



The Best Seafood
Chicken
of the **Sea**



SUSTAINABILITY REPORT
2012

What's Inside

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Memorandum

MESSAGE FROM THE PRESIDENT

I'm proud to present our second annual sustainability report. In the following pages you will read about the progress that we've made in the past twelve months, as well as our goals for the future. Our team has been carefully integrating sustainability into every aspect of our business and we're energized to see the results paying off.

Our achievement of a 5.6 percent reduction in absolute carbon emissions is particularly noteworthy and a testament to the great work being done within our operations and with our vendors. Our efforts to reduce water usage in our Lyons, Georgia cannery are reaping similar results and we're broadening our efforts to include waste reduction initiatives in 2013.

We're also continuing to look beyond our immediate operations to examine sustainability opportunities across the entire value chain. From our active support of the International Seafood Sustainability Foundation (ISSF) and its efforts to develop science-based approaches to managing ocean health to our first ever sustainability survey of suppliers, we're committed to a supply chain that is environmentally and socially responsible.

Partnerships are also ripe with opportunity. In 2012, we entered into a logistics arrangement that dramatically reduced the number of miles that our product needs to travel. This has led to a reduction in our transportation-related emissions and we expect even further reductions in 2013.

Looking to the next few years, we see employees at all levels of the organization stepping into the role of sustainability champions. As we integrate social and environmental issues into job descriptions, standard operating procedures and performance appraisals, sustainability considerations will become part of "business as usual." Along the way, we expect to reap the benefits of more streamlined and efficient operations, a safe and healthy workforce and a customer base that considers our sustainability performance to be a key part of what makes us a well-managed company.

I look forward to leading the sustainability efforts at Chicken of the Sea and to empowering every employee to find ways to bring us closer to our sustainability goals. Together, I am confident that we will do great things.



Shue Wing Chan
Chief Executive Officer

Who We Are

ABOUT CHICKEN OF THE SEA

Chicken of the Sea's history dates back nearly a century, when fishermen referred to the white albacore tuna as "Chicken of the Sea" because the white color and very mild flavor reminded them of chicken. Since 1952, the Chicken of the Sea brand and iconic Mermaid logo have been known worldwide.

Consumers have come to know Chicken of the Sea as synonymous with health, nutrition and convenience through the variety of seafood products (tuna, salmon and specialty seafood) the company provides. Providing consumers these three values—health, nutrition and convenience—are the company's hallmarks and standards by which Chicken of the Sea ensures confidence among consumers.

Our Approach to Sustainability

In 2012, we knew that we wanted to build upon our sustainability roadmap that we had begun to develop in 2011. Continuing our work, and supported by the expertise and guidance of a sustainability consultancy, we have strived to create a very clear and conscious strategy for our social and environmental work going forward. We are continuing to build upon the tenets we highlighted in 2011:

- In our facilities, we're committed to measuring and reducing energy, waste and water usage—as well as promoting a healthy and safe workplace.
- In engaging our employees, we're making sure that sustainability expectations are clear and that individual workers are empowered to support our corporate efforts.
- Our products are healthy, nutritious and an important part of a balanced diet—and we are increasingly looking at larger issues, such as environmental impacts across the product

OUR MISSION, VISION & SHARED VALUES

Our Mission

Build a SUSTAINABLE, GROWING and PROFITABLE Seafood Company

Bring the best INNOVATION to Market

Win with our KEY ACCOUNTS

Leverage our heritage and strong BRANDS

Use leading edge SYSTEMS and TOOLS

Invest in our TEAM and CULTURE

Our Vision

1st CONSUMER Choice in Seafood

Our Shared Values

Golden Rule

Respect for Ourselves and Each Other

Accountability

Own our Commitments and Responsibilities

Team

Collaborate When Working Together

Results

Achieve our Individual and Team Goals

Updated September 2013

life cycle. From supporting responsible fishing practices to recycled-content packaging materials, we constantly seek ways to improve the products we deliver.

- Our suppliers are an essential part of our business. Even though we don't own and operate fishing boats, transport vehicles or packaging manufacturing, we promote environmental and social responsibility through our supply chain efforts.

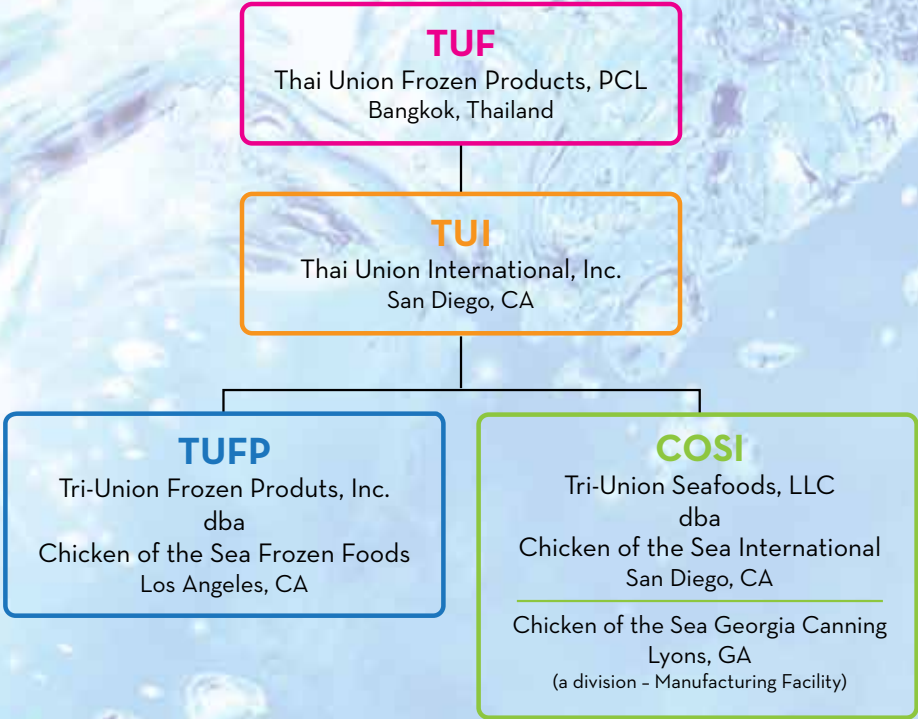
Organization and Leadership

Headquartered in San Diego, California, we source seafood products from all around the globe and package a lot of those products in our 200,000 square foot canning facility in Lyons, Georgia. We are led by a team of industry veterans with more than 300 years of collective experience in the packaged seafood industry.

At Chicken of the Sea, our commitment to sustainability starts at the top. Our Chief Executive Officer, Shue Wing Chan, is intimately and actively involved in developing and executing our sustainability strategy and our executive leadership team continues to drive environmental and social responsibility efforts throughout all areas of the company.

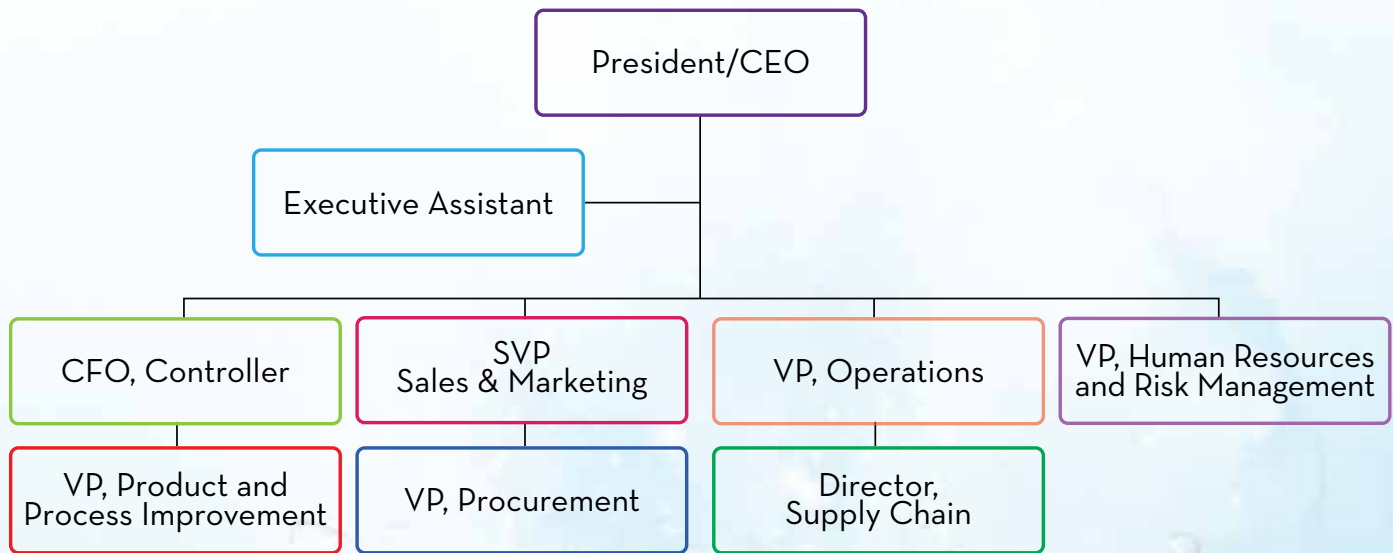
Chicken of the Sea is a subsidiary of Thai Union Frozen Products Co, Ltd., Thailand’s largest canned-and frozen-seafood producer and the world’s largest canned-tuna producer. It is also one of our largest suppliers of fish and seafood. We provide quarterly reports to Thai Union, but operate autonomously for day-to-day decisions and strategy planning. In 2012, we began to coordinate sustainability efforts with Thai Union, both in our respective operations and on issues stretching across the supply chain. In the coming year, we expect to further collaborate with our parent company and supplier and will share our results in next year’s sustainability report.

THAI UNION INTERNATIONAL, INC.
Organizational Chart, United States



For more information about Thai Union’s sustainability efforts, visit:
www.thaiuniongroup.com/home/home.php?pro=today&t=sustainability&lang=en

2012 EXECUTIVE STRUCTURE



Our Stakeholders

Employees: Our staff in San Diego handles the corporate and administrative side of the business and the team there is close-knit and highly engaged. Our canning facility in Lyons is less than four years old and we continue to develop the local workforce into a team of skilled workers that understands our values, processes and systems.

Customers: Our products are sold in nearly every class of trade from grocery stores, convenience stores and “big box” stores, to hospitals, restaurants and schools. Our sales team is highly engaged with our customers and host regular visits to our Georgia canning facility so that customers can see first hand our state-of-the-art manufacturing facility. We also participate in trade shows and other industry events, where we can interact with our peers and spot trends in packaged foods.

Consumers: We are highly engaged with consumers and have strong ties with our fans. Through our website, Facebook page and Twitter feed, we are able to provide information on our company and our products. Members of our online newsletter, The Mermaid Club, receive updates on recipes, nutrition, articles and tips for living a healthy life. We run a 24/7 hotline that registers concerns and compliments, allowing consumers to reach us



directly, day or night. We estimate that we connected with 35,000,000 people in 2012 through some form of consumer engagement.

Communities: We are actively involved in our local communities—providing a source of much needed employment in southern Georgia, and supporting a wide variety of charitable initiatives. See pages 18 – 19 for more details about our work in local communities.

CONSUMER CONNECTIONS

Website Visits/Year	442,000
Mermaid Club Members	231,000
Facebook Fans	125,000
Twitter Followers	6,000
Calls to Customer Service Hotline/Year	2,600

Environmental Advocacy Groups:

Responsibly-harvested seafood is a topic of great interest to a variety of non-profits and advocacy groups. We spend a significant amount of time understanding their concerns and providing information about our policies and practices. We welcome thoughtful, constructive dialogue with our civil society counterparts and look forward to working with them to promote sustainable seafood. See page 13 for more information about our work on responsible fishing practices.



PLMA Trade Show in Chicago



One of our most popular Facebook Campaigns linked "LIKES" to coupons!

Chicken of the Sea connected with 35,000,000 people in 2012 through some form of Consumer Engagement



Down to Earth

ENVIRONMENTAL PERFORMANCE

At Chicken of the Sea, our commitment to environmental responsibility is visible at all levels of our organization. We have taken significant strides to ensure that we are monitoring our water, waste and energy usage within our operations and are actively working to lessen our environmental impact.

Because our carbon footprint is significantly impacted by our transportation and logistics activities, we also focus on improving our distribution network to minimize the number of miles that our products need to travel to reach our end consumer.

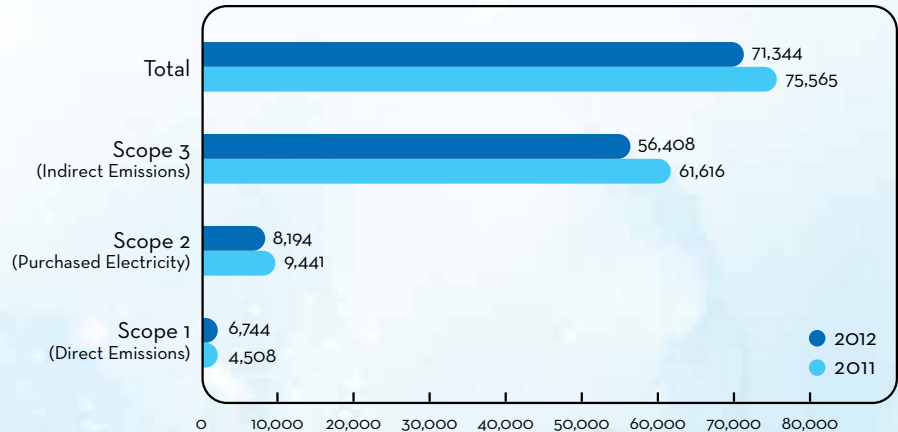
In 2012, we were also able to build upon our inaugural sustainability report. Last year, our main focus was on collecting robust data to create a baseline against which to measure our future environmental progress. In this report and going forward, we are able to use that information to identify opportunities to reduce our impacts, streamline our sustainability efforts, implement new environmental management systems and set goals and targets for the future.

Energy and Carbon

In 2011, we conducted our first comprehensive carbon footprint, which showed that a majority of our emissions came from our supply chain—particularly in relation to transportation of our product and its component materials.

In 2012, we updated our results and expanded our data collection capabilities. The results, slightly restated from last years' report to

GREENHOUSE GAS (GHG) EMISSIONS measured in metric tons CO₂-e



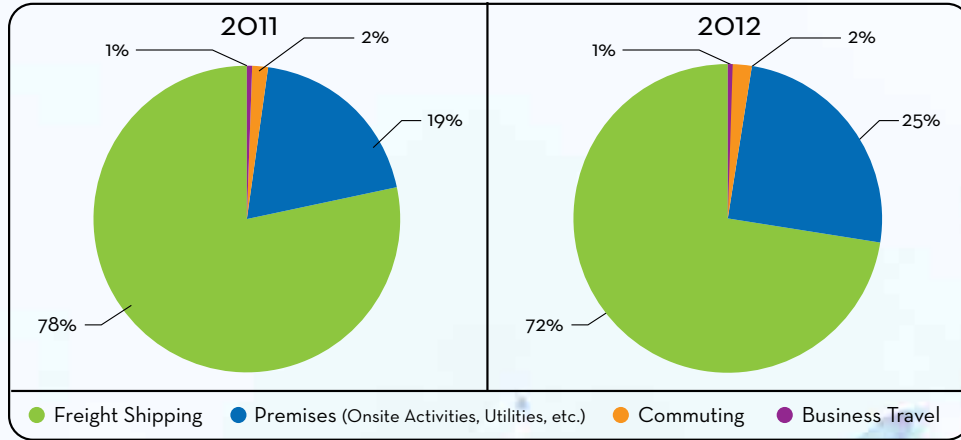
account for the better methodology, show significant strides in decreasing our carbon footprint. Across our operations and our supply chain, we were responsible for the emission of 71,344 metric tons of greenhouse gases, a 5.6% reduction in absolute emissions from the previous year. This reduction is even more impressive when you consider that we've added staff at both our San Diego headquarters and our Georgia canning facility.

As a company that is continuously growing and changing, we don't just look at our absolute emissions. We also look at adjusted emissions, which allow us to tie our emissions to other growth factors, like revenue and production. In 2012, adjusted

CARBON EMISSION SOURCES INCLUDED IN OUR CALCULATIONS

- Electricity & Natural Gas
- LPG & Propane
- Refrigerant Gas
- Landfill, Composted & Recycled Waste
- Freight Transportation (Sea, Rail & Truck)
- Employee Commuting
- Business Travel

EMISSIONS DISTRIBUTION BY ACTIVITY



emissions decreased as well, in both emissions-per-revenue (11.5%) and emissions-per-production-unit (2.1%). How did we do it? The key was in focusing on our biggest impact: logistics and transportation. In 2012, we began using an improved buying and logistics program, which meant fewer cross-country shipments to the west coast (discussed in further detail in our transportation section). Fewer shipments means fewer emissions and a drop in our carbon footprint. We anticipate even further reductions in the coming year as we further our buying and logistics program efforts.

In addition to the transportation improvements that we have already initiated, we also see many other opportunities for additional efficiency gains within our premises. We continue to look into rolling out even more LED lights in our canning facility as costs permit. This will enable us to achieve significant energy and cost savings in the future.

Waste and Recycling

As our production increased over the year, so has our total waste generation. However, we've been able to maintain a robust landfill diversion rate at 65% (compared to 64% in 2011) by instituting several new waste reduction initiatives:

- Installing new machinery to catch pieces of tuna that would normally fall to the floor during the packing process. By capturing the tuna before it hits the floor, we are able to separate it from other waste and safely divert it to another company that uses it for animal feed.
- Working on a conveying system and automated depalletizer to help reduce the amount of scrap metal waste (mostly cans) that fall on the floor.

In 2013, we believe that we can do even better. We plan to begin additional recycling in our Lyons canning facility, and are looking for additional ways to reduce landfill waste.

Waste	Treatment	2011 Amount	2012 Amount	% Change
Trap Grease	Sold & Rendered for Animal Feed	79,000 gallons	35,000 gallons	-51%
Waste Tuna	Sold & Rendered for Animal Feed	479 tons	786 tons	+64%
Sludge	Sent for Processing & Composting	917 tons	1,359 tons	+48%
Cardboard	Sent to Recycler	178 tons	185 tons	+4%
Plastic	Sent to Recycler	185 tons	10 tons	-95%
Scrap Metal	Sold for Salvage	64 tons	83 tons	+30%
General Trash	Sent to Landfill	1,291 tons	1,350 tons	+5%
Total Solid Waste		3,114 tons	3,773 tons	+21%

Water

A food processing and packaging facility uses water in a number of ways and we are constantly looking for ways to reduce the amount of fresh water that we draw from the local municipal system.

In 2012, we put in place new machines that dramatically reduce the amount of water needed to thaw a loin of tuna. This single upgrade resulted in a 13.8% reduction in the gallons of water used per standard case of product. In 2013, we will seek out additional ways to reduce water use in our packing facility.

We have an onsite water treatment facility which captures water from the thaw room, retort cooling and cleaning activities. The treatment facility separates solids and treats the water, which is then pumped to holding ponds (see case study on our irrigation system on page 9). Water from our administrative activities is collected separately and sent to the local municipal wastewater treatment facility.



Holding Pond

CASE STUDY: IRRIGATION

Chicken of the Sea uses and discharges a significant amount of water at its canning facility in Lyons, Georgia. To ease the burden on the local county's municipal wastewater treatment facilities, we have developed our own, onsite wastewater treatment process. By treating the water directly on our property, we are able to treat 340,000 gallons of water a day and use a Land Application System (LAS) to grow more than 130 acres of hayfields in the process.

The wastewater, which originates in our canning facility, is drained into lift stations in the back of the facility. The wastewater then undergoes pretreatment via a Dissolved Air Floatation Unit (DAF) that reduces the amount of oils and fats to within permitted levels. The removed ingredients come out in the form of sludge, which is then removed by an animal food and byproduct company that picks it up and renders usable products from it.

After pretreatment, the wastewater is pumped to a holding pond at the farm where it is aerated to reduce the nitrogen and Biological Oxygen Demand (BOD). The wastewater is sprayed on the land at a slow rate allowing complete infiltration of the soil. A high level of treatment is achieved as wastewater percolates through the soil and biological systems. Wastewater is utilized by plants and acted upon by soil organisms. Overall, the 130 acres of hayfields are thriving through our highly efficient LAS system that is able to transform wastewater into a viable resource.



Wastewater treatment plant at Lyons, Georgia

WHERE WATER IS USED IN THE TUNA PROCESSING

- Thaw Room** Water is used to thaw frozen loins so that they can be processed into individual cans of tuna
- Retort Cooling** Water is chlorinated for safety and put into the retort vessels where it cools the cans
- Cleaning** Cleaning practices include washing down the equipment, floors and walls of the canning facility
- Administrative** Water used in kitchens and bathrooms is a tiny fraction of overall water use

Packaging

Product packaging is a complicated topic and one with which we continue to evaluate. In 2012 we conducted a life cycle assessment to compare the environmental impacts of three different kinds of product packaging. The table to the right summarizes some of our findings, which are consistent with other research findings in the packaging industry.



MAJOR PACKAGING

Coated Steel While tin cans are usually recyclable, they are heavier and require more energy to transport. Similarly, the rigid form of the circular cans leave unused space on pallets, which reduce overall shipping efficiencies.

Overall: best choice when purchasing small sizes.

Plastic Pouches Plastic pouches are made from non-renewable petrochemicals and usually cannot be recycled; however they are the lightest and most flexible type of packaging, greatly reducing the transportation impacts of the product.

Overall: best for medium and large packages, which contain multiple servings of product, including food service sizes.

Plastic Cups Plastic cups rely on petrochemicals, and have the disadvantage of rigid forms that restrict shipping efficiency. However, they are sometimes recyclable depending on available facilities, and are lighter than tin cans.

Overall: best for smaller sizes and when convenience is at a premium.

Connected Link

SUPPLY CHAIN

It is Chicken of the Sea's goal to not only improve our own internal processes but to also improve the impacts made by our suppliers. Through our transportation efforts, coupled with our evolving Supplier Code of Conduct and newly created Supplier Survey, we are working to reduce our supply chain's social and environmental impacts to help produce more responsible goods for our customers.

Supplier Code of Conduct

We set clear expectations of our partner organizations through our Supplier Code of Conduct, which covers such areas as ethics, labor, health and safety and environmental responsibility. At Chicken of the Sea, we have worked to integrate accountability and transparency into our supply chain, aligning ourselves with the goals of our parent company, Thai Union.

Human Rights

Human rights is a primary consideration for Chicken of the Sea when evaluating our supply chain. We mandate that our suppliers abide by International Labour Organization (ILO) and United Nations (UN) standards in treatment of workers. By aligning our practices with international guidelines, we help create a consistent set of expectations on labor practices and human rights throughout our supply chain.

Monitoring and Enforcement

Alongside our framework for supplier conduct comes our effort to enforce that commitment.

Not only do we expect that our suppliers will follow our guidelines, we also vet and monitor our supply chain to assess supplier practices. Our evaluation process looks at issues of quality, capacity, compliance and good business practices. As we develop and implement labor and human rights audits at existing suppliers, we expect that learning to also carry over into new vendor evaluation.

Cooperation and Collaboration

Transparency is a priority for Chicken of the Sea and we will continue to work closely with government agencies, customers and auditors to accurately report on our labor practices. On this note, we accept and appreciate certified third-party auditors to evaluate our own systems. We currently work with independent auditors who make announced and unannounced visits at supplier facilities that provide material inputs to our products. To date, these audits have focused mainly on quality, compliance and health and safety along with good business practices. In 2012, we began discussions with third-party experts on labor and human rights audits to craft an approach that would incorporate relevant sustainability concerns into our audit and verification process. We expect pilot audits to take place in the second half of 2013, and will report on those results in next year's sustainability report.

Supplier Survey

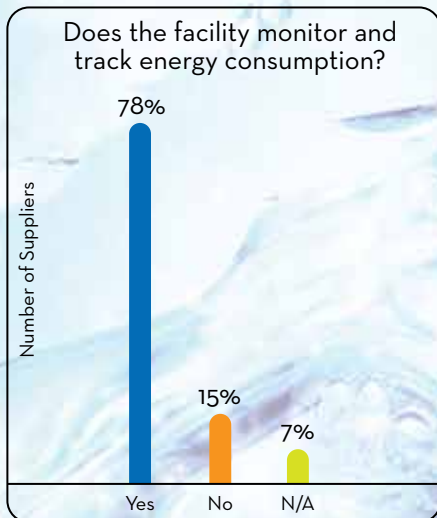
We realized that we needed to get a better understanding of how our suppliers currently approach environmental, social and governance issues, so in 2012 we created our first-ever supplier sustainability survey. The survey was sent out to our Tier One Suppliers and asked questions

about energy, waste and water management, health and safety, disclosure and workforce profile. We received a 57% response rate, and great insight into what our suppliers see as their major sustainability challenges and opportunities.

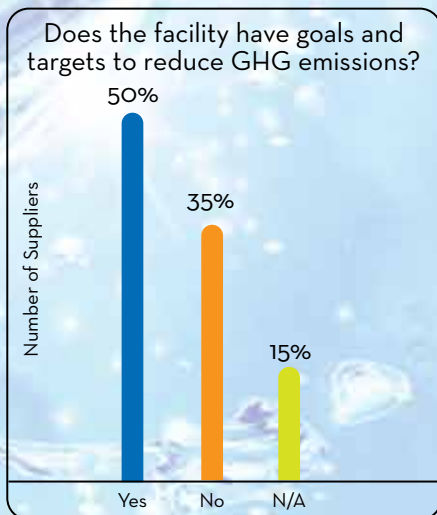
Energy and Emissions: We found that 78% of our suppliers track their energy consumption, while less than half of them have green house gas (GHG) emission reduction goals.

Air and Water: Through the survey we were also able to ascertain that over 2/3 of the suppliers test for hazardous air pollutants. In addition, 74% of suppliers have programs in place to reduce and reuse water.

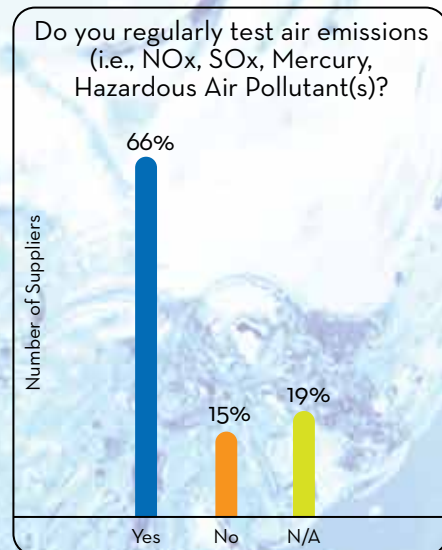
ENERGY CONSUMPTION



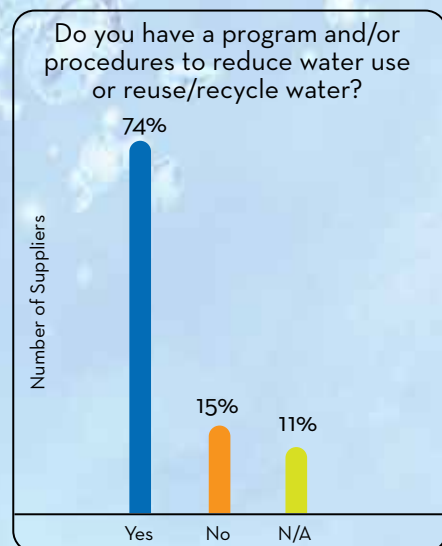
GHG EMISSIONS



AIR POLLUTANTS



WATER USAGE



Waste: The survey also revealed that nearly 80% of our suppliers use external waste contractors, however only 55% conduct regular audits of those contractors.

Audits: Nearly 80% of our suppliers conduct regular environmental management audits of their facilities. Of those suppliers who participate in regular audits, 85% of them are engaged in environmental remediation as a result of audits.

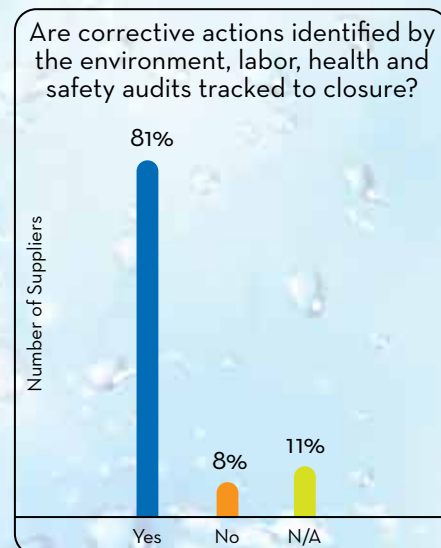
Next Steps with Our Suppliers

By analyzing the results of our 2012 supplier survey, we see an opportunity for future supply chain engagement. Specifically, working with suppliers to capture better data on energy, waste and water will help us to better understand our own supply chain impacts. We are also considering how to build more capacity within suppliers, so that they can better identify, manage and communicate their sustainability priorities. In 2013, we'll focus on exploring these issues with our largest suppliers.

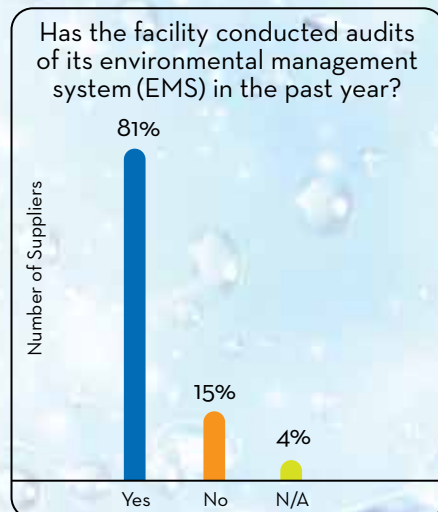
WASTE CONTRACTORS



CORRECTIVE ACTIONS



EMS AUDITS



WORKING TO PROTECT OCEAN RESOURCES

While we do not own or operate the vessels that catch the fish and seafood that we rely on, we are committed to supporting safe and healthy oceans through our founding membership in the International Seafood Sustainability Foundation (ISSF).

The ISSF is comprised of a global coalition of scientists, industry leaders and environmental advocates dedicated to the long-term conservation and sustainable use of tuna stocks, reducing bycatch and promoting ecosystem health. Along with other industry leaders, we use ISSF research, policy positions and guidance to determine standards for tuna harvesting practices.

In 2012, the ISSF continued its leadership position by implementing tools and agendas designed to protect the ocean and its inhabitants for decades to come. It created a ProActive Vessel Register (PVR), which is a database designed to help identify vessels adopting responsible, best-in-class tuna fishing practices. Through this system (which is available as a smartphone application), consumers, retailers, suppliers and processors alike can find companies that have committed to improving their fishing practices. The ISSF also called for nations to limit bigeye tuna catches and capacity in the Eastern Pacific, which is being overfished. The ISSF also advocated for a catch limit on yellowfin, north Pacific albacore and skipjack in the region.

For more information visit www.iss-foundation.org

Reducing Our Transportation Impacts by Working with Suppliers

A big focus and success for Chicken of the Sea this year was our ability to decrease our transportation miles significantly over 2011. Knowing that shipping (ground and sea) is our largest contributor to our carbon footprint, making strides on decreasing our total shipping impacts was a top priority.

20% Carbon Transportation Emissions Reduction

When looking at transportation impacts, we can't simply look at mileage. Instead, we also have to consider mileage per unit of weight or volume. Put another way, it takes a lot more effort to move 100 pounds of tuna across a mile than it does to move ten pounds of tuna over the same distance. For that reason, we measure our impacts in "pound-miles." In 2012, we were able to decrease our total pound-mileage by 20% over the previous year. That equates to a reduction in carbon emissions associated with freight transportation by 20% as well.

SHIFTS IN SHIPPING PATTERNS measured in pounds-miles



FOUNDING MEMBER



DATA TRACKING FOR FREIGHT INCLUDE:

- Incoming product ingredients (e.g. tuna, olive oil) and packaging (cardboard, cans, labels) from pick-up point to our Georgia canning facility.
- Outgoing finished product (e.g. canned tuna) from our Georgia facility to the customer drop-off point.
- Finished product delivered from contracted facilities to customer drop-off points.

DOES NOT INCLUDE:

- Transportation related to seafood harvesting (e.g. ocean storage).
- Transportation after the customer (e.g. Walmart, Safeway, Kroger) receives the delivery.
- Transportation of ingredients to contracted facilities for processing and packaging.



Sea Freight: Because the largest portion of our transportation emissions occur as a result of sea freight, we took this opportunity to find ways to actively address this issue. We did so by improving our buying and logistics placement that helped us reduce this impact. As a result, our overall sea freight emissions decreased by approximately 20% in 2012.

Overall Sea Freight Emissions Decreased by approximately 20% in 2012

Ground Transportation: Behind sea freight, road freight is our next biggest contributor to carbon emissions. Due to key steps we took in 2012 to optimize our transportation efficiency, we were also able to decrease our road freight emissions by about 7% from 2011. This occurred mainly due to an increased rate of intermodal transportation usage. This helped us maximize our rail utilization and decrease the high-carbon emission rate of trucks.



Collective Collaboration

SOCIAL PERFORMANCE

Our commitment to social responsibility is rooted in our belief that our success as a business is dependent on the goodwill and support of our employees, our vendors and our communities. To fulfill our responsibilities, we employ a variety of initiatives:

- Our employees receive competitive pay and benefits, workforce training appropriate to their jobs and opportunities for advancement.
- Our vendors are expected to uphold our social and environmental expectations and we increasingly look to partner with suppliers that are aligned with our sustainability values.
- Our communities receive support through cash contributions and in-kind donations of food products. We continuously strive to hire our Georgia workforce from nearby communities.

In 2012, our major focus was to expand and improve both our safety efforts as well as our sustainability initiatives related to Human Resources.

OUR 2012 EMPLOYEES

	Total Employees	% Female	% Racial Minority
San Diego, CA	*105/105	*47%/50%	*39%/40%
Lyons, GA	*210/202	*39%/35%	*72%/65%

*2011 Numbers

Safety

Like all food companies, our processing and packing facilities can be dangerous without proper care and attention. We have safety policies for employees as well as visitors, focused on injury and accident prevention. On the packing floor, we emphasize proper training for specific equipment and have

SAFETY

	2011	2012
Fatalities	0	0
Lost Days	420	147

Our Georgia Safety Incident Rate of 4.17 continues to be well below industry average of 5.4.

Our San Diego offices had no safety incidents in 2011 and 2012!

daily meetings to reinforce awareness of safety hazards. We've also developed a system that ensures the proper shut off of machines before and during maintenance.

We are committed to providing a safe and healthy place to work. Our safety record is among the best in our industry and we continue to find ways to promote a culture of safety throughout our operations.



A line leader trains her team member on the proper operation of the seamer equipment

CASE STUDY: WORKER SAFETY AWARD FROM THE STATE OF GEORGIA

In September 2012, Chicken of the Sea's Georgia canning facility was recognized with the Georgia Department of Labor's Commissioner's Award. This award is the highest level of recognition given by the state and awards outstanding safety performance. The judging panel is comprised of fifteen health and safety officers who evaluate a panel of anonymous companies and judge them on a variety of criteria.

It has been a very exciting journey to obtain this high honor, having scaled our safety team alongside our company's staff and production growth over the past few years. Although we only started our safety team in 2009, Chicken of the Sea employees have achieved tangible safety results. Some of the most recognizable programs have been the 'Count-Up to Safety Chart' that was placed in employee entrances, the 'Safety Buddy Program', and a recognition program for employees who promote safety within the workplace.

As a team we are always looking to improve and we will continue to be vigilant and forward-thinking when it comes to maintaining the highest safety standards for our employees.

Employee Benefits

We believe that our commitment to our employees goes beyond just a paycheck and we are proud to provide the following benefits:

- Medical
- Dental
- Vision
- Life Insurance
- AD&D
- Long Term Disability
- Personal Accident Insurance



Team members reviewing safety protocols

- Universal Life Insurance
- Business Travel Accident Insurance
- 401(k)
- 529 College Savings Plan
- Tuition Assistance
- Employee Assistance Program (available to full- and part-time employees)

Integrating Sustainability into Human Resources

As part of our commitment to drive sustainability into every area of our operations, we focused a great deal of attention in 2012 on the area of human resources. Our goal was to develop and implement initiatives to tie social and environmental expectations into our human resources policies and practices. Our efforts are directed in two main areas:

Integrating sustainability into the employee handbook: The Chicken of the Sea Employee Handbook sets out key rules, regulations and expectations that both management and staff are expected to abide by while employed by the company. We have undertaken a project to ensure the existing handbook is up to date and useful in everyday situations.

Integrating sustainability into job descriptions:

As sustainability takes root in different areas of the company, we've also moved to officially recognize social and environmental skills and tasks within job descriptions. This process is a slow one—undertaken primarily as turnover occurs. We expect that the process will take approximately two years to be fully rolled out.

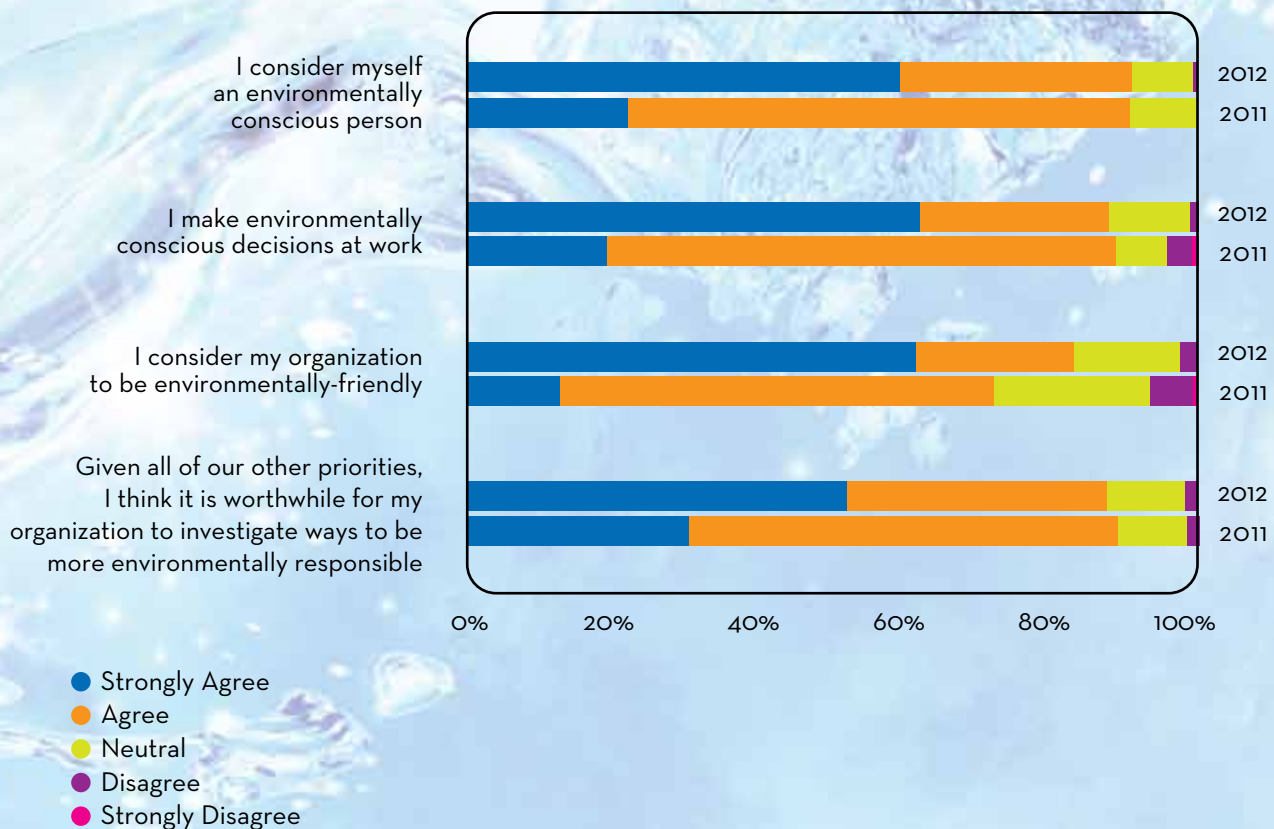
Employee Survey

In order to best serve our employees, we find it helpful to ensure that we know what their thoughts, goals and concerns are related to our company's social and environmental efforts. With this concept in mind, we conducted our second annual employee survey regarding internal sustainability issues in the spring of 2013,

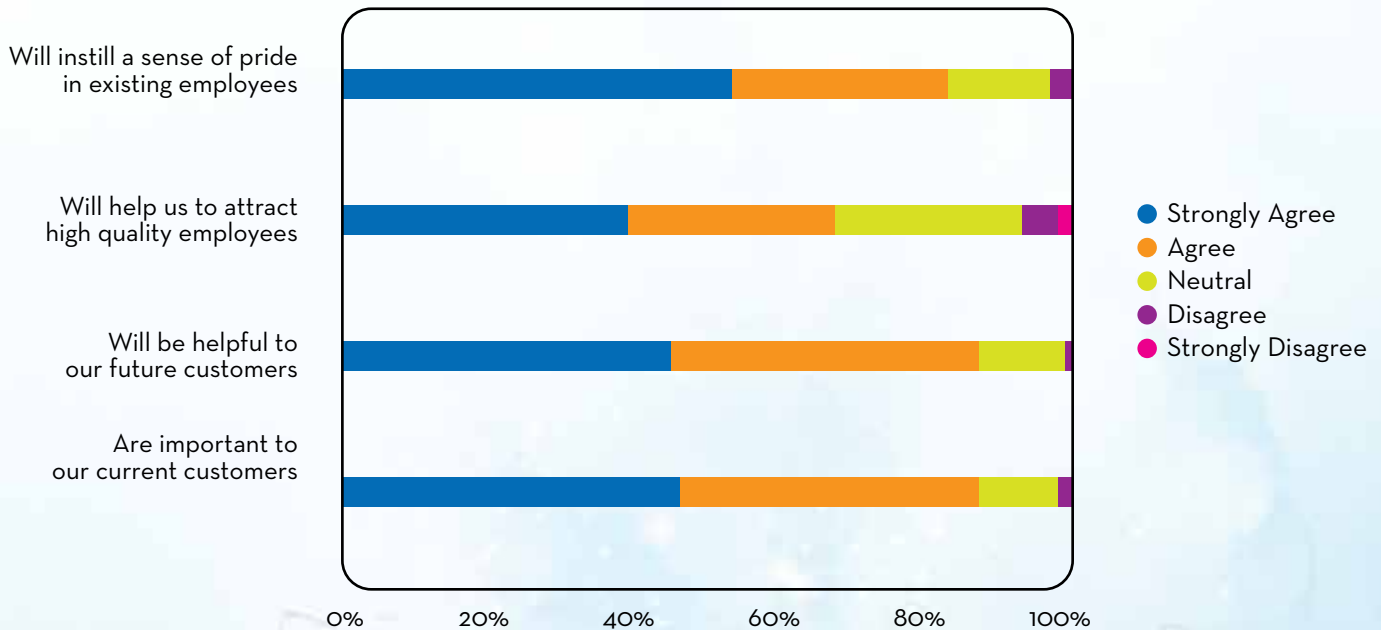
asking employees about their activities in 2012 and opinions about future sustainability initiatives in 2013.

It was important for us to gauge our employees' thoughts and assessments of our company efforts against their own personal opinions. We found that the majority of our employees consider themselves to be environmentally-conscious. Not only do they feel this way personally, but they also carry this behavior into the workforce. Nearly 90% of our employees either agree or strongly agree that Chicken of the Sea should be investigating ways to be more environmentally responsible. It is through efforts such as this that we know we are taking our company in the right direction on sustainability.

ENGAGING STAFF ON SUSTAINABILITY



I THINK MY ORGANIZATION'S EFFORTS TO ACT IN AN ENVIRONMENTALLY RESPONSIBLE MANNER:



Our employees agree that engaging in sustainability initiatives will help attract and attain high-level employees. Not only do nearly 70% of our employees agree that environmental management practices impact employment, but approximately 90% also agree that those management practices will be beneficial for future customers.

Our employees were also afforded the opportunity to give open feedback on what they felt were the successes of our program in this past year. Some of those included:

- Publishing our first annual sustainability report
- Process improvements throughout our facilities regarding waste reduction
- Supplier code of conduct

Not ones to sit back and let progress stagnate, our employees also gave input on where we could focus our environmental responsibility efforts moving forward. Those suggestions covered topics such as:

- Increased telecommuting/videoconferencing
- Increased philanthropic efforts
- Providing bicycle lockers to encourage more biking to work
- More creative options for repurposing items within the office
- Less printing, more recycling
- Promoting carpooling opportunities

Our Local Efforts

Chicken of the Sea participates in community affairs by encouraging employees to be involved in local charities and committees, providing donations to schools, clubs and charities and sponsoring four local events and festivals that attract many people to the area.

Each January, we start the year by contributing volunteer time and funding to the Vidalia Onion Festival, one of Georgia's biggest festivals—drawing up to 50,000 people. We also participate in the Future Farmers of America Hog Show which encourages young people to have careers in Georgia.

Next, we give our support to our “Sweet Onion Animal Protection Society” during their yearly fundraiser. We are also a prime sponsor for the Soap Box Derby, one of the biggest derbies in Georgia.

As spring blooms, we turn our attention to growing our local schools by serving on committees and supporting student activities. For example, we serve on the Future Business Leaders of America (FBLA) Advisory Board, give donations for a variety of student programs such as Band Boosters, Math Clubs and sports teams and provide special funding for local student club winners’ trips to Nationals. We also help buy books for preschoolers to encourage early literacy and love of reading.

We continue our community involvement throughout the year by serving on the boards for groups including: The Boys & Girls Clubs, Vidalia Employer Committee, Pretty In Pank (Breast Cancer Support Group), The River Rats (Shiners Club) and The Gladiators (help for the needy). We also support clubs and organizations including Boy Scout and Girl Scout troops, Paul Anderson Youth Home, Mercy Clinic, Senior Citizens and American Business Women Association.

As autumn approaches, we leap into supporting our Fall Festival, “The Real Squeal” in Lyons, along with sponsorship for the “Pretty in Pank Variety Show” fundraiser during October, which is breast cancer awareness month.

As winter blasts in, we embrace our Toombs-Montgomery Chamber and help with local fundraisers, the Salvation Army, gifts for needy children and send food to various food banks.



Our own Mermaid at a Boys & Girls Club event

Our Regional Efforts

Chicken of the Sea is an active supporter of the United Way. We encourage all employees to donate via auto-payroll deductions and give generous donations of money and time to this worthy cause. We also assist The Sunshine House & Wings (protection for battered women & children) to help change lives for the better.

Last year, we joined in supporting the new local Cancer Center in Lyons. Our area can now provide both chemotherapy and radiation treatments for patients; services the community has never been able to provide locally. Now patients can avoid the 60-mile journey for cancer treatment, easing the burden for patients and their support systems.

Our National Efforts

We pride ourselves in championing our youth and we are avid supporters of the Boys & Girls Clubs on a local and national level. We serve on the board of directors of the Boys & Girls Club of Greater San Diego. On top of that, we believe in fighting hunger in America. We have been long-time contributors to Feeding America along with numerous regional charities.

Brand Beliefs

PRODUCT RESPONSIBILITY

Seafood is rich in protein, vitamins and minerals—and is a key part of a healthy, balanced diet. We are committed to helping consumers make smart choices about the food they eat and we make a variety of information available through our website, product packaging, email newsletter and other social media sites.

PROHIBITION ON SHARK FINNING

Shark finning—the retention of fins and discard of the remaining carcass at sea—is an abhorrent practice which contravenes various international rules and regulations. As a responsible member of the maritime community, Chicken of the Sea supports the elimination of shark finning through prohibition by Regional Fisheries Management Organizations (RFMOs) and mandatory reporting of shark catches by species.

We have also recently adopted a policy that officially prohibits the practice of shark finning onboard vessels that supply our catch. We will not transact business with any vessel that has been identified by an RFMO or national authority to have practiced shark finning, fails to publicly disclose its policy banning shark finning or fails to enforce such a policy.

To allow time for companies to formally adopt finning policies and put appropriate systems in place for enforcement, we allowed a temporary grace period during which time companies were able to consult on the necessary steps. All policies and enforcement systems were in place by September 1, 2012. To see our full finning policy, visit <http://chickenofthesea.com/shark-finning-policy.aspx>.

Sustainable Fishing Practices

Our commitment to environmental responsibility starts at the beginning of our product life cycle when the fish is caught. In addition to our active participation in ISSF (page 13), we are also committed to dolphin-safe tuna and shark preservation.

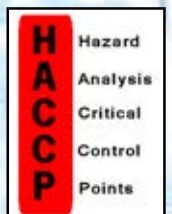
Dolphin-Safe Tuna

We implemented “The Mermaid Cares” dolphin-safe policy in April 1990 and this program placed us among the industry’s leaders in preventing accidental dolphin mortality. All tuna purchased, processed and sold by Chicken of the Sea is dolphin-safe. There is no flexibility in our policy. All the suppliers of our raw tuna and all suppliers of finished goods must be 100% dolphin-safe. None of the tuna we purchase is caught in association with dolphin.



Food Safety

At Chicken of the Sea, we always put food safety first. We were the first shelf stable seafood brand in the U.S. to incorporate the Hazard Analysis Critical Control Points (HACCP) procedures, a safety system designed to protect customers from food borne illness and ensure food safety. Our program ensures that our products meet the highest standards of safety. As part of our continuing efforts to improve food safety and quality, Chicken of the Sea achieved an A grade in this year’s BRC Audit. Chicken of the Sea has maintained an A grade for the past two years since first implementing the BRC Food Safety System in 2010.



Nutrition & Labeling

We follow strict FDA regulations for food labeling and provide clear information to consumers on the dietary impact of our products. Fortunately, all of our seafood products are high in protein, rich in Omega-3's and low in fat that promote heart health.

In addition, we offer low-sodium and very-low-sodium options for those consumers worried about their salt intake. A few years ago we made a concerted effort to reduce our sodium levels in all of our albacore tuna products by 50%. On top of that, we offer our traditional, highly nutritious tuna products along with a very-low-sodium tuna product that has no

vegetable broth added and is only 90mg of sodium per serving. The majority of our products are gluten free and Kosher approved. We carry our desire to offer consumers healthy meal options by providing hundreds of recipes on our site that are healthy, nutritious and convenient.



GRI CONTENT INDEX

The following table cross-references the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (v. G3) with the Chicken of the Sea 2012 Sustainability Report. The report is accessible at www.chickenofthesea.com/sustainability.

PROFILE	DESCRIPTION	PAGE #
STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	1
1.2	Description of key impacts, risks and opportunities.	2
ORGANIZATION PROFILE		
2.1	Name of the organization.	3
2.2	Primary brands, products and/or services.	2
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	3
2.4	Location of organization's headquarters.	3
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	3
2.6	Nature of ownership and legal form.	3
REPORT PARAMETERS		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	24
3.2	Date of most recent previous report (if any).	24
3.3	Reporting cycle.	24
3.4	Contact point for questions regarding the report or its contents.	24
3.5	Process for defining report content.	24
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	24
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	24
3.12	GRI content index.	22 - 23
3.13	Policy and current practice with regard to seeking external assurance for the report.	24
GOVERNANCE, COMMITMENTS AND ENGAGEMENTS		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	4
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	2
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	13, 20
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	13
4.14	List of stakeholder groups engaged by the organization.	4 - 5
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	4 - 5

ENVIRONMENTAL

EN16	Total direct and indirect greenhouse gas emissions by weight.	6-7
EN17	Other relevant indirect greenhouse gas emissions by weight.	6-7
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	6-7
EN22	Total weight of waste by type and disposal method.	8
EN23	Total number and volume of significant spills.	N/A
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	9
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	N/A
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce.	13-14

HUMAN RIGHTS

HR4	Total number of incidents of discrimination and actions taken.	None
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None

LABOR PRACTICES AND DECENT WORK

LA1	Total workforce by employment type, employment contract and region.	15
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	16
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.	15

SOCIETY

SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	N/A
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	N/A

PRODUCT RESPONSIBILITY

PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	N/A
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	N/A
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	4-5
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	N/A
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/A
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	N/A

A Brief Synopsis

ABOUT THIS REPORT

This is Chicken of the Sea's 2nd Annual Sustainability Report and it covers our performance from January - December 2012. It is available online at www.chickenofthesea.com, where you can find additional information about our sustainability initiatives at Chicken of the Sea.

We have engaged Strategic Sustainability Consulting (SSC), an independent party to support our sustainability reporting efforts. We believe that this report contains information that is accurate, timely and balanced. While the report and the data within have not been formally assured, we have completed an internal assessment process in conjunction with SSC to review the contents for clarity and materiality. On this note, as the result of additional information coming to light since our 2011 report, we have restated several numbers to reflect the most up-to-date information. Changes include a slight increase in shared vehicle road freight emissions and a correction of misstatement in electricity use. In both cases, the resulting changes were negligible (<1% of overall impact).

If you have any questions about this report or about sustainability at Chicken of the Sea, please contact John DeBeer at 858-597-4211.



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