

SUSTAINABILITY REPORT 2020


ALLIANCE SELECT FOODS
INTERNATIONAL, INC.

 <http://corporate.allianceselectfoods.com>

Message to our Stakeholders



Dear Stakeholders,

For the past 15 years, Alliance Select Foods International, Inc. ("ASFII") has been engaged in research and development, manufacturing, processing, canning, importing, and exporting of marine food products. Aligned with our Mission of "People, Performance and Planet," we give back to the community through sustainable development projects and responsible operations.

Our sustainability goals are:

- **To provide transparent sourcing information**

Develop a process for collecting and publishing source fishery information from vendors including species, vessel, gear, catch/farm location, catching/harvest date, cold storage location, etc.

- **To continuously improve our product and process**

Initiate the use of sustainably-sourced raw materials and ingredients from reputable suppliers known to have a sustainability program in place or are in the process of implementing a program. Minimize our carbon footprint and waste products as well as the use of water and energy.

- **To operate mindfully**

Create a team that will be tasked to reduce Waste, Water, and Energy consumption by 5% year-on-year. This goal will be part of the company's KPI and progress will be reviewed monthly.

- **To actively lead and participate in the industry**

Foster continuous improvement efforts in our industry by actively supporting Fisheries Improvement Plans (FIPs) and strengthening relationships with the industry NGOs.

- **To be socially accountable**

One of our Mission programs is to care for our people and to help them to have a better life. We are certified by BSCI, ICS, and SEDEX as committed and compliant to our Social Responsibility program. We require our partners in the Supply Chain to follow and respect Rights of Workers and observe Fair Labor practices.

Message to our Stakeholders



As a result of our continuous and unwavering efforts, we are happy to share with you that in 2020, our General Santos facility ranked No. 1 in the Philippines by Greenpeace Southeast Asia's Tuna Cannery Report following the criteria on Traceability, Sustainability of Sourcing, Legality, Equity, Sourcing Policy and Transparency and Customer Information. This means that we lead among the six canneries located in General Santos City, Philippines, and is also among the top five canneries in Southeast Asia compared with Indonesia and Thailand.

According to Greenpeace:

"Alliance Select, makers of the Bay of Gold brand, has a strong traceability system in place that is reviewed by a third-party auditor. The company is sourcing skipjack (82%), yellowfin (16.9%), bigeye (1%) and bonito (0.10%). Around 85% are caught using the more sustainable FAD-free fishing method, and the remaining 15% are caught by purse seine vessels. In addition to species and fishing gears used, the company's tuna procurement policy also contains a provision against IUU fishing and transshipment at sea, and provisions which provide for "safe and fair working conditions," "equitable" fishing agreements, ethical fishing methods, and strict human rights standards. Greenpeace Southeast Asia urges Alliance Select to advocate publicly for the ratification of the Work in Fishing Convention, not only in the Philippines but in the supplying countries as well."

In 2018, the Group's Philippine and Indonesian tuna facilities also ranked No. 1 in their respective localities.

Sustainability is a core undertaking of our Group. Our Board of Directors and management team endeavor to continuously invest in sustainable practices for the sake of our future. Thank you for your steadfast support in this journey.


Raymond KH See
President and CEO

Materiality Process

Alliance Select Foods International, Inc. and its subsidiaries are dedicated with focus on execution to advance our sustainability policies and practices. As we invoke our advocacy for responsible stewardship of our oceans and marine life (environment), we highlight as well the importance of economic and social sustainability.

This Report will articulate the challenges, efforts and opportunities that the Company faces in relation to sustainability and its operations. It will show how the Company balances its resources in order to arrive at a synergized environment with sustainability in its pinnacle.

Materiality Matrix for Sustainability Issues

Influence to Stakeholders' Assessment and Decision Making	High	<ul style="list-style-type: none"> - Operations and Resources Efficiency - Supply Chain Management - Customer Service and Management 	<ul style="list-style-type: none"> - Corporate Governance - Economic Contribution (direct or indirect) - Tuna Procurement Practices - Product Quality - Employee Training and Development - Business Continuity
	Medium	<ul style="list-style-type: none"> - Employee Benefits - Relationship with Community - Data Privacy - Water, Energy Resource and Waste Management - Climate Change - Crisis Management 	<ul style="list-style-type: none"> - Occupational Health and Safety - Employee Welfare (especially during the pandemic)
		Medium	High
Significance of economic, environmental and social impacts			



ALLIANCE SELECT FOODS
INTERNATIONAL, INC.

Name of the Organization

Alliance Select Foods International, Inc.

Location of Headquarters

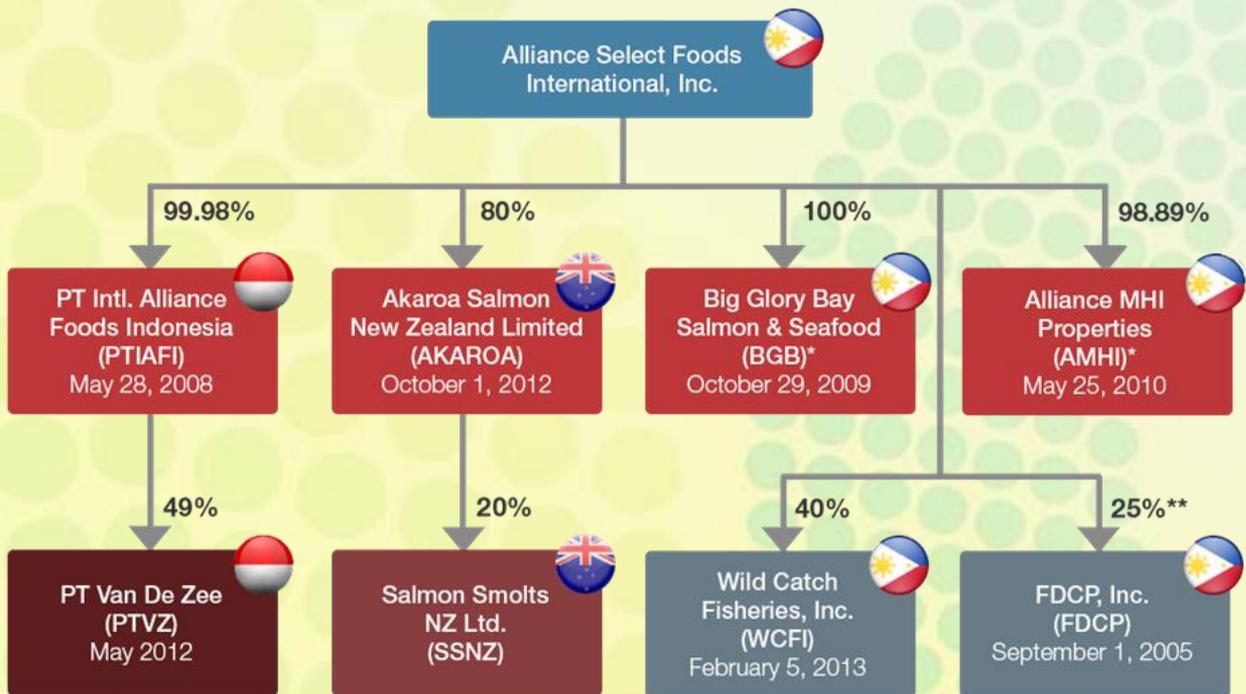
Suite 3104 A West Tower PSEC Exchange Rd., Ortigas Business District, Pasig City, 1605

Alliance Select Foods International, Inc. (ASFII or the "Parent Company"), a public corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 1, 2003.

The Parent Company is primarily engaged in the business of manufacturing, canning, importing and exporting of food products such as marine, aquaculture and other processed seafoods. Its shares are listed in the Philippine Stock Exchange (PSE) since November 8, 2006.



Group Corporate Structure



Our History



Incorporation of **Alliance Tuna International, Inc.**
(Sept. 1, 2003)

2003

Started commercial operation in GenSan
Tuna Processing, Canning, & Export

Shares listed with the PSE through an IPO
(Nov. 6, 2006)

2006

Expanded to salmon and other seafood processing by forming **Big Glory Bay Salmon & Seafood Company** in GenSan City

2010

Changed company name into **Alliance Select Foods Int'l, Inc.**
(July 22, 2010)

Invested in **Akaroa Salmon Ltd.** in New Zealand

The Company went into salmon farming and processing.

2012

PRESENT
Continuous growth and expansion of our product lines and market reach

Our Subsidiaries

Name of Subsidiary	% of Ownership	Nature of Business	Principal Place of Business
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	100	Salmon and other seafoods processing	Philippines
PT International Alliance Food Indonesia (PTIAFI)	99.98	Canned fish processing	Indonesia
Alliance MHI Properties, Inc. (AMHI)	98.89	Leasing	Philippines
Akaroa Salmon (NZ) Ltd. (Akaroa)	80	Salmon farming and processing	New Zealand
PT Van De Zee (PT VDZ)	49	Fishing	Indonesia

BGB

BGB has plant facilities that are located in Barangay Tambler, General Santos City.

PTIAFI and PT VDZ

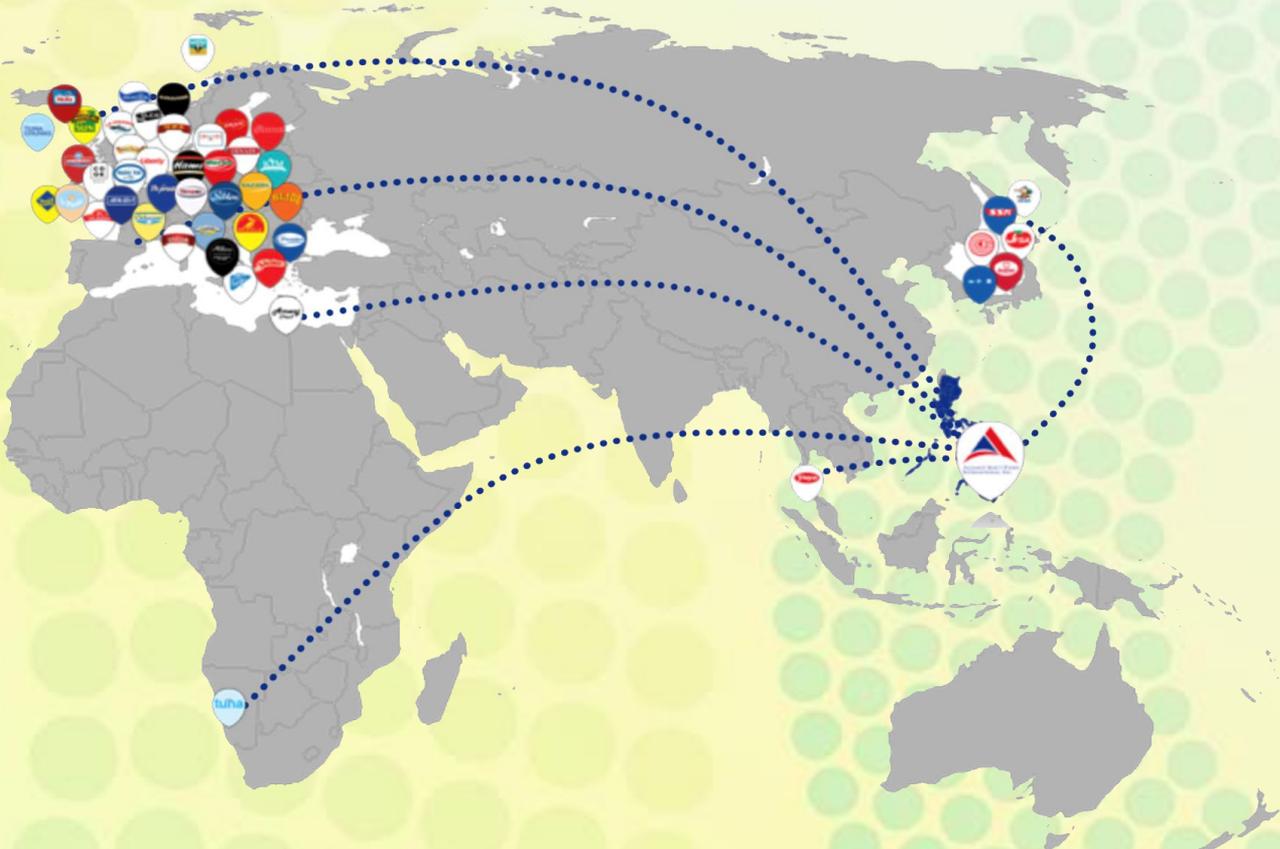
PTIAFI was established under the Indonesian Foreign Capital Investment Law and is primarily engaged in canned fish processing exclusively for international market. The plant is located in Bitung Indonesia.

PTIAFI owns 49% of PT VDZ, a fishing company. PT VDZ ceased operations in 2016.

On October 18, 2019, PT AIFI changed its core business operations to export trading, and sold its fixed assets in North Sulawesi.

Akaroa

Akaroa holds 20% stake in Salmon Smolt NZ Ltd. (SSNZ), an entity operating a modern hatchery, which quarantines and consistently supplies high quality smolts (juvenile salmon) for Akaroa's farm.



The Parent Company's key business activity is the processing, canning, and export of tuna. It exports its products to Europe, North and South America, Asia, Africa, and the Middle East.

THE BRANDS WE PRODUCE



Our Location



Head Office
Suite 3104-A, West Tower, PSEC
Exchange Rd., Ortigas Business
District, Pasig City, PH (1605)
Telephone: +632 7747 3798

GenSan Plant
Purok Saydala, Brgy. Tambler,
General Santos City, PH (9500)

Certifications



Our Mission



PEOPLE

We develop and train our people to help them have a **better life** as we grow.



PERFORMANCE

We aim to deliver strong **profits** across all our businesses through **quality** products and services.



PLANET

We give back to the community through **sustainable** development projects and **responsible** operating practices.

Our Vision

We aim to be the trusted partner for world-class seafood products providing maximum value for our people, customers, and shareholders.



The Company's Core Values are Integrity, Accountability, Concern, and Teamwork.

Our Policies are aligned with these values and help everyone to comply with all relevant laws and regulations.

ASFII Core Values

Integrity: *pagiging tapat sa ating katungkulan -- sa trabaho, sa bahay, o sa buhay man*

Accountability: *handang pangatawanan at panagutan ang ating mga gawain*

Concern: *malasakit sa trabaho, na nag-uugat sa malasakit sa sarili at sa kapwa*

Teamwork: *pagtutulungan tungo sa iisang layunin para sa kapakinabangan ng lahat*

Our Products



Tuna

The Group's Tuna Division, comprised of ASFII and PT IAFI, sells processed tuna. The market for tuna is comprised of the institutional and retail markets. The end users of the institutional cans include restaurants, hotels, and commissaries. The retail pack is sold to wholesalers, distributors, and food companies that have their own brands. The retail can is what consumers normally purchase in supermarkets and grocery stores.

In 2018, ASFII and PT IAFI introduced new product offerings comprising pouched tuna products and frozen loins, respectively. ASFII also introduced a premium tuna line under the "Bay of Gold" brand to the local retail market.

Salmon

BGB processes various salmon species and manufactures them into smoked and raw products for retail and institutional consumers. These are frozen and vacuum packed, and sold in different forms and cuts. Products are sold in retail stores under Prime New Zealand, Gold Standard, and Superfish.

Akaroa serves king salmon both for the domestic and international markets. For international markets, Akaroa's products are air-flown and delivered to retailers, distributors or direct customers in Singapore, Philippines, USA, and Hong Kong, among others.

Fishmeal

Fishmeal is the by-product of tuna and salmon processing operations. Fishmeal is sold as additives or primary ingredients for animal feeds.

Fishoil

ASFII extracts crude fish oil from raw tuna heads, one of the best sources of high-quality fish oil, at the processing plant in General Santos City. This unrefined oil is primarily intended for animal feed, but can also be refined for human consumption. ASFII currently produces around 20,000 kg of crude fish oil per month, which is sold in the local market to agricultural businesses or food processors.

Distribution Methods, Sales and Marketing

Tuna

The Tuna Division of ASFII has positioned itself as a supplier of canned tuna to a wide range of buyers and agents. Most of the products are finished and labeled, and are ready for shipment to their respective end-destinations. ASFII diversified its product line, and introduced new product offerings, adding pouched tuna options and frozen tuna loins to its product line to the export market. ASFII also introduced premium canned tuna and salmon lines consisting of seven variants under the Bay of Gold brand for the local market. Bay of Gold is present in selected supermarkets in the Philippines.

At present, canned tuna is sold in both domestic and export markets while frozen tuna loins and pouched tuna products are sold in the export market. Fishmeal, meanwhile, is sold mainly to the domestic market.



Salmon

BGB's products are sold in major supermarkets in the Philippines. The Company is also expanding its market reach in retail through food service clients.

Akaroa products are sold mostly to institutional clients and high-end distributors in New Zealand and the Asia Pacific region. Akaroa also has an online and supermarket presence in New Zealand.

Fish Sourcing

Tuna and Salmon

ASFII purchases its tuna from fish suppliers and from large traders. Skipjack and Yellowfin tuna are the main raw fish inputs for processed tuna products.

BGB sources its salmon primarily from New Zealand, Chile and Norway. This is then processed into hot or cold smoked salmon. Meanwhile, Akaroa's fresh chilled salmon and smoked products are sourced from its own farms.

Key Fishing Areas – Tuna

A key resource or catching area for tuna is the Pacific Ocean. According to the Western and Central Pacific Fisheries Commission's (WCPFC) Tuna Fisheries Yearbook 2018, world tuna catch in 2018 from this fishing area accounted for almost 67% of global tuna catch. The Western Pacific Ocean accounted for 54% of the total while the Eastern Pacific Ocean accounted for another 13% of the global tuna catch. The Pacific Ocean is followed by the Indian Ocean and accounts for 23% of the catch with the Atlantic Pacific accounting for the balance of 11%.

Key Sourcing Area – Salmon

Almost all of the salmon processed by BGB and Akaroa are sourced from fish farms in New Zealand, Chile and Norway. This ensures a consistent supply of raw materials for the Company's salmon subsidiaries.



Reporting Period: **2020**

Highest Ranking Person responsible for this report:
Lisa Y. Dejadina – SVP, Operations



ECONOMIC PERFORMANCE

SUSTAINABILITY REPORT 2020



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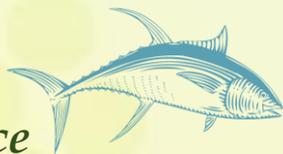


PERFORMANCE

Year on year, the management of ASFII launches themes that motivate employees to support and align their individual and department goals with the Company's bottom line targets.

In 2020, the mantra was "Ready, Set, Go" – a reminder for the team to unlock their maximum potential and drive the Company further towards optimum performance.

Operating Performance



The Group's consolidated revenues of \$62.7 million in 2020 were 26% lower than the revenues of \$84.9 million in 2019. In 2020, tuna-related products contributed about 86% of total revenues, while the remaining 14% were contributed by salmon-related products. Drop in revenue was driven by lower fish costs offered in other regions, which resulted to lower sales prices. In the last quarter of 2020, the significant spike in freight rates drove the deferment of shipments to 2021. The 2019 revenues still included the sales from the operations of Spence prior to its disposal in October 2019.

The Group's gross profit decreased by 5% in 2020 due to lower sales prices, delays in shipments, which resulted to additional costs, increase in labor rates and overhead costs, and additional depreciation from the new fishmeal plant and equipment.

Over the past years, the Group has successfully implemented measures to reduce selling and administrative expenses and has consistently managed costs to partially cushion the impact of the decreasing gross profits.

Improvement in the operating cash flows allowed the Group to pay a significant amount of loans, thus reducing the finance cost by 38% from \$2.0 million in 2019 to \$1.3 million in 2020.

The Group suffered a net loss of \$10.1 million and \$5.1 million in 2020 and 2019, respectively. In 2020, the Group incurred shutdown costs related to the disposal of Spence in 2019, and expenses supporting the local government units for COVID-19 response..

Disclosure

KEY PERFORMANCE INDICATORS

The Group uses the following key performance indicators to assess the Group's financial performance from period to period.

	Years ended December 31	
Key Performance Indicator	2020	2019
Revenue growth rate	-26%	-13%
Net profit margin	-16%	-6%
Current ratio	0.99	1.28
Debt to equity ratio	1.3	1.17
Return on average stockholders' equity	-39%	-15%

DIRECT ECONOMIC VALUE GENERATED & DISTRIBUTED

Disclosure	In US\$ '000
Direct economic value generated (revenue)	62,706
Direct economic value distributed:	
Normalized operating costs	6,220
Employee wages and benefits	1,984
Interest payments to loan provider	1,055
Investments to community (e.g. donations, CSR)	75



MAJOR RISK FACTORS

Risks relating to tuna supply

To ensure continued profitability, the Group's tuna operations need timely and adequate access to the primary raw material, tuna. Fish suppliers should be able to catch tuna where it is abundant without any unreasonable restrictions placed on their operations.

In the last few years, there has been a trend toward resource nationalization and environmental sustainability. Both these trends have presented different kinds of challenges. The Group mitigates tuna supply risk by expanding its supplier base, and strengthening its relationships with key fresh and frozen tuna suppliers.

Risk relating to salmon supply

BGB sources its salmon from New Zealand, Chile, and Norway. Salmon farming industry occasionally gets hit by algal blooms that may impact the supply chain. To counter this risk, we make sure to import only from reputable and sustainable salmon farms.

Akaroa Salmon New Zealand Ltd. has its own salmon farms and sources all of its salmon raw materials from its farms.

Risks relating to competition and tuna selling prices

Aside from the market price of fish, competition from Philippine and international tuna canners affects the market price of canned tuna. The Tuna Division continuously addresses this situation by ensuring that its position with respect to supply and demand is as close as possible. Further, the Tuna Division is undertaking efficiency improvement initiatives, such as supply chain planning and optimization, and cost reduction to mitigate risks related to competition and tuna selling prices.

Risks relating to competition and salmon selling prices

BGB faces salmon selling price risks from its competitors and suppliers. However, it is able to command a good price because it has established itself as a producer of high-quality smoked salmon.

Akaroa's excellent fish quality and handling means that it can command premium pricing. It has become a preferred vendor to a number of its clients.

Risks relating to quality assurance

Processed tuna and smoked salmon are for human consumption. As such, a high quality assurance standard for the product is required because product failure can affect human health. The presence of toxins, foreign materials, and the like in the finished products would necessitate the recall of an entire production batch. Product failures would also have an adverse negative effect on manufacturer's reputation.

The Group's quality assurance department is composed of experienced and trained personnel, with specialties ranging from microbiology to fisheries to engineering and sciences. It is responsible for the plant's HACCP plan, Good Manufacturing Practices (GMP), and hygiene compliance.

The risks the Group faces in this area include off-spec products and packaging, failed microbiological results, and substandard laboratory analytical test results. These possible risks are prevented and/or mitigated through a production process that places a premium on best food safety practices and quality procedures.

Risks relating to the leasing of land and facilities

Some properties where ASFII's facilities are located are being leased from related or third parties. The risks associated with this include non-renewal, and renewal of the lease under unfavorable conditions. ASFII mitigates these risks by entering into long term contracts with the landowners.

Risks relating to contractual arrangements

Due to the commodity nature of the tuna industry, buyers will go to the suppliers that provide the best value.

At present, the Company's contractual arrangement with its buyers is undertaken on a "per purchase order" basis with a fixed shipment period. ASFII undertakes to match its contractual obligations with the availability of raw materials as much as possible to minimize its exposure to risks related to contractual arrangements and market volatility.

Risks relating to the COVID-19 pandemic

Due to the global pandemic, ASFII's operations were affected by government guidelines on manpower reduction, social distancing, and travel restrictions among others. However, the Company was able to manage this risk by immediately deploying a Business Continuity Plan (BCP) that covers all aspects of its operations in its plant and offices. This BCP covers a revised manpower plan; foot traffic management; alternative work schedule; and health, sanitation and safety procedures for all employees and essential visitors.

The BCP is in place and the plant continues to operate without any COVID-19-related disruption up to now.

PROCUREMENT PRACTICES (TUNA)

Our goal is to source all of our Tuna stocks only from healthy (not overfished, not listed as threatened on the International Union for Conservation of Nature (IUCN) Red List, and demonstrating good management quality) and well-managed stocks, from fisheries using the most current best practices in methods, by-catch reduction and environmentally responsible, socially responsible, and reasonably priced for our consumers.

To achieve these goals, we are committed to improve transparency, traceability, sustainability, equity/social responsibility, and compliance. We support the International Seafood Sustainability Foundation's common ground philosophy for Tuna Sustainability (<http://iss-foundation.org/what-wedo/areas-of-focus/tuna-conservation/>). We work with other stakeholders such as the fishing industry, the community, environmental conservation groups, and the Government to achieve our goals of sourcing sustainable tuna.

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	72	%

General Rules on Procurement

I. Gear Type

a. Purse seine - We work towards sourcing from fishing vessels that target free-swimming tuna schools or use non-entangling FADs. We support improved management at the RFMO level for FAD use. We do not source from purse seines that conduct transshipment at sea. We support 100% observer coverage and this must be acknowledged by the management.

b. Pole-and-line – When possible, we support Pole-and-line fisheries as a sustainable option for tuna fisheries. Fisheries supplying bait are identified and undergo public assessment. Pole-and-line fisheries have nominal by-catch. However, the fisheries that supply pole-and-line fisheries with bait can have problematic ecological effects, including by-catch and overexploitation of target baitfish species; therefore, we only support the use of sustainable bait.

c. FAD (Fish Aggregating Device) - Current research suggests that harvest methods including the use of FADs (natural or artificial floating objects) may result in a much higher by-catch. By-catch can include sharks, dolphins, juveniles and sea turtles among others. Therefore, we support non-entanglement FAD and FAD-free tuna, and no transshipment at sea without observer. We support sourcing as much non-entanglement FAD and FAD-free tuna as possible.

II. Fishery Improvement Projects (FIPs)/Species/Stock status:

We support and make a concerted effort to purchase from existing and/or help facilitate new FIPs for species of concern including Albacore, Yellowfin, Bigeye and Skipjack tuna whenever possible.

We encourage our suppliers to support and participate in the international initiatives relating to:

- a. Contribution to the universal endorsement of the ILO Work in Fishing Convention No. 188 by supporting advocacy efforts for its ratification and full implementation, as well as consider not sourcing from vessels flagged to States which have not ratified such Convention;
- b. Adopting The International Maritime Organization's Cape Town Agreement of 2012 supported by their National governments in SEA region;
- c. Disclosure of associated distant water fishing vessels; and
- d. Disclosure of crew onboard associated distant water fishing vessels.

General Rules on Procurement

III. Observer coverage/ Transparency/Transshipment at sea/ Compliance with fishery closures:

Our program includes sourcing through fisheries whose fishing practices can be maintained without reducing the species' ability to populate. The fishery must also be protective of the environment and not adversely impact any other species in the marine ecosystem. This includes accidental kill, removing their food sources, or damaging their environment. Product will be traceable back to its origin/fishing area. This includes traceability back to the boat if wild caught, and back to the farm if farm caught.

Suppliers must be able to guarantee the fishing method used. We provide annual staff training which will result in improved consumer education. We offer transparency to consumers by way of assuring all products are labeled with species' common name, and the country of processing.

We support no transshipment at sea, request fishing vessels to be compliant with fishery closures, and vessels operating with observers on board. We request that source fisheries are independently audited for traceability and will conduct third-party audits against the sourcing requirements contained within this policy.

IV. Supplier/Vessel identification/ Illegal, Unregulated, Unreported (IUU):

We require all of our fishing vendors and partners to provide tuna raw materials according to our set policy. We do not tolerate raw materials sourced from fishing vessels/companies that have been engaged and known to be practicing IUU.

We source from ISSF participant suppliers, whenever possible. We request all supplying companies to comply with all of ISSF's Conservation and Management Measures and all supplying vessels are registered on ISSF's Pro-Active Vessel Register (PVR) and should be in full compliance with relevant PVR requirements.

We do not source from companies that have been listed on the Greenpeace Blacklist, which includes all official RFMO Blacklists.

- a. IUU Fishing Vessel List is a list of vessels presumed to have carried out illegal, unreported, and unregulated fishing activities. <http://iss-foundation.org/2013/06/28/search-an-rfmo-iuu-list/>
- b. ISSF participant Suppliers: <http://iss-foundation.org/about-us/participants/>

PROCUREMENT

Most raw materials that are currently being used by the Company are sourced locally except for the sunflower and soya oil, which are sourced abroad.

Due to the pandemic, the Company experienced COVID-19-related logistics and supply issues that required several adjustments on the part of the supply chain and production schedule. The scarcity of workers at the ports lead to port congestion and eventually, delays in shipments for both local and international purchases. There is also an issue on non-availability of flights to transport supplies from Manila to our GenSan plant.

Our suppliers of cans and other packaging materials also experienced delays in shipments of their respective raw materials because of lockdowns and restrictions around the world. The Company was impacted with slightly increased costs due to higher freight both locally and internationally. Continuous coordination with suppliers on the status of the purchases helped managed the situation.

The Company will continue to procure from our local suppliers to help boost the Philippine economy.

ANTI-CORRUPTION

It is our mandate to never seek, accept or give bribes, facilitate payments, kickbacks or other improper payment. We also ensure that we operate with appropriate transparency in all our business dealings.

We take appropriate steps to ensure that we do not, directly or indirectly, offer, promise, give, accept or demand a bribe or other undue advantage to obtain business gain or any other improper advantage. We do not offer, nor give in to demands, to make illicit or illegal payments to agents, public officials or the employees of business partners or anybody else that we do business with. We engage and remunerate agents and other third parties only for legitimate services and adopt appropriate transparency in our approach.

We expect our employees to demonstrate honesty, integrity and fairness in all aspects of business dealings and exercise appropriate standards of professionalism and ethical conduct in all activities. Also, we expect the same approach in doing business from our business partners and suppliers.

Hospitality and Gifts

The management approves business entertainment and gift proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. All directors and employees are responsible for maintaining their individual log which must be made available for audit when requested.

Before accepting or giving a gift or hospitality, our employee should consider:

Purpose – Will this compromise myself or the Company?

Appropriateness – Is this justified under our Company policies?

Conflict of interest – Is it attached to any formative contracts or renewals?

Risks – Will this affect myself and the Company?

Charitable Donations

We regularly support a number of charities and donations in support of the communities in our areas of operations. ASFII supports fundraising events involving employees.

Reporting Suspected Bribery

All our employees are encouraged to report through various modes including the Company's Whistleblowing Policy any concerns relating to corruption and bribery. Typical issues that should be reported may include, but are not limited to any suspected or actual attempts at bribery and concerns that other employees or associated persons are being bribed.

ANTI-CORRUPTION

Action by the Company

We promote employee awareness of, and compliance with, Company policies against bribery and corruption through appropriate dissemination of our own procedures including disciplinary procedures and policies, and training programs upon induction. We adopt management control system that discourages bribery and corruption, and adopt financial and tax accounting and auditing practices that prevent the establishment of "off the books" secret accounts or the creation of documents which do not properly and fairly record the transactions to which they relate.

We will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The Company's Disciplinary Procedure will be invoked where any employee is suspected of bribery and proven allegations may result in a finding of gross misconduct and therefore dismissal. We may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Company who are found to have breached this policy.

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Incidents of Corruption

The Company has zero incidents of corruption (which resulted to removal, dismissal, disciplinary action, and/or termination) involving directors, employees, or its business partners.



ENVIRONMENT

SUSTAINABILITY REPORT 2020



<http://corporate.allianceselectfoods.com>



Alliance Select Foods International, Inc. and its subsidiaries advocate green productivity and sustainability in its operations. This is evident in the Company's thrust and active effort to reduce its carbon footprint and improve its resources management across its supply chain.

PLANET

Agencies such as GreenPeace Southeast Asia and DENR have recognized ASFII for its green initiatives.

The Company's plant located in Barangay Tambler, General Santos City is compliant with all environment and safety regulations. Its processing and production operations are classified as environmentally critical project in accordance with The Philippine Environmental Impact Statement System (Presidential Decree No. 1586, as amended). The presidential decree covers projects and undertakings that are classified as environmentally critical as well as projects situated in environmentally critical areas. These projects or undertakings are required to be covered by an Environmental Compliance Certificate (ECC).

Pursuant to this, the Company has a valid ECC, Waste Water Discharge permit, and a Permit to Operate (Boiler).

GREENPEACE RANKING

Every two (2) years, Greenpeace Southeast Asia ranks the tuna canneries in the Asian region. In 2018, Greenpeace Southeast Asia's Tuna Cannery Report ranked both the Group's Philippine and Indonesian tuna facilities as no. 1 in their respective localities, following Sustainability, Sourcing, Traceability, Legality, Driving Change, Equity, and Transparency criteria. For the Philippines in particular, ASFII is the only green rated cannery by Greenpeace.

In 2020, ASFII's tuna facility in General Santos City ranked no. 1 again in the Cannery Ranking in the Philippines. ASFII leads among the 6 canneries located in General Santos City, Philippines and is ranked no. 3 in the Southeast Asian region. ASFII also held its status as the sole cannery in the Philippines who received a Green Rating.

In addition to the Greenpeace Ranking, in May 2020, ASFII teamed up with Greenpeace Southeast Asia, a non-government organization and the Pangingsida Natin Gawing Tama (PANAGAT), a coalition of fisherfolks, and local and international organizations working on fisheries management and ocean conservation, wherein ASFII donated canned tuna products to fisherfolks in Las Pinas and Parañaque who were greatly affected by the COVID-19 pandemic and were under the Enhanced Community Quarantine.

In 2020, ASFII's tuna facility in General Santos City ranked no. 1 again in the Cannery Ranking in the Philippines and no. 3 in Southeast Asia. ASFII also held its status as the sole cannery in the Philippines who received a Green Rating.





“Tuna stocks globally are experiencing intense pressure from destructive fishing practices and overfishing,”** said Greenpeace campaigner Kisha Muaña. **“At the same time, tuna fishing remains an exceptionally high risk industry. Companies must perform stringent due diligence on sustainability and human rights to ensure that the tuna industry is socially and environmentally responsible.”





COASTAL CLEAN-UP PROGRAM

Sarangani Bay was declared a protected seascape on March 5, 1996 by virtue of Presidential Proclamation No. 756 in order to its coastal and marine resources. The Department of Environmental and Natural Resources (DENR) celebrated the seascape's 25th Founding Anniversary on March 5, 2021.

With the theme "Protected by the People, For the People", ASFII together with its subsidiary Alliance MHI Properties, Inc. led DENR's planned activity of a Baywide Coastal Cleanup held on March 5, 2021 at the ASFII Foreshore leased area wherein 60 of ASFII's employees participated and worked hand-in-hand in cleaning up ASFII's bay area.

ASFII also supports The Ocean Conservancy ("TOC"), formerly the Center for Marine Conservation. The TOC is a non-profit environmental advocacy group based in Washington D.C., USA that aims to protect wildlife in the ocean.

The International Coastal Clean-up, one of its global initiatives since 1986, was supported by the Philippine Government through Presidential Proclamation No. 470 in 2003 which declared every third Saturday of the month of September as the International Coastal Clean-up Day.

ASFII regularly participates in the International Coastal Clean-up Day. In 2017 for the "Sama-sama para sa Malinis na Karagatan" and in 2019 "Bayan ko, Linis ko", ASFII joined the said clean-up drives and cleaned its coastal lines covering a total of 3,949 sq. meters of foreshore.

OTHER PROGRAMS

Reduction of Paper Use

ASFII is actively and continuously looking for opportunities to reduce its paper consumption. In 2020, the Company migrated most of its printed forms to online format. Additionally, to combat the spread of COVID-19 within our plant premises, ASFII makes use of an online Health Declaration Form and a QR code system for its contact tracing.

Ban on Water Bottles

The Company also announced that disposable water bottles will no longer be sold at its cafeteria. Employees and workers of ASFII's service providers are encouraged to bring reusable water bottles, which they can refill using drinking water stations around the plant.

Earth Hour Participation

In an effort to join the global community in its advocacy to conserve energy, ASFII joined the Earth Hour 2021. On March 27, 2021, plant facilities were covered in darkness for an hour.



Resource Management



Energy Consumption Within the Organization

Disclosure	Quantity	Units
Energy Consumption (renewable sources)	Not Monitored	GJ
Energy Consumption (gasoline)	Not Monitored	GJ
Energy Consumption (LPG)	Not Monitored	GJ
Energy Consumption (diesel)	2,650.49	GJ
Energy Consumption (electricity)	2,391,900	kWh

ASFII's main use of electricity in its tuna canning operations is from the use of production machineries and equipment, cold storage utilities, and packaging machines. Conversely, our logistics team relies mainly on gasoline and diesel for the vehicles they use to transport raw materials and products.

When there is shortage of electricity, the plant uses its diesel-powered generators for back-up power.

As ASFII expands its plant operations and installs new equipment, it is unavoidable that its electricity consumption increases as well. An example of this additional equipment is a Fish Oil Extraction Equipment as part of its Fish Meal By-Product processing. Although this equipment slightly increased the Company's energy consumption, it helps in reducing the waste going to the Wastewater Treatment Facility because this equipment now recovers the fish oil from the waste. Both Fish Oil and Fish Meal are produced from solid scrap raw materials.

ASFII is also exploring other sources of energy, such as solar energy, to reduce its electricity and diesel consumption. It has also started using LED lights which have helped reduce energy consumption.



Water Consumption Within the Organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	158,715.65	Cubic meters
Water recycled and reused	Not Monitored	Cubic meters

ASFII mainly sources its water from deep well submersible pumps that provide abundant water to the Company. Water generated from these deep wells are likewise used for the equipment and machineries in our operations as well as for personal use of Company employees within the compound.

These deep wells have the necessary water permits from the National Water Resources Board. Being the main sources of water, the Company regularly checks and maintains these deep wells to avoid any disruption in operations.

To reduce usage of water, the Company recycles more amount of water. We have improved our fish thawing process by using a combination of air and water to thaw the fish to minimize water usage and shorten thawing time. We have also purchased new water hoses with smaller diameters to control usage of water. In addition, instead of manually washing trays being used in Production, we purchased a Tray Washer, which reduced consumption by as much as 65%.



Materials Used by the Organization

ASFII sources its main resource, which is the fish (tuna and salmon), from fisheries using the most updated best practices methods that are environmentally and socially responsible. Nonetheless, depletion of fish in our ocean is a main concern. Increase in by-catch of sharks, dolphins, juvenile fish and sea turtles, among others, is also an issue. Thus, ASFII endeavors by-catch reduction.

ASFII's commitment to improve transparency, traceability, sustainability, equity and social responsibility, and compliance supports non-entanglement Fish Aggregating Devices (FAD) and FAD-free tuna, as well as non-transshipment practices at sea without an observer.

ASFII does not involve itself in whaling operations, dolphin drive fisheries, shark fin fisheries; the sale, import, export, brokerage of whale and dolphin meat, sea turtle meat and body parts, or shark fins; nor the processing of marine mammal body parts, sea turtle body parts or shark fins.

Disclosure	Quantity	Units
Renewable	N/A	Kg/L
Non-renewable	N/A	Kg/L
Percentage of recycled input materials used to manufacture the organization's primary products and services		
Cans	5	%
Papers (paper labels, cartons)	10	%
Plastics (shrink films, raw materials, packaging, drums/carboys)	20	%
Bottles (laboratory chemicals)	20	%
Fish by-products (fish meal and fish oil)	35	%



Ecosystem and Biodiversity and Effluents

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Wastewater Treatment Facility, Material Recovery Facility	
Habitats protected or restored	N/A	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	ha

ASFII ensures its wastewater treatment facility is well-maintained and regularly checked to prevent malfunctioning. In case of sudden breakdown of equipment or under unavoidable circumstances, the Company has a back-up plan in place, such as the use of pumps, motor and primary sedimentation tank to contain the waste. Needless to say, the Company puts all its efforts in treating its wastewater by using a portion of its leased foreshore area for the clean water discharge. This ensures that its effluents are properly treated for safe release back to the ocean. Further, the Company also schedules pH monitoring of its water in its sedimentation tank.



Effluents are produced by the Company in their processing of its tuna and salmon products, like in thawing of frozen fish, butchering of fish process (i.e., cutting big-sized fish into smaller sizes), misting of cooked fish, and sanitation operations of its facilities. Discharge of effluents are treated in the Water Treatment Plant and is periodically monitored to meet standards set by the Department of Environment and Natural Resources (DENR).

To have a more efficient recycling and wastewater treatment, efforts of the Company include the usage of the collected sludge in the wastewater treatment facility as fertilizer in its vegetable garden around the plant compound. Harvested vegetables from this garden are then served to its employees.

ASFII also has a Pollution Control Officer (PCO) who regularly submits the Self Monitoring Report (SMR) to the DENR for monitoring of biological oxygen demands (BOD) and chemical oxygen demands (COD) of discharged water.

Disclosure	Quantity	Units
Total volume of water discharged	4,700	Cubic meters
Percent of wastewater recycled	Not Monitored	%



Air Emissions & Pollutants

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

ASFII's equipment that mainly contributes to air emissions and pollution are its boilers and generators. In order to curb the release of greenhouse gases from these equipment, the Company conducts regular maintenance and inspection of these equipment. In addition, we also conduct biannual air emission testing based on regulatory standards to regulate air pollutants. We also installed a pollution control device in our chimney called "scrubbers" to further reduce the emission of greenhouse gases.

The Company also requires its suppliers to provide a Certificate of Analysis of fuel (coal) to ensure that its Proximate Analysis shows low content of sulfur and ash. Lastly, the Company goes through a semi-annual Source Emission Testing conducted by accredited third party testers in compliance with DENR requirements.

Disclosure	Quantity	Units
NOx	180	kg
SOx	223	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	290	kg
Particulate matter (PM)	49	kg



Solid Waste

Disclosure	Quantity	Units
Total Solid Waste generated	5890	kg
Reusable	390	kg
Recyclable	110	kg
Composted	430	kg
Incinerated	N/A	kg
Residual/landfilled	5,100	kg

The main solid waste produced by ASFII are the rejected cans, cartons, and plastic shrink wraps used in producing canned tuna and other seafood products. However, these wastes are minimal and the Company disposes of these materials through appropriate recyclers.

To reduce its solid waste, ASFII reuses or recycles materials, such as scrap metals from oil barrels for fabrications within the plant. The Company also reuses metals from oil barrels in making queue lines, contactless sanitizer dispensers, and other fixtures within the plant. We also donate the rejected cans, cartons, plastics, and wooden pallets to the Local Government of General Santos City, who then uses these as raw materials for their projects, such as tree planting activities.

To promote waste segregation, labeled trash bins are available around strategic locations within the plant. These bins are sorted into four different types of waste, namely: infectious, biodegradable, non-biodegradable and recyclable.

In addition to all of the above, the Company also endeavors to improve its composting pit for its disposal of biodegradable waste.



Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	2,674	kg
Total weight of hazardous waste transported	N/A	kg

As a manufacturer of canned tuna and other seafood products, ASFII produces hazardous waste, such as used oil, batteries, and fluorescent light bulbs.

In compliance with the mandate of the General Santos City local government, ASFII does not incinerate these waste products, but disposes or recycles them accordingly. The Company also allotted a room to store these Hazardous Waste, which is monitored and maintained monthly, and reported to the Environmental Management Bureau (under the DENR) quarterly.

For the batteries and busted bulbs, the Company is looking to enter into an agreement with a waste treater or transporter in order to treat these waste before delivering it to the General Santos City landfill.

In 2020, the Company experienced an increase in Infectious Waste which includes used masks, napkin, tissues, cotton, and syringe brought about by the COVID-19 pandemic. The Company makes sure that there is a provision for this type of waste, and that it is properly segregated from the other types of waste. Around the plant, labeled trash bins are located in strategic locations, which include a bin specifically for infectious waste.



Non-Compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#



In helping to maintain and save the environment, ASFII is doing its part in helping protect and rehabilitate our plant and our community, conserving the use of energy, and operating with environmentally-sustainable devices and equipment.



SOCIAL

SUSTAINABILITY REPORT 2020



<http://corporate.allianceselectfoods.com>



PEOPLE

Alliance Select Foods International, Inc. and its subsidiaries encourage employees' participation in creating a symbiotic environment to realize the Company's goals. With such aim, the Company establishes policies and programs that cover (a) health, safety, and welfare; (b) training and development; and (c) reward or compensation to encourage employees to perform better and feel motivated to take a more dynamic role in the Company.

ASFII in the Pandemic



Year 2020 has been especially challenging for the Company due to the COVID-19 pandemic. When the government of the Philippines declared localized lockdowns in March 2020, the Company's head office in Pasig City was forced to implement work-from-home arrangements. Months after, when COVID positive cases started to surge in General Santos City, our plant had to execute flexible working arrangements to curb the spread of the novel disease.

To face the abrupt changes brought by this pandemic on all aspects of the Company operations, a business continuity committee - coined "Plan B" - was formed. This Committee is composed of heads and personnel from all departments to keep everyone abreast of the times and the new rules and regulations being enacted from time-to-time by both the national and local governments.

To combat the spread of COVID-19 within the plant, Plan B enacted immediate measures in compliance with Department of Health and Department of Trade and Industry joint guidelines, which included the implementation of social distancing rules within the plant, strict wearing of masks and face shields, running stringent sanitation and multi-level screen procedures in all entry / exit points of the plant, and ensuring traceability for contact-tracing. The committee further served as the contract tracer of COVID-19 positive cases inside the plant. **It also became the venue for brainstorming initiatives and activities that help keep our workers safe and their morale upright during this pandemic.** Some of the initiatives that were born out of Plan B were employee programs, such "Mobile Palengke" and "Free Shuttle Service" in the plant.

The Company also understands the impact of the pandemic on our workers' lives. Thus, in addition to the annual leaves provided by the Company to its employees, the Company added an additional seven-day fully paid Quarantine Leave for those employees who got exposed to COVID-19. The Company also implemented flexible arrangement schedules, such as rotation of employees, to lessen the headcount within the plant premises. We also helped our employees secure the relief assistance offered by the Department of Labor and Employment, which is a package called CAMP or "COVID-19 Adjustment Measures Program", where affected workers were granted a one-time monetary assistance of PHP5,000.

Employee Management



We develop and train our people to help them have a better life as we grow.

We aim to have a competitive edge in attracting valuable talents within the industry by creating a desirable workplace culture underpinned by people empowerment, staff engagement, and targeted performance.

To realize this objective, we commit to develop the full potential of our business enablers – our people. We relentlessly pursue the principles of fair treatment, equality, teamwork, entrepreneurship, opportunity, and rewards as foundation of our people-related decisions to help every employee achieve professional and personal growth.

All our leaders ensure fair and consistent treatment of employees through compliance with established Company policies and procedures. Any unacceptable behavior shall be managed in accordance with appropriate and legal requirements to guarantee employee's rights to due process.

Employee Data

Disclosure	Quantity	Units
Total number of employees in the Philippines (direct and indirect employees)	1,447	
A. Number of female employees	755	#
B. Number of male employees	692	#
Attrition rate	31%	
Ratio of lowest paid employee against minimum wage	0	

Employee Compensation and Benefits

We recognize the value of our employees. Wages paid for regular working hours, overtime hours and night differentials meet and even exceed the minimum industry standards. Illegal and unauthorized deductions are prohibited. The Company ensures that the remuneration is provided in a manner convenient to workers.

The Company offers its full time staff a range of benefits, including HMO, annual leaves, as well as paternity and maternity leave. Also available to employees are personal development and training programs designed to enhance their skills.

List of Benefits	Y/N	% of female employee who availed for the year	% of male employee who availed for the year
SSS	Y	14.06	24.59
PhilHealth	Y	1.56	1.63
Pag-ibig	Y	43.78	39.34
Parent leaves	Y	1.56	0
Vacation leaves	Y	100	100
Sick leaves	Y	46.87	47.5
Bereavement leave	Y	1.56	1.64
Medical benefits (aside from PhilHealth)	Y	1.56	1.63
Housing assistance (aside from Pag-Ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	N	N/A	N/A
Flexible-working hours	Y	32.81	11.48
FREE Shuttle service during pandemic	Y	4.92	21.87
Emergency loans at no interest	Y	4.69	0

Aside from mandatory benefits under our laws, ASFII is in constant search of projects and activities that can be shared or given to all of its workers to keep them motivated and reduce employee turnover. **We strictly comply with all government issuances and do constant audits within the Company.** We make our employee programs competitive by benchmarking with other industries.



Mobile Palengke

We invited local farmers and vendors to visit our plant in General Santos to sell food items such as fruit, vegetables, meat and seafood products to our employees. This program makes it convenient for employees to have access to healthy food and minimizes their exposure to public places in the time of COVID-19.

In picture is Jerlyn Aspiras, who said that she is happy to have easy access to her favorite fruits and vegetables.



Shuttle Service

Our employees and workers enjoy the safety and convenience of a Company-provided shuttle service as they travel to and from the plant. For some of our workers' shuttle units, we also partnered with local public transport drivers, thus giving them a steady source of income despite the pandemic.

In picture is Sierwin Salmon, who lives in Katangawan (more than 30km away from our plant in Tambler); he is thankful for this convenient initiative by the Company.



Vegetable Gardening

Employees planted vegetables during their gardening activity on June 6, 2020. Harvested produce from this garden is being served for free to our employees.

This project aims to help employees maintain healthy minds and bodies (especially in the time of COVID-19).

Kirsten Exim, an employee-participant, stated, "This activity is an opportunity to bond with my colleagues and to sustain the Company's goal to keep employees healthy."

Employee Training and Development

The Company carries out a continuing practical and positive program of training and development for all its employees. This is to ensure maximum efficiency in the performance of their functions, duties, and responsibilities and improve employee morale.

Efficiency is crucial in the performance of our workers. Managers at all levels are enjoined to identify the training needs of our employees. The Company likewise ensures that suitable budget is allotted so that trainings are continuously provided all year long. In doing so, we enhance the competencies of our workers and hold mistakes at bay.



Disclosure	Quantity	Units
Total training hours provided to employees (direct employees)		
A. Female employees	22	hours
B. Male employees	22	hours
Average training hours provided to employees		
A. Female employees	4	hours/ employee
B. Male employees	4	hours/ employee

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreement	0	%
Number of consultations conducted with employees concerning employee-related policies	N/A	

There is no Collective Bargaining Agreement with our workers as of December 31, 2020. However, we respect the right of workers to form unions or other kinds of worker's associations and to engage in collective bargaining.

To ensure unhampered operations, we strictly comply with labor standards and internal safety policies. Although delays and problems are encountered along the way, management keeps their doors open for discussion with the employees. To encourage collaboration, we keep our workers well-informed of the programs and initiatives the Company implements. Rewards system is also in place to keep the employees engaged and contented.

AEMCO

ASFII Employees Multi-Purpose Cooperative (AEMCO) is a multi-purpose, non-agricultural cooperative open to all regular employees of Alliance Select Foods International, Inc. As of December 31, 2020, AEMCO has 81 members. Their business activities include lending at affordable interest rates to its members and service providers within the plant. They also sell ASFII's products to workers within the plant.

Diversity & Equal Opportunity

We address employment in the vulnerable sector that is usually not given much attention or opportunity. We also have a policy on non-discrimination of workers. We discuss with sectors that can deploy people regardless of their gender, condition, or ethnicity.

Disclosure	Quantity	Units
% of female workers in the workforce	52	%
% of male workers in the workforce	48	%
Number of employees from indigenous communities and/or vulnerable sector	364	#

We aim to be more productive and creative as the workforce become more diverse and gender-inclusive by setting avenues for employees to collaborate and discuss their ideas freely.

Workplace Conditions, Labor Standards, and Human Rights



Occupational Health and Safety

We are committed to provide a safe working environment and to foster the well-being and health of each employee and others who may be affected by our undertakings. The Company believes that the health and safety of all employees are of greatest importance. We conduct our operations and maintain our facilities in a manner conducive to the creation of a healthy and safe work environment for all employees and the surrounding community.

We endeavor to lessen the occurrence of incidents by setting forth safeguards. It is a risk that our operations be suspended whenever incidents happen. Thus, we endeavor to provide immediate response and prevent the occurrence of the same incident by implementing strictly our policies.

Disclosure	Quantity	Units
Safe Man-Hours	969,000	Man-hours
No. or work-related injuries	15	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	2	#

ASFII holds dear its responsibility to its employees, property, and the environment. The Company directs all levels of management to provide ample protection to property, facilities, and above all, human lives, at all times. It is our Company policy to uphold the dignity of every individual, and is determined to provide (1) adequate training on the performance of duties; (2) safe working conditions; (2) safe facilities; and (4) protective equipment, when needed.

When our workers feel safe in our Plant, we experience increase in labor productivity and savings from incident-related costs. When workers feel secure, they are more focused at work and more effective at what they do!

STOP REPORT

In 2020, the Company launched STOP Report in an effort to encourage employees to “stop” and observe their surroundings for unsafe conditions, practices, and acts; commendation for best practices may also be submitted.

The Best STOP Reports for each month are announced and rewarded.



Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

We are aware of our responsibilities to our shareholders, employees, suppliers, customers, and to the society as a whole, especially to our neighboring communities.

To this end, we have operating principles under the broad heading of Ethical Policy, which covers the following:

Topic	Y/N	If Yes, cite reference in the company policy
Forced Labor	Y	HRM-ADM-POL-0014-Ethical Policy
Child Labor	Y	HRM-ADM-POL-0014-Ethical Policy
Human Rights	Y	HRM-ADM-POL-0014-Ethical Policy

Supply Chain Management



Social and Ethical Responsibility Requirement from Third Party Contractors

We ensure that our tuna supply chain is socially and ethically responsible. This means ensuring safe and fair working conditions, ensuring equitable fishing agreements, maintaining strict human rights standards for all products sourced, and employing fishing methods that are ethically acceptable within the global standards set by various global organizations and NGOs.

Our policy on Social and Ethical Responsibility may be accessed via http://corporate.allianceselectfoods.com/wp-content/uploads/2020/04/FINAL-PUR-03-Tuna-Procurement-Policy_Alliance-rev-v5.pdf

A. Ethical Responsibility

- **Dolphin Safe** – We exclusively purchase and distribute canned tuna products only from suppliers that has a Dolphin Safe corporate policy confirmed and approved by Earth Island Institute’s International Monitoring Program (IMP) and/or the European Dolphin Safe Monitoring Organization (EDSMO). (Please see our detailed policy on Dolphin Safe and Shark Finning.)
- **Shark Finning** – We, including our subsidiaries and affiliates worldwide, do not participate in, or profit from, nor are connected with companies involved in whaling operations, dolphin drive fisheries, shark fin fisheries; nor the sale, import, export, brokerage of whale/dolphin meat, sea turtle meat/body parts, or shark fins; nor the processing of marine mammal body parts, sea turtle body parts or shark fins. (Please see our detailed policy on Dolphin Safe and Shark Finning.)

B. Social Responsibility

- **Slavery at Sea and Decent Working Conditions in Fishing** - It is our Company policy that all our suppliers provide a fishing crew manifest for each fishing vessel. We refuse to source tuna from vessels that collect guarantee deposits from its crew.
- **Fair Labour Practices** - We adhere to fair labor practices that assure that the Company and its suppliers are socially-accountable and adopt policies and standards that protect and safeguard its workers. ASFII ensures that its suppliers also adhere to its policies and standards, such as:
 - **No Forced or Bonded Labour** - ASFII and its suppliers firmly prohibit any form of forced or bonded servitude, trafficked and non-voluntary labour.
 - **No Child Labour** – ASFII prohibits hiring any worker below the minimum legal age. ASFII ensures that the suppliers it transacts with do not hire underaged labor and crew for their sea-based fishing work.

Social and Ethical Responsibility Requirement from Third Party Contractors

- *Support of International Labour Organization Core Conventions* - ASFII and its suppliers adhere and support the following International Labour Organization Core Conventions for workers; protection against Forced and Child Labor, and promotion of workers' rights:
 - Forced and Child Labour:
 - ILO C29 Convention on Forced Labour, 1930.
 - ILO C105 Abolition of Forced Labour Convention, 1957.
 - ILO C138 Minimum Age Convention, 1973.
 - ILO C182 Worst Forms of Child Labour, 1999.
 - Promote and Exercise Workers' Right:
 - ILO C87 Freedom of Association and Protection of the Right to Organize, 1948.
 - ILO C98 Right to Organize and Collective Bargaining, 1949
 - ILO C100 Equal Remuneration, 1951.
 - ILO C111 Discrimination (Employment and Occupation), 1958.
- *Remuneration* - ASFII gives the appropriate salary rates to employees and does not violate against the minimum wage rate required by law. ASFII ensures that the suppliers it contracts with pay their crew at least the minimum wage required by law.
- *No Precarious Employment* - ASFII hires and ensures that its suppliers hire workers on the basis of documented contracts providing for security of tenure and according to the law, which are completely understood by the workers, and contain specific provisions on rights and conditions of work, remuneration, hours of work, and benefits among others.
- *No Discrimination* - ASFII provides equal opportunities and does not discriminate against workers. ASFII employs handicapped workers, and employees from different religious belief and tribes. ASFII ensures that the suppliers it deals with treat their workers and crew equally despite differences in race, nationality, legal status, or religion.
- *Rights of Freedom of Association and Grievance* – ASFII and its suppliers respect the rights of its workers to associate and engage in any form of grievance to express their workers' Rights. ASFII and its suppliers assure that its respective workers are provided with an operative grievance machinery where they can give grievance without fear of any form of reprisal.

Social and Ethical Responsibility Requirement from Third Party Contractors

- *Decent Working Hours* - ASFII observes the law regarding prescribed hours of work. ASFII ensures that it deals with suppliers that provide each of their crew adequate amount of resting hours for the protection and safety of the crew.
- *Ethical Business Behavior* - ASFII does not tolerate any act of corruption, extortion, embezzlement, or bribery. ASFII also prohibits and requires that its suppliers do not engage in corruption, extortion, embezzlement, or bribery as well. ASFII and its suppliers require strict compliance with the legal requirements of its trade.
- *Occupational Health and Safety* – ASFII and its suppliers ensure a healthy and safe working environment by assessing risk and taking all necessary measures to eliminate or reduce it. ASFII and its suppliers require safe and healthy working conditions with proper lighting, noise reduction, and sanitation, with access to proper medical service, clean food, and drinkable water.
- *Special Protection for Young Workers* - ASFII and its suppliers do not employ, nor subcontract, individuals who have not attained the age of majority. Young individuals who wish to acquire training with ASFII are supervised and mentored.
- *Protection of the Environment and Fishing Ground* – ASFII, its employees, and its suppliers encourage the conservation of our natural resources such as energy and water, balancing the ecosystem, and the preservation of fishing ground. ASFII is a constant awardee of GREEN Rating from the Department of Environment and Natural Resources (DENR), therefore, we are committed to environmental protection and sustainable management of resources through full compliance with applicable local and international environmental regulations. ASFII and its products are certified by Marine Steward Council (MSC). ASFII supports the sustainability program and Fisheries Improvement Program (FIP). We require our Suppliers to abide by all the National Fisheries Regulation (BFAR) and International regulations including conservation measures implemented by the Regional Fisheries Management Organization (RFMO).

Relationship with Community



We believe that it is to our mutual advantage to support the communities that provide our opportunity to do business and also supporting people and communities outside our locality with the aim of making their lives better and giving the opportunities they may otherwise not have.

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)*	Does the particular operation have impact on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Providing equal employment opportunities	General Santos City & Pasig City	ASFII employs more or less 15 differently-abled workers in our processing lines.	Y – A portion of our workforce comes from the ethnic groups in the region.	N/A	N/A

We are positive that as ASFII grows, the livelihood opportunities that will be open for the community will also grow. We aim to continue providing equal employment opportunity to the community, regardless of their ethnicity, gender, and physical ability.

Relationship with Community



CORPORATE SOCIAL RESPONSIBILITY

The Company gives back to the community with the following programs:



Bay of Gold Scholarship Program

With every purchase of some of our products, such as the Bay of Gold Select Tuna and Bay of Gold Canned Salmon products, our five scholars become one step closer to achieving their golden dream of securing the splendor of our seas for generations to come.

The scholars also received products from the Company as an aid to their families in the time of COVID-19.

One scholar shared, "As a Bay of Gold scholar, *laking pasasalamat ko sa binigay nilang canned tuna at pagbisita... Upang kumustahin ang aming kalagayan.*"



Donation to LGUs

ASFII donated industrial-sized pouches of tuna flakes in brine to the local government units of General Santos City and Sarangani Province in April 2020. This is our way of helping the government feed the frontliners and local volunteers who are working tirelessly to keep our communities COVID-free.

In his statement, General Santos City Mayor Ronnel C. Rivera thanked ASFII for its help to the LGU and said that this donation will help ease the government's burden in supporting the frontliners.



Adopt-a-School: Changco Elementary School

In giving back to the community, ASFII participates in the Adopt-A-School Program of the Government that encourages private companies in assisting public schools in delivering better quality education. ASFII adopted the Changco Elementary School in Barangay Siguel in General Santos City to assist the school in addressing the shortage in resources to provide competitive quality education.

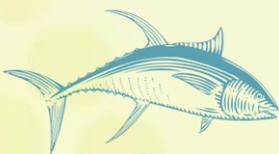
In 2020, ASFII employees distributed more relief goods to families of the pupils of Changco Elementary School to help them cope with the economic impact of the pandemic.



Our Commitment

It is the Company's goal to be socially responsible in all its dealings with the communities where it operates. It endeavors to ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development. The Company recognizes and places importance on the interdependence between business and society, and shall promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates. The Company undertakes to comply with existing regulations and as appropriate voluntarily employ value chain processes that takes into consideration economic, environmental, social and governance issues and concerns. In considering sustainability concerns, the Company plays an indispensable role alongside the Government and other sectors in contributing solutions to complex global challenges like poverty, inequality, unemployment and climate change.

Customer Management



Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No available data	N

Creating value for our customers and business partners is the core objective and driver of the Company's bottom line.

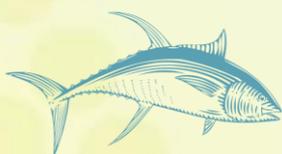
Customer satisfaction impacts the Group's overall revenue, thus the Company endeavors to meet customers' expectations, serve their demands, and attend to their complaints, if there are any.

Customer service has always been part of the training of our in-store partners. The Company is improving its Customer Service Program that will demonstrate how we can monitor the satisfaction level of our customers and how we should respond to their expectations, demands and complaints. The Company also provides a quick feedback mechanism from our customers via email, our website, as well as social media presence.

The Company is improving its Customer Service Program that will demonstrate how we can monitor the satisfaction level of our customers and how we should respond to their expectations, demands, and complaints.

The Company wishes to lead the customers to become sustainable shoppers and choose healthy and more nutritious food. The Company is preparing a Food Safety Program and other sustainable programs that will help take care of the health of our customers.

Customer Management



Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety	0	#
No. of complaints addressed	0	#

We are committed to comply with the government requirements for food processing and to provide its customers with quality materials and ingredients, employing well-controlled processes and sanitary conditions.

With this commitment to the customers, continuing efforts towards manufacturing and upgrading sanitary conditions and practices are being undertaken. Maintenance of sanitation is a responsibility shared by everyone from our President down to the last worker.

Being in the food business, it is possible that our products may cause allergies and other health-related incidents. To avoid this, every worker in our Company is informed of possible food contaminants and food safety hazards (physical, chemical, biological); sources of microbial contamination (environmental, handling and processing); and good manufacturing practices.

Marketing and Labeling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labeling	0	#
No. of complaints addressed	0	#

End customers rely on the marketing and labeling of the products for its safety, nutrition, taste, or effectiveness. The Company understands that customers might suffer an injury caused by incorrect labeling or expired products still for sale in our stores.

Thus, the Company ensures that all FDA requirements and approvals for marketing and labeling of products are complied with. Apart from third party and FDA assessments of our marketing and labeling material, we have also deployed traceability measures to ensure that incidents are accurately captured and its causes resolved promptly.

Customer Privacy and Data Security

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#
No. of data breaches, including leaks, thefts, and losses of data	0	#

Customers' data are shared with the Company in transactional processes as well as sale agreements. To protect its data and to avoid data breach, the Company continues to train its employees on data privacy requirements and in investing on reliable technology to safeguard its data. The Company is likewise committed to the continuous improvement of its data privacy measures.

The Company likewise complies with the Data Privacy Act of 2012, which enumerates the rights of the data subjects.



Bay of Gold
SELECT TUNA
MANUKA SMOKED TUNA SOLID
IN OLIVE OIL
180g

Bay of Gold
SELECT TUNA
MANUKA SMOKED VENTRESCA
IN OLIVE OIL
180g

Bay of Gold
SELECT TUNA
VENTRESCA
IN OLIVE OIL
180g

Bay of Gold
SELECT TUNA
TUNA BIG FLAKES
IN OLIVE OIL WITH CHILI
180g

Bay of Gold
SELECT TUNA
TUNA FLAKES
IN SHOYU
180g

Creating value for our customers and business partners is the core objective and driver of the Company's bottom line.





UN Sustainable Development Goals



Product or Service Contribution to UN SDGs

TUNA PROCUREMENT

Societal Value / Contribution to UN SDGs

Our goal is to source all of our Tuna stocks only from healthy (not overfished, not listed as threatened on the International Union for Conservation of Nature (IUCN) Red List, and demonstrating good management quality) and well-managed stocks, from fisheries using the most current best practices in methods, by-catch reduction and environmentally-responsible, socially-responsible, and reasonably-priced for our consumers. To achieve these goals, we are committed to improve transparency, traceability, sustainability, equity/social responsibility, and compliance. We will support the International Seafood Sustainability Foundation's (ISSF) common ground philosophy for Tuna Sustainability (<http://issf-foundation.org/what-wedo/areas-of-focus/tuna-conservation/>). We will make a concerted effort to actively promote the products that meet or exceed the benchmarks set in this procurement policy. We will also work with other stakeholders such as the fishing industry, the community, environmental conservation groups, and the Government to achieve our goals of sourcing sustainable tuna.

Potential Negative Impact of Contribution

Ineffective practices may still contribute to overfishing of particular tuna species.

Management Approach to Negative Impact

Management ensures that all Tuna Sourcing activities are conducted properly and follow a stringent guideline as outlined in its Procurement policy. These established processes and procedures undergo regular audits by Greenpeace, and to this end, ASFII has consistently ranked as the No. 1 green-rated cannery in 2018 and 2020.



BAY OF GOLD TUNA PRODUCTS

Societal Value / Contribution to UN SDGs	Local house brand available in all major retailers and supermarkets that is FAD-free, dolphin safe and compliant with fair labor practices and social responsibility best practices.
Potential Negative Impact of Contribution	Ineffective practices may still contribute to overfishing of particular tuna species.
Management Approach to Negative Impact	Management undergoes regular audits to ensure stringent conformance to industry best practices.

BAY OF GOLD SCHOLARSHIP

Societal Value / Contribution to UN SDGs	Portion of sales revenue is donated to fund scholarships for students of Mindanao State University pursuing degrees in Fisheries and Agriculture.
Potential Negative Impact of Contribution	Beneficiaries of the scholarships may choose to engage in careers in different industries once they graduate.
Management Approach to Negative Impact	ASFII regularly engages with the scholars to help instill values and best practices to build awareness for responsible stewardship of the environment.