



FoodCorp
Austevoll Seafood Co.



Communication on Progress

July 2021 – June 2022



FUEGO



Declaration of support for the Global Compact

This Communication of Progress marks the tenth year for making our work transparent and informed in order to maintain the sustainable and valuable performance of our company with its stakeholders and the environment.

In 2009 we were the first Chilean fishing company to join the United Nations Global Compact, so we will continue contributing to the strengthening of good practices. This is also the understanding of our parent company, Austevoll Seafood ASA, oriented towards creating lasting value based on a sustainable development strategy.

It is a commitment that is understood and implemented beyond the circumstances of the moment, because sustainability is related to the valuable transcendence of a productive activity. At the time of presenting this report, we are facing the social and economic effects of the pandemic, while the country is looking for formulas to continue the process of constitutional redefinition after the initial failure. Our sector will go through the uncertainty involved in the processing of a new Fisheries Law, promoted by the new Government and which contains the challenge of being duly considered in the debate.

Despite the uncertain scenario, we maintain our vocation to work responsibly with people and the environment, committed to the contribution of our activity to thousands of people and the economic dynamism.

In this way, we reaffirm our commitment to materialize good practices in its ten principles.



Andrés Daroch C.
General manager
FoodCorp Chile



FoodCorp Chile supports the Agenda of 17 Sustainable Development Goals (SDG) promoted by the United Nations. Following the guidelines of our parent company, Austevoll Seafood (AUSS), during the reported period, our activities contributed to seven of these objectives.

- SDG 2 Zero hunger
- SDG 3 Health and well-being
- SDG 8 Decent work and economic growth
- SDG 12 Responsible consumption and production
- SDG 13 Climate action
- SDG 14 Life underwater
- SDG 17 Partnerships to achieve goals



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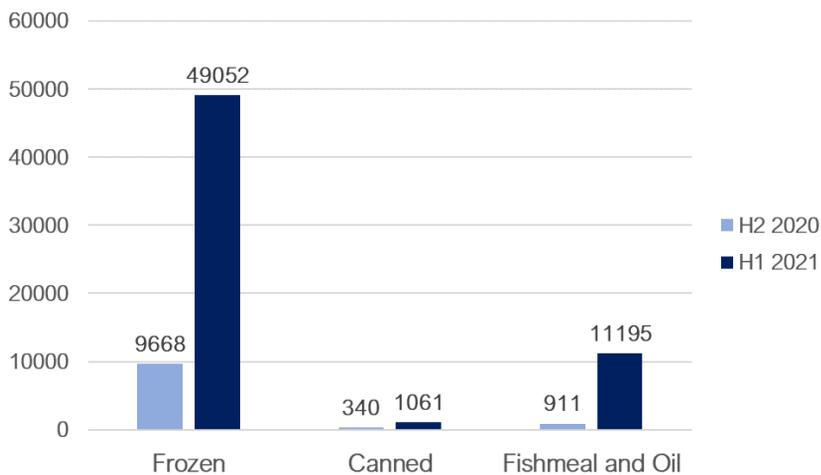
Corporate information

FoodCorp Chile is a fishing company located in the district of Coronel, 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 located in that city.

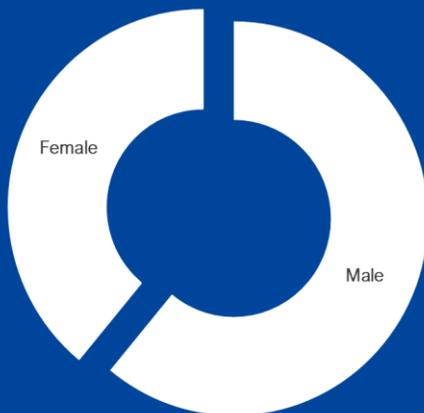
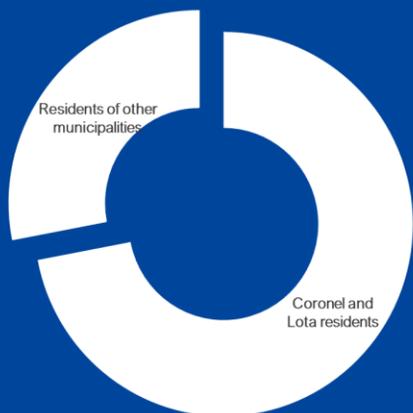
It produces frozen foods, preserves, fishmeal and fish oil, with species caught in the South Pacific by its own vessels or acquired from artisanal fishermen. As it is a company oriented towards direct human consumption, regularly 80% of its production corresponds to frozen foods and preserves made with jack 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 jack mackerel, products destined for the Chilean and Asian markets.

Between July 2021 and June 2022 it reached a production of 72,217 tons. 81.7% corresponded to products intended for direct human consumption. In this process, 562 direct jobs were created during the second semester and 634 in the first semester of 2022. 72% of them were occupied by residents of Coronel and Lota, in the immediate vicinity of the plant and which also correspond to areas of high social vulnerability and unemployment.



Production H2 2020: 10,919 tons. Direct human consumption: 91%
 Production H1 2021: 61,298 tons. Direct human consumption: 81%



Coronel and Lota residents
 H2 2020: 73% (410). Total: 562.
 H1 2021: 71% (450). Total: 634.

Participation by gender
 H2 2020: M, 63% (356); F, 37% (206).
 H1 2021: M, 60% (380); F, 40% (254).



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 commitments

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

1. Preventive measures for Covid-19

- **Deployment of the Covid Brigade.** Team of health personnel to supervise rigorous compliance with the measures established in the health protocol on the ground.
- **Increased fleet for safe transfer of personnel.** Vehicles for transporting plant, administration and fleet personnel, between their homes and the plant, meeting the capacity required by the health authority. In the reported period, 19 vehicles of different sizes were used.
- **Sanitary control on admission.** Temperature taking and application of sanitizer to all who enter the facilities.
- **Agreement with clinical laboratory.** Taking PCR tests, antigen tests and medical advice for proper management of positive cases.
- **Delivery of protection elements.** Constant distribution of personal protection elements, masks, facial protector and alcohol gel.
- **Sanitary measures in casinos.** Maintenance of the work deployed to comply with the regulations of reduced capacity, through shifts for use and sanitization between each meal shift.
- **Delivery of assistance bonus.** Additional monetary allocation to support and recognize face-to-face work.
- **Promotion of teleworking in functions that allow it.** The necessary equipment was delivered to carry out their functions remotely and the conditions were created so that those who had to work in person could meet the capacity.

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2. Occupational health and safety

- **Application of the protocol on exposure to noise.** The Occupational Exposure to Noise Protocol (PREXOR) was applied in different areas of the company.
- **Certification of occupational health and safety protocols.** These are the Musculoskeletal Disorder in Upper Extremities (TMERT) and Manual Load Handling (MMC) protocols, issued by the Occupational Safety Institute.
- **Certification of preventive measures by Covid-19.** In August 2021, the seal was conferred as a verified work center according to the Labor Step-by-Step Plan defined by the Ministry of Health.
- **Delivery of UV radiation protection elements.** Constant distribution of kits to exposed workers in their workplace.



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3. Protection and information

- **Free mammography screening.** Development of an unprecedented preventive operation in the mobile clinic of the Arturo López Foundation (specialized in oncology), in which 72 workers agreed to the examination and orientation.
- **Signing of an agreement to access ophthalmological care.** 170 workers have agreed to evaluation and care at Coalivi (Corporation for Helping the Visually Impaired) at a cost assumed by the company.
- **Activation of the Senda Labor Preparation program.** Initiative promoted by the State to strengthen a preventive culture against alcohol and drugs.
- **Training in emergency management and evacuation.** Drill training.
- **Reinforcement of complementary health benefits.** Dental coverage was added to the health coverage. In both cases, the company assumes the value of the worker and he covers the cost of his family group at preferential value.
- **Publication of social benefits.** Information on benefits managed by compensation funds and insurance brokers was published in wall diaries.
- **Incorporation of a social worker.** He joined the Human Resources area to assist and guide workers on state benefits, family, housing or health.
- **Delivery of groceries to workers of contractor companies.** Voluntary bonus that is delivered on significant dates such as National Holidays, Christmas or anniversary.



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4. Labor conditions and benefits

- **Conditions of job stability.** On average, workers with an indefinite contract during the reported period reached 91.5% (488 in 2H 2020 and 606 in 1H 2021).
- **Strengthening labor skills.** Courses were given to improve performance in the different functions, with an average of 6 hours of training per worker. The courses taught were: Application of the Quality Assurance System, Intermediate and Advanced Excel Tools, Basic Office Tools for Productivity, Techniques for the treatment of liquid industrial waste in the industry, Fundamentals for the Design and Application of a Management System of Food Safety, Application of the Contingency Plan for Emergency Situations, Interpretation and Implementation of the Best Aquaculture Practices-Gaa (Bap) Standard, Thermal Food Processing Techniques in Canning, Good Manufacturing Practices and Industrial Hygiene and Sanitation Techniques.
- **Scholarships for children of workers.** Scholarships were awarded to 10 children of workers pursuing higher education who obtained outstanding performance.



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5. Community contribution

- **Participation in Tripartite Odor Table.** The instance is made up of neighborhood associations, the Municipality of Coronel and the Association of Fishing Industries (Asipes) and addresses the management to minimize odors generated by the fishing industry. In the reported period, four work sessions were held in which its members visited the company's facilities and received information on the production process and measures to mitigate odors. The table created a complaint line to receive reports of incidents, concerns or complaints about bad odors. In addition, it carried out its first competitive fund process, developed environmental training activities and encouraged the recycling of masks.
- **Participation in the Banco de Alimentos del Mar program.** Through the Association of Fishing Industries (Asipes), food rations of frozen and canned fish are provided and distributed to vulnerable older adults from residences located in the regions of Biobío, Ñuble, Maule and The Araucania. The program has been carried out since 2020 and at the end of the first semester of 2022 it had delivered more than 7 thousand rations.
- **Contribution to local economic activity.** Purchases were made for an amount of \$28,548 million from 1,111 suppliers, where 48.7% (\$13,902 million) was made from small and medium-sized companies.
- **Participation in a coastal clean-up operation.** Support for an activity organized by Asipes to clean solid waste generated by artisanal fishing boats in Caleta Lo Rojas. 100 boats participated and collected an average of 7 kilos of waste each. It also includes beach cleaning.
- **Collaboration in beach cleaning operations.** Support and participation of workers in the activity organized to join the International Beach Cleaning Day, organized by the Navy.

Human Rights

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5. Community contribution

- **Support for community typical parties.** Contributions were made for the development of neighborhood activities during the National Holidays in the Villa Alegre-Cerro Merquín sector, the Festival of San Pedro (patron saint of fishermen, in El Morro de Talcahuano cove) and social support for the fisherwomen of Lo Rojas cove (Coronel) who were unable to carry out their typical activity due to the pandemic.
- **Participation in the Consultative Committee of the CFT Lota.** The validation of the study program of the Business Administration career is supported, which helps the continuous improvement of the educational process and integration into the world of work.
- **Collaboration with the Association of Parents of Disabled Children (Apandi).** This organization trains and employs young people with special educational needs. At the end of 2021, it was possible to resume the face-to-face delivery of gifts to minors and social support to their families.
- **Support to social organizations.** Contributions were made to neighborhood institutions for the celebration of Mother's Day and a volleyball championship.
- **Support for self-care and sustainability talks.** Professionals from INPESCA (Fisheries Research Institute) trained crew members, motorists and owners of artisanal boats on self-care and fishing sustainability, optimal size and capture area.



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Human Rights

Principle 2

Avoid being involved in human rights abuses.



Our commitments

- Ensure compliance with fundamental rights, inside and outside the workplace.
- Have an Internal Regulation of Order, Hygiene and Security that declares its respect and incorporates criteria to prevent its violation, which also includes contractors or service providers.

Activation of complaint channel

- Management of the first complaint received by this mechanism. Protocols established in the internal regulations were applied and a satisfactory response was given to the denouncing worker.



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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 commitments

- Respect the right of workers to form organizations that represent them and bargain collectively.
- Promote permanent dialogue and constructive relations with unions, within a framework of respect for people and current legislation.
- Sign contracts and collective agreements with an ideal term of three years, with the aim of guaranteeing stability and updating.
- Support the access of union leaders to representative positions in the organizations of workers in the fishing industry.

Trade union rights

- **High prevalence of unionization.** 90% of the workers who worked at the company in the reported period are unionized. It is a level significantly higher than the national rate (20%) and consistent with what is recorded in the fishing industry.
- **Maintaining a collaborative relationship.** At least one monthly meeting is held with the union representatives, who stood out for their permanent support for the sanitary measures implemented by the company.

Labor Conditions

Principle 4

The elimination of all forms of forced and compulsory labor.



Our commitments

- Strictly comply with labor legislation.
- Steadily reduce the number of accident and injured people, both own workers and contractors.
- Implement a plan to control occupational accidents and illnesses, a proposal supported by the Occupational Safety Institute (IST).

Working conditions

- **Management to reduce accidents.** The accident rate in 2021 was 9.57 and during the first half of 2022, 3.16, while the projection to December 2022 is 4.76. In the reported period there were no incidents with fatal consequences. The decrease is associated with the prevention measures implemented in the different areas to reduce the projection at the end of 2022.
- **Conformity in inspections.** The Workplace Safety Institute prepared a report confirming compliance with applicable labor regulations. Similarly, no labor summaries were initiated nor were claims filed by workers.

Labor Conditions

Principle 5

The abolition of child labor.



Our commitments

- 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 Chilean labor legislation, accept the work of young people between 15 and 17 years old who meet the requirements established by the regulations.

Legal compliance

- **No hiring of minors.** In the reported period there was no hiring of young people between 15 and 17 years old.

Labor Conditions

Principle 6

The elimination of discrimination with respect to employment and occupation.



Our commitments

- 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.

Good practices

- **Commitment to salary equality.** Since 2009, the policy of equal pay for equal functions has been maintained, regardless of gender, being a pioneer company in this matter.
- **Important female participation.** Women represented 39% of the workforce during the reported period (206 in 2H 2021 and 254 in 1H 2022), where most of them are heads of household.
- **Compliance with the Labor Inclusion Law.** People with different abilities work in a stable manner in the company, exceeding what is required by law (1%).



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Environment

Principle 7

Companies must maintain a preventive approach that favors the environment.



Our commitments

- Develop a sustainable service model and care for the environment through protection and respect for the environment where we operate.
- Implement measures that guarantee the quality, legality of origin and freshness of the raw material acquired from artisanal fishermen, considering that this last factor is crucial to control the generation of odors.
- Maintain a proactive and transparent attitude in the management of environmental impacts.

Environmental management

- **Installation of "scrubber", cleaner and reducer of odorous gases.** Gas scrubbing equipment that uses ozone and sea water is in full operation and can be expanded as the production of the flour plant increases. Thus, the company anticipates the requirements of the future odor standard that is currently being prepared by the authority.
- **Application of environmental criteria to the purchase of raw material.** Delivery of ice to artisanal suppliers to contribute to the freshness of the raw material, essential to reduce odors, and coordination of departures and unloading with artisanal fishermen.
- **Application of protocol for fishing transport.** Transfer of raw material, between coves and plants, with hermetic trucks that prevent spills of fish or liquids on the street. It is a protocol of the fishing industry and externally audited.

Environment

Principle 8

Adopt initiatives to promote greater environmental responsibility.



Our commitments

- Operate with a model of sustainable extraction of resources, support research that favors the harmonious development of the fishing sector and promote environmentally responsible practices.
- Certify operations under international standards of quality and safety, as well as sustainability in the management of fishery resources that are processed.

1. Sustainability certifications

- **ORIVO**. International standard that certifies the origin and authenticity of food ingredients and products for direct and indirect human consumption, in particular fishmeal and fish oil. FoodCorp Chile became the first pelagic producer in the world to validate the traceability and quality of the raw material used in this process.
- **MSC (Marine Stewardship Council)**. Endorses a jack mackerel catch with the criteria of sustainability and responsible fishing promoted by the Food and Agriculture Organization of the United Nations (FAO).
- **MarinTrust**. International certification on the legality of origin of the raw material.



Environment

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2. 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 (health infrastructure and compliance), HACCP (safety and quality, allows exporting to regulated markets), DIPOA (Brazil health standard) and SENASA (Argentine health standard).
 - **Canned.** BAP certifications (good practices for aquaculture products), BRC (safety, legality and quality), HACCP (safety and quality), Kosher (processing according to criteria of the Jewish community), HPB (infrastructure and sanitary compliance) and FDA (standard United States health).
 - **Fishmeal and fish oil.** Certifications MarinTrust (authorized raw material), MSC (responsible fishing), HPB (infrastructure and sanitary compliance to operate), HACCP (safety and quality), China License (sanitary regulation of the Chinese market) and ORIVO (origin and authenticity of fishery resources) .



Environment

Principle 9

Encourage the development and dissemination of environmentally friendly technologies.



Our commitments

- Comply with national and international regulations and standards to improve our environmental performance.
- Evaluate opportunities and technological or process adaptations that improve our environmental performance, in particular odors and liquid industrial waste.
- Prioritize energy sources with lower atmospheric emissions.

Implemented programs

- **Supply with LPG liquefied gas.** Agreement with an industrial supplier to inject this fuel from the second half of 2022. It involves reducing the emission of gases such as nitrogen dioxide and sulfur dioxide, as well as being cheaper, more efficient and environmentally friendly. The latter is particularly important because Coronel is an area saturated by particulate matter, so this reduction represents a contribution to local air quality.
- **Renewal of equipment to increase efficiency.** Change of cookers and dryers used in the fishmeal plant, reducing atmospheric emissions and achieving greater operational efficiency and energy efficiency.
- **Reduction of organic sludge removed.** Solutions are currently being worked on to increase the use of food-grade organic sludge in the manufacture of fishmeal and fish oil, reducing the volume destined for final disposal in landfills.
- **Supply with non-conventional renewable energies (ERNC).** Maintenance of the electricity supply from these sources, under an agreement in force since 2019.
- **Contribution to the recycling of masks.** Participation in the program promoted by the fishing industry, through the Association of Fishing Industries (Asipes), and the University of Concepción, which since 2020 has made it possible to transform nearly 700,000 masks into household utensils such as trays, garbage cans or flowerpots.



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Congratulations FoodCorp!

The worlds first pelagic fishmeal producer achieving the ORIVO certification.



**Andrés Daroch
Coello**

Vice President
FoodCorp Chile S.A.



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Anti-corruption

Principle 10

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



Our commitments

- Create sustainable value through good practices of corporate governance and ethics.
- Comply with Law 20,393 through the operation of a Crime Prevention Model.
- Incorporate corporate ethics criteria in the Internal Order, Hygiene and Safety Regulations.

Measures implemented

- **Incorporation of new crimes to the catalog of Law 20,393.** Continuing with the schedule established by the regulations, at the beginning of 2022 the illicit "Modification of the arms control law" and "Human trafficking" were incorporated. Then, in mid-2022, "Computer crimes" were added and 7 crimes are defined here (Computer disruption, unlawful access to computer systems, unlawful interception, computer damage, computer forgery, computer fraud and device abuse).
- **Deployment of the due diligence process.** Work was carried out on the due diligence of 79 national and foreign clients. Currently, due diligence is being carried out on 556 suppliers, whether natural persons or legal entities. In addition, headquarters have been trained in the crimes included in the catalog at the beginning of 2022.
- **Reinforcement of corporate ethics.** Constant communication and reinforcement in the staff, especially those who perform directly related functions.



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



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