

2020



Sustainability Report





OUR COMPANY

BLUMAR S.A.

Tax Identification Number: 80.860.400-0

PARENT COMPANY

Magdalena 181, Office 1301 South, Las Condes, Santiago
Metropolitan Region
Telephone: (2) 27825445

TALCAHUANO INDUSTRIAL PLANT

Colón Avenue N° 2400, Talcahuano
Biobío Region
Telephone: (41) 2269400

PESQUERA BAHÍA CALDERA

Las Industrias Avenue N°1190, Caldera
Atacama Region
Telephone: (52) 2315380

SALMONES BLUMAR

Juan Soler Manfredini Avenue N° 11, Office 102
Torre Plaza Building, Puerto Montt
Los Lagos Region
Telephone: (65) 2584900

PACIFICBLU SpA

Gran Bretaña Avenue 955, Talcahuano
Biobío Region
Telephone: (41) 2508400

SALMONES BLUMAR MAGALLANES SpA

Lautaro Navarro 850, Punta Arenas
Magallanes Region and Chilean Antarctica
Telephone: (61) 2256000

CONTACT

Email:
info@blumar.com
sales@blumar.com
inversiones@blumar.com
sostenibilidad@blumar.com
buen.vecino@blumar.com

WEBSITE

www.blumar.com

SOCIAL MEDIA

Blumar Seafoods



For more information on this Report,
please contact Felipe Hormazábal, Head of
Sustainability and Labor Relations for Blumar, at
Felipe.hormazabal@blumar.com

ABOUT THIS REPORT

In this Fifth Sustainability Report, we present our environmental, social, and economic governance (ESG), focusing on topics of major relevance for Blumar and its stakeholders.

The Report was developed along the guidelines of the GRI (Global Reporting Initiative) Standards, in accordance with the "Core" option, and complies with UN Global Compact requirements, and therefore for all purposes is presented as a Communication on Progress (CoP). The GRI Content Index defines the Sustainable Development Goals and Global Compact Principles that are related to the company's performance. In addition, indications for industry materiality analysis, proposed by the Sustainability Accounting Standards Board (SASB), were considered.

The Report presents the company's advances and results regarding sustainability from January 1 to December 31, 2020. The financial information considers results from Blumar S.A., while the non-financial

information includes the performance of Blumar S.A., Salmenes Blumar S.A., Pesquera Bahía Caldera S.A. and Salmenes Blumar Magallanes SpA. Non-financial information from subsidiary PacificBlu S.A. is not included.

This Report did not undergo an external audit. Nevertheless, the external audit from Deloitte verified the sanitary, social and environmental indicators of the 2020 GSI (Global Salmon Initiative) Sustainability Report. These are used to measure use of antibiotics, use of antiparasitics, lethal actions, fish escapes, mortality, non-medical methods and regulatory compliance.

How to read this report

The company's Salmon and Fishing business divisions are published separately in this report. Therefore, to identify the origin of the information, icons will be displayed that facilitate reading and make it possible to associate this information with its respective division:



FISHING



SALMON



RES



INFORMACIONES



IMPORTANTE



INFORMACIONES



INFORMACIONES



COMITES DEL DIRECTORIO



PERSONAS POR GÉNERO



PERSONAS POR NACIONALIDAD



PERSONAS POR RANGO DE EDAD



PERSONAS POR RANGO DE EDAD

Iconography used in this Report:



Frozen Jack Mackerel for human consumption



Fish Oil for animal feed production and human consumption



Fishmeal for animal feed production



Blumar Fleet



Atlantic Salmon



Farming Centers



Processing Plants



Fish Farming

Another relevant point to understand the structure and contents of this report are Blumar's sustainability pillars:



EFFICIENCY AND CREATION OF VALUE



RELATIONSHIPS OF TRUST AND COLLABORATION



INNOVATION AND ADAPTABILITY



ENVIRONMENTAL COMMITMENT

Finally, and in light of the importance of 2020 material topics for structuring the contents of this Report, the following icon will be included for the reader when presenting elements concerning material topics:



Goal monitoring for our material topics will be categorized as achieved, in progress, and not achieved.



Achieved



In Progress



Not achieved

OUR HISTORY

The history of Blumar dates back to the late 1940s, with the emergence of the fishing company Itata, and later in the early 1960s with the creation of the fishing company El Golfo Stengel y Compañía Limitada.

In the 80s, El Golfo Stengel y Compañía was purchased by Hugo Yaconi, Mario Vinagre, Ernesto Noguera, Manuel and Jaime Santa Cruz and Itata.

The 90s marked a radical change in business management. Itata went public on the Santiago Stock Exchange and took over Pesquera Atacama S.A. El Golfo created Tripesca and entered the domestic retail distribution business with the company El Golfo Comercial.

In 2000, Itata inaugurated its frozen Jack mackerel plant and merged with Pesquera Confish S.A. Furthermore, El Golfo and Itata acquired two thirds of Pesquera Qurbosa S.A.

In 2004, Itata merged with Playa Blanca and formed Pesquera Bahía Caldera in the Atacama Region of Chile.

In 2006, a major change for both companies occurred with their entry into aquaculture: first in mussel farming and processing, and later salmon.

Finally, in 2011, due to a significant decrease in catch quotas, both companies decided to merge under the name Blumar, integrating the operations of both companies in the search for new challenges and markets.

BEGINNINGS OF BLUMAR

2011

- Itata and El Golfo merger gives rise to Blumar.

2012

- Inauguration of US commercial office.

2013

- Blumar and three other salmon companies develop a commercial vehicle to boost sales in the Chinese market, creating the brand New World Currents.

2014

- Blumar starts a joint hake fishing and processing operation with Pesquera Biobío.
- Purchase of salmon farming concessions in the Magallanes Region.

2015

- Merger of Frigorífico Blumar SpA and Frigorífico Pacífico SpA.

2016

- Approval and launch of the company's Sustainability Strategy.
- Sale of 50% of Blumar USA to Ventisqueros in order to market and distribute salmon in a joint US operation.
- Blumar obtains the ProPyme (small and medium enterprise) seal for the Fishing division.

2017

- The First Sustainability Report is published according to international GRI standards (Global Reporting Initiative).
- Salmones Blumar obtains the ProPyme seal.
- Salmones Blumar Magallanes: salmon farming and sales operations begin in the Magallanes Region.
- PacificBlu: merger of Pesca Fina SpA aimed at white fish production and commercialization.

2018

- Salmones Blumar Magallanes: sowing of 3.4 million smolt¹.
- Purchase of 40% of Pesquera Bahía Caldera.
- Construction starts on salmon processing plant in Punta Arenas.
- Midhurst becomes the first Atlantic Salmon farming center in the Aysén Region to not use antibiotics.
- Blumar becomes the first salmon company in Chile to join the UN Global Compact.

2019

- Purchase of Salmones IceVal, thus adding five seawater concessions in the Aysén Region.
- Entrevientos: Salmones Blumar Magallanes and Multiexport partner to jointly operate a salmon processing plant in the Magallanes Region.
- Salmones Blumar Magallanes: first salmon harvest in the Magallanes Region.
- Quantification of greenhouse gas emissions for the entire Fishing division.

2020

- Capital increase of \$40 million USD.
- Entrevientos: processing plant operations begin.
- The HuellaChile Quantification seal is obtained for all plants, including the fleet and artisanal operations, and the Reduction seal was obtained for the San Vicente fishmeal plant.
- Sustainability-Linked Loan from Rabobank.
- Salmones Blumar Magallanes: enters the harvest cycle with 23.4 tons wfe².

¹ Smolts : Juvenile salmon at the stage when they migrate from freshwater to the sea.

² Whole Fish Equivalent: unit of measure corresponding to the weight of the whole bled salmon.

BLUMAR AT A GLANCE



Major numbers



Efficiency and creation of value

Total revenue **463.716** million USD

- Fishing: **200.081** million USD
- Salmon: **263.635** million USD

73% local suppliers



Innovation and adaptability

31% reduction in antibiotics use since 2017

6 salmon farming centers with ASC certification



Environmental Commitment

% of recycled waste of total recycled waste by division:

- Fishing: **33.9%**
- Salmon: **44.5%**

% of reduction of emission intensity per produced ton:

- Fishing: **17%**
- Salmon: **49%**



Relationships of trust and collaboration

2,170 employees

29% women

31,507 training hours

345 million USD of social investment

5,676 beneficiaries of community work



55

aquaculture concessions



37

centers in use during 2020



8

operating vessels



4

fishmeal plants



6

processing plants for human consumption



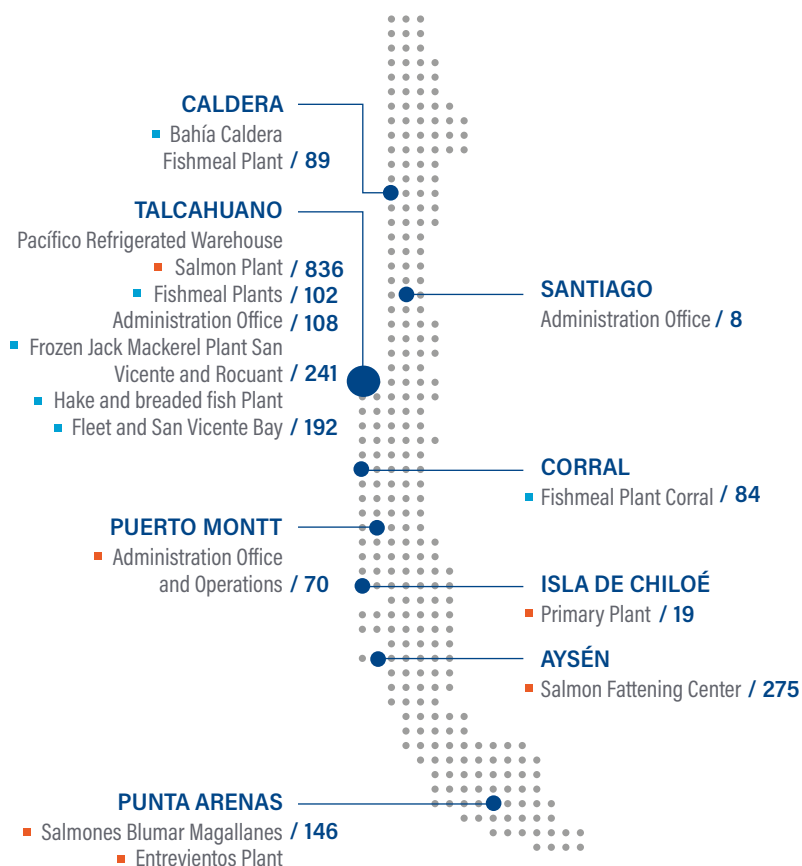
3

refrigerated warehouses

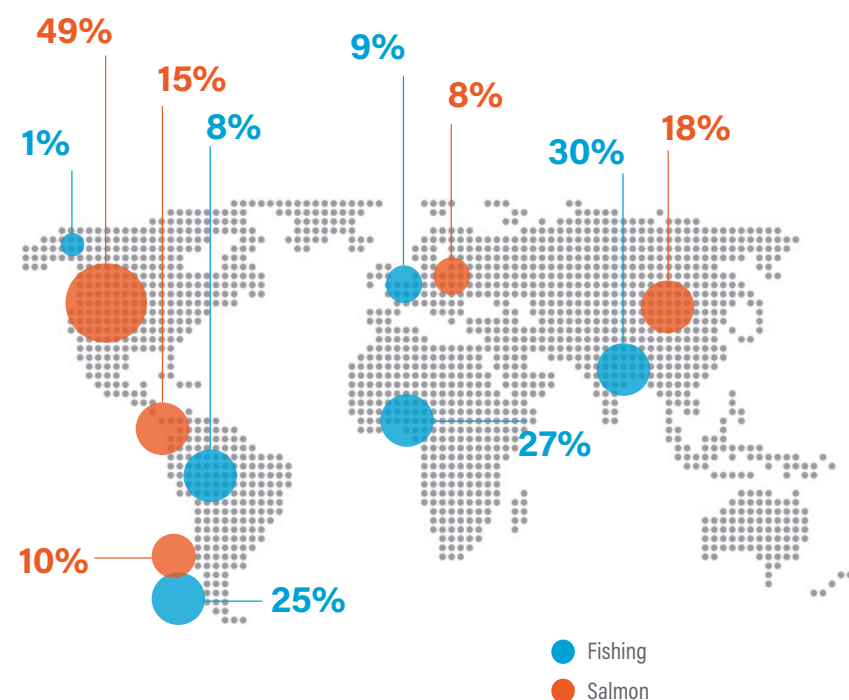
World-class Chilean holding dedicated to fishing and aquaculture

The combination of both businesses provides a natural hedge, which grants greater stability to the company's capital flows compared to pure players relying on salmon.

Blumar's nationwide personnel / 2,170



Revenue distribution 2020 by destination Blumar S.A. (% in USD)



Certifications



Message from the Chairman



The presentation of our Fifth Sustainability Report comes in the midst of a period of unprecedented challenges. It has been a time in which people, companies and the whole world has had to find new ways of connecting, working and doing business. But it is in times of adversity that the fundamental values and principles of individuals and companies are put to the test.

Throughout 2020, our priority was to ensure the safety, health and job stability of all our employees, suppliers and contractors in order to maintain operational continuity. The process has not been easy, but we have managed to navigate this period thanks to the determination, creativity, flexibility and willingness of our team. Therefore, I would like to thank everyone for their effort and their commitment, without which we would not have been able to push through.

When the COVID-19 pandemic was declared, we rapidly activated a strategy to respond to it, focusing on establishing actions to control and prevent infections in our operations. To achieve this, we implemented numerous measures that remain in place to this day.

All of this forced us to change the way we operate, because due to the health protocols established by the authority, we faced disruptions in the production process and logistics chain. Our expenses increased; however, we managed to maintain stable and safe operations during the months with the greatest restrictions on mobility.

Blumar's vision is to be an industry leader, maximizing value creation for our shareholders through sustainable resource management, environmental care, and providing value to all our stakeholders.

One of our fundamental values is honesty, which is reflected in the upright and straightforward way we do business, caring for resources and respecting the values to which we are committed. This is the hallmark for which we want to be recognized.

Within this framework, our strategy is based on four pillars: Efficiency and Creation of Value, to manage the quality and safety of our products and the efficient use of resources. Relationships of Trust and Collaboration, to promote participation and dialogue with our stakeholders. Innovation and Adaptability, to maintain our competitive position, and Environmental Commitment, which represents our decision to responsibly manage natural

resources, along with working on initiatives to minimize our environmental impact.

Considering that we have been a member of UN Global Compact Network Chile since 2018, we have an ongoing commitment to make progress regarding the Sustainable Development Goals (SDGs) that apply to our business. Therefore, in this Report, we provide an account on the progress made through our initiatives and reaffirm our commitment to the SDGs.

We can also proudly share with you the 2020 State of Fisheries Report, recently issued by the Undersecretary of Fisheries, which states that out of a total of 17 fisheries in which the industrial sector participates, eight are in full exploitation or are under-exploited, and half of the remaining fisheries have a higher biomass compared to 2013, when the General Fisheries and Aquaculture Law was enacted. It has been a long and difficult process, but we are starting to see results.

On the other hand, and as is public knowledge, on June 27th our Caicura farming center in the Los Lagos Region sank, due a storm involving the strong Puelche wind and unusual sea currents. Security and contingency protocols were quickly activated, allowing for efficient preventive evacuation of our staff by sea. Immediately after the incident began, the company gave notice to all the required authorities - the Chilean Navy, the National Fisheries Service and the Superintendency of the Environment - who received records of the incident and have supervised our work. Also, through a robust communication plan, we have maintained ongoing contact and dialogue with the various stakeholders.

Another important milestone of the period was the successful capital increase process of the company, following the subscription and payment of 99.95% of the issued shares, raising \$40.24 million USD. I would also like to highlight that we signed a contract for reprogramming financial liabilities and the granting of new financing for a total sum of up to \$300 million USD with Rabobank U.A., Banco de Crédito e Inversiones, Banco Santander-Chile, Banco Security and DNB Bank ASA. The aforementioned reprogramming of liabilities, as well as the financing, are referred to as "sustainability linked loan," through which Blumar adheres to the principles of sustainability and commits to making its best efforts to meet sustainable obligations and indicators throughout the duration of the financing.

Regarding our management of corporate governance, the average session attendance rate of members of the Board of Directors reached 99% in 2020. In addition, the change of the names of some Board Committees and the creation of new ones was approved during the period: The Directors Committee incorporates the topics of Risk and Audit; the Corporate Governance Committee merges with the Ethics Committee and is renamed to the Committee on Corporate Affairs Ethics and Sustainability; and the Strategy Committee is created, among other changes. Along with the above, and as part of the integration of sustainability management, we are working on building a climate change strategy, a process that began with a Board training during the first quarter of 2021.

Considering the facts mentioned above, I conclude by thanking our workers, shareholders, suppliers, customers and contractors for their trust. I especially highlight the effort and excellent work done by our entire team during this complex year. I am proud to be part of this company because of the way we face our challenges. I believe today more than ever, that Blumar is in a position to overcome any obstacle, however difficult it may be.



CHAIRMAN
RODRIGO SARQUIS SAID

Letter from the Chief Executive Officer

Our Fifth Sustainability Report comes in a highly challenging year, both globally and locally, which more than ever required a rigorous and responsible approach to our work. Without a doubt, the year 2020 was defined by the COVID-19 pandemic, which profoundly transformed the way we connect and had a global impact on people and the economy. For Blumar, this was a period in which we were able to demonstrate our capacity to adapt and be flexible, which helped us make progress during the crisis.

I would like to thank our workers and contractors in particular, because without their commitment and effort, we would not have been able to maintain operational continuity. Since the onset of this health crisis, our priority has been human health and safety, which was reflected in the establishment of a series of protocols and innovations aimed at preventing infections in our facilities. One of the technologies we implemented was Corona Tracer, a proximity sensor device provided to our employees that allows, on the one hand, to identify close contacts and, on the other, to develop preventive strategies and mitigation plans in the event of a suspected COVID case. Blumar was a pioneer in the Biobío Region and the first salmon company to use this device. Other notable measures included the recruitment of paramedics and risk prevention experts to support the implementation of emergency protocols, as well as the activation of a call center to clarify questions from our employees, suppliers and contractors. In addition, we maximized the sanitization procedures of our infrastructure and we worked on education to prevent infections. We also provided protective and sanitizing equipment, temperature checks at the entrance to the facilities and follow-up by our health personnel. Furthermore, we implemented special private transfers of our employees and moved administrative employees and high-risk staff into remote working mode.

All of the above was part of the company's robust

prevention and mitigation plan. The total investment for this purpose, approximately \$7 million USD, allowed us to protect jobs and put the care for our employees at the center of the operation.

Parallel to the measures we adopted as a company to care for our workers, we decided to participate actively in the campaigns promoted by fishing and aquaculture trade associations. During those campaigns, we donated 15 tons of jack mackerel and more than 5 tons of hake to 134 retirement homes in the Regions of Maule, Ñuble, Biobío and Araucanía, through the food bank "Banco de Alimentos del Mar," developed by the Association of Industrial Fisheries (Asipes).

We also participated in the initiative "Committed to the South" by SalmonChile, which supported health care centers thanks to the creation of a solidarity fund of almost \$2 billion Chilean Pesos , enabling the purchase of beds, ambulances, supplies and personal protective equipment, among other contributions that the community benefited from.

In addition to the health emergency, we had to deal with the collapse of the Caicura salmon farming center in the Region of Los Lagos, which sank as a result of an unusual and aggressive storm involving the Puelche wind. Given the magnitude of the incident, we have carried out a comprehensive and permanent environmental monitoring of the different variables in the affected area and have delivered this information to the authorities, neighboring communities and the media. The reports we have issued show that the sunken biomass - which accounted for 88% of the center's content - is degrading very slowly and without causing any damage to the environment.

Sustainability management is at the heart of



our business strategy. It is incorporated to such an extent that the company's senior executives have established ESG compliance targets within their annual objectives. In line with this, in the second half of 2020, we became the first company in the industry to sign a syndicated loan under the Sustainability Linked Loan modality. Thus, we demonstrate and reiterate our commitment to meeting sustainability targets throughout the duration of this financing, which are mainly oriented toward reducing the carbon footprint, increasing the use of renewable energy sources, efficient waste management, reducing antibiotic use and increasing the ASC certification of salmon farming centers.

After a year of managing this topic, in 2020, our San Vicente fishmeal plant in Talcahuano obtained the Carbon Footprint Reduction Certificate awarded by Huella Chile, and all our facilities (San Vicente, Coronel and Corral fishmeal plants, and San Vicente and Rocuant frozen product plants) obtained the Carbon Footprint Measurement Seal for another year, while the Pesquera Bahía Caldera plants and the Salmones Blumar processing plant in Talcahuano were included this year. These are recognitions for our effort to reduce the carbon footprint of our operations. In this way, we will continue to contribute to environmental care and thus minimize our environmental impact.

Furthermore, in June 2020, the EntreVientos processing plant, a joint operation with Multiexport, was launched, involving a total investment of \$60 million USD. It is the most modern salmon processing unit in Chile, which uses the latest technology and has a processing capacity of 50,000 tons of raw

material per year, which will be transformed into products with added value. Currently, this operation creates jobs for more than 400 people in the Magallanes Region.

Blumar's community outreach strategy is based on the following pillars: Relationships, Open Doors, Local Development, Education and Training, and Contributions. However, considering the effects of the pandemic, including mobility restrictions, we modified our community outreach strategy. In order to remain close, we established online roundtables, digital training and we continued to contribute to schools and social organizations to support them in their priority areas.

Within this complex scenario, we ended the 2020 financial year with consolidated sales of \$463.7 million USD, a loss of \$51.5 million USD and an EBITDA of \$2.6 million USD. However, this result is the sum of two opposing effects: positive for the fishing division and adverse for the aquaculture division, which was mainly affected by the 31% decrease in the average price of Atlantic salmon compared to 2019. The price drop was caused by the pandemic and the subsequent closing of the HORECA market, which profoundly diminished our results.

Concerning harvest, we achieved 66,400 tons WFE of Atlantic salmon in the aquaculture division, an increase of 132% compared to 2019. Regarding this division, I am pleased to announce that our production project in the Magallanes Region is in the process of being consolidated, reaching a total of 23,400 tons WFE, with particularly good productive and sanitary results and lower ex-cage cost. The same applies for the Aysén Region, where we produced 43,000 tons WFE, also with better productive and health factors than those recorded in 2019.

For our actions and approach in the last

months to deal with different crises, we have recently been recognized by the risk assessment company Humphreys, which maintained our rating as "Category A," and changed the trend from "In Observation" to "Stable."

To conclude, I would like to stress that for Blumar, not only the financial results matter, but also how we make them possible. We are therefore committed to contributing to the development of the country with our activities, managing our business in a responsible manner.



CHIEF EXECUTIVE OFFICER
GERARDO ALBONTÍN



Report index

16

BLUMAR'S STRATEGY

- Page 18 Trends, challenges, and opportunities
- Page 21 Stakeholders and materiality
- Page 27 Our Strategy
- Page 30 Progress on the SDGs
- Page 32 Our commitments to ESG management
- Page 33 Our alliances and associations

37 | EFFICIENCY AND CREATION OF VALUE

- Page 38 Corporate Governance
- Page 54 Risk Management
- Page 60 Compliance
- Page 61 Economic Performance
- Page 64 Supply chain management

70 | INNOVATION AND ADAPTABILITY

- Page 72 Our products
- Page 83 Product quality and safety
- Page 86 Species health and welfare
- Page 93 Markets and Clients
- Page 95 Innovation and Development

98 | ENVIRONMENTAL COMMITMENT

- Page 100 Climate change
- Page 103 Emissions management
- Page 106 Energy management
- Page 108 Waste management
- Page 111 Responsible use of water
- Page 113 Biodiversity
- Page 118 Food loss and waste

120 | RELATIONSHIPS OF TRUST AND COLLABORATION

- Page 122 Employees and Collaborators
- Page 140 Communities

148 | GRI CONTENT INDEX



BLUMAR'S STRATEGY





Trends, challenges, and opportunities

Nutrient-rich foods and high-quality proteins

The current challenge of feeding the planet will grow over the next 30 years, when the world's population will have increased to 9,700 million people after growing by 2,500 million by 2050¹. This will be a challenge not only in combating malnutrition, but also concerning the increased demand for protein associated with healthy diets for an aging population.

Likewise, with the increase of middle-class income in large emerging markets, more people have access to food rich in different, more nutritious proteins, such as fish, meat, and eggs.

The EAT-Lancet Commission² recommends increasing the consumption of fish, legumes, and nuts as sources of sustainable and healthy proteins. This will result in an increased global demand for food, thus increasing the consumption of high-quality proteins.

In this context, the FAO has pointed out that "fish is a foodstuff of excellent nutritional value, providing high-quality proteins and a wide variety of vitamins and minerals, including vitamins A and D, phosphorus, magnesium, selenium and iodine." Moreover, global health authorities are increasingly promoting the health

benefits of salmon consumption: it is nutritious, rich in micronutrients, minerals, marine Omega-3 fatty acids, high-quality proteins, and various vitamins, and is an important part of a varied and healthy diet.

Responsible plastic use

In January 2016, the Ellen MacArthur Foundation presented its report "The New Plastics Economy: Rethinking the future of plastics", which for the first time exposed the enormous environmental and economic impacts associated with the current economic approach to plastic, based on the "take-make-dispose" principle. In the report, it is pointed out that if we continue along the current path, there could be more plastic than fish in the ocean by 2050 (measured by weight). The report presented a way forward, showing a perspective on a plastic system that

may work in the long term: the vision of a circular economy. More than 1,000 organizations have supported the foundation's vision, which proposes to avoid plastic we do not need, to innovate toward new materials and commercial models, and to circulate all the plastic we use. In addition, companies using more than 20% plastic packaging worldwide have set ambitious targets for 2025 toward this vision.

In Chile, a bill was approved in Congress to deal with 23,000 tons of single-use

plastic generated each year that ends up in the sea or in landfills, rivers, parks, and public spaces. The initiative seeks to regulate the use of single-use plastics in food distribution, together with promoting the reuse and certification of plastics, which will protect the environment and reduce waste.

¹ https://population.un.org/wpp/Publications/Files/WPP2019_PressRelease_ES.pdf

² The EAT-Lancet Commission consists of 37 world-leading scientists from 16 countries from various scientific disciplines. Its objective is to reach a scientific consensus by defining objectives for a healthy diet and sustainable food production.



Climate change

Earth is overheating. According to NASA data, in 2019 the average temperature was 1.8 degrees Fahrenheit higher compared to pre-industrial temperatures. Global warming, in addition to melting glaciers and rising sea levels, causes desertification and more extreme weather events such as hurricanes, floods and wildfires; climate change could cause incalculable damage to the planet. In December 2015, at COP21¹ in Paris, an international agreement was signed which set the objective of maintaining global warming below 2 degrees Celsius compared to pre-industrial levels by the

end of this century and, if possible, limiting it to 1.5 degrees Celsius.

Climate change is the biggest environmental challenge the world has ever faced. Soil erosion is a growing problem for food production, which has forced research to find new ways of feeding the population. At the same time, concerns about climate change are influencing people's choices regarding their diets. In this context, it has been shown that increased fish consumption can contribute to reducing global greenhouse gas (GHG) emissions and

improving human health; the ocean has the potential to provide six times more nutritious foods than other animal proteins², containing essential vitamins, minerals, Omega-3 fatty acids and other nutrients not found on the market. Finally, food coming from the ocean has a triple advantage: for people (because it is healthy), for the planet (because it is climate-friendly), and for the economy (because it sustains local and global economies).

Biodiversity

Loss of biodiversity can lead to a significant reduction of the resources provided by Earth's ecosystems, which contribute to economic prosperity and human development. Terrestrial and marine biodiversity helps reduce GHG emissions and conserve carbon sinks, storing 5.6 gigatons of carbon per year, equivalent to 60% of global human-made emissions. The collapse of this ecosystem could release 3,000 million tons of carbon.

Energy transition

The energy transition is not entirely new in history, but the current process differs from the previous one due to the necessity to protect the planet from the worst threat it has faced to date. It should therefore occur as quickly as possible.

However, energy transition is not just the progressive closure of coal-fired power stations and the development of clean energy but represents a paradigm shift of the entire system.

In Chile, the Ministries of Energy, Environment and Labor are working on a proposal for a Fair and Sustainable Transition Strategy, the objective of which is to ensure that Chile's energy transition to carbon neutrality incorporates fair and equitable social and environmental development, while promoting the creation of green jobs that improve quality of life and improve environmental conditions in territories where energy sector infrastructure is located.

Given the aspects to be addressed in this strategy, it is expected to involve actors from the public and private sector, civil society, and academia, both at the local and national levels, and to submit this proposal to a public consultation process. This Fair and Sustainable Transition Strategy will provide a general framework for the energy transition to a low carbon matrix, within which action plan proposals will be defined for each line of work necessary to achieve carbon neutrality in the energy sector.

¹ <https://cop25mma.gob.cl/que-es-la-cop/>







² <https://www.salmonexpert.cl/articulo/una-acuicultura-bien-planificada-puede-contribuir-a-disminuir-emisiones-de-gei/>

Stakeholders and materiality

Identifying individual stakeholders and listening to their opinions allows us to work in a close and transparent manner.

We define stakeholders as a group of individuals or institutions, both private and public, that have a role in our value chain. Given that all play a significant role, ongoing dialogue is essential in each of our operations in order to maintain relationships of trust.

Dialogue channels with our stakeholders

Stakeholders	Definition	Why are they relevant?	Dialogue channels and frequency
 Suppliers and contractors	Companies that supply Blumar with raw materials or services that are used in the production process. This stakeholder group includes contractors who provide different services to the company.	Suppliers and contractors are a key part of our value chain. At Blumar, we strive to establish relationships of trust based on mutual respect. We always try to support local providers in the communities where we operate.	<ul style="list-style-type: none">• Joint Labor Committees (monthly)• Audit results meetings "Competitive Company Program" (PEC) (biannually)• Specific meetings (upon Blumar's request)• Supplier follow-up meetings (as required)• Supplier fairs (annually or biannually)• Contractor portal (ongoing)• Supplier portal (ongoing)
 Clients	<p>Fishing sector: Our clients are mainly wholesalers, who are focused on Europe, Africa, Peru, or other South American markets.</p> <p>Salmon sector: Our clients are mainly wholesalers; in some markets we have offices to manage the business relationship and to be close to the key markets for the company.</p>	<p>Clients are the partners that help us to reach consumers.</p> <p>Through them we learn about the particular requirements and needs of consumers.</p>	<ul style="list-style-type: none">• Virtual meetings (upon request of the client and/or Blumar)• International product fairs (annually or biannually)• Direct contact (ongoing)
 Communities	Our community comprises the neighboring areas where we carry out our fishing and salmon operations.	<p>For us, the community is a central part of our operation and is present in Blumar's daily activities.</p> <p>It is the community that gives us the social approval to operate. We need to understand what issues are of concern to them, in order to resolve them in a timely manner.</p>	<ul style="list-style-type: none">• Roundtables (monthly)• Healthy food fairs (as required)• Bilateral Meetings (ongoing)
 Society and regulatory authorities	Blumar is a publicly traded company and is therefore regulated by the Financial Market Commission (CMF). In addition, given the sectors where we operate, we collaborate with the Ministry of the Environment and the Undersecretary of Fisheries.	These are the institutions that supervise and certify our operation.	<ul style="list-style-type: none">• Direct contact (ongoing)• Press releases (ongoing)• Visits (as required)• Blumar Magazine (three editions per year)• Newsletter (ongoing)• Social Media: Instagram, Twitter, and LinkedIn (ongoing)*• Grievance channel (ongoing)*• Sustainability Report (annually)*• Website (ongoing)*
 Investors	Includes shareholders, investment funds, creditors, and risk classifiers.	Investors provide the capital to operate. We deliver value to our shareholders through the dividend and the stock price.	<ul style="list-style-type: none">• Shareholders' Meeting (Annual or Special)• Financial Market Commission (ongoing)• Annual Report• Outcome presentations (quarterly)• Individual meetings (upon the investor's request)
 Employees	Individuals who have an indefinite or fixed-term employment contract with Blumar or any of its subsidiaries.	Our employees are essential to fulfilling our commitment and purpose.	<ul style="list-style-type: none">• Joint Labor Committees (monthly)• Work Climate Survey (biannually)• Executive Committees for Occupational Health and Safety Management System (monthly)• Team meetings (weekly)• Operational meetings (daily)• Meetings with Labor Unions (ongoing)• Staff Intranet (ongoing)• Notice Boards (ongoing)• HR Department (ongoing)

* These channels are cross-sectional for all stakeholders.

Materiality determines the content to be addressed in this Report.

Material topics



While drafting Blumar's Sustainability Report, the definition of material topics took a prominent place, as they determine the elements around which the content of this document was developed.

Materiality concerns all aspects that are relevant to the company, either because they have economic, environmental and/or social impacts on our operation or because these topics significantly influence the decisions and/or actions of our stakeholders, whether in the present or in the future.

In order to define and prioritize the 2020 list of relevant topics, a process of research, prioritization and validation was carried out.

This report was developed in accordance with the GRI Standards "Core" option, based on the principles of **accuracy, balance, clarity, comparability, reliability, and timeliness**. However, Blumar will omit presenting indicators which are confidential or strategic information of the company.

Research

During this stage, an extensive list of topics relevant to both the company and its stakeholders was compiled. For the fiscal year 2020, Blumar reviewed the 2019 materiality and completed it with investor questionnaires, surveys with directors and senior executives of the company, also reviewing international standards and indexes such as SASB¹ and DJSI², together with an analysis of the national and global context. All these sources of information were organized in a comparative manner, with the aim of defining common elements and/or current issues to be incorporated into the list of material topics. From this analysis, new topics to be considered emerged:

Commercial Management

Climate change

Human Health and Safety

Prioritization

Once all information was compiled, the next step was to prioritize the issues to distribute them within Blumar's materiality 2020. Therefore, a quantitative-comparative analysis of the relative importance of each of the defined topics was carried out, considering the opinions of the directors, senior executives of the company and investors.

Validation

The validation process and the results obtained were carried out by the company's Sustainability Committee, which is composed of 17 members of the executive team and chaired by Blumar's CEO. Prior to its publication in the 2020 Sustainability Report, the committee reviewed the representation of all aspects considered material and the matrix.

¹ SASB: The Sustainability Accounting Standards Board is an independent organization which enables companies around the world to identify, manage, and communicate sustainability issues that matter most to investors.

² DJSI: The Dow Jones Sustainability Index family tracks the sustainability performance of thousands of publicly traded companies and operates under a strategic partnership between S&P Dow Jones Indices and RobecoSAM.

MATERIALITY MATRIX



All topics presented in the matrix are of great importance to our company.

Material topics



Sustainability is linked to Blumar's operation through our Sustainability Strategy, which comprises four pillars: Efficiency and Creation of Value, Innovation and Adaptability, Environmental Commitment and Relationships of Trust and Collaboration. This vision allows us to improve our management and our impacts. In this context and with the aim of providing a better account throughout the report, the 2020 material topics are presented below, classified according to the pillars of sustainability of Blumar:



Management Approach



Efficiency and Creation of Value

Material topic	Scope	Why is it material?	Targeted Stakeholders	How is it managed?
Ethics and risk management	Includes everything related to ethics, compliance and integrity and risk management.	Part of Blumar's corporate seal "Do things right" is to execute all company actions with the highest ethical standards, protecting operational continuity and reducing impacts through integrated risk management.	Investors, regulatory authorities, and customers.	Review Chapter Efficiency and Creation of Value, page 54.
Supplier management	Includes aspects regarding supply chain management.	Suppliers and contractors are part of the company's value chain; they are indispensable actors for the operation, considering that they supply and support the company's various processes.	Suppliers and contractors, regulatory authorities.	Review Chapter Efficiency and Creation of Value, page 64.
Investments and projects	Includes the company's investments and projects required to advance its business plan.	To achieve good economic performance, it is key to invest in infrastructure that will help promote greater economic stability, considering the principles of sustainability.	Investment in community.	Review Chapter Efficiency and Creation of Value, page 61.



Innovation and Adaptability

Material topic	Scope	Why is it material?	Targeted Stakeholders	How is it managed?
Commercial Management	Concerns customer management and satisfaction, channels, and packaging.	It is essential to proactively manage the needs of our customers, as well as quickly resolve all problems. This allows us to maintain relationships of trust.	Customers and investors.	Review Chapter Innovation and Adaptability , page 93.
Process and product certifications	Covers all certifications for fishing and salmon processes, as well as product certifications.	These are key to ensuring product quality and for adjacent processes to meet high international standards, in terms of sustainable production and seeking best practices for continuous improvement.	Employees, investors, suppliers and contractors, regulatory authorities, and the community.	Review Chapter Innovation and Adaptability, page 83.
Health and well-being of our species	Includes smolt quality and genetics, feeding strategy, use of antibiotics, antiparasitics and mortality (salmon).	The wellbeing of our species is an indispensable element to maintain the ambitious standards in the salmon industry. Therefore, their care is key to achieving the expected quality and efficiency of our processes.	Customers, investors, regulatory authorities, and the community.	Review Chapter Innovation and Adaptability, page 86.



Environmental Commitment

Material topic	Scope	Why is it material?	Targeted Stakeholders	How is it managed?
Climate change	Involves everything that involves the impact of our operation on climate change, in particular emissions and energy.	Climate change is a global issue, and at Blumar we are committed to efficiently managing the impacts our operation generates.	All defined stakeholders.	Review Chapter Environmental Commitment, page 100.
Environmental Impacts	Includes all the environmental impacts of production processes on biodiversity, water, and fish escapes (salmon).	This topic is relevant because we understand that the environment must be protected for future generations and is significant to all our stakeholders. In addition, Blumar depends on the marine resources provided by the environment.	All defined stakeholders.	Review Chapter Environmental Commitment, page 112.
Environmental Management	Concerns management aspects of issues related to the protection of biodiversity, waste, water, and fish escapes (salmon).	Environmental management allows us to mitigate the risks we are exposed to in our operations.	Customers, investors, regulatory authorities, and the community.	Review Chapter Environmental Commitment, page 102.
Industry situation	All regulatory aspects of the fishing and salmon industry.	Regulations can have a significant impact on the business.	Investors, employees, community, and regulatory authorities.	Review Chapter Environmental Commitment, page 117.





Relationships of Trust and Collaboration

Material topic	Scope	Why is it material?	Targeted Stakeholders	How is it managed?
Human Health and Safety	Includes all aspects concerning the care and protection of employee health and safety.	Employee health and safety is an ongoing concern of Blumar and allows to maintain our products and operations safe.	Employees, investors, suppliers, and contractors.	Review Chapter Relationships of Trust and Collaboration, page 122.
Dialogue with different target audiences	Includes all dialogue channels with our stakeholders.	Effective communication with our stakeholders is key to keeping up with their expectations. It is therefore essential to cultivate honest relationships.	All defined stakeholders.	Review Chapter Blumar's Strategy, page 20.
Wellbeing of our employees	Includes everything related to labor practices, diversity and inclusion, human rights, benefits, compensation, working climate and commitment to employees.	This is an important topic. Ensuring wellbeing enables relationships of trust, based on mutual respect, and allows for continued commitment to the company.	Employees and regulatory authorities.	Review Chapter Relationships of Trust and Collaboration, page 130
Community development and indigenous peoples	Involves the relationship with the communities and indigenous peoples surrounding our facilities.	Creating shared value with neighboring communities of our facilities plays a key role. Blumar seeks to contribute to the development of the areas where it operates, improving the people's quality of life.	Communities, regulatory authorities, and investors.	Review Chapter Relationships of Trust and Collaboration, page 140.
Labor Relationships of Trust	Includes all actions that allow us to develop reliable ties with labor unions.	The foundation of our company is our employees and contractors. Therefore, we strive to maintain a good climate that develops trust in our entire organization.	Employees, community, investors, and regulatory authorities.	Review Chapter Relationships of Trust and Collaboration, page 134.
Training and development of employees	Includes everything related to talent development, evaluation, and training.	Development of human resources is key to strengthen work teams and boost the organizational culture.	Employees and regulatory authorities.	Review Chapter Relationships of Trust and Collaboration, page 130.

Our Strategy

Our company operates in the protein industry in the fishing and aquaculture division, our main products being frozen and fresh salmon, frozen mackerel, fish oil and fishmeal.

We apply Blumar's seal to our products, which guarantees the quality of products and processes, concern for the quality of the service provided to our customers, our experience, team integrity and the management of a sustainable value chain. Sustainability management is a central element of our business model.

Blumar's strategy prioritizes responsible development that ensures both economic growth and the wellbeing of people and natural resources in our production processes. Our approach focuses on innovation and continuous improvement of our working models,

until sustainability is established in all areas of the company and becomes part of our employee's daily routines.

At Blumar, we believe that the only way to create long-term value for all our stakeholders is through sustainable growth, which allows us to contribute to the socioeconomic development of the communities where we operate, while integrating material topic management at the heart of our strategy and striving to reduce our environmental impact.

Our HR management, along with the Head of Sustainability, is in charge of implementing sustainability through the company's projects and initiatives. This area oversees the monitoring of and compliance with the company's Sustainability Strategy. Activities are carried out through an annual working plan with an allocated budget. To ensure the development of sustainability across the organization, we integrate it strategically at various levels of the company. We evaluate our sustainability management through the following actions:

The performance of the company's senior executives and leaders is evaluated annually, through a series of individual objectives concerning ESG parameters related to our material topics.

We hold an annual presentation for the Board of Directors about the progress made in the implementation of the Sustainability Strategy.

The company has an Ethics and Sustainability Committee that spearheads the plan in this area and holds regular meetings.

In order to evaluate and manage its performance on ESG issues, Blumar decided to participate in the [Dow Jones Sustainability Index](#).



Our principles

- **Collaborative work:** our stakeholders are particularly important to us. With the aim of creating value and prospering, we constantly work together to guarantee fair and proper treatment for both parties.
- **Biodiversity protection:** we make sure to live harmoniously and respectfully with the environment. In this manner, we preserve our surrounding's resources for future generations.
- **Social Impact:** our close relationship with neighboring communities is smooth, honest, horizontal, and established by our employees themselves, which allows for the development of projects with mutual benefit and social impact.
- **Wellbeing:** most certainly, we consider our employees to be a priority interest group because they are the foundation of Blumar. Therefore, their wellbeing and development is always guaranteed, a value that is also passed on to our contractors.
- **Relationships with suppliers:** Blumar displays fair treatment with its suppliers and, where appropriate, works collaboratively with them, always remaining at the forefront of industry standards.
- **Transparency:** Blumar has an open door and transparency policy with society, the media, trade associations and authorities. This has allowed us to build trust and enable collaborative work for the sustainability of the industry.

STRATEGY OF BLUMAR



Our Mission

to be a leading company in the fishing and aquaculture industry, while managing our resources sustainably, protecting our environment, and creating value for our shareholders, customers, and employees. At the same time, we want to provide products and services with recognized quality standards in the markets where we operate.

Our Vision

to become the leader in fishing and aquaculture in Chile, meeting our customers' expectations and innovating through continuous improvement in our management and in an empowering relationship with our employees, communities, authorities, and the environment.

Our Values

Efficiency: we achieve our goals and hold up our end of the bargain, using as few resources as possible.

Honesty: we are a transparent company and always seek the truth. We are consistent in what we say and do.

Loyalty and Commitment: we are true to our principles, ideals, and responsibilities, always doing what is best for our team, the community, and our customers.

Responsibility: we know that every relationship is built on trust; therefore, we take responsibility for impacts we cause.

Austerity: we use our resources efficiently, optimizing all our processes. We always try to improve and strive for effort and simplicity.

Constructive Spirit: we are constantly seeking excellence in everything we do, and we rely on continuous improvement.

Our strategic pillars are:

				
Strategic pillars	Efficiency and Creation of Value	Innovation and Adaptability	Environmental Commitment	Relationships of Trust and Collaboration
Description	<p>We strive to create maximum value for all shareholders equally, while also generating shared value for all our stakeholders. We maximize the benefits in all our lines of business, with the objective of consolidating our company and maintaining our leadership in the industry. Therefore, our focus lies on the continuous improvement of our different processes prioritizing the quality of our products and the efficient use of resources.</p>	<p>We try to be aware of the needs of our environment and the opportunities it provides, with the objective of being able to adapt to diverse social, environmental, regulatory, and economic challenges. Innovation is essential to add value to the business and maintain our leadership.</p>	<p>In the fishing division, our main resource is marine life, and we are indebted to it. We are concerned with its care and permanence in the long term, carrying out our operations with responsible resource management and minimizing environmental impacts. In the aquaculture division, we respect and have a constant commitment to the environment and mitigate the impacts of our general activity. We participate in various environmental initiatives ensuring the sustainability of our environment to conserve it for future generations.</p>	<p>We work together with our different shareholders, through close collaboration while giving priority to the quality of our relationships. We foster labor relations with our employees through sincere and direct dialogue. We promote dialogue opportunities and participation with the local community through our diverse initiatives.</p>
Focus	<ul style="list-style-type: none"> Continuous improvement Product quality Internal culture 	<ul style="list-style-type: none"> R&D Adapting to change Genetic research Product development 	<ul style="list-style-type: none"> Environmental Management Adaptation to climate change Commitment to climate change Climate-related risks 	<ul style="list-style-type: none"> Reputation Strategic alliances Labor Relations Relationship with stakeholders Collaboration
Associated risks	<ul style="list-style-type: none"> Loss of competitive value Industry volatility Accidents Interruption of operation 	<ul style="list-style-type: none"> Changes in consumer demand Use of antibiotics Disease control Competition / innovation 	<ul style="list-style-type: none"> Climate change Extreme environmental events Regulatory Compliance Demands of civil society 	<ul style="list-style-type: none"> Reputation Loss of social approval for our operation Lack of knowledge of civil society

Progress on the SDGs





Blumar’s direct action towards the Sustainable Development Goals:



Blumar is one of the companies that have joined the Global Compact Chile. Accordingly, our 2020 Sustainability Report presents the company's work and commitment to comply with the UN 2030 Agenda and the 17 Sustainable Development Goals (SDGs).

	Linking SDGs and Blumar	Blumar's strategies	Company Projects and Initiatives
	Creating jobs and committing to foster development make work opportunities possible, as well as steady and inclusive growth, which reduces inequalities.	<p>We contribute to the reduction of unemployment in all the places where we operate. Our employees form one of the fundamental stakeholder groups for the proper functioning of the company, since we see results through collaborative work.</p> <p>We make every effort to maintain a good working climate and constant organizational development, through trainings and activities for employees at Blumar, and, therefore, we grow together.</p>	<ul style="list-style-type: none">• Local employment• Supporting technical education: agreements with the schools Maullín and María Behety and the NGO Canales• Supporting vocational training: internships• Training program: technical and soft skills courses• Market-compliant compensation alignment• Work Climate Survey• Grievance channel• Ongoing management of Occupational Health and Safety• Business Conduct and Ethics Code
	To achieve good economic performance, it is essential to invest in infrastructure that fosters major social stability, to reach sustainable development and to create communities that are more resilient to climate change.	As a company, we adapt to our environment's needs and are constantly evolving our products and/or processes with the aim of being at the forefront and adjusting to changes in the industry. We are aware of the need to invest in high-tech products and improve our processes.	<ul style="list-style-type: none">• Company investments, such as Salmenes Blumar Magallanes and Entrevientos• Investment in product innovation• Participation in the Fishing Research Institute• Participation in initiatives: Pincoy Project, GSI, the Salmon Technology Institute, and the Aquaculture Health Technology Consortium
	Sustainable production and consumption promote the efficient use of energy and resources. The aim is to mitigate the impact on the environment and thereby improve human quality of life.	Our company has different systems that allow us to manage the responsible consumption of energy and water resources, while reducing emissions and treating effluents. We adopted a systemic approach that controls our supply chain to make it more sustainable.	<ul style="list-style-type: none">• Clean Production Agreement for zero waste in the fleet• Environmental management (waste, energy, water)• Management Department of Fish Health• Tender for non-conventional renewable energy at all plants
	<p>Climate change is a global challenge that is affecting different sectors of the global economy and the balance of ecosystems.</p> <p>This problem requires the community to work in a coordinated manner for countries to move towards a low-carbon economy.</p>	<p>We are committed to more sustainable economic activity while respecting the environment, by means of strategies to manage waste, energy, and the emissions from our production.</p> <p>We fully understand that climate change is hurting our planet and we accept the challenge to take care of it and adapt to the guidelines of this goal, which affects us all equally.</p>	<ul style="list-style-type: none">• Environmental Policy• Huella Chile carbon footprint reduction and quantification seal• Development of a Climate Change Strategy• Blumar Circular Economy• Recycling of fishing nets in alliance with Bureo
	Considering that one of our products comes from the sea, our business relies on a healthy ocean. Therefore, responsible management of the ocean and marine resources is key to the sustainable development of our activity, where marine pollution, overfishing and acidification of the oceans are major problems. We minimize our environmental impact by applying best practices and following the highest environmental standards available for aquaculture and fishing.	<p>All our processes are monitored and studied by experts for the specific species. In the case of salmon this is done to not alter their development cycle, and for fishing, to not alter their habitat.</p> <p>Our fleet has advanced technology that facilitates capture processes and waste management. Farming centers are equipped with state-of-the-art systems for monitoring fish and caring for biodiversity.</p>	<ul style="list-style-type: none">• Clean Production Agreement for zero waste in the fleet• Beach cleanups• Agreement with NGO BirdLife• Regulatory compliance• Fleet with state-of-the-art technology and high-tech farming centers• Partnership with artisanal fishermen
	To achieve common good, it is essential to create strategic alliances between different entities. A successful sustainable development program requires a close relationship and partnerships with civil society, governments, and the private sector. These alliances are built on shared values and principles, which focus on people and the planet.	At Blumar, we have an ongoing and strong partnership with our stakeholders, with the objective of maintaining smooth communication. Through this method, we make our management transparent and create ties between those who have common interests.	<ul style="list-style-type: none">• Alliances and collaboration through trade associations such as Irade, Corbiobío, CCIV, COMLOG, Asipes, Asipec, SalmonChile, the Magallanes Salmon Farming Association, Sonapesca, Global Compact, Round Tables, Intesal, among others.• Blumar's Strategy• Community outreach plans• Sustainability Report according to GRI standards

Other SDGs to which we contribute:

Linking SDGs and Blumar	Blumar's strategies	Company Projects and Initiatives
 <p>2 ZERO HUNGER</p>	<p>Through our fishing and aquaculture products, we provide proteins of high nutritional value, which contribute to a healthy diet, rich in vitamins, minerals and essential fatty acids and Omega 3.</p>	<p>Promote consumption of fish and salmon, as they contribute to a healthy and nutritious diet for everyone.</p> <ul style="list-style-type: none"> • Ongoing donations to neighborhood councils and local communities. • Contribution to Corporación Alimentos Biobío Solidario • Foodbank Project by Asipes • Certifications of our products MSC, ASC, IFFO RS, BAP, IFS, Halal, Kosher.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We have policies, standards, and procedures to ensure the health and safety of employees and contractors in our operations.</p>	<p>Manage the wellbeing of individuals working in Blumar operations.</p> <ul style="list-style-type: none"> • Occupational Health and Safety Policy • Internal Hygiene and Safety Standards
 <p>4 QUALITY EDUCATION</p>	<p>We develop programs in order to create new partnerships. In addition, we carry out training initiatives in the communities where we operate.</p>	<p>Develop the company's internal talent. Increase the number of people who have the necessary skills to access employment. Adapt educational facilities in our communities to meet children's needs and to provide safe learning environments.</p> <ul style="list-style-type: none"> • Scholarships for children of employees for basic, middle and university education • Contribution to educational organizations such as NGO Canales and Enseña Chile (Chilean chapter of Teach For All) • Program "Blumar at your school" • Agreements with schools
 <p>6 CLEAN WATER AND SANITATION</p>	<p>In the fishing and aquaculture processes, we make responsible use of the water resource. According to the AQUEDUCT report, our operations are not located in zones of high-water stress.</p>	<p>Manage water use, mitigating possible contamination and treating effluents to return them to the cycle, to increase resource reuse.</p> <ul style="list-style-type: none"> • Efficient water management in our processes • Blumar Circular Economy




Our commitments to ESG management

Sustainability is integrated into all aspects of our business. It is fundamental to our business strategy, which aims to create and share value with all our stakeholders.

Our management approach is based on our materiality matrix and our stakeholders, which are aligned with the Sustainable Development Goals.

In this context, Blumar marked a milestone within the Chilean aquaculture industry as the first company in the sector to sign a syndicated loan, specifically a Sustainability Linked Loan. It is financed by the lender group led by Rabobank U.A., together with the banks BCI, Banco Santander-Chile, Banco Security and DNB Bank ASA. The loan allowed us to incorporate our goals into material ESG aspects, in order to align them with our strategy and include them in the ESG plan¹. This reflects our leadership and commitment to incorporating ESG dimensions into our business. In the following, we present our commitments and goals, as well as their progress:



Area	Material topic 	Commitment	2020 Progress
Carbon Footprint	Climate change Environmental Management	Measure the carbon footprint in all of Blumar's operations. Set a goal baseline and establish a Climate Change Strategy in 2021.	We are currently working on the strategy and on measuring the carbon footprint of 100% of operations.
ASC certification	Process and product certifications	Gradually increase the number of ASC-certified salmon farming centers, with the goal of reaching 60% certified centers between 2026 and 2027.	6 salmon farming centers with ASC certification until December 2020.
Renewable energy	Climate change Environmental Management	Use 100% renewable electric energy from a generating company at all Blumar plants by 2027.	In 2020, a tender was put out to supply all plants with non-conventional renewable energy and the project will start operating in April 2021.
Use of antibiotics	Health and wellbeing of species	Reduce antibiotic use by 58% by 2027, considering the year 2017 as a baseline.	In 2020, 274.36 grams API per ton of produced salmon were used, which is a 31% reduction compared to 2017.
Waste management	Climate change Environmental Management	Develop a waste reduction plan and goal during 2021.	An analysis of the company's waste was carried out and we are working on a corporate management plan that includes reducing landfill waste.

¹ <https://www.salmonexpert.cl/article/el-indito-proceso-donde-blumar-acuerda-con-acreedores-avanzar-en-sostenibilidad/>;
<https://www.salmonexpert.cl/article/las-grandes-salmonicultoras-tienen-una-slida-gobernanza-en-sostenibilidad/>

Our alliances and associations

Through collaborative work we can bring greater shared value to our communities.

Participating in different organizations and trade associations, both international and national, is key to maintaining a constant link for collaborative work in the places where we carry out our operations and processes. Furthermore, we actively contribute to initiatives and projects aimed at health and environmental improvements. Fish health, sustainability of marine resources and research support are the main lines of approach.

FISHING GUILDS



www.asipes.cl

We share the objective of Asipes to promote the development of the industrial fishing sector in the Biobío region. Therefore, two of our directors participate in the Board of Directors of this association, as well as some of our executives who sit on the HR Committee and the Environment and Communications Committee.



www.asipec.cl

Through our fishing subsidiary Pesquera Bahía Caldera we are committed to the development of the fishing industry in the Atacama Region, therefore we actively participate in the Trade Association of Fishing Industries and Marine Farming. Since 2016, our representative has been chairing this association.



www.sonapesca.cl

The National Fishing Society is a trade federation that brings together the main trade associations and actors of industrial fishing in the country. We share our experience in the various committees through Asipes, as well as in meetings, projects, and sector initiatives as appropriate.

AQUACULTURE GUILDS



www.salmonchile.cl

Because we believe in sustainable aquaculture and in reaching out to communities, we are part of SalmonChile, an association that has been working for 35 years to unite the main producers and suppliers in the industry, to take on the health, environmental, regulatory, social, and economic challenges of the sector. One of our directors and the CEO of the company sit on the Board of Directors. In addition, the CEO is a member of the Executive Committee, in addition to our contribution to the Territorial and Communications Committees.



www.salmonicultoresmagallanes.cl

Since beginning operations in the region, we have actively participated in the Magallanes Salmon Farming Association, as it seeks to promote the sustainable and efficient development of salmon farming in the area. Our salmon manager for the 12th Region is vice-chair of the association, and we also serve on the Communities and Communications Committees.

REGIONAL GUILDS



www.corbiobio.cl

We are a regional company and are therefore interested in contributing to regional development, and we do so through Corbiobío, a private, pluralistic, independent, and non-profit corporation, which seeks to promote the development of the Biobío Region, fostering decentralization and public participation in matters of public interest.



www.irade.cl

This institute seeks to be a reference in the Biobío Region and the country as a promoter of excellence and good practices in the management of companies and their relationship with different social actors. Since we share that vision, we have actively participated at Irade since 1989. As such, our HR Manager sits on the Board and other executives take part in some working groups of the association, such as HR, Communications, Sustainability, and IT.



www.cciv.cl

The Chamber of Commerce and Industry of Valdivia is the representative entity of trade and industry in the Los Rios Region, which is made up of 67 companies of different categories. In 2018, we joined the chamber, which provided opportunities to engage with the community of Valdivia. Blumar's representative in Corral is the vice-president of the Chamber, and therefore participates on a regular basis.

INITIATIVES AND PROJECTS



www.pactoglobal.cl

In April 2018, Blumar joined the Global Compact Chile Network, becoming the first salmon company in the country and the second in the fishing sector to participate in this UN initiative. From that moment on, our company committed to integrating the Ten Principles of the Global Compact into its strategies and operations, together with declaring that its work on sustainability aligns with the Sustainable Development Goals (SDGs). In addition to the above, we participated in the Global Compact Council in the Biobío Region and in working tables according to our SDGs.



www.proyectopincoy.com

The Pincoy Project is a collaborative initiative that seeks to contribute to the objective of reducing the use of antibiotics in the production of salmonids in Chile. Blumar is one of the seven companies that take part in this initiative. We are an active member of the committees on fresh water, sea water, health, and data and communications. These committees hold regular meetings to design strategies that are implemented in the fresh water and sea water pilot centers.



A collaborative body of the industry that focuses on responsible operation and relationship with communities. The Salmon Social Initiative brings together ten companies producing and supplying the salmon farming industry, with the aim of jointly improving the social and environmental standards of operations, beyond the current regulations. Blumar participates at meetings with the other companies, as well as at roundtables with communities and authorities in the town of Melinka, Aysén.

INITIATIVES AND PROJECTS / ACCESSIONS



www.globalsalmoninitiative.org

We participate in the Global Salmon Initiative because we share a vision: to offer a healthy and sustainable source of protein for a growing population, while minimizing its environmental footprint and improving our social contribution. Blumar's CEO is the vice-chair of GSI, and we also participate in various working tables focused on topics such as ASC certification, environmental and health performance, climate change and communications.



www.comlog.cl

The Port Logistics Community of Talcahuano is an entity that brings together the different actors linked to the coordination activity of the district of Talcahuano in the Biobío Region. Blumar's executives participate in the Technical Table of Processes and Logistics Coordination, which holds monthly sessions.



www.corpaysen.cl

The main objective of the Aysén Productive Development Corporation is to promote activities or initiatives that contribute to the development of the Aysén coast in the cultural, environmental and economic fields of the region, while building up trust and fostering dialogue between public and private actors. Blumar's representative in the Aysén Region is a member of the Board of Directors and participates in regular meetings.

SUPPORT FOR RESEARCH



www.inpesca.cl

The Fishing Research Institute is a private scientific and technical research and management entity. Its main objective is to develop multidisciplinary scientific research aimed at the evaluation, diagnosis, prediction, and analysis of the main exploited fishing resources in the central-southern region of Chile. Two of our executives are members of the Institute's Advisory Council.



www.ictiobiotech.cl

The Technological Consortium of Aquaculture Health was founded in 2014 based on the work carried out by the Center of Aquaculture Biotechnology of the University of Santiago, in addition to the effort of Blumar and Ventisqueros, and the biotechnology company ActivaQ.

Intesal

www.intesal.cl

The Salmon Technology Institute was founded in 1995 and belongs to SalmonChile, with the objective of providing scientific and technical support to the national salmon industry. Our company has an ongoing relationship with the institute as one of our executives sits on the Board of Directors.



EFFICIENCY AND CREATION OF VALUE







The material topics related to this strategic pillar are:

- Ethics and Risk Management
- Supplier Management
- Investment and Projects

Corporate Governance

Blumar's Board of Directors defines Corporate Governance as the set of precedents, policies, guidelines and processes that influence the company's decision-making and create equal, sustainable value for all shareholders within a framework of ethics, integrity and adequate risk management. Within this framework, the creation of value is clearly an essential goal for the company, which in turn lays the foundation for our corporate identity reflected in our mission and vision.



Code of Ethics

This code of ethics is based on our corporate values - efficiency, responsibility, honesty, austerity, loyalty, commitment and a constructive spirit, among others. It affirms that the company:

- Commits to encouraging and promoting responsible behavior, defined strategically and assumed voluntarily, in order to achieve sustainable development in our production activities and maintain continuous dialogue with the different communities near our operations.
- Has an interest in developing activities aimed at improving the staff's quality of life, fostering commitment to the organization and, at the same time, guaranteeing sufficient profitability for shareholders. All of this is achieved through efficient and responsible management and high-quality processes, ensuring increased value for the business.
- Ensures the sustainable use of surrounding natural resources, investing in research and training to prevent and reduce the environmental impact of company activities, products and services in a progressive, continuous and systematic way.

Corporate Governance Model



¹ As of December 31, 2020, it was called Artisanal Fishing Debt Committee.

² As of 2020, it was called Remuneration Committee.

³ The Strategy Committee was created in 2021.

OUR SHAREHOLDING STRUCTURE

We are a publicly-traded company governed by the Financial Market Commission (CMF) and by current trade, tax, and labor legislation.

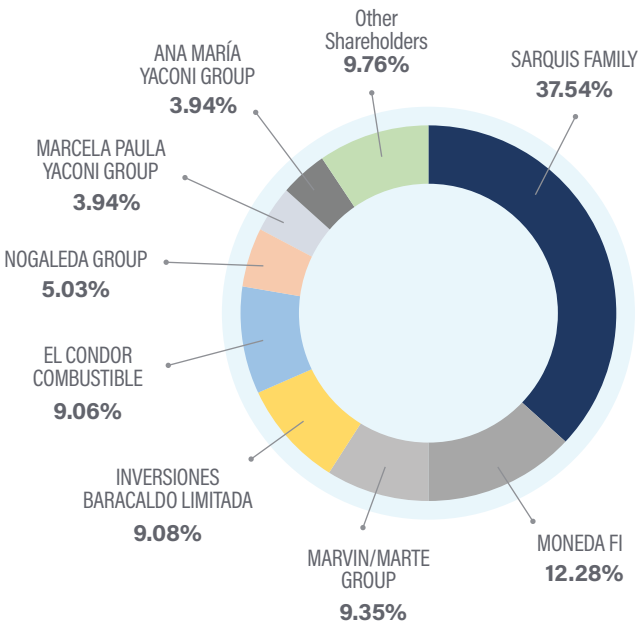
On April 18, 2019, the companies Nogaleta Energía Limitada, Inversiones Baracaldo Limitada, El Cóndor Combustibles S.A., Inversiones Marte Limitada, Inversiones Marvin S.A., Compañía de Rentas e Inversiones San Ignacio Pesqueras Dos S.A., Compañía de Rentas e Inversiones San Ignacio Pesqueras S.A. e Inversiones Frutasur S.A. (hereinafter referred to as the “Las Uribinas Group”) gave notice to Sociedad de Inversiones Petrohué S.A., Inversiones Orontes S.A., Inversiones Caunahue Limitada, Inversiones Cumilahue Limitada, Inversiones Temqui Limitada, Inversiones Patria Limitada, Inversiones Rupanco Limitada, Inversiones Santa Manuela Limitada, Ms Teresa Said Demaría, and Ms

Jimena Soledad Sarquis Said (hereinafter referred to as the “Sarquis Group”), informing them of its intent not to renew the shareholders' agreement of Blumar S.A. (hereinafter the “Agreement”), undersigned between the parties on October 19, 2011 (hereinafter the “Notice of End of Agreement”). This was reported to the Financial Market Commission as essential fact on April 25, 2019. As a result of the Notice of End of Agreement, the Agreement through which the Sarquis Group and the Las Uribinas Group controlled Blumar S.A. expired on October 19, 2019. In accordance with the provisions contained in Title XV of Law No. 18,045, as of December 31, 2020, Blumar S.A. does not have a controlling shareholder group.

Ownership and control

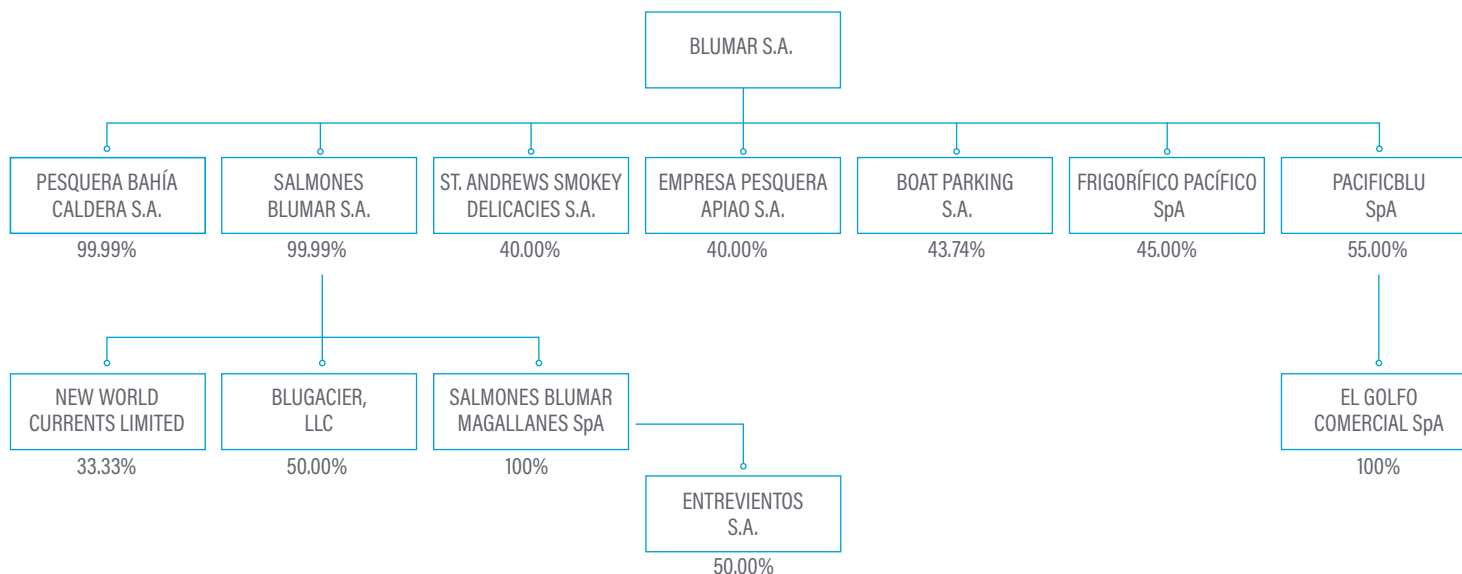
At the Special Shareholder Meeting held on August 20, 2020, it was agreed to increase capital in the amount of \$40 million USD to be paid through issuance of 210,000,000 no-par value shares.

From November to December, 99.95% of the issued shares were sold, raising a total of \$40.243 million USD.



Our subsidiaries and associates

The table below shows the ownership links between Blumar S.A. and its subsidiaries and associates as of December 31, 2020.



Board of Directors

In accordance with the Bylaws, the company is to be managed by a Board of Directors composed of seven re-electable members. The Board of Directors is elected for a period of three years, after which it must be completely renewed. The Directors have a right to compensation for their functions, which will be the amount set at the Annual Shareholders' Meeting.

The Board of Directors is Blumar's highest administrative and supervisory body. Its members have a suitable balance of knowledge of the industry and experience in relevant topics for the company, such as risk management, auditing and corporate governance, among others, which provides a diversity of perspectives for proper decision-making. The Board of Directors is composed of people with diverse professions and experience, and this is essential for it to function with purpose, independent judgment and efficient operation.

Election of the Board of Directors

In its first meeting after the Annual Shareholders' Meeting, in which Board members are elected, the Board of Directors shall designate a Chairman, first Vice-chairman and second Vice-chairman, who will hold these positions in the company and as well as in future Shareholder Meetings.

According to Article 31 of Law No. 18,046 on Public Companies (Ley sobre Sociedades Anónimas), "public companies are managed through a Board of Directors elected by the Shareholders' Meeting. The Bylaws of public companies shall establish a fixed number of directors. The Board of Directors shall be completely renewed at the end of their term, which may not exceed three years. The directors may be reelected indefinitely in their functions. In the absence of an express provision in the Bylaws, it shall be understood that the Board of Directors is to be renewed yearly."

The Board meetings and Annual Shareholder Meetings will be presided over by the Chairman. In the event of his/her absence, death, legal incapacity or impairment, the first Vice-chairman will act as deputy, or in his/her absence, the second Vice-chairman will assume all powers and responsibilities.

The current Board of Directors for Blumar and its subsidiaries was elected by the shareholders in their Annual Meeting held on April 20, 2018. On April 28, 2021, the Board of Directors was renewed for a period of three years.

Structure of the Board of Directors*

The following Board of Directors was elected at the Annual Shareholders' Meeting held on April 20, 2018:



Chairman
Rodrigo Sarquis Said
ID No. 6.280.901-9
Nationality: Chilean

Profession: Business Administrator with a degree from Universidad Adolfo Ibáñez
Year of Birth: 1963
On the Board since: September 26, 2011

Experience:
Rodrigo Sarquis Said started working as an administrator at the Talcahuano Plant of Pesquera Itata S.A. (today Blumar S.A.) in 1986, rising to Area Manager, and then, in 1992, CEO of the company. From October 2011 to April 2015, he was chairman of Blumar S.A. and director of its subsidiaries and returned as chairman of the parent company in May 2018, a position he still holds today. Furthermore, he has served as president of the National Fishing Society of Chile (Sonapesca) and of the Association of Industrial Fishermen in the Biobío Region (Asipes), where he still serves as director, as well as a full board member of the National Fishing Council.

Committees:
As of December 31, 2020, he was a member of the Remuneration Committee.

Other Boards and participation ¹:
Additionally, he is a member of the directory boards of the subsidiaries Salmones Blumar S.A., PacificBlu SpA and affiliates Frigorífico Pacífico SpA, St. Andrews Smoky Delicacies S.A., and El Golfo Comercial SpA in the Biobío Region. He also serves as a director of Sinergia Inmobiliaria S.A., Sociedad de Inversiones Petrohué S.A., and Agroindustrial Siracusa S.A. Since 2011, he has also served on the board of Pesquera Exalmar in Peru.



Vice-Chairman
Pablo Santa Cruz Negri
ID No. 6.861.743-K
Nationality: Chilean

Year of Birth: 1957
Profession: Business Administrator with a degree from Pontificia Universidad Católica de Chile
On the Board since: September 26, 2011

Experience:
During his career, Pablo Santa Cruz Negri has worked as an executive of large companies, the general manager of Diners Club, controller at Citibank Chile, director of Arboris LLC USA and director of the Chilean Bank Association.

Committees:
As of December 31, 2020, he was a member of the Corporate Governance, Remuneration and Artisanal Fishing Debt Committees.

Other Boards and participation ¹:
He is chairman of the subsidiaries Salmones Blumar S.A. and PacificBlu SpA, the affiliates St. Andrews Smoky Delicacies S.A. and Frigorífico Pacífico SpA, and director of Entrevientos S.A. Furthermore, he is chairman of the board of AD Retail S.A.

* The Board of Directors of Blumar was renewed during the Annual Shareholders' Meeting on April 28, 2021. For more details visit our website at <https://www.blumar.com/compania>.
¹ Information as of December 31, 2020.



Vice-Chairman

Julio Fernández Taladriz
ID No. 14.407840-3
Nationality: Chilean

Year of Birth: 1965

Profession: Business Administrator with a degree from Universidad Nacional de Buenos Aires, Argentina

On the Board since: January 29, 2013

Experience:

Professional with more than 30 years of experience working in family offices, corporate finance, financial planning, and general management.

Committees:

As of December 31, 2020, he was a member of the Directors Committee, Corporate Governance Committee and Artisanal Fishing Debt Committee.

Other Boards and participation ¹:

He is director of the subsidiary Salmones Blumar S.A. and current chairman of Banco Falabella, director of Falabella Inversiones Financieras S.A., Falabella Retail S.A. and David del Curto S.A., among others.



Director

Gonzalo Sarquis Said
ID No. 6.375.814-0
Nationality: Chilean

Profession: attorney with postgraduate studies from Universidad de los Andes, Senior Management Program

Year of Birth: 1965

On the Board since: September 26, 2011

Experience:

Gonzalo Sarquis Said started at the company in 1990 at the Fishmeal and Fish Oil Plant in Caldera. In 1997, he withdrew as an executive from Blumar to work in his family's office, through which he participates as executive director in different family businesses.

Committees:

As of December 31, 2020, he was a member of the Ethics Committee.

Other Boards and participation ¹:

Director of the subsidiary Salmones Blumar S.A., chairman of Sinergia Inmobiliaria S.A., director of Agroindustrial Siracusa S.A. and finance director of the family office Sociedad de Inversiones Petrohué S.A.

¹ Information as of December 31, 2020.



Director

Alberto Romero Silva
ID No. 6.243.012-5
Nationality: Chilean

Profession: Civil Industrial Engineer with a degree from Pontificia Universidad Católica de Chile, graduate studies from Universidad de los Andes, Senior Management Program.
Year of Birth: 1954
On the Board since: September 26, 2011

Experience:

Alberto Romero started his career at Codigas in 1977 and was named CEO of Enagas in 1981. Subsequently, he proposed the acquisition of El Golfo, was named CEO in 1986, and helped develop the company to transform it into one of Chile's major fishing companies, which then merged with Pesquera Itata S.A. in 2011, giving rise to Blumar S.A.

Committees:

As of December 31, 2020, he was a member of the Company's Aquaculture Development Committee.

Other Boards and participation ¹:

Currently, he is also director of the subsidiary Salmones Blumar S.A. and he has served as director of Asipes, Salmonchile, Sonapesca and as chairman of Cidere Biobío.



Director

Andrés Santa Cruz López
ID No. 7.033.811-4
Entrepreneur
Nationality: Chilean

Profession: Business Administrator with a degree from Pontificia Universidad Católica de Chile
Year of Birth: 1957
On the Board since: April 28, 2015

Experience:

Andrés Santa Cruz López has a long and recognized career as a member of trade associations, notably including his chairmanships at the National Agriculture Society (2000-2005) and the Production and Trade Confederation (2013-2015), in both of which he still serves as an honorary advisor.

Committees:

As of December 31, 2020, he was a member of the Directors Committee.

Other Boards and participation ¹:

He participates in the boards of Inversiones Norte Sur S.A., Viña los Vascos S. A., and the subsidiary Salmones Blumar S.A. He was also appointed as vice-chairman of the Chilean Security Association and chairman of the Agriculture School of Molina. Furthermore, he is on the council of Universidad Católica's Latin American Center for Economic and Social Politics and a member of the Infrastructure Policy Council. He was also a Board member of Fundación Chile, Inacap, Wines of Chile and chairman of the AFP Association.

¹ Information as of December 31, 2020.



Director
Alfredo Enrione Cáceres
ID No. 7455.364-8
Civil Industrial Engineer
Nationality: Chilean

Profession: Civil Industrial Engineer with graduate studies in Engineering at Pontificia Universidad Católica de Chile, PhD in Economics and Business Administration at IESE, Universidad de Navarra, Spain.
Year of Birth: 1966
On the Board since: April 28, 2015

Experience:
Senior lecturer and director of the Center of Corporate Governance and Society at ESE Business School of Universidad de los Andes. Visiting lecturer at IESE, the Drucker School of Management and Stanford University. Before joining Blumar’s Board of Directors, he gained more than ten years of experience as strategic advisor for companies of the same industry.

Committees:
As of December 31, 2020, he was a member of the Directors Committee, in addition to the Ethics and Remuneration and Corporate Governance Committees.

Other Boards and participation ¹:
He sits on the Board of Directors of the subsidiary Salmenes Blumar S.A. Furthermore, he is director and advisor at numerous national and international companies, non-profit organizations and government bodies.

The members of the Board of Directors remain in their position for 8.5 years on average. The following table shows the directors’ experience:

	Seniority on the Board (years)	Years of experience in the industry	Experience in Corporate Governance and Risk Management	Experience in Information Security and IT
Rodrigo Sarquis Said	10	35		
Pablo Santa Cruz Negri	10	10	●	●
Julio Fernández Taladríz	8	8	●	●
Gonzalo Sarquis Said	10	10		
Alberto Romero Silva	10	10	●	
Andrés Santa Cruz López	6	6		
Alfredo Enrione Cáceres	6	6	●	

¹ Information as of December 31, 2020.

Board Meetings

The company's Board of Directors holds regular and special meetings. Regular meetings are held monthly, subject to Article 81 of the Regulation of Public Companies, while special meetings are held according to the company's needs and are called by the Chairman or upon request of an absolute majority of the directors.

The Board's special meetings shall be held when called by the Chairman, either by himself or through one or more directors, after the Chairman has decided the meeting is needed, unless the meeting is requested by an absolute majority of the directors, in which case the meeting must necessarily be held. Notice about special meetings shall be given through a certified letter delivered to all directors and shall make reference to the content to be

addressed in the meeting. This invitation may be omitted if the meeting in question is attended unanimously by the directors of the company.

At least four directors must participate in all Board meetings. Motions shall be passed by the approval of an absolute majority of the directors present at the meeting. The Chairman or his proxy shall cast the deciding vote if the directors are split.

During 2020, 12 regular and 8 special meetings were held, with an average attendance of 99%. The company does not set a minimum attendance requirement.

Chief Executive Officer

According to Article 11 of the Bylaws, the company shall have a Chief Executive Officer who shall be appointed by the Board and who shall exercise all the powers assigned to him by law and all those expressly granted to him by the Board of Directors.

The CEO shall act as Secretary of the Board and all Shareholder Meetings, unless the Board appoints another person to execute this function on a permanent basis or for a specific meeting.

The company's Bylaws do not establish minimum ownership requirements for the Chief Executive Officer nor the Executive Team.

Independent functions of the Board of Directors and the Chief Executive Officer

According to Article 49 of Law No. 18,046, public companies shall have one or more executive officers appointed by the Board, which shall set their powers and duties and may replace them at their discretion. The Executive Officer, or Chief Executive Officer, shall be the company's legal representative, and shall legally be assigned the powers set forth in both paragraphs of Article 7 of the Chilean Code of Civil Procedure. The Executive Officer shall have a right to speak in Board meetings, addressing its members regarding all motions detrimental to the company and its shareholders, when his/her contrary opinion is not recorded in the minutes. The function of Executive Officer is incompatible with the position of Chairman, Auditor or Accountant of the company and in public companies, also with that of director.

Independent directors

Independent directors subject to Chilean regulations

Law No. 18,046 on Public Companies does not include a definition of independent director. However, Article 50 bis establishes criteria to define a non-independent director. Thus, the Article sets out that those who have been under the following circumstances in any moment during the last 18 months shall not be considered independent:

1) Those who maintain any economic, professional, credit or commercial relationship, interest or dependence, of a relevant nature and volume, with the company, the other companies of the group of which it forms part, its controller, or with the main executives of any of them, or have been directors, managers, administrators, main executives or advisors of these.	2) Those who have family relations up to the second degree of kinship or affinity with the persons indicated in the previous point.	3) Those who have been directors, managers, administrators or main executives of non-profit organizations that have received contributions or relevant donations from the persons indicated in point number 1).	4) Those who have been partners or shareholders and owned or controlled, directly or indirectly, 10% or more of capital; directors, managers, administrators or key executives of entities that have rendered legal or consulting services, for relevant amounts, or external auditing services, to the persons indicated in point number 1).	5) Those who have been partners or shareholders and owned or controlled, directly or indirectly, 10% or more of capital; directors, managers, administrators or key executives of the main competitors, suppliers or clients of the company.
--	---	---	---	--

Independent directors as indicated in the DJSI¹ questionnaire

From this perspective, independent directors are defined as those who meet four of the six following criteria (including at least two of the first three) and who are not executive directors:

1 The Director must not have been employed by the company as an executive in the last five years.	company or subsidiary that exceeds \$60,000 USD during the current fiscal year or any of the last three fiscal years, except as permitted by the Definitions of Rule 4200 of the United States Securities and Exchange Commission.	3 The Director must not have any family relation with any individual who is or has been in the past three years, employed by the company or by any parent company or subsidiary of the company as an executive.	4 The Director must not be a company consultant or a member of the company's executive team.	6 The Director must not have any personal service contracts.
2 The Director must not accept nor have a family member who accepts any payment from the company nor any parent			5 The Director must not be related to a major customer or supplier of the company.	

¹ Dow Jones Sustainability Index.

Directors who meet the independence requirements of Law N°. 18,046	Directors who meet the independence requirements of S&P Global CSA ¹
Julio Fernández Taladriz	Rodrigo Sarquis Said
Andrés Santa Cruz López	Pablo Santa Cruz Negri
	Julio Fernández Taladriz
	Gonzalo Sarquis Said
	Alberto Romero Silva
	Andrés Santa Cruz López
	Alfredo Enrione Cáceres

Even though there is no diversity policy for the Board, the Code of Ethics states that we recognize internal talent by providing opportunities for all positions of our company to be occupied by qualified and competent persons, regardless of their gender.

In each of its lines of action, the company has assumed equal rights and gender equity as part of its institutional commitment.

We consider the company to be inclusive, and therefore our recruitment processes are based on objective selection criteria concerning competencies and skills and rejecting any type of discrimination. This is part of the recruitment procedure for Blumar and its subsidiaries.

The company maintains the same policy established by Chilean law with respect to any shareholder's nomination of a candidate for the company's Board of Directors. Accordingly, any interested shareholder may attend the meeting and express his or her proposal for a particular candidate, whenever an election is held.

Corporate Governance Practices established in General Norm No. 385 of the Financial Market Commission (CMF)

Regarding Corporate Governance practices set out in General Norm No. 385 of the Financial Market Commission (CMF), the company notes that in the area of inclusion, 2019 management focused on compliance with the Labor Inclusion Law. The requirement for at least 1 per cent of Blumar's employees

to be individuals with disabilities was met through a training and counseling plan.

In addition, in 2020, the Board established the objective of working on an Environmental, Social and Governance (ESG) plan for the company in order to measure these aspects

based on an international index. It was agreed to work with the Dow Jones Sustainability Index over a four-year period. Within its social dimension, this index includes work on diversity and inclusion, which is considered one of the gaps to be bridged in the future.

Committees

At the end of the 2020 period, Blumar's Committees were as follows:

Directors Committee	Responsibilities
<p>The company complies with the requirements set forth in Article 50 bis, first paragraph, of the Law on Public Companies, which states there must be at least one independent director and a Directors Committee must be established. Blumar has two independent directors and a Directors Committee, hence the requirements set out in paragraphs four and five of the above-mentioned Article have been met. The independent directors were elected by the <u>Annual Shareholders' Meeting</u>, held on April 20, 2018.</p>	<p>As established in the above-mentioned Article of Law No. 18,046, the functions of the Directors Committee include examining the reports of the external auditors, the balance sheet and other financial statements, proposing names of external auditors and private risk classifiers to the Board, reviewing background information on related party operations and preparing an annual management report, including the main recommendations to shareholders. In addition, the Committee's functions include risk assessment and internal audit management.</p>
<p>Members</p> <p>Julio Fernández Taladriz</p> <p>Chairman</p> <p>Directors</p> <p>Andrés Santa Cruz López</p> <p>Alfredo Enrione Cáceres</p>	

¹ CSA is the Corporate Sustainability Assessment conducted by S&P Global to participate in the Dow Jones Sustainability Index (DJSI).

Remuneration Committee

Members

This committee is composed of directors Pablo Santa Cruz Negri, Rodrigo Sarquis Said and Alfredo Enrione Cáceres (Chairman). During 2020, the Remuneration Committee held two sessions. From 2021 on, it will be called the Compensation and Leadership Committee.

Objective

Through an appropriate compensation policy, this committee seeks to align the quality of management and the priorities of the main executives of Blumar and its subsidiaries with the medium- and long-term objectives of the Board in managing the company, aimed at protecting the company's interests. The Committee's main function is to support the Board concerning the administration and supervision of all aspects of the compensation of managers, senior executives, and workers, including benefits and incentives for key staff.

Corporate Governance Committee

Members

This committee is composed of directors Rodrigo Sarquis Said, Alfredo Enrione Cáceres, and Julio Fernández Taladriz. It is chaired by a director who is a renowned academic and expert in the field, with more than five years of experience and who is on the payroll and public records in that capacity. The Corporate Governance Committee did not meet during 2020.

Objective

This committee ensures the adoption of the best practices of corporate governance and evaluates actions to adopt, track and improve these practices.

Ethics Committee

Members

This committee is composed of directors Gonzalo Sarquis Said (Chairman) and Alfredo Enrione Cáceres, together with the following executives: CEO, CFO, HR Manager and Internal Audit Manager. From 2021 on, it will be called the Corporate Affairs, Ethics and Sustainability Committee.

Objective

The Ethics and Sustainability Committee oversees dissemination, compliance, and interpretation of the Code of Business Conduct and Ethics, and furthermore evaluates any regulatory change that requires modifications to this Code and proposes text modifications to the Board. Its functions also include analyzing complaints filed through the Grievance Channel and forwarding them to the appropriate department. The Committee also facilitates the solution of possible conflicts using the Code of Ethics. The company's sustainability topics are also within its powers and responsibilities.

Artisanal Fishing Debt Committee

Members

This committee is composed of directors Julio Fernández Taladriz and Pablo Santa Cruz Negri (Chairman). From 2021 on, it will be called the Artisanal Fisheries Affairs Committee.

Objective

Defines the policy guidelines for loans to artisanal fishermen and verifies the compliance of these. One session was held during 2020.

Executive Team

The following details the company's Executive Team:



CHIEF EXECUTIVE OFFICER
GERARDO BALBONTÍN



AUDIT AND CRIME
PREVENTION MANAGER
ARIEL ELGUETA (*)



CHIEF FINANCIAL OFFICER
MANUEL GALLARDO



SALMON MANAGER 10TH & 11TH
REGIONS
PEDRO PABLO LAPORTE



SALMON MANAGER 12TH
REGION
IGNACIO COVACEVICH



SALMON SALES AND
MARKETING MANAGER
DANIEL MONTOYA



FISHING OPERATIONS
MANAGER
JOSÉ OCARES



FISHING SALES
MANAGER
MARCELO OTERO



HR MANAGER
RAÚL HERMOSILLA



LOGISTICS MANAGER
MARCELO ÁLVAREZ

* Ariel Elgueta oversees risk management and information security.

Compensation of the CEO and Executive Team

- The company's senior executives, managers and area supervisors use a performance management system that annually assesses the management of these employees through a series of individual targets related to operational, commercial, financial and sustainability parameters and a common group target related to company's results. This system rewards good performance for evaluated employees with a voluntary bonus in addition to regular compensation, when applicable.
- The company does not currently have any plans for stock options for executives.



Corporate Governance Practices

The CEO is responsible for properly onboarding new directors, which shall include business elements, field trips, as well as training in the director's responsibilities according to what is established in the Law on Public Companies, the Regulations on Public Companies, the Law on the Securities Market, the Regulations on the Financial Market Commission and other applicable legislation. The onboarding process for the company's new directors is detailed in the document "Director Onboarding Procedure."

Training of Directors

The CEO, in his role as Secretary, shall establish several trainings of interest for the company in the Board's annual agenda, as well as meetings and field trips to facilities of the company and its subsidiaries. The objective is to keep the Board of Directors adequately trained and close to the business. There is a Director Training Plan, which is approved annually on all relevant business issues and regulatory framework within which Blumar group companies operate.

In 2020, the Board was trained and sensitized on diversity, gender equality and inclusion, among other issues. These are the first steps to make Blumar an inclusive and equitable company. In this regard, the priority in 2019 was to comply, on the basis of a work program, with Labor Inclusion Law No. 21,015. In addition, the knowledge and skills of the company's executives were assessed, in order for them to best fit the job description and to close possible gaps through short, medium and long-

term training. On the other hand, the Board was also trained on the risks, impacts and opportunities caused by climate change.

Director Onboarding Procedure

Blumar has a formal onboarding procedure for new directors, which considers general knowledge of the business and its risks, including those of sustainability. This includes the knowledge of different stakeholders, the mechanisms used to understand their expectations and how to relate. During this process, information regarding vision, mission and strategic objectives is provided. They also receive a folder containing a copy of all the legal regulations in force with respect to Blumar’s business divisions and its related companies. This material is also available on the intranet and can be directly accessed by each director whenever they find it necessary.

Assessment or self-assessment of the Board of Directors

In order to achieve a high standard of Corporate Governance that allows for better performance of the Board in its functions under the Law and Bylaws, the Board of Directors of the company agreed to establish a procedure for continuous improvement of its operations.

This assessment procedure shall be carried out once a year and the Board of Directors, at the request of its Chairman, must agree on



From left to right Alfredo Enrione, Rodrigo Sarquis, Alberto Romero, Gerardo Balbontín, Andrés Santa Cruz, Alberto Fernández, Pablo Santa Cruz y Gonzalo Sarquis.

the dates. The participation of the entire Board of Directors of the company shall be required unless there is justified cause.

This meeting shall focus on the assessment and detection of possible improvements in the functions that correspond to the Board, according to Law and the Bylaws.

Meetings with the Sustainability Unit

In 2020, the Board met three times with the Sustainability Unit, where progress was reviewed and the reformulation of the new phase of the Sustainability Strategy was also approved. The goal is to integrate sustainability into the management of the company's business based on the four pillars: Efficiency and Creation of Value,

Relationships of Trust and Collaboration, Innovation and Adaptability and Environmental Commitment. Furthermore, the international Dow Jones Sustainability Index was added as tool for improvement in environmental, social and governance aspects. Therefore, 2020 was defined as the base year and an improvement plan

for a period of four years was developed. Moreover, two sessions were held with the senior executives, in order to communicate the new strategy and propose associated goals.

Meetings with the Risk Management Area

The Internal Audit Management met with the Board in January, March, July, August and November 2020 and with the Directors Committee in January, March, May, August and November. These meetings reviewed the execution of the Audit Plan, the Integrated Risk Management and the Crime Prevention Model according to Law No. 20,393, among other topics.

Summary of Blumar's Policies regarding Corporate Governance Practices

The following policies apply to all operations carried out by Blumar S.A.:

Integrated Risk Management Policy

It provides the guidelines and general framework for the management of all sorts of risks the company might face, helping to preserve its value, by guiding the necessary actions to reduce vulnerability to situations that may interfere with the fulfillment of the company's functions and the achievement of its objectives. More specifically, it seeks to manage risks inherent to the company in an appropriate and timely manner; improve knowledge on interactions and interrelations of risks at Blumar; anticipate risks in order to reduce mitigation costs and efforts; promote a culture of risk and control at the company and establish the governance of risk management in order to maintain and strengthen the trust of stakeholders, regulators, risk raters and external auditors, among others.

Policy on Relations with Public Officials

This policy includes general guidelines which directors, senior executives and all employees must adopt when dealing with national and international public officials, in order to prevent unlawful actions that compromise the company's criminal liability.

Recruitment Policy and Procedure

The objective of this instrument is to standardize the staff recruitment procedure, hence it may be carried out in a methodical and timely manner, to ensure a simple and effective process that guarantees the recruitment of the best candidate available. For this purpose, it distinguishes between four types of positions that can be submitted to different procedures: executives, professionals, technicians and administrative employees, and qualified and unqualified operators.

Donation Policy and Donation Procedure

This policy sets out general guidelines concerning donation requests and describes the approval and delivery process of donations; it specifies the recipient's profile and the allowed minimum and maximum annual donation limits. This policy also states that the company does not support political campaigns or parties.

Crime Prevention Policy

This policy defines the guidelines on which the adoption, implementation and operation of the Crime Prevention Model is based, according to the provisions in Law No. 20,393 on Criminal Liability of Legal Persons and the prevention of the therein included offenses. On the other hand, it also provides for a crime prevention procedure that defines the activities included in the Crime Prevention Model. Those activities are: Prevention, Detection, Response, Supervision and Monitoring of the Crime Prevention Model.



Risk Management

Risk Management Policy

This policy sets out an Integrated Risk Management Procedure that is a substantial part of the Integrated Risk Management System, both of which are developed taking international standards into account. The objective of this policy is to establish risk management for Blumar, in order to better manage the identification, evaluation, tackling, communication and monitoring of the company's risks.

Specific objectives include:

- Manage the company's risks in an appropriate and timely manner.
- Improve knowledge on interactions and interrelationships between risks at Blumar.
- Anticipate risks, in order to reduce mitigation costs and efforts.
- Promote the company's risk and control culture and establish the necessary guidelines.
- Establish risk management governance in order to maintain and strengthen the trust of stakeholders, regulators, risk raters and external auditors, among others.

The Internal Audit Management and the Compliance Officer are in charge of risk management and reporting to the Board, the Directors Committee and the CEO. Likewise, it is the duty of the Internal Audit Management to keep the company's risk matrix up to date and make recommendations to both the administration and the Board, in order to improve risk management and it has to make sure these measures are implemented. Both the Internal Audit Manual and the Integrated Risk Management Policy and Procedure are based on international standards and best practices such as those of the IIA¹, COSO², COBIT³, ISO⁴ 31000, among others.

Risk management is understood as the entire process that begins at the senior management of the company and is extended to all levels. Therefore, it is important to underscore that all executives and employees are included in risk management within their daily tasks.

¹Institute of Internal Auditors.

²Committee of Sponsoring Organizations of the Treadway Commission, Common Initiative to combat corporate fraud.



³Control Objectives for Information and Related Technology.

⁴Risk Management Standard.



Connecting material topics with risk issues

Climate-related risks are defined and qualified according to their impact and likelihood.

 Material topic	Subtopic	Climate-related risk of the TCFD Standard ¹	Mitigation Actions
 Environmental Management	Emission Management	Transition Risks Policy and Legal Risks. Market Risks. Reputation Risks.	We are working on a Climate Change Strategy, which includes measurement of emissions from scope 1 and 2, with an ESG management plan for the next years. Blumar obtained a Sustainability Linked Loan , a financing method through which the company committed to establishing a Climate Change Strategy.
	Waste Management	Transition Risks Policy and Legal Risks. Market Risks. Reputation Risks.	Through this financing method, Blumar committed to reducing landfill waste.
	Water Management	Transition Risks Policy and Legal Risks. Market Risks. Reputation Risks. Financial Risks. Physical Risks Quality and availability of water affecting the supply chain; regulatory changes affecting the price and use of this resource. Extreme temperature changes that affect agriculture, transport and safety of employees.	The company is committed to a responsible use of the resource, although it does not operate in areas of water stress.
	Energy Management	Transition Risks Policy and Legal Risks. Market Risks. Reputation Risks.	The commitment also considers the use of electricity from 100% renewable sources by 2027 in all facilities that require this resource.
	Biodiversity Management	Transition Risks Policy and Legal Risks. Market Risks. Reputation Risks.	Measurement and management of environmental factors of our operations.

¹Task Force on Climate-related Financial Disclosures. Task force created to encourage companies to inform their investors about climate-related risks and how to manage them.
²Sustainability Linked Loan is defined as a loan linked to sustainability or ESG. They are general corporate financing methods that are used to encourage the borrowers' commitment to sustainability and to support environmentally and socially sustainable economic activity and growth.

Emerging risks

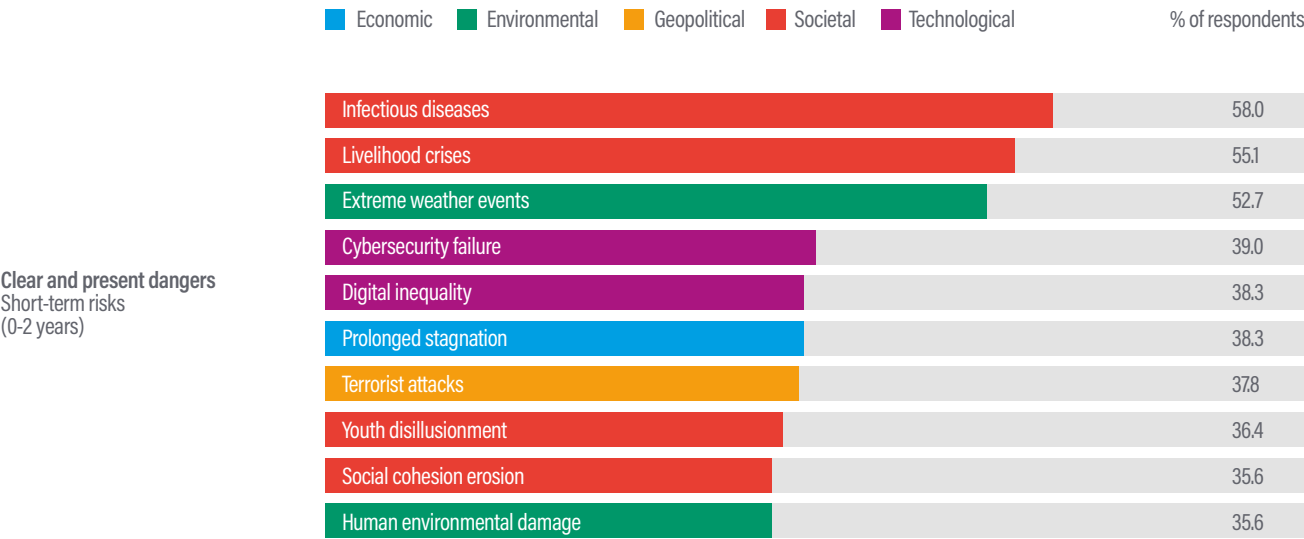
In 2020, the risk of a global pandemic became reality, which has made the world more attentive to emerging problems. In this context, the 15th edition of the World Economic Forum Global Risks Report presents an analysis of risks and their impact on society and highlights the rising inequality and fragmentation in our society, caused by the disparity in access to health, technology, food, housing, among others. Social division has increased, testing social safety nets and taking economic structures beyond their limits.

Social division and the lack of proactive action on economic inequalities may further delay action against climate change, which remains one of the greatest challenges for humanity. For companies, the struggle to keep up with today's economic, technological and reputational pressures can threaten falling behind on future trends.

The Global Risk Report 2020 provides a broad overview of the main risks that could affect global prosperity in 2020 and in the next decade. This edition of the report is based on the responses of nearly 800 global experts and decision-makers who ranked the top risks according to likelihood and impact.

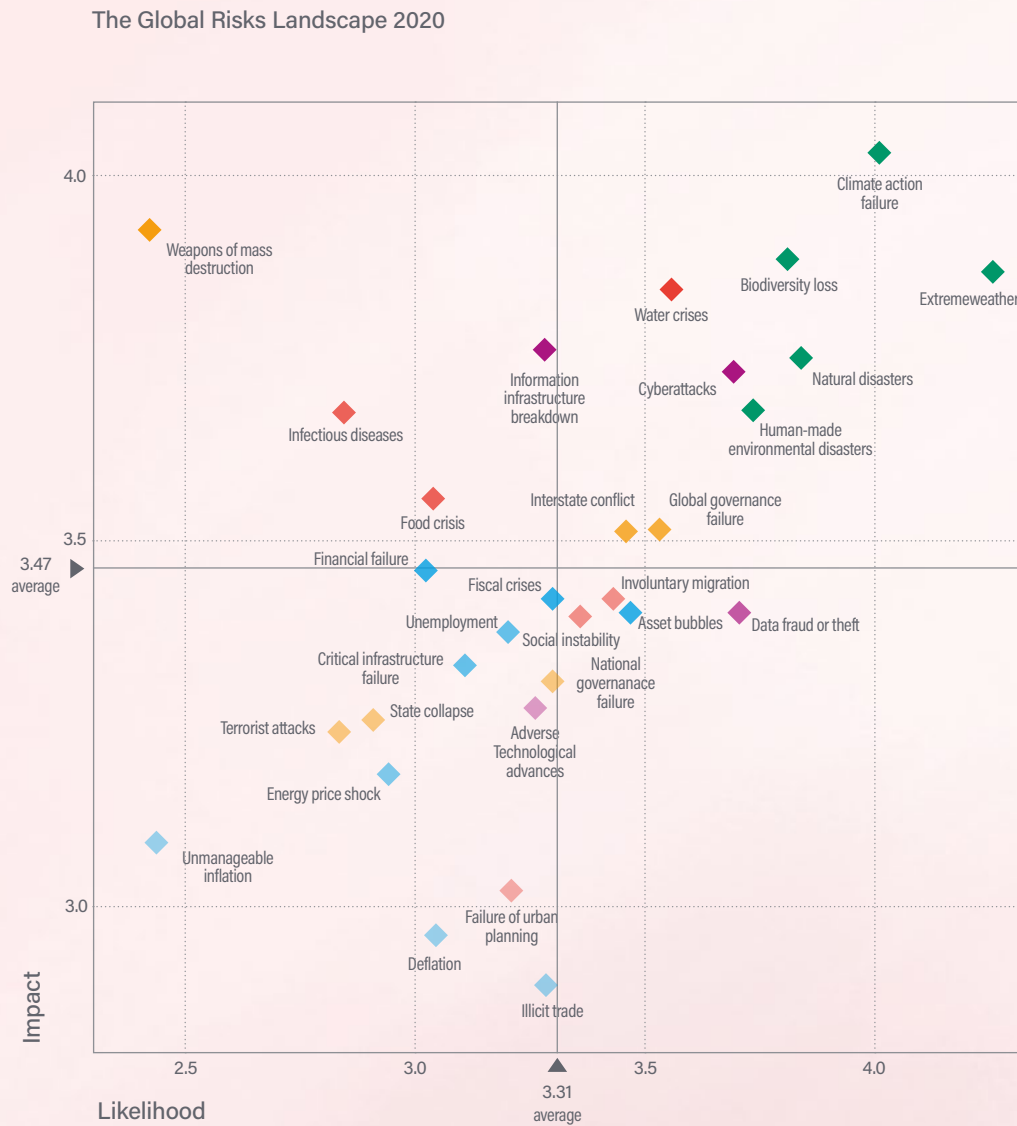
The following are the major risks for the next two years according to the WEF 2020 Global Risks Report.

Global Risks Horizon



Source: World Economic Forum Global Risks Perception Survey 2020; http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf

Categories	
◆	Economic
◆	Environmental
◆	Geopolitical
◆	Societal
◆	Technological



Source: World Economic Forum Global Risks Perception Survey 2020; http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf

Emerging Risk Analysis for Blumar

Based on the risk matrix outlined above, the emerging risks that may have the greatest impact on our operation are as follows:

Emerging risks	Description	Commercial impact of the risk	Mitigation Actions
Extreme weather events	Loss of human life, damage to ecosystems, destruction of property and/or financial losses, worldwide losses as a result of extreme weather events.	Risk of loss of operating days, given that physical and logistical infrastructure, needed for supply in the countries where the company operates, may be affected.	Make mitigation plans with local suppliers that provide perishable products complying with quality and safety requirements of the company.
Biodiversity loss	<p>As pointed out in the WEF 2020 Report, "biodiversity loss" in terms of both impact and likelihood is the third greatest risk of the next decade.</p> <p>The current rate of extinction is ten or hundred times higher than the average of the last 10 million years and it is accelerating. Biodiversity loss has critical implications for humanity, from the collapse of food and health systems to disruption of supply chains.</p>	Financial risks, given that operation costs could increase. Furthermore, stricter regulations can extend closure periods for fishing. In salmon aquaculture, habitat changes bring challenges for farming.	This presents risks and opportunities; innovative processes can mitigate some of these risks. Moreover, the combination of fishing and aquaculture businesses enables a leading position in the industry.

Risk factors

Risk Analysis

The company's fishing and aquaculture activities are exposed to various risks that may affect the company's solvency and must be considered when making an investment. The main risks are described as follows, although there may be others that may also influence Blumar's activities.

Credit risks

Risk of cash surplus investments: we assess this risk as extremely low, given the credit quality of the financial institutions and the type of product the companies invest in.

Risk from sales operations: the companies hold insurance policies to partially insure product sales both in Chile and abroad.

Risk of loans to artisanal shipowners: the companies have provided different shipowners with loans for the construction of boats, with whom long-term fishing purchase and sale contracts were established. In accordance with credit policies, ship pledges have been created to prevent the risk of default and provisions were booked in high-risk cases.

Liquidity risk

This risk arises from the possibility of a mismatch between the needs for funds and their sources. Reasonable liquidity risk management involves maintaining sufficient cash, marketable securities, and having adequate funding available at financial institutions.

■ Market risk

Exchange rate risk: since the fishing and aquaculture business relies on export, the exchange rate risk concerns the US dollar (the functional currency) regarding the currencies in which Blumar S.A. has rights and obligations. The company's exposure to exchange rate risk corresponds to the net position between assets and liabilities denominated in currencies other than the functional currency.

Product sales price risk: the prices of our products are fixed on the international market, so the Group has no influence on their determination. The companies adjust the speed of their sales according to how product prices fluctuate in the market.

Risk of variation in fishing prices: regarding the risk of variation in fishing prices, the company is protected by indexing the purchase price of fishing products to the sales prices obtained for fishmeal.

Stock Price Risk: the companies are not exposed to this type of risk as they do not have shares classified as assets available for sale.

Interest rate risk: interest rate changes modify future flows of assets and liabilities referenced at a floating interest rate.

■ Nature-related risks

The company is exposed to natural hazards that may put biomasses, fishing catches and productive facilities at risk, such as changes in oceanographic temperature or sea currents, tidal waves and tsunamis, earthquakes, algal blooms, and the existence of natural predators, among others. Blumar has insurance for its main assets

and for biomasses in the salmon business as a mitigation measure. Salmon farming centers are constantly monitored with high-end technology like oxygenation equipment.

Phytosanitary risks: diseases or parasites that can affect biomass pose a threat to the company and may affect production volumes. In order to mitigate these risks in the salmon business, Blumar has first-level assets to monitor fish health, carries out vaccination programs at all its centers and implements protocols focused on the prevention and early detection of pathologies, as well as biosecurity protocols for access to farming centers.

■ Risks due to legislation changes

The company's results may be affected by changes in legislation, considering that both the fishing and the salmon industry are regulated by the General Fishing and Aquaculture Law (LGPA) and regulations. In the fishing industry, the authority fixes fishing quotas, determines their splitting, grants fishing licenses and imposes sanctions, fines and penalties for non-compliance with the regulations. In the salmon industry, the authority may apply sanctions or restrictions in the event of inadequate management of

aquaculture concessions, non-compliance with sustainability and industry regulations and non-active concessions without justified cause or authorization. To mitigate this risk, Blumar has employees in charge of ensuring the proper use of licenses and concessions, and compliance with established regulations.

Note: For further details on risk factors, please review the Annual Report on page 115 at the following link:
https://www.blumar.com/upload/paginas/archivos/08-04-2021-12-42-07_memoria-2020_compressed.pdf

Information Security

Information Security Policy

This policy seeks to establish general protection guidelines for the company's information assets against internal and external threats. The three fundamental pillars of information security are:

Confidentiality: Level or classification of information concerning access by authorized persons.	Integrity: Level of protection of the totality and accuracy of the information.	Availability: Level of authorized user access to information and associated assets.
--	---	---

The General Information Security Policy is based on the international ISO 27001 standard.

Information Security Principles

Promotion of an organizational culture focused on information security.
Dissemination of practices needed to maintain continuity of business processes.

Scope

The scope of this policy is to protect critical information processes and assets, ensuring confidentiality, integrity and availability of information and ensuring business continuity.

2020 Management

Concerning cybersecurity in 2020, Blumar decided to appoint the figure of Information Security Officer, whose main objective is to implement, maintain and improve an information security management system within this area. The main tasks accomplished during this period were:

- 400 employees participated in a virtual cybersecurity training, aimed at disseminating the information security policy at Blumar.
- Training on social engineering with 93 participants via video calls.
- The Committee on Information Security was created, which consists of the Internal Audit Manager, the Chief Financial Officer, IT Assistant Manager, the Head of Platform and the Information Security Officer. To date, five sessions have been held.
- The company's information assets were identified and evaluated based on the three fundamental pillars: confidentiality, integrity and availability.

Compliance

The objective of the company's Crime Prevention Policy is to establish the guidelines on which the adoption, implementation and operation of the Crime Prevention Model for Blumar and the subsidiaries is based, in accordance with the provisions of Law No. 20,393 on Criminal Responsibility of Legal Persons and all its amending laws.

The provisions of the abovementioned law, which entered into force on December 2, 2009, apply to legal persons under private law and to State enterprises. The therein contained offenses according to Chilean law are: bribery of a national or foreign public official, money laundering, financing of terrorism, handling of stolen goods, corruption among private individuals, improper management,

incompatible negotiation, misappropriation, extracting activities without aquaculture concession, use of collapsed or overexploited hydrobiological resources or derivate products without labeling their legal origin, contamination of bodies of water and use of restricted hydrobiological resources.

On the other hand, it also provides for a crime prevention procedure that defines the activities included in the Crime Prevention Model. Those activities are: Prevention, Detection, Response, Supervision and Monitoring of the Crime Prevention Model.

Grievance channel

Employees or third parties can file grievances about violations of the Code of Business Conduct and Ethics, regulations, policies, procedures or additional internal and external standards concerning ethical behavior and the Crime Prevention Model.

The grievance channel is available on the Company's website (<https://www.blumar.com>).

Received grievances: **29**

Resolved grievances: **29**

Total grievances 2020: **29**

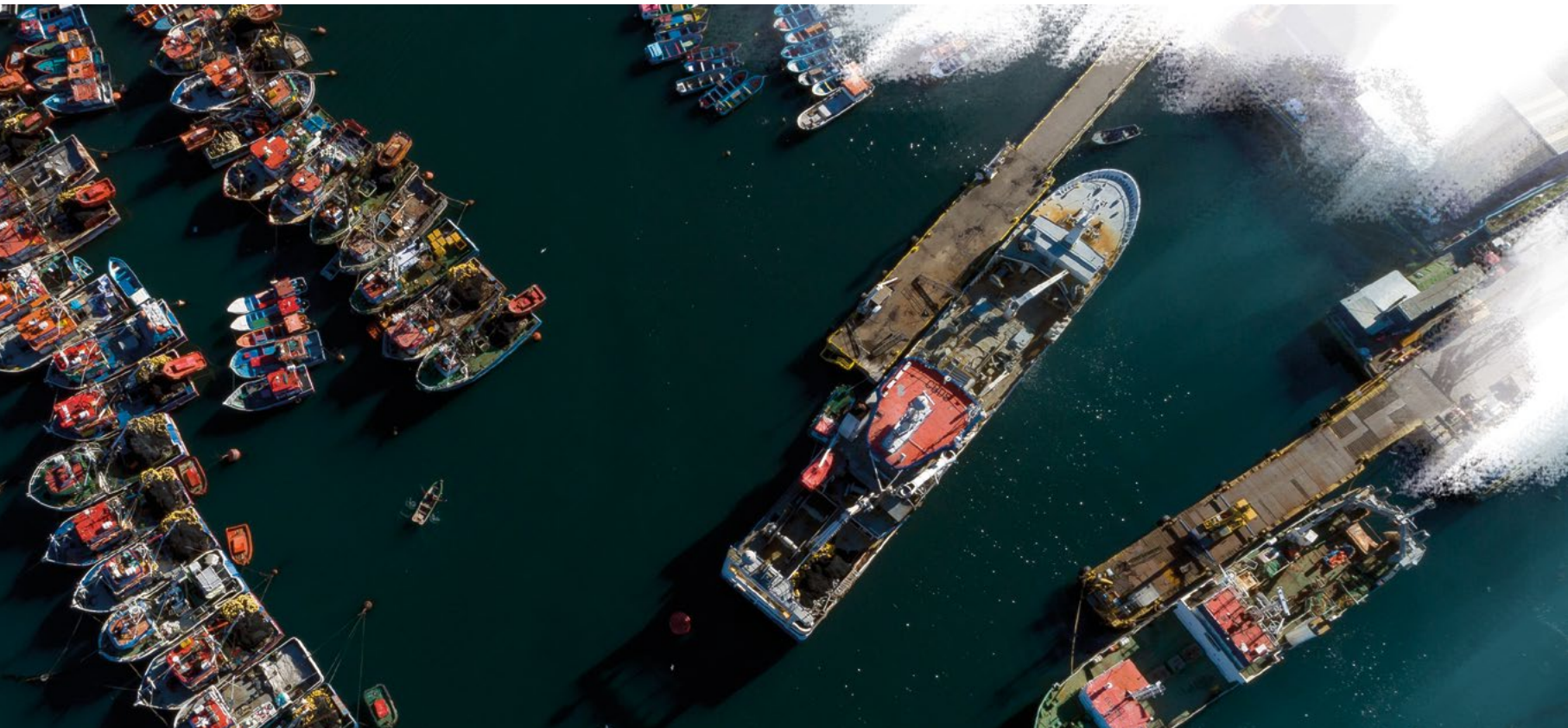
Note: all grievances were related to violations of Blumar's Code of Ethics.

Economic Performance

At Blumar we care about adding value to all our stakeholders.

Our economic activity is the result of integrating sustainability into the value chain; this is reflected in the certifications of our facilities, processes and products. As far as our investments are concerned,

we have focused on maintaining assets in optimal operating conditions. On the other hand, the resources generated in the financial year have favored the maintenance of assets, even though they have been financed with the support of banking institutions when the flow of the period has been more restricted.



Financial Results

The following is an analysis of the Consolidated Financial Statements of Blumar S.A. according to International Financial Reporting Standards (IFRS) for the period ending on December 31, 2020. All figures are expressed in thousands of US dollars (MUSD).

Income Statement		2019	2020
Operating income	MUSD	390,702	463,716
EBITDA before fair value adjustment	MUSD	51,975	2,630
<i>EBITDA margin before fair value adjustment</i>	%	13.3	0.6
EBIT before fair value adjustment	MUSD	25,994	-27,737
<i>EBIT margin before fair value adjustment</i>	%	6.7	-6.0
Net profit / loss	MUSD	12,331	-51,519

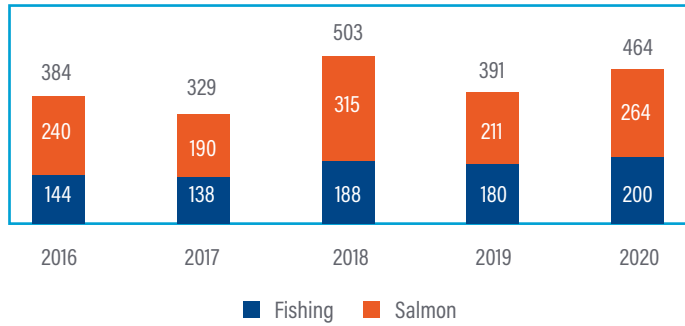
Statement of Cash Flow		2019	2020
Investment in property, plant and equipment	MUSD	83,113	49,096

Balance Sheet		2019	2020
Total Assets	MUSD	834,090	927,201
Financial Debt	MUSD	252,722	321,489
Net Financial Debt	MUSD	243,637	272,431
Equity	MUSD	399,038	397,164

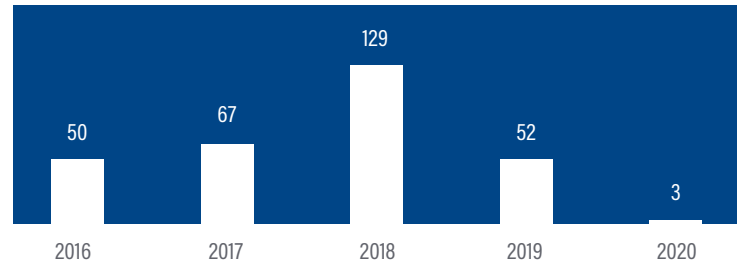
Key Financial Indicators		2019	2020
Debt (total liabilities / Assets)	%	109.0	133.5
Financial Debt (Financial Debt / Assets)	%	63.3	80.9
Net Financial Debt (Net Financial Debt / Assets)	%	61.1	68.6

Key indicators of economic performance

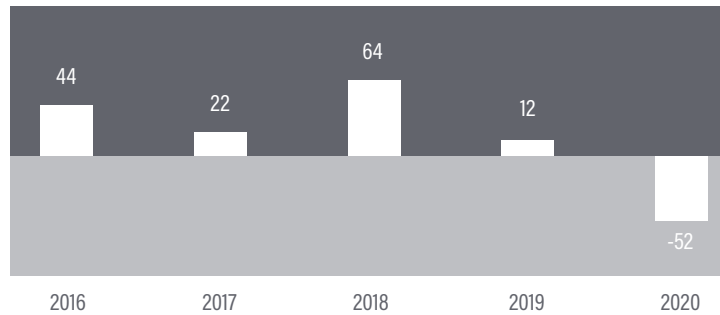
Revenue (in USD million)



EBITDA (in USD million)

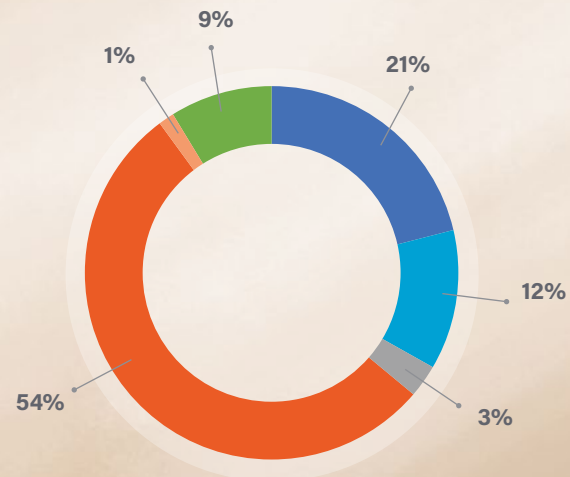


Net Profit (in USD million)



Composition of income by product
(% of valued sales)

- Fishmeal and Fish Oil
- Frozen Jack Mackerel
- Other fishing
- Atlantic Salmon
- Coho Salmon
- White fish

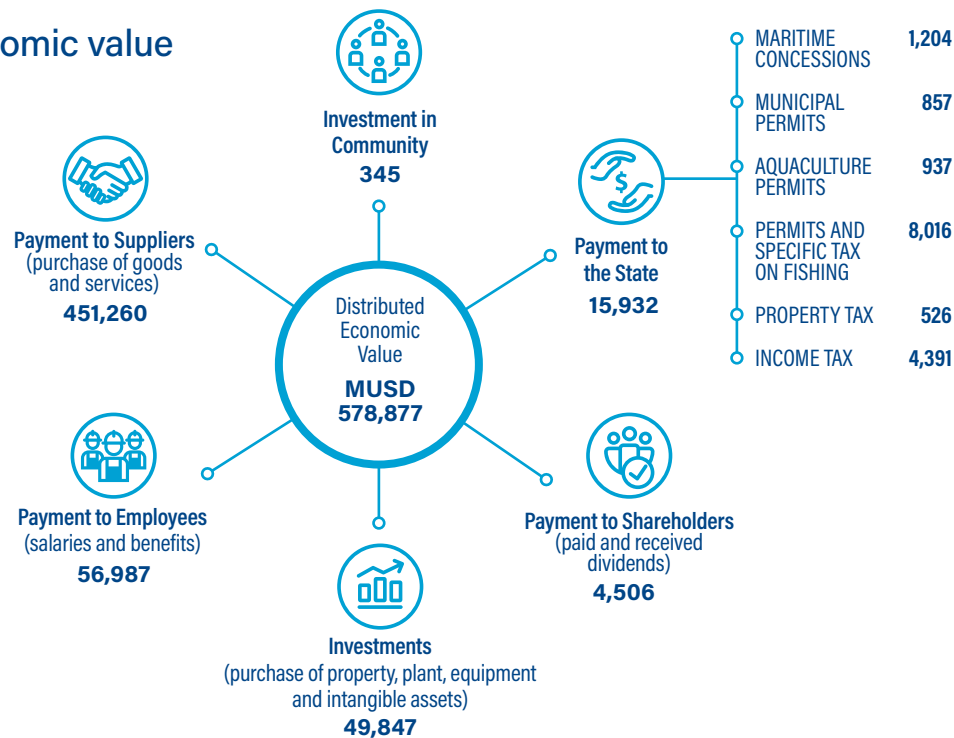


Generated and distributed economic value

(in thousands of dollars, MUSD)

The total economic value generated by our company, considering the consolidated value, was \$508.780 million USD, of which \$578.877 million USD were distributed to different stakeholder groups as indicated in the diagram. This indicator was generated based on Cash Flow.

This year the distributed value was higher than the generated value, due to the negative result obtained by the aquaculture division of the company. These results diminished given the global pandemic that led to a 31% decrease in the average sales price due to the closing of the hospitality industry.



Economic value generated in 2020: 56% corresponds to the Aquaculture division and 44% to the Fishing division.	Aquaculture revenues: Export sales: 90% Domestic sales: 10%	Fishing revenues: Export sales: 75% Domestic sales: 25%
--	--	--

Supply chain management

At Blumar, we are committed to sustainable development and therefore determined to make constant and proactive progress in the social and environmental management of our supply chain.

Suppliers and contractors are an essential link in the company's value chain. They are vital to the operation of the company as they supply and support different processes that are carried out in our facilities. Therefore, our suppliers and contractors must comply with the regulations of Blumar's Code of Business Conduct and Ethics. Our goal is to advance a shared approach to achieve a value chain of goods and services that includes ESG management.

Blumar's Crime Prevention Model defines the guidelines for the adoption, implementation and operation of this Model, according to the provisions in Law No. 20,393 on Criminal Liability of Legal Persons and the prevention of the therein included offenses, and a Crime Prevention Procedure which includes the activities required for its implementation. This model includes a Grievance Channel through which employees or third parties may file complaints about violations of the Code of Ethics and Business Conduct. It is available on the company's website (<http://www.blumar.com>). Moreover, the company has Internal Health and Safety Regulations for contractors that include the required ethical conduct.

How we work with our suppliers

Suppliers are directly affected by the company's actions, which is why we carry out different initiatives that facilitate and safeguard the integrity of suppliers and contractors.

As part of our service partner development, we include contractor companies in occupational health and safety management and in the training we provide. Therefore, we have a contractors portal, which allows us to establish a more efficient and effective dialogue, and to exchange information required by the company with the aim of ensuring occupational safety.

Another initiative includes contractors in our risk prevention and occupational safety approach through the creation of Joint Labor Committees with contractor participation.

Purchasing procedure

The Company developed a purchasing procedure to establish the different processes involved in the supply of goods and services. This is an essential element in fulfilling the mission of the supply area, which is to maintain the supply chain, providing goods and services required by the different units of the company on time, allowing for operational continuity.

Supplier Management Policy

The Supplier Management Policy is part of the Purchasing Procedure and its guidelines are included in the Code of Business Conduct and Ethics. Details of this policy are as follows:

- The relationship between employees of Blumar and its subsidiaries with suppliers must always safeguard the interests of the company and ensure equality between participants, based on a relationship of mutual cooperation, loyalty and transparency.
- No commitment or bias toward any particular supplier is to be adopted. Technical and commercial variables are to be considered above all others in decision making and always considering the benefits and costs of each choice.
- Comply with the requirements of the Quality Management Standards regarding the selection, evaluation and ongoing relationship of suppliers.
- Provide suppliers with clear and appropriate information on requirements, so that the supplier knows exactly what to provide.
- Encourage integration into joint and collaborative growth with strategic and/or excellent service providers.
- Ensure that the selection and hiring of suppliers is in accordance with current existing internal regulations and, in particular, with the values of the corporate culture, management style and the Ethics Code and Employees' Conduct Code.
- Inform the supplier of the Crime Prevention Model, which includes commitments related to business ethics (e.g., corruption and anticompetitive practices).
- Promote long-term relationships with suppliers.

Critical suppliers

Critical suppliers are those who supply materials, goods and/or services that are considered essential and are absolutely necessary to maintain Blumar's operations. Since these products or services can have a significant effect on the company's results, their control is critical.

Materials, goods and/or services shall be considered critical when any or all of the following conditions apply: they are fundamental to operational continuity, have an annual purchase value equal to or greater than \$1.5 million USD and/or are operations in which a single supplier is available. Among others, the following items are taken into account: fish feed, artisanal fishing, fuel, transport of harvest on land and sea, sea transport of smolt, fish medicines, primary plant service, refrigerated warehouse service, roe, fish farming and insurance services.

Classification by supplier type	Absolute number of suppliers	Percentage of total supplier spending (%)
Critical suppliers	171	56%
Non-critical suppliers	2,192	44%
Total suppliers	2,363	100%

Supplier Risk Identification Process

These risks are related to violations of the Code of Conduct and include, among others, anti-fraud, anti-corruption, financial information, compliance of labor regulations, and regulatory compliance. Blumar has a risk management area with a systematic, centralized approach to hazard and risk management, which involves risk identification, potential risk analysis, and mitigation strategies under the control hierarchy beginning with elimination, substitution

and administrative controls. These risks include those related to critical suppliers of goods which are essential to operational continuity. The elements necessary to support this process include notification of all risks, inclusion of all stakeholders in risk analysis, periodic audits and inspections, effective root cause analysis of any incidents, periodic and recurrent safety training, and application of security communication methods.

Supplier evaluation

Scope: *Salmones Blumar plant*

Evaluation process

All suppliers of materials and services that have a material impact on the objectives of the Management System are assessed under this process. These suppliers are evaluated on the basis of the goods or service they provide, taking into account the objectives of the Management System (safety, quality, legality, environment and social, labor and human rights aspects).

Item	Detail
Goods	The considered goods, among others, are chemicals, packaging and services. In 2020-2021, there are 140 suppliers in total.
Frequency	Yearly
Registration	In the Supplier List, the person responsible for the evaluation of each good and service on behalf of the aquaculture division is indicated.
Evaluation types	There are two types of evaluation: one for service providers and one for suppliers of goods. If a supplier or service provider is hired by more than one user, they will be evaluated by each of them separately and a weighted average will be calculated, which will then be sent to the supplier after the evaluation and analysis process is completed.

The evaluation shall be carried out quantitatively, expressing the result according to the following table:

Evaluation	Parameter
Excellent	Evaluation result $\geq 95\%$
Good	Evaluation result $\geq 85\%$
Fair	Evaluation result $\geq 75\%$
Insufficient	Evaluation result $< 75\%$

Blumar only works with suppliers in the “good” or “excellent” categories. Those who obtain a lower evaluation must improve their performance within three months; otherwise, they will be removed from the Supplier List.

These are the aspects considered in the evaluation:		
Evaluation of the associated service	0 to 40%	<ul style="list-style-type: none"> Complies with service specification Delivers quality service in a timely manner
Evaluation of the associated service	0 to 20%	<ul style="list-style-type: none"> Meets promised delivery dates Complies with and respects internal company procedures Is willing to change schedules and dates Capable of emergency response
Technical support	0 to 20%	<ul style="list-style-type: none"> Required information is sent in a timely manner Reacts to grievances in an appropriate and timely manner Communicates in an appropriate and timely manner Is staffed by qualified personnel
Supplier characteristics	0 to 10%-20%	<ul style="list-style-type: none"> Is certified in its area of business Organizes audits or third-party visits (clients)
Occupational Health and Safety	0 to 10%	<ul style="list-style-type: none"> Work-related accidents Information is updated on the Prevention Portal Participates in Occupational Health and Safety activities organized by Salmenes Blumar.

A negative score will be considered if non-compliance affects the supplier’s business activity. Other complementary evaluation tools in the field include the service specifications performed by the Service Quality Unit.

Type of supplier	Number of suppliers evaluated in the last two years
Critical suppliers	Evaluated Suppliers 2019-2020 2020: 140 2019: 117
	<i>Scope: Salmenes Blumar plant</i>

Progress in ESG commitments regarding the supply chain

With respect to ASC certification, farming centers in the aquaculture division support their feed supplier's effort to change their source of fishmeal and oil to ISEAL certified fisheries. This is in order to follow guidelines that promote responsible environmental management of small pelagic species or an equivalent scheme.

Blumar is committed to sustainable development and management of the social and environmental risks of its value chain, where food production is a significant component of the social and environmental footprint of salmon farming, given the diversity of raw materials and supply chains involved in the process.

Potential risks from critical suppliers

We have identified the main risks associated with our critical suppliers and the respective management measures.

Risk description	Mitigation measures
Termination of one or more of our contracts with animal feed suppliers at short notice could result in additional costs and affect operational continuity.	<ul style="list-style-type: none">▪ Have more than one approved critical provider for feed.▪ Maintain a feed stock to supply several months of feed requirements.
No goods from artisanal fishing available	<ul style="list-style-type: none">▪ We have a large group of artisanal fishing suppliers which allows us to mitigate this risk.
Specialized contractors to do maintenance work on our ships	<ul style="list-style-type: none">▪ We have several contractors for maintenance work in our operations.▪ We have operative units that are available to perform these tasks in the case of emergency and allow for operational continuity.
Not having the necessary fuel for the operation	<ul style="list-style-type: none">▪ We have contracts with high-end suppliers.
Not having product packaging (mackerel and salmon)	<ul style="list-style-type: none">▪ Our contingency plans consider the anticipated purchase for one year of operation, which allows us to mitigate this risk.

Our relationship with artisanal fishermen

Blumar S.A. is supplied with pelagic fishing by purchasing from duly authorized artisanal suppliers. We are a relevant actor in the extractive fishing industry, together with our subsidiary Pesquera Bahía Caldera S.A. In 2020, we obtained 252,346 tons of fish. 62% of which was purchased from artisanal fishermen and 38% from the company's fleet.



¹ Global membership organization for sustainability standards.
² Animal feed, consisting of a mixture of processed or unprocessed raw materials to produce nutritious and healthy feed.

Our management focus:

Development of local suppliers in our operations

We are committed to the development of our suppliers in the various areas where we operate, with this year’s special focus on suppliers in the Magallanes Region, where Salmenes Blumar Magallanes began its operations 2018.

73% of our suppliers are local suppliers in the Atacama, Biobío, Los Ríos, Los Lagos, Aysén y Magallanes Regions where Blumar has facilities: processing plants, farming centers, and important logistic centers.

Purchase from suppliers of goods: \$192.37 million USD
Purchase from service providers: \$212.67 million USD
Purchase from artisanal fishermen: \$31.68 million USD

Blumar continues its local supplier development policy for operations in Caldera, Corral and Punta Arenas.

Moreover, the company participates in the Local Supplier Development Project in the Aysén Region, endorsed by the Chilean government and Salmonchile.

Goal Monitoring 2020	Goals 2021 and 2022
<div><div></div><div>We obtained the Propyme Seal for timely payment in less than 30 days at all companies that are part of the Blumar S.A. Group.</div></div> <div><div></div><div>We supplied our salmon processing plants with 100% of primary and secondary packaging products from GFSI certified companies.</div></div> <div><div></div><div>Our suppliers' contracts were standardized.</div></div>	<div><div></div><div>Commitment 2021 Evaluate 100% of critical suppliers.</div></div> <div><div></div><div>Commitment 2022 Integrate a management system to incorporate the ESG assessment of critical suppliers.</div></div>

¹ Global Food Safety Initiative.

INNOVATION AND ADAPTABILITY





Our products

We offer marine food products that add value for our clients and provide high-value, high-quality proteins to end consumers.



The material topics associated with this strategic pillar are:

- Process and product certifications
- Species health and welfare
- Commercial management

Global food trends

Food security and sustainability

The COVID-19 pandemic has worsened the global economic outlook in a way that no one could have anticipated. According to the 2020 “The State of Food Security and Nutrition in the World” report¹, prepared by various UN agencies, approximately 840 million people could be exposed to hunger by 2030. This report also highlights the increase in figures related to malnutrition, in particular the global increase of growth stunting, wasting (pathological weight loss), childhood overweight and obesity in adults. This situation may delay reaching one of the Sustainable Development Goals (SDGs) by 2030, which is to ensure universal access to safe, nutritious and

sufficient food all year round. The report notes that we are still far from achieving this goal.

Moreover, current dietary habits generate what the report calls “hidden costs” related to health (SDG 3) and climate change (SDG 13). It is estimated that the food-related social costs—caused by greenhouse gas (GHG) emissions associated with current eating habits—will exceed \$1.7 billion USD per year by 2030.

Shifting to healthy diets that consider sustainability can significantly reduce these hidden costs and generate synergies

to contribute to other SDGs. Furthermore, our dietary choices contribute to reducing costs concerning health and climate change, because the hidden costs of these healthy diets are lower than those linked to current consumption habits. The adoption of healthy diets is estimated to result in a reduction of up to 97% of direct and indirect health costs and between 41% and 74% of social costs of GHG emissions by 2030.

Increased demand for proteins

According to UN estimates, the world's population will grow to approximately 9.7 billion by 2050. Although 70% of the Earth's surface is covered by oceans, fish account for only 7% of the protein sources for human consumption. Assuming that the per capita consumption remains constant, this will represent a 29% increase in demand for proteins. Given that resources for increased protein production on land will be scarce, a key issue will be how to expand the production of protein sources from the sea.²

Pelagic fishing and salmon farming

A variety of research shows the benefits marine products have for human health, especially due to their content of essential Omega-3 fatty acids (EPA & DHA).

¹ FAO, IFAD, WHO, WFP AND UNICEF. 2020 Summary of the State of Food Security and Nutrition in the World 2020 report. Transformation of food systems to promote affordable and healthy diets. Rome, FAO.

² Source: FAO (2017) FAO stat Food Balance Sheets, UN (2019) World Population Prospects: the 2019 Revision.

Divisions and products

At Blumar, we provide our customers with healthy seafood products, following strict production cycles, in fishing as well as salmon production, through policies and procedures that safeguard the legality, quality and safety of our products.

Products of the fishing division

Blumar is a relevant player in the extractive fishing industry. Together with its subsidiary Pesquera Bahía Caldera, 252,346 tons of fish were obtained in 2020, 62% of which was purchased from artisanal fishermen and 38% came from the company's fleet. The main products of the company's fishing division are:

Fishmeal and Fish Oil

These are indirect human consumption products, which are produced by Blumar in its four plants, one in the Atacama Region, two in the Biobío Region and one in the Los Ríos Region. In 2020, the company produced 40,673 tons of fishmeal and 11,586 tons of fish oil, which in total accounted for sales of \$98.651 million USD. Together, they accounted for 49% of the company's valuated sales from the fishing division.

Benefits

Marine ingredients are used in a range of products intended for human and animal consumption, food processing and alternative purposes, such as the cosmetics industry. The oceans contain approximately 80% of the planet's biomass, with infinite potential for nutritional, therapeutic and functional ingredients. Fishmeal and fish oil are used for feeding fish and farmed crustaceans and complement aquacultural feeding. Therefore, more than five million tons of mostly underutilized, but sustainable non-food products are effectively returned

back into the human food chain.

In addition, adding fishmeal and especially fish oil to diets of farmed fish ensures that fish intended for human consumption is a source of essential EPA and DHA fatty acids, which are vital for human biological functions.¹

Frozen Jack Mackerel

Frozen jack mackerel is a product for direct human consumption. Blumar was a pioneer for this product in Chile and is currently the largest producer at the national level. Blumar has two frozen product plants located in San Vicente and Rocuant, with a production capacity of 690 tons per day. In 2020, 67,673 tons of frozen jack mackerel were produced (whole, HG² and HGT³) and sales amounted to \$57.829 million USD, which accounted for 29% of the valuated sales in the company's fishing business.

Benefits

Jack mackerel is an oily fish with multiple nutritional properties, among which a high content of Omega-3, proteins of high biological value, vitamin B1, B2, B3 and B12 stand out, as well as vitamin A and D and minerals such as iron, magnesium and iodine.⁴ Its nutritional qualities reduce the risk of atherosclerosis

and heart and blood vessel diseases, promote red blood cell production, and improve the functioning of the nervous and immune systems.

¹ <https://www.ifo.com/es/node/93>

² HG: headed and gutted.

³ HGT: headed, gutted, tail-off.

⁴ <https://www.aqua.cl/2008/10/13/destacan-beneficios-nutricionales-del-jurel/#>

Hake and Other White Fish

Blumar produces fresh, frozen and breaded hake and we have two plants allocated for this production: one for frozen and one for breaded fish. Since December 2017, we extract, produce and sell white fish through our subsidiary PacificBlu SpA.

Benefits

This fish has excellent nutritional value, providing high-quality proteins and a wide variety of vitamins and minerals, including vitamins A and D, phosphorus, magnesium, selenium, and iodine. In the case of saltwater fish, nutritional and health

benefits include the prevention of cardiovascular diseases, prostate cancer, immune disorders, osteoporosis, and consumption during pregnancy benefits the neurological and cardiovascular development of infants and children.

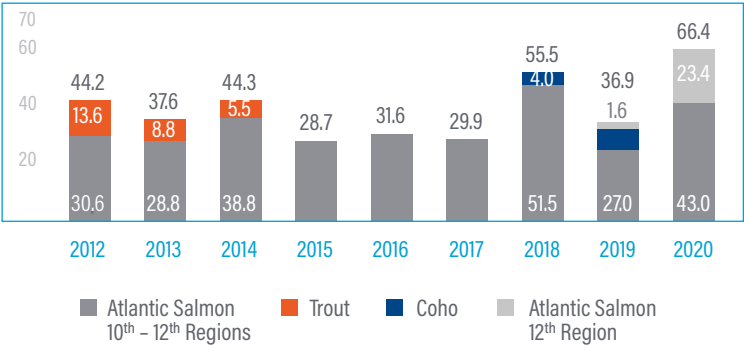
Mussels

Blumar farms, processes and exports mussels through its partners St. Andrews Smoky Delicacies S.A., Empresa Pesquera Apiao S.A., and Salmenes Aucar S.A., and St. Andrews Smoky Delicacies S.A. has two modern plants in Chiloé where the raw material is processed and transformed.

Aquaculture division products

Considering all salmonid species, Salmenes Blumar is the seventh largest exporter in Chile, with a 5% market share and total exports of \$211 million USD. In 2020, it harvested 66,400 tons WFE¹, of which the subsidiary Salmenes Salmenes Blumar Magallanes harvested 23,400 tons WFE of Atlantic salmon. Aquaculture sales reached a total of \$263.6 million USD.

Blumar’s harvest of Atlantic salmon, trout and Coho salmon 2012-2020 (thousands of tons WFE)



Source: Blumar

Production from the Aysén Region is then processed at our plant in Talcahuano, Biobío Region, which has a production capacity of 57,000 tons WFE per year. Production from the Magallanes Region is processed at our EntreVientos plant in Punta Arenas. This operation is carried out jointly with Multiexport and involved a

total investment of \$60 million USD. It is the most modern salmon processing unit in Chile, which uses the latest technology and has a processing capacity of 50,000 tons of raw material per year. Making products with added value creates jobs for more than 400 people in the Magallanes Region.

¹ Whole Fish Equivalent, the base measurement unit for the raw material, corresponding to the weight of the whole bled salmon.

Atlantic Salmon and Coho Salmon

Salmones Blumar produces Atlantic salmon, Coho salmon and trout. At the closing of 2020, 66,400 tons WFE were harvested.

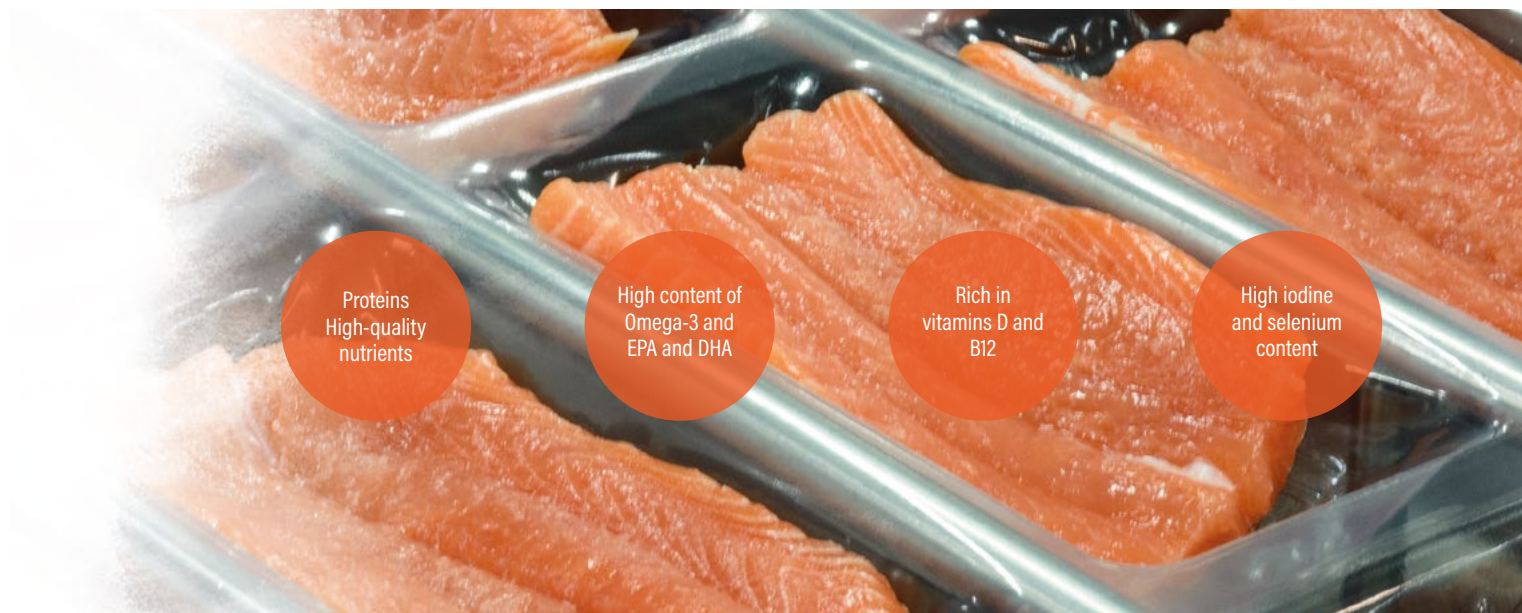
Benefits

Salmon is a low-calorie food. It has high levels of proteins, Omega-3 fatty acids (EPA and DHA), which reduce the risk of cardiovascular diseases and a large number of other health problems; furthermore, it improves brain health. It also has high concentrations of vitamin A, B6-B3, D and K, and essential minerals such as zinc, phosphorus, iodine, potassium and selenium.

The FAO has pointed out that “fish is a food of excellent nutritional value, providing high-quality protein and a wide variety of vitamins and minerals, including vitamins A and D, phosphorus, magnesium, selenium and iodine.” This international body also noted that

there are multiple studies on nutrients in fish and salmon and by including them in our diet we can improve overall nutrition and may even experience significant health benefits.

Taking the global obesity rates into account, governments and food and health advisory agencies around the world are encouraging people of all ages to increase fish consumption. The U.S. Department of Health and Department of Agriculture recommend an intake of at least 237 grams of fish per week.¹



Proteins
High-quality
nutrients

High content of
Omega-3 and
EPA and DHA

Rich in
vitamins D and
B12

High iodine
and selenium
content







Fishing and farmed salmon: healthy food and sustainable proteins

The production of fish and salmon, in addition to being resource efficient, is also a source of environmentally-friendly protein and is expected to become an important global protein source, while limiting the negative effect on the environment.





¹ Source: Mowi, FAO, WHO, The Norwegian Directorate of Health, Health and Human Services, US Department of Health (2016) Dietary guidelines for Americans 2015-2020

Carbon Footprint

Carbon footprint is measured by the total greenhouse gas emissions directly and indirectly caused by the preparation of a product (kg CO₂ equivalent / 40g edible protein).

						
	Small Pelagic Fish	Salmon	White Fish	Chicken	Pork	Beef
Kg CO ₂ equivalent	0.13	0.6	0.25	0.88	1.3	5.92

Source: Global Salmon Initiative Sustainability Report, Asipes.

				
	Salmon	Chicken	Pork	Beef
Protein Retention Protein gain as a percentage of food protein intake. It is calculated as a percentage: protein in edible portions / gross energy (GE) of food consumed.	28%	37%	21%	13%
Calorie Retention Measured by dividing the calories of the edible portion by the calories in the food. The main reason salmon convert proteins and energy into muscle and body weight so efficiently is because they are cold-blooded, and therefore do not need energy to heat their bodies. Moreover, salmon do not waste energy standing up as terrestrial animals do.	25%	27%	16%	7%
Yield Edible yield is calculated by dividing edible meat by total body weight.	73%	74%	73%	57%
Feed Conversion Ratio* The Feed Conversion Ratio (FCR) measures the productivity of different protein production methods. It shows the kilograms of feed needed to increase an animal's body weight by 1 kg. A low FCR represents a more efficient use of resources.	1.3%	1.9%	3.9%	8.0%
Yield per 100 kg of food Edible meat per 100 kg of food is the combination of the FCR ratio and edible yield. Salmon has a favorably high amount of edible meat per kg of food.	56 kg	39 kg	19 kg	7 kg
Freshwater Consumption of freshwater to produce 1 kilogram of edible protein.	2,000	4,300	6,000	15,400

* The figures reflect the Feed Conversion Ratio and carbon footprint of farmed Atlantic Salmon.
Source: Global Salmon Initiative, Salmon Farming Industry Handbook 2020.

Sustainable value chain

At Blumar, we are committed to the sustainable management of all our activities, where caring for the environment and assuring the welfare of the species represent fundamental pillars. Our main resource is marine life and we are indebted to it. We are concerned with its care and survival over the long term, carrying out our operations with responsible resource management and minimizing environmental impacts. Therefore, we have suitable processes and cutting-edge technology that facilitate constant monitoring in the company's farming centers, along with a veterinary team trained to identify and make use of the appropriate tools to **ensure animal welfare and health**. These veterinarians follow the prescription guidelines from certified health professionals for the specific species they are treating.

Commitment to sustainable nutrition

At Blumar, we commit to responsible sourcing, working hard to strengthen sanitary and feed measures in all our farming centers, carefully selecting feed and providing solutions consistent with fish welfare, sustainability, efficiency and environmental care, which allows us to guarantee a high-quality product for our customers. As part of the framework of ASC certification¹, Blumar declares that it supports all efforts of its fish feed suppliers to use raw materials that comply with a responsible sourcing policy.

The ingredients used in our salmon have a traceability system. The country of origin and, for marine ingredients, the fishery, including the origin of the cuts and volumes per species and fishing zone, are considered when sourcing raw ingredients for feed. Marine raw materials must not come from illegal, unregulated or undeclared catches or species listed as endangered on the International Union for the Conservation of Nature (IUCN) red list. In the case of fishmeal and fish oil, Salmenes Blumar supports the effort of its fish feed suppliers to change their

source of fishmeal and fish oil to ISEAL² certified fisheries, which comply with guidelines that specifically promote responsible environmental management of small pelagic species, or an equivalent framework. Marine raw material processed from whole fish shall be obtained from suppliers who apply responsible fishing management practices. Regarding soy, Salmenes Blumar supports the effort of its fish feed suppliers to make their purchases from companies certified by the Roundtable on Responsible Soy Association (RTRS) or any equivalent certification.

How do we manage a sustainable value chain?

Our strategy is based on the following: stocking smolt of high sanitary and genetic quality, selecting the best species for stocking that adapt to living in the sea, strict biosafety measures in all areas, the use of effective vaccines, the adaption of practices that ensure best conditions in the farming center, balanced diets of the highest nutritional quality and optimal nutrition strategies, timely control of caligus, periodic monitoring to evaluate the health of the fish, and training for personnel in matters related to animal health and

welfare. All of our smolts are produced in facilities under strict professional supervision, for which we have a demanding control of safety and quality.

These issues are overseen by our Salmon Management, through the Production and Operations Management and the Health and Fresh Water Sub-Management.

Goal Monitoring 2020	Goals 2021
 During 2020, we did not receive fines related to supply and use of products and services.	<ul style="list-style-type: none"> Integrate ESG assessment into the value chain, extending it to salmon feed suppliers.

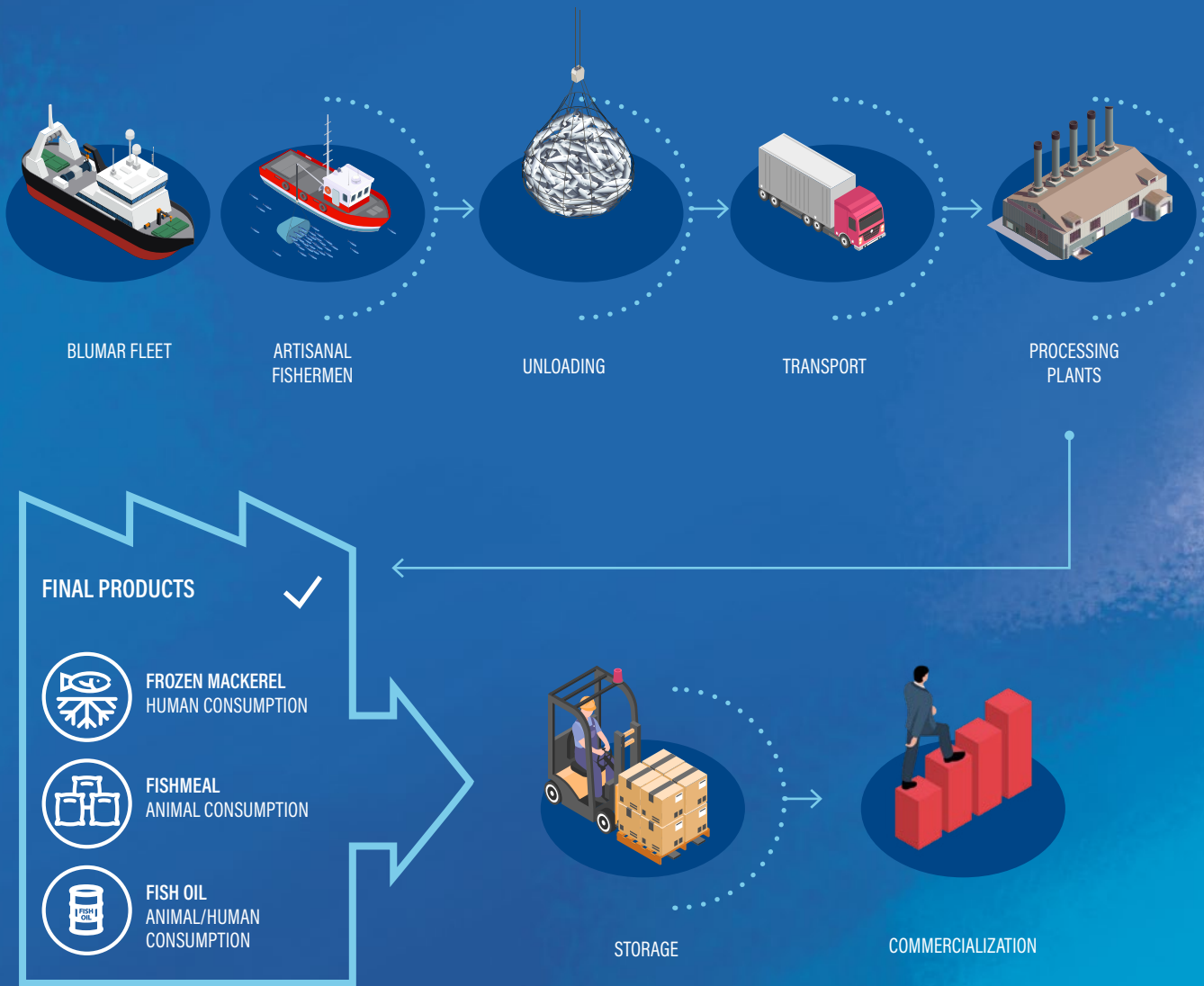
¹ Aquaculture Stewardship Council

² Global membership organization for sustainability standards.

2020 Management

Value chain fishing division

Our fishing process is characterized by highly qualified personnel and cutting-edge technology.





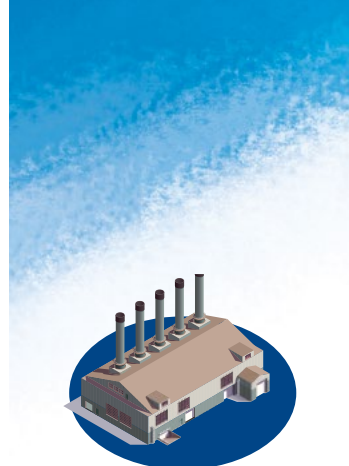
Ships

Blumar has a fleet of six High Seas Fishing Ships with the latest systems technology for monitoring, detection, capture and communication. These ships are operated by highly qualified personnel. Our fleet is equipped for purse-seine fishing and the ships are able to detect, catch and preserve our raw fish material efficiently for its subsequent unloading. Our team carries out the operation with modern detection equipment. It first locates the shoal, then deploys the net for catching, and finally sucks the fish towards the holds, where they are received with sea water cooled to -1°C (30°F). This allows the raw material to be preserved and its quality maintained through constant cooling. This cooling system ensures that the organs of the fish are kept in optimal conditions.



Unloading

The process begins when the ship arrives at the pontoon, where the quality of the fishing is evaluated, and it is determined which of our various plants it will be sent to. Then the fish is pumped by a pressure/vacuum system through underwater pipes. This ensures the quality of the raw material and minimizes the use of discharged water.



Plants

Final Product Plants: during the unloading process, the fish is received and classified by size. The selection process categorizes the raw material that is marked for human consumption, which is later sent to automatic lines that weigh and package the whole product in 20-kilogram boxes. The boxes are then sent to our freezing tunnels, where the product reaches -18°C (0°F) in 21 hours. In addition to whole fish products, we have production lines for the following categories of products: HG (headed and gutted), HGT (headed, gutted, tail-off) and IQF (individual quick freezing). Finally, the product is stored in refrigerators until it is ready for sale.

Fishmeal and Fish Oil Plants: the production begins after the raw fish material is received from our fleet and artisanal fishermen boats. The raw material goes through a series of stages of water removal in order to obtain fish meal with a high protein content and fish oil rich in Omega-3 fatty acids.



Commercialization

Generally, the products' target is a specific market and large distributors, not end consumers.

In markets such as Africa and Peru, products are marketed directly to fish markets.

Value chain aquaculture division

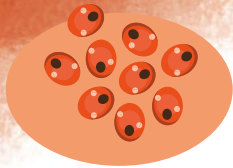
At Blumar, we are committed to maintaining sustainable management of all our activities. Therefore, caring for the welfare of our species is a material aspect.

We have highly qualified staff and processes, state-of-the-art technology, and certifications that guarantee our customers the quality of the products. The salmon cycle lasts about 31 months, and begins with the production of eggs, which takes about two months until they

are ready to be taken to the hatchery. The eggs remain in the hatchery for 12 months until they are transported to the farming centers, where they live for 17 months until they reach the required size for processing. When the salmon reaches peak growth, it is transported on board well boats to the collection facility. This trip takes about 12 hours, depending on the distance between the farming center and the processing plant. After transport, the salmon stays in resting cages for between

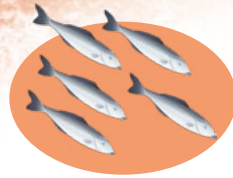
12 to 24 hours before the primary process. The salmon is then processed according to the needs of the production program, with a maximum stay of 5 days in the collection center. The time between the primary process and the beginning of the secondary process in Talcahuano varies between 30 and 45 hours. The secondary process takes 33 hours on average, where the fish is processed and the final product for distribution at our markets is obtained.





Genetics and production of eggs

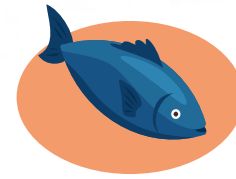
The foundation of our business is to provide quality products to our customers. Therefore, the important egg supply agreement we signed with leading genetics companies in the field of salmon farming has been essential. These selection procedures guarantee the reproduction of disease-resistant fish with greater growth potential. Egg suppliers can adapt their product through the use of brood fish with favorable genetics for the different traits required by clients; several suppliers are able to produce eggs throughout the whole year. The market is international, although it may be subject to the import/export restrictions imposed by individual countries.



Smolt Production

We have an exclusive agreement with a water recirculation facility close to the sea that produces a high percentage of our smolt. Smolt are young salmon that undergo the physiological adaptation process to live in the marine environment and fulfill high security and biosafety standards to achieve the following objectives:

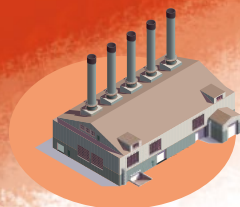
- Prevention of diseases that can be transmitted between the salmon
- Increased growth control and management
- Perform direct loading of smolt from the salmon farm to the boats for their transfer to farming centers, minimizing the stress of the salmon
- Stocking in the appropriate period for each productive sector
- Independent productive sub-areas to avoid cross-contamination in salmon farming.



Farming Centers

At year-end, Blumar had 55 concessions, distributed in the regions of Los Lagos (1), Aysén (41) and Magallanes (13). The centers operated by the company have a modern pontoon with the necessary capacity to accommodate the facility personnel, in addition to storage silos for salmon feed. The farming centers have farming cages, each measuring 10,000 sq./ft, or 17,000 sq./ft, which are properly protected with nets and fences to prevent sea lions and birds from entering or damaging the cages. Each of the farming centers can produce between 3,000 and 6,000 tons per production cycle, and it takes approximately 15 to 18 months to grow Atlantic Salmon. The technology at our salmon farming centers is operated by teams of highly qualified professionals with extensive experience in the area. We select the food equipment and feed very carefully and provide solutions that seek the welfare of our salmon, sustainability, efficiency, care for the environment and, most importantly, a superior product for customers.

In 2020, investments of \$10.2 million USD were made and distributed in \$2.8 million USD in purchase of equipment, \$3.6 million USD in anchoring, \$1.6 million USD in cages and nets and \$2.2 million USD in improvements on pontoons, platforms, and standardization of anti-bloom and feeding systems.



Processing plants

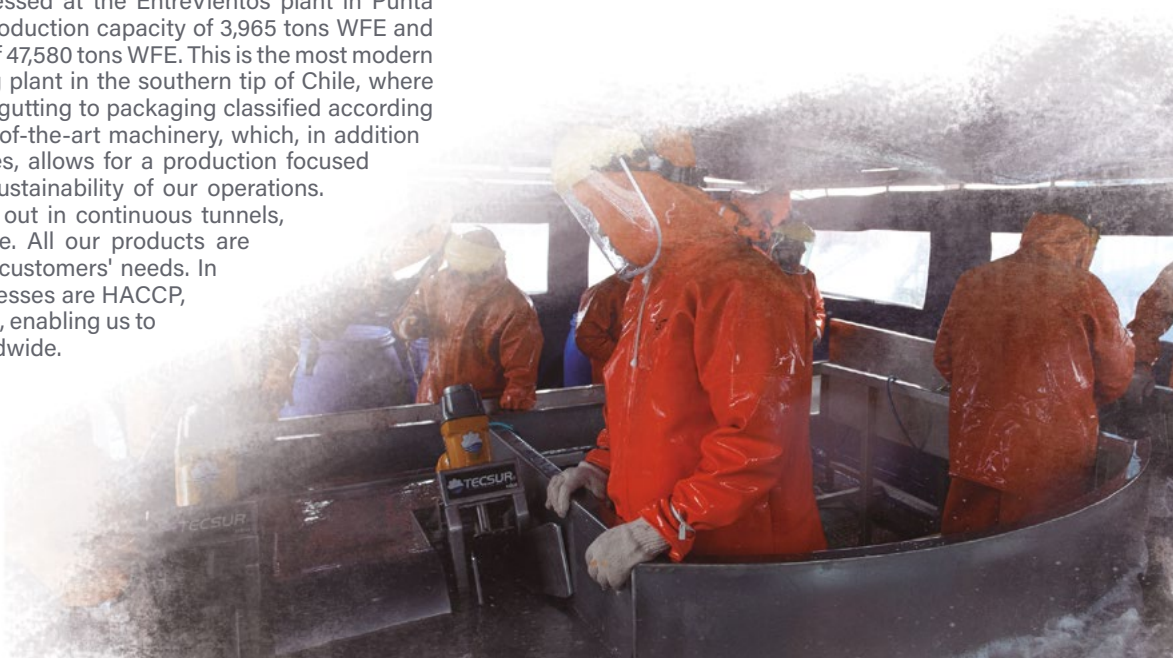
Once the salmon growth cycle ends and it is ready to be harvested, it is transported on well boats. The salmon is transported from the farming center to its first destination: the primary processing plant in Quellón. Afterwards, production continues at the processing plant in Talcahuano, which has a production capacity of 40,000 tons per year. There, raw material is transformed into different products. Because our products are made for immediate human consumption, we follow a strict sanitary protocol. The secondary processing plant is equipped with the latest technology available to process a wide range of fresh and frozen products, among them filets, whole product, H&G products, portions and blocks.

Meanwhile, in the Magallanes Region, the farming centers are located in the areas around the Skyring Sound and Puerto Natales. From there, production is moved and processed at the EntreVientos plant in Punta Arenas, which has a monthly production capacity of 3,965 tons WFE and an annual production capacity of 47,580 tons WFE. This is the most modern and efficient salmon processing plant in the southern tip of Chile, where only salmon is processed, from gutting to packaging classified according to quality and size. It has state-of-the-art machinery, which, in addition to good manufacturing practices, allows for a production focused on the quality, efficiency and sustainability of our operations. The freezing process is carried out in continuous tunnels, optimizing time and energy use. All our products are prepared specially to meet our customers' needs. In addition, our products and processes are HACCP, BRC, IFS, BAP and ASC certified, enabling us to export to different markets worldwide.



Commercialization

Our products are then sold directly by the company in the export markets. For this purpose, in 2012, we opened a commercial office in the United States in Miami under the name BluGlacier. We share the ownership 50/50 with another local aquaculture company. In 2013, a joint sales office was opened with other producers in China, called New World Currents.



Product quality and safety

From the end of the world, we produce high-quality products with the strictest safety protocols. We have procedures and policies in place to ensure the legality, quality and safety of our products.

Commitment to quality and safety

Product safety and quality are at the heart of our strategy, and our commitment is to ensure safety, compliance and quality. To achieve this, we work on training our employees, suppliers and contractors to protect our clients and our end consumers. We manage our production to safeguard our stakeholders' trust, meeting the safety and quality expectations of our clients and end consumers. We have internal and external audits in which we validate the effectiveness of the management systems and food safety. The company's progress is reviewed annually concerning the implementation of

these commitments and we manage them through a continuous improvement process.

How do we manage this?

At Blumar, we ensure the legality, quality and safety of our products from the fishing and aquaculture division, and we have policies and procedures in place that endorse this. We carry out various actions, among which we can highlight a Management System that is periodically subject to certification audits.

In addition, we commit to using traditional production methods at all stages of the salmon life cycle; we do not use genetic modification techniques which result in the intentional release of genetically modified organisms (GMO) through direct action of Blumar. Likewise, we do not use hormones in our production process and only use substances approved by the law.



More than a decade ago, we identified sustainability as an important variable in our production and sales strategy. Therefore, we undergo certification processes so that external auditors can certify that our production practices meet the most demanding standards regarding clean and responsible production. Whether for direct or indirect human consumption, our markets require various certifications.











Certifications

Fishing division	Aquaculture division
HACCP of Sernapesca	HACCP of Sernapesca
MarinTrust	ASC
Halal	BRC
MSC (*)	BAP
	IFS
	Kosher
	Halal

* This certification is for the Chilean jack mackerel fishery.

Certification and explanation		Scope
  	<p>Hazard Analysis and Critical Control Points.</p> <p>Certification granted by the National Fisheries and Aquaculture Service of Chile, which aims to ensure the safety of fishery products processed in plants that are subjected to a control of critical points and a hazard analysis, under the strict supervision of the health authority. This certification is required by the European Union, China and, indirectly, by the Chilean domestic market.</p>	<p>Fishing:</p> <p>The fishmeal and fish oil plants in Bahía Caldera, San Vicente and Corral are certified for their production lines for animal consumption. In addition, the plants in San Vicente and Corral also have this certification for their production lines for human consumption.</p> <p>In 2020, 93% of the total production had this certification, which is equivalent to 38,200 tons of fishmeal and 10,450 tons of fish oil.</p> <p>Salmon:</p> <p>The Talcahuano salmon processing plant obtained this certification, which means that we can participate in all markets that recognize or have an agreement with Sernapesca (Brazil, Europe, Russia, etc.)</p> <p>100% of the 2020 production is certified, which is equivalent to 40,183 tons.</p>
  	<p>This certification for fish oil for human consumption is granted by the Islamic Center of Chile and is geared towards the Islamic Community in Asia, which we provide with oils rich in Omega-3 fatty acids.</p>	<p>Fishing:</p> <p>Our San Vicente and Corral plants obtained this certification for all their products.</p> <p>In 2020, 76% of the total production obtained this certification, which is equivalent to 29,900 tons of fishmeal and 9,900 tons of fish oil.</p> <p>Salmon:</p> <p>The Talcahuano salmon processing plant is certified.</p> <p>100% of the 2020 production is certified, which is equivalent to 40,183 tons.</p>
 	<p>Certification program that includes the associated membership ISEAL (International Social and Environmental Accreditation and Labelling Alliance) and regulates the responsible sourcing of raw materials to produce fishmeal and fish oil.</p> <p>This certification is recognized and supported throughout the whole marine ingredient value chain and in aquaculture certification programs such as BAP, ASC and Global GAP, which primarily value the use of sustainable species.</p>	<p>The plants in San Vicente and Corral hold this certification to produce derivate products from sardine, anchovy, jack mackerel and byproducts of jack mackerel.</p> <p>In 2020, 76% of the total production obtained this certification, which is equivalent to 29,900 tons of fishmeal and 9,900 tons of fish oil.</p>
 	<p>The Marine Stewardship Council (MSC) Standard is used to determine whether a fishery is well managed and sustainable, as it reflects the most current and internationally accepted knowledge in the field of fisheries science and management. Since June 26, 2019, the jack mackerel fishing for human consumption holds the MSC certification for all capture operations carried out by the Chilean industrial fleet.</p> <p>This fosters the development of new products for different global markets like the Horeca channel, retail, and others.</p>	<p>100% of the jack mackerel fishery for human consumption obtained this certification.</p>
 	<p>The Aquaculture Stewardship Council is an independent organization with global influence, which seeks to reward companies that operate a responsible aquaculture through the ASC certification program for aquaculture and labels for marine products.</p>	<p>Six salmon farming centers in the Regions of Aysén and Magallanes are ASC certified, as well as our salmon processing plant in Talcahuano as a chain of custody.</p> <p>52% of the production obtained this certification, which is equivalent to 37,156 tons.</p>

	Certification and explanation	Scope
 	The Best Aquaculture Practices (BAP) certification addresses animal welfare, social and environmental responsibility, as well as the traceability and safety of products, and it defines standards of good aquaculture practices for each type of installation.	At Blumar we have the maximum BAP four-star certification, which means that feed suppliers, hatcheries, farming centers and the processing plant are certified. 100% of the production obtained this certification, which is equivalent to 71,936 tons.
 	British standard of quality and food safety.	The Talcahuano salmon processing plant is certified. 100% of the productions obtained this certification, which is equivalent to 71,936 tons.
 	This is a standard that guarantees the food safety and quality of nutritional products and processes.	The Talcahuano salmon processing plant is certified. 100% of the production obtained this certification, which is equivalent to 71,936 tons.
 	This certification comes from the Hebrew word that means "pure" or "adequate." It is a system of food quality control according to Jewish standards.	The Talcahuano salmon processing plant is certified. 100% of the production obtained this certification, which is equivalent to 71,936 tons.

The following shows our certifications and those our suppliers must comply with throughout the production chain of the aquaculture division:

Suppliers of eggs ¹	Feed suppliers ¹	Hatcheries ¹	Farming centers ²	Primary processing plants ¹	Processing Plants ²
Global GAP	Global GAP	Global GAP	-	-	-
ASC	ASC	ASC	ASC ³	ASC	ASC
	BAP	BAP	BAP ⁴	-	BAP
					IFS
					HACCP
					BRC
					KOSHER
					HALAL

¹ These certifications are required of Blumar suppliers.

² Certifications obtained by Blumar.

³ Six farming centers are certified: in Aysén, the centers Dring 3, Forsyth and Tangbac, and in Magallanes, the centers Punta Vergara, Marta and Mina Elena.

⁴ All of our Atlantic salmon farming centers have obtained this certification.

Species health and welfare

A challenge that provides opportunities

Every day we produce high-quality farmed salmon and products with added value. High quality is guaranteed through procedures, training and best practices throughout the Blumar group. Furthermore, we constantly improve our control programs and quality assurance systems and implement technology that helps us deliver high-quality products all over the globe.



Blumar's commitment to animal welfare

We are committed to safeguarding the welfare of farmed fish and animal welfare. We therefore work on the initiatives to which we adhere and on the certifications that ensure the correct performance of our animal welfare activities. We believe that healthy production can only exist when a responsible attitude toward animals is upheld. Therefore, one of our main objectives is the health, protection and care of the species we harvest, ensuring compliance with the recommendations for fish welfare proposed by the World Organisation for Animal Health (OIE).

Following these recommendations, we understand that ensuring the welfare of farmed fish requires using methods of handling that are appropriate to the biological characteristics of the animal, as well as an environment adapted to its needs.

To ensure this we have policies, processes, audits and certifications that allow us to monitor and advance our management. Our strategy is based on the following: stocking and/or purchase of smolt of high sanitary and genetic quality, compliance with standards and strict biosafety measures in each area of our facilities, the adoption of practices that ensure best farming conditions, balanced diets

and feeding strategies, timely monitoring and control of caligus, periodic monitoring to evaluate fish health, and training for personnel in matters related to animal health and welfare.

We want to make sure all the tasks required in the production chain are carried out in the best possible way to guarantee appropriate treatment of the involved species. Therefore, we have joined various initiatives which ensure that different criteria are met.

In order to prevent infectious disease outbreaks, a list of activities was defined to prevent the entry or reduce the spread of pathogenic agents in the farming facilities. Disease prevention includes the following activities: brood fish screening, implementation of biosafety measures, vaccination strategies, use of functional diets, and nutritional additives. Moreover, conditions were defined for the application of treatments to control disease outbreaks.

Monitoring animal welfare

The concept of “animal welfare” refers to the state of an animal in relation to the conditions it lives in. According to scientific evidence, welfare is ensured if the animal is healthy, comfortable, well-fed, safe, and if it can express normal patterns of behavior and does not suffer from pain, fear or physical discomfort. To maintain animal welfare, it is necessary to prevent diseases and to administer treatment in a timely manner to restore health. Furthermore, animals need to be properly protected, fed and handled, in addition to being slaughtered humanely.

Use of antibiotics

The progressive reduction of antibiotic use is a priority topic for our industry. They are used to ensure the health and welfare of our fish, which obliges us to use antibiotics when they are sick, just like when humans fight a disease. Antibiotics play a key role in maintaining animal welfare. Fish can get sick and require treatment as in any animal production and we have a moral obligation to keep them healthy.

Principles of the use of antibiotics

At Blumar, we are committed to the following principles for the use of antibiotics in all our salmon farming operations:

- Antibiotics should only be used to treat diagnosed diseases in animals and under limited circumstances to control disease outbreaks. They should not be administered to boost animal growth or for routine disease prevention.
- The use of antibiotics should be supervised by an expert veterinarian who is familiar with the facilities and the animals.
- Responsible use of antibiotics is essential. Therefore, samples and clinical diagnosis must be prepared and authorized – in written or digital form - by a veterinarian before treatment is administered for salmon.



Our commitment

- We will work to reduce the use of all antibiotics as much as possible, in order to promote growth, food efficiency and routine prevention.
- We will administer antibiotics to treat fish that have bacterial infections with clinical symptoms and only when prescribed by a veterinarian.
- We will prioritize the reduction of all antibiotics classified as critically important antimicrobials for human medicine by the World Health Organization (WHO).
- We will support our antibiotics reduction plan within a certain time frame with best practices of animal welfare and management (e.g., biosafety, vaccination, hygiene and animal welfare practices including avoiding overcrowding and large groups, reducing stress, allowing natural behavior, maintaining good air quality and avoiding mixing).
- We will document and publicly report on Blumar's overall antibiotic usage annually, including total weight in kilograms, types of administered antibiotics, and the reason for administration.
- We will set global targets and deadlines to meet these commitments for all relevant species in our supply chains.
- We will also implement a transparent mechanism to periodically disseminate progress in adoption and implementation.

How do we manage this?

As relevant actors within the aquaculture industry, we commit to being responsible when using antibiotics, following the guidelines of a veterinary prescription. They are therefore only used under the strict supervision of a certified health professional with expertise on the species.

It should be highlighted that animal welfare practices include the avoidance of animal suffering, so treating disease, such as Salmonid Rickettsial Septicemia (SRS), is part of this obligation.

It is important to note that antibiotics are given over a certain period of time, which ensures their absence in the final product. This is not only reviewed internally through extensive pre-harvest sampling, but also through sampling by the authorities at the plants where the final products are processed.

Salmon Management, Production and Operations Management and Health and Fresh Water Sub-Management are in charge of this material topic.

What is SRS?

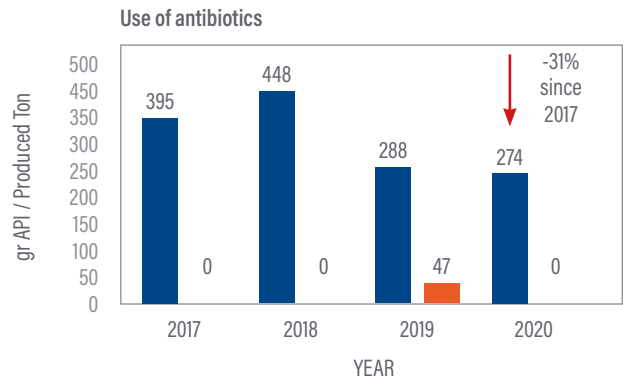
SRS is a bacterial infection caused by *Piscirickettsia salmonis*, which affects salmonids in the farming stage in the sea and is endemic to marine fauna in Chile. It is practically absent in other salmon-producing countries. SRS is characterized by a predominance of skin lesions, among which there are vesicles, petechial hemorrhages¹, ecchymotic hemorrhages², erosions, and single or multiple ulcers.

In Chile, SRS is prevented through vaccination and it is mainly controlled with two antibiotics: Florfenicol and Oxytetracycline, which are not considered critically important antimicrobials for human medicine by the WHO.

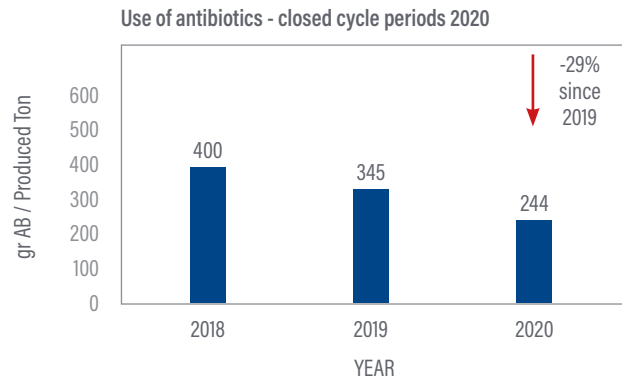
¹ Bleeding into the skin can occur from damaged blood vessels that form tiny red spots (called petechiae).
² Ecchymosis: change of skin color caused by the infiltration of blood into subcutaneous tissues or by the rupture of subcutaneous capillaries.

2020 Management

The use of antibiotics has been calculated as grams of Active Pharmaceutical Ingredients (API) used per ton produced, and also as grams of antibiotics used in the closed cycle of 2020.



■ Atlantic Salmon ■ Coho
Source: 2020 GSI Sustainability Report
* Atlantic Salmon



■ Salmon 10th, 11th & 12th Region
Source: Aquabench

2017 to 2020 Progress



Since 2017, we have been progressively reducing the use of antibiotics in our farming centers and achieved a 31% reduction by the end of 2020. Our goal is a 58% reduction by 2027.



In comparison with 2019, we highlight a 5% reduction in grams of antibiotics used per ton of produced Atlantic salmon and a 29% reduction in grams of antibiotics used in all closed harvest cycles in 2020.

2027 Goal

- We signed the Antibiotic Reduction Program with the international NGO Monterey Bay Aquarium, with the goal of halving use by 2025, using 2017 as base year. In 2020, we also wanted to go a little further, establishing a reduction of an additional 8% by 2027.

Mortality

Biological Assets

We report on our biological assets in Chapter 2.8 of the Financial Statements, which include eggs, smolts, and fish in fattening at sea. They are valued both at the time of their initial recognition and thereafter according to the definitions contained in the IAS¹.

Volume and average prices of fish biomass

The volume of fish biomass is, among other factors, based on the number of smolts stocked in seawater, their estimated growth, mortality according to the period and their average weight. Uncertainty regarding biomass volume is usually lower in the absence of mass mortality events during the cycle or if fish had acute diseases. The biomass will be defined as the one present at

the time of calculation for each farming center, with target harvest weight depending on each center. The estimate of biomass and direct and indirect costs is refined in each calculation exercise, thus reducing uncertainty as the harvest approaches.

2020 Management

Fish health during the growth period is measured by species mortality. In accordance with industry standards, we calculate the 12-month rolling mortality rate. This calculates mortality over the previous 12 months (January to December) as a ratio of the number of fish in the sea during the last month of the year to the total existing fish (minus the harvest).

The calculation is as follows:

=

(Total number of mortalities in sea during the last 12 months – total number of culled fish due to illness or similar and not counted in harvest figures)

(Closing number of fish in sea + total number of mortalities in last 12 months + total number harvested fish in last 12 months + total number of culled fish in sea)

x 100

Blumar Mortality

	2018	2019	2020
% mortality of Atlantic salmon	3.95%	3.01%	6.76%*
% mortality of Coho salmon	0.43%	1.78%	n/a

*In 2020, mortality was higher due to the extreme weather event that caused the collapse of the Caicura salmon farming center. Source: GSI

¹ International Accounting Standards

Treatment of Caligus (sea lice)

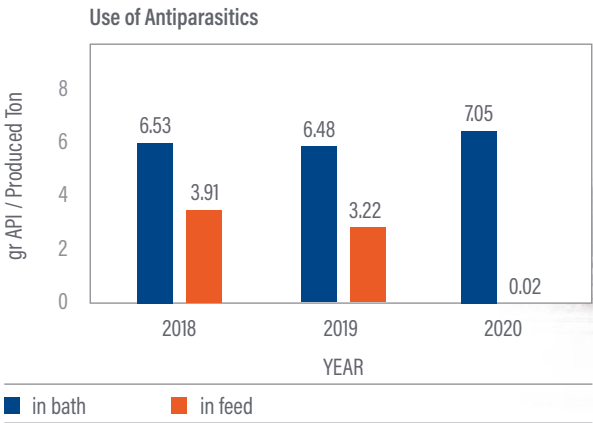
What is caligus?

Caligus (a type of sea lice) is a natural parasite that is found in all the world's oceans, just as in many fish species. In our case, it is found in sardines and sea bass. This parasite has a detrimental effect on the health and well-being of infected fish and can reduce the productivity of farming centers. The control of sea lice is a priority for all members of the GSI, except for the members in Australia, where there are no sea lice, and New Zealand, where a different species is farmed that is not affected by the lice.

How do we manage caligus?

Controlling caligus levels in fish is a priority for Blumar, because high levels of caligus affect the immune system of farmed fish and lower their appetite. The amount of treatment used is calculated as the amount of Active Pharmaceutical Ingredients (API) used (in grams) per ton of fish produced LWE (live weight equivalent). It should be noted that Blumar has achieved a 27% reduction in the use of antiparasitics in salmon feed and bath treatments. Salmon Management, Production and Operations Management and Health and Freshwater Sub-Management oversee the management of this topic.

2020 Management



Source: Global Salmon Initiative



Goal Monitoring 2020






We achieved a reduction in the application of chemical treatments as a method to reduce caligus, 27% in bath treatments and in salmon feed. We assessed alternatives for safer treatment.

Goals 2021

- Decrease the use of chemical treatments as a caligus reduction method.

Our initiatives related to species health and welfare

Initiative	2020 Progress
	<p>In biosafety matters, the GSI established a technical working group that offers regular workshops to exchange updates on disease management practices and sharing experiences. These workshops address, among others, the following topics:</p> <ul style="list-style-type: none">• Improving the effectiveness of non-medicinal treatments• Research and Development• Development of comprehensive non-medicinal methodologies for the control of sea lice <p>Furthermore, it promotes among its members a commitment to transparently report various animal welfare indicators as part of the GSI Sustainability Report, allowing for accurate guidelines and monitoring of usage over time.</p>
	<ul style="list-style-type: none">• Launch of Best Practices Manual• Design of an animal welfare monitoring system: provides the welfare status of fish in sea water, fresh water and transport centers, assessed through the monitoring of selected operational welfare indicators over time. The system provides a “welfare index” for the entire production cycle of pilot centers. In 2020, our Punta Rouse farming center participated as a pilot center applying Pincoy parameters. In 2021, the Midhurst farming center will follow. This is part of best practices for achieving the project’s objectives, mainly aimed at reducing the use of antibiotics and improving salmon health.
	<p>Company with more than 10 years of experience that supports the Chilean salmon farming industry through statistical analysis, research, and audits. Among its objectives is the assessment and continuous progress of the industry, sharing practices, experiences of producers, validating pharmacological and non-pharmacological tools, forming committees and signing agreements within the associated companies.</p>

Pincoy Best Practices Manual

We actively participate in the Pincoy project, which launched a Best Practices Manual in 2020, providing recommendations for animal welfare indicators, as well as recording and assessment methods for them. The manual was developed on the basis of the experiences shared by the professionals who formed the various working committees.

The document seeks to establish best practices to reduce the use of antibiotics for disease treatment, in particular, Piscirickettsiosis.



Markets and Clients

Our clients and our commitment to quality and excellence are a central part of our strategy. Our relationship with them is mainly through B2B sales and mostly in our fishing and aquaculture divisions. Additionally, in 2020, we developed an online B2C salmon sales platform at our subsidiary BluGlacier in the United States.




Client Policy

This policy sets out general conduct guidelines that must be adopted by the Senior Executives and all Blumar employees when dealing with clients and in the respective approval processes and mechanisms.

Our markets

Blumar's total revenue for the period was \$464 million USD and the structure was as follows: Atlantic salmon 54%, Coho salmon 1%, fishmeal and fish oil 21%, frozen mackerel 12%, white fish 9%, and other fish 9%.

The commercialization of our products varies depending on the type of product.

	Production	Sales Amounts	Markets
 Fishmeal and Fish Oil	40,673 tons of fishmeal 11,586 tons of fish oil	Both products accounted for sales of \$98.651 million USD and accounted for 49% of the valuated sales of the company's fishing business.	In 2020, the most relevant market for sales of fishmeal and fish oil was the national market, where Blumar has supply contracts with the most important salmon feed manufacturers. The export markets were China, Japan, Korea and Taiwan, where the products are commercialized directly and through agents in different countries. Fish oil was mainly shipped to Denmark and Canada.
 Frozen Jack Mackerel	Blumar S.A. sells this product under the registered trademark Antarctic Ice. In 2020, 67,673 tons of frozen mackerel (whole, HG and HGT) were produced.	Sales reached \$57.829 million USD, representing 29% of the valuated sales of the company's fishing business.	Ghana accounted for 30% of the sales, while Nigeria was the second leading importer, accounting for 30% of sales.
 Salmon	A total of 66,4000 tons WFE of Atlantic salmon including: 23,400 tons from the Magallanes Region and 43,000 tons from the Los Lagos and Aysén Regions.	Aquaculture sales reached a total of \$263.6 million USD.	Our main markets were the United States, Chile and Asia.

Commercialization

Fishing division: we mostly reach these markets through a broker, although sales are made directly to the client, who opens the letter of credit. In general, these are long-term relationships, we travel to visit clients once a year to assess their particular requirements, however, due to the pandemic this has been delayed. In addition, we have a sales office in Pontevedra, Spain. We are currently working on the creation of products with higher added value, in which MSC certification represents a differentiating attribute, as is the case in the European market.

Aquaculture division: the commercial relationship is mainly B2B. Blumar has a Quality Management Model that periodically measures client satisfaction and complaint resolution. Furthermore, we have a client policy and apply customer segmentation. Our products are marketed directly through the company in the export markets, through the BluGlacier sales office in Miami, United States, and the New World Currents office in China.

Business strategy during the COVID-19 pandemic

Due to the pandemic, we were forced to make changes to our business strategy, since we have been facing adverse situations, such as the closing of external markets or container ships not arriving in Chile.

In order to successfully comply with the sales programs in this context, one of the decisions involved extending the operation of all our logistics centers (refrigerated warehouses, storages and tanks). This was the only way to compensate for the cordons sanitaires, lockdowns, curfews, isolation periods of our staff and contractors, and the lack of trucks.

In the salmon sector, one of the measures was to focus on sales to supermarkets, given our pre-existing relationship with large chains in different countries around the world. This made it possible to reach new customers who had not discovered our products. In addition, we began exploring direct sales channels to consumers in the United States, a future project that we decided to move forward due to the pandemic. The logistics of the salmon production were also adapted with new routes, due to the drop in commercial flights.



The fishing division also required changes, so the activity focused heavily on the export of fish oil and fishmeal, ensuring faster payments and more efficient inventory turnover. However, because essential export services were not readily available, Blumar decided to quickly switch shipping companies, take on new certification services, export to ports that had not handled this type of product before, and obtain new services in different parts of the country.

In the case of frozen mackerel, the greater use of chamber vessels was decisive compared to a normal year. This allowed for less dependence on refrigerated containers, thus obtaining a better inventory turnover.

Innovation and Development

At Blumar, we manage investment in innovation mainly through collaborative projects or initiatives. During 2020, we participated in the following projects and initiatives, which together involved \$62,890 USD.



Ictio Project

Ictio is a Chilean biotechnology consortium which emerged from the scientific work of the Aquaculture Biotechnology Center (CBA) at the University of Santiago and through partnerships with producers and suppliers in the industry. Its objective is to deliver state-of-the-art sustainable solutions for the prevention and control of diseases in aquaculture.



Aquabench Caligus Project

The project started in 2013 after a significant increase in caligidosis in the Aysén Region, which motivated companies to coordinate better in terms of disease control. Aquabench took the lead and coordinated the initiative, through which antiparasitic treatments have been developed in joint collaboration with the companies. Today it is made up of 12 producers representing approximately 87% of the industry.



Pincoy Project

The project emerged in 2016 led by Skretting, AquaGen / Blue Genomics, Pharmaq, Centrovét, Cermaq, Camanchaca and Blumar, companies that together make an effort to offer alternatives for sustainable growth. The Pincoy Project is a collaborative initiative that seeks to contribute to the objective of reducing the use of antibiotics in salmonid production in Chile.

Innovation initiatives at Blumar

① Natural antioxidants

In line with the increasing pet market in the United States, we continue our innovation work on anchovy fishmeal treated with natural antioxidants, which is produced at the Bahía Caldera plant.

② Net Project

Granting of Invention Patent No. 60562 by the National Institute of Intellectual Property (Inapi)

With the aim of constantly improving the operational performance of Blumar's farming systems, the Salmon Operations team kicked off an innovative project a few years ago that sought to challenge and change certain paradigms of the format and configuration of farming nets in the national salmon industry, thus improving performance and simplifying their operation.

In September 2020, the National Institute of Intellectual Property (INAPI) approved and granted the patent application filed by Salmenes Blumar associated with the new design of aquaculture nets. This consists of a set of nets for protecting farmed fish and anti-predator nets for each cage in the form of a concentric inverted pyramid with large draught, and a single central counterweight attached to both nets without the need for sensors or perimeter counterweights. These allow all operational management to be carried out 100% from the surface and without requiring diving. Moreover, high-performance fabric was used to minimize reductions in usable volume caused by currents and to reduce losses due to mortalities generated by sea lion attacks.

During 2019 and 2020, the design was tested under industrial production conditions. Currently, it is still being optimized for the release of its 2.0 version, which seeks to incorporate all the learning acquired during the test stage.

③ Innovations regarding the COVID-19 prevention strategy

Development of a mobile application

Following the suggestion by the company's Sustainability and Occupational Health and Safety unit to implement a fast traceability information system in order to comply with the requirements established by the Health Ministry, the IT team developed the most urgently needed tool: an online survey for workers, contractors, and any external person entering Blumar's facilities. This tool was subsequently complemented by a mobile application to enable traceability (Covid Blumar app), hosted in the Microsoft cloud. In general terms, it covers four functions:

- Online Health Survey
- Access control using the QR code on the ID card, integrated into employee and contractor systems
- Checks of QR code on ID cards in buses
- Management reporting module

The app also enables traceability of the bus transfers contracted by the company. Furthermore, a call center was set up to register every entry and exit from the workplace. Therefore, in the event of a suspected infection, we can track the affected person's contacts, apply several filters and finally isolate a group of people.



Corona Tracer

During the second half of 2020, we incorporated Corona Tracer, an autonomous device that efficiently tracks possible infections of COVID-19. It is a small proximity sensor that is used during the workday by employees and it measures the distance and interaction between people for 14 days. Powered by Dutch technology, the device stores contact network information, measuring and saving the time of contact between employees at less than 1.5 meters (5 feet), thus providing a safety chain to inform possible risk contacts in a timely manner. It therefore enables preventive strategies and mitigation plans to be developed in the case of a suspected infection. Providing objective information regarding traceability is an essential issue. Blumar was a pioneer in the Biobío Region and in the industry to incorporate this technology.



④ Innovative feeding pontoon in the Punta Cola farming center

This naval device, 100% engineered and manufactured in Chile, was baptized as “Lago Espolón” and is currently being tested at the Punta Cola farming center, in the Aysén Region. The pontoon is made out of naval steel and has a storage capacity of 400 tons of salmon feed and living space for 22 employees.

It has a modern telemedicine room that is available to the whole staff and provides instruments for measuring vital signs, such

as blood pressure, and blood sugar levels, among others. This service is innovative and was made possible thanks to an alliance with the University of Concepción and Satelnet technology. The service involves an online doctor who can make more accurate diagnoses when crew members present any illnesses and who can prescribe preventive measures or an evacuation.





ENVIRONMENTAL COMMITMENT






BLUMAR
SEAFOODS

Climate change



The material topics related to this strategic pillar are:

- Climate Change
- Environmental Impacts
- Environmental Management

Climate change is one of the greatest challenges facing humanity. We therefore understand that caring for the environment is essential not only for the present, but also for future generations. One of the main risks of climate change is stress on ecosystems and, in particular, on oceans. Oceans are increasingly warm, stormy and acidic, which in turn affects the health of sensitive marine ecosystems, such as coral reefs. Also, as glaciers and ice caps are melting, low-lying areas will be flooded. An ice cap melting scenario can disrupt the Gulf Stream, which could cause further disruption in ecosystems. The potential thawing of permafrost is an additional

risk, which would cause more greenhouse gas emissions into the atmosphere.

The ocean is part of the solution to climate change. According to the study "The Ocean as a Solution to Climate Change: Five Opportunities for Action", the ocean economy can provide important opportunities to mitigate greenhouse gas emissions and contribute to land-based efforts to combat climate change.

Our commitment

Within this framework, Blumar developed a climate change strategy, which includes the identification of associated risks, as well as the establishment of medium- and long-term indicators and targets. This allows us to work from the perspective of the double materiality of climate change, which means both on mitigation actions to reduce our impact and on adaptation concerning actions that allow the sustainability of our business.

At Blumar, we are committed to producing more environmentally responsible proteins that will feed more people worldwide. We believe that through ocean fishing and salmon production we are contributing to tackling one of the main challenges currently facing humanity, namely food security and climate change.

This responsible and efficient management extends to the use of the resources required for our operation. For this reason, we are integrating actions and goals that allow us to mitigate the impact our activity has on the environment.

Our policies

Our policies can be summarized as follows:

■ Sustainability Policy

The conservation, care and proper use of natural resources are priorities in the company's development, since they allow us to continuously generate value, without repercussions for the environment.

We emphasize harmonious and respectful coexistence with the environment where we operate, in order to preserve the environment for future generations.

¹ An ice layer that permanently covers the most superficial levels of the ground in many cold regions near glaciers.

² https://oceanpanel.org/sites/default/files/2019-10/HLP_Report_Ocean_Solution_Climate_Change_final.pdf

■ **Environmental Policy**

Through our Environmental Policy we commit to environmental protection, which is one of our most important responsibilities. Therefore, we strive to conduct our activities through actions and goals with specific commitment and behavior guidelines in all functions and divisions of the company. We are guided by the following principles:

- Ensure that our operations and processes comply with current environmental regulations, voluntarily complying—when circumstances allow—with extremely demanding international standards.
- Sustainably use marine resources, in accordance with Chilean law, through direct participation in fishery research initiatives and in all opportunities for cooperation.
- Prevent the impact on the environment, through the continuous improvement of our production processes, participation in innovation projects, and the efficient use of raw materials, water, soil, air and energy.
- Incorporate the concepts of reducing emissions and waste into all our production processes and into our employees' consciousness, thus implementing a management system based on reuse and recycling.
- Motivate and train our employees and contractors to perform their work in an environmentally responsible manner.
- Conduct periodic reviews and audits of our Environmental Management System to verify and assess compliance with environmental goals and objectives.
- Proceed with the utmost diligence and expediency to mitigate the effects in case of accidents or environmental events, being completely transparent to the authorities and the community.

■ **Environmental Policy and Care of Bodies of Water**

This relates to the use and care of bodies of water that are used directly or indirectly by the company and the disposal of industrial liquid waste.

Initiatives and best practices we adhere to



WWF

In 2016, our company, specifically the subsidiary Salmenes Blumar, signed an agreement with the **World Wildlife Fund (WWF)**, one of the most important global organizations for the conservation of species and habitats. This organization works to reduce industrial and human impacts, particularly of production activities that directly affect the integrity of ecosystems, species and local communities. WWF Chile systematically included topics such as energy, CO2 emissions, water, as well as the social dimension of conservation, into their programs.



Participation in the GSI:

Five years ago, we joined the Global Salmon Initiative (GSI), which is an initiative established by the world's leading salmon producers, aimed at the sustainable development of the industry. All GSI members share the goal of providing a highly sustainable source of healthy protein with the objective of feeding a growing global population and, at the same time, minimizing the environmental footprint, along with improving social contribution.

In addition to being an active member of this initiative, Blumar

provides key information for the annual GSI Sustainability Report, with 15 indicators: escapes, mortality, use of antibiotics, caligus count, caligus treatment, use of hydrogen peroxide, non-medicinal methods, interaction with fauna, marine ingredients in nutrition, environmental certifications and permits, social compliance, occupational health and safety, commitment to the community, employment and investment in research and development.

Best Practices Manual for Fishing Jack Mackerel



The "Manual of Best Practices for the Industrial Purse-seine Fisheries in South-Central Chile" is the result of collaborative work led by the Fishing Research Institute (Inpesca) in conjunction with companies based in the Biobío Region, including Blumar.

Adoption of the manual's guidelines is voluntary for all industrial fisheries. It is intended to be a means for the dissemination of best practices, created in the current regulatory framework, to be used in jack mackerel fishing in South-Central Chile, and to promote the sustainability in this fishery.

The document was prepared within the framework of the FAO recommendations, described in the 1995 Code of Conduct for Responsible Fisheries, which entails that all participants in this fishery should aim for a long-term sustainable use of fishery resources.

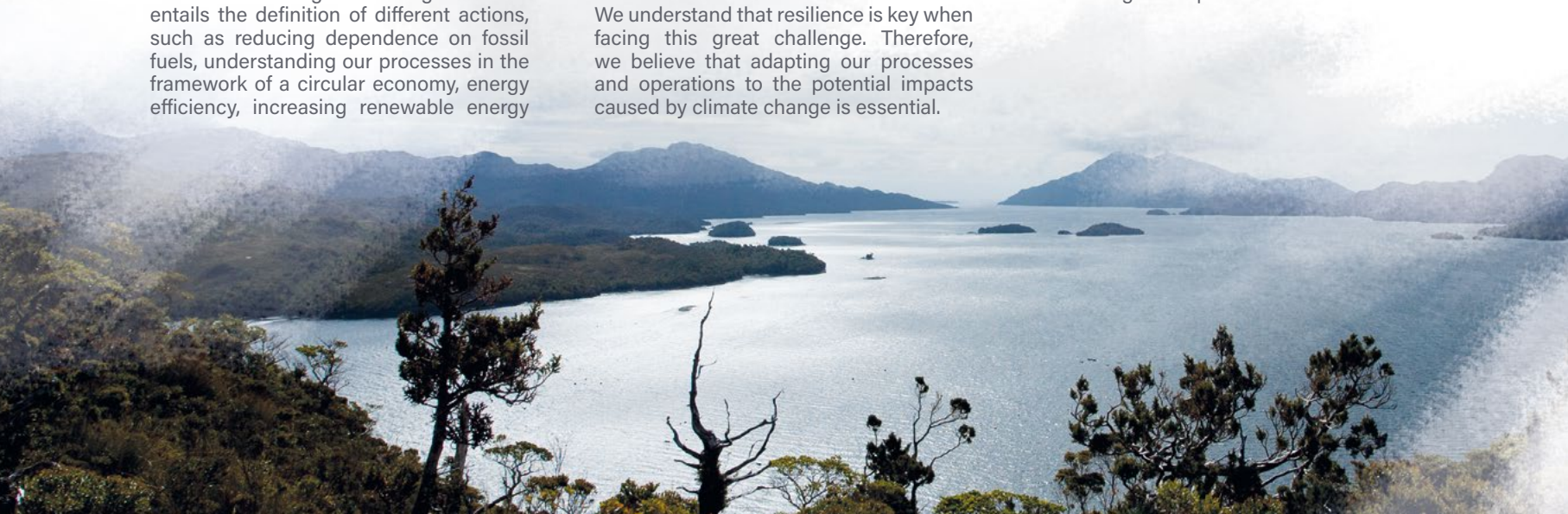
How do we manage ESG?

Following the company's environmental, social, and corporate governance (ESG) plan, a strategy is prepared for the development of a corporate climate change policy and the establishment of climate change-related goals. This entails the definition of different actions, such as reducing dependence on fossil fuels, understanding our processes in the framework of a circular economy, energy efficiency, increasing renewable energy

use, evaluating scenarios, assessing risks and opportunities, and developing internal training plans for our employees. Furthermore, the Board was trained in climate change strategy and management.

We understand that resilience is key when facing this great challenge. Therefore, we believe that adapting our processes and operations to the potential impacts caused by climate change is essential.

The environmental issues of our operations (emissions, energy, waste, water and biodiversity, among others) are managed jointly by the Operations Management and Environment units of the fishing and aquaculture division.



Emissions management

Our emissions management focuses on reducing emissions through the efficiency and effectiveness of our processes and resource use, among other actions.

We report greenhouse gas emissions in tons of CO₂-equivalent emissions, per ton of processed raw material for the fishing division and per ton WFE¹ for the aquaculture division.

Calculations to estimate emissions of particulate matter (PM), sulfur oxides (SOx) and carbon dioxide emissions (CO₂) were made using emission factors from the "Methodology Guide for Estimating

Emissions from Point Sources²", issued by the Chilean Ministry of the Environment.

Another essential element is the reductions of odors in our production plants. In line with the discussion about the Preliminary Draft of the First Chilean Odor Standard, Blumar seeks to mitigate its impact on this aspect on a daily basis.

Measurement and Emission Reduction Seals: Huella Chile Program

In 2020, our San Vicente fishmeal plant in Talcahuano obtained the Carbon Footprint Reduction Certificate, while the Pesquera Bahía Caldera plants and the Salmones Blumar processing plant in Talcahuano initiated carbon footprint measurement.

Facilities that obtained the Carbon Footprint Measurement Seal for the second consecutive year were the San Vicente, Coronel and Corral fishmeal plants, and the San Vicente and Rocuant frozen product plants.

We hope to continue our contribution to environmental care, reinforcing the commitment to climate change through the reduction of greenhouse gas (GHG) emissions.



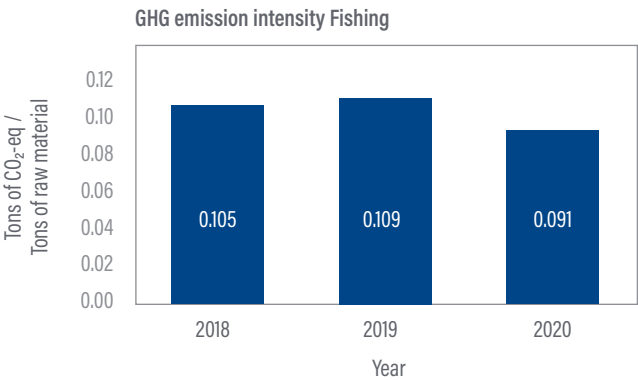
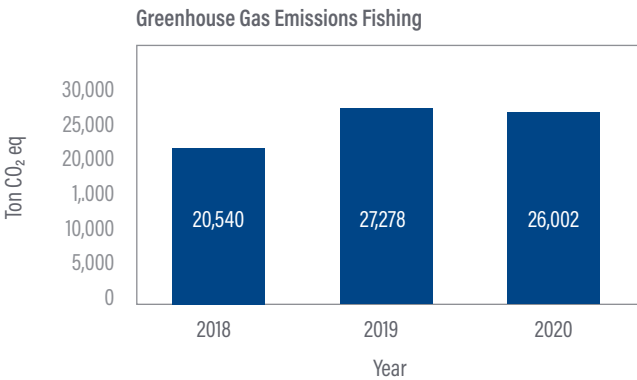
Odor Mitigation Plan

At Blumar, we continue working to reduce the odor impact of our operations. At the San Vicente fishmeal and fish oil plant, located in the Biobío Region, we carried out the second stage of testing and study for the current gas treatment system, using ozone injection. At our Coronel plant, we continue with the improvement plan to insulate plants and equipment to prevent odor emission. At the San Vicente and Corral plants, we invested in fishmeal coolers and improved the treatment of gases and industrial liquid waste. All of these initiatives allow us to continue to reduce the impact we have in the communities surrounding our operations.

¹ Whole Fish Equivalent, the base measurement unit for the raw material, corresponding to the weight of the bled salmon.

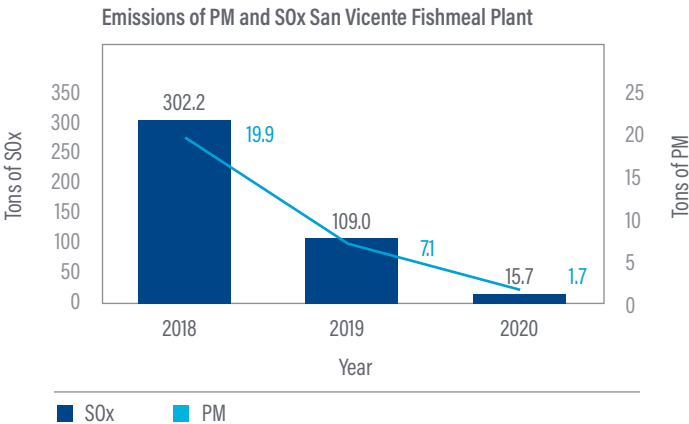
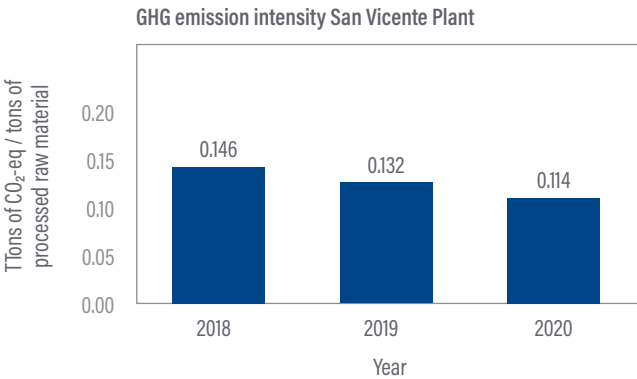
² Register of emissions and transfer of pollutants.

Metrics 2020



In 2020, the fishing division emitted 16% fewer tons of CO₂ equivalent per ton of processed raw material, compared to 2019. The decrease is mainly due to the greater amount of raw material of jack mackerel that was processed in the product plants for human consumption.

Emission Reduction at the San Vicente fishmeal plant

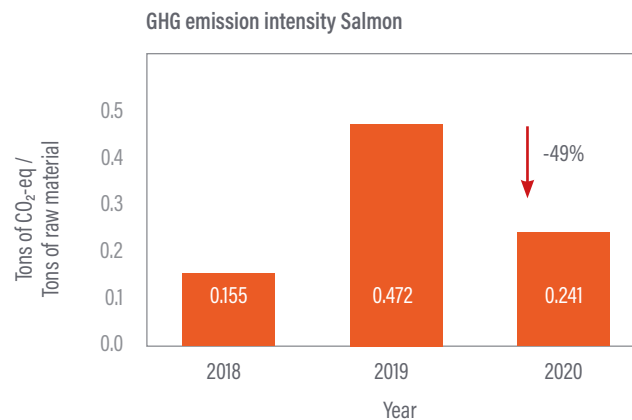
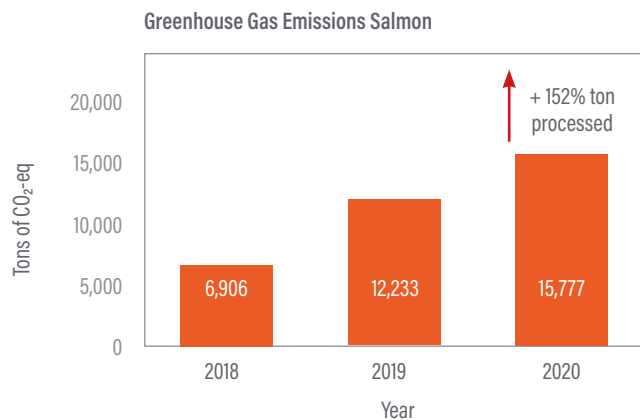


The decrease in GHG emissions at the San Vicente fishmeal and fish oil plants is mainly due to an improvement in the efficiency of fuel use in boilers, after the incorporation of combustion optimization systems and modernization of burners.

Regarding particulate matter (PM) and sulfur oxide (SOx), more efficiency has been achieved thanks to the change in the type of fuel used in our plant boilers, from fuel oil to natural gas.

These two changes have allowed for a substantial decrease in emissions and contributed to obtaining the GHG emission reduction seal from Huella Chile.





Although total GHG emissions in the salmon division increased in 2020 compared to 2019, emissions of tons of CO₂ equivalent per ton of processed raw material decreased by 49%. This is mainly due to the increase in production in 2020.

Goal Monitoring 2020



Progress was made in measuring the carbon footprint of our facilities. However, the measurement of the footprint of salmon farming centers is still pending.



The second stage of testing ozone injection was added to the existing gas treatment process to reduce odoriferous impact at the San Vicente Fishmeal Plant.

Goals 2021

- Develop a climate change strategy
- Obtain the Huella Chile certification for carbon emissions of all operations.
- Depending on the emission baseline, set reduction targets for 2022 and beyond.
- Invest permanently in new technologies that reduce odor emissions in our process plants.

Energy management

Another central concern for Blumar is the correct and efficient use of energy. The reduction of consumption and the preference of renewable sources and energy efficiency are central pillars of our energy management. Internal energy consumption comes mainly from the use of non-renewable fuel sources, such as oil and gas.

Electric power is obtained largely through direct contracts with power plants. At farming centers, diesel-based industrial generators are used.

Non-conventional renewable energy

In 2020, a contract for renewable energy supply was tendered, and recently a non-conventional renewable energy supply contract was signed with Enel Generación. This consumption will receive the International Renewable Energy Certificate (I-REC), a guarantee given by the International REC Standard Foundation, a non-profit organization that provides a strong standard for tracking renewable

energy attributes worldwide. This certification will enable the traceability of energy and its origin. The tender will last four years for a total annual consumption of approximately 72 gWh for all of Blumar's operating facilities, starting in the second quarter of 2021.

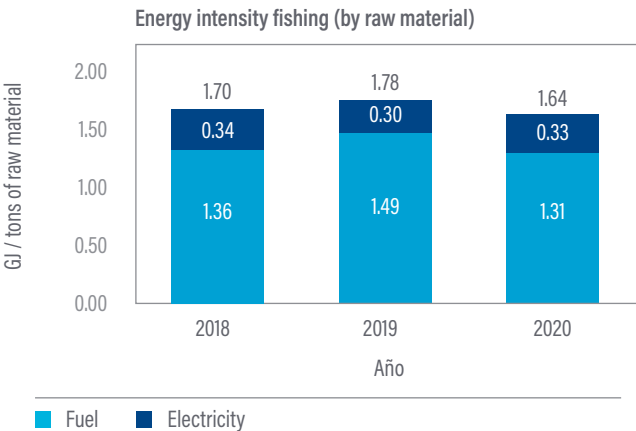
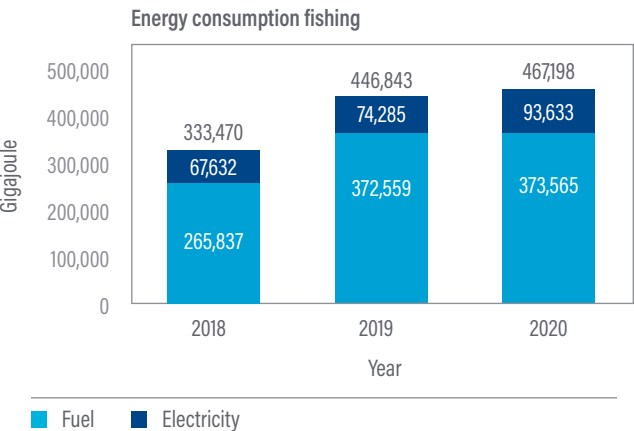
Energy efficiency

Continuation of the process to change lighting systems in all Blumar Plants, to contribute to energy savings.

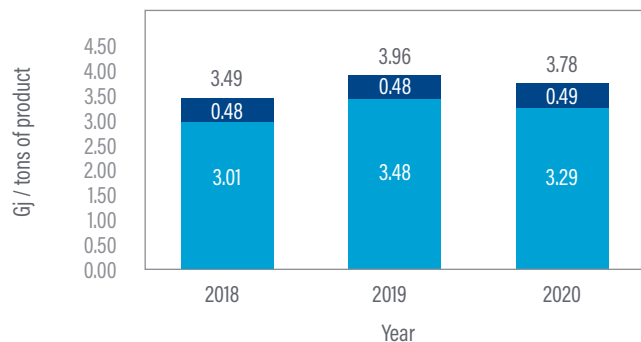
Reduction and optimization of fuel use

At the San Vicente fishmeal plant, a fuel consumption optimization system was installed, allowing for a reduction in particulate matter. Moreover, the plant made a gradual change from gasoline to natural gas. Both initiatives entail a reduction of atmospheric emissions. Finally, a fuel use optimization system was installed.

Metrics 2020

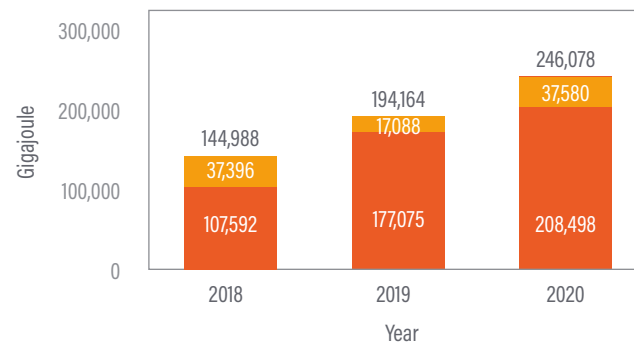


Energy intensity fishing (by product)



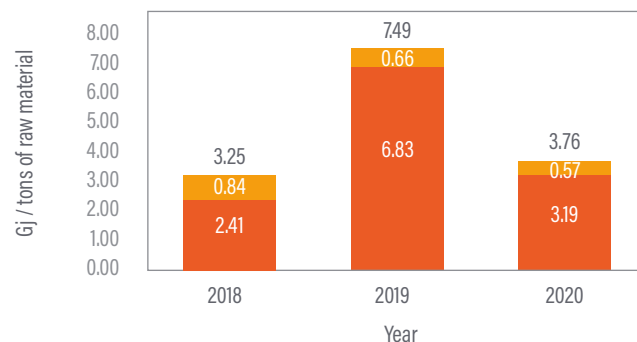
■ Fishmeal Plants ■ Consumer Product Plants

Energy consumption salmon



■ Fuel ■ Electricity

Energy intensity salmon (by raw material)



■ Fuel ■ Electricity

Goal Monitoring 2020



Yearly continuous improvement in the efficiency of energy consumption in our production, totaling an 8% decrease in the energy intensity of fishing and 50% in the case of salmon, both in relation to the processed raw material.



In 2020, changes in lighting systems to more eco-friendly technologies continued. On the other hand, more efficient combustion systems were installed, helping to reduce fuel losses.



A contract for the electricity supply for our processing plants was tendered, considering energy from renewable technologies. It entered into force in 2021.

Goals 2021

- Incorporate at least 50% of electric power from renewable sources into all Blumar plants.

Waste management

Our processes generate various types of waste, so their management, proper disposal and recycling are key factors. For this reason, we have developed a waste management plan in our fishing and salmon facilities, which allows for the recycling of paper, cardboard and plastic used during the production process at the plants.

According to this plan, waste is separated and arranged as set out in the associated standard, separating it into waste and valuable waste (recycling), and hazardous and non-hazardous waste, which for fishing and salmon operations are sent to companies authorized for final disposal or recycling, as applicable.

Waste management plan

The Company has partnerships with suppliers specialized in the recycling of industrial waste, which has allowed for the development of a circular economy strategy. It includes the reuse of maxi sacks from the Magallanes Region farming centers, which were transformed into reusable bags for household use, as well as the implementation of the project to transform the plastic from farming centers into transport racks and storage for water bottles used in the farming centers in Aysén.

Clean Production Agreement for the Blumar fleet

Two years after undersigning the Blumar Clean Production Agreement for the fleet, 87% of progress has been made. This entails the reduction of household waste, training in environmental matters, healthy cooking and clean production. Waste is separated and collected inside the boats, including materials such as plastic bottles, used oils, organic waste and paper, which are then recycled.

Blumar Circular

With the objective of extending the life cycle of plastic waste, Blumar Circular considers recycling plastic and solid waste to create products with a new use and added value at the facilities, while following the foundations of circular economy. The project was developed following the guidelines of the company's sustainability strategy, based on the commitment to environmental care, innovation and the company's intention to embark on a path toward circular economy.



Recycling of fishing nets by Bureo, Net Positiva

Blumar participates in the Net Positiva project with the company Bureo. We provide discarded fishing nets, which are then recycled and transformed into NetPlus plastic pellets.

It is increasingly important for products and materials to be maintained for as long as possible, in order to minimize waste generation. Industrial fishing has not ignored this reality.

NetPlus pellets are 100% recycled and environmentally friendly, and used to produce sunglasses, skateboards, ergonomic chairs and sports products, among others.

Since the start of the project in 2016, Blumar has delivered 82,720 kilograms of unused fishing nets, of which 19,430 kg corresponded to 2020.

Circular economy in salmon processing plant

In the framework of our environmental commitment and following the guidelines of our initiative Blumar Circular, we recycled 396 tons of polystyrene from insulating boxes used to transport salmon from Punta Arenas to the salmon plant of Talcahuano.

The boxes were crushed and compacted for later sale as raw material to the construction industry.

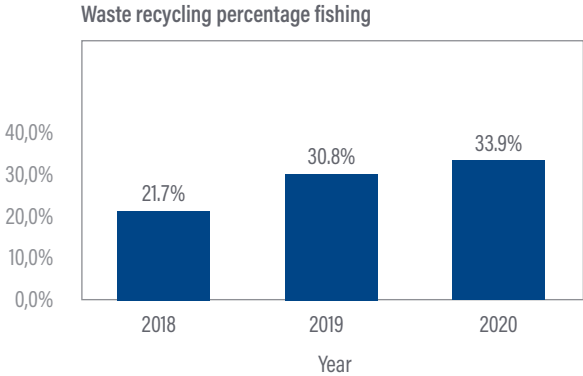
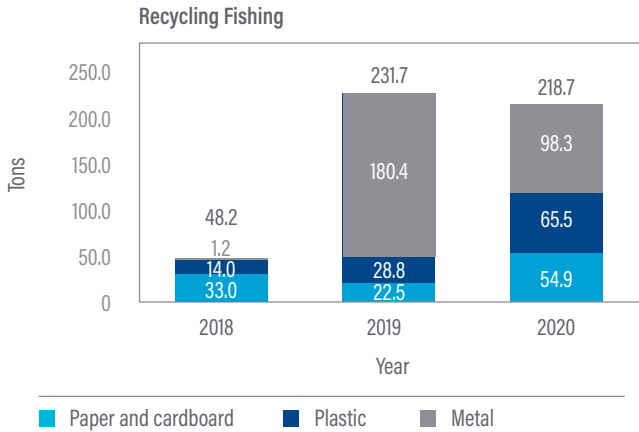
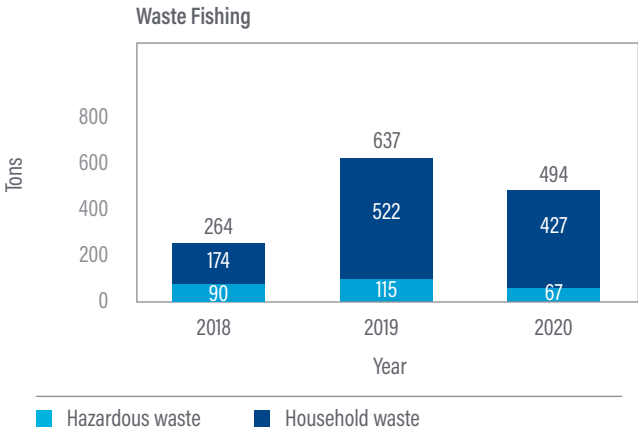


Beach cleanup

As a way to reaffirm our commitment to caring for the environment that surrounds us, we have participated in different beach cleanup initiatives.

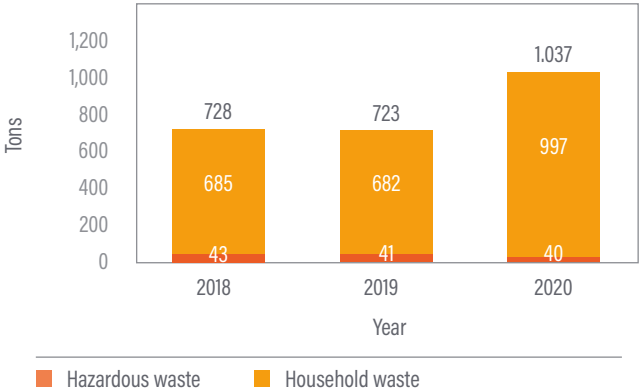
- Together with the trade association Salmon Chile, we are working on the project “Committed to the sea,” which includes coordinated beach cleanups in the Aysén Region. In November and December 2020, 83 km of beaches were cleaned, collecting 2,132 m3 of waste, broken down into 24% floating objects, 22% buoys, 19% plastic ropes, 18% polystyrene and 16% HPDE pipes.
- We joined the initiative led by the Magallanes Salmon Farming Association to clean up the coast of the Río Verde district. At first, the coast was divided into zones, and each participating company was assigned one zone in a rotating system and given a maximum of three months to carry out the cleaning. Salmenes Blumar Magallanes was assigned to zone 2, which covers the coast of Isla Riesco of the Skyring Sound, from the opening (or final) of the Fitz-Roy Canal to the Punta Rocallosa sector. The cleaning process in this sector started in September, was repeated in January 2021 and in April 2021 we will be in charge of zone 3. The operation provided information about the conditions of the coastline and the amount of reusable materials and waste (27 m3).
- Furthermore, the Salmenes Blumar operations team carries out beach cleanups in areas near the farming centers every two weeks, to reduce the impact caused by waste from the company's operations.

Metrics 2020

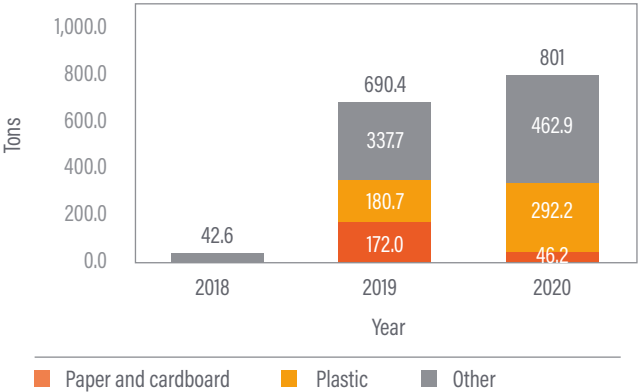


At the fishing facilities, 34% of the generated waste, mainly metals, plastic, paper and cardboard, was recycled, showing an increase compared to the previous year.

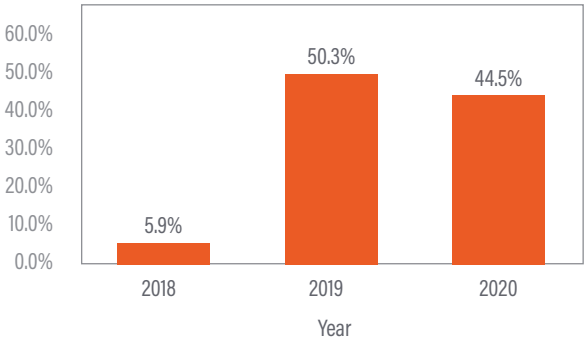
Waste Salmon



Recycling Salmon



Waste recycling percentage salmon



In 2020, more than 44% of the waste from the Los Lagos and Aysén farming centers, more than 57% of the Magallanes farming centers and 43% of the waste generated at the salmon processing plant in Talcahuano were recycled.

Goal Monitoring 2020



A study was conducted to analyze waste production and a waste management strategy for the company is being developed.



We collaborated in beach cleanups carried out in the areas surrounding our facilities.



In addition, as part of the program “Committed to the sea” led by Salmon Chile, Blumar participated in the removal of waste from 83 kilometers of the Aysén coast, where 2,132 m3 of waste were collected.

Goals 2021

- Develop a waste management strategy, which will set annual targets for reducing landfill waste from 2022 onwards.

Responsible use of water

At Blumar, we use and reuse water resources. We recirculate water in our industrial processes to maintain sustainable management of this resource.

As for the sources of this resource, the company uses sea water for the majority of its industrial processes and drinking water supplied by the municipal network (38% of the 2020 consumption was from the sea and 62% from fresh water). On the other hand, saltwater from fishing processes is reused in fishmeal production plants for

odor mitigation processes and for treatment of industrial liquid waste in salmon plants.

Another important element concerning water management is to understand how much of our consumption occurs in areas of water stress. In this framework, the World Resources Institute ranks regions by water stress in five levels each year¹. The following operations are located in regions categorized as areas of high and extremely high water stress:

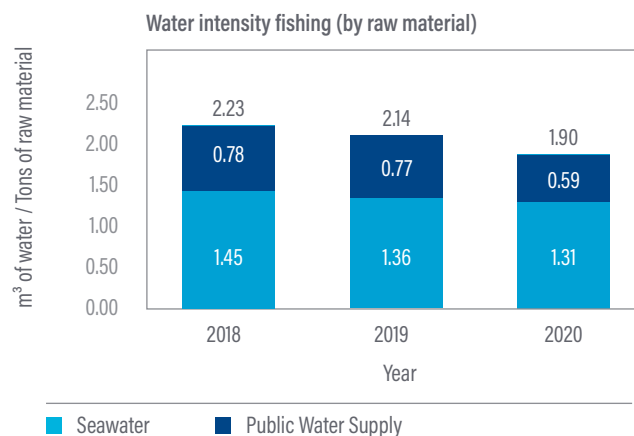
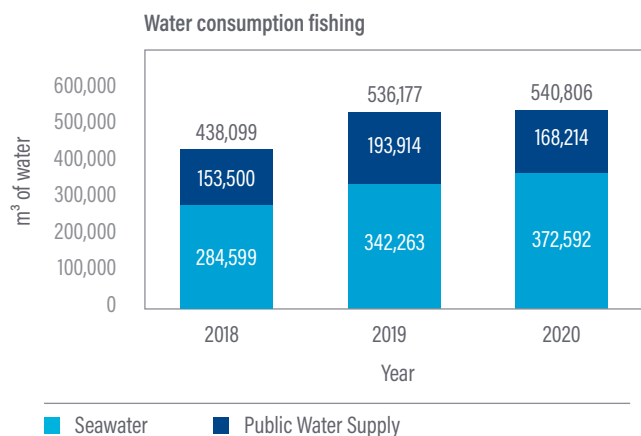
Region	Operation	Water stress category	Freshwater consumption	% of Blumar's total consumption ²
Atacama	Bahía Caldera Fishmeal Plant	Extremely high	19,328 m ³	11%

Only 11% of our total water consumption occurs in areas of water stress.

Wastewater treatment

In 2020, a wastewater treatment system was implemented on all ships of the Blumar Fleet, in accordance with current regulations. In addition, bilge water³ treatment plants were installed on the ships.

Metrics 2020

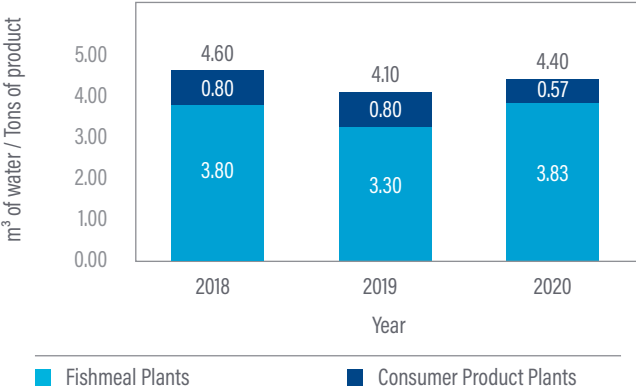


¹ World Resources Institute: <https://www.wri.org/resources/data-sets/aqueduct-30-country-rankings>

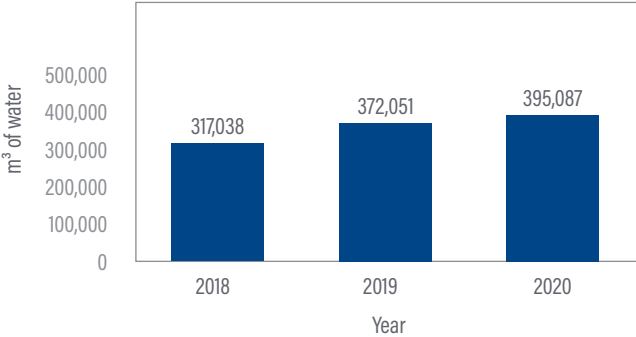
² Total freshwater consumption 2020: 172,753 m³ (considered fishing and salmon operation)

³ Part of a ship, the lowest compartment of the machine room, just above the double bottom.

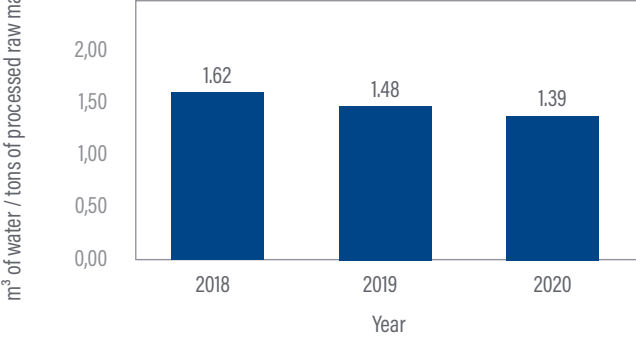
Water intensity fishing (by product)



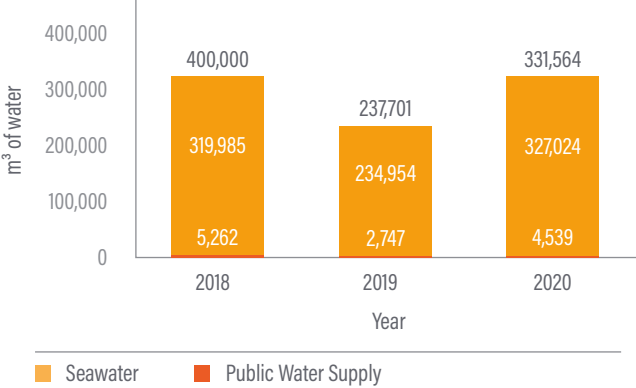
Volume of effluents fishing



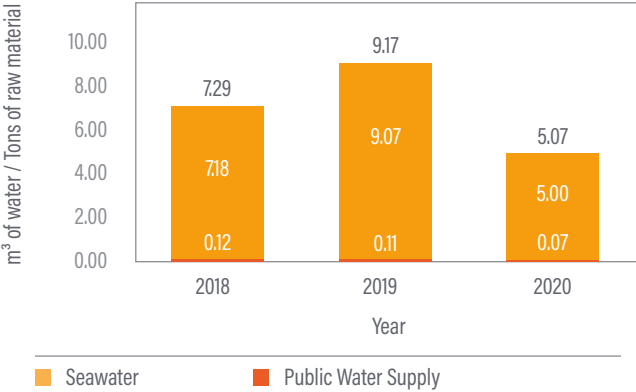
Intensity of effluents



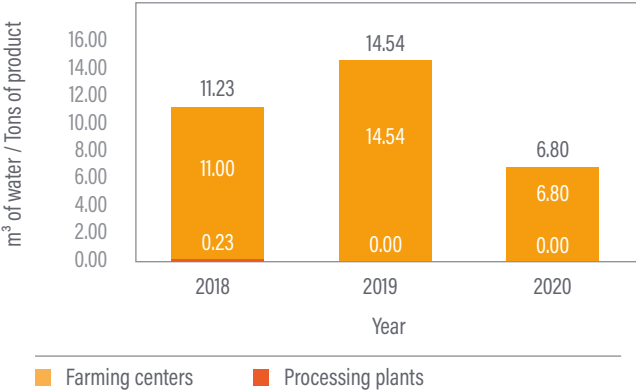
Water consumption salmon

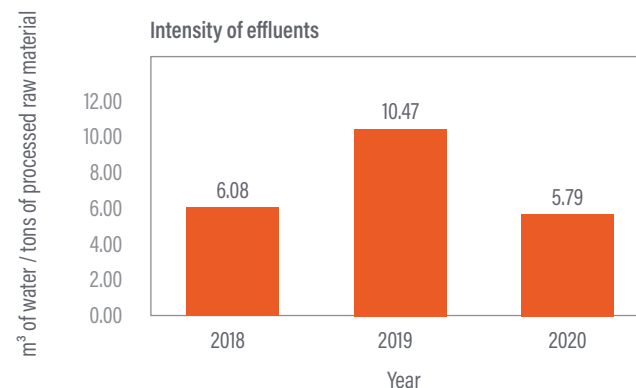
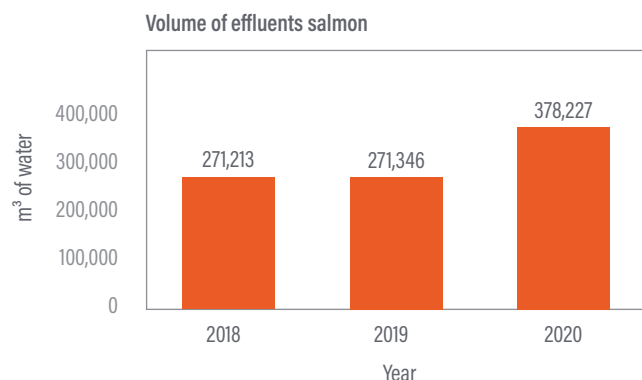


Water intensity salmon (by raw material)



Water intensity salmon (by product)





Biodiversity

Our commitment

At Blumar, we work to ensure that our operations and processes comply with current environmental regulations, and we voluntarily incorporate stricter international standards when circumstances allow. Given this, information about our commitments is available to the community at all times through various channels.

We permanently monitor the vessels belonging to our fleet as does the National Fishing Service and the Navy. The navigation routes near protected areas are identified by the authority, including seamount areas.

Personnel on board incidental fishing fleets are trained on the protocols for capturing vulnerable species, such as turtles, marine

mammals, and sharks, among others. Furthermore, they have access to a specific Best Practices Manual to respond to these incidents.

In the case of salmon, all productive activities can directly or indirectly affect biodiversity in the areas where they are carried out, as a company, we hold ourselves accountable for this.

Fish escapes also present a risk, which is significantly mitigated by the installation of structures that ensure confinement within the farming cages. Therefore, in the case of an escape, the impact concerns the invasion of the environment by a non-endemic species.

Aspects that can cause undesirable effects on biodiversity are:

- Possible impacts on critical habitats or those with high conservation value
- Protection and genetic integrity of wild populations
- Irrational use of resources (raw material to produce fish feed)
- Transfer of diseases or parasites from captivity to wild populations
- Escapes from farming centers and possible risk of becoming an invasive species.



Operations in protected areas

At Blumar, we are committed to protecting biodiversity. In this context, we have a management plan in order to contribute to the conservation and management of hydrobiological resources and marine ecosystems. Our fishing facilities are not adjacent to or located in protected areas or unprotected areas of high biodiversity value.

However, the following salmon farming centers in Aysén are adjacent to the Las Guaitecas National Reserve¹: Chivato 1, Chivato 2, Williams 1, Victoria 1, Midhurst, Ninualac 1, Ninualac 2, Forsyth, SE Forsyth, Dring 1, Dring 2, Dring 3 and Level 2.

In Magallanes, the farming centers Córdova 1, Córdova 2, Pérez de Arce and Gómez Carreño are located inside the Kawésqar National Park².

Currently, our company is developing a “Management Plan” for the Kawésqar National Park, where different areas of interest are addressed.

All operations hold an approved Environmental Rating Resolution since there are no facilities on land in the area where the project is located. Also, although it is located in the inland waters of the Alacalufes National Reserve, the operation does not impact them; therefore, it does not have a significant impact due to the minimal surface area affected by the farming centers.

Interaction with wildlife

During 2020, no incidents related to mortality of marine mammals, birds or protected species were registered at our centers. As in the previous year, there were no fatal events with wildlife.

¹ The National Reserve Las Guaitecas has a surface of 1,097,975 hectares
² The Kawésqar National Park covers a surface of 2,842,239 hectares.



Agreement with NGO BirdLife:

In alliance with the NGO BirdLife International and ATF-Chile, Blumar developed a collaboration plan with purse-seine fishers of the Los Ríos and Araucanía Regions. The aim of this is to jointly develop techniques to reduce negative interaction between fisheries and marine birds. Together we changed materials used in fishing gear on sardine and anchovy fishing boats. This led to a transfer agreement to mitigate bycatch in purse-seine fisheries, where birds are trapped in the fishing nets.

Fish escapes¹

On Friday, June 26, 2020, during an unusual and aggressive storm involving the Puelche wind and extreme weather conditions, the salmon farming module of the Caicura center, located in the Reloncaví Sound, Los Lagos Region, sank.

The on-site team took all the preventive measures and, in the early hours of June 27, both the team and the Blumar operations area warned that an emergency was imminent and activated the protocols. The next step was the rapid preventive evacuation by sea of 13 employees who were on the pontoon doing their usual work, who were then transferred to Puerto Montt without any human injuries to report.

Due to the weather phenomenon, 18 cages of the farming module sank, causing the escape of 103,713 fish, of which 28.74% were recovered.

The notice of escape to the supervisory bodies was made in compliance with all regulations, in a proactive and timely manner. Direct collaboration with the maritime authorities was initiated immediately, namely the National Fisheries Service and

the Environment Superintendency. This coordination has been maintained up until the present time. In this context, a plan was implemented to comply with the requirements imposed by the Superintendency (flights over the area, underwater monitoring, among others). In addition, we quickly called on artisanal fishermen, with whom we set a recapture price of \$10,000 Chilean pesos (about \$15 USD) per salmon. We worked with 502 fishermen, who helped to retrieve about 29% of the escaped fish.

The actions taken involved the deployment of ten vessels alongside the artisanal fishermen's boats, two high-tech ROV robots – one capable of reaching 300 meters deep and the other up to 1,000 meters deep – drones, and a plane to fly over the area. Additionally, all our logistics focused on the search and recovery of the cages, as well as the capture of the escaped species.

Thanks to the use of the ROV, we located 12 cages, which allowed us to estimate a number of escaped fish, which was much lower than the 875,000 fish that were in the module, since many of them sank with the cages.

Science, transparency and mitigation measures

The company quickly began implementing the instructions of the authorities. Blumar presented a comprehensive monitoring plan that was based on a proposal from the Center for Research and Development of Coastal Resources and Environment (i-mar Center) of the University of Los Lagos, developed by academics from different study centers. The working group that carried out this plan consisted of three doctors in Oceanography, a doctor in Marine Sciences, a doctor in Natural Resource Management and Conservation, and 10 marine biologists, among other professionals.

The comprehensive monitoring plan included eight monitoring stations and four control stations, including the oceanographic

buoy that i-mar has had in the Reloncaví Sound for more than three years, which has enabled a robust baseline with scientific information from the area: data on atmospheric pressure, air temperature, ambient humidity, wind speed and direction, along with monitoring water temperature, pH, turbidity, conductivity, fluorescence, dissolved oxygen, among other parameters.

In addition to monitoring, the scientists conducted 11 complete oceanographic studies during the second half of 2020 and the beginning of 2021, in which 12 chemical parameters and 10 physical parameters were systematically measured, to investigate how the marine environment behaves after the sinking of the Caicura center.

¹ In 2020, two incidents were recorded, which together involved the escape of 74,006 salmon.

All the analyses conducted by the experts, in addition to the daily, weekly and monthly reviews of the state of the cages, biomass and other parameters carried out by the company, provided valuable data on the interaction of the biomass at 295 meters of depth with the ecosystem. For example, it was determined that fish degraded slowly, without affecting the oxygenation of the marine environment, and that fish cages and nets did not move from the location where they sank.

The collected information has been systematically sent to the authority and has been transparent for different audiences of

interest such as artisanal fishermen, communities, native peoples and local authorities, among others. This is achieved through 16 informative communications, nine meetings with the community and other events that have allowed us to share the data generated by the company after the accident.

Undoubtedly, the sinking of the Caicura center was a regrettable situation for Blumar, in which the company relied on science to respond to this emergency in a responsible, efficient and transparent manner to public opinion, authorities and neighbors.

Sustainability of the resource

We comply with current regulations in all our processes, and we adopt international best practices in the fishing and aquaculture divisions.

Recently, the recovery of marine resources has been observed, according to the State of Fisheries Report 2020, issued by the Undersecretary of Fisheries, which states that out of a total of 17 fisheries in which the industrial sector participates, eight are in full exploitation or are under-exploited, and half of the remaining fisheries have a higher biomass compared to 2013, when the General Fisheries and Aquaculture Law was enacted.

Efficiency in Salmon Feed

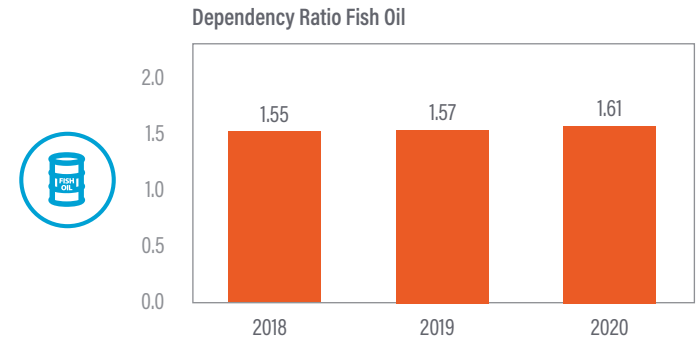
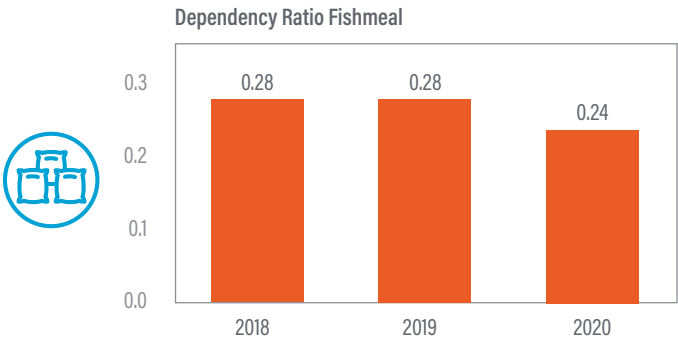
At Blumar, the Feed Conversion Ratio (FCR) measures the productivity of different protein production methods. It determines the kilograms of food necessary to increase the animal's body weight by 1 kg, which in 2020 was 1.2 at Blumar, lower than the rate for other animal proteins and lower than the 1.3 rate of the industry. On the other hand, the carbon footprint measures the total greenhouse gas emissions directly and indirectly caused by the preparation of a product (kg CO₂ equivalent / 40g edible protein). It was 0.6 for salmon (industry average), which is lower than for the rest of the proteins.

Use of marine ingredients in salmon nutrition:

There are rates that calculate the dependency on fish fed to salmon in farming centers. This is achieved by measuring the amount of living fish from small pelagic fisheries required to produce the amount of fishmeal or fish oil needed to produce a unit of farmed salmon.

This calculation is based on the ASC¹ parameters for Forage

Fish Dependency Ratio for Fishmeal (FFDRm). These indicators represent the dependency ratio of farmed salmon to other fish required to produce their feed (fishmeal and fish oil). We receive this information from the company's feed suppliers, and it is calculated as follows: how many kilograms of feed are needed to produce one kilogram of salmon per percentage of fishmeal or fish oil in the feed.



¹ Aquaculture Stewardship Council

Regulatory framework of the industry

Our activities are regulated by the General Fishing and Aquaculture Law (Ley General de Pesca y Acuicultura) No. 18,892 of 1989, subsequently amended by Law No. 20,657 of 2013, which constitutes the legal framework governing the activity of both sectors in Chile. The main fishing units of the South-Central zone, where Blumar operates, including the species mackerel, anchovy, sardine and tail hake, are declared as in full exploitation, which means that fishing is reaching the biological point of maximum sustainable performance, as defined by law. For more information, please review pages 36 and 37 of the 2020 Annual Report.

Summary of the regulations for the fishing division

The following activities are subject to the General Fishing and Aquaculture Law: the preservation of hydrobiological resources and any extractive fishing, aquaculture and research activities in terrestrial waters, sea beaches, inland waters, territorial sea or exclusive economic zones of the Republic and the areas adjacent to it that are governed or may come to be governed by national jurisdiction in accordance with international laws and treaties. Fishing activities for processing, storage, transport or commercialization of hydrobiological resources will also be regulated by this Law.

Summary of the regulations for the aquaculture division

Law No. 19,892 and its amendments regulate aquaculture and define the cycle of species, hydrobiological resources and authorizations, respective concessions and conservation of natural resources. The aim of the legal framework is to regulate the aquaculture sector's access to areas, the importation of hydrobiological resources, environmental and sanitary conditions, concessions, violations, sanctions and rules for carrying out aquaculture for scientific or ornamental purposes. In Chile, licensing is based on two authorizations: the first is necessary to operate an aquaculture facility and specifies certain technical requirements. It is granted by the Undersecretary of Fisheries and Aquaculture (under the Ministry of Economy). The second authorization relates to the physical area of operation (or permit to use national maritime zones for aquaculture production) and is granted by the Undersecretary of the Armed Forces (Ministry

of Defense). The use of the license is restricted to a specific geographical area, to determined species and to a certain limit of production or population density, as specified in the environmental and health resolutions of the issued license. We are aware that our farming centers cause environmental impacts; however, these are carefully planned, diligently measured and properly managed. Compliance with legal-environmental regulations in this area requires us to have a robust environmental management system in the various stages of the production cycle. Furthermore, the environmental control of production is accompanied by a cutting-edge technological support that enables monitoring constant key variables, which translates into a complete environmental record of each Blumar production facility.

Environmental protection system

Chile has an environmental impact assessment system that seeks to analyze projects in environmental terms prior to their operation. This preventive environmental management instrument allows the authority to determine before the execution of a project whether it complies with current environmental regulations and considers the potential significant environmental impacts. As required by law, Blumar evaluated all its operations or extensions of these through this system¹.

¹ The Environmental Assessment Service manages the Environmental Assessment System: <https://www.sea.gob.cl/>



2020 Management

Environmental compliance

At Blumar, we comply with current regulations across all our processes. Therefore, in 2020 the company underwent 566 audit processes by the environmental authority, resulting in three fines.

Significant fines or penalties paid in 2020 related to the environment or ecology:

Year	Fines/penalties	Amount USD	Item
2020	3	4,887.8	Environmental authority
2019	0	-	-
2018	1	377	Maritime authority
2017	0	-	-

Food loss and waste

On September 29, 2020, the International Day of Awareness of Food Loss and Waste was held for the first time, led by the Food and Agriculture Organization of the United Nations (FAO), the United Nations Environment Program (UNEP) and its partners. The call was to work harder to reduce food loss and waste, as both phenomena can further reduce food security and natural resources.

Today, about 690 million people suffer from hunger and 3,000 million cannot afford a healthy diet. Hunger has been on the rise over the past five years, and the COVID-19 pandemic is endangering the food and nutritional security of up to 132 million more people. Additionally, ecosystems are deteriorating and the consequences of climate change are becoming visible. In short, reducing food

loss or waste means more food for everyone, reducing greenhouse gas (GHG) emissions, reducing pressure on the environment, and increasing productivity and economic growth.

Civil society has shown concern about this issue, which is strongly reflected in 2030 Agenda for Sustainable Development, especially in the Sustainable Development Goal (SDG) 12.3. It calls for halving the global per capita food waste at the retail and consumption levels, and for reducing losses along the production and supply chains.

Our commitment

At Blumar, we will work on establishing a policy that contains guidelines related to the reduction, loss and waste of food in all our productive activities and in the business divisions of fishing and aquaculture.

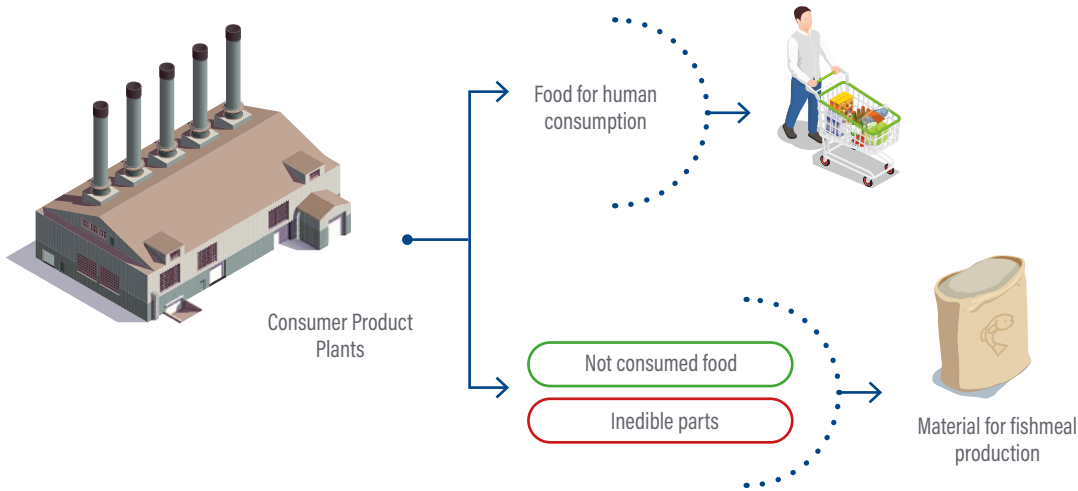
We also manage our waste in the best possible way and seek to increase its use in order to reduce operating costs and mitigate the environmental impact, by extending the life cycle of materials and equipment. We understand that proper and timely management of food loss and waste allows for a reduction in greenhouse gas emissions, increases food availability and reduces food shortages in the world, particularly in the coming years, with the effect of the COVID-19 pandemic.

At Blumar, we seek to reduce food loss and waste in our supply, processing and commercialization activities, while maintaining the highest quality standards and ensuring food safety in line with SDG 2 and SDG 12.

Therefore, the ESG plan will incorporate the management of this subject, through a policy in which we will declare our commitment to measuring, setting goals and reporting progress on reducing food loss and waste in the value chain of Blumar and its subsidiaries.

Impact of food loss and waste

Within this framework, Blumar's commitment is to minimize food waste, both in its production chain and in consumption, as well as to increase the use of inedible parts of our species. While always ensuring the safety and quality of our products for human consumption. The following is the quantification of food and/or inedible parts removed from the food supply chain, following the guidelines defined by the Food Loss and Waste Accounting and Reporting Standard¹:



Use of marine ingredients in nutrition

Blumar's two business divisions (salmon and fishing) complement each other since what is not used in the salmon or mackerel production process can be used for the production of fishmeal.

Food loss and waste	2020
a) Total weight of food loss and waste volumes from the salmon process.	22,833 tons
b) Total weight of salmon products used in the process of fishmeal production.	22,833 tons
c) Total Loss (a-b)	0 tons
e) Coverage	100% salmon
Third-party verification: no third-party verification available.	

¹ Standard available at Home - Food Loss and Waste Protocol (flwprotocol.org)

RELATIONSHIPS OF TRUST AND COLLABORATION








Employees and Collaborators



The material topics related to this strategic pillar are:

Stakeholders	Material topics
 Employees	<ul style="list-style-type: none">• Human Health and Safety• Wellbeing of our employees• Training and development of employees• Labor relationships of trust
 Community	<ul style="list-style-type: none">• Community development and indigenous peoples• Dialogue with and outreach to different target audiences

Our employees are critical to our success; therefore, the best combination of skills and values are a key factor for growth and sustainable development. It is important to develop and maintain a respectful, transparent and mutually beneficial relationship with our employees. Within this framework, we recognize the importance of valuing and benefiting our professionals and executives with policies, practices and challenging projects that allow us to attract the best professionals on the market.

We have a close relationship with our collaborators, such as the various contractors who provide services for us and are key stakeholders in our management. We have more than 117 permanent contractor companies with more than 853 employees, with whom we work together in various areas of the company.

The values that guide, lead and inspire us are efficiency, responsibility, honesty, austerity, constructive spirit, loyalty, and commitment.

We develop a relationship with our collaborators following these values and we care about their well-being, which includes protecting their health and safety, as well as training and development.

We understand that trust and respect are essential for everything we do. These values form the basis of our relationships with our stakeholders and, in particular, with the neighboring communities of our operations. We maintain a close, honest and open dialogue in order to tackle the issues that affect and interest them, as well as contribute to their progress.

Our Employees' Health and Safety

Caring for the health and safety of those who work at Blumar and maintaining high standards of prevention is fundamental to the daily management of the company, and part of our commitment to our employees.

It is important that our workers have access to optimal working conditions in order to do their jobs well.

At Blumar, health and safety are a priority. That is why high standards and a prevention-based culture define us as a company.

How do we manage human health and safety?

- In our productive processes, we encourage active participation by both workers and management, fostering a preventive culture based on self-care, participation and leadership.
- We work actively with our employees to involve them in the safety measures adopted in their areas of work through training, activities and constant monitoring by our insurance company focusing on risk prevention, work-related accidents and occupational diseases.
- We have an Occupational Health and Safety Policy.
- 100% of our employees are represented on formal Health and Safety Committees – both on Joint Health and Safety Committees at each of our facilities and on Executive Committees – whose intention is to ensure our collaborators' safety.
- We have an Occupational Health and Safety Management System (OHS) that allows us to constantly review regulations, protocol and indicators in this area. This management system is a significant support to care for our employees.
- The Joint Health and Safety Committees and the OHS Management System are certified by insurance companies specialized in occupational health.

Occupational health and safety topics are monitored by the Board and reported monthly. In our fishing and aquaculture divisions, they are managed through an internal structure headed by HR Management and the Sustainability and OHS Sub-Management.

All of this is complemented by a grievance mechanism through our Anonymous Grievance Channel, available on the company's website.



Health and Safety Committees

There are seven Joint Health and Safety Committees in the fishing division and four in the salmon division (Talcahuano and Southern Zone) that are composed of area supervisors and active participants of the corresponding management. The objectives of the Joint Committees are to advise and instruct employees on the correct use of protection instruments and to monitor compliance by both the company and workers with prevention, hygiene and safety measures. Furthermore, there are executive committees in the fishing and salmon business units.

Summary of the Occupational Health and Safety Policy

With this policy, we are committed to developing a preventive occupational health and safety management, aimed at generating solid foundations for a culture of prevention. In order to comply with the policy's guidelines, we encourage managers and area supervisors to participate actively, to foster prevention based on self-care among our employees, to promote a management system that allows for continuous improvement in best practices of our operations, and to develop, together with contractors and service providers, a preventive management aligned with our guidelines on this topic.

Strategy in the context of the COVID-19 pandemic

The health crisis caused by COVID-19 led Blumar to implement various health measures and protocols to ensure a safe working environment for the company's employees.

From the beginning on, our priority was to take care of the health and safety of our employees, implementing the measures recommended by the World Health Organization (WHO) and local authorities. We also added our own measures adapted to the different geographical areas and operations of our business units.

We protect the health of our employees from the moment they leave their homes until their return, providing support for the recommended health and safety

measures to be applied in their homes. The aim has been to prevent cases inside the facility and to control the spread of the virus, ensuring operational continuity to maintain the well-being, safety and job stability of all our employees, suppliers and contractors during the pandemic. While there were cases of coronavirus among some employees, all of them have recovered and gradually returned to their tasks. Furthermore, it is important to emphasize that to date we have not recorded any deaths due to COVID-19 among our employees.

In order to ensure the operational continuity of all our units, various measures were established, such as the implementation of a large team of health

professionals in the different locations, daily health checks, mandatory use of face masks, remote work for more than 160 people, special approach transports on buses, boats and charter flights, acrylic separators in workplaces, daily fumigation and PCR testing. All of the above under constant supervision of a medical professional who was employed for this purpose. In 2020, this strategy cost \$6.7 million USD.

Protocols

The implementation of strict safety protocols in the company has been critical to continuing our operations. During the first days of March 2020, already facing an imminent health crisis, a contingency committee was established to work on the protocols that allowed for the operational continuity of each of the processing plants, farming centers and vessels. The company's senior managers composed this committee. Thanks to their work, preventive management protocols were generated for the fishing division, for the Talcahuano salmon plant and for the farming centers. These protocols were then assessed together with insurance companies specialized on occupational health and safety.

HR Management, with the Occupational Health and Safety unit, has been working permanently with the different divisions and personnel in charge, in addition to coordinating concrete actions with specialists to avoid infections in our facilities. As a result, agreements have made it possible to collaborate with immunological experts who advised us on the implementation of new measures.

Company-wide measures	Protocols for the fishing division	Protocols for the salmon processing plant and administration office in Talcahuano	Protocols for farming centers and offices in the 10 th , 11 th and 12 th Region
<ul style="list-style-type: none"> • Free of charge 24-hour call center attended by nursing technicians from Monday through Saturday • Graphic material for the dissemination of health measures • On-site temperature checks • Promotion of personal hygiene measures • Cancellation of large meetings, trainings and business trips • Constant sanitization of surfaces • Mandatory use of face masks inside the facilities • Prioritization of teleworking for administrative and high-risk staff • To access any Blumar facility, employees are required to complete a health survey, either on-site or through an app developed for this purpose. • Testing on re-entry to the facilities 	<ul style="list-style-type: none"> • Periodic inspections by the occupational health and safety team to ensure compliance with protocols • Implementation of health supervisors to support compliance with health measures at all facilities • Periodic delivery of personal protective equipment to workers • Bahía fleet: installation of a sanitizing portal at the entrance • Implementation of Corona Tracer as a traceability system 	<ul style="list-style-type: none"> • We hired a team of health professionals to monitor prevention measures at the plant. • Rapid tests, saliva tests and PCR tests • Implementation of Corona Tracer as a traceability system • Adaptation of the cafeteria and dressing rooms • Implementation of health supervisors at the facility • Installation of separators in the processing hall • Hiring of private buses to transport staff from and to their homes 	<ul style="list-style-type: none"> • Obligatory PCR testing required for entry to offices and farming centers • At the farming centers, working hours were adjusted in agreement with the workers to minimize travel and contacts between them • Hiring of the Skorpios cruise ship for the transfer of personnel to and from the Aysén farming centers • Charter flights for the transfer of workers to Punta Arenas

Telemedicine Agreement

Our preventive culture in the face of the pandemic also included an agreement that involved the implementation of telemedicine at the salmon processing plant in Talcahuano and at the farming centers. Thus, employees with symptoms have quick access to medical advice. This practice will be maintained over time, as it allows us to provide first aid for health emergencies in the most isolated centers.



Corona Tracer

In order to maximize safety measures, COVID cases are traced efficiently in the salmon and fishing division. Therefore, we implemented Corona Tracer, a small autonomous device that is used during the workday to measure the distance and interaction between staff. In simple terms, it is a proximity sensor. If it detects interaction, a unique code is exchanged between the two devices, which then represents one event. If those two (or more) people stay in this position for an extended period of time, a new event will be generated every 10 seconds and stored on the devices recording valuable tracking information in case of an infection.

Powered by Dutch technology, the device stores contact network information, measuring and recording the time of contact between employees at less than 1.5 meters (5 feet), thus providing a safety chain to inform possible risks of contact in a timely manner.

2020 major numbers

- 10,078 PCR tests taken at all facilities
- 1,937 calls received at the call center
- 131 corporate bulletins sent
- 360 regional bulletins sent (Los Lagos, Aysén and Magallanes)
- 160+ informational posters
- 15 prevention videos
- 2 container units for the team of health professionals, one to control entry and one for the call center.
- Approximately 50% of employees had to change their usual means of transport. Now they travel in private buses, boats or charter flights coordinated by the company.

Communication

To keep our employees informed, a Communications Committee was appointed, which designs material such as posters, videos and testimonials which are published in daily bulletins, projected on the screens at our facilities and sent by text message.

Informational material: the [landing page www.blumar.com/covid-19](http://www.blumar.com/covid-19) was created, where protocols and preventive measures can be reviewed. Moreover, the Sustainability and OHS Sub-Management organized talks for the personnel to

report on the company's situation in the face of the pandemic. In addition, regular meetings have been held with labor unions. We also prepared informational material on prevention for our employees, which considered, among other issues,

frequent symptoms of COVID-19, definition of close contact and general preventive measures at workplaces.

Development of an app: following the suggestion by the company's Sustainability and Occupational Health and Safety unit to implement a fast traceability information system in order to comply with the requirements established by the Health Ministry, the IT team developed the most urgently needed tool: an online survey for workers, contractors, and any external party entering Blumar's facilities. This tool was subsequently complemented by a mobile application to enable traceability (Covid Blumar app), hosted on the Microsoft cloud. Since the second half of 2020, it has been in use in the Talcahuano salmon processing plant, administration buildings and the fishing area. In general terms, the app has four

functions: an online health survey, access control using the QR code on the ID card associated with employee and contractor systems, bus checks using ID card QR codes, and a management reporting module. The app also enables traceability of the bus transfers contracted by the company. Furthermore, a call center was set up to register every entry and exit from the workplace. Therefore, in the event of a suspected infection, it is possible to track the affected person's contacts, apply several filters and, finally, isolate a team of people.



Management in 2020

Our preventive culture is featured in all of our processes. Therefore, we strive every day to avoid accidents at all costs.

Major numbers

Absenteeism			
Employees	2018	2019	2020
Salmones Blumar	0.56%	0.62%	12.40%
Blumar	0.73%	0.84%	6.91%
Salmones Blumar Magallanes	-	2.05%	2.90%
Pesquera Bahía Caldera	-	4.05%	2.00%

Accident Rate			
Employees	2018	2019	2020
Fishing	4.9	3.6	4.4
Salmon	1.7	1.0	1.6

Lost Workday Rate			
Employees	2018	2019	2020
Fishing	64.1	70.3	85.5
Salmon	97.1	42.7	100.7

Lost Time Injury Frequency Rate (LTIFR)			
Employees	2018	2019	2020
Salmon	27.5	14.0	20.9
Fishing	15.01	10.46	12.73
Contractors	2018	2019	2020
Salmon	39.7	12.1	11.4
Fishing	6.58	4.63	3.20

Comment: (Number of accidents with medical leave) / (total worked hours in the accounted period) x 1,000,000

Occupational Illness Frequency Rate (OIFR)			
Employees	2018	2019	2020
Salmon	0.0	0.0	16.9
Fishing	0.0	0.0	5.46
Contractors	2018	2019	2020
Salmon	0	0.53	0
Fishing	0.0	0.0	0.0

Comment: Total recordable injury frequency rate per million working hours.

TRIFR=(Number of accidents during the recorded period) / (total worked hours in the accounted period) x 1,000,000

Joint Committee	Type of Certification
Caldera Fishmeal Plant	Bronze
San Vicente Plants and Fleet	Gold
Coronel Fishmeal Plant	Gold
Talcahuano Salmon Plant	Gold
Rocuant Island Plants	Gold
Corral Fishmeal Plant	Gold
Puerto Montt Salmon	Silver
Salmones Blumar Magallanes	Bronze
Contractors Corral	Silver
Contractors San Vicente	Gold
Contractors Salmon Plant	Bronze

Goal Monitoring 2020



The lost workday rate in fishing was below industry levels, as of year-end. However, the lost workday rate in salmon was above the industry average.



The accident rates in fishing and salmon were below industry levels during the period.



No fatal accidents of workers or contractors at our facilities.



We recorded fewer serious accidents compared to 2019.

Goals 2021

- Maintain the lost workday rates in fishing and salmon below industry levels, as of December 2020.
- Maintain the accident rates in fishing and salmon below industry levels, as of December 2020.
- Zero fatal accidents of workers or contractors at our facilities.
- Reduce the number of severe accidents in comparison to previous years.

Our Team

As of 2020, Blumar has 29% women on the team compared to 71% men. Out of 2,170 employees, 87% have indefinite contracts and 13% have fixed-term contracts.

Staff Profile		2020			
		Men	Women	Total	
Number of employees by contract type	Indefinite contract	1,366	524	1,890	
	Fixed-term contract	176	104	280	
Total		1,542	628	2,170	
Number of employees by nationality	Chilean nationals	1,532	618	2,150	
	Foreign nationals	10	10	20	
Total	Total	1,542	628	2,170	
Number of employees by age range	Between 18 and 30	277	119	396	
	Between 31 and 40	446	197	643	
	Between 41 and 50	389	168	557	
	Between 51 and 60	335	126	461	
	Between 61 and 70	91	18	109	
	Older than 70 years	4	0	4	
Total		1,542	628	2,170	
Number of employees by seniority	Less than 3 years	686	372	1,058	
	Between 3 and 6 years	299	143	442	
	Between 6 and 9 years	95	46	141	
	Between 9 and 12 years	170	47	217	
	More than 12 years	292	20	312	
Total		1,542	628	2,170	
	Blumar S.A.	Pesquera Bahía Caldera S.A.	Salmones Blumar S.A.	Salmones Blumar Magallanes SpA	Total
Managers	7	0	2	1	10
Executives	72	11	90	27	200
Workers	621	78	1,143	118	1,960
Total	700	89	1,235	146	2,170

Development of our Employees

Enhancing a culture of well-being, caring for workers, and promoting healthy living is part of Blumar's DNA. We promote human talent and worker development, while providing training to our employees that allows them to update their knowledge, strengthen skills and abilities for the optimal execution of the tasks associated with each job.

How do we manage this?

Concerning organizational structure, Blumar has an HR Management and an area specialized in Organizational Development and Training. In addition, we have four bipartite training committees that plan and assess training programs and advise on training matters.

Benefits

We are constantly working to increase our employees' level of satisfaction, with the aim of maintaining a good working climate for the people who make up our company.

Benefits granted to employees are paid with the company's resources. These include meals, trainings, scholarships and funding for school tuition fees, bonuses for maternity and childbirth, loan facility, Christmas baskets, and Christmas parties and gifts for children of employees.

As part of the collective agreements signed with labor unions and negotiating groups,

41 school scholarships were awarded to children of company workers in the fishing and salmon divisions throughout the country. Students in elementary and high school and higher education may apply for this scholarship.

In 2020, in order to do something different to celebrate the holidays, workers at all facilities received boxes of premium salmon and wine for their family celebrations. This event took place for the first time in the different facilities of Blumar, in addition to the Christmas baskets that are gifted each year. Likewise, the pandemic did not

Talent development and attraction

Training programs have been carried out to develop leadership, identity and effective communication to empower high-performing teams and to strengthen the organizational culture. Furthermore, activities to increase the technical knowledge about our processes and to enhance the internal culture took place, further strengthening a good working climate.

prevent us from giving Christmas presents to all our employees' children.

Moreover, the presentation of a children's Christmas play was an interactive and participative instance for our employees and communities throughout Chile, since the traditional face-to-face Christmas activities could not take place.

Management in 2020

Although 2020 was a unique year due the pandemic, we were able to train 968 workers.

We conducted 55 courses, with a total of 18,455 hours of training, which were held in Bahía Caldera, Talcahuano, Corral, Puerto Montt, Aysén and Magallanes. 49 trainings were held externally and 6 internally.



External training

Given that social demands have increased in recent years, we seek to maintain a close relationship with our workers. Therefore, with the help of experts, we created the Manual of Effective Meetings to support and train all employees who are in charge of staff.

A self-instruction training for time management was carried out for the administrative areas to support employees working remotely. Forty-two people participated in this workshop. Furthermore, a course on Information Security was held for more than 400 employees and another

one on social techniques and social engineering for 74 employees.

On the other hand, active training was carried out in the fishing and aquaculture division. For the fishing division, this included training to help reduce information

gaps that currently exist on the best guidelines that could be applied by the industry, in line with certification, and thus improve its social practices in the territories where the company operates.

Update of the protocol for cargo handling: 347 employees of the salmon plant were trained and updated on the protocol for manual cargo handling, in compliance with Law No. 949. The topics included risk factors, preventive measures and safe techniques. This activity was developed with the professional institute Inacap, focusing on promoting and teaching the safety measures for those who handle cargo.

Seminar for professional divers: for the sixth year, the Occupational Health and Safety Seminar was held for professional divers from the Aysén Region, this time online due to the pandemic. The seminar was geared towards divers of all categories, public authorities, contractors, supervisors and health workers, among others.

In addition, activities and workshops were carried out remotely to support employees in the context of pandemic, which include:

Emotional Management Workshop: this was held by insurance companies specialized on occupational health for employees of the farming centers in Aysén and its objective was to provide tools for emotional management in times of crisis, thus promoting adaptation to the current work context.

Internal training

Prevention training for employees: a total of 198 new employees at the frozen jack mackerel plants on Rocuant Island and in San Vicente and on the fleet, who joined the company in 2020, received training in compliance with Blumar's safety protocols. The topics covered were COVID-19 prevention, first aid, internal regulations, Code of Ethics and specific risks for each area.

External training				Investment (CLP)	Internal training		
Company	Participants	Total hours	Number of courses		Participants	Total hours	Number of courses
Salmones Blumar	576	13,514	27	\$58.080.643	1,562	4,491	2
Blumar	229	3,436	13	\$14.508.442	7,868	7,752	3
Salmones Blumar Magallanes	79	966	5	\$4.285.720	544	1,733	1
Bahía Caldera Plant	84	539	4	\$3.866.846	0	0	0
Total	968	18,455	49		9,828	13,976	6

Internships

At Blumar, we believe that interns are fundamental to our daily management and that is why we are committed to their training and education. In 2020, 24 people participated in internships, of whom 16 were men and 8 women, working in the areas of administration, warehouse, laboratory, maintenance, operations, occupational health and safety, sustainability, management control, and HR.

Work climate and organizational culture

Our employees are the foundation of our company; therefore, we strive to maintain a harmonious work environment. We know that an organization with adequate working conditions and good working relationships can promote efficiency and increase productivity. Thus, since 2012 we have conducted a work climate survey every two years, which generates improvement opportunities for all.

Work Climate Survey

Caring for workers and promoting healthy living is part of Blumar's DNA, as well as the desire to do business with quality and respect. Through the work climate survey, we can detect possible weaknesses, take responsibility and address them.

The work climate survey is already in its fifth version; during May and June 2019 it was taken by all Blumar employees. The 1,570 employees who responded, representing a response rate of 90%, assessed the following nine dimensions: comfort, clarity,

commitment, friendliness, leadership, equity, compensation, competitiveness and recognition. A 76% level of satisfaction was observed in the results, thereby decreasing two percentage points compared to the last survey carried out in 2017.

Once results were obtained, we started working with each area individually in focus groups with the groups with the lowest rates, and initiated discussions with different areas of the company to receive more details and collect information that

would allow us to prepare and strengthen the improvement plans.

Since we implemented the work climate survey, we have seen significant changes, both in methodology (moving from an analog to an online format of the process) as well as the performance, obtaining higher response rates and an increase in our results.

Commitment of our employees	Unit	2017	2018*	2019	2020*	2021 Goal
Commitment	% actively committed	77%	77%	76%	76%	77%
Data coverage	% of total employees	93%	93%	90%	90%	90%

* These results are repeated, as the evaluation is biannual.

Performance assessment

Talent management is a central element at Blumar, not only because of the obvious operational benefits for the company, but because we understand that the challenge of attracting and retaining the most competent staff is key to continuing the company's good performance.

The performance assessment translates into a method established by Blumar to measure each employee's level of compliance with his or her tasks and responsibilities. This process is carried out at least once a year and helps to estimate the value, excellence and competences of a person. On the other hand, it measures the contribution that the employee makes to the organization's business.

The company uses a traditional performance assessment methodology for executives and another one for operators. The applied methodology allows area supervisors to evaluate the line workers' performance through overall goal fulfillment.

Performance assessment is used to establish personal and group commitment plans that ensure process continuity.

Type of Performance Evaluation	% of all employees
Management through objectives: systematic use of measurable goals agreed on by the line manager	6%
Multidimensional performance assessment	17%
Formal comparative classification of employees within a category	28%

Job turnover

Our employees are our main resource. Innovation, productive strength, and continuous improvement of all our processes depends on them. Therefore, we manage human resources correctly, providing a good physical and psychological work climate.

Nonetheless, there is turnover, which is understood as a company's voluntary or involuntary ability to replace their employees with the internal or external labor force. Turnover is therefore an option for boosting the workforce and avoiding inertia, the latter being one of the most recurring problems and which, in extreme cases, can affect productivity and innovation.

Items	2020
Total employee turnover rate ¹	11.3%
Voluntary employee turnover rate ²	4.2%

Goal Monitoring 2020



Despite complex circumstances this year, our top executives were trained in crisis management, director training, information security and more.



The Manual "Guide for Blumar Meetings" was created and presented in a training for area supervisors. Its objective is to standardize the development of team meetings, encouraging open dialogue between the different supervisors and their staff.



We started drafting a Human Rights Policy, incorporating the best practices that Blumar has always applied. It will be validated and published in 2021.

Goals 2021

- Develop and update an HR management strategy, up to date with the current context.
- Continue to encourage dialogue between area supervisors and their teams.
- Implement a Corporate Human Rights Policy.

¹ For the calculation of the total employee turnover rate, all job terminations are considered, with the exception of Article 159 No. 4 of the Labor Code; expiration of the agreed term.

² For the calculation of the voluntary employee turnover rate, those exceptions are Article 159 No. 1 and No. 2; mutual agreement and resignation of the employee.

Human Rights

At Blumar, we are committed to promoting best practices that aim toward sustainable development through integral process management. Our goal is to strengthen the growth of the country through our activities, as part of good corporate governance, transparency and equity, complying with regulations, maintaining collaborative work with stakeholders and acting according to the principles of the Global Compact and commitments to sustainability, such as the Sustainable Development Goals included in the Agenda 2030 in Chile.

We protect human rights, labor rights and support freedom of association and collective bargaining in Chile, in accordance with the principles of international law treaties.

We constantly seek to create an atmosphere of trust and transparency, so that our collaborators can do their jobs properly. Therefore, all negotiations are managed through area supervisors, with the aim of maintaining direct and active communication between both parties. Furthermore, we have an Open-Door Policy that enables dialogue and problem solving.

We have direct and ongoing communication with union leaders, with company labor unions, inter-company labor unions, and group delegates. These relationships allow us to establish bonds of trust and work collaboratively.

Our commitment to human rights includes:

Rejection of forced labor and child labor

We reject any kind of forced labor and do not take any actions to retain persons against their will during their employment. Thus, the company is committed to respecting children's rights, rejects child labor, and has a non-recruitment policy for children under the age of 18.

Respect for diversity and rejection of discrimination

The company rejects all forms of discrimination and commits to ensuring that all its employees are treated with respect regarding their diversity, promoting equal opportunities in any relationship with the company. This commitment is found in our Code of Ethics.

Freedom of association and collective bargaining

The company fosters good communication with its labor unions or negotiating groups, recognizes the employees' right to assemble and defend their interests and does not interfere in their decisions in this regard. It also promotes the employees' right to representation by labor unions and other forms of representation chosen in accordance with Chilean legislation and current practices. Moreover, it recognizes the importance of collective bargaining as a voluntary instrument for the determination of contractual conditions, as well as for the regulation of relations between managers and labor unions.

Occupational Health and Safety

The company is committed to ensuring the best occupational health and safety conditions in all workplaces, promoting a culture of safety, educating on risk awareness, promoting responsible behavior by all its employees and collaborators, and generating different educational and informative activities on the subject. Moreover, Blumar supports the Joint Committees represented by employees and the company as a collaborative mechanism for continuous improvement. We also work constantly to improve the protection of our employees' health and safety through the application of various preventive measures.

Fair working conditions

We reject all forms of harassment, threats or intimidation in the workplace, whether verbal, physical, sexual or psychological, ensuring a positive and respectful work environment. We recognize the value of training for the development of people and their skills, encouraging the participation of workers.

Respect for the rights of communities

The company is committed to respecting the rights of local communities in the territories where it operates, by providing free and informed consultation activities. We promote and actively participate in round tables with public-private actors and with authorities, encouraging participation with the community and local authorities.

Privacy and communications

Blumar commits to respecting the confidentiality and privacy rights of all its employees and to using all their information and data in a proper and respectful manner. We also commit to ensuring that all institutional and commercial communications are non-discriminatory and respect different cultures, paying particular attention not to adversely affect the most vulnerable public, such as children.

Based on the Voluntary Principles on Security and Human Rights, the company is committed to ensuring that private security services, which protect the personnel and property of Blumar, act in accordance with existing legislation and with the norms of international law contained in treaties signed and ratified by the Republic of Chile.

Commitment to inclusion

We understand that work is a way to establish social networks and encourages social participation. Therefore, labor inclusion is a major first step toward social inclusion. We also argue that labor inclusion improves the working climate by promoting collaborative work and increasing the commitment of our employees. An inclusive environment based on mutual respect, cooperation, where all people are treated equally, are central elements of Blumar's strategy and we understand that inclusion is a joint effort of all stakeholders. Therefore, developing an inclusive environment requires teamwork.

Blumar is committed to respecting the dignity of individuals with disabilities, and therefore supports their education and training to enable them to develop their functions and to feel valued and respected. It therefore prohibits any act of discrimination against individuals with disabilities or discrimination because of their race, ethnicity, religion or sexual orientation. The company shall guarantee equal conditions in the internal and external selection processes, establishing equal criteria for applications to positions with qualified functions.



Diversity and Inclusion

Diversity in the workplace not only brings image benefits, but it also boosts innovation and improves the organizational climate. Therefore, when choosing our future employees, we do not discriminate based on their origin, gender, age, race, religion, sexual orientation or socioeconomic status. We are interested in applying an open and varied organizational perspective, favoring different approaches to solve problems or face challenges.

Regarding labor inclusion, we are convinced that providing valuable employment to people with disabilities, ensuring that they enjoy the same working conditions as the rest of the company, makes them feel valued. In other words, we seek to guarantee non-discriminatory treatment concerning tasks, schedules, treatment and remuneration.

As of 2018, companies with over 200 employees must comply with Law No. 21,015, which encourages the inclusion of persons with disabilities in the labor market. Blumar conducted an internal study to identify employees eligible for the National Disability Registry, and then proceeded with the environment analysis to consolidate their current job or relocation. This process of implementing the regulation

was carried out with the support of specialists, who contributed to the development of an inclusive culture.

In addition, we offer support for employees during their adaptation process, through various tools such as internal questionnaires and dialogue tables to improve the work areas of those with some degree of disability (access to the restrooms, special lunches, among others). Furthermore, we offer information to guide and support the process, both for individuals with disabilities and for the team.

Company	N° individuals with disabilities
Fishing	6
Salmon	11
Total	17

Leadership positions

Historically, our industry has been dominated by men. However, as has happened in various sectors in Chile and around the world, women have been taking on a number of roles and responsibilities that in the past were reserved only for men. Currently, there is a greater female presence at farming centers, in management positions, and on vessels, among other areas.

At Blumar, there are 33 leadership positions that are occupied by women, with 26 of them working in management, sub-management and area supervision. These figures represent 13% and 12%, respectively, of the total number of people in the corresponding category.

2020					
Diversity indicator	Women	Men	Total	% of women	% of men
Total currently employed women	628	1,542	2,170	29%	71%
Number and % of women in management positions	33	215	248	13%	87%
Number and % of women in junior management positions	26	194	220	12%	88%
Number and % of women in positions at maximum two levels below the executive team	8	33	41	20%	80%

The company regularly conducts a job position assessment to maintain the competitiveness regarding compensation according to the reality of the market. In addition, salaries are defined according to the job position assessment, independent of the person's gender or other characteristics. This is reflected in the reduction of the gender pay gap in the various position categories:

Gender pay gap	2019	2020
Proportion of average gross base salary for female managers vs. male managers	Not applicable	Not applicable
Proportion of average gross base salary for female executives vs. male executives	96%	102%
Proportion of average gross base salary for female area supervisors vs. male area supervisors	96%	98%
Proportion of average gross base salary for female professionals in mid-level ranks vs. male professionals in mid-level ranks	84%	86%
Proportion of average gross base salary for female administrative and technical staff vs. male administrative and technical staff	90%	99%
Proportion of average gross base salary for female on-board personnel vs. male on-board personnel	Not applicable	Not applicable
Proportion of average gross base salary for qualified female operators vs. qualified male operators	80%	90%
Proportion of average gross base salary for female operators vs. male operators	99%	99%
<i>Proportion (female average salary/male average salary)</i>		

Complaint mechanisms

Grievance Channel

Discussions with Labor Unions and Negotiating Groups¹

Open-Door Policy

Labor Relations

At Blumar, we maintain a close relationship of trust with the labor unions, which is essential for us. Therefore, we support the training of labor union leaders to enhance their work and professionalize their management. From 2017 to 2019, at the end of the year, meetings were held with union leaders, who represent nearly 1,000 workers from the company's fishing and salmon division. The Chairman of the Board and the HR Manager participated in those meetings. In 2020, due to the pandemic, this activity could not take place.

How do we manage labor relations?

As a company, we constantly seek to create an atmosphere of trust and transparency, so that our employees can do their jobs properly. All negotiations are managed through area supervisors and HR Management, ensuring that they develop within the framework of labor relations established by the company and maintaining direct and active communication. Furthermore, we promote an open-door policy that facilitates dialogue and conflict resolution, which allows for mutual trust and good relationships.

We have a long history of relations with labor unions, which we consider part of our organizational culture. Over the years, we have established a relationship of trust, which has enabled us to negotiate well, thus avoiding strikes in the last eight years.

¹ Workers agreed to collective bargaining, represented by an ad hoc labor negotiating committee.

SALMONES BLUMAR S.A.

- Salmon Plant Company Union
- 10th and 11th Regions Salmon Farming Centers Company Union
- 12th Region Salmon Company Union
- Talcahuano Salmon Employee Negotiating Group
- Puerto Montt Salmon Employee Negotiating Group
- 11th Region IceVal Union

BLUMAR S.A.

- Crew and Unloaders Company Union
- Corral Fishmeal Plant Company Union
- San Vicente Fishmeal Plant Company Union
- Rocuant Plants Company Union
- Caldera Fishmeal Plant Company Union
- Inter-Company Purse-seine Fleet Crew Union
- Inter-Company Motorists Union
- Inter-Company Pilots Union
- Coronel Fishmeal Plant Negotiating Group
- Frozen Jack Mackerel Plant Negotiating Group
- Frozen Jack Mackerel Plant Temporary Workers Negotiating Group
- Talcahuano Blumar Employees Negotiating Group

Frequency

Collective bargaining is a stable mechanism, with determined expiration deadlines for collective agreements.

Management in 2020

In the financial year 2020, 11 negotiations were conducted between labor unions and negotiating groups, with seven belonging to Blumar S.A., three to Salmenes Blumar S.A. and one to the subsidiary in Magallanes. Of these negotiations, nine were carried out with labor unions and two with negotiating groups. An agreement was reached in all meetings. During the negotiations – three of which were carried out online (Corral, farming centers and IceVal) – 1,142 workers participated, which also considered those who were part of a negotiating group. As of December 31, 2020, approximately 75% of employees are members of labor unions.

With the purchase of Salmenes IceVal in 2019, Blumar assumed responsibility for working with a new labor union that was to be integrated into the production model. Thus, in 2020, the collective bargaining process with the IceVal Labor Union was carried out for the first time, and the approval of the stipulated agreements was signed. Among the main changes agreed on are increases in compensation, which will rise gradually, as well as benefits such as Christmas

bonuses, holiday bonuses and bonuses associated with productive processes. The agreement will have an impact on 26 employees, including electromechanical technicians, center operators, chefs and center assistants.

This negotiation marks an important milestone for the company, as it was the first agreement sealed online with a labor union. We fulfilled our promise and as a company we are proud that the employees were satisfied with the results. The agreement was signed at the offices of Salmenes Blumar in Aysén, following all the preventive health measures imposed by the Health Service. Managers and area supervisors from Talcahuano and Puerto Montt participated and were even joined through video conference by employees of a farming center in the southern fjords. The adjustments, as well as the compensation increases and bonuses, became effective as of May 2020, with a duration of three years.

Area	Type of Negotiation	Members	% of workers in collective instruments	% of workers in labor unions
Fishing	Labor Union	333	69%	42%
	Negotiating Group	210		
Salmon	Labor Union	952	79%	69%
	Negotiating Group	135		
			75%	59%

	Goal Monitoring 2020 We conducted 11 collective bargaining negotiations in the established term, which were concluded via mutual agreement, ensuring operational continuity.	Goals 2021 <ul style="list-style-type: none">Conduct our collective bargaining negotiations in the established term, in order to reach a mutual agreement while the company's operations continue adequately.

Communities

Our Commitment

Communities play a key role, as we seek to contribute to local growth, contributing to improving people's quality of life. Supporting the development of the communities close to our operations is a central concern for Blumar, and creating shared value is one of our main objectives.

How do we manage this?

We are committed to the long-term sustainability of the industry. Our business strategy has key elements that promote and maintain links with our stakeholders, especially with members of the communities surrounding our facilities.

Our goal is to integrate and build strong collaborative relationships to generate mutual benefit and promote long-term relationships. Our operations are actively involved with the local stakeholders and the community, to ensure that we are part of it and support its development.

Within the framework of our community outreach, we support and contribute to the communities of Bahía Caldera, Talcahuano, Coronel, Corral, Puerto Montt, Aysén and

Punta Arenas in five areas: relationships, open doors, local development, education and training, and contributions.

We listen to our communities and create spaces for dialogue and information-sharing based on respect and trust. In addition, we establish relations of trust with the authorities, where transparency is fundamental for us; we therefore have an open-door policy that has enabled us to welcome various delegations, foreign visitors, as well as authorities and schools interested in the work we do.

We are constantly creating initiatives that help us to manage shared, systematic, transversal, close and transparent value, and we actively participate in local roundtables,

as well as in activities organized by municipalities and neighborhood councils.

We have a formal mechanism for reporting incidents, through direct communication to members of our company, who take an active role in channeling community perceptions and expectation.

All community topics are managed by HR Management, Sustainability and OHS Sub-Management, management and the areas in charge of plants.



Our Management in 2020



Relationships



Open Doors



Local Development



Education and Training



Contributions



Relationships

We care about cultivating relationships with our neighboring communities. We achieve this through constant participation in the roundtables of Corral, San Vicente and Libertad – Gaete; the first two are held every two months and the last table is held monthly. These involve actors from the corresponding municipalities, companies from the sector and direct neighbors of our plants. This year due to the health crisis, some meetings were held online. However, others had to be canceled during the period.

Initiatives:

Donation of toiletries to COVID-19 patients at Higuera Hospital

The pandemic made it difficult to generate in-person activities that were usually carried out in the communities, therefore efforts were focused on generating strategies to maintain the link and respond to the communities' needs, adapting to the modality of working online or on the telephone. On some specific occasions, contributions were delivered personally, complying with the safety protocols implemented by the company and the Health Service.

In the Talcahuano district, support was provided to the communities, including neighborhood councils, schools, soup kitchens and hospitals, through donation of food and cleaning supplies to deal with the health crisis.



Relations with indigenous communities

Our farming centers are located in the south of Chile, where important indigenous communities are present. Therefore, we included the work with these actors in our community intervention strategy. We are currently developing initiatives directly aimed at improving their quality of life through income diversification in different areas.

In the Aysén Region, we continued working on tourism projects with indigenous communities in the area through virtual workshops.

In Magallanes, work continued with the Kawésqar communities through the agreement with the Magallanes Salmon Farming Association.

Collaboration with the University of Atacama

Pesquera Bahía Caldera, a subsidiary of Blumar, signed a collaboration agreement with the University of Atacama in the framework of the ATA 1895 Project called "Strengthening of Research, Teaching and Bidirectional Links of the Center of Coastal Research of the University of Atacama (CIC-UDA), for the Development of the Region's Coastal Fishing and Aquaculture Sector." This milestone strengthened ties between the company and the university, creating mutual benefit and inspiring programs and projects such as continuing education for human capital, technical consultancy, research, the promotion of production and technology, internships, theses, and other academic activities. Additionally, the company and the university can develop joint activities, such as seminars, conferences, forums and more.

Enhancing sustainable development at the farming centers

Thanks to the Innovation to Competition Funds (FIC), promoted by the Regional Government of Aysén, the University of Aysén, Blumar and Salmon Chile, through the Technological Institute Intesal, the project "Integrated Multi-trophic Aquaculture" is in development. It seeks to strengthen aquaculture with the aim of incorporating it into the development and economy of the sector's communities. Moreover, the project seeks to diversify the supply of products developed by the regional aquaculture sector, by applying research and innovation and adding value through the sustainable use of natural resources and ecosystems. It is also aimed at the integral development of the coastal communities of the region, including artisanal fishermen and their businesses.

Children's book about the life of Ferdinand Magellan

In a collaborative effort, Salmenes Blumar Magallanes, the Municipality of Punta Arenas and the Rehabilitation Club of Leones Cruz del Sur (Lions International) created the children's book "Magellan and Elcano's voyage around the world." The text was written by Rosamaría Solar and recounts the feat of Ferdinand Magellan and Sebastián Elcano, as they discover the Strait. The book contains 24 texts and illustrations inspired by the work of the young students at the Rehabilitation Center's Special School.

Link:<https://www.puntaarenas.cl/archivos/500/Ilustraciones.pdf>



Blumar has an open-door policy, which means that neighboring communities or institutions can visit our facilities in an accessible and transparent manner. Due to the COVID-19 pandemic, face-to-face visits have not been organized since March

2020; however, while respecting our strict safety measures, the Regional Ministerial Secretary of Finance visited us in the context of the local economic restart plan.

Initiatives:

Visits in the first months of 2020

Prior to the travel restrictions, a delegation of 11 Japanese nationals visited the facilities of the San Vicente fishmeal plant, taking a tour to learn about the production process. In Magallanes, representatives of the Mina Invierno Labor Union visited the Mina Elena farming center.



Supporting economic recovery

Following the company's strict safety protocols and within the framework of the Chilean economic restart plan, the Regional Ministerial Secretary of Finance, José Manuel Rebolledo, visited Blumar's salmon plant in Talcahuano, where he met with the Logistics Team and Commercial Management. On this occasion, he visited parts of the facilities, and learned about the logistics of the salmon and fishing areas, export figures, certificates and commercial destinations.



Local Development

As part of its commitment to local development, Blumar has developed projects and activities meant to improve quality of life. These include initiatives to support neighborhood infrastructure, healthy living, culture and tourism.

Initiatives:

Supporting ventures in Caleta Anahuac

While looking for new ways of doing business, the Fishermen's Labor Union of Caleta Anahuac, located in Puerto Montt, Los Lagos Region, has decided to innovate local tourism, organizing tours to Capera Island, which offers 16 hectares of nature, as well as archaeological and cultural attractions.

In order to support this initiative, Blumar collaborated with tourism consultants for 12 fishermen, who had the opportunity to learn about the experience of other ventures, tourism development, adaptability, negotiating channels and finance. In addition, the company provided the necessary materials to install kitchens and trays for the boats, essential material for the development of a tourism project.

Blumar's presence at tourism and trade fairs

In order to support the economic development of Puerto Aysén, in January 2020, the first version of a production, commerce, and tourism fair took place in the Municipal Park, as part of the city's 92nd anniversary.

The activity arose from the need to support the area as part of the public commitment signed in Aysén by companies producing and supplying for the industry, the Regional Governor and the Ministry of Economy.

Companies associated with Salmon Chile also participated, Blumar being one of the active participants of this association.

The companies were able to show the activities of operation, service and information of each of the productive processes developed in the region, with the aim of achieving better integration with the community and local traders.

Collaborative Project "Reinventing" to produce reusable bags from the company's maxi sacks

In the Magallanes Region, the project "Reinventing" was carried out in alliance with the company Puro Viento. Maxi sacks that are used to transport salmon feed were given a second use and transformed into reusable bags, produced by prison inmates and breadwinning women in Punta Arenas.



Río Verde trained on horse riding and reins

With the aim of increasing the farm workers' knowledge of the Río Verde district, Blumar sponsored a course on horse riding and dressage. The initiative, which was possible thanks to the public-private alliance between the Municipality of Río Verde and Blumar, was directed by the recognized former national champion of "Movimiento a la Rienda," a discipline of Chilean rodeo, similar to dressage, Luis Gerardo Soto, and organized by the Municipality of Río Verde.



Education and Training

Blumar started the program "Blumar at your school," which is currently active in the Regions of Biobío, Los Ríos, Los Lagos and Aysén. As part of this program, we support various educational establishments, including the Elementary School of San Vicente in Talcahuano, where we promote environmental care through various activities and actions.

Initiatives:

Blumar at your school

Through our program "Blumar at your school" we work with five educational establishments. Due to the health crisis, we provided personal protective equipment throughout the year to ensure that educational activities would be affected minimally. In addition, educational material referring to the environmental calendar developed by the Ministry of the Environment was delivered.

Agreements with schools

We have agreements with vocational technical schools to develop various courses that are useful for the education of young people. In the Los Lagos Region, we organized a course for Liceo Polivalente Capitán de Fragata Francisco Vidal Gormaz de Maullín in operation of underwater robots called Remote Operated Vehicles (ROV). This 50-hour course is taught by professionals from the company Patagonia ROV, and students will be certified to operate and maintain remote vehicles, which are used in the industry to perform inspections of nets and structures at farming centers.

Furthermore, the course "Safety for personnel on major naval ships with habitability," was held for 19 students of the aquaculture specialization at Liceo Arturo Prat Chacón in Puerto Cisnes. At the same school, with the aim of supporting students in their transition to higher education, Blumar employees participated in workshops given to last-year high school students on tools to look for employment and the primary process in the salmon industry.

Meanwhile, in 2020, we completed three years of alliance with Liceo María Behety, which we want to strengthen in 2021. If the health situation allows, classes and face-to-face training will be resumed, otherwise, online activities will be maintained to continue to form specialized human capital in Magallanes. In addition, taking advantage of Blumar's digital platforms, educational material on the salmon production process was developed for students of the aquaculture specialization of the aforementioned school. Moreover, for the second year in a row, training on the food safety system was conducted for 34 students from the school's aquaculture and gastronomy specialization. The course was held remotely and included content related to good manufacturing practices, standardized operational procedures for sanitation, hazard analysis and critical control points and mandatory techniques for food processing plants.





Donations and Contributions to the Community

Blumar is constantly supporting the needs of organizations close to the facilities, through donations for recreational activities, ceremonies, celebrations and trips, among others. In this framework, and through trade associations, Blumar participates in programs such as "Committed to the South," and the food banks "Banco de Alimentos del Mar" and "Alimentos Biobío Solidario."

Initiatives:

Food Bank "Alimentos Biobío Solidario"

A donation of about 5 tons of frozen mackerel was made through "Alimentos Biobío Solidario" and distributed to homes and shelters in the Biobío region. The neighborhoods of Gaete, Libertad, Arenal, Higuera, Nuevo Amanecer and Sol Naciente, all located in the Talcahuano district, received a donation of jack mackerel from the Rocuant plant, as well as a cookbook with new ideas to optimize their recipes and strengthen nutritional support during the difficult times of the pandemic.

Blumar provides internet access



The cancellation, due to health restrictions, of face-to-face classes for the students from the San Vicente Elementary School in Talcahuano – a facility for vulnerable students – made their learning process difficult, as only 10% of the enrolled students had a computer with internet access. Facing this complex situation, Blumar donated 75 data sim cards with internet access for students without connection.

Donations for Christmas



Christmas was different this year. However, in 2020, this did not stop us from contributing to the communities from north to south during the holidays: donations were made to the San Vicente neighborhood council, as well as in Coronel, in conjunction with the independent labor union of seafood producers in Caleta Lo Rojas. Furthermore, administrative employees from our Talcahuano salmon plant donated to the Jardín Arenal Libertad Gaete kindergarten. In Punta Arenas, in conjunction with the Chilean Construction Chamber, toys were donated to the "Christmas of Hope" campaign, organized by the Hernando de Magallanes Community Association.

Initiatives within the context of the COVID-19 pandemic

Within the context of the COVID-19 pandemic, we have carried out a number of activities and initiatives to support our neighboring communities and to mitigate the impact this crisis has had on their lives. These were some of our initiatives:

- Our team of volunteers delivered solidarity boxes as part of the Campaign "Siempre por Chile," an initiative of the Confederation of Production and Trade. We organized the delivery of 52 food boxes in the towns of Puerto Aysén, Chacabuco and Puerto Aguirre on Huichas Islands, with the aim of supporting the most vulnerable families in the sector.
- In the context of the health crisis, 60 neighboring families of the Blumar plants, members of the neighborhood councils of San Vicente Norte, San Vicente Sur and Partal, in Talcahuano, received 80 donation boxes. These were 35 sanitary kits with toiletries and 45 food boxes.
- For the past two years, collaboration with the residents of the Barranco Amarillo sector has been a priority for Salmones Blumar Magallanes and EntreVientos, who once again joined to support the Dellamira Rebeca Aguilar School. This time, the donation consisted of 13 tablet computers that will be delivered to students who could not connect to the virtual classes that the establishment provides.
- The contribution also included the delivery of groceries and toiletries for the shelter for homeless people of the Parish Nuestra Señora del Carmen, in San Vicente, Talcahuano.
- As part of Blumar's commitment with the communities of Puerto Aysén, 40 sanitary kits were delivered, which were distributed among the families of the Escuela Despertar School, a group of elderly residents of the neighborhood Pedro Aguirre Cerda, the community of Puerto Chacabuco and the Neighborhood Council No. 1 of Península Sector Balsa.

- Together with Salmon Chile and the solidarity fund "Committed to the South," a sanitizing portal was donated to the town of San Sebastian, in Puerto Chacabuco. It was installed in a location determined together with the community due to the considerable flow of vehicles. The portal, specially designed to sanitize all types of transport vehicles, is 4.85 meters high and 4.70 meters wide. Furthermore, support from health professionals and personal protective equipment was provided in the area for eight months.



- In order to support the work of the medical staff of the Hospital of Aysén during the health crisis caused by COVID-19, Blumar donated an industrial spray machine to assist with the sanitization of the hospital, preventing infections and the propagation of the virus, mainly in the emergency room of the facility. The machine has a capacity of 15 liters of disinfectant, and the motor-driven spray achieves correct sanitization of the area in less than 15 minutes. In addition, it is designed to spray the liquid over a distance of eight meters.



- According to the agreement signed between the municipality of Punta Arenas and the Magallanes Salmon Farming Association, 100 food boxes were donated to families, 50 of which were handed over to neighbors belonging to the Kawésqar people.

- In a solidarity campaign inspired by Salmenes Blumar Magallanes employees, money was collected to purchase toiletries for a group of patients of the Community Family Health Center in Río Seco. This joint project between company volunteers and the health center team facilitated the delivery of this donation in the northern sector of Punta Arenas. Apart from the personal care items, medicines were provided by the health center to treat some of the patients' pathologies.



- In the Magallanes Region, an important technological support was applied to facilitate the process of delivering results of COVID-19 tests to citizens. The MagEx Starlet robot, which automates this process and is able to analyze up to 96 PCR tests at the same time. The robot enables a rapid and timely diagnosis of COVID-19 patients, which has strengthened the detection system in the region, as it works at the Medical Center of Teaching and Research of the University of Magallanes, thanks to the financing of five companies of the Magallanes Salmon Farming Association.

■ Committed to the South






Although in 2020 contributions were made in regions where the company operates, we joined the "Committed to the South" campaign, led by the Salmon Chile trade association, and

through which the industry managed to unify its contributions to communities from the Araucanía to Magallanes Regions.

■ Food Bank "Alimentos del Mar"

Through the Association of Industrial Fisheries (Asipes), Blumar participates in the initiative "Banco de Alimentos del Mar," a social food bank project promoted by industrial fishermen of the Biobío Region to support the vulnerable elderly in the regions of Maule, Ñuble, Biobío and Araucanía, who live in state-owned residences or in non-profit institutions. The aim of this initiative in 2020 was to deliver weekly servings of jack mackerel and hake in order to add them to the weekly diet of the residents.


Our Management in 2020

Working Guidelines	Description	Featured projects	No. Projects	No. Beneficiaries
 Relationships	Roundtables, meetings, visits and others with neighbors and/or authorities.	<ul style="list-style-type: none">• Round tables• Company roundtables• Visits by authorities	11	751
 Open Doors	Visits of delegations of neighbors, students, academics and companies at the Blumar facilities.	<ul style="list-style-type: none">• Visit of Regional Ministerial Secretary of Finance of Biobío• Visit of Japanese delegation to San Vicente fishmeal plant• Visit to Mina Elena farming center	3	20
 Local Development	We promote projects and activities under the concept of quality of life. Through support initiatives, we help to build local infrastructure, endorse a healthy lifestyle (exercise and a healthy diet) and promote culture.	<ul style="list-style-type: none">• Food Bank "Alimentos Biobío Solidario"• Tourism projects with indigenous communities• Support for applications to Anahuac artisanal fishermen public funds	22	3,539
 Education and Training	We strengthen educational and cultural competences at vulnerable schools close to our facilities or located in isolated places.	<ul style="list-style-type: none">• "Enseña Chile" (Teach For All Chilean chapter)• NGO "Canales"• Program "Blumar at your school"	11	594
 Donations and contributions	We make corporate contributions to charities, educational institutions and NGOs. We support community organizations, depending on the relevance of their request.	<ul style="list-style-type: none">• "Committed to the South"• Food Bank "Alimentos del Mar"• Foundation "Las Rosas"• Campaign "Siempre por Chile"• Community Requests	13	772


Projects in the community	No. Projects	No. Beneficiaries
2018	55	4,894
2019	73	6,008
2020	60	5,676

Alliances


In addition to our direct work with communities, Blumar formed important alliances with NGOs, and signed different agreements, some for the benefit of educational establishments and others that support people in socially vulnerable situations.




NGO "CANALES"
Non-profit development corporation whose mission is to promote professional technical establishments in southern Chile. Together we seek to generate a systematic and long-term support in order to improve the quality of the training process. We collaborate with their operations in the Los Lagos and Aysén Region, and we offer internships at our facilities and provide specialized classes conducted by our employees.



FOUNDATION "ENSEÑA CHILE"
Network of people committed to building a fairer Chile starting in the classroom. We contributed with resources to their work in the Los Lagos and Aysén Regions, while helping to organize presentations about education for their teachers and also for employees from our company.




FOOD BANK "ALIMENTOS BIOBÍO SOLIDARIO"
Food bank that contributes to reducing hunger, improving nutrition and avoiding food waste. Our support is based on funding for their operations in the Biobío Region and participation in corporate volunteer activities for food rescue. Moreover, we provide fish to be distributed to people in socially vulnerable situations.




FOUNDATION "LAS ROSAS"
Support organization for the elderly, where we contribute with funds for their operations in the Regions of Biobío and Los Ríos and by participating in their annual dinners.

Other institutions



IDEMAR
Focused primarily on education, the foundation seeks to promote educational activities and research at all levels, as well as the protection and promotion of Chile's cultural heritage, with emphasis on all matters related to maritime activities in any form.



CEAT
The High Technology Education Center (CEAT) is a private non-profit corporation, whose purpose is to show innovative institutional and educational proposals and carries out its mission on two axes: 1) the training of middle-level technicians at Mauricio Hochschule Vocational Technical School, which is sponsored by CEAT, and 2) external services consisting of training, improvement, technical assistance, consultancy, project management, production, evaluation of labor skills and others.

Goal Monitoring 2020	Goals 2021
<div> No fines for socio-environmental conflicts.</div> <div> We designed and developed a socio-environmental incident tracking system, which is in the process of implementation.</div>	<div>■ No fines for socio-environmental conflicts.</div> <div>■ Develop community standards across all our operations.</div> <div>■ Implement ESG management control platform.</div>

GRI CONTENT INDEX





GRI Code	Content	Page or response	Global Compact Principle	SDG
GENERAL DISCLOSURES				
GRI 102: ORGANIZATIONAL PROFILE 2016				
102-1	Name of the organization	3		
102-2	Activities, brands, products, and services	9, 72, 73, 74, 75		
102-3	Location of headquarters	3		
102-4	Location of operations	9		
102-5	Ownership and legal form	40		
102-6	Markets served	9, 93, 94		
102-7	Scale of the organization	8, 9, 40, 63, 64, 73, 74, 75		
102-8	Information on employees and other workers	129		
102-9	Supply chain	64, 65, 77, 78, 79, 80, 81, 82		
102-10	Significant changes to the organization and its supply chain	There were no significant changes to the supply chain.		
102-11	Precautionary Principle or approach	54, 55, 56, 57, 58, 59		
102-12	External initiatives	33, 34, 35, 149		17
102-13	Membership of associations	33, 34, 35, 149		17
GRI 102: STRATEGY 2016				
102-14	Statement from senior decision-maker	10, 12		
102-15	Key impacts, risks, and opportunities	18, 19, 54, 55, 56, 57, 58, 59		
GRI 102: ETHICS AND INTEGRITY 2016				
102-16	Values, principles, standards, and norms of behavior	27, 28, 29	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10	8
102-17	Mechanisms for advice and concerns about ethics	38, 49	Principle 2	8
GRI 102: GOVERNANCE 2016				
102-18	Governance structure	39, 48, 49		
102-19	Delegating authority	50	Principle 10	
102-20	Executive-level responsibility for economic, environmental, and social topics	50, 51		
102-21	Consulting stakeholders on economic, environmental, and social topics	20, 21, 22, 23		
102-22	Composition of the highest governance body and its committees	42, 43, 44, 45, 46, 47, 48, 49		
102-23	Chair of the highest governance body	42		
102-24	Nominating and selecting the highest governance body	41	Principle 10	
102-25	Conflict of interest	Blumar has a Code of Business Conduct and Ethics which defines the rules concerning conflicts of interest and it applies to directors, executives and workers. Notwithstanding, the Board of Directors has considered complementing this code with other complementary and specific rules. Link: https://www.blumar.com/upload/paginas/archivos/codigo-de-etica-ingles.v2.pdf	Principle 10	
102-26	Role of highest governance body in setting purpose, values, and strategy	27, 48, 49	Principle 10	
102-27	Collective knowledge of highest governance body	42, 43, 44, 45, 51		
102-28	Evaluating the highest governance body's performance	52	Principle 10	
102-29	Identifying and managing economic, environmental, and social impacts	48, 49		
102-30	Effectiveness of risk management processes	54, 55, 56, 57, 58, 59	Principle 10	
102-31	Review of economic, environmental, and social topics	46, 48, 49, 52		
102-32	Highest governance body's role in sustainability reporting	The present Report is reviewed by the Chief Executive Officer.		
102-33	Communicating critical concerns	46, 48, 49		
102-35	Remuneration policies	49, 51	Principle 10	
102-36	Process for determining remuneration	49, 51	Principle 10	

GRI Code	Content	Page or response	Global Compact Principle	SDG
GRI 102: STAKEHOLDER ENGAGEMENT 2016				
102-40	List of stakeholder groups	20		
102-41	Collective bargaining agreements	137, 138, 139	Principle 3	8
102-42	Identifying and selecting stakeholders	20		
102-43	Approach to stakeholder engagement	20, 24, 25, 26		
102-44	Key topics and concerns raised	22, 23		
GRI 102: REPORTING PRACTICE 2016				
102-45	Entities included in the consolidated financial statements	The entities included in the consolidated financial statements are Blumar S.A., Pesquera Bahía Caldera S.A., Salmones Blumar S.A., Salmones Blumar Magallanes SpA, Cameron S.A., Acuicola Punta Vergara SpA, Inversiones Ice Val Limitada, Pacificblu SpA, El Golfo Comercial SpA and Entrevientos S.A.		
102-46	Defining report content and topic Boundaries	4, 23, 24, 25, 26		
102-47	List of material topics	22, 23		
102-48	Restatements of information	There were no restatements of information.		
102-49	Changes in reporting	There were no changes.		
102-50	Reporting Period	4		
102-51	Date of most recent report	2019		
102-52	Reporting cycle	4		
102-53	Contact point for questions regarding the report	3		
102-54	Claims of reporting in accordance with the GRI Standards	4		
102-55	GRI Content Index	152		
102-56	External assurance	4		
GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	24, 25, 26		
103-2	The management approach and its components	24, 25, 26		
103-3	Evaluation of the management approach	24, 25, 26		
ECONOMIC CONTENT				
GRI 201: ECONOMIC PERFORMANCE 2016				
201-1	Direct economic value generated and distributed	64		8
201-2	Financial implications and other risks and opportunities due to climate change	18, 19, 100, 101, 102		13
201-4	Financial assistance received from government	In Chile, the company avails itself of the tax credits of the Ley Austral Law, associated with investment in isolated areas of the national territory, also to the tax credits associated with the hiring of workers residing in the isolated areas of Chile - specifically in the Southern regions of Aysén and Magallanes, and the provinces of Chiloé and Palena - to promote the development of these regions, and create incentive for the residents of these areas. The consolidated value of Salmones Blumar and Salmones Blumar Magallanes for the year 2020, referring to the tax credit Ley Austral sobre Inversiones for the year 2020, reached \$8.4 million USD. The company also avails itself of tax credits associated with research and development (R+D), and promotion of training of the National Training and Employment Service (SENCE).	Principle 10	16
GRI 202: MARKET PRESENCE 2016				
202-2	Proportion of senior management hired from the local community	The company has seven senior managers for Blumar, two for Salmones Blumar and one for Salmones Blumar Magallanes, in total ten persons in senior management, and all of them are Chilean nationals.		11
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
203-1	Infrastructure investments and services supported	62, 64		11
203-2	Significant indirect economic impacts	69, 140, 141, 142, 143, 144, 145, 146, 147		11
GRI 204: PROCUREMENT PRACTICES 2016				
204-1	Proportion of spending on local suppliers	8, 69		12

Cód. GRI	Content	Page or response	Global Compact Principle	SDG
GRI 205: ANTI-CORRUPTION 2016				
205-1	Operations assessed for risks related to corruption	38, 60	Principle 10	8
205-2	Communication and training about anti-corruption policies and procedures	38, 60	Principle 10	8
205-3	Confirmed incidents of corruption and actions taken	Concerning the reporting period, the company did not register confirmed incidents of corruption. However, there were 29 grievances related to the violation of the Code of Ethics, of which 100% were concluded in 2020.	Principle 10	8
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The company has no legal actions in this area.	Principle 10	12
GRI 207: TAX 2019				
207-1	Approach to tax	Tax management is aligned with the business strategy and defines the strategic objectives in tax matters, pursuing the firm commitment to support the creation, construction and protection of shareholder value, in strict compliance with current legal regulations, ensuring that all decisions are made with the utmost diligence and professional care, and promoting a proactive relationship with the tax authorities.	Principle 10	16
207-2	Tax governance, control, and risk management	We establish controls to ensure that the information used in tax management is comprehensive, ensuring that actions taken are consistent with tax risk and that all personnel with responsibilities, or whose business activities may have a tax impact, have a consistent understanding of how tax risk is identified, assessed, reported and managed. Likewise, the company does not use and does not carry out transactions or operations with jurisdictions with a preferential tax regime (tax havens) for tax avoidance or evasion purposes.	Principle 10	16
207-4	Country-by-country reporting	64	Principle 10	16
ENVIRONMENTAL CONTENT				
GRI 301: MATERIALS 2016				
301-1	Materials used by weight or volume	Processed raw material fishing division: - Jack Mackerel: 112,372 tons - Sardine and anchovy: 159,647 tons - Others: 9,249 tons - Salmon: 3,933 tons - Total fishing division: 285,201 tons Processed raw material aquaculture division: - Salmon: 65,365 tons - Total aquaculture division: 65,365 tons	Principle 7 and 8	12 and 13
301-2	Recycled input materials used	108, 109, 110, 118, 119	Principle 7 and 8	12 and 13
GRI 302: ENERGY 2016				
302-1	Energy consumption within the organization	106, 107	Principle 7 and 8	7, 12 and 13
302-3	Energy intensity	106, 107	Principle 7 and 8	7, 12 and 13
302-4	Reduction of energy consumption	106, 107	Principle 7 and 8	7, 12 and 13
GRI 303: WATER AND EFFLUENTS 2018				
303-1	Interactions with water as a shared resource	111, 112, 113	Principle 7, 8 and 9	6, 12 and 13
303-2	Management of water discharge-related impacts	111, 112, 113	Principle 7, 8 and 9	6, 12 and 13
303-3	Water withdrawal	111, 112, 113	Principle 7 and 8	6, 12 and 13
303-4	Water discharge	111, 112, 113	Principle 7 and 8	6, 12 and 13
303-5	Water consumption	111, 112, 113	Principle 7 and 8	6, 12 and 13

Cód. GRI	Content	Page or response	Global Compact Principle	SDG
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	114	Principle 7 and 8	13, 14 and 15
304-2	Significant impacts of activities, products, and services on biodiversity	113, 114, 115, 116	Principle 7 and 8	13, 14 and 15
304-3	Habitats protected or restored	114	Principle 7 and 8	13, 14 and 15
GRI 305: EMISSIONS 2016				
305-1	Direct (Scope 1) GHG emissions	103, 104, 105	Principle 7 and 8	12 and 13
305-4	GHG emissions intensity	103, 104, 105	Principle 7 and 8	12 and 13
305-5	Reduction of GHG emissions	103, 104, 105	Principle 7 and 8	12 and 13
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	103, 104, 105	Principle 7 and 8	12 and 13
GRI 306: WASTE 2020				
306-1	Waste generation and significant waste-related impacts	108, 109, 110, 118, 119	Principle 7 and 8	12 and 13
306-2	Management of significant waste-related impacts	108, 109, 110, 118, 119	Principle 7 and 8	12 and 13
306-3	Waste generated	108, 109, 110, 118, 119	Principle 7 and 8	12 and 13
306-4	Waste diverted from disposal	108, 109, 110, 118, 119	Principle 7 and 8	12 and 13
306-5	Waste directed to disposal	108, 109, 110, 118, 119	Principle 7 and 8	12 and 13
GRI 307: ENVIRONMENTAL COMPLIANCE 2016				
307-1	Non-compliance with environmental laws and regulations	118	Principle 7 and 8	12
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016				
308-1	New suppliers that were screened using environmental criteria	66, 67	Principle 9	12
308-2	Negative environmental impacts in the supply chain and actions taken	68	Principle 9	12
SOCIAL CONTENT				
GRI 401: EMPLOYMENT 2016				
401-1	New employee hires and employee turnover	133		8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	130	Principle 6	8
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018				
403-1	Occupational health and safety management system	123	Principle 1 y 2	3 and 8
403-2	Hazard identification, risk assessment, and incident investigation	123, 124		3 and 8
403-3	Occupational health services	122, 123, 124, 125, 126, 127	Principle 1 y 2	3 and 8
403-4	Worker participation, consultation, and communication on occupational health and safety	123, 128	Principle 1 y 2	3 and 8
403-6	Promotion of worker health	124, 134	Principle 1 y 2	3 and 8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	122, 123, 124, 125, 126, 127	Principle 1 y 2	3 and 8
403-8	Workers covered by an occupational health and safety management system	123		3 and 8
403-9	Work-related injuries	127, 128		3 and 8
403-10	Work-related ill health	127, 128		3 and 8
GRI 404: TRAINING AND EDUCATION 2016				
404-1	Average hours of training per year per employee	130, 131		4 and 8
404-3	Percentage of employees receiving regular performance and career development reviews	133		4 and 8

Cód. GRI	Content	Page or response	Global Compact Principle	SDG
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016				
405-1	Diversity of governance bodies and employees	48, 129, 136		5
405-2	Ratio of basic salary and remuneration of women to men	137		5
GRI 406: NON-DISCRIMINATION 2016				
406-1	Incidents of discrimination and corrective actions taken	134, 135	Principle 1 and 2	8
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	134, 135, 137, 138, 139	Principle 1, 2, 3, 4, 5 and 6	8
GRI 408: CHILD LABOR 2016				
408-1	Operations and suppliers at significant risk for incidents	134	Principle 1, 2 and 5	8
GRI 409: FORCED OR COMPULSORY LABOR 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	134	Principle 1, 2 and 4	8
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016				
411-1	Incidents of violations involving rights of indigenous peoples	135	Principle 1 and 2	11
GRI 412: HUMAN RIGHTS ASSESSMENT 2016				
412-1	Operations that have been subject to human rights reviews or impact assessments	134, 135	Principle 1 and 2	8
412-2	Employee training on human rights policies or procedures	134, 135	Principle 1 and 2	8
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	134, 135	Principle 1 and 2	8
GRI 413: LOCAL COMMUNITIES 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	140, 141, 142, 143, 144, 145, 146, 147, 148, 149		11 and 12
413-2	Operations with significant actual and potential negative impacts on local communities	140, 141, 142, 143, 144, 145, 146, 147, 148, 149		11 and 12
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016				
414-1	New suppliers that were screened using social criteria	66, 67		8 and 12
414-2	Negative social impacts in the supply chain and actions taken	68		8 and 12
GRI 415: PUBLIC POLICY 2016				
415-1	Political contributions	Blumar makes no political contributions.	Principle 10	16
GRI 416: CUSTOMER HEALTH AND SAFETY 2016				
416-1	Assessment of the health and safety impacts of product and service categories	83, 84, 85		12
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Blumar has no cases of non-compliance in this area.		12
GRI 418: CUSTOMER PRIVACY 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	60, 135		12

GLOBAL COMPACT PRINCIPLES:

Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights, in their area of influence.
Principle 2:	Businesses should make sure that their partners and workers are not complicit in human rights abuses.
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4:	Businesses should support the elimination of all forms of forced and compulsory labor.
Principle 5:	Businesses should support the effective abolition of child labor.
Principle 6:	Businesses should support the elimination of discrimination in respect of employment and occupation.
Principle 7:	Businesses should support a precautionary approach to environmental challenges.
Principle 8:	Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9:	Businesses should encourage the development and diffusion of environmentally friendly technologies.
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.



SUSTAINABLE DEVELOPMENT GOALS:

1	No poverty	10	Reduced inequalities
2	Zero hunger	11	Sustainable cities and communities
3	Good health and well-being	12	Responsible consumption and production
4	Quality Education	13	Climate action
5	Gender equality	14	Life below water
6	Clean water and sanitation	15	Life on land
7	Affordable and clean energy	16	Peace, justice and strong institutions
8	Decent work and economic growth	17	Partnerships for the goals
9	Industry, innovation and infrastructure		

ACKNOWLEDGEMENTS

We point out the support and participation of the different areas in the development of our Fifth Sustainability Report:

Gerardo Balbontín
Raúl Hermosilla
Manuel Gallardo
José Ocares
Daniel Montoya
Pedro Pablo Laporte
Marcelo Otero
Ignacio Covacevich
Ariel Elgueta
Fernanda Taboada
Nelson Pérez
Pablo Albistur
Eduardo Villablanca
Claudia Jofré
Marcela Elizondo
Areti Kouzeli
Natalia Alfaro
Víctor Meza
Valentina Eltit
Carlos Sepúlveda
David Zaviezo
Marcelo Videla
Roberto Contreras

Carlos Jainaga
Fernando Uribe
Mónica Prado
Enrique Peña
Daniela Vargas
Hardy Wellmann
Maribel Varela
Claudia Avello
Matías Durán
María José Zagal
Bastián Vega
Natalia Vera
Francisca López
Claudia Becerra
Fernanda Valdivia
Pablo Solís
Carlos Pineda
Pablo Diocarez
Alexis Castillo
Ramón Inzunza
Rodrigo Oliva
René Poblete
Rodrigo Gutiérrez

General coordination, GRI
and Materiality:
Felipe Hormazábal
Estefanía Humud
DEVA Chile

Editing:
Estefanía Humud
DEVA Chile

Design:
Agencia CI

Translation:
Anna Gimona



www.blumar.com

