

# SUSTAINABILITY REPORT

2021

# SUSTAINABILITY REPORT

## 2021

**Salmones Austral S.A.**

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# CONTENT INDEX

FROM THE  
**GENERAL  
MANAGER**

Chapter I  
ABOUT  
**US**

Chapter II  
FOSTERING AN  
ETHICAL,  
TRANSPARENT  
AND SUSTAINABLE  
CULTURE

Chapter III  
EFFICIENCY  
EXCELLENCE  
AND QUALITY  
THROUGHOUT  
**OUR VALUE  
CHAIN**

Chapter IV  
PROTECTING  
THE PLANET  
**AND  
COMMUNITIES**

Chapter V  
COLLABORATORS  
**ARE THE  
LEADING  
ACTORS**

Chapter VI  
**ANNEXES**



# WORDS FROM THE GENERAL MANAGER

GRI 102-14

## “CONTRIBUTING TO SUSTAINABLE PRODUCTION”

Dear all

This Sustainability Report 2021, Salmones Austral's fourth, presents the progress of our economic, social and environmental performance as of December 31, 2021, dealing with this new changing reality that, at the same time, is filled with opportunities.

The social, health and economic events of the past three years have set the tone for the challenges we have had to face. Thus, 2021 was not exempt from difficulties. Despite the aftermath of a pandemic that has affected the global economy, logistics networks and consumer decisions, our results have been encouraging, as we have been able to advance in our goal of implementing an operation of excellence, listening to our communities and contributing to the environment.

We closed the year with 49,889 tons in sales, which represented an increase of 27.6 percent over 2020. A path of growth that has been consolidated with the increase in prices that the

industry has experienced since late 2021. Although food and transportation costs have also increased during the pandemic, we seek to minimize our environmental impacts with our new operation at Los Arrayanes fish farm by having more efficient water management and less use of antibiotics at sea, allowing increased predictability of the outcome at sea as a result to better adjust the fish before sending them to the farming centers.

In accordance with the defined strategy, we continue to develop our new Secret Island brand for the US markets, moving ever closer to the end consumer with a premium product, grown with high productive, ethical and environmental standards.

But these achievements could not be such without the commitment and dedication of all of us who work at Salmones Austral. Thus, health, safety and development will continue to be core strategic objectives that we seek to promote and live up to in our company.

In 2021, we will continue to strengthen our commitment to sustainability, creating a dedicated

team within our organization, which will allow us to advance in the implementation of the strategy that we have set as our goal, especially with regards to the workers and communities in which we are present.

We are aware that, for the entire industry, the future challenges are undoubtedly multiple. In Salmones Austral, we want to be players that contribute to a responsible management of the environmental and social variables that accompany our operation. In deed, there is still a long way to go, but we are convinced that we are on the right track.

Hoping that the information contained in this report is of value, yours faithfully,

**Gastón Cortez Q.**  
Salmones Austral General Manager







# ABOUT **US**

WITH MORE THAN 30 YEARS OF HISTORY, OUR COMPANY PRODUCES AND MARKETS SALMON FOR THE MOST DEMANDING TABLES IN THE WORLD.



CHAPTER





# WHO WE ARE

GRI 102-2, 102-4, 102-5, 102-6, 102-7, 102-9, 102-13, 102-18

Salmones Austral is the result of a merge of Trusal S.A., Pacific Star S.A. and Comsur, companies with wide experience in aquaculture. Incorporated as a company by public deed on May 31, 2013, the company has grown steadily since it began operations one month after its incorporation.

Currently, we have more than 1,600 workers, operating two processing plants and 33 freshwater and seawater farming centers (68 aquaculture concessions in force), distributed in the regions of Biobío, La Araucanía, Los Lagos and Aysén.

Our produce is marketed in more than thirty countries, serving the most demanding tables around the world.

At the close of 2021, the total assets of the parent company and its subsidiaries were US \$490.8 million, a figure that was 11.3 percent higher than in December of the previous year. Furthermore, the company's equity increased by US \$21.7 million, due to the 2021 result.

In the year, Salmones Austral's EBITDA was US \$45.1 million, as a result of revenues from sales and other

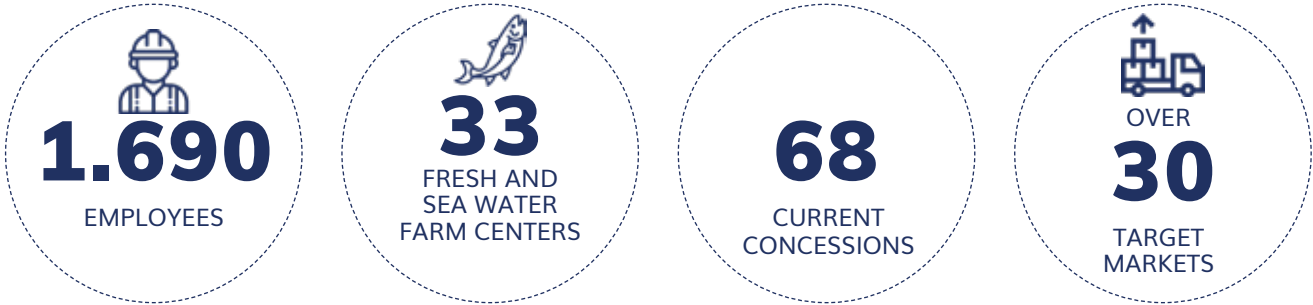
activities related to the transactions in the amount of US \$300.9 million, less payment to suppliers of goods and services for US \$255.8 million.

The most relevant investments in fixed assets during the year were the purchase of rafts, nets, moorings, equipment for Los Arrayanes fish farming project and other equipment for US \$43.4 million.

Our main target markets were Japan, the US and Asia (excluding Japan) in 2021. The main exports to the Japanese market were Coho HG, Coho fillets and frozen Salar fillets, as firm sales. Shipments to that market accounted for 40.9 percent of total Salmon Salar and Coho Salmon.

Meanwhile, the main produce exported to the US, which accounted for 38.9 percent of sales, were fresh and frozen Salar fillets, frozen Salar portions, fresh and frozen whole Salar and frozen Coho. This was followed by the Asian market (excluding Japan), with a 12.9 percent share. We export mainly frozen Whole Salar, frozen Salar Fillets and in smaller volume Coho HG to this market.

## MAIN FIGURES:

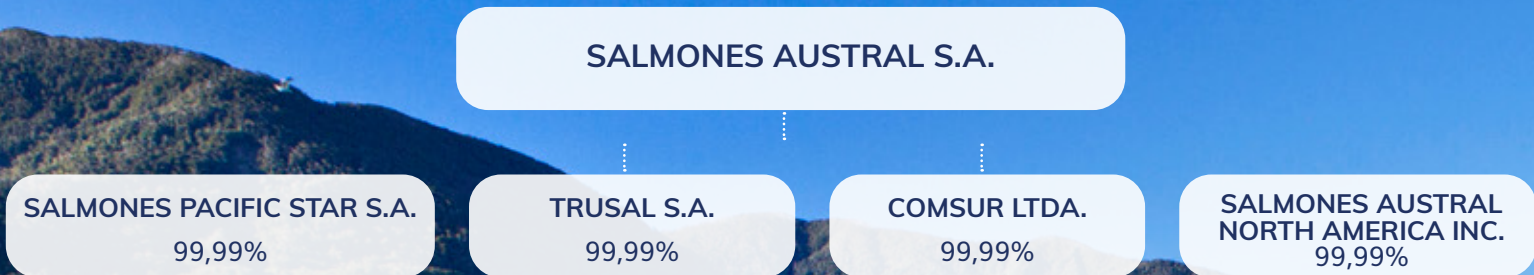


### EXTERNAL AFFILIATIONS



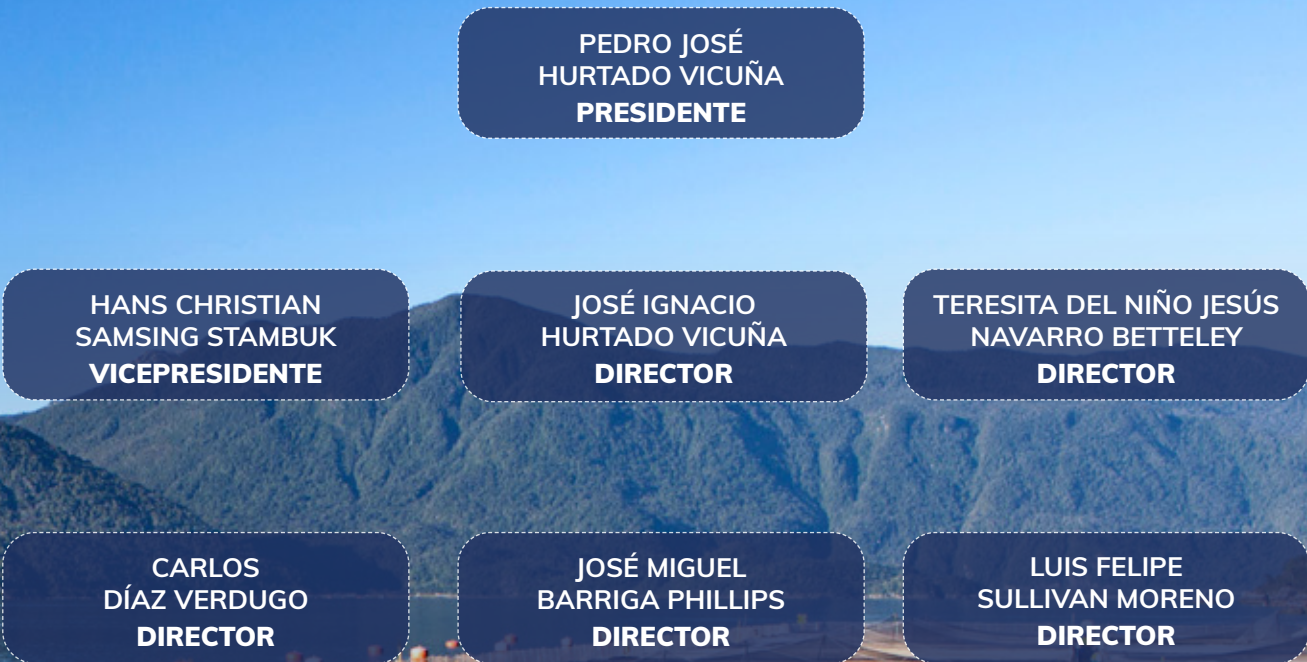


# PROPERTY AND CONTROL



SALMONES AUSTRAL S.A.			
Shareholders	TAXPAYER ID	Shares	%
Inversiones Acuícolas S.A.	76.048.512-8	278.019.000	25,49
Inversiones Melinka Limitada	76.893.840-7	252.612.000	23,16
Biomar Chile S.A.	96.512.650-3	249.815.000	22,92
Agrícola Taomina Limitada	76.911.190-5	133.143.000	12,21
Empresas Calbuco S.A.	99.546.370-9	98.293.000	9,01
Inversiones Santa Isabel Ltda.	79.822.680-0	59.574.000	5,46
Vical Spa	76.214.239-2	15.271.000	1,4
Inversiones Nuevo Milenio S.A.	76.617.410-8	3.818.000	0,35
Total shares subscribed and paid		1.090.545.000	100

# BOARD OF DIRECTORS





# EXECUTIVE COMMITTEE

Salmones Austral ensures to maintain mechanisms for the ongoing revision of our policies and procedures. We have an Executive Committee of directors that reviews topics related to projects, commercial management, income statement, strategic planning, continuous improvement and the production chain on a biweekly basis. The committee is made up by four directors, including the Chairman, and four administrative managers: General Manager, Administration and Finance Manager, Commercial Manager and Management Control Manager, with the participation of other managers from the production and process areas, depending on the subject matter.

## DIVERSITY ON THE BOARD

### GENDER



6 men



1 woman

### NATIONALITY



7 Chilean



0 Expats

Seniority	Nbr.	Percentage of directors
< 3 years	0	0%
3-6 years	5	71%
6-9 years	2	29%
9-12 years	0	0%
>12 years	0	0%
<b>Total</b>	<b>7</b>	<b>100%</b>

Age range	Nbr.	Percentage of directors
<30 years	0	0%
30-40 years	1	14%
41-50 years	0	0%
51-60 years	1	14%
61-70 years	4	57%
>70 years	1	14%
<b>Total</b>	<b>7</b>	<b>100%</b>





# MAIN EXECUTIVES

**General Manager:**  
Gastón Eduardo Cortez Quezada

**Administration and Finance Manager:**  
Claudio Andrés Melgarejo Villarroel

**Commercial Manager:**  
Mauricio Eduardo Toirkens Scheel

**Farming Manager:**  
Andrés Alberto Rosa Koelichem

**Freshwater Manager:**  
Andrés Patricio Sepúlveda Cid

**Operations and Logistics Manager:**  
Javier Ángel Lecaros Hernández

**Control and Management Manager:**  
Patricio Alejandro Urbina König

**Human Resources Manager:**  
Milton Andrés Castaing Cornejo

**Process Plant Manager:**  
Alfonso Alejandro Flores Bravo

## ORGANIZATION CHART





# OUR BACKGROUND

2013

On May 20, 2013, Salmenes Austral SpA was founded as a holding company, made up by the merger of the companies Trusal S.A., Salmenes Pacific Star S.A. and Comsur Ltda.

2016

Salmenes Austral was strongly impacted by the algae bloom that affected the Puerto Montt area. Due to the large loss of biomass that occurred that year, prices increased, which contributed to improving its financial situation. This occurrence led the company to implement mitigation systems against microalgae, unique in Chile, in all its centers.

2017

Investment in La Tablilla fish farm, changing from open flow to e-use, which reduced water consumption, making it much more sustainable.

2018

The PEX Operational Excellence Program (TPM) is implemented, opening its first pilot farming center at Bajos Lami.

2019

Los Arrayanes fish farm construction project begins. The process of registration of securities to receive approval from the Comisión para el Mercado Financiero (CMF) begins, which will allow trading on the Santiago Stock Exchange.

2020

Despite the COVID-19 pandemic, harvest levels are maintained, achieving 47,908 tons and the continuity of the 2020-2023 strategic investment plan.

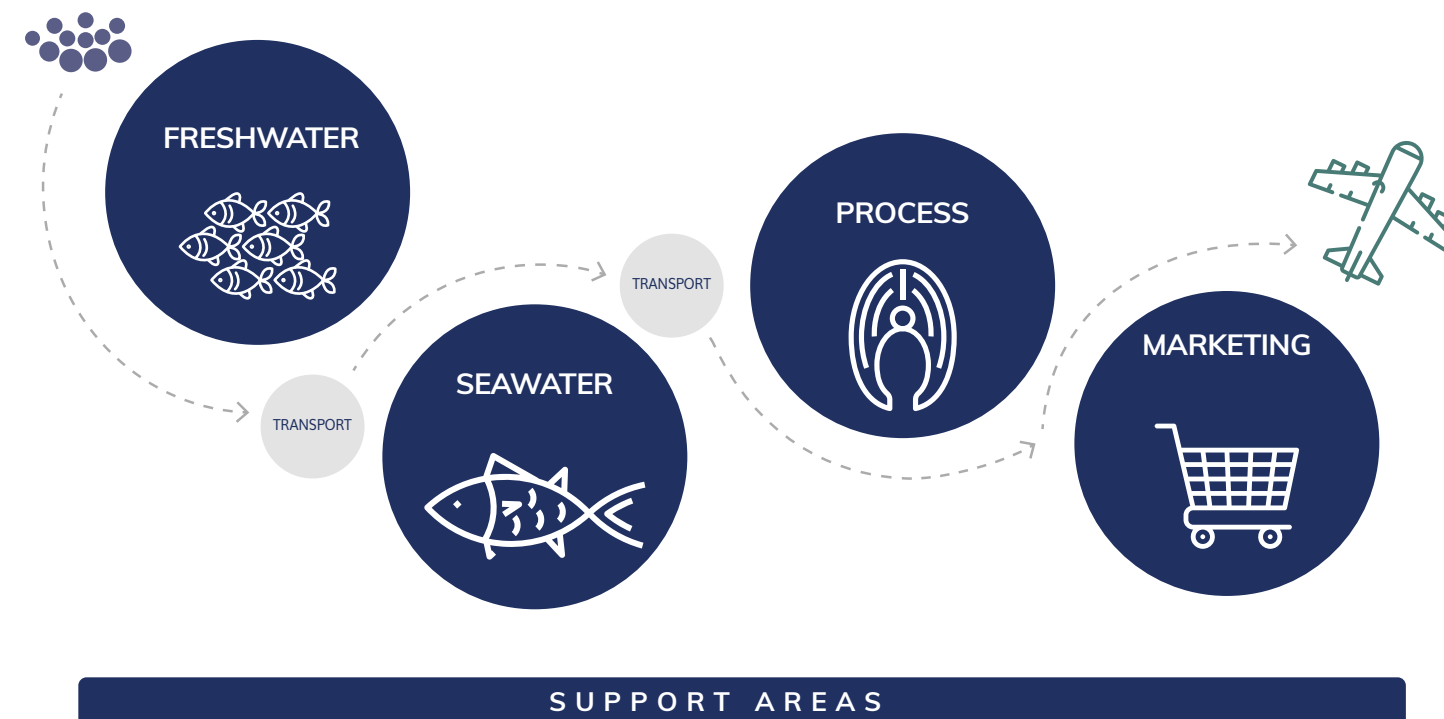
2021

Startup of Los Arrayanes fish farming project located in the town of LLaguepe, Los Lagos region, which seeks to increase fish production from 540 tons/year to 3,000 tons/year.



# OUR PRODUCTIVE CHAIN

To ensure the excellence of our produce, Salmenes Austral has the complete production chain, from fish farming to the trading of our final products to markets all over the world.





# FISHING FARMS AND PROCESS PLANTS

In 2021, Salmones Austral operated a total of 33 fishing farms, both freshwater and seawater, located in Maule, Biobío, Los Ríos, Los Lagos and Aysén regions, which enabled us to ensure quality throughout the production chain.

Also in 2021, Los Arrayanes fish farming project located in the town of LLaguepe, Los Lagos Region stands out. The project seeks to increase fish production from 540 tons/year to 3,000 tons/year and significantly reduces production costs from 2022.

## FRESHWATER

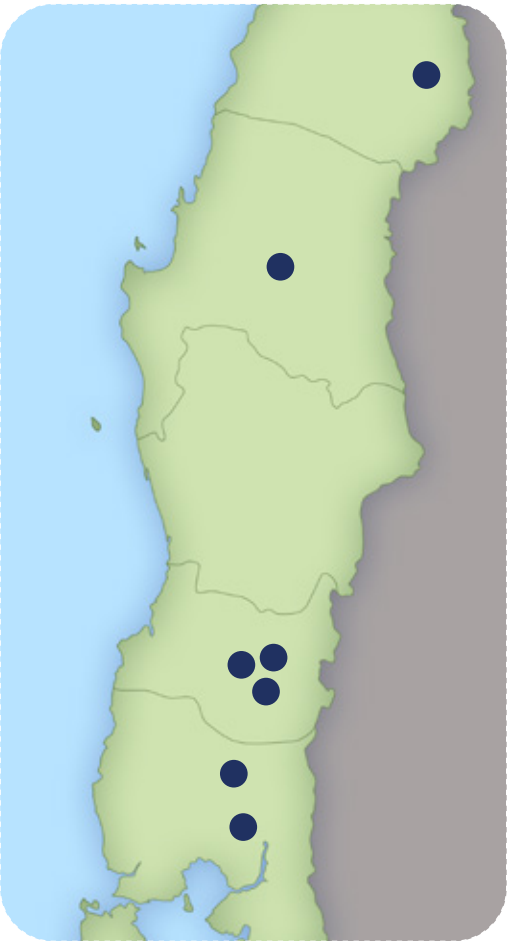
The freshwater process in Salmones Austral, which lasts about 10 months, is carried out in fish farms located in land, estuaries and lakes. At this stage, we incubate the eggs, produce fry and smolts, caring to provide the best quality feed, adequate light conditions, and water oxygenation to ensure the welfare of the fish until they are ready to be transferred to the seawater centers.

### Fish farms operating in 2021

**Owned:**

- Lake Rupanco
- La Tablilla
- Ralún del Este
- Caliboro
- Maquila:
- Curileufú
- Cuinco

SMOLT PRODUCTION (Nº)	2021	2020	2019	2018
Salt flat	6.914.997	5.638.000	7.542.364	5.318.758
Coho	5.269.044	4.837.871	4.981.458	5.017.345
TOTAL	12.184.041	10.475.871	12.523.822	10.336.103



## SEAWATER

In 2021, we had 23 operational seawater fishing farms, located mainly in Los Lagos region. These centers are responsible for the rearing and fattening of the salmon from the arrival of the smolts until they reach the appropriate weight to be harvested.

### Operational Seawater Centers 2021

- Angosta

Becerra

Caicaen Cajón

Islote Roberto

Errázuriz

Ester

Ilque

Lenca

Pichagua

Pirquen
- Pocoihuen

Polocuhe

Pta Iglesia

Puduguapi

Pumol

Quenac

Queullin

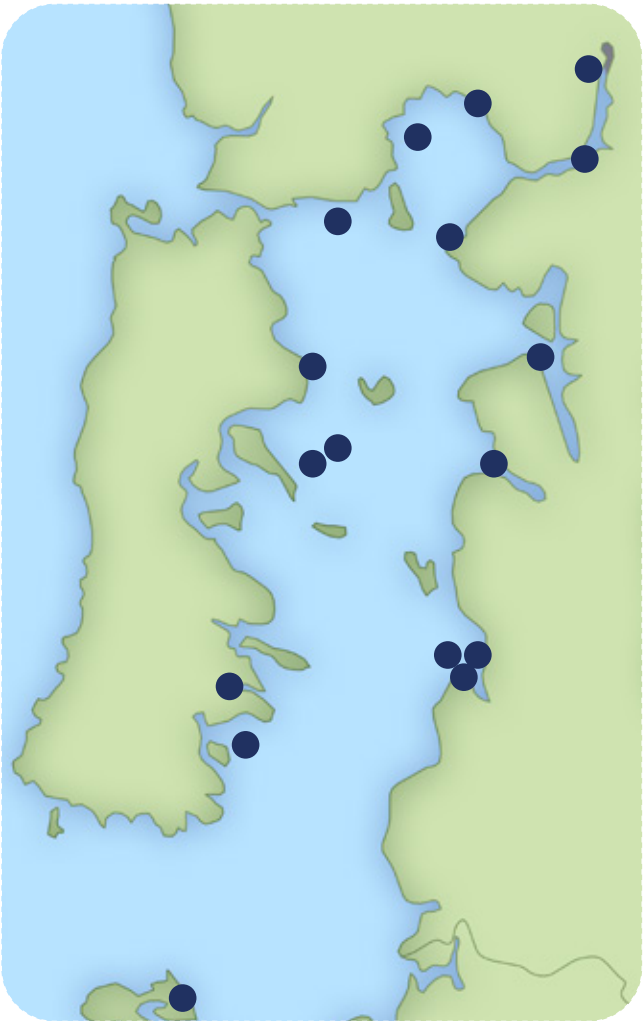
Quillaipe

Reñihue

Rollizo

Traiguen

Velero



HARVEST (TON WFE)	2021	2020	2019	2018
Salt flat	29.650	33.221	30.031	28.378
Coho	15.933	14.687	15.744	16.564
TOTAL	45.583	47.908	45.775	44.942

# PROCESS PLANTS

We have two processing plants located in Los Lagos Region, specifically near the city of Puerto Montt and on the large island of Chiloé, which grant us flexibility in processing and delivery times, thus expediting distribution to our customers in a timely and efficient manner.

## CHAMIZA PLANT

Chamiza processing plant manufactures produce with the highest standards in food safety.

Produce from this plant range from fresh gutted whole with head to frozen fish blocks and portions, including a wide variety of fillet types.

- Location: Chamiza sector, Puerto Montt commune, Los Lagos region.
- 8,000 m2
- 18,235 tons of raw materials processed in 2021
- It has six production lines (washing, filleting, sealing, freezing, fresh and frozen packaging, portions).
- 594 workers in high season\* (216 interns + 378 subcontracted)
- Certifications: BRC, IFS, BAP, ASC, HALAL and KOSHER, and can be exported to practically all countries in the world.

(\*) Average direct and indirect labor force September – December



## QUELLÓN PLANT

Quellón Plant produces various high standard presentations: fresh, frozen, whole gutted, with or without head; portions and frozen fish blocks and fillets.

- Location: San Antonio sector, Quellón commune, Los Lagos region.
- 8,400 m2
- 24,233 tons of raw materials processed in 2021
- It has six production lines (washing, filleting, sealing, freezing, fresh and frozen packaging, portions).
- 747 workers in high season\*
- Certifications: BRC, IFS, BAP, ASC, and KOSHER, and can be exported to practically every country in the world.

(\*) Average direct and indirect labor force September - December



PROCESS (TON WFE)	2021	2020	2019	2018
CHAMIZA	18.235	24.756	21.156	18.762
QUELLÓN	24.233	29.723	25.908*	26.911

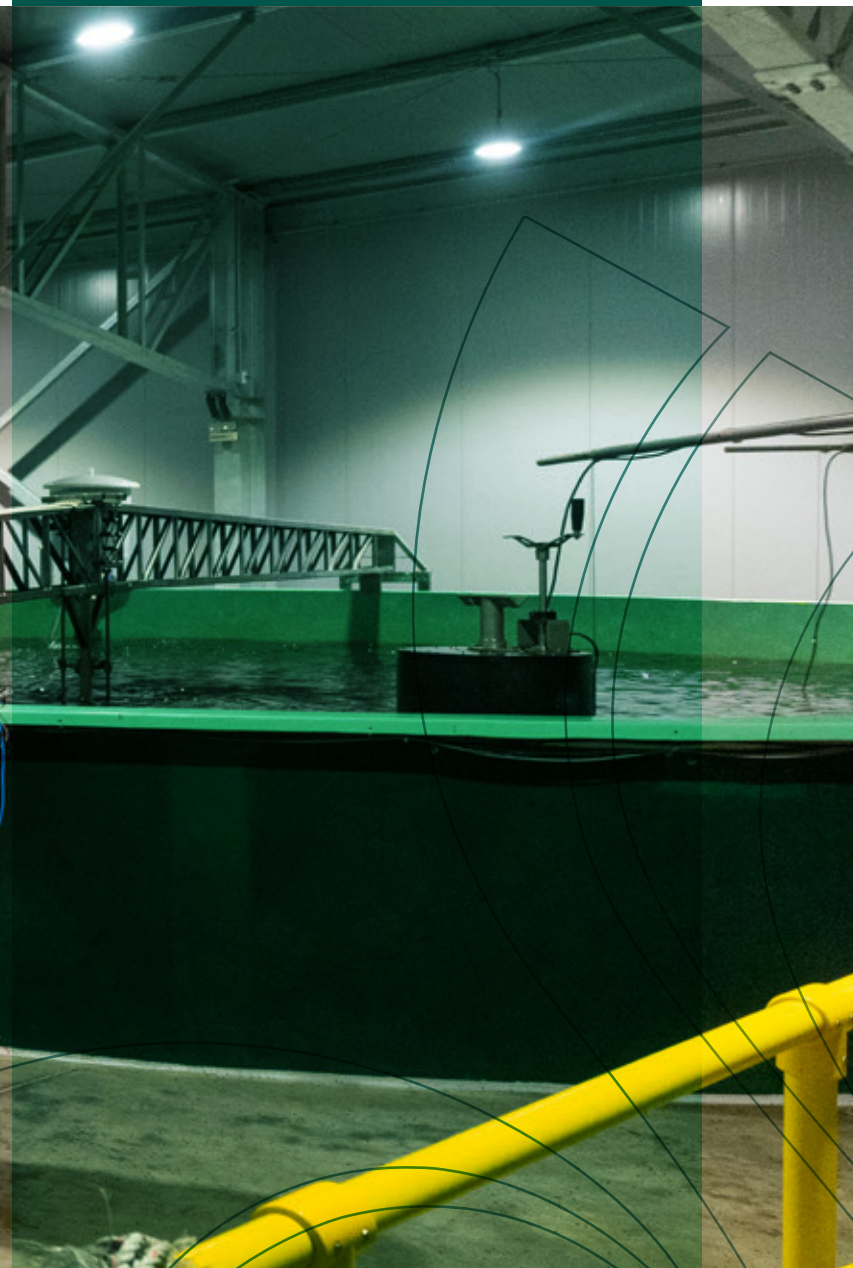
\*Ludrimar 159.3  
Corresponds to another plant used in 2021





# FOSTERING AN ETHICAL, TRANSPARENT AND SUSTAINABLE CULTURE

OUR CHALLENGE IS TO CONTRIBUTE TO THE RESPONSIBLE MANAGEMENT OF OUR VALUE CHAIN



CHAPTER

II



# VISION

To be a leading salmon company working with high international standards and aiming at cost reduction by developing operational excellence, in a sustainable and environmentally friendly manner, meeting shareholders, customers, partners and communities' needs.

# MISSION

To create value producing and trading salmon in a flexible, efficient and sustainable manner, creating ties of trust within our company, the community, customers and suppliers.

GRI 102-16

# VALUES



We want to be both stable and sustainable in the long-term.



We foster an outstanding working environment, based on respect and care for people and the community.



We encourage teamwork and communication.



We value knowledge for decision-making.



## STRATEGIC OBJECTIVES

- **Efficiency throughout the chain.** Salmones Austral seeks to manage losses in all areas in a systematic way, prioritizing the impact according to its magnitude in its costs.
- **Stable engagement with the community.** The company seeks to build channels and initiatives that help maintain a relationship of contribution and growth for the community in which it operates.
- **Safety benchmark in the industry.** Salmones Austral is committed to a shared and proactive safety culture, that encourages in all its collaborators.
- **People involved in the value chain.** We create a sense of pride in belonging to Salmones Austral, by the active participation of its members in teamwork and aligned with a focus on continuous improvement.
- **Quality throughout the value chain.** We standardize processes to ensure the quality levels set for our produce, internal customers, external customers, suppliers, etc.





# A STRATEGY OF SUSTAINABILITY

WHY IS IT RELEVANT?

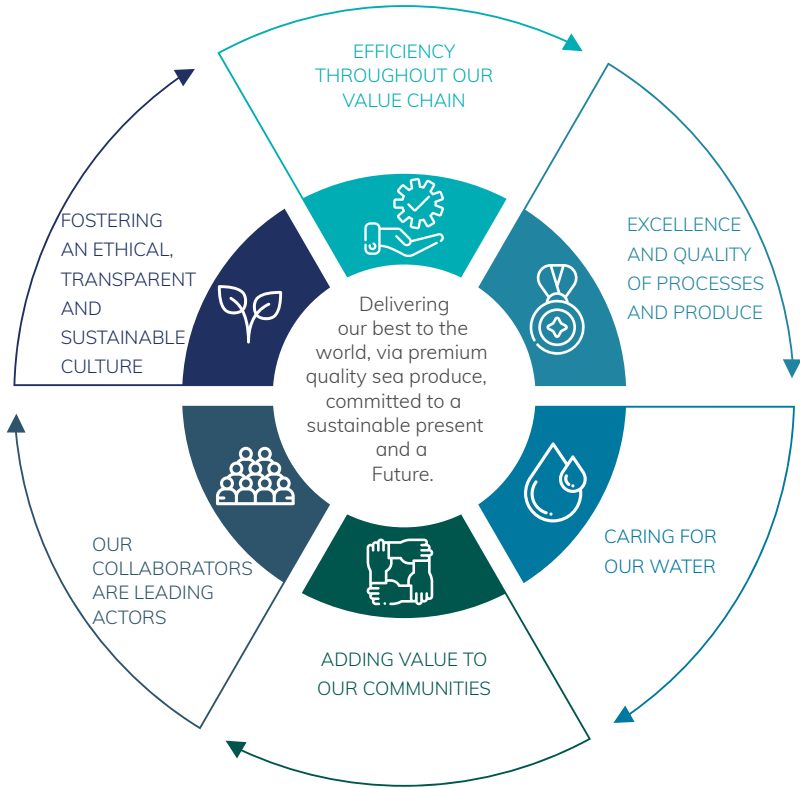
We began to work on the sustainability strategy as a differentiating element of our management for customers, partners, suppliers and our communities. We seek to proactively manage our impacts, both positive and negative, through a forward-looking value proposition that is constantly evolving and must respond to the needs of the business, but without losing sight of the environment and people.







HOW DO WE MANAGE IT?

In 2021, we created the Sustainability sub-management, under the Human Resources Management, which aims to coordinate and manage the relationship with the communities where we operate and implement the strategic projects that derive from our sustainability objectives.

2020 was an important year for our strategic view of sustainability. Jointly, a team of 36 collaborators from different areas were part of a collaborative process to implement Salmenes Austral's sustainability strategy.

This strategy has six fields of action:



PILAR	DEFINITIONS
 <b>ENCOURAGE AN ETHICAL, TRANSPARENT AND SUSTAINABLE CULTURE</b>	Our values, history, and vision for the future drive us to build transparent and reliable relationships with each of our stakeholders, permanently strengthening our sustainability governance and promoting a more sustainable, ethical culture within our teams.
 <b>EFFICIENCY THROUGHOUT OUR VALUE CHAIN</b>	We see efficiency as part of our identity and culture, thus optimizing resources is an imperative, not only to achieve economically viable production, but also because we are committed to minimizing impacts on our environment and creating job opportunities.
 <b>EXCELLENCE AND QUALITY IN ALL OUR PROCESSES AND PRODUCE</b>	We are driven by being a reference in how we do things, because we understand that the path is as important as the result. Thus, we work towards the development of excellent teams and premium quality products that satisfy the most demanding markets in the world.
 <b>CARING FOR OUR WATER</b>	Water is the natural resource that enables our sustainability and that is why we must care for it throughout our production chain. We are aware that we need clean rivers, lakes, and seas to achieve excellent products.
 <b>ADDING VALUE TO OUR COMMUNITIES</b>	In Salmenes Austral, we deeply believes in respecting the communities around its operation and understands that it is not enough just to be good neighbors, but that it is necessary to be active players in the development of opportunities for the people who live in the regions where we are located.
 <b>OUR PEOPLE ARE THE KEY PLAYERS</b>	The growth of this company and its 35-year history is owed to the commitment of its people. Men and women who have believed in Salmenes Austral and who have given the best of their talents. Thus, we must provide world-class working conditions for their care and growth.



# ETHICS CODE AND CRIME PREVENTION MODEL

## GRI 102

In Salmones Austral, we relate to each other with integrity, therefore ethical conduct must govern our performance within the company, as well as with our suppliers, contractors and the community.

Therefore, we delivered the Code of Ethics, which contains ethical and probity standards that seek to comply voluntarily with the Crime Prevention Model, established by Law 20,393 and implemented by the Company. In addition, the company's employees were trained in many small group sessions at all of the company's locations.

The Code of Ethics and Crime Prevention Model involves raising the standards of legal and ethical anti-corruption compliance with all our stakeholders (shareholders, customers, employees, contractors, suppliers). It was approved by the Board of Directors, establishing a person in charge (Crime Prevention Officer) with resources, means and authority.

In this line, due diligence with respect to processes and related entities is an inherent part of its control activity. In addition, precaution and prevention are central elements in determining the risks of noncompliance beyond their probability and impact. Likewise, the Company's political commitment is made public through its publication on its website as well as with its employees by dissemination and training.

Notwithstanding the unrestricted commitment to respect Human Rights stated in our Code of Ethics, we recognize a communication gap and a willingness to move decisively to close that gap.

The Code of Ethics defines behavior as a form of self-regulation, and to this end, it establishes restrictions on our actions, encouraging virtues and positive behaviors that prevent conduct that goes against ethics and probity (integrity and honesty).

- The Human Resources Manager is responsible for the Model, as Crime Prevention Officer.
- To PREVENT we train, identify risks and establish controls.
- There is an Ethics Committee that applies disciplinary sanctions.
- We perform audits of the controls according to the Work Plan.
- We opened a REPORTING CHANNEL on the Company's Web Site.
- Notwithstanding the unrestricted commitment to respect Human Rights that we express as a company in our Code of Ethics, we recognize a communication gap and a willingness to move decisively to close that gap.





The policy commitments for responsible business conduct are incorporated into each of the company's risk activities and its business engagement with its various stakeholders. Therefore, the Company's Board of Directors appointed the Crime Prevention Officer, who implements the Crime Prevention Model in its entirety. To implement its commitments, he relies on an Ethics Committee made up of senior managers, with training being a cornerstone as well as the obligation to report to the Board of Directors every six months on the progress of its management.

The Crime Prevention Model includes a Complaints and Reports Channel at the service of all stakeholders, which is secure, independent, anonymous and without reprisals, and serves the purpose of knowing and managing risks in time.

In addition, it includes compliance audits and reviews for the continuous monitoring of the processes and their controls, as well as a Work Plan focused on all the activities of the company, proposing improvement actions and work plans with the respective leads of the processes of Salmenes Austral.

The company defined, developed and implemented a monitoring protocol and an evidence-based conflict or grievance response protocol that considers impacts and grievances. Likewise, the company has prioritized and pays special attention to commitments to its stakeholders.

On the other hand, Salmenes Austral's strategic plan seeks to strengthen our collaborators' capabilities to relate to the community in order to foster responsible social conduct with our neighbors and stakeholders.



#### 13 COMPLAINTS WERE RECEIVED AND HANDLED IN 2021:

- There was no evidence of potential crimes associated with Law 20.393 on Criminal Liability of Legal Entities in any of the 13 cases.
- Twelve of the 13 cases came through the Complaints and Reports Channel and one through another supplementary channel (telephone and e-mail).





# EFFICIENCY, EXCELLENCE AND QUALITY THROUGHOUT OUR VALUE CHAIN

WE ARE TAKING ON A STRATEGIC CHALLENGE OF PERMANENTLY OPTIMIZING THE PROCESSES TO ACHIEVE AN EFFICIENT VALUE CHAIN. WE ALSO FOCUS ON ACHIEVING EXCELLENCE AND QUALITY IN PROCESSES AND PRODUCTS.

CHAPTER





# SALMONES AUSTRAL ECONOMIC PERFORMANCE AND INVESTMENTS

**WHY IS IT RELEVANT?**

Because our stakeholders are aware of the soundness of our financial performance. Those who review our results will also become aware of the company's investments and expenses in detail. On the other hand, our strategic objectives include "managing losses in all areas in a systematic way, prioritizing the impact according to its magnitude in its costs", which means that economic results and investments are still a focus on sustainability issues.

**HOW DO WE MANAGE IT?**

We manage it across our entire operation and throughout the company's various activities.

In 2021, Salmenes Austral reported sales for US \$251.2 million, an increase of 39.8 percent compared to 2020. The result was explained, mainly, by a higher volume of Coho salmon sold on consignment to Japan in 2020, plus the 100 percent firm sale of the 2021 season, in addition to the impact caused by the increase in the average selling price, which reached US \$4.97 per kilo WFE, compared to US \$4.27 per kilo WFE in 2020.

The company billed a higher volume last year due to the change in the sales form of the Coho species, since shipments were consigned in the last three months of last year, but sold at the beginning of 2021, which caused an annual increase of 26 percent in the total volume sold.

Salmenes Austral's cost of sales reached US \$ 230.3 million at year-end, up 22.6 percent compared to 2020, due to the higher volume sold (27.6 percent) and the cost of species that reached US \$ 4.31 per kilo WFE, higher by 1.4 percent. This

resulted in a profit of US \$20.8 million, US \$48.3 million more than 2020, when the result was negative.

The company's overhead was US \$0.16 per kilo WFE, i.e., US \$0.02 per kilo WFE lower than the previous year. While distribution expenses amounted to US\$0.06 per kilo WFE, \$0.04 per kilo WFE lower than 2020, largely explained by the decrease in cold storage costs due to lower stock in Chile.

In 2021, other income and expenses by function showed a positive result of US \$0.5 million, which compares to a loss of US \$0.4 million recorded in 2020.

As set in our 2020-2023 strategic investment plan - amounting to US \$100 million - the company will continue to develop its growth and production efficiencies to create value by producing and trading salmon in a flexible, efficient and sustainable manner.

MORE RELEVANT INFORMATION ON FINANCIAL RESULTS CAN BE REVIEWED IN THE COMPANY'S FINANCIAL REPORT.

# LEVEL OF SATISFACTION

**WHY IS IT RELEVANT?**

Our customers' satisfaction is a requisite for Salmenes Austral since we are in constant search to keep long-term relationships. Our way of working involves constant and direct communication with our clients in order to solve together any differences in expectations.

**HOW DO WE MANAGE IT?**

We work in constant communication, which means that we must continuously monitor complaints and provide solutions.

**INDICATORS**

In 2021, we received seven complaints, which were responded to within 24 to 48 hours of receipt.

TABLE INDICATORS	
2018	37
2019	30
2020	22
2021	7

**TOTAL SALES VOLUME FOR THE LAST 5 YEARS**

2017	2018	2019	2020	2021
39.635 tons	45.005 tons	42.897 tons	39.104 tons	49.889 tons



# INNOVATION AND TECHNOLOGY IN PROCESSES

## WHY IS IT RELEVANT?

Salmones Austral deems innovation and technology in processes important because our business line places us as a world class company, which leads us to be constantly thinking and experimenting in order to achieve premium quality products that satisfy the most demanding markets in the world.

## HOW DO WE MANAGE IT?

The sales team along with the process and supply plant teams perform tests and evaluate the development and/or modification according to customer requirements and/or market research.

In 2021, we highlight the use of high-tech materials in our sea lion protection nets, Dyneema or UHMWPE (Ultra High Molecular Weight Polyethylene). This material has qualities such as high strength and low weight, resistance to cutting and rubbing, low elongation. We carried out a process of direct import to obtain this material that reduced the interaction with sea lions, also resulting in a reduction of attacks and a decrease in mortality caused by sea lions.

This technology helped the company to have zero fish escapement in 2021.

On the other hand, the non-conventional energy project carried out in operations consists of the construction of a floating unit or platform for LPG-generated power. This energy alternative seeks to reduce CO2 emissions (-22 percent compared to the use of diesel), and avoid using oil at sea. It is estimated to be commissioned in 2022.





# RELATIONSHIP WITH OUR SUPPLIERS

## WHY IS IT RELEVANT?

Salmon farming industry is an economic and social development driver in the regions where it operates. This, not only because of the direct jobs it provides but also because of the large number of suppliers and contractors that are part of the industry's production chain. Salmenes Austral's suppliers are strategic partners to achieve the planned production and quality standards. Therefore, the supplier payment term is key as it enables this group to operate adequately.

## HOW DO WE MANAGE IT?

Efficiency is part of Salmenes Austral's identity and culture. Therefore, optimizing resources is essential to achieve economically viable production as well as meeting its commitment to minimize environment impacts and to create job opportunities.

In this regard, we are committed to implement innovative practices to enhance productive efficiency and to manage proactively our relationship with suppliers.

Salmenes Austral has different payment terms, depending on the supplier's line of business. E.g., we pay 180 days for fish feed and 60 days for packing materials. The average payment period is 90 days.

## LOCAL SUPPLIER INDICATORS

2021	2020
85%	77,8%

(\*) Local suppliers are companies whose headquarters are located in Los Lagos region, mainly from Puerto Montt to Chiloé Island. Further information on local suppliers in our Community Chapter



# EXCELLENCE PROGRAM (PEX)

## Since 2018, we are working in our excellence program PEX to:

- Center on relevant aspects, creating sustainable results over time
- Organize and professionalize daily work
- Encourage everyone's participation in multidisciplinary teamwork
- Enable visibility of key indicators (KPIs) to eliminate losses
- Supplement safety field
- Enhance and develop people's skills
- Organize and professionalize daily work

## 2021 PEX Program Main Milestones

1. Incorporation of administrative areas to the application of 5S
2. Increase people's participation in the culture of continuous improvement
3. Incorporation of analysis and problem-solving tools in different areas of the company's operations
4. Consolidate follow-up and reduction of the main losses of process plants by Autonomous Working Groups, Committees and Pillars



### Main benefits of working with PEX

1. The evaluation of this result is performed with a guideline, which was created by PEX Coordination jointly with the Administrative Pillar, where 85 percent compliance was defined as the minimum passing score. This guideline assesses both the area members' theoretical knowledge of the 5S method and the result they achieved in the workplace.
2. Training hours are the result of their number by the number of employees who participated. Signed records are kept as well as recordings of the sessions are made online. Competency matrices are guided by the company's Competency Building Pillar.  
Improvement ideas and one-point lessons are registered by any company collaborator, recorded in database and discussed in committees and/or Pillars to provide feedback. Indicators are used to monitor the correct management flow.
3. The focused improvement pillar has a work plan which it follows and allows accompanying the improvement groups in the main losses detected in the processes.
4. Indicators are set to monitor the autonomous working groups, pillars and committees. Each of these meets a set frequency to agree on actions in cases of deviations from the expected results.

One of the purposes of the PEX methodology is to encourage the employees' participation at all levels of the organization, which translates into greater empowerment in the execution of activities. The resulting autonomy is key to achieve the strategic objectives of the company.

PEX implementation scope in 2021 continued in the company at La Tablilla Fish Farm (Freshwater), the Polocuhe, Caicaen and Velero (Seawater) fish farms were incorporated, and progress was made with the creation of additional equipment for the Quellón and Chamiza plants.

## CERTIFICATIONS OF PRODUCTS

### WHY IS IT RELEVANT?

Quality and safety in food production is increasingly relevant for consumers globally. That is why it is key to have certifications that ensure the safety and security of Salmones Austral's products throughout the value chain.

### HOW DO WE MANAGE IT?

We have a quality policy that leads us to monitor this issue throughout the year to obtain the corresponding certifications. They are managed by the Head of Certifications and Document Management.

### HOW DO WE ASSESS IT?

It is evaluated during the company's regular operation and each time a certification process must be carried out.



# CERTIFICATIONS AND AUDITS

## WHY ARE THEY RELEVANT?

Certifications promote standardization of the centers in which we operate, order, good practices, regulatory compliance, but also communication with the community (neighbors) about what we do and how we do it.

## HOW DO WE MANAGE THEM?

We have a quality policy in our Freshwater and Seawater operations that provides us with a framework for action in this area. Compliance with committed certifications is managed by the Head of Certifications and Document Management.

We have a Quality Assurance Program in the processing plants that is part of the company's Integrated Management System. The QA Program pays special attention on ensuring the quality of raw materials, processes and produce to deliver a safe and innocuous product, respecting both the environment and the occupational health and safety of our workers. Thus, our plants base the safety of their products on the HACCP principles outlined in the Codex Alimentarius as well as complying with the ASC, BRC, IFS and BAP food safety standards.

Each process plant has a Regulatory Manager in charge of managing the Quality and Safety Certifications.

## HOW DO WE ASSESS THEM?

Throughout our operation, the aspects committed to in this area are evaluated on an annual basis by auditing compliance and approval of the certifications to which we adhere.

## CERTIFICATIONS

Process plants and fish farm centers have certifications that ensure the quality and safety of the processes in accordance with different standards, regulations and requirements of the most diverse markets which are enforced by the GFSI (Global Food Safety Initiative). Certifications met in our operation are:



### HACCP

Quality Assurance Program based on Hazard Analysis and Critical Control Points.



### BRC (BRITISH RETAIL CONSORTIUM)

This British standard requires documented approval to ensure products' safety and food quality. Among these retailers are Asda, Tesco, Waitrose and Sainsbury's. There is also BRC Packaging and Packaging Materials for packaging manufacturers.



### IFS (FOOD STANDARD)

This British standard requires documented approval to ensure products' safety and food quality. It has been adopted by its French equivalent, the FCD (Fédération des entreprises du Commerce et de la Distribution) and by its Italian equivalent (Federdistribuzione). These retailers include Aldi, Lidl, Carrefour, Auchan and Metro.



### BAP (BEST AQUACULTURE PRACTICES)

This is the only third-party aquaculture certification program to comply with the Global Food Safety Initiative (GFSI), Global Social Compliance Program (GSCP) and Global Sustainable Seafood Initiative (GSSI).

BAP certification is administered by the Global Aquaculture Alliance (GAA), a non-profit organization dedicated to advocacy, education and leadership in responsible aquaculture. GAA continually invests in promotional initiatives, including addressing the 95 percent of aquaculture facilities worldwide that are not yet third-party certified.



### ASC (AQUACULTURE STEWARDSHIP COUNCIL)

It was founded in 2010 by the World Wildlife Fund (WWF) and the Dutch Sustainable Trade Initiative (IDH) to provide a world-leading certification program for the aquaculture industry. It covers a wide variety of aquaculture processes worldwide, and considers the environmental and social aspects of farming to ensure responsible production.

#### BAP 2021 Center Certificates

**4 FRESHWATER** SITES  
**11 FRESHWATER** SITES

#### ASC 2021 Center Certificates

**1 FRESHWATER** SITE  
**1 FRESHWATER** SITE



# INNOVATION IN PRODUCTS

## WHY IS IT RELEVANT?

It enables us to adapt to the needs of our customers in various aspects, including not only the development of the product itself, but also certifications, logistics, packaging and others.

## HOW DO WE MANAGE IT?

Identifying needs, proving its production capacity and testing to ensure the quality and acceptance of our new products.



Our company launched Secret Island online in October 2021. A strategy to reach the final consumer with a new brand, and making our value chain known to customers with an investment amounting USD 1 million per year. In 2021, our objective was to become known among the public that uses digital sites to search for alternative purchasing channels.

Our Secret Island brand seeks to reach US homes with a quality product and with the promise of being on their plates within 24 hours. It also has the digital platforms to achieve maximum penetration in the US market. It was launched in October 2021, and has had a very positive response among our viewers. We are in the process of increasing visibility to further sales in 2022.

Secret Island has shown us the way to know first-hand the requirements of our products' end-consumers and the new promotion and sales sites.

### Secret Island.com figures (October - December 2021)

Users = 11.799

New users = 11.654

Sessions = 14.114

Page views = 26.240

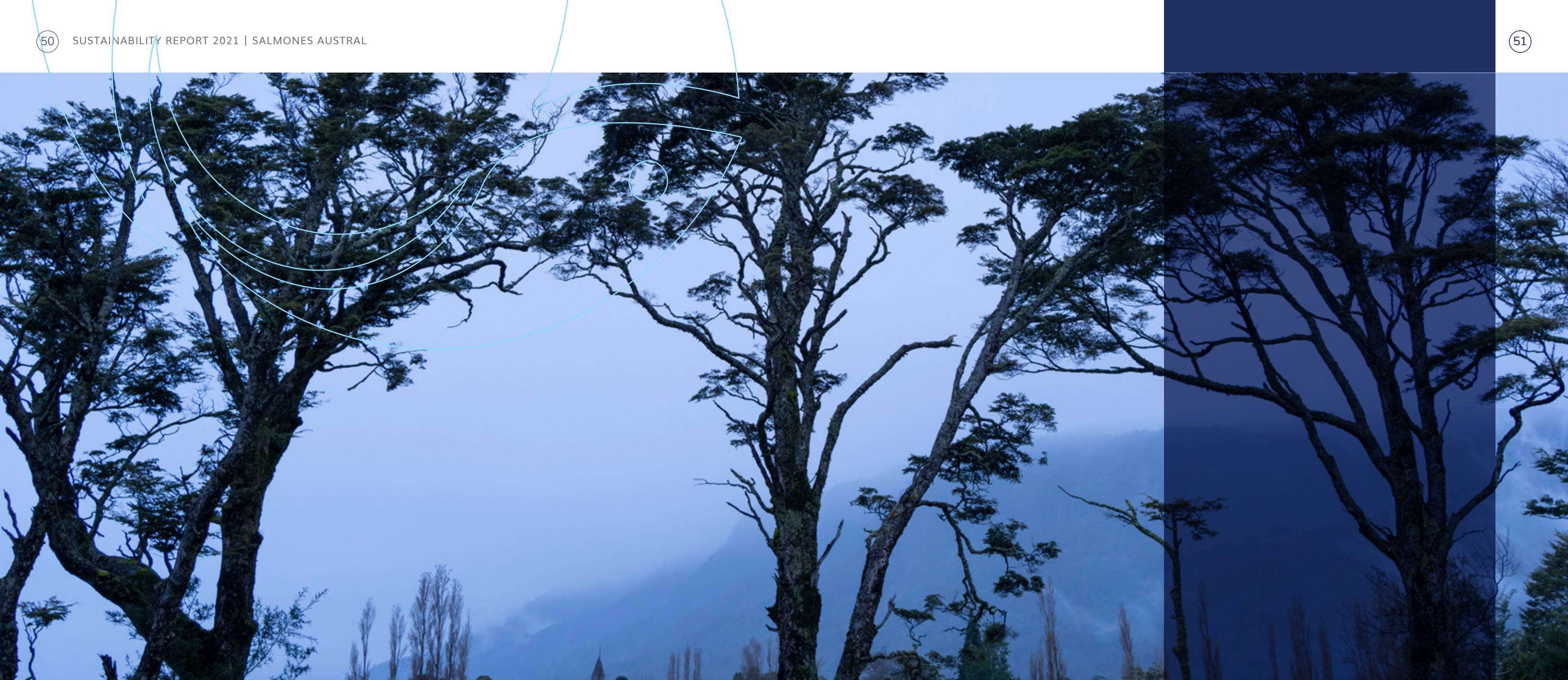
Conversion rate = 0.22%

Sales / Conversions = 31

Subscribed emails = 364

Social Reach = approximately 1.000.000





# PROTECTING THE PLANET **AND THE** **COMMUNITIES**

SALMONES AUSTRAL DEEPLY BELIEVES IN RESPECTING COMMUNITIES AND THE ENVIRONMENT, SO WE WANT TO BE ACTIVE PLAYERS IN THE DEVELOPMENT OF NEW OPPORTUNITIES FOR THE PEOPLE WHO LIVE IN THE REGIONS WHERE WE OPERATE, ALWAYS RESPECTING THE ENVIRONMENT AROUND.

## CHAPTER **IV**



# COMMUNITY ENGAGEMENT

## GRI 413-1

### WHY IS IT RELEVANT?

Since 1985, we have been part of the community in southern Chile, mainly in the island of Chiloé and in the Reloncaví estuary, where we concentrate our operations.

At the same time, we have been an important source of employment, especially in Los Lagos region, providing direct permanent, temporary and indirect jobs due to consolidated management with local suppliers.

In addition, due to the geographical distance of operations, we play an important role of connectivity for the neighboring communities, contributing to the development of the daily activities of hundreds of families.

### HOW DO WE MANAGE IT?

As of 2021, Salmones Austral has a sustainability and community engagement area, which reports to the Human Resources Management and has an annual planning that seeks to contribute to the communities nearby the company's operations, especially oriented to communication activities and adequate response to key community stakeholders.

### HOW DO WE ASSESS IT?

Until the year 2021, this process is evaluated by the number and topics of community engagement activities.

Community engagement for Salmones Austral include support for the social needs of the nearby community, social investment, corporate volunteering, and listening to neighbors and regional and local authorities.

Therefore, 98 percent of our operations have involvement with local communities.

Our commitment in 2021, centered on listening to our stakeholders, understanding their needs, generating trust and contributing to activities related to environment protection, infrastructure development and project management.

### SCOPE OF COMMUNITY MANAGEMENT

Forty-five percent out of 239 activities carried out with Bio Bio, Los Lagos, and Aysén communities relate to community environment protection, 27 percent to activities related to the development of the territories and 28 percent relate to education, sports and support to vulnerable groups or those affected by the pandemic.

### TYPES OF COMMUNITY OUTREACH ACTIVITIES 2021

**28,0%**  
Education, sports

**45%**  
Environment Protection

**27,0%**  
Territorial Development



### Infrastructure Support for Territorial Development

- Delivery of a pond for the canning plant project of the Fotum Lafquen Mapu indigenous community.
- Delivery of construction material of the Fire Station in Oqueldan.
- Delivery of construction material for housing in the indigenous community of Curaco.
- Delivery of paint for St. Augustine Parish in Puerto Octay.
- Delivery of supplies for an educational project in Las Abejitas kindergarten in the Ayacara sector.
- Delivery of heating system to Las Camelias Rural School in Ralún del Este.





#### Participation in public-private roundtables. Conversation with communities and participation in Constituent Councils.

- Lleguepe - participation in workshops with women heads of household and multicultural neighbors in the area in order to program training activities and coastline cleanup.
- Conversation in Queullín Island - where we show the fish farming center to the community leaders. In the activity we planned the annual actions with the community.
- Conversations with the Chamiza community - review of community projects and participatory diagnosis to implement a line of work with Chamiza neighbors.
- Informative talk in Villa Quinchao - this activity informs the community about the center opening operations.
- Participation in constituent assemblies in Llanquihue and Quinchao.
- Discussion with local authorities in the Chaitén commune.
- Discussion with authorities of Calbuco commune.



#### Guided visits to facilities

- The leaders of the Ilque Neighbors' Committee visited the facilities of Ilque Seawater Center.
- Students and teachers from the Queullín rural school visited Salmones Austral facilities.



#### Support in sports activities

- Llingua Island Trail
- Sports and Nature Fair, Villa Quinchao



#### Support in supplies for the prevention of COVID-19 and delivery of food to the affected communities

- Delivery of face masks to rural schools
- Delivery of food boxes to Melinka fishermen's unions
- Delivery of food supplies to Lenca fishermen and collectors' unions
- Delivery of COVID supplies and food to residents of Isla Alao by the Alao Rural Polyclinic



#### Delivery of salmon to vulnerable groups affected by the pandemic, to soup kitchens and senior citizens

- More than 2,200 kilos of salmon were donated.



## CONTRIBUTION TO LOCAL AND REGIONAL DEVELOPMENT

#### ¿WHY IS IT RELEVANT?

Salmones Austral's strategic vision has incorporated a permanent engagement with neighboring communities, understanding that their development must be linked to the sustainable growth of the business due to an essential bond between the company with local suppliers and with its collaborators that are part of its community.

#### ¿HOW DO WE MANAGE IT?

We manage it with the delivery of tools for the registration of local businesses, training in Occupational Health and Safety, to be subsequently included in our supplier database.

#### ¿HOW DO WE ASSESS IT?

It is evaluated according to the number of activities and issues where the company contributes to the initiatives of its operations neighbors.



**In activities performed with the community that have an impact on local and regional development in 2021, those related to education and improvement of skills stand out:**

- Training course on seafood canning procedures in Huichas Islands.
- Aquaculture courses; Biosafety in culture centers; Fish health and waste management; and Handling in aquaculture.
- Courses in Industrial Food Processing; Good Manufacturing Practices, Official Sernapesca POS, Official Sernapesca HACCP.



## FINANCIAL IMPACT IN THE COMMUNITY

### WHY IS IT RELEVANT?

The economic impact that Salmenes Austral represents is important since it generates quality employment by which we seek to contribute to the neighboring communities. On the other hand, the knowledge we can share is relevant so as to generate measurable process and impact indicators in the near future. This is part of our Sustainability Strategy commitments.

### HOW DO WE MANAGE IT?

We manage it by the Human Resources management and the person in charge of Corporate Social Responsibility who, together with our collaborators, coordinated the support to our neighbors.

## LOCAL SUPPLIER DEVELOPMENT

### WHY IS IT RELEVANT?

Salmon farming industry is an economic and social development driver in the regions where it operates. This, not only because of the direct jobs it provides but also because of the large number of suppliers and contractors that are part of the industry's production chain. Salmenes Austral's suppliers are strategic partners to achieve the planned production and quality standards, with emphasis on those that are local.

### HOW DO WE MANAGE IT?

We manage sharing knowledge and tools to improve their work, creating a positive impact in the relationship with Salmenes Austral.

### HOW DO WE ASSESS IT?

We expect to complete our supplier evaluation in 2022.

- **Total number of domestic suppliers: 835**
- **Total number of Local Suppliers (refers to suppliers whose Head Office is located in the same region of its operations): 372**
- **By 2022, indicators will be developed with positive, negative and social impacts as well as supplier training.**



# ENVIRONMENT PREVENTION AND PROTECTION

## WHY IS IT RELEVANT?

Water is the natural resource that enables our sustainability and that is why we must care for it throughout our production chain. Clean rivers, lakes and seas are essential for excellent products. Hence, the company promotes preventive management of the environmental impacts of its operations on water. In addition, by 2021, Salmones Austral has committed to efficiently manage the waste produced by its operation to move forward with a circular economy approach.

## HOW DO WE MANAGE IT?

We have environmental contingency plans for all our facilities and have initiatives and standards for their compliance. In addition, most of the facilities have Environmental Qualification Resolutions (RCA) that commit the operation in a binding manner with control measures to protect the environment.

Both seawater centers and fish farms reinforce environmental management by ongoing training of the teams developed by the Environment and Biosafety, Health, Risk Prevention, Operations, Production, Human Resources and Sustainability Departments.

## HOW DO WE ASSESS IT?

- Among the main permanent monitoring activities, we highlight:
- Water quality analysis at the centers
  - On-line monitoring of environmental parameters at sites
  - Implementation of environmental management control platforms
  - Implementation of oxygenation pontoons at some facilities
  - Air mitigation system

## SAFEGUARDING OUR ENVIRONMENTAL IMPACT ACROSS OUR ENTIRE VALUE CHAIN

Salmones Austral is constantly monitoring the production chain; that is why we are committed to the Global Salmon Initiative (GSI), which brings together global salmon producers and seeks to make significant progress towards achieving the goal of providing a highly sustainable source of healthy protein to feed a growing global population, while minimizing our environmental footprint and continuing to improve our social contribution.

Thus, we incorporated the following indicators that also impact our environmental management:

## FISH ESCAPES

As a GSI member, we are working to decrease the number of escapes. Despite our best efforts, however, there is always the risk of escape as a result of bad weather, predation or possible human error.

The number of fish escapes is shown as net number after recapture from January to December.

2021	No incidents to report
2020	No incidents were reported
2019	No incidents were reported

## FISH MORTALITY

Fish mortality is a key measure used to assess fish health during production. We have chosen to measure mortality using a 12-month rolling mortality rate. This measure calculates mortality for the last 12 months (January to December) as a proportion of the estimated number of fish at sea in the last month of the year (adjusted for harvest and mortality).

## THE CALCULATION IS MADE AS FOLLOWS:

12 months of mortality rate=	Total number of mortalities at sea in the last 12 months*.	x 100
	(No. of fish closures at sea + No. of total mortalities in the last 12 months + No. of total fish harvested in the last 12 months + Total number of fish slaughtered in the sea (due to disease or similar and not included in the number harvested/caught)	

\*not including slaughtered fish

Atlantic Salmon	
2021	2,55%
2020	2,67%
2019	2,10%



ANTIBIOTIC USE

As an industry, our priority is to reduce the use of antibiotics, and by this we hope to show our progress on this item by the GSI Sustainability Report. As fish farmers, we have a responsibility to ensure a healthy environment as well as to protect the health and welfare of the fish we manage. At times, we must use antibiotics to ensure the health of our fish, in the same way that we humans do to fight a disease. We only make use of antibiotics following the guidelines of a veterinary prescription, and these are used only under the strict supervision of a certified professional related to the health of the fish.

The amount of antibiotics used is calculated as the amount of active pharmaceutical ingredients used (in g) per tons of fish produced. Antibiotic utilization is calculated by calendar year (January - December).

SPECIES (g API per ton)	2021	2020	2019
Atlantic Salmon	856,14	704,16	471,00
Coho Salmon	74,17	92,00	0,00





CALIGUS COUNT

The caligus (sea louse) is a naturally occurring parasite found in all the world's oceans, as well as in many species of fish. This parasite has a detrimental effect on the health and welfare of infected fish and can reduce farm productivity. Control of sea louse levels is a priority for all GSI members, except for members in Australia, where there are no sea lice, and New Zealand, where a different species is farmed that is not affected by sea lice.

We operate in accordance with national regulations related to caligus level limits that establish the maximum number of caligus per fish throughout the year. These limits vary, based on the type of caligus, time of year and jurisdiction, as stated below.

This has been calculated as the total number of adult lice (gravid females)\* per fish.

ATLANTIC SALMON

TYPE OF SALMON	Jan	Feb	Mar	Abr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Atlantic salmon	1,12	1,10	1,39	1,70	1,39	1,18	1,30	1,10	0,84	0,71	0,70	0,77
Coho Salmon	0	0	0	0	0	0	0	0	0	0	0	0

TREATMENT OF CALIGUS

If caligus levels are close to the advised limits, fish are treated with approved drugs, and it is important to measure the amount used.

The amount of treatment used is calculated as the amount of active pharmaceutical ingredients (API) used (in grams) per ton of fish produced (LWE).

MEDICINAL TREATMENTS IN THE BATH (G API PER TON)

Species	2021	2020	2019
Atlantic Salmon (Production)	5,93	5,08	6,45
Coho Salmon (Production)	0,00	0,00	0,00

MEDICINAL TREATMENTS IN THE FOOD (G API PER TON)

Species	2021	2020	2019
Atlantic Salmon (Production)	0,05	0,04	0,04
Coho Salmon (Production)	0,00	0,00	0,00

USE OF HYDROGEN PEROXIDE

As an additional method for sea lice management, the use of hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>) as a form of treatment was added to the GSI Sustainability Report to provide a complete overview of sea lice management practices. Such treatments enables us to ensure optimal fish health and, in the case of H<sub>2</sub>O<sub>2</sub>, the active ingredient is split into water and oxygen.

The amount of H<sub>2</sub>O<sub>2</sub> used is calculated as the amount of active pharmaceutical ingredients (APIs) used (in kg) per tons of fish produced (live weight equivalent, LWE). The use of H<sub>2</sub>O<sub>2</sub> has been calculated by calendar year (January-December).

USE OF HYDROGEN PEROXIDE (KG API PER TON)

Species	2021	2020	2019
Atlantic Salmon	3,38	6,74	3,21
Coho Salmon	0,00	0,00	0,00

NON-MEDICINAL METHODS

Non-medicinal approaches can also be used to combat caligus. Many of these approaches are still under development, but it is expected that, in time, they will be used regularly, and reduce the need for medicinal treatments.

2021	No methods to report
2020	No methods to report
2019	No methods to report

INTERACTIONS WITH WILDLIFE

Protecting the ecosystems in which we operate is essential to the way we manage our business activities, and we are committed to reducing negative interactions with wildlife through responsible management. Despite our efforts, some wild animals may die because of their interaction with our farms.

This has been calculated as follows: Total number of interactions divided by the total number of sites from January to December of each year.



	BIRDS			MARINE MAMMALS		
	2019	2020	2021	2019	2020	2021
Accidental Mortalities	0	0	0	0	0	0,04
Intentional Fatalities	0	0	0	0	0	0

USE OF MARINE INGREDIENTS IN FOOD

The rates, one for fishmeal and one for fish oil, calculate fishmeal dependence on fish by mean of an assessment of the amount of live fish from small pelagic fisheries required to produce the amount of fishmeal or fish oil needed to produce one unit of farmed salmon.

This calculation is based on using the ASC parameters for the Fish Fishmeal Dependency Ratio (FFDRm).

Fishmeal Dependency relationship:	
2021	0,17
2020	0,33
2019	0,27

Fish oil Dependency ratio:	
2021	1,35
2020	1,41
2019	1,38

ASC CERTIFIED VOLUME

As a member of GSI, we are committed to progressing towards 100 percent Aquaculture Stewardship Council (ASC) certification at all of our farms. As the most stringent of certification schemes, we use ASC as a framework and benchmark to deliver significant improvements in the sustainability of our salmon farming operations and provide fish of the highest quality to our customers.

The ASC certification volume here is calculated as the percentage of net harvest biomass (excluding discards) that has ASC certification relative to total net harvest biomass (excluding discards).

Data are provided in gutted weight equivalent (GWE) from January 1 to December 31, 2021.

ASC Certified volume	
2021	3%





# PROTECTING THE ENVIRONMENT WITH OUR COMMUNITIES

## IN 2021, WE SUPPORTED THE FOLLOWING ACTIVITIES FOR THE ENVIRONMENT PROTECTION IN OUR COMMUNITIES:

- Delivery of recycling cage for plastic bottles in Calbuco communal park
- Follow-up composting workshop in Caguach Island, Meulín and Quenac.
- Recycling, product reuse and environment protection workshops at Ilque rural school.
- Environment protection talk, delivery of medicinal and ornamental plants at Las Camelias rural school.
- Delivery of a Clean Point container in the Llanada Grande area, Cochamó commune.
- Delivery of compost bins for environmental projects in urban areas.



## IN 2021, PERIODIC BEACH CLEANUPS ARE ALSO CARRIED OUT ON THE BEACHES NEAR THE OPERATIONS. CLEANUPS ARE ORGANIZED JOINTLY WITH THE COMMUNITY IN QUENAC, ILQUE, LENCA, CHAIGUAO, QUELLÓN, CALBUCO, COCHAMÓ AND RUPANCO.



# APL, CLIMATE CHANGE AND CIRCULAR ECONOMY

A Clean Production Agreement (APL) signed between the Sustainability and Climate Change Agency and SalmonChile, committed Salmenes Austral in 2021, to work together to address the challenges of climate change in a two-year period, confirming its commitment to move towards a circular and low-carbon industry.

The Clean Production Agreement "Climate Change and Circular Economy Strategy for the Salmon Sector", for Los Lagos and Aysén regions, imposes on Salmenes Austral the objective of helping to improve the practices of the salmon farming sector and its chain, specifically in relation to circular economy and climate change, in order to improve the sustainability of the industry in order to improve the sustainability of the sector and contribute to the country's commitments in these matters.

Therefore, the company is committed to working on issues such as measuring the carbon and water footprint, managing and reducing energy consumption to prevent and mitigate greenhouse gas emissions, improving the management and recovery of inorganic waste and sludge, and optimizing logistics throughout the production chain.

In addition, Salmenes Austral committed to promote the circularity of the industry, so it expects to develop projects or new circular economy business models for the prevention and recovery of solid waste; to establish a collaborative agreement between salmon producers and farmers to promote the use of sludge in agriculture; and to report their waste, according to the requirements of the National Waste Declaration System (SINADER).

The voluntary agreement considers the implementation of seven specific goals, which include generating standards and measurement of differentiated carbon footprint for the entire industry value chain, as well as corporate water footprint, circular economy practices and the implementation of projects with coastal communities that encourage environmental responsibility in waste management.





# OUR PEOPLE ARE THE LEADING ACTORS

SALMONES AUSTRAL STRIVES TO PROMOTE WORLD CLASS WORKING CONDITIONS TO PROTECT AND PROMOTE OUR COLLABORATORS' GROWTH. FOSTERING QUALITY, SAFE WORKING CONDITIONS, ENABLING THEM TO ACHIEVE THEIR DREAMS AND GOALS IS OUR COMMITMENT.

CHAPTER

V



Salmones Austral's center is people. We want all those who work directly and indirectly in the company, as well as the families of our collaborators, to feel proud of being part of this great team. Thus, the development of competencies to achieve Key Actors is being strengthened and different long-term objectives that give people relevance and prominence were set in the new Salmones Austral Strategy. To enhance this focus, the people management area was strengthened, establishing the Human Resources Management as responsible for leading progress towards meeting the objectives and challenges in the area of people for the new reality as well as for the complex and changing future we face.

Two new Deputy Managers were added to this new Management; Sustainability and Occupational Health and Safety.

the Sustainability Deputy Management to lead and guide the work teams in all areas towards the fulfillment of the Strategic Sustainability Objectives,

commitments that were voluntarily established by the company.

Likewise, the Occupational Health and Safety Deputy Management was created because the occupational health and safety of our collaborators is essential for them to feel and work safely and with the confidence that no production goal or operational emergency justifies exposing anyone to risks that do not have the corresponding control measures in place.

We want to achieve the goal of zero accidents, thus we are all responsible for the safety and occupational health of ourselves and our colleagues, so the work teams have prioritized collaborator's protection and employees' safety.

and safe conduct, promoting awareness and preventive culture in the company, via continuous training and education of all workers and the example set by leads to work teams.

# THE PROTECTION OF OUR TEAMS

## EMPLOYEES HEALTH AND WELFARE

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

### MATERIAL SUBJECT

#### WHY IS IT IMPORTANT?

It is relevant because Salmones Austral incorporates health and safety as a pillar of its strategy, seeking to achieve a responsible management for collaborator's protection.

#### HOW IS IT MANAGED?

We manage it through the Occupational Health and Safety (OHS) Deputy Management, which was created in 2021 and develops the activities corresponding to the framework of the company's OHS Policy and strategy.

#### HOW DO WE ASSESS IT?

By means of periodic audits of internal OHS processes and procedures.

Salmones Austral acknowledges the health and well-being of workers as a fundamental pillar within the strategy. Thus, it seeks to deliver world class conditions in this matter.

In 2021, the company has defined an Occupational Safety and Health structure, a step further than the Chilean law on occupational accidents and diseases. This structure is led by an Occupational Health and Safety Deputy Management and includes a group of professionals specialized in occupational health and safety for risk control and occupational diseases, including the control and prevention of COVID-19.

Salmones Austral has a policy of Occupational

Health and Safety, supported by the the company's senior management, and it is operational at each

work site. In addition, internal OHS processes and procedures are periodically audited. These audits are performed by external entities, and comply with Global GAP, ASC, IFS and other external certifications defined by the SSO Deputy Management.

All risk control and evaluation actions are framed within the formal and standardized process of the respective risk matrices, prepared for each task, activity or process within the organization.

On the other hand, a pillar called "Self-care" was created through the operational excellence program (PEX), with the purpose of being able



to map the risks of each operation, together with the workers themselves, thus obtain a relevant control.

All workers who join Salmones Austral receive an induction on risk prevention, and former workers receive periodic training so that they are aware of the most relevant topics in occupational health and safety management.

There are joint health and safety committees within the entire operation, with representatives of the workers and the company, that meet monthly to review processes, investigate work accidents and/or any other measure that may increase or

protect the safety of its own and third party employees.

In turn, occupational health and safety is a cross-cutting issue in the company, including the operation of service suppliers, which must be governed by the manual and special regulations for contractors, which indicates the processes and procedures to be adopted for the prevention and control of occupational risks and exposures.

Challenges in this area are permanent. Thus, we work on the recording of an occupational health and safety management system, which is expected to be implemented in 2022.

OCCUPATIONAL HEALTH AND SAFETY INDICATORS

GRI 403-9

	WORKED HOURS	INJURIES WITH LOST TIME*.	FATALITIES**	ABSENCE RATE***
2021	2.710.800	17,67	0	0,45%
2020	2.968.020	11,4	0	2,4%
2019	2.905.740	13,4	0	2,7%

(\*) (Total number of lost time injuries / Total number of hours worked) x 1,000,000.  
(\*\*) No. of deaths of workers at the company's facilities between January and December 2021. (\*\*\*) (Total number of days of absence / Total number of working days)x 100

REGULATORY COMPLIANCE

2021	8 fines	USD \$38.245,76
2020	11 fines	USD \$33.337
2019	10 fines	USD \$75.833

BALANCE BETWEEN WORK AND **FAMILY/** **QUALITY OF LIFE AND BENEFITS**

GRI 401-1, 401-2, 401-3

MATERIAL SUBJECT

WHY IS IT IMPORTANT?

Talent and experience at the service of the company is recognized by Salmones Austral as its most important asset.  
We are committed to providing quality, safe working conditions that allow them to achieve employees' dreams and goals.

HOW IS IT MANAGED?

It is managed by delivering the benefits to employees, to create valuable and long-term relationships between workers and the company. There is an area of Salmones Austral that is constantly monitoring the good practices of other companies and listening to our workforce to be at the forefront in this area.

HOW DO WE ASSESS IT?

We constantly review our policies and the need to incorporate new benefits that arise spontaneously among our employees, and are expressed to the Human Resource area.

We add all our efforts in Salmones Austral to work in a responsible and respectful way to create valuable relationships with collaborators, community and environment, all this under the Protection and Promotion of Human Rights in all its aspects, fostering respect in an environment of good labor relations, good working environment, cohesion and a clear and timely internal communication.

Work-life balance is considered very important in this company, as well as the benefits that the company may grant. Thus, since 2017 the company signed an agreement of good labor practices that seeks to protect maternity by ensuring pregnant women the exercise of their rights and understanding of duties by talks and workshops, relocation to jobs that protect their state of health, respecting current legislation.



### BENEFITS

- During the pandemic, mothers with children under 2 years work from home, retaining their employment status and monthly compensation.
- Summer timetable: management area workers may leave earlier, upon agreement with their supervisors.
- Life and supplementary health insurance is granted to all employees with permanent contracts. This benefit is not granted to temporary employees (fixed-term contracts).

- Salmones Austral's turnover for 2021 is 0.95 percent. (Annual change in turnover)
- In 2021, 100 percent of the women (14) who requested maternity leave returned to their jobs once this leave ended.

# TRAINING

GRI 404-1, 404-2

### MATERIAL SUBJECT

#### WHY IS IT IMPORTANT?

Salmones Austral deems training important because it operates in a highly dynamic industry with high international standards. In this way, a group of collaborators trained to perform their work optimally is an element present in our daily work.

#### HOW IS IT MANAGED?

We define competencies that are the goal of the work in training as explained later in this chapter.

#### HOW DO WE ASSESS IT?

Collaborators themselves and their supervisors evaluate training activities and create improvement opportunities.

Employee training and skills development is essential in a dynamic industry with high standards of efficiency, quality and safety; therefore, it occupies an important place in the company's strategy.

Salmones Austral has defined Competency Building as a key driver for business sustainability, defining commitments such as:

- Align teams with the company's strategic objectives.
- Contribute to the leadership training in accordance with the values of Salmones Austral.
- Create a training offer adjusted to the objectives, requirements and characteristics of the different areas of the company.
- By means of training, support compliance with regulatory and legal requirements.

The different training activities have an outreach to all areas and job levels of the organization. Until 2020, the activities were carried out solely by means of the Training Needs Detection, defined by each department. This was then used to design training plans.

Then, gradually in 2021, training management was incorporated, based on the Competency Construction Matrix tool. These matrices make it possible to manage competency training based on deviation metrics detected in the process, the definition of critical knowledge, and the linkage with strategic objectives. Here, the focus for content design is based on operational concepts that constitute the unmet KPIs, and the evaluation is based on the reduction of detected gaps.

The knowledge building approach is based on Model 70-20-10, which defines a Development Plan that bases its management activities in which people build competencies: 10 percent based formal classes (Classrooms, Theory), 70 percent

executing on the job what has been learned, and 20 percent based on interaction with others, which can be feedback sessions, Mentoring or Coaching.

The main evaluation tool in the area of training is based on ROI Level 1 and 2. This implies the levels of reaction and knowledge generated by the training activities. The knowledge construction methodology is based mainly on activities developed in classrooms, through theoretical classes supported by practical exercises, role playing or simulations. Definition of some deviant indicators, the perception of managers and the participants themselves are some of the main inputs to focus on in content design.

Three Development Plans derived from Competency Matrices were developed in 2021. Here the participating areas were:

- Competency Building Pillar
- Pillar Operational Autonomy
- Freshwater Production Assistant Training.

By 2022, we expect to add Development Plans for the 13 Pillars of the organization (influencing 80 people located in leadership positions of strategic teams), and critical positions to be defined by each productive Unit.

The Seawater Center Assistant Training Program has been executed in two versions, the last one ended in 2021, where seven high-potential qualified operators were selected, who started this training to build the necessary competencies to qualify for the position of Seawater Center Assistant. After eight months of training, which included the appointment of an experienced site manager as the apprentice's tutor, field practice of the functions and intensive theoretical and practical classes, the apprentice is evaluated in different competencies to occupy the position. In the version completed in 2021, six students were eligible for the new position.



Average hours of training by gender	
Female	457
Male	899

Average hours per employee category	
Operators	844
Middle management	202
Management	304

65.4% coverage achieved in the 2021 training cycle

2021	FEMALE	MALE	*OTHER	TOTAL
TOTAL	558	1132	--	1690
Nbr. of permanent employees	402	918	--	1320
Nbr. of temporary employees	156	214	--	370
Nbr. of employees per hour non guaranteed	0	0	--	0
Nbr. of full-time employees	558	1132	--	1690
Nbr. of employees at partial time	0	0	--	0

\*OTHER GENDER REPORTED BY THE WORKERS THEMSELVES

100 percent of Salmones Austral's employees are part of a collective contract or agreement, even though they are not all unionized. Benefits are extended by an agreement with one of the unions or by the Internal Remuneration, Benefits and Royalties Policy. On the other hand, 31 percent of the employees are unionized.”  
(This is unionized as of December 2021= 459, divided by the 1467 workers reported in GSI).

GRI 102-41

GENDER DISTRIBUTION 2021

POSITION TYPE	MALE		FEMALE	
	2021	2020	2021	2020
MANAGERS AND ASSISTANT MANAGERS	100%	100%	0%	0%
DEPARTMENT HEADS, PROFESSIONALS AND TECHNICIANS	78%	82%	22%	18%
ADMINISTRATIVE AND	62%	68%	38%	32%

ALLOCATION ACCORDING TO TERRITORIAL DISTRIBUTION

2021	REGION BIOBÍO	REGION OF ARAUCANÍA	REGION OF RÍOS	REGION OF LOS LAGOS	REGION OF AYSÉN	REGION OF MAGALLANES
TOTAL	44			1.623	23	
Nbr. of Employees permanents	43			1.256	21	
Nbr. of Employees temporary	1			367	2	
Nbr. of Employees per hours no guaranteed	0			0	0	
Nbr. of Employees full time	44			1.623	23	
Nº Empleados a partial time	0			0	0	

OTHER EMPLOYEES

TYPE OF SERVICE	SEASON HIGH (SEPTEMBER TO JANUARY) TOTAL ENDOWMENT DECEMBER 2021	SEASON LOW (FEBRUARY TO AUGUST) TOTAL ENDOWMENT DECEMBER 2021	TYPE OF EMPLOYEES
DIVING SERVICES FOR ARM CENTERS	116	92	DIVERS
SUBCONTRACTING QUELLÓN PLANT	338	241	PROCESS PLANT OPERATORS
SUBCONTRACTING CHAMIZA PLANT	424	23	PROCESS PLANT OPERATORS
TOTAL OUTSOURCING	878	356	38%

\*As an example, the endowment for June 2021 is shown below.





# ANNEXES

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## CHAPTER VI



# SCOPE AND STANDARDS

GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-50, 102-51, 102-52, 102-54, 102-55, 102-56

This document discloses the social, economic and environmental performance of our operations in Chile for the year 2021, covering our entire value chain, from the management of our freshwater, seawater and process plants to the commercialization of our products.

THIS REPORT RECORDS THE PERFORMANCE OF SALMONES AUSTRAL BETWEEN JANUARY 1 AND DECEMBER 31, 2021

As a methodology, we have used the Global Reporting Initiative (GRI) standards in accordance with the essential option, in addition to reporting the sustainability indicators of the Global Salmon Initiative (GSI), an international reporting standard for the salmon industry to which our company adhered in 2018 and which consists of indicators in the environmental and social areas.



THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE ESSENTIAL OPTION OF THE GRI STANDARDS

GSI INDICATORS ARE AUDITED

## STAKEHOLDER DIALOGUES

For Salmenes Austral, maintaining a permanent and long-term relationship with our stakeholders is essential. For this reason, we have different channels, which are detailed below.

Stakeholders	Information Channels, Listening and Dialogue	Frequency
Stockholders	Board of Directors Corporate Report Sustainability Report	Annual Monthly Annual Annual
Partners	All-audience Mailing Bulletin Board Information screens (process plants) All public Joint Health and Safety Committees	Permanent Monthly Annual Permanent Monthly
Customers	Product Catalogs Website Meetings Trade fairs	Permanent
Suppliers	Meetings Administration Contracts WhereEX Platform	Permanent
Society (NGOs, communities, local authorities)	Meetings Accompanying visits Community development program Consultation Mailbox	Permanent Periodical



MATERIALITY

MATERIAL ISSUES

We have conducted a materiality study for the preparation of this report, following the GRI standard and its process for identifying material issues, which reflect the significant economic, environmental and social impacts of the organization or which substantially influence the assessments and decisions of stakeholders. It considered the following stages:

CONTEXT ANALYSIS

INTERVIEWS

SURVEY TO STAKEHOLDERS

11 local industry reports were reviewed besides the leading DJSI in the food category

Aquaculture Sustainability Trend Analysis

Interviews to 22 Managers and Process Leaders of the organization with the objective of identifying the organization's main impacts and critical issues

Stakeholder selection:

- Board of Directors
- Partners
- Customers
- Suppliers
- Society (Communities, local authorities, NGOs)

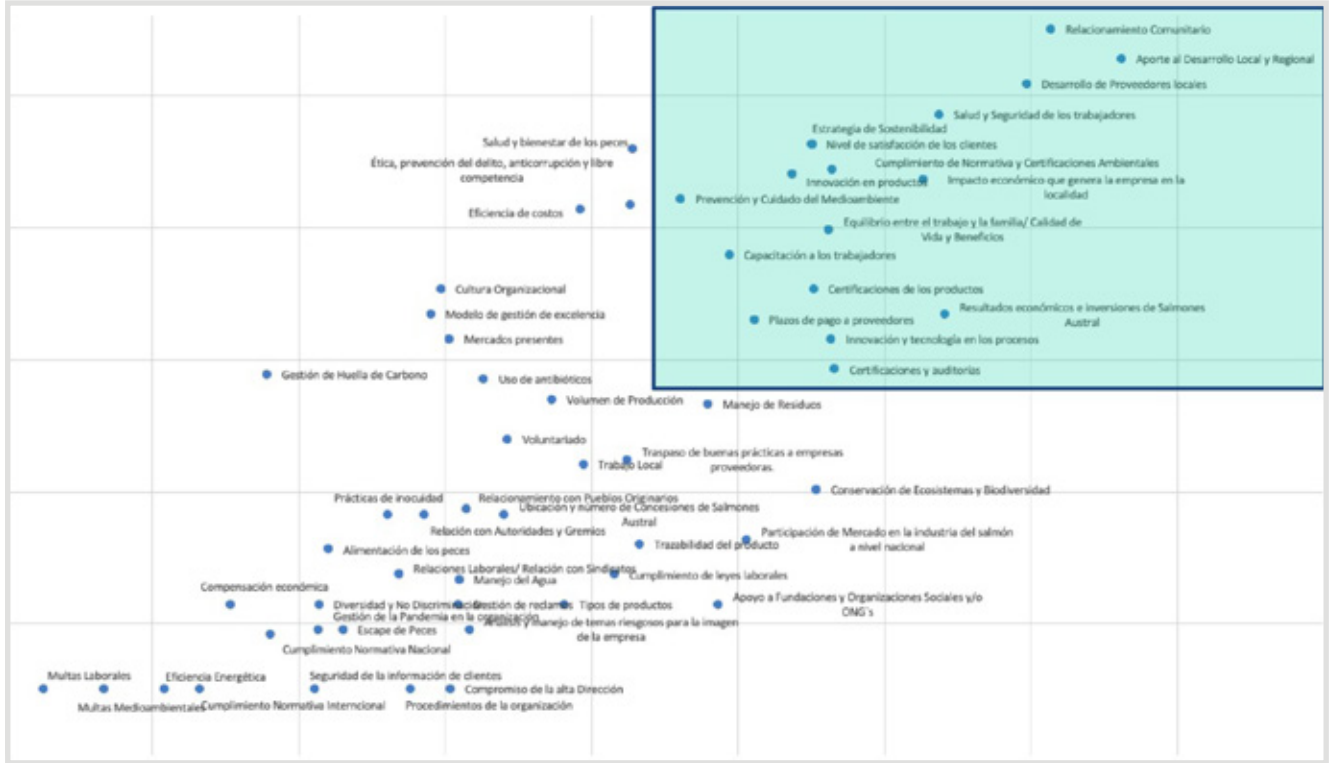
Surveys

- 11 Organizational leaders
- 6 Members of the Board of Directors
- 241 Collaborators
- 30 Suppliers
- 7 Customers
- 18 Representatives of society (community, NGOs, authorities).

This study led us to determine the critical issues relevant to both the organization and its main stakeholders. This process was carried out following the principles of the GRI standards to ensure the quality and depth of the content.

MATERIALITY MATRIX

As a result of this exercise, the issues identified were prioritized in a matrix that determined the relevant aspects to report:



The materiality matrix enables to establish the impact that the issues have both for the company ("X" axis) and the relevance they have for stakeholders ("Y" axis).



THE MATERIAL TOPICS PER PILLAR OF THE SUSTAINABILITY STRATEGY ARE:

VALUE CHAIN EFFICIENCY	Supplier payment term	Level of Customer Satisfaction	SA's financial results and investments	Innovation and technology in processes
EXCELLENCE AND QUALITY OF PROCESSES AND PRODUCTS	Regulatory Compliance and Environmental Certifications.	Product Innovation	Product Certifications	Certifications and audits
CARING FOR OUR WATER	Prevention and environment protection			
ADDING VALUE TO OUR COMMUNITIES	Community Engagement	Contribution to Local and Regional Development	Local Supplier Development	Economic impact created by the company in the locality.
OUR PEOPLE ARE THE KEY ACTORS	Employees health and welfare	Work-family balance/ quality of life and benefits	Workers' Training	
FOSTERING AN ETHICAL, TRANSPARENT AND SUSTAINABLE CULTURE	Sustainability Strategy			

GLOBAL REPORTING INITIATIVE (GRI) STANDARD VERSION

TABLE OF INDICATORS

GRI STANDARD	CONTENT INDEX	PAGE	OMISSION
GRI 102: CONTENT INDEX GENERAL	ORGANIZATION PROFILE		
	102-1 Company Name	Backpage	
	102-2 Activities, brands, products, and services	11	
	102-3 Location of the company's headquarters	Backpage	
	102-4 Location of operations	20	
	102-5 Ownership and legal form: Nature of the property and legal entity	12	
	102-6 Markets served	11	
	102-7 Size of the organization	11	
	102-8 Information on employees and other workers	77	
	102-9 Supply chain	19	
	102-10 Significant changes in the organization and its supply chain	N/A	
	102-11 Precautionary principle or approach	32	
	102-12 External initiatives	N/A	
	102-13 Membership in associations	11	
	STRATEGY		
	102-14 Statement from senior executives responsible for decision-making	6	
	ETHICS AND INTEGRITY		
	102-16 Values, principles, standards, and code of conduct	27, 37	
	GOVERNANCE		
	102-18 Governance structure	13	
	STAKEHOLDER ENGAGEMENT		
	102-40 List of the stakeholders linked to the organization	80	
	102-41 Collective bargaining agreements	76	
	102-42 Identification and selection of stakeholders	81	
	102-43 Approach to Stakeholder Engagement	81	
	102- 44 Key issues and concerns mentioned	83	
	REPORTING PRACTICES		
	102-45 Entities included in the consolidated financial statements	38	
	102-46 Definition of report contents and subject matter coverage	80	
	102-47 List of material items	83-84	
	102-48 Restatement of information	N/A	
	102-49 Reporting changes	N/A	
	102-50 Reporting period	80	
	102-51 Date of last report, if applicable	80	
	102-52 Reporting cycle	80	
	102-53 Contact point for questions about the report	Backpage	
	102-54 Statement of preparation of the report in accordance with the GRI Standards	80	
	102-55 GRI Content Index	86	
	102-56 External verification	80	



MATERIAL ISSUES

GRI STANDARD	DESCRIPTION	PAGE	OMISSION
SUSTAINABILITY STRATEGY			
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	30	
	103-2 The management approach and its components	30	
	103-3 Evaluation of management approach	30	
	ECONOMIC RESULTS AND INVESTMENTS		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	38	
	103-2 The management approach and its components	38	
	103-3 Evaluation of management approach	38	
Owned Indicators	Sales	38	
	LEVEL OF CUSTOMER SATISFACTION		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	39	
	103-2 The management approach and its components	39	
	103-3 Evaluation of management approach	39	
Owned Indicators	Number of claims	39	
	INNOVATION AND TECHNOLOGY IN PROCESSES		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	40	
	103-2 The management approach and its components	40	
	103-3 Evaluation of management approach	40	
Owned Indicators			
	SUPPLIER RELATIONSHIP		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	42	
	103-2 The management approach and its components	42	
	103-3 Evaluation of management approach	42	
Owned Indicators	Payment terms	42	
	PRODUCT CERTIFICATIONS		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	45	
	103-2 The management approach and its components	45	
	103-3 Evaluation of management approach	45	
Indicador Propio	Certifications	47	
	CERTIFICATIONS AND AUDITS / ENVIROMENTALS		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	46	
	103-2 The management approach and its components	46	
	103-3 Evaluation of management approach	46	
Company Owned Indicators	Certifications	47	
	PRODUCT INNOVATION		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	48	
	103-2 The management approach and its components	48	
	103-3 Evaluation of management approach	48	
Company Owned Indicators	Indicators	49	
	COMMUNITY ENGAGEMENT		
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	52	
	103-2 The management approach and its components	52	
	103-3 Evaluation of management approach	52	

Company Owned Indicators	Types of activities	53-55
	CONTRIBUTION TO LOCAL AND REGIONAL DEVELOPMENT	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	55
	103-2 The management approach and its components	55
	103-3 Evaluation of management approach	55
Company Owned Indicators	Activities 2021	56
	ECONOMIC IMPACT ON THE COMMUNITY	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	56
	103-2 The management approach and its components	56
	103-3 Evaluation of management approach	56
	LOCAL SUPPLIER DEVELOPMENT	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	57
	103-2 The management approach and its components	57
	103-3 Evaluation of management approach	57
Company Owned Indicators	Local Suppliers	57
	PREVENTION AND ENVIRONMENT PROTECTION	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	58
	103-2 The management approach and its components	58
	103-3 Evaluation of management approach	58
Company Owned Indicators	Fish Escape	59
	EMPLOYEES HEALTH AND WELFARE	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	71
	103-3 Evaluation of management approach	71
GRI 403-9	OHS Indicators	71
	WORK-FAMILY BALANCE/QUALITY OF LIFE AND BENEFITS	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	73
	103-2 The management approach and its components	73
	103-3 Evaluation of management approach	73
GRI 401-3	Parental leave	73
	TRAINING	
GRI 103: Management Approach	103-1 Explanation of Material Subject Matter and Coverage	74
	103-2 The management approach and its components	74
	103-3 Evaluation of management approach	74
Company Owned Indicators	Average hours of training	75



# GLOBAL SALMON INITIATIVE (GSI) INDEX

## PECIFIC CONTENTS

ASPECT		INDICATOR	ANSWER
ECONOMIC CATEGORY			
Investment in R&D	Investment in R&D		<a href="http://soporte.salmonesaustral.cl/pex/">http://soporte.salmonesaustral.cl/pex/</a>
ENVIRONMENTAL CATEGORY			
Environmental Certifications	Environmental certifications and permits		Page 46 of this Report
Fish Escape	"The number of fish escapements is shown as net number after recapture from January through December."		No incidents were reported
Fish mortality	"Mortality is measured using a 12-month rolling mortality rate. This measure calculates mortality for the last 12 months (January to December) as a proportion of the estimated number of fish at sea, in the last month of the year (adjusted for harvest and mortality)."		2,55%
Antibiotic use	The amount of antibiotics used is calculated as the amount of active pharmaceutical ingredients used (in grams) per tons of fish produced. Antibiotic use is calculated on a calendar year basis (January – December).	"Especies g API por tonelada Salmón del Atlántico 856,14 Salmón Coho 74,17"	
Caligus Count	"It has been calculated as the total adult louse (pregnant females)."		Page 62
Treatment of Caligus	The amount of treatment used is calculated as the amount of active pharmaceutical ingredients (API) used (in grams) per ton of fish produced (LWE).	"Medicinal treatments in the bath Species. g API per ton Atlantic Salmon (Production) 5,93 Coho Salmon (Production) 0.00"	
		"Medicinal treatments in food Species. g API per ton Atlantic Salmon (Production) 0,05 Coho Salmon (Production) 0.00"	
Use of Hydrogen Peroxide	The amount of H <sub>2</sub> O <sub>2</sub> used is calculated as the amount of active pharmaceutical ingredients (APIs) used (in kg) per tons of fish produced (live weight equivalent, LWE). H <sub>2</sub> O <sub>2</sub> employment has been calculated by calendar year (January-December).	"Species kg API per ton Atlantic salmon 3.38 Coho Salmon 0.00"	
Non-medicinal methods	"To demonstrate innovation and progress within sustainable sea lice management, companies are encouraged to report on non-medicinal tools and methods used."		No methods to report
Interactions with Fauna	"This has been calculated as follows: Total number of interactions divided by the total number of sites from January to December of each year."	Birds Accidental mortalities: 0.00 Intentional fatalities: 0.00 Marine mammals Accidental mortality: 0.04 Intentional fatalities: 0.00	
Use of marine ingredients in food	This calculation is based on using the ASC parameters for the Fish Fishmeal Dependency Ratio (FFDRm).	"Fishmeal dependency ratio: 0.17 Fish oil Dependency ratio: 1.35"	

CATEGORY SOCIAL PERFORMANCE	
Employment	"Direct labor is calculated based on full-time permanent employees per calendar year." 1467
Occupational health and safety	"Fatality rate understood as the number of worker fatalities in the company's facilities between January and December." Deaths: 0
	Lost-time injury rate defined as the number of work-related injuries at work and the relations with these, including fatalities, that resulted in inability to work and absence from work as of the following workday or work shift between January and December. Estimated as follows: (Total number of lost time injuries/total number of hours worked) x 1,000,000. Lost Time Injury Rate: 17.67
	Absence rate understood as any absence related to a worker's personal health. Calculated as follows: Total number of days of absence / total number of working days. Absentee rate: 0.45%
Commitment to the Community	Main initiatives developed with communities. Page 53 of this Report
Social Compliance	Total number of non-compliances that resulted in fines (in USD) from January to December.  "Type of non-compliance Number of non-compliances Total monetary value of fines imposed (in US dollars) Notes: Type of case Environmental 1 13,541.52 US\$ Payment of oil spill fine in 2020. Social 8 38,245.76 US\$ Non-compliance of labor type. Product 1 20,956.97 US\$ Commercial Fine. Total 10 72,744.25 US\$"



# **SUSTAINABILITY REPORT**

— 2021 —

