



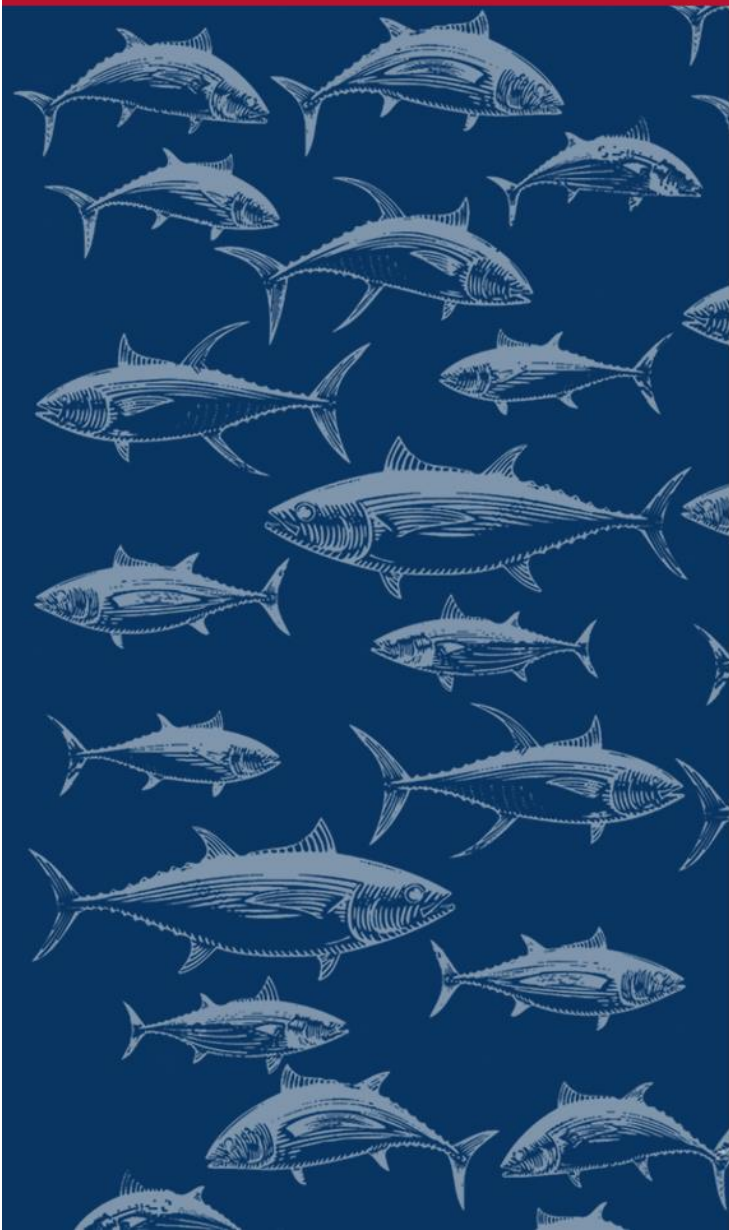
ALLIANCE SELECT FOODS
INTERNATIONAL, INC.

A PUBLICLY-LISTED COMPANY



SUSTAINABILITY REPORT

2019



ALLIANCE SELECT FOODS
INTERNATIONAL, INC.



**ALLIANCE SELECT FOODS
INTERNATIONAL, INC.**

Name of the Organization

Alliance Select Foods International, Inc.

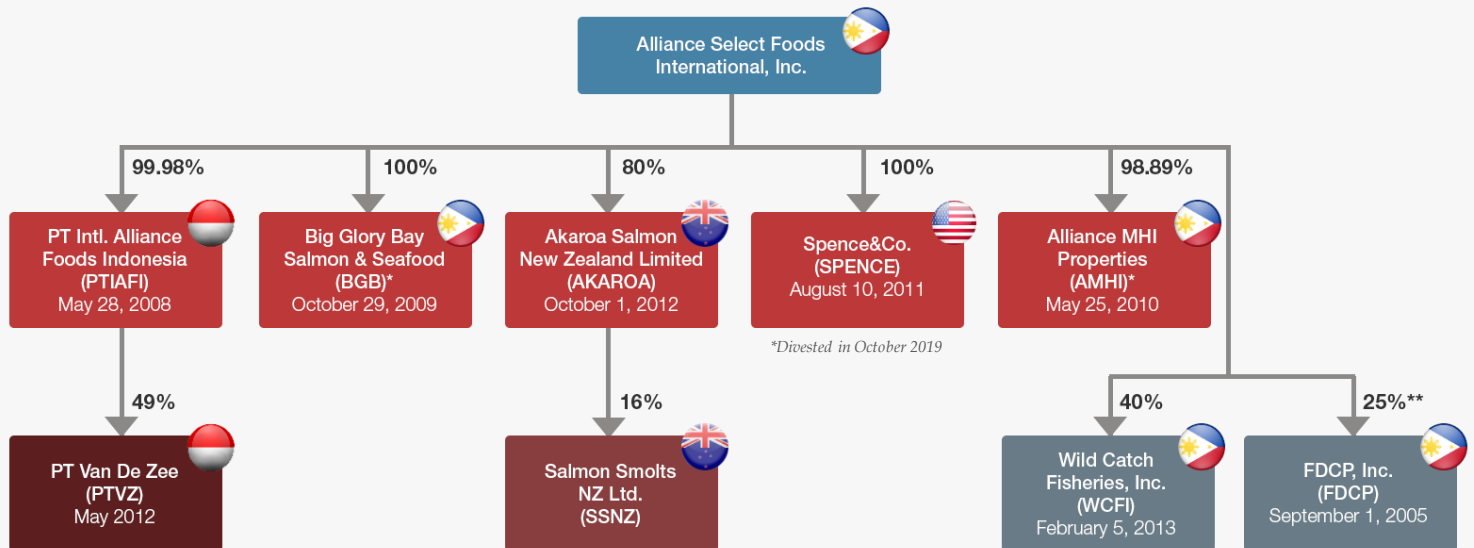
Location of Headquarters

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

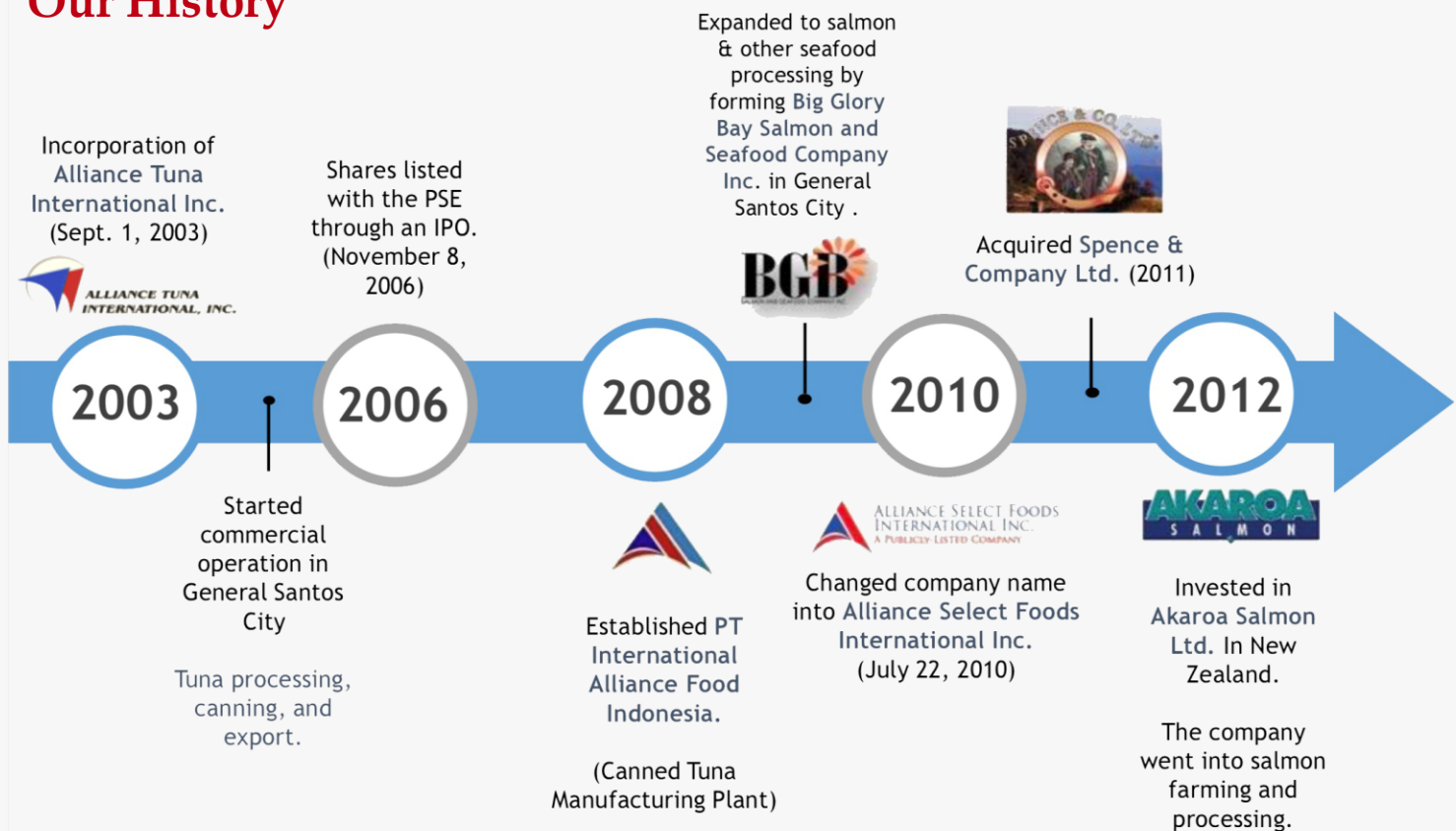
Alliance Select Foods International, Inc. (ASFII or the “Parent Company”), a public corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 1, 2003.

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



Our Subsidiaries

Name of Subsidiary	% of Ownership	Nature of Business	Principal Place of Business
Spence & Company Ltd. (Spence)*	100	Salmon and other seafoods processing	United States of America (USA)
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

*Divested in October 2019

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.

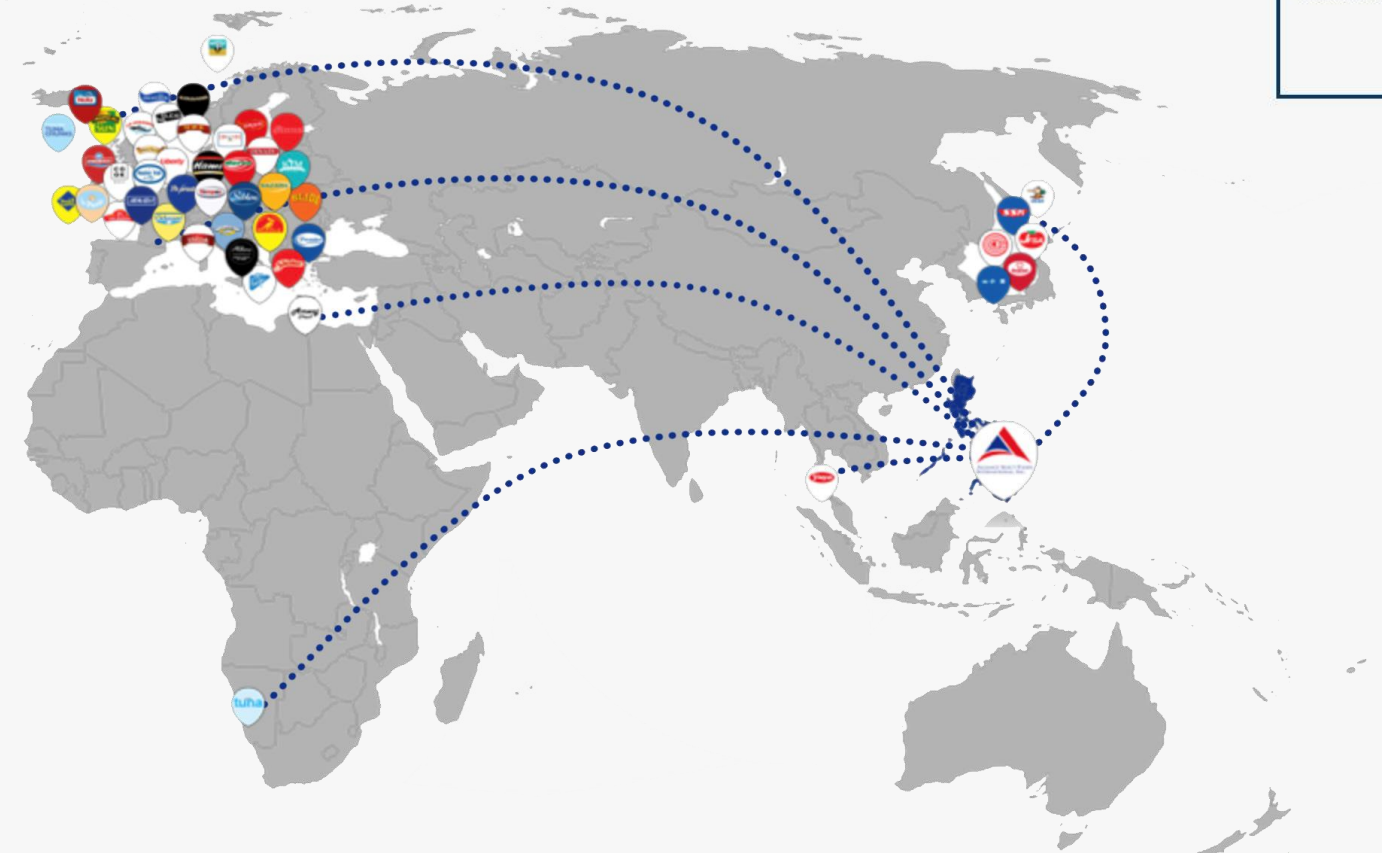
PTIAFI owns 49% of PT VDZ, a fishing company. PT VDZ ceased operations in 2016.

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 25% 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.



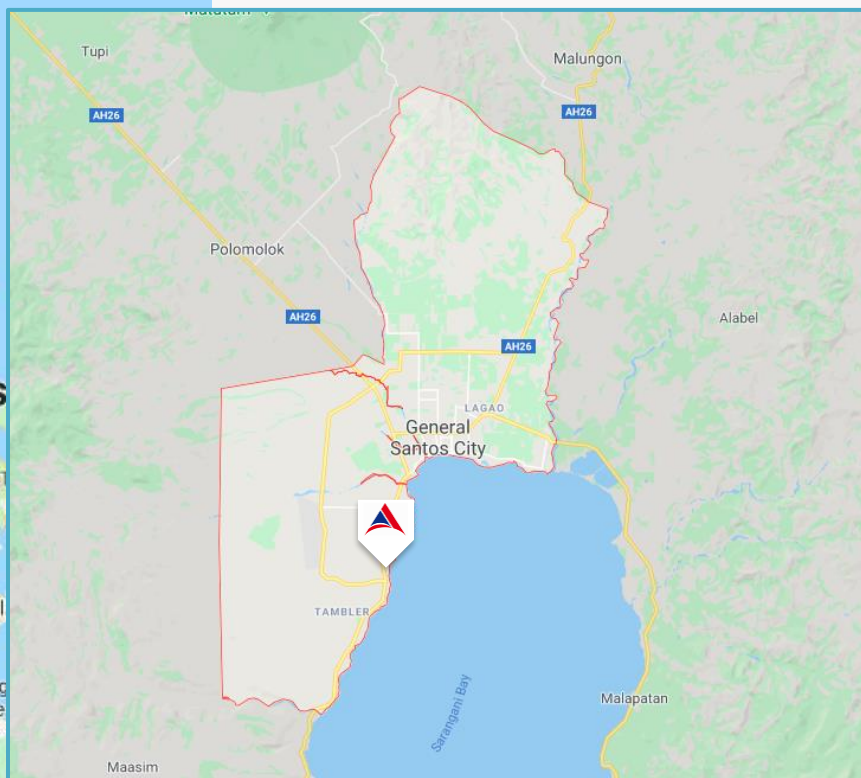


The Parent Company's key business activity is the processing, canning, and export of tuna. It exports its products to Europe, North and South America, Asia, Africa, and the Middle East.

THE BRANDS WE PRODUCE



Our Location



Purok Saydala, Brgy. Tambler
General Santos City, Philippines

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: paggiging 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.

Spence sells the traditional and classic smoked salmon to supermarkets in the US under its own brand and via private label. Salmon species that the firm smokes include Atlantic and Sockeye. In addition to these traditional products, Spence also markets value added salmon products like Nova lox and Gravlox Pastrami Salmon.

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.



Distribution Methods, Sales and Marketing

Tuna

ASFII and PT IAFI are mainly private label manufacturers of canned tuna. The Tuna Division of the Company 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 a 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, on the other hand, is mainly sold to the domestic market.



Salmon

BGB's products are sold to major supermarkets in the Asia-Pacific region. The Company is also expanding market reach in the Philippines in retail through local supermarkets and foodservice clients.

For Spence, marketing efforts are focused on retail sales, with a special emphasis on brand name and innovation. Spence's sales efforts have been led by professionals with vast experience in the food and retail sector.

Akaroa's products are sold mostly to institutional clients and high end distributors in the various markets that it serves. Akaroa also has an online and supermarket presence in New Zealand.



Fish Sourcing

Tuna and Salmon

ASFII and PT IAFI both purchase their 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.

Spence processes and markets mostly Atlantic salmon. While some of the Atlantic salmon are wild caught, the overwhelming majority of the Atlantic salmon consumed in the world is produced through aquaculture. The fish are grown in commercial fish farms. The two leading nations for Atlantic salmon are Norway and Chile.

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 11%.

Key Sourcing Area - Salmon

Almost all of the salmon processed by Spence, 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: 2019

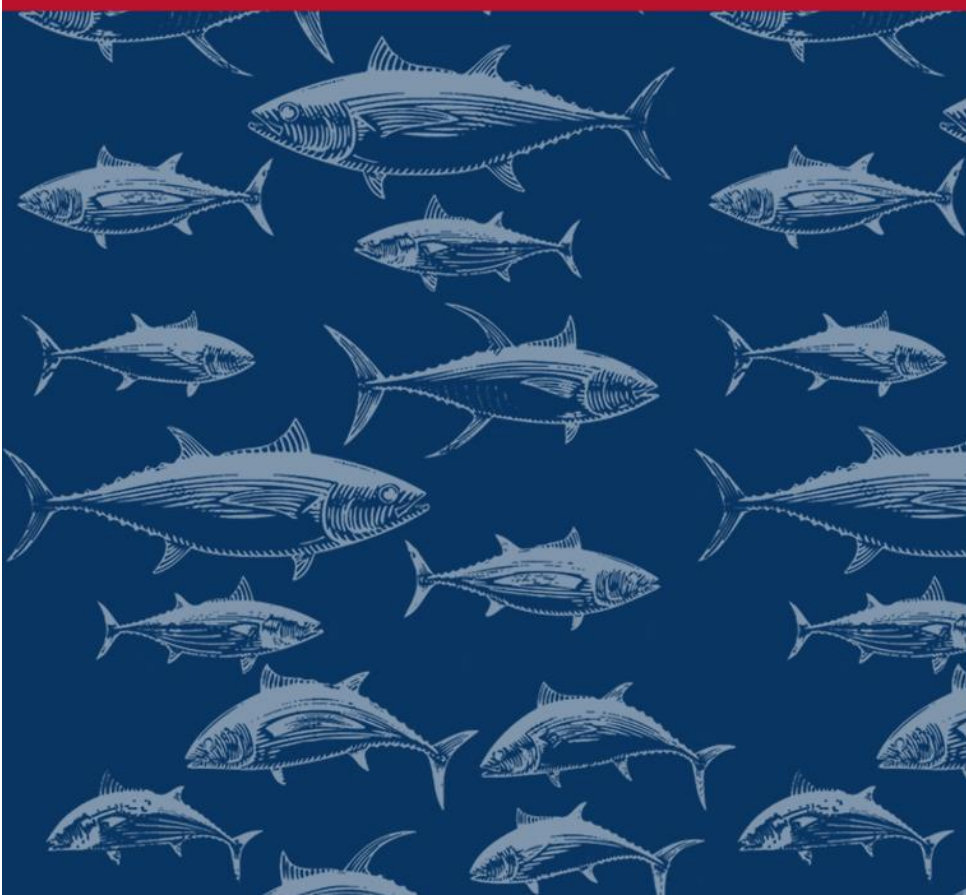
Highest Ranking Person responsible for this report: Ma. Kristina P. Ambrocio – VP for Legal and Compliance





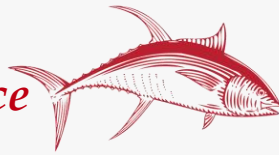
Sustainability Report 2019

ECONOMIC PERFORMANCE



ALLIANCE SELECT FOODS
INTERNATIONAL, INC.

Operating Performance



The Group's consolidated revenues of \$85 million in 2019 were 13% lower than the revenues of \$97 million in 2018. In 2019, about 74% of total revenues were contributed by tuna-related products and the remaining 26% were contributed by salmon-related products. There is a 10% and 19% decline in revenue for the tuna and salmon segments, respectively. Drop in tuna segment sales was due to the decline in tuna prices translating to lower average selling prices in 2019. The disposal of 100% equity investment in Spence around October 2019 impacted salmon segment sales during the year.

The Group's gross profits of \$8 million in 2019 is lower than gross profits of \$12 million in 2018. The gross profit margin is at 10% and 13% in 2019 and 2018, respectively. The labor shortage in ASFII during the first half of the year drove production inefficiency, with lower loining recovery resulting to increased material costs.

After years of suffering losses due to frequent shut downs of PT IAFI primarily due to Indonesian fishing regulations that have made foreign commercial fishing in Indonesian waters practically impossible, resulting in higher fish prices and insufficient supply for tuna canneries across Indonesia, management decided to change core business operations in Indonesia to export trading, and pursued a sale of IAFI's fixed assets in North Sulawesi.

The Group sold its 100% stake in Spence to ACME last October 2019.

Over the past three 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 inherent volatility in raw material prices.

As part of the Company's risk management process and in line with its Accounting Policies, when the net realizable value of the inventories are lower than cost, the Company provides for an allowance for the decline in inventory value. The reversal of any provision for inventory obsolescence, arising from any increase in net realizable value, is recognized as a reduction in the inventory amount in the period when the reversal occurs. When the inventory is sold, the carrying amount of the inventory is recognized as an expense in the period when the related revenue is recognized. Property, plant and equipment are likewise measured at cost less depreciation and provision for impairment losses. In CY 2019, the Group recognized the following provisions in its books:

- Inventory write down and allowance for inventory obsolescence for the Group totaling \$0.92 million. The provision also accounts for the passage of time and its adverse impact on the value of unsold inventory.
- Provision for trade and other receivables amounting to \$0.01 million. The Group identified specific accounts that are doubtful of collection, considering historical collection and write-off experience, and provided a provision pertaining to the amounts deemed to be uncollectible.



The Group's finance costs of \$2.0 million in 2019 were 35% higher than its finance costs of \$1.5 million in 2018. Increase in finance cost can be attributed to higher prevailing borrowing rates and the greater working capital requirement to support growing operation particularly in securing raw materials.

Disclosure

KEY PERFORMANCE INDICATORS

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

Key Performance Indicator	Years ended December 31	
	2019	2018
Revenue growth rate	-13%	35%
Net profit margin	-6%	3%
Current ratio	1.28	1.02
Debt to equity ratio	1.17	1.12
Return on average stockholders' equity	-15%	7%

DIRECT ECONOMIC VALUE GENERATED & DISTRIBUTED

Disclosure	In US\$ '000
Direct economic value generated (revenue)	84,883
Direct economic value distributed:	
Normalized operating costs	7,615
Employee wages and benefits	2,875
Interest payments to loan provider	2,001





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.

Traditionally, Filipino fishermen deliver frozen tuna caught from Philippine, Indonesian, and international waters. However, 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.

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

Spence procures its salmon raw material from local fish brokers or directly from farm owners in Chile, Iceland, the United States, Norway, or Scotland. Supplies from these farms fluctuate and may carry with them a risk of outbreak of algae bloom and contagious diseases that may affect supply, and hence, prices.



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. Furthermore, the Tuna Division is undertaking efficiency improvement initiatives such as supply chain planning & 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.

Spence also operates in a very competitive market and though price is not the only deciding factor in a consumers mind, it does play a role. Spence distinguishes itself from its competitors on the quality of products, strong customer relationships and innovation.

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 as 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 (Spence, Akaroa) 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 land owners.



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, travel restrictions, etc. 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 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 ISSF'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	Not monitored	%



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 bycatch. However, the fisheries that supply pole-and-line fisheries with bait can have problematic ecological effects, including bycatch 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 bycatch. Bycatch 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 w/o 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/company 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/>



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.

The Company regularly issues its Anti-Bribery and Corruption Policy on an annual basis.

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 – Is there one that won't compromise you or the Company?

Appropriateness – Can you justify it within the scope of the Policy?

Conflict of interest – Be careful if attached to tendering or contract renewals.

Risks – Think what they might be for you 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 may also support 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 may be being bribed.



ANTI-CORRUPTION

Action by the Company

We promote employee awareness of, a compliance with, company policies against bribery and corruption through appropriate dissemination of our own procedures including disciplinary procedures, policies and training programs on induction. We adopt management control system that discourage 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	%
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	100	%

Incidents of Corruption

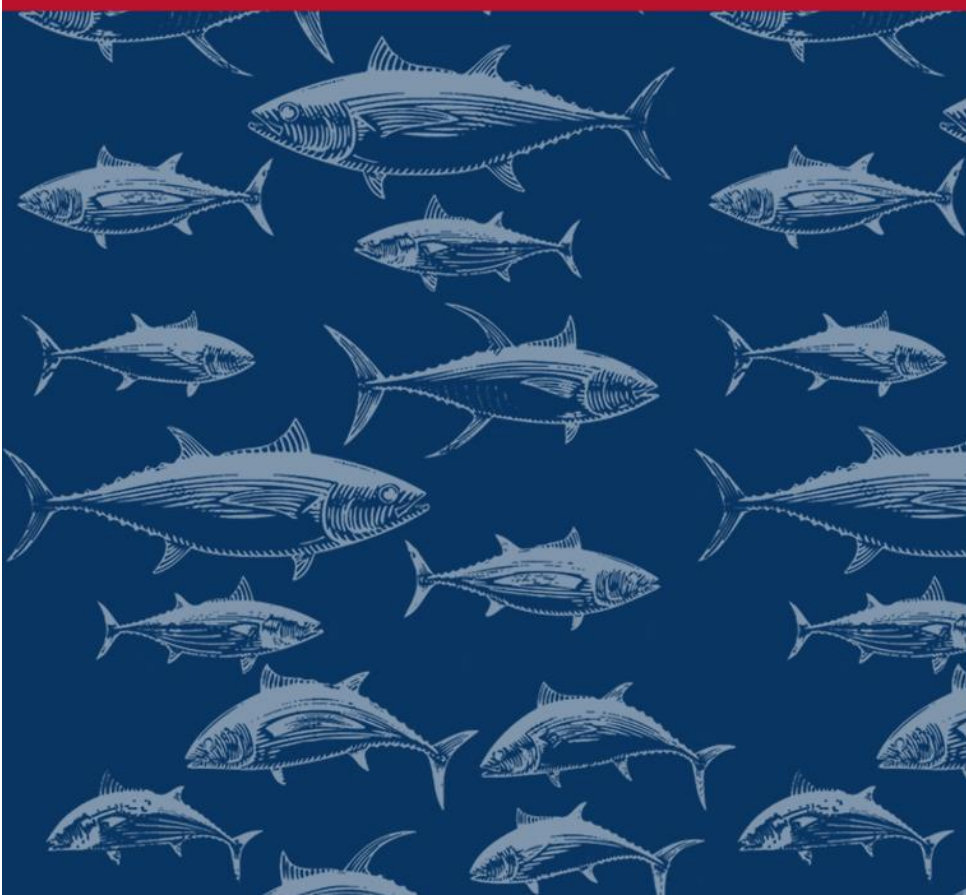
The Company has zero incidents of corruption (which resulted to removal, dismissal, disciplinary action, and/or termination) involving directors, employees, or its business partners.





Sustainability Report 2019

ENVIRONMENT



ALLIANCE SELECT FOODS
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The Philippine Environmental Impact Statement System (Presidential Decree No. 1586, as amended) 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). ASFII's operation of processing and production facilities is classified as an environmentally critical project.

ASFII has current ECC, Waste Water Discharge permit, and a permit to Operate (Boiler).

For its Bitung, Indonesia facility, PT IAFI was awarded the Certificate of Recommendation by Badan Lingkungan Hidup on April 8, 2015, certifying that PT IAFI complies with environment and safety regulations.

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 the 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.

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 also among the top 5 canneries in the Southeast Asian region.**

In addition to the Greenpeace Ranking, in May 2020, ASFII teamed up with Greenpeace Southeast Asia and the Pangngisda Natin Gawing Tama (PANAGAT), a Non-Governmental Organization and 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 in observance of the Enhanced Community Quarantine.



COASTAL CLEAN-UP PROGRAM



ASFII supports The Ocean Conservancy ("TOC"), formerly known as the Center for Marine Conservation, a non-profit environmental advocacy group based in Washington D.C. USA, which 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 3rd 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 drive and cleaned its coastal lines covering a total of 3,949 sq. meters of foreshore.

EDUCATIONAL SUPPORT

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 December 2019, ASFII hosted a Christmas party for the school, complete with gift-giving, fun games and art competition, to inspire students and children to do their best.

The Company also conducted COVID-19 relief efforts last May 2020 in Changco Elementary School and distributed tuna products to 450 families to help families and students affected by the pandemic.

ASFII also launched its **Alliance Select Foods to the Future Scholarship Program** together with the Mindanao State University in General Santos City, where the Company will sponsor five (5) deserving and qualified students in General Santos City enrolled in either BS in Fisheries or BS in Marine Biology throughout their college education. The Company sees this as another chance to give back to the community and at the same time do our part in conserving our marine environment.





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.



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)	1.81	GJ
Energy Consumption (electricity)	391,567	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?

ASFII mainly uses electricity in its tuna canning operations for its pre-cooker, conveyor motors, pack-shapers, seamers, retort equipment, fishmeal plant, boiler, packaging machines, blast room and cold storage, and reefer vans.

When there is shortage of electricity, the plant uses its diesel generator for its equipment and machineries.

Its logistics for transporting/delivering materials and products rely on gasoline and diesel for the vehicles used.

What are the Risk/s Identified?

As ASFII is expanding its plant operations and installing new equipment, the company may not be able to reduce its use of energy significantly as of the moment.

What are the Opportunity/ies Identified?

ASFII is exploring other sources of energy in order to be able to reduce its use of electricity and diesel.

ASFII also started using LED lights that greatly reduce energy consumption.

Which stakeholders are affected?

- Company and its employees;
- Customers and clients;
- The community in General Santos City;
- The Local Governments and National Government of the Philippines

Management Approach

As ASFII is expanding its plant operations and installing new equipment, ASFII is looking into trying other approaches in conserving energy, such as solar power to reduce its electricity and diesel consumptions.

*For PH operations





Water Consumption Within the Organization*

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	36349	Cubic meters
Water recycled and reused	Not Monitored	Cubic meters

**What is the impact and where does it occur?
What is the organization's involvement in the impact?**

ASFII's main source of its water is its three (3) 150 feet deep well submersible pumps that generate enough water to supply the company and its subsidiaries within its compound.

Water generated from these deep well pumps are used for its equipment and machineries and use in its buildings within the compound.

What are the Risk/s Identified?

Its risk would be if the deep well submersible pumps would break or malfunction.

Which stakeholders are affected?

- Company and its employees;
- Customers and clients;
- The community in General Santos City

Management Approach

ASFII is regularly checking and performing maintenance work on the deep well submersible pumps

**For PH operations*



What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
To recycle more amounts of used water to make water use more efficient and sustainable.	<ul style="list-style-type: none"> • Company and its employees; • Customers and clients; • The community in General Santos City. 	Research on possible ways to recycle used water more.



Materials Used by the Organization

What is the impact and where does it occur? What is the organization's involvement in the impact?

Main materials used by ASFII is fish, such as tuna and salmon, for its seafood products.

What are the Risk/s Identified? Depletion of fish in our ocean.

Increase of by-catch that includes sharks, dolphins, juvenile fish and sea turtles among others.

Affected Stakeholders

- Company and its employees;
- The community in General Santos City and other fishing communities.

What are the Opportunity/ies Identified?

ASFII is committed to improve transparency, traceability, sustainability, equity and social responsibility, and compliance.

ASFII supports non-entanglement Fish Aggregating Devices (FAD) and FAD-free tuna, as well as no transshipment at sea without an observer.

ASFII does not involved itself in whaling operations, dolphin drive fisheries, shark fin fisheries; nor 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.

Management Approach

ASFII sources all its fish products from fisheries using the most current best practices methods that are environmentally and socially responsible. ASFII supports by-catch reduction.



Ecosystem and Biodiversity*

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3,949 sqm of foreshore lease from Sarangani Bay	3,949 sq. meters
Habitats protected or restored	foreshore	3,949 sq. meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
ASFII produces effluents throughout the process of preparing its tuna and salmon products like thawing of frozen fish, butchering of fish process, misting of cooked fish, and sanitation operations of its facilities.	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	ASFII uses its leased 3,949sqms of foreshore for its wastewater treatment facility that ensures that its effluents are properly treated for safe release back to the ocean.
What are the Risk/s Identified? Malfunction of its wastewater treatment facility resulting to the discharge of untreated water to Sarangani Bay.		Management Approach ASFII ensures its wastewater treatment facility is well maintained and checked.
What are the Opportunity/ies Identified? Collected sludge in the wastewater treatment facility is used as fertilizer in its vegetable garden around the plant compound. Harvested vegetables are served to employees. To have a more efficient recycling and wastewater treatment. Exploring new technologies such as the Dewatering System.		Management Approach ASFII's wastewater treatment facility ensures that its effluents are properly treated for safe release back to the ocean.

*For PH operations





Air Emissions*

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
ASFII's equipment that mainly contributes to air emissions are its boilers and generator.	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	ASFII uses scrubbers, a pollution control device, installed in its chimneys to greatly reduce greenhouse gas emissions.
What are the Risk/s Identified?		Management Approach
To contribute to the worldwide emission of greenhouse gases.		Reduce as much as possible the emission of greenhouse gases.
What are the Opportunity/ies Identified?		Management Approach
Regularly maintain and inspect equipment to reduce its greenhouse gas emission.	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	Reduce as much as possible the emission of greenhouse gases.
ASFII conducts biannual air emission testing that regulates air pollutants based on regulatory standards.		Scheduled pH monitoring for water in the sedimentation tank.
		Requiring suppliers to provide COA of fuel (coal) to ensure that its Proximate Analysis shows low content of sulfur and ash.
		Semi-annual Source Emission Testing conducted by accredited 3rd party testers.

*For PH operations





Air Pollutants*

Disclosure	Quantity	Units
NO _x	138	kg
SO _x	679	kg
Persistent organic pollutants (POPs)	N/ A	kg
Volatile organic compounds (VOCs)	N/ A	kg
Hazardous air pollutants (HAPs)	307	kg
Particulate matter (PM)	145	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>ASFII's equipment that mainly contributes to air emissions are its boilers and generator.</p> <p>What are the Risk/s Identified?</p> <p>To contribute to the worldwide emission of greenhouse gases.</p> <p>What are the Opportunity/ies Identified?</p> <p>ASFII uses scrubbers, a pollution control device, installed in its chimneys to greatly reduce air pollutants.</p> <p>Install additional pollution controlling devices.</p>	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	<p>Reduce as much as possible the emission of greenhouse gases.</p>

*For PH operations





Solid Waste*

Disclosure	Quantity	Units
Total Solid Waste generated	6100	kg
Reusable	420	kg
Recyclable	120	kg
Composted	500	kg
Incinerated	N/ A	kg
Residual/landfilled	5,060	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The main solid waste produced by ASFII are the rejected cans, cartons, and plastic shrink wraps in producing canned tuna and its other seafood products.</p> <p>What are the Risk/s Identified?</p> <p>To contribute to the waste materials worldwide the greatly affect the environment.</p> <p>What are the Opportunity/ies Identified?</p> <p>ASFII reuses materials such as scrap metals from oil barrels for fabrications within the plant. Metals from oil barrels are reused in making queue lines, contactless sanitizer dispensers and other plant facilities.</p> <p>Improve composting pit for disposal of biodegradable items.</p> <p>ASFII donates these rejected cans, cartons, and plastics to the Local Government of General Santos City which are used for local government projects such as tree planting activities.</p>	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	<p>To reuse or recycle these solid wastes.</p> <p>Construction of an improved Material Recovery Facility.</p> <p>Provision of labeled trash cans at different plant locations to encourage and promote waste segregation.</p>

*For PH operations





Hazardous Waste*

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>As manufacturing canned tuna and other seafood products its main production, ASFII's hazardous waste produced are only used oil, batteries, and fluorescent light bulbs.</p> <p>What are the Risk/s Identified?</p> <p>To contribute to the waste materials worldwide the greatly affect the environment.</p> <p>What are the Opportunity/ies Identified?</p> <p>To contract with an accredited service provider that would transport its hazardous wastes to its proper hazardous waste treatment facility in General Santos City.</p> <p>In compliance with the mandate of the General Santos City local government, ASFII do not incinerate its waste products, but dispose or recycle them accordingly.</p>	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	<p>To dispose of its hazardous wastes in accordance with the applicable laws and regulations.</p> <p>Provision of storage room specifically for HazWaste, this facility is monitored and maintained monthly and reported to EMB quarterly.</p> <p>Disposal of batteries and busted bulbs to the General Santos City Landfill.</p>

*For PH operations





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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
ASFII produces effluents throughout the process of preparing its tuna and salmon products like thawing of frozen fish, butchering of fish process, misting of cooked fish, and sanitation operations of its facilities.	<ul style="list-style-type: none"> Company and its employees; The community in General Santos City. 	ASFII's Wastewater Treatment Facility ensures that its effluents are properly treated for safe release back to the ocean.
What are the Risk/s Identified? Malfunction of its Wastewater Treatment Facility resulting to discharge of untreated water to Sarangani Bay.		Management Approach ASFII ensures its Wastewater Treatment Facility is well maintained and checked.
What are the Opportunity/ies Identified? To have a more efficient recycling and wastewater treatment. Exploring new technologies such as the Dewatering System.		Management Approach ASFII's Wastewater Treatment Facility ensures that its effluents are properly treated for safe release back to the ocean. ASFII has a Pollution Control Officer (PCO) and conducts a Self-Monitoring Record (SMR) wherein its records are submitted to the Department of Environment and Natural Resources (DENR) for monitoring of biological oxygen demands (BOD) and chemical oxygen demands (COD) of discharged water.

*For PH operations



Non-Compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#



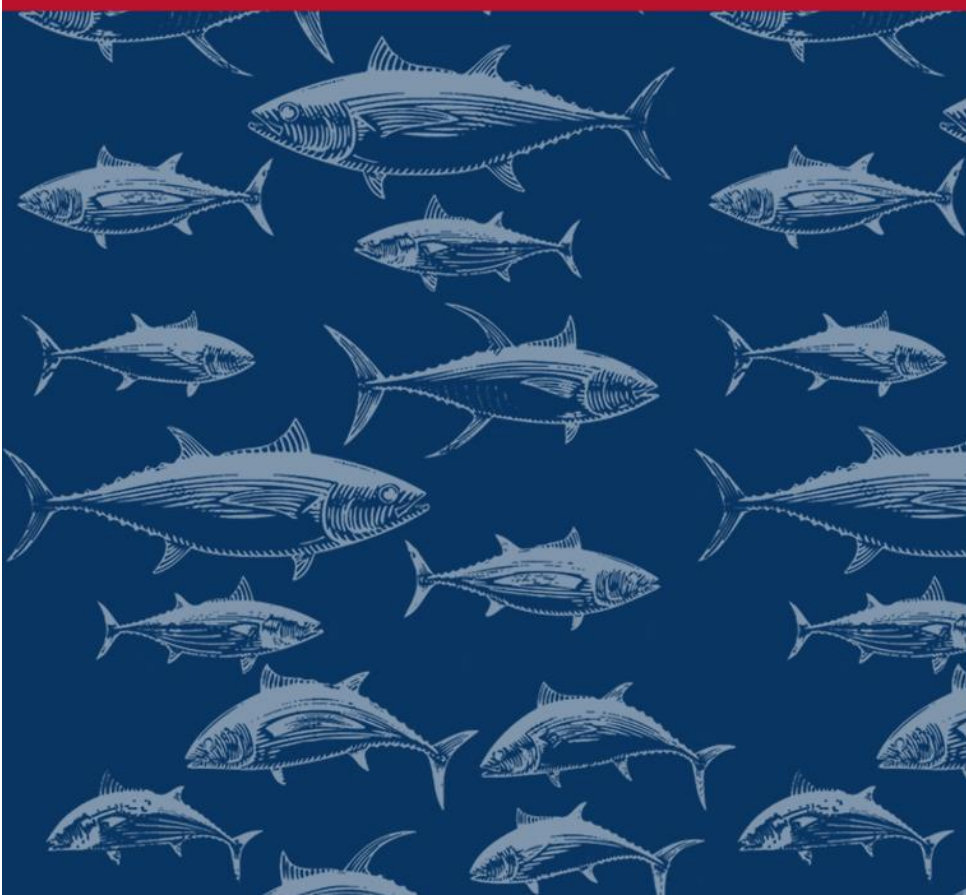
In helping to maintain and save the environment, ASFII is doing its part in helping protect and rehabilitate our plant and our community, conserving the use of energy, and operating with environmentally-sustainable devices and equipment.





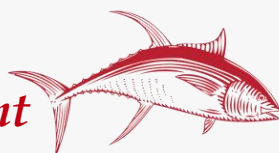
Sustainability Report 2019

SOCIAL



ALLIANCE SELECT FOODS
INTERNATIONAL, INC.

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 lawful 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)	2,811	
A. Number of female employees	1,430	#
B. Number of male employees	1,381	#
Attrition rate	7.47%	
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 meets and even exceed the minimum industry standards. Illegal and unauthorized deductions from the wage are prohibited. The company ensures that the remuneration is rendered in a manner convenient to workers.

The company offers its full time staff a range of benefits, including hospitalization, vacation leave, sick leave, paternity and maternity leave. Also available to employees are personal development and training programs designed to enhance the employee's skill base



List of Benefits	Y/N	% of female employee who availed for the year	% of male employee who availed for the year
SSS	Y	37.47%	38.80%
PhilHealth	Y	1.40%	1.45%
Pag-ibig	Y	46.84%	48.50%
Parent leaves	Y	9.37%	9.70%
Vacation leaves	Y	74.94%	77.60%
Sick leaves	Y	25.23%	26.12%
Medical benefits (aside from PhilHealth)		Y - HMO	
Housing assistance (aside from Pag-Ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	Y	0%	1.41%
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	Approx. 7%	Approx. 5%

Aside from mandatory benefits under our laws, ASFII is in constant search of projects and initiatives that are shared or given to all of our workers to keep them motivated and avoid the risk of being pouched by other companies. **We strictly to comply with all government issuances and do constant audits within the company.** We make our employee programs competitive by benchmarking with other industries.



**What is the impact and where does it occur?
What is the organization's involvement in the impact?**

Our workers' overall welfare is crucial as they are primarily involved in the core output and daily operations of the business.

Management Approach

We retain valuable talents by creating a desirable workplace culture underpinned by people empowerment, staff engagement, and targeted performance.

We strictly comply with all government issuances and do constant audits within the company.

What are the Risk/s Identified?

Its risk would be if the deep well submersible pumps would break or malfunction.

Aside from mandatory benefits under the law, the management is in constant search of projects and initiatives that are shared or given to our workers to keep them motivated and avoid the risk of being poached by other companies. We make our employee programs competitive by benchmarking with other industries.

Employee Care Programs

We find ways to make our workers' lives easier and ensure work-life balance. We craft many employment programs to keep our workers lives easier, such as financial and medical related partnerships, and other support schemes such as the Mobile Palengke, Shuttle Service, and Green Project.





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 Tamber); he is thankful for this convenient initiative by the company.





Green Project

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 of its employees. This is to ensure maximum efficiency in the performance of functions, duties, and responsibilities and improve employee morale. Managers at all levels shall identify in consultation with the Human Resources Manager the training needs or development of employees.

Efficiency is critical in the performance of our workers, thus training is continuous so competencies are enhanced and mistakes be clipped. We study if our trainings bring forth the results we desire, and we make sure training budget is consistently available to bring out the best of our workers.



Disclosure	Quantity	Units
Total training hours provided to employees (direct employees)*		
A. Female employees	65	hours
B. Male employees	65	hours
Average training hours provided to employees		
A. Female employees	50	hours/ employee
B. Male employees	50	hours/ employee

**Indirect employees are given the same amount of training as Direct employees*



Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreement	0	%
Number of consultations conducted with employees concerning employee-related policies	Approx. 30 consultations in 2019	

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

We always aim for a continuous operation, thus we strictly comply with labor standards and implement our policies rightfully. Although it cannot be avoided that there are some problems that cause delay and hamper operations, we make our doors open for discussion with employees. We keep our workers informed and involved by providing constant collaborations and rewards system to keep them engaged.

We always aim for a continuous operation, thus we strictly comply with labor standards and implement our policies rightfully.

Diversity & Equal Opportunity

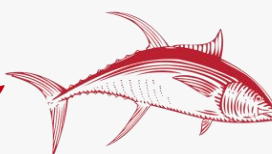
We address employment in the vulnerable sector that is usually not given much attention or opportunity. We also have a policy of non-discrimination of workers. We do discussion with sectors that can deploy people regardless of their condition or ethnicity.

Disclosure	Quantity	Units
% of female workers in the workforce	51	%
% of male workers in the workforce	49	%
Number of employees from indigenous communities and/or vulnerable sector	261	#

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 work environment and to fostering the well-being and health of each employees 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 face the risk of suspension of operations whenever incidents occur. We also experience personnel shortages and increased personnel costs due to decline in working population. We endeavor to lessen the occurrence of incidents by providing safeguards. Should incidents happen, we provide immediate response and block the occurrence of the same incident through policy-making and practical measures.

Disclosure	Quantity	Units
Safe Man-Hours	1,224	Man-hours
No. or work-related injuries	29	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	4	#

The company directs all levels of management to place ample protection of property, facilities, and above all human lives at all times. It is our policy to uphold the dignity and importance of every individual employee and is determined to protect its employees by giving adequate training in the performance of his duties and providing safe working conditions, facilities and the necessary protective equipment. ASFII ensures the security of its employees, its environment and the property it owns and is held responsible.

When the environment in our plant fosters safety, we experience increase in labor productivity and savings from incident-related costs. We assure our workers through policies and physical safeguards that their working environment is safe and so their mindset follows. When they feel that risks are minimal as they perform their work, they tend to be able to focus and become more effective workers.



Labor Laws and Human Rights

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

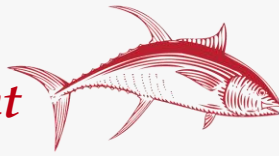
We are committed in recognizing our responsibilities to all our shareholders, customers, suppliers, employees and to the society, especially in the communities neighboring our operations.

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 will 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 or affiliates worldwide, do not participate in, or profit from, nor connected to 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.

- *Fair Renumeration* - 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 acts of corruption, extortion, embezzlement, or bribery. ASFII also prohibits and requires that its suppliers do not to 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 impacts 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.

Waste Management in our Plant

ASFII has a well-placed waste management system in our plant in GenSan; this includes waste segregation, recycling, and waste water treatment. In addition, we have the following programs:

- Fish waste is processed as a by-products, fish oil and fish meal (aquaculture feeds), thus no solid waste from raw material is disposed of;
- Collected sludge from our waste water treatment plant is used as fertilizer in our backyard garden (said garden provides some raw materials to our operations and vegetables are served to our employees for free);
- Last pond of effluent water is used to grown tilapia (an indicator of good water discharge); at least once per year, tilapia fish from the pond is being served to employees as well.



Relationship with Community



Procurement of Raw Materials

Fish sustainability is a challenge for massive catch of tuna for production. In order to promote sustainability, we do not buy juvenile fish and source only from FAO-71 companies regulated by Western and Central Pacific Fisheries Commission (WCPFC). We make sure that our fish suppliers follow our Procurement Policy on Sustainability and Social Responsibility.

ASFII advocates sustainable fishing. It is our goal to continuously use sustainably-sourced raw materials from reputable suppliers. We aim to actively lead and participate in Fisheries Improvement Plans and comply to Social Accountability standards across the supply chain.

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 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.

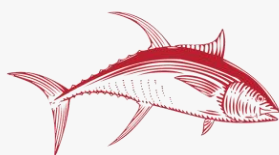




We develop and train our people to help them have a better life as we grow... We find ways to make our workers' lives easier and ensure work-life balance.



Customer Management



Customer Satisfaction

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

**What is the impact and where does it occur?
What is the organization's involvement in the impact?**

Customer satisfaction impacts the Group's overall revenue.

What are the Risk/s Identified?

- (1) Failure to meet customers' expectations, serve their demands, or attend to their complaints may reduce sales for the company.
- (2) Mistakes or errors of suppliers in their products may be regarded as caused by the company.
- (3) Exposure to social media can easily affect our reputation.
- (4) Increased competition vying for the same market.

What are the Opportunity/ies Identified?

To lead our customers to become sustainable shoppers and choose healthy and more nutritious food.

Management Approach

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

Customer service has always been part of the training of our in-store partners.

The company also provides a quick feedback mechanism for 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 is preparing a Food Safety Program and other Sustainable programs that will cover taking care of the health of our customers and teaching them to contribute in the fight against climate change by recycling and properly disposing or segregating their wastes at home.



Health and Safety

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

What is the impact and where does it occur? What is the organization's involvement in the impact?

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.

Management Approach

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.

What are the Risk/s Identified?

It is possible that our products may cause allergies and other health related incidents.

To avoid contaminating our products, 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	#

**What is the impact and where does it occur?
What is the organization's involvement in the impact?**

End customers rely on the marketing and labeling of the products for its safety, nutrition, taste, or effectiveness.

What are the Risk/s Identified?

Customers might suffer an injury caused by incorrect labeling or expired products still for sale in our stores.

Social media may augment its effect and create damage to the company's reputation.

Management Approach

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 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	#

**What is the impact and where does it occur?
What is the organization's involvement in the impact?**

Customers' data are shared with the company in transactional processes as well as sale agreements.

Management Approach

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

The company is engaged in the continuous improvement of its data privacy measures.

What are the Risk/s Identified?

(1) Data breach may expose the company to government sanctions.

(2) Loss of important data or information brought by technical glitches.

The company will keep on investing in the training of employees and reliable technology to protect its data and to avoid a data breach.





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	<p>Our goal is to source all of our Tuna stocks only from healthy (not overfished, not listed as threatened on the 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 ISSF's common ground philosophy for Tuna Sustainability (http://iss-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.</p>
Potential Negative Impact of Contribution	<p>Ineffective practices may still contribute to overfishing of particular tuna species.</p>
Management Approach to Negative Impact	<p>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.</p>





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.





SUSTAINABILITY REPORT

2019



ALLIANCE SELECT FOODS
INTERNATIONAL, INC.