED

In 2017 we were able to produce a total of 8,233 boxes of canned goods mainly originating from the mackerel resource.

Species	Presentation	Boxes produced
Caballa	Selected pieces Oil 1/2 lb.	7,750
	Chunk 1/2 lb. Tuna Oil	483
Total boxes		8,233

Source: In house



COMMERCIALIZATION

>(102-7, 103-2, 103-3)

During 2017, the sales of TASA increased 46% compared to the previous year. The value of our sales was USD 469.127 MM, positioning TASA as the leading fishing company in exports, according to the ranking presented by the Sociedad de Comercio Exterior del Perú (COMEX)³.

In fishmeal, our sales reached a total of 267,563 MT, which represented a growth of 71% compared with the previous year. On the other hand, the sales volume of oil was 36,165 MT, which signified a growth of 119% compared with 2016. The increased sales of fishmeal and fish oil were due to a higher quota in the first fishing season. However, the second season suffered delays that postponed it until January of 2018. With regard to the sales of frozen and fresh fish, these reached 38,214 MT, which signified a growth of 156% compared to the previous year, due to the great availability of mackerel presented in the sea as a result of the heating of the water due to the Phenomenon of El Niño Costero. In refined oils and concentrates we achieved sales of 3,182 MT, which represented a growth of 246% compared to 2016.

Product	Quantity in MT	Values thousand USD	Average Price USD per MT
Fishmeal	267,563	377,202,435	1,410
Fish oil	36,165	54,187,943	1,498
Refined and concentrated fish oil	3,182	10,938,684	3,438
Frozen fish	33,401	24,806,708	743
Fresh fish	4,813	1,475,603	307
Canned fish	12,991	515,225	40
TOTAL	-	469,126,599	-

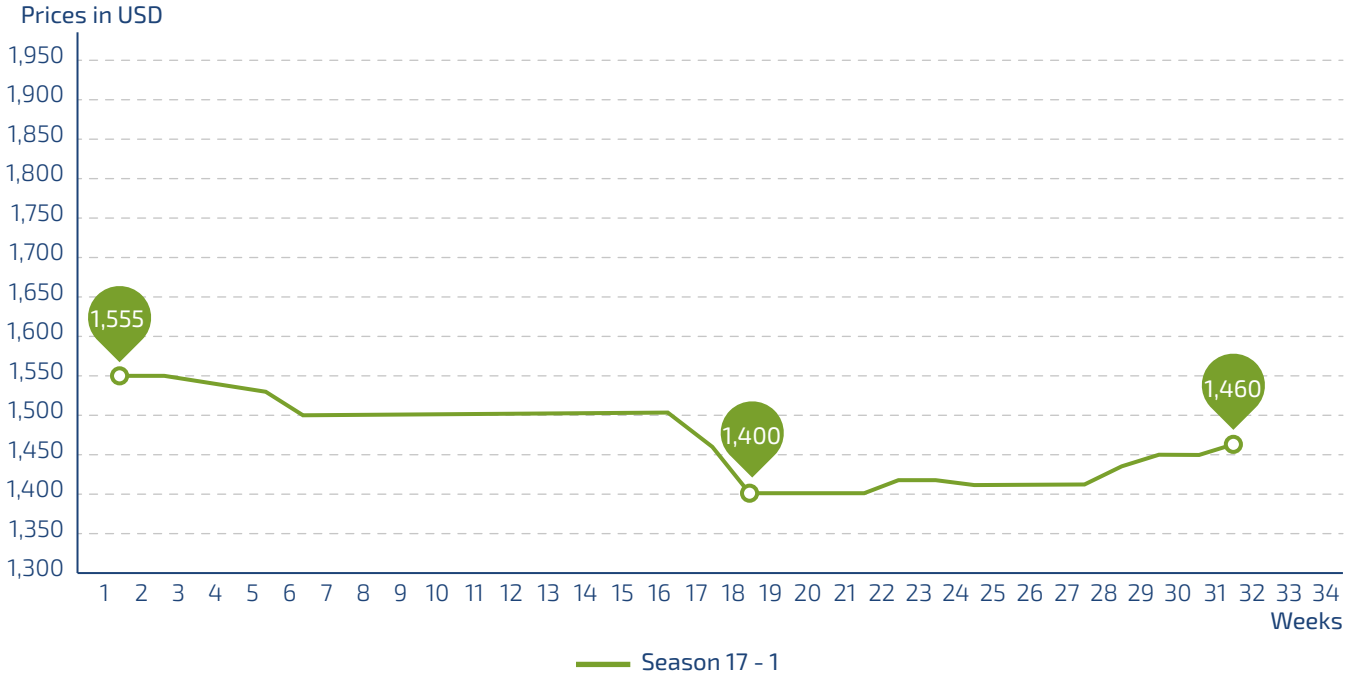
Source: In house

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³ The ranking is prepared with official figures of SUNAT – Customs.

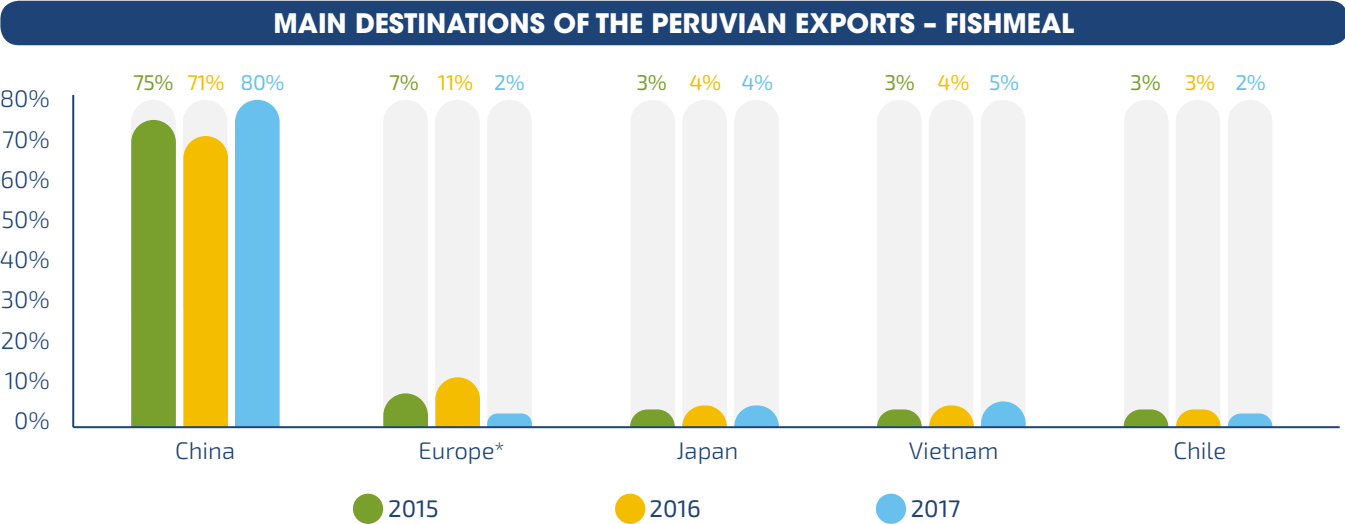
FISHMEAL
> (102-7)

During the year 2017, we commercialized 267,563 MT of fishmeal at an average price of USD 1,410 per MT. The process for 2017 remained stable, with variations of between \$50 and \$100 per MT.



Source: In house

China continued as the principal destination of Peruvian exports of fishmeal, with 80% of participation. The exports of this product to Europe, on the other hand, continued to decline.



*Bulgary, Spain, France, Portgal, Belgium, Italy and Germany

Source: In house

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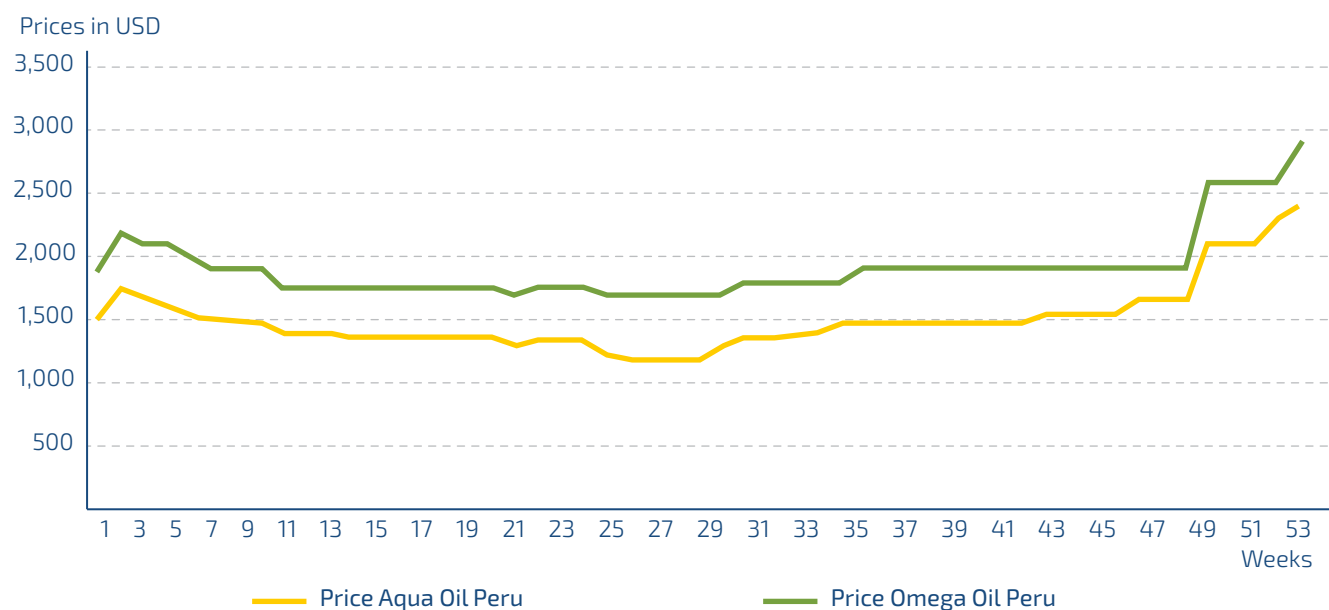
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FISH OIL

> (102-7)

Our company closed the year with sales of crude oil for a total of 36,165 MT at an average price of USD 1,498 per MT, obtaining a greater participation in the market of Aqua oils (directed at animal consumption), since there was a lower availability of EPA / DHA profiles, required in the Omega market (directed at human consumption).

It should be mentioned that the low production levels of oil achieved in the second season of 2016 placed the market prices in ranges of between USD 1,750/MT and USD 2,200/MT for the Aqua and Omega oil, respectively. However, in the middle of the year the trend turned downward, due to the greater fishing volumes of the first season. Towards the end of the period, there was a readjustment in the prices of both qualities, due to the delay of the second fishing season.



Source: In house



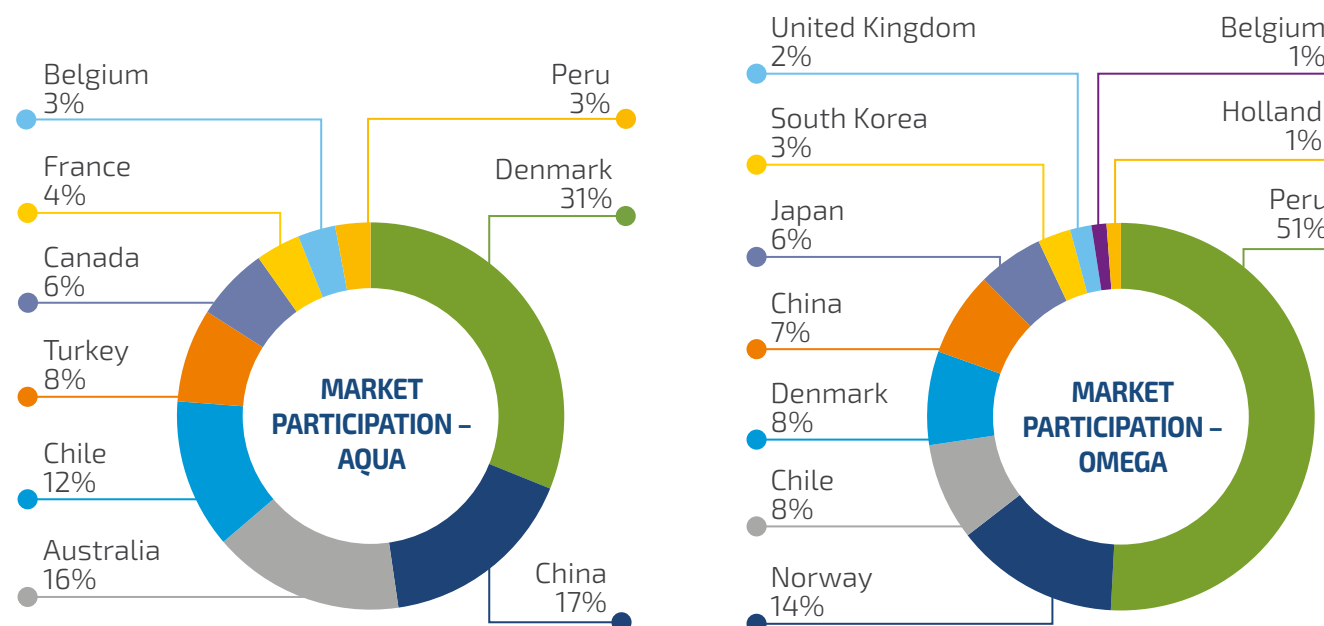
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> (102-7)

Unlike previous years, we were able to increase our exports in the non-traditional market of Aqua oil, thanks to greater purchases of new clients located in China, Turkey and France. With regard to the export market of Omega, an active participation was present in the majority of our clients, which sought the classic profiles of EPA 18 /DHA 12, SUM 30, EPA Alto.

Throughout 2017, we directed approximately 32% of the stock of fish oil to our Omega Business Unit. This product had the best oxidative levels and content of EPA/DHA to be processed and subsequently sold as refined or concentrated oil.

Market participation - Aqua and Omega



Source: In house

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REFINED OILS AND OMEGA CONCENTRATES

> (102-7)

Throughout the year, our Omega business unit – destined for the processing of Omega 3 refined and concentrates– reached important commercial and operational milestones: the sales volume of completely refined 18/12TG and Omega 30 TG oils tripled compared to 2016, reaching a total of 1,966 TM. We also developed strategic relationships with clients of leading brands in the industry of dietary supplements in the markets of North America, the United Kingdom and Australia, with TASA, in some cases, as the main supplier. In 2017, we produced concentrates of Omega-3 for the first time, and we exported this product to the United States and Europe.

The success in the sales of refined and Omega 3 oils was mostly due to the control that TASA applies to the entire productive chain, which allows us to offer a complete traceability of the supplies, from the catch of the resource until the product application development for the client.

RANKING OF FISHMEAL AND CRUDE OIL EXPORTING COMPANIES:

According to Customs figures, TASA leads the Peruvian ranking of fishmeal exporting companies, with a participation of 26%, and 22% in the case of the exports of crude oil.

Exports of Fishmeal 2017

	Exporter	FOB US\$ (MILL)	NET WEIGHT (MT)	%
1	TECNOLÓGICA DE ALIMENTOS S.A.	368,201	261,199	26%
2	PESQUERA HAYDUK S.A.	243,510	170,826	17%
3	PESQUERA EXALMAR S.A.A.	191,227	133,469	13%
4	PESQUERA DIAMANTE S.A.	148,518	103,616	10%
5	CORPORACIÓN PESQUERA INCA S.A.	129,369	91,872	9%
6	AUSTRAL GROUP S.A.A.	111,761	78,589	8%
7	CFG INVESTMENT	68,798	49,037	5%
8	PESQUERA CENTINELA S.A.C.	37,138	26,535	3%
9	COMPAÑÍA PESQUERA DEL PACÍFICO CENTRO S.A.	26,909	19,423	2%
10	PESQUERA CANTABRIA S.A.	13,551	8,723	1%
	Others	76,582	60,013	6%
	Total	1,415,565	1,003,303	100%

Source: Aduanas Peru

Exports of Fish Oil 2017

	Exporter	FOB US\$ (MILL)	NET WEIGHT (MT)	%
1	TECNOLÓGICA DE ALIMENTOS S.A.	44,083	30,060	22%
2	CORPORACIÓN PESQUERA INCA S.A.C.	25,756	16,650	13%
3	BLUE PACIFIC OILS S.A.	20,269	14,042	10%
4	PESQUERA HAYDUK S.A.	19,685	12,714	10%
5	PESQUERA EXALMAR S.A.A.	19,127	13,051	10%
6	AUSTRAL GROUP S.A.A.	16,451	10,772	8%
7	DOIL INTERNATIONAL S.A.C.	14,582	10,421	7%
8	CFG INVESTMENT S.A.C.	9,340	6,615	5%
9	PESQUERA DIAMANTE S.A.	6,422	4,078	3%
10	BPO TRADING S.A.C.	6,113	2,993	3%
	Others	15,043	9,972	8%
	Total	196,871	131,368	100%

Source: Aduanas Peru



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FROZEN > (102-7)

In 2017, our sales of frozen and fresh products benefitted from the large availability of mackerel in the Peruvian sea. However, the greater available volume generated an impact in the prices of the product, with a reduction of 28% compared to 2016.

80% of our mackerel exports were destined to the markets of Africa, Russia, Ukraine, Bulgaria and Brazil; while the remaining 20% allowed us to attend to the local market, mainly wholesale clients in Lima.

We commercialized other species including mackerel, albacore, tilapia, salmon, basa, hake, squid, anchovy, shrimp, silverside, Mahi mahi, mussels, tuna and trout. In order to ensure an ample portfolio of frozen products, we imported a total of 4,672 MT of various species.

In 2017 we increased by 16% our sales directed at the modern channel⁴, especially the supermarkets (Cencosud, Tottus, Makro and Plaza Veja). We increased our participation in the sale of blue fish, such as mackerel, horse mackerel and albacore, and these were the main species commercialized in the supermarkets throughout the year.

On the other hand, our sales in the traditional channel⁵ achieved a growth of 120% in Lima compared with 2016. In this case, the main commercialized species were horse mackerel, mackerel and hake. Additionally, the sales of our distribution centers around the country (Juliaca, Abancay, Andahuaylas and Cusco) also increased by 7% compared with 2016, which contributed to the promotion of the fish consumption as an important source of protein in the food and nutrition of the south and central highlands of the country.

⁴ Supermarkets.

⁵ Convenience stores and markets.

SHIPYARD

> (102-7)

TASA provides design, construction, repair, maintenance, and structural modification services of for the shipbuilding industry on a national and international level.

➤ During 2017 we exceeded our sales objective for our own and private steel vessels. We reached sales of USD 3'567,465, exceeding the goal of 3% and 11% for our own and private steel naval vessels and artifacts (fishing vessels, tugs and barges), respectively. This was the result of the commercial work carried out in the fishing sector.

IMPROVEMENTS IN THE SHIPYARD

In order to improve the safety, capacity and quality in the provision of the services, in 2017 we reinforced the perimeter wall that surrounds the Shipyard, as well as the installation of the first stage of the fire control system and the construction of sanitary facilities for contractors.



Income from own and private steel vessels

Current income USD	Goal USD 2017	Sector	% Compliance
1'053,934	950,000	Steel hull / Private	111%
2'513,531	2'430,000	Steel hull / Own	103%

Source: In house



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> (201-1)

ECONOMIC VALUE GENERATED AND DISTRIBUTED DURING 2017

Direct economic value	MM US\$
Sales	470,059

Distributed economic value	MM US\$
Payment to collaborators	246'897,892.52
Payment to suppliers ⁶	265,948
Financial expenses	8,716
Payment of taxes ⁷	40,768
Environmental investments	7,147
Investments in the community	1,163
Investments in Works for Taxes	1,132

⁶ Suppliers located in operation zones

⁷ Includes third category taxes, value added tax, payroll related taxes, contributions, rates.

CHAPTER 3:
WE ENSURE
A SUSTAINABLE
VALUE CHAIN



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In TASA we ensure that each one of our products is the culmination of a process of proven excellence, which complies with the highest standards of execution and quality, from the extraction of the resource until its commercialization on a world level.

We are committed to developing our operations with a focus of continuous improvement, through efficient solutions which lead us to maximize our productivity for the benefit of our customers, without neglecting the potential risks and impacts of the process.

For this, we work firmly to remain leaders of the industry and to be recognized for developing a value chain, which ensures the sustainability of the resource, the impacts on the environment and guarantees the quality and traceability of the products.





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SUSTAINABLE MARINE ECOSYSTEM

> (201-2)

Peru is considered to be one of the world's seventeen mega diverse countries¹. We recognize that the Peruvian marine ecosystem is one of the five most productive upwelling ecosystems on the planet, which explains its fishing richness and abundance. However, this is subject to strong variability due to environmental factors, like the South Pacific Anticyclone, which controls the entrance or arrival of warm waters from the Western Equatorial Pacific.

In the last six years, the dynamic of the South Pacific Anticyclone has reduced, with a predominance of warm waters over cold. This situation has caused a delay in the development of the anchovy, the dispersion of the shoals and a high variability in the availability of the species. As in

previous years, during 2017, lower catch landing levels were recorded and an alteration/delay in the starting dates of the fishing season.

The first season of 2017 took place after the Coastal Niño Phenomenon, a warm water event, which lasted until mid-year. After this period, the Ministry of Production (Produce) approved a national fishing quota of 2.8 MM of MT for the Centre North zone, TASA was the most efficient company and fished almost 98% of its quota, way above the industry average (85.8%). One of the main reasons which prevented the entire quota from being fished was the entry of very oxygenated waters from the North, from the equatorial side (Cromwell Current), which caused the shoals of anchovy to go deeper.

¹ IV National Report of Biological Diversity.



> (103-2)

For the start of the second Centre North season, various monitoring activities were carried out by IMARPE and the industry, due to the fact that the marine ecosystem presented colder than normal temperatures. Thus, in the month of August, the study of eggs and larvae (MPH) was performed, and in the month of September, a Eureka operation. Finally, from the end of September until the beginning of November, the anchovy estimation cruise was carried out. Based on all of those studies, the quota for the second fishing season of the Centre North zone was fixed at 1.49 MM of MT.

However, during the start of the fishing activities, a high presence of juveniles was observed, as well as considerable dispersion of the resource. For this reason, it was decided to suspend fishing activities until the oceanographic conditions improved.

**SCIENTIFIC COLLABORATION
WITH THE INDUSTRY**

In 2017, we placed our fleet at the disposal of the Instituto del Mar del Perú (IMARPE), in order to be able to carry our studies and monitoring of oceanographic conditions and the development of the anchovy. Furthermore, we shared the results of our monitoring carried out by LP/ Quimera II, a vessel equipped with a scientific detection system of fish shoals and oceanographic profiler – CTD.

> (203-1 y 203-2)

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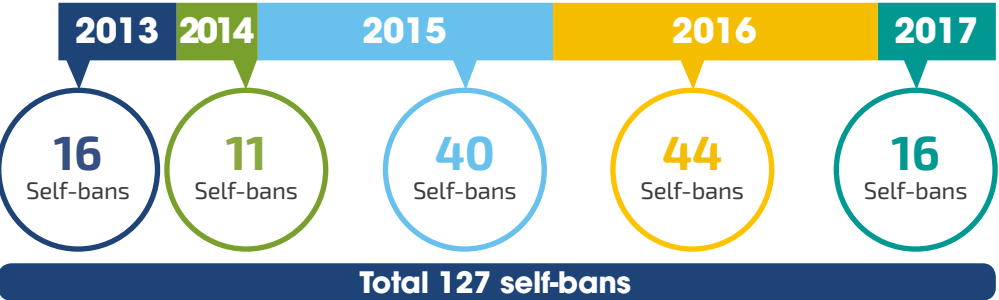
CARE AND PROTECTION OF THE MARINE BIODIVERSITY
> (103-2, 103-3)

In the year 2010, within the Biological Diversity Convention (CBD in Spanish)², the Strategic Plan of Biological Diversity 2011-2020 was implemented, so that Governments, companies and other institutions are aligned in the defense of the conservation of biological diversity. This strategic plan consists of a vision, mission, strategic objectives and 20 goals, known as AICHI³ goals.

Since 2014, Peru has had the National Strategy of Biological Diversity to 2021 and an action plan for the period 2014-2018 approved by DS N°009-2014-MINAM. This document articulates the AICHI goals of the CBD with the strategic priorities and objectives of the various instruments of strategic and environmental management of the Peruvian State.

Within this framework of action, we develop our various initiatives with the goal of achieving sustainability in production and controlling the use of natural resources within sound ecological limits.

Since 2013, through "Autovedas TASA" (Self-Imposed Bans), we restrict the entry of our vessels to the areas where an elevated presence of bycatch⁴ or juveniles has been observed. The decision is taken based on the biometric reports provided by our skippers in each cove which are then disseminated to the Ministry of Production and the National Fishing Society, as preventive alerts for the entire industry. In total, **127 "Self-Imposed Bans" have been carried out since we implemented this initiative.**



> (304-2 y 304-3)

Source: In house

² The Convention on Biological Diversity (CDB in Spanish) is an international treaty with three main objectives: the conservation of biological diversity, the sustainable use of its components and the fair and equitable participation in the benefits derived from the use of the genetic resources. Source: <http://www.un.org/es/events/biodiversityday/convention.shtml>

³ In reference to the place where they were established.

⁴ During the fishing activities, on some occasions the presence is observed of bycatch or non-target species. For that reason, there are maximum catch percentages of bycatch and juvenile fish, regulated by law.

> (103-2, 103-3, 304-1, 304-4)

In order to avoid our vessels from carrying out fishing activities within restricted zones, like the 5 or 10 nautical miles or areas restricted by the Ministry of Production, an additional provision of one nautical mile is incorporated. This measure also permits us to care for the Protected Natural Areas (islands, small islands and points) established by SERNANP, which are mostly located within 5 nautical miles. For assurance purposes,

the vessels have a guide of all of these areas and have an implemented Nobeltec Time Zero digital navigation system, which reduces the risk of entering prohibited zones.

For preventive reasons, we have developed our own list, detailing the principal species of the most common superior predators (birds, turtles, dolphins, whales, sea lions, among others) on our

coastline, linked to our activity, based on the red list of the International Union for the Conservation of Nature (IUCN). It also takes into account the CITES-listed species (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and the species catalogued in DS N° 004-2014-MINAM.

The species identified as being at risk are:

Of less concern	Almost threatened	Vulnerable	In danger	In critical danger
25 species ➤ Marine birds: Peruvian seagull, Peruvian booby and blue-footed booby. ➤ Marine mammals: humpback whale, bottlenose dolphin, common dolphin, pedigree and cross-bred sea lion.	9 species ➤ Marine birds: black-browed albatross, white forehead albatross, Buller albatross, dark shearwater, tendril, chuita, Peruvian pelican, cormorant and grey petrel.	13 species ➤ Marine birds: Chatham albatross, Cook petrel, Juan Fernandez petrel, Masatierra petrel, white-chinned petrel, Buller shearwater, pink-footed shearwater, Humboldt penguin and northern tern. ➤ Marine turtles: leatherback or Galapagos, pico de loro and loggerhead. ➤ Marine mammals: sperm whale.	7 species ➤ Marine birds: Grey head albatross, Potoyunco and Peruvian tern. ➤ Marine turtle: Green turtle. ➤ Marine mammals: Blue whale, Boba whale and otter.	3 species ➤ Marine birds: Albatross and Galapagos petrel. ➤ Marine turtles: Carey turtle.



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➤ (103-2, 103-3, 304-4)

Additionally, in accordance with DS N° 004-2014-MINAM, we also consider in our list the following species:

Almost threatened	In danger	In critical danger
5 species	11 species	5 species
<div>➤ Marine birds: Buller albatross, Southern giant petrel, Northern giant petrel, Grey petrel and guanay.</div>	<div>➤ Marine birds: Black-browed albatross, Peruvian tern, chuita, Peruvian pelican, Peruvian booby, Nazca booby and Humboldt penguin.</div> <div>➤ Marine turtles: Leatherback or Galapagos and Green turtle.</div> <div>➤ Marine mammals: Fine sea lion and marine otter.</div>	<div>➤ Marine birds: Galapagos albatross, Chatham albatross, Galapagos petrel and South American seagull.</div> <div>➤ Marine turtles: Carey turtle.</div>

Finally, we have the initiative “**Good fishing sustainability practices focused on the ecosystem**” which we initiated in the year 2008 and is aligned with the strategic objectives of the national plan and the AICHI goals.

GOOD FISHING SUSTAINABILITY PRACTICES FOCUSED ON THE ECOSYSTEM

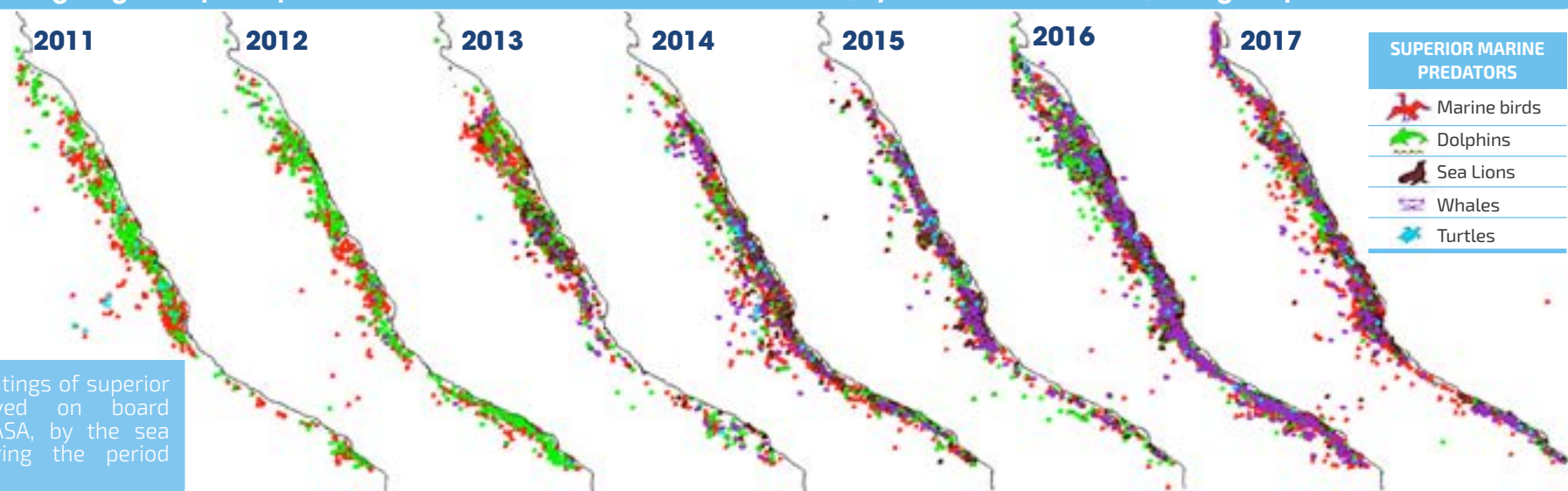
This initiative which we have been developing in alliance with the NGO Pro Delphinus, trains our crews in the monitoring of the ecosystem and makes them aware of its conservation, showing them the importance of the role performed by the superior predators which inhabit the Peruvian sea.

The program began with the implementation of the "Fishing Log" on board the vessels⁵, in which are recorded the characteristics of the fishing and the relation with marine predators. With effect from 2012, the quality of the information collected was improved, **training 87% of our crews in the correct identification and liberation of the main species of superior**

marine predators. At the same time, we reinforced the activities of good practices with the implementation of the "Sustainable fishing kit"⁶ in our 48 vessels.

In order to measure the evolution of the program, the sightings between 2011 and 2017 have been compared, in a quantitative and qualitative manner through distribution maps, number of sightings, identified species and successful releases. The results show an increase of 13% in sightings of superior marine predators compared to 2016, passing from 5,241 to 5,940 sightings. The sightings recorded during 2017 correspond to: 47% marine birds, 17% sea lions, 12% dolphins, 6% whales, 0.30% marine turtles, 0.32% sharks and 46% to different species of hydro-biological resources.

Distribution of sightings of superior predators observed on board the vessels of TASA, by the sea collaborators, during the period 2011 - 2017.



Distribution of sightings of superior predators observed on board the vessels of TASA, by the sea collaborators, during the period 2011-2017.

Source: In house

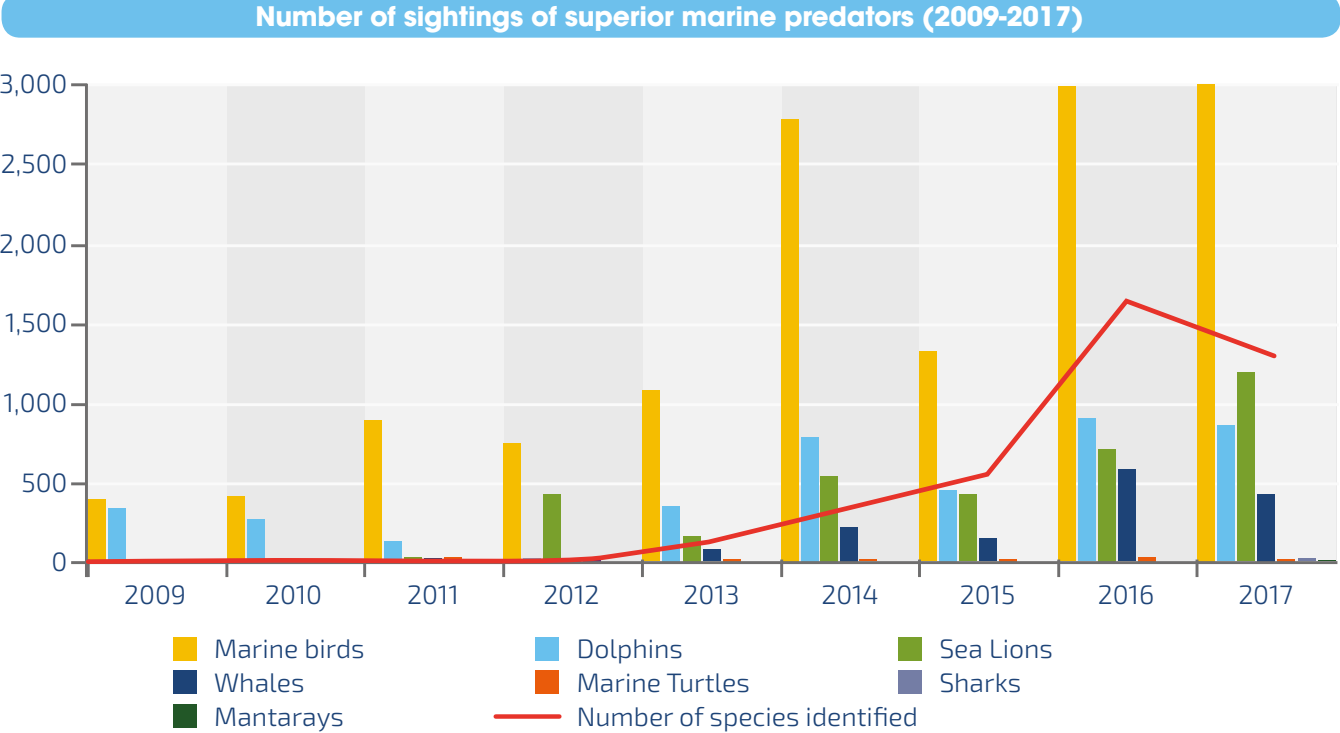
⁵ The "Fishing Log" is the principal tool for carrying out the continuous monitoring of the main marine species, the fishing conditions and the principal oceanographic parameters on board the fishing vessels.

⁶ The "Sustainable Fishing Kit" consists of a poster for identification of superior marine predators, a guide and a superior marine predator release form, a guide of the zones of the national reserve system of islands, small islands and guano points of the SERNANP, a measuring board and pingers.



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Every year, the program has incorporated new tools, materials and trainings in order to reinforce the knowledge and raise the awareness of all of our crewmembers. For that reason, in 2016 the training "Knowledge of the marine ecosystem and activities of good practices of fishing sustainability", was held, as a result of which the first group of TASA CUIDAMAR was formed, crewmembers on board of each of our vessels who are duly trained and aware of the care of the marine ecosystem. During 2017 our 48 specialists received training to strengthen their knowledge and abilities in the correct identification and liberation of superior marine predators. In addition, we provided them with the following materials: a guide of techniques for liberating the principal species of superior marine predators of the Peruvian sea⁷ and a form for liberations to record the date, time, geographical position and species of each liberation performed.



Source: In house

⁷ The guide describes the procedures for carrying out a successful liberation of the principal species of superior marine predators, a list of the species protected by Peruvian regulations and the criteria of the IUCN list.



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Thanks to the creation of the group TASA CUIDAMAR, we have evidenced and increased the recorded cases of liberations of superior predator species, with a total of 487 liberations between 2013 and 2017, reported by 67% of our total number of vessels.

Since its creation, our group TASA CUIDAMAR has had a digital communication channel⁸, by means of which ideas are exchanged and reinforced, enabling us to carry out a more continuous follow up of the record of sightings and liberations of the main marine species.

In 2017 the development and implementation of the program (including its methodology and the materials produced) were registered with INDECOPI, with file number 1058-2017, under the name "Responsible Fishing". During the year, we presented the scope and results of the program in the annual meeting of the International Council for the Exploration of the Sea (ICES), held in Fort Lauderdale, Florida.

Our TASA CUIDAMAR collaborators also made presentations to the crewmembers of other fishing companies regarding the correct liberation of superior marine predators in the following workshops

organized by the SNP: (1) Workshop course WWF- SNP for the Liberation of Marine Turtles", and (2) Workshop Program of Onboard Observers, SNP-CEDEPESCA.

It is worth pointing out that in 2017, in the framework of World Ocean Day, the program permitted us to establish a commitment⁹ to the United Nations for the direct contribution to Sustainable Development Goal N° 14: Underwater life, related to the promotion and performance of sustainable fishing.

Number of releases of marine predators (2013-2017)

YEAR	NO OF RELEASES	INCREASE IN N° OF RELEASES
2013	9	
2014	1	-89%
2015	13	1,200%
2016	89	585%
2017	375	321%
Total	487	

Source: In house

⁸ Whatsapp.

⁹ This a commitment to the UNDP registered as: "Implementation of a monitoring and awareness raising program in Peruvian industrial anchovy fishery, based on the ecosystem management approaches". More information: <https://oceanconference.un.org/commitments/?id=17800>

SUSTAINABLE MARINE ECOSYSTEM



ACHIEVEMENTS 2017

- Scientific contribution to the monitoring of the marine ecosystem.
- Formalization of our program as a commitment to the UN for direct contribution to SDG N°14, called "Implementation of a program of monitoring and awareness raising in Peruvian industrial anchovy fishing, based on the ecosystemic approach".
- Registration in INDECOPI of the Responsible Fishing Manual which comprises TASA's program of good practices of sustainable fishing. File N° 1058-2017.
- Increase of 13% in sightings of marine predators, and of 321% in liberations, compared to 2016.
- Our TASA Cuidamar trained other companies of the Peruvian fishing industry, showing their experience in the correct liberation of superior marine species.



CHALLENGES 2018

- Diffusion of TASA's "Responsible Fishing" manual, to all of our stakeholders so that it can be used for replicability.
- Formulation of the scientific publication regarding the sustainable fishing program and ecosystemic monitoring.
- Development of the TASA Cuidamar Bahía.
- Diffusion at scientific events on a national and international level.
- Developments of talks on the program to external vessel owners and strategic partners.
- Generation of alliances with entities of the State and civil society in order to reinforce the program.
- Complete the training in "Correct Identification and liberation of superior marine predators" of all of our crews.

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ENVIRONMENTAL MANAGEMENT

In TASA we operate based on the continuous improvement approach, which seeks to maximize our productivity, at the same time mitigating our impact on the environment. In this way, we seek to be efficient and responsible with the use and transformation of resources.

> (102-11)

With this approach, we have an Environmental Management System certified by ISO standard 14001 in our 12 fishmeal and fish oil plants, the frozen plant, shipyard and main office. We thereby ensure operational controls to reduce and mitigate any impact generated on the marine environment and ecosystem.

> (103 -2, 103 -3)

As a result of our good environmental performance, all of the inspections carried out by the environmental authority OEFA of the TASA units during 2017 concluded satisfactorily and we received no environmental penalties in said year.

> (307-1)

During the year 2017, we made important efforts to strengthen our preventive management in environmental matters, focusing on two of the main risks related to our operations and to compliance of the current environmental regulations, namely: emission of effluents y potential spillages of hydrocarbons at sea. For that:

- We improved the system of treatment of fishing effluents, through the modernization of our treatment systems in all of the fishmeal and fish oil plants, in order to ensure compliance of the new Maximum Permissible Limits (MPL).
- We carried out a study of the "Integrity of ducts" of the hydrocarbon supply systems and established measures that enable us to improve their reliability. Additionally, we acquired a complete anti-spill kit¹⁰ at sea, which represents the first investment of this type by a Peruvian fishing company

For us, a key element to ensure the success of environmental management is the permanent improvement in the competencies of our team through the development of training for the main actors involved in the environmental performance of operations. In 2017 several trainings were carried out with an investment of more than US\$ 15 M.

- Training in the interpretation of the new ISO standard 14001:2015.
- Training of lead auditors in the standard ISO 14001:2015 with international certification (IRCA).
- Training in environmental supervision of our operations.
- Training in environmental monitoring and current environmental regulations.
- Fishing Environmental Monitoring Forum organized jointly by TASA and OEFA.

¹⁰ The kit consists of a Skimmer, suction pump, spill containment barriers and a floating tank for the storage of recovered material.

ENVIRONMENTAL PERFORMANCE OF THE OPERATIONS

EFFLUENTS

> (306-1 y 306-2)

Our principal effluent is the treated pumping water which results from the mixture of seawater used for the transport of raw material and anchovy remains, as a result of which it contains a high level of traces of solids and fats. This effluent is treated by means of filtration, flotation and recovery systems of solids, which permit us to ensure compliance with the MPL of the current legislation, and are then discharged through an outfall at an adequate distance which ensures a minimum impact on the marine ecosystem, which is determined and supervised by the national environmental authorities.

On a national level, during 2017, the quantity of effluents generated and discharged reached a total of 1,770,506 m3, which complied with the MPL parameters established by the national authority. We analyze on a monthly basis the indicators and goals of fats and solids in the pumping water, in order to implement improvements in the results recorded.

Compliance level of the Maximum Permissible Limits of effluents

Effluent indicators	2016	2017	MPL according to valid legislation since 2017
Oils and fat (average ppm)	202.4	104 ¹¹	350 ppm
Total suspended solids (average ppm)	602.7	470 ¹²	700 ppm

Source: In house

In comparison with the results obtained in the previous year, in 2017, we achieved an important performance in the effluent treatment systems, due mainly to two factors: the commitment of Senior Management to the compliance of the MPL of effluents and the project of modernization of said systems.

¹¹ Annual average.

¹² Idem.

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ENERGY CONSUMPTION

> (302-1)

Our principal sources of energy are Diesel B2 fuel and R500 oil, used in our operations of fishing and processing of fishmeal and fish oil. However, we have the vision of progressively migrating towards cleaner sources of energy, therefore, we currently have three plants with natural gas as their energy matrix: Pisco Norte, Pisco Sur and Callao.

	2016		2017	
	GJ*	tCO2e	GJ*	tCO2e
Diesel B2	899,974	57,870	911,884	58,636
Petroleum R 500	764,708	49,185	890,445	57,272
Natural Gas	307,752	17,284	465,168	26,126
Electrical energy acquired from the network	71,065	1,264	88,816	1,580
TOTAL	2'043,500	125,604	2'356,313	143,614

Source: In house

Although the results presented an increase in the total consumption of various sources of energy compared to 2016, the ratio of consumption per ton of fishmeal produced is lower, which indicates that we have achieved greater efficiency during the year 2017.

	2016	2017
	MT of Fishmeal	MT of Fishmeal
MT of Fishmeal	166,331	201,561
Total GJ/MT	14,17	11,69

Source: In house

* Gigajoules



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EMISSIONS

> (305-1 y 305-2)

Based on the results of our energy consumption, we made a calculation of equivalent CO2 emissions. In 2017 the direct emissions were 142,000¹³ tCO2 equivalent and the indirect emissions 1,580¹⁴ tCO2 equivalent.

In 2017, there was an increase of 18,010 TCO2 equivalent compared to 2016, which is explained by the greater production generated in the last year. However, when we compared the ratios of tCO2 equivalent for tons of fishmeal produced, we can appreciate a reduction for 2017 of 0.05, which means greater efficiency compared to last year, despite the increase in production.

	2016	2017
Total energy produced (GJ)	2'043,500	2'356,313
Total emissions (tCO2e)	125,604	143,614
Total Energy (GJ)/MT produced (Fishmeal)	14.17	11.60
Total Emissions (tCO2e) / MT Produced (Fishmeal and fish oil)	0.76	0.71

Source: In house

In 2018, we carried out the measurement of our Environmental Footprint, in accordance with the International Standard ISO 14064 (greenhouse gas verification and accounting) and the international GHG Protocol.

¹³ Emissions produced by the consumption of Diesel B2, petroleum R500 and natural gas.

¹⁴ Emissions produced by the consumption of electrical energy.

SOLID WASTE

With regard to waste, we have a new corporate standard for waste management applicable to all of our business units. This document establishes the guidelines for a correct segregation, storage, transport and final disposal in accordance with the newly applicable environmental requirements for solid waste and their regulation.

>(306-2)

Our hazardous solid waste declined slightly compared to the previous year. However, the non-hazardous waste experienced a peak increase, due to the process of stabilization of our effluent treatment systems, in accordance with the new MPL parameters.



Source: In house

WATER CONSUMPTION

>(303-1)

During 2017, we consumed 279,397 m³ of water for our production activities in the plants of fishmeal and fish oil, human consumption and omega, from underground water wells and the public network.

In 2018 we carried out the measurement of our Water Footprint, in accordance with the International Standard ISO 14064 (Environmental management-water footprint-principles, requirements and guidelines).

¹⁵ Sludge effluents.



ENVIRONMENTAL MANAGEMENT



ACHIEVEMENTS 2017

- US\$ 7 MM was invested in the modernization of the waste treatment systems in all of our plants.
- We updated the Environmental Impact Assessments of each of our plants of FMaFO.
- We acquired a complete anti-spill Kit for hydrocarbons at sea.
- We have not recorded penalties or violations in any of our plants imposed by the Organismo de Evaluación y Fiscalización Ambiental (OEFA).



CHALLENGES 2018

- Improve the infrastructure in the plants for the management of hazardous and non-hazardous solid waste.
- Implement the methodology of OEFA for the evaluation of environmental risk.
- Develop the standards of measurement of the carbon footprint and water footprint.

QUALITY










> (103-2, 103 -3)

Quality management is a fundamental core idea of our sustainable value chain. As part of the food industry, we recognize the value of ensuring our clients and society of the safety of our products and their complete traceability from their origin.

To achieve this, we permanently supervise the correct execution of the processes and supplies used in the production of fishmeal and oil, as well as the products for human consumption (frozen, fresh, canned and refined/concentrated oil),

complying with the standards required by the national and international market.

We currently have the following certifications:

	Fishing	FMaFO Plants*	Omega Plant	Frozen Plant	Shipyard	Main Office San Borja	Commercial Management
 Environmental Management System ISO 14001		✓		✓	✓	✓	
 Occupational Health and Safety Management System OHSAS 18001		✓		✓	✓	✓	
 Business Alliance for Safe Commerce BASC	✓	✓	✓	✓	✓	✓	
 Good Manufacturing Practices GMP + B2		✓					
 Hazard Analysis and Critical Control Points HACCP		✓	✓	✓			
 Good Practices in commerce and distribution GMP + B3							✓
 Global Standard for the Responsible Supply of Raw Material IFFO – RS		✓					
 Warranty Certification for the Muslim Market HALAL		✓	✓				
 Good Manufacturing Practices ICHQ7 (in process of implementation)			✓				
 Quality Management System ISO 9001					✓		
 Certification of sustainable fishing and aquaculture product FOS	✓	✓	✓				
 British Retail Consortium BRC				✓			
 Good Manufacturing Practices GMP			✓				

Source: In house

* Fishmeal and fish oil plants.

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In order to build a quality culture and generate spaces to provide innovative solutions to various needs of the business, we promote the development of strategic and operating projects. Below, we detail the most important ones of 2017:

OPERATING PROJECT: REINFORCEMENT OF THE QUALITY ASSURANCE SYSTEM

We implemented the following improvements in the Quality Assurance System:

- We integrated said system with the Food Safety Modernization Act (FSMA) which allows products to be exported to the United States.
- We prepared a specific questionnaire to evaluate suppliers of supplies and additives that can represent a high risk for the safety and quality of our products.
- We continue working on internal communication and increased awareness of the collaborators with the quality aspects.
- Criteria were integrated into the Human Consumption Unit for the purchase of imported products and controls were reinforced in the assembly process.

OPERATING PROJECT: IMPLEMENTATION OF THE QUALITY MANAGEMENT SYSTEM IN LABORATORIES

In 2017, we continued with this project in order to increase the reliability levels of the laboratory results.

- We updated corporate documents in reference to analytical methods.
- We continued with the validation of analytical methods to assure the reliability of the results.
- We developed workshop courses to strengthen the competencies of the laboratory personnel.

OTHER INITIATIVES IMPLEMENTED

- **Refined oils and concentrated oils:** In 2017, we began coordinating with one of our main clients to strengthen the traceability system of the lots shipped from the fishing zones (landing certificates) until the delivery to the client.
- **Fishmeal and crude fish oil:** We implemented the traceability project of oil in the SAP system to obtain a better follow-up of our products.



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QUALITY AND SAFETY OF OUR PRODUCTS

(416-1 y 417-1)

We have a quality assurance system (HACCP) that involves a hazard analysis to take all the preventive measures to guarantee the safety and quality of our products. Those used as ingredients have MSDS sheets (Material Safety Data Sheets), and in general, they are all prepared under a system that allows the complete traceability to be known until the fishing zone.

Additionally, in order to guarantee the effective communication with the clients, the labels of our products record the following¹⁶:

Información que contienen las etiquetas de nuestros productos					
					
	Fishmeal	Fish oil	Refined and concentrated Omega 3 oils	Frozen	Canned
Origin of the components (raw materials, country of Origin)	X	X	X	X	X
Substances that could generate environmental or health impacts	X	X	X		
Expected use of the product	X	X	X	X	
Lot No and expiry date	X	X	X	X	X

Source: In house

¹⁶ Does not include the Shipyard services.

QUALITY



ACHIEVEMENTS 2017

- We began to have an automated follow-up of our crude oils for IHC and HC through the lot in SAP.
- We achieved the continuous production of refined and concentrated oil with oxidative values way below what is established by the Global Organization for EPA and DHA Omega-3.



CHALLENGES 2018

- Reinforce the control of suppliers to ensure the safety and quality of the supplies used in the process, and of the imported products.
- Develop pilot lots of refined and concentrated oils to evaluate the cost and profitability of new products requested by clients.

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CHAPTER 4: WE DEVELOP OUR PEOPLE



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> (103-2, 103-3)

In TASA we are aware of the great diversity, potential and integrity of our human team. The more than 2,700 men and women who represent us have generated a distinctive seal in each place where we operate.

Our vision is to consolidate a high performance human team which not only achieves the best results for the business, but is also concerned with generating a positive legacy for the industry and society.

Thus, we strive to ensure their safety and wellbeing, offering a competitive value proposal for their formation and development within the company and the BRECA Group and maintain a close relationship with their families in a healthy environment.



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OCCUPATIONAL SAFETY AND HEALTH

> (103-2, 103-3)

In TASA, caring for the integrity of our personnel, their communities and the environment is a priority. Therefore, we maintain a preventive focus that allows us to reduce our operating risks to a minimum and reach a standard of excellence, always focused on the objective of "zero accidents".

We know that this objective will only be possible if all our collaborators and contractors are involved and committed to the development of safe activities, which allow us to consolidate a self-management risk culture. Additionally, we must ensure the best working conditions, for which we have been incorporating a transversal risk management focus for all the processes of the organization.

During 2017, we focused our efforts on developing preventive competencies in our collaborators, for the purpose of increasing their knowledge level and reflecting it in a preventive organizational culture. In the same manner, we emphasized identification of the occupational risks and processes, and developed an emergency response plan in accordance with the characteristics of our operation.



OCCUPATIONAL SAFETY AND HEALTH CULTURE

With the objective of consolidating our safety culture, in 2017 we provided more than 45,000 hours of training to our collaborators, exceeding the hours provided in 2016 (36,985). We developed various subjects, including: working at heights, in confined spaces, blocking and labelling, works in heat and lifting of cargo. This is complemented with aspects related to emergency response, including: first aid, evacuation and rescue, firefighting and response to incidents with hazardous materials.



We promoted preventive observations, better known as "Chovy", so that our collaborators and contractors recognize responsible actions ("Positive Chovys") and/or identify safety and environmental risks to establish corrective measures in the workplace (substandard act and substandard condition). In 2017, 22,924 "Chovys" were recorded, of which 28% were positive.

Since its implementation in 2010, the "Chovy" has strengthened its report and control system. It currently has virtual platforms: intranet and an application for mobile equipment with Android and IOS systems, which facilitate the use of the mechanism and data analytics. This has allowed us to identify that one of the main risk conditions reported was the lack of order and cleaning in the

job positions. Thus, in 2017 we carried out important efforts to disseminate and implement the COLPA (Classify, Order, Clean, Prevent and Self Discipline) (Spanish acronym) method in the entire organization.

In 2017, we were more rigorous with the control of the work of our contractors. With the support of the Organización Iberoamericana de Seguridad (OIS), we implemented a new habilitation system to ensure the compliance of the requirements of the Peruvian occupational health and safety laws. All of our contractors must currently comply with the Complementary Risk Work Insurance (SCTR, Spanish acronym), the Medical Aptitude Certificate and SSOMA induction. This enabled, during the year 2016, 1,206 collaborators of our contractors to be trained to carry out safe works inside our plants.

As part of our safety culture we have, for the third consecutive year, the PATASA SEGURO Program, which recognizes and awards on a quarterly basis, one collaborator per plant, who has obtained positive "Chovys", does not have disciplinary measures and actively participates in the 5-minute talks, among other criteria. In 2017, 57 collaborators were awarded prizes through this initiative.

With regard to occupational health, we continued with the Occupational Medical Surveillance, which assures the elimination or reduction of occupational illnesses through preventive programs, which include entrance medical tests, periodic control, health surveillance and monitoring of occupational hygiene. Our objective is to reinforce a health culture among our collaborators, therefore, in 2018 we will develop healthy life programs which will allow them to have healthier habits.

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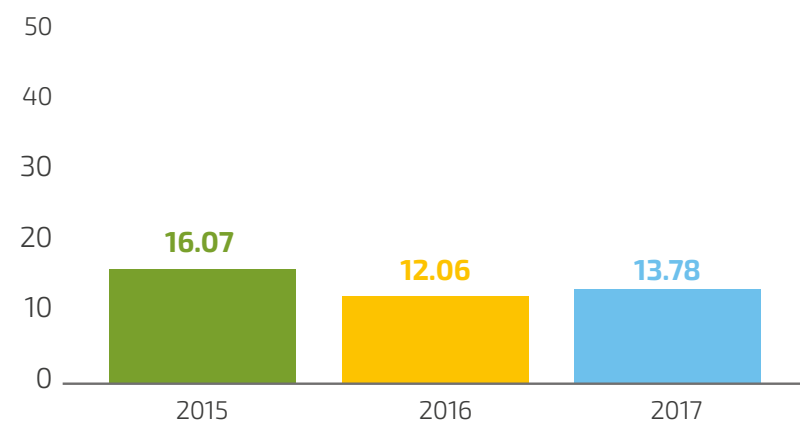
PERFORMANCE IN OCCUPATIONAL HEALTH AND SAFETY

(403-2)

In 2017, no cases of fatal accidents were recorded in our operations, as a result of an exhaustive and permanent control of the high risk works carried out by our personnel and contractors. On the other hand, 262 temporarily incapacitating accidents occurred, of which 233 affected collaborators of TASA and 29 affected personnel of contracting companies. A similar number of this type of accidents was recorded the previous year.

The accident rate¹ reached in 2017 was 13.78, an increase of 1.72 compared to 2016. This is explained by a greater number of hours worked and a greater volume of fishmeal and fish oil produced.

Accident Index (2015-2017)

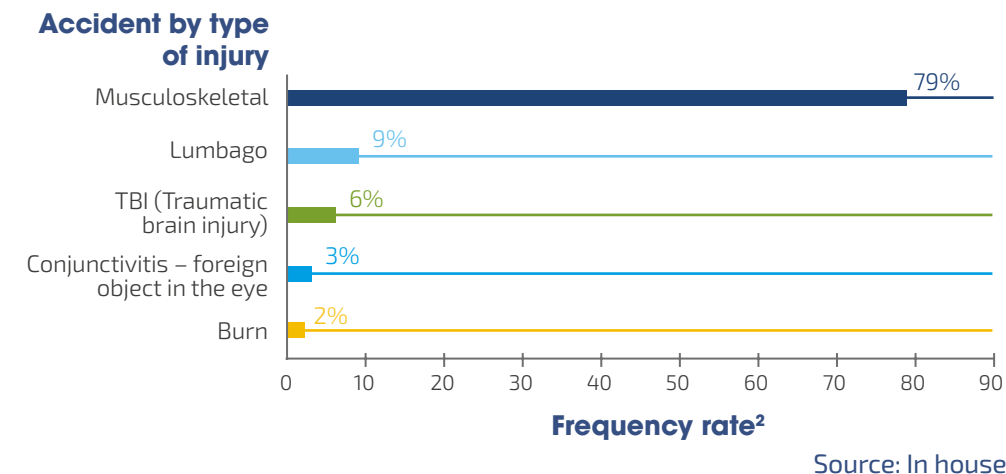


Source: In house

¹ The accident rate is obtained by dividing the frequency of injuries with the time lost between the seriousness of the injuries.

> (403-2, 403-3)

Among the activities with the greatest risk we can mention: the entrance to confined spaces, working at heights, the manipulation of hazardous substances and energies, among others. In the case of work accidents, the main injuries presented have been identified as musculoskeletal as a result of over exertion produced during the net steering maneuvers in the fishing vessels.



To offset this situation, in 2017 we invested more than US\$ 155,000 in the purchase and implementation of safety equipment including firefighting equipment, multi-gas monitors for works in confined spaces, evacuation masks in case of ammonia leaks and protection equipment resistant to electric arcs.

In the case of occupational health, periodic medical evaluations were carried out during the work shifts. The occupational health programs are divided into three axels: quality of life, musculoskeletal disorders and hearing conservation.

% of collaborators with Occupational Medical Surveillance

Work category	% of collaborators with OMS ³
Officials	25%
Employees	79%
Workers	96%
Crewmembers	66%

Source: In house

OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

> (403-1)

We are a company that respects the legal obligations in terms of Occupational Health and Safety. We have a Central Joint Committee that consists of 12 members, of which six correspond to representatives of the employer and the other six to representatives of the collaborators, thus ensuring that 100% of our labor categories are represented.

% of representation in Safety Committees	Representation level
Central Committee of Officials	50%
Central Committee of Employees	16.67%
Central Committee of Workers	16.67%
Central Committee of Crewmembers	16.67%

Source: In house

The Committee meets on a monthly basis to review the preventive management of all our units and propose improvements to the existing processes. These sessions are carried out in a decentralized manner, which permits the verification of the safety conditions of the visited plants.

² The frequency rate is measured based on the total impacting accidents during 2017.

³ 81% of all the collaborators of TASA participated in the Occupational Medical Surveillance (2294 out of 2846 persons).

SAFETY



ACHIEVEMENTS 2017

- 0 fatal accidents.
- 45,000 training hours of our collaborators.
- 22,924 preventive observations ("Chovys"), of which 28% were positive.
- Implementation of the control system of obligations in Occupational Health and Safety for contractors, with the support of the Organización Iberoamericana de Seguridad (OIS).
- US\$ 155,000 invested in the purchase and implementation of safety equipment and emergency response.
- 85% of the collaborators participated in the Occupational Medical Surveillance (VMO, Spanish acronym).



CHALLENGES 2018

- Strengthen the self-management risk culture in the collaborators.
- Improve the accident rate of its own and third party personnel.
- Implement preventive management focused on the risks of the processes.
- Develop healthy life programs for the collaborators.



TALENT

OUR HUMAN TEAM

In 2017, the human team of TASA consisted of 2,704 collaborators, of which more than 70% was concentrated in the fishing and production activities.

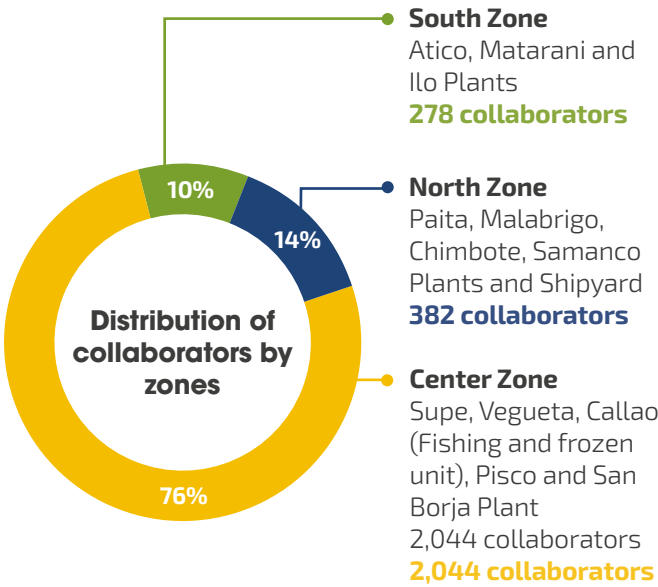
> (102-7, 102-8)

Collaboration by work category				
	2016		2017	
	TOTAL	%	TOTAL	%
Officials	42	1.6%	48	1,7%
Employees	717	26.9%	742	27%
Workers	949	35.5%	943	35%
Crewmembers	961	36%	971	36%
Total	2,666	100%	2,704	100%

Source: In house

Our presence in 12 localities of the coast of the country involves the distribution of our collaborators in the North, Center and South Zones. The Center Zone concentrates 76% of our personnel, since this zone of the country has the greatest production.

> (401-1)



Source: In house

In this respect, it is important to mention that since 2014, due to the El Niño Phenomenon, we have a temporary rotation scheme which allows us to transfer our personnel (plant officials, employees and workers) to other plants, according to the fishing and production seasons. This practice has made our people management more effective and has contributed to the professional development of our collaborators, who receive additional economic incentives for the transfer.

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> (102-8)
Male gender collaborators predominate in our human team, due to the nature of the operations of the industry. Nevertheless, we are concerned o maintain the same conditions for men and women, which has enabled us to increase the female officials, employees and workers, year after year. Additionally, 100% of our collaborators, without distinction for gender, obtained a compensation that exceeds the country's minimum legal wage.

> (202-1)

In 2017, in the framework of the Peru Business Women Summit, we signed, along with 30 other companies, the Declaration of Lima, a statement that promotes 10 principles for the promotion of the gender equality in the society, as proof of our commitment to the development of strategies that promote the empowerment of women in society.

Work Category	2016						2017					
	Female		Male		Total	% Total	Female		Male		Total	% Total
Officials	4	10%	38	90%	42	1.6%	5	11%	43	89%	48	1.7%
Employees	199	28%	518	72%	717	26.9%	211	28%	531	72%	742	27%
Workers	12	1%	934	93%	949	35.5%	14	1%	929	99%	943	35%
Crewmembers	0	0%	961	100%	961	36%	0	0%	971	100%	971	36%
Total	215	8%	2,451	92%	2,666	100%	230	9%	2,474	91%	2,704	100%

Source: In house

As signatories of the Global Compact, we protect fundamental rights in the workplace and decent employment. This means the rejection of forced and child labor, the elimination of every type of discrimination and respect for the freedom of association. In the case of this last point, in 2017 we had 1,230 collaborators covered by collective agreements, who represent 43.67% of the total collaborators.

> (102-41, 103-2, 103-3, 407-1, 408-1, 409-1)

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BRECA SUMMONS

> (404-2)

In the talent selection and retention area we have been focusing on promoting the mobilization of people between the Business Units of the BRECA Group. Therefore, all the vacant positions are periodically published in the BRECA Selection Network, so that the people responsible for Talent Attraction share them within their companies.

Through this good corporate practice, we ensure that the professionals that we hire can follow a career path inside TASA or in the different companies of the Group.

In 2017 we had 117 invitations of the Breca Group that enabled two of our collaborators to be selected to continue their professional growth in other companies of the organization.

TALENT FACTORY

> (103-2, 103-3, 401-2, 404 -2)

In 2017, we aligned ourselves with the initiative of the BRECA Group "Talent Factory", which seeks to develop and implement the best talent management practices in order for human capital to become a competitive advantage for BRECA and its Business Units.

The three priorities of the "Talent Factory" and its short term objectives are:

- **Selection:** Increase the strictness in the evaluation of candidates, incorporating a new integral evaluation tool and the realization of an interview of potential, in order to hire talent that can grow in the organization and in the BRECA Group.
- **Evaluation:** Seek a greater strictness in the performance evaluation process, based on the compliance of process times, of a correct approach of SMART objectives and of an improved qualification process and subsequent feedback.
- **Development:** Assign professional growth challenges to the collaborators with high performance and growth potential, which will have powerful objectives that ensure gains for the organization and clarity in the competencies to be developed by the person in the course of the challenge.

Through this new strategy, the BRECA Group seeks to attract and develop human teams that challenge

and generate transcendent changes in their related business, industries and environments.

SELECTION

Our objective is to attract professionals and technical personnel with high potential and identify the competencies required by the BRECA Group and TASA. For this, we implemented competitive, transparent and integral selection processes in their evaluation.

In 2017, 201 new collaborators entered the company. This was due to seasonality reasons of the business or replacement of vacant positions.

On the other hand, a voluntary rotation rate below the market average was recorded in each labor category. This result is the reflection of the generation of internal opportunities, such as promotions and growth in the career path, temporary transfers, retention and integral development plans, which have strengthened the commitment of the collaborators to the organization.

Voluntary rotation rate

Officials
2.08%

Employees
7.20%

Workers
1.8%

> (401-1)

Source: In house

TRAINEE PROGRAM

> (404-2)

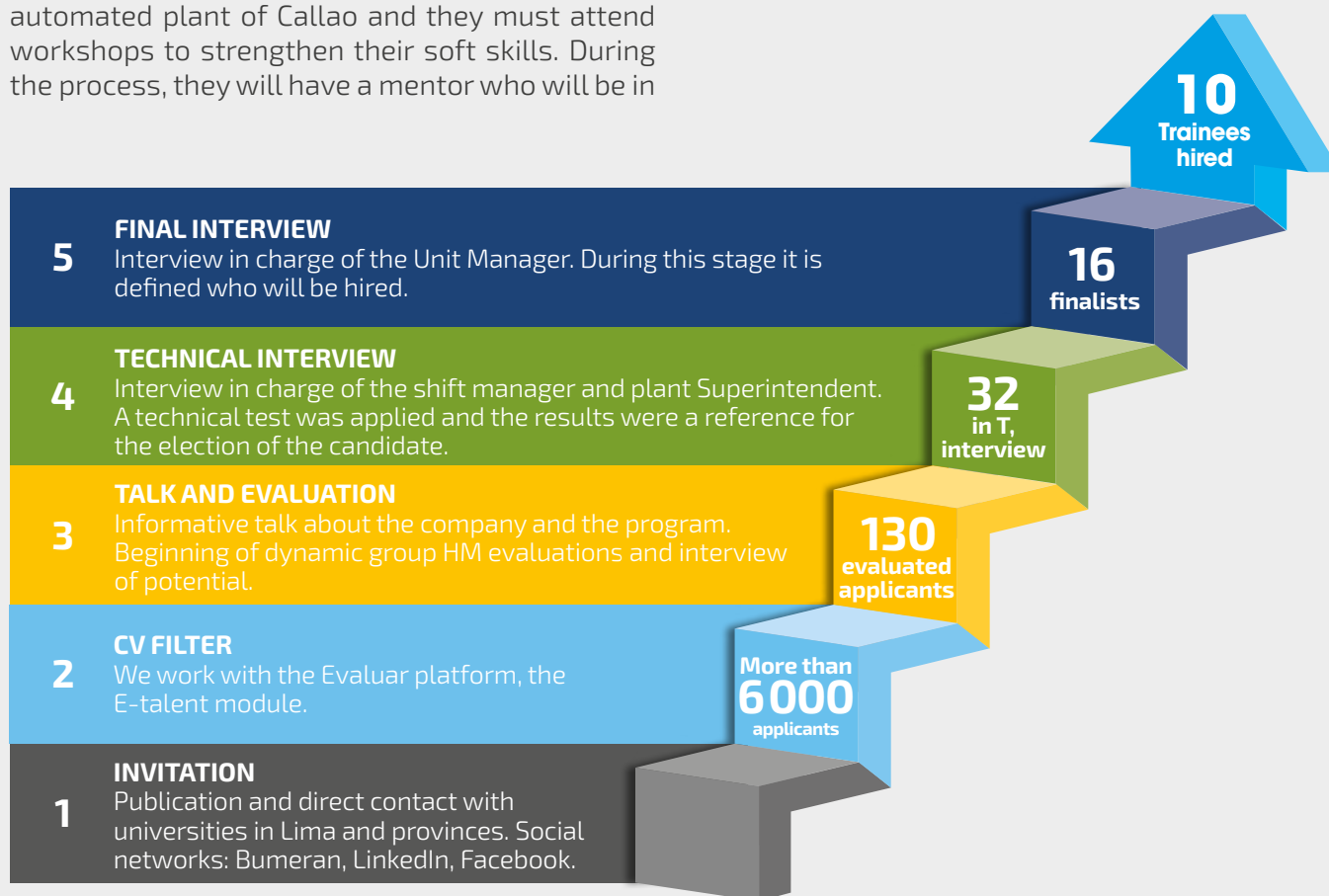
As part of our talent development strategy, we have the Trainee Program, which has the main objective of forming young people with potential who have the necessary competencies to be able to develop a career path towards key positions in the organization.

In October of 2017, the recruitment and selection process of the Trainee Program 2018 began in the cities of Trujillo, Piura, Chimbote and Lima. The invitation stage was carried out through job exchanges (Bumeran and universities), social networks (LinkedIn, Facebook) and by the direct contact of members of the Human Management area in work fairs of different universities.

In the first stage of the program, there were more than 6,000 applicants from different cities of the country, from which we selected 143 candidates who complied with the profile requirements to participate in the selection and evaluation process in charge of the Human Management, Operations and Quality Management areas. All the candidates passed through five evaluation stages, each one of them eliminatory. There were 16 finalists who underwent a personal interview with the Operations Manager, of which 10 candidates were selected, who form a part of the new class of the Trainee Program 2018. Said class consist of four women and six men.

Throughout 2018 and as part of their development plan, the young trainees will be trained in the maintenance, production and quality areas in our different provincial plants. Subsequently, they will have to apply the knowledge obtained in our automated plant of Callao and they must attend workshops to strengthen their soft skills. During the process, they will have a mentor who will be in

charge of accompanying and guiding them in the various induction stages of the organization.



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EVALUATION

> (404-3)

Our performance evaluation model is oriented towards qualifying the objectives and competencies of our professionals. The objectives are defined at the beginning of the year by the managers and leaders of the area together with their collaborators and are aligned with the strategic objectives of the organization. The competencies, for their part, are established by the company and are divided into essential and leadership, the latter specifically directed at collaborators who are in charge of personnel.

All the employees and workers with more than six and three months in the company, respectively, participate in the annual performance evaluation process. The process includes progress revision stages in the middle of the year and a final evaluation at the end of the year, which allows corrective measures to be taken for the improvement of the individual and organizational

performance. In the case of crewmembers, we developed the process with those people who have leadership positions, who represent 25% of the total. In this last population, the stages of the process consist of an annual evaluation and feedback.

In 2017, 100% of our employees and workers participated in the evaluation process and 25% in the case of the crewmembers. Based on the results, we worked on individual development plans. In the case of those collaborators with a high performance, we carried out a personal recognition and designed development plans that motivate and challenge them in their functions and maintain them committed to the organization. In the case of the collaborators with a regular or low performance, a closer follow-up process is carried out by the direct superior and a detailed work plan is established for the year, with additional follow-up meetings to those programmed in the regular performance process.

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WORK ENVIRONMENT

In TASA we are concerned with maintaining a healthy and pleasant work environment, which contributes to the professional and personal development of each of our collaborators. That is why we manage the work environment based on an annual measurement of 100% of our collaborators. In 2017, a new model consisting of 10 dimensions was implemented:

1. Clarity of Objectives
2. Adaptation to the Structure
3. Decision making
4. Integration and Communication
5. Leadership
6. Performance and Recognition
7. Compensations and Benefits
8. People Development
9. Image of Company and Safety
10. Environment and Sustainability

Through a survey regarding the work environment in which 94% of our collaborators participated (20% more than the participants in 2016), we obtained a satisfaction index of 85% in employees, 75% in workers and 76% in crewmembers. These results were similar to those obtained in the previous year, which ratifies the good work environment of our organization.

DEVELOPMENT

> (103 -2, 103 -3, 404-1)

Our formation and development strategy is based on the 70-20-10 methodology. This model states that 70% of the learning in a collaborator originates from the experience and practice in the work position (learning by doing), as well as the participation in inter-functional and strategic projects, attendance at meetings or committees in representation of the superior or the adoption of new functions and responsibilities. 20% is acquired through the daily conversation and feedback by people who contribute to their professional and personal development and of the performance evaluation process in charge of the direct superior; and finally, the remaining 10% of structured training courses and programs.

With regard to this 10%, the objective is to maximize the competencies of our collaborators and develop their abilities to achieve excellent results. In 2017, we made an investment of more than US\$ 288,000 in development programs and recorded 73,646 hours⁴ of training.

	Training hours	Investment US\$
Officials	297	2,640
Employees	21,725	140,437
Workers	33,146	65,512
Crewmembers	18,478	80,236
Total	73,646	288,825

Source: In house

⁴ The trainings include Occupational Health and Safety.

> (404-2)

With the objective of accelerating the development of competencies and providing new teamwork experiences, 9 of our young collaborators, including interns, assistants, analysts and coordinators, participated in the TASA NEXT G initiative.

The 2017 edition had four stages: formation and preparation, project development, follow-up and recognition.

The challenge was to work on an Industrial Innovation Project called "Radar of exponential opportunities" and a Social Innovation Project called "A Peruvian child should never again die from cold".

Both workgroups were led by our collaborators together with previously selected university students who also participated in the initiative. It was possible to prototype more than nine projects that provide innovative solutions to the problems presented. The challenge is to work on a project per subject during 2018.



DEVELOPMENT OF OFFICIALS

Two Management Coaching sessions were carried out with the objective of improving communication and collaboration among the management team, promoting a work culture between the areas.

DEVELOPMENT OF EMPLOYEES

After four years, we culminated the Leadership Development Program (PDL, Spanish acronym), specialized diploma in people management, directed at the middle management of the organization. During 2017, the last courses of the curriculum were presented: talent management,

design of profiles, interviews and induction, legal guidelines for the management of personnel and formation and development management. The PDL had the participation of 279 collaborators and included 9,516 training hours.

We also launched our Integral Development Program (PDI, Spanish acronym) to develop transversal competencies in collaborators who are not in charge of personnel. **During 2017, we held workshop sessions related to Emotional Intelligence, during which 113 employees received 5,424 hours of training.**

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DEVELOPMENT OF WORKERS

> (404-2)

For the second consecutive year, during 2017, we also developed an Integral Development Program (PDI) for our operators of the Fishmeal and Fish Oil (FMaFO), Human Consumption (HC), Omega Plants, Shipyard and Fishing.

On this occasion, we implemented the second training module: "Emotional intelligence". It consisted of four workshops: Self Awareness and Emotional Expression, Emotional Self Awareness, Emotional Cleansing, Relationship Improvement and Attitude Improvement. **The courses had the participation of 661 operators, who received 4,196 hours of training.**

The program included training in technical abilities for five positions of the Fishmeal and Fish Oil Plants

(FMaFO): Operator of evaporator plant, Operator of water treatment plant/PAMA, Operator of kitchens and presses, Operator of dryers and Operator of centrifuges. The training workshops in operating parameters had the participation of 179 operators.

On the other hand, the "Omega Crew" project continued, in which operators from the FMaFO and HC plants can enroll, in order to acquire experience and knowledge of another business unit and in this way diversify their competencies and career path opportunities.

Finally, 900 training hours were offered to the Workshop team in SMAW welding programs from 1G to 4G, 450 training hours of electrical maintenance personnel and 390 training hours of various collaborators in Microsoft Office.

DEVELOPMENT OF CREWMEMBERS

We carry out the annual update of the Crewmember Development Project based on the needs identified by the interest areas. During 2017, the training axels in safety, maintenance, fishing operations and sustainability and directive abilities were developed, achieving practically 100% of participation of the crewmembers.

The most relevant training was:

➤ **Navigational safety:** Competencies related to navigational safety were developed in accordance with the indications of the National Regulation to Prevent Collisions at Sea. Skippers, navigation captains, second skippers and crewmembers were trained, providing them with tools to manage different situation on the high sea.

⁵ Program directed at workers in order to improve the maintenance of equipment.



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➤ (404-2)

- **Safety training:** Training was provided in the safe handling of cargo, working at heights, care in warehouses and engine rooms and even and uneven fall.
- **Training for machine personnel:** Autonomous maintenance and fault analysis capacities were worked on, as well as cold systems and hydraulic systems, for the identification of common faults and possible solutions.
- **Training in the use of the TimeZero Software:** Competencies were developed in the use of the TimeZero software for onboard navigation and safety, besides the timely identification of banned areas.
- **Safety and health on board and with raw material:** Training was provided regarding the adequate habitability of vessels, care of safety and health of the raw material.
- **Second Skipper School:** We continued with the strengthening of the competencies of the Second Skippers and Navigation Captains for the

improvement of their functions and the exploitation of the technological systems of the vessel, optimizing their catches and creating awareness in carrying out fishing tasks and safe navigations.

- **Cuidamar:** We continued creating awareness in the crewmembers regarding the importance and care of the marine ecosystem and training them in techniques for the correct liberation and protection of protected species. Additionally, we included the teaching of basic knowledge regarding marine ecology, contamination and segregation.
- **We are at your service:** Leadership activities of the Skippers were carried out through the deployment of the procedure of disciplinary measures, empowering their management on board and training them in the management of people.

TALENT



ACHIEVEMENTS 2017

- Alignment with the corporate initiative "Talent Factory"
- Strengthening of the Trainee Program for the Operations area.
- 100% of our employees and workers, and 25% in the case of crewmembers, participated in the Performance Evaluation process.
- More than US\$ 288,000 invested in training and 64,789 hours of training.
- Development of young talents and their innovation capacities through "TASA NextG".
- 85% of employees, 75% of workers and 76% of crewmembers of index of work environment, which ratifies the good working environment of our organization.



CHALLENGES 2018

- Extend Trainee program and reactivate Lead your Career program (it has the objective of encouraging collaborators to assume the leadership of their professional and personal development) to core operating areas: Quality and others.
- Develop an e-learning platform that permits the optimization of the trainings and updating of the training methodologies.
- Reinforce the alignment of performance objectives.
- Strengthen the people management competency in the leaders.
- Strengthen the capacities of innovation and change management in different levels of the organization.



FAMILY

We seek to extend development opportunities to the families of our collaborators, convinced that their wellbeing also implies coexistence in an environment of healthy homes. Therefore, we are concerned to maintain a close relationship with their loved ones and provide them with training, personal development and entrepreneurship opportunities.

Since 2015, the TASA Contigo program promotes the relationship between bosses and family members of the collaborators, highlighting the importance of emotional stability. This has allowed our leaders to share spaces beyond the work space with the collaborators of the plant (FMaFO, Human Consumption and Shipyard) and their families, increasing the reliability and communication levels. In two years of development, this program has carried out 428 personalized encounters.

Through "Learn and Have Fun", we invited the children and wives of our collaborators, mainly workers, to offer them workshops on various subjects.

LEARN AND HAVE FUN - CHILDREN

During 2017, the workshop "Entrepreneurship, nutrition and savings in children" was carried

SUPPORT FOR THE COLLABORATORS AFFECTED BY THE COASTAL EL NIÑO PHENOMENON

A situational diagnosis of the housing of TASA workers (North Region) was carried out to evaluate the damages caused by the rains and huaycos during the Coastal El Niño Phenomenon. With the support of the BRECA Group, 28 checks for various amounts were delivered to the same number of collaborators so that they could rebuild their houses.

out with the objective of generating awareness regarding the importance of savings and of healthy choices in their nutrition. 506 children between 6 and 12 years old participated in this initiative.

Additionally, vocational orientation was provided through the workshop "The automobile of life", which sought to create awareness regarding how their choices and management of time, obstacles, speeds and directions influence the achievement of objectives and goals in the life of the participants. A total of 595 young people from 11th and 12th grades attended.

All the children and young people are the sons and daughters of our collaborators.

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> (401-2)

BENEFITS FOR THE COLLABORATORS*

All our collaborators have access to the obligatory legal social benefits and other additional benefits approved by our General Management.

The latter includes production bonuses and bonuses for additional works in other plants, support for training, transport, refreshments*, advance of profits and gratuities to cover health expenses, and economic support for the death of direct family members (spouse and children).

We also offer recreation, integration and entertainment activities on holidays, such as Labor Day, Fisherman's Day and the Anniversary of TASA.

LEARN AND HAVE FUN - WIVES

During 2017, activities were carried out regarding various subjects that included aspects of healthy nutrition and family economy, as well as a space for the teaching of handcrafts with the purpose of generating new business opportunities for the wives of our collaborators.

One of the subjects developed was **"Good Nutrition"**. This consisted of providing advice to the wives to prepare good lunchboxes, nutritional breakfasts and dinners, at the same time reinforcing knowledge to maintain healthy practices in the home.

The second subject was **"State of Wellbeing"**, which sought to promote good habits for the physical and mental health of the participants, providing recommendations to those attending on how to exercise, remain free of stress and with high levels of satisfaction in their daily routine.

Additionally, the workshops **"Improving the nutrition with a budget within your reach"** provided nutritional alternatives of low cost products for families.

Handcraft workshops were also offered for children's parties and Christmas motives, with the purpose of promoting a policy of savings in the decoration of family events or other activities.

A total of 1,202 wives participated, obtaining 100% of satisfaction on their part.



REPORTE
INTEGRADO
2017

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* Does not include all the collaborators.

FAMILY



ACHIEVEMENTS 2017

- 428 personalized encounters between leaders of TASA and family members of collaborators through the TASA Contigo Program.
- Strengthening of the "Learn and Have Fun" Program for children and wives of collaborators with the participation of 506 children, 595 youngsters and 1202 wives.



CHALLENGES 2018

- Restructure the TASA Contigo Program to be able to reach more employees and their families.
- Incorporate education spaces in nutrition, savings of family economy and promote psychological support in the family.

CHAPTER 5: WE BUILD A BETTER WORLD



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In TASA we are committed to leaving a positive legacy in society.

We promote a culture of continuous improvement, being increasingly competitive in the commitment to offer better marine foods and ingredients to the world. Under this vision, we focus on innovation as a priority in management and on those new ideas that allow us to generate high impact value and benefits.

For us to develop our operations, involves working in harmony with society. We feel part of an environment which has the capacities to exploit and empower the opportunities generated in the areas where we operate. We become important allies to channel those opportunities and achieve long term results that elevate the living standards of the communities and the country, to build a better world.

INNOVATION

We promote a transversal innovation culture of the organization that seeks to encourage all our collaborators to find improvements in the efficiency of our processes. We develop disruptive innovations that involve greater complexity and investment, such as Initiatives in Data Analytics and research projects, led by high performance teams. All the innovation efforts aim at elevating our operating standards, creating new solutions and products that generate value for our clients.

The following initiatives were developed during 2017:

DISRUPTIVE INNOVATION:

➤ Data Analytics:



With the support of specialists from the Massachusetts Institute of Technology (MIT), the Data Analytics project was implemented in the fishing process. This has enabled us to develop a tool to improve process quality, which will be implemented in the course of 2018.

➤ Research and development:



Favorable results of the investigation "Evaluation of the effect of the oral administration of collagen peptides of anchovy on the bone metabolism and the tissue healing mechanism in ovariectomized animals" were presented.



We continued with the development of the strategic project **"Investigate properties of the anchovy valued by the clients"**, for which we carried out tests on a pilot level and in the industrial plant. The loss of nutrients suffered by the anchovy in the fishmeal elaboration process was estimated.



We continued providing technical support to the Central Operations Management for the development of the project **"Fishmeal with a low fat content"**, obtaining favorable results on an industrial level.



We developed the "Improvement of PAMA Oil" project up to the level of laboratory tests.

¹ PAMA oil is of a lower quality and is quoted below the primary process oil.

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ALLIANCE WITH THE NATIONAL FUND OF SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT (FONDO NACIONAL DE DESARROLLO CIENTÍFICO Y TECNOLÓGICO - FONDECYT)

The idea of producing "Anchovy collagen peptides" began in the middle of the year 2012 in our Research and Development area. During the first stage of the project, which lasted two years, the main objective was to develop a product that complied with the chemical, functional and organoleptic characteristics required by the market, taking advantage of a discarded product such as anchovy scales, which were given an added value.

In a second stage, thanks to the support of CienciaActiva and in collaboration with the Universidad Peruana Cayetano Heredia, **we were able to evaluate the functionality of the product used in rodents. The results were encouraging:**

- In skin, it was observed that the consumption of collagen peptides of anchovy scales accelerates the healing process reducing the inflammation and improving the quality of the new tissue.
- In bones, the bone mass exacerbated by estrogen deficiency was significantly reversed and the elasticity and resistance necessary to maintain bone health was recovered.

Both results demonstrate the power of the daily consumption of collagen peptides of anchovy scales in the maintenance of health and provide the basis for future research. With the results, the project was closed and the contract with FONDECYT was terminated. Additionally, we had the following activities:

- Participation in the event: "R + D + i in the fishing sector" organized by CienciaActiva.
- Participation in the event: "International Entrepreneurship Week 2017" organized by the Universidad del Pacífico.
- Presentation of the results in different media of written press, radio and television.





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INCREMENTAL INNOVATION:



IMPROVEMENT PROJECTS

Focused on improving the processes of the organization, promoting teamwork and the development of new leadership capacities of our middle managers. The teams have between eight and nine months to develop the project and implement its solution, which is presented to Senior Management and evaluated according to two categories: "Orientation towards the client and stakeholders" and "Quality, efficiency and profitability". In 2017, 9 improvement projects were carried out, which represented a value of USD 1.3 million. They included the participation of 41 collaborators, who are awarded with TASA bag points.



YOUR IDEA

Program where all the collaborators have the opportunity to design and implement those innovative ideas that are aligned with the objectives of the organization. These must be replicable and have a positive cost – benefit balance. In the year 2017, the participation index increased by 20% compared with the previous year. 500 collaborators applied, who generated 477 ideas.



TOP WAVE

This is focused on creating a continuous improvement culture with the objective of increasing the efficiency of our processes to reach world class performance. This program develops Change Managers, training them with Lean Manufacturing and Six Sigma tools, led by the Lean Six Sigma Institute (LSSI). In 2017, 29 Change Managers were trained in Level II and 4 in Level I.

INNOVATION



ACHIEVEMENTS 2017

- We established alliances with the international academic sector for the development of improvement projects.
- Favorable results were presented regarding the application and functionality of collagen peptides of anchovy scales in rodents.
- The collaborators who participated in innovation initiatives (YOUR IDEA) increased by 20%.
- We provided formation to new Change Managers in Lean Manufacturing.



CHALLENGES 2018

- Initiate the digital transformation and implementation of the "Internet of Things".
- Implement new Data Analytics projects.

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ALLIES FOR DEVELOPMENT

> (103-2, 103-3)














We seek that our presence in the communities adjacent to our operations fulfills a purpose: to have a positive impact on the local development and the quality of life of their habitants, many of whom are our collaborators, their families and/or local suppliers.

Through our social **intervention axes**, we maintain a long term vision which has the goal of developing projects and initiatives:

➤ **Autosostenibles**, in which their beneficiaries have strengthened self-management capacities which allow them to assure the continuity of the initiatives in time.

- **Social Impact**, the projects demonstrate that they have contributed to positive and sustainable changes for the benefit of society.
- **Scalable and replicable**, so that our cases of success transcend from the private sector to the public sector.
- **Participative**, in which alliances are established for development that invite the work of public and private actors and of the civil society of each locality.

For us it is vital to link said projects and initiatives with the agenda of priorities of each zone where we operate and since 2015, with the Social Development Goals (SDG) of the United Nations to 2030.

Social Intervention Axes	Scope	Goals
 NUTRITION FOR DEVELOPMENT Promote the consumption of healthy, quality and easy access marine products; and lead alliances with the State which contribute to the country's nutrition.	Girls less than 5 years old / Pregnant and nursing mothers / Families / Population with malnutrition indexes	 
 VENTURES FOR ECONOMIC GROWTH Strengthen business capacities and entrepreneurs' associations through collective work mechanisms and insertion into the market and the financial system.	Unions artisanal fishermen, port stevedores / Adult men and women of the community	 
 EDUCATION AND CULTURE Strengthen educational and cultural competencies through aspects that promote sustainable development and increase the employability of the participants	Children, teens and youngsters of the community / Population in general	 
 ENVIRONMENTAL CITIZENSHIP Generate actions and changes for the development of the environmental care culture, applying innovative and creative solutions in the framework of rights and duties as citizens.	All the stakeholders of TASA	  

Source: In house

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POSITIVE RELATIONSHIPS

> (203-2, 413-1, 413-2)

In the framework of our development vision for the communities, we believe that it is crucial to propitiate and maintain a climate of trust where we operate. Therefore, we establish positive, solid and transparent relationships with our stakeholders².

On a half-yearly basis, we update and validate our tool "Mapping of impact and relationship", in order to implement social initiatives and/or informative, integrating and communication strategies with the communities of influence.

This management focus has enabled 69% of the stakeholders², during 2017, to have timely information regarding the good practices of TASA and 28% to participate actively in our activities. Finally, approximately 3% of the actors have empowered themselves and have an active and voluntary influence in public opinion regarding the good performance of TASA in their respective localities.

For us it is important for our social management tools to be designed to collect positive feedback, but also to notice the opportunities for improvement in our relationship. Hence, we have a formal mechanism to report incidents, through the direct and interpersonal communication that any citizen can maintain with our plant superintendents and administrators. They are trained and maintain an active role to channel perceptions and expectations of the communities.

During 2017, our incident monitoring system has not recorded social claims, or conflicts with the communities surrounding our operations.

² In the year 2017, TASA registered 444 stakeholders related to our communities.

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SOCIAL INVESTMENT

> (413-1 y 413-2)

During 2017, we invested more than **US\$ 1 MM in social projects and initiatives**, benefiting more than 30,000 persons throughout 12 localities. In 2017 we also developed more than 60 community relationship and volunteer activities in our areas of influence, with the participation of more than 900 collaborators. Additionally, we made donations to various social organizations and continued supporting the social work performed the APRO (Aprochicama, Aproferrol and Aproisco), dependent entities of the National Fishing Society (Sociedad Nacional de Pesquería).

Social Investment 2017

Sustainable projects³

58,000
dollars

Community relationship activities⁴

18,000
dollars

Donations

169,000
dollars

Project management with APROs⁵

891,000
dollars

Total \$1,136,000 dollars

Source: In house



³ Includes SUMAQ and Pescart Chimbote projects.

⁴ Community Relationship Plans in 12 localities

⁵ Contribution to Associations of Producers of Fishmeal and Fish Oil (Asociaciones de Productores de Harina y Aceite de Pescado - APROs).

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SUSTAINABLE PROJECTS AND INITIATIVES

> (203-2, 413-1, 413-2)

NUTRITION FOR SUSTAINABLE DEVELOPMENT: SUMAQ

The project is composed of enterprising women who were identified for their leadership capacity and good performance as users of the Juntos⁶ program.

Together with TASA, it was possible to develop an innovative product: Challwa, salty anchovy, pressed and vacuum packed, which allows the useful life of the product to be extended by up to three months without the need for refrigeration and all the nutritional benefits of the fish are conserved. In 2017, the leading women of SUMAQ began the commercialization of Challwa and closed the year with 10 points of sale, including the fair of Huanta and the market of Huamanga. As a result, 1,500 packages of Challwa were sold, equivalent to 7,500 portions of food.

Tastings were also carried out in educational institutions in the zone, obtaining a product acceptance of 80%. With this point of reference, we are proud to have contributed to the inclusion of **Challwa as a product in the technical sheet of suppliers of the Qali Warma social program in the region of Ayacucho**, directed at basic education students.

In 2017, we also participated in a business conference of Ayacucho promoted by the Chamber of Commerce and we were selected by the Regional Production Direction as a representative company in local and national fairs.

For the year 2018, we seek to consolidate the commercial offering of SUMAQ, attending the Qali Warma social program and developing new products based on other marine species.

Through SUMAQ, we contribute directly to the reduction of nutrition gaps, in accordance with SDG N° 2 (Fight Against Hunger) of the United Nations.

⁶ Social Program of the State that provides direct support to the most vulnerable populations.





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> (413-1, 413-2)

Main positive impacts of the SUMAQ project



- New product "Challwa" with a high nutritional level, easy to prepare and low cost.
- New source of income for enterprising women.
- Contributes to enhancing the diet of the Andean families and facilitate its consumption since it does not require refrigeration.

Main alliances

- Universidad Nacional Agraria La Molina.
- Organismo Nacional de Sanidad Pesquera.
- Ministerio de la Producción (Produce).
- Instituto Tecnológico de Huanta.



ENTREPRENEURSHIP FOR ECONOMIC GROWTH: PES CART CHIMBOTE

➤ (203-2, 413-1, 413-2)

As part of the “Learn and Undertake⁷” program, since the year 2015, Pescart Chimbote has trained and strengthened the business competencies of the artisanal fishermen. The project developed an innovative business model which permitted improved economic income for their partners and collaborators who commercialize hydro-biological products - to the highest standards of sanitary quality - to local restaurants, travelling fairs and by Delivery.

In 2017, the members of the Pescart Chimbote project achieved important results: The commercialization of more than 3 TN of products per month, which at the same time allowed average sales of S/ 29,000 with the objective of increasing their income as they find new competitive markets in Áncash and other regions of Peru. The members will increase their profits by 200%, increasing their average monthly income from S/ 950 to S/ 2,800.

Additionally, the micro-company was able to establish loyalty of new clients in various markets, supplying fish and marine supplies to 22 restaurants and two hospitals in Chimbote and Nuevo Chimbote and to seven fairs in five district of the Ancash region.

As the closing of the project, our company organized a round table to present the results and present the Pescart business model as an alternative to stimulate artisanal fishing. Representative authorities of the communities and the sector attended (PRODUCE, APROCHIMBOTE, Imarpe, Provincial Municipality of Santa, Chamber of Commerce, among others).

PescArt Chimbote was a finalist of the VIII Premio Corresponsables 2017, celebrated in Madrid, Spain, where more than 400 social responsibility projects of Latin America were presented.

Through Pescart, we contributed directly with the generation of formal employment and the entrepreneurship of artisanal fisherman, in accordance with SDG N° 8 (Decent work and economic growth) of the United Nations.

⁷ “Social Program of the State that provides direct support to the most vulnerable populations.



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EDUCATION AND CULTURE

> (413-1 y 413-2)

In 2017, we led projects with 36 educational institutions of our areas of influence, providing trainings and workshops to directors, professors, students and parents in environmental, nutritional and leadership aspects. These interventions are aligned with the National Curriculum of Basic Education.

Additionally, during the emergency of the Coastal El Niño Phenomenon, we established an alliance with the Ministry of Education to contribute to the children of the affected zones so that they could continue with their school activities. For this, we transported 49 prefabricated classrooms in 6 of our vessels from the Port of Callao (Callao) to the Port of Salaverry (La Libertad).

In recognition of our commitment to the education of the country, the Ministry of Education awarded us with the distinction "Allies for Education".



MORE THAN
9,000
STUDENTS

benefited with
the trainings.

MORE THAN
144
TEACHERS

integrated in committees for
the execution of activities.



ENVIRONMENTAL CITIZENSHIP: TASA EFFECT CHALLENGE
➤ (413-1 y 413-2)

For the sixth consecutive year, we carried out the Great TASA Effect Challenge, through which our collaborators assume the challenge of designing and developing an innovative solution related to the environmental problem present in their locality. For this, they establish alliances with various local actors who enable them to ensure the continuity of the initiatives.

Year after year, the program has incorporated new criteria such as innovation and sustainability, which raise the involvement and commitment of the actors of the community. This process is led by our collaborators, who in each edition seek to exceed the proposed objectives, generating a greater impact in our areas of influence.

During 2017, 100% of the plants assumed environmental challenges in the following aspects:

ENVIRONMENTAL ACHIEVEMENTS 2017

- 36 schools participated and developed sustainable environmental projects.
- 3 school bio-gardens.
- 700 plants sown and 500m2 of green areas.
- 12 ecological stations.
- 3 ecological school brigades.
- 2 parades with the participation of the community.
- 1000 cloth bags made to avoid the consumption of plastic bags.

Through the TASA Effect Challenge, we contributed directly to the development of environmentally innovative and respectful practices in accordance with SDG N° 13 (Climate Action) of the United Nations.



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TASA VOLUNTEERS "FISHING SMILES"

> (203-2, 413-1, 413-2)

In 2017, the Corporate Volunteers were resumed in Lima, with the objective of promoting a space of integration and service of our collaborators and their family members with the community. This type of actions generates pride and identification in our team.

The central activity was carried out in the "Sagrada Familia", a community composed of more than 1,400 children victims of violence and/or in a state of abandonment in Ventanilla, and summoned more than 150 collaborators of TASA. They achieved important results: painting of 4000 m2 of infrastructure, improvement of 500m2 of green areas, installation of waste collection points, trainings in environmental aspects and vocational orientation of 360 children and adolescents.

Additionally, in 2017 our plants were involved in various actions for the benefit of their communities:

- The "Inmaculada Concepción" Parish of the city of Mollendo was repaired, with the participation of more than 50 collaborators of the Matarani Plant.
- The conditions of the educational infrastructure of the Educational Institution "Miguel Grau" of Pisco were improved with the support and teamwork of the collaborators of the Pisco Norte and Pisco Sur Plants.
- A drinking water treatment pump was installed and the population was trained in health, hygiene, safety and classification aspects of solid residues in the "Santa Isabel" (Vegueta) populated center, with the participation of more than 20 collaborators from the Végueta Plant.

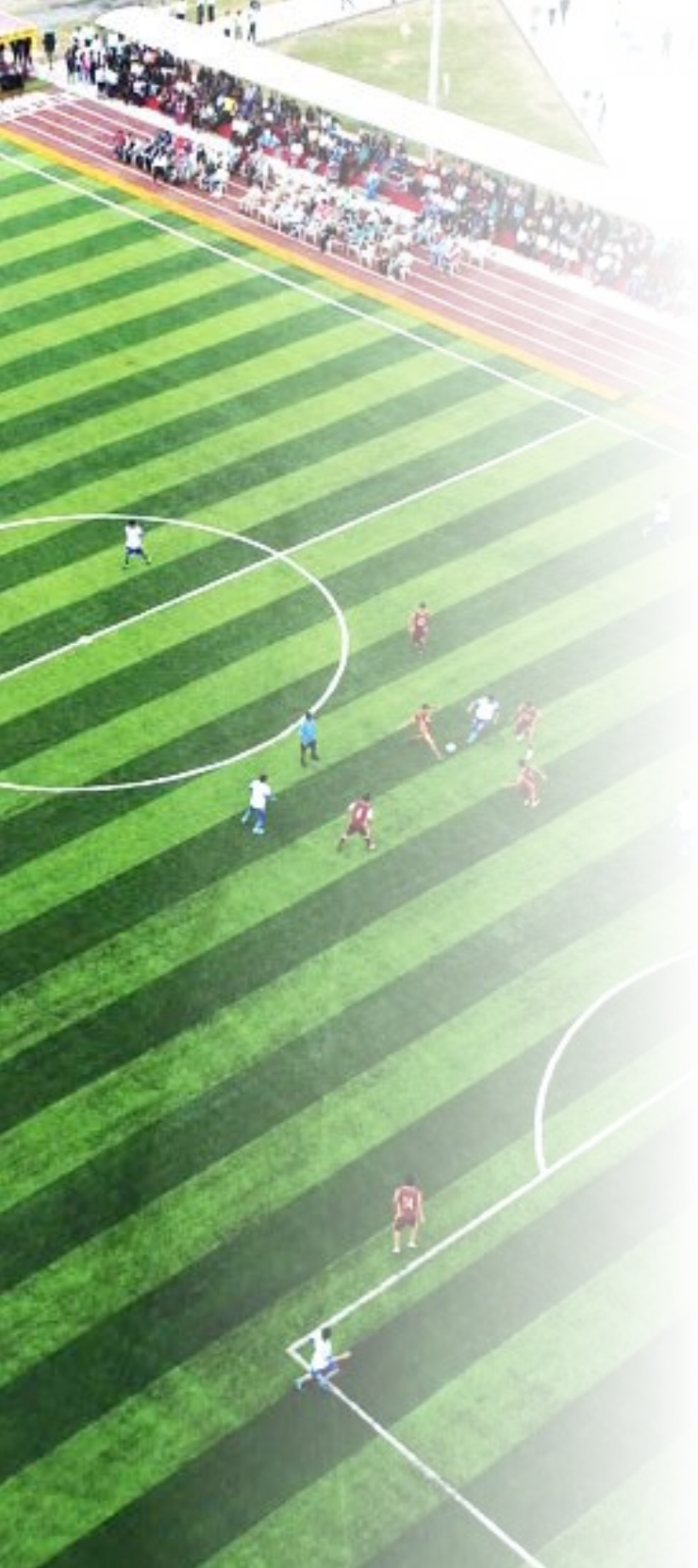
ATTENTION TO THE EMERGENCY OF THE COASTAL EL NIÑO PHENOMENON

In the summer of 2017, we supported the victims of the Coastal El Niño and activated an action plan that mobilized all of our personnel on a national level.

During the emergency, we offered our vessels to the community to establish a maritime bridge which carried out 14 trips in order to transfer the donations provided by individuals and companies, from our plant of Callao to the ports of Chimbote, Salaverry and Paita.

In total, we were able to transport more than 700 tons, including food, water, medicine, clothing, calamines, prefabricated classrooms, blankets, water tanks and other essential articles.

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WORKS FOR TAXES:
PUBLIC – PRIVATE ALLIANCE
➤ (203-1, 203-2, 413-1, 413-2)

Since 2014, we focused on the development of high impact public infrastructure projects to achieve the modernization of the localities where we operate and improve the quality of life and wellbeing of the population.

This has been possible thanks to Law N°29230, denominated Work for Taxes Law, which promotes the financing and execution of works prioritized by the Regional and Local Governments, public universities or other State entities, based on the income tax of private companies.

During 2017, we made an investment of more than S/ 3 MM for the execution of the following project:

➤ **Construction of the Sports Complex of the Inmaculada Educational Institution:** This work complied with the objective of improving the sports infrastructure of said emblematic

In 2017 we adhere to the “Alliance of companies that Finance and promote Works by Taxes (ALOXI) “ as an example of our commitment for continuing to promote work public-private in the country.

institution, which throughout its 60 years of life has represented the birthplace of great athletes of the district of Chimbote.

Additionally, in 2017 we committed the investment of more than S/ 17 MM for 2018, for the following projects:

➤ **Construction of the “Paul Harris” Municipal Coliseum:** This work will permit the recovery and the modernization of one of the main sports and cultural centers of the district of Chimbote. The land of the next coliseum has also served as a collection and refuge center in emergency situations.

➤ **Improvement of the Educational Institution Carlos Noriega Jiménez:** In consortium with Minsur and Intursa (companies of the Brecia Group) we will rehabilitate this emblematic educational center, severely affected by the Pisco earthquake of 2007.

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2017

2018

Work	Construction of the Inmaculada Educational Institution Sports Complex	Construction of the "Paul Harris" Municipal Coliseum	Improvement of the Carlos Noriega Jiménez Educational Institution
Description	<p>Ubicación: Chimbote - Santa</p> <p>Período: August - November 2017</p> <p>Componentes: sports field, bleachers, dressing rooms, equipment.</p>	<p>Ubicación: Chimbote - Santa</p> <p>Período: March - December 2018</p> <p>Componentes: infrastructure (with technological component), equipment and training.</p>	<p>Ubicación: Pisco - Ica</p> <p>Período: January - December 2018</p> <p>Componentes: infrastructure, furnishings and equipment.</p>
Investment	S/ 3.7 MM	S/ 13.7 MM	S/ 3.5 MM (24.3% of the participation in the Consortium).
Alliances	Provincial Municipality of Santa	Provincial Municipality of Santa	Regional Government of Ica.
Principales Impactos	1st WxT (Work for Taxes) in Chimbote. More than 1,700 students benefited. 0 additional expenses.	Tender with local suppliers for the design of studies. More than 19,000 persons benefited.	1st WxT in Consortium with companies of the Breca Group. More than 700 students benefited



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SUPPLIER DEVELOPMENT PROGRAM

This project has the purpose of inserting the best local suppliers into our value chain. The first stage of the project consisted of mapping the local suppliers and identifying their competencies so that they can become our strategic partners and develop continuous improvement plans.

Thanks to the progressive strengthening of the capacities of our suppliers, we have been able to reduce the attention times to our commercial requirements and we have been able to make local purchases at competitive prices, maintaining the quality in the supply of goods.

On the side of the suppliers, the progress of this program has permitted the expansion of the capacity to attend to other large companies and standardize higher quality products. In 2017, we had 688 local suppliers, 33% of the total, who invoiced US\$ 96,886, 34% of the total annual invoicing.

In that year we also expanded the project to Pisco Norte, Pisco Sur, Végueta, Supe and Malabrigo, therefore we can currently establish local contracts in all the zones where we operate, ensuring the decentralization of purchases in a responsible, ordered and programmed manner.

> (102-9, 204-1)

Total No of suppliers of goods and services⁸

2,075

Total amount paid

USD 281 MM

Total amount paid to local suppliers⁹

USD 97 MM

Source: In house

⁸ The ship owners, who are our raw material suppliers, participate in the fishing industry. Due to their importance, they are identified in a differentiated manner from the rest of the suppliers.

⁹ We have a relationship with international and national suppliers. This last group includes the local suppliers who work in the areas of direct operation.



In 2017, we also implemented a communication plan with suppliers which had the main objective of strengthening our relationship with these stakeholders and aligning them with the TASA culture through information regarding Safety, Ethics and Sustainability. For this purpose, the following activities were executed:

- **Nueva sección en nuestra página web**, with contents of interest for our suppliers.
- **Publication of the Code of Conduct and Ethics for Suppliers**, which was presented in the first annual meeting.
- **Inclusion of force messages in purchase and service orders** regarding Safety, Ethics, Sustainability and Quality.
- **TASA Guardian**: these are plant collaborators who watch over the compliance of our policies and good practices.
- **Improvement of the signposting in plants**, to provide better orientation in our facilities.
- **Publication of TASA Compass**, with important information that helps our suppliers to find their way within our facilities.
- **Holding of Annual Meeting of Suppliers** which congregated our 100 most important suppliers with whom we shared useful information related to Logistics, Finance, Safety and the Environment, Legal, Audit, Communications and Sustainable Development and where the suppliers with the best Service Quality were recognized.

ALLIES FOR DEVELOPMENT



LOGROS 2017

- Updating of the methodology "Mapping of Impact and Relationship".
- 100% of plants executed sustainable environmental projects.
- Challwa (salted – pressed anchovy) was included in the technical sheet of the Qali Warma social program.
- The following Work for Taxes project was completed: "Sports Complex of the Inmaculada Educational Institution".
- The development program of local suppliers was extended on a national level.
- More than 30,000 beneficiaries were impacted in more than 60 community relationship and volunteer activities in our area of influence.



DESAFÍOS 2018

- To maintain the indicator of positive relationships with our stakeholders.
- To consolidate the participation of SUMAQ in the Qali Warma social program.
- To strengthen the corporate volunteer program "Fishing Smiles".
- To design a new WxT project portfolio aligned with the demands of our areas of influence.
- To consolidate the relationship and development plan with suppliers.
- To develop a pilot project of social innovation.

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THE TEN PRINCIPLES OF THE GLOBAL COMPACT

> (102-12)

In TASA we are committed to the ten principles of the Global Compact of the United Nations, to which we have adhered since 2009.

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights, within their scope of influence.

We have not reported any incident related to the violation of human rights in our business units nor in the communities where we operate. For this purpose, we have a Code of Conduct and Ethics which describes the way in which we work and behave. Its content is the reflection of our values and summarizes the fundamental beliefs of our company, incorporating the guidelines of the Grupo BRECA.

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses.

We ensure the strict compliance of the Code of Conduct and Ethics through our Audit Management. This Code is known by all of our collaborators thanks to the periodic talks which we carry out. Furthermore, in 2017, the Code of Conduct and Ethics for suppliers was launched, which establishes the fundamental aspects for their correct behavior and performance. With this advance, we seek to ensure ethical management along the entire length of our value chain.

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

We continue to maintain cordial relations and constant communication with each of our union organizations. In 2017 all collective bargaining was concluded by direct dealing.

PRINCIPLE 4

Businesses should uphold the elimination of all forms of forced and compulsory labor.

In strict compliance with articles 23 and 24 of the Political Constitution and the ILO Agreements 29 (art.1) and 105 (art. 1), none of our collaborators is forced to carry out work without his consent and without due retribution. Likewise, the contracts with our suppliers include the "Declarations" clause, which establishes that they will neither use nor sponsor forced labor.

PRINCIPLE 5

Businesses should uphold the effective abolition of child labor.

We adhere to the Business Commitment for the Prevention and Eradication of Child Labor, an initiative that promotes action plans directed at the stakeholders to contribute to prevent and eradicate child labor and in which the Global Compact Network in Peru participates. In this framework, we have an employment policy that regulates the exclusive hiring of adults, in accordance with the provisions of Decree Law N° 26102. Likewise, the contracts with our suppliers include the "Declarations" clause, which establishes that they will neither use nor sponsor child labor.

PRINCIPLE 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Our Code of Conduct and Ethics makes explicit our commitment with regard to cultural plurality and diversity, as well as the promotion of an inclusive environment, free of discrimination, intimidation and harassment. Likewise, the contracts with our providers include the "Declarations" clause, which establishes that they will neither use nor sponsor any kind of discriminatory practices.

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> (102-12)

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

We have an Environmental Management System, certified by the ISO 14001 standard in our 12 fishmeal and fish oil plants, the frozen plant, shipyard and the main office. We thereby ensure operational controls in order to reduce and mitigate any impact generated on the marine environment and ecosystem.

As a result of our good environmental performance, all of the inspections carried out by the environmental authority OEFA on the units of TASA during 2017 have concluded satisfactorily.

Additionally, we recognize the importance of the sustainability of the fishing resource as the wealth and inheritance of the present and future generation, therefore, hand in hand with our crewmembers we carry out good fishing sustainability practices. Thanks to this program, we contribute directly to SDG N° 14: Life Below Water; we are aligned with the AICHI Biodiversity Targets; and we form part of the "Biodiversity and Companies" initiative of the Ministry of the Environment of Peru.

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

We operate in harmony with the environment and seek that our stakeholders do the same, promoting a culture of care and prevention through training and workshops in good environmental practices.

PRINCIPLE 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

We test and apply clean technologies for production in all of the business units, as a result of research oriented towards mitigating the environmental impact. An example of this is the gradual change of our FAQ drying process (direct fire drying) to the Steam Dried system (indirect steam drying) in our plants. Furthermore, two of them operate with natural gas, which has enabled us to reduce our CO2 emissions.

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Our Code of Conduct and Ethics establishes a series of standards for fighting against corruption in all of its forms. During 2017, we implemented the Compliance Model, in order to comply strictly with Law N° 30424 "Administrative Liability of Legal Entities", by means of which we formalized our policy of "zero tolerance" towards acts of corruption, money laundering and financing of terrorism.

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INDEX OF CONTENTS GRI



GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 101: FUNDAMENTALS 2016 (GRI 101 DOES NOT INCLUDE ANY CONTENT)					
GRI 102: General Disclosures 2016	GENERAL DISCLOSURES 2016				
	102-1 Name of the organization			Title page	
	102-2 Activities, brands, products and services			6, 8	
	102-3 Location of headquarters			6	
	102-4 Location of operations			9	
	102-5 Ownership and legal form			5, 6	
	102-6 Markets served			10	
	102-7 Scale of the organization			8, 9, 28, 29, 31 -38, 40, 41, 71	
	102-8 Information on employees and other workers			71, 72	
	102-9 Supply Chain			101	
	102-10 Significant changes in the organization and its supply chain			There have been no significant changes in the size, structure and supply chain of TASA.	
	102-11 Precautionary principle or approach			15, 54	
	102-12 External Initiatives			5, 105, 106	
	102-13 Membership of associations			5	
	102-14 Statement from senior decision-makers			2, 3	
	102-16 Values, principles, standards and norms of behavior			7, 11	
	102-18 Governance structure			11, 12, 13	
	102-40 List of stakeholder groups			16	
	102-41 Collective bargaining agreements			72	
	102-42 Identifying and selecting stakeholders			16	
	102-43 Approach to stakeholder engagement			16, 18	
	102-44 Key topics and concerns raised			19	
	102-45 Entities included in the consolidated financial statements			Los estados financieros consolidados solo incluyen a Tecnológica de Alimentos S.A. (TASA).	
	102-46 Defining report content and topic Boundaries			19 - 21	
	102-47 List of material topics			21	



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GRI 102: Contenidos Generales 2016	102-48 Restatements of information			There are no restatements of information with regard to the previous sustainability report.	
	102-49 Changes in reporting			In comparison with the 2016 Integrated Report, there were no significant changes with regard to the period of the report and to the list of the material topics and the coverage thereof.	
	102-50 Reporting Period			2017	
	102-51 Date of Report			2016	
	102-52 Reporting cycle			Anual	
	102-53 Contact point for questions regarding the report			Wendy Rojas Assistant Manager of Sustainable Development and Communications wrojas@tasa.com.pe	
	102-54 Claims of reporting in accordance with the GRI Standards			This report has been prepared in accordance with the GRI Standards: Core option	
	102-55 GRI Content Index			107 - 115	
	102-56 External assurance			The 2017 Integrated Report does not have external assurance.	
SPECIFIC CONTENTS 2016					
ECONOMIC PERFORMANCE 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			34	
	103-3: Evaluation of the management approach			34	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		Goal 10: Reduce inequality within and among countries	42	
	201-2 Financial implications and other risks and opportunities due to climate change.		Goal 13: Take urgent action to combat climate change and its impacts.	45	
MARKET PRESENCE 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			72	
	103-3: Evaluation of the management approach			72	

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GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Goal 10: Reduce inequality within and among countries	72	
INDIRECT ECONOMIC IMPACTS 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			90	
	103-3: Evaluation of the management approach			90	
GRI 203: Market presence 2016	203-1: Infrastructure investments and services supported		Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	30, 99	
	203-2: Significant indirect economic impacts		Goal 1: End poverty in all its forms everywhere	93, 94, 98, 99	
PROCUREMENT PRACTICES 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			101	
	103-3: Evaluation of the management approach			101	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers		Goal 10: Reduce inequality within and among countries	101	
ENERGY 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			54	
	103-3: Evaluation of the management approach			54	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Principles 7, 8 and 9	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	56	
WATER 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			54	
	103-3: Evaluation of the management approach			54	
GRI 303: Water 2016	303-1 Water withdrawal by source		Goal 6: Ensure availability and sustainable management of water and sanitation for all	58	
BIODIVERSITY 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundary			20 - 22	
	103-2: The management approach and its components			47 - 49, 54	
	103-3: Evaluation of the management approach	Principles 7, 8 and 9		47 - 49, 54	

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GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	48 It is important to add, that our Environmental Management System, certified by ISO 14001, enables us to care for and preserve the protected areas and areas of high biodiversity value outside protected area, such as the bays of Paracas (Ica), Samanco, Végueta (Lima), Atico (Arequipa) and Ilo (Moquegua).	
	304-2 Significant impacts of activities, products and services on biodiversity	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	47	
	304-3 Habitats protected or restored	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	47	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	48, 49	
EMISSIONS 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			54	
	103-3: Evaluation of the management approach			54	
GRI 305: Emissions 2016	305-1 Energy direct (Scope 1) GHG emissions	Principles 7, 8 and 9	Goal 12: Ensure sustainable consumption and production patterns	57	
	305-2 Energy indirect (Scope 2) GHG emissions	Principles 7, 8 and 9	Goal 12: Ensure sustainable consumption and production patterns	57	
EFFLUENTS 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			54	
	103-3: Evaluation of the management approach			54	

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GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 306: Efluentes 2016	306-1 Water discharge by quality and destination	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	55	
	306-2 Waste by type and disposal method	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	55, 58	
	306-3 Significant spills	Principles 7, 8 and 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	No significant spills were reported	
ENVIRONMENTAL COMPLIANCE 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			54	
	103-3: Evaluation of the management approach			54	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Principles 7, 8 and 9	Goal 12: Ensure sustainable consumption and production patterns	54	
EMPLOYMENT 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			65	
	103-3: Evaluation of the management approach			65	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover			71, 73	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	82	
OCCUPATIONAL HEALTH AND SAFETY 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			66	
	103-3: Evaluation of the management approach			66	

GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 403: Occupational Health and Safety 2016	403-1 Workers' representation in formal joint management-worker health and safety committees		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	69	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	68, 69	
	403-3 Workers with high incidence or high risk of diseases related to their occupation		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	69	
	403-4 Health and safety topics covered in formal agreements with trade unions		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	With regard to collective agreements, we comply with said agreements in matters of health and safety: <ul style="list-style-type: none"> • Adequate conditions for work, health and safety standards of equipment and of human life at sea. • Use of uniforms and safety protection equipment. • Participation of workers' representatives in the inspections, audits and investigations of accidents related to safety and health. • Training. • Internal research procedures. • Periodic inspections. • Occupational Health and Safety Committees. 	
TRAINING AND EDUCATION 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			73, 76	
	103-3: Evaluation of the management approach			73, 76	

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GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee			76	
	404-2 Programs for upgrading employee skills and transition assistance programs		Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	77 - 79	
	404-3 Percentage of employees receiving regular performance and career development reviews		Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	75	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 103: Management approach 2016	103-1: Explanation of material topic and its boundary			20 - 22	
	103-2: The management approach and its components			14, 72	
	103-3: Evaluation of the management approach			14, 72	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	14 - 72 We have a specific Code of Conduct for suppliers which promotes conduct for the protection of human rights, such as the eradication of child labor, prohibition of forced labor, promotion of diversity and inclusion and fair treatment.	
CHILD LABOR 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			14 - 72	
	103-3: Evaluation of the management approach			14 - 72	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	14 - 72 We have a specific Code of Conduct for suppliers which promotes conduct for the protection of human rights, such as the eradication of child labor, prohibition of forced labor, promotion of diversity and inclusion and fair treatment.	
FORCED OR COMPULSORY LABOR 2016					
GRI 103: Management approach 2016	103-1: Explanation of material topic and its boundary			20 - 22	
	103-2: The management approach and its components			14, 72	
	103-3: Evaluation of the management approach			14, 72	

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GRI STANDARDS	CONTENTS	GLOBAL COMPACT	SDGS	PAGE NUMBERS	OMISSION
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	14 - 72 We have a specific Code of Conduct for suppliers which promotes conduct for the protection of human rights, such as the eradication of child labor, prohibition of forced labor, promotion of diversity and inclusion and fair treatment.	
LOCAL COMMUNITIES 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			90	
	103-3: Evaluation of the management approach			90	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Principles 1 and 2	Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	92 - 99	
	413-2 Operations with significant actual and potential negative impacts on local communities	Principles 1 and 2	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	92 - 99	
CUSTOMER HEALTH AND SAFETY 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			60	
	103-3: Evaluation of the management approach			60	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Goal 3: Ensure healthy lives and promote well-being for all at all ages	62	
MARKETING AND LABELING 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary			20 - 22	
	103-2: The management approach and its components			60	
	103-3: Evaluation of the management approach			60	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling			62	

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DECLARATION OF RESPONSIBILITY

This document contains reliable and sufficient information regarding the development of the business of TASA during the year 2017. Without prejudice to the responsibility of the issuer, the signatories are responsible for its contents in conformity with the applicable legal provisions.

Lima, april 11, 2018


Mario Brescia Moreyra
Chairman of the Board


Gonzalo De Romaña Rey de Castro
General Manager

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INDEPENDENT AUDITOR'S REPORT

> (102-45)

TO THE SHAREHOLDERS AND DIRECTORS OF TECNOLÓGICA DE ALIMENTOS S.A.

We have audited the accompanying financial statements of Tecnológica de Alimentos S.A. (subsidiary of Inversiones Breca S.A.), comprising the statements of financial position at December 31, 2017 and 2016, and the corresponding statements of income, of comprehensive results, of changes in net equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing approved for application in Peru by the Board of Deans of Institutes of Peruvian Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tecnológica de Alimentos S.A. at December 31, 2017 and 2016, its financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Lima, Perú, February 16, 2018
 Countersigned by:

Daniel Carpio
 C.P.C.C. Registration No. 24098

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- 2 ECONOMIC ENVIRONMENT
- 3 WE ENSURE A SUSTAINABLE VALUE CHAIN
- 4 WE DEVELOP OUR PEOPLE
- 5 WE BUILD A BETTER WORLD
- 6 ANNEXES

STATEMENT OF FINANCIAL POSITION

At December 31, 2017 and 2016

ASSETS	NOTE	2017 USD(000)	2016 USD(000)
CURRENT ASSETS			
Cash and cash equivalents	7	7,064	13,604
Trade and other receivables, net	8	17,556	37,577
Inventories, net	9	34,300	131,612
Fiscal credit for VAT	28(d)	5,921	18,170
Income tax and prepaid expenses	10	15,619	9,199
Assets classified as available for sale		–	1,261
		80,460	211,423
NON-CURRENT ASSETS			
Trade and other receivables, net	8	2,427	3,119
Investments in subsidiaries	11	7,526	1,522
Property, vessels, plant and equipment, net	12	438,235	452,890
Fishing permits and production licenses	13	243,405	243,405
Investment properties		2,369	2,395
Goodwill		3,424	3,424
Other investments		2,856	2,859
		700,242	709,614
TOTAL ASSETS		780,702	921,037

LIABILITIES AND NET EQUITY	NOTE	2017 USD(000)	2016 USD(000)
CURRENT LIABILITIES			
Short-term bank loans	14	25,001	90,000
Trade and other payables	15	39,840	66,531
Long-term borrowings	16	39,332	38,087
Provisions for contingencies	18	6,411	7,151
Workers' profit sharing		1,535	2,853
Other liabilities		192	32
		112,311	204,654
NON-CURRENT LIABILITIES			
Long-term borrowings	16	127,003	141,336
Net liability for deferred income tax	17	83,318	87,723
		210,321	229,059
TOTAL LIABILITIES		322,632	433,713
NET EQUITY	19		
Issued capital		289,098	289,098
Investment shares		1,540	1,540
Legal Reserve		37,868	37,868
Unrealized net results from financial derivative hedging instruments		–	(23)
Effect of conversion of investment in subsidiary		(1,209)	(34)
Retained earnings		130,773	158,875
Total net equity		458,070	487,324
TOTAL LIABILITIES AND NET EQUITY		780,702	921,037

STATEMENT OF INCOME

For the years ended December 31, 2017 and 2016.

	NOTE	2017 USD(000)	2016 USD(000)
Net sales	20	470,059	321,448
Cost of sales	21	(413,012)	(264,439)
Gross profit		57,047	57,009
Operating expenses			
Administration expenses	22	(20,206)	(17,843)
Commercialization and distribution expenses	23	(31,057)	(20,514)
Other income	25	12,458	14,500
Other expenses	25	(24,635)	(27,833)
Total operating expenses		(63,440)	(51,690)
Operating (loss) profit		(6,393)	(5,319)
Other Income (Expenses)			
Finance income		419	610
Finance costs	26	(9,135)	(10,085)
Participation in results of subsidiary	11(b)	(286)	(113)
Gain (loss), net from exchange difference	6	(2,473)	1,369
Total other expenses, net		(11,475)	(8,219)
Loss before income tax		(17,868)	(2,900)
Income tax	17(b)	5,520	(15,921)
NET LOSS		(12,348)	(18,821)

STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2017 and 2016.

	NOTE	2017 USD(000)	2016 USD(000)
NET LOSS			
Other comprehensive results to be reclassified to results in subsequent periods		(12,348)	(18,821)
Unrealized net results from financial derivative hedging instruments		32	110
Effect of conversion in investment in subsidiary	11(b)	53	(34)
Deferred income tax		(9)	(31)
Other comprehensive results to be reclassified to results in subsequent periods, net of income tax		76	45
Total comprehensive result		(12,272)	(18,776)

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**ECO-EFFICIENCY,
INNOVATION AND
SUSTAINABILITY**

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