



Communication on Progress

July 2020 – June 2021





Declaration of support for the Global Compact

The information in this ninth Communication on Progress represents the two impulses of this period. On the one hand, consolidate adaptation and health learning to maintain the operation. And on the other, face changes and uncertainties to develop a productive activity in a sustainable way.

In this period there were periods of high contagion by Covid-19 in the area in which we operate. This forced us to deepen prevention to maintain our activities and provide nutritious food, at a time when the prolongation of the pandemic and state financial assistance altered the labor market.

In parallel, it continues to be a time defined by uncertainty. While the country entered a process that should lead to a new Political Constitution, new laws are being debated in Congress that blur the stability that the projection of any productive activity requires. At the time of presenting this report, our sector faces the possibility of being excluded from the hake capture and an eventual annulment of the Fisheries Law, fundamental in the progress in recovery and sustainable management of resources.

Despite the uncertain scenario, we maintain our vocation to work responsibly with people and the environment. In 2009 we were the first Chilean fishing company to join the United Nations Global Compact, so we will continue to contribute to good practices to continue to strengthen. This is also understood by our parent company, Austevoll Seafood ASA, aimed at creating lasting value from a sustainable development strategy.

In this way, we reaffirm our commitment to materialize good practices in its four axes: Human Rights, Labor Standards, Environment and Anti-corruption.



Andrés Daroch C.
General manager
FoodCorp Chile



FoodCorp Chile supports the Agenda of 17 Sustainable Development Goals (SDG) promoted by the United Nations. During the reported period, our activities contributed to seven of them.

- SDG 2 Zero Hunger
- SDG 3 Health and Well-being
- SDG 5 Gender Equality
- SDG 8 Decent Work and Economic Growth
- SDG 12 Responsible Consumption and Production
- SDG 14 Life Underwater
- SDG 17 Partnerships to achieve goals



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Corporate information

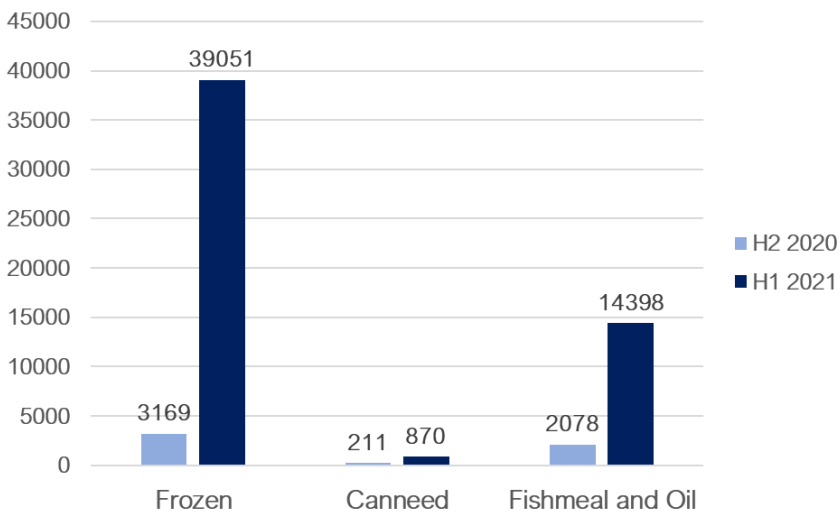
FoodCorp Chile is a fishing company located in the Coronel commune, Biobío Region, the main industrial fishing zone in the country. Since 1991 it is part of the Norwegian group Austevoll Seafood ASA. The corporate offices, processing plant, refrigerator and distribution center are in that city.

It produces frozen fish, canned fish, flour and oil, with species caught in the South Pacific by its own vessels or acquired from artisanal fishermen. As it is a company oriented to direct human consumption, 80% of its production regularly corresponds to frozen and canned products made with horse mackerel, mackerel and salmon.

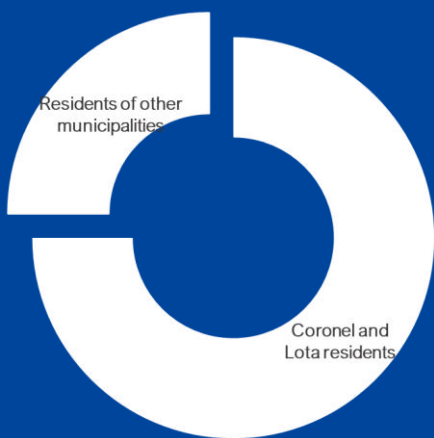
These products are consumed in Chile and a dozen countries in America, Europe, Asia and Africa. The remaining 20% of its production corresponds to fishmeal and fish oil obtained from sardines, anchovies, mackerel and horse mackerel, products destined for the Chilean and Asian markets.

Between July 2020 and June 2021 it reached a production of 59,777 tons. 72.4% corresponded to products intended for direct human consumption.

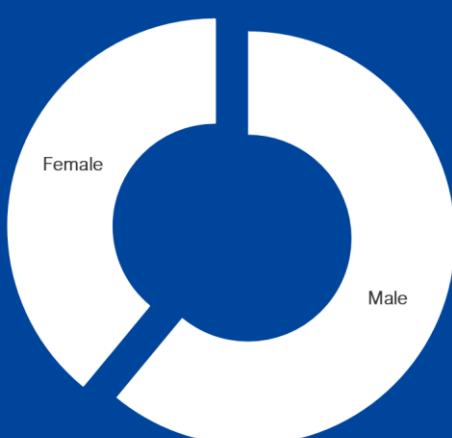
In this process, 534 direct jobs were generated during the second semester and 548, in the first semester of 2021. 75% of them were occupied by residents of Coronel and Lota, immediate surroundings of the plant and which also correspond to high-rise areas. social vulnerability and unemployment.



Production H2 2020: 5,458 tons. Direct human consumption: 61%
 Production H1 2021: 54,319 tons. Direct human consumption: 73%



Coronel and Lota residents
 H2 2020: 74% (395). Total: 534.
 H1 2021: 76% (416). Total: 548.



Participation by gender
 H2 2020: M, 62% (331); F, 38% (203).
 H1 2021: M, 60% (327); F, 40% (221).



Vision
 Quality for the world.

Mission
 Be the leading provider of sustainable pelagic products, focused on innovation, social responsibility and high environmental standards, optimizing the value chain and delivering exciting solutions to the market.

Values
 Integrity
 Innovation
 Be the best in what we do
 Reliable and credible
 Appropriate corporate decision process
 Responsible



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Human Rights

Principle 1

Companies must support and respect the protection of internationally proclaimed human rights.



Our commitment

Protect, promote and respect the human rights established in the Universal Declaration of the United Nations or similar agreement, inside and outside the workplace.

Our policies

- Protect workers through health, training and education programs.
- Contribute to local development by generating quality employment.
- Support community development and social institutions in the environment.

1. Preventive measures for Covid-19

- **Incorporation of the Covid Brigade.** Team of health personnel to supervise in the field the strict compliance with the measures established in the health protocol.
- **Increase in fleet of safe transfer of personnel.** Destination of 19 vehicles to transport plant, administration and fleet personnel between their homes and the company.
- **Control at plant entry.** Taking temperature and applying sanitizer to all who enter the facilities.
- **Agreement with clinical laboratory.** Taking PCR tests, antigen tests and providing medical advice for proper management of positive cases. During the reported period, 18 BAC (Active Case Search) operations have been carried out, with 2,486 examinations applied in different areas.
- **Delivery of protection elements.** Maintaining the constant distribution of personal protection elements, masks, face shield and alcohol gel.
- **Sanitary measures in casinos.** Improvements to comply with the sanitary regulations of reduced capacity, in shifts and sanitization between each collation shift.
- **Delivery of attendance voucher.** Voluntary monetary allocation to support and recognize face-to-face work.

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2. Occupational health and safety

- Evaluation and measurement of noise exposure according to the Occupational Noise Exposure Protocol (PREXOR). Application in canning plant, riles plant and refrigerator.
- Accreditation of the TMERT Protocol (Musculoskeletal Disorder in Upper Extremities).
- Implementation and evaluation of Manual Cargo Management.
- Updating of MIRHO matrices (Matrix for the Identification of Occupational Hygienic Risks). In addition, workers exposed to the cold in the frozen food plant and in the refrigerator, and those exposed to metal fumes in maintenance workshops, were evaluated.
- **Delivery of ultraviolet radiation protection kits.** Distribution of 150 sets of elements to exposed workers, as well as dissemination to comply with the Protocol for Occupational Exposure to Ultraviolet Radiation.

3. Protection and information

- **Vaccination operations.** During 2021, vaccination operations against Covid-19 were carried out at the plant, in coordination with local health authorities, which quickly made it possible to reach a high percentage of immunized workers. In addition, a zero cost anti-influenza vaccination operation was carried out.
- **Training to prevent alcohol and drug abuse.** Signing of a letter of commitment to train monitors in the "Parental Preventive Skills" workshop.
- **Training in emergency management and evacuation.** Training and conducting drills, considering sanitary measures for the pandemic.
- **Complementary Health Insurance.** Renewal of coverage for workers (paid by the company) and their families (charged to the worker at preferential value).
- **Dissemination of social benefits.** Due to sanitary restrictions, the informative sessions were replaced by the publication in information files of the programs managed by compensation funds, isapres (private health insurance) and insurance brokers.

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4. Labor conditions and benefits

- **Job stability.** On average, workers with a permanent contract during the reported period reached 93.8% (502 in 2H 2020 and 513 in 1H 2021). In terms of function, on average 40% worked in Frozen Food, 12% in Canned Food, 13% in Flour, 19% in Fleet and 16% in Administration.
- **Strengthening of competencies.** Courses were given on Techniques for waste treatment, Application of the Quality Assurance System, intermediate and advanced Excel tools, Basic Office Tools for Productivity, Training Model of Crime Prevention Law 20,393, Application of Time Management Techniques and Virtual Speaker. With this, the average hours of training per worker reached 7.
- **Scholarships for children of workers.** Scholarships were awarded to the best 10 grade point averages obtained by the children of workers who are pursuing higher education.

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5. Community contribution

- **Local value chain activation.** Purchases for an amount of \$ 57,883 million were made to 2,078 suppliers, 54% more than what was made between January 2019 and June 2020. The total amount increased by 67% compared to that period, and 35% (\$ 20,474 million) were carried out 813 small and medium-sized companies.
- **Participation in the Food Bank of the Sea.** Through the Association of Fisheries Industries (Asipes), food rations (frozen and canned produced by companies in the sector) are delivered to vulnerable older adults from long-stay residences located in the regions of the Biobío, Ñuble, Maule and La Araucanía. The program provides nutritious food on a regular basis to 72 establishments, where there are more than 3,000 residents.
- **Participation in the odor table and neighborhood visit.** The Tripartite Odor Board is made up of neighborhood councils, the Municipality of Coronel and the Association of Fisheries Industries (Asipes) and addresses the management to minimize odors generated by the fishing industry. Its members visited the company's facilities and received information about the production process and the measures to mitigate odors.
- **Participation in the Advisory Committee of the CFT Lota.** Incorporation to the Advisory Committee of the career of Business Administration of the educational establishment. The validation of the study program is supported to help the continuous improvement of the educational process and integration into the world of work. Technical and motivational talks will also be scheduled to help students.
- **Payment of taxes locally.** Establishment of the headquarters in the city where it operates, which allows municipal licenses to contribute to the communal government.
- **Participation in development corporation.** Monetary contribution to the community development corporation, CorCoronel.
- **Collaboration with the Association of Parents of Disabled Children (Apanði).** This organization trains and employs young people with special educational needs. Due to the pandemic there were no face-to-face activities, but gifts were given to the minors and social support to their families.

Human Rights

Principle 2

Avoid being involved in human rights abuses.



Our commitment

We ensure compliance with fundamental rights, inside and outside the workplace.

Our policies

- Have an Internal Regulation of Order, Hygiene and Safety that declares its respect and incorporates criteria to prevent its violation. It includes contractor companies or service providers, so that all those who have a working relationship with FoodCorp Chile respect them.
- Respect the right to free expression, to the extent that it is exercised without violence or undue pressure and does not violate the rights of others.

Regulatory update

- **Updating of the Internal Regulation of Order, Hygiene and Safety.** Incorporation of internal regulations by Covid-19, in accordance with the provisions of the Government, and delivery of copies of the document to workers.



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Labor Conditions

Principle 3

Companies must respect the freedom of association and the recognition of the rights to collective bargaining.



Our commitment

We recognize and respect the right of workers to form organizations that represent them and to bargain collectively. We promote permanent dialogue and constructive relations with unions, within a framework of respect for people and current legislation.

Our policies

- Inform, dialogue and negotiate with workers and their unions, with openness and transparency.
- Sign contracts and agreements with a validity of between two and three years, in order to guarantee stability and updating.
- Support the access of trade union leaders to representative positions in workers' organizations in the fishing industry.

Trade union rights

- **Maintaining high unionization.** 90% of the workers are unionized, a level significantly higher than the national index (20%) and is consistent with what is registered in the fishing industry.
- **Development of collective bargaining.** During the last quarter of 2020 and the first quarter of 2021, a collective bargaining process was carried out with four unions and two negotiating groups, in accordance with Chilean regulations. A satisfactory agreement was reached and the agreed conditions will be valid for three years.
- **Maintaining a collaborative relationship.** At least one monthly meeting is held with the representatives of the unions, organizations that stand out for their concern and support in the implementation of and respect for sanitary measures.

Labor Conditions

Principle 4

The elimination of all forms of forced and compulsory labor.



Our commitment

Sustainably reduce the number of people injured and injured, both own workers and contractors. Similarly, comply with Chilean labor regulations.

Our policies

- Implement a plan to control accidents and occupational diseases, proposed by the Institute of Occupational Safety (IST) that supports our prevention strategy.
- Strictly comply with labor legislation.

Working conditions

- **Management to reduce accident rate.** The accident rate during the second half of 2020 reached 2.2, and in the first half of 2021, 6.86. There were no incidents with fatal consequences. The increase is explained by the higher production in this last period, associated with the seasonality of the fishing activity. Because of that, preventive work was intensified.
- **Compliance in audits.** Between July 2020 and June 2021, there were no summaries derived from the audits of the Labor Directorate. At the same time, three labor lawsuits were processed and in all of them an agreement was reached between the parties.

Labor Conditions

Principle 5

The abolition of child labor.



Our commitment

Prevent minors who may work in our company from doing so without authorization and / or being exposed to risky activities or activities that may affect them physically, psychologically or morally.

Our policies

- Declare our rejection of child labor in the Internal Regulation of Order, Hygiene and Safety, a criterion that extends to contractors and service providers.
- Following the provisions of Chilean labor legislation, accept the work of young people between 15 and 17 years of age who meet the requirements established by the regulations.

Legal compliance

- **Without hiring minors.** In the reported period, there was no hiring of young people between 15 and 17 years of age.

Labor Conditions

Principle 6

The elimination of discrimination with respect to employment and occupation.



Our commitment

Avoid and eradicate any type of discrimination based on race, nationality, gender, sexual orientation, appearance, beliefs or similar. Develop an internal culture based on the values of our company and respect for people.

Our policies

- Support the eradication of any discriminatory malpractice.
- Believe and encourage that we can all deploy our skills and develop in a dynamic and upright environment, where our contributions are recognized.

Good practices

- **Maintaining salary equity.** Since 2009 there has been a policy of equal pay to equal function, regardless of gender or other consideration.
- **Important female participation.** Women represented 39% of the workforce during the reported period (203 in 2H 2020 and 221 in 1H 2021), where a large part is the head of the household. Additionally, 22% of the heads are occupied by women.
- **Compliance with the Labor Inclusion Law.** 5 people with different abilities work in a stable manner in the company, in line with what is required by law (1%).



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Environment

Principle 7

Companies must maintain a preventive approach that favors the environment.



Our commitment

Develop a sustainable service model and take care of the environment through protection and respect for the environment where we operate.

Our policies

- Implement measures that guarantee the quality, legality of origin and freshness of the raw material acquired from artisanal fishermen, considering that this is crucial to control the generation of odors.
- Maintain a proactive and transparent attitude in managing environmental impacts.

Environmental management

- **Installation of odoriferous gas reducing scrubber.** The installation of a scrubber in the flour plant was evaluated and defined, equipment that reduces the emission of gases that cause bad odor. It is a project that required an investment of \$ 320 million and incorporates the best available technology, anticipating the requirements of the future odor standard currently being developed by the authority.
- **Application of environmental criteria for the purchase of raw materials.** Delivery of ice to artisanal suppliers to contribute to the freshness of the raw material, essential to reduce odors, and coordination of sailings and unloading with artisanal fishermen.
- **Protocol application for fishing transport.** Transfer of raw material, between coves and plants or between plants, with hermetic trucks that prevent spillage of fish or liquids on the street. It is a protocol of the fishing industry and externally audited.
- **Absence of critical episodes of odors.** There were no relevant events of annoying odors attributed to the process. Neither were there any inspections or summaries by the authority.

Environment

Principle 8

Adopt initiatives to promote greater environmental responsibility.



Our commitment

Operate with a model for the sustainable extraction of resources, support research that favors the harmonious development of the fishing sector and promote environmentally responsible practices.

Our policies

- Certify operations under international standards of quality and safety, as well as sustainability in the management of the fishing resources that are processed.

1. Current sustainability certifications

- **MSC (Marine Stewardship Council)**. It guarantees a catch of horse mackerel with the sustainability and responsible fishing criteria promoted by the Food and Agriculture Organization of the United Nations (FAO).
- **MarinTrust**. International certification on the legality of origin of the raw material.

2. Current quality and safety certifications

- The production lines have international quality and sanitary safety certifications. During the reporting period, the regular auditing and recertification process was completed.
- **Frozen**. Certifications HPB (infrastructure and sanitary compliance), HACCP (innocuousness and quality, allows export to regulated markets), DIPOA (sanitary norm of Brazil) and SENASA (sanitary norm of Argentina).
- **Canned**. BRC (safety, legality and quality), HACCP (safety and quality), Kosher (processing according to the criteria of the Jewish community), HPB (infrastructure and sanitary compliance) and FDA (United States sanitary standard) certifications.
- **Fish meal and oil**. Certifications MarinTrust (authorized raw material), MSC (responsible fishing), HPB (infrastructure and sanitary compliance to operate), HACCP (safety and quality) and Chinese License (sanitary standard of the Chinese market).

Environment

Principle 9

Encourage the development and dissemination of environmentally friendly technologies.



Our commitment

We comply with national and international regulations and standards to improve our environmental performance. In addition, we seek opportunities to anticipate local regulation and incorporate technological changes, aware of the importance of environmental variables.

Our policies

- Evaluate technological or process adaptations that improve our environmental performance, particularly the generation of odors and waste management.
- Privilege energy sources with lower atmospheric emissions.

Implemented programs

- **Supply with non-conventional renewable energies.** Enel Green Power and Green Solutions confirmed that the 33 MWh consumed in the reported period in all facilities came from Non-Conventional Renewable Energies (NCRE) by virtue of an agreement in force since August 2019.
- **Replacement of oil for natural gas.** The use of liquefied gas in the processes was defined, for which an agreement was signed with an industrial supplier that will start the injection of this new fuel in the first months of 2022. The liquefied gas represents on average 92% less emissions of particulate matter. Coronel is part of an area saturated by particulate matter, so this reduction represents a contribution to local air quality.
- **Mask recycling.** Participation in a pioneering project at the national level to recycle the masks used by workers. The program is promoted by the Association of Fisheries Industries (Asipes) and the University of Concepción.



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Anti-corruption

Principle 10

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



Our commitment

Create sustainable value for our shareholders, applying good corporate governance and ethical practices. This implies using resources responsibly and working on the continuous improvement of our processes.

Our policies

- Comply with Law 20,393 through the implementation of a Crime Prevention Model.
- Incorporate corporate ethics criteria in the new version of the Internal Regulation of Order, Hygiene and Safety.

Measures implemented

- **Implementation of a Crime Prevention Model.** Operation of a reporting and follow-up system for complaints about the crimes stipulated in Law 20,393 against money laundering, financing of terrorism and bribery. In the reported period, the crime of "Ordering a worker to attend while in quarantine or isolation" and the transitory crime of "Fraudulent obtaining of unemployment insurance" were incorporated. In addition, due diligence was updated to 942 suppliers and the updating of customers and natural persons began.
- **Internal audit of the Crime Prevention Model.**
- **Reinforcement of corporate ethics.** During the period, 262 workers were trained in the Code of Ethics and Conduct.



FoodCorp Chile ratifies its commitment to the Global Compact. By virtue of this, it will work to promote its principles and address the improvements detected in the preparation of this report. It will carry out dissemination actions among its public of interest and for the knowledge of the entire community, it will be published on the websites of the Global Compact and the company.



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