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**Sustainability
Report**

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CEO letter

We proudly share our first Sustainability Report under ESG (Environment, Social and Governance) criteria, which represents a natural evolution of the Communications of Progress (COP) that for years summarized the performance of our company in this area. of sustainability.



This document also constitutes a progression in the exercise of making our management transparent and informative in different areas, as well as deepening the conviction to maintain sustainable and valuable performance for all parties with which we interact and the environment where we operate.

In 2009 we were the first Chilean fishing company to join the United Nations Global Compact, at a time when our industry and country were certainly just beginning to consider the challenges of sustainability. From that base we systematized visions and contributions.

This is also understood by our parent company, Austevoll Seafood ASA, which is aimed at creating lasting value based on a sustainable development strategy, through four areas that precisely constitute the chapters of this report: protecting our oceans, improving our climate, empowering our people and strengthen our community.

It is a commitment that is understood and implemented beyond the circumstances of the moment or the expectations of certain interest groups, because the sustainability of our operation is related to the valuable significance of what we do. For this, our definition is essential and transversal: our main effort is to do things well and be a good neighbor.

As sustainability was incorporated into management, it became more sophisticated in its concepts and ways of quantifying its progress, which is why this first report represents the beginning of a new challenge for our company. At the same time, we understand that the challenge includes presenting accurate and understandable information, as well as socializing it as a priority with the people in our closest environment.

Sustainability is a way of working and, at the same time, a response to a complex world. Our sector is going through the uncertainty involved in the processing of a new Fisheries Law, a general regulatory framework promoted by the Government, and which contains the challenge of assessment due to the changes driven in economic, environmental and social performance.

For this reason, we maintain our vocation to work responsibly with people and the environment, conscious and committed to the socioeconomic contribution that our activity represents for thousands of people and the economic dynamism of the country.



Andres Daroch
CEO



Our values

Integrity

Innovation

**Be the best
at what we
do**

**Reliable and
credible**

**Appropriate
corporate
decision
process**

Responsible



FoodCorp S.A.
Austevoll Seafood Company

1 Create
lasting value

Corporate information

FoodCorp Chile is a fishing company located in the commune of Coronel, Biobío Region, the main industrial fishing area of the country. Since 1991 it has been part of the Norwegian group Austevoll Seafood ASA.

The corporate offices, process plant, refrigerator and distribution center are in that location.

It produces frozen foods, canned, fishmeal and 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, most of its production corresponds to frozen and canned products made with jack mackerel, mackerel and salmon.

These products are consumed in Chile and a dozen countries in America, Europe, Asia and Africa. The remainder is used for fishmeal and fish oil obtained from sardines, anchovies, jack mackerel and mackerel, products destined for the Chilean and Asian markets.

In 2022 it reached a production of 75,543 tons, from the capture of 106,607 tons of raw material. 76% corresponded to products intended for direct human consumption. In this process, 610 direct jobs were generated, where around 72% of them were occupied by residents in Coronel and Lota, the immediate surroundings of the plant and an area of high social vulnerability.



Value chain

Activity



We are a relevant actor within the industrial fishing activity of the national country, standing out for the processing of pelagic fishing, coming from our own catches and purchases from third parties, which are mainly destined for human consumption, in addition to the production of oil and fish meal.

For its administration, the regulatory authority establishes various measures such as closed seasons, minimum sizes and extraction quotas applicable to industrial and artisanal fishing, which must be monitored to ensure its conservation.

Capture



Our largest catch volume corresponds to jack mackerel. According to the Undersecretariat of Fisheries and Aquaculture (Subpesca), it is a fishery in full exploitation, which means that its biological point is at or close to its maximum sustainable yield, constituting a notorious case of recovery of a fishing biomass due to the application of scientific criteria in its administration.

It is captured by vessels that have positioning and captured volume control mechanisms. The fish are captured with purse seines, a sustainable and highly selective fishing art that incorporates the location of biomass using hydroacoustic equipment.

Process



The catch is landed on an unloading pontoon directly to the processing lines. Depending on the species, quality and freshness condition, it is destined for production for direct human consumption (frozen or canned) or it is processed to obtain fishmeal and oil.

Value chain

Captures



106,607 tons
(2021, 105,000 tons)

Process



75,543 tons
(2021, 65,427 tons)

Frozen
60,033 tons
(2021, 48,719 tons)

Fishmeal and oil
13,787 tons
(2021, 15,499 tons)

Canned
1,723 tons
(2021, 1,209 tons)

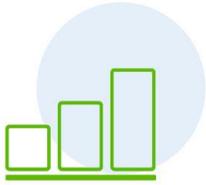


Workers
610 people
72% residents of
Coronel and Lota.



Suppliers
720 companies
65.1% are small or
medium (469).

Exercise results



	<u>Amounts in ThUSD</u>
<u>Revenues and profitability</u>	<u>2022</u>
Revenue and other income	86.500
Ebitda before biomass adjustment	22.165
Depreciation, amortisation, impairment	(3.961)
EBIT before biomass adjustment	18.204
Operating Profit	18.204
Net profit for the year	13.981
Cash Flow from operation	7.890

<u>Balance Sheet</u>	<u>Montos en MUSD</u>
Balance Sheet	116.601
Equity	(21.624)
Net interest-bearing debt	8.791

<u>Operational Key figures</u>	<u>2022</u>
Fish (Ton)	Tons
Own Catches JMackerel/Mackerel	79796
Purchases	26811
Sardine/Anchovy/Other	26811
Giant Squid	
Total	106607

Local value chain activation



Año	Grandes proveedores	Proveedores Propyme	Total proveedores	<u>Compras netas</u>		
				Grandes proveedores (en USD)	Proveedores Propyme (en USD)	Total compras (en USD)
2021	241	466	707	13.006.117	15.289.523	28.295.640
2022	251	469	720	22.434.556	19.665.295	42.099.851

Apart from the acquisition of products and services, during the reported period, the Good Practices Protocol in Contractor Management was implemented, promoted by our union to support supplier companies, particularly smaller ones.

Contribution to the United Nations SDGs

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



Ethics and anti-corruption

Our challenge

- Create sustainable value through good corporate governance and ethics practices.
- Comply with Law 20,393 on criminal liability of legal entities, through the operation of a Crime Prevention Model.

Our performance

- **Incorporation of new crimes to the catalog of Law 20,393**
According to current legislation, during 2022 the following crimes were added to the internal prevention and detection mechanism.
 - Modification of the gun control law.
 - Human trafficking.
 - Computer crimes, understood as computer disruption, illicit access to computer systems, illicit interception, computer damage, computer falsification, computer fraud and abuse of devices.
- **Deployment of the due diligence process.**
Worked on due diligence for 79 national and foreign clients. At the same time, due diligence was carried out on 556 suppliers, whether natural persons or legal entities. At the same time, leaders were trained in the crimes mentioned in the modification of the gun control and human trafficking law.



2

Protect our
oceans

Sustainable fishery

Our challenge

- Develop a sustainable service model and take care of 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 materials acquired from artisanal fishermen.
- Certify operations under international standards of quality and safety, as well as sustainability in the management of the fishing resources that are processed.

Our performance



International standard that certifies origin and authenticity of food ingredients and products for direct and indirect human consumption, in particular fishmeal and fish oil.



The Marine Stewardship Council endorses a horse mackerel catch with the criteria of sustainability and responsible fishing promoted by the Food and Agriculture Organization of the United Nations (FAO).



International certification of responsible supply of raw materials used in fishmeal and fish oil processes.



The production lines have different international quality and food safety certifications applicable to their production. During the reported period, the regular audit and recertification process was completed.



94.57%

Percentage of the captured volume that corresponds to certified species.



3 Improve our climate

Climate change

Our challenge

- Although fishing has a low carbon footprint compared to other sources of animal protein, it must comply with national and international regulations and standards in environmental management.
- Evaluate opportunities and technological or process adaptations that improve our environmental performance, in particular, odors and RILs.
- Comply with the objectives defined by Austevoll Seafood ASA regarding the reduction of greenhouse gases (GHG).

Our performance



- **Supply with liquefied LPG gas.** It involves reducing the emission of gases such as nitrogen dioxide and sulfur dioxide, in addition to being more economical, efficient and friendly to the environment. It is particularly important because Coronel is an area saturated by particulate matter.
- **Equipment renewal.** Aimed at increasing efficiency in energy consumption.
- **100% supply with non-conventional renewable energies (NCRE).** Electricity supply from a renewable source with consumption certified by Green Solutions, according to the guidelines of the National Electrical Coordinator (CEN).



Renewable energy consumption	
Unit	MWh
Administration	2875
Frozen Plant	9076
Escuadrón (logistics center)	2827
Fishmeal Plant	3106
Total	17884

Austevoll Seafood ASA defined guidelines to address and report the reduction of Greenhouse Gases (GHG), based on three scopes.

1

Scope 1: Direct emissions. Includes fossil fuels for stationary combustion or transportation, from fishing boats and process plants. It also includes emissions from chemical processes. Mandatory reporting.

2

Scope 2: Indirect emissions from purchased energy, such as electricity, heating or cooling. Mandatory reporting.

3

Scope 3: All other indirect emissions, such as travel, purchased goods, and waste management. Voluntary reporting.

Our performance

Key Figures in GHG Emissions (Greenhouse Gases)					
Category	Description	Unit	2020	2021	2022
Scope 1					
Transportation					
Diesel	M/S Cazador	tCO2e	3060,3	3576,7	3261,7
Diesel	M/S Don Manuel	tCO2e	2477,5	2309,9	2589,4
Diesel	M/S Ruth	tCO2e	3201,4	3813	2958,8
		tCO2e	8739,3	9699,6	8810
Stationary combustion					
Diesel, stationary	Admin	tCO2e	15,8	12,3	2,8
Diesel, stationary	Fleet admin	tCO2e	61,8	61	67,4
Diesel, stationary	Barge - unloading	tCO2e	489,7	587,6	492,9
Diesel, stationary	Fishmeal/oil	tCO2e	-	686,2	7008,3
Diesel, stationary	Frozen - DHC	tCO2e	58,6	252,6	408,6
Diesel, stationary	Canning - DHC	tCO2e	-	545,1	875,6
LPG	Admin	tCO2e	90,1	96,3	42
LPG	Fleet admin	tCO2e	24	24	12,8
LPG	Fishmeal/oil	tCO2e	15,7	14,8	498,8
LPG	Frozen - DHC	tCO2e	26,5	31,6	51,2
LPG	Canning - DHC	tCO2e	10	15,7	124,8
LPG	Cold Storage	tCO2e	2,2	0,3	-
LPG	Fishmeal warehouse	tCO2e	19,8	18,3	14,3
LPG	Barge - unloading	tCO2e	0,1	0,4	0,3
Heavy fuel oil	Fishmeal/oil	tCO2e	9535	8664,1	-
Heavy fuel oil	Canning - DHC	tCO2e	1042	582,5	-
		tCO2e	11391,3	11592,7	9599,7
Scope 1 Total		tCO2e	20130,6	21292,3	18409,7
Scope 2					
Electricity location-based					
Electricity Chile	Admin	tCO2e	38,2	20	8,2
Electricity Chile	Barge - unloading	tCO2e	43,4	39,1	44
Electricity Chile	Fishmeal/oil	tCO2e	1233,4	1065,8	1056,7
Electricity Chile	Congelado	tCO2e	3437,2	5369,9	5019,5
Electricity Chile	Canning - DHC	tCO2e	134,7	219,8	195,8
Electricity Chile	Cold Storage	tCO2e	869,1	999,2	1187,2
Electricity Chile	Fleet admin	tCO2e	-	-	-
Electricity Chile	Redes	tCO2e	-	-	17,5
		tCO2e	5756	7713,7	7528,8
Scope 2 Total		tCO2e	5756	7713,7	7528,8
Total (Scope 1 + 2)		tCO2e	25886,6	29006	25938,5

Environmental management in operations

Our challenge

- Develop a sustainable operation model and take care of the environment, through protection and respect for the environment.
- Implement measures that guarantee the freshness of raw materials acquired from artisanal fishermen, considering that it is crucial to control the generation of odors.
- Maintain a proactive and transparent attitude in the management of environmental impacts.

Our performance



- **Scrubber operation in Fishmeal Plant.** Gas scrubber equipment that uses ozone and seawater to clean and reduce odoriferous gases.
- **Protocol for raw materials acquired from artisanal fishermen.** Coordination of hauling and ice delivery to extend the freshness of the catch, a key factor in reducing odor during processing.
- **Protocol for transporting fish on public roads.** Use of airtight trucks that prevent spills.
- **Study of odors to design operational improvements.** Two independent technical analyzes made it possible to evaluate the operation of the chiller and introduce technical adjustments, which included the installation of an odor elimination system in the chiller.
- **Recycling of masks.** Thanks to a program promoted by the Association of Fishing Industries (Asipes) and the University of Concepción, the industry managed to recycle close to one million masks.
- **Garbage management and waste recycling.** In compliance with the Extended Producer Responsibility Law (REP Law, in Spanish), on the responsibility of the industrial producer over their waste, specific plans are implemented for waste such as plastics, wooden pallets or drums. In addition, we participated in a pilot to explore the recycling of plastic film.



4

Empower
our people

Labor conditions

Our challenge

- Strictly comply with labor legislation.
- Generate a space for personal growth and work development, based on the values of our company.
- Contribute to local development through the generation of quality employment.
- Avoid and eradicate any type of discrimination based on race, nationality, gender, sexual orientation, appearance, beliefs or similar.

Our performance

- **Employment stability.** Workers with an indefinite contract during the reported period reached 76.9% (469).
- **No labor sanctions.** No labor summaries were initiated nor were any lawsuits filed by workers.
- **Pay equity.** Since 2009, the policy of equal pay for equal function has been maintained, regardless of gender.
- **Strengthening work skills.** Courses were given to improve performance in different productive functions, with an average of 14 hours of training per worker. It constitutes an increase of 40% compared to 2021.
- **Female participation.** Women represented 38% of the workforce (230), most of whom are heads of households.
- **Compliance with the Labor Inclusion Law.** People with different abilities who work steadily in the company exceed the percentage required by law.
- **High unionization.** 96% of the staff for the period is unionized, which contrasts with the 20% registered at the national level. In addition, at least one monthly meeting is held with union representatives.
- **Scholarships for children of workers.** Scholarships were awarded to 10 children of workers who are pursuing higher education and had outstanding performance.



Occupational health and safety

Our challenge

- Create a safe work environment, which is expressed in a sustained reduction in the number of accidents and injuries, both in own workers and contractors.
- Implement a plan to control accidents and work-related illnesses, a proposal supported by the Workplace Safety Institute (IST).

Our performance

- **Reduction of workplace accidents.** In the reported period the rate reached 6.05%, marking a significant decrease compared to 2021, when it was 9.57%. Furthermore, in the reported period there were no incidents with fatal consequences.
- **Compliance in inspections.** There were 3 inspections from the Labor Directorate and 2 from the Ministerial Secretariat of Health.
- **Regulatory preventive protocols.** Application of programs established by the authority for the protection of workers, in different aspects related to their functions.
- **Covid-19 preventive measures.** Maintenance of the plans implemented in 2020 in transportation, personal protection elements and capacity, among others.
- **Preventive exams.** Free mammograms were performed on 72 workers and 170 workers participated in free ophthalmological operations.
- **Additional health coverage.** The insurance includes medical and dental care, where the company assumes the contribution of the worker, who can optionally add to his family group.
- **Prevention of alcohol and drug consumption.** The Prepara Laboral (Prepare Labor) program is a state initiative, to which it adheres voluntarily.
- **Social support.** Dissemination about access to different benefits and delivery of groceries to contractors.





5

Strengthen
our
community

Social contributions

Our challenge

- Contribute to local development in areas that transcend job creation.
- Support community development and surrounding social institutions.
- Be a good neighbor and generate a collaborative relationship with the community and local authorities.

Our performance

- **Tripartite Smell Table.** Dialogue space made up of neighborhood associations, the Municipality of Coronel, the union and its social companies. Addresses management to reduce odors generated by the fishing industry and promotes a local cooperation agenda. Improved communication and reduced conflict.
- **Coastal Edge Table.** Public-private space that promotes co-financing the improvement of public spaces and infrastructure in Caleta Lo Rojas.
- **Relationship with neighborhood leaders.** Permanent dialogue and open-door policy.
- **Banco de Alimentos del Mar (Sea Food Bank) Program.** Initiative promoted by our union, delivering food rations in homes for older adults since 2020.
- **Coastal cleaning operations.** Participation and collaboration in waste removal activities from the beach and/or artisanal boats.
- **Support for social organizations.** Financial contributions to carry out traditional festivities or recreational activities.
- **Collaboration with the Association of Parents of Disabled Children (Apandi).** This organization trains and inserts young people with special educational needs into the workforce.
- **Advisory Committee of the Technical Training Center (CFT) Lota.** Support for validation of Business Administration study programs.





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