



SUSTAINABILITY
REPORT
2018

ECO-EFFICIENCY,
INNOVATION AND
SUSTAINABILITY



MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



Mario
Brescia Moreyra

> (102-10, 102-14)

I am pleased to present to you our eleventh Sustainability Report, a document which is based on the standards of the Global Reporting Initiative (GRI) and on the commitment which we have maintained to provide clear and transparent information regarding our economic, social and environmental performance to all of our stakeholders.

2018 was a very important year for TASA, because it meant a reassessment of our strategy aimed at converting TASA into the most profitable and sustainable company in the industry. In order to do that, we had to make important decisions, like the closure of the plants of Ilo and Paita, as well as focusing on the core of our business: the production, and export of anchovy fishmeal and fish oil. This involved improving our processes and business model, in order to ensure the preparation of products of the highest quality in the most efficient and sustainable manner possible. We increased the budget for the maintenance of our plants and implemented continuous improvement projects, which will permit the strengthening of TASA's market position.

2018 was a very positive year for Peruvian fishing. The biomass of the Center North stock of anchovy rose, in the summer cruise measurement, to almost 11 million tons, which signified 33% more than the average of all of the summer observations carried out since 1994. The total biomass estimated for the second season was

7.16 million, which exceeded by 20% the average value of the last twenty years of biomass in the winter cruises. These levels of biomass are due to the precautionary management of anchovy fishing by Imarpe and the responsible management of the industrial fishing companies. In the first season a quota of 3.3 million MT was assigned and in the second one of 2.1 million MT, in total 5.4 million tons, the highest annual quota since 2011.

The TASA fleet was able to complete its fishing quota (14.16%) without difficulties and our plants produced an important percentage of fishmeal of prime and super prime quality. These results coincided in a favorable context for the company, in which the fishmeal price recovered compared to previous years.

With regard to mackerel, after four years of absence, in 2018 the conditions for its reappearance were propitious, thanks to the presence of subtropical waters. As a result, there were important levels of landing of species with an average of 30 cm, since more than 8,000 MT were unloaded. Undoubtedly, a positive year for fishermen, companies and the economy in general.

In our Omega plant, we amply exceeded the results obtained with the production of refined oil and concentrated oil, and we were able to increase the average production volumes by 30%, a figure that was closely associated with our increase

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in sales. In line with the intensity of production, we have consolidated a team that can optimally attend this kind of demand in future.

In the area of social management, we promoted for the seventh consecutive year in all of our plants, the Gran Desafío Efecto TASA (the Great TASA Effect Challenge), through which all of our collaborators performed actions intended to provide innovative solutions to various environmental problems existing in their localities together with the actors in the area.

Our Sumaq project, which trained twenty women leaders from Huanta (Ayacucho) as entrepreneurs and producers of nutritious foods prepared with fresh salted fish, became a supplier of products to the Qali Warma social program, thereby ensuring its sustainability.

For the second year the volunteer work Pescando Sonrisas (Fishing for Smiles) was carried out, in which three hundred of our collaborators participated in various recreational, cleaning and construction activities in favor of almost one thousand boys and girls of the Hogar Hijas de la Misericordia (Daughters of Mercy Home). It was a gratifying experience which touched the heart of the people who form part of the company and which we will seek to repeat each year.

This year, we also received other valuable awards. The Asociación Perú 2021 presented us, for the sixth consecutive year with the award Empresa Socialmente

Responsable (ESR – Socially Responsible Company); the international association Aiesec granted us the award “Mejor Aliado en Conexión con los Jóvenes” (Best Ally in Connection with Young People), and for the second time, we received the ABE Prize 2018, awarded by the Asociación de Buenos Empleadores (ABE – Association of Good Employers) in the category Training and Development of People, in recognition of our Crew Development Program.

I conclude this message, renewing our commitment to continue producing marine foods of the highest quality in harmony with the environment and communities where we operate, and thanking the team of people who form part of TASA, who, with their effort and dedication, make it possible for this company to continue to be the benchmark in the world fishing industry.

Sincerely,



Mario Brescia Moreyra

CHAPTER 1: OUR COMPANY



GENERAL INFORMATION

The administrative offices are located in the city of Lima, in Jirón Carpaccio #250, 11th Floor - San Borja, Lima 41 – Peru. The telephone is (+511) 611-1400 and the fax (+511) 611-1401.

> (102-3)

According to its Articles of Association, Tecnológica de Alimentos S.A. (TASA) has the objective of engaging in the fishing activities of extraction, transformation y commercialization of hydro biological resources for direct human consumption and indirect and non-food consumption, in the form, manner and conditions established by the General Fishing Law, its regulation and other supplementary rules.

Furthermore, it can engage in the industrialization, transformation, fabrication, distribution, export, import and commercialization of (i) derived oils and fatty acids (including their refining, processing and purchase and sale); (ii) products derived from raw materials, consumables and consumer products, mainly for the food industry and/or for human or animal consumption, in their most varied forms (including their processing and purchase and sale); (iii) nutraceutical, pharmaceutical or vitamin supplement products.

Additionally, the company can engage in providing the following: (i) shipyard, anchorage and dry dock services, oriented to the construction, modification, maintenance and repair of vessels and naval devices, among others; (ii) metalworking services; (iii) provisioning services; (iv) passenger transport services; (v) towing services; (vi) port services; (vii) quayside services; and (viii) services as a consultant, supervisor and/or work contractor, among others. In order to achieve its objective and perform the activities related to it, the company may take all the actions and enter into all of the contracts permitted by law to limited liability companies.

> (102-2)

The company started its fishmeal and fish oil processing activities in October of 2002, and of products for human consumption, in January of 2003.

TASA is a company that has consolidated itself over the years with the merger of companies such as SIPESA, EPESCA, Pesquera Fátima S.A.C., Empresa Pesquera Oboll S.R.L., as well as the acquisition of Pesca Perú Callao Sur S.A. On January 1, 2016, TASA absorbed TASA Omega S.A., a company dedicated to the refining of fish oil, concentration of EPA and DHA and to the commercialization of these products. TASA Omega S.A. was dissolved without being liquidated.

At December 31, 2018, the composition of the shareholding of TASA is as follows:
> (102-5)

SHAREHOLDER	N° OF SHARES	VALUE OF SHARES	%
Inversiones Breca S.A.	987,635	S/ 987,635,000	99.9962 %
Domingo Julio Huamaní Eliot	17	S/ 17,000	0.0017 %
Odón Teves León	12	S/ 12,000	0.0012 %
Julio Nasaël Neyra Contreras	9	S/ 9,000	0.0009 %
Total	987,673	S/ 987,673,000	100 %

Nominal value > 1000

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WHO ARE WE?

> (102-12, 102-13)

We are a leading Peruvian company in the fishing sector, specialized in the production of marine foods and ingredients of high quality and added value. We have become the world's leading producer and exporter of fishmeal and fish oil, thanks to the work of our more than 2,600 collaborators, who are aligned with the corporate values which are oriented towards the commitment to excellence, integrity, comprehensive development and sustainability. In this way, we have become a leading, ethical and sustainable company which promotes innovation and operation in harmony with the community and the environment.

We participate actively in the issues of the sustainable development agenda of the industry, the Government and the civil society.

↘ On an international level:

We are a member of The Marine Ingredients Organization (IFFO), dedicated to promoting the industry of marine ingredients on a global level, and of The Global Organization for EPA and DHA Omega -3S (GOED Omega 3), dedicated to promoting the benefits and the consumption of this type of fatty acid.

In 2018, we celebrated ten years as members of the United Nations Global Compact. This relationship has driven us to defend human and labor rights, the respect of the environment and ethics in our operations and value chain. Additionally, year after year, we have complied with reporting our progress in its ten principles¹ through its platform Communication on Progress (COP), and we have

achieved an important milestone this last year: the preparation and diffusion of our recent Human Rights Policy.

In that same direction, since 2015, we have been aligned with the arduous and important task of achieving the Sustainable Development Goals (SDG) of the United Nations, establishing a direct contribution commitment to SDG14 Life Below Water.

↘ On a national level:

We are a member of the Sociedad Nacional de Pesquería (National Fishing Society) and form part of the Associations of Fishmeal Producing Plants (APRO, Spanish acronym), non-profit civil organizations created to strengthen the relationship of the fishing industry with the communities where they operate. Additionally, we belong to the Exporters Association of Peru (ADEX, Spanish acronym), union that strengthens and drives foreign trade in the country.

Since 2015, we have participated in the Biodiversity & Company Initiative, promoted by the Ministry of the Environment of Peru (Minam, Spanish acronym), as a space of interaction and exchange of information, knowledge and experiences between the business sector and the Government.

Finally, we maintain work agreements with the Geophysical Institute of (IGP, Spanish acronym) and the NGO Pro Delphinus, both with the objective of supporting scientific investigations regarding the Peruvian sea and its biodiversity.



We are part of the Breca Group, a Peruvian business conglomerate with an international presence, formed more than 100 years ago, by the Brescia Cafferata family.

The Breca Group participates actively in various sectors of the economy and includes leading companies such as Rimac, Minsur, Urbanova, Qroma, Tricolor, EXSA, Melón, Libertador, Clínica Internacional, Aesa I&M, among others.

It also owns BBVA Continental Bank on an equal basis with BBVA Bank from Spain. From its origins, BRECA has been characterized by its entrepreneurial attitude and curiosity to learn. Furthermore, it stands out due to its financial strength, diversification and great interest in innovation.

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¹ See annex I.

MISSION, VISION AND VALUES

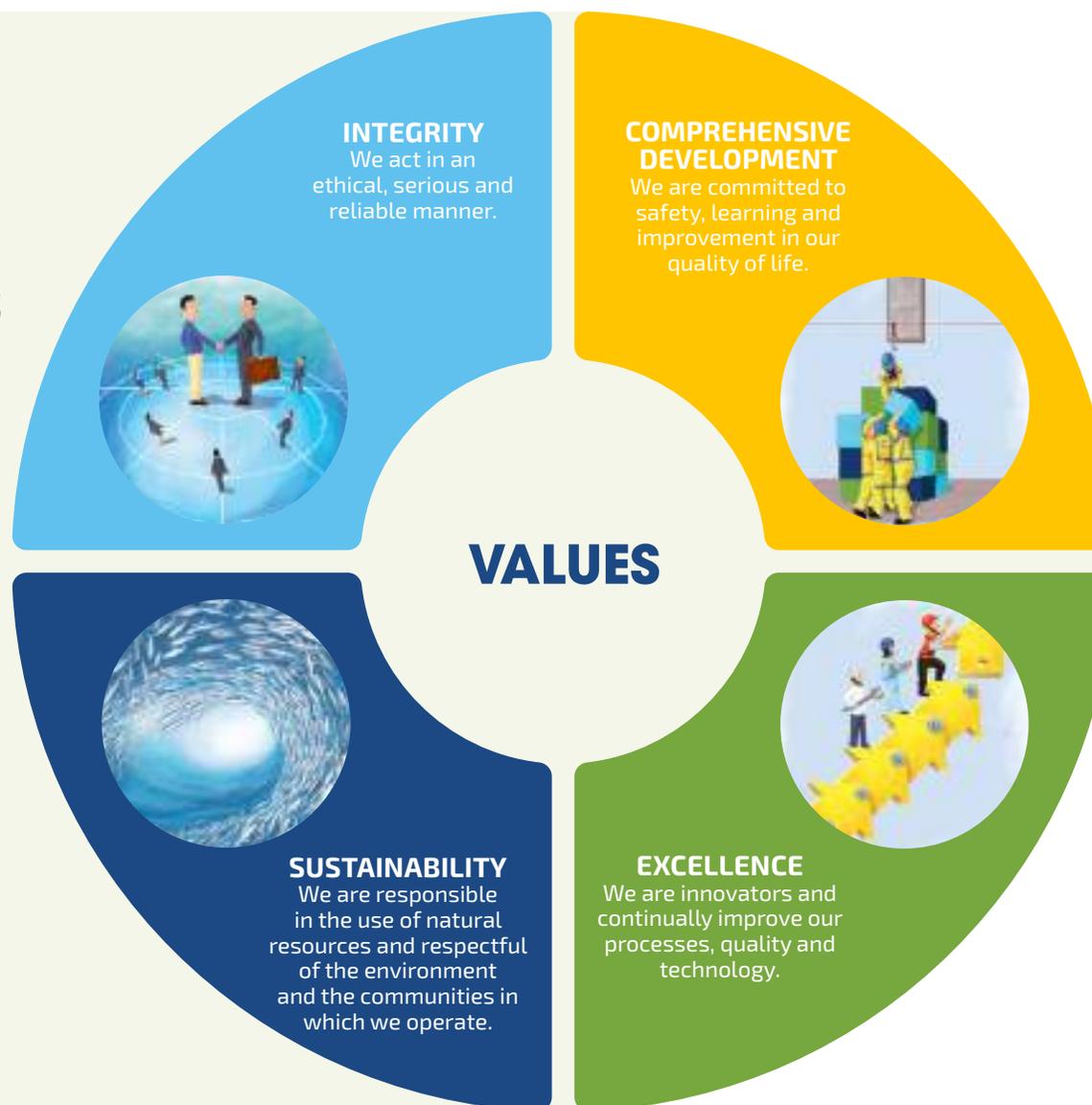
> (102-16)

MISSION

To provide our customers with high quality products of marine origin, maximizing the nutritional properties of the resource with sustainable management.

VISION

To be a world-class company, leader and innovator in the sustainable utilization of marine resources for nutritional purposes.



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OUR BUSINESS UNITS

> (102-2)



FISHING

We operate one of the most important fleets of Peru, consisting of 48 vessels with a total hold capacity of 20,150 TM³⁽²⁾. Of this capacity, 40% have modern refrigeration systems which guarantee an optimum supply to offer well-conserved and high quality products.



FISHMEAL AND FISH OIL

We have ten Steam Dried production plants³, located strategically along the Peruvian coast, with installed production capacity of 1,465 MT of raw material per hour. TASA is the first fish oil and fishmeal exporter in Peru, with a market share of 23% and 20%, respectively.



OMEGA 3

We produce refined and concentrated Omega 3 fish oil, a powerful nutritional supplement which is adapted according to the needs of clients from the food, nutraceutical and pharmaceutical industry.

Products:

- Refined oil (18 / 12).
- Concentrates of Omega 3 oil with various levels of concentration of EE (ethyl esters) and TG (triglycerides).



HUMAN CONSUMPTION

We operate one of the largest frozen plants of South America, with a production capacity of 521 MT / day and storage capacity of 14,960 MT distributed in three cold storage rooms.

Products:

- Frozen: horse mackerel, mackerel (whole, headless and gutted)
- Fresh: horse mackerel, mackerel



SHIPYARD

We provide services of construction, repair, maintenance and structural modification of vessels required by the shipbuilding industry on a national and international level.

Service:

Design, repair, modification and construction of naval vessels and artifacts.

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² It also purchases raw material from other vessels (ship owners) who comply with our requirements and standards, in accordance with current legal regulations.

³ In 2018, due to the restructuring of the business strategy, we closed the Ilo plant, located on the southern Peruvian coast.

PRESENCE ON A NATIONAL LEVEL

> (102-4, 102-7)

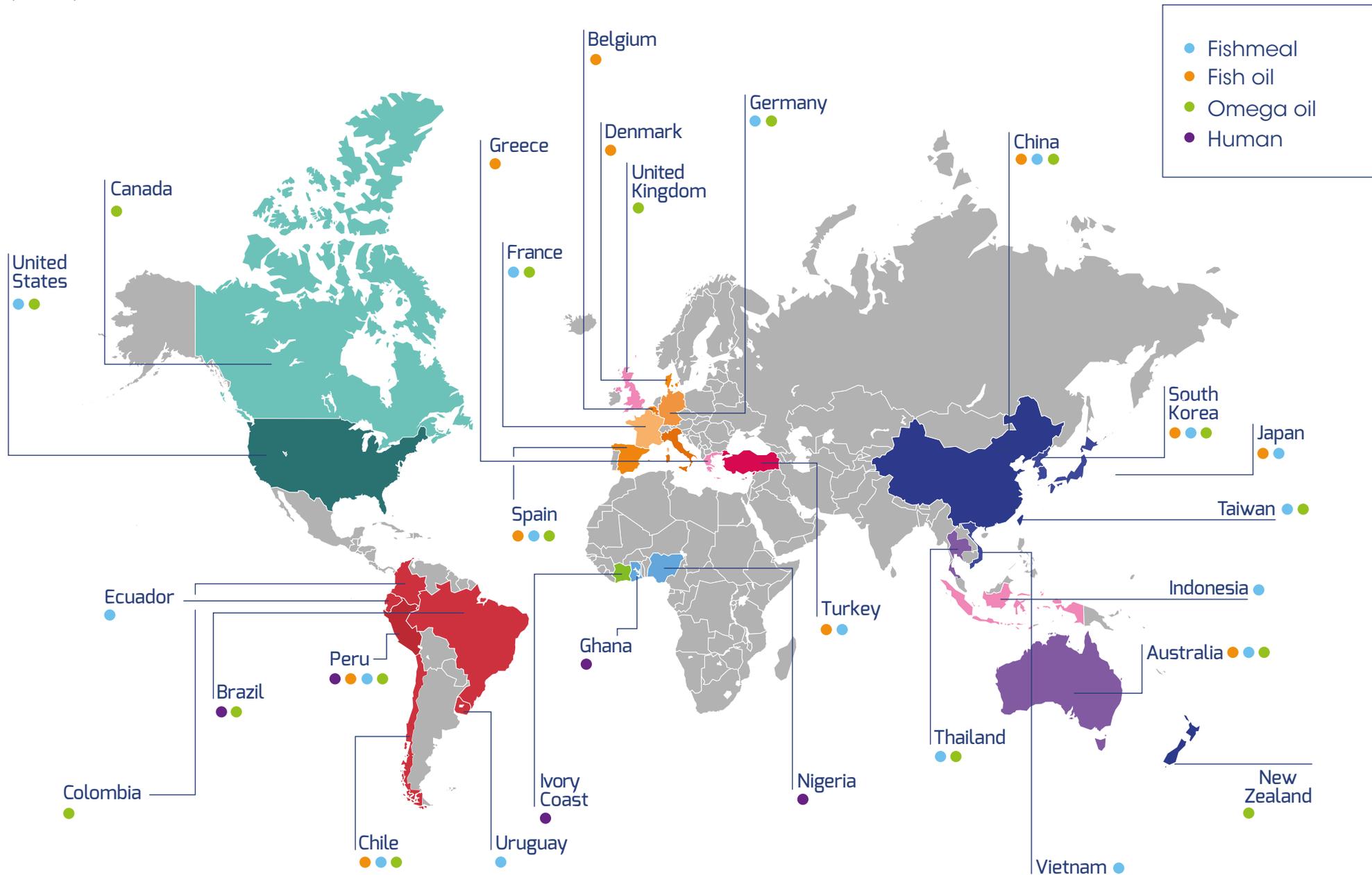


MT / hour indicates the production capacity of metric tons per hour.

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INTERNATIONAL PRESENCE

> (102-6)



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ETHICAL MANAGEMENT

CORPORATE GOVERNANCE > (102-18)

Our company is led by a Shareholders' Meeting and Board of Directors. The General Shareholders' Meeting is composed of Inversiones Breca Pesca S.A.C. with a participation of 99.9962% and other minority shareholders. The Board of Directors meets at least once a year and has the support of the Breca Group and the advice of Estratégica, its corporate service center, in various aspects, such as the undertaking of new projects and investments.

BOARD OF DIRECTORS

In the year 2018, the Board of Directors consisted of ten Directors, who establish and control the compliance of the guidelines for the management and operation of TASA, such as corporate values, ethical principles, norms and policies. Additionally, the Board of Directors is responsible for analyzing the performance of the company, risk management and human talent management, through the direct reporting of Senior Management, to whom they delegate the management of the operation and administration of the organization.

MEMBERS OF THE BOARD OF DIRECTORS

- Mario Brescia Moreyra** > President of the Board of Directors
- Fortunato Brescia Moreyra** > Director
- Rosa Brescia de Fort** > Director
- Pedro Brescia Moreyra** > Director
- Álex Fort Brescia** > Director
- Jaime Aráoz Medanic** > Director
- Robert Priday** > Independent Director
- Sacha Andres Ilic Huerta** > Independent Director
- Fernando Alegre Basurco** > Substitute
- Miguel Ángel Salmón Jacobs** > Substitute



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SENIOR MANAGEMENT

> (102-18)

Senior Management is composed of 19 management areas and is led by the General Management. The selection and evaluation of its members considers the following aspects: measurement of indicators related to the position, role as team leader, as well as commitment and competencies.

Gonzalo de Romaña > General manager

Edgar Aroni > Central operations manager

Dereck Zimmermann > Central fishing manager

Juan Carlos Galdos > Central administration and finance manager

Juan José Bellido > Fishing manager

Sonia Torres > Comptroller and finance manager

> (102-18)

Louis Rens > Commercial manager fishmeal

Hortencia Rozas > Legal manager

Gonzalo Cáceres > Human consumption business unit manager

Pablo Gamero > Human resources manager

Michael Patzl > Institutional relations manager

Rubén Namihás > Audit manager

Julio Yzaguirre > IT manager

Javier Igarashi > Quality manager

José Tagle > Logistics and strategic management manager

Ernesto de las Casas > Shipyard unit manager

Christian Fernández > Occupational health and safety and environmental manager

Javier Olivares > Maintenance manager

Ernesto Buenaño > Manager of fishing maintenance

Angello Padilla > Manager ITSE projects

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MANAGEMENT COMMITTEES

Senior Management is responsible for the monthly reporting of management indicators, compliance of objectives and goals, as well as sustainability and impact management metrics before the Board of Directors and Estratégica. It also establishes committees to supervise the progress of the strategic projects of the company.

We have semiannual committees, where the Board of Directors discusses key aspects of our organizational management: Audit, Risk and Compliance Committee and the Talent Committee. In each committee, managements present our results, emphasizing aspects such as the response to the climatic events, seasons of closure and scarcity of the resource, savings and cost containment plan, and innovation aspects related to the development of new products and markets.

Furthermore, Management Committees have been established for each unit and plant, which meet on a monthly basis and through which collaborators can present to their area managers concerns and proposals regarding various social, economic and environmental aspects.

> (403-1)

Finally, with regard to the monitoring of the occupational safety and health risks, 100% of our collaborators are represented in the Occupational Safety and Health Committees of each unit, which meet on a monthly basis in compliance with the current national regulations.



MANAGEMENT OF ETHICS AND INTEGRITY > (103-2, 103-3, 205-3)

We have a Code of Ethics and Conduct that describes the way in which we work and behave. Its contents reflect our values and summarize the fundamental beliefs of our company, and incorporate the guidelines of the Breca Group. In the year 2018 we updated our code:

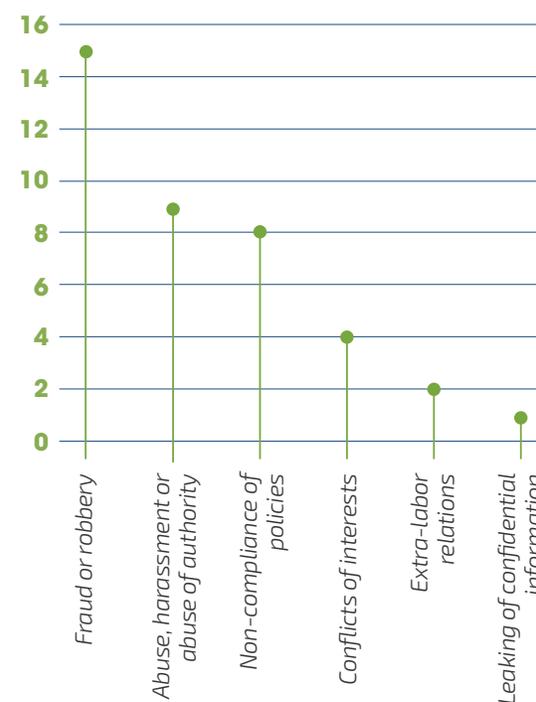
- ↳ As part of our compliance management, we incorporated specific guidelines to avoid conduct related to acts of corruption or bribery with third parties.
- ↳ As part of our human management, we incorporated a new section regarding Human Rights, in which we reinforce our commitment to respectful, democratic and inclusive labor practices.

We are concerned with creating awareness and forming our collaborators in the values and principles of the Code, therefore, during 2018, we have carried out face-to-face training talks in 70% of our fishmeal and fish oil plants⁴, besides the Pucusana plant⁵. Additionally, its contents are permanently available in our internal means of communication (intranet, mailings, bulletins in plants and offices).

Furthermore, seeking to ensure an ethical management throughout our value chain, we reinforced the diffusion of the code among our suppliers in the framework of the II Encounter with TASA Suppliers which brought together more than 180 participants.

In a complementary manner, we have an integrity channel, which allows all our stakeholders to formally report events not considered ethical, perceived or identified during the daily work, especially those related with labor practices.

In 2018 a total of 39 complaints were received due to alleged noncompliance of the Code of Conduct and Ethics, of which 69% originated from the operating units and 33% from the administrative areas.



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⁴ The training was carried out in the Callao, Chimbote, Ilo, Pisco norte, Pisco sur and Supe Plants.

⁵ Plant where the refined fish oil is processed.

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The complaints received were investigated by the Internal Audit area in 68% of the cases. In the remaining 32%, the participation and leadership of other areas was necessary, based on the type of complaint, such as human resources and safety. These reviews are carried out based on the guidelines defined by the Compliance Committee of the Code of Ethics and Conduct, composed of the General Manager, the Human Resources Manager, Legal Manager, Internal Audit Manager and Central Administration and Finance Manager, who are responsible for analyzing and evaluating the preventive and corrective measures for optimum compliance of values and principles.

COMPLIANCE MANAGEMENT

> (205-1, 205-2)

In 2018, as part of the compliance system, we developed three new policies:

- ↳ Compliance program
- ↳ Corruption prevention, money laundering and terrorism financing
- ↳ Free competition

This framework seeks to impel a transversal management to the organization, which incorporates the valuation and the control of the compliance risks (corruption, money laundering, terrorism financing and anti-competitive conducts), considering the related processes, the sensitive transactions, the new businesses, products and/or services, or any change existing in the legislation.

For this, in 2018, our collaborators were trained on a national level regarding the rules and the risks mentioned. Furthermore, due to the relevance of the subjects, a specific training was developed for the managers, superintendents, administrators and skippers. Based on this raised awareness, the team of the legal area, led by our compliance official, held meetings with all the areas

of the organization to identify potential risks, and in this manner determine preventive action plans.

Clarifications were also made regarding the policies of donations, alliances and licensing, with the objective of establishing clear and formal guidelines regarding the relationship and transactions with third parties.

Throughout 2019, the trainings will be reinforced and we will follow-up the preventive action plans, evaluating their efficiency and the commitment to compliance of the areas.

HUMAN RIGHTS MANAGEMENT

> (103- 2, 103-3, 407-1, 408-1, 409-1, 412-1, 412-2)

Since ten years ago, our adhesion to the Global Compact represents a formal commitment to the respect and the promotion of human rights (HR) which translates into guaranteeing labor practices that involve the freedom of association, equal treatment, salary, benefits, and other work conditions that dignify the people who work for our organization and third parties.

In the year 2018, we implemented a new management system to monitor the compliance of the ten principles of the Global Compact. As a starting point, general management approved the Human Rights Policy and the updating of our code of conduct and ethics for workers and suppliers. In this space, the integrity channel was reinforced, including an HR paragraph, which allows us to report any vulnerability towards them.

During 2019, the HR management system will be disseminated, which defines the controls to monitor the compliance of the principles, as well as the internal audit process in our plants. With this, we seek to consolidate a respectful labor environment between persons and conditions and the care that they deserve.



RISK FOCUS AND MANAGEMENT > (102-11)

The risk management process is led by the Strategic Planning and Continuous Improvement area which, with a transversal view of the organization and focused on the compliance of its strategic objectives, periodically identifies, evaluates, prioritizes and monitors risks that could significantly affect our results as a business and operation. This process is carried out in coordination with the people responsible for the areas that could be affected by the materialization of risks.

According to the impact on the organization, the risks are categorized as follows:

- 1. Strategic risks:** those that can generate an important economic impact for the business or generate damages in the environment, human losses or negative repercussion in the media.
- 2. Operating risks:** those that could affect the operating processes of the organization and require continuous revision for their mitigation and control.

A monthly status of the strategic risk matrix is presented in the General Management Committee.

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SUSTAINABLE MANAGEMENT

OUR STAKEHOLDERS

> (102- 40, 102-42, 102-43)

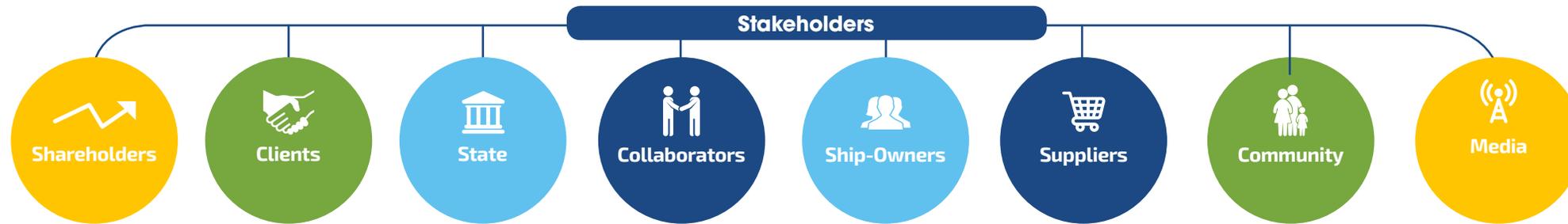
In the year 2018, through our stakeholder mapping methodology, we maintained an updated register of the main actors of each zone where we operate, and we evaluated the level of our relationship with them, for which we considered a determined place, time and context. At the same time, this approach has allowed us to collect perceptions regarding the main needs existing in the community. As a result, we were able to define more specific profiles for their classification and the adequate implementation of relationship strategies.

Any change in the mapping involves a redefinition of the macro stakeholders with a direct impact on the strategic objectives.

In the case of the 'community' stakeholders, semiannual workshops are held with the participation of the Management Committee of each unit and invited collaborators in all the plants, where the information for the implementation of the Social Management Plan is validated and updated.

Based on an evaluation carried out regarding the relationship and communication strategy, we prepared, at the end of 2018, the Integrated Social Management, Environmental and Communications Plan, which will allow a more focalized and holistic intervention with our main stakeholders of the communities adjoining our operations.

> (102-40, 102-42)



Sub-groups	Shareholders	Clients	State	Collaborators	Ship-Owners	Suppliers	Community	Media
	<ul style="list-style-type: none"> Fishmeal • Importer • Trader • Final user 	<ul style="list-style-type: none"> Local and regional governments Central government (Ministries) Regulators 	<ul style="list-style-type: none"> Officials Employees Workers Crewmembers 	<ul style="list-style-type: none"> Preferential – iron fleet Preferential wooden fleet Eventual 	<ul style="list-style-type: none"> Suppliers of services Suppliers of goods 	<ul style="list-style-type: none"> Malabrido Chimbote Samanco Supe Végueta Callao Pisco Atico Matarani Pucusana 	<ul style="list-style-type: none"> Television Radio Written Digital 	

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COMMITMENTS TO THE STAKEHOLDERS

SUPPLIERS

Commitment

To generate mutually beneficial relationships with suppliers who comply with all the regulations, which satisfy the needs of the company and are satisfied with the fulfilment of our commitments.

Expectations

Mutually beneficial long term relationships. Development of local suppliers.

SHAREHOLDERS

Commitment

Satisfy the expectations of the shareholders through an efficient management of the company and the results obtained.

Expectations

World class management and results.

SHIP-OWNERS

Commitment

Ship-owners satisfied with attractive conditions and mutually beneficial relationships oriented towards the long term that permit the company to obtain a stable quota over time.

Expectations

Mutually beneficial long-term relationships.

CLIENTS

Commitment

To generate confidence on the part of the clients with the quality of our products and service levels to guarantee long term relationships.

Expectations

Homogenous quality, safety, traceability, compliance, friendly and expeditious attention. Development of innovative food products and supplements.

COLLABORATORS

Commitment

Motivated collaborators committed to the objectives and values of TASA in a pleasant and safe environment that promotes their professional and personal development.

Expectations

Development, occupational safety and health and good labor climate.

COMMUNITIES

Commitment

The society and the communities where we operate recognize us as a socially responsible company respectful of the environment and the fishing resource.

Expectations

Respect for the environment and the fishing resources. Social and economic development in the area of influence.

MEDIA

Commitment

That they recognize and publicize TASA as an ethical company in its economic and environmental performance, and which supports the communities.

Expectations

To have accurate and updated information of the economic, social and environmental performance of TASA.

STATE

Commitment

To be recognized as a company that complies with the current tax, labor, and sectorial, environmental, local regulations, among others.

Expectations

Compliance of norms and role model of good fishing practices.



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COMMUNICATION CHANNELS WITH OUR STAKEHOLDERS

The communication focus that we maintain with our stakeholders is bidirectional and promotes a direct, timely and transparent relationship. Our communication channels seek to provide reliable information regarding the company and collect the expectations and interests of the internal and external public.

Additionally, we have specific spaces by stakeholders, according to the needs and expectations of both parties.

	Media	Shareholders	Ship-Owners	Clients	Collaborators	Communities	State	Suppliers
Sustainability Report	X	X	X	X	X	X	X	X
Sustainability consultation spaces	X		X		X	X	X	X
Web	X	X	X	X	X	X	X	X
Social networks	X	X	X	X	X	X	X	X
External diffusion and communication materials	X			X		X	X	X
ComuniTASA (printed and digital bulletin)	X		X		X	X	X	X
Internal diffusion and communication materials					X			
RevisTASA (printed and digital magazine)	X	X	X	X	X	X	X	X
Red TASA (internal spokespersons)					X			
Intranet					X			
Satisfaction survey				X	X			X
Circle of trust					X			
Superintendent listens to you					X			
Whatsapp in plants					X			
Televisions in dining rooms					X			

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DIALOGUE WITH THE STAKEHOLDERS⁶

> (102-44)

In addition to the daily communication and relationship initiatives, we annually develop direct communication spaces in the communities. Their objective is to validate the main sustainability risks identified in our materiality process, as well as to know the positive and negative impacts that these cause in the dynamics of our stakeholders and with them.

With this objective, we summoned representatives of artisanal fishermen, local authorities and officials from the communities of Pisco and Atico. These dialogue spaces included the participation of four fishermen and four local authorities from Atico, and ten fishermen and three local authorities from Pisco. The opinions reflected the interests of the participants to improve the residue management of their localities, continue working to guarantee the sustainability of the resource and reduce the contamination of the sea.

Place	Artisanal fishermen	Local authorities and officials
ATICO	<ul style="list-style-type: none"> ↘ They consider that improving residue management will contribute to reducing the contamination of the sea. Additionally, they thank TASA for implementing actions that promote these good practices. ↘ There is concern regarding the sustainability of the anchovy, since this may affect the presence of other fish that feed from it and, therefore, the economy of the artisanal fishermen. ↘ They consider that quality is key to have processes that guarantee the safety of the product, therefore they have certifications issued by Produce. Additionally, they request training in good fishing practices and health standards, in order to continue improving their processes. 	<ul style="list-style-type: none"> ↘ They consider the importance of the compliance of the environmental policies and the respect of the ban to guarantee the sustainability of the maritime resources, since this can significantly affect the economy of the locality. ↘ They identify improvement opportunities in the management of household residues of the locality, since the responsible institutions do not collect the garbage every day, and this may affect public health. They request support to create awareness in the community regarding the good management of its residues. ↘ There is a concern regarding the transparency of the public management of the locality. Therefore, they consider that it is important to strengthen the anticorruption system.
PISCO	<ul style="list-style-type: none"> ↘ There is concern regarding the sustainability of the anchovy and the compliance of the fishing quota. For this reason, they consider it important to generate alliances with the fishing companies to guarantee a sustainable fishing for both. ↘ The good practices of the fishing industry in the management of effluents stand out, which are treated through an outfall. This has allowed a considerable reduction in the contamination of the bay of Pisco. ↘ They consider that private investment can contribute to improve the residue management infrastructure, in order to reduce the environmental impact generated by household waste. 	<ul style="list-style-type: none"> ↘ There is a concern regarding the presence of contamination in the sea, since it affects the environment, the marine resource and, therefore, the economy of the local population. ↘ They request support to work, jointly, in initiatives that promote the adequate disposition of the residues. ↘ They consider the importance of strengthening the anticorruption system to promote a more transparent public management that fights against informality.

⁶ This stage responds to the inclusion principle of the stakeholders, according to the guidelines of the Global Reporting Initiative.

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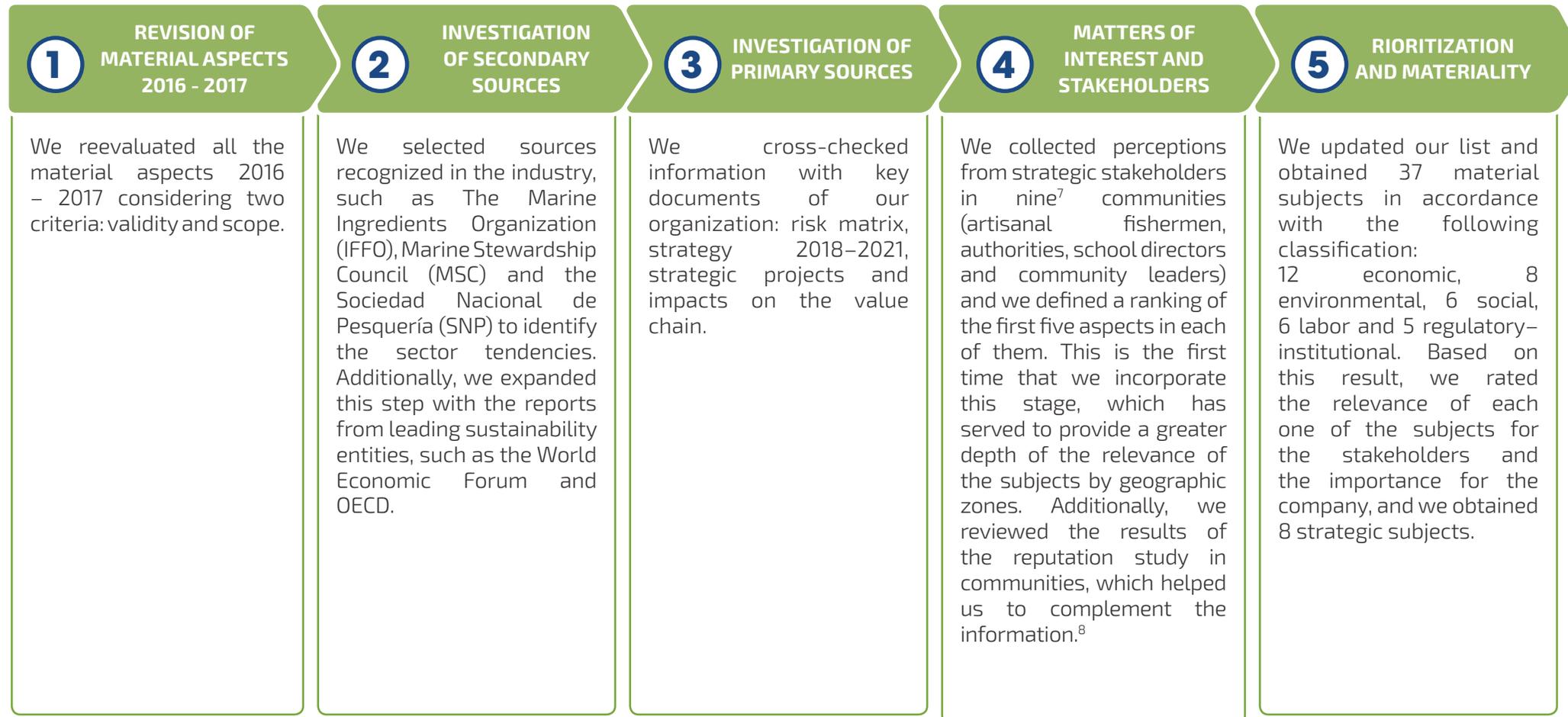
SUSTAINABILITY STRATEGY

UPDATING OF MATERIAL ASPECTS

> (102-49)

Two years after our last materiality process, we carried out a new internal study that allowed us to know the main sustainability trends in the international and national fishing industry, to validate and prioritize the results in communities, and to verify the progress and the focus of the sustainability initiatives.

The process consisted of the following stages:



⁷ Chimbote, Samanco, Malabrigo, Supe, Végueta, Pisco, Atico, Matarani

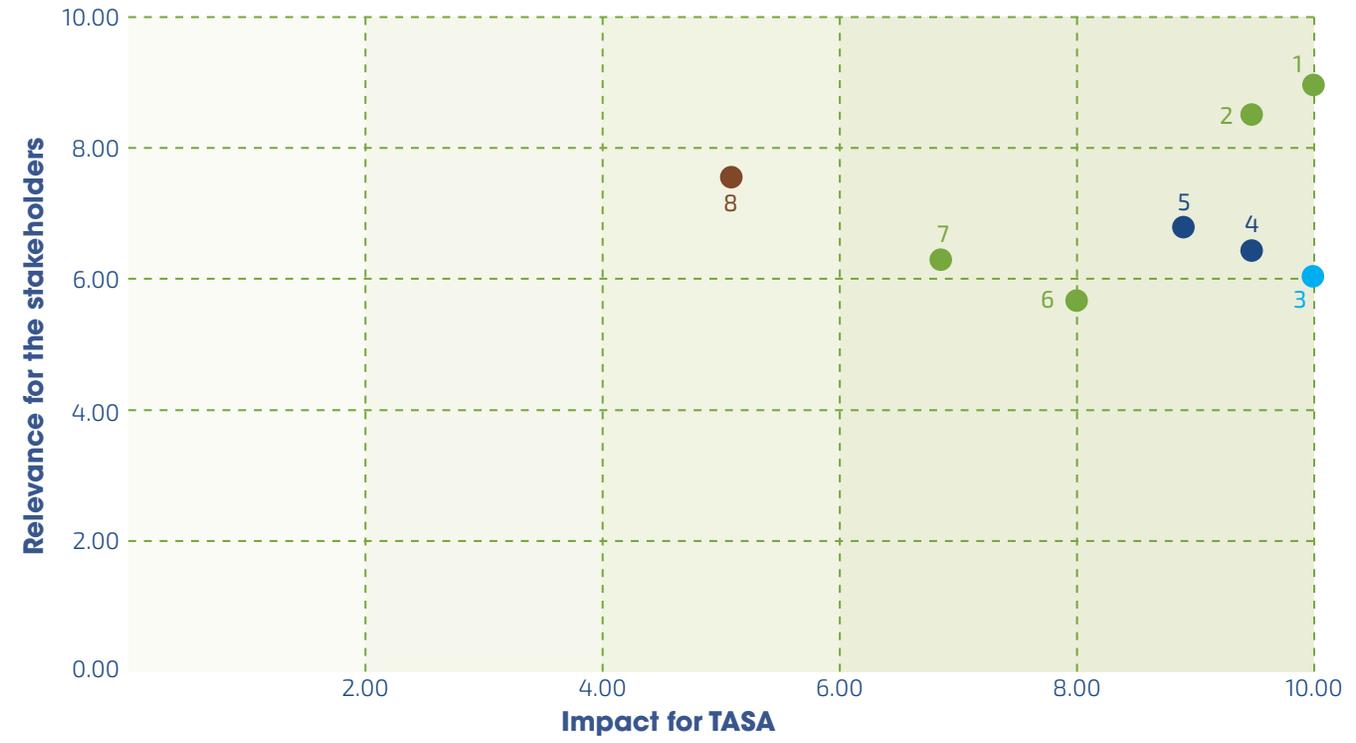
⁸ Annex II: aspects by geographical zones

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MATERIALITY 2018
> (102-47, 103-1)



- 1 Sustainability and availability of the resource
- 2 Climatic change and phenomena
- 3 Quality, safety and traceability of the product
- 4 Sustainable certifications
- 5 Compliance
- 6 Contamination of sea and bay
- 7 Management of effluents and residues
- 8 Employment generation

- Environmental
- Regulatory-Institutional
- Social
- Others

This integrated report develops the following eight strategic subjects through the GRI standards and specific indicators of the company.
> (102-46, 103-1)

	Material aspects	GRI Standards	Coverage	Stakeholders involved
1	Sustainability of the resource	Biodiversity, water, emissions	External	Environment, State, community
2	Climatic change and phenomena			
3	Quality and safety and traceability of the product	Health and safety of the clients Marketing and labelling	External/internal	Clients, shareholders, collaborators
4	Sustainability certifications	-	-	-
5	Compliance	Anticorruption	External/internal	Shareholders, State, collaborators
6	Contamination of the sea and bay	Effluents and residues	External/internal	Environment, State, community, collaborators
7	Management of effluents and residues			
8	Employment generation	Employment	External/internal	Collaborators, community

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DESIGN OF THE SUSTAINABILITY STRATEGY AND PLAN 2030

Based on the results of the sustainability management of the previous year, we began the year 2018 with the objective of validating the sustainability strategy with the General Management, so we could integrate the proposal into the strategic framework of the company. During this process, two pillars of sustainability were defined for TASA:



We ensure a sustainable value chain



We develop our people

During the first semester of the year, we focused on developing the sustainability initiatives with the internal specialized areas and experts from various organizations and universities from Peru. In this stage, we sought to collect innovative solutions, of high impact and long term, which could directly address the challenges established for the year 2030. As a result, we obtained more than 70 potential solutions, of which 33 were prioritized after a feasibility-impact analysis.

For the second semester of the year, we defined the profiles of the strategic and secondary projects: base lines, goals and indicators, as well as inter-area work pairs for each sustainability initiative. During each stage we worked hard identifying the scope of the initiatives to 2021, 2025 and 2030, and we outlined a viable, but at the same time challenging, roadmap.

An important milestone in this process represents the analysis of social and economic return that we carried out for three of the six strategic initiatives, under the SROI methodology. This study allowed us to discover and measure the impact for TASA and its beneficiary stakeholders. Additionally, it allowed us to identify new indicators for the monitoring and evaluation of the initiatives.

The advances reached in 2018, together with a team committed to the challenges of sustainability and convinced of the importance of their work from each work area and position, will allow us, in 2019, to implement the initiatives and report them directly to the board of directors and the general management.





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AWARDS AND PRIZES

This year, we continued to demonstrate our leadership in the sector in fundamental aspects, such as sustainability and quality of work conditions.



SOCIALLY RESPONSIBLE COMPANY AWARD

For the sixth consecutive year, the association Perú 2021 granted TASA the Socially Responsible Company Award. This award reflects TASA's compliance of policies and practices which evidence articulated sustainability management.



BEST ALLIES WITH YOUNG PEOPLE

This year, the international association AIESEC awarded us the recognition of Best Ally in Connection with Young People FOR the contributions made for leadership development in university students.



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RECOGNITION IN TRAINING AND DEVELOPMENT OF PEOPLE

For the second year we received the Prize ABE 2018, granted by the Association of Good Employers (ABE, Spanish acronym) in the category Training and Development of People in recognition of our Crewmember Development Program.



BEST COMPANIES TO WORK – COMPUTRABAJO

For the first time we were recognized as one of the best fifty companies in which to work in the year 2018 by the digital job exchange, Computrabajo, since we reached position 7 thanks to our good recruitment practices and working conditions.

CHAPTER 2: ECONOMIC PERFORMANCE





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ECONOMIC ENVIRONMENT

> (103-2)

THE WORLD

In 2018, the world economy showed a growth of 3.7%, similar to the result of the previous year. During the first half of the year, there were accelerated improvements and increases, however, the economy suffered a downturn in the second semester, due mainly to the trade conflict between the USA and China, and the tension in the Eurozone caused by the uncertainties with regard to brexit.

CHINA

During the first months of 2018, the Chinese economy grew at a level of 6.8%, thanks to the recovery of industrial production. Despite that, the trade conflict with the United States and credit moderation policies put the brake on its economic improvement, which resulted in China closing the year with growth of 6.6%, the lowest since 1990.

UNITED STATES

The year 2018 represented a favorable scenario for the United States, which continues its accelerating growth compared to previous years. In this last year, its economy recorded growth of 2.9%, which exceeded the previous levels of 1.6% and 2.2% in 2016 and 2017, respectively.

PERU

In 2018, Peru overcame the economic downturn of 2017, since it achieved growth of 4.0% in comparison with the level of 2.3% of the previous period. This growth is explained, in part, by the increase of 3.9% in internal demand, in contrast with the 1.5% recorded in 2017, and the improvement in the formal private employment rate of 3.7%, in comparison with 0.7% recorded in the previous year. Other key points which positively influenced the country were the important investments in the mining and modern agriculture sectors.

Inflation closed at 2.2%, higher than the figure of the previous year (1.4%), however, it was lower than the average of the last four years (3.05%).

THE FISHING SECTOR IN PERU

2018 was a positive year for Peruvian fishing. The biomass was 35% greater than the average of the last 25 years, which resulted in a catch of almost six million tons between the first and second season. In this period, fishing in the Center-North zone grew 95.6% compared to the previous period (5'818,746 TM vs. 2'974,719 TM) and in the Southern zone it grew 27.8% compared to the previous period (234,083 MT vs.183,299 MT), which resulted in a growth of 91.6% in the total catch of this resource. In this period, TASA represented 22.3% of the total landed catch.



PERFORMANCE OF OUR BUSINESS UNITS

> (102-7)

FISHING

ANCHOVY FISHING

In 2018, we landed 1'352,468 MT of anchovy, which represented 22.3% of the national catch. Our own fleet caught 869,645 MT of anchovy and we purchased an additional 482,822 MT. This total represented 64% more MT than were obtained in 2017, when 823,679 MT were landed.

FISHING FOR HUMAN CONSUMPTION

In 2018, we landed 8,008.7 MT of horse mackerel and 6,305.3 MT of mackerel, with which a landed catch of 14,314 MT for human consumption was achieved. Our landed catch represented 16.73% of the national catch (85,719 MT).

CHANGES IN THE ORGANIZATIONAL STRUCTURE

Within the framework of the strategic project New Operating Model Strategy (NEMO in Spanish), the sub-management of supply and distribution of raw material was created, with the aim of managing and improving the quality of raw material and, thereby, increase the quantity of super prime and prime fishmeal produced.

This sub-management is responsible for distributing the fish from own and third party vessels in the coastal plants, according to the fish requirements of the plants and catch times, prioritizing the freshness of the raw material over the order of arrival.

For this purpose, the sub-management has three department heads:

1. **Head of marine regulations**, who supports the compliance of marine rules, regulations and provisions.
2. **Head of management of third parties**, who locates the supply of fish from third party ship-owners.
3. **Head of raw material management**, who oversees the landing order of the vessels according to the freshness of the catch, its distribution in the plant pools and its supply to the ovens.

FISHING MAINTENANCE

In order to comply with the maintenance plan, the class inspection plan and the works required by

our Insurance company to guarantee the safety and operability of our fishing vessels, 11 overhauls were carried out in the SIMA Chimbote shipyard and 3 in the TASA shipyard.

Main investments:

- We installed new navigation lights and LED lighting in the entire fleet, seeking a reduction in energy consumption.
- We installed a side-scan sonar in the vessel TASA 425 towards the maneuver side, which permits a better view of the shoals for their analysis.
- We completed the installation of two Triplex units in the vessels TASA 54 and TASA 55 to haul up and order the nets with a safer and faster maneuver.
- We completed the installation of the fish management system in all of the boats, in order to improve the timing and reliability of the information of the weight reports, hour meters of the main engines and monitoring of the fuel consumption and RPM of the main engine of the vessels.



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FISHMEAL AND FISH OIL

PRODUCTION OF FISHMEAL

In 2018, our operation produced 331,504 MT of fishmeal, 64% more than in 2017, when 201,561 MT were produced. Of the total production, 65.5% was fishmeal of super prime and prime quality, which represents 216,975 TM, in contrast with 2017, when 126,859 MT were produced between both qualities.

PRODUCTION OF OIL

In 2018, our operation produced 58,248 MT of fish oil, 139% more than in 2017, when 24,403 MT were produced. The production of oil with a good profile of omega 3 represented 38,527 MT of the total oil produced of 58,248 MT, equivalent to 66.14% of the production of 2018.

Our levels of production and yield of fishmeal and fish oil in the last two years were:

		2017	2018
Landed anchovy MT		823,679	1'352,468
Fishmeal produced	MT	201,561	331,504
	Conversion ratio	4,09	4,08
Oil produced	MT	24,403	58,248
	Yield %	2.96	4.31

Source: Compiled in-house

MAIN INVESTMENTS

> (203-1)

In 2018, an investment of more than US\$8MM was made in new acquisitions for our plants. The main ones among them were:

Center	Investment
Malabrigo	<ul style="list-style-type: none"> ↘ Red water discharge and displacement pump ↘ Change of tank for stick water and concentrate ↘ Improved unloading speed of flatboat ↘ Improved drying system ↘ 4TN hoist
Chimbote	<ul style="list-style-type: none"> ↘ 2 mixers exit of a/o ↘ Fuel control of flatboat ↘ Installation of 1,500 bhp boiler ↘ Improved unloading speed of flatboat ↘ 4 TN hoist ↘ Capacity levelling
Samanco	<ul style="list-style-type: none"> ↘ Improved unloading speed of flatboat ↘ Sea water pipe
Supe	<ul style="list-style-type: none"> ↘ Improved unloading speed of flatboat
Végueta	<ul style="list-style-type: none"> ↘ Conditioning of boiler room ↘ Collareda DF67 flotation cell ↘ Humidity control in drying processes ↘ 5TN hoist

Plants	Main investments
Callao	<ul style="list-style-type: none"> ↘ Change t.h. tank collector (20 meters) ↘ Improved loading speed of flatboat ↘ Purchase of parallel axis reducer ↘ Tank draining system
Pisco norte	<ul style="list-style-type: none"> ↘ Cooker of fish hopper booth ↘ Improved unloading speed of flatboat ↘ TIETJEN 30 TN/H type mill
Pisco sur	<ul style="list-style-type: none"> ↘ Change of fish hopper booth ↘ 50 TON/H fish cooker ↘ Improved unloading speed of flatboat ↘ Combustion engine for flatboat Ex – aba
Atico	<ul style="list-style-type: none"> ↘ Change flatboat water and petrol pipe ↘ Purchase of 200 kW generator ↘ Improved unloading speed of flatboat
Matarani	<ul style="list-style-type: none"> ↘ Pump for sea water feeding pump to PAC ↘ Improved unloading speed of flatboat ↘ Fish discharge pipe LN - 340

Source: Compiled in-house

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HUMAN CONSUMPTION

In 2018, we focused on the human consumption operations in the frozen line, and established production exclusively based on our own catch of horse mackerel and mackerel.

In this sense, we have conducted relatively short and seasonal production campaigns during March, August, October and November. We received a total of 14,314 MT of raw material from our own plant, of which horse mackerel accounted for 53%, which was a very good year for this resource on a national level.

In order to optimize the profitability of the resource, our company prioritized the frozen process over the sales of fresh and canned. In 2018, we froze 9,793 MT, which represented 68.42% of the total landed by our fleet. The remaining 31.46% was directed to the sale of fresh fish.



SHIPYARD

Through our Shipyard we provide design, construction, repair, maintenance and structural modification services to vessels or naval devices. Among the main projects of 2018 are:

- The start of the construction of a pumping barge for TASA, which will permit improvement landing of raw material at the plant and will be finished in April of 2019.
- The construction of the tug-boat Hercules 5, which was delivered to the fishing management for support for the logistical operations of our fleet.



Furthermore, we carried out the extension and maintenance of the slipway trolley. This improvement will permit new clients to be attracted from the shipping sector, by increasing our capacity to attend to bay tugboats with azimuth propulsion systems, which are characterized by their pulling power. We also refurbished the dry-dock with the construction of a ramp to improve the transit of heavy machinery between the patio and the dry-dock.

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COMMERCIALIZATION

> (102-7, 103-2, 103-3)

During 2018, our total sales in Dollars increased by 2% with regard to 2017. This growth originates from an increase in the prices of fishmeal and frozen fish of 10% and 46%, respectively, due to smaller sales volumes, which fell by 12%.

In the case of fishmeal, our total sales were 243,470 MT, which represented a reduction of 9% compared to the previous year. On the other hand, the volume of crude oil sales was 36,771 MT, which meant an increase of 2% compared to the previous year. Similarly, in refined and concentrated oils of the Omega business unit, we achieved sales of 6,652 MT, which represented a growth of 135% compared to the previous year. Finally, in relation to the sales of frozen and fresh fish, these reached 15,897 MT, which meant 58% less than the previous year, due to a lower availability of mackerel.

Product	MT	Values miles US\$
Fishmeal	243,470	376'583,520
Crude fish oil	36,771	64'646,294
Refined and concentrated fish oil	6,652	21'018,956
Frozen fish	11,421	12'844,868
Fresh fish	4,476	1'961,053
Canned fish	7,337 (boxes)	274,549
TOTAL	-	479'194,299⁹

Source: Compiled in-house

⁹ The economic result also includes the Shipyard sales for US\$1'648,685.00 and other sales for US\$216,374.00.

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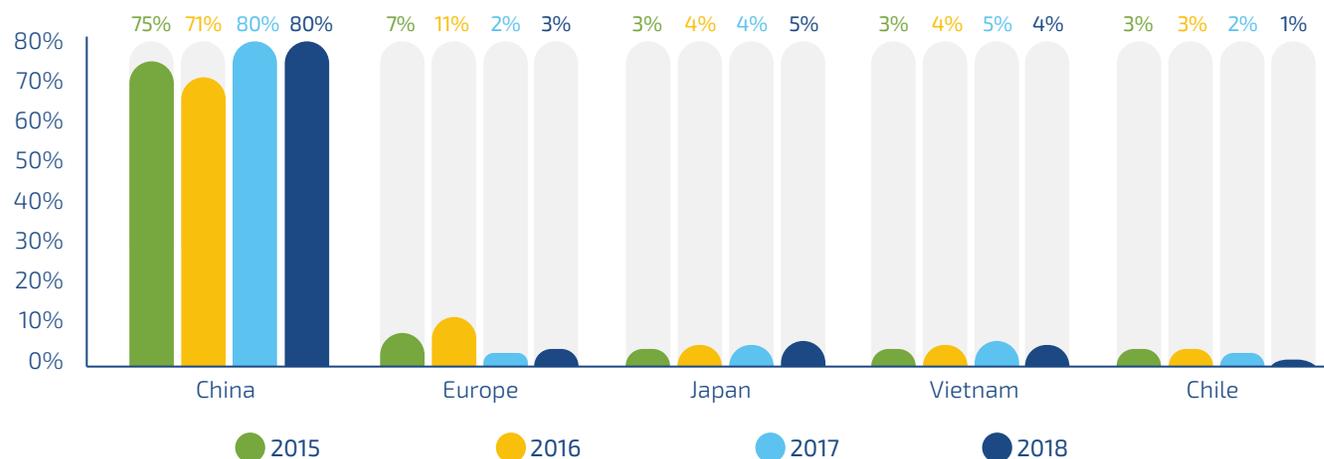
FISHMEAL

The year 2018 started with the suspension of the Center-North fishing season in January, the impact of which affected the total volume of the sales of fishmeal in the year. However, that same uncertainty with regard to the resource availability permitted an increase in the price basis for the beginning of the following fishing season, the quota of which ended up being the highest of the last eight years.

The price was also impacted by the conditions of uncertainty with regard to supply, which permitted a high price basis, which was maintained until the end of the year. In this context, we invoiced 243,470 MT of fishmeal at an average price of US\$1,547 per MT.

As in previous years, China was the main destination for the exports of fishmeal from Peru, with an 80% share.

PRINCIPAL DESTINATIONS OF PERUVIAN EXPORTS - FISHMEAL



Source: Customs





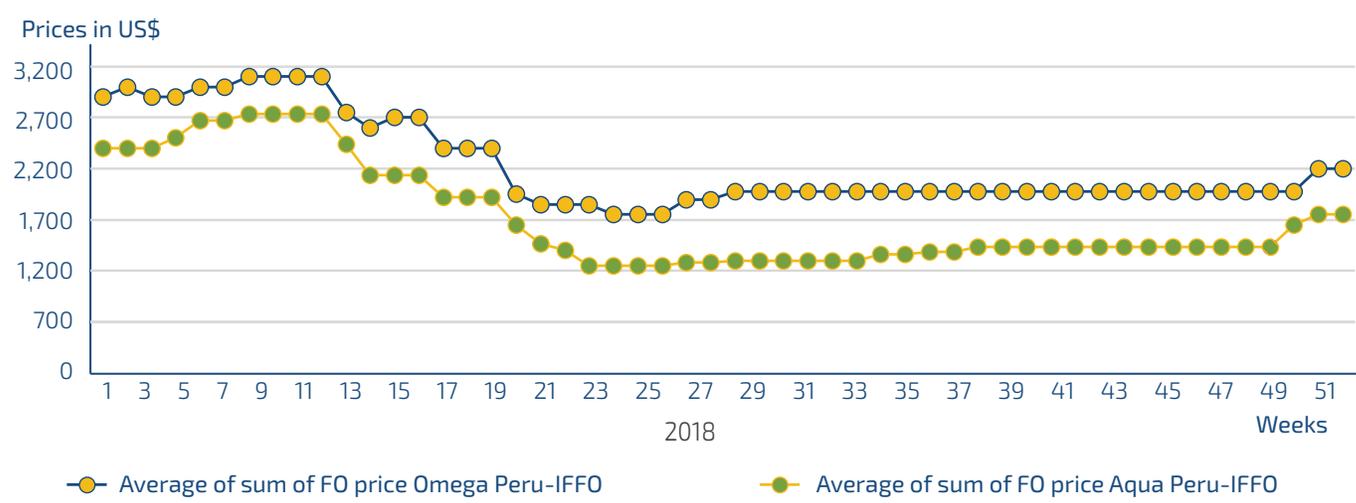
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CRUDE FISH OIL

2018 closed with crude oil sales of 36,771 MT at an average price of US\$1,758 per MT. A higher proportion of sales was made to the omega oils market (directed to human consumption), which represented an increase of 41% compared to 2017, due to a greater availability of EPA/DHA profiles, required for this market. The difference was directed to the aqua market (for use in aquiculture).

It is worth mentioning that the levels of oil production achieved at the beginning of 2018

placed the market prices in ranges between US\$2,700/MT and US\$3,100/MT for Aqua and Omega oils, respectively, due to the delays of the second Centre North season of 2017. However, in mid-year, the trend turned downwards, due to greater volumes of fish from the first season of 2018 of the Centre North. Towards the end of the period, there was a readjustment in the prices of both qualities, due to the low yields of the second fishing season.



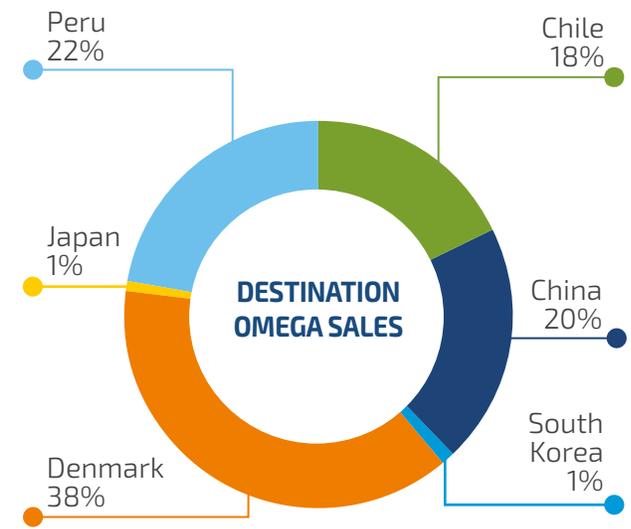
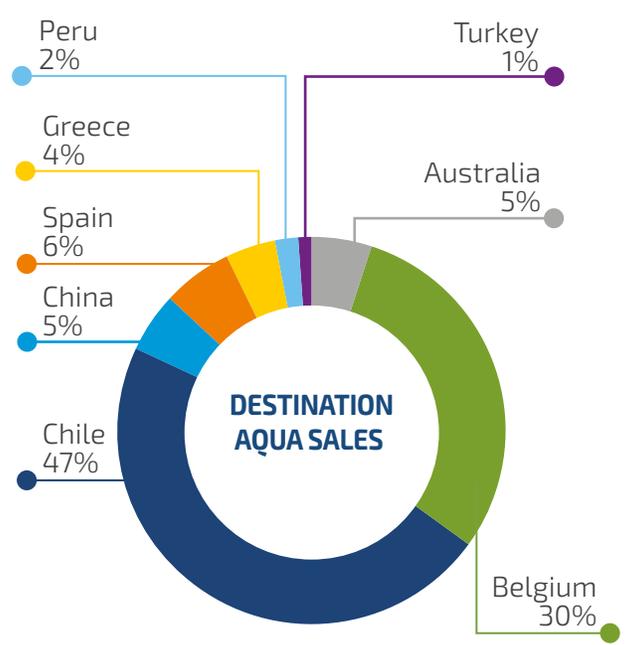
Source: Compiled in-house with IFFO data

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During 2018, the main share of our sales in the Aqua market, once again went to the traditional clients of Chile and Europe for salmon feed. With regard to the export market of Omega, there was active participation by most of our clients, who sought the classic profiles of EPA18 /DHA12, SUMA30, EPAAlto.

Finally, during 2018, we directed approximately 7,000 MT of the stock of fish oil towards our Omega business unit. This product had the best oxidation levels and EPA/DHA content to be processed and sold subsequently as refined oil or concentrate.

Market Share of Aqua and Omega



Customs: TASA

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REFINED OILS AND OMEGA CONCENTRATES

Throughout the year, our Omega business unit -destined to process refined and concentrates of Omega 3- surpassed the important commercial and operational milestones reached in 2017. The sales volume of 18/12 TG oils (in the form of triglyceride) and completely refined Omega 30 TG, doubled with respect to 2017, and reached 3,766 MT. Furthermore, the sales volumes of 33/22 EE concentrated oils (in the form of ethyl ester) also doubled, reaching 437 TM. Strategic relations continued to be strengthened with market leader clients in the industry of dietary supplements in the markets of North America, the United Kingdom and Australia, where, in some cases, they have come to consider us as their principal supplier.

RANKING OF EXPORTING COMPANIES OF FISHMEAL AND CRUDE OIL

According to the Customs figures, TASA leads the ranking in Peru of fishmeal exporting companies with a participation of 23%, and of 20% in the case of crude oil.

Exports of fishmeal 2018

	Exporter	FOB US\$ (mill)	Net weight (TM)	%
1	TECNOLÓGICA DE ALIMENTOS S.A.	360,191	232,745	23
2	CORPORACIÓN PESQUERA INCA S.A.C. COPEINCA S.A.C.	228,924	153,745	15
3	PESQUERA EXALMAR S.A.A.	178,707	113,465	11
4	PESQUERA HAYDUK S.A.	168,445	109,706	11
5	PESQUERA DIAMANTE S.A.	165,505	107,881	11
6	AUSTRAL GROUP S.A.A.	140,767	92,499	9
7	CFG INVESTMENT S.A.C.	115,281	75,783	8
8	PESQUERA CENTINELA SOCIEDAD ANÓNIMA CERRADA	46,156	30,709	3
9	PESQUERA CANTABRIA S.A.	27,248	17,805	2
10	COMPAÑÍA PESQUERA DEL PACÍFICO CENTRO S.A.	23,107	14,715	1
	Others	75,572	56,043	6
	Total	1'529,903	1'005,098	100

Source: Customs

Exports of fish oil 2018

	Exporter	FOB US\$ (mill)	Net weight (TM)	%
1	TECNOLÓGICA DE ALIMENTOS S.A.	59'340,464	35'093,950	20
2	CORPORACIÓN PESQUERA INCA S.A.C. COPEINCA S.A.C.	47'892,889	34'659,730	19
3	PESQUERA EXALMAR S.A.A.	37'180,806	25'738,440	14
4	PESQUERA HAYDUK S.A.	31'245,522	18'719,380	10
5	AUSTRAL GROUP S.A.A.	30'431,515	16'626,160	9
6	DOIL INTERNATIONAL S.A.C.	26'041,979	14'229,120	8
7	CFG INVESTMENT S.A.C.	19'085,642	11'870,030	7
8	PESQUERA DIAMANTE S.A.	15'721,403	9'269,900	5
9	BIOILS PERÚ S.A.C.	5'963,873	4'895,885	3
10	COLPEX INTERNATIONAL S.A.C.	5'205,762	2'643,147	1
	Others	7'667,048	4'934,286	3
	Total	285'776,903	178'680,028	100

Source: Customs



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FROZEN

In 2018, our sales of frozen and fresh products benefitted from the reappearance of horse mackerel in the Peruvian sea. However, the available volumes of mackerel were smaller compared with 2017. This generated an impact on the prices of the frozen product, which increased by 55%, from US\$ 739 to US\$ 1,125 US\$/MT.

Considering local prices, the sale of frozen products in the local market of wholesale clients was favored, due to the preference of consumers for horse mackerel. This represented 65% of our total frozen sales. The remaining 35% was destined to export to Africa, to countries like Ghana and Nigeria.

SHIPYARD

During 2018 we achieved 100% of the Shipyard sales, reaching sales of US\$1'648,110.03.

Service	Value thousands US\$
Steel keels/private	1'505,604.47
Steel keels/private	142,505.56
Calibration services	575.00
Total	1'648'110.03

Similarly to 2017, we exceeded our commercial goals, which was possible thanks to the commercial work performed by the fishing and shipping sectors.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

> (201-1)

	2017	2018
	MM US\$	MM US\$
Sales	470,059	479,194
Payment to collaborators	246'897,892.00	313'556,794.52
Payment to suppliers	265,948	395,469
Finance costs and income	8,716	8,733
Payment of taxes (Including Third category income tax, value added tax, taxes related to payrolls, contributions, fees)	40,768	91,940
Environmental investments	7,147	8,000
Investments in the community	1,136	1,163
Investments in works for taxes	3,7	3,5

Source: Compiled in-house



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**CHAPTER 3:
WE ENSURE
A SUSTAINABLE
VALUE CHAIN**



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In TASA we ensure that each of our products is the culmination of a process of proven excellence, which complies with the highest standards, from the extraction of the resource until its commercialization on a world level.

We are committed to developing our operations with a focus of continuous improvement, which through efficient solutions leads us to maximize our productivity for the benefit of our customers, without neglecting the potential risks and impacts of the process.

For this, we work firmly to remain leaders of the industry and to be recognized for developing a sustainable value chain, which ensures the sustainability of the resource, is concerned with the impacts on the environment and guarantees the quality and traceability of its products.

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SCIENTIFIC COLLABORATION OF THE INDUSTRY WITH IMARPE

Since 2016, we have carried out joint evaluations with Imarpe, in order to monitor the biological and environmental conditions of the Peruvian marine ecosystem, as well as to estimate the distribution and biomass of the anchovy.

For this objective, we make available our vessel LP/ Quimera II, which is equipped with scientific detection systems and a CTD oceanographic profiler.

Subsequently, the results obtained are presented and analyzed in workshops organized by the Sociedad Nacional de Pesquería (SNP)

SUSTAINABILITY OF THE MARINE RESOURCE

> (201-2)

Peruvian anchovy fishing is recognized in the world for its high level of fishing management, based on an adaptive biological model¹⁰ which determines the fishing conditions of the resource (quotas and starts of season, for example) on the basis of their relation to the marine environment. This model is supported by the periodic multidisciplinary evaluations carried out by the Instituto del Mar Peruano (IMARPE) to establish the abundance and distribution of the anchovy, and update environmental and biological factors of the Peruvian sea. This strategy permits optimum levels of landing to be maintained, without endangering the sustainability of the resource.

2018 recorded positive results for the fishing industry, since the volume of landings of anchovy was among the highest of the last ten years, with almost 6.5 million MT on a national level. This, despite the high environmental variability and the predominance of warm conditions in the sea, instead of neutral or cold conditions.

At the start of the year, we completed the quota authorized for the second season of 2017, due to a better distribution of the anchovy and a lower incidence of juveniles, in contrast to December of 2017.

The first season of 2018 took place between April and June in a very favorable marine environment, caused by a strong activation of the Anticyclone of the South Pacific (APS in Spanish) from June of 2017, which generated winds which maintained a cold environment until August of 2018, but which, in turn, caused great dispersion of the resource, which made it difficult to catch at the start of the season. Fortunately, the climatic conditions of summer permitted a good development of the season, as a result of which, the authorized national quota of 3.5 MT was achieved.

The second season began in November of 2018 and ended in January of 2019. Due to the announcement of the event of the weak Niño for the summer of

¹⁰ A sustainable management of the marine resources, which permits the environmental, social and economic sustainability of anchovy fishing.



>(201-2)

2018-2019, according to the report of Enfen¹¹ n° 7 – 2018, a more conservative scenario was considered and a national quota of 2.1 MT was assigned.

With regard to the characteristics of the resource, in both seasons the most common size¹² of the anchovy corresponded to 14 cm, that is, a structure of sizes¹³ above the commercial standard. However, areas of juvenile fish were also observed in Pisco, San Juan, Callao and Lobos de Tierra, which could represent a positive indicator for the next fishing seasons.

Finally, an important milestone for the national fishing industry was the reappearance of horse mackerel in our Peruvian coast, after four years of reduced presence. The warm processes of the period 2012-2017 generated favorable conditions for the presence of larger pelagic species, like horse mackerel and mackerel, among which sizes of 30 cm are predominant. The catch of both resources was carried out with exploratory fishing permits, which enabled us to exploit these resources, which are characterized by being highly migratory, in a sustainable manner.

¹¹ National Study of the El Niño Phenomenon.

¹² Value with greatest frequency in a distribution of sizes.

¹³ Compliance of the maximum sizes for anchovy fishing: 12 cm.

SCIENTIFIC COLLABORATION OF TASA WITH INSTITUTO GEOFÍSICO DEL PERÚ (IGP)

At the end of 2018 we signed an agreement with the IGP, which will enable us to conduct joint research, in order to improve the collection of oceanographic information and the monitoring of the variability of the Peruvian sea, events like El Niño, among others.

The results of the oceanographic monitoring recorded by our vessels will be provided to the IGP, which will enrich its models of prediction for determining environmental events on a national level.

For our part, we will have access to new work methodologies and will be better able to carry out our joint projects.

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PROGRAM OF MONITORING AND AWARENESS IN INDUSTRIAL ANCHOVY FISHING, BASED ON THE ECOSYSTEMIC APPROACH

> (304-2)

Our country is recognized for having the largest industrial fishing based on anchovy; however, its great productivity is limited by the high variability of the marine ecosystem, which gives transcendental importance to the activities of monitoring and gathering of information regarding the anchovy's dynamic and behavior.

Faced with this challenge, we were the pioneers in implementing, in alliance with the NGO Pro Delphinus, the "Program of monitoring and awareness in industrial anchovy fishing, based on the ecosystemic approach", which trains our almost one thousand crewmembers in the monitoring of the ecosystem, makes them aware of its conservation, and teaches them the importance of the role of the superior predators which inhabit the Peruvian sea.

During almost ten years of implementation, the program has generated a paradigm change in industrial fishing and its stakeholders -like government, academia and NGOs- with regard to the labor and work of fishermen, now considered as key change agents for sustainable fishing management.

The program is aligned with the strategic objectives of the National Plan and the Aichi goals, the Code of Conduct for Responsible Fishing of the FAO, as well as the Sustainable Development Goal N°14 of the United Nations: Life Below Water.

CARE AND PROTECTION OF THE MARINE BIODIVERSITY

> (103-2, 103-3)

In 2010, as part of the Convention on Biological Diversity (CBD), the Strategic Plan of Biological Diversity 2011-2020 was adopted, in order for the public and private sectors, and other institutions, to become aligned in the defense and conservation of biological diversity. This strategic plan comprises a vision, mission, strategic objectives and twenty goals, known as Aichi goals.

Furthermore, since 2014, Peru has its National Strategy of Biological Diversity to 2021 and its plan

of action for the period 2014- 2018, approved by DS N°009-2014- MINAM. This document articulates 13 Aichi goals of the CBD, aligned with the priorities and objectives of strategic environmental management of the Peruvian State.

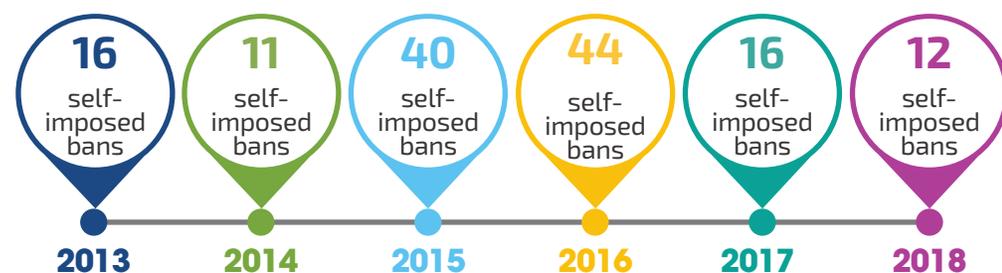
In line with the above-mentioned frameworks for action, in TASA we have been developing several initiatives with the goal of promoting sustainable fishing activity, which uses natural resources within safe ecological limits.

Among the main lines of work are:

1. GENERATION OF TASA SELF-IMPOSED BANS

Since 2013, we have restricted the entry of our vessels to the areas where a high level of presence of companion¹⁴ or juvenile fishing has been observed. The decision is taken based on biometric reports provided by our skippers in each cove, which are communicated to the Ministry of Production and the Sociedad Nacional de Pesquería, as preventive alerts for the entire industry.

With the evolution of technology and the updating of the regulations of supervision and inspection of Produce, the sending of reports and the generation of suspensions have been more effective. During recent years, the areas of preventive suspensions and TASA self-imposed bans have coincided, therefore the number has been declining.



Source: Compiled in-house

2. CONSERVATION OF THE PROTECTED NATIONAL AREAS > (304-1, 304-3)

In order to avoid our vessels carrying out fishing activities inside restricted areas (five nautical miles) or others demarcated by the Ministry of Production, an additional safety margin of one nautical mile is incorporated.

This measure also enables us to care for the protected natural areas (islands, small islands and points) established by Minam and Sernanp, which are mostly located within the 5 nautical miles. By way of assurance, all of the vessels have a guide of all of these areas and they are implemented in our Nobeltec Timezero digital navigation system, which reduces the risk of entry.

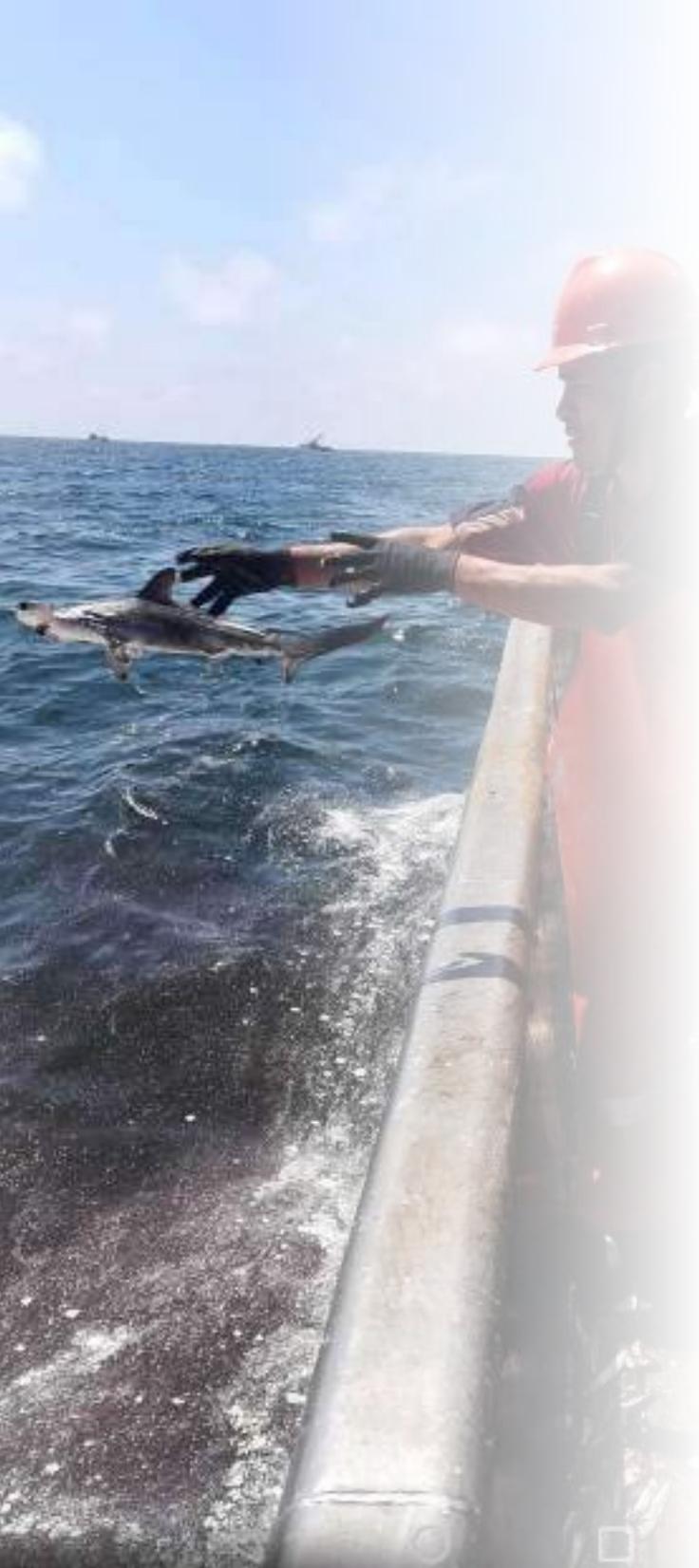
3. AWARENESS OF OUR CREWMEMBERS

Since 2008, we have been training our crewmembers in the monitoring of the ecosystem through the implementation of the fishing logbook on board the vessels¹⁵, in order to record the characteristics of the anchovy and its relation with the marine predators. With effect from 2012, with the objective of improving the quality of the information collected, the training "Correct identification and liberation of the main species of superior marine predators" was given, covering 87% of our crewmembers, and the sustainable fishing kit¹⁶ was implemented in the 48 vessels.

¹⁴ During the fishing activities, on some occasions, the presence is observed of companion fish or non-target species. For that reason, there are maximum percentages of catch of companion and juvenile fish regulated by law.

¹⁵ The fishing logbook is the main tool for carrying out the continuous monitoring of the main marine species, fishing conditions and principal oceanographic parameters on board of the fishing vessels.

¹⁶ The sustainable fishing kit consists of a guide and an identification poster of superior marine predators, a guide and card of liberation of superior marine predators, a guide of the areas of the national reserve system of islands, small islands and guano points of Sernanp, a measuring board and pingers.



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Every year, the program has incorporated new tools, materials and trainings in order to reinforce the knowledge and raise the awareness of all of our crewmembers of the conservation of the sea and its biodiversity. For that reason, in 2016 the training "Knowledge of the marine ecosystem and activities of good practices of fishing sustainability" was held, with which the first group of TASA Cuidamar was formed, on board specialists in the care of the marine ecosystem of each vessel.

In 2018, our objective was to replicate the program through the training of third party shipowners¹⁷ at a management level and of crewmembers at different places on the coast, like Callao, Chimbote and Ilo. By means of this important deployment, we demonstrated our commitment to extend the fishing culture with an ecosystemic approach in the country. Furthermore, we reinforced the training of our skippers in concepts of sustainable fishing and conservation of the biodiversity.

In 2019, we will continue to work hand in hand with our new allies, who enable us to achieve replicability and sustainability of the program on a national and international level.

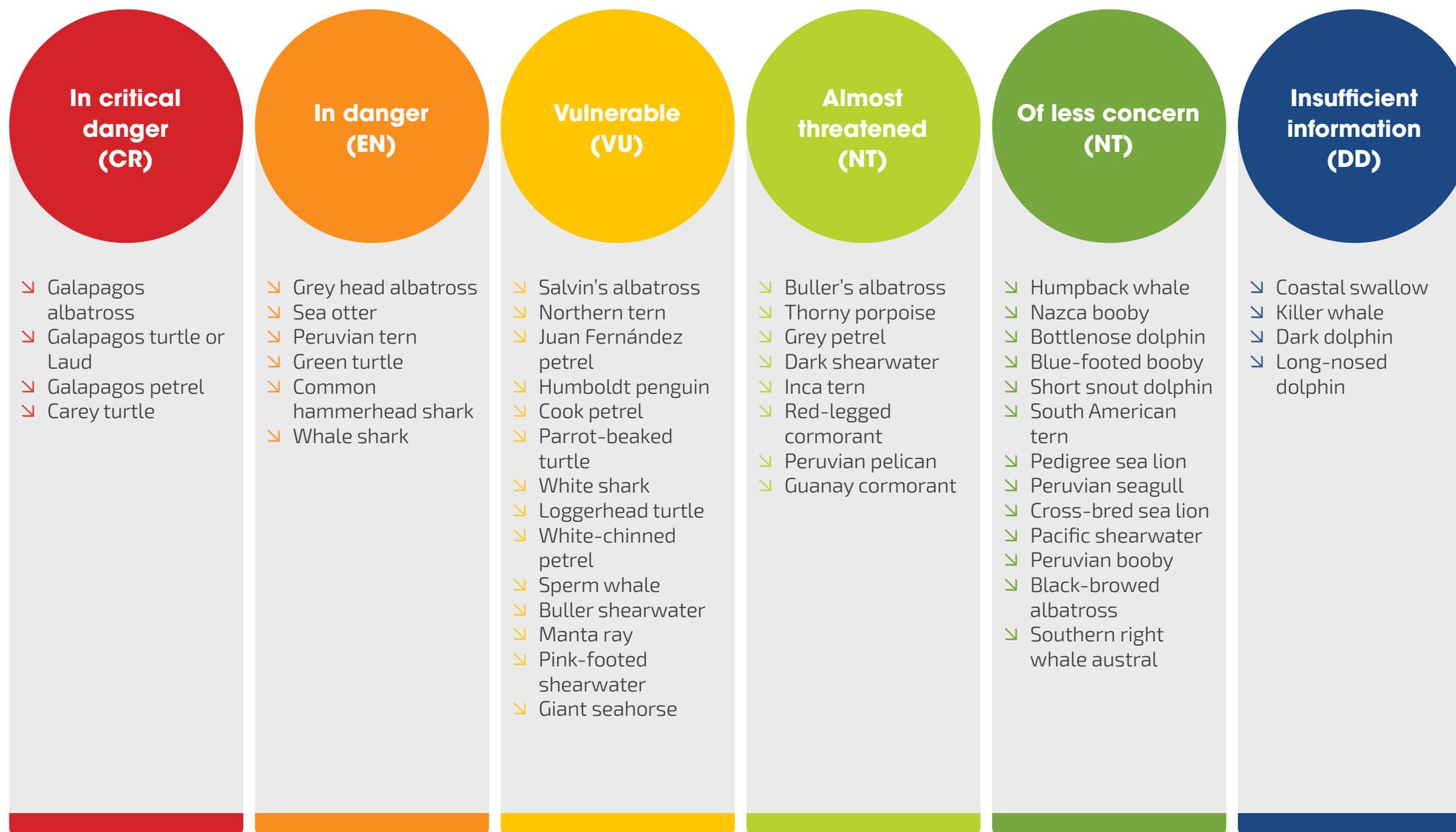
4. BIODIVERSITY MANAGEMENT IN TASA > (304-4)

In a preventive manner, we have developed our own list, in which we detail the main species of the most common superior predators on our coast and linked to our activity (birds, turtles, dolphins, whales, sea lions, among others), based on the red list of the International Union for the Conservation of Nature (IUCN). It also takes into account the Cites-listed species (Convention on International Trade in Endangered Species of Wild Fauna y Flora) and the species catalogued in DS N° 004-2014-MINAM (G4-EN14).

This tool is used by the TASA Cuidamar to recognize species and the level of their state of conservation.

¹⁷ Owners of vessels who sell fish to TASA.

>(304-4)



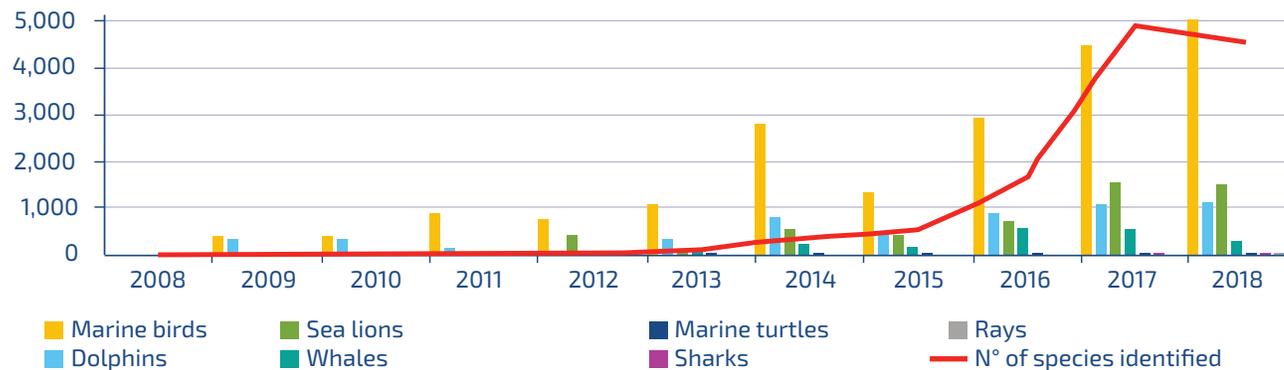
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Source: Categories and criteria of the IUCN red list. Version 3.1 Second edition. UICN.2012. - List updated to 2018. DS-N°004-2014-MINAGRI.

>(304-2)

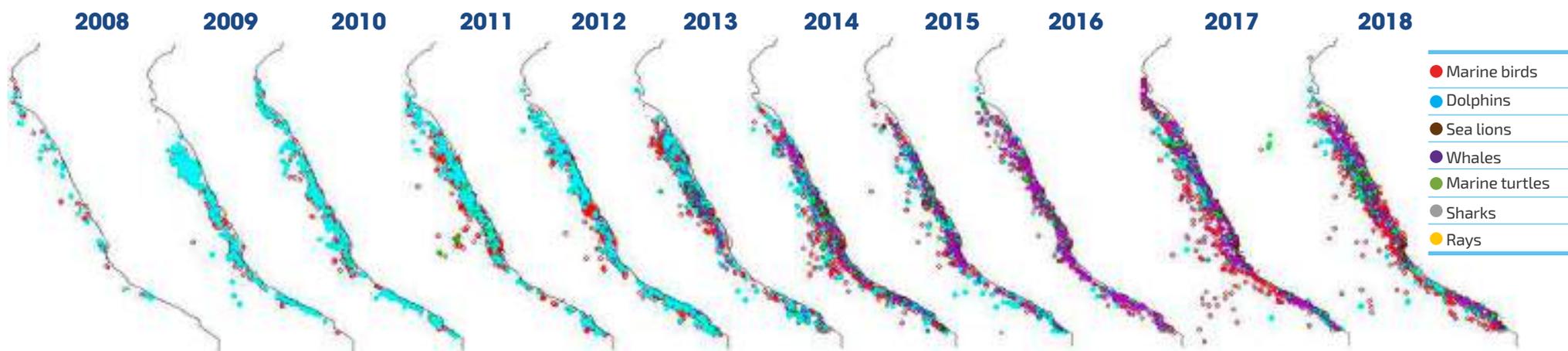
In order to measure the evolution of the program, the sightings of 2011-2018 have been compared, both quantitatively as well as qualitatively, through distribution maps, number of sightings, species identified and successful releases. The results show an increase of 6% in sightings of superior marine predators with respect to 2017, which increased from 7,701 to 8,178. The sightings for 2018 correspond to: 64% marine birds, 18% sea lions, 14% dolphins, 4% whales and 0.37% marine turtles, 0.12% sharks and 0.05% rays. The species identified this year total 4,599.

Number of sightings of superior marine predators (2009-2018)



Source: Compiled in-house

Distribution of sightings of superior marine predators (2011 - 2017)



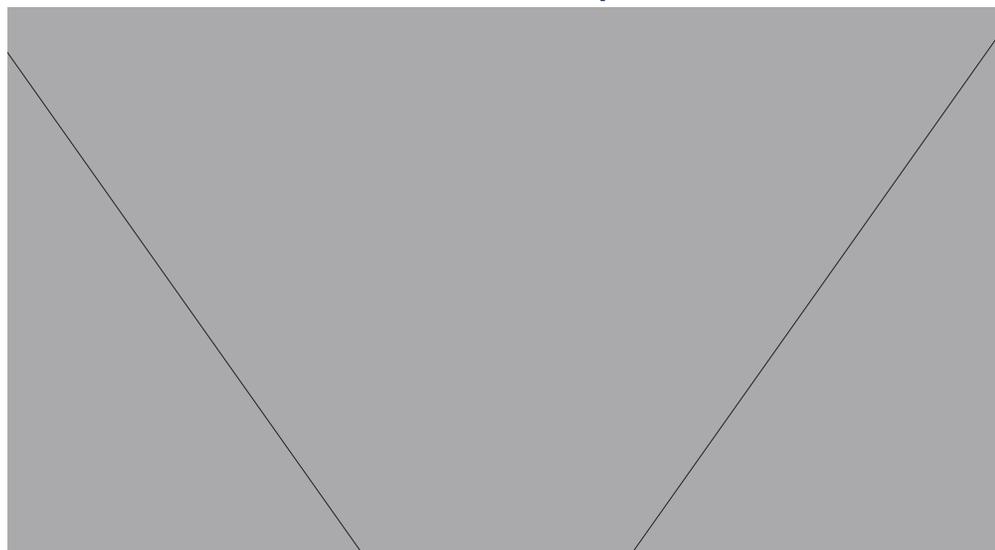
Source: Compiled in-house

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In the case of the report of releases, thanks to the creation of the Group TASA Cuidamar, it has been possible to show and increase the recording of cases of releases of species of superior predators, as well as the boats that report. In 2018, the greatest number of recorded releases was achieved, with a 40% increase in the indicator compared to 2017. Additionally, 77% of our vessels released different species of marine fauna.

Releases of marine species



5. DIFFUSION AND ADVANCES OF THE PROGRAM

In 2017, the program "Good practices of fishing sustainability with an ecosystemic approach" was presented before the United Nations (UN) as an example of our contribution to SDG 14: Life Below Water. Thus, since 2018 we have been providing information on the progress of our program on its web platform in compliance of the commitments assumed to 2021.

Furthermore, in 2018 we officially delivered to the NGO Pro Delphinus the documentation regarding sightings and releases of different types of superior marine predators, compiled by our crewmembers during the period 2008-2018. This important contribution aims to strengthen the scientific research of the Peruvian fishing industry.

Finally, throughout the year, we have worked hard to disseminate our good practices on a national level:

- Training in sustainable fishing and the Cuidamar in the Supnep.
- Participation in Festimar 2018¹⁸, in which the principles of sustainable fishing and the conservation of marine species in the ports of Chimbote, Végueta, Pisco and Mollendo are disseminated.
- Presentation "Program of monitoring and awareness raising in the Peruvian industrial fishing of anchovy, based on the ecosystemic approach, case: TASA Cuidamar", in the congress Ciencias del Mar -Concimar 2018.

¹⁸ Festival of the conservation of the sea, initiative promoted by WWF, Produce, Minam and various institutions.



ACHIEVEMENTS 2018

- We developed talks on the sustainable fishing program for external shipowners and strategic partners, with which we trained five of our third party shipowners and their vessels.
- We began the formulation of the scientific publication regarding the program and de-velopment of the TASA Cuidamar.
- We participated in scientific events on a national and international level, in which we disseminated the care of the marine ecosystem.
- We delivered information about sightings and releases to the NGO Pro Delphinus and Cedepesca.



CHALLENGES 2019

- To complete the training "Correct identification and release of superior marine predators" to all of our crewmembers.
- To complete the dissemination of the sustainable fishing program to all of our third party shipowners.
- To continue with the scientific publication regarding the sustainable fishing program and ecosystemic monitoring.
- To generate alliances with State entities and the civil society in order to reinforce the program on a national and international level.



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OPERATIONAL EXCELLENCE

› (103-2, 103-3)

During 2018 we made significant efforts to strengthen our preventive management in this area, and we focused on two of the risks related to our operations and the compliance of the current environmental regulations: emission of effluents and potentials spills of hydrocarbons into the sea. For this:

- › We continued with the work of monitoring the improvements implemented in the treatment systems of fishing effluents, which ensure that our effluents do not have a negative impact on the environment and comply with the maximum permissible limits.
- › We evaluated the condition of all of the underwater pipes in our fishmeal and fish oil plants on a national level.

Another line of action during 2018 was the measurement of the carbon footprint and water footprint. This project, promoted by our corporate center, quantified and analyzed the impacts of our operations on energy and water resources in the 2017 period, which shed new light on potential strategies for making our operations cleaner and more ecoefficient.

Additionally, our Pucusana plant, dedicated to the oil refining process, was included within the scope of the external audits for the certification of the international standard ISO 14001:2015, an objective which was achieved in an outstanding manner.

ENVIRONMENTAL PERFORMANCE OF THE OPERATIONS

EFFLUENTS

> (103-2, 103-3, 306-1)

On a national level, during 2018, the volume of effluents generated and discharged reached 2'393,938 m³, which complied with the parameters of maximum permissible limits (MPL) established by the national authority.

Our principal effluent is the treated pumping water, which result from the mixture of seawater used for the transport of raw material prima and anchovy remains, therefore, it contains a high level of traces of solids and fats. This effluent is treated by means of filtration, flotation and recovery systems of solids, which permit us to ensure compliance of the MPL for fishing effluents, according to the current legislation¹⁹. These effluents are then discharged through an outfall, at a distance approved by the national environmental authorities, which ensures a minimum impact on the marine ecosystem.

Each month, the pumping water indicators are analyzed, with the objective of implementing improvements in the recorded results.

In 2018, we made an important investment in order to modernize the effluent treatment systems, which generated an improvement in the parameters obtained with respect to 2017. They include the improvement in the colorimeters in the pumping line and the turbidimeters in the effluent lines, which channel the treated effluent to the receiving marine body.

Another project related to the treatment of effluents is the improvement in the cleaning water treatment systems. In 2018, this Project enabled us to reduce the amount of water used in the cleaning of the plants, as well as the quantity of solids generated during the operation and cleaning. During 2019, we will continue with tests of this project, seeking to minimize our impact on the environment.

Level of compliance of the maximum permissible limits of fish effluents

	Average values 2018 (ppm)	LMP* (ppm)
Oils and fat:	142	350
Total suspended solids:	411	700

Plant	Oils and fat (ppm average)	Total suspended solids (ppm average)
Malabrigo	159	262
Chimbote	126	499
Samanco	151	487
Supe	97	455
Végueta	99	347
Callao	270	392
Pisco norte	107	480
Pisco sur	109	503
Atico	62	238
Matarani	64	310

Source: Compiled in-house

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¹⁹ The LMPL which correspond to the fishing sector for oils and fats (A&G in Spanish) and for total suspended solids (SST) are 350 ppm and 700 ppm, respectively. D.S. N° 010-2008-PRODUCE. Maximum permissible limits for the fishmeal and fish oil and supplementary regulations. Column III. Article 1°. Table 1.

ENERGY CONSUMPTION

> (103-2, 103-3, 302-1)

Our principal sources of energy are Diesel B5 fuel and R500 oil, used in our fishing operations and processing of fishmeal and fish oil. However, we have the vision of progressively migrating towards cleaner energy sources, as in the case of our Pisco Norte, Pisco Sur, Callao and Pucusana plants, with operations based on natural gas.

	2017		2018	
	Consumption	tCO2eq	Consumption	tCO2eq ²⁰
Diesel B5 (gal)	5'569,137.51	55,803.98	6'365,845.5	61,787.96
R500 (gal)	7'019,167.88	68,458.80	10'327,389.00	120,047.97
Natural gas (m³)	6'029,317.00	24,655.24	14'505,225.00	32,521.16
Electrical energy acquired from the network (MWh)	40,435.50	8,223.55	39,999.87	8,134.96

Source: Compiled in-house

Although the results present an increase in the total consumption of energy sources and the respective emission of CO² compared to 2017, it should be mentioned that this is due, mainly, to the development of two seasons without interruptions in 2018, unlike the previous year.

	2017	2018
TM of fishmeal	201,561	331,504
Total tCO2eq²¹	157,141.57*	222,492.05

Source: Compiled in-house

²⁰ The information is referential, since it was obtained externally to the carbon footprint study 2018, which will be prepared in March 2019.

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EMISSIONS > (103-2, 103-3, 305-1, 305-2)

In the framework of the national commitment to reduce 30% of the greenhouse gas emissions by the year 2030 (Paris Agreement) and the new Framework Law for Climate Change, promulgated in 2018, we launched the measurement of the inventory of greenhouse gas emissions²² originating directly and indirectly from our activities and operations in the period 2017.

The process took place in all of our plants and in the administrative headquarters in Lima, and was aligned with the principles of ISO 14064 -1 for the measurement of the three scopes:

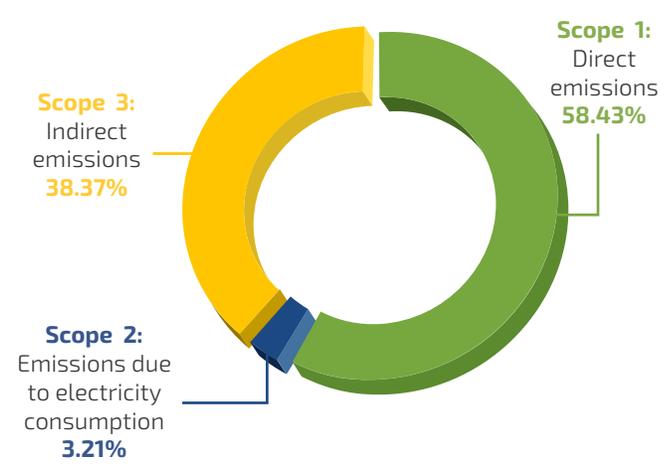
Scope 1: those emissions of GHG from sources that belong to the company or are controlled by it (example: generation of electricity, heat or steam).

Scope 2: those generated by purchased electricity, which is consumed in the equipment that belongs to or is controlled by the generating companies (example: electrical energy from the interconnected system).

Scope 3: those which are produced as a consequence of the activities of the Organization, but which originate from sources of GHG which belong to or are controlled by other organizations (example: travel and transport of people or materials).

As a result, the inventory of greenhouse gases in the period 2017 recorded 257,605.37 tCO₂eq.

INVENTORY OF TASA CORPORATE GHG 2017 BY SCOPE



²² The gases identified to prepare our inventory of gases with a greenhouse gas effect (GHG) were CO₂, CH₄, N₂O and HFCs. The heating potentials used to present the emissions in units of CO₂eq come from the most updated values taken from the IPCC Fifth Assessment Report of 2014, for one hundred years of permanence in the atmosphere, as indicated by the norm.

TASA CORPORATE GHG INVENTORY 2017 BY LEVELS OF ACTIVITY

Scope	t CO2 eq	% of total
Scope 1: direct emissions	150,507.97	58.43
Fuel consumption of own vessels	51,088.87	19.83
Transport of own vehicles	560.44	0.22
Boilers	93,114.05	36.15
Fuel consumption of mobile machinery	622.97	0.24
Cooking	237.41	0.09
Other stationary machines (electric generators, barges)	4,154.67	1.61
Air conditioning / refrigerant gas	111.05	0.04
PTAR	343.36	0.13
Extinguishers	2.78	0.00
Welding and oxicutting	53.95	0.02
Oils and fats	218.42	0.08
Scope 2: emissions due to the consumption of electricity	8,263.46	3.21
Consumption of electricity	8,263.46	3.21
Scope 3: indirect emissions	98,833.93	38.37
Fuel consumption of third party vessels	24,380.24	9.46
Movement of personnel to work	388.81	0.15
Contracted transport	28.21	0.01
Taxi services of the company	9.01	0.00
Loss due to transport and distribution of electricity	1,026.92	0.40
Generation of residues	4,942.58	1.92
Consumption of paper	613.83	0.24
Consumption of water	29.27	0.01
Transport of residues	85.26	0.03
Plane journeys	420.29	0.16
National journeys by land	54.23	0.02
Transport of inputs between units for fishing activities	534.73	0.21
Transport of finished product (between TASA units)	1,914.54	0.74
Shipment of finished products to clients	64,400.59	25.00
Messenger service	5.41	0.00
Total carbon footprint	257,605.37	100.00

In conclusion, there are three main sources of emission produced by our operations, which represent 80.98% of the total:

1. Use of boilers, with 36.15% (93,114.05 tCO2eq).
2. Shipment of finished products to clients, with 25.00% (64,400.59 tCO2eq).
3. Fuel consumption of own vessels, with 19.83% (51,088.87 tCO2eq).

During the period 2019-2021, we are committed to developing action plans which permit us to reduce our impacts, prioritizing the principal sources of emission.

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WATER CONSUMPTION

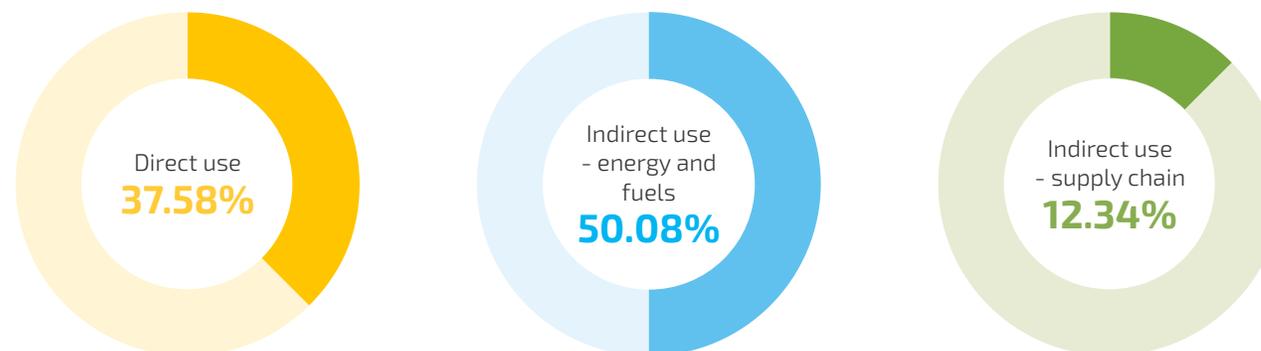
> (103-2, 103-3, 303-1)

In March 2018, The General Assembly of the United Nations proclaimed the beginning of the Water Action Decade. This focuses on promoting the efficient use of water, above all in contexts like that of Peru, which, due to its rapid urbanization process, has had substantial impacts on the availability and quality of water, among which are include the overexploitation of water resources, risks to water safety, greater vulnerability to floods and water-related impacts on health.

Faced with this problem, different methodologies are being developed to evaluate the impacts of the use of fresh water, such as the water footprint, which, based on an analysis of the life cycle of the operations, identifies the inventory of fresh water used, as well as its impacts on quality and quantity.

In 2018, we measured our water footprint on a national level from 2017, in accordance with ISO Standard 14046:2014. The study includes the direct consumption of water, electricity, fuel, as well as the purchase of inputs. From that, the following results were obtained:

INVENTORY OF WATER USE AT TASA CORPORATE LEVEL 2017



STAGE OF LIFE CYCLE	PROCESS DETAILS	WATER CONSUMPTION (M ³)	%
Direct consumption	Well water	712,217.67	33.58
	Mains water	84,691.02	3.99
	Bottled water	176.74	0.01
Indirect consumption	Electricity	698,224.08	32.92
	Fuels	363,974.55	17.16
Supply chain	Inputs	261,695.99	12.34
Total		2'120,980.05	100.00

Source: Compiled in-house

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> (303-1)

In summary, the total water consumed in 2017 totals 2'120,980.05 m³, consumption which considers direct and indirect use. From this, the direct consumption of water represents 37.58% of the total. On the other hand, the indirect consumption of water in the generation of electricity and fuels represents 50.08% of the total, a percentage broken down into 32.92% electricity and 17.16% fuel. Finally, the supply chain represents 12.34% of the total water consumption and is composed of 14 elements, among which, ethanol, ferrix 3 and citric acid stand out, due to their high water consumption.

With regard to 2018, we consumed 623,045.85 m³ of water for our production work in the fishmeal and fish oil plants, human consumption and omega, originating from water wells and the mains supply.

The study and its results have permitted us to understand the impact of the consumption of water in our operations and value chain, for which we will seek to develop new solutions that enable us to optimize its use.

MATERIALS AND RESIDUES

> (103-2, 103-3, 306-2)

With regard to residues, we have a new standard for residue management, applicable to all of our new business units. This document establishes the guidelines for correct segregation, storage, transport and final disposal, according to the new environmental regulation in force for solid residues.

Our dangerous solid residues decreased compared to the previous year, as also did non-dangerous residues, due to the improvement in the management of the stabilization process of our effluent treatment systems.

2017		2018	
Dangerous solid residues (MT)	Non-dangerous solid residues (MT)	Dangerous solid residues (MT)	Non-dangerous solid residues (MT)
1,082	11,111	623.32	9,057.70

Source: Compiled in-house





ACHIEVEMENTS 2018

- We have recorded no penalties or infractions in any of our plants originating from the Organismo de Evaluación y Fiscalización Ambiental (OEFA). > (307-1)
- We implemented calculation engines for the measurement of the carbon footprint and water footprint.
- We carried out a complete mapping of pipes in all of the fishmeal and fish oil plants to reduce environmental risks.
- We achieved the ISO 14001:2015 certification of the Omega oil unit, with which we have 100% of certification of all of the units.
- We optimized the system of pumping water treatment so as to ensure reliability in compliance of the MPL.



CHALLENGES 2019

- To improve the infrastructure in the plants for the management of dangerous and non-dangerous solid residues.
- To improve the performance of the cleaning water treatment systems.
- To evaluate 100% of the organic residues obtained from the treatment of the plant cleaning water.
- To determine and implement the plan of carbon footprint and water footprint reduction.

QUALITY

> (103-2, 103-3)

As a company mainly dedicated to the preparation of raw materials and products destined for feeding the world, we have as a core idea quality management, the objective of which is to assure our clients and society of the quality and safety of our products, as well as their complete traceability from their origin.

To achieve this, we ensure the permanent compliance of the sanitary norms of the country of origin and destination, the requirements of our clients and international standards of quality management in the production of fish meal and fish

oil, as well as in products for human consumption: frozen, fresh and refined oil/ concentrate.

We currently hold the following certifications:

	Fishing	Plantas HyAP*	Omega Plant	Frozen Plant	Shipyard	Main of-ice San Borja	Commercial management
 Environmental Management System ISO 14001		✓			✓	✓	
 Safety management system and occupational health OHSAS 18001		✓			✓	✓	
 Business Alliance for Secure Commerce BASC		✓	✓		✓	✓	
 Good Manufacturing Practices GMP + B2		✓					
 Hazard Analysis and Critical Control Points HACCP		✓	✓	✓			
 Good Practices in Trade and Distribution GMP + B3							✓
 Global Standard for the Responsible Supply of Raw Material IFFO - RS		✓					
 Certification of Guarantee for the Muslim Market HALAL		✓	✓				
 Good Manufacturing Practices ICHQ7 (in process of implementation)			✓				
 Quality Management System ISO 9001					✓		
 Certification of Sustainable Seafood Products from Fisheries and Aquaculture FOS	✓	✓	✓				
 British Retail Consortium BRC				✓			
 Good Manufacturing Practices GMP			✓				

Source: Compiled in-house

* Fishmeal and fish oil plants.

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In order to build a quality culture and generate spaces to provide innovative solutions for various needs of the business, we promote the development of strategic and operating projects. Below, we summarize the most important ones of 2018:

OPERATING PROJECT: REINFORCEMENT OF THE QUALITY ASSURANCE SYSTEM

In 2018 we continued with the above project, in which new controls were implemented:

- ↳ We applied the specific questionnaire to evaluate suppliers of inputs and citric additives for safety.
- ↳ We redesigned and implemented the plan of control of critical inputs prior to use in the process.
- ↳ We developed the internal communication plan to raise the awareness of the collaborators of quality management, and their participation was extended to key events of the company.
- ↳ We implemented the analysis to determine total volatile base nitrogen (TVN)²³ upon the arrival of the vessel, so as to know in advance the quality

of the raw material and define the acceptance of the unloading at the plant.

- ↳ We redesigned the control of crude oil for human consumption.

OPERATING PROJECT: REINFORCEMENT OF THE QUALITY MANAGEMENT SYSTEM OF LABORATORIES

In 2018, we continued with this project in order to increase the levels of reliability of the laboratory results.

- ↳ We carried out unannounced internal audits.
- ↳ We reinforced the implementation of the verification plan to ensure the reliability of the results.
- ↳ We developed a course of uncertainty to strengthen the knowledge of statistical tools for evaluation of results.

OPERATING PROJECT: NIR ONLINE

In 2018, the application of near-infrared technology (NIR) was evaluated. This technique

is based on the interaction of electromagnetic radiation with the constituents of the product (fats, proteins, ash and humidity), which generates a spectrum which is characteristic of each sample. This spectral information enables us to construct quantitative prediction models to determine the quality of a product.

OTHER INITIATIVES IMPLEMENTED: AUTOMATION OF THE TRACEABILITY OF CRUDE FISH OIL

- ↳ The process of automation of the traceability of crude oil for human consumption has begun, and extends from the raw material to the finished product, so as to obtain a better monitoring of our products.
- ↳ We were able to divide the crude fish oil into lots for each day of production and according to type of product, with which a better control has been obtained of the movements and the mixtures in SAP.

²³ Indicator of the quality of the raw material, related to freshness.



QUALITY AND SAFETY OF THE PRODUCTS

> (416-1, 417-1)

We have a quality assurance system (HACCP) that involves a hazard analysis to take all of the pertinent measures to guarantee the safety and quality of our products. Those used as ingredients have MSDS sheets (material safety data sheets (in italics)) and, in general, they are all prepared under a system that enables the complete traceability to be known, as far as the fishing zona.

Furthermore, in order to guarantee effective communication with the clients, the labels of our products record the following:

Information contained on the labels of our products



Fishmeal



Fish oil



Refined oils
and
omega 3
concentrates



Frozen



Canned

	Fishmeal	Fish oil	Refined oils and omega 3 concentrates	Frozen	Canned
Origin of the components (raw materials, country of origin)	✓	✓	✓	✓	✓
Substances that could generate environmental or health impacts	✓	✓	✓		
Safe use of the product	✓	✓	✓		
Lot N° and expiry date	✓	✓	✓	✓	✓
Elimination or final disposal			✓		

Source: Compiled in-house



ACHIEVEMENTS 2018

- We incorporated NIR online technology, which enabled us to speed up the evaluation times of product quality.
- We divided the crude fish oil into lots for each day of production and according to the type of product, with which a better control and traceability is obtained in SAP.
- We implemented the monitoring of TVN upon arrival, which contributes to improving the management of the unloading of raw material.



CHALLENGES 2019

- To achieve the automation of the process of traceability of crude fish oil with the migration to SAP HANA and the development of block chain.
- To evaluate other applications of the NIR technology in the assurance of our processes.
- To promote and disseminate the quality/safety culture throughout the organization.

INNOVATION

In 2018, based on the strategic plan 2018-2021, we redefined our approach to innovation, focusing our efforts on the optimization of operating standards and processes and the creation of new products and solutions for our clients. This was accompanied by the following changes:

- ↳ The R+D area was restructured, and it now reports directly to the central operations management. This will facilitate the coordination and validation of projects in all of their stages.
- ↳ The sub management of value creation was created with the objective of providing detailed monitoring of the organization's strategic projects. There is a committee of value creation, which meets on a monthly basis with the General Manager. In it, progress reports are presented of the projects for decision making and the progress of value creation in the company is measured.
- ↳ The area of continuous improvement continues to expand its scope of intervention, and now reports to the central management of administration and finance. With that, it not only provides support to the operations area, but also intervenes across-the-board in the organization through the development of improvement projects, and guides the application of methodologies for solving problems, and strengthens a culture of continuous improvement, which has an impact on the quality of our products and the profitability of the organization.

CREATION OF VALUE

Under the leadership of the value creation team, we seek to develop more applied and strategic innovation projects for the organization. Among them, we develop disruptive innovations which involve greater complexity and investment, such as initiatives in data analytics and research projects assigned to high-performing teams from various areas of the organization with the support, in some cases, of external allies and educational institutions.

- ↳ **Strategic projects:** they are the product of annual strategic planning and have the objective of generating sustainable economic value for the organization.
- ↳ **Data Analytics Projects:** through data analysis and the creation of information technology solutions, we provide support to operations in

order to optimize processes. We have been developing projects together with our ally Brein, a consultant specialized in innovation and management of change.

- ↳ **Tests in season:** we experiment with proposals of specific improvements in parts of the productive process, in order to generate higher quality fishmeal and fish oil.
- ↳ **New products:** initiatives of research and analysis of our processes so as to identify other products to develop which are innovative, attractive and valued by the market.

CONTINUOUS IMPROVEMENT

During 2018 the following initiatives were developed:

- ↳ **Improvement projects:** they focus on improving the processes of the organization, and promoting inter-area teamwork and the development of new leadership capabilities of our mid-level executives. The teams have between six and eight months in which to develop the project and implement its solution, with progress reports to Senior Management. In 2018, five projects were developed, of which three sought to have a direct impact on the quality of our product, one on the improvement of the cleaning water, and another on the improvement related to transfers, temporary hiring and staff training.
- ↳ **Tu Idea (Your Idea):** a program in which all of the collaborators have the opportunity to design and implement those low cost, innovative ideas, aligned with the objectives of the organization, which may be replicable and which have a positive cost-benefit balance. In 2018, 562 people participated, who generated 145 ideas.
- ↳ **Pilot Lean Callao:** this focuses on creating a culture of continuous improvement in order to increase the efficiency of our processes, so as to reach a world class performance. In 2018, the team of the Callao plant worked on the standardization and optimization of their operating processes, and achieved improvements in the quality and yield of the fishmeal. With this base, in 2019 we will seek to continue with the improvement, and complement what has been achieved with the application of methodologies and tools of continuous improvement and Lean Manufacturing, focused not only on the operational aspect, but also at the level of people and management.

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ACHIEVEMENTS 2018

- We created the value creation committee and the committee of improvement projects, as formal spaces for the development and monitoring of innovation in the organization accompanied by Senior Management.
- We completed the first initiative of the value creation portfolio, which generated an economic benefit for the organization.



CHALLENGES 2019

- To achieve the goals of the Lean Callao Pilot, and strengthen the bases of continuous improvement.
- To generate economic impact through improvement projects.
- To conclude the second portfolio initiative of value creation and implement data analytics solutions in different processes of the organization, and prioritize the commercial and operating areas.

**CHAPTER 4:
WE DEVELOP
OUR PEOPLE AND
ENVIRONMENT**



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In TASA we are aware of the great diversity, potential and integrity of our human team. The more than 2,700 men and women who represent us have generated a distinctive seal in each place where we operate.

Our vision is to consolidate a high performance human team which not only achieves the best results for the business, but is also concerned with generating a positive legacy for the industry and society.

Therefore, we strive to ensure their safety and well-being, offering a competitive value proposal for their formation and development within the company and the Breca Group and maintain a close relationship with their families in a healthy environment.

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OCCUPATIONAL SAFETY AND HEALTH

> (103-2, 103-3)

In TASA, caring for the integrity of our employees is a priority, therefore we are convinced that all the occupational injuries or illnesses can be prevented working as a team and living safety as a value and style of life. Therefore, we seek to operate under a preventive focus that enables us to reduce any type of risk to a minimum.

We know that this objective will only be possible if all our collaborators and contractors are involved and committed to the development of safe activities, which enable us to consolidate a self-management risk culture. Additionally, we must ensure the best working conditions, for which we have been incorporating a transversal risk management focus for all the processes of the organization.

During 2018, we focused our efforts on the control of incidents related to the processes, in other words, the inspection and supervision routines included the verification of the compliance of the operating procedures by our collaborators, as well as the correct functioning of the critical equipment of the plants and vessels. It is important to state that the progressive safety improvement strategy of the facilities was boosted, with which it was possible to create the project management. Additionally, we improved our failure management incorporating a greater thoroughness in the incident investigation procedures with property damage and process failures.

In order to achieve all of the above, we developed a strategy of greater closeness and accompaniment with the Ohsas team in the execution of the tasks, and we are concerned with improving in advance the competencies and abilities of the specialist team, in order to provide better technical support and ensure a complete and reliable operation.



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OCCUPATIONAL SAFETY AND HEALTH CULTURE

In 2018, with the support of an external consultancy firm, we carried out a study on a national level regarding the safety culture in TASA. For the first time, focus groups were formed, in-depth interviews were carried out, as well as surveys addressed to all of our units, who provided relevant information to design the new culture strengthening programs in safety that will be implemented throughout the year 2019.

Additionally, we continued with the formation and training of our collaborators, and reached more than 29,000 hours in basic safety aspects, as well as other more specialized aspects for high risk works.

All our trainings are part of the annual training plan in occupational health and safety (OHS) and they are aligned with compliance with the law.²⁴

In the case of the contractor companies, we continued monitoring the control of the works, to ensure that they have the necessary requirements to enter our facilities: complementary risk work insurance (SCTR, Spanish acronym), medical aptitude certificate and Oshas induction. Together with the Organización Iberoamericana de Seguridad (OIS) we have achieved that 100% of our contractors have the above-mentioned requirements.

With regard to occupational health, we continued with the Occupational Medical Surveillance, which assures the elimination or reduction of occupational illnesses through preventive programs, which include entry-level medical tests, periodic control, health surveillance and monitoring of occupational hygiene. During 2018, we concentrated on the surveillance of musculoskeletal disorders, of hearing conservation and quality of life, which we will continue monitoring in 2019.



²⁴ Peruvian regulations regarding OHS requires the training of 100% of the personnel with at least four trainings in OHS.

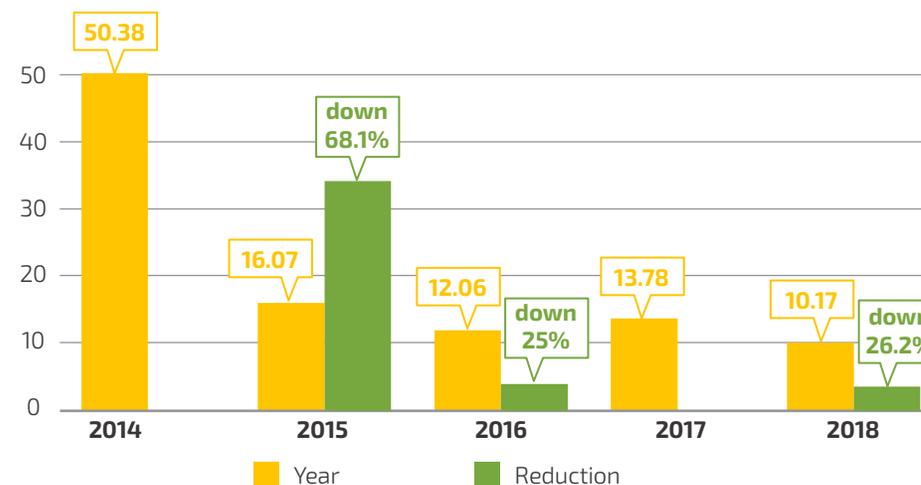
PERFORMANCE IN OCCUPATIONAL HEALTH AND SAFETY

We closed the 2018 period without recording fatal accidents, thanks to the exhaustive and permanent control of high risk works carried out with our personnel and contractors. With regard to incapacitating accidents, 151 were recorded in our collaborators and 30 in contractors.

These results are reflected, at the same time, in the accident rate, which showed a reduction of 26.2% compared with the previous year, and reached 10.17%.

> (403-2)

Accident rate²⁵



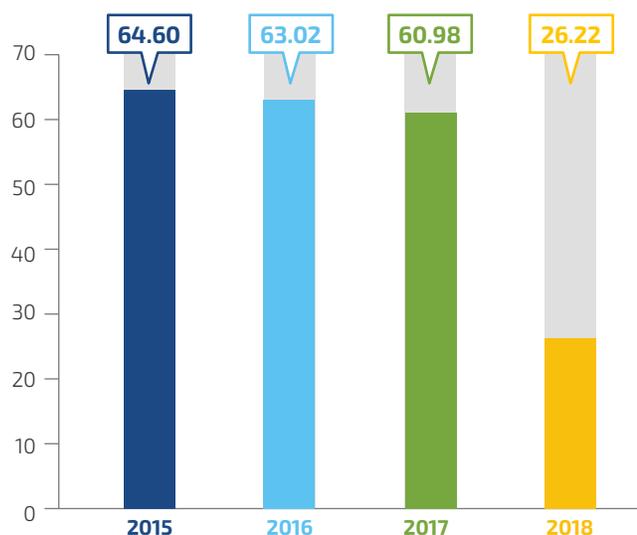
Source: Compiled in-house



²⁵ Frequency rate * Severity rate / 1000

For the first time, we incorporated the OHS effectivity index to monitor our safety management, which related the accident rate with the volumes of fishmeal and fish oil produced. Compared with previous years, the OHS effectivity index in 2018 is much lower, despite the produced volumes exceeding those of the previous years.

OHS Effectivity rate²⁶



Source: Compiled in-house

> (403-3)

Among the activities with the greatest risk we can mention: the entrance to confined spaces, working at heights, the manipulation of chemical substances, the exposure to dangerous energies (electrical, pneumatic, hydraulic, mechanical) and hot works. Additionally, the use of natural gas and petroleum, as well as the storage of fish oil, increase the fire risk level in our plants.

As part of this risk analysis, we have identified that the main consequence of the occupational accidents are muscular skeletal injuries, as a result of muscular overexertion.

Accident by type of injury	Frequency rate
Muscular skeletal	75%
Lumbago	13%
TBI (Traumatic brain injury)	4%
Conjunctivitis – foreign object in the eye	4%
Burn	4%

Source: Compiled in-house

In 2018, with the objective of increasing the quantity of equipment specialized in occupational health and safety, we invested more than US\$100,000 to acquire respiratory protection systems with assisted air injection, industrial firemen suits, gas extractors, multiple gas monitors and equipment to monitor the occupational hygiene in our operations.

In the case of occupational health, periodic medical evaluations were carried out during the work shifts. The programs are divided into three axes: quality of life, muscular skeletal disorders and hearing conservation. In the year 2018, 86% of the collaborators participated in the occupational medical surveillance (OMS).

Work category	% of collaborators with OMS
Officials	45
Employees	75
Workers	97
Crewmembers	77

Source: Compiled in-house

²⁶ Accumulated accident rate / MT produced *1'000,000.



OCCUPATIONAL HEALTH AND SAFETY COMMITTEES > (403-1)

We are a company that respects its legal obligations in terms of Occupational Health and Safety. We have a Central Joint Committee that consists of 12 members, of which 6 correspond to representatives of the employer and the other 6 to representatives of the collaborators.

The Committee meets on a monthly basis to review the preventive management of all our units and propose improvements to the existing processes. These sessions are carried out in a decentralized manner, which permits the verification of the safety conditions of the visited plants.

In the case of the collective agreements, we complied with the agreements in health and safety aspects:

- Adequate working, health and safety norms of equipment and of human life in the sea.
- Use of safety protection uniforms and equipment.
- Participation of representative of the workers in the inspections, audits and investigations of accidents related to health and safety.
- Training.
- Internal investigation procedures.
- Periodic inspections.
- Occupational health and safety committees.

Safety committees	Representation level
% of representation in the central committee of officials	50% = 6 representatives
% of representation in the central committee of employees	16.67% = 2 representatives
% of representation in the central committee of workers	16.67% = 2 representatives
% of representation in the central committee of crewmembers	16.67% = 2 representatives

Source: Compiled in-house



ACHIEVEMENTS 2018

- We improved the results of the accident rate of our own and third party personnel.
- We implemented preventive management focused on process risks.
- We organized the Oshas team for a better technical and transversal support for all the processes of the organization.



CHALLENGES 2019

- Implement a plan to improve the Oshas culture in TASA.
- Implement a new approach to the training process, based on a continuous monitoring of learning.
- Strengthen the self-management risk culture in the collaborators.
- Develop healthy life programs for the collaborators.

TALENT

> (102-7, 102 -8, 103-2, 103-3)

OUR HUMAN TEAM

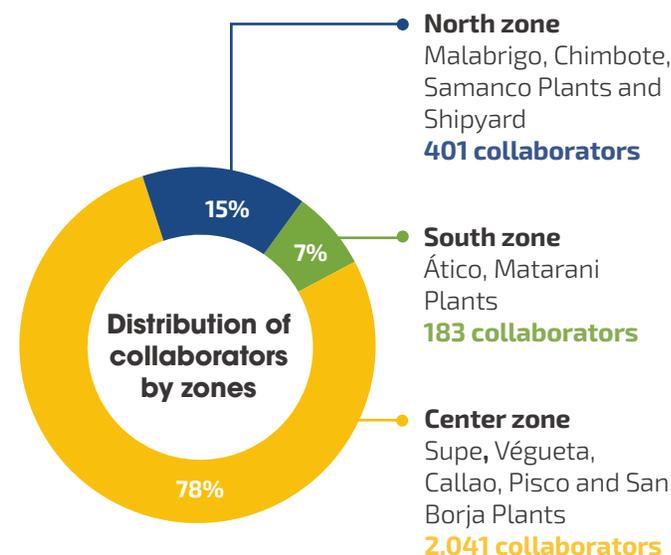
In 2018, the human team of TASA consisted of 2,625 collaborators, below the level of the previous year due to the changes in structure of our human consumption fishmeal and fish oil business units.

Collaborators by work category

Work category	2017		2018	
	TOTAL	%	TOTAL	%
Officials	48	2	43	2
Employees	742	27	693	26
Workers	943	35	895	34
Crewmembers	971	36	994	38
Total	2,704	100	2,625	100

Source: Compiled in-house

Our presence in ten localities of the coast of Peru involves the distribution of our collaborators in the North, Center and South Zones. The North Zone concentrates the greatest number due to its greater production load: 78% of the total.



Source: Compiled in-house

Regarding the location of our collaborators, it is important to mention that, since 2014, we have a temporary rotation scheme that allows us to transfer our personnel (plant officials, employees and workers) to other plants. This will depend on the fishing and production seasons, which will generate greater efficiency in our people management and the professional development of our collaborators, who receive additional economic incentives during the transfer.



> (102-8, 103-2, 103-3, 202-1)

Our human team is characterized by being largely composed of the male gender, which is explained by the nature of the operations of the industry. In this respect, we take care to maintain the same conditions for men and women, seeking to reduce and eliminate gender gaps. This is the case of the worker category, where the salary has a minimum difference of 0.3% in favor of women.

Work category	2017						2018					
	Female		Male		Total	% Total	Female		Male		Total	% Total
Officials	5	11%	43	89%	48	1,7	5	12%	38	88%	43	2
Employees	211	28%	531	72%	742	27	191	28%	502	72%	693	26
Workers	14	1%	929	99%	943	35	5	1%	890	99%	895	34
Crewmembers	0	0%	971	100%	971	36	0	0%	994	100%	994	38
Total	230	9%	2,474	91%	2,704	100	201	8%	2424	92%	2,625	100

Source: Compiled in-house

It is important to state that 100% of our collaborators obtained a compensation above the legal minimum salary of the country, exceeding it by 166% in the case of the lowest salary for crewmembers, 82% for workers and 11% for employees. These results demonstrate our commitment to offering the best working conditions in the industry and the national market.

In this same sense, during 2018 we carried out a salary study based on the Living Wage²⁷ methodology, with the participation of thirty collaborators from our Pucusana plant, including employees and workers. This study sought to know and validate whether the salary offered by TASA allows our collaborators to have sufficient income to maintain a decent lifestyle, for which the following aspects were considered: housing, food, clothing and shoes, services, child care, transport and mobility, and

²⁷ Accumulated accident rate / MT produced *1'000,000.



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› (102-8, 102-41, 103-2, 103-3, 407-1, 408-1, 409-1)

household health. At the end of the study, we verified that, in the case of the collaborators of Pucusana, the average salary offered by TASA exceeds the Living Wage by approximately 21%. During 2019, we will extend this study to other areas where we operate.

As signatories of the Global Compact and in the framework of our recent Human Rights Policy, we protect fundamental rights in the workplace and decent employment. This means the rejection of forced and child labor, the elimination of every type of discrimination and respect for the freedom of association. In the case of this last point, in 2018 we had 1,230 collaborators covered by collective agreements, who represent 43.67% of all collaborators.

Work category	2017	2018		
	% of unionized	N° of unionized	N° of non-unionized	% of unionized
Officials	0	0	43	0
Employees	0	1	692	0.14
Workers	22.92	198	697	22.23
Crewmembers	99.37	994	0	100
Total	42.59	1,230	1,586	43.67

Source: Compiled in-house

We seek to maintain good communication and relationships with each of these representation spaces. TASA has a union committee (Shipyard business unit in Chimbote), a company union (Ático plant) and a national union (Malabrigo, Chimbote, Samanco, Végueta, Supe, Callao, Pisco, Ático and Matarani plants). Additionally, there is a branch union, Sindicato Único de Pescadores de Nuevas Embarcaciones Pesqueras (Sunep), to which all the crewmembers are affiliated.

HUMAN MANAGEMENT

> (103-2, 103-3, 401-1)

EMPLOYER BRAND

We disseminate the TASA brand in recognized universities, such as the Universidad Nacional de Ingeniería, Pontificia Universidad Católica del Perú and Universidad Nacional del Callao. Additionally, in juvenile organizations such as the International Association of Students of Economics and Management (Aiesec, French acronym) and in post-graduate schools, through participation in talks, fairs and employment promotion spaces.

With these activities, we seek to attract the best talent, letting them know the growth opportunities in the company, benefits focused on life-work balance and the achievements of TASA in the sector.

In 2018 a new human management strategy was defined, which is based on three axes:

- **Talent:** attract, develop and retain talent in strategic positions.
- **Capacities:** develop the necessary competencies in the company to achieve the business strategy through a formation methodology of 70-20-10²⁸.
- **culture²⁹:** strengthen a culture of safety, teamwork and operating excellence highly focused on results and people.

TALENT

During 2018, we focused on identifying the best tools and means to attract the best talent in the market, as well as developing internal talent with the objective of covering strategic positions.

ATTRACTION

We implemented improvements in the talent selection process, aligned with the Breca strategy, which incorporates three new and rigorous interview stages. These improvements have enabled us to identify candidates with high potential to challenge and generate transcendent changes in the business with a positive impact.

1. **Competency interview:** divided into two parts: the first considers the essential competencies, evaluated for all the positions, and the second considers the leadership competencies,

evaluated for those positions which are responsible for personnel.

2. **Technical interview:** evaluates the technical knowledge of the candidates based on questions that the head defines as relevant and necessary for the position.
3. **Potential interview:** evaluates Breca potential characteristics, which seeks to identify future leaders for strategic positions.

In 2018, 325 new collaborators entered on a national level, of which 84% were men and 16% were women, the latter in the category of employees.

Work category	N° of new hirings 2018
Officials	7
Employees	139
Workers	135
Crewmembers	44

It is important to indicate that in the case of the Omega unit, the operations of which are developed in our Pucusana plant, adjustments were carried out in the distribution of the working hours, and the hiring of 21 new vacancies was approved, of which 16 were filled during 2018. With these new incorporations, we ensure a better life-work balance for our collaborators.

²⁸ Training methodology: 70 based on experience, 20 based on feedback and 10 based on training.

²⁹ During 2018, a diagnosis of the TASA culture has been carried out, in order to define our values, mission, vision and purpose of the organization. We will develop this aspect in greater depth in 2019.

TRAINEE PROGRAM

During 2018, we continued with the Trainee Program in the operations and quality management, since new mentors were incorporated to the initial team, who were committed to the formation of the first class of trainees of the quality management. Additionally, the course structure improved, with the inclusion of internships in the Omega business unit, Callao Plant and the Occupational Health and Safety and Environmental Management.

Regarding the experience of the participants, we improved the monitoring of the program through focus groups, workshops and continuous communication by Whatsapp. We also provided awards to the general mentors and the mentors of each plant (Malabrigo, Chimbote and Pisco) for the support provided in the accompaniment of the trainees during their process of adaptation to the organization and knowledge of the business.

As a result, in 2018 we contracted six trainees for the positions of head of production shift Samanco, production analyst and central maintenance assistant in the operations area, head of quality shift Samanco and Supe, and quality control room.

At the end of 2018, we carried out the recruitment process of the class of 2019, which increased compared to previous years, since the contracting of 21 positions was approved (15 in operations and 6 in quality).

After this recruitment stage, the best candidates were selected to begin their training in January of 2019. This new class has the participation of 14 men and 7 women, which represents a commitment to the formation of feminine talent for the industry.

The improvements proposed for 2019 include the internship in the central fishing management and a rotation system that allows the distribution of the trainees (in italics) between the different units.

These changes seek to facilitate the adaptation of these young people to the organizational culture, develop the necessary competencies to be able to assume future key positions in the organization and a leadership that allows them to effectively manage their work teams.

Additionally, growth opportunities were generated by means of TASA invitations in the different occupational groups of the organization.

Work category	N° of promotions 2018
Officials	0
Employees	55
Workers	3
Crewmembers	7

DEVELOPMENT AND RETENTION

In 2018, a new talent development methodology was implemented through the assignment of professional growth challenges (DCP, Spanish acronym), for collaborators who stand out due to their competencies and performance, with the objective of assigning them a professional challenge that has a high impact on the business and enables them to continue with their development.

The implementation of the DCP, which consisted of strategic projects, was carried out by the sub-management of strategic planning and continuous improvement, aligning the challenges assigned to the business strategy.

Throughout the process, the project leaders presented their progress to the general manager, sponsors and managers of business units, which enabled them to demonstrate their project management and solution identification capacities in response to the proposed challenges.



ACHIEVEMENTS 2018

- We implemented the guidelines of the Breca Talent Factory, which included improvements in the recruitment process.
- We extended the trainee program to quality management and achieved the expansion of vacancies to 21 positions.
- We promoted the internal growth of 65 collaborators through TASA invitations.
- We implemented a new talent development strategy called DCP.



CHALLENGES 2019

- Achieve the development and the retention of the new 2019 trainee class, so that they are able to occupy leadership positions at the end of the program.
- Implement a new executive trainee program, which permits the incorporation and development of talent for senior positions in the organization.
- Improve the experience and the feedback received by collaborators in the development process of their competencies, through the challenges presented as part of the DCP.
- Automate the selection and induction processes, reduce the operating burden and allow a better monitoring of them.
- Reinforce the employer brand to attract and retain talent in the company through the new TASA benefit website.



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DEVELOPMENT OF CAPACITIES

> (103-2, 103-3, 404, 2)

Our formation and development strategy is based on the 70-20-10 methodology. This model states that 70% of the learning of a collaborator originates from experience and practice in the work position, as well as the participation in inter-functional and strategic projects; 20% is acquired through daily conversation and feedback from people who contribute to their professional and personal development and from the performance evaluation process in charge of the direct superior; and the remaining 10% of structured training courses and programs.

With regard to the 10%, the objective is to maximize the competencies of our collaborators and develop their abilities to achieve excellent results. For this, we have been working on the redesign of the courses and of the strengthening of the competencies of the internal teachers.

In 2018, we invested more than US\$290,440 and registered 42,499 hours of training.
> (404-1)

Work category	Training hours 2018
Officials	76
Employees	8,352
Workers	19,319
Crewmembers	14,752

DEVELOPMENT OF OFFICIALS

As part of the development and strengthening of the leadership, in coordination with the Breca Corporate Center, our managers were trained in the GROW methodology, to strengthen their feedback and communication competencies. This training registered 240 hours and 30 participants.

DEVELOPMENT OF EMPLOYEES

As part of the employee development, we implemented the virtual classroom, where occupational health and safety and information safety training was carried out. 100% of the administrative personnel was trained, and 1,778 hours of virtual training were achieved.

DEVELOPMENT OF WORKERS

The Operator Development Program consisted of an annual training in aspects of quality, occupational health and safety and the environment, to reinforce the comprehensive management system of TASA. It was directed at 100% of the operators.

Additionally, the Training Program of Human Consumption Groups was carried out, which consisted of training, through the internal teaching staff, the operators of the fishmeal and fish oil plants in the operation of human consumption



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> (404-2)

with the objective of having them acquire experience and knowledge of another business unit. With this, it is possible to diversify the competencies and opportunities of the career line.

As part of our knowledge management, we identified the productive processes for the design and the implementation of new learning strategies in 2019.

DEVELOPMENT OF CREWMEMBERS

The Crewmember Development Program is designed to form the sea personnel. This year we worked on training based on safety axes in navigations, maintenance, fishing operations and sustainability, and 14,752 hours of training were registered.

The most relevant training was:

- **Navigational safety:** competencies related to navigational safety were developed in accordance with the indications of the National Regulation to Prevent Collisions at Sea. Skippers, navigation captains, second skippers and crewmembers were trained.

- **Safety training:** training was provided in the safety aspects in the management and mating of fish, net turning operations, docking and undocking maneuver of vessels, as well as a reinforcement of the rules and adequate use of PPE.

- **Training in the use of the TimeZero Software and oceanographic fishing conditions:** the competencies in the use of the TimeZero software for navigation and on board safety were reinforced. Additionally, we stressed the timely identification of the banned zones and oceanographic conditions.

- **Reinforcement of the Sustainable Fishing Program:** we maintain our strategy for awareness regarding the importance and care of the marine ecosystem among our crewmembers, for which we have provided them with basic marine ecology, contamination and segregation knowledge.

In 2018, our Crewmember Development Program received the ABE 2018 Prize for the social work responsibility from the Asociación de Buenos Empleadores (ABE - Association of Good Employers) in the training and development of people category.



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PERFORMANCE MANAGEMENT

› (404-3)

In TASA we believe that performance management is fundamental to achieving the results that we have proposed for ourselves as an organization, and for these to be achieved in an adequate manner and aligned with what we expect from our leaders and collaborators.

Our performance management is a continuous process through which the collaborator, with the support and guidance of his direct superior, defines and manages his individual performance objectives, and aligns them with the organizational objectives. In this manner, each collaborator understands his contribution to the execution of the strategy of the business.

In addition to facilitating the alignment with the strategy of the company, this process also has the objective of identifying the strengths and improvement opportunities with regard to personal and professional competencies, which

will help each collaborator to reach his maximum performance.

All the employees and/or workers with more than six and three months in the company, respectively, will participate in the annual performance evaluation process. In the case of the crew members, we develop the process with those people with leadership positions, who represent 25% of the total. During 2018, the process of definition of objectives improved, since a cascade communication was ensured, permitting an alignment of those inside the areas. An external consultant accompanied us in this process, facilitating workshops with the managements and their reports, which reinforced the value levers and the Smart methodology. Later, a new stage was implemented in the process, which consisted of an audit of the objectives.

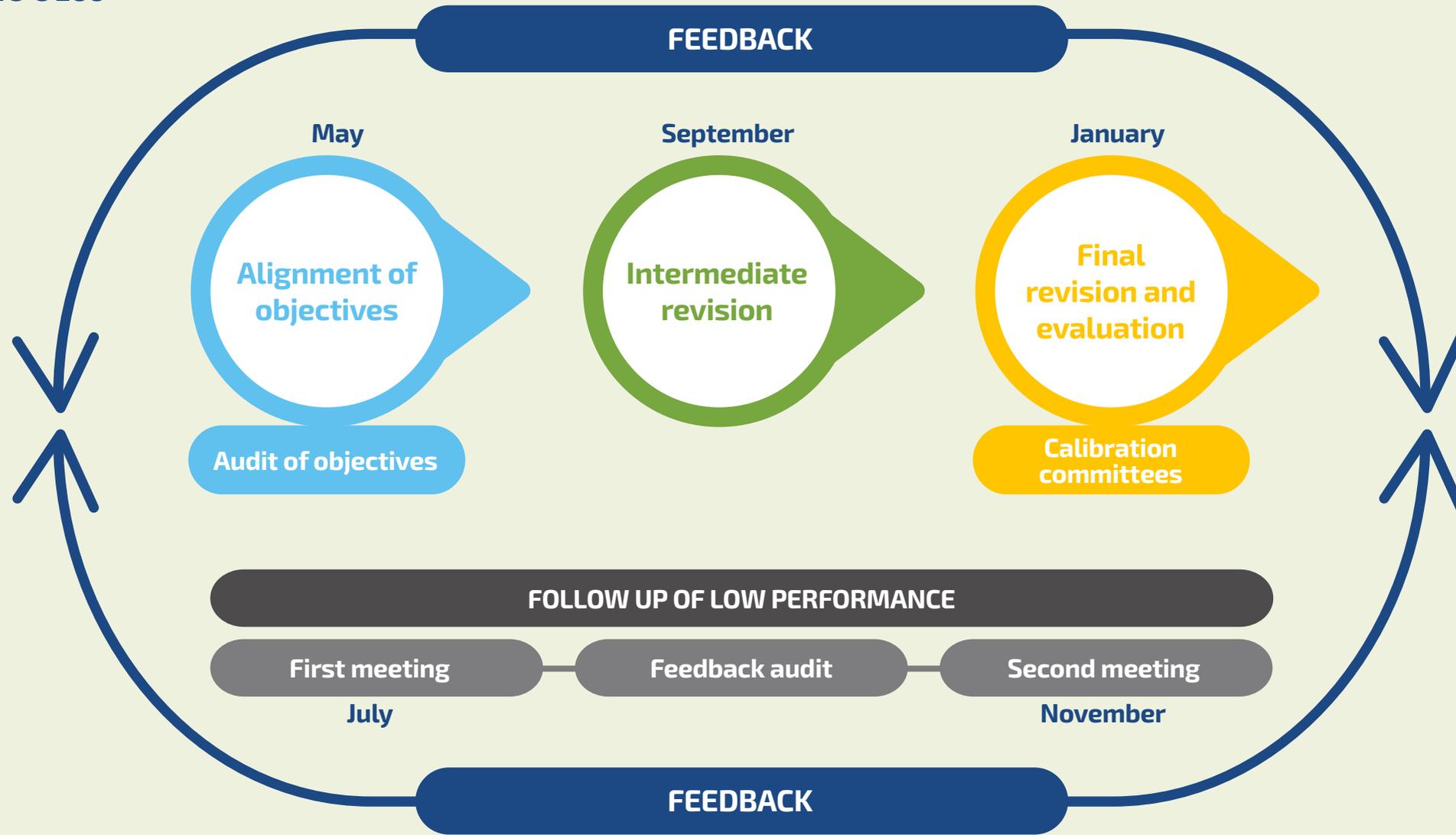
Based on the performance results, we worked on improvement plans. In the case of those

high-performing collaborators, we established a development line with the support of the key managers to ensure continuity in the organization. Additionally, there is an award program that includes a recognition letter, TASA points³⁰, free time coupon book, and letter and gift addressed to the family of the collaborator for the purpose of transmitting pride and recognition beyond the work environment.

In the case of the collaborators with a regular or low performance, a closer monitoring process is carried out by the direct superior and a detailed work plan is established for the year, with additional follow-up meetings to those established in the regular performance process. As an improvement in 2018, the SAP website system incorporated the monitoring of low performance, which facilitated the recording of feedback by the superiors. This consisted of two additional progress review stages in the middle and at the end of the year. Additionally, for the purpose of monitoring adequate feedback to the collaborators, an audit was implemented at this stage.

³⁰ Points that can be accumulated and exchanged for products.

PERFORMANCE MANAGEMENT PROCESS



An important recognition for this process was being a finalist in the performance management category in the ABE 2018 Prize for social work responsibility of the Asociación de Buenos Empleadores (ABE).

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ACHIEVEMENTS 2018

- We developed an e-learning platform that allowed the optimization of the occupational safety and health and information safety training.
- The inventory of our operating processes was finally achieved in alliance with Tecsup.
- We implemented the instructional design stage with the internal teachers for the effective execution of their courses.
- We implemented the human consumption group with the objective of providing new experiences and knowledge from another business unit to operators of fishmeal and fish oil plants, and thus diversify their career line competencies and opportunities.
- Objective alignment workshops were carried out and the first audit of objectives was executed, for the purpose of ensuring coherence with the business strategy and that they add value to the organization.
- The monitoring process of low performance was automated through the SAP website system and the number of feedback meetings in the year was increased, accompanied by Grow for Alignment workshops. Additionally, an audit was carried out at this stage of the process.



CHALLENGES 2019

- Strengthen virtual training in all of the business units.
- Develop strategic competencies through multidisciplinary projects.
- Reinforce technical knowledge in operations and maintenance.
- Strengthen the feedback process as part of performance management.
- Use technologies for the automation and standardization of our processes.
- Develop and promote the TASA culture among the leaders.



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WELL-BEING AND FAMILY

SHARED HUMAN RESOURCE SERVICES

In the year 2018, human resources management made changes in its structure. The area of shared human management services (SSCCGH) was formed, the objective of which is to provide direct and close attention to the collaborators through personnel administration processes and well-being activities.

PERSONNEL ADMINISTRATION

Based on the new structure, we focused on developing a reengineering and standardization of the personnel administration processes to attend to the entire organization in a homogenous and quality manner.

- Payrolls (biweekly, end of month, weekly payments, legal bonuses, CTS and profit sharing).
- Record of personnel updates (raises, bonuses, promotions, etc.).
- Hiring (entrance documentation, preparation of contract, registration in SAP, control of renewals)
- Attention to enquiries: overtime, vacations, markings, certificates, letters, etc.

WELL-BEING

In TASA we want our workers to feel valued due to their important contribution to the company, therefore we are concerned with their well-being and peace of mind and, especially, that of their families.

Therefore, we promptly comply with the legal benefits: complementary dangerous work insurance, health providing entities, labor formation insurance, legal life, EsSalud, among others. Additionally, part of our daily work provides personalized orientation and attention to our workers regarding the management of economic benefits (subsidy procedures: for nursing, maternity, burial, temporary incapacity, etc.) and direct attention for health cases, and channeling them through social assistance or other economic benefits. In this sense, we have incorporated a staff of social workers who have joined the shared services team of each unit.

In 2018, we also developed the pilot of the Psychological Advisory Program in the units of Malabrigo, Chimbote and Végueta, in order to create a space in which the worker can share his concerns with an external psychologist or request advice and orientation regarding aspects that concern him. The dynamic consisted of personal assessments for the worker, his family (home visit) and telephone calls in absolute privacy and confidentiality. The assessments were free and during working hours (duration of one hour). A total of 91 psychological appointments were provided. In the year 2019, we expect to strengthen this space of consultation for the collaborator and his family as part of the strategic sustainability projects.

Finally, we organized various activities in favor of the worker and his family, seeking to strengthen the TASA-family relationship at all times.

LEARN AND HAVE FUN CHILDREN

Target public: children of workers between 5 and 13 years old

During the year 2018, in the months of February and March, the Learn and Have Fun workshop was carried out, addressed at the children of our collaborators, between 5 and 13 years old, from all the branches. The objective of this space was to create awareness regarding the importance of the correct use of natural resources in a friendly and respectful environment.

FISHERMAN'S DAY MASS

Target public: all the TASA workers and their families (wife and children)

Since TASA is a fishing company, we celebrated the Fisherman's Day mass on a national level, the objective of which was to promote a space of integration and commemorate the day of San Pedro, patron saint of fishermen.

FiestTASA

Target public: all the workers of TASA and spouses

Celebrating the 16 years of TASA, we held the FiestTASAs in all the regions where we operate, with which we seek to promote the feeling of the unit as a team. Additionally, we organized internal tournaments in each branch, the central day being the day of the FiestTASA, where the closing and award ceremony of the winners was carried out.

CHILDREN'S CHRISTMAS

Target public: children of TASA workers between 0 and 12 years old

For the Christmas holidays, we gathered the children of our collaborators to share a space of family fun and give each of them a present.

MONTHLY BIRTHDAY CELEBRATION

Target public: all the TASA workers

In the year 2018, we introduced a new activity in each branch: the celebration of the birthdays of the collaborators. In this way, we meet at the end of each month to recognize our fellow workers and share a space of comradeship.



ACHIEVEMENTS 2018

- We restructured the shared services area and established a homogenous attention structure for all the collaborators on a national level.
- We developed various well-being activities for the collaborators and their families, and seek to strengthen the relationship with TASA.
- We implemented the pilot of psychological assessments as a special space of consultation for the collaborators and their families.
- We designed new projects with a view to 2030: healthy families and entrepreneur families.



CHALLENGES 2019

- Strengthen the shared service scheme on a national level.
- Maintain a good satisfaction index on the part of our internal clients.
- Implement the first stage of the healthy family and entrepreneurial family projects.

ALLIED FOR DEVELOPMENT

> (103-2, 103-3)

SUSTAINABLE AND PROJECTS AND INITIATIVES

We want our presence in the communities adjacent to our operations to fulfill a purpose: to have a positive impact on local development and the quality of life of their inhabitants, many of whom are our collaborators, their families or local suppliers.

Through our social intervention axes, we maintain a long term vision which has the goal of developing projects and initiatives:

➤ **Self Sustainable**, in which their beneficiaries have strengthened self-management capacities which allow them to ensure the continuity of the initiatives over time.

- **Social impact**, the projects show that they have contributed to positive and sustainable changes for the benefit of society.
- **Scalable and replicable**, so that our cases of success transcend from the private sector to the public sector.
- **Participative**, in which alliances are established for development that invite the work of public and private actors and of the civil society of each locality.

For us, it is vital to link said projects and initiatives with the agenda of priorities of each are where we operate and since 2015, with the Social Development Goals (SDG) of the United Nations to 2030.

Social intervention axis	Scope	Objectives
 <p>VENTURES FOR ECONOMIC GROWTH Strengthen business capacities and entrepreneurs' associations through collective work mechanisms and insertion into the market and the financial system.</p>	Unions artisanal fishermen, port stevedores • Adult men and women of the community	 
 <p>EDUCATION AND CULTURE Strengthen educational and cultural competencies through aspects that promote sustainable development and increase the employability of the participants.</p>	Children, teens and youngsters of the community • Population in general	 
 <p>ENVIRONMENTAL CITIZENSHIP Generate actions and changes for the development of the environmental care culture, applying innovative and creative solutions in the framework of rights and duties as citizens.</p>	the All stakeholders of TASA	  

Source: Compiled in-house



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POSITIVE RELATIONSHIPS

> (102-43)

In the framework of our development vision for the communities, we believe that it is crucial to propitiate and maintain a climate of trust where we operate. Therefore, we establish positive, solid and transparent relationships with our stakeholders.

During 2018, each of the stakeholders of our communities was recognized with the objective of getting to know their main perceptions regarding the industry, TASA and its localities. In this sense, a materiality analysis was prepared, focused on 10 of the 11 zones where we operate, which enabled us to establish a priority ranking of the material aspects by geographical zone, as well as the collection of new aspects and concerns, which include: environmental, safety and health conditions, work with families, and culture and sports promotion.

This management focus has enabled positive relationships to be maintained with the community during 2018, 69% of stakeholders

have timely information regarding the good practices of TASA, 27% participate actively in our activities and 2% of the actors have empowered, and actively and voluntarily influenced public opinion regarding the good performance of TASA in their respective localities.

For us it is important for our social management tools to be designed to collect positive feedback, but also to notice the opportunities for improvement in our relationship. Hence, we have a formal mechanism to report incidents, through the direct and interpersonal communication that any citizen can maintain with our plant superintendents and administrators. They are trained and maintain an active role to channel perceptions and expectations of the communities.

During 2018, our incident monitoring system has not recorded social claims, or conflicts with the communities adjacent to our operations.

It is important to mention that, during October and November, citizen participation workshops were carried out with our communities of Pisco and Pucusana, where the main stakeholders received information of the changes of our environmental instruments, as well as of the improvements carried out in the units.

We also carried out, with the support of an external consultant firm, a reputation study, which results qualified our reputation as good in the communities where we operate. During 2019, we implemented a comprehensive social management, environmental and communications plan for the first time, with which we seek to position TASA as a comprehensive and transparent company.

Additionally, the political context with new elected authorities for the 2019-2022 period obligates us to make contact with each one of them, and begin the joint design of projects and actions in benefit of the communities where we operate.

DONATIONS TO VULNERABLE POPULATIONS

During 2019, we made important donations to various stakeholders in the community:

- ↘ **January:** donation of 10,000 capsules of omega to the Asociación de las Bienaventuranzas, valued at S/450,000.00, for philanthropic actions of the institution.
- ↘ **July:** donation of almost S/800,000.00 in fish based frozen products to the Banco de Alimentos del Perú and more than S/250,000.00 to Cáritas del Perú, which were distributed in the highlands of the country.
- ↘ **August:** support to counteract the frost of the southern highlands of the country through the donation of more than 200 jackets and socks, valued at S/100,000.00 through the NGO Soluciones Empresariales Contra la Pobreza.
- ↘ **December:** donation of 3,600 capsules of omega to Cáritas del Perú, valued at more than S/68,000.000, distributed in January of 2019 to religious institutions.

> (203 -2 INDIRECT SIGNIFICANT ECONOMIC IMPACTS)

SOCIAL INVESTMENT > (103-2)

During 2018, we invested more than US\$1 MM in social projects and initiatives, benefiting more than 26,000 persons throughout 11 localities on the coast. Additionally, we made donations to various social organizations and continued supporting the social work performed by the APRO (Aprochicama, Aproferrol and Aproisco), entities linked to the National Fishing Society (Sociedad Nacional de Pesquería).



Source: Compiled in-house



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³¹ Includes Sumaq project.

³² Community Relationship Plans in 11 localities.

³³ Contribution to Associations of Producers of Fishmeal and Fish Oil (Asociaciones de Productores de Harina y Aceite Pescado - APROs)



SUMAQ ALIGNED WITH THE SDG:

Through this project we contribute to the following SDG:



SDG 2: we have facilitated the access to products with a high nutritional value in the highlands, which, according to the analysis carried out, contain greater nutrients compared to other types of meats.



ODS 5: Sumaq is composed 100% of women, which contributes to improving the rate of formal women entrepreneurs in the zone.



ODS 8: we have developed a formal productive activity, we have the plant habilitation, sanitary certificate of the product and HACCP plan.

COMMUNITY

SUMAQ

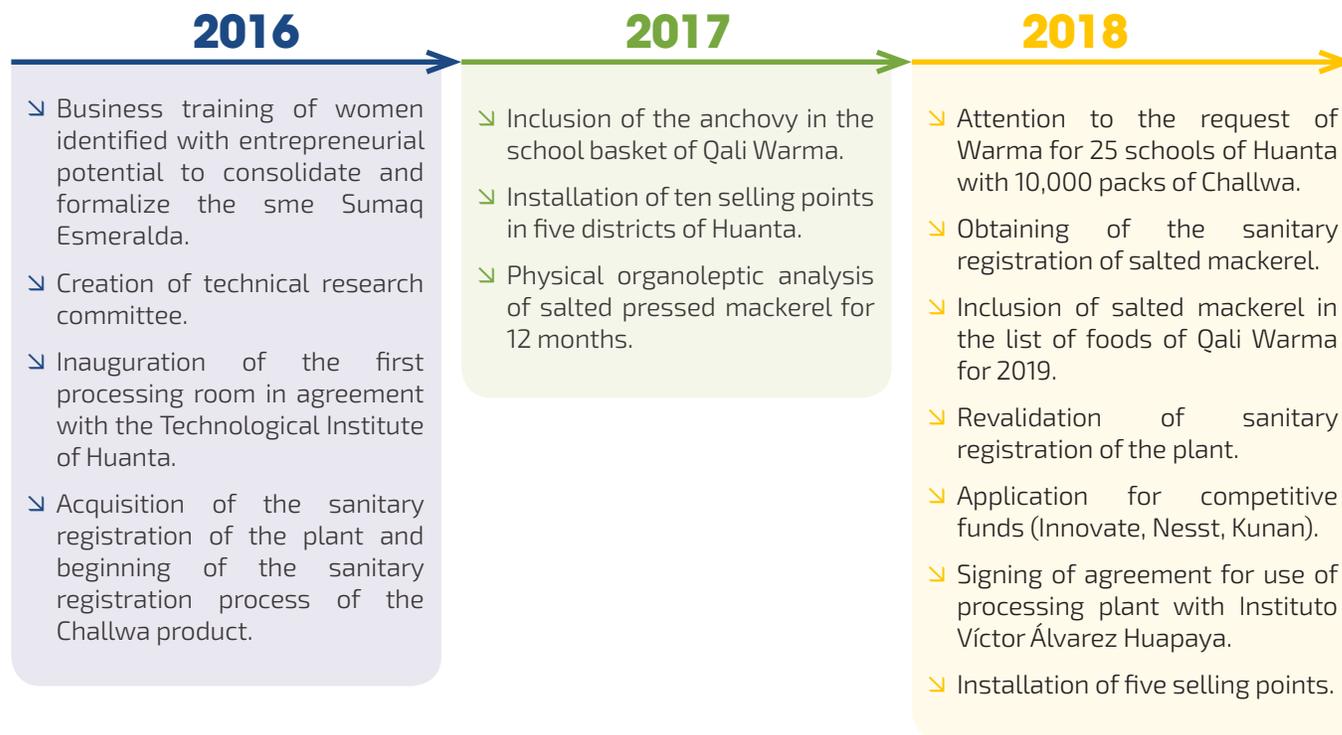
> (203-2, 413-1)

Since 2015, we have supported the Sumaq Project, an sme³⁴ formed by entrepreneurial women from Huanta, Ayacucho, who developed capacities for the processing and commercialization of dry-salted fish.

The project began with a double purpose:

1. Empower entrepreneurial women to ensure a successful and inclusive business model, replicable in other Andean communities;
2. Promote the consumption of fish through an innovative product: Challwa, salted, pressed and vacuum packed anchovy, without the need for refrigeration and with a high nutritional value and useful life (6 and 12 months) without refrigeration.

During the three years of intervention, we have reached the following milestones:



³⁴ Medium and small company.



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› (203-2, 413-1)

At the end of 2018, we concluded the accompaniment of the partners of Sumaq through a closing workshop, where we worked on its commercialization plan for the following years. This experience left us with important learning

experiences for social innovation management in TASA, as well as great expectations regarding the sustainability of the project and the possibility that it can be duplicated in other areas of the country.

In 2019, we will seek to promote it through dialogue roundtables that will permit the connection of the partners with other strategic entrepreneurs and allies.

Main positive impacts of the Sumaq Project



- ↘ New product Challwa with a high nutritional level, easy to prepare and low cost.
- ↘ 6,615 children attended to in 32 schools (Huanta) with Challwa through the Qali Warma Program.
- ↘ 700% increase in sales compared with the previous year: 1,500 in 2017 and 10,000 in 2018.
- ↘ 15 job positions created for entrepreneurial women.

Main alliances

- ↘ Universidad Nacional Agraria La Molina.
- ↘ Organismo Nacional de Sanidad Pesquera.
- ↘ Ministerio de la Producción (Produce).
- ↘ Municipalidad Provincial de Huanta.
- ↘ Instituto Tecnológico de Huanta.



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EDUCATION AND CULTURE

> (203-2, 413-1)

GREAT TASA EFFECT CHALLENGE

For the seventh consecutive year, we carried out the Great TASA Effect Challenge, through which our collaborators assume the challenge of designing and developing an innovative solution related to the environmental problem present in their locality. For this, they establish alliances with various local actors who enable them to ensure the continuity of the initiatives.

Year after year, the program has incorporated new criteria such as innovation and sustainability, which raise the involvement and commitment of the actors of the community. This process is led by our collaborators, who in each edition seek to exceed the proposed objectives, generating a greater impact in our areas of influence.

During 2018, the 11 units of TASA executed environmental projects, and the following results were obtained:

- More than 6 tons of plastic collected.
- More than 5 tons of paper and cardboard collected.
- 10 school gardens installed in educational institutions of communities.
- 13 ecological stations installed in communities.
- 2 ecological changing rooms installed in beaches of the zone.
- Use of innovation systems: gardens through drop irrigation, hydroponic systems, composting and oil separation machine (recycling of kitchen oils for transformation).
- 6 activities with media exposure in the community.
- More than 25 publications in local media (social networks, regional press, local radio and radio TV).
- More than 11,000 beneficiaries between direct and indirect, after 11 projects executed in 2018.
 - Direct beneficiaries: collaborators, educational institutions.
 - Indirect beneficiaries: community in general.
- More than 600 plant collaborators participating in the TASA Effect Challenge.

For 2019, the plants will continue with their community projects, in which they will establish agreements with all the participating educational institutions, in order to show the sustainability of their actions.

Through the TASA Effect Challenge, we contributed directly to the development of environmentally innovative and respectful practices in accordance with SDG N° 13 (Climate Action) of the United Nations.

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TASA VOLUNTEERS FISHING SMILES > (203-2, 413-1)

In 2018, we carried out a corporate volunteer work, with the collaboration of three hundred collaborators from San Borja, Callao and Pucusana, and their families. This space is developed within working hours as a commitment of the company to promoting empathy and solidarity towards the neediest.

The main activity was carried out in September of last year in the Hogar Hijas de la Misericordia, in Puente Piedra, a shelter and school with almost one thousand abandoned boys and girls. The volunteers achieved important results in this activity:

- **Painting** of common zones of the shelter.
- **Maintenance** of game zone.
- Sowing of **130 plants and 300 m² of grass**.
- **Work fair** with students from 4th and 5th grades.
- Health campaigns and workshops with elementary children.
- Installation of a **new school library**.

Additionally, the 97 girls from the shelter were sponsored by TASA collaborators.

WORKS FOR TAXES: PUBLIC-PRIVATE PARTNERSHIP > (203-1, 413-1)

We continued betting on the development of high impact public infrastructure projects through Law N° 29230, denominated the Work for Taxes Law, which promotes the financing and execution of works prioritized by the regional and local governments, public universities or other Government entities, based on the income tax of private companies.

During 2018, we made an investment for the execution of the project Improvement of the Educational Institution Carlos Noriega Jiménez in Pisco, Ica. In consortium with Minsur and Intursa (companies of the Breca Group) we will rehabilitate this emblematic educational center, which was severely affected by the earthquake in Pisco.

Work	Improvement of the Educational Institution Carlos Noriega Jiménez
Description	<p>Location: Pisco, Ica Period: January 2018-March 2019. Objective: to improve the supply of educational services to achieve learning in the initial, primary and secondary levels. Components: infrastructure, furnishings and equipment.</p>
TASA Investment	S/3.5 MM (24.3% of the participation in the consortium).
Alliances	Regional Government of Ica.
Main impacts	<ul style="list-style-type: none"> • First work for taxes in consortium with companies of the Breca Group. • More than seven hundred students benefited.



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SUPPLIERS

SUPPLIER DEVELOPMENT PROGRAM > (102-9, 103-2, 103-3, 204-1, 413-1)

We continued supporting the development of local suppliers through the project Portfolio of Service Providers, which seeks to insert, in our value chain, the best suppliers by maintenance system and locality, at the same time that we comply with a quality attention for our internal clients.

In the year 2018, the Competitive Business Pilot Program was carried out with nine of our local suppliers (msmes). With the support and advice of the Global Reporting Initiative (GRI) and Peru2021, they prepared their first sustainability reports, a tool that will enable them to measure their progress in economic, social and environmental matters. The suppliers of various services (stowage, electricity, housing, among others) received training in aspects related to occupational health and safety, ethics and corruption, environmental management, human resources, relationship with the environment, etc.

The positive results of the pilot motivated us to sign an agreement with the GRI to scale the initiative to one hundred strategic msme suppliers. In this manner, with the leadership of the logistics area, the historical data of service suppliers has been reviewed and analyzed, considering the performance level, geographical location and business unit, to obtain a base line of potential participants to continue with the project in 2019.

The formal announcement and invitation of the project were carried out in the II Annual Encounter of Suppliers, which achieved great acceptance. This space also recognized the effort of the pilot participants, who incorporated new knowledge in management and communication and have been expanding their client portfolio.

On the side of the suppliers of goods, we also worked to ensure the decentralization of purchases in a responsible, ordered and programmed manner, and we have identified local suppliers in each zone.

	2017	2018
Total N° of suppliers	2,075	1,997
Total amount paid	US\$281'071,029.69	US\$310'110,150
Imported	US\$18'379,239	US\$15,335,261
Total amount paid to national suppliers	US\$263'226,750.75	US\$294'774,889
Total amount paid to local suppliers	US\$96'886,618.44	US\$49'737,176

Source: Compiled in-house



ACHIEVEMENTS 2018

- We maintained the indicator of positive relationships with our stakeholders in all the areas of influence.
- We successfully concluded the social innovation project Sumaq and defined a plan with its leaders for its continuity in the coming years,
- We strengthened the corporate volunteer program Fishing Smiles and increased the number of participants and the satisfaction level.
- We strengthened the Great TASA Effect Challenge and achieved the involvement of senior management in the evaluation of the projects.
- We implemented the pilot for the development of local suppliers, together with the Global Reporting Initiative, with which we achieved the development of ten new sustainability reports published by our smes.



CHALLENGES 2019

- Implement the Integrated Social Management, Environmental and Communications Plan, with actions with our stakeholders.
- Undertake a productive development project with the main artisanal fishing unions of Chimbote.
- Generate a corporate volunteer culture in all the units where we operate.
- Implement the supplier development project with the publication of one hundred sustainability reports and follow-up of improvement indicators of our smes.

**ANNEX:
FINANCIAL
STATEMENTS
AND THE
INDEPENDENT
AUDITOR'S REPORT**



THE TEN PRINCIPLES OF THE GLOBAL COMPACT

In TASA we are committed to the ten principles of the Global Compact of the United Nations, to which we have adhered since 2009.

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights, within their scope of influence.

In TASA we manage our operations with integrity and excellence. In this sense, we are committed to respect, defend and promote the rights of the persons, as established in the Universal Declaration of the Human Rights of the United Nations and the Principles of the Global Compact.

Since the year 2018, we have the Human Rights Policy, based on which we have updated our code of ethics and conduct and that of the suppliers, and we extend our principles and values in the value chain.

During 2018, we have not reported any incident related to the violation of human rights in our business units nor in the communities where we operate.

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses.

During the year 2019, we will transmit the Human Rights Management System, which defines the controls to monitor the compliance of the principles, as well as the internal audit process in our plants. With this, we seek to consolidate a respectful work environment between persons and aware of the conditions and the cares that they deserve.

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Our Human Rights Policy establishes: "We respect the dignity of the individuals and the right of our collaborators to associate themselves with any group and to negotiate in a collective manner".

In the year 2018, 45% of the total of our collaborators was covered by collective agreements, 1.33% higher than the previous year. Additionally, we continue to maintain cordial relations and constant communication with each of our union organizations. During the same year, all collective bargaining was concluded by direct dealing.

PRINCIPLE 4

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Our Human Rights Policy establishes: "We will not tolerate any form of work carried out in an involuntary manner, under threat, intimidation and/or through other manipulations".

In line with the above, we have our Overtime Policy, which seeks to establish formal mechanisms for the coordination of the compensation of the voluntary overtime worked by our collaborators in ban or production season.

In the case of our suppliers, we limit the sponsorship of every type of forced work through the 'declarations' clause in their work contracts.

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PRINCIPLE 5

Businesses should uphold the effective abolition of child labor.

Our Human Rights Policy establishes: "We do not tolerate or support child, or juvenile labor. All hiring only contemplates persons more than 18 years old".

In this framework, we have an Employment Policy that regulates the exclusive hiring of adults, in accordance with the provisions of Decree Law N° 26102.

In the case of our suppliers, we limit the sponsorship of child labor through the 'declarations' clause in their work contracts.

PRINCIPLE 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Our Human Rights Policy establishes: "We create an environment of equality of work and treatment conditions towards all our collaborators, without carrying out or promoting any type of discrimination due to race, color, religion, gender, age, physical capacity, nationality, sexual orientation, union membership, medical or marriage exams, among others".

Despite this declaration regarding gender equality, our human team is characterized for having a great predominance of the male gender in its composition, which is explained by the nature of the industry operations. In this respect, we care about maintaining the same conditions for men and women, and we seek to reduce and eliminate gender gaps. As is the case in the worker category, where the salary is minimally differentiated by 0.3% in favor of women.

During the year 2019, we implemented the equality and diversity committee, for the purpose of incorporating formal mechanisms to ensure the closing of any type of gaps in our organization, and we prioritized the empowerment of minorities.

In the case of our suppliers, we limit every type of discriminatory practice through the 'declarations' clause in their work contracts.

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

Our Human Rights Policy establishes: "We prevent environmental contamination through the identification, measurement and management of our environmental aspects and impacts".

In this framework, we have an environmental management system, certified by the ISO 14001 standard in our 12 fishmeal and fish oil plants, Omega plant, Shipyard and the main office. We thereby ensure operational controls in order to reduce and mitigate any impact generated on the marine environment and ecosystem.

During the year 2018, as a result of our good environmental performance, all of the inspections carried out by the environmental authority OEFA on the units of TASA have concluded satisfactorily.

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PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility

We operate in harmony with the environment and seek that our stakeholders do the same, promoting a culture of care and prevention through training and workshops in good environmental practices.

We recognize the importance of the sustainability of the fishing resource as the wealth and inheritance of the present and future generation, therefore, together with our crewmembers we carry out good fishing sustainability practices. Thanks to this program, we contribute directly to SDG N° 14: Life Below Water; we are aligned with the AICHI Biodiversity Targets; and we form part of the "Biodiversity and Companies" initiative of the Ministry of the Environment of Peru.

Additionally, for seventh year in a row, we carried out the Great TASA Effect Challenge, through which our collaborators assume the challenge of designing and developing an innovative solution related to the environmental problems present in their locality. For this, they establish alliances with various local actors which enable them to ensure the continuity of the initiatives.

PRINCIPLE 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

We test and apply clean technologies for production in all of the business units, as a result of research oriented towards mitigating the environmental impact.

During the year 2019, based on the measurement of the carbon footprint carried out in 2018, we carried out improvements in our plants, with which we

sought to reduce the CO₂ emissions produced in our operations. One of them will be the migration of energy sources, from fuel to natural gas.

PRINCIPLE 10

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

Our Human Rights Policy establishes: "We work in an ethical manner, without bribes, corruption or any other type of fraudulent practice.

Always offering our collaborators and partners an integrity channel to report unlawful concerns or activities in the work place without threats of retaliation, intimidation or harassment".

Additionally, in the year 2018, as part of the compliance system, we developed three new policies:

- Compliance program
- Prevention of corruption, money laundering and terrorism financing
- Free competition

This framework seeks to promote a transversal management of the organization, which incorporates the valuation and the control of the compliance risks (corruption, money laundering, terrorism financing and anticompetitive conducts), for which it considers the related processes, the sensitive transactions, the new businesses, products or services, or any change existing in the legislation.

For this, in the year 2018, our collaborators were trained on a national level regarding the regulations and the mentioned risks. Throughout 2019, we will follow up the preventive action plans, for which their effectiveness and the commitment to compliance of the areas will be evaluated.

INDEX OF CONTENTS GRI

For the Materiality Disclosures Services, GRI Services has revised the GRI's index of contents to be clear and that the references for the contents 102-40 to 102-49 belong to the indicated sections of the report.

This service was performed on the Spanish version of the report



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CONTENIDOS GENERALES 2016					
GRI 101: Foundation 2016					
	102-1 Name of the organization			Title page	
	102-2 Activities, brands, products and services			5, 7	
	102-3 Location of headquarters			5	
	102-4 Location of operations			8	
	102-5 Ownership and legal form			5	
	102-6 Markets served			9	
	102-7 Scale of the organization			8, 28 - 32, 33 - 40, 74	
	102-8 Information on employees and other workers			74-76	
	102-9 Supply chain			95	
	102-10 Significant changes to the organization and its supply chain			2	
	102-11 Precautionary Principle or approach			15	
	102-12 External initiatives			6	
	102-13 Membership of associations			6	
	102-14 Statement from senior decision-makers			2	
	102-16 Values, principles, standards and norms of behavior			<p>Mission: To provide our clients with high quality marine products, maximizing the nutritional qualities of the resource with sustainable management</p> <p>Vision: To be a world class company, a leader and innovator in the sustainable exploitation of marine resources for nutritional purposes.</p> <p>Values: Integrity, Comprehensive Development, Sustainability, Excellence.</p>	
	102-18 Governance structure			10, 11, 12	
	102-40 List of stakeholder groups			16	

GRI 102: General contents 2016

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GRI STANDARD	CONTENTS	GLOBAL COMPACT	SDG	PAGE NUMBER / DIRECT ANSWER	OMISSION
	102-41 Collective bargaining agreements			76	
	102-42 Identifying and selecting stakeholders			16	
	102-43 Approach to stakeholder engagement			16, 89	
	102-44 Key topics and concerns raised			19	
	102-45 Entities included in the consolidated financial statements			The consolidated financial statements only include Tecnológica de Alimentos S.A. (TASA).	
	102-46 Defining report content and topic Boundaries			22	
	102-47 List of material topics			21	
	102-48 Restatements of information			There are no restatements of information with regard to the previous sustainability report.	
	102-49 Changes in reporting			20	
	102-50 Reporting period			2018	
	102-51 Date of most recent report			2017	
	102-52 Reporting cycle			Annual	
	102-53 Contact point for questions regarding the report			Wendy Rojas Subgerente de Desarrollo Sostenible y Comunicaciones wrojas@tasa.com.pe	
	102-54 Claims of reporting in accordance with the GRI standards			This report has been prepared in accordance with the GRI Standards: "Core Option"	
	102-55 GRI content index			101	
	102-56 External assurance			The 2018 Sustainability Report does not have external assurance	

SPECIFIC CONTENTS 2016

Economic performance

GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			27, 33	
	103-3: Evaluation of the management approach			33	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed		Goal 10: Reduce inequality within and between countries	40	
	201-2 Financial implications and other risks and opportunities due to climate change		Goal 13: Take urgent action to combat climate change and its impacts	43,44	

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GRI STANDARD	CONTENTS	GLOBAL COMPACT	SDG	PAGE NUMBER / DIRECT ANSWER	OMISSION
MARKET PRESENCE					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			75	
	103-3: Evaluation of the management approach			75	
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Goal 10: Reduce inequality within and between countries	75	
INDIRECT ECONOMIC IMPACTS 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			88, 90	
	103-3: Evaluation of the management approach			88	
GRI 203: Market presence 2016	203-1: Infrastructure investments and services supported		Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	30, 94	
	203-2: Significant indirect economic impacts		Goal 1: End poverty in all its forms everywhere	91, 92, 93, 94	
PROCUREMENT PRACTICES					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			95	
	103-3: Evaluation of the management approach			95	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers		Goal 10: Reduce inequality within and between countries	95	
ANTI-CORRUPTION					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			13	
	103-3: Evaluation of the management approach			13	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Principle 10	Goal 16: Peace, justice and solid institutions	14	
	205-2 Communications and training about	Principle 10	Goal 16: Peace, justice and solid institutions	14	
	205-3 Confirmed incidents of corruption and actions taken	Principle 10	Goal 16: Peace, justice and solid institutions	13	

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ENERGY					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			52, 54	
	103-3: Evaluation of the management approach			52, 54	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Principles 7, 8 y 9	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	54	
WATER					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			52,57	
	103-3: Evaluation of the management approach			52,57	
GRI 303: Water and effluents 2016	303-1 Water withdrawal by source		Goal 6: Ensure availability and sustainable management of water and sanitation for all	57,58	
BIODIVERSITY					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			45	
	103-3: Evaluation of the management approach	Principles 7, 8 y 9		45	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	46	
	304-2 Significant impacts of activities, products and services on biodiversity	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	45, 49	
	304-3 Habitats protected or restored	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	46	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the operations	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	47, 48	

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EMISSIONS					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			52, 55	
	103-3: Evaluation of the management approach			52, 55	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Principles 7, 8 y 9	Goal 12: Ensure sustainable consumption and production patterns	55	
	305-2 Energy indirect (Scope 2) GHG emissions	Principios 7, 8 y 9	Goal 12: Ensure sustainable consumption and production patterns	55	
EFFLUENTS AND WASTE 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			52, 53, 58	
	103-3: Evaluation of the management approach			52, 53, 58	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	53	
	306-2 Waste by type and disposal method	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	58	
	306-3 Significant spills	Principles 7, 8 y 9	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	No significant spills were reported	
ENVIRONMENTAL COMPLIANCE					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			52	
	103-3: Evaluation of the management approach			52	
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	Principles 7, 8 y 9	Goal 12: Ensure sustainable consumption and production patterns	59	
EMPLOYMENT					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			74, 77	
	103-3: Evaluation of the management approach			74, 77	

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GRI 401: Employment 2016	401-1 New employee hires and employee turnover			77	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	All of our collaborators have access to the obligatory legal social benefits and other additional benefits approved by our General Management. The latter include, bonuses for production and additional work in other plants, support for training and professional development programs, transport, refreshments, loans to cover illness or accident expenses, extended paternity leave of up to 30 days and leave for the death of a family member.	
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21,22	
	103-2: The management approach and its components			68	
	103-3: Evaluation of the management approach			68	
GRI 403: Occupational health and safety 2016	403-1 Workers' representation in formal, joint management-worker health and safety committees		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	12, 72	
	403-2 Types of injury and rates of injury, occupational illnesses, lost days, absenteeism and number of work-related fatalities		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	70	
	403-3 Workers with high incidence or high risk of diseases related to their occupation		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	71	

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GRI 403: Occupational health and safety 2016	403-4 Health and safety topics covered in formal agreements with trade unions		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	With regard to collective agreements, we comply with said agreements in matters of health and safety: <ul style="list-style-type: none"> ↳ Adequate conditions for work, health and safety standards of equipment and of human life at sea. ↳ Use of uniforms and safety protection equipment. ↳ Participation of workers' representatives in the inspections, audits and investigations of accidents related to safety and health. ↳ Training. ↳ Internal research procedures. ↳ Periodic inspections. ↳ Occupational Health and Safety Committees. 	
TRAINING AND EDUCATION					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			77, 80	
	103-3: Evaluation of the management approach			77, 80	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee			80	
	404-2 Programs for upgrading employee skills and transition assistance programs		Goal 4: Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all	80, 81	
	404-3 Percentage of employees receiving regular performance and career development reviews		Goal 4: Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all	82	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			14, 76	
	103-3: Evaluation of the management approach			14, 76	

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GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	14, 76 We have a specific Code of Conduct for suppliers which promotes conduct for the protection of human rights, such as the eradication of child labor, prohibition of forced labor, promotion of diversity and inclusion and fair treatment.	
CHILD LABOR					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			14, 76	
	103-3: Evaluation of the management approach			14, 76	
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risks for incidents of child labor		Goal 4: Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all	14, 76 We have a specific Code of Conduct for suppliers which promotes conduct for the protection of human rights, such as the eradication of child labor, prohibition of forced labor, promotion of diversity and inclusion and fair treatment.	
FORCED OR COMPULSORY LABOR					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			14, 76	
	103-3: Evaluation of the management approach			14, 76	
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Goal 4: Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all	14, 76 We have a specific Code of Conduct for suppliers which promotes conduct for the protection of human rights, such as the eradication of child labor, prohibition of forced labor, promotion of diversity and inclusion and fair treatment.	
HUMAN RIGHTS ASSESSMENT 2016					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			14	
	103-3: Evaluation of the management approach			14	

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GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	All of the principles	Goal 16: Peace, justice and solid institutions	14	
	412-2 Employee training on human rights policies or procedures	All of the principles	Goal 16: Peace, justice and solid institutions	14	
LOCAL COMMUNITIES					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			88, 90	
	103-3: Evaluation of the management approach			88	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Principles 1 and 2	Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Goal 4: Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all.	91 - 95	
CUSTOMER HEALTH AND SAFETY					
GRI 103: Management focus 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			60	
	103-3: Evaluation of the management approach			60	
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Goal 3: Ensure healthy lives and promote well-being for all at all ages.	62	
MARKETING AND LABELING					
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its Boundaries			21, 22	
	103-2: The management approach and its components			60	
	103-3: Evaluation of management approach			60	
GRI 417: Marketing and labelling 2016	417-1 Requirements for the information and labelling of products and services			62	



**ECOEFFICIENCY,
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Jirón Carpaccio #250, 11th floor - San Borja, Lima 41 – Peru

Telephone (+511) 611-1400

Fax (+511) 611-1401

www.tasa.com.pe