

# Integrated Annual Report

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2021



Identification

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TYPE OF ENTITY:  
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SECURITIES REGISTRY:  
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2021



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01

# Presentation



# A word from our Chairman



This first Integrated Annual Report of Salmones Camanchaca is a natural step that reaffirms our long-term vision, taking into account that sustainability is the roadmap for the Company's strategy.

## *Dear Shareholders,*

I am pleased to address you in this first Integrated Annual Report of Salmones Camanchaca, in which we include in a single document the economic, social, environmental and governance performance of our Company, uniting what used to be reported separately in the Annual Report and the Sustainability Report. A natural step that reaffirms our long-term vision, taking into account that sustainability is the roadmap for the strategy of Salmones Camanchaca, and through which we give meaning to each of the actions of our work.

Last year was marked by advances in vaccination campaigns and, with this, by a relaxation in the sanitary restrictions of the pandemic, which boosted demand and triggered a significant recovery in salmon prices at international level. Although the Foodservice sector recovered during the year, as hotels and restaurants returned to normal operations, it was in the retail channel where strong growth was seen due to the consumption of salmon at home, a trend that is here to stay.

Despite the better price scenario, the algae blooms that occurred in seven farming sites located in the Comau and Reñihue fjords between February and April strongly affected the production results of Salmones Camanchaca, which did not allow us to capture the benefits of the positive price scenario for the industry. Mortality and low growth caused by algae blooms in the first part of 2021 led us to finish the year with a total harvest of 42 thousand tons WFE, 80% of the initial estimates, of which 40 thousand tons correspond to our main species - Atlantic salmon - to which 1,800 tons of Pacific salmon or Coho are added as part of our diversification

strategy to other species. The above, together with the Company's commercial commitment to higher value-added products, such as fillets and portions, which accounted for 90% of the year's sales, allowed Salmones Camanchaca to partially offset the effects of the algal blooms and end the year with an EBITDA of USD 3.2 million.

We estimate to reach a total harvest volume of 51-55 thousand tons WFE in 2022 - with a view to reestablishing our scale of operation allowing us to return to competitive farming costs with the implementation of risk mitigation plans through the geographical diversification of farming sites and the use of centers with greater water renewal in the Aysén Region. In addition, the implementation of mitigation technologies in case of deoxygenation and algae blooms in all the cultivation centers.

With all this in mind and to strengthen the Company's financial position, in October our shareholders approved a capital increase that raised USD 23 million with a subscription of more than 96% of the shares offered. In addition, the company re-scheduled its debt with a "Sustainability-Linked Loan" for USD 135 million, giving additional leeway for the next 5 years through a commitment that links the interest rate to specific sustainability metrics. These actions fully confirm the support and confidence of our shareholders and creditors and leave us in good position to execute our project.

While Salmones Camanchaca has a presence in all traditional markets, the North American market continues to be its main focus, with the United States offering significant growth opportunities and potential for the development of value-added products.



The correct management of sustainability led the Company to be selected within the Dow Jones Sustainability Index (DJSI), an important distinction for the commitment and work we carry out to responsibly and professionally manage the social, financial and environmental risks of our company operation.

In 2021 our international business continued to strengthen and showed significant progress. An example of this is the development that Salmones Camanchaca has had in the Mexican market, through Camanchaca's sales office in that country, which has allowed a great market penetration, -under the brand name Camanchaca Gourmet- that paid off, driving an outstanding growth in sales.

Differentiating ourselves also involves the incorporation and adoption of new technologies that allow us to be at the forefront of the industry worldwide. Thus, in 2021 we implemented various solutions to continue optimizing our operation through the Digital Transformation strategy, particularly highlighting the investment we made by incorporating advanced data analytics via artificial intelligence to optimize our harvesting program.

Continuing to consolidate our position in Chile and in international markets is the result of a much broader work that brings together all our employees, who make up our value chain and whose work materializes the company's strategy. Although 2021 was a demanding year in terms of human resources, it is only thanks to the work of our employees that we have been able to meet our commitments and maintain our operational continuity, in a context that continues to be challenging with a view to the year 2022.

We want Salmones Camanchaca to be a great place to work and it is in that line that in 2021 we continue to take steps to ensure the occupational health and safety of our employees, taking care of the training of our people in work-related matters, but also in aspects that will improve their quality of life -such as digital literacy and financial education-, attracting and retaining young talent and expanding the female presence in a historically male industry.

Due to the nature of our business, more than 90% of our employees live in the areas surrounding our operations and that is why - and because we know that to achieve sustainable development, we must work in harmony with our environment - during the period we strengthened our community relations work through various activities, such as the educational program "Sustainable Schools", the circular economy project BoyaCompostar and the launch of the first competitive fund Salmones Camanchaca, among many others, which today make us to be recognized as a "good neighbor".

Recently Salmones Camanchaca also continued to advance towards the goal of achieving carbon neutrality by 2025, carrying out a complete evaluation of the thousand-hectare property within Petrohué Hatchery, to quantify the potential of its forest to capture CO2 and compensate our emissions through it. Additionally, at the production level, we continue to strengthen our work in R&D and



feed, among others, to ensure the goal of reducing the use of antibiotics by 50% by 2025. In this regard, in October 2021 we will begin the third season of Coho salmon without the use of antibiotics in the farming process.

Carefully managing sustainability, guided for the second year by our Sustainability Model, led our Company to be included in the select group of companies that are part of the Dow Jones Sustainability Index (DJSI), the prestigious sustainability ranking that recognizes companies with the best standards in the management of their corporate sustainability, an important distinction for the commitment and work we carry out to responsibly and professionally manage the social, financial and environmental risks of our operation. Our work is continuous and requires constant learning, so we assume this achievement with humility and responsibility.

In 2022 we will continue working to make Salmones Camanchaca a source of sustainable value generation for our shareholders, customers, suppliers, collaborators, and neighboring communities. After a tough period, we have recovered robustness and we are in a solid position that allows us to continue developing our growth plan, diversifying to anticipate and create new opportunities, and continue to sustain a serious and responsible work to achieve a profitable, efficient and environmentally friendly aquaculture business.

Jorge Fernández García  
CHAIRMAN  
SALMONES CAMANCHACA



# Board of Directors' report

## Financial Results

The Company harvested 40,000 MT WFE of Atlantic salmon in 2021, which was 24.3% less than in 2020 when it harvested 53,000 MT WFE. This decrease was caused by algae events and oxygen deficiencies during the summer of 2021 in the Reñihue and Comau fjords, which caused mortalities and limited fish growth, as a significant proportion of 2021 harvest volumes came from these farming sites. The third production cycle for Coho salmon was completed during 2021, with 2,505 MT harvested in 2021 and the remainder in January 2022.

The farm diversification strategy focused on using sites in the Aysén Region rather than the Los Lagos Region for Atlantic salmon, due to the lower algae bloom risk in southern Chile. The production target for 2022 and 2023 will be in the range of 50-55,000 MT WFE per year. This new strategy not only relocated some farming sites, but also included numerous projects and technologies to reduce risks, such as bubble curtains and oxygenating equipment. Accordingly, the total estimated production capacity for both Atlantic and Coho salmon is 65-70,000 MT WFE per year.

Furthermore, the Company participates in a trout farming joint venture in its own estuarine farming sites, where it shares one third of the financial results. The joint venture harvested only 5,000 MT in 2021, a decrease from 15,000 MT WFE in 2020, which is consistent with sites located in neighborhoods that have a mandatory fallow period in the first quarter of odd-numbered years, such as 2021. The joint venture was renewed for a term of six years starting in January 2023, but at 2/3 of the current capacity. Therefore, its estimated average annual capacity will be 12,000 MT.

Salmones Camanchaca has close to 1,900 employees, 70% of whom work in its secondary processing and value-added plant at Tomé in the Biobío Region.

1. The price of Atlantic salmon, which is very sensitive to Norwegian and Chilean supply conditions, the exchange rates of its main trading partners, and demand within its main target markets.
2. Farming practice and sanitary conditions for Atlantic salmon, which affect conversion ratios, the use of pharmaceutical and mechanical means to improve fish health and welfare and the surviving biomass that absorbs total farming costs.
3. Feed costs, which account for about half the unit live weight cost. The volume sold in 2021 was 46,300 MT of Atlantic salmon, which was 3.9% lower than in 2020. Operating revenue for 2021 was USD 293.7 million, which was 15% higher than in 2020, due to a 21.4% increase in the price of Atlantic salmon.

The cost of sales for Atlantic salmon was severely affected by the high cost of fish from the Reñihue and Comau fjords, which reached an average of USD 4.15/kg live weight, or USD 4.46/kg WFE, which was 28% higher than 2020. Processing costs were adversely affected by lower processing volumes and totaled USD 1.08 /kg WFE during 2021, which is 8% higher than the Company's long-term target and 13.4% higher than in 2020.

Direct costs due to extraordinary mortalities caused by algae blooms in 2021 were USD 14.8 million, mainly comprised of biomass mortality not covered by insurance, and expenses associated with removing mortalities and mitigating these events.

Consequently, operating EBIT before FV adjustments was negative USD 13 million for 2021, which was USD 5.6 million higher than for the previous year. EBIT was affected by the direct and indirect effects of these extraordinary events in 2021, while in 2020 it was affected by falling market prices brought on by the closure of hotels and restaurants around the world as a result of the pandemic.



This resulted in Atlantic salmon sales generating a negative EBIT/kg WFE of USD 0.33 in 2021, which was USD 0.10 lower than in 2020. Coho salmon sales generated a positive EBIT/kg WFE of USD 1.07 in 2021, a substantial improvement compared to 2020, mainly due to higher prices and lower costs due to normal stocking densities.

The resulting net fair value adjustment for 2021 was positive USD 6.1 million, compared to negative USD 19 million in 2020, giving an favorable difference of USD 25.1 million, attributable to different price trends from one year to the next, as prices were falling in 2020, and this year they have recovered and have now stabilized at high levels.

Other gains/(losses) were negative USD 3.9 million, mainly due to the insurance thresholds that applied to the events at the Reñihue and Comau fjords, which resulted in a net loss of USD 2.9 million. The trout farming joint venture produced a loss of USD 0.2 million, which compares negatively with the gain of USD 2.3 million for 2020. This is normal for an odd numbered year, as trout farming sites have a mandatory fallow period during the first three months.

Accordingly, the net loss after taxes for 2021 was USD 9.4 million, which is lower than in 2020 when it was USD 31.6 million.

Net cash flow was positive at USD 23.1 million, higher than the negative flow of USD 4.8 million for 2020. Operating cash flow was

negative USD 18.9 million compared to positive USD 10.2 million in 2020, caused by the lower sales volumes and collections during 2021, but partially offset by better prices. This was offset by a reduction in investment plans as a result of the weak results, leaving investing cash flow at negative USD 14.5 million for the year, which was 36% lower than the negative USD 22.8 million in 2020.

Financing cash flow was positive USD 57.8 million in 2021, due to the issuing USD 22.8 million in shares during the last quarter and additional borrowing of USD 35 million to finance the business. This compares to positive financing cash flow of USD 8.2 million during 2020 when dividends of USD 16.9 million were paid from 2019 earnings and net financing of USD 25 million was received. Accordingly, the cash balance as of December 31, 2021 was USD 32.2 million.

The Company's total assets increased during the year by 13.5% or USD 50.7 million, to reach USD 425.8 million as of December 2021. This increase was mainly due to an increase in trade receivables of USD 28.3 million, and an increase in cash of USD 23.1 million, which was explained by the capital increase in December 2021. Inventory decreased by USD 7.2 million as of year-end 2021, at 3,581 MT of finished product, down from 6,076 MT as of year-end 2020. Non-current assets remained similar to values as of year-end 2020.

The Company's total liabilities increased during 2021 by 18.4% or USD 38.1 million compared to year-end 2020, to reach USD





245.1 million as of year-end 2021. The Company rescheduled its long-term loans totaling USD 135 million in November, which has provided it with a substantial financial cushion for the next 5 years, since it has a 3-year grace period, with 10% principal repayments at the end of years 3 and 4, and 80% at the end of 2026.

Current liabilities decreased by USD 7.9 million or 6.5% compared to year-end 2020, reaching USD 112.6 million, mainly due to the above rescheduling that moved short-term loan liabilities to long-term, which is reflected in a decrease of USD 18.9 million in current financial liabilities. Furthermore, there was a USD 9.4 million increase in trade payables driven by the higher biomass that resulted in increased payables to feed suppliers.

Non-current liabilities increased by USD 46 million or 53.1%, to USD 132.6 million, mainly due to rescheduling the syndicated loan that moved short-term liabilities to long-term, which is reflected as an increase of USD 50.2 million in other financial liabilities, non-current.

Net financial debt increased by USD 8.2 million during 2021 to reach USD 121.9 million.

A capital increase was successfully concluded during the fourth quarter with more than 96% of the shares subscribed. This process placed 8,193,660 shares of the 8,500,000 shares offered, raising approximately USD 23 million, which increased shareholder's equity as of September 30, 2021 by 15%. The Company's equity was USD 180.6 million, an increase of USD 12.6 million over equity as of December 31, 2020, due to the capital increase and offset by the loss for the year of USD 9.4 million. Accordingly, the equity to total assets ratio was 42.4%, slightly lower than 44.8% as of year-end 2020.

On November 18, the Company rescheduled its long-term loans by signing a "Sustainable Linked Loan Facility", the only one of its kind in Chile that totals USD 135 million, which requires linking interest spreads to progress with five specific sustainability indicators negotiated with lenders. The loan provides a substantial financial cushion for the next 5 years, since it has a 3-year grace period, with 10% principal repayments at the end of years 3 and 4, and 80% at the end of 2026.

#### CORONAVIRUS PANDEMIC

Salmones Camanchaca continued to apply the measures adopted to address the global pandemic that affected Chile during the year, which reduced its infection risks and mitigated the impact on its employees, business and financial situation. It has set the

The Company restructured its long-term debt through the subscription of a "sustainable credit" unique in its kind at a sectoral level in Chile for a total of USD 135 million, which requires linking the margins or credit spread to compliance progress on specific sustainability metrics.

twin objectives of protecting employees' health and preserving the Company's operational continuity.

As of the date of this report, the Company has operated with these measures and without interruptions.

Nevertheless, Salmones Camanchaca continues to monitor the situation and adapt as production conditions and its target markets evolve.

#### THE COMPANY'S OUTLOOK

According to figures published by Kontali, a market analysis company specializing in aquaculture, the global supply of Atlantic salmon for 2022 will contract by 1% compared to 2021, with no growth from Norway and a slight decrease of 2% from Chile, comprised of a fall in supply during the first half of 2022 (-7%) and a recovery in the second half (+4%).

Salmones Camanchaca expects harvest volumes of Atlantic salmon to be 46-48,000 MT WFE for 2022, and approximately 6-7,000 MT WFE for Coho salmon.

#### MAIN RISKS AND UNCERTAINTIES

The Company's main risks and uncertainties are phytosanitary, natural, sales price changes, purchase price changes, regulatory, social and political, liquidity, interest rate, exchange rate, credit

and operating continuity risks. Chapter 6 of this Integrated Report discusses each risk in detail.

#### GOING CONCERN

The Board of Directors confirms that the financial statements have been prepared on the basis that the Company is a going concern. This is justified by its financial performance, business strategy and financial situation.



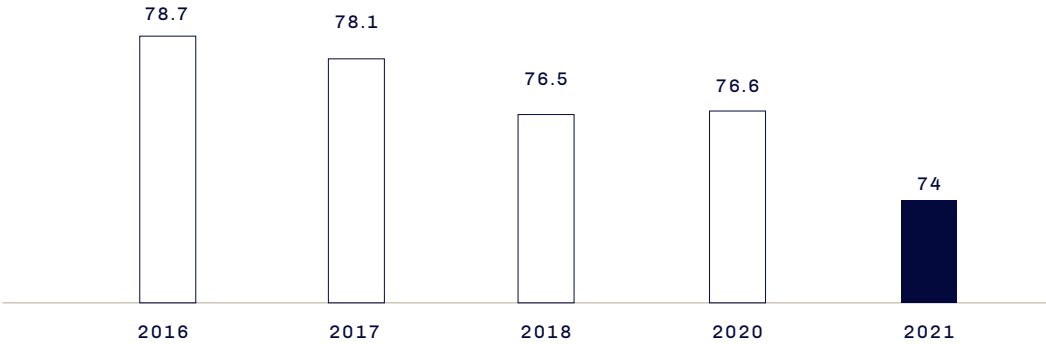
Employees

The current global trends and market demands require an explicit strategic commitment to attracting and developing talented people. They are essential to achieving Salmones Camanchaca's objectives and corporate values, which are also supported by the following pillars:

- Labor Productivity and Organizational Simplification
- The Camanchaca Experience
- Talent Management

Salmones Camanchaca believes that the contribution of people and their competitive and sustainable performance will position the Company in a place of excellence, so the Company will continue to strengthen a culture of continuous improvement, innovation and leadership in all its talent management processes. Furthermore, it will strengthen business strategy, promote commitment, encourage good team performance and employee development, while always building a cooperative environment that forms good relationships at each stage of the value chain.

Working environment satisfaction survey



WORKING ENVIRONMENT

The Company is committed to building a positive working environment that fosters close, transparent relationships between all employees, to develop a people-focused culture. This requires that each business must comply with high standards and the employees must be motivated and committed to their performance.

An NPS survey in 2021 measured how much employees recommended the Company, and the Company's score was 4.47 points on a scale of 0 to 10. This revealed employee's opinions about their experiences within the Company and identified areas for improvement, in order to recommend Camanchaca as an employer to their neighbors and become Company ambassadors.

The Company measures its working environments, to continuously monitor them and identify improvements, which will identify how certain variables and dimensions behave over time.



These results are reviewed every year and are used to identify those changes that have enhanced or affected employee satisfaction within the organization. Accordingly, the results are evaluated and an improvement plan is developed for the following year, which focuses on any opportunities. Difficulties in recruiting staff and increases in prolonged medical leave were identified during 2021, especially in the processing plants, which were different to previous years, which are reflected in the results for the year.

2021 INITIATIVES

Salmones Camanchaca continued to develop initiatives that improved the working environment, where good performance is recognized, empathy is demonstrated, and new ideas are encouraged and valued. These initiatives aimed to:

- **Improve the organizational culture** through Organizational Excellence workshops for Salmones Camanchaca's executives that develop cohesion, collaboration and trust, while defining guidelines. The workshops focused on the Company's vision and values.
- **Innovation and Continuous Improvement:** Launch of a platform to submit improvement ideas for the production process and a training day during innovation week.
- **Salmon Academy Farming Platform:** Corporate induction courses and internal training using an online system that optimizes the onboarding experience and automates processes.
- **Onboarding Process:** This process is designed to help employees successfully integrate into the Company, adapt to their next professional role, and identify with the Company's values

and mission.

- Continuity of regulatory, technical and soft skills courses to develop professionals who are integrated, efficient, empowered and focused on continuous improvement.
- **Digital Transition Program:** Classroom training that supports employees who need to improve their digital skills and teaches them how to correctly use the BUK platform. This platform is used to complete online procedures, receive timely information such as certificates, vacation requests and electronic signatures, and to streamline access to employment information and company benefits.
- **The Medismart telemedicine platform:** This platform meets the primary medical needs of the employees.
- Flexible working hours: This is offered for positions where it is appropriate.
- **The BUK HR platform:** This platform integrates all the associated processes into a single portal and it streamlines access to information and employee procedures.

DIVERSITY AND EQUAL RIGHTS

Recruitment decisions are based on the skills, training and experience required for the job. The same applies to employee evaluation and promotion, where emphasis is given to merit, performance and the achievement of objectives.

The employees are essential to the Company's success. Therefore, Salmones Camanchaca develops them, in order to improve their skills and competitiveness, and prefers to promote from within the organization.





DJSI awarded Salmones Camanchaca the “Industry Mover” recognition for its progress between 2020 and 2021."

Salmones Camanchaca upholds the following employment standards in its workplaces:

- An environment in which its employees can carry out their duties and develop based on their effort, merit and performance.
- Opportunities for discussion where each individual can respectfully express their professional opinion, even if it differs from their supervisor's opinion, provided it benefits the Company.
- Healthy and respectful relationships, which exclude any form of abuse, sexual abuse or harassment. This is also subject to the corresponding laws that govern the conduct of all employees.
- Treatment that does not discriminate based on race, religion, gender, age or other factors.

The number of female employees has increased in recent years, and has risen from 564 in 2020 to 589 in 2021. They represent 31% of the workforce, 2% more than the previous year, with a significant increase in the number of female supervisors, professionals and executives, who now total 71, compared to 43 the previous year. Undoubtedly, this is a continual challenge for an organization that aims to achieve equal opportunities.

Salmones Camanchaca is participating in the Gender Equity Roundtable, in order to make progress in this area. This Roundtable was created in 2021 and will be formalized in 2022. This initiative is led by Salmón Chile and began with a DECALOGO - the Organization's Commitment to Equity.

The Company has procedures that ensure equal and transparent remuneration. It also has a Remuneration Policy that defines the salary for each position based on its value to the Company and the competition in the market. This policy is independent of the gender or any other condition that applies to the person occupying that position. The key factors that impact each employee's salary are merit, the market, inflation and the Company's performance.

#### OCCUPATIONAL HEALTH AND SAFETY (OHS)

The principal capital of Salmones Camanchaca is its people. Therefore, it encourages their welfare by building a risk prevention and self-protection culture, which helps to achieve continuous and systematic improvements in management indicators and to achieve its objectives.

The Company is committed to maintaining the best sanitary and environmental conditions at work, as this benefits quality of life, unity, leisure and recreation, which all contribute to achieving the desired productivity.

Executives at Salmones Camanchaca operate an open-door policy, they are approachable for their employees, and build an occupational health and safety culture. The OHS policy makes direct supervisors responsible for providing their employees with well-defined, clear and accurate operational procedures, and with constant, structured and systematic supervision, thus creating safe environments that avoid exposure to risks. They are respon-

sible for training their teams and informing them of the risks involved in their work, thus taking a proactive leadership role.

The Company ended 2021 with an accident rate of 2.0%, which is lower than in 2020 when it was 2.7%. The number of days lost was 530, a decrease over the 840 days lost in the previous year, which was reflected a decrease in the accident rate from 46.4 in 2020 to 29.2 in 2021. The decrease in both rates was mainly due to the high comparative following a couple of serious accidents at processing plants in 2020, which resulted in more than 100 lost days per person.

The absenteeism rate was 15.3% in 2021, which is a significant increase compared to 2020, when it was 9.0%, mostly associated with the increase in medical absences due to the pandemic.

### Sustainability

The Company achieved significant sustainability achievements in 2021. Salmones Camanchaca was selected to join the Dow Jones Sustainability Index (DJSI), the most prestigious corporate sustainability ranking in the world. The Company was selected for both the Chilean index (DJSI Chile) and the Latin American Integrated Market Index (DJSI MILA), which includes the largest companies listed on the stock exchanges of Chile, Peru, Colombia and Mexico. Salmones Camanchaca received an additional award from the DJSI as an "Industry Mover" for its progress from 2020 to 2021.

Its strategy for 2021 was to continue systematically addressing the material issues in each pillar of its Sustainability Model, which are (i) healthy and nutritious food (ii) healthy ecosystems (iii) prosperous communities (iv) meaningful employment and (v) a profitable and responsible business.

It certified 56% of its biomass to the ASC standard, and antiparasitic treatments for sea lice were reduced by 3%. However, antibiotics increased by 27%, which was mainly due to reductions in the harvested biomass as a result of HAB mortalities in the Comau and Reñihue fjords earlier in the year.

The Company is committed to animal welfare, and its Animal Welfare Policy was officially approved in May 2021. Its main objective is to optimize health and welfare of its fish throughout their production cycle. Further information on the monitoring baselines, objectives and indicators can be found in Chapter 5 of this Integrated Report.

Salmones Camanchaca is committed to protecting the environment and its local ecosystems, so in 2021 it completed a study of its 1,000-hectare Hueñu Hueñu property near Ensenada, which described the main ecosystem services provided by this property to society, including CO<sub>2</sub> absorption. The Company's environmental compliance model was launched and implemented at all its facilities. The Marine Waste Prevention Program systematically identifies, registers and removes all inorganic compounds from



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The Animal Welfare Policy was made official, whose main objective is to optimize the health and well-being of fish throughout their production cycle

.....

the seabed below the Company's concessions, and further details can be found in Chapter 5 of this Report.

Working with local communities held central role in the sustainability agenda for 2021. A corporate reputation survey was performed in the middle of the year, to identify the factors that most affect the Company's reputation, and to objectively guide stakeholder engagement. Important factors included improving the understanding of local community expectations and strengthening its protection of seas, beaches and marine species. Other initiatives during 2021 included the #BoyaCompostar program, which promotes waste management by providing vermicomposters made from disused buoys and trains people how to use them. The Sustainable Schools program, which promotes environmental education in schools in the Los Lagos Region. A competitive grants fund was launched together with La Semilla Foundation, to promote projects from social organizations with local impact. Training was arranged for all employees on responsible community engagement, and further details can be found in Chapter 5.

2021 was a challenging year for human resources. There were difficulties in recruiting staff and an increase in staff turnover. Therefore, the Company continued to develop a culture of continuous improvement, innovation and leadership in all its talent management processes. It continued to focus on the safety, health and welfare of its employees, on generating meaningful employment and on their professional and personal development. Other initiatives included implementing the Medismart medicine platform, and the BUK human capital process management platform. 55,000 hours of training were provided, and an organizational excellence program was arranged for the Company's executives, with further details available in Chapter 5.

The Company has made a long-term commitment to sustainability and has developed an integrated sustainability vision for the business. Accordingly, it took the next step by rescheduling its loans at the end of 2021 with the first "Sustainability Linked Loan" in Chile for this sector, which was granted by the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA). The terms and conditions for this loan link the interest spread to



the fulfillment of ambitious sustainability objectives, which must be verified by an independent third party.

It continued to develop sustainable aquaculture by launching a Code of Conduct for Suppliers in 2021, which establishes guidelines and minimum requirements for the behavior of suppliers who provide services to the Company, and further details can be found in Chapter 5.

*Corporate governance*

The Company complies with both Chilean and Norwegian corporate governance standards as it is listed on both stock exchanges. It is also governed by its bylaws and Code of Practice. The general corporate governance principles approved by the Board of Directors apply to Salmones Camanchaca and all its employees.

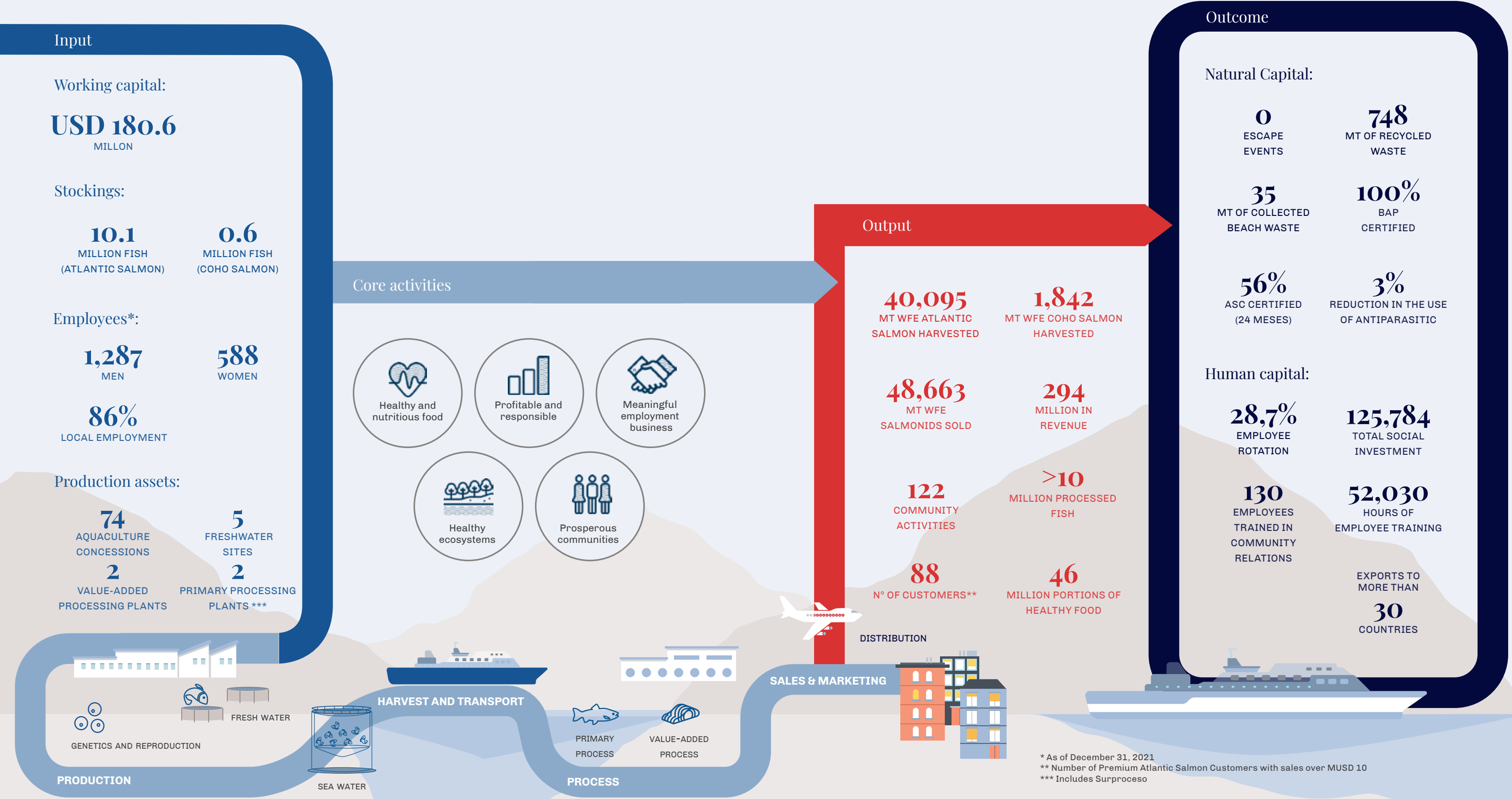
The corporate governance structure defines specific responsibilities and operates under principles of transparency and ethical conduct. These principles ensure that the Company can achieve

the objectives that mitigate its governance risks, in order to have a positive impact on all its stakeholders and the general public.

Corporate governance encompasses the governance framework, the board of directors, the board committees, its senior executives, and the Company's ethical and risk management. The Company's main objective is to create long-term value. Further information on corporate governance can be found in Chapter 3 of this report.



# Value creation





02

# We are Salmones Camanchaca





# Our Company

Salmones Camanchaca is a founding member of the Global Salmon Initiative (GSI) and the Chilean Salmon Marketing Council.

Salmones Camanchaca S.A. is a vertically integrated company that operates several freshwater and seawater facilities, and primary processing and value-added plants. These begin with genetics, egg production and a closed recirculating hatchery for Atlantic salmon, 74 marine grow-out concessions distributed around 14 neighborhoods in the Los Lagos and Aysén regions, two primary processing plants in the Los Lagos region, and a value-added plant and cold storage plant in the Bío Bío region. Salmones Camanchaca S.A. has been delivering nutritious, excellent products to the homes of thousands of families around the world for more than 30 years. The Company is a publicly held corporation, and its shares have been traded on the Santiago and Oslo (Norway) Stock Exchanges since 2018. The main shareholder is Camanchaca S.A. with a 70.29% interest.

Salmones Camanchaca has 1,900 employees on average, 60% of whom work in its secondary processing and value-added plant. Atlantic salmon is sold in 35 countries across four continents, led by the USA, Mexico and Japan, with approximately 30% going to emerging markets in a variety of fresh and frozen formats. The annual production target for 2022 and 2023 is 50-55,000 MT WFE, although total Atlantic and Coho salmon production capacity is 65-70,000 MT WFE.

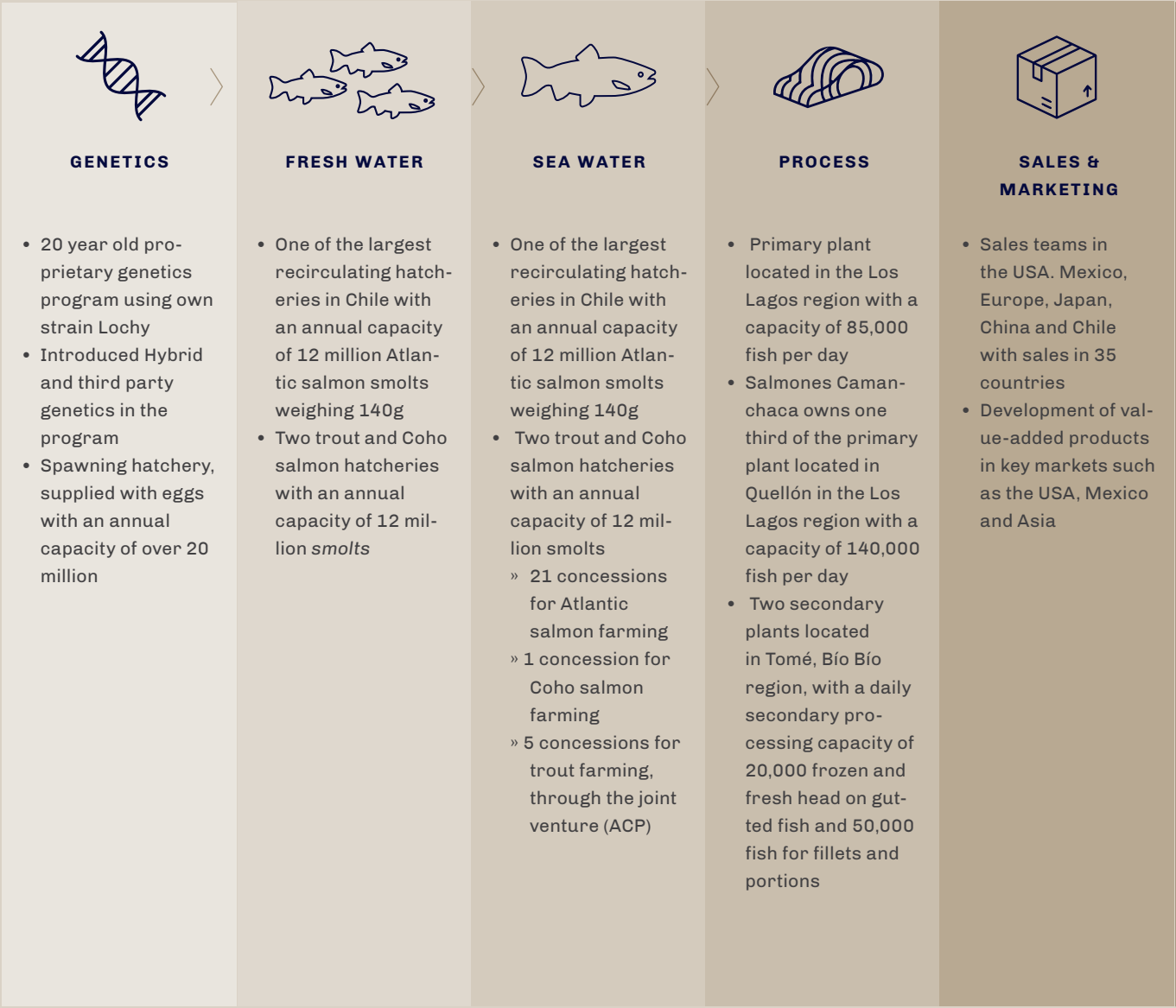
The Company has a one third interest in a trout farming joint venture that will operate until 2028. Salmones Camanchaca provides this joint venture with farming sites in coastal-estuarine waters, and average harvest volumes are currently 9,000 MT WFE per year.

Salmones Camanchaca is a founding member of the *Global Salmon Initiative* (GSI) and the *Chilean Salmon Marketing Council*. Salmones Camanchaca was the first salmon producer to be awarded four stars in the **Best Aquaculture Practices** (BAP) awards.

The Company is currently working with its stakeholders to overcome in the most beneficial manner its ongoing challenges. Salmones Camanchaca is the first salmon farming company to commit to becoming fully carbon neutral for its scope 1 and 2 GHG emissions by 2025.

## Integrated value chain

The Company has a vertically integrated production and distribution chain that aims to create long-term value. Salmones Camanchaca is involved in its business from its genetic and spawning programs through to selling its products in various markets and formats:



From southern Chile to the world



FRESH WATER SITES:

- Three Atlantic salmon hatcheries
  - » Genetics at Polcura
  - » Breeders at Río del Este
  - » Hatchery and smoltification at Petrohué
- Two hatcheries for Coho salmon and trout:
  - » Hatchery at Purranque
  - » Smoltification at Lago Llanquihue



AQUACULTURE CONCESSIONS

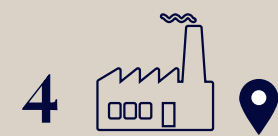
There are 36 in the Los Lagos Region and 38 in the Aysen Region. The properties in the Los Lagos Region have a surface area of 422.39 hectares and in the Aysen Region 491.61 hectares, which total 914 hectares. However, only 34% of these properties are used, while the remaining 66% remains fallow. There are 73 seawater concessions and only one freshwater concession.

During 2021, 21 concessions were used for Atlantic salmon, 1 for Coho salmon and 5 for the trout joint ventures.



SALES OFFICES IN CHILE

Located in: Tomé, Coronel, La Florida and Rauco.



PROCESSING PLANTS

- Primary plant at San José, Calbuco
- Primary plant at Quellón, Chiloé
- Value-added plant at Tomé
- Coho salmon plant at Tomé

METROPOLITAN REGION

BIOBÍO REGION

LOS LAGOS REGION

AYSÉN REGION

# Mission, vision and values

## Mission

Salmones Camanchaca's mission is to feed the world from the sea with healthy and nutritious proteins that are produced under sustainable processes, and committed to the environment and the communities in which it operates.

## Vision

Salmones Camanchaca aims to be an industry referent for productivity and sustainability; taking caring of people, promoting innovation, producing high quality customized products and strengthening ties with its customers.

## Values



TALENT AND PERFORMANCE



ETHICS AND TRANSPARENCY



CARE OF THE RESOURCES



SAFETY



EFFICIENCY AND MODERATION



RESPECT



AGILITY



COLLABORATION AND COMMUNICATION

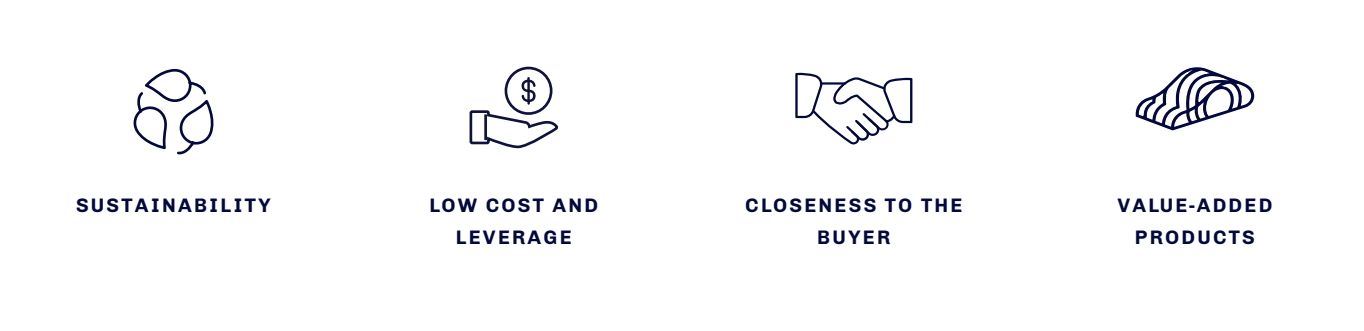


# Strategy

Salmones Camanchaca's strategy emphasizes long-term value creation. A principal aspect of the strategic plan is the commitment to sustainability, together with the development of an organic growth plan that continually improves production efficiency and cost control. Market development is carried out through flexibility in the production of different product formats and their destination.



## Salmones Camanchaca’s value proposal



The company seeks implementation of the strategy through six objectives.

1. **Raw material return:** to increase access to raw materials and improve raw material returns.
2. **Understanding the customer and the consumer:** to increase sales in key markets by developing own brands, strengthening sales offices and focusing on retail and digital channels. Also, by promoting products with higher added value and reducing the volatility of products considered as "commodities".
3. **Operational Excellence:** to improve production processes and extend the application of technology, which includes cost-efficient Digital Transformation without sacrificing quality.
4. **Organizational Excellence:** to make working at Salmones Camanchaca an outstanding experience, with a focus on employee welfare, operational ease and talent development.
5. **Sustainable Production:** to improve the sustainability of production processes, to preserve the health of the ecosystem and maintain good relationships with local communities.
6. **Financial Sustainability:** to achieve profitability consistent with the risks assumed, superior than the competition and based on sustainable financing structures open to capital markets.

## Investment Plans

The two main objectives of Salmones Camanchaca's investment plans are to create long-term value and to keep its assets in optimal operating condition. The farming plan has three strategic objectives i) diversify seawater concession use, ii) farm alternative species, and iii) use new technologies and devices . These objectives will reduce the Company's exposure to environmental events and mitigate biological risks. This strategy requires an investment plan of around USD 120 million during 2019-2022. Financing sources include the use of the Company's own resources, the capital increase made at the end of 2021 and long-term loans from financial institutions.

Salmones Camanchaca plans to increase geographical diversification by farming Atlantic salmon at its own concessions in the Aysén Region. The company has historically farmed in the fjords located in Los Lagos region. This location is subject to challenging environmental conditions, due to its drier climate, which increases the risk of algae blooms and oxygen deficiencies. Whereas environmental conditions in the fjords further south in the Aysén Region expose the biomass to fewer risks, due to their improved water renewal and lower oxygen deficiency risks, which are preferable for this industry.

The Company aims to increase Coho salmon production as an alternative species. Coho has a shorter production cycle than Atlantic salmon and is harvested before the summer season, which avoids the risk of algae *blooms* , especially in the Los Lagos Region when temperatures rise. Furthermore, less antibiotics if any are required. It is immune to sea lice, so it does not need an antiparasitic.

Salmones Camanchaca aims to provide all its seawater farming sites with the latest technologies for sites exposed to stronger currents, and protection systems for algae blooms. For example, using air bubble curtains that protect each site from its surroundings. Another measure is online algae and oxygen deficiency monitoring using artificial intelligence tools that rapidly detect harmful algae.

Salmones Camanchaca is installing upwelling air current systems at its farming sites, which generate currents that prevent algae from entering its sites. Finally, the Company will prepare back-up farming sites and logistic procedures to transport live fish in large wellboats with a capacity of approximately 3,000 m3. Consequently, if an environmental incident occurs, live fish can be moved to other areas in order to avoid any harmful consequences.

The Company's investment strategy includes investing in maintenance, in order to preserve its assets, and expand its production capacity to match its growth plans.

The strategy highlights and in line with the investment plans, are: an integrated value chain that provides high flexibility to serve different markets and product formats, and the restructuring of its business to ensure profitable growth that continually seeks cost improvement through increased production volumes and biorisk mitigation. The Company will fulfill its commitment to sustainability and has the support of major investors, securing the financing defined for its strategic plan.

Strategic outlook

Salmones Camanchaca's time outlook are related to the nature of the business, the Company's current strategy, and its production infrastructure. These have been defined by Its strategic plan, together with an analysis of various scenarios involving investments in operating plants and their respective systems.

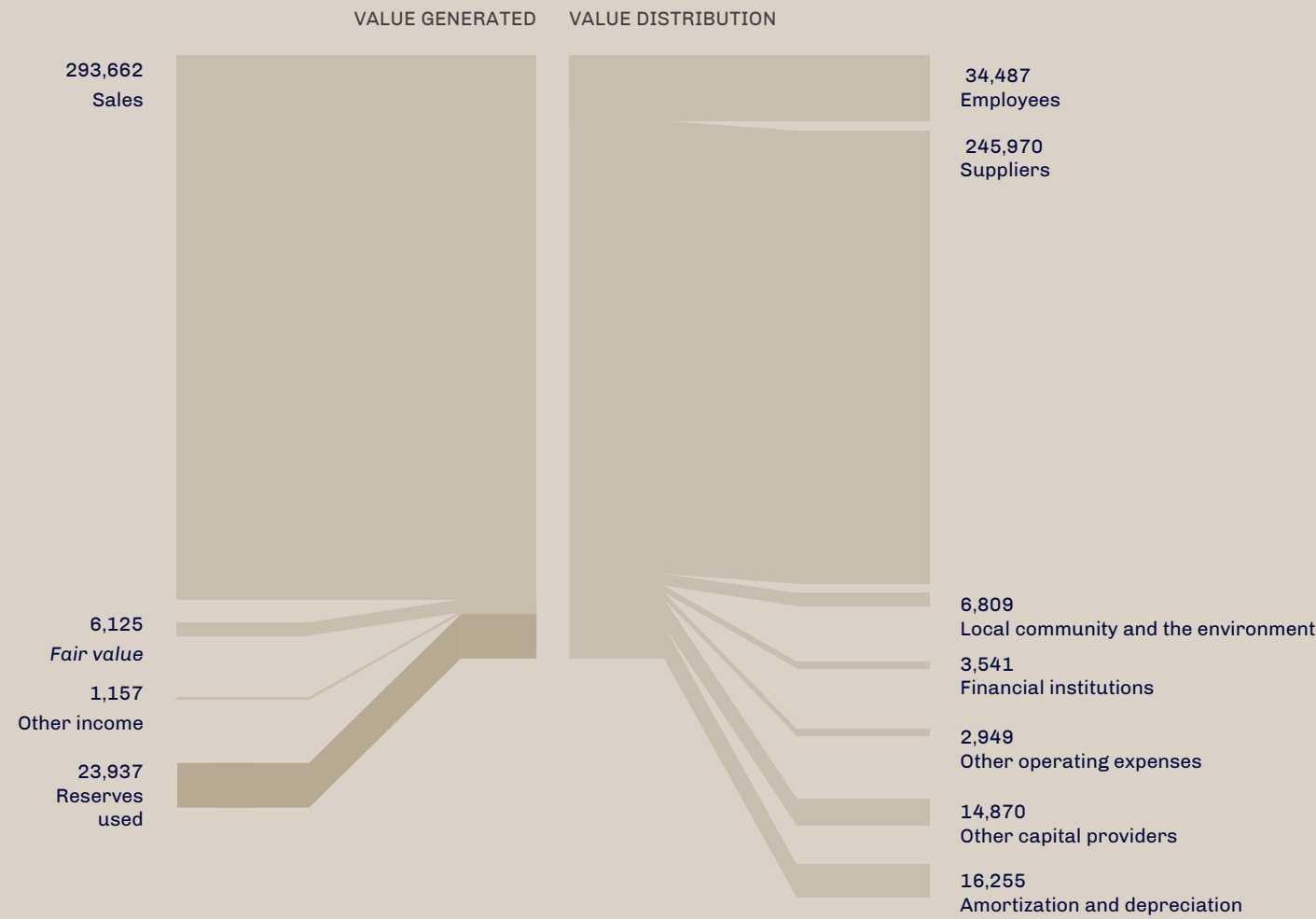
Short term is defined based on the continuity and implementation of the strategic plan for 2021 to 2023. (Further details can be found in Chapter 2). Medium term is defined as the next 3 to 4 years, which is the period in which the Company expects to completely implement its geographical and species diversification strategy, to reach an annual harvest volume of around 65-70,000 MT WFE.

Salmones Camanchaca's assets are mainly operating plants and concessions. The Company has defined long-term as 10 years. This is justified by the nature of the business, as assets can financially perform for that period or even longer, and permits, rights and concessions are renewable for more than 20 years or even indefinitely. Business cycles and risks affecting biomasses were also considered, as a result of which there may be high variability in flows from one year to the next. This makes a horizon of less than 10 years unrepresentative of the company's long-term reality.

Value footprint

Salmones Camanchaca is committed to satisfying the growing need for healthy and sustainable proteins, in order to contribute to a better future for the planet and humanity. The Company distributes its created value among all its stakeholders.

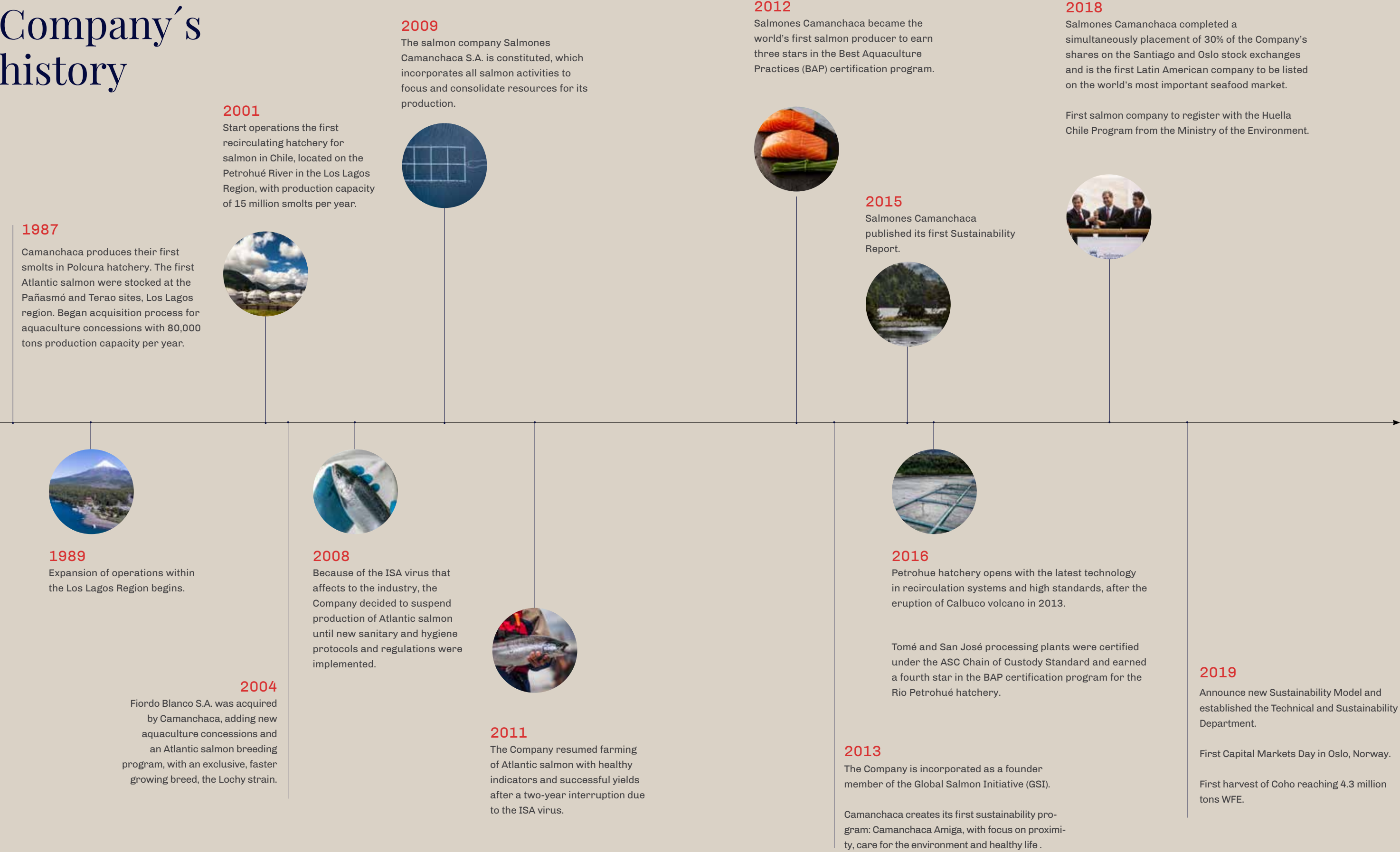
Salmones Camanchaca total value creating in 2021 was USD 300 million, which has been distributed among its shareholders, employees, suppliers and other stakeholders as follows:



\*There were no earnings in 2021 and 2020 so there were no dividends



# Company's history



# Highlights of the year



**CODE OF CONDUCT FOR SUPPLIERS**

Implementation of the Code of Conduct for Suppliers began in 2021. This document applies to all the Company's facilities and production processes. The Code describes its expectations, requirements and practices in five areas. These are ethics, human and employment rights, health and safety, the environment, and local communities.



**NEW CHILEAN COHO SALMON PRODUCTS IN THE USA**

A new format of frozen Coho salmon portions has been introduced to the US market under the Pier 33 Gourmet brand. These frozen portions are sourced from premium quality, sustainably farmed salmon, without using antibiotics.



**SALMON CHILE CPA SIGNED**

Salmones Camanchaca signed a Clean Production Agreement (CPA) "Climate Change and Circular Economy Strategy for the Salmon Industry in the Los Lagos and Aysén regions". This agreement makes the Company responsible for the impact of the industry, and for improving the practices within its production chain. Its objective is to measure its environmental impact, reduce energy consumption and GHG emissions, and improve waste management using a circular economy approach.

**FIRST "SUSTAINABILITY LINKED LOAN " TO THE AQUACULTURE INDUSTRY IN CHILE**

Salmones Camanchaca restructured its long-term loans by signing a "Sustainable loan facility", the only one of its kind in Chile, which totaled USD 135 million.

This is the first loan to the sector that meets the five characteristics to be recognized as a "Sustainability Linked Loan". It requires interest margins to be linked to progress with specific sustainability metrics negotiated with creditors. Accordingly, the Company defined five goals to achieve Carbon Neutrality by 2025 and increase its proportion of recycled non-hazardous solid waste. This loan has a 3-year grace period, with 10% of the loan principal repayable at the end of years 3 and 4 and 80% at maturity, which provides a substantial financial cushion for the next 5 years.



**RECOGNIZED AS AN "INDUSTRY MOVER" BY THE DOW JONES SUSTAINABILITY INDEX (DJSI)**

Salmones Camanchaca was accepted into the well-known international *Dow Jones Sustainability Index MILA Pacific Alliance and DJSI Chile*, both in the *Food, Beverage & Tobacco* category, which demonstrates that the Company has a defined sustainability strategy. Subsequent to this recognition, the Company's sustainability credentials were recognized when it was included in *The Sustainability Yearbook 2022* issued by the prestigious risk rating agency *Standard & Poor's (S&P)*, as it has achieved outstanding progress with its sustainability strategy.

Furthermore, it was ranked in 20th place in the Collier FAIRR Global Index, which measures 10 sustainability issues across 60 of the world's largest food companies that publish their performance. Salmones Camanchaca was also included in the top 100 companies listed on the Oslo stock exchange that report their sustainability performance.



**FARMING SITES CONNECTED TO THE STARLINK SATELLITE SERVICE**

Six *Starlink* antennas were installed and the SpaceX satellite internet service was used to improve connectivity at Salmones Camanchaca's facilities. This technology increases internet speeds by up to 100 times for some farming sites and hatcheries in the Los Lagos and Aysén regions, without requiring any infrastructure on land. This project is very important to the Company as it operates complex processes in remote locations with minimal infrastructure.



**THE ONLY COMPANY IN THE INDUSTRY TO BE CERTIFIED AS AN AUTHORIZED ECONOMIC OPERATOR**

Salmones Camanchaca is the only company in the salmon industry certified as an Authorized Economic Operator (AEO) nationwide by the Chilean General Directorate of Customs in December 2021.



**CAPITAL INCREASE**

The Company successfully completed a capital increase, where it raised USD 23 million to strengthen its financial position. These resources will support the investment plan for 2021 to 2023, the recovery of biomass lost at the beginning of 2021 and the diversification of farming among sites in the Aysén Region.



# Articles of incorporation

Salmones Camanchaca S.A. was incorporated as a privately held corporation by public instrument on June 26, 2009, signed before Santiago Notary Mr. Félix Jara Cadot. An abstract of that instrument was registered on July 23, 2009, on page 33,897, No. 23,131 of the Santiago Commerce Registry and was published in the Official Gazette on July 24, 2009.

The Company's corporate purpose is: a) Aquaculture activity in general, especially breeding, producing and farming salmon, trout, other salmonids and all other species, beings or organisms grown entirely or primarily in water, including research and development of salmonids genetics; industrializing, slaughtering, cooling, freezing, dehydrating, packing, packaging, transporting and selling products, by-products and derivatives of aquatic activities, for its own benefit and also by providing services related to these activities to third parties; and b) researching and developing, producing and manufacturing inputs, machinery, elements and materials for aquatic activities, all for its own production or for sale to third parties.

The Company is of indefinite duration.

Its authorized capital is of USD 149,325,695.95, divided into 78,000,000 nominative, single-series shares with no par value and no preferential rights whatsoever. The subscribed and paid-up capital is USD 139,809,845.95.-, divided into 74,193,660 registered shares, with no nominal value, all of the same and unique series, without any privilege.

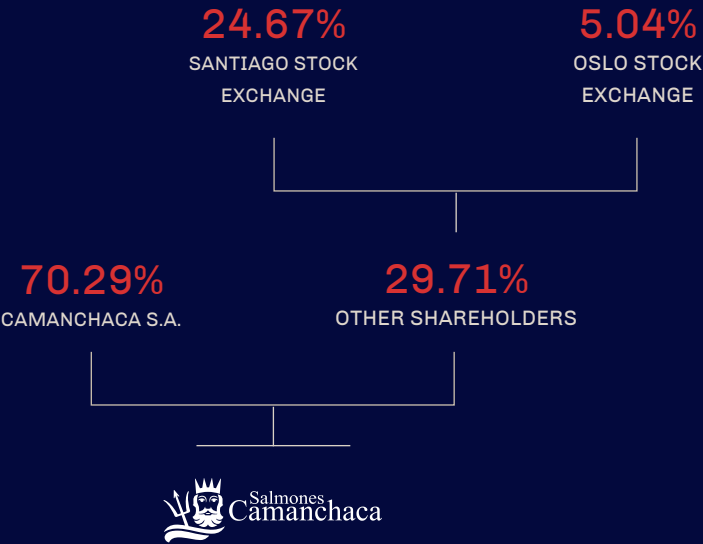
The Company is managed by a Board of Directors consisting of seven members that are eligible for reelection. They serve two-year terms, after which time the entire Board is renewed. Directors may be reelected indefinitely.

Shareholders meet in annual general and extraordinary meetings. Annual general meetings are held within the first quarter of each year and extraordinary meetings may be held at any time, when required by corporate needs, to decide on any matter for which the law or bylaws require shareholder approval, provided that such matters are indicated in the corresponding meeting notice. At the annual general meeting, shareholders appoint an external auditing firm each year to examine the Company's accounting, inventory, balance sheet and other financial statements. These auditors shall inform shareholders in writing as to their compliance with their mandate at the next annual general meeting.

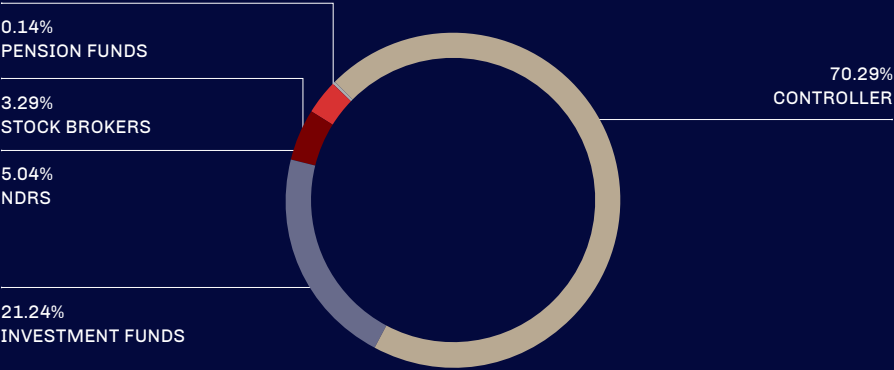
On December 13, 2017, the Company was registered as number 1150 in the Securities Registry maintained by the Superintendency of Securities and Insurance.

# Company's structure

Salmones Camanchaca is an open joint-stock company listed on the Santiago Stock Exchange, Chile, and the Oslo Stock Exchange, Norway. The main shareholder is Camanchaca S.A. with 70.29% of the shares.



Number of shareholders as of December 31, 2021: According to the shareholders' registry, SERCOR, the company has 53 shareholders including direct shareholders, deposit companies and stock custody companies.



# Control

## Main shareholders

As of December 31, 2021:

N°	Name shareholder	Stocks	%
1	Camanchaca S.A.	52,149,999	70.29
2	BTG Pactual Small Cap Chile Fondo de inversión	3,831,615	5.16
3	DNB Bank Asa	3,740,515	5.04
4	Compass Small Cap Chile Fondo de Inversión	3,023,283	4.07
5	Siglo XXI Fondo de Inversión	2,623,332	3.54
6	Bci Small Cap Chile Fondo de inversión	1,722,598	2.32
7	Toesca Small Cap Chile Fondo de inversión	1,658,842	2.24
8	Banco de Chile Por Cuenta de Terceros Ca	1,374,461	1.85
9	Fondo de inversión Santander Small Cap	1,369,508	1.85
10	Larrain Vial Asset Management A.G.F. S.A.	665,336	0.90
11	Credicorp Capital S.A. Corredores de Bolsa	536,644	0.72
12	Banchile Administradora General de Fondos S.A.	407,868	0.55
Subtotal		73,104,001	98.53
Other shareholders		1,089,659	1.47
Total		74,193,660	100.00

Salmones Camanchaca S.A. is controlled by Camanchaca S.A., direct owner of 70.29% of the Company's shares. Camanchaca S.A., is controlled by Mr. Jorge Fernández Valdés, Chilean ID Number 3.189.057-8, through the companies Inversiones HFG Limitada, Taxpayer ID Number 76.076.557-0, direct owner of 33.1717% of the Company's shares, and Inversiones Los Fresnos SpA, Taxpayer ID Number 78.172.330-4, direct owner of 19.6020% of the Company's shares. .

In turn, Inversiones HFG Limitada has a direct owner of 64.3635% in the company Inversiones Los Fresnos SpA. The partners of Inversiones HFG Limitada are the following:

- 1) Jorge Fernández Valdés, with 0.00069% of rights over the share capital;
- 2) Investments MCFG Limited, Taxpayer ID Number 77,531,772-8, with 16.6665% of rights over the share capital, being the holder of 99.99% of the social rights of said Company Mrs. María Carolina Fernández García, Chilean National ID 6,377,733-1;
- 3) Inversiones Bahía Ranco Limitada, Taxpayer ID Number 77.465.632-4, with 16.6665% of rights over the share capital, being the owner of 99.99% of the social rights of said Company Mr. Jorge Fernández García, Chilean National ID 6.377.734-k;
- 4) Inversiones Fernández Cambiasso Limitada, Taxpayer ID Number 76.066.862-1, with 16.6665% of rights over the share capital, being the owner of 99.90% of the social rights of said Company Mr. Andrés Fernández García, Chilean National ID 6.446.623-2;

- 5) Inversiones Bahía Pastores Limitada, Taxpayer ID Number 76.066.883-4, with 16.6665% of rights over the share capital, being the holder of 99.90% of the social rights of said Company Mrs. María de la Paz Fernández García, Chilean National ID 6.377.735-8;
- 6) Inversiones Salar Grande Limitada, Taxpayer ID Number 76.066.856-7, with 16.6665% of rights over the share capital, being the holder of 99.90% of the social rights of said Company Mr. Cristián Fernández García, Chilean National ID 9.216.903-0, and
- 7) Inversiones Orzada Limitada, Taxpayer ID Number 77.066.845-1, with 16.6665% of rights over the share capital, being the holder of 99.90% of the social rights of said Company Mr. Gonzalo Fernández García, Chilean National ID. 13.441.707-2.

The following individuals related to Mr. Jorge Fernández Valdés are direct owners of the following percentages of the Company: Jorge Fernández García, Chilean National ID 6.377.734-K: 0.048% and Nicolás Guzmán Covarrubias, Chilean National ID 6.377.761-7: 0.048%

Control of Camanchaca S.A., is also held by Mr. Francisco de Borja Cifuentes Correa, Chilean National ID 4.333.851-K, who has a joint action agreement with Mr. Jorge Fernández Valdés, that limits the free disposal of shares.

Mr. Francisco de Borja Cifuentes Correa controls, in accordance with their respective bylaws, the companies Inversiones Cifco Limitada, Taxpayer ID Number 78.172.320-7, and Inversiones HCL Limitada, Taxpayer ID Number 76.076.548-1. The latter two entities own 10.0987% of the Company's shares.

The partners of Inversiones Cifco Limitada, which directly owns 2.4700% of Camanchaca S.A., are Mr. Francisco de Borja Cifuentes Correa, with 99.9621% of that company, and Inversiones HCL Limitada, with 0.0379% of that company.



The partners of Inversiones HCL Limitada, which owns 7.6287% of the Company, are:

- a) Mr. Francisco de Borja Cifuentes Correa, with 0.0024% of that company;
- b) Inversiones Cilar Uno Limitada, Taxpayer ID Number 76.066.821-4, with 19.9995%, of which 96% is owned by Ms. Mónica del Pilar Cifuentes Larios, Chilean ID Number 9.007.413-5;
- c) Inversiones Cilar Dos Limitada, Taxpayer ID Number 76.066.824-9, with 19.9995%, of which 96% is owned by Mr. Francisco de Borja Cifuentes Larios, Chilean ID Number 12.629.641-K;
- d) Inversiones Cilar Tres Limitada, Taxpayer ID Number 76.066.833-8, with 19.9995%, of which 96% is owned by Mr. Crisitían Andrés Cifuentes Larios, Chilean ID Number 12.638.234-0;
- e) Inversiones Cilar Cuatro Limitada, Taxpayer ID Number 76.066.839-7, with 19.9995%, of which 96% is owned by Ms. Carolina Cifuentes Larios, Chilean ID Number 13.550.339-8; and
- f) Inversiones Cilar Cinco Limitada, Taxpayer ID Number 76.066.842-7, with 19.9995%, of which 96% is owned by Ms. María José Cifuentes Larios, Chilean ID Number 15.960.728-3.



# Ownership structure

There are no changes in ownership structure and control compared to prior year.



Salmones Camanchaca’s ownership structure considers direct and indirect ownership.

# Agreements and contracts with subsidiaries or associates

No agreements or contracts have been signed with subsidiaries or associates that have significantly impacted the operations and results of Salmones Camanchaca S.A.

The Company does not have any investments representing over 20% of the investee's total assets in entities that are not considered subsidiaries or associates.



# Subsidiaries

**CORPORATE NAME AND TYPE OF ENTITY:**  
FIORDO BLANCO S.A.

**SUBSCRIBED AND PAID-IN CAPITAL:**  
USD 46,183.399  
Subsidiary of Salmones Camanchaca S.A.

**CORPORATE PURPOSE:**  
Farming, breeding, producing, developing, catching and marketing all types of beings and organisms grown entirely or primarily in water, whether sea, lake or river; industrializing, transforming, producing, processing, canning, freezing, dehydrating, packaging and marketing and selling these products in any format; creating and operating hatcheries. The company may enter into all acts and contracts directly or indirectly related to its corporate purpose.

**GENERAL INFORMATION:**  
The company was incorporated on September 20, 1988, before Valparaíso notary public Ricardo Maure Gallardo. It was registered with the Commerce Registry of the Los Andes Real Estate Registrar on page 59, number 47 in 1988 and with the Commerce Registry of the Santiago Real Estate Registrar on page 61,647, number 43,161 in 2009.

**BUSINESS RELATIONS:**  
This subsidiary sells its salmon production, leases concessions and assets associated with the salmon farming activity to Salmones Camanchaca S.A..

**CHAIRMAN:**  
Francisco Cifuentes Correa.

**BOARD OF DIRECTORS:**  
Francisco Cifuentes Correa, Jorge Fernández García and Ricardo García Holtz.

**CHIEF EXECUTIVE OFFICER:**  
Manuel Arriagada Ossa.

**CORPORATE NAME AND TYPE OF ENTITY:**  
FIORDO AZUL S.A.

**SUBSCRIBED AND PAID-IN CAPITAL:**  
CLP 96,220,524  
Subsidiary of Salmones Camanchaca S.A.

**CORPORATE PURPOSE:**  
The activity of aquaculture in general, especially the raising, production and cultivation of salmon, trout, other salmonids and of all other types of species, beings or organisms that have in the water their normal or more frequent way of life, including research and development of salmonid genetics and industrialization, slaughter, processing, chilling, freezing, dehydration, packaging, packaging, transportation and logistics of products, by-products and derivatives of aquaculture, all on its account and also providing services to third parties in the activities just mentioned; and Research and development, production and manufacture of inputs, machinery, elements and materials for aquaculture activity.

**GENERAL INFORMATION:**  
The company was incorporated by public deed dated January 31, 2019, granted by the Notary of Santiago of Félix Jara Cadot, whose extract was registered on pages 11,277 No. 6.013, of the Trade Registry of the Conservator of Real Estate of Santiago of the year 2019.

**BUSINESS RELATIONS:**  
This subsidiary leases concessions and assets related to the salmon farming business to Salmones Camanchaca S.A.

**CHAIRMAN:**  
Jorge Fernández García.

**BOARD OF DIRECTORS:**  
Jorge Fernández García, Francisco Cifuentes Correa and Ricardo García Holtz.

**CHIEF EXECUTIVE OFFICER:**  
Manuel Arriagada Ossa.

As of December 31, 2020 and 2021

Taxpayer ID	Company name	Participation percentage (%)		
		Direct	Indirect	Total
96.540.710-3	Fiordo Blanco S.A.	99.99	0.00	99.99
76.989.215-K	Fiordo Azul S.A.	99.99	0.01	100.00

Percentage that the investment in each company represents of the Company's total individual assets as of December 31.

Taxpayer ID	Company name	2020	2021
96.540.710-3	Fiordo Blanco S.A.	7.3953	7.9478
76.989.215-K	Fiordo Azul S.A.	-	-





# Associated companies

**CORPORATE NAME AND TYPE OF ENTITY:**  
SURPROCESO S.A.

**SUBSCRIBED AND PAID-IN CAPITAL:**  
CLP 600,000,000

**CORPORATE PURPOSE:**

Providing storage, slaughtering, calibration, grading and processing services for the salmon farming and general fishing industries.

**GENERAL INFORMATION:**  
The company was incorporated on March 17, 2005, before Santiago notary public Arturo Carvajal Escobar. It was registered with the Puerto Montt Commerce Registry on page 177, number 139 in 2005.

**BUSINESS RELATIONS:**  
This associate provides slaughtering and gutting services to the subsidiary Salmones Camanchaca S.A.

**CHAIRMAN:**  
Adrián Fernández Rosenberg.

**BOARD OF DIRECTORS:**  
Adrián Fernández Rosenberg, Ignacio Pérez Benítez, Martín Skalweit Rudloff, Alvaro Contreras Pérez, Jorge Fernández García and Daniel Bortnik Ventura

**CHIEF EXECUTIVE OFFICER:**  
Guillermo Vásquez Maldonado.

As of December 31, 2021 and 2020

Taxpayer ID	Company name	Participation percentage (%)		
		Direct	Indirect	Total
76.346.370-2	Surproceso S.A.	33.33	0.00	33.33

Percentage that the investment in each company represents of the Company's total individual assets as of December 31.

Taxpayer ID	Company name	2020	2021
76.346.370-2	Surproceso S.A.	1.1178	0.9539

# Board members and executives

with positions at subsidiaries or associates

Name	Subsidiary/Associate	Position in the Subsidiary/Associate
Jorge Fernández García	Fiordo Blanco S.A.	Director
	Surproceso S.A.	Director
	Fiordo Azul S.A.	Chairman
Francisco Cifuentes Correa	Fiordo Blanco S.A.	Chairman
	Fiordo Azul S.A.	Director
Ricardo García Holtz	Fiordo Blanco S.A.	Director
	Fiordo Azul S.A.	Director
Manuel Arriagada Ossa	Fiordo Blanco S.A.	CEO
	Fiordo Azul S.A.	CEO
Daniel Bortnik Ventura	Surproceso S.A.	Director



03

# Corporate governance





# Corporate governance practices

The Company is based on a solid business ethic that seeks to promote good corporate governance practices and has therefore adopted and implemented a regime that strives to comply with the Code of Practices. In addition, Salmones Camanchaca is subject to Chilean and Norwegian laws and regulations, as a consequence of its listing on the Oslo Stock Exchange, so it must comply with national and international standards.

The Company's highest decision-making authority is the General Shareholders' Meeting (the "**General Shareholders' Meeting**"). In accordance with Chilean law and the Bylaws, all shareholders in the Company are entitled to attend, or be represented by proxy, and vote at the General Shareholder Meetings of the Company.

The overall management of the Company is vested in the Board of Directors and the Management. In accordance with Chilean law and the Bylaws, the Board of Directors is responsible for, among other things, supervising the general management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities and to ensure that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties. Also, the Board of Directors may exercise all powers of the Company not resolved to the General Shareholders' Meeting pursuant to the Bylaws or Chilean law.

The Bylaws provide that the Board of Directors shall consist of seven members. The Directors are elected by the shareholders

at the relevant annual ordinary general shareholders' meeting or any extraordinary general shareholders' meeting called for that purpose.

The Board of Directors has one sub-committee, being **the Directors Committee**.

The current members of the Directors Committee are Joaquin Villarino Herrera (chairman), Tore Valderhaug, and Rodrigo Errázuriz Ruiz-Tagle.

The primary purposes of the Directors Committee are to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance, as well as risk management. The Directors Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

The Company's chief executive officer ("**CEO**") is responsible for the day-to-day management of the Company's operations in accordance with Chilean law and has the power conferred upon him or her by the Board of Directors. In accordance with the Bylaws, the Company's CEO will act as the secretary to the Board of Directors and in accordance with Chilean law he or she must also brief the Board of Directors about the Company's activities, financial position and operating results on a regular basis.



## Implementation and reporting on Corporate Governance

As a company incorporated in Chile, the Company is subject to Chilean laws and regulations. In addition, as a consequence of being listed on the Oslo Stock Exchange, the Company must comply with section 3-3b of the Norwegian Accounting Act, certain aspects of the Norwegian Securities Trading Act and is also obligated to adhere to the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 prepared by the Norwegian Corporate Governance Board (the "Code of Practice") on a "comply or explain" basis. Further, the Company's Bylaws set forth certain governance provisions. The Norwegian Accounting Act is found on [www.lovdata.no](http://www.lovdata.no) and the Code of Practice is found on [www.nues.no](http://www.nues.no).

The Company is committed to good corporate governance and has therefore adopted and implemented a corporate governance regime which seeks to comply with the Code of Practice. However, since the Company is governed by Chilean laws and regulations, some of the Company's governance principles deviate from certain of the recommendations of the Code of Practice. The Board of Directors shall provide an overall overview of the Company's corporate governance in the Company's annual report. The review shall include each individual point of the Code of Practice. If the Company does not fully comply with the Code of Practice, this shall be explained in the Company's Annual report.

### SECTION 2: BUSINESS

The Company's business shall be clearly described in the Bylaws in order to provide shareholders with sufficient information to anticipate the scope of the Company's activities and risk profile. The operations of the Company shall be in compliance with the purpose set forth in the Bylaws.

The purpose of the Company is: a) the activity of aquaculture in general and, in particular, the breeding, production and nursing of salmon, trout and other salmonids as well as all kind of species, beings or organisms that have the water as their normal or more frequent natural environment, including the investigation and development of the genetics of Salmonids, and the industrialization, processing, elaboration, cooling, freezing, drying, packing, packaging, transporting and marketing of the products, byproducts and derivatives of the aquiculture activity, all as principal and also providing services to third parties in the activities mentioned above; and b) the investigation and development, production and manufacture of raw materials, machines, elements and materials for the activity of aquaculture, all for its own industry and for their marketing to third parties.

The Company will implement guidelines that explain how it integrates considerations related to its stakeholders into the Company's value creation, focusing on human rights, employee rights and social matters, the external environment, the prevention of corruption,



the working environment, equal treatment, discrimination and environmental impact. The guidelines shall be adapted to the stakeholders affected by the Company's operations and shall relate to the Company's value creation.

SECTION 3: EQUITY AND DIVIDENDS

The Board of Directors is responsible for overseeing that the Company is adequately capitalized relative to the risk and scope of operations and that the capital requirements set forth in applicable laws and regulations are met. The Company shall have a capital structure that is appropriate to its objectives, strategy and risk profile. The Board of Directors continuously monitors and evaluates the Company's capital situation and will promptly take appropriate steps if the Company's equity or liquidity is less than adequate. The Board of Directors has drawn up a clear and predictable dividend policy which is included in the Bylaws. Dividend payments will be made in cash as approved and determined by the General Shareholders' Meeting.

Pursuant to Chilean law, authorizations may not be granted to the Board of Directors to increase the share capital of the Company or to purchase own shares. Subject to the restrictions and limitations set out in applicable Chilean laws and regulations, the General Shareholders' Meeting has the authority to approve that the Company purchase own shares.

SECTION 4: EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Company has only one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, without any

privilege whatsoever, including the right to participate in General Shareholders' Meetings. All shareholders shall be treated on a non-discriminatory basis.

Pursuant to Chilean law, shareholders are entitled to waive or transfer their pre-emption rights in the event of an increase in share capital. Pursuant to Chilean law, authorizations may not be granted to the Board of Directors to increase the share capital of the Company and, as such, the Board of Directors is not entitled to waive the pre-emption rights of existing shareholders.

Any transactions the Company carries out in its own shares must comply with Chilean laws and regulations and shall be carried out on the Santiago Stock Exchange, and in any case, at such stock exchange price. Any transaction of treasury shares by the Company is subject to applicable notification requirements and shall be publicly disclosed in a stock exchange announcement.

Transactions between the Company and its shareholders or other close associates shall be carried out in compliance with Chilean laws and regulations. As a public corporation, the Company will only be able to perform such operations if those transactions have the purpose to contribute to the corporate interest and are adjusted to the market price and conditions prevailing at the time of their approval. In case of material transactions between the Company and a shareholder, a shareholders' parent company, director, officer, or persons closely related to any of these, different from those transactions specified in the General Habituality Policy of Salmones Camanchaca S.A. for operations with related parties, published in the Company's website, the Board of Directors will

obtain a valuation from an independent third party. Independent valuations shall also be obtained in respect of material transactions between companies in the same group that are not covered by the General Habituality Policy of Salmones Camanchaca S.A. and where any of the companies involved have minority shareholders.

SECTION 5: SHARES AND NEGOTIABILITY

The Bylaws do not impose any restrictions on the ability to own, trade or vote for shares in the Company and the shares in the Company are freely transferable.

SECTION 6: GENERAL MEETINGS

The Board of Directors shall make efforts to ensure that shareholders may participate in the General Shareholders' Meetings and that as many shareholders as possible are able to exercise their voting rights at such meetings, and that the General Shareholders' Meeting is an effective forum for shareholders. In order to facilitate this, the Board of Directors shall ensure the following:

- The summons to the shareholders' meeting, whether ordinary or extraordinary, will be made by means of a prominent notice, which will be published at least three times on different days in the newspaper of the registered office determined by the shareholders' meeting. Said notices will be published within the 20 days prior to the date of its celebration. The first notice may not be published less than 15 days before the meeting:

- the resolutions and any supporting documentation shall be sufficiently detailed, comprehensive and specific, allowing shareholders to understand and form an opinion on all matters to be considered at the General Shareholders' Meeting;
- the registration deadline, if any, for shareholders to participate at the General Shareholders' Meeting shall be set as closely to the date of the General Shareholders' Meeting as practically possible and permissible under Chilean law;
- the Board of Directors and secretary of the General Shareholders' Meeting shall ensure that the shareholders are able to vote on each individual matter, including the election of the members of the Board of Directors;
- members of the Board of Directors may be present at all General Shareholders' Meetings; and
- the General Shareholders' Meeting shall be presided by the chairman, and the CEO shall act as its secretary, unless the General Shareholders' Meeting has designated such secretarial duties to another person.

The Company will employ its reasonable best efforts to ensure the possibility to submit their votes by proxy to the shareholders who have their shares traded on the Oslo Stock Exchange and who are unable to be present at the General Shareholders' Meeting.

Pursuant to Chilean law, the General Shareholders' Meetings shall always be presided by the chairman of the Board of Directors and, as such, this represents a deviation from the Code of Practice.







SECTION 7: NOMINATION COMMITTEE

The Bylaws does not include the establishment of a nomination committee since a nomination committee is not recognized under Chilean law. This represents a deviation from the Code of Practice. According to the Company's corporate governance policy, the Company will consider the possibility to establish a nomination committee in the future. If so, any member of the Board of Directors who is also a member of the nomination committee may offer him- or herself for re-election to the Board of Directors. The Board of Directors will use its best efforts to ensure that all potential candidates for the Board are selected by procedures and policies that guarantees their good standing to fill those positions, in the same manner as a nomination committee.

SECTION 8: BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Board of Directors shall consist of seven members. The term of office for the Board members shall not be longer than two years at a time. Members of the Board of Directors may be re-elected. The members of the Board of Directors shall be elected by the General Shareholders' Meeting, while the Board of Directors itself appoints its chairman. According to the Bylaws, appointment of the chairman shall be made at the first meeting of the Board after the ordinary General Shareholders' Meeting electing the Board of Directors. Pursuant to Chilean law, the Board of Directors is the only corporate body who is entitled to appoint the chairman. This represents a deviation from the Code of Practice. No member of the Company's executive management shall be members of the Board of Directors.

The composition of the Board of Directors should reflect the expertise, capacity and diversity needed to achieve the Company's goals, attend its main challenges and the common interests of all shareholders. Further, individuals of the Board of Directors shall be willing and able to work as a team, resulting in the Board of Directors working effectively as a collegiate body. The Board of Directors shall be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the Board of Directors shall be independent of the executive management and material business connections of the Company. Further, at least one of the members of the Board of Directors shall be independent of the Company's major shareholder(s) and, as such, represents a deviation from the Code of Practice. For this purpose, a major shareholder shall constitute a shareholder that owns or controls 10% or more of the Company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence an independent assessment of the person in question. The composition of the Board of Directors does not meet the recommended gender guidelines of the Code of Practice but meets the Company's need for expertise and diversity. A short description of our board members is presented in this annual report on chapter 6.

Members of the Board of Directors are welcome to own shares in the Company.

SECTION 9: THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors shall define clear objectives, strategies and risk profiles for the Company's business activities so that the Company creates value for its shareholders. The Board of Directors will execute the decisions of the Shareholders' Meeting through the executive management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the Board of Directors and the CEO shall be in compliance with rules and standards applicable to the Company, which are further described in the Company's corporate governance policy that can be found on [www.salmonescamanchaca.cl](http://www.salmonescamanchaca.cl).

The Board of Directors shall provide details in the annual report of any board committees appointed. Pursuant to Chilean law, the Company is obliged by law to have an Directors Committee. The Directors Committee functions as a preparatory and advisory committee for the Board of Directors and the objectives, responsibilities and functions of the Directors Committee shall be in compliance with rules and standards applicable to the Company, which are further described in the Company's corporate governance policy. All members of the Board of Directors are independent of the executive management, and accordingly the Company will not establish a separate remuneration committee which, as such, represents a deviation from the recommendation in the Code of Practice. The Board of Directors will collectively determine the remuneration to the executive management.

The Board of Directors shall evaluate its performance and expertise every second year, which represents a deviation from the Code of Practice. This evaluation shall include the composition of the Board of Directors and the manner in which its members function as a group, in relation to the objectives set out for its work.

SECTION 10: RISK MANAGEMENT AND INTERNAL CONTROL

It is the Board of Directors that has the responsibility to ensure that the Company has sound and appropriate internal control systems and risk management procedures, and that these are proportionate to and reflect the extent and nature of the Company's activities. Having effective internal control systems and systems for risk management in place may protect the Company from situations that could damage its reputation or financial standing. Furthermore, effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the Company's objectives, and ultimately create value. In addition, having in place an effective internal control system means that the Company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the Company. The internal control system shall also address the organization and execution of the Company's financial reporting, as well as cover the Company's corporate values, ethical guidelines and principles of corporate social responsibility.

The Company shall use its best efforts to have a comprehensive set of relevant corporate manuals and procedures, which shall provide detailed descriptions of procedures covering all aspects of managing the Company's operational business. These procedures and manuals shall continuously be revised to reflect the best practice, derived from experience or adopted through regulations. The Board of Directors shall annually review the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed.

**SECTION 11: REMUNERATION OF THE BOARD OF DIRECTORS**

The remuneration of the Board of Directors is determined by the shareholders at the Company's annual General Shareholders' Meeting. The remuneration of the Board of Directors shall reflect the Board of Directors' responsibility, expertise, the complexity of the Company and its business, as well as time spent and the level of activity in the Board of Directors and any board committee members of the Board of Directors participate in. The remuneration of the Board of Directors shall not be linked to the Company's performance and share options shall not be granted to members of the Board of Directors. The remuneration to the Board of Directors shall be such that their independence is protected. Members of the Board of Directors, or companies associated with a member of the Board of Directors, shall not engage in specific assignments for the Company in addition to their appointment as members of the Board of Directors. If a member of the Board of Directors nonetheless takes on any such assignment the entire Board of Directors must be informed.

Information on the total remuneration and benefits in kind of each member of the Board of Directors is provided in the annual report. This means that the annual report provides details of all elements of the remuneration and benefits of each member of the Board of Directors. This includes a specification of any consideration paid to members of the Board of Directors in addition to their board remuneration.

**SECTION 12: REMUNERATION OF EXECUTIVE PERSONNEL**

The Company has prepared guidelines for determining remunerations to the CEO and other executive personnel, which at all times shall support prevailing strategy and values in the Company. The guidelines include the main principles for the Company's remuneration policy as well as contribute to align the interests of shareholders and executive personnel. Performance-related remuneration of the executive management shall be linked to value creation for shareholders or to the Company's profit over time and, or, to those parameters which create value in time. Such arrangements are meant to incentivize performance and shall be based on quantifiable factors the employee may influence, and then be rewarded accordingly. There is an absolute limit on performance-related remuneration.

**SECTION 13: INFORMATION AND COMMUNICATION**

The Company is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The Company has established guidelines for its reporting of financial and other information based on openness and taking into account the requirement of equal treatment in the securities market. The Company is obliged to continually provide its shareholders, authorities (including the Santiago Stock Exchange and the Oslo Stock Exchange) and the securities market and financial market in general with timely and precise information about the Company and its operations. The Company has published an annual, electronic financial calendar with an overview of dates for important events, such as the annual General Shareholders' Meeting, publication of the annual report and interim financial reports.

**SECTION 14: TAKE-OVERS**

In the event of a take-over, the Board of Directors shall comply with mandatory Chilean laws and regulations. In the event of an announcement of a mandatory take-over, the members of the Board of Directors shall individually issue a written report with their opinion on the take-over offer benefits for the shareholders. In that report, the member of the Board of Directors shall indicate his/her relationship with the controller of the Company and with the bidder and the interest that he or she may have in the operation. The submitted reports must be made available to the general market together with the prospectus required to be prepared pursuant to mandatory Chilean law and a copy must be submitted to the Chilean Financial Market Commission, the stock exchanges and the offeror.

**SECTION 15: AUDITOR**

At each ordinary General Shareholders' Meeting, the shareholders shall designate an external audit firm for the purpose of examining the accounts, inventory, balance sheet and other financial statements of the Company, with the obligation to report in writing to the following ordinary General Shareholders' Meeting about the compliance of its obligations. The Company's auditor shall annually present the main features of the plan for the audit of the Company to the Board of Directors and/or the audit committee.



Pursuant to Chilean law, the auditor shall also provide the Directors Committee with the following:

- an annual written confirmation of its independence;
- information on services other than statutory audit provided to the Company during the course of the financial year; and
- inform about any threats to the auditor's independence and provide evidentiary documentation of the measures implemented to combat such threats.

The auditor shall participate in meeting(s) of the Board of Directors where any of the following is on the agenda: the annual accounts and other matters of importance where there has been disagreement between the auditor and the Company's executive management and/or the Directors Committee. The auditor shall at least once a year present to the Board of Directors or the audit committee a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement. In order to strengthen the Board of Directors' work on financial reporting and internal control, the auditor shall provide a report to the Directors Committee on the main features of the audit in respect to the previous financial year, and especially mention any material weaknesses identified in the internal control relating to the financial reporting process. The auditor shall attend the General Shareholders' Meeting if the matters to be dealt with are of such nature that his or her presence is deemed necessary. The auditor is in any case entitled to participate in the General Shareholders' Meeting.

The Company's Corporate Governance Policy and the Bylaws are available at the web page of the Company.

Also, formal corporate governance procedures have been adopted and published in the web page of the Company, following the regulations issued by the Chilean authority (boadssion for the Financial Market). These procedures are:

- Information analysis procedure
- Guidelines on compensation
- Information file procedure
- Permanent training of the Board's procedure
- Procedure for the hiring of specialist advisers
- Procedure for continuous improvement of the functioning of the Board
- Director's induction procedure
- Procedure for publication of Board members candidates' background



# Board of Directors

Ordinary Shareholders meeting held on 21 April 2021, appointed the following Board of Directors:



Jorge Fernández García

**CHAIRMAN**  
Economist and Business Administrator,  
Universidad de Chile  
Chilean id number: 6.377.734-k  
Appointment: April, 2018.  
Other board of directors: 1  
Nationality: Chilean  
Professional experience: Food industry



Ricardo García Holtz

**VICE CHAIRMAN**  
Economist and Business Administrator and Master's in Economics  
Pontificia Universidad Católica de Chile and Master's in Economics  
University of California, EEUU  
Chilean ID Number: 6.999.716-3  
Appointment: April, 2013  
Other board of directors: 0  
Nationality: Chilean  
Professional experience\*\*: Food industry, finance and education



Francisco Cifuentes Correa

**BOARD MEMBER**  
Lawyer Pontificia Universidad Católica de Chile  
Chilean ID Number: 4.333.851-K  
Appointment: April, 2013  
Other board of directors: 1  
Nationality: Chilean  
Professional experience\*\*: Food industry



Tore Valderhaug \*

**BOARD MEMBER**  
Norwegian State Authorized Public Accountant, Norwegian School of  
Economics (NHH)  
Chilean ID Number: 26.622.508-3  
Appointment: November, 2017  
Other board of directors: 0  
Nationality: norwegian  
Professional experience\*\*: Food industry, finance and IT industry



Felipe Sandoval Precht

**BOARD MEMBER**  
Civil Engineer Universidad de Chile  
Chilean ID Number: 7.673.035-0  
Appointment: November, 2017  
Other board of directors: 0  
Nationality: Chilean  
Professional experience\*\*: Food industry, public service, energy,  
electricity, health and portuary



Joaquín Villarino Herrera \*

**INDEPENDENT BOARD MEMBER**  
Pontificia Universidad Católica de Chile, Doctor of laws, University  
of Navarra, Spain  
Chilean ID Number: 9.669.100-9  
Appointment: April, 2019  
Other board of directors: 1  
Nationality: Chilean  
Professional experience\*\*: Mining, public service, health and  
education



Rodrigo Errázuriz Ruiz-Tagle \*

**INDEPENDENT BOARD MEMBER**  
Civil Engineer Pontificia Universidad Católica de Chile  
Chilean ID Number: 5.618.098-2  
Appointment: : April, 2019  
Other board of directors: 0  
Nationality: Chilean  
Professional experience\*\*: Construction, food industry, finance  
and energy

\* Members of the Directors Committee  
\*\* Experience in risk management.

For more details about the directors check the website available at: <https://salmonescamanchaca.cl/en/investors/shareholders-meeting/>



Independent Board Member

Under Chilean Corporation Law No. 18,046, an independent director is a person who is not at any time within the last 18 months prior to his nomination in any of the circumstances referred to in numbers 1) to 5) of paragraph 3 of article 50 bis:

- Maintain any link, interest or economic, professional, credit or commercial dependence, of a relevant nature and volume, with the company, the other companies of the group of which it is part, its controller, or with the main executives of any of them, or have been directors, managers, administrators, principal executives or advisors thereto.
- Maintain a relationship of kinship up to the second degree of consanguinity or affinity, with the people indicated in the previous number.
- Have been directors, managers, administrators or principal executives of non-profit organizations that have received relevant contributions, contributions or donations from the persons indicated in number 1).
- Have been partners or shareholders who have owned or controlled, directly or indirectly, 10% or more of the capital; directors; managers; administrators or principal executives of entities that have provided legal or consulting services, for relevant amounts, or external audit, to the persons indicated in number 1).

- Have been partners or shareholders who have owned or controlled, directly or indirectly, 10% or more of the capital; directors; managers; managers or principal executives of the company's main competitors, suppliers or customers.

2021 BOARD MEMBERS ATTENDANCE

During 2021, the Board met 18 times.

Board Member	Attendance
Jorge Fernández García	100%
Francisco Cifuentes Correa	78%
Ricardo García Holtz	100%
Héctor Felipe Sandoval	100%
Tore Valderhaug	100%
Joaquín Villarino Herrera	100%
Rodrigo Errázuriz Ruiz-Tagle	100%

Compensation of the Board of Directors

All remuneration is expressed in Unidades de Fomento (UF)

BOARD OF DIRECTORS SALMONES CAMANCHACA S.A.

	2020	2021
Jorge Fernández García	2,700	2,700
Francisco Cifuentes Correa	1,080	1,080
Ricardo García Holtz	1,080	1,080
Héctor Felipe Sandoval	1,080	1,080
Tore Valderhaug *	1,080	1,080
Joaquín Villarino Herrera	1,080	1,080
Rodrigo Errázuriz Ruiz-Tagle	1,080	1,080

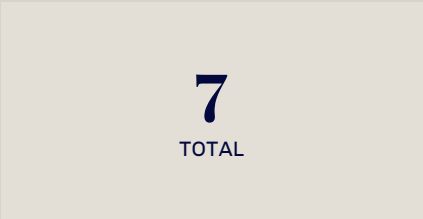
DIRECTORS COMMITTEE SALMONES CAMANCHACA S.A.

	2020	2021
Joaquín Villarino Herrera	480	480
Rodrigo Errázuriz Ruiz-Tagle	480	480
Tore Valderhaug	480	480



Board of Director's diversity

Board of Directors' distribution on 31st december 2021:



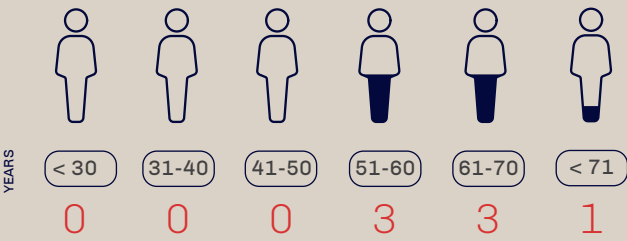
Gender



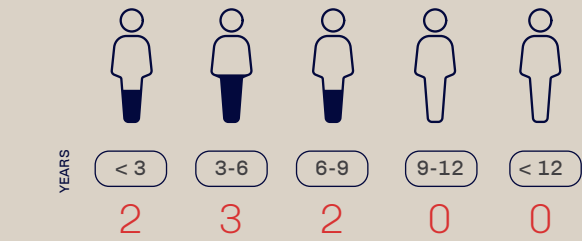
Nationality



Age



Years of service



At the end of 2021, the Board of Directors of Salmones Camanchaca had an average age of 63 years.

The average tenure on the board is 4.9 years in the position as director.





# Key executives

<b>Juan Carlos Ferrer Echavarri*</b> CORPORATE BUSINESS MANAGER	<b>Daniel Bortnik Ventura*</b> CORPORATE CHIEF FINANCIAL OFFICER	<b>Rafael Le-Bert Ramírez*</b> CORPORATE LEGAL COUNSEL	<b>Pablo Hernández Neira*</b> CORPORATE HUMAN RESOURCES MANAGER	<b>Marcelo Aguilera Contador*</b> CORPORATE AUDIT, INTERNAL CONTROL AND FRAUD PREVENTION MANAGER	<b>Manuel Arriagada Ossa</b> CHIEF EXECUTIVE OFFICER	<b>Pablo Albistur González</b> FARMING MANAGER	<b>Marta Rojo Alonso*</b> FINANCE DIRECTOR AND HEAD OF INVESTOR RELATIONS	<b>Jorge Vergara Toledo</b> PROCESSING MANAGER	<b>Alfredo Tello Gildemeister</b> TECHNICAL & SUSTAINABILITY MANAGER	<b>Daniel Silva Troncoso</b> COMMERCIAL MANAGER
Chilean ID Number: 6.190.572-3 Industrial Engineer, Pontificia Universidad Católica de Chile Date appointed 01/23/2012	Chilean ID Number: 8.036.514-4 Economist and Business Administrator, Pontificia Universidad Católica de Chile MBA, Pontificia Universidad Católica de Chile Date appointed 08/01/2011	Chilean ID Number: 13.273.363-5 Lawyer, Universidad de Chile LL.M. Université de Franche-Comté, Besançon, France Date appointed 03/01/2013	Chilean ID Number: 10.350.784-7 Public Administrator, Universidad de Chile Master's in Human Resources Management, Universidad Adolfo Ibáñez Date appointed 04/01/2013	Chilean ID Number: 13.047.621-K Economist and Business Administrator, Universidad Gabriela Mistral Date appointed: 05/01/2019	Chilean ID Number: 12.149.818-9 Industrial Engineer, Pontificia Univer- sidad Católica de Chile Stanford Execu- tive Management Program Date appointed 04/11/2018	Chilean ID Number: 13.545.377-3 Biochemical Civil Engineer, Pontificia Universidad Católica de Valparaíso Date appointed: 01/08/2021	Chilean ID Number: 27.271.539-4 Master in Business Administration, Autonoma University of Madrid, Spain Executive MBA, Business School Nyenrode, The Netherlands Date appointed: 02/07/2020	Chilean ID Number: 13.951.783-0 Industrial Engineer, Universidad de Desarrollo Date appointed 04/01/2017	Chilean ID Number: 9.909.582-2 Bachelor of Science (BSc), Biology/ Natural Resource Management, Universidad Católica de Temuco PhD Aquaculture, University of Stirling Date appointed: 11/01/2019	Chilean ID Number: 13.940.977-9 Economist and Business Administration, Universidad Diego Portales Date appointed: 01/11/2017

\* Ejecutivos contratados por la matriz Camanchaca S.A.





Executives’ diversity

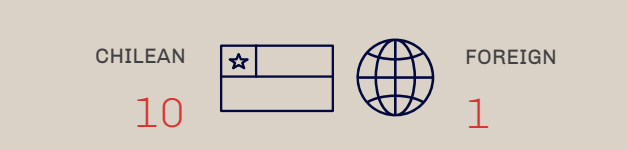
Executives’ distribution on 31st December 2021 by:



Gender



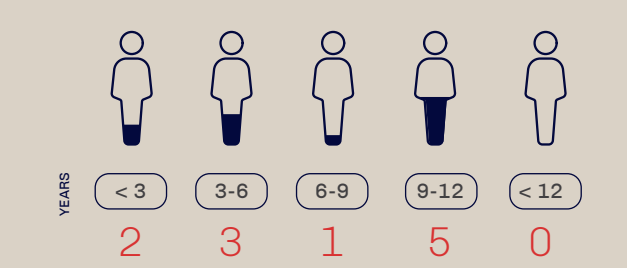
Nationality



Age



Years of service

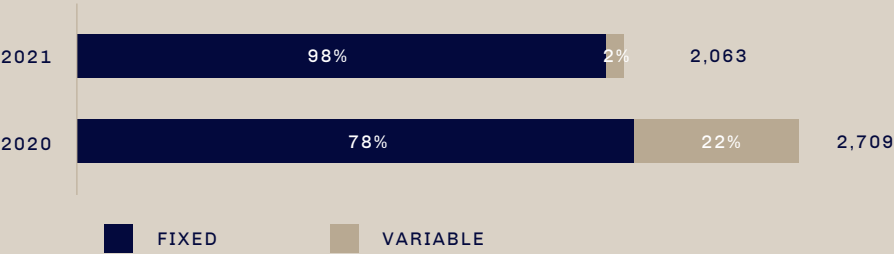


Compensation of Key executives

The remuneration of the general manager and the executives are determined by guidelines that the Company has prepared and that at all times must be aligned with the strategy and values of Salmones Camanchaca. These guidelines, which include the fundamental principles of the Remuneration Policy, also contribute to aligning the interests of shareholders and the executives. Such agreements seek to incentivize performance and are based on quantifiable factors that the executive can influence, and will then be rewarded accordingly. It should be added that there is a cap on remuneration related to performance.

In 2021, the total compensation received by the Company's managers and key executives, made up of 19 professionals, totaled MUSD 2,063, considering fixed and variable components. The latter consists of an annual performance bonus, which is not guaranteed and is subject to the evaluation of the fulfillment of the agreed objectives and the expected and/or established performance by its leadership.

Total perceived by managers and executives (MUSD)\*



\* Calculated at the exchange rate at the end of each year

The Company has in place compensation and benefits plans for its key executives founded in the compliance with individual goals, such as the financial results. Such plans have as their purpose to enhance conditions that add value and mobilize the energy, creativity and collaboration of the executives, attract new talents to the Company; retain the existing talents; and develop the professional and personal aspects of the employees.

In addition to the Bonuses Based on Results incorporated in the amount indicated in the first paragraph as part of the annual compensation, Salmones Camanchaca offers other benefits, among which there is a complementary health insurance, life insurance and catastrophic insurance, that during the year 2021 reached a total of Th USD 33.

# Directors' Committee Annual Report

## *Appointment of the Committee*

In the Board of Directors meeting held on April 28, 2021, the members of the company's Directors' Committee (the "Committee") were appointed, in accordance with the provisions of section 1 of article 50 bis of Law 18.046 and the instructions issued by the Commission for the Financial Market on Circular Letter No. 560 dated December 22, 2009, with the appointment of independent directors Mr. Joaquín Villarino Herrera and Mr. Rodrigo Errázuriz Ruiz-Tagle, and the appointment of Mr. Tore Valderhaug, who was elected unanimously.

## *Presidency*

In the Committee meeting held on April 28, 2021, Mr. Joaquín Villarino Herrera was elected as Chairman of the Committee.

## *Work carried out by the Committee*

The tasks carried out during the period from April 28, 2021 to March 31, 2022 by the Committee, following the same order of powers and duties established in article 50 bis of Law 18.046 on Corporations, were the following:

- 1.- Examine the reports of the external auditors, the balance sheet and other financial statements presented by the administrators and decide on them prior to their presentation to the shareholders for approval. This matter was discussed in the sessions dated May 12, 2021, August 18, 2021, November 10, 2021, and February 23, 2022. During its review, the Committee made observations to the administration that were incorporated into the reports.

- 2.- Propose to the Board of Directors names for external auditors that will be suggested to the respective Shareholders' Meeting. This matter was discussed in the session dated February 28, 2022, with the proposals of two different firms being received for this purpose and their merit being analyzed accordingly under the following parameters: Price; Hours Destined; Company Knowledge; Industry Knowledge; and Sanctions during the last 5 years.
- 3.- Examine the information and data backgrounds related to the operations referred to in Title XVI and prepare a report regarding those operations. Regarding this point, in sessions dated September 27, 2021, and October 25, 2021, the new prerogatives and duties established by Law 21,314 for the Directors' Committee were reviewed, among which are the review of the Related Parties Transactions in the normal course of Business Policy of the company, where for any modification the previous pronouncement of the Committee is required, and the elaboration of a proposal of General Policy of management of conflicts of interest, where the Committee evacuated its proposal which was approved by the board of directors in its session November 2021. In addition, In a session dated September 27, 2021, the Committee reviewed the operations with related parties indicated in the final subsection of article 147 of Law 18.046 and those of continual performance concluded with subsidiaries and affiliated companies, verifying that said operations were carried out in conditions of market, being its sole purpose to contribute to the social interest. The Committee's review included all transactions with related parties, including those for non-relevant amounts. As noted, the operations correspond to





# Other committees

## Sustainability Committee

The Committee meets quarterly and is comprised of the Vice Chairman of Salmones Camanchaca and the main executives (composed of senior management and a member of the Board of Directors).

The mission of this Committee is to validate, support and follow up on the roadmap for the implementation of the Sustainability Model, which considers both economic, environmental and social issues.

Committee Area	Function	Members
Sustainability Committee	Validate, support and follow up on the roadmap for the implementation of the Sustainability Model, which considers both economic, environmental and social issues. In this line, the committee is responsible for monitoring and supervising the implementation of the roadmap towards carbon neutrality in the organization. This committee meets quarterly.	CEO: Manuel Arriagada Vicechairman: Ricardo García Finance Director and Head of Investor Relations: Marta Rojo Technical & Sustainability Manager: Alfredo Tello Deputy Manager of Sustainability and Environ-ment: Daniela Alarcón Farming Manager: Pablo Albistur Commercial Manager: Daniel Silva Process Manager: Jorge Vergara Corporate Legal Counsel: Rafael Le-Bert Corporate Human Resources Manager: Pablo Her-nández

- operations with subsidiaries in which the Company indirectly owns 100% of the property and operations covered by the Company's Habituality Policy published as Essential Fact on March 21, 2018.
- 4.- Examine the remuneration systems and compensation plans of the managers, main executives and workers of the company. This matter was discussed in the session dated January 17, 2022. The revision of the compensation plans included the examination of the correct alignment of the variable remuneration with the objectives of the Company, verifying that they do not induce contradictory actions with the interests of the Company.
  - 5.- Prepare an annual report of its management, in which its main recommendations to shareholders are included. This matter was discussed at the meeting dated February 28, 2022. In this regard, it is noted that the Committee has no particular recommendations to present to shareholders.
  - 6.- Inform the board of directors about whether or not to hire the external audit company for the provision of services that are not part of the external audit, when they are not prohibited in accordance with the provisions of article 242 of Law No. 18.045, based on whether the nature of such services could generate a risk of loss of independence.
  - 7.- The other matters indicated in the bylaws or entrusted to it by a shareholders meeting or the board of directors, if applicable. In a session dated May 15, 2019, the Board of Directors of the company entrusted the directors committee to supervise the accounting, internal control and management risks systems.

In the sessions dated April 28, 2021, May 12, 2021, June 23, 2021, July 26, 2021, October 25, 2021, and December 20, 2021, the Committee reviewed the progress in the implementation of the internal audit plan.

At the same time, the directors' committee carried out the following complementary activities:

- i) In a session held on April 28, 2021, the Committee reviewed control and audit aspects related to sowing and harvest processes.
- ii) In a session dated May 24, 2021, the Committee reviewed the insurance policy and the coverages.
- iii) In a session dated January 17, 2022, the Committee carried out a self-evaluation of its functioning.

## Budget and expenses

The Directors Committee has an annual budget for its operation of 1,500 UF, which was approved by the Ordinary General Meeting of Shareholders dated April 21, 2021. During the year 2020 the directors' committee did not incur expenses in the exercise of their functions.

Digital Transformation Committee

The Digital Transformation Committee was created to provide the Company with the necessary tools to be more competitive. In its first stage, it considers five strategic areas that involve the entire organization:

- 1. Improve the internal experience of employees and move towards a culture of innovation.
- 2. Have a diagnosis and an action plan.
- 3. Implement the digitalization and automation of repetitive tasks.
- 4. Integrate data into the value chain for decision making.
- 5. Improve the customer experience along the entire value chain.

Committee Area	Function	Members
Digital Transformation Committee	Its mission is to follow up on the Digital Transformation strategy and for this it meets monthly.	CEO: Manuel Arriagada Vicechairman: Ricardo García Corporate Chief Financial Officer: Daniel Bortnik Corporate Business Manager: Juan Carlos Ferrer Farming Manager: Pablo Albistur Finance Director and Head Of Investor Relations: Marta Rojo Corporate Audit, Internal Control and Fraud Prevention Manager: Marcelo Aguilera Commercial Manager: Daniel Silva Processing Manager: Jorge Vergara Corporate Human Resources Manager: Pablo Hernández Corporate IT Manager: Pedro Aguirre Deputy Digital Transformation Manager: Carolina Casas

Ethics Committee

Salmones Camanchaca also has an Ethics Committee. During 2021, there were no breaches or complaints to the code of conduct.

Committee Area	Function	Members
Ethics Committee	It ensures compliance with the Code of Ethics and Transparency in the company, which is published on the website. This document indicates that, through the Human Capital Management, the consultations, communications and requests for authorization referred to in the Code are channeled, as well as being a permanent open way to receive the communication of possible breaches.	CEO: Manuel Arriagada Corporate Human Resources Manager: Pablo Hernández Corporate Legal Counsel: Rafael Le-Bert Corporate CFO: Daniel Bortnik Corporate Audit, Internal Control and Fraud Prevention Manager: Marcelo Aguilera

Ethical management



Ethics, Transparency and Compliance

For Salmones Camanchaca, the ethical and correct behavior of all its employees in practice is fundamental to its culture and value. Ethics is part of the uncompromising DNA that affects the way the Company deals with its operations, the dialogue with the relevant authorities, collaborators, contractors, local communities and ultimately with all stakeholders.


For its management and permanent monitoring, Camanchaca has a Code of Business Conduct and Ethics. This is of great importance for the conduct of workers at all times and circumstances. The Code assumes that all those who work in the Company have a unique seal that guides their adherence to established standards of conduct. On the other hand, Salmones Camanchaca implemented since 2015 a Crime Prevention Model (CPM) that is based on Law 20,393 "Criminal Responsibility of Legal Persons". The purpose of the Model is to establish the Company's prevention and monitoring guidelines through the application of controls on the processes or activities of greatest exposure to the commission of crimes described by the Law. For its part, the Company does not make political and/or charitable contributions as a means of bribery and corruption

Additionally, the Ethics Committee is responsible for ensuring compliance with the Code of Ethics and Transparency throughout the Company.




The Crime Prevention Model has the certification of 12 crimes of different kinds, including one related to the environment (water pollution).

Crime prevention model timeline




**2015**

CPM Certification (Money Laundering, Terrorist Financing and Bribery).




**2017**

CPM recertification (the crime of reception is incorporated).




**2019**

CPM Recertification and Certification of Corporate Governance Crimes (bribery between individuals, unfair administration, misappropriation and incompatible negotiation).



**2020**

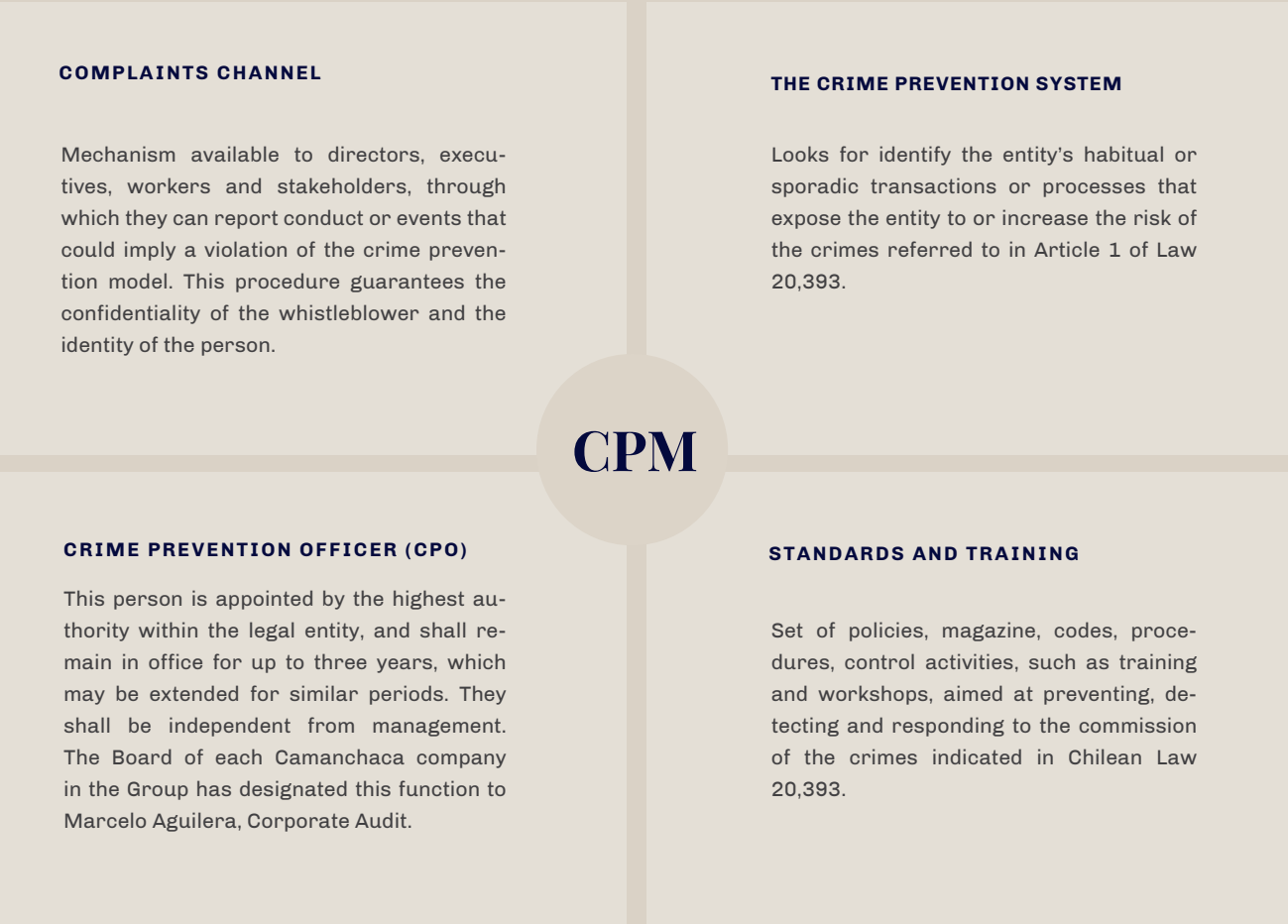
Certification of fishing industry crimes that includes environmental crime (water pollution).



**2021**

CPM recertification of 100% of the productive units (Money laundering, financing of terrorism, bribery, reception, bribery between individuals, unfair administration, misappropriation and incompatible negotiation).

Crime Prevention Model



The CPM is based on four pillars:



For more details about the CPM, check the following link:  
<https://salmonescamanchaca.cl/wp-content/uploads/2020/11/PR-CM-EPD-006-Manual-Prevencion-de-Delitos.pdf>  
To know more of the code of conduct, check the following link:  
<https://salmonescamanchaca.cl/la-empresa/gobierno-corporativo/codigo-de-etica/>

**WHISTLEBLOWER CHANNEL:**

www.salmonescamanchaca.cl

**E-MAIL:**

marcelo.aguilera@camanchaca.cl

**PHONE NUMBER:**

+56 2 2873 2963

**PERSONAL INTERVIEW:**

With the person in charge of crime prevention.

**REGISTERED LETTER ADDRESSED TO:**

Crime prevention officer, Av. El Golf #99, Piso 10, Las Condes, Santiago

The risk matrix of the CPM contemplates 54 risks classified according to the type of crime to which they are associated. These are defined and described in Law 20,393 on Criminal Liability of Legal Persons and in DL 211 related to Infringements of Free Competition.

The most significant risks are related to corruption between individuals (bidding processes for goods and services), bribery (relations with public officials or their advisors), and any activity related to critical processes of the company that affect or may affect the assets or reputation of the company. Among these risks are the hiring of personnel linked to public officials, purchases and tenders, hiring of external consultancies or services, hiring of third parties through trade associations, surrenders of expenses, donations, invitations and gifts, conflicts of interest, water pollution, infractions of free competition, etc.

The crimes involved are:

- Money laundering.
- Financing of terrorism.
- Bribery of a national or foreign public official.
- Reception.
- Corruption between individuals.
- Unfair administration.
- Misappropriation.
- Incompatible negotiation.
- Water pollution.
- Marketing of prohibited products.
- Illegal fishing of seabed resources.
- Storage or use of scarce resources.

- Fraud in obtaining benefits and benefits of employment protection law.
- Failure to comply with isolation and other measures ordered by the authority, in case of epidemic or pandemic.

The Complaints Procedure aims to establish rules that regulate the reception, analysis, investigation, response and dissemination of complaints received through the formal channels available to all our stakeholders.

During the year 2021, the Company has not been the subject of legal actions against it related to unfair competition, monopolistic practices or infringements of free competition. Likewise, a complaint was received through the channels of our CPM, where there was a confirmed case of corruption. The company has taken disciplinary measures in this regard or the contract with business partners has not been renewed for infractions related to corruption.

Regarding the policies against corruption and bribery at the group level, they are elaborated and duly published in the Company's web repository. Work will be carried out during 2022 on the translation into English of the most relevant regulations. In the same vein, the Company has not made contributions to political parties, political representatives, and/or political campaigns, as prescribed in article 27 of Law No. 19,884, which does not allow the financing of campaigns by legal entities under private law.

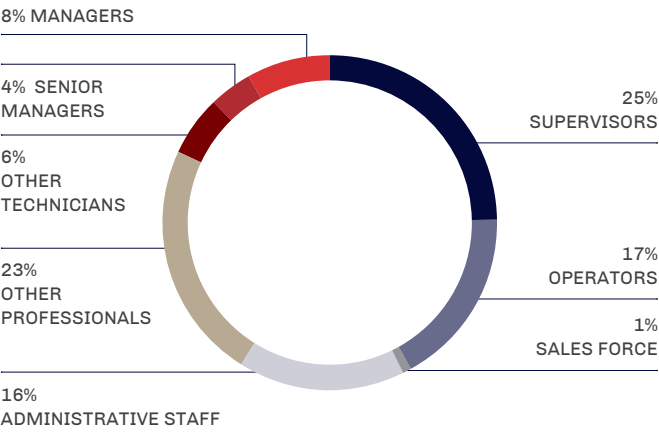
*E-learning training*

Annually, trainings are carried out on the Crime Prevention and Free Competition Model with the aim of keeping all the teams that need this knowledge aligned in response to the responsibilities and functions they perform, as indicated by law.

The trainings were developed in an e-learning format with the support of a certified external company. In turn, a module was included that incorporates measures, actions and controls related to the regulations on free competition in force in Chile, whose purpose is to mitigate, supervise and combat the risks of infringement in this area.

Salmones Camanchaca trained a total of 259 employees of the organization throughout all positions of the company, from senior management to auxiliaries, technicians and sales force.

**Total number of people to whom the anti-corruption policies and procedures have been communicated**



*Discrimination and Compliance with Human Rights*

Salmones Camanchaca accepted the Universal Declaration of Human Rights because it values and recognizes the equality, diversity and dignity of people in the face of work. That is why the Company categorically rejects all types of discrimination.

In turn, the Society has different policies, manuals and procedures that monitor regulatory compliance, non-discrimination and adherence to human rights. For this reason, child labor and forced labor were rejected throughout its value chain, from its suppliers to its customers. Regarding the incidents of discrimination or other action that constitute the violation of human rights, the company had a case evaluated by the organization regarding the issue . A complaint was filed with the company in accordance with Law No. 20,607 or equivalent or complaints of labor or sexual harassment.

During 2021, a due diligence process was carried out to lift the human rights risks that Salmones Camanchaca had. Its objective was to identify ways to mitigate, reduce and repair the negative impacts produced in certain activities.



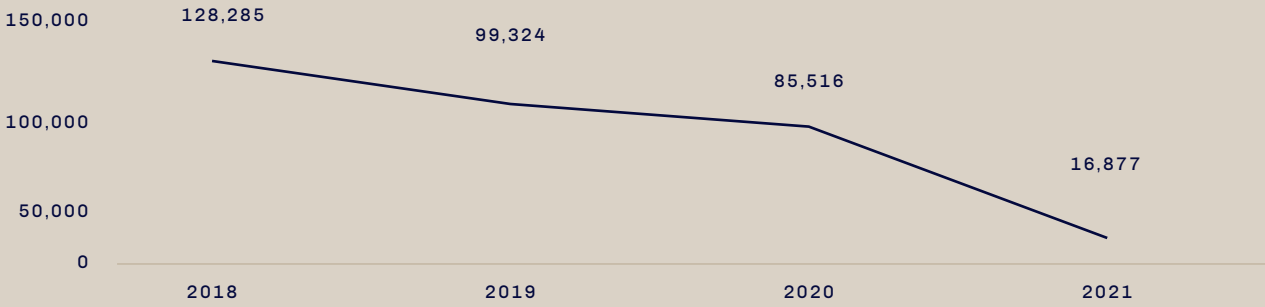
Compliance and Sanctions

In Salmones Camanchaca they carry out their activity with strict adherence to the current legal framework. In addition, they have protocols established with DL.211 related to breaches of free competition. These protocols or codes of conduct are divided into four areas: Guild Associations, Commercial, Tenders and Salmon.

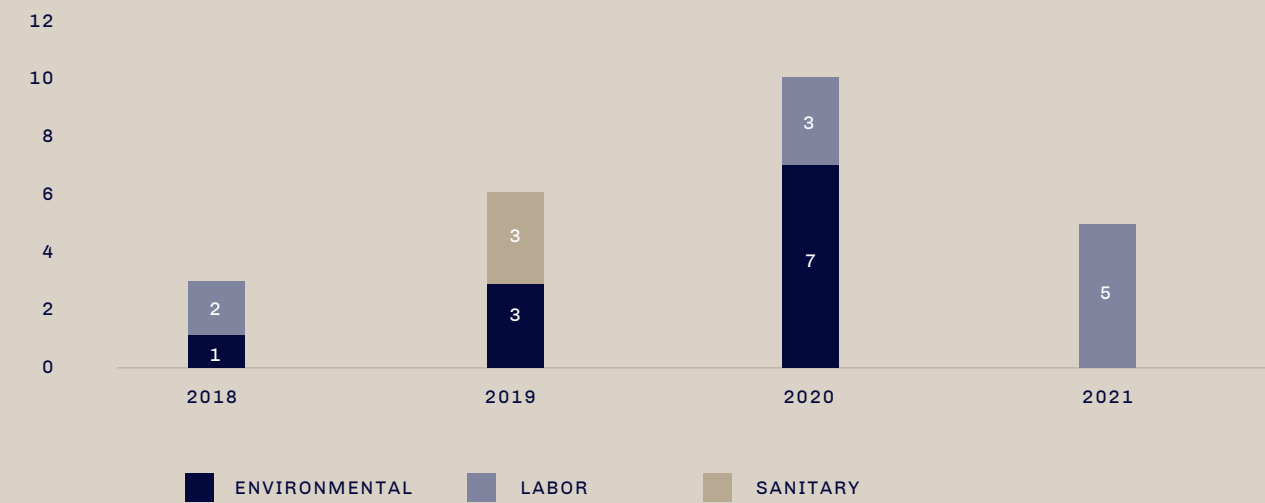
In addition, the Company has protocols of the Crime Prevention Model that incorporates the infractions of free competition, together with the respective trainings that are intended to inform the personnel of risks and sanctions in case of breaches of the matters.

In 2021, the company had a total of 5 significant fines in terms of non-compliance with laws and regulations in the social and economic sphere . No environmental breaches were detected.

Total amount Fines



Number of Fines



Risks Management

In Salmones Camanchaca there is a prevention culture based on the identification of its corporate risks, both strategic and operational, which helps to face possible scenarios and their respective action plans. The Company also has a Risk Matrix based on the methodology of identifying the probability of occurrence and degree of impact. It defines the importance of risks and how they are prioritized to be addressed .

This matrix identifies 38 cross-functional risks (strategic, compliance and financial) and specific risks (operational) which are reviewed and valued through a process in which the Company's top executives participate. Risk management is the responsibility of the Board of Directors of Salmones Camanchaca, who provides guidelines to the administration for the operational management of the same. However, all areas are called upon to develop and

implement activities that contribute to mitigate reamining risks as much as possible . As an exercise of continuous improvement and permanent review, the risk matrix is updated every two years. It was last update and valid in 2018 .

The update planned for 2020 was not carried through due to the Covid-19 pandemic. The contingency, in conjunction with the incidents of algal blooms delayed the process and could not be carried out during the update in 2021. However, it is planned for 2022.

In this context, Salmones Camanchaca has worked on the inclusion of climate change in the company's risk management. For this, the company has developed an initial diagnosis in which it established a roadmap in order to have a first approach to include the recommendations of the Task-Force on Climate Financial Disclosure.

Timeline of the risk matrix



Phases of the identification of corporate risks



Of the 38 risks identified as critical, among the most relevant are Phytosanitary, Nature, Variation in the Sale Price of Products, Variation in Purchase Prices, Regulatory, Social and Political Risks, Interest Rate, Liquidity, Exchange Rate Risk and Operational Continuity. (More detail in Chapter 6).

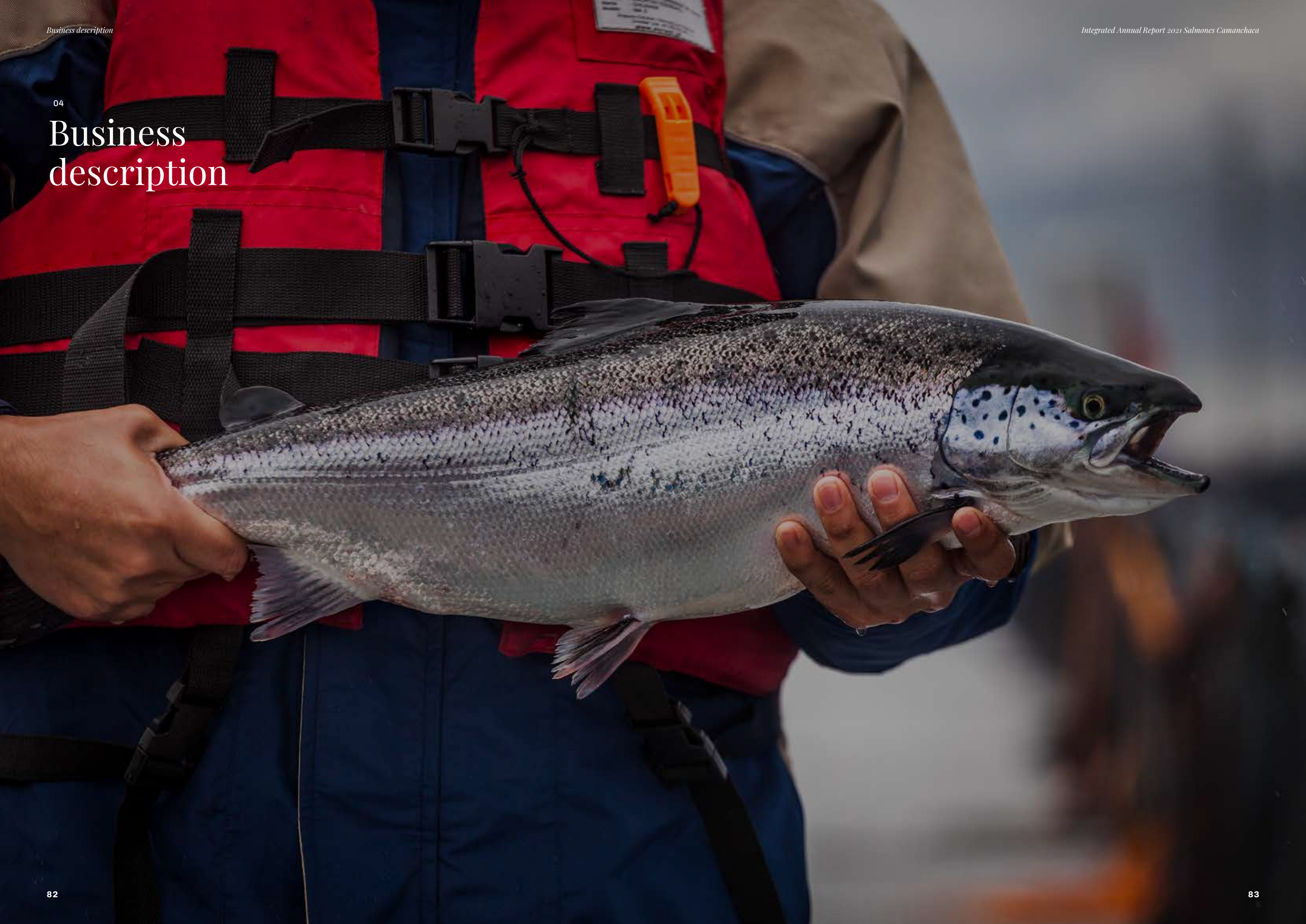
On the other hand, there are emerging risks, which are typical of the business itself, and which, in the medium term, can exacerbate and cause impacts on the organization .

Emerging Risk	Risk Description	Potential business impact of risk	Mitigation Actions
Mortality removal logistics	Logistics, maritime and terrestrial, is a relevant factor in those events that can cause mass mortality in our cultivation centers, product of harmful algal blooms or another natural phenomenon. Not having robust strategies can cause delays in the removal of dead biomass which can hinder the operation and cause claims from nearby localities and regulatory institutions.	Not having logistics capable of responding to mass mortality events can cause an increase in transportation costs and the disposition or processing of mortality, in addition to loss of the value of the company perceived by the community. In addition to exposure to possible fines from regulatory entities for delays or breaches in regulations.	<ul style="list-style-type: none"><li>Contingency plans validated by the authority.</li><li>Strategic alliances to improve response (Trident Plan)<ul style="list-style-type: none"><li>Mortality extraction system.</li><li>Monitoring of microalgae together with oceanographic variables based on which risk indicators have been defined, based on history.</li></ul></li><li>Mobile silage systems.</li></ul>
Climate change	Significant variations in the conditions of nature that could affect the growth of species, such as: changes in oceanographic temperature or marine currents, algae bloom, red tide, swells, oxygen discharges or others that may affect biomass and facilities. In addition to hazards such as extreme weather conditions that could pose a threat to the personnel of the cultivation centers	The occurrence of these natural events can have impacts on cultivated biomass, as well as on the infrastructure of cultivation centers or bases on land. Losses on the cultivated biomass product of lower growth and / or mortality and escape of fish due to extreme weather conditions, and damage to the structures of the center as a result of extreme weather events, may have commercial impacts on the Company.	<ul style="list-style-type: none"><li><b>Diversification of farming sea water sites:</b><ul style="list-style-type: none"><li>Diversification in the location of operations, prioritizing areas further south (Aysén region) because these fjords present a lower risk of algal blooms and higher oxygen levels</li></ul></li><li><b>Farming alternative species</b><ul style="list-style-type: none"><li>Coho has a shorter cycle and is harvested before summer</li></ul></li><li><b>Use of new technologies and devices</b><ul style="list-style-type: none"><li>Wellboat that transports faster in case of need</li><li>Oxygen emergency system</li><li>Bubble curtains</li><li>Sea water sites backup</li></ul></li></ul>
Availability of raw materials (fish feed supply and feeding operations)	Reducing the availability of the main ingredients used in fish feed production could result in an increase in fish feed costs. Both currency fluctuations and seawater temperatures affect the supply of feed ingredients. The main ingredients affected are fish oil and fishmeal and other key ingredients such as canola oil, soy protein and wheat are also subject to unpredictable price changes caused by fluctuations in supply and demand, weather, harvest size and transport and storage costs, world policies, etc.	<p>The Company is exposed to changes in the price of salmon feed, which accounts for about half of the cost of farming.</p> <p>The Company has food contracts that are adjusted quarterly, based on cost plus a margin. During the last years the prices of the main inputs used in the productive processes had remained stable but the second part of 2021 shows increases.</p>	<b>Technological tools to reduce the feed that falls to the seabed, which reduces the feed conversion factor and increases the feed efficiency.</b>



04

# Business description



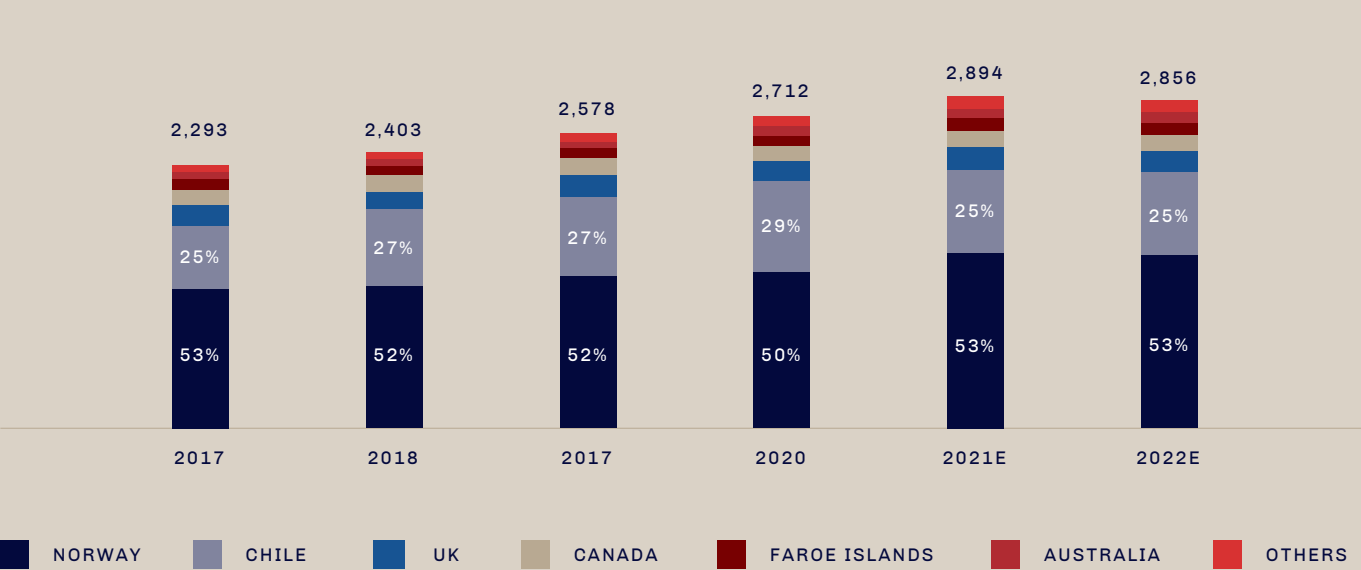


# Salmon industry

The global supply of Atlantic salmon in 2022 is estimated to be 2.9 million MT WFE, according to March 2022 figures published by Kontali, a market analysis company specializing in aquaculture. The global supply of Atlantic salmon for 2022 contracted by 1% compared to 2021, with no growth from Norway and a decrease of 2% from Chile, comprised of a fall in supply during the first half of 2022 (-7%) and a recovery in the second half (+4%). Salmones Camanchaca's harvest volumes for 2022 are estimated at 45-48,000 MT WFE for Atlantic salmon and approximately 5,000 MT WFE for Coho salmon.

**Did You Know?**  
Salmon represents only 1.2% of total global protein production, because farming it requires unique conditions and a combination of factors that can only be found in certain parts of the world.

GLOBAL SUPPLY: harvest volumes by country - Atlantic Salmon (MT WFE)



Source: Kontali March 2022

**Where are these places?**  
There are few places in the world that have an appropriate ecosystem to farm salmon, since they require cold, well-oxygenated and pollution-free waters. Ideal locations include fjords, inland seas and pristine waterways.

**How much does Chile produce?**  
Chile produces 25% of global salmon production, which is 2.9 million MT WFE per year, making it the second largest producer in the world after Norway, which produces 53%. More than 90% of the global production comes from only five countries

**COMPETITION**  
Salmones Camanchaca has mapped its national and international competitors, in order to optimize the Company's strategy and to remain active in a continuous process of innovation compared to its peers. National competitors include Aquachile Blumar, Cermaq, Mowi, Multi X and Salmones Austral. International competitors include Bakkafrøst, Cermaq, Grieg Seafood, Leroy Seafood, Mowi, Norway Royal Salmon and Salmar.

**BUSINESSS**  
Salmones Camanchaca is a founding company of the salmon industry in Chile, with more than 30 years of experience in integrating its value chain, from genetics, own egg production, smolt production in freshwater, farming and growing-out at seawater sites, primary and secondary processing plants, and shipments to its principal markets.

The Company currently farms, processes and sells salmonids, specifically its own Atlantic salmon and Coho salmon. It also has a one third interest in a rainbow trout farming joint venture.

Salmones Camanchaca farms two species

ATLANTIC SALMON

- Carnivorous cold water fish that is not native to Chile.
- Its first stage is in fresh water.
- It is farmed in the Los Lagos, Aysén and Magallanes regions in Chile.
- It reaches maturity at 16 months when it weighs about 5kg
- Its average lifespan is 3 to 5 years, although specimens have been reported to live up to 10 years.
- It is farmed mainly in Norway, Scotland, , , Canada, Chile and Oceania.

COHO SALMON

- Carnivorous cold water fish that is not native to Chile
- Its first stage is in fresh water.
- It is farmed in the Los Lagos, Aysén and Magallanes regions in Chile.
- It reaches maturity at 9 months when it weighs about 3.5kg
- They die after returning to a freshwater stream.





Salmones Camanchaca's products



Trademarks

- Pier 33 Gourmet (Seafood by Camanchaca)
- Camanchaca Gourmet

Sales channels

Salmones Camanchaca markets its products through the sales and representation offices operated by its parent company in the USA, Mexico, Japan, Spain and China. It also has sales offices in Chile located in Tomé, Coronel, La Florida and Rauco.

Suppliers

Two of Salmones Camanchaca's suppliers provided more than 10% of its total purchases in 2021. These suppliers both produce salmon feed and each separately supplied around 20% of purchases.

# Our business

Regulatory context

Salmones Camanchaca strictly complies with the legal regulations established by national and international authorities. The authorities that govern the Company in Chile include the National Fisheries Service (SERNAPESCA), the Labor Directorate, the Regional Health Authority, the Maritime Authority, and the Environmental Superintendent. The Company is also governed by the Labor Directorate, the Chilean Armed Forces and the Financial Market Commission . The Financial Supervisory Authority of Norway (Finanstilsynet) regulates Salmones Camanchaca on the Oslo Stock Exchange.

There are also environmental and sanitary regulations that govern the salmon industry in Chile and ensure that the industry is sustainable. The main regulations that apply to this industry are the Regulatory Measures Regarding the Protection, Control and Eradication of High Risk Diseases in Hydro-biological Species (S.D. 319 dated 2001) and the Aquaculture Environmental Regulations (S.D. 320 dated 2001). These rules regulate matters such as the spatial organization of production, stocking densities, maximum production volumes, contingency action plans and "fallow periods" for aquaculture concessions. Aquaculture projects are subject to the General Environmental Law, so they must be submitted to the Environmental Assessment System and be approved prior to launch. A brief description of the main aspects covered by these regulations is as follows.

SPATIAL ORGANIZATION OF THE INDUSTRY

Aquaculture concessions are organized in Concession Groupings, known as "neighborhoods", which regulate the fish stocking and harvesting periods at concessions that share a geographical or environmental area defined by the authority. The objective of these "neighborhoods" is to reduce the probability of disease transmission by coordinating sanitary measures, limiting stocking density and production, and coordinating fallow periods for aquaculture concessions. Each salmon farming "neighborhood" operates on average for 21 months, subsequently there can be no production in the area for 3 months. The concessions operated by Salmones Camanchaca lie fallow for an average of 7 months between production cycles. There are a total of 83 "neighborhoods" in the industry, 24 in the Los Lagos region, 37 in Aysén, and 22 in Magallanes.

STOCKING DENSITY AND PRODUCTION LIMITS

Production limits for aquaculture concessions in Chile are regulated by their respective Environmental Approval Resolutions, issued by the Environmental Evaluation Service after an Environmental Impact Assessment has been completed. Fish stocking density is regulated by the General Fisheries and Aquaculture Law and its accompanying regulations. The General Fisheries and Aquaculture Law establishes that the stocking density cannot exceed 17 kg/m3. The National Fishing and Aquaculture Service also regulates the maximum stocking density for each salmon farming "neighborhood", based on the sanitary and environmental performance of the neighborhood, which can never exceed the maximum established by law, but can be as low as 6 kg/m3 to protect sanitary and environmental conditions.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement at Salmones Camanchaca is fundamental for the success of its business. These stakeholders are identified and then criteria are used to prioritize and group them, in order to appropriately engage with them .

Stakeholders	Suggested issues and concerns	Engagement approach
Employees	Labor practices and conditions, respect for human rights, market presence, climate change and job creation	Surveys and meetings
Unions	Labor practices and conditions, respect for human rights, market presence, training, education and job creation.	Meetings
Investors	Procurement practices, biomass losses and transparent processes and results.	Surveys and meetings
Contractors	Labor practices and conditions, procurement practices, job creation and supplier assessment.	Surveys and meetings
Local communities	Procurement practices, tourism development, participation in social development, job creation, transparency, payment of local taxes, local development, impacts of the business on communities, waste management, market presence, environmental impacts, cleanup of seabed and coastline, resource use, escaped fish and climate change	Perception studies and meetings
Regional and local authorities	Involvement in local development, payment of local taxes, collaboration in tourism development, waste management, respect for human rights, labor practices, cleanliness of seabed and coastline, environmental impact, use of antibiotics, fish escapes and climate change	Depends on the scope of each authority
National authorities	Food safety, environmental impact, climate change, labor practices, respect for human rights and payment of local taxes	Depends on the scope of each authority
Social Organizations	Open meetings, involvement in local development, respect for human rights, transparency and participation in social development.	Meetings

Initiatives and associations

Collaboration is essential to achieving progress with sustainability commitments, Therefore, the company has partnerships that contribute to achieving these objectives. Associations include the following:

AYSÉN COASTAL PRODUCTIVE DEVELOPMENT CORPORATION

We have been active members since it was constituted in 2017. Non-profit sectoral corporation that develops localities and productive sectors in coastal areas within the Aysén Region.

CHILEAN SALMON INDUSTRY ASSOCIATION AG

Member of SalmonChile, this organization's main objective is to ensure that sustainability becomes a central focus for companies. SalmonChile operates in the La Araucanía, Los Lagos, Chiloé and Aysén Regions.

SALMON TECHNOLOGY INSTITUTE

We are members of this coordination and benchmark body that provides the information, science and innovation required for the Chilean salmon farming industry to sustainably develop.

PINCOY PROJECT

Member of the Pincoy Project, which is a collaborative initiative that contributes to reducing antibiotic use in Chilean salmon farming.

USS CONVENTION

We have been members since 2019, which includes a collaboration and participation in the More Blue Program.

GLOBAL SALMON INITIATIVE (GSI)

This initiative was launched in 2013 by the world's leading salmon farmers, who represent approximately 50% of global production. Its aim is to increase industry cooperation and transparency and to achieve continual progress towards sustainable salmon farming.

CHILEAN SALMON ANTIBIOTIC REDUCTION PROGRAM (CSARP)

This initiative was launched in March 2019 and commits members of the Chilean Salmon Marketing Council (CSMC) to reduce their antibiotic use by 50%. This is a collaborative initiative between CSMC and Monterey Bay Aquarium's SeaFood Watch program. The CSMC is a US institution that began in 2018 and enhances the reputation of Chilean salmon. It represents 70% of the industry in Chile, including the company.

MAIN MEMBERSHIP FEES IN USD:

Association	2017	2018	2019	2020	2021
SalmonChile	121,332	307,940	209,997	278,528	339,165
Global Aquaculture Alliance	15,750	53,965	87,100	73,102	98,281
Global Salmon Initiative		63,038	56,072	55,136	57,594
Intesal	38,727	35,714	53,997	44,615	66,015
CorpAysen		2,090	2,073	7,416	2,727
Total	175,809	462,747	409,239	458,797	563,783



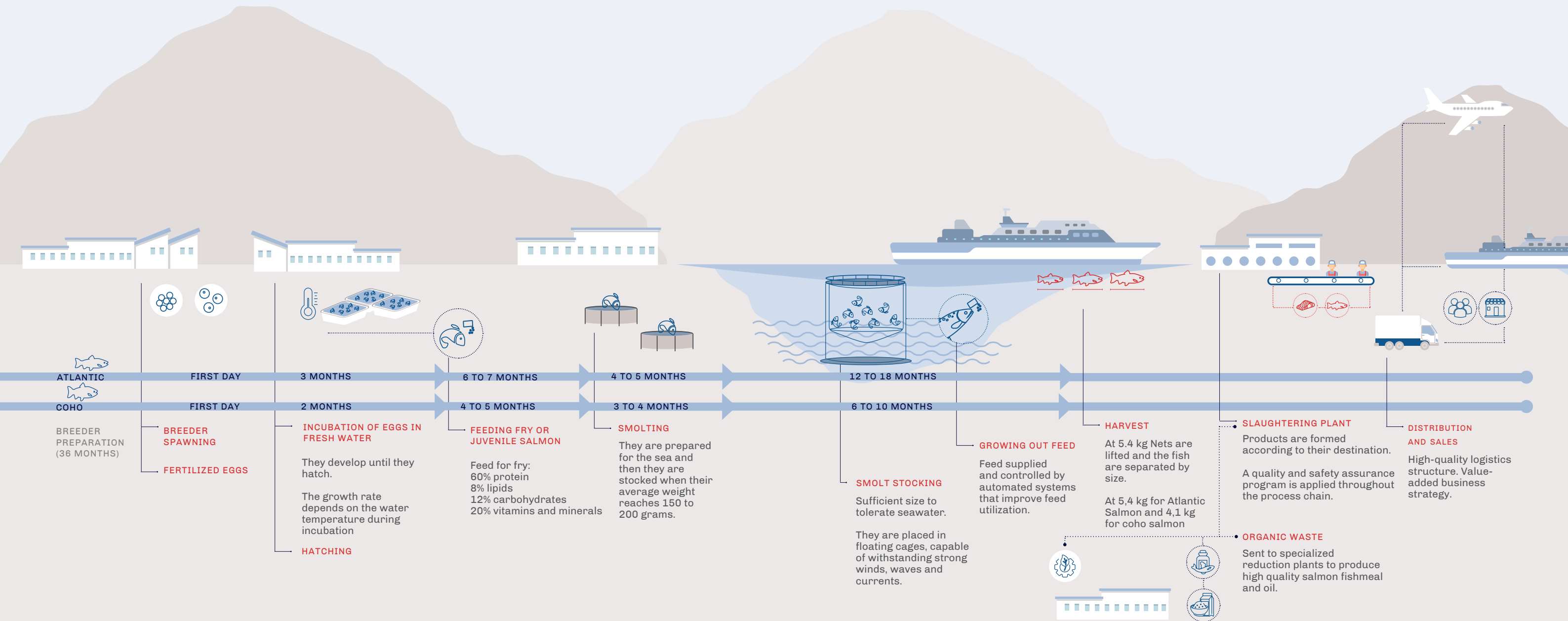
Facilities

SALMON PRODUCTION CHAIN:

A competitive advantage of the Atlantic Salmon species at Salmones Camanchaca is its integrated production chain, including its Genetic Enhancement Program.

This has reduced harvesting times and accelerated harvesting. It results in an increase of almost 10% in average weight, and farming takes between 16 and 17 months on average. It encourages an optimal response to diseases, the development of new feeding techniques, the segmentation of male and female smolts, and other innovations.

Coho salmon eggs are bought from third parties and farmed in the Rio de la Plata hatchery until they reach around 40g. Subsequently, they are transferred to the Playa Maqui site on Lake Llanquihue, until they reach 250g. Finally, they are transferred to marine grow-out sites until harvest, when they reach the target weight of 3.5 kg WFE.



Production locations

FRESH WATER PRODUCTION CYCLE



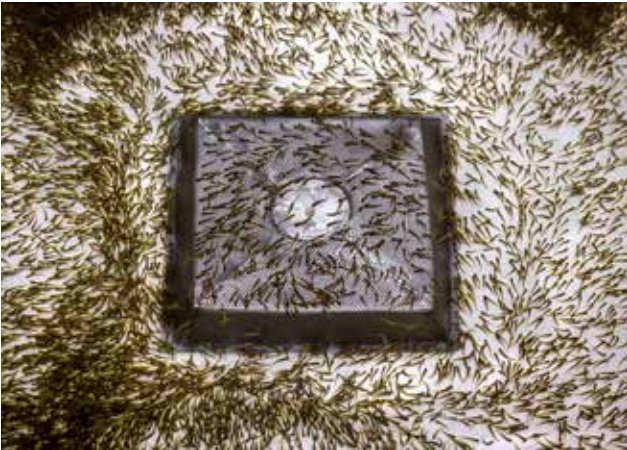
**Atlantic Salmon Polcura Hatchery - Genetic Enhancement Program (GEP)**  
**Duration: 36 months.**  
The Genetic Enhancement Program (GEP) operates at the fresh-water hatchery in Polcura in the Biobío Region. This program has been operating for almost 20 years and Salmenes Camanchaca has enhanced the distinctive characteristics of its fish, such as their resistance to disease and parasites and their ability to grow faster. Polcura has been operating for almost 70 years, making it one of the first hatcheries in Chile. Here the teams perform studies and genetically cross families of the Fanad and Lochy strains to obtain the best outcomes based on the potential strengths of each strain. The company has signed a genetics multiplier agreement with the leading egg genetics company Aquagen, in order to diversify and strengthen its genetic portfolio. 2021 was the second year that breeders from its genetic strain produced eggs in that company's hatchery.



**Río del Este Hatchery – Breeders**  
**Duration: 12 months**  
Breeders from the GEP in Polcura are transported over land to the Río del Este hatchery in the Los Lagos Region. Male and female gametes are obtained from the mouth of the Petrohué River then used in the fertilization process to produce selected eggs. Production continues throughout the year, and once they reach the eyed egg stage, they are transferred to the recirculation hatchery on the Petrohué River to continue their development.



**Río Petrohué hatchery**  
**Duration: 6 to 7 months**  
This recirculation or closed-flow hatchery is a global pioneer for Atlantic salmon farming and an icon for the Company. This site receives the eyed eggs and keeps them at an ideal temperature. After approximately 30 days of incubation, the fry hatch and are fed intensively for 3 to 4 months, until their weight reaches between 5g and 7g. Subsequently, the fry are then transferred to larger “on growing” units for two to three months, until their weight reaches between 30g and 40g, when they are moved to the Smolt Production Unit (SPU) for the final fresh-water stage.



**Smolt Production Unit (SPU) – Río Petrohué**  
**Duration: 4 to 5 months**  
The fastest fresh water fish growth takes place in the SPU to over 130g, according to the production schedule. The five SPU are adapted to farming larger fish and control the most critical process for fish in fresh water, which is acclimatizing to seawater and is known as smoltification.  
  
About 90 people work in Petrohué's facilities and 70% are residents of Ensenada and other local communities.



OTHER COHO SALMON / TROUT FACILITIES



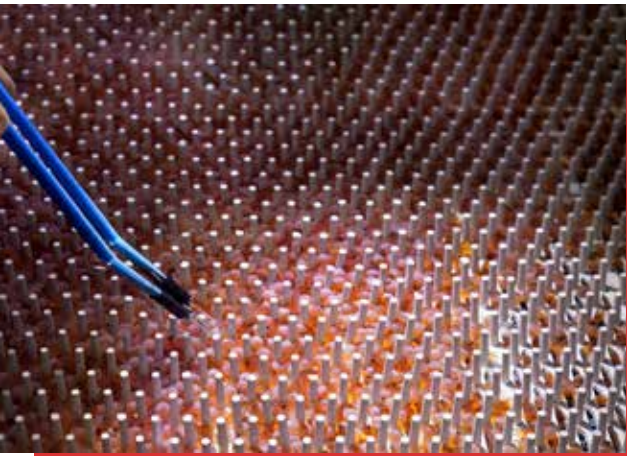
**Rio de la Plata**  
**Duration: 6 to 9 months**

This hatchery is located in Purranque in the Los Lagos Region. It manages initial farming through to the fry stage for trout and Coho salmon, when they are transferred to the Llanquihue lake site at Playa Maqui. Currently, this site produces Coho salmon, where eggs are hatched and these fish farmed until they reach their target weight. 21 people work at this site, and almost half of them live in the Purranque community.



**Playa Maqui - Frutillar**  
**Duration: 6 to 7 months**

Salmones Camanchaca has a smoltification site on Llanquihue lake, in addition to the SPU at Petrohué. Trout and Coho salmon are farmed at this site. It is entirely dedicated to Coho salmon production at the moment with a total capacity of 1.5 million, and supplies smolts to stock the sites. 14 people work at this site, and almost half of them live in the Frutillar community.



**Research and Development Department**

The Company's R&D department began with the Genetic Enhancement Program (GEP), and formally became a department in 2017.

It coordinates, designs and executes research, development and innovation projects with the objective of improving the company's productive, sanitary and financial performance.

The Company executed 10 projects during 2021, some of which began prior to 2021 and others will continue into 2022. These include the development of molecular markers to select pathogen-resistant fish to improve the health of fish and reduce the use of antibiotics and antiparasitics. Research into the effects of photoperiod on the maturity of the Lochy strain to evaluate the feasibility of shortening farming times at sea. Evaluation of immuno-stimulants in field trials using productive and molecular indicators to quantify their effectiveness. Research into the oxygenation capacity in female and male fish to optimize production based on innate characteristics of both sexes. Implementation of an automatic raw material quality monitoring program in primary and secondary plants to generate databases with sufficient data to perform robust quantitative analyses and improve practices and processes that affect quality.

**MARINE GROW-OUT PRODUCTIVE CYCLE:**

After the fresh water stage, smolts are transferred to seawater sites to continue growing until they reach the target harvest size for each site. They are transferred in trucks, which are specially equipped to ensure they arrive in optimal condition. They are then transferred to boats designed to protect the fish, which take them to the Company's seawater sites.

During 2021, 10.1 million Atlantic salmon smolts were stocked into six sites in the Los Lagos Region and five sites in the Aysén Region. Furthermore, 0.6 million Coho salmon smolts were stocked into one site in the Los Lagos Region.

The production schedule determines when stocking takes place, which depends on the particular strain, the growing period, maturity, environmental health risks, fallow periods, plant processing capacity and market seasonality. The growing period has been decreasing as a result of genetic advances and improvements in feeding techniques, which optimize fish growth and reduce the length of time at sea and the associated risks.

Sites are equipped with automatic feeding systems, which improve efficiency and perform this process remotely, which is particularly important in areas with adverse weather conditions, when ports are closed and access to the site is prevented. High-performance diets are intensively used and feeding support systems have been incorporated, such as support software with artificial intelligence and automatic pellet detection systems. The latest camera technology is used to monitor feed consumption and improve physical site security, which is controlled from Salmones Camanchaca's corporate office in Puerto Montt.

Salmones Camanchaca developed a new production plan in 2021 that diversifies the sites it uses across the regions, with the objective of diversifying risk, optimizing farming sites by using them for other species, increasing its use of concessions with greater water renewal in the Aysén Region, and incorporating technologies and structures that mitigate the risks inherent to its farming sites. Salmones Camanchaca has also invested in a joint venture producing trout. It has contributed six aquaculture concessions, which are operated by the manager Caleta Bay, in which Kabsa S.A. also participates as a third partner. The joint venture's financial results are shared a third each. Salmones Camanchaca renewed its interest for a six-year term with effect from January 2023, although it will provide only four concessions this time. The volume currently produced by the joint venture is nine million fish in each cycle, so after that date this capacity will decrease by approximately three million fish, which the Company will use to farm Atlantic and Coho salmon.



**PROCESSING**  
The Company has four processing plants

**HARVEST:**

**Wellboats**

After the fish reach an appropriate size, they are transported in well boats to the Company's primary processing plants. The fish harvested from sites in the Los Lagos Region are transported to the San José plant and from sites in the Aysén Region to the Surproceso plant.

During 2021, significant progress was achieved with building a Norwegian wellboat, for the exclusive use of Salmones Camanchaca. It will be equipped with state-of-the-art technology for the transport and treatment of live fish. This vessel will be able to transport more than 400 MT of live salmon using a hold capacity of 2,800 m3, which exceeds the average hold of 1,000 m3 among vessels currently in Chile. It will also be equipped to generate zero emissions during closed transport, with water monitoring and purification, an RSW cooling system and fresh water production and treatment. It will also contain the technology to perform non-pharmacological antiparasitic treatments in a closed environment. This vessel is expected to arrive in April 2022.



**Surproceso (Quellón, Los Lagos Region):**  
Salmones Camanchaca has a one-third interest in this plant, which processes fish from grow-out sites in the Aysén Region. It has a processing capacity of 140,000 fish per day, so it can provide services to other salmon farms.

In 2021, the project to increase production of value-added capacity was consolidated. This initiative included investments in packaging, portion graders or qualifiers, fresh and frozen fillets, conveyor circuits, thermoformers and portioners.



**Value-added plant**  
This facility is located in Tomé in the Biobío Region and it processes all the fish that are not exported as fresh whole fish from the San José plant. It has a processing capacity of 380 MT of salmon per day, covering various species and formats. This plant processes all the fish that are not exported as fresh whole fish from the San José plant. This plant employs more than 1,000 people all year on average, and in peak season it can reach 1,500. Most of these employees are hired locally, which makes a significant contribution to local financial and social development.

An important event at this plant during 2021 was the submission of its environmental impact statement to the Environmental Assessment Service. This plant began operating long before this environmental agency was established in 1997, so it was not originally required to report its environmental impacts. Fortunately, the dedication required to submit this statement was rewarded with a positive response in January 2022.

A project to increase its value-added production capacity was completed in 2021. This initiative included investments in packaging, portion grader, fresh and frozen fillets, conveyor belts, thermoformers and portioners. The new value-added line was commissioned at the end of 2020 and doubled the production capacity for portions, which represented 44% of total production for the year.





Coho salmon processing plant

The Coho salmon processing capacity was doubled in 2021, following an investment in an additional line that brought production capacity up to 2,000 MT WFE per month, which is aligned with the high demand for processing and the requirement to increase value-added products. This plant employs 300 people during the Coho salmon harvest from September to December, where 90% are local residents.

Hygiene and pandemic control protocols have been implemented in all processing plants, which include weekly PCR or antigen tests. This plan has ensured that Camanchaca can promptly detect infections and has safeguarded its operational continuity.

LOGISTICS

Fresh products are exported mainly by air, in order to minimize the period from harvest to consumer's tables, even for distant markets such as China and Southeast Asia. Sanitary restrictions remained in place during 2021, which led to a significant decrease in passenger flights from the Bío Bío region, so shipments were required to go overland to Santiago where the product was delivered mainly using freight planes.

Frozen products are mostly transported by sea, which secures the cold chain and ensures that customers receive high quality products. The Company was appointed an Authorized Economic Operator (AEO) by the Customs General Directorate this year. It is the only company in its category to receive this distinction, which guarantees that the exporter's supply chain is safe throughout production, storage, staff control, documentation and dispatch. This certification designates the Company as a reliable operator.

Commercial network

Salmones Camanchaca has a marketing team that develops its markets directly from Chile, and through sales agreements with Camanchaca Inc. for North America and with Camanchaca Ltd. for Japan. Camanchaca México S.A. de C.V. was formed in July 2021 as a subsidiary of Salmones Camanchaca's parent company, to strengthen product sales in Mexico, as these have grown well in recent years. It has also appointed other representatives in Europe and Asia.

The marketing team is responsible for defining sales policies to maximize returns and ensure sufficient market diversification. Accordingly, the Company has internationally positioned itself as a reliable supplier of premium salmon products, and differentiated itself by delivering an excellent customer experience and building medium and long-term commercial relationships, which is particularly valuable in an environment where demand had been affected by the pandemic.

The value-added products sales strategy was consolidated during 2021, to satisfy the recovery in demand as consumption in restaurants and hotels gradually resumed after being curtailed by restrictions introduced during the pandemic. This was evidenced by a sustained increase in the price of Chilean Atlantic salmon in Miami.

In fact, as international markets recovered, prices rose above the average for the last 10 years and Salmones Camanchaca obtained an average sales price of USD 5.83 /kg WFE in 2021, which was 21% higher than in 2020.

Value-added products of premium Atlantic Salmon reached 94.3% in 2021, compared to 90.1% in the previous year, which positioned Salmones Camanchaca as the leading exporter of portions from Chile during the last quarter of the year. These products were marketed under the brands "Camanchaca Gourmet" and "Pier 33" and were mainly aimed at consumers.

Furthermore, the Company introduced frozen Coho Salmon portions to the U.S. market in 2021 using its own Pier 33 Gourmet brand, which is a new product marketed by the parent company's trading company for the U.S. market, Camanchaca Inc. These portions are sourced from premium quality, sustainably farmed salmon, without using antibiotics.

Customers

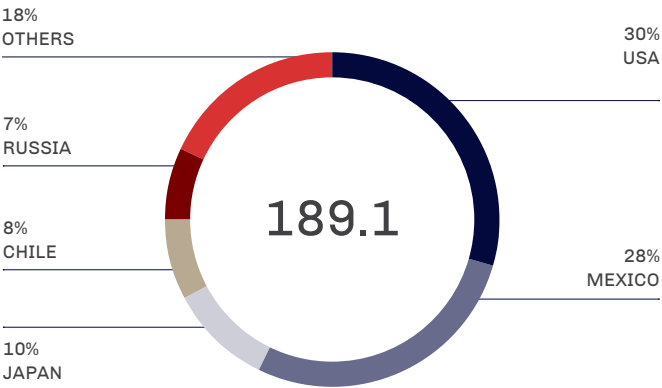
In 2021 Salmones Camanchaca channeled 47% of total sales through Camanchaca Inc. in the United States, 9% through Camanchaca Ltd. in Japan and 8% through Camanchaca Mexico S.A. de C.V., which are all subsidiaries of the parent company Camanchaca S.A. The company had no final customers who bought more than 10% of its sales.

Table 1. Number of premium Atlantic salmon customers with sales over ThUSD10 .

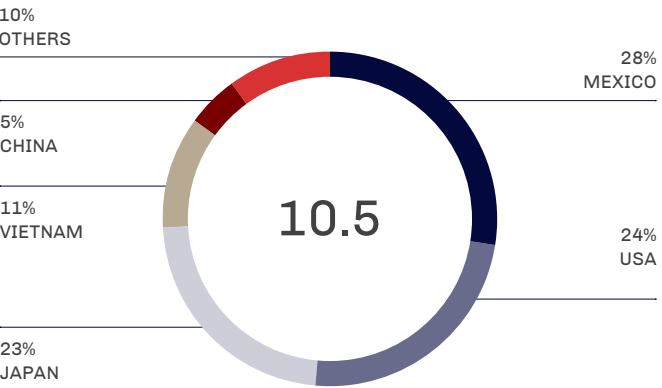
Year	Number of customers
2021	88
2020	119
2019	161
2018	157
2017	174
2016	136

With the creation of the subsidiary of the parent Company -Camanchaca Mexico- in July 2021, the distribution and sale of products in that market was strengthened.

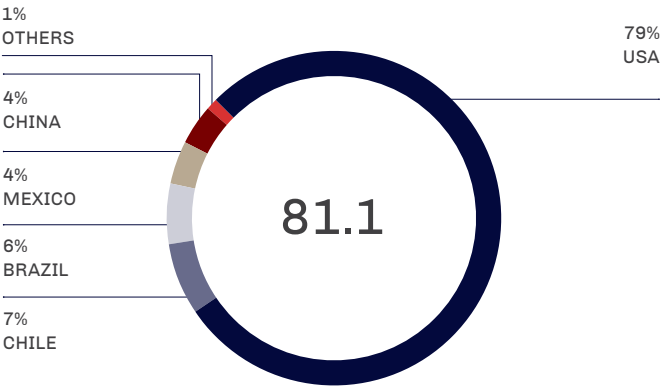
Frozen Atlantic Salmon  
USD millions



Coho salmon  
USD millions



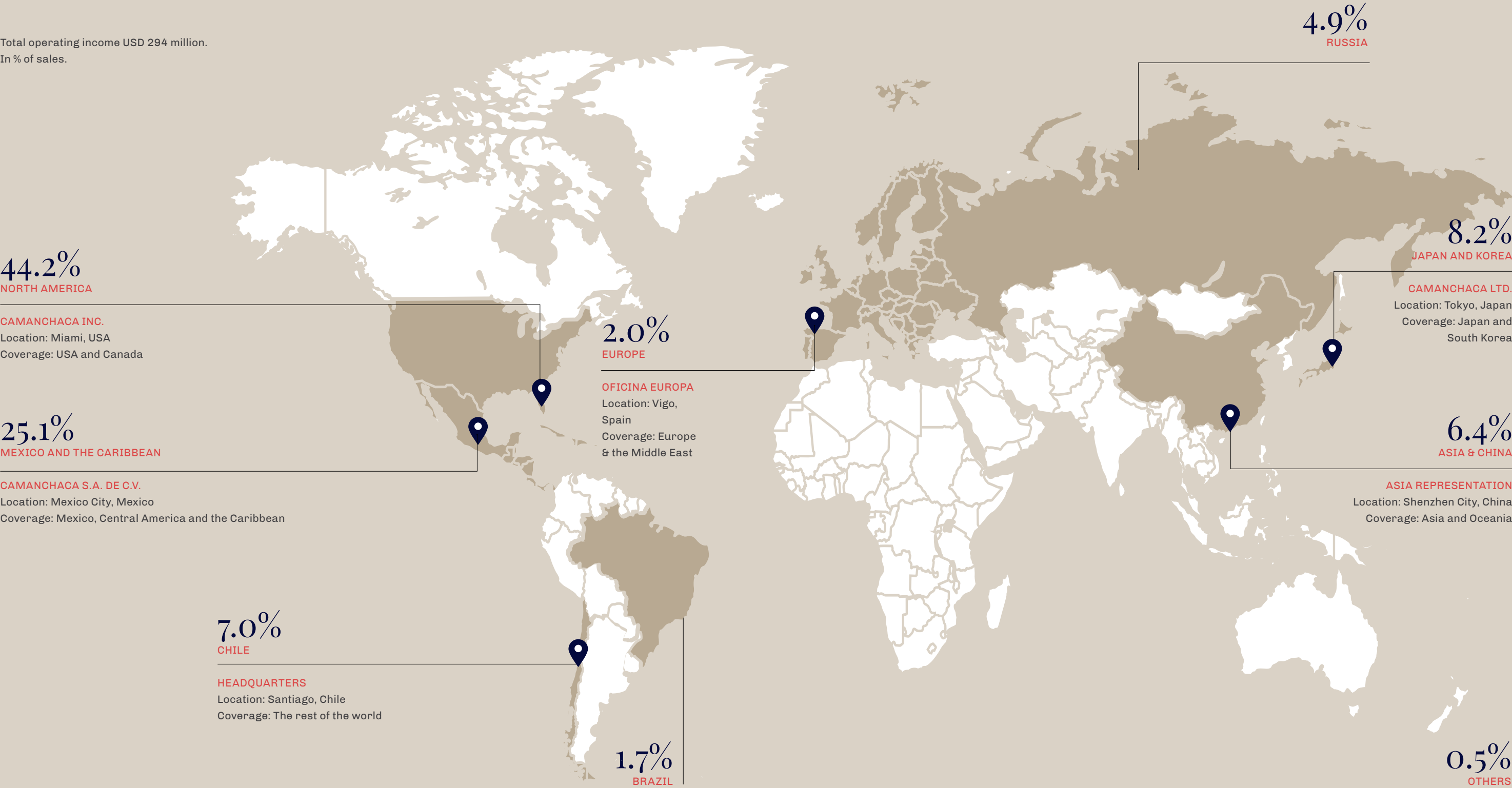
Fresh Atlantic Salmon  
USD millions





# Salmenes Camanchaca in the world

Total operating income USD 294 million.  
In % of sales.





05

# Sustainability



# Sustainability model

Salmones Camanchaca contributes to the broader panorama of global challenges. The company has long been committed to becoming a sustainable business leader, to maintaining maximum transparency and being a driving force within the industry. Salmones Camanchaca is proud of its sustainability achievements, since this model not only generates financial dividends, but also has a positive social and environmental impact.

Therefore, the long-term Sustainability Strategy was extended in 2019, which has been adapted to the major trends and challenges facing the planet, and is aligned with the UN Sustainable Development

Goals driven by the UN 2030 Agenda. The company developed a corporate sustainability framework that upholds the company's vision while clearly focusing on effective progress.

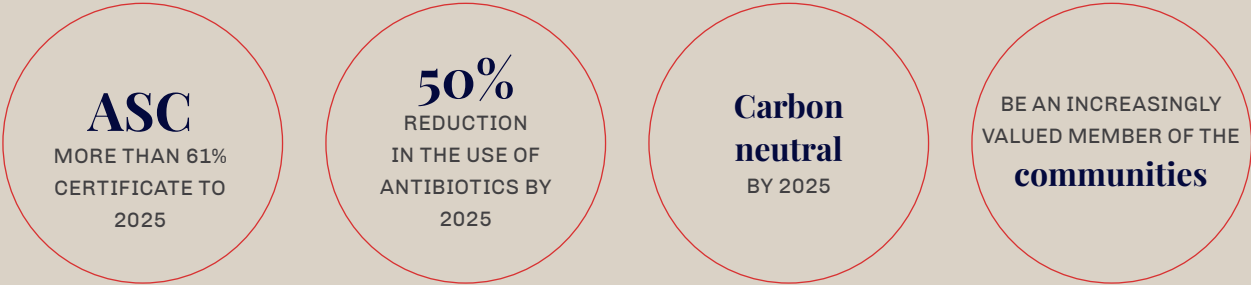
The Sustainability Strategy identifies and prioritizes the material issues for Salmones Camanchaca and its stakeholders. This strategy is based on five pillars that form the basis of its model, which has three fundamental objectives:



## Five Sustainability Pillars

				
HEALTHY AND NUTRITIOUS FOOD	HEALTHY ECOSYSTEMS	MEANINGFUL EMPLOYMENT	PROFITABLE AND RESPONSIBLE BUSINESS	PROSPEROUS COMMUNITIES
Salmones Camanchaca is committed to sustainably and responsibly producing premium quality salmon that makes a tangible contribution to the nutrition and health of the consumers. Food safety, biosecurity and animal welfare are the essential components of fulfilling this commitment	Salmon is farmed in the Chilean Patagonia in optimal physical, chemical and biological conditions for fish welfare. We preserve the structure and function of the aquatic and terrestrial ecosystems, through operational excellence and careful management of any potential environmental impact.	The company recognizes that a committed team that is aware of its environmental impact can make a difference. It knows that a team can only voluntarily give its best. This requires total commitment and dedication from the teams that form the company.	Creating value for shareholders and stakeholders requires a profitable and resilient business. Corporate culture is based on ethics, transparency, regulatory compliance and timely and effective risk management.	Salmones Camanchaca's business is spread across an area characterized by a tremendous diversity of people and cultures. Community engagement is based on caring for the environment, building confidence, and contributing to local development.

### 2025 AMBITIONS:





Targets

Salmones Camanchaca continuously develops initiatives to steadily progress towards its proposed targets, which relate to the company's sustainability performance. In 2021 these sustainability metrics were aligned with the refinancing of the Company's liabilities through a long-term bank loan associated with sustainability goals, which links its credit rating to compliance with specific sustainability metrics that were negotiated with creditors and verified by independent third parties.

The sustainability variables that this new debt considers have the objective of generating progress in five dimensions of the company's management:

- 1. Reduce greenhouse gas emissions to achieve Carbon Neutrality under Scope 1 and 2 by 2025 and reduce total emissions by more than 40% by 2020.
- 2. Increase the fraction of biomass harvested with Aquaculture Stewardship Council (ASC) certification to over 61% by 2025, which is the most demanding and prestigious certification for sustainable salmon farming.
- 3. Decrease the volume of marine ingredients in salmon feed, known as "Fish In-Fish Out", below 0.5 by the end of 2025.
- 4. Increase the fraction of non-hazardous solid waste recycled by the company and not sent to landfills to over 60% by 2025.
- 5. Improve occupational health and safety to match the best in Chile and reduce the accident rate to 2, which represents a 25% decrease over 2020.

Sustainability Committee

The Sustainability Committee was created during 2020 and aims to validate, monitor and support the roadmap for implementing the Sustainability Model. This Committee meets quarterly, for more information on members and operations, see chapter 3.

Agenda 2030: a new challenge

Salmones Camanchaca aims to be a driving force within the industry and address the United Nations Sustainable Development Goals (SDGs). The UN SDGs are initiatives that encourage people, companies and organizations to contribute to 17 goals and 168 targets for a sustainable planet by 2030. For Salmones Camanchaca this challenge is a priority and, after an in-depth analysis, it has responsibly selected the following goals with the clear intention of contributing to this international agenda. The company monitors its progress with each goal by relating each sustainability pillar to an SDG in order to progress these global goals.













# Healthy and nutritious food

The purpose of Salmones Camanchaca is to provide its customers with good quality healthy products. The health and welfare of its fish are at the core of its production strategy with the aim of providing good quality healthy products.

Therefore, it has defined three ambitions linked to its Sustainability Model:



Justification	2021 Performance Indicators		MORTALITY
Commitment to sustainably and responsibly producing premium quality salmon that makes a tangible contribution to the nutrition and health of the consumers. Food safety, biosecurity and animal welfare are the essential components of fulfilling this commitment.	 <div>100%</div> FULLY LIVAC VACCINATED ATLANTIC SALMON		15.7% ATLANTIC SALMON
			6.8% COHO SALMON
Related SDGs	BAP CERTIFIED BIOMASS	ASC CERTIFIED BIOMASS	
  	100% ATLANTIC SALMON	56% ROLLING 24 MONTHS	10.7% FRESH WATER SALAR
	100% COHO SALMON	62% ROLLING 12 MONTHS	3.4% FRESH WATER COHO
Material issues	Highlights of the year		
 <div>FOOD SAFETY AND NUTRITION</div>  <div>BIOSAFETY AND ANIMAL WELFARE</div>  <div>LOCAL AND GLOBAL AVAILABILITY OF PRODUCTS</div>	3%	ANTI-PARASITIC TREATMENTS WERE REDUCED BY 3% BY USING NATURAL SEA LICE TREATMENT	
	27%	ANTIBIOTIC TREATMENT IN ATLANTIC SALMON INCREASED BY 27% DUE TO THE SMALLER BIOMASS PRODUCED COMPARED TO 2020, MAINLY CAUSED BY LARGE-SCALE MORTALITY AT THE REÑIHUE AND COMAO FJORDS	
	56%	OF THE BIOMASS HARVESTED IN 2021 WAS ASC CERTIFIED. (24 MONTHS)	
	 <div>0</div>	SALMONES CAMANCHACA LAUNCHED ITS ANIMAL WELFARE POLICY.	
		ZERO FINES RELATING TO PRODUCT QUALITY, SAFETY OR LABELING.	

Internationally recognized quality

The Company focuses on providing excellent products. Therefore, the facilities throughout its value chain must comply with the requirements of the most important national and international quality standards.

Salmones Camanchaca commitment to the industry is reflected in various certifications :

	ASC	Considered the most demanding sustainability standard for aquaculture. It involves over 500 indicators covering various fields and was developed as a result of dialog between the Sustainable Trade Initiative and WWF	Seawater grow-out sites, primary and secondary processing plants
	Best Aquaculture Practices (BAP) - Four stars	This certification focuses on the key elements of responsible aquaculture including process quality, environmental and social responsibility, food safety, traceability, health and animal welfare. It awards stars for each production stage with 4 stars being the maximum.	1 star for the processing plant, 1 star for certified feed, 1 star for hatcheries and 1 star for seawater grow-out sites.
	ISO 9001:2015	An international quality management standard. Processing plants are certified and operate procedures focused on safeguarding product quality, such as the Food Safety Manual.	Primary and secondary processing plants
	HACCP certifications from the National Fisheries and Aquaculture Service.	An international standard that defines the requirements to effectively control food safety in processing plants.	Processing plants
	Global G.A.P	An internationally recognized standard for aquaculture production that ensures safe and sustainable food production.	Rio del Este hatchery and the San Jose primary plant
	Kosher	This certification verifies that food is prepared according to Jewish dietary standards and can be consumed, as it complies with the dietary requirements of the Hebrew Bible.	Secondary processing plant.
	Halal	This is a technical procedure that verifies that a product's contents and processing complies with Islamic regulations.	Secondary processing plant.
	ISO 14.001	This standard specifies the requirements for an efficient Environmental Management System. It provides a framework that protects the environment and responds to changing environmental conditions.	Secondary processing plant.
	ISO 45.000	This international standard covers occupational health and safety management systems. It is designed to protect employees and visitors from occupational accidents and illnesses.	Secondary processing plant.
	PROA Anti-microbial Optimization Program	PROA is an official voluntary certification granted to each farm that complies with the program. Its objectives are to raise awareness of anti-microbials, promote good practices and publish fish health recommendations based on the Program's research for Aquaculture Health Management (PGSA).	Seawater grow-out sites

Number of certified facilities

Species	Broodstock	BAP	ASC
Atlántic Salmon	Rio del Este hatchery (Ralún, Puerto Varas, Chile)		
	Fresh water	1	1
	Petrohue hatchery (Hueñu-Hueñu, Puerto Varas, Chile)	1	1
	Seawater	12	9
	Ahoni (West of Punta Ahoni, Chiloe, Chile)	1	1
	Pilpilehue (Yal channel, Punta Terao southeast sector, Chiloe, Chile)	1	1
	Marilmó (Comau fjord, Caleta Marilmo, Chaiten, Chile)	1	
	Loncochalgua (Comau fjord, Colorado Barranco Sector, Hualaihué, Chile)	1	
	Cabudahue (Reñihué fjord, Caleta Gonzalo, Chaiten, Chile)	1	1
	Puerto Argentino (Ensenada Reñihue Sector 2, Puerto Argentino, Chaiten, Chile)	1	1
	Nieves (Ensenada Reñihué Sector 3, Northeast of Isla Las Nieves, Chaiten, Chile)	1	1
	Islotes (Ensenada Chaiten, between Punta Islotes and Punta Piche Niche, Chaiten, Chile)	1	1
	Johnson 2 (Chaffers channel, East of Jonhson Island, Cisnes, Chile)	1	1
	Izaza (King Channel, Izaza Island south sector, Cisnes, Chile)	1	1
	Weste Filomena (Chipana channel, West of Filomena Island, Cisnes, Chile)	1	1
Coho Salmon	Chaiquen (Chaiquén north sector, Puerto Varas, Chile)	1	
	Process plant	2	
	San José primary plant (San José, Quihua Island, Calbuco, Chile)	1	
	Tomé secondary plant (Manuel Montt 1941, Tomé, Chile)	1	



A step further: ASC certification

The most demanding sustainability certification for aquaculture is the Aquaculture Stewardship Council (ASC) certification. The certification was based discussions with stakeholders and includes over 500 indicators from various fields and audits. It assures Salmones Camanchaca that its production complies with the most demanding social, environmental and food safety standards in the industry. It also ensures that the company's suppliers comply with the social standards required by the ASC.

Compliance with serious and certifiable standards ensures that the business is responsibly managed. The ASC was co-founded by WWF and is recognized as the most demanding sustainability standard in salmon farming. The company ensures compliance with this standard within its smolt production process, its seawater grow-out sites, its primary and secondary chain of custody, and it ensures responsible sourcing by requiring the company's suppliers to comply with the standard's social and environmental requirements.

Salmones Camanchaca is committed to ensuring that most of its production will meet the requirements of this standard in 2021, as a result of continuous improvement and joint achievements with the Global Salmon Initiative (GSI). The company achieved ASC certification for 62% of the biomass harvested in 2021. It is fundamental that the company evaluates the long-term trend, so a 24-month rolling period was also evaluated to account for the duration of farming cycles. 56% of the biomass in this cycle was certified .

Salmones Camanchaca has associated strategic objectives within the Green Credit framework with this certification. Specifically, the company is committed to increasing the fraction of biomass harvested with ASC certification with the aim of reaching 61% over a rolling 24-month period by 2025.

Atlantic Salmon	ASC 2021 CERTIFIED BIOMASS (ROLLING 12 MONTHS)	2019 17%	2020 52%	2021 62%
	ASC 2021 CERTIFIED BIOMASS (ROLLING 24 MONTHS)	24%	34%	56%

Food health and safety

Salmones Camanchaca is committed to providing a high quality product to its customers and to complying with stringent fish health and safety standards. The company fulfilled this commitment this year. Similarly, the company had no fish health and safety non-compliance incidents in the product and service categories, .

A similar situation occurred in relation to compliance with information and labeling of its products and services, as there were no related non-compliance incidents . Neither were there any non-compliance incidents related to marketing communications .

33% of Salmones Camanchaca's outsourced processing facilities are certified as complying with the Global Food Safety Initiative (GFSI) food safety program. These facilities are Salmones Camanchaca's primary processing plants as follows: Sur Proceso, Río Dulce and Caleta Bay, where only the Caleta Bay plant is BAP certified as a processing plant .

The same initiative performed an audit of Salmones Camanchaca's own primary and secondary processing plants using the BAP seafood processing standard. Where 2021 was obtained as a result:

Plant	Major No Conformity	Minor No Conformity
San José	3	4
Tomé	0	5

All non-conformities were addressed and resolved according to the requirements of the standard, which involve making improvements and corrective actions in order to find the root cause of the detected non-conformities and implement improvements to solve said problems. The following table shows the rates of non-conformities and corrective actions of the Salmones Camanchaca facilities.

Global Food Safety Initiative (GFSI) Audit

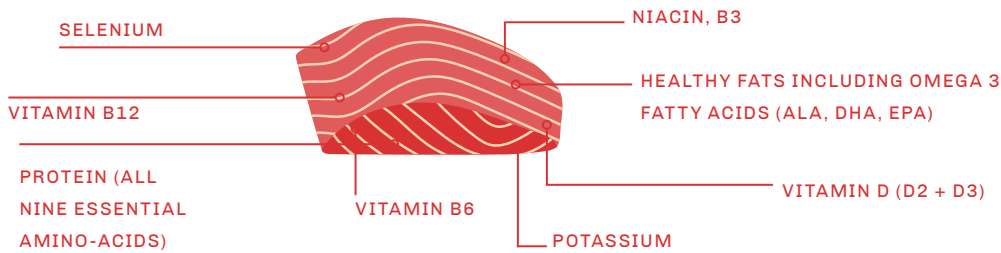
No Conformity	No. of facilities audited	No. of No Conformities	No. of corrective actions	Rate of no conformities	Rate of corrective actions
Major	2	3	3	1.5	1
Minor	2	9	11	4.5	1.2

Salmones Camanchaca: High nutritional value for the consumers

The Company aims to bring to its consumer's tables an exceptional food, which is full of the essential nutrients that people require. Salmon contains fatty acids, omega 3 and 6, fat-soluble vitamins such as A and D, minerals such as potassium and phosphorus, as well as a high protein content. Consuming this product promotes eye, brain and cardiovascular function.

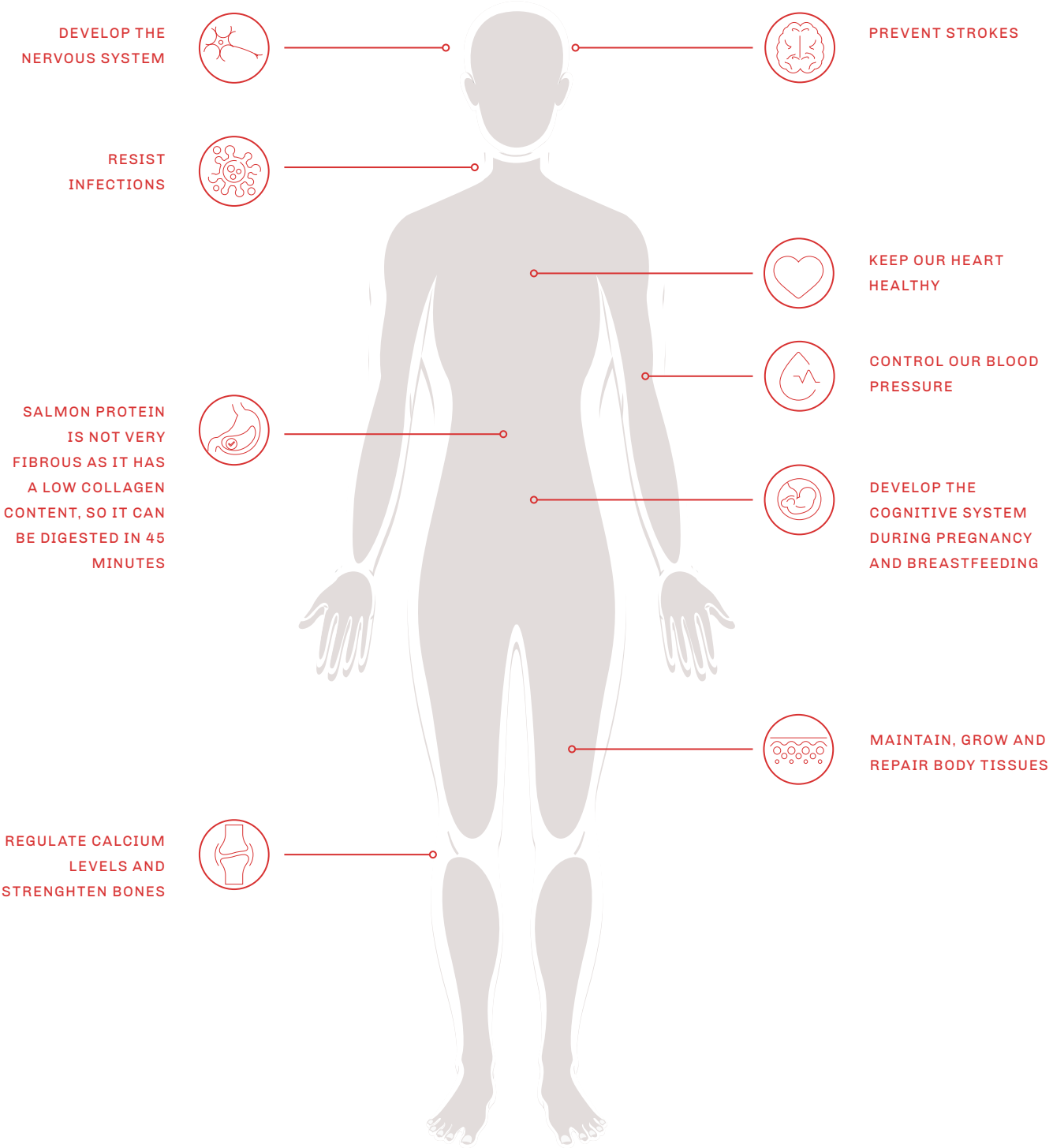
Moreover, salmon is rich in iodine, which is necessary to convert food into energy, and contributes to normal thyroid functioning, which is essential for all human body cells to develop correctly.

Nutritional contributions of salmon



Salmon's benefits

Scientific research has revealed the main health benefits of consuming salmon.

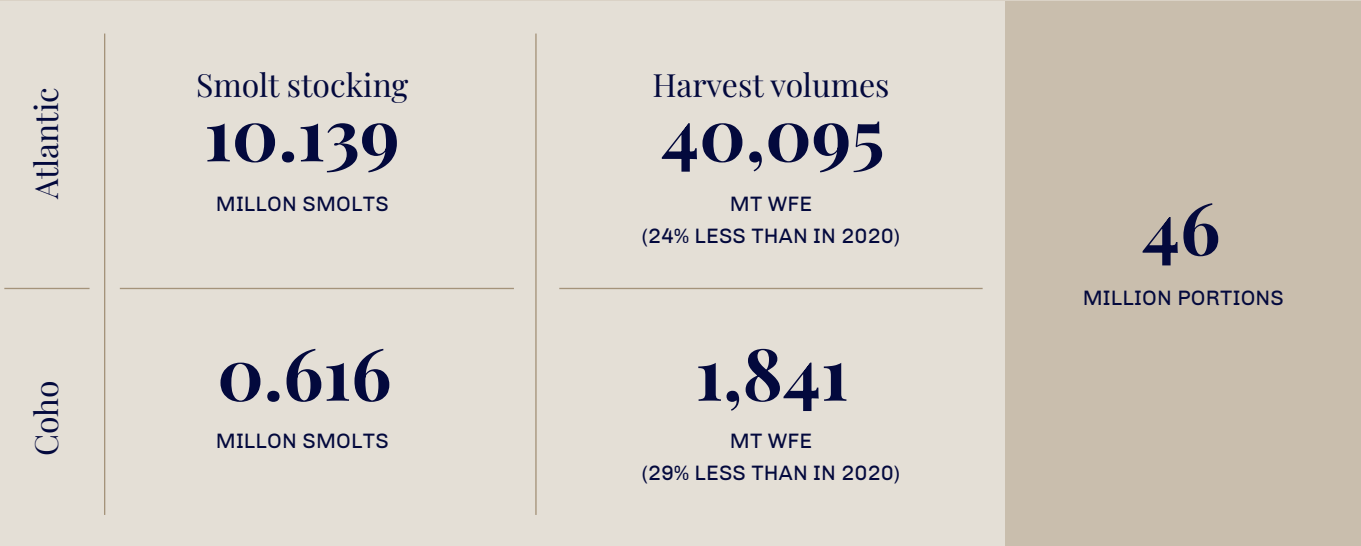




Nutritional contribution to the world

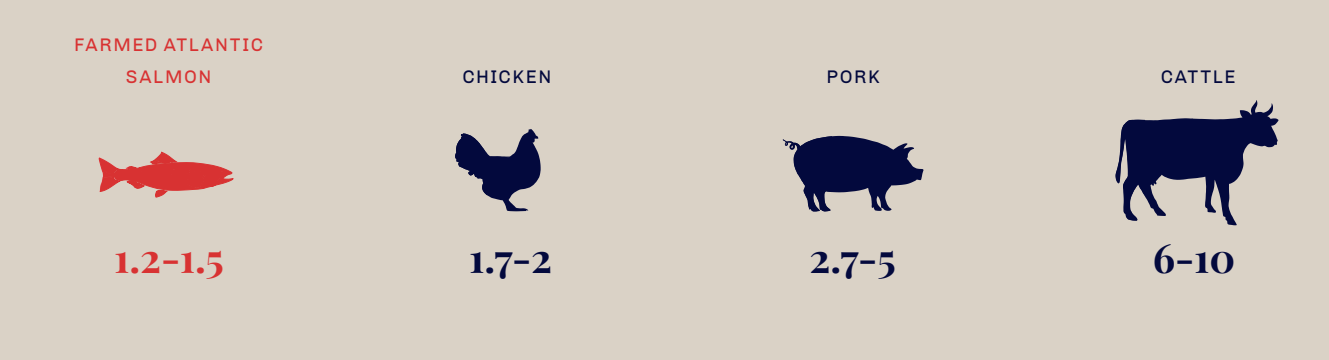
According to the United Nations (UN), the world population is expected to increase to 9 billion by 2050, which implies a significant increase in food production. The FAO mentioned that the continuous increase in population will increase the demand for seafood products in 2030 by an additional 37 million tons. Assuming that traditional fishing has reached its maximum extraction level, aquaculture represents the only way to satisfy this need.

Salmones Camanchaca:



A comparison of different animal proteins reveals that salmon is very efficient, as it has the lowest conversion ratio and highest edible proportion, when compared to other protein sources such as chicken and pork. It has a feed conversion ratio of 1.2 to 1.5, which represents very efficient feed use.

Feed Conversion Ratio (KG)



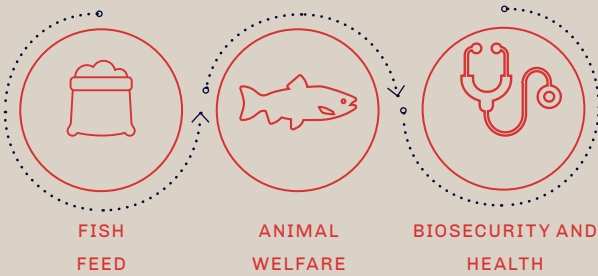
High nutritional value food from the source

Salmones Camanchaca produces a first class product, due to its strict compliance with internal policies and international quality standards that measure quality. The company is committed to ensuring an excellent production cycle, resulting in highly nutritious food for all its consumers.

The company does not use genetically modified (GMO) fish anywhere in its supply chain. All the Atlantic salmon are produced from our own genetic supply, and Coho salmon eggs are sourced from Aqua Gen, a Global Gap certified supplier that is non-GMO . The company only uses substances approved for aquaculture and does not use hormones.

Some versions of the raw materials used in fish feed, such as soybean, corn gluten and rapeseed oil may be genetically modified. However, these raw materials do not represent a significant percentage of the total . Salmones Camanchaca is committed to sustainable agriculture and deforestation, and it requires its salmon feed suppliers to monitor their environmental footprint based on life cycle analysis and to focus on their climate change impacts, water footprint and other impacts . Accordingly, it can optimize fish feed using sustainability criteria.

The company enhances the nutritional benefits of salmon by actively managing three aspects that are centered on fish welfare.



Salmon welfare

Salmones Camanchaca is ethically responsible for protecting the welfare of its salmon. The company is convinced that an appropriate environment must be secured that matches the biological characteristics of each species, in order to harvest healthy fish. An animal raised under specific farming conditions has lower mortality risk, better growth performance and higher feed conversion efficiency. Therefore, improving the quality of life for the fish, results in increased productivity and in nutritious and high quality food.

The five freedoms

The company strictly complies with the recommendations in the OIE Aquatic Code (Introduction to the Recommendations for the Welfare of Farmed Fish) at each stage of fish development. This method guarantees the “Five Freedoms” published in 1965, which describe the welfare rights of all animals under human control.

The five freedoms are:



Animal welfare policy

An Animal Welfare Policy was formalized in May 2021, due to the company's commitment to animal welfare, and its mission to ensure compliance with the five freedoms. The most important objective of this policy is to improve fish health and welfare throughout the company's productive cycle. It was based on scientific guidelines and the company's professional experience in fish care and handling.

It anticipates new certifications and regulations that may occur in the short and medium term.

The policy was implemented using an operational framework and contains three specific programs:

- Animal welfare indicators monitoring program:** This program monitors animal welfare indicators throughout the production cycle that measure productive conditions for three categories of indicators, which are group, individual and environmental.
- Handling protocols at critical points:** Detailed protocols to improve fish health and welfare.
- Human resources training:** Training for people in contact with fish during production and health care, including assistants, site managers and veterinarians.

Animal Welfare Policy





Salmones Camanchaca’s Animal Welfare Monitoring Program (AWMP)

Salmones Camanchaca's Animal Welfare Monitoring Program (AWMP) is aligned with the policy. It responds to the main objectives of the operational framework. It was designed according to the guidelines within the main standards, the Fishwell Manual, the Pincoy Manual of Good Practices and the RSPCA Animal Welfare Standards Manual. The program supports a welfare system for Atlantic and Coho salmon throughout their production cycle.

It also defines a baseline for animal welfare data throughout the production chain, from the marine farming sites through to collection and slaughter. Animal welfare monitoring protocols are established and assigned to those responsible for monitoring fish health and welfare.

	Indicators	Freshwater sites	Seawater sites	Transporting	Harvesting and slaughtering
Individual	Sanitary Surveillance	●	●	●	
	Correct stunning with pneumatic stunner				●
	injuries and wounds			●	●
Group	Behavior	●		●	
	Dying or dead fish before slaughter				●
	Health/Illness	●	●		
	Mortality	●	●	●	
Environmental	Density	●			●
	microalgae		●		
	Oxygen	●	●	●	●

Animal welfare indicators at Salmones Camanchaca

Salmones Camanchaca monitors this program by collecting information by production phase, which includes the freshwater, marine, transporting, harvesting and slaughtering phases. The company established specific metrics at critical points, in order to continuously measure and protect animal welfare at every phase. It measures three types of indicators, which are Group, Individual and Environmental.

Animal welfare indicators

Among the indicators that will be monitored in the different phases of operation and handling of the fish, the following stand out:

The company's internal procedures emphasize five fundamental aspects of animal welfare to ensure compliance with strict technical guidelines:

	FISH ARE FED TILL THEY ARE SATISFIED, WHICH IS MONITORED USING UNDERWATER CAMERAS.
	FISH ARE FARMED TO STANDARDS THAT DETERMINE STOCKING DENSITIES IN KG/M3, MAXIMUM NUMBER PER CAGE, PERCENTAGE AND CAUSES OF MORTALITIES, AND SPECIFIC SANITARY PROGRAMS.
	REGULAR VISITS TO ALL FARMING SITES AND CHECKING BY VETERINARIANS.
	MORTALITIES ARE REMOVED EVERY DAY, AND THEIR CAUSES REGISTERED, IN ORDER TO PROMPTLY IMPLEMENT TREATMENTS.
	FARMING SYSTEMS THAT KEEP THE FISH IN OPTIMAL ENVIRONMENTAL CONDITIONS, SUCH AS CONTINUAL NET CLEANING TO OPTIMIZE WATER INTERCHANGE IN CAGES, AUTOMATIC OXYGENATION SYSTEMS, UPSURGE SYSTEMS TO PREVENT AND MITIGATE MICROALGAE STRESS, PROTECTIVE NETS TO PREVENT ATTACKS BY PREDATORS, AND OTHER SYSTEMS.

Healthy feed for the fish

A key aspect of fish welfare is their feed. The company uses various specialized feeding strategies that cover all the nutritional requirements of the fish at each stage of the farming cycle. This feed has to be rich in nutrients and contain fishmeal and fish oils. It should also contain vegetable raw materials, such as corn, wheat, rapeseed and soybean.

Functional fish feed

The company initiated a non-pharmacological disease control process and began a field trial to evaluate the efficacy of a battery of feedstuffs that could reduce antibiotic use. This trial began in 2020 and was strengthened in 2021. It was conducted in conjunction with the Pontificia Universidad Católica de Valparaíso and included studying the response of groups of fish to two specific feedstuffs, using immune response molecular markers and productive variables.

The validation of its mechanisms for measuring functional fish feed effectiveness means that Salmones Camanchaca can continue to evaluate and test various alternatives offered by the market and conduct internal experiments using its records.

Overall results

The year 2021 presented an increase in the mortality of salar salmon due to environmental contingencies that were experienced in the first and second quarters of the year in a context of the driest summer in recent years in the area. In six of the Salmones Camanchaca farms located in the Comau and Reñihue fjords, low oxygen levels and algal blooms (AF) occurred, causing massive fish mortality. These harmful algae blooms occurred throughout the Chilean summer of 2021 and first affected the Reñihue fjord sites. They affected biomass growth, as fish appetite fell as a result of the oxygen deficiency, which also caused extensive mortality. By the end of March and April other sites in the Comau fjord were also affected by the HAB, causing large-scale mortality at these sites. This natural and infrequent phenomenon was typical of the driest and sunniest summer in Chile in 70 years. Mortality at the sites in both fjords was approximately 3,700 MT, and its direct financial effects, including insurance indemnities, deductibles and mitigation and removal costs, amounted to USD 15 million, which was included in the financial statements.

The increase in mortality of Coho salmon was mainly due to particular sanitary and environmental reasons during 2021.

Biosecurity and health

Controlling sea lice and reducing antibiotic use are key challenges for the global salmon farming industry with respect to biosecurity, fish health and disease management.

Antibiotics

There are several diseases that threaten the health of salmon. Although the company focuses on disease prevention, the controlled use of antibiotics is important and necessary for fish welfare. The company has committed to reducing its use of antibiotics by 50% by 2025,taking the year 2017 as the baseline, based on the collaborative initiative between CSMC and the SeaFood Watch program of the Monterey Bay Aquarium.

Antibiotics or other drugs are not used on fresh water salmon until they become smolts. The fish are vaccinated before being sent to grow-out sites using Alphaject 5.1 and Livac vaccines.

Salmones Camanchaca does not use any of the medically important antibiotics listed in the FDA's Industry Guidance 152, nor the

critically important antibiotics according to WHO. In 2021, 96% of the harvested biomass was treated with Florfenicol, an antibiotic classified as highly important by the WHO. .

It is important to point out that in Salmones Camanchaca antibiotic treatments are not carried out for prophylactic purposes; they are only used when absolutely necessary, and all methods are performed with a clinical diagnosis made by a veterinarian. In addition to not using genetically modified fish or hormones are used. This can be corroborated by the voluntary certifications that the products have such as BAP and ASC, whose standards prohibit the use of GMO fish and the use of treatments for prophylactic purposes.

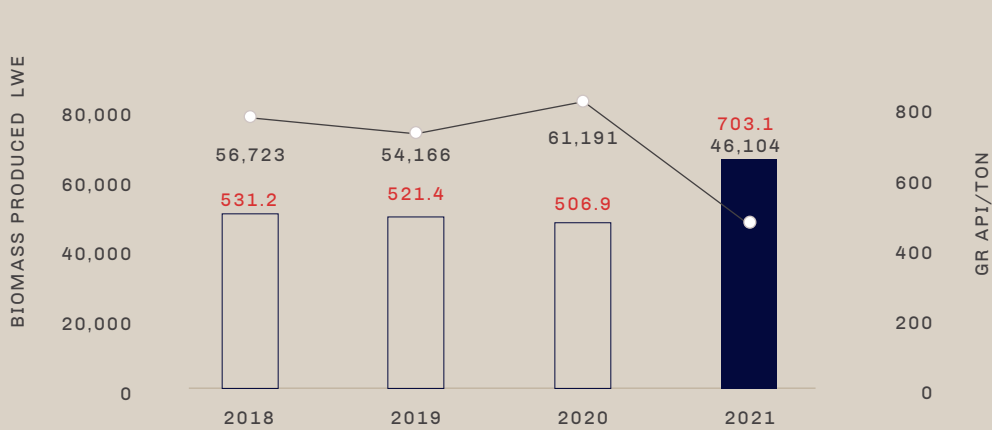
Antibiotic use in 2021 increased by 27% compared to 2020, due to the HAB that caused a sharp reduction in the company's biomass.

Atlantic salmon antibiotic use

Antibiotic use in Atlantic salmon increased by 28% mainly due to a reduction in the biomass compared to 2020, which fell by 25%, due to the HAB that occurred during the first half of 2021.



Atlantic salmon antibiotic use







The 2021 procedures were officially verified by the Antibiotic and/or Antiparasitic Free Center.

*Pincoy Project*

Salmones Camanchaca forms part of the Pincoy Project. This is a Chilean initiative to reduce antibiotic use in salmonid production in Chile through collaboration. This project focuses on the bacterial disease SRS (Salmonid Rickettsial Septicemia) as it is the main reason why antibiotics are used in Chile.

The Pincoy Project launched a Good Practices Manual, which aims to achieve operational excellence through good productive performance and a focus on fish health. While always protecting animal welfare. This document addresses every productive stage and the factors involved, and produces recommendations for optimal results, including environmental factors associated with fish health conditions.

In 2021, the implementation of this Project began at the Edwards farm, which will be maintained during 2022 until the end of the cycle of this farm.

**Pincoy aims to achieve the following results for the industry:**



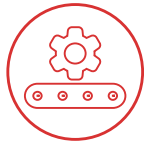
REDUCE THE USE OF  
ANTIBIOTICS



IMPROVE FISH  
HEALTH



IMPROVE ANIMAL  
WELFARE



IMPROVE  
PRODUCTIVE  
PERFORMANCE



IMPROVE THE  
PERCEPTION  
OF CHILE AS A  
SUSTAINABLE FISH  
PRODUCER



BUILD LINKS WITH  
ACADEMIA AND  
AUTHORITIES



CONTRIBUTE TO  
THE SUSTAINABLE  
GROWTH OF THE  
INDUSTRY

Antiparasitic drug use

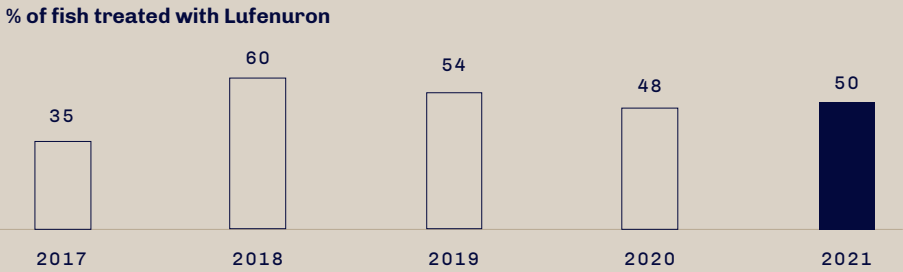
Anti-parasitic treatments were reduced by 3% by using natural anti-parasitics

The parasitic infestation of farmed salmon in Chile caused by *Caligus rogercressyi* is treated mainly with antiparasitic drugs administered orally and by immersing the fish in treatment baths. Treatments at Salmones Camanchaca are regulated by a team of specialized veterinarians who select the dosage for effective therapeutic schemes that minimize the impact of these products on the marine environment.

Since 2013, Salmones Camanchaca has been part of Aquabench's Caligus program, which aims to control sea lice by encouraging pre-competitive collaboration.

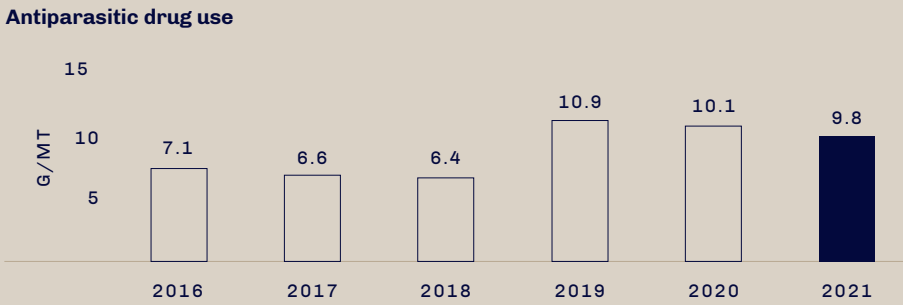
Preventive treatments

Sea lice infestation was prevented during 2021 by treating 50% of the company's fish with Lufenuron. This pharmacological product is administered at the freshwater stage and minimizes antiparasitic treatments at marine grow-out sites by offering protection against sea lice that lasts a maximum of 6 months.



WHAT IS THIS TREATMENT?

It is fed to fish at the freshwater stage. It protects them for 6 to 8 months after the treatment finishes. This mechanism, together with fish feed, flow observations and other measures, ensure that the risk of infestation in the production chain decreases.



Hydrogen peroxide, a new option

Salmones Camanchaca is continually searching for environmentally friendly alternatives that protect the health of its fish.

Therefore, the company adopted a new non-pharmacological approach at the end of 2019, which promised a more effective and environmentally friendly antiparasitic. This involved using hydrogen peroxide baths, where the main advantage is that it decomposes into water and oxygen shortly after coming into contact with seawater.

This benefit encouraged Salmones Camanchaca to increase these treatments. Accordingly, hydrogen peroxide treatments increased by 59% compared to 2020, with the objective of reducing its dependence on pharmacological antiparasitics. A barge was permanently dedicated to the company's facilities in the Tenth and Eleventh regions.

Non-Pharmacological Treatments

**Lyptus Plus:** This is a natural product extracted from plants. It was introduced in 2021 at three of the company's sites, and achieved good results for sea lice reduction, with the advantage of a low environmental impact as it is a natural product that can be used outside the treatment windows established by Sernapesca (National Fisheries and Aquaculture Service). It is an immersion treatment, which is similar to other methods already adopted by the industry. It will continue to be used at the company's farming sites throughout 2022.

**Salmoclinic:** This is a wellboat that specializes in sea lice treatments. In 2021, Salmones Camanchaca has started tests with this vessel through treatments based on freshwater baths. It is expected that in 2022 tests will continue to be carried out, as part of the search strategy for new treatments that represent a lesser impact on the environment and that, in turn, do not affect the effectiveness of the treatment or the welfare of the fish.





# Meaningful employment

Salmones Camanchaca is explicitly committed to developing its employees, which it believes to be vital to achieve its objectives.

The Company firmly believes that the contribution of its employees and their committed and sustainable conduct will position it in a place of excellence. Therefore, it continues to develop a culture of continuous improvement, innovation and leadership in all its talent management processes. Furthermore, it strengthens business strategy, promotes commitment, encourages good team

performance and employee development, while always building a cooperative environment that forms good relationships at each stage of the value chain.

The human capital department has defined four priorities that are aligned with the Company's strategy. These are productivity and labor simplification, the Camanchaca experience, talent management, and community management.



Justification	2021 Performance Indicators			
Salmones Camanchaca is aware of the difference produced by a committed team and that each person can only voluntarily perform at their peak.		NUMBER OF EMPLOYEES 1,875	FATALITIES 0	GENDER DISTRIBUTION 69% MEN
Related SDGs	28.8% TURNOVER RATE	2% ACCIDENT RATE	15.3% ABSENTEEISM RATE	31% WOMEN
 8 DECENT WORK AND ECONOMIC GROWTH	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE			
Material issues	Highlights of the year			
 OCCUPATIONAL HEALTH, SAFETY AND WELFARE	 LAUNCH OF THE SALMONES CAMANCHACA FARMING E-LEARNING PLATFORM.			
 COMMITMENT AND MEANINGFUL EMPLOYMENT	 LAUNCH OF THE BUK PEOPLE MANAGEMENT PLATFORM.			
 PEOPLE DEVELOPMENT	 IMPLEMENTATION OF THE TELEMEDICINE PLATFORM.			

Of the 1,875 workers at Salmones Camanchaca, 86% reside in the communes where they work

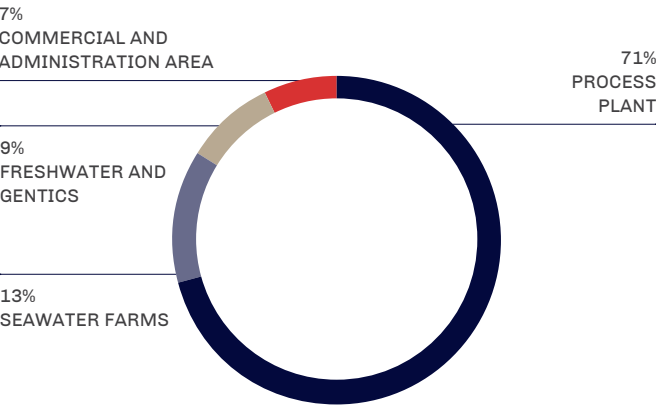
Features of the team

THE EMPLOYEES

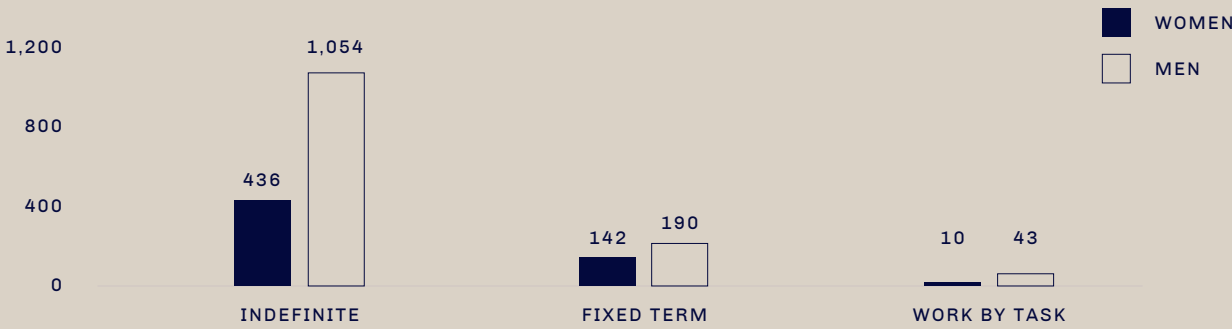
A large number of employees are required for Salmones Camanchaca to operate correctly, and they give life to the Company at each stage of salmon's productive and commercial cycle. Employees work at facilities located in the Biobío, Los Lagos and Aysén regions.

The Company has 1,875 employees, and approximately 71% of them work on raw material processing, either at the San José primary plant in Calbuco, Los Lagos Region, or at the value-added plant in Tomé, Biobío Region. Moreover, 17 employees with disabilities work at these facilities, comprised of 16 men and 1 woman.

Average analysis of employees in the value chain



Employees by employment contract



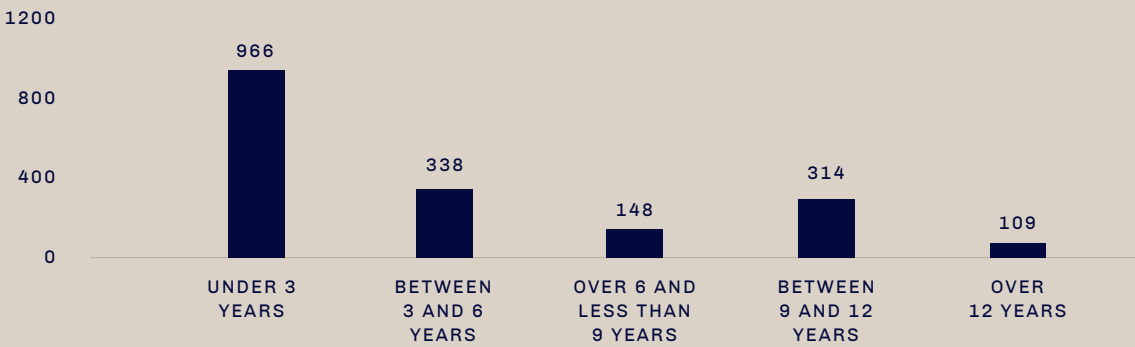
Geographical distribution



Work flexibility

Working day	Women	% with respect to total employees	Men	% with respect to total employees	Total
Ordinary working day	566	30%	1,227	65%	1,793
Part-time work					0
Remote work 3*2	22	1.2%	60	3.2%	82
Flexible working agreements for employees with family responsibilities					0

Seniority



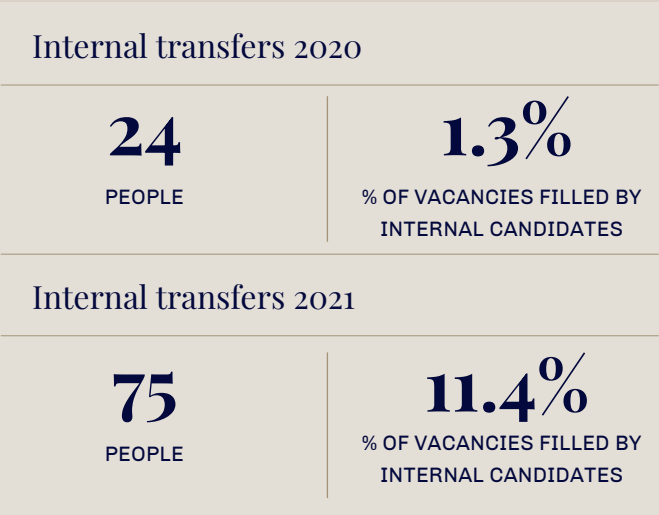
\*Detail by position and gender in appendices



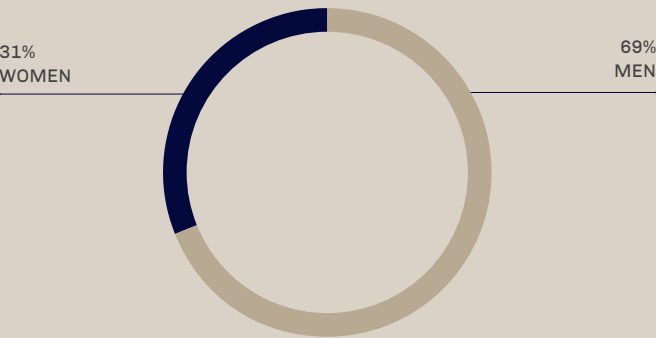
DIVERSITY AND EQUAL RIGHTS

Competent, trained and experienced employees are essential to achieving efficient, innovative results in line with the demands of the 21st century.

This drives the internal transfers within Salmones Camanchaca and its succession plans, as they are an important aspect of employee performance and ability, and internal promotion ensures that Salmones Camanchaca’s employees can create value.



The Company is striving to increase the number of its female employees, especially in those areas where they are under represented, such as at farming sites and in executive positions. Recently the Company has increased its number of female employees from 564 in 2020 to 588 in 2021. In fact, seventy women held supervisory positions as of the end of 2021. In 2021 Salmones Camanchaca continued to participate in the Gender Equality working group led by Salmonchile.

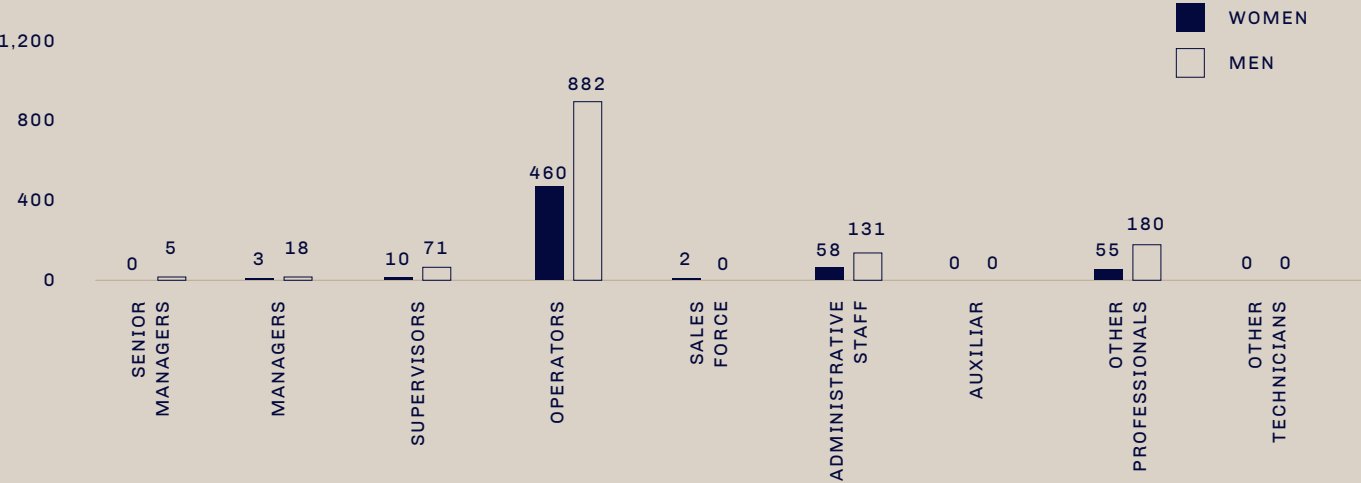


Gender Diversity Indicators:	%
Percentage of women in the workforce	31%
Percentage of women in leadership positions	14%
Percentage of women in junior leadership positions	15%
Percentage of women in senior leadership positions	13%
Percentage of women in leadership positions in income-generating departments	100%
Percentage of women in STEM positions (science, technology, engineering and mathematics)	18%
Scope of information	100%

The labor relations objectives are as follows:

- Encourage involvement opportunities and adequate organizational communication.
- Manage the personal and professional development of Salmones Camanchaca’s employees, so that they can achieve their targets.
- Maintain a positive working environment based on good relationships between employees, trade unions and their representatives.
- Ensure that the composition of the workforce complies with the law. Eliminate all legal forms of abuse, including sexual harassment, and eliminate all discrimination by ethnicity, religion, gender, age or any other category.

Analysis by position

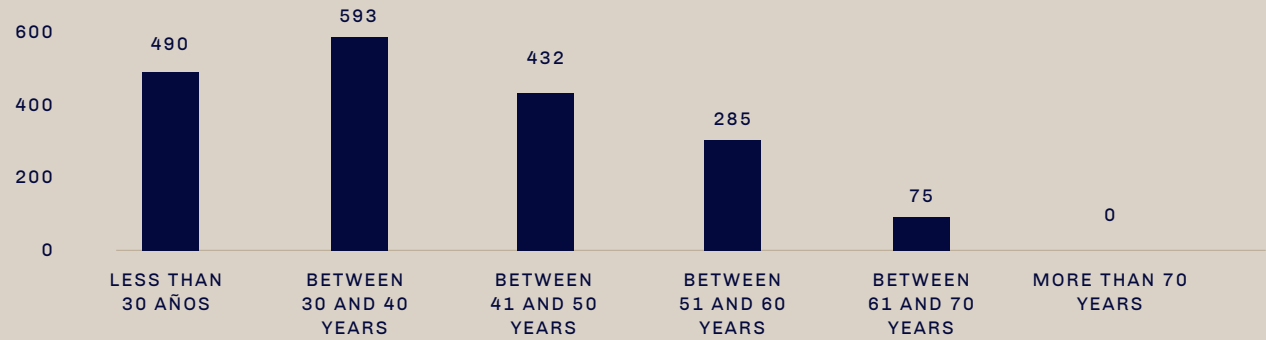


Number of people with disabilities



Age diversity

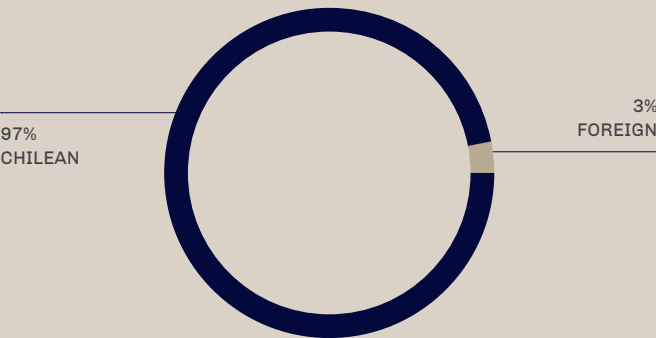
The Company employs adults of all ages, many are under 40 years old and they represent 58% of the total workforce.



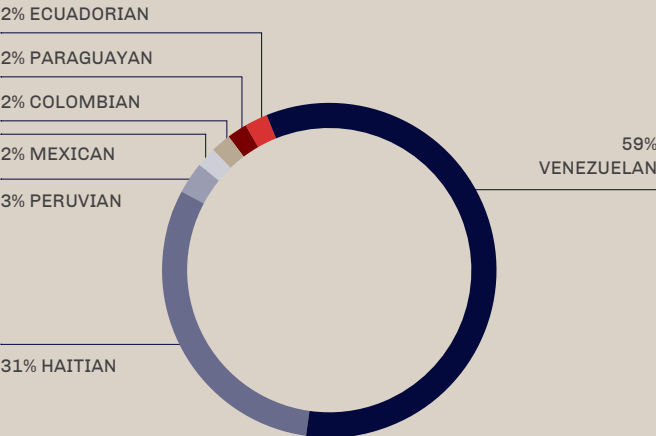
Distribution by nationality

The percentage of foreigners fell by 1%, and they now form 3% of Salmones Camanchaca's workforce. Venezuela has provided the most foreign employees with 2% and then Haiti with 1.1%. This is a substantial change from the previous year, when Haiti provided the largest number of foreign employees. All junior, middle and senior leadership positions are held by Chileans.

Chilean and foreign employees



Nationalities of foreigners



\*Analysis by position in appendices

Living and Equal Salaries

Salmones Camanchaca strives to pay living salaries that guarantee equal and transparent treatment, so that employees can progress both inside and outside the Company. The Company has a Remuneration Policy that fully complies with this essential objective. It defines the salary for each position based on its value to the Company and market competition. This policy is independent of the gender or any other condition that applies to the person occupying that position. The key factors that impact each employee's salary are merit, the market, inflation and the Company's performance.

This policy ensures that no Salmones Camanchaca employee earns less than CLP 500,000, which is 76% higher than the Chilean minimum wage.

The Company applies the ASC standard, which emphasizes that salaries should never fall below the legal minimum for each country. Also socially responsible employers should ensure that their salaries cover basic needs, such as housing, transportation and food, while providing a good quality of life.

The Company complied with this requirement in 2021 by evaluating remuneration with respect to living wage values at all its farming sites located in the Los Lagos region and the Aysén region, which covered 18% of the workforce. This evaluation was performed by an external company, based on reliable sources that tackle poverty issues and the satisfaction of basic needs. The Company expects to perform similar evaluations for all its employees at its own facilities by 2025.

The living wage evaluation references the SA800 methodology (Anker Methodology) and includes the following steps:

- Evaluate employee's expenses.
- Evaluate the average family size in the area.
- Analyze the number of income earners per family.
- Analyze government statistics on poverty.

Company policy is to eliminate salary differences between men and women. Salary scales apply to each position, and individual salaries depends on length of service and performance evaluation.

Ratios of standard entry level salaries by gender compared to local minimum salaries

	Country Minimum Salary (CLP)	Starting Salary (CLP)	Ratio of Camanchaca Salmon vs Country
Men	337,000	554,404	165%
Women		546,373	162%

Salary Gap

Salary gap	Gender	Gross annual salary (USD)	Annual salary gap	Average gross salary (USD)	Average salary gap	Median gross salary (USD)	Median salary gap
Senior Managers	Men	64,925	N/A	64,925	N/A	56,961	N/A
	Women						
Managers	Men	32,014	76%	32,014	76%	28,780	78%
	Women	24,217		24,217		22,454	
Supervisors	Men	14,094	85%	14,094	85%	13,228	91%
	Women	12,027		12,027		11,999	
Operators	Men	4,331	95%	4,331	95%	4,162	95%
	Women	4,106		4,106		3,949	
Sales force	Men		N/A		N/A		N/A
	Women	20,549		20,549		19,252	
Administrative staff	Men	6,057	79%	6,057	79%	5,504	84%
	Women	4,798		4,798		4,643	
Other professionals	Men	8,602	85%	8,602	85%	8,357	81%



Gender equality pay

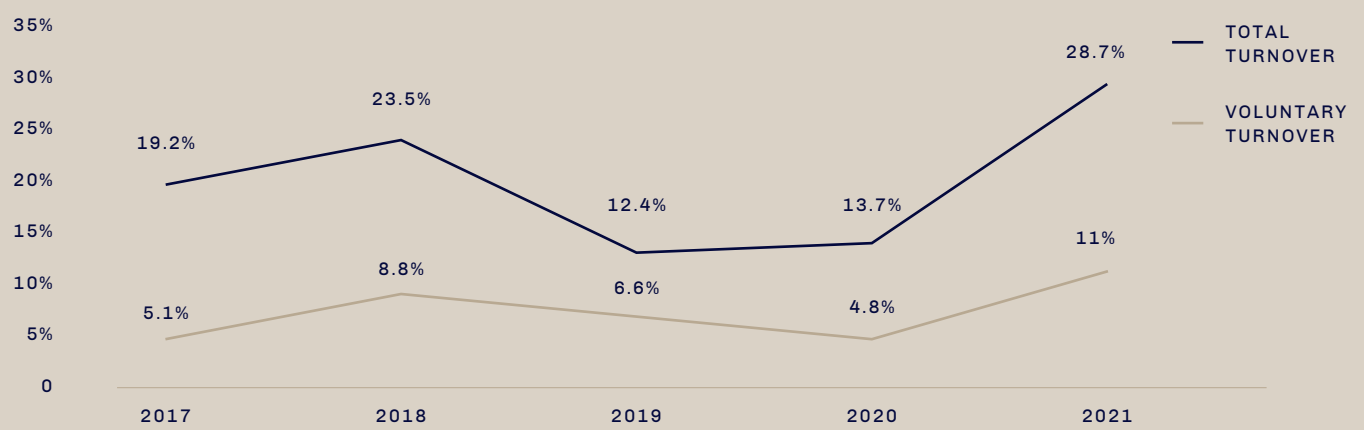
Position	Average salary for women (CLP)	Average salary for men (CLP)
Executive (base salary only)	3,887,675	6,534,668
Executive (base salary + other incentives)	4,359,022	7,194,193
Professional (base salary only)	1,202,554	1,387,048
Professional (base salary + other incentives)	1,540,109	1,844,169
Administrative (base salary only)	421,207	476,304
Administrative (base salary + incentives)	757,430	821,833

RECRUITMENT

Salmones Camanchaca strives to reduce employee turnover.

Turnover was 28.8% in 2021, a significant deterioration from 13.7% in 2020, which is mainly explained by the effects of the pandemic and State financial support. Turnover has fallen the most among employees over 50 years old. Turnover among employees who voluntarily left the Company was 11% during this period, which was higher than in 2020 when it was 4.8%.

Total and voluntary turnover



Employee turnover

New employee hires and employee turnover	Total number of new hires	Total employee turnover	Total employee turnover rate
Analysis by age range:	2021	2021	2021
Under 30 years old	375	250	13.7%
Between 30 and 50 years old	227	224	12.3%
Over 50 years old	56	50	2.7%
Analysis by gender:	2021	2021	2021
Mujeres	242	103	5.7%
Hombres	416	421	23.1%

Average turnover rate by age range

	2020	2021
Under 30 years old	8.9%	13.7%
Between 30 and 50 years old	8.0%	12.3%
Over 50 years old	1.7%	2.7%





Value proposition for the employees

2021 INITIATIVES

Salmones Camanchaca continues to develop initiatives that build a collaborative working environment, where good performance is valued, empathy is demonstrated and new ideas are encouraged. These initiatives aimed to:

- **Improve the organizational culture:** Organizational Excellence workshops for Salmones Camanchaca's executives that develop cohesion, collaboration and trust, while defining guidelines. The workshops focused on the Company's vision and values.
- **Innovation and continuous improvement:** Creation of a platform to submit improvement ideas and a training day during innovation week.
- **Salmon Academy Farming Platform:** Corporate induction courses and internal training using an online system that optimizes the onboarding experience and automates processes.
- **Onboarding Process:** This process is designed to help employees successfully integrate into the Company, adapt to their next professional role, and identify with the Company's values and mission.
- **Digital Transition Program:** Classroom training that supports employees who need to improve their digital skills and teaches them how to correctly use the BUK platform. This platform is used to complete online procedures, receive timely information such as certificates, vacation requests and electronic signatures, and to streamline access to employment information and company benefits.
- **Continuity of regulatory, technical and soft skills courses:** These courses train professionals who are integrated, efficient, empowered and focused on continuous improvement.
- **The Medismart telemedicine platform:** This platform meets the primary medical needs of the employees.
- **Flexible working hours:** This is offered for positions where it is appropriate.
- **Support for employees submitting applications for state benefits, such as:** IFE, housing, legal issues, medical interventions and Company agreements.
- **The BUK HR platform:** This platform integrates all the associated processes into a single portal and it streamlines access to information and employee procedures.

BENEFITS

Salmones Camanchaca's benefits are an essential pillar for an optimal working environment within the Company. The most important benefits are described as follows:

Vacation bonus

This bonus is granted to each employee who uses their entire annual holiday entitlement.

Housing bonus

This bonus is granted to employees who are owners or tenants of a house that has been damaged by a natural disaster, such as:

- Fire damage.
- Material damage caused by an earthquake.
- Fire caused by natural phenomena.
- Physical damage caused by flooding.

Education allowance

This allowance is granted to employees with children who regularly attend nursery, primary, middle, or high school, technical college or university.

Marriage allowance

This taxable allowance is granted to any employee who gets married. This benefit requires submitting the corresponding marriage certificate no more than 30 days later.

Birth allowance

This bonus is granted for each child born while the employee is working at Salmones Camanchaca.

Legal bonus

This bonus is granted to every employee. It is paid during the Independence celebrations and Christmas holidays.

Christmas benefits

These are granted to all employees in December every year. They consist of a box of merchandise or its equivalent as a gift card. An additional gift is given to employees' children.

Postnatal Leave

During 2021, 20 female employees took parental leave out of a total of 1,875 eligible employees, and they represented 2% of eligible employees. None of them returned to work during 2021, as they all took vacations or medical leave.



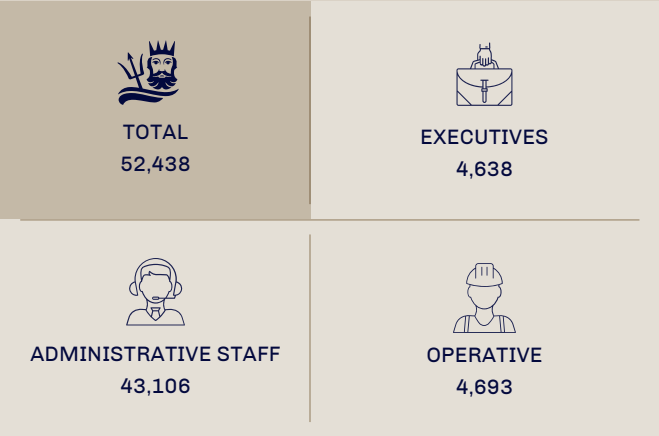


Training and development

Salmones Camanchaca invested USD 52,439 in education and professional development during 2021 and trained 1,446 people. It provided 51,725 hours of training, which was a significant increase over 2020.

Women in the administrative and operating segments used the highest average number of training hours, which were 45 and 41 respectively. This was a significant increase over 2020.

Training Costs USD



Training Costs USD	2021
Women	10,941
Men	41,497
Total	52,438

Number of training hours	hours
2018	25,799
2019	36,540
2020	30,732
2021	51,725

The Camanchaca Enseña training programs, digital training via streaming and e-learning platforms were strengthened during 2021.

CAMANCHACA ENSEÑA TRAINING PROGRAM:

This training and educational program benefits the welfare of the employees and their families. It was created during participatory discussions at the end of 2019, when everyone in the organization expressed their concerns and interests on various topics. It includes both civic and financial educational courses.

DIGITAL TRAINING VIA STREAMING:

Several programs were carried out during 2021 with excellent results, in particular the following:

- Accountability and Lean synchronous online courses from the Universidad de Chile attended by 119 professionals.
- Maritime and Diving asynchronous online courses attended by 149 professionals.
- Community Engagement Training, where more than 100 employees attended via streaming.
- Forklift Crane Operators License course with classroom attendance by 79 employees.
- Leadership program focused on understanding leadership, communication and executive coaching using a synchronous online format.

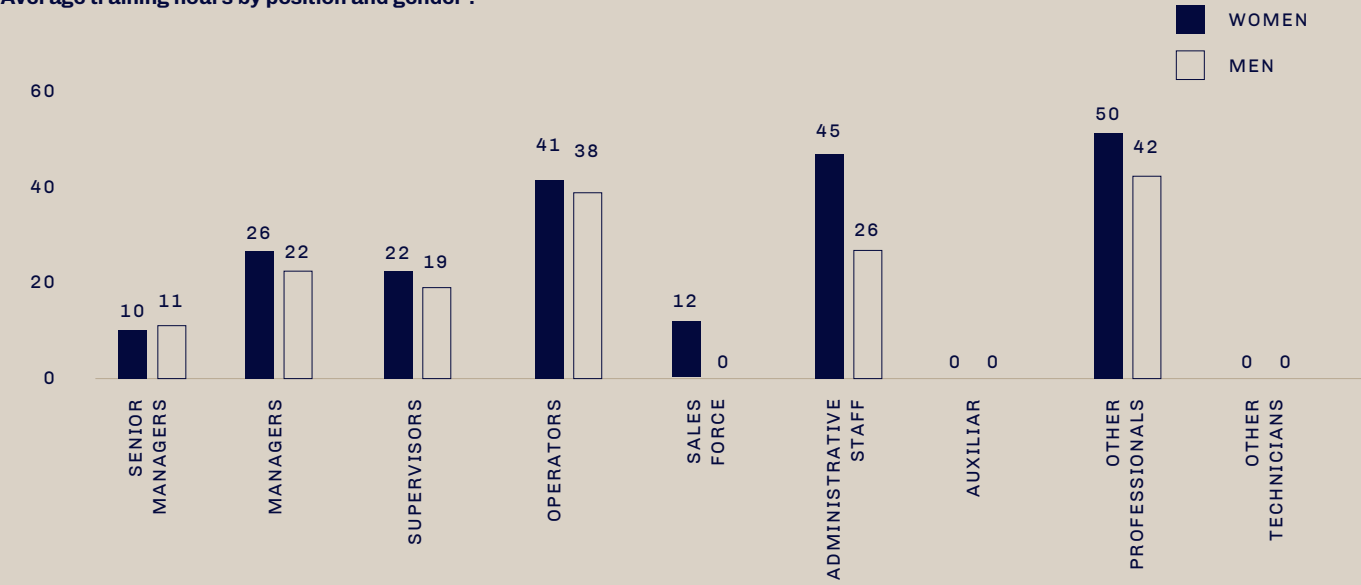
SALMONES ACADEMY E-LEARNING PLATFORM:

Training platform that improves competencies and develops knowledge. The induction process was digitalized using this platform during 2021, by creating opportunities to learn and improve competencies, which gave continuity to the annual training plan.

A series of courses were given by various specialized institutions. The Company has prioritized training in regulatory, technical and soft-skills issues in order to develop integrated professionals.



Average training hours by position and gender :



In 2021, more than 100 employees were trained in Responsible Engagement with Communities.

WORKING ENVIRONMENT

The Company is committed to building a positive working environment that fosters close, transparent relationships between all employees, to develop a people-focused culture. This requires that each business must comply with high standards and the employees must be motivated and committed to their performance.

An NPS survey in 2021 measured how much employees recommended the Company, and the Company's score was 4.47 points on a scale of 0 to 10. This revealed employee's opinions about their experiences within the Company and identified areas for improvement, in order to recommend Camanchaca as an employer to their neighbors and become Company ambassadors.

The Company measures its working environments, to continuously monitor them and identify improvements, which will identify how certain variables and dimensions behave over time.

Working environment

Year	Working environment	% of response
2017	78.1%	
2018	76.5%	
2019	NA	NA
2020	76.6%	58%
2021	74.0%	85%

These results are reviewed every year and are used to identify those changes that have enhanced or affected employee satisfaction within the organization. Accordingly, the results are evaluated and an improvement plan is developed for the following year, which focuses on any opportunities. Difficulties in recruiting staff and increases in prolonged medical leave were identified during 2021, especially in the processing plants, which were different to previous years. They are reflected in the results for the year and they are closely linked to the effects of the pandemic.

The response rate for the working environment survey was 85%, which was higher than in 2020 when it was 58%. The 9 dimensions evaluated by the working environment survey were:

- Leadership
- Occupational health and safety
- Recognition
- Autonomy
- Labor challenges and organization
- Creativity and innovation.
- Communication
- Sense of corporate belonging
- Cohesion and teamwork

PERFORMANCE EVALUATION

Salmones Camanchaca firmly believes that professional development for its employees must involve continuous feedback regarding their performance, together with an evaluation of their progress in learning the essential competencies for the business. The Company currently has a model that applies mainly to executives and administrative staff, but expects to extend it to plant staff.

% of employees who have received regular performance evaluation and professional development compared to total employees

Percentage of employees receiving regular performance evaluation

Employee Category	Women	Men
Senior Managers	0	100%
Managers	100%	100%
Supervisors	100%	77%
Operator	0%	0%
Sales force	100%	0%
Administrative staff	72%	86%
Auxiliaries	0%	0%
Other professionals	96%	88%
Other technicians	0%	0%
Total	20%	26%

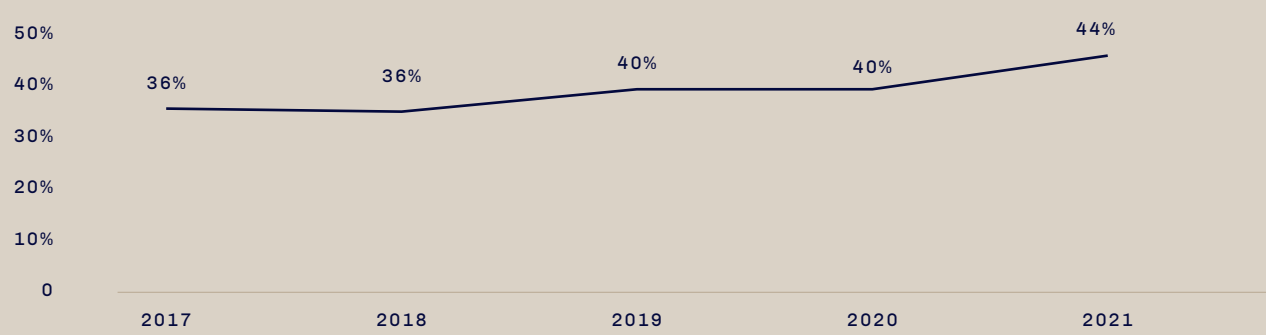
LABOR RELATIONS

Salmones Camanchaca had 3 unions and 6 collective bargaining agreements in 2021.

Collective Bargaining Agreements

A total of 815 employees are union members, equivalent to 44%, which contrasts with the national average of 20%. The Cultivos plant has 204 unionized employees and the Tomé plant has 611.

Unionization trends





The value-added plant located in Tomé maintained its ISO 45,001 certification

Health and safety

HEALTH AND SAFETY CULTURE

The principal capital of Salmones Camanchaca is its people. Therefore, their welfare is safeguarded by building a risk prevention and self-protection culture, which helps to achieve continuous and systematic improvements in the management indicators and to achieve the targets. Salmones Camanchaca has an Occupational Health and Safety (OHS) management program and maintains an annually updated matrix that identifies hazards and evaluates risks.

The Company visits its facilities and prioritizes contact with staff where they work, which encourages the development of a risk prevention culture and strengthens self-protection. All of Salmones Camanchaca's employees are covered by the Company's health and safety system.

The Company is committed to maintaining the best sanitary and environmental conditions at work, as this benefits quality of life, unity, leisure and recreation, which all contribute to individual employee productivity.

Senior executives at Salmones Camanchaca operate an open-door policy, they are approachable for their employees, which builds an occupational health and safety culture.

The OHS policy makes direct supervisors responsible for providing their employees with well-defined, clear and accurate operational procedures, and with constant, structured and systematic supervision, thus creating safe environments that avoid exposure to risks. They are also responsible for training their teams and informing them of the risks involved in their work, thus taking a proactive leadership role.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Tomé plant certified under ISO 45001

ISO 45001 is the new international standard for Occupational Health and Safety Management Systems (OHSMS). It aims to provide organizations with high-level information on important issues that may positively or negatively affect them, and to manage their occupational health and safety responsibilities.

The Tomé plant was the first plant to be certified under this standard, although the Company has been working with other plants to achieve this standard in recent years. Certification under this standard requires evaluating the following:

- Leadership and employee participation
- Planning
- Resource support
- Operation
- Performance evaluation
- Continuous improvement







#### OCCUPATIONAL HEALTH SERVICES

The Asociación Chilena de Seguridad (ACHS) is the insurance administrator for accidents at work and occupational diseases. It provides technical advice on preventive and curative measures after employees have suffered accidents at work or occupational diseases.

It identifies, evaluates and suggests control measures to mitigate risks that could affect the health of employees, based on protocols issued by the Ministry of Health. The Company has also appointed a professional to manage these protocols. Compliance is monitored every month using a digital platform containing the annual programs for each protocol. The protocols are as follows:

- Exposure to occupational noise.
- Muscular-skeletal disorders for upper extremities.
- Manual load handling.
- UV radiation.
- Psychosocial.

#### HEALTH AND SAFETY IMPACT PREVENTION

Salmones Camanchaca has Joint Health and Safety Committees that meet every month, together with a suggestion box and an annual survey of their needs and expectations.

Farming sites have two Joint Health and Safety Committees and their members were re-elected in December 2021, as their term of office expires after two years. The members of the Joint Health and Safety Committees must be renewed in December 2023.

Salmones Camanchaca ensures that all its employees are covered by a health and safety system.

#### WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

During 2021, the Company arranged various OHS training courses, such as chemical handling, self-protection, using PPE, emergency plans, first aid, COVID-19 reinforcement, fire extinguisher handling, fish bathing, man overboard, Ministry of Health protocols, and other OHS courses. A total of 1,775 people attended.

The Tomé plant has a risk management system, which is used to ensure that every department complies with its protocols on a monthly basis. E-learning training courses on COVID-19 prevention were provided to all employees.

#### PROMOTION OF WORKER HEALTH

The Company has the equipment and staff required to perform preventive tests for COVID-19 and detect new symptomatic or asymptomatic cases. Saliva tests, rapid tests and PCRs were performed from Monday to Sunday on all employees and external people at the plant, in order to prevent contagion and detect asymptomatic cases.

Furthermore, various occupational health initiatives included:

- Nutritional evaluations after coordinating with polyclinic staff.
- Influenza vaccination campaign for plant employees.
- EMP for all plant employees living in Tomé, who have public health insurance.
- Streamed health promotion sports programs focused on the community.
- Campaigns with SENDA "Trabajar con Calidad de Vida" (preventing alcohol and drug consumption).
- Participation of a public-private corporate gender equality working group coordinated by SalmonChile.
- Campaign for mobile blood donor collections in conjunction with the Concepción Blood Center.

#### MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

Salmones Camanchaca has not formally agreed deadlines for informing employees of changes that could affect them, although it is customary to inform employees of changes at least one week before they happen.



ACCIDENT PREVENTION

The Company has hazard matrices for each plant, which identify the residual risks for every process. This means that Salmones Camanchaca can be preventive. It identifies hazards and introduces operational controls, followed by training and checklists to continuously reinforce the importance of self-protection, a risk prevention culture, etc.

The Company continually reinforces the importance of self-protection in coordination with the training department, in order to strengthen the risk prevention culture. Several approaches have been introduced to strengthen the OHS culture:

- Ministry of Health protocols covering repetitive work (TMR), psychosocial risks, UV radiation and exposure to occupational noise (prexor).
- Training on OHS procedures and standards.
- On-site compliance audits of OHS standards.
- Anonymous risk reporting and the "no name, no blame" observer system.
- Employees are empowered to stop working on tasks they consider risky.
- Procedure for investigating occupational incidents.

The Company has identified the main occupational risks and planned the following measures to prevent and mitigate them:

- Falls: employee education, maintaining good working conditions, tidiness and cleanliness, signage, good lighting.
- Sharp objects: self-protection training, using appropriate tools, using professional protective equipment, signage. Knocks: training, self-protection, not working under suspended loads, tidiness and cleanliness.
- Overexertion: respect load limits, self-protection, training, good lifting and unloading practices.

Fifteen occupational health and safety standards were created using the hazards in the risk matrices and they were reported to the respective departments. The identification of occupational hazards and accidents requires the following:

- An ability to understand and execute the information provided on how to perform tasks.
- A direct operational control system that identifies, evaluates and generates new operational control measures.
- An annual expectations survey that evaluates various aspects of the organization.

2021 HEALTH AND SAFETY INDICATORS

The Company closed 2021 with an accident rate of 2.0%, which was lower than in 2020, when it reached 2.7%, due to a reduction in the number of accidents in 2021. Days lost totaled 530, a decrease from the previous year's 840, which was primarily caused by the pandemic. The claim rate closed at 29.2%, compared to 46.3% in 2020, which was a significant decrease. This is due to two serious accidents at processing plants in 2020, which resulted in more than 100 days lost per person.

The absenteeism rate was 15.3% in 2021, which is a significant increase compared to 2020, when it was 9%, mostly associated with an increase in medical absences. The biggest change was due to an increase in medical absences at the Tomé plant compared to 2020, which increased by 51% as this was associated with days lost increasing by 58%.

The risk mitigation measures provided by the Company include support for contractors working at its facilities. This was evidenced by the accident rate falling to 2%, which continues to decrease due to various measures.

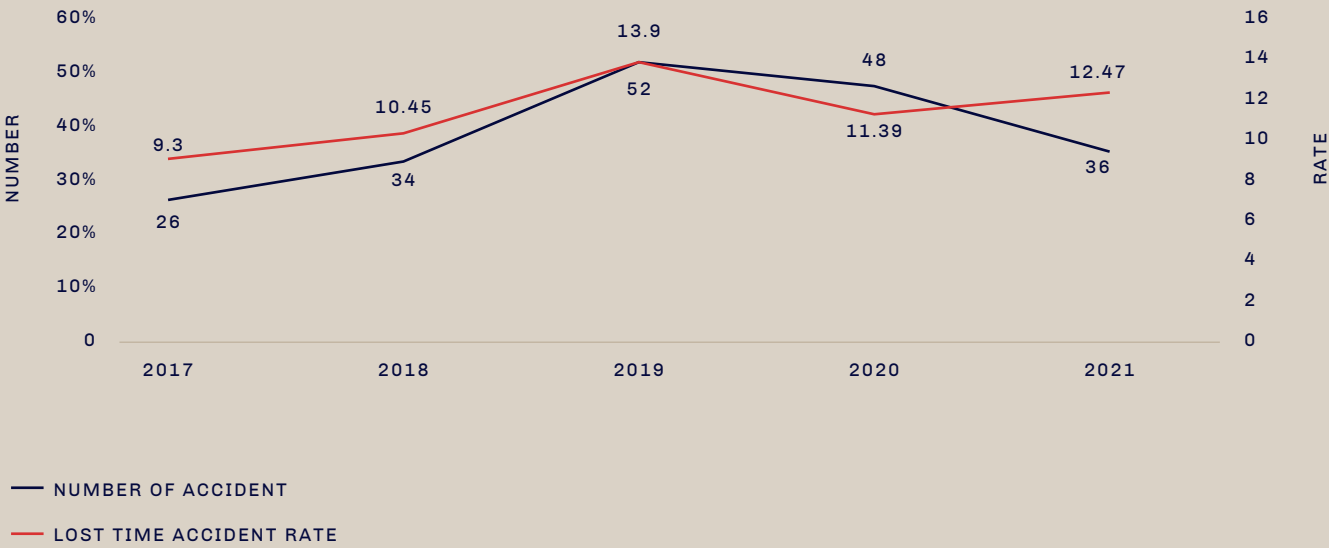
Average contractor health and safety rates in 2021:

- Accident rate: 2.2
- Frequency of lost time due to accidents 23.21
- Number of accidents: 19

Occupational safety	2021
Accident rate	2.0%
Fatality rate	0%
Occupational diseases rate	0.001%
Average days lost per accident	14.0%
Claims rate	29.2%

All of Salmones Camanchaca's employees are covered by an Occupational Health and Safety system , and this is also a requirement for contractors working at its facilities.

Accident indicators



\*Details in Appendices

OCCUPATIONAL ILLNESS AND DISEASE

Only one occupational disease or illness was recorded in 2021 , and it did not result in a death. No deaths nor occupational diseases and illnesses were recorded among people who are not employed by Salmones Camanchaca, but whose jobs are controlled by the organization.

The Company evaluated, monitored and mitigated acute and chronic respiratory conditions by implementing the following measures, together with COVID-19 prevention measures:

The following annual measures were implemented at the Tomé plant:

- Influenza and COVID-19 vaccines.
- Preventive medical examinations by local CESFAM staff, which begin with a physical evaluation and blood tests, although patients are referred to specialists where necessary.
- Workers with chronic respiratory conditions are given support. For example for asthma, as employees can keep their air chamber, inhaler and any medications in the first aid room.
- There are procedures and mitigation measures to prevent COVID-19 contagion within its facilities, such as:

- » Check points to take everyone's temperature as they enter the facilities.
- » Continually wear masks and gloves while traveling or working, which are replaced during the day to guarantee their effectiveness.
- » Digital passports for employees and external workers.
- » PCR and preventive antigen tests

The following measures were implemented at the Puerto Montt plant:

- PCR sampling was available for employees and external workers at a private laboratory
- Access to farming sites without a negative PCR was prohibited.
- Everyone entering a site must have a valid Vaccination Travel Pass.
- COVID-19 PPE such as masks were provided and were obligatory, capacity limits were enforced, as was social distancing and disinfecting hands and common surfaces.
- PCR sampling at both freshwater and seawater sites every 15 days
- Flexible COVID-19 vaccination schedule for employees.
- Influenza vaccinations.
- Studies of suspended dust at SPU and Petrohué (Cal Espuma Apagada) in conjunction with OAL.
- Formic acid measurements in silage (Petrohué) Formaldehyde exposure studies at Rio del Este and Polcura sites





# Prosperous communities

Salmones Camanchaca's productive businesses are located throughout Chile, where a great diversity of cultures and financial conditions are present. Therefore, it is essential that the company builds good relationships with its neighbors by continually caring for its environmental and social surroundings, in order to build relationships of trust that truly contribute to local development.

Communication and continual dialog with local communities are essential to strengthen links based on transparency and mutual trust. Therefore, communities are a fundamental pillar of the company's Sustainability Model.



## Justification

Salmones Camanchaca's business is spread across an area characterized by a tremendous diversity of people and cultures. Community engagement is based on caring for the environment, building confidence, and contributing to local development.

## Related SDGs



## Material issues

-   
LOCAL ENGAGEMENT AND CONFLICT RESOLUTION.
-   
INCLUSIVE LOCAL DEVELOPMENT.
-   
HARMONIOUS USE OF THE LOCALITY AND SHARED RESOURCES.

## 2021 Performance Indicators

LOCAL TAX PAYMENTS THUSD	LOCAL EMPLOYMENT OF THE WORKFORCE	PEOPLE TRAINED IN COMMUNITY ENGAGEMENT
3,183	86%	113
122	6	CLP 104
NUMBER OF COMMUNITY EVENTS	COMMUNITY COMPLAINTS	SOCIAL INVESTMENT MILLION




## Highlights of the year

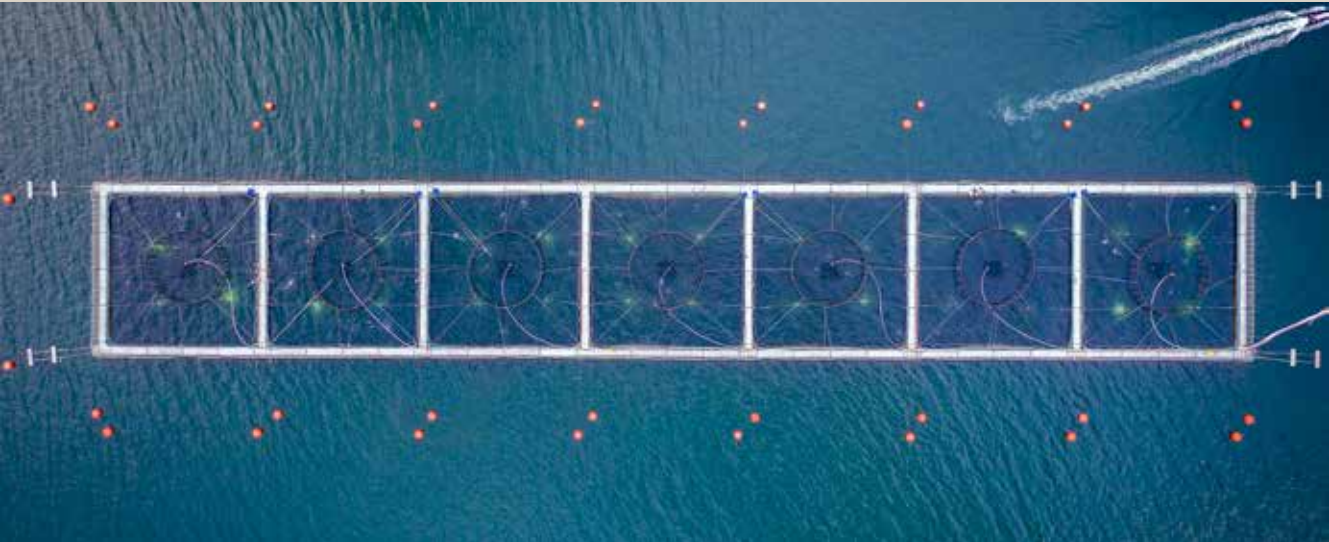
-  CORPORATE REPUTATION STUDY
-  FIRST COMPETITIVE GRANTS LAUNCHED, TO FINANCE SOCIAL IMPACT PROJECTS.
-  CORPORATE COMMUNITY ENGAGEMENT TRAINING
-  BOYACOMPOSTAR PROGRAM
-  COMPLAINTS SYSTEM IMPLEMENTED

Commitments to responsibly engage with communities

Salmones Camanchaca complied with its "Commitments to responsibly engage with communities" in 2019, together with other producers and suppliers within the industry (GSI members), as a result of the toolbox and guidelines for responsible engagement driven by Rabobank and WWF.

Since 2020, these participating companies have submitted initiatives, set up working groups and implemented action plans together with local communities, in order to achieve the ten commitments

 <div>Respect and care for the environment</div>	 <div>Build relationships based on trust</div>	 <div>Contribute to development</div>
WE RESPONSIBLY MANAGE THE SOCIAL AND ENVIRONMENTAL IMPACT OF THE BUSINESSES, ENSURING THAT THEY ARE COMPATIBLE WITH THE NATURAL ENVIRONMENT AND WITH LOCAL CULTURE.	WE CREATE OPPORTUNITIES TO EXCHANGE INFORMATION, TO PARTICIPATE AND CONVERSE, TO BUILD CONFIDENCE WITH LOCAL COMMUNITIES.	WE CONTRIBUTE TO LOCAL DEVELOPMENT AND CREATE SHARED VALUE, IN ACCORDANCE WITH THE CIRCUMSTANCES IN EACH COMMUNITY.
<div>PRINCIPLES</div> <ul style="list-style-type: none"><li>Together with the local communities, identify the most important social and environmental impacts at each stage of the business.</li><li>Seek opportunities for stakeholder participation in monitoring the social and environmental impacts.</li><li>Communicate clearly and continually the results of monitoring the socio-environmental impacts and the measures adopted to mitigate them.</li></ul>	<div>PRINCIPLES</div> <ul style="list-style-type: none"><li>Build the human capacities and the means to responsibly and continually engage with local communities.</li><li>Create free and accessible channels for suggestions, inquiries, complaints and response mechanisms that are understood and validated by local communities.</li><li>Promptly inform communities of emergencies and incidents and continually communicate with them.</li></ul>	<div>PRINCIPLES</div> <ul style="list-style-type: none"><li>Implement policies that promote local employment.</li><li>Promote using local suppliers, and establish long-term collaborative relationships that strengthen them.</li><li>Prefer suppliers that are environmentally and socially responsible.</li><li>Seek opportunities to jointly define corporate social investment in local communities.</li></ul>



Community engagement strategy

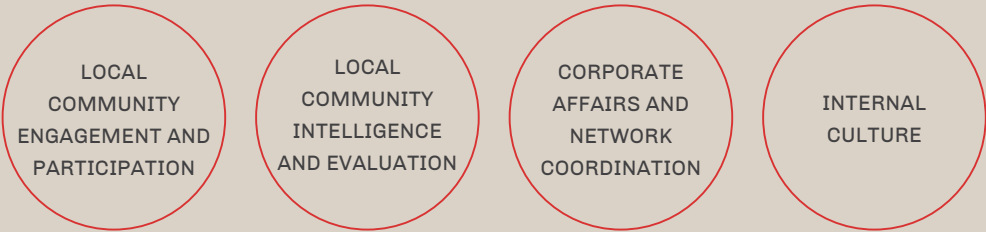
Salmones Camanchaca's social license is built on trust and transparency. A strategy with these characteristics has been developed that focuses on continual community engagement, which streamlines dialog and builds agreements with stakeholders.

The company focuses on joint identification, monitoring and mitigation of its business impacts, with a special emphasis on indigenous people. It is committed to local community development through its contribution policy, which contains clear and objective criteria.

Principles



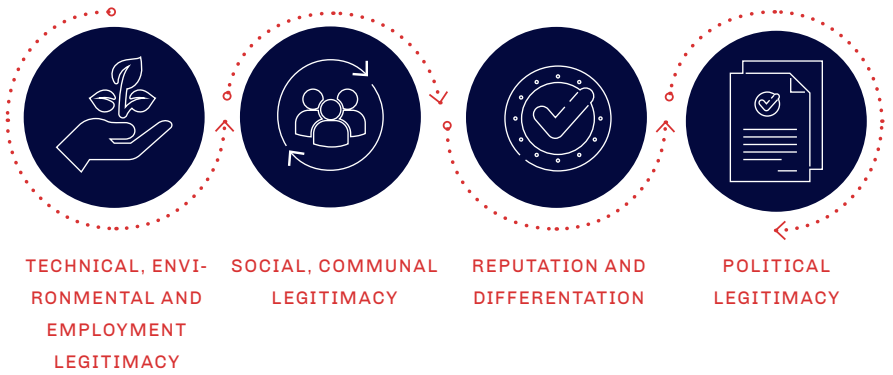
Action Plans



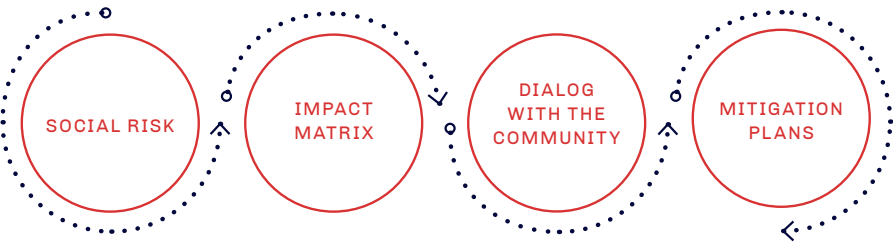


LOCAL COMMUNITY ENGAGEMENT MODEL

Salmones Camanchaca's local community engagement model is based on communication, transparency and trust. Its objective is to responsibly manage the relationship with local communities and the environment by maintaining the Company's legitimacy, reputation and differentiation within the industry.



After the workflow begins to advance these objectives, then model development can begin in four stages:



The company conducted an in-depth analysis that identified all its social risks, by evaluating its impact on all of its local communities. It then initiated a dialog to explore them, and to collect and resolve uncertainties, in order to generate confidence in the process. These social risks were then prioritized based on their probability of occurrence and their value to both the community and the economy.

Various mitigation plans have been created for all of Salmones Camanchaca's social risks, which affect its infrastructure, operation, maintenance and supply logistics. Salmones Camanchaca has developed comprehensive measures that address each social risk. They involve implementing best practice standards for suppliers, information policies, training and incident communication protocols.

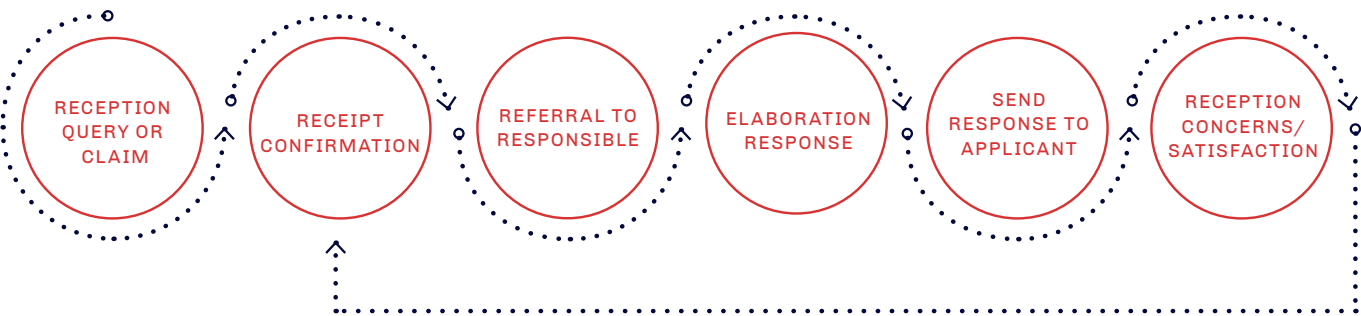
Strategic Objective	Principles	How do we do it?	KPI's	Performance in 2021
Technical, environmental and employment legitimacy	Salmones Camanchaca and its contractors comply with standards that maintain or improve the original environmental conditions.	<ul style="list-style-type: none"><li>• Socio-environmental risk and impact analysis</li><li>• Risk action plan</li><li>• Continual communication with stakeholders regarding operational changes or incidents.</li></ul>	<ul style="list-style-type: none"><li>• Number of operations with socio-environmental risk and impact analysis.</li><li>• Number of operational incidents reported to the community</li></ul>	All operations with risk and impact analysis
Social communal legitimacy	Salmones Camanchaca and its contractors contribute to improving the way of life and income of local residents.	<ul style="list-style-type: none"><li>• Local community contribution policy</li><li>• Validation of impact on the community</li><li>• Regular meetings with communities, NGOs, Foundations, etc.</li></ul>	<ul style="list-style-type: none"><li>• Number of investments agreed on a participatory basis</li><li>• Number of philanthropic donations</li></ul>	<ul style="list-style-type: none"><li>• 6 social Investments</li><li>• 30 donations in 2021</li></ul>
Reputation and differentiation	Salmones Camanchaca is recognized for being a company that relates to and contributes to local communities in a special manner and it is concerned for everyone's welfare.	<ul style="list-style-type: none"><li>• Inquiries and complaints mechanisms</li><li>• Communications plan</li></ul>	<ul style="list-style-type: none"><li>• Corporate reputation index</li><li>• Number of complaints and suggestions</li></ul>	6 complaints +1 inquiry
Political legitimacy	<p>Salmones Camanchaca contributes to local communities:</p> <ul style="list-style-type: none"><li>• Local economic development and employment.</li><li>• Resources for the Region and Municipality.</li><li>• Industry regulation and inspection.</li></ul>	<ul style="list-style-type: none"><li>• Meetings with local authorities</li></ul>	<ul style="list-style-type: none"><li>• Number of meetings with local authorities.</li></ul>	9 meetings with authorities in 2021

COMPLAINTS SYSTEM

Salmones Camanchaca launched a suggestions, inquiries and complaints system in 2021. The purpose is to provide a timely response and resolve the concerns submitted by people or external organizations, such as suppliers, communities, authorities, local organizations and services.

Formal channels for inquiries and complaints have been defined for this purpose, such as e-mail, telephone and web site, and deadlines have been set to analyze or refer them to the appropriate area, then to resolve them by providing a formal response.

This year Salmones Camanchaca received six complaints from the local community, which were resolved within the deadlines in the internal procedures.



THROUGH AVAILABLE CHANNELS: WEB, WHATSAPP, SALMONDATA, TELEPHONE	CONFIRMATION RECEIPT TO APPLICANT. MAXIMUM 24 HOURS. FROM RECEPTION	AC AND RT REFER TO THE MANAGER AND DEPUTY MANAGER OF THE AREA INVOLVED IN THE QUERY OR CLAIM	RESPONSIBLE ANALYZES QUERY AND PREPARES RESPONSE TOGETHER WITH AC AND RT	MAXIMUM 5 BUSINESS DAYS FROM RECEIPT OF THE QUERY, RESPONSE/ PROPOSAL OR ACTION PLAN IS SENT TO THE APPLICANT. INCLUDE REFERENCE SHEET	FROM THE TIME THE RESPONSE IS SENT TO THE APPLICANT, THE APPLICANT HAS 15 BUSINESS DAYS TO APPEAL OR RESPOND TO THE SATISFACTION OF THE ACTION PLAN
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LOCAL COMMUNITY CONTRIBUTIONS WITH A FOCUS

Salmones Camanchaca provides monetary contributions or resources to local communities that support the objectives of the business, promote sustainable development and benefit its local communities.

The company aims to create social value by investing its own resources and forming partnerships with public and private organizations to invest in programs that encourage economic, social, environmental and cultural development within its local commu-

nities. Salmones Camanchaca also contributes to the United Nations Sustainable Development Goals.

Initiatives were developed within the three areas defined by the local community engagement and corporate affairs strategy, to ensure that communities are sustainable and to care for the local environment. These three areas are: Understanding, healthy living and environmental care.

 Understanding	 Healthy living	 Environmental care
SDG 8 and 12	SDG 2 and 3	SDG 12 and 14
<ul style="list-style-type: none"><li>Promote and support initiatives that bring the Company closer to its local communities. Generate shared value and contribute to inclusive and sustainable economic development.</li><li>These initiatives included talks, workshops, training, courses, donated equipment and infrastructure, engagement with neighborhood councils and authorities, and contributions to competitive grants with a social focus.</li><li>93 initiatives were carried out during the period, which directly affected 1816 people.</li></ul>	<ul style="list-style-type: none"><li>Encourage healthy lifestyles and living conditions that contribute to the personal fulfillment of all Salmones Camanchaca's local residents.</li><li>Initiatives that took place included sporting events.</li><li>7 initiatives were carried out during 2021, which directly affected 524 people.</li></ul>	<ul style="list-style-type: none"><li>Support initiatives that have a positive impact on the environment. Encourage employees and communities to care for and protect the environment.</li><li>Initiatives carried out included beach clean-ups, environmental talks, and waste recycling promotions.</li><li>22 initiatives were carried out during the period, which directly affected 1160 people.</li></ul>

Contributions	Total amount (in local currency; CLP)	Total amount (in USD)
Cash Contributions	0	0
On-site volunteer hours	0	0
Donations of products, services, projects, partnerships or similar donations	16,525,344	19,436
General Administrative Expenses	58,806,619	69,062



Featured programs

The company has developed several programs with the community, which include three major initiatives: Sustainable Schools, Boyacompostar Program and Social Grants

SUSTAINABLE SCHOOLS PROGRAM

The Sustainable Schools program is led by Salmones Camanchaca together with Nodo. It provides support to rural local communities in the Los Lagos Region, with initiatives for educational establishments. This partnership contributes to local communities, while including community participation in choosing those social investments that affect community interests.

This initiative has continued every year since 2012 in the Los Lagos Region, and in 2021 it supported eight schools in this region, making this one of Salmones Camanchaca's largest social investment projects.

During the COVID-19 pandemic, schools were supported to ensure that students could safely return, and all the materials required to prevent contagion were provided. This initiative supported educational continuity in adverse conditions at these schools. The focus was on directly supporting teachers, principals and children, to minimize the impact of suspending classes on students.

The pandemic produced many change in phases and regulations, which triggered a permanent change to the program as it had to become more flexible. It had to accommodate both classroom and online classes, and focus on the particular requirements of each school.

The initiatives this year related to environmental education, socio-emotional education and healthy living.

WORKING GROUP: ENSENADA AGREEMENT

A working group was established with the community as a result of abnormal discharges from the Ensenada hatchery on the Petrohué River in April 2019. Sincere and transparent conversation opportunities were created to gather the opinions of the community. Accordingly, the company worked closely with the community and signed an agreement that was unprecedented in this industry, which represented a very important learning experience for the company.

This agreement now gives the Ensenada community free access to the hatchery to take water samples. Water quality parameters can be measured online and they are freely accessible through the website. Also, various other measures are audited every year by an independent third party to guarantee trust and legitimacy.

A tool was also developed that constantly monitors turbidity and suspended solids, and above all it publishes this information within the community. A water sampling system was created that reports water quality parameters on a monthly basis and in real time. Various people were taught how this system operates and given a deeper understanding of the operational impacts of the organization.

Conversations to define the company's social investment criteria in Ensenada form part of its Community Engagement Strategy.

MONITORING TURBIDITY AND SUSPENDED SOLIDS

Monitors measure the status and quality of the effluent from the Salmones Camanchaca hatchery. The objective is to improve community checks on the quality of water discharged by the hatchery, in order to safeguard the health of the Petrohué River, which is an essential natural resource for everyone in the community . A monthly bulletin is published containing these measurements, which is freely accessible and available on the web page, together the minutes from the working group meetings.

BOYACOMPOSTAR PROGRAM

Since 2020, Salmones Camanchaca has been developing a recycling plan using its own disused buoys to create vermicomposters.

The objective is to "compost to reduce waste" by providing a specific, effective and easy-to-replicate solution that will reduce buoy waste, and produce compost from the organic waste generated by households and the company. This involved 30 families from 2 communities in the region, whose objective is to use a Vermicomposter made from disused buoys to compost organic waste.

This project is an alliance between the Upcycling Promotion Company (FUE in Spanish) and Salmones Camanchacas at the Chonchi and Chaitén communities, through the #boyacompostar program managed by FUE. It is also supported by Corfo and the Los Lagos Regional Government.

FUE estimates that 20 buoys, equivalent to about 1,200 kg of plastic, will be required to make 20 vermicomposters. 3,600 kg of organic household waste, such as fruit and vegetable peelings, will produce 1,000 kg of organic fertilizer. This process will also reduce CO2 emissions by almost 7,000 kg.

SOCIAL GRANTS

During 2021 Salmones Camanchaca created social grants that provided CLP 20 million to social impact projects. More than 40 organizations participated in the first pilot, who submitted projects that focused on healthy living, environmental care and local development. The objective was to stimulate value creation and social development in a collaborative manner among these organizations.

The first competition was held in 4 communities: Chonchi, Queilen, Hualaihué and Chaitén. 42 projects were submitted and 20 were awarded grants totaling CLP 20 million that benefited these communities. The results of this competition were successful, so the Company is already preparing a second competition. This may take place in the first half of 2022.



Local Contributions

Monetary contributions to local communities	Number			Total investment (CLP)		
	2021	2020	2019	2021	2020	2019
Social Investment	3	2	41	104,483,500	59,700,950	69,962,609
Donations	29	177	281	16,525,344	55,436,003	45,889,532
Sponsorships	1	9	27	300,000	2,746,800	22,320,069
Total	33	188	349	121,308,844	117,883,753	138,172,210

MONITORING AND MANAGING THE IMPACT

Salmones Camanchaca has worked collaboratively to identify its impact on local communities. It has opened channels for inquiries, complaints and suggestions that provide valuable information for action plans that mitigate its impacts. Any operational changes to address its impacts are continually reported.

There are several solutions and agreements that have been jointly adopted with the community at various operating locations. Salmones Camanchaca uses this team-working method to continue building trust and growth.

It monitors and manages the following impacts:

Risk	Date collected	Solution	Operating plant
Effluent discharge monitoring	2019 and onwards	<ul style="list-style-type: none"><li>Parameter monitoring and a public monthly bulletin were launched following an agreement with the Ensenada community regarding irregular effluent discharges, which can be found at <a href="https://water.ecto.com/Petrohue">https://water.ecto.com/Petrohue</a></li></ul>	Río Petrohué hatchery
Noise monitoring	2020	<ul style="list-style-type: none"><li>Participation by the local community identified impacts such as sporadic noise from generators and alarms inside the hatchery. Noise was monitored in 2021 to detect its cause and mitigation measures were implemented, such as sound-proofing the generator room and relocating alarms.</li></ul>	Río del Este hatchery
Road monitoring	2020	<ul style="list-style-type: none"><li>Participation by the local community identified that support and coordination was required for road maintenance. Roads will be monitored to check on subcontracted trucks. The schedule and frequency of truck movements is reported along with a speed report, and a company logo is used to identify supplier's vehicles.</li></ul>	Playa Maqui
Environmental surveillance program	2018 and onwards	<ul style="list-style-type: none"><li>Annual environmental monitoring of the effluent discharged at the underwater outlet is carried out with the participation of independent fishermen. However, this was not performed in 2021 due to the pandemic, but it will be rescheduled for 2022.</li></ul>	Tomé plant

CORPORATE COMMUNITY ENGAGEMENT TRAINING

Local communities form a fundamental pillar of the company's Sustainability Model. Accordingly, Salmones Camanchaca continues to be committed to neighborhood engagement and environmental care. Each employee plays an essential role when performing their duties to continue building understanding and trust, which contribute to community development. Therefore, the Corporate Affairs and Community Engagement department designed a training program in 2021 that emphasized the importance of the local social environment, based on social sustainability information, which is key to building long-term relationships with all local stakeholders.

This training was mandatory and there were 113 participants. It adopted an innovative live online format, similar to a television program, which explained and reinforced the importance of each employee's dedication when undertaking initiatives with local communities.

The topics addressed in the course were as follows:

- The Salmones Camanchaca sustainability process and its learning path.
- The socio-environmental impacts of its business.
- The importance of communication legitimacy.
- Sustainable companies.
- The importance of corporate legitimacy from an individual perspective.
- The Salmones Camanchaca sustainability model and its learning path.

CAMANCHACA CORPORATE REPUTATION STUDY

Reputation is the measure of trust that an interest group has in an organization. In this context, during this year the company carried out a Corporate Reputation Study that considers the different operations of its production processes

Therefore, Camanchaca was interested in discovering its reputation among its local communities, as new expectations are appearing regarding corporate roles and responsibilities to society, taking into account the new expectations that unfold around the role of the company.

The objective of this study was to analyze Camanchaca's reputation within its local communities, identify those corporate reputation attributes that merit investment, and to examine the challenges and conflicts that the industry will have to resolve over the next 10 years.

This study fulfilled these objectives by applying the Corporate Reputation Model, which measures the reputation of a company among its employees and/or communities, and reflects any new expectations that are appearing. It evaluates organizational performance in five fundamental dimensions, which are people, the environment, sustainability, purpose, shared value and integrity. 17 in-depth interviews were conducted with key stakeholders from Camanchaca's local communities.

The results identified those attributes and dimensions that merit attention to improve its reputational capital, and help it to prioritize its issues. Among the attributes that contributed positively to the company's reputation were the genuine concern of Salmones Camanchaca for the health and wellbeing of its employees, which is a valued attribute by the community. Positive relative contributions were also linked to "maintains an open and fluid communication with the community", "the company operates transparently" and "the company invests in technologies and processes to reduce its carbon footprint". On the other hand, the study identified the need to invest in better understanding the expectations and needs of communities, giving tools to foster the employability of neighbors and to develop initiatives to help preserve the ocean. A relevant point of the study is that a relevant part of the company's reputation is shared with the rest of the industry. This makes it relevant to work collaboratively in social and environmental matters across the industry.



# Healthy ecosystems

## Plan to be Carbon Neutral by 2025

Climate change is an unavoidable global threat and Salmones Camanchaca believes that people and institutions must contribute to mitigating it using the measures within their reach. Therefore, in 2019 the company committed to becoming carbon neutral for its Scope 1 and 2 emissions by 2025.

### ROAD MAP TO 2025



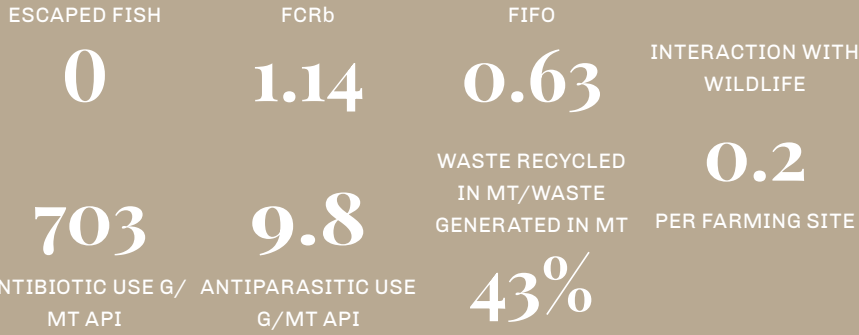
### Reducción de Emisiones

Key indicators	2022	2023	2024	2025
GHG emissions in tCO2e (Scope 1 and 2)	≤ 30,210	≤ 18,636	≤ 22,403	≤ 20,752

### Justification

Salmones Camanchaca's fish are farmed in fjords and inland seas within Chilean Patagonia. The Company strives to reduce and mitigate its environmental impact through operational excellence and appropriate environmental management, which preserves the structure and function of its surrounding ecosystems.

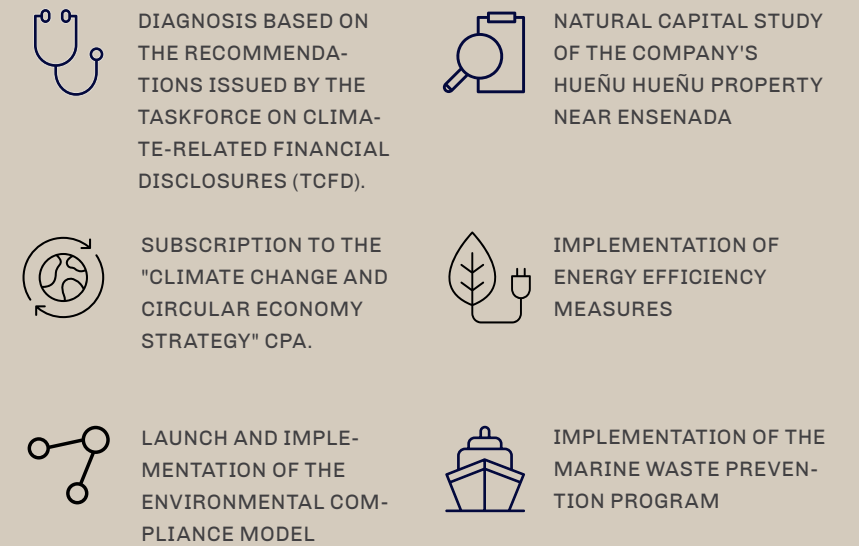
### 2021 Performance Indicators



### Material issues



### Highlights of the year



### Related SDGs



In 2021, scope 1 and 2 emissions were reduced, in line with the company's carbon neutrality strategy.

EMISSION REDUCTION STRATEGY

The Company's strategy has three milestones to meet its objectives:

Renewable Energy Electricity Contract

In 2020, the Company's corporate electricity contract was switched to entirely renewable energy resources. This was achieved through an electricity supply contract with Colbún, which guarantees that as of July 2020 and for a period of 7 years the electricity generated by Colbún will come from fully non-conventional renewable energy (NCRE).

Natural Capital Study at the Hueñu Hueñu property

During 2021, Salmones Camanchaca conducted a study to assess the natural assets within its Hueñu Hueñu property located near Ensenada, which calculated and certified its potential to capture CO2, while identifying, valuing and prioritizing its ecosystem services. Originally, the project intended to quantify its potential contribution to reducing the Company's corporate carbon footprint, but this was complemented with an ecosystem services study to prioritize conservation that will benefit the company, the environment and society. This study culminated in a detailed proposal to sustainably manage the property in order to maximize the natural services that this property provides to society.

Diesel replaced by renewable energy at hatcheries

Diesel will be replaced by hydroelectric power at the Company's main hatchery by 2023, which will reduce its scope 1 & 2 emissions by approximately 20%.

CARBON FOOTPRINT

What are scopes?

The Greenhouse Gas Protocol has classified emissions into three groups known as scopes:

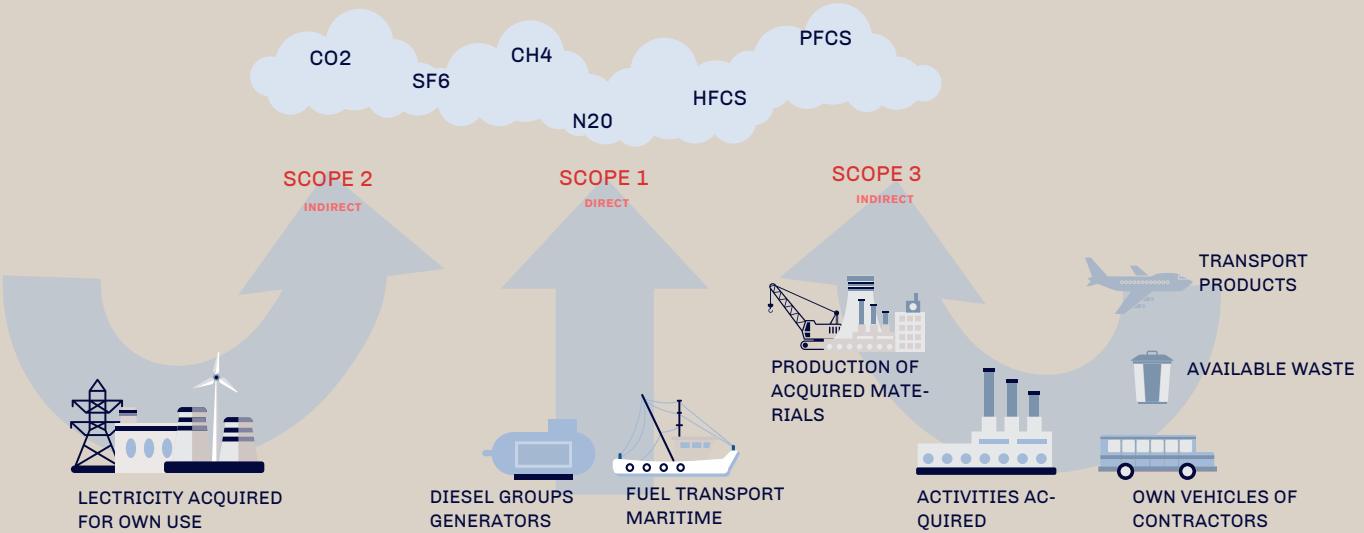
**Scope 1 emissions:** "Direct" emissions, which Salmones Camanchaca can directly control. GHG emissions from sources owned or controlled by the Company. For example, using fossil fuels in stationary or mobile engines, unintentional leaks from air conditioning equipment and other emissions.

**Scope 2 emissions:** "Indirect" emissions from electricity generation. This is electricity purchased or produced by the company. GHG emissions associated with electricity consumption, which comprises purchased electricity and the steam generated by third parties.

**Scope 3 emissions:** GHG emissions from sources not owned or controlled by the company, but feature within its value chain. For example, transporting products, transporting employees, air or land travel for business purposes, moving supplies, generating and transporting waste and other emissions.

Diesel is the main source of emissions from stationary and mobile engines, as it represents 83%, followed by electricity at 13%. Scope 1 currently represents the greatest challenge, because many farming sites are located in remote areas and have to generate their own electricity.

Carbon footprint scope



Category	2018	2019	2020	2021
Scope 1 (tCO2e)	26,012	29,995	32,198	21,629
Scope 2 (tCO2e)	4,070	6,659	7,334	1,674
Scope 3 (tCO2e)	822	384,887	207,783	182,009
Total	30,904	421,541	247,315	205,313

Note 1: In 2018, scope 3 only covered waste.

Note 2: The increase in scope 3 in 2019 was due to purchased goods and services (fish feed, chemicals, pharmaceuticals, salt), capital goods (nets, feed buoys and hoses), transporting fish and raw materials, transporting and disposing of waste, travel, transporting employees, outsourced processing (processing in other plants), finished product dispatch, packaging and outsourced cold storage.

Trend in Carbon Footprint intensity

Intensity	2018	2019	2020	2021
Intensity tCO2e/tWFE	0.602	0.632	0.645	0.550



ENERGY

Total non-renewable energy consumption in 2021 was 71,996 MWh, 44% less than in 2020. Diesel comprises 82% of this total and electricity 5.8%.

Energy consumption within the organization

Data coverage (as % of denominator)	% Operations	100%	100%	100%	100%
Energy consumption within the organization (GRI 302-1)	Units	2018	2019	2020	2021
Total fuel consumption from non-renewable sources:	MWh	89,041	96,258	118,561	67,735
Gasoline	MWh	-	-	-	3
Diesel	MWh	79,624	92,765	108,614	58,928
LPG	MWh	9,417	3,493	9,947	8,804
Total electricity consumption from renewable sources:	MWh	-	-	7,540	13,927
Hydroelectric	MWh	-	-	7,540	13,927
Total electricity consumption from non-renewable sources:	MWh	9,721	16,418	11,469	4,199
Non-renewable sources	MWh	9,721	16,418	11,469	4,199
Total energy consumption within the organization from non-renewable sources	MWh	98,762	112,676	130,030	71,934

Total energy consumption	Units	2021
Total energy consumed	GJ	309,100
Consumption purchased from the grid	GJ	65,254
Consumption of renewable energy	GJ	50,137
Percentage of electricity from the grid	%	21%
Percentage of renewable energy	%	16%

\*Conversion factor from kWh to GJ is 0.0036 and from MWh to GJ is 3.6

Energy Consumption outside of the Organization

By source	Units	2021
Electricity consumption	kWh	6,450,758
Total energy consumed outside of the organization	MWh	6,451
Total fuel consumption from non-renewable sources:	MWh	
Diesel	MWh	47,075
Total electricity consumption from renewable sources:	MWh	0
Total electricity consumption from non-renewable sources:	MWh	6450.758

INTENSITY

Intensity MWh/tWFE

Energy intensity	Unit	2018	2019	2020	2021
Total energy consumption within the organization:	MWh	98,762	112,676	137,570	85,901
Production	tWFE	48,496	58,033	56,703	41,937
Energy intensity:	MWh/tWFE	1.74	1.94	2.43	2.05

Several energy efficiency measures were implemented during 2021 in collaboration with Colbún, to reduce energy consumption at the Company's facilities, such as optimizing compressed air use, isolating the ice plant's accumulator systems and installing variable frequency drives. Meanwhile, Salmones Camanchaca will implement an Energy Efficiency Management System (EEMS) during 2022 as a universal measure for its entire business, which will optimize its energy consumption.

WATER ECO-EFFICIENCY

Salmones Camanchaca operates five hatcheries, which are supplied with fresh water, mainly from deep wells and to a lesser extent from rivers and estuaries. The Rio Petrohué hatchery has a water recirculation system, which achieves significant water savings compared to other systems, such as open-flow hatcheries.

Marine grow-out sites do not require fresh water, so fresh water is only consumed by people at this stage and various sources of drinking water are supplied.

The fish are slaughtered and processed in primary and secondary processing plants, where the required fresh water is sourced mainly from wells.

Water consumption by hatcheries and processing plants is recorded using flow meters.

Total water extracted in m³

Operation*	2018	2019	2020	2021
Hatchery	35,846,815	35,268,745	38,119,787	32,068,793
San Jose plant (primary processing)	78,643	63,943	203,525	173,195
Tomé plant (secondary processing)	377,908	437,494	407,319	373,554
Total	36,303,366	35,417,548	38,730,631	32,615,542

\* All water extracted is used in production.

\* Salmones Camanchaca does not operate in regions with high or extremely high water stress, according to the WRI. It operates the Polcura hatchery and Tomé processing plant in the Biobío region, which has medium water stress.

Water extraction by source (m³):	2018	2019	2020	2021
Surface water	32,925,174	32,144,863	35,240,196	29,420,726
Ground water	3,000,284	3,187,825	3,389,346	3,091,185
Sea water	55,375	84,860	101,089	103,631
Total water extraction	35,980,833	35,417,548	38,730,631	32,615,542

Net water consumption decreased by 16% in 2021 compared to 2020, mainly due to a reduction in the number of smolts stocked in 2021 and the volumes processed at the Tomé and San José plants. However, the overall decrease in the biomass processed at these plants resulted in the intensity increasing.

The 2022 water consumption target for the Tomé plant is 25% less than in 2021.

Water consumption (m³)

Fuente	2018	2019	2020	2021
Surface water	32,925,174	32,144,863	35,240,196	29,420,726
Ground water	3,000,284	3,187,825	3,389,346	3,091,185
Total consumption	35,925,458	35,332,688	38,629,542	32,511,911

Fresh water consumption

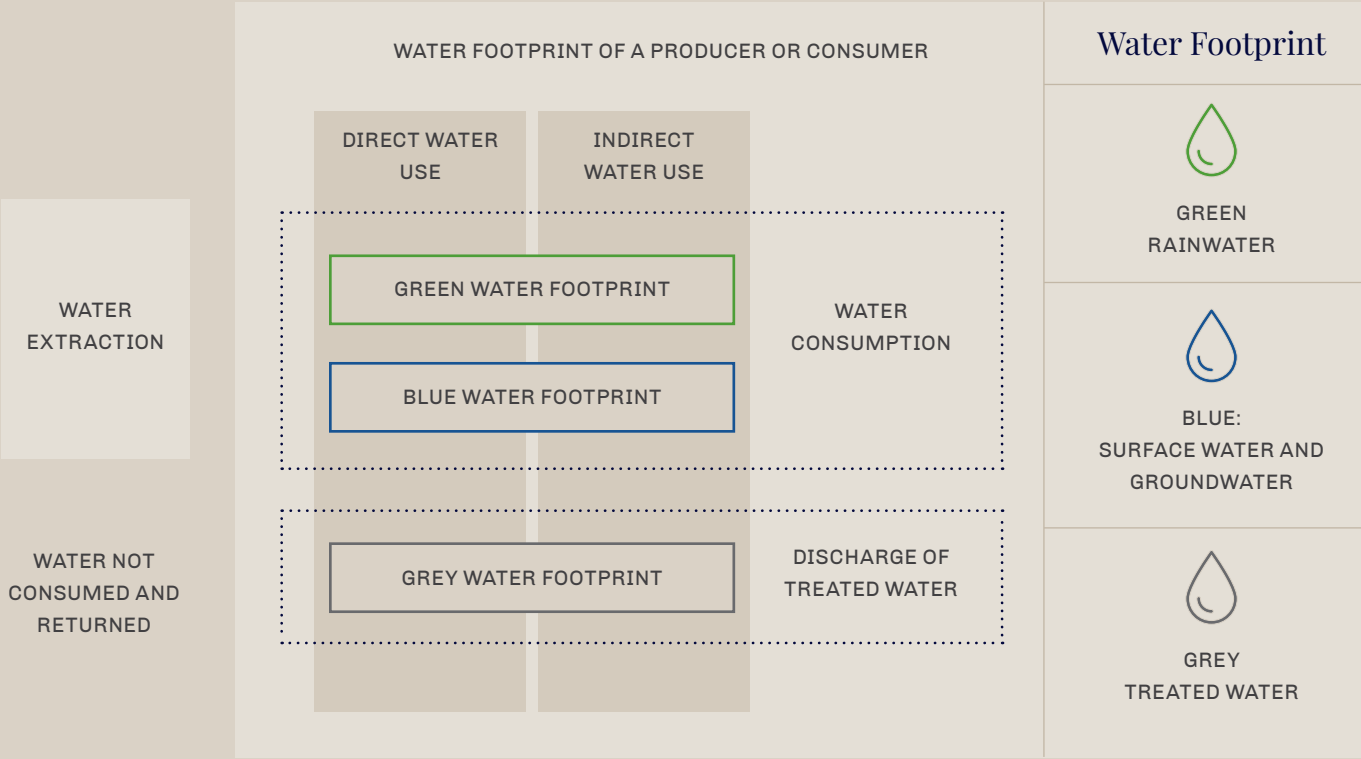
Water consumption	Unit	2018	2019	2020	2021
A. Extraction: total municipal water supplies	m3	-	-	-	-
B. Extraction: total surface sources	m3	32,925,174	32,144,863	35,240,196	29,420,726
C. Extraction: total underground sources	m3	3,000,284	3,187,825	3,389,346	3,091,185
D. Water returned to its source, but of a quality similar or higher than it was originally	m3	35,846,815	35,268,745	38,072,483	32,058,353
Total Net Fresh Water Consumption (A + B + C - D)	m3	78,643	63,943	557,059	453,558
Data coverage	% of production volume	100%	100%	100%	100%

Processing plant water intensity (m3/mt wfe)	2018	2019	2020	2021
San José plant	2.3	1.2	1.6	2.7
Tomé plant	9	9.6	8.5	9.2

WATER FOOTPRINT

In 2020 Salmones Camanchaca began quantifying the water footprint of its business every year using the Water Footprint Network method with respect to producing one MT of salmon. This analysis includes the Company's freshwater, seawater, feeding and processing stages.

The water footprint covers all its direct and indirect water uses.



Footprint	m3/year	m3/MT WFE	m3/year	m3/MT WFE
	2020		2021	
Blue	4,268,568	76	10,962,200	261
Grey	3,510,621	63	1,515,151	36
Indirect	97,461,086	1,900	61,578,784	1,468
Grand Total	105,240,275	2,039	74,056,135	1,765



WATER QUALITY REQUIRED FOR FISH

It is extremely important for the Company to preserve optimum water quality at its hatcheries and marine grow-out sites. All the Atlantic salmon smolts at the Río Petrohué hatchery are supplied by the water recirculation process, where all the environmental variables, such as oxygen, temperature and pH are extremely well controlled. There is continuous and real-time monitoring of the oceanographic, biological and physical variables of water at its marine grow-out sites.

LIQUID INDUSTRIAL WASTE

The freshwater fish production stage and the raw material processing stage generate liquid industrial waste, which is subject to primary, secondary and tertiary treatment systems prior to discharge. There was a 16% reduction in the effluents discharged during 2021 compared to 2020, due to decreases in biomass production at hatcheries and biomass processing at plants.

The San José and Tomé processing plants have mechanical and physical-chemical treatment systems (DAF - Dissolved Air Flotation Plant). This sequence keeps the solids suspended in the effluents together with the oils and fats. All the effluents from these processes is discharged into the sea through an underwater outlet outside the coastal protection zone .

The processing plants and the Petrohue hatchery, where all the Atlantic salmon smolts are produced, are certified as complying with the BAP (Best Aquaculture Practices) standard, which requires compliance with international standards covering effluent quality. Salmones Camanchaca did not discharge water into water stressed areas, and none of its processes allow effluents to penetrate soils or groundwater.

Effluent discharges in m³

Destination	2018	2019	2020	2021
Surface water	35,980,833	35,417,548	38,276,008	32,058,353
Sea water	334,018	626,118	675,701	602,483
Total discharges	36,016,948	35,417,548	38,951,709	32,660,836



IMPACT MITIGATION

The Company has several programs that monitor the quality of its effluents and the environmental variables associated with the water bodies receiving this waste :

- 1. **Environmental Surveillance Program:** The physical and chemical parameters of the water bodies that receive the effluents and the subtidal benthic communities are analyzed every six months.
- 2. **Liquid Industrial Waste Monitoring program:** Emission Standard for Liquid Waste Discharges into Marine and Inland Surface Water. This standard sets the limits that apply to effluents and prevents the water bodies receiving this waste from becoming contaminated. Monitoring follows the self-monitoring program established by resolution for each facility.
- 3. **Online connection with the SMA:** all marine salmon farms report the concentration of oxygen, salinity and temperature at a depth of 5, 10 and 15 meters as measured by sensors at their farming sites and pontoons. This data is being transmitted online to the Superintendence of the Environment (SMA) since December 2021.

Since 2020, the Company has implemented an online and public program that monitors the quality of effluents from its Petrohue recirculating hatchery and a citizen sampling program. The program uses sensors to transmit real time public data regarding key variables that measure the quality of its effluents. Furthermore, Ensenada residents may enter the hatchery unannounced to take water samples that are sent to an independent laboratory. These initiatives form part of a 2019 agreement between Salmones Camanchaca and the community of Ensenada. The turbidity and total suspended solids parameters are monitored online, and during

2021 they were well below the limits established by the authority (<https://water.ecto.com/Petrohue>).

Non-conformities with water quality permits, standards and regulations.

The chloride parameter limits in DS 90 were exceeded once during June 2021. This decree governs pollutant emission standards associated with liquid waste discharges into marine and continental surface waters.



RAW MATERIAL USE

The main input for fish production is fish feed and the Company uses the highest quality ingredients. Feed suppliers are strictly controlled. They must have quality and sustainability certifications, such as GLOBAL GAP and BAP, and comply with the ASC standard, which is required to certify the farms. This guarantees that marine and terrestrial raw materials come from authorized sources and from fisheries not listed on the International Union for Conservation of Nature (IUCN) Red List.

During 2021, 72% of the fish oil used to make fish feed was IFFO Marine Trust certified, while 3.2% of fishmeal was MSC certified. Whereas, 88% of the fishmeal was IFFO Marine Trust certified and 1% was MSC certified. All of the soybeans were RTRS certified. Although palm oil is not used as a nutritional component, it is used to seal the feed. All of the palm oil is RSPO certified.

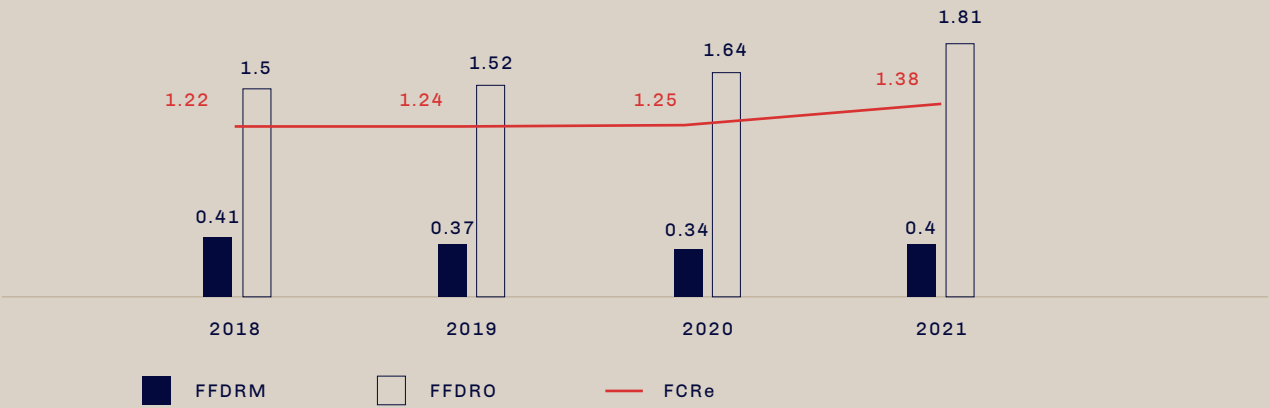
Raw materials used in feed	2018	2019	2020	2021
Fish oil	6.2%	6.1%	6.5%	6.6%
Fishmeal	8.1%	7.1%	6.6%	6.6%
Raw materials of animal origin	21.1%	22.7%	19.2%	19.6%
Raw materials of vegetable origin	52.9%	52.8%	55.4%	53.9%

Farmed salmon is a very efficient feed conversion species and has a significantly lower conversion ratio than most land-based animal proteins. Choosing salmon over other animal proteins decreases pressure on natural resources. The Company is improving its Feed Conversion Ratio (FCRe), which reports the kilograms of feed required to increase an animal's weight by one kilogram. The FCRe reflects how efficiently natural resources are used within the animal production process.

Its FCRe increased by 10% in 2021, as a result of events that reduced the biomass volume. This was also reflected in its FFDRm and FFDRo indicators, which reflect dependence on fishmeal and fish oil, respectively. Although the percentages of fish oil and fishmeal

did not increase, the events at the beginning of 2021 increased mortality and reduced fish growth, which impacted the indicators associated with efficiently using raw materials.

Comparison between the feed conversion ratio (FCRe) and the fishmeal dependency ratio (FFDRm) and the fish oil dependency ratio (FFDRo).



Another indicator that measures production efficiency and quality is the FI:FO ratio, which describes the quantity of wild fish or extractive fishing required to produce farmed fish. For example, a FI:FO ratio of 0.5 indicates that 0.5 kg of wild fish are required to produce 1 kg of farmed fish. It is calculated over a continuous 12-month period in a closed cycle and is proportional to the inclusion of fishmeal and fish oil in salmon feed. The increase in the FI:FO indicator in 2021 is due to the same reasons as the increase in the FCRe.



BIODIVERSITY PROTECTION

Salmones Camanchaca cares for biodiversity wherever it operates its business, which is aligned with its commitment to produce in a socially and environmentally responsible manner, and achieve certified compliance with the standards that protect these ecosystems.

None of the Company's facilities are located in protected areas or high conservation value areas. However, some are located near national parks such as Vicente Pérez Rosales National Park, Llanquihue National Reserve, Las Guaitecas Reserve and Pumalín Park.

2021 Biodiversity evaluations	Number of sites	Land area (km2)
Operational sites, such as hatcheries and grow-out sites	27	4.55
Environmental assessment sites	25	4.48
Sites located near protected areas	11	1.2
Sites located near protected areas with a biodiversity management plan	11	1.2



HABITATS PROTECTED OR RESTORED

Protected areas near Salmones Camanchaca's facilities include:

Protected Area Name	Location	Km²	Size of Salmones Camanchaca's property near these parks
Pumalín Park	Los Lagos Region	4,023.92	1.19
Coastal Marine Protected Area Comau Fjord - San Ignacio de Huinay	Los Lagos Region	4.15	0.1
Las Guaitecas National Reserve	Aysén Region	10,979.8	2.7
Vicente Perez Rosales National Park	Los Lagos Region	2,537.8	0.25
Llanquihue National Reserve	Los Lagos Region	339.7	0.25

Salmones Camanchaca also expects its suppliers to comply with the guidelines associated with biodiversity protection in its Code of Conduct for Suppliers:

	Companies are expected to conserve biodiversity and minimize their impact on ecosystems.	 Never hunt or mistreat any animal, or disturb or destroy any plants designated in a conservation category or that do not have a Management Plan approved by the competent authority
	Respect legally protected areas and at all times avoid entering reserves and national parks and using these resources, regardless of whether they are publicly or privately owned.	
		 Obtain the appropriate permits to use water resources, especially in areas such as national parks.

WILDLIFE INTERACTION

Salmones Camanchaca has achieved certified compliance with several voluntary standards, such as ASC, BAP and Global GAP, which include protected area preservation and fauna interaction criteria. Therefore, all the Company's freshwater and marine sites have an environmental impact assessment covering the biodiversity around that site. It includes the habitats and species that could be affected by aquaculture, and the measures that might mitigate any potential impact on the environment.

All of Salmones Camanchaca's employees are trained to understand the potential effects on their local flora and fauna, in order to monitor the interaction of the business with animal species living in the surrounding environment. Events and interactions with

marine species during each year are recorded, and strict compliance with legal regulations is required to avoid any intervention within a protected area.

The hazards and potential impacts analyzed and controlled by the Company include escaped fish, large-scale mortalities, spills, feed losses and entanglements. Each hazard is managed using protocols and preventive procedures, in addition to contingency plans with mitigation measures in case an incident occurs . Two fatal wildlife incidents were reported in 2021, when the corresponding protocols were activated and the appropriate authorities alerted .

Salmones Camanchaca is committed to protecting biodiversity at all of the Company's facilities and its Tier 1 suppliers .







IUCN RED LIST

The IUCN Red List is a critical indicator of the health of the world's biodiversity. It was founded in 1964 by the International Union for the Conservation of Nature. It informs and catalyzes measures that support biodiversity conservation and protect natural resources.

The IUCN Red List describes 4 critically endangered species and 20 endangered species in the areas adjacent to Salmones Camanchaca's facilities.

Criticality Category	Number of species
Critically endangered	4
Endangered	20
Vulnerable	33
Near threatened	48
Least concern	138

DEFORESTATION

Agriculture uses almost half of the world's vegetated land and land-use related changes generate a quarter of annual greenhouse gas (GHG) emissions.

Therefore, reformulating the current food production models is essential. *The World Resources Institute* (WRI) responded to this concern by producing a report in collaboration with the World Bank, the United Nations Environment Program, the United Nations Development Program and the French agricultural research agencies CIRAD and INRA.

It reports that “Creating a Sustainable Food Future” is possible, but this requires changing the current production model. The report outlines five solutions to ensure that we can feed ourselves without increasing CO2 emissions, increasing deforestation or increasing poverty. The five solutions are:

- Reduce growth in demand for food and other agricultural products
- Increase food production without expanding agricultural land
- Increase fish supply
- Reduce GHG emissions from agricultural production
- Protect and restore natural ecosystems

Salmones Camanchaca is aligned with these WRI solutions, and understands that the source of the raw materials used to produce its fish feed significantly affects the sustainability of its value chain . It is convinced that moving towards more sustainable agriculture is a shared responsibility among everyone in the value chain. Therefore, in 2021 the Company ratified its commitment to sustainability with its feed suppliers (see Chapter 5.6).

The commitments in this sustainability agreement require the following certifications for the soy and palm oil used in Salmones Camanchaca's fish feed:

- Round Table on Sustainable Soy (RTRS) certification, which promotes responsible soy production, trade and use through cooperation with significant stakeholders in the soy value chain.
- Roundtable on Sustainable Palm Oil (RSPO) certification, which develops and implements global standards for palm oil production, based on economic, social and environmental sustainability criteria.

ESCAPED FISH

All farming sites are designed with physical barriers to prevent fish from escaping. They also use an external net, to prevent sea lions from attacking the biomass. The Company has implemented procedures to verify the tension within these nets to ensure they remain stable.

Salmones Camanchaca has fish containment plans to prevent escapes. It has a program that assesses specific risks at each farming site, including classifications based on oceanographic conditions using methods proposed by international regulations.

The Company also performs regular inspections using an ROV (Remotely Operated Vehicle) that certifies that the surface and underwater structures, modules and mooring lines remain in good condition during the farming period.

No fish escaped during 2021 .



In 2021 Salmenes Camanchaca adhered to the Clean Production Agreement "Climate change strategy and circular economy for the salmon industry.

Environmental compliance model

Salmenes Camanchaca believes that its departments must be committed to complying with its environmental obligations. Therefore, it has implemented a compliance model where the Environmental Department has decentralized its environmental obligations to all the departments involved in regulatory compliance. It has also implemented new technology and assigned responsibilities to each department, which has improved its compliance with the commitments in each Environmental Approval (RCA in Spanish) and the environmental regulations.

A platform was implemented in March 2021 that standardized and managed environmental compliance with each RCA and the environmental regulations. This system monitors progress with compliance at each facility by issuing RCA reports, which identify the person responsible for the task, its criticality and other important factors.

The environmental compliance model also standardizes compliance evaluation at all facilities, using checklists for each facility type, such as seawater, freshwater or processing plant, which are reported by each facility at least every six months. This forms an opportunity for review and training by the Environmental Department and those in charge of each facility.

Clean production agreement (cpa)

Salmenes Camanchaca's commitment to its Sustainability Model means it has adopted the Clean Production Agreement "Climate Change and Circular Economy Strategy for the Salmon Industry", which is led by SalmonChile. This is a voluntary agreement between a business association that represents a productive sector, and the public agencies responsible for environmental, public health and energy efficiency matters.

This CPA requires adopting seven specific targets within the framework of the United Nations Sustainable Development Goals. They include producing and measuring carbon footprint standards for the entire value chain, measuring the corporate water footprint, implementing circular economy practices and implementing environmental responsibility projects with local communities, with the aim of improving local sustainability. All the targets introduced by the CPA must be achieved within 24 months of December 2021.

Summary of targets

- 1. Commitment to progress towards sustainability, climate change mitigation and a circular economy.
- 2. Carbon footprint measurements and GHG emissions mitigation targets.
- 3. Implement waste information system and guidelines for incorporating a circular economy into the business.
- 4. Inorganic solid waste recovery targets.
- 5. Waste managers and recyclers to design new circular business models.
- 6. Salmon-farming companies to measure their corporate water footprint.
- 7. Implement sustainability projects with stakeholders.

INPUTS: PACKAGING

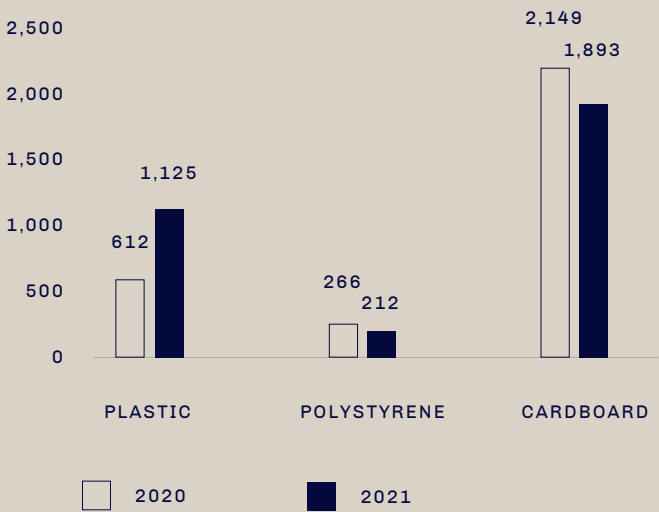
Salmon is an exported, gourmet product and packaging options are difficult to find. Salmenes Camanchaca has focused on migrating towards environmentally friendly packaging, such as packaging that reduces its carbon footprint, encourages recycling, uses new materials and eliminates single-use plastic. Accordingly, the percentage of cartons containing recycled fibers was increased from 37% to 45% in 2021.

Main Non-Renewable and Renewable Packaging Materials [MT]

Material type	Material	Total weight in 2020	Total weight in 2021
Non-Renewable Materials	Plastic	612	1,125
	Polystyrene	266	212
Renewable Materials	Cardboard	2,149	1,893
Total		3,027	3,230

This covers all the information.

Materials



Total weight of plastic containers (MT)

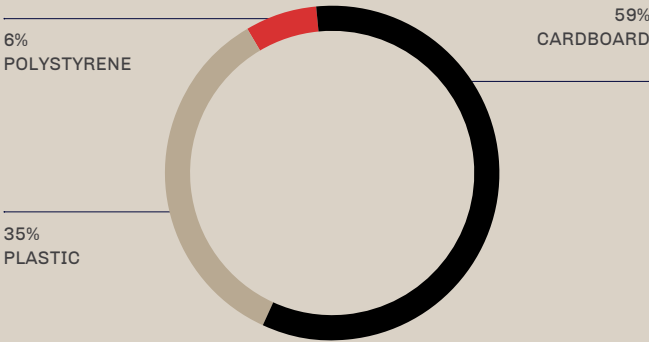
1,536  
2019

878  
2020

1,337  
2021

\*\*This is entirely virgin plastic, neither recycled nor compostable (covers all the information).

% Distribución



No products or packaging materials are currently reused in processing .

59%

OF PACKAGING SOURCED FROM RENEW-  
ABLE SOURCES

45%

OF FIBERS USED TO MAKE CARDBOARD  
BOXES ARE RECYCLED

The Company's packaging strategy excludes wood, metal or glass as packaging materials . Salmones Camanchaca has a systematic testing program to identify replacement packaging that is more sustainable. In 2021, 7 recyclable plastic bags were tested to evaluate their performance for a variety of products from the Tomé secondary processing plant. Furthermore, successful tests were conducted that eliminated plastic tapes for labeling polystyrene boxes, which will be replaced by laser printing and will reduce the use of single-use plastics.

The sustainable packaging principles

- 1. Circularity**  
Avoid using packaging materials that cannot be reused or recycled. Use materials that can be reintroduced into multiple value chains.
- 2. Efficient resource use**  
Only use as much packaging as necessary to ensure the safety and integrity of the product and avoid double packaging as far as possible.
- 3. Innovation and collaboration**  
The road map towards sustainable packaging will be driven by innovation and collaboration in the value chain. Innovation in materials, formats and delivery models that reduce the waste associated with packaging will be developed together with suppliers and customers.



WASTE

Salmones Camanchaca is a responsible producer and it appropriately manages its waste. A Waste Management Policy identifies and monitors the five categories of waste generated at its facilities: There are also procedures and instructions for handling hazardous and non-hazardous waste.

Non-hazardous			Hazardous
<div> Organic</div> <div>WASTE FROM PROCESSING SALMON, SUCH AS TRIMMINGS, BONES, GUTS AND SILAGE.</div> <div>Most are reused by recovering their nutrients and using them to produce fishmeal and fish oil, which are used as raw materials for other industries.</div>	<div> Industrial</div> <div>WASTE GENERATED AT FRESHWATER AND SEAWATER FARMS, AND PROCESSING PLANTS.</div> <div>Sent for final disposal to authorized sanitary landfills.</div>	<div> Recyclable</div> <div>CARDBOARD, PLASTICS, SCRAP, PAPER, NETS, BUOYS, POLYSTYRENE AND OTHER WASTE.</div> <div>Sent to specialist waste treatment companies. we report the waste on salmon chile's salmon technology institute (intesa) platform.</div>	<div></div> <div>THESE ARE GENERALLY EXPIRED BATTERIES AND CHEMICALS.</div> <div>Sent to safe authorized sanitary landfills.</div>
	<div> Liquid</div> <div>SLUDGE GENERATED BY WASTEWATER TREATMENT SYSTEMS.</div> <div>Sent for final disposal to sanitary and environmental authorized facilities.</div>		



The total waste produced by the Company at each facility is reported in the Environment Ministry's National Waste Declaration System (Sinader) and the Hazardous Waste Declaration and Tracking System (Sidrep). Monitoring this waste helps to design strategies to increase its reuse, recycling and recovery .

Waste by classification (MT)	2018	2019	2020	2021
Non-hazardous	24,248	32,809	35,233	34,115
Hazardous	80	143	115	44
Total	24,328	32,952	35,348	34,159

Non-hazardous waste by treatment method in MT

	2018	2019	2020	2021
Recovery, including recycling and composting	333	608	851	1,180
Reduction plants (organic recovery)	29.7373	24,679	27,596	27,378
Final disposal in landfills	4,178	7,522	7,464	5,557

Circularity measures implemented at its facilities are mainly composting organic waste from fish remains, bones and trimmings, which are sent to reduction plants to extract fish oil and fishmeal that can be used in other industries.

75% of the sludge produced by the liquid industrial waste treatment plant at the Tomé processing plant is composted by specialist companies. 8% of the sludge generated at the Petrohué hatchery is transformed into humus by the worm filters in the hatchery.

The objective of the Tomé processing plant is to reach zero waste. Therefore, it has implemented recycling measures for most of its solid industrial waste. Accordingly, it has recycled 97% of the waste it generated during 2021 .

Total weight of waste generated (MT) as a function of waste composition .

Silage, trimmings and bones at reduction plants	27,378
Silage, landfill	127
Sludge, landfill	3,586
Composting organic waste, dining facilities and sludge	259
Humus, worm filters	121
Solid industrial waste	1,844
Recycled	800
RESPEL	44
Total	34,159

ORGANIC WASTE

Producing salmon is more efficient than producing any other source of protein. The edible proportion is calculated by dividing the edible part by the total body weight, and for salmon this is 68%. The remaining 32% is guts, bones and trimmings, which are sent to reduction plants to be used in other products. Silage waste increased in 2021 due to higher fish mortality associated with specific incidents, while the volume of guts remained much the same as in 2020. The high volume of trimmings and bones is mainly due to the increased volume of value-added products, due to changes in demand following the COVID-19 pandemic.

Organic Waste (MT)	2018	2019	2020	2021
Silage	5,336	5,132	6,138	8,122
Guts, trimmings and bones	18,569	17,153	20,780	19,383

Recovered nutrients (MT)	2018	2019	2020	2021
Protein	3,355	4,195	4,576	4,613
OMEGA 3	395	494	538	543

WASTE RECYCLING

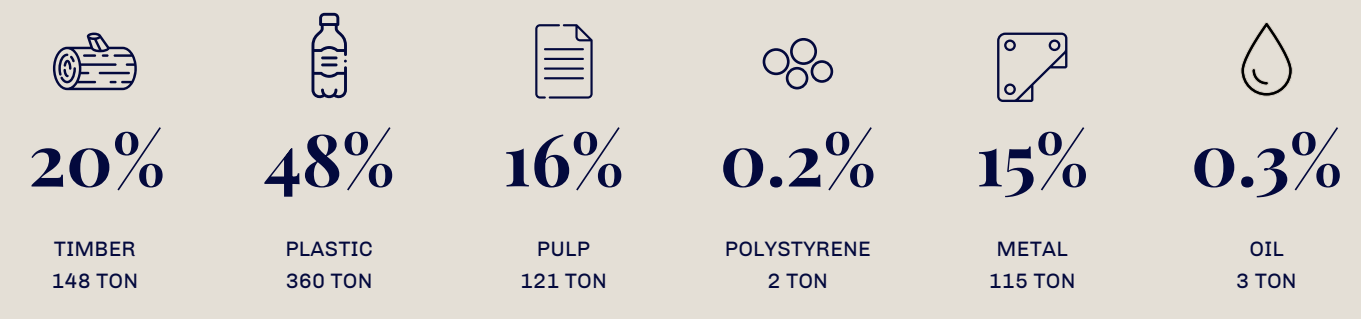
This year Salmones Camanchaca strengthened its recycling training for employees, which raises awareness and increases the volume and variety of recycled waste.

Currently 43% of waste is recycled, which is aligned with the requirements of the Extended Producer Responsibility Law (REP) enacted in May 2016. This law encourages waste reduction and the recycling of products, such as lubricating oils, electrical and electronic equipment, containers, packaging, tires and batteries.

333 WASTE RECYCLING MT 2018	680 WASTE RECYCLING MT 2019	851 WASTE RECYCLING MT 2020	800 WASTE RECYCLING MT 2021
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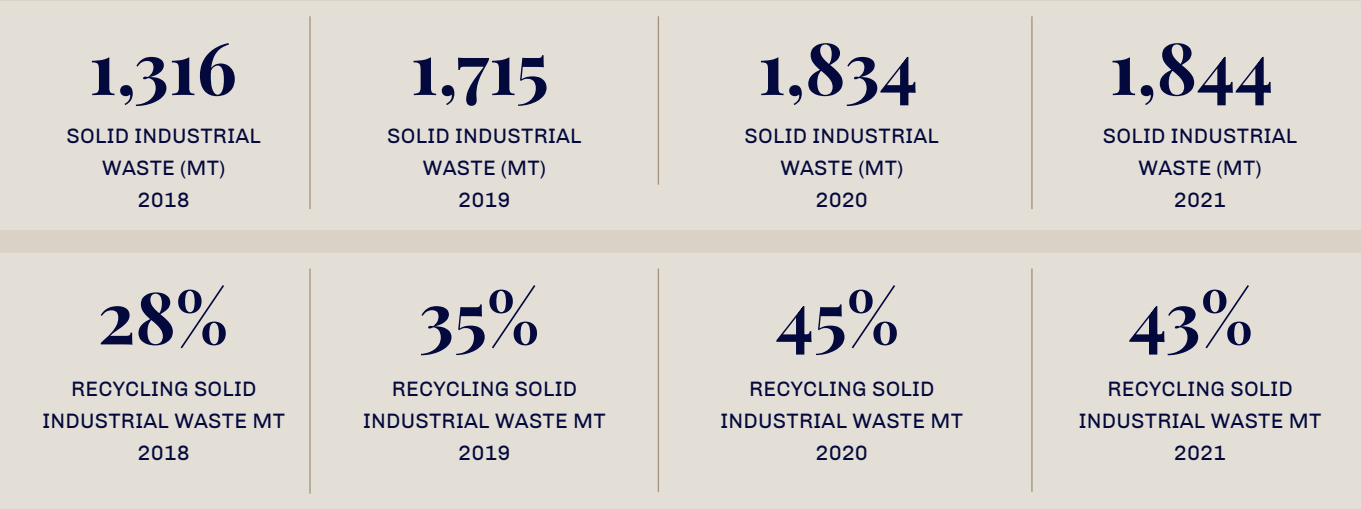


Breakdown of recycled materials 2021



Solid Industrial Waste

Salmones Camanchaca generates solid industrial waste when it manufactures or transforms raw materials into products. The production chain closes by sending it to authorized sanitary landfills as a final disposal measure.



Hazardous waste

Hazardous waste is mainly generated by maintenance in each department. Therefore, it is directly related to the number of operating sites and the maintenance required by each department, according to the annual production plan.





# Profitable and responsible business

Salmones Camanchaca's corporate culture is based on ethics, transparency, regulatory compliance and timely and effective risk management. Creating value for the Company's stakeholders, including shareholders, requires a business that is profitable, resilient over time and can learn and innovate from its experiences.



Justification	Highlights of the year	
<p>Salmones Camanchaca forms part of a highly regulated industry, which requires compliance with social, economic and environmental standards.</p> <p>The Company is listed on the Santiago (Chile) and Oslo (Norway) stock exchanges, which require compliance with the highest corporate governance standards.</p>	<div><p>INCLUDED IN THE DJSI CHILE AND MILA, AND RECOGNIZED AS AN INDUSTRY MOVER IN THE FOOD PRODUCT SEGMENT BY S&amp;P.</p></div> <div><p>STRENGTHENED ITS FINANCIAL POSITION WITH A CAPITAL INCREASE</p></div>	
Related SDGs	<div><p>SIGNED THE FIRST SUSTAINABILITY LINKED LOAN FOR THE INDUSTRY IN CHILE.</p></div> <div><p>IMPLEMENTED ITS CODE OF CONDUCT FOR SUPPLIERS</p></div>	
	<div><p>STRENGTHENED ITS DIGITAL TRANSFORMATION PROJECTS.</p></div> <div><p>EXTENDED ITS VALUE-ADDED STRATEGY</p></div>	
Material issues		
<div><p>ADAPTATION TO CLIMATE CHANGE</p></div>	<div><p>ETHICS, TRANSPARENCY AND COMPLIANCE</p></div>	<div><p>CORPORATE CULTURE: CORPORATE GOVERNANCE AND RISK MANAGEMENT</p></div>
<div><p>CUSTOMER SATISFACTION</p></div>	<div><p>HUMAN RIGHTS (EMPLOYEES AND THE COMMUNITY)</p></div>	<div><p>PARTNERSHIPS FOR SUSTAINABILITY</p></div>
<div><p>RESPONSIBLE SOURCING</p></div>	<div><p>INNOVATION, R&amp;D, DIGITAL TRANSFORMATION</p></div>	<div><p>BUSINESS PROFITABILITY (SEE CHAPTER 6)</p></div>

In 2021, the Supplier Code of Conduct was implemented, which involved the evaluation of 96% of suppliers qualified as high risk in sustainability.

Responsible procurement

There were global logistical challenges associated with the pandemic in 2021, as well as inflationary pressures. Both situations put pressure on the procurement teams, which had to navigate an unusually difficult situation.

SUPPLIER ASSESSMENT: CODE OF CONDUCT FOR SUPPLIERS

The Code of Conduct for Suppliers was created in 2021, which focused on responsible aquaculture, responsible procurement and involving the suppliers. This Code establishes clear guidelines regarding the expectations and minimum requirements for the behavior and practices of companies and individuals who supply the Company with goods and services. It required a diagnosis that incorporated ESG standards and each supplier was requested to perform a self-assessment, as an initial compliance diagnosis.

The self-assessment consisted of 61 questions that address the five pillars of the Code of Conduct (i) ethics (ii) human and labor rights (iii) environment (iv) health and safety and (v) communities. Specific assistance programs were established based on their degree of compliance, and these were developed to meet the standards and targets in the Code of Conduct.

The suppliers selected for self-assessment in 2021 were chosen by their business volumes, plus those that exposed the Company to high socio-environmental risks due to the nature of their services. The self-assessments performed in 2021 will be audited by an independent third party during the first half of 2022, to quantify their compliance with the Code of Conduct.

Assessment results

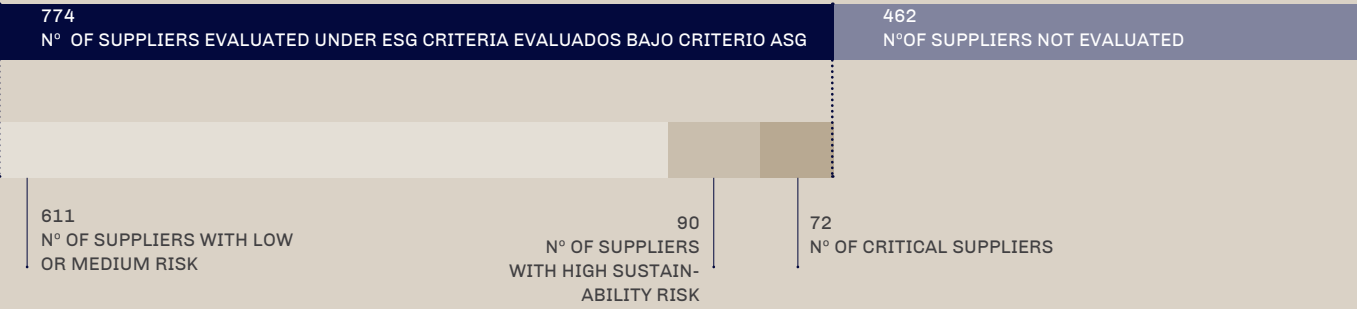
There are 1,236 suppliers, and the environmental and social impacts of 774 of them were assessed, who represent 97% of total Company purchases . These 774 companies are national suppliers, where 90 could potentially have significant negative impacts, so are considered high risk suppliers by the Company and represent 12% of the suppliers assessed . The suppliers agreed an improvement plan as a result of their self-assessments based on a continuous improvement cycle and their self-assessment ratings, as this plan is determined by the ranges described below .

Range	Degree of compliance	Requires
0.00 – 3.99	Low	Immediate improvement plan
4.00 – 7.99	Partial	Continuous improvement plan
8.00 – 12.00	High	Maintenance plan

Two companies were rated with a low compliance in 2021, so an immediate improvement plan was requested that focused on the lowest performing areas, while ten suppliers achieved partial compliance, so they have a continuous improvement plan. At present, no supplier relationship has been terminated and no new suppliers have been selected using environmental criteria .

With effect from the second half of 2021, significant investment contracts and all other contracts must comply with the Code of Conduct for Suppliers, as its human and labor rights pillar addresses 15 specific issues that must be evaluated by those doing business with Salmones Camanchaca .

% Distribution



### 72

CRITICAL SUPPLIERS

These are essential for operational continuity or are difficult to replace, given their specialization. Suppliers of skilled labor are also considered critical.

### 90

HIGH-RISK SUPPLIERS

These are suppliers whose size and evaluation could produce a loss of operational continuity, variations in revenue and costs, damage to the Company's reputation, threaten the business model or deteriorate labor relations due to non-compliance with regulations.

2022 Target



2021 Performance:

KPI Description	2019	2020	2021
100% of high-risk suppliers that will be evaluated for their compliance with the Code of Conduct for Suppliers	0%	5%	96%
Local suppliers	134	356	483
High sustainability risk supplier subject to external audit	No aplica		



LOCAL SUPPLIERS: LOCAL SUPPLY CHAIN

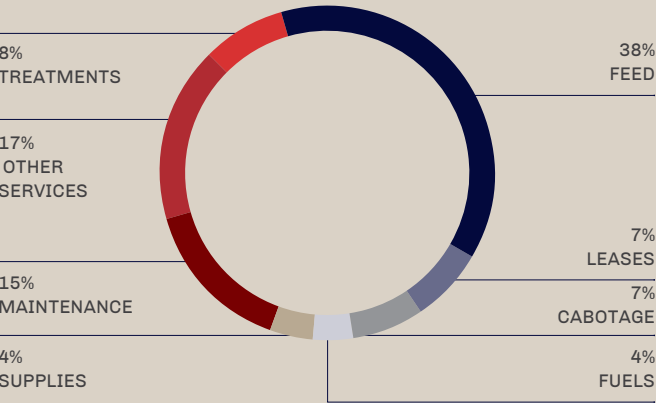
Salmones Camanchaca is developing a Local Supplier Policy that it expects to publish in 2022, which prioritizes local suppliers. There were 540 suppliers operating between the Biobío and Aysén regions in 2021, who accounted for 42% of total purchases . Salmones Camanchaca supports local sourcing and SME development as a supply chain continuity and resilience strategy.



Payment terms	Number of invoices payable	Number of invoices paid	Total (million USD)	Total interest for late payment of invoices	Number of suppliers	Number of exceptional payment agreements
Under 30 days	23,830	23,830	128.76	0	1,212	0
31 to 60 days	9,567	9,567	70.56	0	107	0
Over 60 days	3,449	3,449	114.4	0	52	0
Total	36,846	36,846	313.72	0	1,371	0

Salmones Camanchaca is responsible for promptly paying its suppliers for their services and products, and to paying them as agreed. Accordingly, 97% of suppliers were paid on time, which was slightly lower than 98% in the previous year. Total purchases were USD 314 million .

Supplier breakdown



In 2021 Salmones Camanchaca qualified within the Dow Jones Sustainability Index.

SUSTAINABILITY COMMITMENT FEED TENDER 2021 - 2022

Fish feed production is a significant component of salmon farming's social and environmental footprint, due to the diversity of raw materials and supply chains involved in producing it. Salmones Camanchaca has developed commercial relationships with its feed suppliers for 2021 - 2022, and they understand that sustainability is a significant aspect of Salmones Camanchaca's value creation strategy. Therefore, feed suppliers were requested to comply with or commit to a plan with targets, deadlines and KPIs during the first quarter of 2021 that cover the following issues:

- Supply feed to their customers that is produced from raw materials that have not contributed to the destruction of native forests anywhere on the planet. This must be proven with the corresponding certifications.
- Set greenhouse gas reduction targets, according to guidelines produced by the Science Based Targets initiative ([www.sciencebasedtargets.org](http://www.sciencebasedtargets.org)).
- Use electricity from fully renewable sources in the plants that produce fish feed for customers.
- Use Life Cycle Analysis to optimize fish feed at the request of customers, based on specific impact metrics, such as GHG emissions, land use change, eutrophication, etc.

SUSTAINABILITY INDICES:

Dow Jones Sustainability Index (DJSI)

The DJSI evaluates the social, environmental and governance (ESG) performance of thousands of companies worldwide and selects the best. It recognizes companies that meet high corporate sustainability standards.

Salmones Camanchaca was selected to form part of the Dow Jones Sustainability Index (DJSI) for 2021, for the DJSI Chile and the DJSI MILA Pacific Alliance. The Chilean index includes the largest companies listed on the Santiago Exchange, and the MILA Pacific index includes the largest companies listed on the Chilean, Peruvian, Colombian and Mexican stock exchanges.

Furthermore, the Company was included in The Sustainability Yearbook 2022 published by the prestigious risk rating agency Standard & Poor's (S&P), which recognizes its sustainability achievements. The publication also distinguished the Company with the "SP Global Industry Movers" seal, which identifies companies that have achieved outstanding improvements in their sustainability management as evaluated for the DJSI. Only 50 companies worldwide will receive this distinction in 2022 and Salmones Camanchaca was the only company in the "Food Products" sector to receive it.

Collier FAIRR

The Collier FAIRR index identifies and evaluates the most important ESG issues that affect the protein production industry and aims to accelerate the transition to a healthier food system. It measures ten sustainability aspects of the world's largest animal protein producers and publishes its results annually. The index evaluates 60 companies selected by their stock market capitalization and whether they are classified in following five animal production categories (i) livestock (ii) dairy (iii) pork (iv) poultry and eggs and (v) aquaculture.

This evaluation rates companies as high, medium or low risk, and a further category called best practices. Salmones Camanchaca received a medium risk rating in 2021, ranking it 17th within these 60 companies.



GREENHOUSE GAS EMISSIONS



DEFORESTATION AND BIODIVERSITY LOSS



WATER POLLUTION AND WASTE



WATER USE AND SCARCITY



FOOD SAFETY



WORKING CONDITIONS



GOVERNANCE



SUSTAINABLE PROTEINS



ANIMAL WELFARE



ANTIBIOTICS

TCFD

Salmones Camanchaca began to collect information in 2021 to incorporate the guidelines issued in the Task Force on Climate Related Financial Disclosures (TCFD). This initiative was created by the G20 Financial Stability Board and promotes climate-related disclosures, with the objective of improving informed decision making, minimizing costs, preventing risks and capturing opportunities associated with climate change.

The TCFD recommendations are structured into four thematic areas, which are governance, strategy, risk management, and metrics and targets. This framework is implemented gradually, and Salmones Camanchaca is communicating its diagnosis and implementation status in this Integrated Report. The diagnosis required identifying the gaps and creating a Road Map, to integrate the recommendations into the Company's risk management and value creation strategy.

The Company will develop an action plan during 2022, to close the gaps identified in the diagnosis. This process will identify, manage and monitor the risks and opportunities related to climate change.

Progress on Sustainability and Climate Change Issues

Pillar	Progress
Governance	The Company has a Sustainability Committee that meets quarterly, which is attended by the executive team and the Vice-President of Salmones Camanchaca. Its responsibility is to monitor the Sustainability Strategy, assign responsibilities and implement the initiatives. The Board of Directors is regularly informed about ESG issues and there are communication channels between the Board and the Sustainability Committee.
Strategy	The Sustainability Strategy is connected with the Company's creation of long-term value, which is integrated by the target of achieving carbon neutrality by 2025. Climate change is one of the foundations for the Healthy Ecosystem Pillar within the Company's Sustainability Strategy. Climate factors are also considered in the Company's investment plans (see Chapter 3). However, its risk matrix identifies potential corporate risks, where climate change is recognized as an emerging risk as well as a source of opportunities. Therefore, the Company has arranged a preliminary survey of its principal opportunities and risks.
Risk management	The identification and management of climate-related risks forms part of general risk management, which follows the process described in the "Risk Management" chapter. Camanchaca's corporate risks have been identified, where climate change is considered an emerging risk.
Metrics and targets	Salmones Camanchaca has made a public commitment to reduce its Scope 1 and 2 emissions to zero by 2025, and has a roadmap with concrete measures to reduce its emissions. The Company produces an annual report with an inventory of its emissions, which includes details of its scope 1, 2 and 3 emissions. These have been measured using the standard issued by the GHG Protocol and have been externally verified. The Company is also working with WWF and the Global Salmon Initiative (GSI) to standardize emissions measurement within the industry.



Opportunities	Risks	
<ul style="list-style-type: none"><li>Become a supplier of proteins with a carbon neutral footprint</li><li>Reduce costs from using renewable energy</li><li>Shorter production cycles due to rising sea temperatures</li><li>Sustainable Loan Facilities</li></ul>	<p><b>Physical Risks:</b> Significant changes in climatic conditions, such as changes in oceanographic temperature or marine currents, algae blooms, storm surges, falling oxygen levels or others could affect the biomass at the facilities. Availability of raw materials (medium to long term impact).</p>	<p><b>Transitional risks:</b></p> <ul style="list-style-type: none"><li>Current products and services substituted by alternatives with lower-emissions</li><li>Transition costs to lower emission technologies</li><li>Unsuccessful investment in new technologies</li><li>Changes in consumer preferences Increased concern about negative reporting by the media or stakeholders</li></ul>
Adaptation Measures		
<p><b>Alternative species</b> Coho salmon production with shorter cycles and harvested before summer</p>	<p><b>New technologies and devices</b></p> <ul style="list-style-type: none"><li>Modern and larger wellboats to harvest and transfer fish.</li><li>Emergency oxygenation systems.</li><li>Bubble curtains to mitigate algae blooms.</li><li>Back-up sites to receive fish from environmentally impaired areas</li><li>Sophisticated oceanographic information to design and locate farming sites.</li><li>Trident Project: use deep-sea fishing vessels to rapidly remove large-scale salmon mortalities</li><li>Vertical current systems to mitigate algae blooms.</li><li>Increase safety factors in engineering designs.</li><li>Staff training and retraining on contingency plans for extreme natural conditions.</li></ul>	
<p><b>Diversify farming sites</b> The Los Lagos region fjords contain challenging conditions and a drier climate. Fjords have a higher risk of algae blooms and oxygen depletion. Diversify farming by using the Aysén region (Further details can be found in Chapter 4, Investment plans)</p>		

IT and Digital Transformation

IT STRATEGY

The IT strategy has 4 strategic focuses for 2021-22.



CYBER-SECURITY

- Ethical hacking
- Ethical phishing
- User capacity



OPERATIONAL CONTINUITY

- Maintain system continuity
- Develop planned projects



MIGRATION TO THE GOOGLE CLOUD

- Email and productivity tools
- SAP on Google
- Data center on Google
- Analytics and Digital Transformation



PROVIDE DIGITAL TRANSFORMATION SOLUTIONS

- Technological support to develop Digital Transformation solutions
- Strengthen remote working

These focuses were associated with 9 IT projects for 2021, which aim to deliver effective and timely solutions, reliable information and ensure the Company's operational continuity.

An important project is migrating to the Google cloud. This is because it will achieve significant cost reductions, scalability, integrity and security, and will open up access to new technologies.

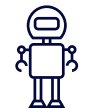
DIGITAL TRANSFORMATION STRATEGY

Salmones Camanchaca is constantly looking for digital solutions that continuously improve its processes, and ensure that the Company can innovate quickly and add value. Therefore, it systematically identifies and analyzes projects and initiatives that involve every department in the Company. Those with potential are incubated with support from the IT and Digital Transformation department.

Transformation is everyone's responsibility and their involvement is essential to its success. Accordingly, Salmones Camanchaca has defined four strategic focuses:



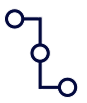
ENHANCING THE PERSONAL EXPERIENCE AND FOSTERING A DIGITAL CULTURE



AUTOMATION AND DIGITIZATION (QUICK WINS)



IMPROVE EXTERNAL CUSTOMER EXPERIENCE



INTEGRATE INFORMATION THROUGHOUT THE CHAIN

No substantiated complaints regarding breaches of customer privacy or customer data loss were identified during 2021 .



DIGITAL TRANSFORMATION COMMITTEE

The Digital Transformation Committee meets monthly. Its mission is to evaluate and monitor the Digital Transformation Strategy.

A team of Digital Transformation facilitators was created to identify Digital Transformation opportunities and manage project implementations. The aim is to accelerate the implementation of these initiatives. Various departments and human capital teams identified the first facilitators, and together they devised a plan to successfully carry out this task.

VALUE-ADDED STRATEGY

The value-added strategy consists of selling more elaborate products that will be directly consumed, where portions form an important component.

During 2021, markets reopened and global demand reactivated, especially in channels that were adversely affected by the pandemic in 2020, such as food services and restaurants. Similarly, demand from the retail segment continued to grow rapidly during 2021. The proportion of Atlantic Salmon products sold in portions increased from 29% in 2020 to 41% in 2021, which demonstrates Salmenes Camanchaca's productive and commercial flexibility to rapidly adapt to changes in demand and select the most profitable products.

MT WFE	2020	2021
Whole	17%	13%
Fillets	54%	45%
Portions	29%	41%
Total	100%	100%

CUSTOMER SATISFACTION

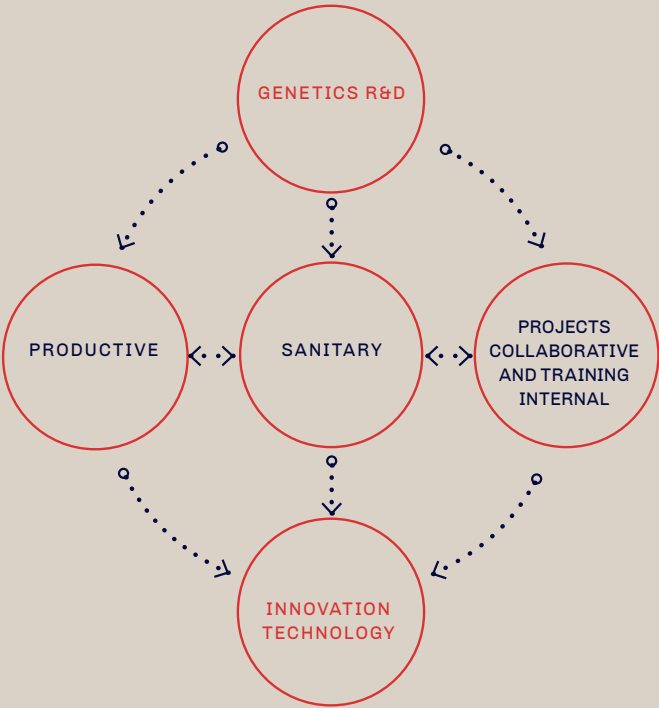
Salmenes Camanchaca wants to provide its consumers with the best products, so complies with the highest food quality and safety standards. The mission of the Company's commercial offices is to understand and anticipate the customers' needs, in order to provide them with products and services that meet their highest expectations.

Salmenes Camanchaca began monitoring customer satisfaction in 2020 when it implemented the Net Promoter Score (NPS), which measures the Company's promoter and detractor percentages. Positive NPS values are considered good, values over 50% are considered excellent and values over 70% are considered world leading, with the nuances required by various industries, products and services. The customer satisfaction survey conducted in 2021 covered all customers and the response rate was 55%. Although the score decreased compared to 2020, the NPS remained positive. The Company's goal is to reach an NPS  $\geq$  50% by 2025.



Research and development (R&D)

The Company's R&D department began with the Genetic Enhancement Program (GEP), and formally became a department in 2017. It coordinates, designs and executes research, development and innovation projects with the objective of improving the Company's productive, sanitary and financial performance. R&D expenditure in 2021 was USD 916,646, an increase of 17% over 2020.





Project	Objective	Activity	Sustainability contribution	Project progress
Production of genetically improved fish through breeder selection	Provide eggs from Atlantic salmon with exceptional productive performance	Select breeders according to their genetic contribution to growth, yield, quality, color and disease resistance.	<ul style="list-style-type: none"><li>Accelerate farming times</li><li>Improve quality and decrease antibiotic use.</li></ul>	<ul style="list-style-type: none"><li>Project under development with annual KPI's:<ul style="list-style-type: none"><li>» Genetic gain</li><li>» Genetic marker discoveries</li></ul></li><li>Continuous improvement Year on year</li></ul>
Genetic resistance to pathogens in Atlantic salmon	Develop an overall pathogen resistance strategy based on strengthening the innate immune system and stress response in Atlantic salmon	Compiled from 5 years of internal research into controlled trials of infection and co-infection (Piscirickettsia salmonis and Caligus rogercresseyi)	<ul style="list-style-type: none"><li>Improve the health status of the facilities</li><li>Decrease antibiotic and antiparasitic use</li></ul>	First year of field evaluation for the "Immunity and stress" project
Productive evaluation of the Lochy strain farmed out of season (Mañihueico and Contao)	Evaluate the photoperiod effect on fish maturity control for the Lochy strain stocked during the fall.	Challenge high growth Salmo salar strains at farming sites with high maturity risks using the photoperiod as a control mechanism.	<ul style="list-style-type: none"><li>Accelerate farming times at grow-out sites.</li></ul>	Closed Demonstrate the year-round technical feasibility of Lochy strain farming using the photoperiod
Evaluation of immuno-stimulants in farmed fish	Evaluate and compare the immune, health and productive status of fish that have been fed with functional feed. (Futerpenol vs Pack Salud)	Evaluate the immune status of Atlantic salmon fed with feed supplemented with immuno-stimulants, such as Pack Salud and Futerpenol.	<ul style="list-style-type: none"><li>Reduce antibiotic use</li></ul>	Closed Immuno-stimulants are shown to positively modulate the immune response in fish
Evaluate feed-stuffs at the Fry-Petrohue stage	Evaluate productive and physiological (muscle and bone) growth within fry farming, by comparing commercial feed from three feed suppliers.	Feed fish groups at the fry stage (from 1g to 5g) with three types of commercial feed	<ul style="list-style-type: none"><li>Improve the fish feeding efficiency</li></ul>	Closed One feed had a positive effect on fish growth and physiology
Evaluate using formalin compared to bronopol on chilled Atlantic salmon eggs	Control the fungus and subsequent consequences during the stages of sac absorption and first feeding.	Treat hatching Atlantic salmon eggs with two authorized fungicides during processing and compare them.	<ul style="list-style-type: none"><li>Improve productive efficiency</li></ul>	Closed Formalin does have a positive effect on fungus control. No adverse effect on eggs and fry by absorption

Project	Objective	Activity	Sustainability contribution	Project progress
Estimate PRV prevalence in breeders and vertical transmission in farmed salmon	Determine the prevalence of Piscine Reovirus (PRV) in Atlantic salmon and the potential transmission to their offspring.	Monitor the salmon whose parents were PRV positive or negative.	<ul style="list-style-type: none"><li>Pathogen control</li></ul>	Closed High PRV prevalence was found in the breeders and no vertical transmission relationship was found for this disease
Oxygenation capacity, Females and Males	Compare hematological profiles of farmed males and females	Hematological monitoring of salmon during their grow-out cycle	<ul style="list-style-type: none"><li>Productive efficiency</li></ul>	Closed There are significant differences in the oxygenation capacity of females and males, in favor of females.
Productive performance vs. egg size	Evaluate productive performance in relation to egg size (small vs. large) in fry up to 5g	Compare the effect of egg size on productive performance by monitoring them from hatching to fry of 5g.	<ul style="list-style-type: none"><li>Productive efficiency</li></ul>	Closed Egg size does have an effect on productive performance up to the 5g stage
Integrated quality	Reduce the prevalence of quality defects in the product by implementing a program that identifies, corrects and potentially anticipates the effect of production and process variables on the quality of the raw material.	Develop a monitoring system for the main traits associated with product quality and trace them back to production variables.	<ul style="list-style-type: none"><li>Productive efficiency and animal welfare.</li></ul>	In progress <ul style="list-style-type: none"><li>All the information has been captured at the secondary plant, but the analysis is missing.</li><li>The primary plant is pending</li></ul>

06

# Financial information



# Main financial indicators

	31/12/2020	31/12/2021
Liquidity Ratios		
1) Current Liquidity	2.01	2.60
2) Acid Test Ratio	0.68	1.22
3) Working Capital (million USD)	121.9	180.6
Leverage Ratios		
4) Net Debt Ratio	1.18	1.18
5) Current liabilities / Total Liabilities	0.58	0.46
6) Non-current liabilities / Total Liabilities	0.42	0.54
Profitability Ratios (%)		
7) Return on Equity (ROE)	-18.82	-5.18
8) Return on Assets (ROA)	0.06	1.03

Notes:

1) Current Liquidity: Current Assets / Current Liabilities

2) Acid Test Ratio: Current Assets net of Inventory and Biological Assets / Current Liabilities

3) Working Capital: Current Assets - Current Liabilities

4) Net Debt Ratio Total Liabilities - Available Cash / Total Equity

7) Return on Equity: Net income (loss) attributable to owners of the company / Total equity

8) Return on Assets: Gross margin before fair value adjustment / Total assets.

# Financial statements

Thousand USD	2020	2021
Operating revenue	255,363	293,662
Cost of sales	-255,149	-289,294
Gross profit	214	4,368
Administrative expenses	-8,992	-8,828
Distribution costs	-9,870	-8,582
EBIT	-18,648	-13,042
EBITDA	-3,170	3,213
Net Fair value adjustment to biological assets	-18,991	6,125
EBIT after fair value	-37,639	-6,917
EBITDA after fair value	-22,161	9,338
Others results	-6,123	-6,039
Profit (loss) before taxes	-43,762	-12,956
Profit (loss) for the period	-31,627	-9,364

Salmones Camanchaca total harvest volume for the year of 40,095 MT WFE Atlantic salmon, which is 24.3% lower than the 52,982 MT WFE from 2020. The volume reduction was caused by algae blooms and low oxygen events during the summer of 2021 in the Reñihue and Comau fjords, which caused extraordinary mortalities and limited fish growth. A significant proportion of harvest volume for 2021 came from the affected farming sites. The harvest volume for the third cycle of Coho in 2021was 1,842 MT WFE, 49% lower than prior year. In addition, 663 MT WFE were harvested during January 2022 to complete de season.

Operating revenue for 2021 of USD 293.7 million, higher than the USD 255.4 million for 2020, driven by higher prices driven by the increase in demand post pandemia. Atlantic salmon sales volume was 3.9% lower at 46,386 MT WFE, and the average sales price was USD 5.83/kg WFE, which was 21.4% or USD 1.03 higher than

in 2020. The difference between harvest and sales volume was due to inventory built up towards the end of 2020 when prices were historically low.

Atlantic salmon cost of sales was severely affected by high ex-cage costs from sites in the Reñihue and Comau fjords, reaching USD 4.15/kg live weight for the year, or USD 4.46/kg WFE, which was USD 0.9/kg higher than the previous year. Processing costs were adversely affected by lower processing volume at USD 1.08 /kg WFE for 2021, which is 13.4% higher than in 2020.

In 2021, the direct costs for extraordinary mortalities caused by blooms reached USD 14.8 million, which is mainly composed of the value of the biomass mortality not covered by insurance and all expenses associated with the transfer of mortality and mitigation cost associated with these events.



Fallow cost on sites with no biomass, or only the minimum required to avoid the concession lapsing, were USD 11.6 million for 2021, which was USD 2.3 million lower than 2020. This reduction was due to the introduction of seaweed farming at several of the sites that required activities to avoid the concession lapsing. Resulting in gross profit for 2021 was positive USD 4.4 million, compared to zero profit for 2020.

Administrative expenses for 2021 decreased by 1.8% or USD 0.16 million, and distribution and selling expenses were reduced by USD 1.3 million despite significant increases in maritime transport costs, due to lower sales volume and lower freight and warehousing expenses,. The Company's combined sales and administrative expenses decreased from 7.4% in 2020 to 5.9% of 2021 operating revenue.

Operating EBIT before FV adjustments was negative USD 13 million for 2021, which was USD 5.6 million better than previous year. EBIT was affected by the bloom direct and indirect financial impacts, while in 2020 it was affected by falling market prices brought on by the closure of hotels and restaurants around the world caused by the pandemic.

Atlantic salmon sales, therefore generated a negative EBIT/kg WFE of USD 0.33 in 2021, which was USD 0.10 lower than in 2020. Coho sales generated a positive EBIT/kg WFE of USD 1.07 in 2021, a substantial improvement compared to 2020, mainly due to higher prices and lower costs from normal stocking densities.

The net Fair Value adjustment for 2021 was USD 6.1 million, compared to negative USD 19 million in 2020, a positive difference of USD 25.1 million, attributable to different price trends from one year to the next, as prices were falling at the end of 2020, and this year they recovered and stabilized

Other gains/(losses) was negative USD 3.9 million, mainly due to the insurance deductibles that applied to the events at the Reñihue and Comau fjords, which resulted in a net loss of USD 2.9 million. The Trout farming joint venture had a loss of USD 0.2 million, which compares negatively with the gain of USD 2.3 million for 2020. This is normal for an odd numbered year, as Trout farming sites have a mandatory fallow period during the first three months.

The depreciation of the Chilean peso against the US dollar generated an unrealized exchange loss of USD 1.4 million, attributable to the US dollar devaluation of assets in Chilean pesos that include tax credits.

Therefore, the net loss after taxes for 2021 was USD 9.4 million, which was better than the loss of USD 31.6 million of 2020 mainly attributable to lower prices.

# Balance sheet

Thousand USD	2020	2021
Current assets	242,301	293,139
Property, plant and equipment	115,618	116,506
Other non-current assets	17,131	16,141
Total assets	375,050	425,786
Current liabilities	120,432	112,550
Non-current liabilities	86,603	132,597
Total Liabilities	207,035	245,147
Net equity of parent company	168,015	180,639
Total Equity	168,015	180,639
Total Liabilities and Equity	375,050	425,786

## ASSETS

The Company's total assets increased by 13.5% or USD 50.7 million during 2021, reaching USD 425.8 million. This increase was mainly explained by USD 28.3 million higher trade receivables, due to higher sales prices, and USD 10 million in insurance company receivables for the claim associated with the algae bloom, which has been collected in January 2022. Additionally, cash balances increased by USD 23.1 million, due to the capital increase from December 2021. By year end there is a USD 7.2 million inventory reduction versus prior year. Total inventory at December 2021was 3,581 MT of finished product, versus 6,076 MT year-end 2020.

Non-current assets remained similar to values as of year-end 2020.

## LIABILITIES AND EQUITY

The Company's total liabilities increased by 18.4% or USD 38.1 million in 2021 compared to prior year, to reach USD 245.1 million as of year-end 2021. In November, the company rescheduled long-term debts for USD 135 million through a credit facility linked to sustainability metrics, which provides significant financial leeway for the next 5 years, given that it has a 3-year grace period, with 10% reductions at the end of years 3 and 4, and 80% at the end of 2026

Current liabilities decreased by USD 7.9 million or 6.5% compared to year-end 2020, reaching USD 112.6 million, mainly due to the syndicated bank loan rescheduled agreement that moved short-



term liabilities to long-term, which is reflected in a decrease of USD 18.9 million in current financial liabilities. Furthermore, there was a USD 9.4 million increase in trade payables driven by the higher biomass that resulted in increased payment terms for feed suppliers.

Non-current liabilities increased by USD 46 million or 53.1%, to USD 132.6 million, mainly due to rescheduling the syndicated loan that moved short-term liabilities to long-term, which is reflected as an increase of USD 50.2 million in other financial liabilities, non-current.

Net financial debt increased by USD 8.2 million during 2021 to reach USD 121.9 million.

A capital increase was successfully concluded during December 2021 with more than 96% of the shares subscribed. The total shares subscribed was 8,193,660 shares from the 8,500,000 shares offered, raising approximately USD 23 million, increasing shareholder's equity.

Equity was USD 180.6 million at December 31, 2021, an increase of USD 12.6 million compared to December 31, 2020, due to the capital increase, offset by the loss for the year of USD 9.4 million. Accordingly, the equity to total assets ratio was 42.4%, slightly lower than 44.8% as of year-end 2020.



# Cash flow statement

Thousand USD	2020	2021
Cash and cash equivalents at the beginning of the period	13,867	9,038
Cash flow from operating activities	10,188	-18,923
Cash flows from investing activities	-22,795	-14,536
Cash flows from financing activities	8,150	57,769
Effects of changes in exchange rates on cash and cash equivalents	-372	-1,179
Cash and cash equivalents at the end of the period	9,038	32,169

Net cash flow in 2021 was USD 23.1 million compared to negative cash flow of USD 4.8 million in 2020. This was explained by:

- Negative **operating cash flow** of USD 18.9 million in 2021, compared to positive USD 10.2 million in 2020, due to lower sales volume and collections in 2021, partially offset by higher prices. Part of the last quarter sales receivables will be collected in the first quarter of 2022. Furthermore, there were higher cash outflows associated with extraordinary mortalities during 2021.
- Negative **investing cash flow** of USD 14.5 million in 2021, down 36% from USD 22.8 million in 2020, which reflects the reduction in investment plans in accordance with the lower financial results.
- Positive **financing cash flow** of USD 57.8 million in 2021, due to the capital increase of USD 22.8 million during the last quarter and increased debt of USD 35 million to finance the operations. This compares to a positive cash flow of USD 8.2 million during 2020 when dividends of USD 16.9 million were paid from 2019 earnings and net financing of USD 25 million was received.

# Synthesis of material facts

As of the date of this report the company has informed to the CMF the following material facts.:

## March 31, 2021

Salmones Camanchaca’s farming activities in the Comau fjord, Los Lagos Region, Chile has experienced incidents of algae blooms in three of the seawater sites they operate in that area Leptepu, Porcelana and Loncochagua, generating a mortality of 500 thousand fish to date, equivalent to 600 tons of biomass, with weights between 450 grams and 2.5 kg depending on the affected center, and total average weight of 1.2 Kg, that correspond to 21% of the initial stock of these centers and 4% of the total fish of the company.

Based on the information to date, it is estimated that this event in the Comau fjord will generate a direct financial loss of USD 2.3 million, net of estimated compensation by insurance, which are already activated.

The above is in addition to the situation disclosed by the Company on March 15, regarding the presence of non-harmful algae in the Reñihue Fjord area, Los Lagos Region, Chile which affected three of their farming sites Nieves, Puerto Argentino and Cabudahue, and generated a mortality of 240 thousand fish, representing 2% of the company's total fish. This incident will result in a financial loss of USD 3.6 million, net of compensation estimated by insurance.

The presence of algae in the Reñihue fjord has been drastically reduced in recent days.

The sum of the impacts and mortalities in those fjords, plus the feeding restrictions caused by the reported events, impacts the average harvest weights and will generate a reduction in harvest estimates for 2021 of 6,000 tons compared to what was estimated at the beginning of the year, therefore harvest estimates for 2021 are set in the range of 47-49 thousand tons of Atlantic salmon.

The disposition of mortality has been carried out with total normality and adherence to contingency plans, without foreseeing problems or environmental risks given the low volume of biomass involved.

The situation in Comau is still in progress, and the Company will promptly report when it is completed.

## April 4, 2021

Due to the critical impact of the algae bloom reported by the Company on 31 March 2009, it is necessary to provide additional updates on the impact that this natural phenomenon is causing on the biomass. The updated information as at today’s date is as follows:

The toxic algal bloom in the Comau Fjord, Los Lagos Region, Chile affecting the Leptepu, Porcelana and Loncochagua farming sites, has caused to date an accumulated mortality of 1.3 million fish, equivalent to 2,250 tons of biomass, with weights between 450 grams and 2.5Kg depending on the affected site, at an average weight of 1.2Kg. This mortality corresponds to 11% of the company's total fish.

Based on the information available at this time, it is estimated that the event in the Comau Fjord will generate a direct financial loss of USD 4.4 million, net of estimated insurance claim, which has been activated, and of which deductibles have already been fully applied to this calculation.

Based on the above, 2021 harvest volume estimates are reduced to a range of 41-44 thousand tons whole fish equivalent of Atlantic salmon.

Mortality collection continues to be carried out normally and in accordance with contingency plans. The Company is also in the process of transferring the surviving fish to sites outside the Comau Fjord, which is expected to be completed soon.



Any material change in the development of this information will be duly reported.

## April 18, 2021

The increased impact on our sites located in the Comau fjord as a result of the recent algae bloom, requires an update to the information provided by the Company on March 31 and April 4 2021.

The appearance of toxic algae in the Comau Fjord, Los Lagos Region, which progressively affected four farming sites: Leptepu, Porcelana, Loncochagua and Marilmó, which had a total of 3.2 million fish of atlantic salmon, generated a mortality of 1.6 million fish in these sites, equivalent to 2,700 tons of biomass.

This unforeseen natural phenomenon was far reaching, which demanded more time, resources, logistical and human efforts than initially anticipated for the containment of mortality and the transfer of surviving fish as well as the removal and disposal of those that did not survive, all of which under the context of operational restrictions and limitations of the pandemic.

However, as of this date, the removal of mortality from all the affected sites has been completed, which has been and will be disposed of in specialized and authorized plants for this purpose.

It is estimated that this event will generate a direct financial loss of USD 7.5 million, net of estimated insurance claims, which have been activated, and whose deductibles have already been fully considered for this calculation.

Our harvest estimates for 2021 remain in the range of 41-44 thousand tons of Atlantic salmon.

## September 29, 2021

In an extraordinary meeting held today, the Board of Directors of Salmones Camanchaca S.A. decided to call an Extraordinary General Shareholders' Meeting for October 18, 2021, to submit for approval, among other matters, a capital increase of up to USD 30,000,000. The citation will be published in the electronic newspaper El Libero and will be distributed through the corresponding legal channels.

The purpose of the capital increase to be submitted to the Shareholders' Meeting is to support an investment plan for the years 2021 to 2023, which will allow the Company to have harvests from sites that have greater water and energy renewal, implement a series of technologies to mitigate the risks inherent to the farming sites, recover the biomass lost in the first half of 2021, and strengthen its financial position.

## November 18, 2021

Salmones Camanchaca has signed with DNB Bank ASA, Coöperative Rabobank U.A. and Banco Santander, Chile S.A., an amendment to the financing agreement, granted on November 27, 2017, and through which Salmones Camanchaca S.A. has rescheduled its revolving credit facility. This rescheduling modifies tranches C and D for Salmones Camanchaca S.A., which currently amount to USD 135 million.

In this new agreement, tranche C for USD 100 million and tranche D for USD 35 million are granted for term of 5 years, with a 3-year grace period, two reductions of 10% each at the end of the third and fourth year, and a final amortization at the end of the fifth year for the remaining 80%.



The interest rate for the agreed financing facilities C and D is based on Libor rate plus an applicable variable margin, which can fluctuate between 2.25% and 3.7% per annum and is subject to the ratio of Net Interest-Bearing Debt to twelve months rolling EBITDA. Additionally, in this new financing, the margin will also be based on compliance with the Sustainability targets established in the same Agreement, which include 5 independently certified annual indicators: (i) the gradual reduction of greenhouse gases; (ii) the percentage of ASC certified biomass; (iii) the amount of marine ingredients used in diets per kilo of salmon produced; (iv) the proportion of non-hazardous solid waste that has been recycled; and (v) the labor accident rate. Achievement of these Sustainability Objectives will allow Salmones Camanchaca S.A. to reduce its financial costs by up to 5 basis points and contribute to its salmon farming sustainability goals.

This modification of the refinancing agreement will suitably shift the amortization schedule of Salmones Camanchaca S.A., which now extends until November 2026, thus improving the cash flow profile for the next 5 years.

*November 30, 2021*

The parent company of Salmones Camanchaca S.A. ("Salmones Camanchaca" or the "Company"), being Camanchaca S.A. (the "Parent Company"), has subscribed and paid for 5,949,999 shares out of a total of 8,500,000 shares that, until the end of the subscription period of the rights offering, have been preferentially offered by Salmones Camanchaca to its shareholders, and that correspond to a first allotment of the 12,000,000 shares authorised for issued by capital increase for up to USD 30 million, which was approved by the Extraordinary General Meeting of Shareholders of the Company held on October 18th, 2021.

Accordingly, the Parent Company has subscribed and paid all the shares that correspond to it due to its pre-emptive subscription right, equivalent to 70% of this placement. The Parent Company is a closely related party to the Company's Chairman Jorge Fernández García, Vice-chairman Francisco Cifuentes Correa and CEO Ricardo García Holtz.

*December 30, 2021*

At an Extraordinary Shareholders' meeting of The Company, held on October 18, 2021, it was agreed to increase the capital of the company by the sum of up to USD 30,000,000, through the issuance of 12,000,000 payment shares, of the same and single series, without nominal value, and the board of directors was empowered to place said shares in one or several stages.

Reference is made to the stock exchange release on November 23rd, 2021 where Salmones Camanchaca SA ("Salmones Camanchaca" or the "Company") announced the terms and conditions of an increase of the capital stock by an offering of up to 8,500,000 new shares (the "New Shares") at an offer price of CLP 2,350 by way of a rights issue (the "Offering").

By the expiry of the subscription period and completion of the Offering, the Company had received subscriptions for a total of 8,193,660 New Shares, raising gross proceeds for the Company of CLP 19,255 million, equal to approximately USD 23 million. The New Shares have been validly issued and duly registered with the relevant share registry. Following completion of the Offering, the number of shares outstanding and issued in the Company is 74,193,660 shares, without par value.



# Share transactions

Transactions of executives and controllers

			Purchase			Sales			Operation's intention	
Name / Corporate name	Relation	Transaction date	N° Shares	Price (CLP)	Amount (CLP)	N° Shares	Price (CLP)	Amount (CLP)	Company control	Financial investment
Camanchaca S.A.	Parent Company	14-07-2020	104	4,920	511,680				Yes	
Camanchaca S.A.	Parent Company	30-11-2021	5,949,999	2,350	13,982,497,650				Yes	
Daniel Bortnik Ventura	Main executive	10-12-2021	2,013	2,350	4,730,550					Yes
Juan Carlos Ferrer Echavarri	Main executive	28-12-2021	1,006	2,350	2,364,100					Yes
Ricardo Adolfo García Holtz	Main executive	28-12-2021	1,545	2,350	3,630,750					Yes

Below is a summary of the main executives who own shares of the Company:

Name	Shares	Participation (%)
Manuel Arriagada	2,604	0.0035
Juan Carlos Ferrer	8,821	0.0119
Ricardo García	13,545	0.0183
Daniel Bortnik	17,644	0.0238





Share transactions in Chile

2021	Shares	Amount (CLP)	Average Price (CLP)
1st Quarter	642,631	3,454,196,277	5,375.09
2nd Quarter	974,037	4,601,279,082	4,723.93
3rd Quarter	1,041,231	3,780,137,515	3,630.45
4th Quarter	1,254,939	3,046,105,752	2,427.29

2020	Shares	Amount (CLP)	Average Price (CLP)
1st Quarter	455,923	2,898,568,567	6,357.58
2nd Quarter	2,614,614	12,037,518,616	4,603.94
3rd Quarter	2,169,983	10,626,226,500	4,896.92
4th Quarter	328,157	1,445,739,478	4,405.63

Source: Santiago Stock Exchange, Chilean electronic Stock Exchange.

Share transactions in Norway

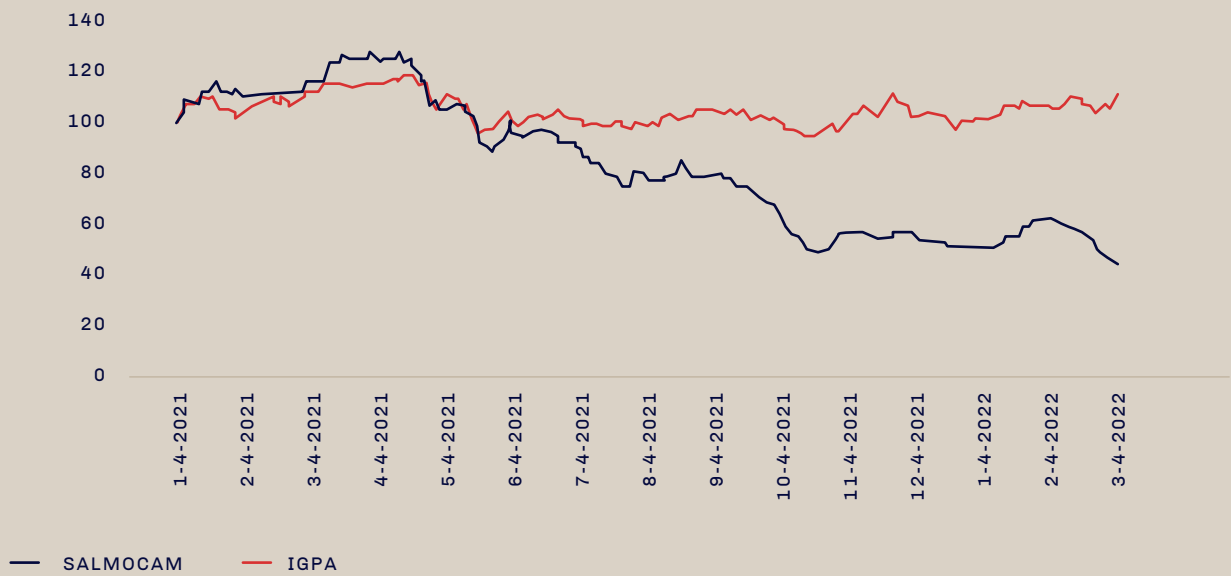
2021	Shares	Amount (NOK)	Average Price (NOK)
1st Quarter	428,300	24,610,900	57.19
2nd Quarter	91,680	5,020,467	54.85
3rd Quarter	91,118	3,927,111	43.46
4th Quarter	80,597	2,768,016	32.89

2020	Shares	Amount (NOK)	Average Price (NOK)
1st Quarter	213,683	14,433,681	67.42
2nd Quarter	1,960,754	108,221,096	54.77
3rd Quarter	1,649,649	92,436,694	55.81
4th Quarter	160,469	8,383,625	51.66

Source: Oslo Stock Eexchange  
Average price is calculated using VWAP (Volume Weighted Average Price)

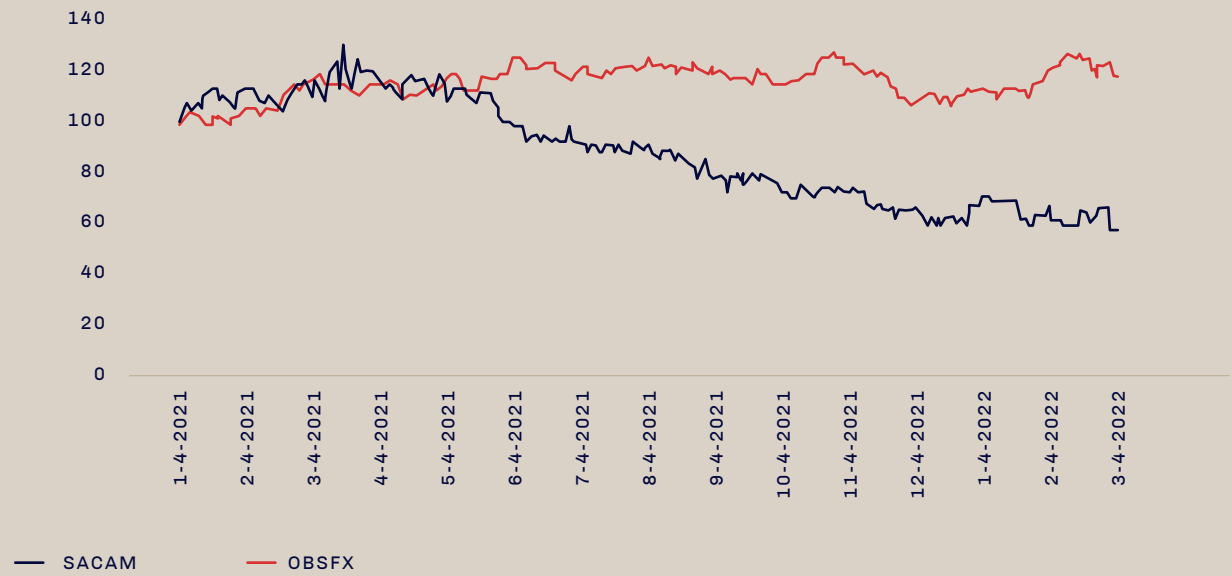
Share price development

Santiago Stock Exchange  
Base 100 (04-01-2021)



Source: Santiago Stock Exchange

Oslo Stock Exchange  
Base 100 (04-01-2021)



Source: Oslo Stock Exchange.

# Main risks and uncertainties

External variables might materially impact the Company's annual performance. The main variable affecting revenue is the price of Atlantic salmon, while the main variables affecting costs are the environmental conditions at farming sites, and the sanitary status of the salmon biomass, including the biological conversion of feed.

Individually and in aggregate, aquaculture businesses are exposed to various risks. Consequently, Salmones Camanchaca uses a risk matrix that guides the Company in order to: i) review and update the critical risk inventory and generate a map that helps manage risks; ii) assess these risks on the basis of impact and probability parameters that helps with prioritizing; iii) implement an internal audit and control plan based on the risk map that focuses resources on the most vulnerable areas; iv) generate a set of strategies to reduce the probability and impact, including insurance wherever this is feasible and financially attractive. These risk maps guide management to continuously manage and mitigate each risk and establish the corresponding responsibilities, as well as review the frequency and severity of internal controls to validate the effectiveness of mitigating measures.

The factors used to detect critical risks are the Company's mission, vision and values; short and long-term strategic planning; known risks inherent to the business; the knowledge and experience of key personnel; and other factors.

## *a. Phytosanitary risks*

The Company is exposed to risk of disease or parasites that can affect the biomass, increasing mortality or reducing the growth of specific species, and thereby, affecting production and sales volume. Examples of these risks are increases in parasitic concentrations, outbreaks of SRS or even ISA in 2008. Salmones Camanchaca has adopted strict control standards to minimize those risks, and comply with regulatory requirements with respect to coordinated fallow periods for the concessions in each

neighborhood. These standards cover the maximum fish density in cages, constant monitoring and reporting of the biomass and its biological status and health, total fish vaccination against ISA and SRS, smolt production in closed recirculating sites fed by ground-water, transport of breeders and fish for harvest in wellboats, coordinated anti-parasitic washing by neighborhood, identifying new parasitic treatments, frequent net cleaning, oxygen plants to supplement pronounced shortfalls in the water, vaccinations at the freshwater stage, and other standards. The risks associated with increased concentrations of parasites can result in early harvests, under certain circumstances, with the consequent lower harvest weights. In the extreme, they can result in unusable products. The Company is mitigating these risks by rigorously applying current treatments, diversifying the anti-parasitic treatments it applies to sites affected by higher concentrations.

## *b. Natural risks*

The Company is exposed to natural hazards that may affect its business, such as pronounced low oxygen events or harmful algae blooms, such as those seen in the Reñihue and Comau fjords between the end of Q1 2021 and the beginning of Q2 2021. It is also exposed to volcanic eruptions such as the Calbuco volcano in 2015, storm surges, tsunamis, earthquakes, natural predators, water pollution and other factors that can threaten the biomass and production infrastructure, such as the severe currents produced by heavy rains in 2020 that affected the Islotes site. Furthermore, it is exposed to non-aquaculture risks that affect people working in this industry, such as highly contagious diseases that limit normal production, intermediate or final logistic chains that can limit production and sales, such those imposed by the COVID-19 pandemic during 2020 and 2021. The Company is constantly monitoring these variables and seeking the best available locations, the latest risk prevention technologies and tools available in Chile, and appropriate insurance coverage for these risks, where available.

## *c. Product sale price risks*

The Company mainly exports its products to numerous markets and evaluates the prices it obtains using a broad commercial network. The Company adjusts the speed of its sales in accordance with production and market conditions, which are constantly in flux. However, it does not accumulate inventory in order to speculate on better sale prices in the future, notwithstanding the commercial supply programs that determine a price for a limited period of time

Prices are highly dependent on the supply from Norway and Chile and on fluctuations in exchange rates used by the Company's major trading partners, which affects demand conditions in these markets. Furthermore, demand may fall due as consumption patterns weaken, for example in the restaurant and hotel segment in 2020 as a result of the COVID-19 pandemic, which could continue well into 2021. Salmones Camanchaca has sought to safeguard against this risk through diversifying its commercial network and flexing its range of products to enable its raw material to be sent to any market.

The Company complies with production standards and protocols applied by the country with the strictest requirements in the world, in order to take advantage of all available commercial opportunities. However, there is a risk that occasionally some markets will be limited as a result of tariff, para-tariff or sanitary measures, such as the limitations imposed by Russian and Chinese markets during 2020. Should this occur, the Company believes that it is sufficiently diversified across various markets to divert trade elsewhere, although this may result in price decreases in the short-term depending on market conditions.

## *d. Purchase price risks*

The Company is exposed to changes in the price of salmon feed, which represents about half the cultivation cost. Salmones Camanchaca ensures its diets achieve a balance between feed cost and



nutritional quality at each fish development stage. The Company aims to produce a final product that contains the same amount of Omega 3 as wild salmon, as well as keeping the marine sourced feed compared to farmed fish feed (the fish in-fish out ratio) to no more than 1:1. The Company has feed contracts with prices adjusted quarterly, on a cost-plus basis. During the last few years, the prices of the main consumables used in production have remained stable, but began to rise during the second half of 2021.

## *e. Regulatory risks*

Aquaculture is strictly regulated in Chile by laws, standards and regulations issued by the corresponding authorities. Significant changes in these could impact the Company's performance. These regulations are mainly established by the General Law on Fisheries and Aquaculture, and its associated regulations that assign concessions, manage the biomass and set preventive sanitary standards. The Company is constantly monitoring changes in regulations in order to anticipate and mitigate any potential impact.

The regulations governing salmon farming densities were changed with effect from Q4 2016, and a smolt stocking reduction program was introduced (SRP) as an alternative to the general density regime. This program requires stocking and farming densities to be reduced when sanitary performance has fallen, or when smolt stockings are expected to grow in the area. The SRP mechanism





gives producers the option to replace a reduction in density, when appropriate, with a smolt stocking plan that considers growth containment with respect to the previous cycle, so maintaining densities at maximum permitted levels.

Since the Company's policy has been to use its assets to provide services to third parties/producers, it has routinely leased out several farming sites. Regulations attribute the history of concession use to the concession owner, allowing the Company to use the history of smolt stocking at farming sites leased to third parties in its smolt stocking plans, without affecting the growth of smolt stocking in the areas involved. Therefore, as lease contracts expire, the Company expects Atlantic salmon harvests of 60,000 MT WFE at its own farming sites, plus another 15,000 to 16,000 MT WFE of other species.

Most of the concessions held by Salmones Camanchaca for farming fish are of indefinite duration. However, in order to retain the concession, the current regulation requires a minimum amount of use. If minimum use is not achieved, the concession may be revoked. This has led the Company to operate some of its farming sites at minimum capacity where they are at risk of revocation, which results in additional expenses. This situation generates a regulatory contradiction between an obligation to use the concession, and legislation that prefers smolt stocking growth containment, in order to preserve a healthy sanitary situation.

Examples of these risks are limitations on smolt stocking due to anaerobic marine conditions in the concessions, the obligatory use of concessions to avoid them lapsing, and changes in anchoring requirements, all of which can materially impact costs. Congress is discussing the introduction of regulations to mitigate the impacts of marine farming. However, these discussions are still at an early stage, so their impact cannot be estimated.

The financial statements could be affected by changes in economic policies, specific regulations and other standards introduced by authorities.

*f. Social and political risks*

Specific social conditions and/or political situations, such as riots, violence or protests, can generate temporary operational interruptions that affect the continuity of processing plants, primary and/or secondary logistics at export ports, access to specific public services, such as customs or health authorities, availability of labor or security of onshore facilities when faced with strikes, protests, etc. These situations can affect and delay harvests, production or shipments of products to target markets. For example, the social unrest in Chile during the second half of 2019, which interrupted logistics chains. The Company continuously monitors these situations to ensure that its staff, facilities and products are safe, and regularly evaluates mitigating measures, including whether insurance policies are cost-effective.

*g. Liquidity risks*

Liquidity risk is the risk of potential mismatches between the funds needed for investments in assets, operating expenses, finance costs, repayment of debt as it matures and dividend payments, and funding sources such as product sales revenue, collections from customers, disposal of financial investments and access to financing.

Salmones Camanchaca conservatively and prudently manages this risk by preparing cash flow forecasts for at least the next 12 months and by maintaining sufficient liquidity and access to third-party financing facilities, while carefully ensuring that it complies with all its financial obligations. These were the reasons for restructuring its debt in 2013, 2017, 2020 and 2021.

*h. Interest rate risks*

The Company is exposed to interest rate risk since its long-term financing includes a variable interest rate component, which is adjusted every six months. The Company continually evaluates its hedging opportunities, which depend on market conditions. However, it has not used them in the last five years given the interest rate trends and the expansive monetary policies adopted by the main economies since 2008. Exposure to this risk has increased as a result of its increased borrowing.

*i. Foreign exchange risks*

A substantial proportion of Salmones Camanchaca's revenue arises from contracts and commercial agreements in US dollars. However, given the diversity and importance of markets other than the North American market, which have historically represented approximately 50% of total exports, any devaluation of the US dollar against these markets' currencies and/or the Chilean Peso, could have an impact on market demand and consequently on prices, which would affect the financial performance of the Company.

Corporate policy is to agree income, cost and expenses in US dollars whenever possible. When that is not possible, expenses in Chilean pesos are converted to US dollars, which may appear higher if the Chilean peso appreciates. The Company occasionally evaluates exchange rate hedging instruments for its peso-denominated expenses, based on market conditions, which results in non-operating income or loss, respectively, for any operational loss or income produced.

The Company borrows from financial institutions in U.S. dollars.

*j. Credit risks*

1. Surplus cash investment risk  
The Company has a highly conservative policy for investing its cash surpluses. This policy covers the quality of both financial institutions and their financial products.
2. Sales risk  
The Company has credit insurance policies covering most sales that do not require immediate payment. The remaining sales are backed by letters of credit, advance payments, or are sales to customers with good payment performance.

Operational stoppages at ports or by customs or other institutions, as well as protests, marches or road blockages, may affect and delay shipments of our products to the markets where they are sold. Therefore, the Company continuously monitors these variables in order to anticipate any issues and identify alternatives to minimize the impact.

*k. Operational business continuity risk*

The Company operates with an ERP system (SAP) which generates the financial statements, and is fed by several peripheral systems specific to each of the operations (Mercatus, BUK, Innova, etc.). These databases contain cloud security systems and protocols, firewalls, permanent monitoring and use of updated antivirus to prevent and detect attacks on a timely basis, among other security measures. Continuously, the Company tests these measures through processes such as "Ethical Hacking" and "Ethical Phishing" to identify vulnerabilities.

However, despite these mitigations, the Company is subject to attacks that may affect its data security with potential risks of operational discontinuities, which could have financial impacts.

# Tax, investment and financing and dividend policies

## Tax policy

This policy, approved by the Board of Directors on 23rd June 2021, defines the internal procedures that relate to compliance with the tax obligations of the Company and its subsidiaries.

1. Salmones Camanchaca S.A. and its subsidiaries will ensure compliance with tax legislation in Chile and every nation. They will pay their tax obligations in accordance with the legal and tax regulations in each country.
2. The company will be governed by the principle of cooperation with the tax authorities, based on trust, good faith, professionalism, and collaboration; without prejudice to the legitimate differences that, based on the above principles and in the interpretation of the applicable norms, may arise in the defense of the social interest of Salmones Camanchaca.
3. The Company commits to provide the information requested by the respective authorities, provided it is required to comply with fiscal or tax regulations.
4. Salmones Camanchaca relies on external expert advisors to comply with these principles. They will ensure that the appropriate tax regulations are correctly interpreted, and that the taxation processes associated with declarations, payments, and the flow of information to the respective tax authorities are correctly controlled.
5. The company undertakes that it does not transfer the value earned from its businesses to jurisdictions with lower tax rates.
6. Market conditions and the corporate interest will apply to transactions between related companies and transfer prices at Salmones Camanchaca. These conditions will be similar to those that apply to independent counterparties for comparable transactions and circumstances. The corresponding balances and principal transactions are reported every quarter in the respective notes to the financial statements.
7. Salmones Camanchaca committed to not using secret

- jurisdictions or “tax havens” to evade taxation and that its corporate structure is not designed for that purpose.
8. The company's management seeks adoption of measures required to disseminate and verify full compliance with this Corporate Taxation Policy.

## Investment and financing policy

Over time, the Company’s investment policy has focused on maintaining all production assets in optimal operating conditions. Therefore, each year it invests a fraction of the book basis depreciation of its property, plant and equipment incurred during the prior year. It also makes investments in property, plant and equipment and concessions in order to boost its production capacity in order to comply with its strategic development plan. These investments are financed using corporate resources, by selling assets or with long-term loans from financial institutions. Investments in working capital are funded with corporate resources or short-term bank financing. The Company has covenants with these banks to maintain a debt over EBITDA coverage ratio no greater than 4 times and a ratio of equity to assets equal to or greater than 40%, in accordance with the lending agreement signed in November 2017. As a result of the effects of the pandemic that affected the results of the 2020 and 2021 financial years, the calculation of the debt coverage ratio was not complied with, a situation that was authorized by the creditor banks.

In the context of the weak financial results of 2021 impacted by the Algae Bloom, a review of the investments was carried out, seeking to maintain a more conservative liquidity position. Thus, investments for the year amounted to USD 18.2 million, 14% lower than the USD 21.1 million in 2020. of which USD 11.7 million focused on plans to maintain and preserve current assets, USD 2.3 million on projects carried out to comply with current regulations and USD 4.2 million on expanding our productive capacities, especially

focused on risk diversification with the opening of centers in Region XI and efficiency in value-added plants.

By 2022, approximately USD 35 million is expected to be invested. About 87% of these investments will be destined to maintain and preserve current assets, and the rest will focus on expansions of our productive capacities according to the Company's growth and risk mitigation plan, as well as compliance with regulations.

## Dividend policy

The current dividend policy of Salmones Camanchaca S.A. approved by the Board of the company is as follows:

- a. The Company shall distribute definitive annual dividends after the approval of the balance sheet of each fiscal year by the Annual general Meeting, in an amount that will be at least equal to 30% of the net profits susceptible of being distributed as shown in the relevant balance sheet.
- b. The Company will not distribute interim dividends unless so decreed by the Board for a particular distribution.
- c. The terms indicated in “a” and “b” above may be modified by the Board in the future.

## Dividends

Salmones Camanchaca does not present in its financial statements a provision of dividends payable for the year ended December 31, 2021, due to no distributable income during the year 2021.

## Dividends paid

N° of shareholders: 53 according to SERCOR's list that includes deposit and stock custody companies.

Dividend type	Financial Year	Dividend per share	Payment date
Final	2017	0.05081	May 25, 2018
Final	2018	0.36015	May 13, 2019
Final	2019	0.255302	May 12, 2020
Final	2020	0	N/A



# Financial statements, earnings report

and summary of financial statements of subsidiaries



FINANCIAL STATEMENTS 2021



EARNINGS REPORT 2021



SUBSIDIARY FINANCIAL  
STATEMENTS





# Directors' Responsibility statement

The Board of Directors and the CEO of Salmones Camanchaca S.A., sign this Annual Report and state under oath that the information contained in it is the faithful expression of the truth and they confirm, to the best of their knowledge, that the financial statements for the period January 1 to December 31, 2021 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole.

They also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the main risks and uncertainties the entity and the group face.

Santiago, 28st March 2022.

Jorge Fernández García  
**CHAIRMAN**  
6.377.734-K

Ricardo García Holtz  
**VICECHAIRMAN**  
6.999.716-3

Francisco Cifuentes Correa  
**BOARD MEMBER**  
4.333.851-K

Joaquín Villarino Herrera  
**BOARD MEMBER**  
9.669.100-9

Tore Valderhaug  
**BOARD MEMBER**  
26.622.508-3

Felipe Sandoval Precht  
**BOARD MEMBER**  
7.673.035-0

Rodrigo Errázuriz Ruiz-Tagle  
**BOARD MEMBER**  
5.618.098-2

Manuel Arriagada Ossa  
**CEO**  
12.149.818-9



Appendix

CHAPTER 5: MEANINGFUL EMPLOYMENT

Number of people by length of service

Position	Gender	Under 3 years	Between 3 and 6 years	Between 6 and 9 years	Between 9 and 12 years	Over 12 years	Total
Senior Managers	Women	0	0	0	0	0	0
	Men	1	2	0	2	0	5
Executives	Women	1	0	0	0	2	3
	Men	3	3	1	0	11	18
Supervisors	Women	0	2	3	3	2	10
	Men	6	10	9	23	23	71
Operators	Women	288	67	27	76	2	460
	Men	466	171	66	148	31	882
Sales force	Women	1	0	0	0	1	2
	Men	0	0	0	0	0	0
Administrators and technicians	Women	32	13	3	6	4	58
	Men	58	23	17	15	18	131
Auxiliaries	Women	0	0	0	0	0	0
	Men	0	0	0	0	0	0
Professionals	Women	28	13	5	5	4	55
	Men	82	34	17	36	11	180
Other technicians	Women	0	0	0	0	0	0
		0	0	0	0	0	0
Total		966	338	148	314	109	1,875

Age Diversity - Detail by position and gender

Position	Women	Men	Total
Senior Managers	0	5	5
Executives	3	18	21
Supervisors	10	71	81
Operators	460	882	1,342
Sales force	2	0	2
Administrators and technicians	58	131	189
Auxiliaries	0	0	-
Professionals	55	180	235
Other technicians	0	0	-
Total	588	1,287	1,875

Age Diversity – Detail by Position and Age

Position	Under 30 years		Between 30 and 40 years		Between 41 and 50 years		Between 51 and 60 years		Between 61 and 70 years		Over 70 years		Total
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Senior Managers	0	0	0	0	5	0	0	0	0	0			5
Executives	0	0	3	1	7	2	5	0	3	0			21
Supervisors	0	1	29	5	25	4	16	0	1	0			81
Operators	259	136	233	139	194	99	155	66	41	20			1,342
Sales force	0	0	0	1	0	1	0	0	0	0			2
Administrators and technicians	32	19	49	18	24	15	18	6	8	0			189
Auxiliaries													0
Professionals	27	16	87	28	49	7	15	4	2	0			235
Other technicians													0
Total	318	172	401	192	304	128	209	76	55	20	0	0	1,875

Distribution by Nationality - Detail by charge

Nacionality	Senior Managers		Executives		Supervisors		Operators		Sales force		Administrators and technicians		Auxiliaries		Professionals		Other technicians	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Chilean	5	-	18	3	71	10	855	437	-	2	128	56	-	-	174	52	-	-
Venezuelan	-	-	-	-	-	-	12	12	-	-	3	2	-	-	6	3	-	-
Haitian	-	-	-	-	-	-	13	7	-	-	-	-	-	-	-	-	-	-
Peruvian	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-
Mexican	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Colombian	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Paraguayan	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Ecuadorian	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Total	5	-	18	3	71	10	882	460	-	2	131	58	-	-	180	55		



Accident Indicators

	Num-ber	Total hours worked	Hours worked, basis for rate calculation (200,000 or 1,000,000)	Rate
For all employees				
Deaths from an injury from a workplace accident	0	2,887,891	1,000,000	0
Injuries from a workplace accident with severe consequences (not including death)	0	2,887,891	1,000,000	0
Recorded injuries from workplace accidents	36	2,887,891	1,000,000	12.47
For all workers who are not employees, but whose jobs or workpla-ces are controlled by the organization	Number	Total hours worked	Hours worked, basis for rate calculation (200,000 or 1,000,000)	Rate
Deaths from an injury from a workplace accident	0	818,781	1,000,000	0
Injuries from a workplace accident with severe consequences (not including death)	0	818,781	1,000,000	0
Recorded injuries from workplace accidents	19	818,781	1,000,000	23.21

CHAPTER 5: PROFITABLE AND RESPONSABLE BUSINESS

Local suppliers

Number of suppliers	2021
Total number of suppliers	1.236
Number of local (national) suppliers	1.213
Number of international suppliers	23
Percentage of local (national) suppliers	98%
Number of critical suppliers	72
Percentage of critical suppliers (of total suppliers)	6%
Number of SME suppliers	604
Percentage of SME suppliers	49%
Percentage of purchases from SME suppliers	24%
Purchases (million USD)	2021
Total purchases (million USD)	313,72
Purchases from local suppliers (GRI 204-1)	312,69
Purchases from international suppliers	1,03
Percentage of purchases from local (national) suppliers.	99,70%
Purchases from critical suppliers	139,13

# Methodology

## About this Report

Salmones Camanchaca publishes its Annual Report and Sustainability Report every year and, in 2021, for the first time, the Company produced a single document that brings together both financial and sustainability information in an Integrated Report. The objective of this integrated report is to make visible and communicate the economic, social, environmental and governance impact to its various stakeholders.

This is the Company's eighth consecutive publication that reports sustainability indicators, and includes information from January 1 to December 31, 2021 , considering its grow-out farms, hatcheries and processing plants.

## Content Definition

To determine the social, environmental and governance (ESG) matters on which Salmones Camanchaca impacts, recommendations, foundations, and indicators of the Global Reporting Initiative (GRI), in its GRI Standards version (2016 and 2018), are sought, under the "essential" compliance option. In addition, the Company's strategy and goals are aligned with the Sustainable Development Goals (SDGs) of the 2030 Agenda promoted by the United Nations (UN).

In addition, the content of the Integrated Report is prepared in accordance with the criteria and content required by the CMF, in its NCG No. 30 and in a first exercise, voluntarily, integrating certain requirements of the new standard NCG No. 461, which includes sustainability information in the annual reports.

In addition to the above, all financial, food safety, environmental and social performance information is evaluated periodically and independently, according to the guidelines of the Best Aquaculture Practices (BAP) standards, the Aquaculture Stewardship Council (ASC), GLOBAL G.A.P. Standard, ISO Standards (ISO 9001, ISO 14001 and OHSAS 18001) and by the Company's clients .

In order to make the impact on stakeholders even more transparent, Salmones Camanchaca informs that this Integrated Report 2021 was verified by the external audit Deloitte, which guaranteed the veracity of each of the indicators presented.

Finally, this document presents restatements of information with respect to previous reports, which have been duly indicated in the presentation of each indicator that merits it. There are no changes in methodologies or other criteria.

## Topic Materials and Coverage

In 2019, Salmones Camanchaca developed a materiality process based on operational impacts, global trends and an analysis of priorities of each stakeholder group. In this process, 25 material issues were identified, which today make up the most relevant strategic trends through the Sustainability Model.

In 2021, although the same materiality was used, the Company deepened in identifying the level of progress and maturity of each of these issues, considering the milestones and particularities of the year. To do this, they consulted the 11 management areas of the company, which allowed them to reorganize and regroup the various material issues, focusing on 16 relevant items.

## Materiality Matrix

Stakeholder Relevance	High		<ul style="list-style-type: none"><li>• Inclusive territorial development</li><li>• Environment and Ecosys-tems: Sustainable use of raw materials</li><li>• Environment and Ecosystems: GHG Mitigation</li><li>• People development</li><li>• Workers: engagement and meaningful employment</li></ul>	<ul style="list-style-type: none"><li>• Product: safety and nutrition</li><li>• Communities: local engagement and conflict resolution</li><li>• Fish: biosafety and animal welfare</li><li>• Environment and Ecosystems: liquid, industrial solid, chemical and organic waste management</li><li>• Environment and Ecosystems: wildlife interaction</li><li>• Corporate Culture: ethics, transparency and compliance</li><li>• Human Rights (workers and community)</li><li>• Workers: occupational safety, health and welfare</li></ul>
	Moderate	<ul style="list-style-type: none"><li>• Local and global Access to the product</li></ul>	<ul style="list-style-type: none"><li>• Harmonious use of the territory and shared resources</li><li>• Environment and Ecosystems: energy and water eco-efficiency</li><li>• Environment and Ecosystems: terrestrial environmental impacts</li><li>• Responsible sourcing</li><li>• Innovation, R&amp;D and digital transformation</li></ul>	<ul style="list-style-type: none"><li>• Corporate culture: corporate governance and risk management</li><li>• Customer satisfaction</li><li>• Business profitability</li><li>• Adaptation to climate change</li></ul>
	Low		<ul style="list-style-type: none"><li>• Sustainability Partnership</li></ul>	
		Low	Moderate	High
Business Relevance				

If you have any doubts or questions about the Sustainability Report, you can contact the Company by e-mail: [inversionistas@camanchaca.cl](mailto:inversionistas@camanchaca.cl)  
For details about the entities included in the Financial Statements, please see the Annual Report, available at: <https://www.camanchaca.cl/inversionistas/memoriasanuales/>



# Index of applied standards

GRI Index

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Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
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Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
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	304-1	Operation farms owned, leased or managed located within or next to protected areas or areas of high value for biodiversity outside protected areas	Sustainability	Healthy ecosystems	177, 178	
	304-2	Significant impacts of activities, products and services on biodiversity	Sustainability	Healthy ecosystems	177, 179	
	304-3	Habitats protected or restored	Sustainability	Healthy ecosystems	178	
	304-4	Species that appear on the UINC Red List and on national conservation lists whose habitats are in areas affected by operations	Sustainability	Healthy ecosystems	181	
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GHG mitigation	103-1	Explanation of the material topic and its Limit	Sustainability	Healthy ecosystems	169	
	103-2	The management approach and its components.	Sustainability	Healthy ecosystems	169	
	103-3	Evaluation of the management approach.	Sustainability	Healthy ecosystems	169	
	305-1	Direct GHG emissions (scope 1) last 4 years	Sustainability	Healthy ecosystems	169	
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Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
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Wastes						
Management of liquid, solid industrial, chemical and organic waste	103-1	Explanation of the material topic and its Limit	Sustainability	Healthy ecosystems	188	
	103-2	The management approach and its components.	Sustainability	Healthy ecosystems	188	
	103-3	Evaluation of the management approach.	Sustainability	Healthy ecosystems	188	
	306-1	""Generation of waste and significant impacts related to waste ""	Sustainability	Healthy ecosystems	188	
	306-2	Management of significant impacts related to waste	Sustainability	Healthy ecosystems	188	
	306-3	Waste generated	Sustainability	Healthy ecosystems	188	
Environmental Compliance						
Environmental impacts	103-1	Explanation of the material topic and its Limit	Corporate governance	Ethical management	78	
	103-2	The management approach and its components.	Corporate governance	Ethical management	78	
	103-3	Evaluation of the management approach.	Corporate governance	Ethical management	78	
	307-1	"Non-compliance with environmental legislation and regulations"	Corporate governance	Ethical management	78	
Environmental Assessment of Suppliers						
Responsible Sourcing	103-1	Explanation of the material topic and its Limit	Sustainability	Profitable and responsible business	192, 193	
	103-2	The management approach and its components.	Sustainability	Profitable and responsible business	192, 194	
	103-3	Evaluation of the management approach.	Sustainability	Profitable and responsible business	192, 195	

Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
Acquisition Practices						
Responsible Sourcing	204-1	Proportion of spending on local suppliers	Sustainability	Profitable and responsible business	194	More Detail Information on Pag 235
	308-1	New suppliers that have passed evaluation and selection filters in accordance with environmental criteria	Sustainability	Profitable and responsible business	192, 193, 194	
	308-2	Negative environmental impacts in the supply chain and actions taken.	Sustainability	Profitable and responsible business	192, 193, 195	More Detail Information on Page 235
	Social Evaluation of Suppliers					
	414-1	New suppliers that have passed evaluation and selection filters according to social criteria	Sustainability	Profitable and responsible business	192, 193	
	414-2	Negative social impacts in the supply chain and actions taken	Sustainability	Profitable and responsible business	192, 194	

CATEGORY: Social performance

Job						
Commitment and meaningful employment	103-1	Explanation of the material topic and its Limit	Sustainability	Meaningful employment	138	
	103-2	The management approach and its components.	Sustainability	Meaningful employment	138	
	103-3	Evaluation of the management approach.	Sustainability	Meaningful employment	138	
	202-1	Ratio of standard entry-level salary by sex to local minimum wage	Sustainability	Meaningful employment	137	
	401-1	New employee hires and staff turnover	Sustainability	Meaningful employment	138	
	401-2	Benefits for full-time employees that are not given to part-time or temporary employees	Sustainability	Meaningful employment	140	
	401-3	Parental leave	Sustainability	Meaningful employment	140	
	402-1	Minimum notice periods on operational changes	Sustainability	Meaningful employment	149	



Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
Commitment and meaningful employment	405-1	Diversity in governing bodies and employees	Sustainability	Meaningful employment	135	
	405-2	Ratio of base salary and remuneration of women to men by position	Sustainability	Meaningful employment	137	
Health and Safety at Work						
Occupational safety, health and welfare	103-1	Explanation of the material topic and its Limit	Sustainability	Meaningful employment	146	
	103-2	The management approach and its components.	Sustainability	Meaningful employment	146	
	103-3	Evaluation of the management approach.	Sustainability	Meaningful employment	146	
	403-1	Occupational health and safety management system.	Sustainability	Meaningful employment	146	
	403-2	Hazard identification, risk assessment and incident investigation	Sustainability	Meaningful employment	150	
	403-3	Occupational health services.	Sustainability	Meaningful employment	149	
	403-4	Worker participation, consultation and communication on health and safety at work	Sustainability	Meaningful employment	149	
	403-5	Training of workers on health and safety at work.	Sustainability	Meaningful employment	149	
	403-6	Promotion of workers' health	Sustainability	Meaningful employment	149	
	403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked through commercial relationships	Sustainability	Meaningful employment	150	
	403-8	Workers covered by an occupational health and safety management system.	Sustainability	Meaningful employment	151	
	403-9	Work accident injuries.	Sustainability	Meaningful employment	151	
	403-10	Occupational diseases and illnesses	Sustainability	Meaningful employment	152	
Training and teaching						
People Development	103-1	Explanation of the material topic and its Limit	Sustainability	Meaningful employment	142	
	103-2	The management approach and its components.	Sustainability	Meaningful employment	142	

Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
People Development	103-3	Evaluation of the management approach.	Sustainability	Meaningful employment	142	
	404-1	Average hours of training per year per employee	Sustainability	Meaningful employment	142	
	404-2	Programs to improve employee skills and transition assistance programs	Sustainability	Meaningful employment	142	
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability	Meaningful employment	142	
Human Rights						
Human Rights (workers and community)	103-1	Explanation of the material topic and its Limit	Sustainability	Ethical management	78	
	103-2	The management approach and its components.	Sustainability	Ethical management	78	
	103-3	Evaluation of the management approach.	Sustainability	Ethical management	78	
	406-1	Cases of discrimination and corrective actions taken	Corporate governance	Ethical management	78	
	407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	Sustainability	Meaningful employment	145	No operations or suppliers have been identified whose right to freedom of association and collective bargaining could be at risk.
	408-1	Operations and suppliers with significant risk of cases of child labor	Sustainability	Meaningful employment	NA	No operations or suppliers have been identified with significant risk of cases of child labor.
	409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor	Sustainability	Meaningful employment	NA	Operations and suppliers with significant risk of cases of forced or compulsory labor have not been identified.
	412-1	Operations that have been subject to human rights reviews or impact assessments	Corporate governance	Ethical management	77	100% of operations have been subject to human rights review

Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
	412-2	Employee training on human rights policies or procedures.	Corporate governance	Ethical management	77	
	412-3	Significant investment agreements and contracts that include human rights clauses or that have undergone a human rights review.	Sustainability	Prosperous communities	165	
Local communities						
Local engagement and conflict resolution	103-1	Explanation of the material topic and its Limit	Sustainability	Prosperous communities	164	
	103-2	The management approach and its components.	Sustainability	Prosperous communities	164	
	103-3	Evaluation of the management approach.	Sustainability	Prosperous communities	164	
	413-1	Operations with local community participation, impact evaluations and development programs	Sustainability	Prosperous communities	164	
Terrestrial environmental impacts	103-1	Explanation of the material topic and its Limit	Sustainability	Prosperous communities	158	
	103-2	The management approach and its components.	Sustainability	Prosperous communities	158	
	103-3	Evaluation of the management approach.	Sustainability	Prosperous communities	158	
	413-2	Operations with significant negative impacts - actual and potential - on local communities	Sustainability	Prosperous communities	158, 164	
Public politics						
Ethics and Compliance	103-1	Explanation of the material topic and its Limit	Corporate governance	Ethical management	77	
	103-2	The management approach and its components.	Corporate governance	Ethical management	77	
	103-3	Evaluation of the management approach.	Corporate governance	Ethical management	77	
	415-1	Contribution to political parties and/or representatives	Corporate governance	Ethical management	77	
	Unfair competition practices					
	419-1	Non-compliance with laws and regulations in the social and economic spheres	Corporate governance	Ethical management	78	

Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
Customer health and safety						
Product: safety and nutrition	103-1	Explanation of the material topic and its Limit	Sustainability	Nutritious and healthy food	115	
	103-2	The management approach and its components.	Sustainability	Nutritious and healthy food	115	
	103-3	Evaluation of the management approach.	Sustainability	Nutritious and healthy food	115	
	416-1	Assessment of the health and safety impacts of the product and service categories	Sustainability	Nutritious and healthy food	115	
	417-2	Cases of non-compliance related to information and labeling of products and services	Sustainability	Nutritious and healthy food	115	No cases of non-compliance related to information and labeling of products and services were identified.
	417-3	Cases of non-compliance related to marketing communications	Sustainability	Nutritious and healthy food	115	No instances of non-compliance related to marketing communications are identified.
Biosecurity and animal welfare	103-1	Explanation of the material topic and its Limit	Sustainability	Nutritious and healthy food	115	
	103-2	The management approach and its components.	Sustainability	Nutritious and healthy food	115	
	103-3	Evaluation of the management approach.	Sustainability	Nutritious and healthy food	115	
	416-2	Cases of non-compliance related to the impacts on the health and safety of products and services	Sustainability	Nutritious and healthy food	115	



Indicator type	Indicator	Description	Chapter	Section	Page	Omissions / Response
Client Privacy						
Customer satisfaction	103-1	Explanation of the material topic and its Limit	Sustainability	Profitable and responsible business	199	
	103-2	The management approach and its components.	Sustainability	Profitable and responsible business	199	
	103-3	Evaluation of the management approach.	Sustainability	Profitable and responsible business	199	
	418-1	Substantiated complaints regarding violations of customer privacy and loss of customer data	Sustainability	Profitable and responsible business	199	The company does not register justified complaints about violations of customer privacy and loss of customer data

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Indicator	Description	Chapter	Section	Page
1.	Index of contents			4, 5
Entity profile				
2.1.	Mission, vision and values	We are Salmones Camanchaca	Mission, vision and values	29
2.2.	Historic information	We are Salmones Camanchaca	Company´s History	34, 35
2.3.1.	Control situation	We are Salmones Camanchaca	Ownership structure	42
2.3.2.	Significant changes in ownership or control	We are Salmones Camanchaca	Ownership structure	42
2.3.3.	Identification of partners or majority shareholders	We are Salmones Camanchaca	Corporate structure	39
2.3.4.	Shares, their characteristics and rights	Financial information	Corporate structure	39
2.3.5.	Other values	Financial information	Tax policies, investment, financing and dividend	39
Corporate governance				
3.1.	Governance framework	Corporate governance	Governance of excellence	50
3.2.	Directory	Corporate governance	Board of Directors	58,59
3.3.	Board committee	Corporate governance	Directors' Committee	71,72
3.4.	Main executives	Corporate governance	Key Executives	84,85
3.5.	Adherence to national or international codes	Business Description	Our operations	87
3.6.	Risk management	Corporate governance	Risks Management	79,80,81
3.7.	Relationship with shareholders and the general public	Sustainability	Creation of value in Salmones Camanchaca	88
Strategy				
4.1.	Time horizons	We are Salmones Camanchaca	Strategy	32
4.2.	Strategic objectives	We are Salmones Camanchaca	Strategy	32
4.3.	Investment plans	We are Salmones Camanchaca	Strategy	31
People				
5.1.1.	Number of people by sex	Sustainability	Meaningful employment	133
5.1.2.	Number of people by nationality	Sustainability	Meaningful employment	136
5.1.3.	Number of people by age range	Sustainability	Meaningful employment	135
5.1.4.	Labor Old	Sustainability	Meaningful employment	133
5.1.5.	Number of people in a situation of disability	Sustainability	Meaningful employment	135
5.2.	Labor formality	Sustainability	Meaningful employment	133
5.3.	Work adaptability	Sustainability	Meaningful employment	133

Indicator	Description	Chapter	Section	Page
5.4.1.	Equity policy	Sustainability	Meaningful employment	137
5.4.2.	Salary gap by gender	Sustainability	Meaningful employment	137
5.5.	Workplace and sexual harassment	Sustainability	Meaningful employment	144
5.6.	Job security	Sustainability	Meaningful employment	146
5.7.	Postnatal leave	Sustainability	Meaningful employment	140
5.8.	Training and benefits	Sustainability	Meaningful employment	140, 142,143
5.9.	Subcontracting Policy	Sustainability	Profitable and responsible business	192, 193, 194
Business Model				
6.1.	Industry sector	Business Description	Industry sector	84
6.2.	Business	Business Description	Industry sector	84,85
6.3.	Stakeholders	Business Description	Our operations	88
6.4.	Properties and facilities	Business Description	Our operations	90,91
6.5.1.	Subsidiaries and associates	We are Salmones Camanchaca	Subsidiary companies	44
6.5.2.	Investment in other companies	We are Salmones Camanchaca	Subsidiary companies	44
Supplier Management				
7.1.	Payment to suppliers	Sustainability	Profitable and responsible business	194
7.2.	Supplier Evaluation	Sustainability	Profitable and responsible business	192,193
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8.1.1.	In relation to clients	Corporate governance	Management of ethics and internal control	99
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8.1.5.	Others	Corporate governance	Management of ethics and internal control	17
9.	Relevant or essential facts	Corporate governance	Highlights of the year	36,37
10.	Shareholder and directors committee comments	Financial information	Financial statements, reasoned analysis and summary financial statements subsidiaries	204 - 219
11.	Financial reports	Financial information	Financial statements, reasoned analysis and summary financial statements subsidiaries	205 - 219

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Indicator	Description	Chapter	Section	Page
Greenhouse gas emission				
FB-MP-110a.1	Gross Global Scope 1 Emissions	Sustainability	Healthy ecosystems	
FB-MP-110a.2	Analysis of the long-term and short-term strategy or plan to manage scope 1 emissions, emission reduction targets, and analysis of results in relation to those targets	Sustainability	Healthy ecosystems	168, 169
Energy management				
FB-MP-130a.1	(1) Total energy consumed, (2) percentage of electricity from the grid, (3) percentage of renewables	Sustainability	Healthy ecosystems	170, 171
Water Managment				
FB-MP-140a.1	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with high or extremely high initial water stress	Sustainability	Healthy ecosystems	171, 172
FB-MP-140a.2	Description of water management risks and analysis of strategies and practices to mitigate them	Sustainability	Healthy ecosystems	175
FB-MP-140a.3	Number of incidents of non-compliance with water quality permits, standards and regulations	Sustainability	Healthy ecosystems	175
Land use and effects				
FB-MP-160a.1	Amount of manure and animal waste generated, percentage managed under a nutrient management plan	Sustainability	Healthy ecosystems	187
FB-MP-160a.3	Animal protein production from concentrated animal feeding operations (CAFOs)	Sustainability	Nutritious and healthy food	118
Food safety				
FB-MP-250a.1	Global Food Safety Initiative (GFSI) Audit: (1) nonconformity rate and (2) corresponding corrective action rate for a) major and b) minor nonconformities	Sustainability	Nutritious and healthy food	115
FB-MP-250a.2	Percentage of supplier facilities certified under a Global Food Safety Initiative (GFSI) food safety certification program	Sustainability	Nutritious and healthy food	115



Indicator	Description	Chapter	Section	Page
FB-MP-250a.3	(1) Number of recalls issued and (2) total weight of recalled products	Sustainability	Nutritious and healthy food	In total, the number of withdrawals and the total weight of withdrawn products is zero.
Use of antibiotics in animal production				
FB-MP-260a.1	Percentage of animal production that received (1) antibiotics of medical importance and (2) antibiotics of non-medical importance, by type of animal		Nutritious and healthy food	125
Health and workforce safety				
FB-MP-320a.1	(1) Total Recordable Incident Rate (TRIR) and (2) Fatality Rate	Sustainability	Meaningful employment	151
FB-MP-320a.2	Description of activities to assess, monitor and mitigate acute and chronic respiratory conditions	Sustainability	Meaningful employment	150
Impacts environmental and social supply chain supply of animals				
FB-MP-430a.2	Percentage of supplier and contracted production facilities that have been verified as meeting animal welfare standards	Sustainability	Nutritious and healthy food	113
Supply of food and animals				
FB-MP-440a.3	Analysis of the management strategy of the opportunities and risks for obtaining pellets and the supply of livestock presented by climate change	Sustainability	Nutritious and healthy food	119

# Deloitte.

## Independent Auditor Report

Santiago, March, 2022

Salmones Camanchaca S.A.  
Present

Of our consideration:

We have reviewed the following aspects of the Greenhouse Gas Emissions Inventory for the 2021 period, of Salmones Camanchaca.

### Alcance

Salmones Camanchaca has requested Deloitte to verify the Inventory of Greenhouse Gas Emissions, for the period 2021.

Said report contemplates the estimation of the Corporate Carbon Footprint of the operations over which Salmones Camanchaca exercises total control for the period between January 1, 2021 and December 31, 2021. The process was carried out considering consumption GHG emissions fuel, refrigerant gases, electricity consumption, food consumption, waste generation, external logistics, flights and customer distribution.

The total emissions declared in the 2021 Greenhouse Gas Emissions Inventory Salmones Camanchaca are presented in table 1.

Method	Scope 1	Scope 2	Scope 3	Total
Market	21,629	1,674	182,009	205,313
Location	21,629	7,116	182,009	210,755

### Methodology

Our review of the Greenhouse Gas Emissions Inventory, 2021 period, was carried out in accordance with the guidelines of ISO 14064 Part 3. It should be noted that this verification does not constitute an audit and, consequently, we do not express an audit opinion. about this statement.

The review process considered the official receipt of information, in addition to the verification activities carried out through analytical procedures and review tests described below.:

- Receipt of Excel calculations " HC-GEI\_SalmonesCamanchaca\_2021" with information and evidence for each of the scopes.
- Review of the consistency and coherence of the calculations for each of the scopes of the Greenhouse Gas Emissions Inventory. These were verified by random samples, presenting the inconsistencies by emails.
- Request and receipt of evidence not covered by the 2021 Greenhouse Gas Emissions Inventory calculation process.
- Review of the coherence of information and data of the Greenhouse Gas Inventory of Salmones Camanchaca.

Conclusions

- No aspect has been revealed that would make us believe that the Inventory of Greenhouse Gas Emissions carried out by Salmones Camanchaca has not been prepared in accordance with the applicable international standards.
- All the inconsistencies found were clarified and improved, therefore, no aspect has been revealed that would make us believe that the information provided about the Greenhouse Gas Emissions Inventory contains significant errors.

Responsibilities of Salmones Camanchaca and Deloitte

- The preparation of the Inventory of Greenhouse Gas Emissions, period 2021, as well as its content, is the responsibility of Salmones Camanchaca, which is also responsible for defining, adapting and maintaining the internal management and control systems from which it is obtained. information.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This report has been prepared exclusively in the interest of Salmones Camanchaca, in accordance with the terms established in the Letter of Commitment.
- The conclusions of the verification carried out by Deloitte are valid for the Inventory of Greenhouse Gas Emissions of Salmones Camanchaca, period 2021 received on March 28, 2022.
- The scope of a limited security review is substantially less than that of a reasonable security review or audit. Therefore, we do not provide an audit opinion on the Inventory of Greenhouse Gas Emissions of Salmones Camanchaca Period 2021.

Kind regards to you,



David Falcon  
Director



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INDEPENDENT REVISION  
SUSTAINABILITY REPORT 2021 SALMONES CAMANCHACA S.A.

Mr.  
Alfredo Tello Gildemeister  
Technical and Sustainability Manager  
Salmones Camanchaca S.A.

Of our consideration:

We have reviewed the following aspects of the 2021 Sustainability Report of Salmones Camanchaca S.A.:

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the 2021 Sustainability Report to the GRI Standards, regarding the organization’s profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

Standards and Assurance Process

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our review has consisted in an inquiry process involving different Salmones Camanchaca S.A units and management areas, involved in the process of developing the Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- ✓ Meetings with those responsible for the delivery of information and preparation of the 2021 Sustainability Report.
- ✓ Analysis of the adherence of the contents of the 2021 Sustainability Report to the GRI Standards: Core option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not material is justified.
- ✓ Verification, through tests of quantitative and qualitative information corresponding to the GRI Standards indicators included in the 2021 Report, and its adequate gathering from the data provided by Salmones Camanchaca S.A. information sources.

Conclusions

- ✓ The assurance process was based on the indicators established in the materiality process carried out by Salmones Camanchaca S.A. The revised indicators are presented in the following table:

102-1	102-2	102-3	102-4	102-5	102-6	102-7	102-8	102-9	102-10	102-11
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401-1	401-2	401-3	402-1	403-1	403-2	403-3	403-4	403-5	403-6	403-7
403-8	403-9	403-10	404-1	404-2	404-3	405-1	405-2	406-1	407-1	408-1
409-1	412-1	412-2	412-3	413-1	413-2	414-1	414-2	415-1	416-1	416-2
417-2	417-3	418-1	419-1							

In addition, the following indicators of the company were verified:

- Definition of Independent Director
- Composition of raw materials in food (%)
- Percentage of fish treated with Lufenuron
- Consumption of oral antiparasitics and baths (Grams/tonne)
- % biomass vaccinated with Livac
- Mortality Salmon Atlantic and Coho
- Stocking density (prof. 20 metros)
- Use of antibiotics (g AB/ton LWE)
- Use of sea lice chemicals (g AP/ton LWE)
- % Production ASC
- % Production BAP
- % of exports by value of sales by country
- tonnes siembra smolt Atlantic Salmon and Coho
- Tonnes of salmon harvested
- N° Escapes
- Accidental mortality of birds
- Accidental mortality of marine mammals
- Organic Waste Management / Nutrient Recovery (Omega-3 and Protein)
- FCRb (kg LWE)
- Comparison between the food conversion factor and the rate of dependence on flour (FFDRm) and fish oil (FFDRo)
- FI:FO ratio
- Materials by type, weight and percentage of the total, used in the packaging process
- Carbon Footprint (tCO2eq/tWFE)
- LTIFR: Frequency rate of accidents with lost time (workers and contractors)
- Employee turnover rate
- Working climate
- Percentage of women in leadership positions, junior and senior leadership positions
- Ratio of base salary and women's remuneration against men in charge
- Proportion of senior executives hired from the local community
- N° community engagement activities
- Local suppliers (Regional level)
- MMUS millions of local taxes
- % of attendance directors at the sessions and Total session of the year
- N° Independent directors / Total directors
- Percentage of customer satisfaction
- US\$/Kg WFE cost process
- US\$/Kg WFE sale price
- US\$ EBIT/Kg WFE
- US\$/Kg WFE costo ex -jaula
- EBIT/kg WFE
- Total tons of Atlantic salmon and coho sold and average weight of each
- Proportion of spending on local suppliers
- Definition and quantity of critical suppliers for the organization
- Evaluation of high-risk suppliers last 3 years
- Target related to high-risk providers
- High-risk suppliers in sustainability
- Suppliers with sustainability clauses
- Total number of suppliers broken down by size
- Total payment to suppliers broken down by size payment business
- N° average pay days by size
- Number of trained human rights partners disaggregated by charge and gender
- US\$ in I+D o N° Projects
- Absence of GMO
- Coordinated break from concessions
- Directory: profession, experience, other directories, experience in risk management and average seniority

- ✓ Regarding the verified indicators, we can say that no aspect has arisen to lead us to believe that the Sustainability Report has not been prepared in accordance with the GRI Standards in those areas identified in the scope.

**Salmones Camanchaca S.A. Management and Deloitte Responsibilities**

- The drafting of the 2021 Sustainability Report, as well as its contents are under Salmones Camanchaca S.A. responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This report has been prepared exclusively by Salmones Camanchaca S.A request, in accordance with the terms established in the Engagement Letter.
- We have developed our work according to the standards of Independence established in the Code of Ethics of the IFAC.
- The conclusions of the verification made by Deloitte apply to the latest version of the Salmones Camanchaca Sustainability Report received on March 28, 2022.
- The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement, thus, we are not hereby providing opinion about the 2021 Salmones Camanchaca Sustainability Report.

Sincerely,



**Christian Durán**  
Partner  
April, 2022.



