

INTEGRATED REPORT

2018



GRUPO NUEVA
PESCANOVA





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OVERVIEW

Ever since the Nueva Pescanova Group started its new path in November 2015, the past years have confirmed that the company is not only recovering the strength of the Pescanova brand but has also reinvented its value as a global leader.

It has done so by incorporating values shared by every person who makes up a part of its passionate undertaking. The company continues to invest, innovate, and grow through years of effort, creativity, and teamwork. This has undoubtedly been a period of intense work for the group, allowing it to continue to conquer the heart of millions of people who enjoy the freshness of the sea at their table by trusting its products.

KEY PERFORMANCE INDICATORS

2018 FIGURES



Net profit
€5.4M



EBITDA
€75M



€41M
Invested in 2018



REVENUE in 2018
**€1.008
BILLION**



177,000
Tons of seafood sold



62,000
Tons came from
aquaculture



FLEET OF
70

Vessels fishing in the
southern hemisphere



140,000
Tons processed



7
boats under
construction



7,000
hectares of devoted to
aquaculture



17

factories in 9 countries in Africa, America, Asia and Europe



9

Asian food manufacturing plants projected for 2019



Selling in

80

countries



70

seafood species



4^a

the most chosen food



TOP 50

companies with the best reputation



10,000

employees



15

International certifications



78,447

hours of training



226

projects related to the SDGs



19,658 kg

foods donated to food banks

“In record time, we have been able to restructure, balance, and now grow”

“Our Strategic Plan 2016-2020 has proved to be the effective road map that has quickly put us on the correct path. We are currently working on the following four-year period, planning new investments, more innovation, and improved efficiency”

LETTER FROM THE CHAIRMAN



2018 has been the third complete year of the Nueva Pescanova Group under the new management following the company's restructuring process in 2015.

The Nueva Pescanova Group continues to consolidate itself as one of the few vertically integrated companies that fishes, farms, processes, and sells its numerous seafood products.

- We employ **10,000 people in 19 countries**
- For wild-caught fish, we operate **70 boats**
- In aquaculture, we farm **7,000 hectares**
- We have **17 processing plants**
- We sell our products in **80 countries**
- We have a **brand that is familiar** to consumers and respected in the entire sector.

We are a company that is increasingly better positioned to take advantage of consumption trends moving towards marine proteins, which are much healthier, and we are increasingly better qualified to guarantee the sustainability and traceability of all our products.

In financial terms, 2018 confirms the company's recovery:

- We sold **177 million kg** of seafood products (+5%).
- Our revenue reached **1.008 billion**, having already given up the nonstrategic activities of flours, fish feed, and other assets that were not sufficiently profitable.
- While in 2015, proforma inherited EBITDA was **34 million**, this time, we ended the year at **75 million**.
- **Net profit was 5.4 million**, an improvement compared to the 0.3 million in 2017, and a radical change compared to the 35.6 million in losses recorded in 2016.

The efforts of our employees and our partners continue to be decisive, as was the case when the disorganized liquidation that our predecessor was heading towards was avoided. In record time, we have been able to restructure, balance, and now **grow**.

Beyond the numbers, I would also like to draw attention to certain significant advances and milestones in 2018:

- We have started work on **seven new fishing units** and we have already launched the first two. Pescanova had not built boats for more than 20 years.

- Thanks to the dedicated business efforts and significant investments in marketing and innovation, this year, we attained **5th place among** consumer brands with the most penetration in Spanish households.
- We have started and are now finalizing the **Pescanova Biomarine Center**, which will be the place to launch the group's R&D&I as well as a turning point in aquaculture research on the global level. It will be 4,000 m² with the latest technology, where new research techniques on genetics, nutrition, and the sustainability of popular consumption species will be applied.
- We have adopted an **internal governance system** similar to those of the largest companies on the stock market, with strict financial, strategic, and legislative controls.
- We have launched a **global corporate social responsibility policy** with significant achievements and being conscious that creating jobs and ensuring proper working conditions in poor countries is likely the best form of social responsibility.

Moreover, we continue to be cautious. Our basic activities are highly influenced by natural conditions, but we are working towards depending less on the volatility of raw materials or bioclimatic circumstances and adding more value to what we fish, farm, and sell. **We are very hopeful about the group's future.**

Our 2016-2020 Strategic Plan has proved to be the effective road map that has quickly put us on the correct path. It is a plan which despite being limited in time in terms of its name, has a strategic scope that transcends and is projected beyond the first four years, which is leading us to already work on the following four-year period, planning new investments and increasing the degree of innovation and efficiency.

To do so, we are making an effort to continue to deserve the trust of our customers, our partners, our suppliers, and of course, the people that make up this group.

Jacobo González-Robatto
Chairman of the Nueva Pescanova Group

INTERVIEW WITH THE CEO



“We are 10,000 people on board a boat with a very promising future”

1. What are the pillars of the Nueva Pescanova Group's strategy?

The successes that we have achieved to date have been based on our 2016-2020 Strategic Plan, which is founded on four pillars. The first of these is to increase revenue through a plan that focuses the business strategy on consumers, emphasizing innovation and sales. Our business efforts are directed at increasing presence on the retail and food service channels in six strategic markets which we have called the BIG 6 (Spain, Portugal, France, Italy, Greece, and the USA). In addition, we also continue to promote new business segments, such as that of chilled products. This takes us to our second pillar, which is focused on increasing the production capacity of our factories.

Our third strategic focus has to do with cost structuring. When we started, the company did not work together as a group, but rather encompassed approximately fifty independent companies on four continents. We continue to work on centralizing and planning the entire group's procurement process, as well as on optimizing supply and unifying all systems to expedite management and decision-making.

Last of all, the fourth pillar is to make the best of vertical integration, which is the Nueva Pescanova's competitive advantage, as it allows us to be one of the few companies that guarantees the traceability and quality of its products, from the time they are fished until they arrive at millions of households across the globe.

The Pescanova brand is a “Love Brand”. It has always been closely tied to its quality guarantee, to being responsible for the entire value chain”

2. What were the main challenges addressed by the Nueva Pescanova Group in 2018?

The balance for the year was very positive. We continue to grow in terms of sales and are constantly working for this to be the case. We have strengthened our presence on the retail and food service channels through operations such as creating the company Katei Alimentación with Kabuki, via which in 2019 we are launching nine Japanese food processing plants for retail and food service in Spain, or purchasing the South African company Unick Fish, a retail corporation in South Africa and Namibia.

The 45% increase in our share of the Indian company, Abad Overseas, is strengthening our position as a global leader among shrimp exporters.

The replacement of part of our fleet is also on the verge of starting. This summer will see the completion of the first of the nine wet-fish trawlers that will fish for hake in Namibia, as well as the launch of one of our nine new freezer shrimpers for Pescamar, the group’s subsidiary in Mozambique.

On the other hand, the construction of the aquaculture R&D&I center, the Pescanova Biomarine Center, continues in O Grove, and it will be inaugurated at the beginning of 2020.

3. Innovation is present in all the company’s divisions. Consumers, which are the focus of the group’s universe, have seen how its product range has increased to meet their tastes and needs...

We are looking to move closer to new population segments, and, specially, younger generations, and to adapt to current consumption trends. Our goal is to bring the freshness of the sea to the table with healthy and easy-to-prepare products that satisfy consumers who are increasingly demanding in terms of health, but who have little time and associate food with moments of leisure and enjoyment. To do so, we

work on a daily basis on solutions that combine speed, health, and flavor.

An example of our latest product launches are our new Rodolfos, a new chilled shrimp product that is characterized by an unbeatable texture and flavor, with a manufacturing process that is pioneering and unique in the world: they are selected one by one and then packaged and cooked whole, with the quality guarantee of their large, intact mustaches. With this new product range, we have rescued the brand’s icon, “Rodolfo”, with a seal that certifies its superior quality.

We must keep up to date with consumers’ expectations and habits and predict the constant changes in the market. “Ready-to-cook” products are one of the lines that we will continue to promote, with appetizers, skewers, or new product ranges of superior-quality cooked seafood.

4. What is the value that sets the Pescanova brand apart?

The Pescanova brand is a “Love Brand”. It has always been closely tied to its quality guarantee, as we are responsible for the entire value chain, from fishing or farming our products until manufacturing and selling them. We are one of the few companies on the global level that can tell consumers which vessel, who was the captain on board, and at what time on what day any of our products were caught.

In 2018, we continue to position ourselves. Pescanova is in fifth place among consumer brands purchased the most times per year in Spanish households according to the Brand Footprint 2019 Report by Kantar Worldpanel and is the fourth most chosen food brand in Spain.

Our range of products, their quality, innovation, and our way of communicating with consumers through innovative and effective campaigns, such as the latest “Go for a Mustache” Christmas campaign with Vicente del Bosque, make it all possible.

5. What is the sustainability and CSR strategy of the Nueva Pescanova Group?

Our CSR strategy is closely related to the business, and is structured into four pillars: planet, communities, product, and people. We are committed to the sustainability of natural resources and the communities where we are present, acting ethically, maintaining their confidence, and creating value. With respect to the product, our goal is to facilitate access to healthy, nourishing, and tasty products. With respect to people, our commitment is directed at diversity, equality, job security, and professional growth.

“We are one of the few companies in the world that can tell consumers which vessel caught the fish, who was the captain on board at that time, and when (time and date) on which our products were caught”



In Ecuador, Guatemala, Nicaragua, and Namibia alone, we are undertaking a total of 226 CSR projects in accordance with the 129 specific UN Sustainable Development Goals (SDGs) 2030.

6. What are the company's expectations over the coming years?

We are looking towards the years to come with very clear ideas, with our focus on growth in Europe and the USA as well as in China. In addition, we are entering new categories that strengthen our line of freshness. We are 10,000 people onboard a boat with a very promising future, and we are convinced that we will succeed very soon.

“We are looking towards the years to come with very clear ideas, with our focus on growth in Europe and the USA as well as in China.”



GRUPO NUEVA
PESCANOVA

DNA OF THE NUEVA PESCANOVA GROUP

The Nueva Pescanova Group, like a living organism that adapts to its environment, has undergone a comprehensive transformation process to achieve sustainable leadership over time and gain international recognition in all its activities.

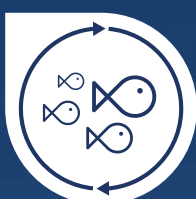
In this process, the Nueva Pescanova Group has generated a new DNA that gives life and meaning to the entire company. This is the purpose for which every member of the group works every day; the Nueva Pescanova group's *raison d'être*.



WE WORK TOGETHER to be the best food company in the market by bringing the freshness of the sea to the consumer's table.



WE RELY ON our brand and innovation to fish, farm, select and process the best product wherever it may be.



WE BELIEVE OUR FIRST RESPONSIBILITY is the sustainability of natural resources and of our partner communities, whose trust we build and maintain by acting ethically and creating value.



FISH AND ITS BENEFITS:

Sustainable fishing and farming different species via the efficient development of innovative aquaculture techniques and technologies have been features of the Nueva Pescanova Group since its commencement and are deeply ingrained in its innovative DNA. This principle is the basis for the group's strong commitment to aquaculture as a way of reducing pressure on fishing grounds, guaranteeing that resources are sustainable, secure, healthy, and controlled.

5.1. THE BENEFITS OF EATING FISH

1
It is a food with a low or moderate caloric value.

2
The protein present in fish and seafood is very beneficial for the body, as it contains all the essential amino acids in the proportions that it needs.

3
Fish is rich in polyunsaturated fatty acids and essential fatty acids.

4
Fish is a natural source of omega-3 fatty acids, which are beneficial for health.

5
It provides B vitamins, fatty or oily fish also provides a significant quantity of fat-soluble vitamins, such as vitamins A, D, and E.

6
They are rich in minerals, such as iodine calcium, phosphorus, and selenium.

7
Seafood is generally low in calories and high in protein and minerals (calcium, iron, iodine, zinc, selenium, phosphorus, and potassium).

8
They are tasty foods that are easy to chew and digest.

9
Cooking seafood is easy and can be prepared and consumed in many ways.

10
Due to their nutritional qualities, consuming fish and seafood is considered an adequate alternative to other food products that may have a high protein value but lower quality fat.

5.2. PESCANOVA'S SECTOR AND ITS TRENDS

“Since 1961 the annual global growth in fish consumption has been twice as high as population growth, demonstrating that the fisheries and aquaculture sector is crucial in meeting FAO’s goal of a world without hunger and malnutrition.”

José Graziano da Silva, FAO Director-General.



According to the latest FAO data, fisheries production reached a total 171 million tons. 88% of which – more than 151 million tons – was utilized for direct human consumption, and 47% – 110.2 million tons – comes from aquaculture.

Seafood consumption is a part of the habits and traditions of many countries, and is a source of essential nutrients, which allows to affirm that the demand for consumption

will continue to grow.

Significant improvements in food processing and refrigeration, ice production, and transportation have been achieved over the past decades, allowing to increase fish sales and distribution with a greater variety of product formats.



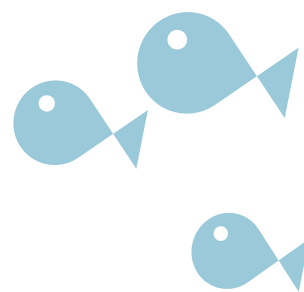
FISH CONSUMPTION

Since 1961, the annual growth of 3.2% in global fish consumption has been greater than the 1.6% population growth rate, and has surpassed the consumption of all land animal meats, both as a whole (2.8%) and in each category (beef, mutton, pork, and other), with the exception of poultry (4.9%).

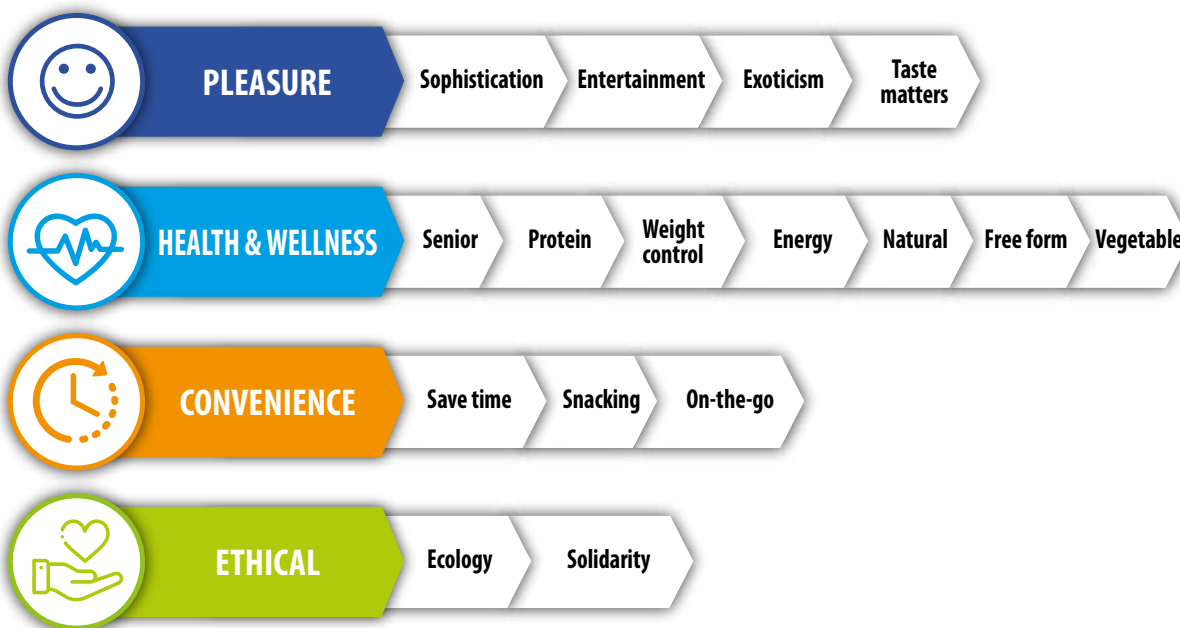
In per capita terms, fish consumption increased from 9 kg in 1961 to 20.3 kg in 2016, increasing at an average rate of 1.5% per year.

This increase in consumption is not only the result of an

increase in production but also a reduction in waste, an increase in efficiency levels, improved distribution channels, and an increase in demand tied to demographic growth and rising incomes.



CONSUMPTION TRENDS



PRODUCTION

It is estimated that total world fisheries production (wild caught and farmed, excluding seaweed and other aquatic plants) will continue to increase to 201

million tons by 2030. The main increase in production will take place via aquaculture.

PRICES

The sector is expected to start a decade of higher prices in nominal terms as a result of higher incomes, demographic growth, and meat prices in terms of demand; as well as a possible drop in wild caught fisheries as a result of China's regulatory measures, a slowdown in aquaculture production growth, and the pressure of the cost of certain essential inputs (feed, energy, oil...) on the supply side.

In real terms, inflation-adjusted, prices may drop slightly, but they will continue to be high, as aquaculture is expected to represent a higher percentage of the global fish supply.

CONSUMPTION

According to forecasts, and increasingly larger percentage of fish production will be destined for human consumption (approximately 90%). It is expected that by 2030 the global fish consumption will increase by 20% (30 million tons in live weight equivalent).

In per capita terms, world fish consumption is projected to reach 21.5 kg by 2030, up from 20.3 kg in 2016.

The highest growth rates are projected for Latin America (+18 percent) and for Asia and Oceania (+8 percent each). In Africa, per capita fish consumption is expected to decrease by 0.2 percent per year up to 2030, declining from 9.8 kg in 2016 to 9.6 kg in 2030, as a result of population growth outpacing supply.

TRADE

Fish and fish products will continue to be highly traded. It is projected that about 31 percent of total fishery production will be exported in 2030 (38 percent if trade within the European Union is included), in the form of different products for human consumption or non-edible purposes, traded at various stages of processing. In quantity terms, world trade of fish for human consumption is expected to grow by 24 percent in

the projection period and to reach more than 48 million tons in live weight equivalent in 2030 (60.6 million tones if trade within the European Union is included). China will continue to be the major exporter of fish for human consumption (followed by Vietnam and Norway), with its share in total fish exports for human consumption remaining at 20%.

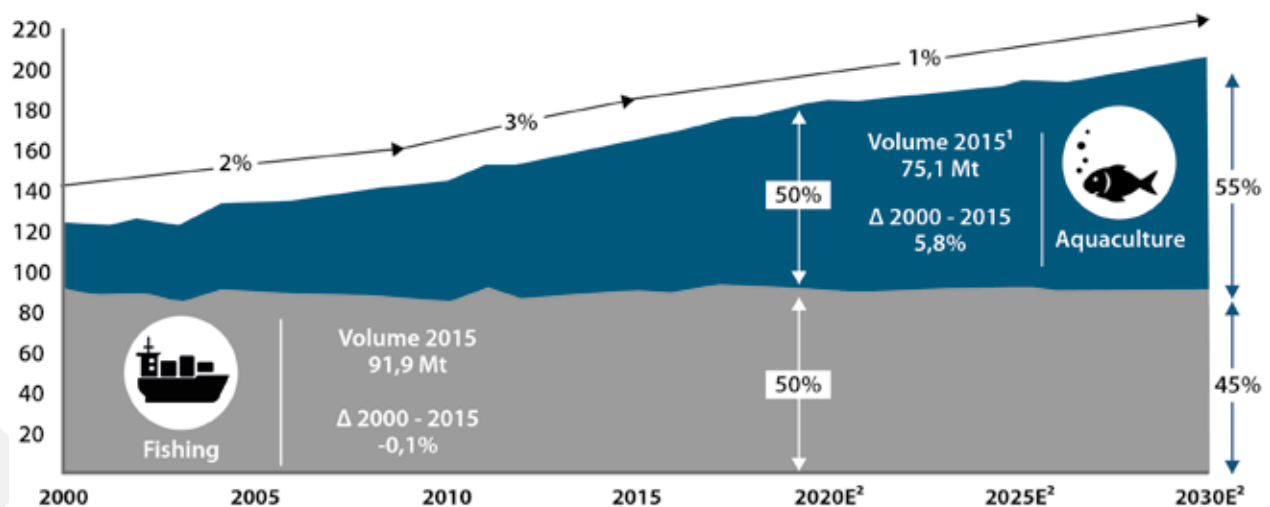
THE RISE OF AQUACULTURE

With capture fishery production relatively static since the late 1980s, aquaculture has been responsible for the continuing impressive growth in the supply of fish for human consumption.



With an annual growth rate of 5.8% during the period analyzed (2000–2016), aquaculture continues to grow faster than other major food production sectors. For the first time, almost half of food fish comes from aquaculture, according to FAO's State of World Fisheries and Aquaculture 2018 report.

Evolution and projection of global fish production
(2000-2015-2030E, Mt, live weight)



This has led to the definition of a strategy to promote the level of integration and development of the group's aquaculture division.

Aquaculture is the only way to meet the increasing demand for marine protein, since global capture fisheries yield is expected to remain stable and constrained by management effectiveness as the only way to achieve marine resources sustainability and preservation. According to FAO's analyses, it is expected that **by 2030 aquaculture's contribution will represent 55% of the global supply of marine protein.**

In view of the above prediction, the Nueva Pescanova Group has defined a specific strategy based on strengthening the level of integration and development of its aquaculture division. It is key for meeting the consumption needs that the market is demanding, and the company, by making use of cutting-edge technology at its Pescanova Biomarine Center, will become a global leader.



PESCANOVA

GUARANTEEING ACCESS TO
EDUCATION AND SECURING
EMPLOYMENT

Sealood Tapas
Clusitas

PESCANOVA

NUEVA PESCANOVA TODAY

Progressing and improving

The Nueva Pescanova Group is a Spanish multinational specialized in fishing, farming, processing, and selling seafood products of a variety of species, formats, and preservation methods (frozen, chilled, and fresh).

Ever since Pescanova's very first fishing vessel, which set sail in the 1960s, it has been navigating towards innovation, sustainability, and its commitment to improving people's well-being and at the same time caring for the environment. These fundamentals support its activities through a sustainable vertical integration, making it one of the few companies that can guarantee the quality of its products from the beginning of the process up until they arrive at millions of households across the globe. It does all of this with one of the brands most loved and recognized by consumers: Pescanova.

6.1. THE NUEVA PESCANOVA GROUP IN THE WORLD

A BIG FAMILY FAR AND WIDE THE GLOBE

Over 10,000 employees on four continents bring the freshness of the sea to consumers' tables guided by sustainable innovation. An this is possible because the Nueva Pescanova Group is at the right locations.

Its 70 fishing vessels, 7,000 hectares of farmed area, 17 factories, and distribution channels make it a large family present in 19 countries across four continents, selling more than 70 species of fish and seafood in more than 80 countries.

Its brand is synonymous with top quality, and because of this, the Nueva Pescanova Group follows the same vision at all its companies, complying with the strictest certification standards. Its goal is very clear: to be the best on the local and global level, both in terms of its business activities as well as its contribution to people's well-being.



FISHING

70 fishing units deployed in the best fishing grounds in the

Southern Cone. **Argentina** red Argentine shrimp, **Illex** squid and toothfish, **Uruguay** hubbsi hake, pomfret, gurnard and **Illex** squid

AFRICA. **Mozambique** tiger, banana, brown, ivory, and jumbo prawns, **Angola** red shrimp, deep-water rose shrimp and crab and **Namibia y South Africa** hake, monkfish, pomfret and kingklip



AQUACULTURE

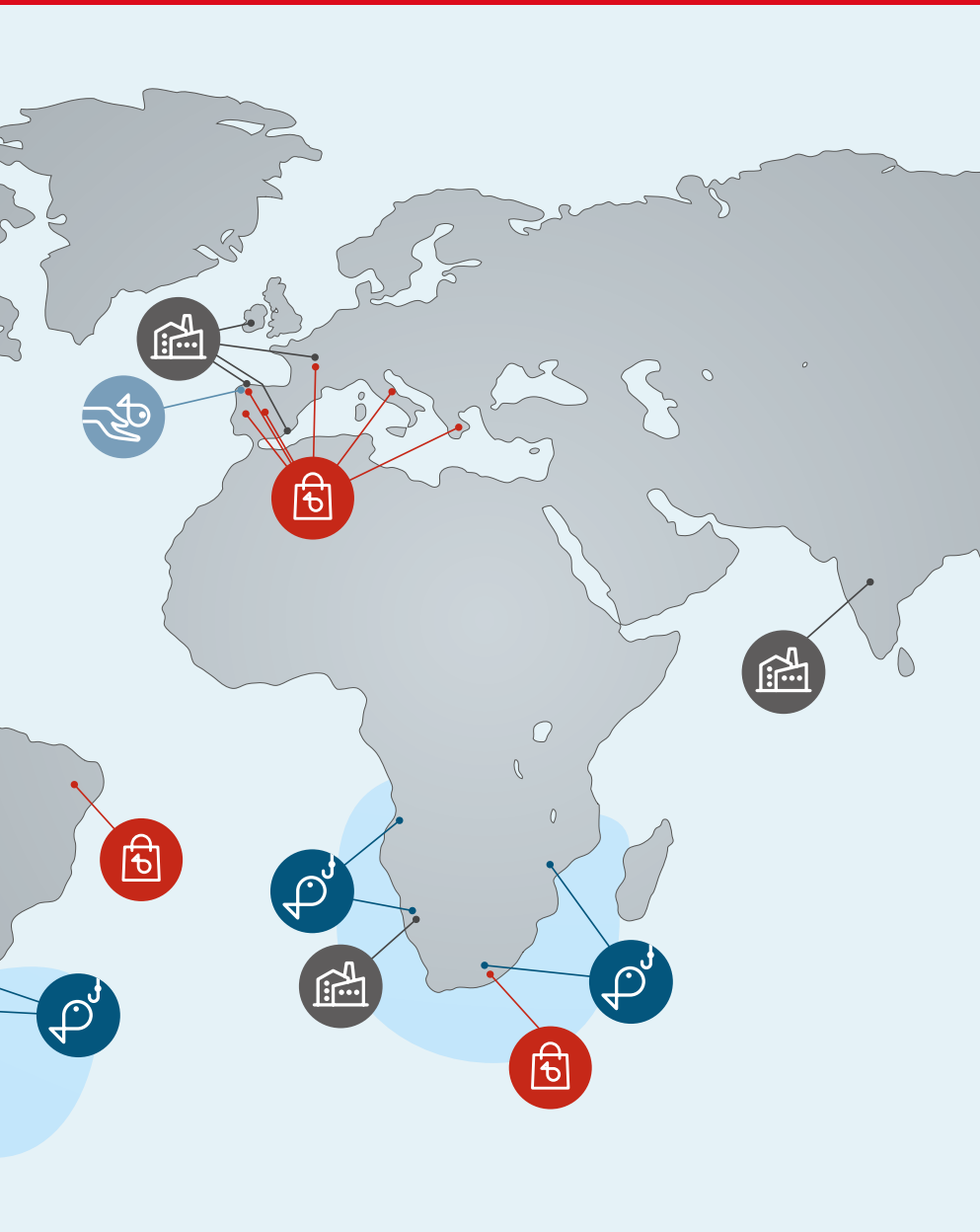
Ecuador, Guatemala and Nicaragua
Vannamei shrimp

Spain

Turbot (hatchery and grow-out)

Brazil

Tilapia farming



EUROPE

Spain | Nueva Pescanova,
Pescanova España & Insuiña
France | Nueva Pescanova France
Greece | Pescanova Hellas
Ireland | Eiranova
Italy | Pescanova Italia
Portugal | Pescanova Portugal

AMERICA

Argentina | Argenova
Brazil | Pescanova Brasil
Ecuador | Promarisco
Guatemala | Novaguatemala
Nicaragua | Camanica
Peru | Novaperú
Uruguay | Belnova
USA | Pescanova USA

AFRICA

Angola | Marnova
Mozambique | Pescamar
Namibia | NovaNam
South Africa | Nueva Pescanova
South África

ASIA

India | Abad



PROCESSING

17 processing plants across 9 countries (processing seafood, precooked dishes, surimi...)

Spain, Peru, Ecuador, France, Namibia, Nicaragua, Guatemala, Argentina, Ireland and India



COMMERCIALIZATION

It sells in 80 countries across five continents

Its commercial offices are in **Spain, France, Greece, Italy, Portugal, the USA, Brazil, Peru, and South Africa.**

6.2. INNOVATION

THE BASIS OF FUTURE GROWTH



Innovation is present in all the company's divisions and it is an integral part of the group's DNA. The company was the first in the world to use the onboard freezing technology, and since then, has incessantly strived to improve all its processes, making them more competitive and sustainable, and above all developing new processing technologies and methods as well as products.



FISHING



The Nueva Pescanova Group is currently renewing its fishing fleet. Seven new fishing units – three 50-meter wet-fish trawlers that will fish for its Novanam and Lalandii subsidiaries in Namibia, and four 30-meter freezer trawlers for shrimp fishing at the Pescamar subsidiary in Mozambique – the construction of which have already started in Galicia.

Novanam (Namibia) has started with the first of the three vessels, the “Lalandii I”, her completion date is scheduled for Summer 2019. In the meantime, the construction of the “Ponta Matirre” has started, this is the first of the four trawlers planned for Pescamar (Mozambique), the completion of which is scheduled for December 2019. All of them will have energy-efficient engines and equipment that will improve the onboard processing system and the working and living conditions of their crews.



AQUACULTURE

The Nueva Pescanova Group's firm commitment to aquaculture as the best way to increase productivity through guaranteeing the streamlining of marine resources has been spurred on by the company's unyielding efforts to innovate in this field. This ranges from the application of new aquaculture techniques at its shrimp farms in Ecuador, Guatemala, and Nicaragua (the Nueva Pescanova Group is one of the main producers of vannamei shrimp in the world); tilapia farms in Brazil; or turbot farms in Spain, to the state of the art new R&D&I center of the Nueva Pescanova Group: the Pescanova Biomarine Center.

The Pescanova Biomarine Center is an aquaculture R&D&I center that is being built in O Grove (Spain). The technology site will mark a turning point in aquaculture research on a global level through new research techniques on genetics, nutrition, health, and sustainability.

Its research will not only improve the farming of species such as turbot or vannamei shrimp but will also advance techniques allowing to farm new species, such as octopus. Its facilities, which span 4,000 m², will have the latest technology, and will position the group as an international leader in R&D&I for aquaculture 4.0.

The winning profile of the Pescanova Biomarine Center



- The first private aquaculture technology center in Spain.
- Approximately 50 people will work there.
- 4.000 m² in O Grove (Galicia).
- Involvement of technological stakeholders.
- Galicia will be at the forefront of global aquaculture R&D&I.



IT SYSTEMS AND PROCESSES

On October 1, 2018, another one of the group's strategic investments was set in motion: the **Legonova Project**, a new multinational business information and management system based on the SAP tool which simplifies processes and unifies or standardizes work methods, facilitating decision-making with the best possible results for the company. Its implementation will be completed during 2019 in Spain, and it will subsequently be deployed at different group companies.

On the other hand, the company is working to **optimize the efficiency of its plants and production lines at its industrial centers through the Excellence System program**. This involves making investments in new machinery, more efficient processes, innovation, and firmly promoting new technologies. Based on the Lean method, it promotes teamwork, continuous improvement, proactivity, and respect as the fundamental values for focusing on the well-being of the group's customers and consumers.





OUR PRODUCTS

In accordance with the **Strategic Plan 2020**, the company has renewed its range of products placing consumers at the heart of its innovation strategy, in line with four key aspects according to consumption trends: providing food products that are tasty, healthy, easy-to-prepare, and certified for their sustainability and quality. In other words, it provides chilled seafood products, new recipes that are popular in other countries, and “at home snacking” moments without turning its back on health, pleasure, freshness, and quality.



FROM IDEA TO DISH: HOW WE INNOVATE AT NUEVA PESCANOVA

Organizing projects that involve professionals across its entire value chain. Defining a strategy and creating a systematic plan.

Exploring: it analyzes and researches trends and people's needs.

Developing its concepts: daring to change the status quo.

Creating products: trying over and over until it is certain.

Selecting the best: offering consumers a healthy, tasty, and quality product.

Observing: analyzing the results and working towards constantly improving.



6.3. QUALITY ACROSS THE VALUE CHAIN

THE KEY TO SUCCESS

The Nueva Pescanova Group's guarantees the quality of its products, always preserving their freshness, from the sea to the table, strengthening its position as a leader in the expansion of the top seafood products across the globe.



The **PESCANOVA Quality Excellence** program is based on **food safety**, quality, and environmental management systems (SACMA), with special focus on and improvement in aspects related to quality as perceived by consumers.

It facilitates management directed at **optimizing all production processes** to obtain the best-quality product at **the lowest cost**. It generates value by promoting **processing excellence**, **producing exactly what is necessary at a given time with the best quality** and at a **competitive price**. To do so, it bases itself on standardized work, continuous improvement, innovation, and respect for people.

PESCANOVA Quality Excellence

SACMA
QUALITY
SYSTEM



- HACCP
- Legal Requirements
- Certifications
- Pescanova Reference Framework



QUALITY



- Product process
 - Consumer preferences
- Industry self-oversight
- Fleet quality
- Supplier management
- Customer service
- Customer assistance



1. Quality policy
2. Organization
3. Processes
4. Management and monitoring
5. Communication plan

6.4. HISTORY

A PASSIONATE STORY OF SUCCESS AND CONSOLIDATION

The story of the Nueva Pescanova Group is the story of the global fishing industry. Its origins go back to the 1960s, in an effort to catch fish from remote places and bring it home without it turning bad during the weeks in transit. Its first vessel, called “Lemos”, became the first freezer vessel in the world. After that came the “Villalba”, the first stern trawler in the fishing industry capable of fishing from the stern instead of doing it from the side. This was the beginning of a new era in the global fishing industry.



Ever since its birth, Pescanova has been a proponent of innovation and a leader in the international fishing industry. In a short time, it became one of the top Spanish companies and the top fishing company in Europe, becoming the largest fleet operator in the Western world and putting Galicia and Spain at the forefront of the global fishing industry.

In the 1970s, the company’s logo, **Rodolfo the shrimp**, emerged. Following the slogan “Good quality turns out well” [“Lo bueno sale bien”], an image that would identify the **Pescanova brand** for years and with which many Spaniards grew up, became consolidated. After

becoming one of the leading fishing and aquaculture companies on the global level and one of the brands most loved and recognized by consumers, in 2013, it entered bankruptcy proceedings due to management problems. The old Pescanova was left behind, and in 2015, the Nueva Pescanova Group was incorporated following a re-founding **led by seven banks**. The result is a new company which has inherited the history and achievements of its predecessor with a new management team, including all the assets and material resources necessary to allow Nueva Pescanova, S.L. **to reemerge as a promising undertaking of growth and innovation.**





KEY MILESTONES
IN **2016**

BOARD OF DIRECTORS

Setting up of the Board of Directors;
and hiring of a new CEO.

2016-2020 STRATEGIC PLAN

Implementation of the 2016-2020 Strategic Plan, in order to bring the company back to be a world reference in fishing, farming, processing and marketing seafood.

ETHICAL FRAMEWORK

Approval of the Code of Ethics of the Company.



IN **2017**

A SERIES OF MILESTONES THAT MARKED THE EVOLUTION OF THE GROUP TOOK PLACE

+ 140 MILLION EUROS

Second and the most relevant capital increase: the capital goes from 12 million to more than 140 million Euros.

NEW IMAGE, NEW PRODUCTS

Renewal of the brand, launch of new packs and innovative products better adapted to today's market trends.

FLEET INVESTMENT

Approval of an investment of 42.5 million Euros to start the construction of new vessels for Namibia and Mozambique until 2020.

PESCANOVA BIO-MARINE CENTER

Approval for the start-up of the Pescanova Bio-marine Center R + D + I, with a budget of 4.5 million Euros.

LEGONOVA

Start-up of the Legonova project for SAP implementation, with a budget of 9 million Euros.

6.5. 2018 FINANCIAL YEAR

A YEAR OF GROWTH AND EXPANSION

Continuing firmly on the path of growth towards fulfilling the objectives set out in the 2020 Strategic Plan, the 2018 financial year has been that of consolidation for the Nueva Pescanova Group project, anchored on solid foundations on which to continue promoting its expansion.



The Nueva Pescanova Group, for the second consecutive year, ends the year with a net profit reaching 5.4 million Euros, that is 5.1 million Euros more than the previous year and 41 million more than in 2016. Below are some of the milestones achieved in 2018:

FINANCIALS

- The Company sold 177,000 tons of seafood, which represents a 5% increase on the previous year.
- Revenue from sales reached 1.008 billion Euros, the increase in revenue from seafood sales was 1%.
- Ebitda reached 75 million Euros.

INVESTMENTS

- Start of the construction of two of the seven vessels, to renew part of the group's fleet in Namibia and Mozambique.
- Construction work begins at the Pescanova Bio-marine Center, which will become the largest R&D&I center for aquaculture in Europe and whose main objective will be the development and improvement of the rearing of current species in the field of nutrition, management, health and genetics, as well as the development of farming methods for new species.
- The group's Spanish companies launched the implementation of a new information and business management system, supported by the SAP tool.

- The Nueva Pescanova Group acquires **Unickfish in South Africa**, a retail sales company whose acquisition allows the Group's commercial ambition to grow in the African region.
- Incorporation of **Katei Alimentación SL**, under an 50/50 agreement with **Kabuki**. This agreement contemplates the opening of nine food terminals throughout Spain, in 2019, for Japanese food preparations for the retail and food service sectors.

DIVESTMENTS

- The Nueva Pescanova group disposed of its Honduras subsidiary to focus on its vannamei shrimp farming and processing operations in Ecuador, Nicaragua and Guatemala
- **Novapesca** sold all its shareholding in **Novagroup Proprietary Limited**. As contemplated in the Strategic Plan, the maritime services, container repair and logistics companies were sold, retaining the ownership of the companies engaged in fishing activities as well as the ownership of a South African vessel.
- **Promarisco** sold its stake in **Balanceados Nova**, a company engaged in the production of shrimp feed.
- **Novapesca Trading** sold all its shareholding in **Pescanova Polska**, a commercial company that had hardly any activity.

MANAGEMENT, REPUTATION AND BRAND

JANUARY

- Pescanova's Gastrobus brings light to Vigo's Three Kings Parade.
- Sergio Elizalde is appointed as the Group's Global Chief Commercial Officer.
- Nueva Pescanova enters an agreement for food donations with Vigo's Food Bank.

FEBRUARY

- The Nueva Pescanova Group joins Global Sustainable Seafood Initiative (GSSI) that promotes sustainable fishing.
- The crews from Angola, Mozambique, Argentina and Uruguay visit the Group's headquarters in Vigo.

MARCH

- Ignacio González, CEO of the Nueva Pescanova group, is appointed as vice president of AECOC.
- The Intranet is launched in Promarisco, Novaguatemala and Camanica.
- The company participates in the Employment Technology Forum held at the University of Vigo.
- Presentation of the new shrimp and fish skewers, Seafood Tapas, at the Seafood Expo in Boston.
- Birth of the new female crewmember of the Pescanova brand: the "Grumeta" ("Cabin Girl").

APRIL

- The Gastrobus is present at Barcelona's Alimentaria food show.
- The Company competed with three of its innovative products in the Seafood Excellence Contest at the most important annual event for the global seafood industry: the Seafood Expo in Brussels.
- The Nueva Pescanova group is chosen by the Reputation Institute as on the top 50 companies with the best reputation in Spain for the second year in a row.

MAY

- The Nueva Pescanova group, having taken part in the Galicia Open Future, gets to know the company that will develop a predictive model to optimize the profitability of its shrimp production.
- Pescanova, is the fifth FMCG brand in household penetration in Spain this year.
- Pescanova launches the new summer campaign "Desenvídate" (There is no room for envy).

JUNE

- The Nueva Pescanova group celebrates the Solidarity Food Day joining the Alimentum Foundation in the massive delivery of food to Spain's Food Banks.
- A new container loaded with school material, books and games, sets sail for Nicaragua.
- Volunteers from the company clean up the litter in natural environments ("basuraleza") in the San Simon bay as part of the Ecomobes's "Liberá" initiative.
- Holding of the General Shareholders' Meeting. Ratification of the 2017 annual accounts and announcement of the construction of the Pescanova Bio-marine Center.
- A group of women set up Women in Pescanova (WIP) aimed at giving greater visibility to the company's female professionals, promote gender diversity and reach a more gender balanced presence in top management positions.

JULY

- The CEO receives the "Executive of the Year" award at the 8th Edition of the Galicia Executive Awards organized by the magazine Ejecutivos.
- The company participates in the FMCG Summer Camp organized by AECOC to discover talent and promote access to the labor market.
- The Intranet is one year old, a total of 430 thousand visits in its first year.

AUGUST

- The Mozambican Minister of Fisheries visits Pescamar' booth at the Maputo International Trade Fair, the most important multi-sectorial fair in the country.

SEPTEMBER

- Pescanova launches "Rodolfos", shrimps that are hand-picked, packaged and cooked preserving their wholeness, so that their appearance and texture are insuperable, their long and intact antennae being a sign of guaranteed quality.
- The Nueva Pescanova group continues its solidarity work with the donation of school material to Latin American countries.
- Launching of the back to school Campaign "Grumetes al Timón" ("Cabin boys/ girls at the Wheel").

OCTOBER

- Implementation in Spain of Legonova, the management software based on SAP tool.
- Pescanova re-launches Rodolfo at Conxemar Exhibition. To name a few, the Group's booth is visited by the Minister of Agriculture, Fisheries and Food, Luis Planas, and the President of the Xunta de Galicia, Alberto Núñez Feijóo.
- The Rodolfo Pescanova Awards ceremony. An initiative through which the Company distinguishes employees who stand out for their extraordinary contribution to the growth of the Nueva Pescanova group.
- Juan Bosch, Argentinian Undersecretary of Fisheries, visits the Group's headquarters.
- The Nueva Pescanova group and Down Vigo enter an agreement to promote the employability of people with Down's syndrome.

NOVEMBER

- Launching of the Christmas campaign #EligeBigote (Choose whiskers), in which the former Spanish National Football Team coach, Vicente del Bosque, realizes he "is not the same without his moustache", the same happens with Pescanova's Rodolfos. Shrimps who if deprived from their whiskers, a hallmark of identity and quality, are not Rodolfos.
- Participation in the Shanghai's CIIE, one of the most important exhibitions in China, where the company found a place for visitors to taste and get to know its quality and innovative products.
- The contest to name the Intranet ends. And the name chosen is: PESCANET.

DECEMBER

- "Umbrella Award" for Internal Communication.
- The 10,000 employees in all countries are invited to take part in the first in-house Flash Mobs contest, as a Christmas greeting.
- The Nueva Pescanova Group sponsors the concert of the Recycled Orchestra of Cateura in Vigo.
- Chris Maze is appointed new CEO of Pescanova USA.



THE VALUE CHAIN

We bring the freshness of the sea to the table

The Nueva Pescanova Group is present on the five continents. It is one of the few seafood multinationals present throughout the entire value chain, from source to market. Fishing, farming, processing and adding value to seafood products in its 17 processing plants and marketing a wide range of chilled and frozen products through its commercial companies in more than 80 countries around the world.

7.1. FROM THE SEA TO THE TABLE: FISHING

A MILLENNIAL ART THAT KNOWS THE SECRETS OF THE SEA

Fishing is the most representative flagship of the Nueva Pescanova Group, which led it to become a leader more than fifty years ago and to continue to be an international benchmark.

The Group's fishing vessels are deployed in the best fishing grounds of the world with a single purpose in mind: to bring to the consumer's table all the freshness of the sea.

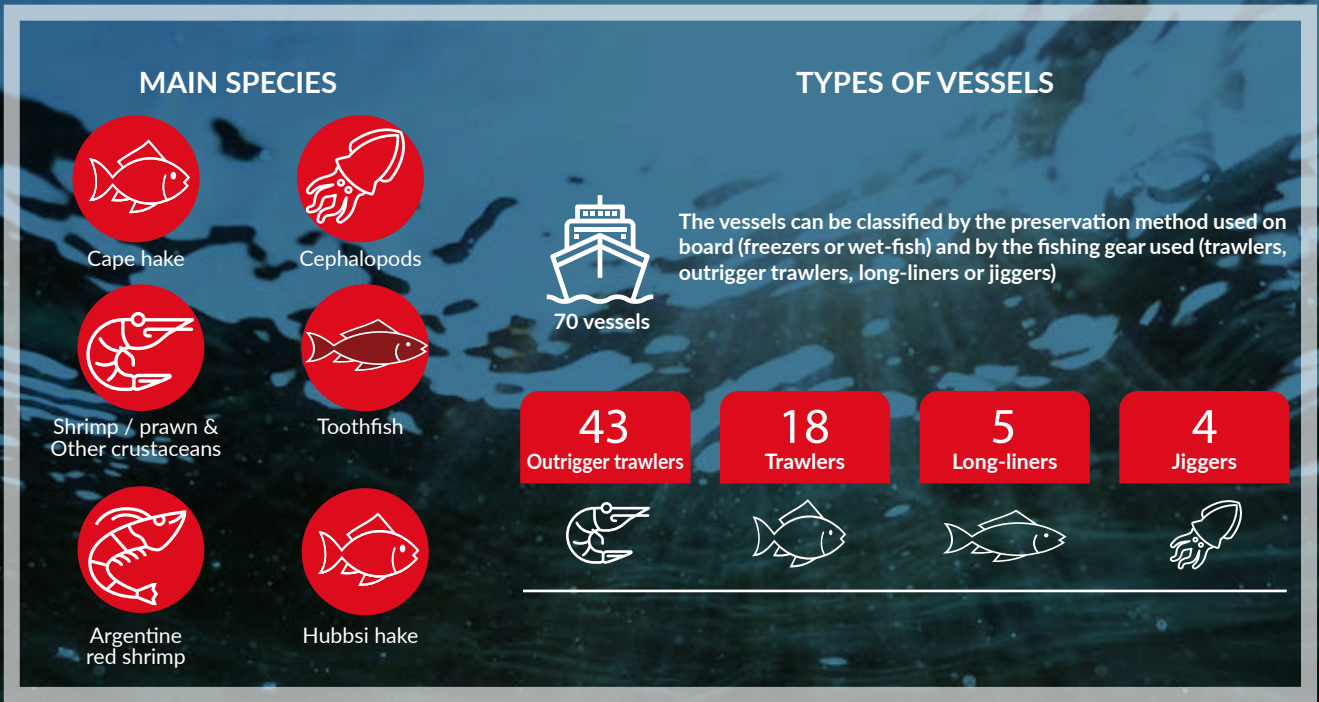


Since 1961 its fleet sails the seas in search of the best fishing grounds in the world. It was a pioneer in the building of the first vessel to fitted with on board freezing technology. This event revolutionized the fishing industry and consolidated the Pescanova brand as a leader marked by innovation and the guarantee to always preserve the freshness and quality of its product.

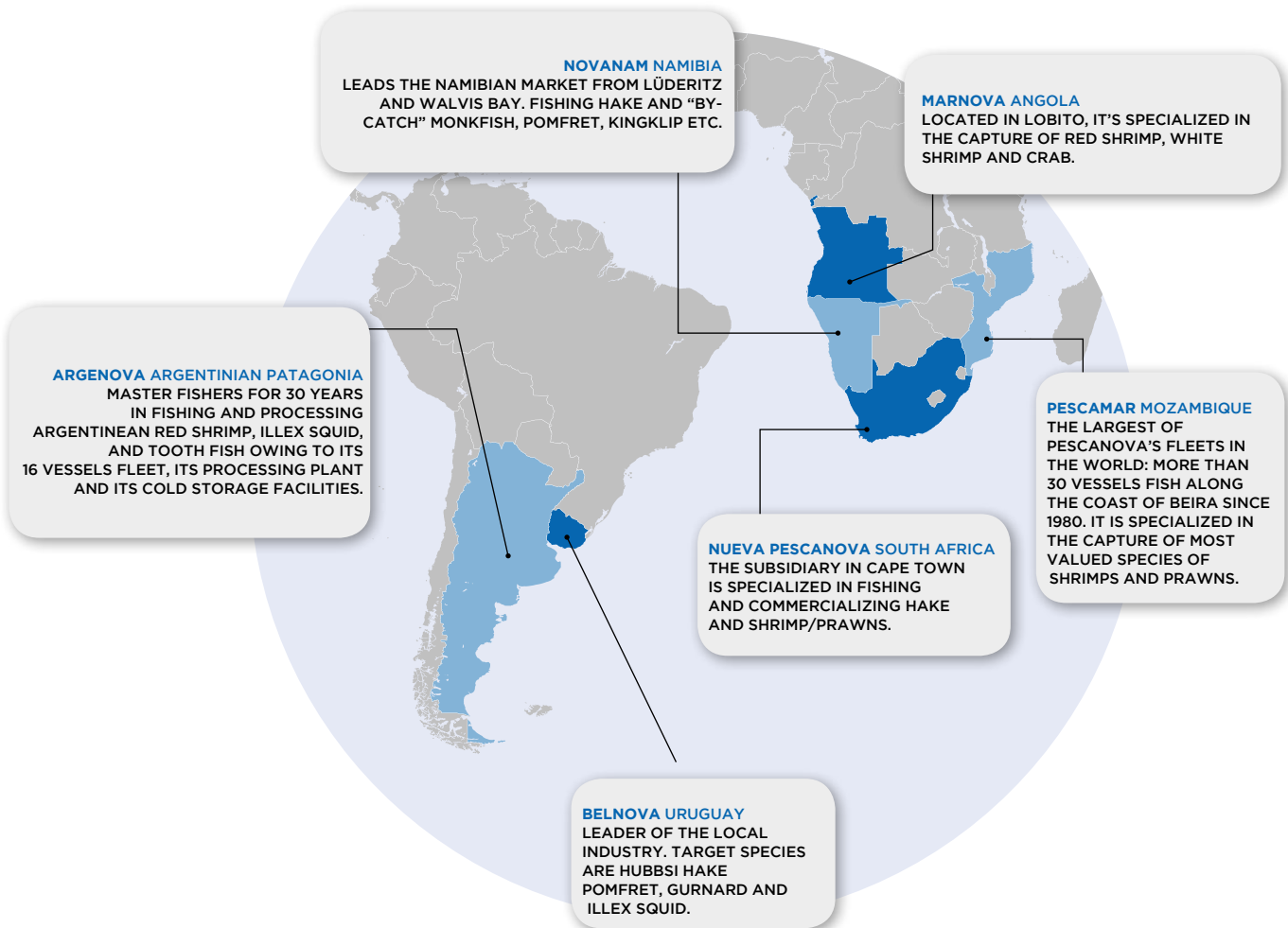
FLEET RENEWAL

The clear commitment to innovation and continuous improvement in all areas of activity has led to the renewal of part of its fleet, which will be concluded by 2020, with the construction of 7 new vessels: three for the subsidiaries, Novanam and Lalandii in Namibia and four for Pescamar, the Mozambican subsidiary. It is an innovative and responsible bet, since they will be equipped with highly efficient engines, improved equipment for on board processing and greater comfort for the living and working conditions of their crew. Their construction is taking place in Galicia, generating 200 jobs.





AN ASSORTMENT FROM THE SEA TO THE TABLE: CAPTURES BY SPECIES AND COUNTRIES



7.2. AQUACULTURE

SUSTAINABILITY AS A BASIS FOR ITS VALUE CHAIN

Nueva Pescanova is one of the world's largest producers of vannamei shrimp, integrating all the activities of the value chain, to allow full traceability that guarantees the quality of its products. It also rears turbot in Spain and tilapia in Brazil.

The Nueva Pescanova Group knows that innovation does not only mean being at the forefront of **technology**, but that it is also **indispensable to ensure the sustainability and the protection of the Planet's resources**. It is not possible to meet the growing demand for fish only from wild fisheries, and that is why aquaculture has become a fundamental practice for the Nueva Pescanova Group.

The 2020 Strategic Plan contemplated a strong investment in the Group's aquaculture facilities. One of the most important measures adopted in 2017 was to bet on **Camanica**, the **Nicaraguan** subsidiary responsible for more than 50% of the shrimp production and exports in that country, in 2018 €7M were invested to increase its production capacity by 7,000 tons.

7,000
HECTARES OF
FARMING AREA



Vannamei shrimp

The Nueva Pescanova Group is one of the world's largest vannamei shrimp producers, with more than 55,000 tons processed per year.

The Company centers its vannamei shrimp rearing and processing operations in Ecuador, Nicaragua and Guatemala.

CAMANICA

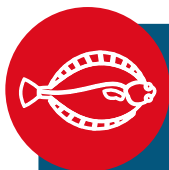
Specialized in the rearing and processing of vannamei shrimp. Located in Nicaragua, it has around 4,500 hectares of farming area in Estero Real. It has the largest center for larvae production in America (600 million monthly). It is, by far, the largest company engaged in rearing shrimps in the country.

NOVAGUATEMALA

In Champerico (Guatemala) it has two farms engaged in intensive rearing of vannamei shrimp which together add up 141 hectares.

PROMARISCO

With farms located in the Gulf of Guayaquil, it has around 3,000 hectares of extensive vannamei shrimp farming ponds. Ecuador is the main producer and exporter in America and ranks among the first in the world.



Turbot

Nueva Pescanova is one of the main producers of turbot in the world. Its company, Insuiña, in Galicia, is specialized in all three stages, hatchery/nursery, grow out and processing.

INSUIÑA-MOUGÁS

Located in Oia (Pontevedra), this is the place (Hatchery) where the breeding, hatching and larvae culture take place to produce turbot juveniles. From there juveniles are transferred to the Insuiña-Xove facilities for grow out until they reach commercial size.

INSUIÑA-XOVE

Located in Xove (Lugo), its 63,000 square meter facilities consist of 900 tanks for turbot grow out. Its production capacity reaches 2,800 Tons / year.



Tilapia

Tilapia is a species that is grown in warm fresh water, white meat, good growth and easy to adapt to different environments.

PESCANOVA BRASIL

Located in Itacuruba, state of Pernambuco (Brazil), the company is engaged in rearing tilapia in the waters of San Francisco River. The current concession capacity is of 3,000 tons / year.

7.3. PROCESSING

CONSUMER-CENTRIC

The Nueva Pescanova Group has 17 processing plants spread across ten countries in Africa, America, Asia and Europe.

Focused on consumer satisfaction, these processing plants incorporate the most advanced technologies; the key aspects in the development of its industrial strategy are continuous improvement, quality and innovation.

Eight processing plants are engaged in primary processing, operating at source (wild caught and farmed), where the product is cut, deveined, classified, cleaned and packed (mainly hake, vannamei shrimp and toothfish). The remaining nine processing plants are engaged in secondary processing, i.e. value added, by cooking, coating, breading, among others (shrimp, cod, cephalopods, surimi, etc.).



2019

A Bet on Asian food

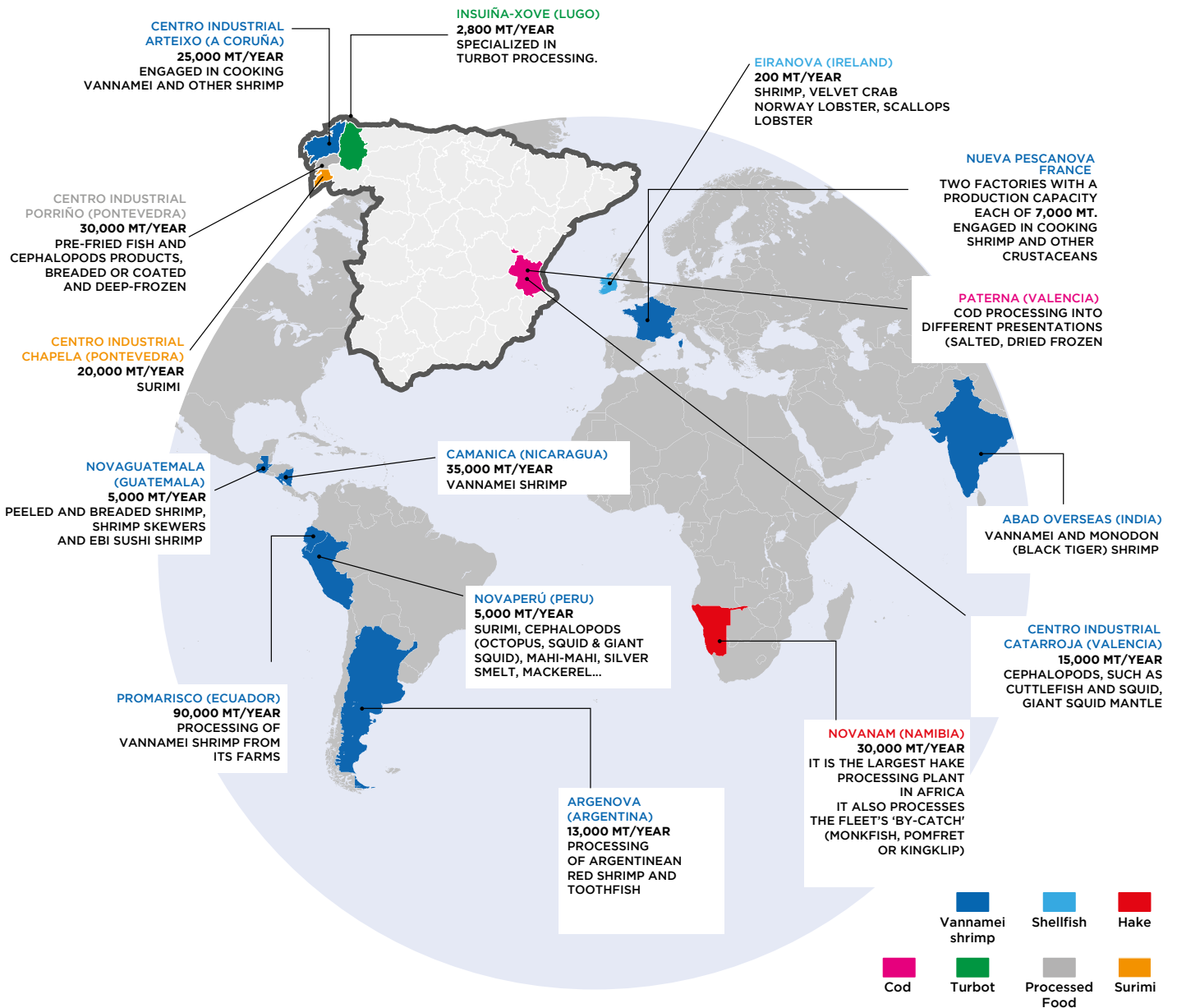
SUSHI

KATEI

With the aim of becoming a leader in Asian food production in Spain, the Group, together with the Asian food preparation company Kabuki, set up a company named "KATEI". Katei seeks to adapt the Group's capabilities to the growing demand for sushi, where freshness and immediacy play a fundamental role. In 2019 nine food terminals, which will employ more than 300 people, will be put up throughout Spain.



LOCATION OF PROCESSING PLANTS AND THEIR CAPABILITIES



EXCELLENCE SYSTEM

Based on Lean methodologies, it generates new work dynamics centered on persons. Teamwork, continuous improvement, pro-activity and respect, as fundamental values to focus on the welfare of its customers and consumers. These are the features of the Nueva Pescanova Excellence System.

SIX KEYS TO ACHIEVE EXCELLENCE

1

DEMAND PLANNING

Working to be faster through effective management and teamwork

2

INNOVATION

New technologies to ensure safe environments and maintain food freshness

3

EFFICIENCY

Investing in energy efficiency and optimization to reduce costs in all divisions being sustainable and profitable

4

ENGAGEMENT

Promoting involvement and encouragement of all teams

5

QUALITY

Traceability and food safety are indispensable, that's why all activities are certified

6

GLOBAL SUPPLY NETWORK

What cannot be procured within the Group is bought from suppliers carefully chosen

7.4. COMMERCIALIZATION

THE RECIPE OF THE PRODUCT RANGE

For almost 60 years, the Company has brought the best seafood and its freshness to millions of tables around the world, making innovation, freshness and quality the hallmarks of the Pescanova brand. Today, Pescanova products are present in 80 countries on the five continents.



Pescanova, throughout its history, has helped families to have access to fish any day of the week, aware of the health benefits of fish consumption. Now the company has a new purpose, to continue to bring the freshness of the sea to homes, but adapting products to new trends, a **consumer-centric strategy**: easy-to-prepare dishes, chilled seafood (fridge) new and popular recipes from other countries and home snacking.

The Nueva Pescanova Group sells **70 different species**, into an assortment of more than **500 SKUs** around the world; it has commercial offices in **Spain, Portugal, France, Greece, Italy, USA, Brazil, South Africa and Peru** through which the Group commercializes its product on the five continents.

Innovation, quality and the Pescanova brand equity, are the differentiating assets that made the Company an international leader, particularly in **Spain and Portugal**, where Pescanova is the top brand in the seafood sector.



7.5. CERTIFICATION

TOP QUALITY ENDORSED INTERNATIONALLY

The Company's activities and facilities have the most prestigious international guarantees, since quality and respect are the Group's differential values.



The Nueva Pescanova Group is committed to the highest quality, food safety and respect for the environment. The globalized world allows the Company to submit itself to valid legal and certification frameworks in all the countries where it is present.



AQUACULTURE VANNAMEI

- NOVAGUATEMALA — IFS - BAP
- CAMANICA — IFS - GLOBAL GAP - BAP
- PROMARISCO — IFS - GLOBAL GAP - BAP
- ABAD OVERSEAS PVT. LTD. — IFS - LFS - FSS 20.000



FISHING COMPANIES

- NOVANAM (DOP) — IFS
- NOVANAM (SCT) — IFS
- NOVAPERÚ — BRC



AQUACULTURE RODABALLO

- INSUIÑA MOUGAS — ISO 9001 - GLOBAL GAP - ISO 14001 - EMAS
- INSUIÑA XOVE — IFS - GLOBAL GAP - ISO 14001 - EMAS



FACTORIES

- ARTEIXO (ES) — IFS - ISO 14001
- CHAPELA (ES) — IFS - ISO 14001
- PORRIÑO (ES) — IFS - ISO 14001
- PATERNA (ES) — IFS - ISO 14001
- CATARROJA (ES) — IFS
- BOULOGNE (FR) — IFS
- LORIENT (FR) — IFS



CORPORATE GOVERNANCE

Commitment and empathy must be well managed. The Nueva Pescanova Group has the most reliable systems to encourage, monitor and guarantee its social responsibility. Being ethical is the natural way of proceeding that defines the direction of the Company's strategy.

8.1. TRANSPARENCY AND INTEGRITY

Honesty, integrity and transparency differentiate and consolidate the Nueva Pescanova Group, and are the warrantee of confidence in its products and activities.

The most important 'filter' for the Group's vision for managing change, is the ethical commitment. It's a field of action where the Group follows a 360-degree perspective, the same as the broad, open and infinite horizon that is seen from its ships. Good governance and transparency ensure that it can embody the values of Nueva Pescanova every day, everywhere

and with all those around it.

The Strategic Plan decisively promotes a corporate culture, which guarantees responsibility and establishes effective information and communication channels with stakeholders, from consumers and suppliers to employees, public bodies, communities and other institutions.



BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors is the governing and decision-making body of the Nueva Pescanova Group. It consists of 10 members and organized into 3 committees:

• CHAIRMAN:

Jacobo González-Robatto

• GOVERNANCE AND CORPORATE RESPONSIBILITY COMMITTEE

In charge of analyzing best practices and regulations of good governance, both nationally and internationally.

Miguel Ruiz-Gallardón García de la Rasilla | Antonio Couceiro Méndez | Elena Salgado Méndez

• AUDIT, CONTROL AND FINANCE COMMITTEE

It supervises the financial information of the Company and its internal control systems.

José Luis Sáenz de Miera Alonso | Mariano Riestra Mañeru | Ricard Iglesias Baciana

• COMMERCIAL AND STRATEGY COMMITTEE

Guarantees the compliance with the Company's Strategic Plan.

Fernando Valdés Bueno | Ramón Mas Sumalla | Ignacio González Hernández



8.2. RISK MANAGEMENT

The Nueva Pescanova Group is subject to many risks inherent to the different countries, activities and markets where it carries out its activities. Therefore, the relevant corporate risks of all the Group's activities and businesses are adequately identified, evaluated, managed and controlled.

The Company has established the **basic mechanisms and principles** for proper risk management which enables it:

- To accomplish the strategic objectives of the Group, with a controlled volatility.
- To provide the maximum level of guarantees to its partners.
- To protect the results and reputation of the Group.
- To defend the interests of its partners, customers, suppliers and other stakeholders.
- To guarantee business stability and the financial strength of the Group in a sustained manner over time.

With regards to risks management, the **Board of Directors of Nueva Pescanova** rely on the cooperation of its **Audit, Control and Finance Committee**, which supervises and reports on the adequacy of the internal risk assessment and control system, in coordination with the **Global Internal Audit Department** and the different **Group's Business Management and Support Departments**. The latter have been assigned the function of specifying the application of specific risk policies.

The Nueva Pescanova Group has its own **General Map of Inherent Risks** in which **40 relevant risks** have been evaluated, with regards to their impact and probability of occurrence. Among the **inherent general risks** evaluated, related to non-financial information, these include:



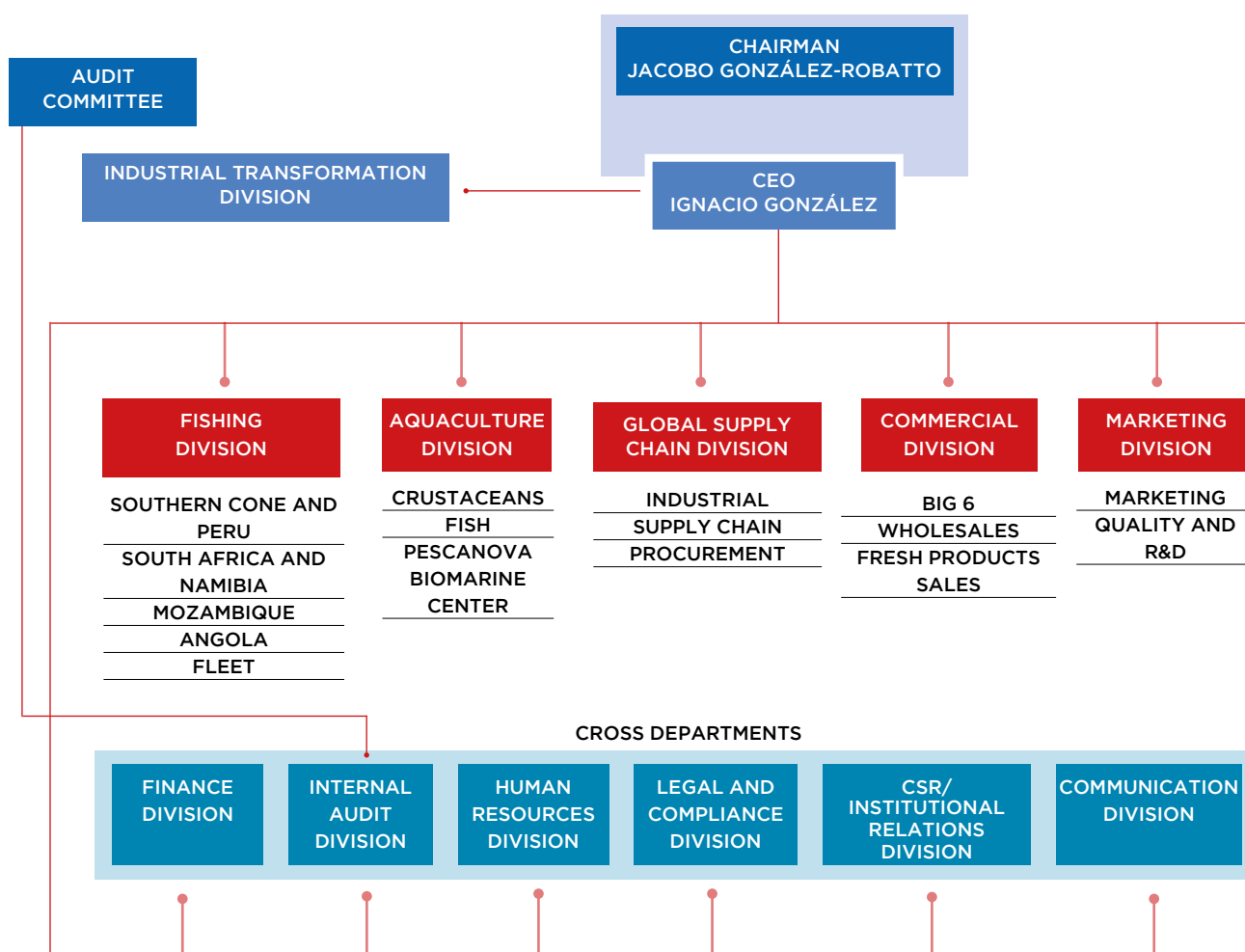
- Country Risk.
- Food safety.
- Occupational health and safety.
- Breach of regulations
- Overfishing of marine resources.

The review of the General map of inherent risks is carried out **annually** by the senior officers of the Group, and is supervised, approved and validated by the **Board of Directors**.

The **relevant criminal risks** with regards to the Group in Spain, are included in the **criminal risks and control matrix** that is part of the **Company's criminal risk prevention program**. Amongst them, are included for the purposes of non-financial information:

- **Corrupt behavior or practices between individuals and the authorities or public officials** related to international commercial activities.
- **Omission of occupational health and safety measures** violating the rules and regulations on occupational risks prevention.
- **Carrying out polluting activities** violating regulations on protection of natural resources and the environment.
- **Dispensation, misuse, manipulation or alteration of medicaments for veterinary use.**
- **Undue alteration or adulteration of food, additives or other food agents.**
- **Bribery of authorities or public officials.**
- **Influence peddling with officials or public authorities.**

8.3. MANAGEMENT TEAM



8.4. THE GROUP'S MAIN POLICIES

- **Our Code of Ethics:** It includes the Group's commitment with the principles of business ethics, institutional integrity and transparency in all its fields of action.
- **Providers' Ethical and Social Charter:** It contains the set of principles of professional performance and standards of business conduct that the Group requires of those with whom it contracts the acquisition of goods, products, raw materials or services, through the signing of the Responsible Statement of the Providers' Ethical and Social Charter.
- **General Policy on Risk Control and Management:** It establishes the basic principles and the general framework of action for the control and management of risks of any nature that the Nueva Pescanova Group might face.
- **Internal Audit Charter:** sets the mission, objectives, organization, competencies, duties, authorities and responsibilities of the Internal Audit Role (Global Internal Audit Division) and it also outlines the relationship with the Audit committee, the Control and Finance Committee of the Board of Directors of Nueva Pescanova.
- **Compliance Unit Regulations:** Regulates the operation of the Compliance Unit, with competences in the scope of the Corporate Governance and Standards Compliance System.
- **Corporate Policy on Best Commercial Practices in Food Contracting and Disputes Resolution:** It contains a set of general principles concerning the activities of Pescanova España, S.L.U. regarding the food chain and the observance of the Code of Best Commercial Practices in Food Contracting.

- **Corporate Policy on Criminal Risk Prevention:** It sets the performance principles and rules of conduct for the prevention, detection and finding of crimes and/or unlawful conduct that could be committed in the exercise of the Group's business activity.
- **Privacy Regulations and Policy of the Compliance Channel:** They regulate the operation of the Compliance Channel arranged as a transparent and confidential tool through which any professional of the Group can submit to the Compliance Queries and Complaints Unit non-compliance issues in a confidential manner.
- **General Procedure of Internal Regulation Production (Zero Standard):** It sets and structures the process for drafting, approving, disseminating and filing new internal regulations of the Nueva Pescanova Group.
- **Corporate Policy on Protection of Personal Data:** It sets all the standards regarding conduct and performance principles that govern the processing of personal data that may be produced by the professionals of the Group in the development of their professional and business activities.
- **Protocol on Food Donations:** It sets criteria and procedures for food products marketed by the Group donations to donator entities.
- **Corporate Policy on Procurement and General Procedure:** Through these two corporate regulations the Group sets the operational standards and principles that serve as a foundation for the Group's dealings with its suppliers.
- **Corporate Policy and General Procedure on Travel and Representation Expenses:** setting the general operational principles and the procedures for an effective and efficient rationalization of travel and representation expenses in which Group professionals incur in the exercise of their duties, as well as a description of all the sub-processes that must be carried out systematically in each process.
- **Corporate Policy and General Procedure for Talent Management:** They contain, on the one hand, the set of general performance principles to promote personal and professional growth of the persons that make up the Group and, on the other, the set of procedures related to the Talent Management processes in terms of training and learning, internal promotions, performance evaluations and succession plans.
- **Corporate Policy and General Procedure on Recruitment, Selection, Incorporation and Departure:** They establish, on the one hand, the set of general principles of action in the field of personnel management system for recruitment and the selection of candidates, as well as their subsequent incorporation and/or departure from the Group and on the other, a description of the activities, persons responsible for their implementation and the tools used in recruitment, selection, incorporation and departure processes.
- **Corporate Policy on Occupational Health and Safety:** It establishes the components and principles of the Group's preventive culture as an integral and essential part of its management, in order to achieve a safe and healthy work environment.
- **Corporate Policy for Proxies:** It sets the criteria regarding the awarding, management and internal control of powers of attorney, authorizations, access codes to online banking, digital signatures and certificates in favor of the professionals of the Nueva Pescanova Group (and, where appropriate, of third parties.)



8.5. SUSTAINABILITY MANAGEMENT

A responsible and sustainable development of the Company's activities in its biological, environmental, technological, economic, commercial and social aspects is an essential and irreplaceable aspect of the business culture of the Nueva Pescanova Group.



The **guiding principles** that make up the **Master Plan regarding the Group's Corporate Social Responsibility (CSR)** are:

- Respect for the **Planet**.
- The personal and professional development of the **People** that form part of the Nueva Pescanova Group.
- The commitment to the markets, through the group's **Products**.
- The contribution to the improvement of the quality of life of **Communities** in which it is present.

At the same time, the Company **guarantees absolute observance of business ethics principles, institutional integrity and compliance with applicable regulations**, in accordance with, in addition to the **legal systems in the countries where it operates**, the provisions in 'Our Code of Ethics' and other provisions in the **System for Corporate Governing Regulations and Compliance**.

The Sustainability Program '**Pescanova Blue**' is the Group's operational answer to these principles. In this manner the use of the '**Pescanova Blue**' seal certifies:

- The responsible supply of sustainable **raw materials from fisheries or aquaculture**.
- That fishery, aquaculture and food processing operations, are carried-out in an **environmentally**

friendly manner.

- The **Employer's Liability** that warrants a legal, safe, fair and decent work environment for our staff.
- That it invests in the **communities in which it is present**.
- That it conducts its activities in a **responsible manner that's legal, honest, transparent and ethical**.

The CSR Master Plan and its Sustainability strategy are aligned with the **Sustainable Development Goals (SDG) of the 2030 Agenda of the United Nations Organization (UN)**. The commitment of the Nueva Pescanova Group with SDGs is part of its business development strategy and is intimately linked to the vertical integration model from the origins to the markets, both in the fishing and aquaculture businesses.

In 2018, with the help of our CSR ambassadors in Ecuador, Guatemala, Nicaragua and Namibia, **226 projects related to the four pillars of the CSR Master Plan were identified and documented**. Based on this inventory of projects, a materiality analysis was carried out (see section 11.2 below), which identifies the relevance of the material aspects for stakeholders and their impact on the Group's strategy. It also helped identify how the Group is contributing, and can contribute, as well as the level of **compliance with the 17 SDGs and the 169 goals in the 2030 UN agenda**.

“The Nueva Pescanova Group is committed to the sustainability of natural resources and our partner communities, whose trust we maintain by acting ethically and creating value.”



ETHICS, HONESTY AND COMPLIANCE

The structure of the **Strategic Plan for Corporate Social Responsibility of the Nueva Pescanova Group** is based on **four fundamental pillars -Planet, People, Product and Communities-** that are embraced by ethics, honesty and regulatory compliance to generate Value.





BUSINESS MODEL AND STRATEGY

**‘All in Sync’
with the Plan**

9.1. 2018 FINANCIALS

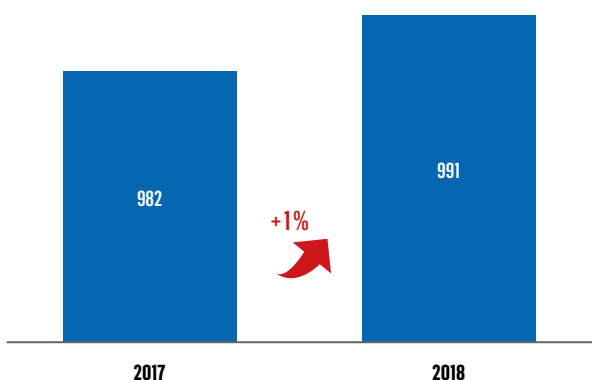
The Nueva Pescanova Group ended 2018 in black, for the second year in a row, reaching a net result of €5.4M, which is €5.1M more than the previous year and €41M more if compared to 2016.



REVENUE FROM SALES

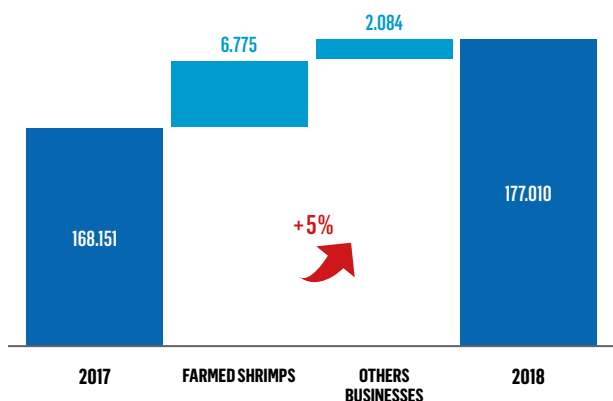
In 2018, the Group's revenue from sales was of **€1.008 billion**. Seafood sales reached **€991M**, which meant a like for like increase of **+1%** on 2017.

LIKE FOR LIKE SEAFOOD SALES (MILLION €)

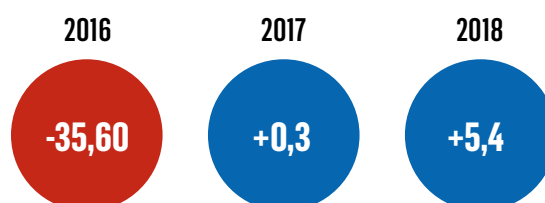


In terms of volume, sales reached **177,010 MT**, which represents a like for like growth of **5%**.

LIKE FOR LIKE SEAFOOD SALES BRIDGE (TONS)



NET RESULT (MILLION €)



EBITDA

The Group's management EBITDA in 2018 reached **€75M** compared to **€80M** attained in 2017. In a like for like comparison (divestments excluded), the **€75M EBITDA** relates to **€77M** in 2017. The most relevant divestments were the sale of the feed mill and the disposal of the maritime services and other operations in Africa.

The negative impact of the shrimp business, mainly due to the venture in Nicaragua, was the main reason for a poorer EBITDA. The improved EBITDA, arising from an increase in sales and the result of the fishing activity has been affected by the worse performance in Nicaragua.

Furthermore, in 2018 our investment in marketing, advertising and publicity (MAP) was increased by **€4M** on 2017 figures, despite the negative effect that this means for the year's profitability (in like for like terms EBITDA in 2018 would have been higher than in 2017). The increase in MAP was sustained by the Group's need to invest in its Brand, and the launching of new products to continue to bring value to the Group in future years.

INVESTMENTS AND DISINVESTMENTS

The investment figure in 2018 amounted to **€41M**. Amongst the investments made by the Group during the year, the most significant are shown below:

- ⊗ The incorporation of **Katei Alimentación**, together with **Kabuki**. Katei Alimentación, which produces Japanese foods prepared for the retail and food service channels in Spain, has started up three processing plants in the Canary Islands, Andalusia and Castilla y León, within an ambitious expansion plan that will generate approximately 300 jobs.
- ⊗ The purchase of the company **Unickfish in South Africa**, a retail sales company, which allows the Group to advance in its commercial ambition in the African region.

On the other hand, in 2018 the construction of the new vessels was started. These will renew part of the Group's fleet: three for the hake fishery in Namibia and four for prawn in Mozambique.

Also, the construction of the **Pescanova Biomarine Center** was started in O Grove, the biggest aquaculture R&D&I center of Europe, which will start its activity in the fourth quarter of 2019.

Another of the strategic investments for 2018 has been the implementation in Spain of a new information and business management system with the **SAP tool**.

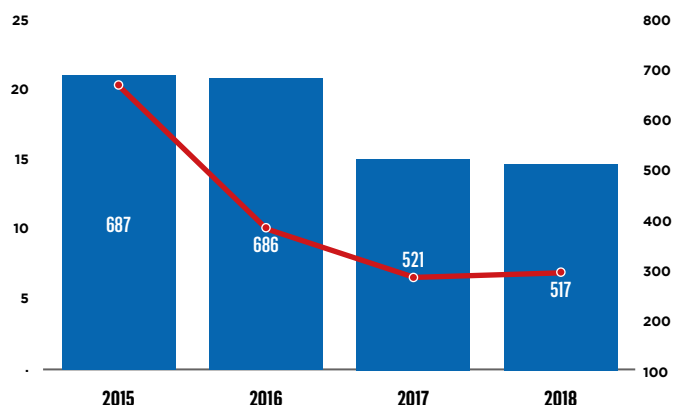
Regarding the divestment operations in **non-core assets for the Group**, these include:

- ⊗ **Novapesca Trading, SLU** sold its entire assets that it held in **Novagroup Proprietary Limited**. As contemplated in the Strategic Plan, the companies that provide maritime services, container repairs and logistics have been sold, maintaining the ownership of the companies that have the fishing activities and the ownership of the vessels.
- ⊗ The latter activities were transferred to a company incorporated for that purpose called **Nueva Pescanova South Africa, Pty Ltd**.
- ⊗ **Promarisco** sold all its shares in the capital of the **Balanceados Nova**, a company that produced shrimp feed.
- ⊗ **Novapesca Trading, SLU** sold the totality of its shares that it owned in **Pescanova Polska, S.P.** a commercial company that had hardly any activity.

NET DEBT

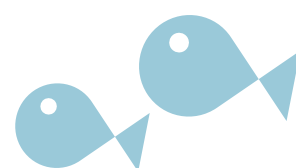
The Group's net debt, at fair/recognized value, has dropped by **€170M** in the 2015-2018 period, as a result of the capitalization process in 2017 and the Group's cash generation. On the other hand, the Group's leverage ratio measured on EBITDA is similar to the previous year, however if we compare it to 2015, the reduction is considerable.

Net debt (in millions of €) and leverage ratio



9.2. THE FUTURE AND THE STRATEGIC PLAN

With a solid identity and a unique character in the sector due to its level of integration, species and brand strength, the Nueva Pescanova Group's performance covers from source (where the product is obtained), right up to the key markets. Therefore, one of its main strengths is its ability to operate and create value along all the steps of the of the supply chain.



THE STRATEGIC PLAN

The 2020 Strategic Plan identifies the four pillars on which the Group's objectives and strategies are based:

- Commercial ambition.
- Cost optimization.
- Processing and supply capability.
- Management, processes and organization.

As soon as the project was defined, the Nueva Pescanova Group decided to attach its DNA to the achievement of an ambitious and demanding growth plan. Under the slogan "All in Sync", all the divisions of the Company work to maintain this growth rate until 2020 and beyond any horizon.

In this sense, the Nueva Pescanova Group's Strategy is mapped in a comprehensive and systemic manner:

1 Rebranding

2 Launching of New Products

3 Improvement of the fishing Fleet equipment

4 Implementation of large-scale projects for technological and environmental innovation.

A Plan structured on four solid levers, based on which the objectives and strategies of the Group are defined and strengthened.



2016 -2020 ALL TO ONE STRATEGIC PLAN



DNA

ACHIEVED MILESTONES

- Involve all employees in the “All in Sync” way to work.
- Brand growth.
- Brilliant and effective communication plan.
- CSR Master Plan.
- Code of Ethics
- People Plan.

In progress

- Implementation of the Group’s Quality Policy “Pescanova’s Excellence Quality “ in all processing plants.
- Insist and strengthen the consumer centric approach.

Next objectives

- To improve and progress the principle that “Fish what sells”.



COMMERCIAL AMBITION

Nueva Pescanova Group is willing to sell in new countries, to launch its brand in those countries where it had presence but lacked identity, to strengthen its position in new channels, such as food service, and to innovate.

ACHIEVED MILESTONES

- Pescanova is the fastest growing brand in the fast-moving consumer goods industry. As regards retail, it is a market leader in Spain and Portugal.
- Greece has joined the BIG 5 (BIG 6 as Core Non-Retail and Retail).
- In the Retail segment, Nueva Pescanova Group entered the Core emerging markets of South Africa and Brazil.
- As regards products, it continues to grow in terms of assortment (octopus, mussel, other).

In progress

- New alliances.
- Opening of new trade channels.

Next objectives

- To innovate and strengthen the growth of chilled products.
- To boost the retail project in Greece and the USA.
- To insist on innovation vs “commodity”.
- Innovation focused on a “fewer and better” idea.



SUPPLY AND PROCESSING CAPABILITIES

ACHIEVED MILESTONES

- Increase production at the processing plants in Galicia, Ecuador and Peru.
- Additional supply routes (India, Mussel, Octopus).

In progress

- Food terminals concept.
- Industrial Plan for Spain and just cooked.
- Increase catch in Argentina.
- 2018-2022 Aquaculture Strategic Plan.

Next objectives

- Processing plants optimization.
- Increase production at the processing plants in Valencia, France and Guatemala.
- Progress in Global Supply.



COST STRUCTURE

Pescanova was not just one company, but 50 separate companies. When these are put to work together, several synergies take place, and this increases value.

ACHIEVED MILESTONES

- Improvement of the procurement model:
 - Concentration of purchases at Group level.
 - Standardization of catalogs and assortment.
- Improvement of the fleet’s efficiency:
 - Processes automation.
 - Re-reengining of the fleet.
 - Reduction of fuel and power consumption.
- Improvement farming efficiency:
 - Processes automation.
 - Renewal of facilities.
- Improvement of the industrial network efficiency:
 - Adoption of continuous improvement policies (Lean methodology).
 - Reduction of water and energy consumption.
 - Products’ reformulation.

In progress

- Increase productivity.

Next objectives

- Global centralized procurement.
- Excellence in factories.
- Increase the use of digital computing technologies.



MANAGEMENT, PROCESSES AND ORGANIZATION

We aim at obtaining the maximum benefit from vertical integration, a genuine competitive advantage of this Company. Nueva Pescanova Group creates, on one side, a new role for demand planning, solely responsible for channeling supply-related needs of the Group; and, on the other side, a supply planning role, in charge of product allocation to guarantee maximum profitability for the Group.

ACHIEVED MILESTONES

The new organization guarantees a unique **Route-to-market**, through 4 key factors:

- To align incentives and commercial goals with the interests and profitability of the Group.
- Centralization of duties.
- To create the positions of supply and demand planning roles.
- To establish a clear organizational structure, with functional and hierarchical units.
- Implementation of unified information systems.
- Merger of Pescanova and Krustanord to create Nueva Pescanova France.
- Acquisition of Serviconsa by Camanica (Nicaragua).

In progress

- Cross-sectional plan on efficiency.
- Crisis and risk management.

Next objectives

- Increase processing efficiency by way of investments in the better systems.



INVESTMENTS / DIVESTMENTS

ACHIEVED MILESTONES

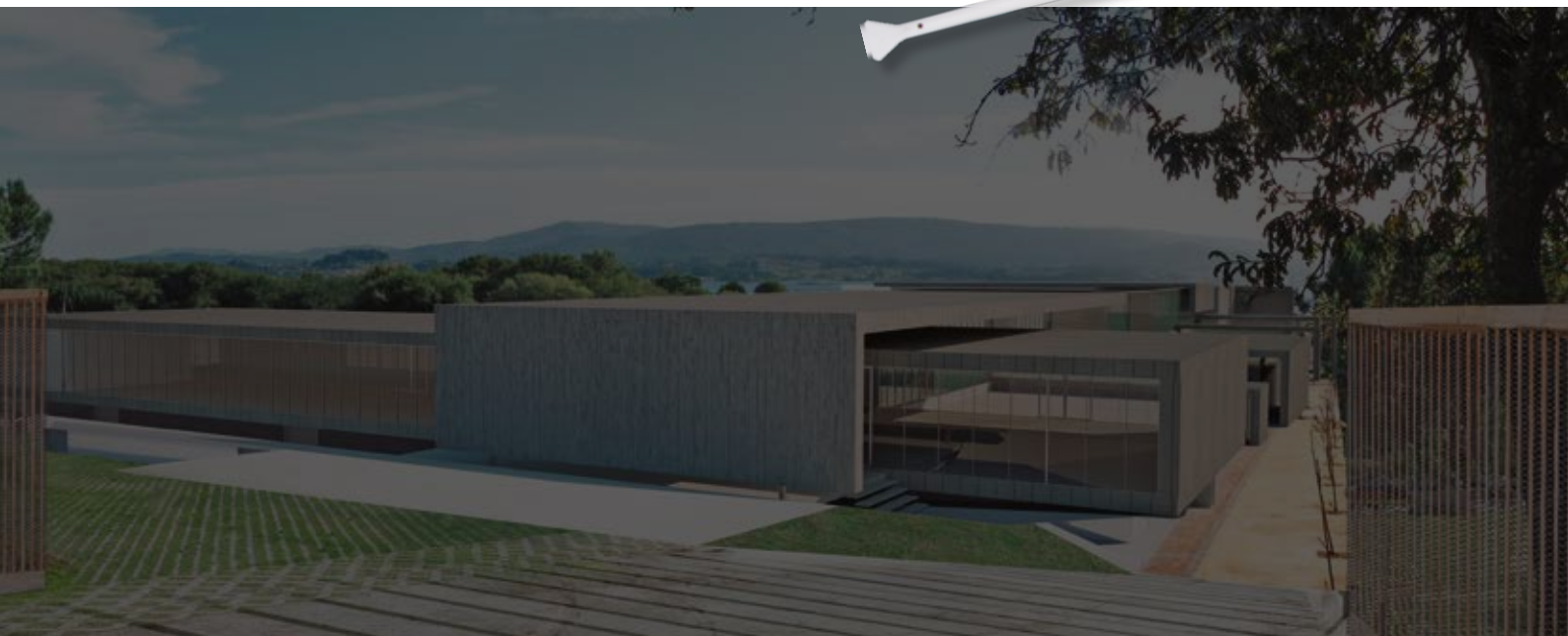
- Capital Increase.
- Fleet Renewal: Starting the construction of the first fishing units for Namibia and Mozambique.
- SAP (Spain), Rollouts.
- Commercial integration in South Africa.
- Investment in pumps for the farms in Nicaragua.

In progress

- Strengthening the shrimp farming business in India.
- Aquaculture Strategic Plan 2018-2022.

Next objectives

- Fleet Renewal.
- Pescanova Biomarine Center.
- Industrial Plan for Spain and France.



NEW INVESTMENTS

STRATEGIC PLAN RELATED OPEX AND CAPEX



The Plan incorporated a Maintenance CapEx (€65M) and an additional CapEx (€60M), mainly consisting of the following investments: Fleet Renewal (€43M) to keep it in working conditions and other investments related to the Plan (€17M), with a focus on SAP implementation

(€9M) and the construction of Pescanova Biomarine Center (€4,5M), in line with the Group's commitment to lead the way in continuous improvement and a sustainable and profitable commercialization of farmed species.

MAINTENANCE CAPEX



Recurrent investments in each company.

Other maintenance investments identified by each Division.

CAPEX RELATED TO THE PLAN



Mozambique Fleet renewal (starting the construction of one vessel in 2018, three in 2019).

Namibia Fleet renewal (starting the construction of a vessel in 2018, another in 2019 and another one in 2020).



Investment in the production capacity of Vannamei shrimp in Ecuador and Nicaragua: increase in the farming area, robotics and processes automation, improvement of nutrition and farming strategies, etc.



Launching of Pescanova Biomarine Center (O Grove), aiming at leading the way in continuous improvement of species currently farmed and the search for new farmable species.



Increase industrial capacity in Spain and France for the development of "food terminals" and improvement of value-added products processing.



Integration and standardization of processes, systems and information in one single management tool.

SAP Implementation.





CREATING VALUE FOR ALL
STAKEHOLDERS

Committed to what really matters

Nueva Pescanova Group is committed to establishing continuous and transparent communication with all stakeholders.

10.1. COMMUNICATION WITH STAKEHOLDERS

TRANSPARENT AND EFFECTIVE COMMUNICATION

Responsible and effective communication with stakeholders allows for Company's growth and innovation. Nueva Pescanova Group has developed communication initiatives tailored to the targeted person, thus increasing its credibility.

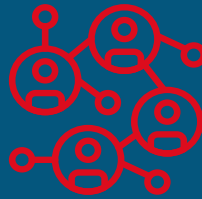


The desire to listen to and to identify the needs of each stakeholder has led Nueva Pescanova Group to promote the technological and ethical capacity of its means of communication to make possible a transparent and efficient dialog. These are the ones that help grow and improve the Company; knowing their needs allows for permanent innovation, managing opportunities and risk in a more efficient manner and to increase the likelihood of taking right decisions.



CORPORATE STRATEGIC COMMUNICATION PLAN

The communication strategy of the Group focuses on three goals oriented to customers, people and the future of the Company.



1 ATTRACT AND RETAIN CUSTOMERS

To boost sales through reputation management, brand strengthening and stakeholders' involvement.

2 INCREASE THE INVOLVEMENT OF THE PEOPLE IN THE GROUP

To create and strengthen the sense of belonging and pride.

3 ENHANCE FINANCIAL RELEVANCE OF THE COMPANY

To build and tell a success story (Turn Around).

To provide background and plot for the Equity Story.

STRATEGIC AXES

COMMERCIAL AMBITION

- To strengthen brand positioning as a market leader in seafood products.
- Corporate story (vertical integration, people, CRS, etc.).
- Customer Journey.
- To protect reputation for quality assurance.
- Equity Story (Turn Around).
- Pescanova business case.
- To bring DNA into the brand.
- Health, sustainability, innovation, confidence, quality, freshness, principles, etc.
- To increase awareness by means of contents addressing mass media and communities.
- Trends.
- Positive articles.

PROCESSING AND SUPPLY CAPABILITIES

- Brand, reputation, DNA and awareness.
- To implement the "All-in-Sync" bonding motto (fishing, aquaculture, processing and trade).
- To promote a culture of innovation.
- To improve communication procedures at processing plants.

COSTS OPTIMIZATION

- To obtain Earned Media.
- To create a culture of efficiency.
- To accompany SAP's implementation.
- To promote the Digital Culture using internal tools (payrolls, expensing control, etc.)

PROCESSES, MANAGEMENT AND ORGANIZATION

- To provide Communication support to the different countries.
- To define a corporate culture and develop Engagement actions.
- "All-in-Sync" Intranet, Novanews, etc.
- To create a clear and updated organizational chart.
- To improve the level of business knowledge.

TALENT AND INNOVATION

- Talent Engagement Program.
- To promote a culture of innovation.
- To contribute to create an Employer Branding.

IMPACT INCREASE ON MASS MEDIA AND SOCIAL NETWORKS

Since 2016, a great deal of communication channels have been developed, from the corporate intranet for all employees on the four continents, which is about to be launched, also in an APP format for mobile devices, to the corporate Website of Nueva Pescanova Group, including information of all of its subsidiaries.

From the Company, we aim at having a more open, transparent and closer communication, which has resulted in a better appreciation on the part of the different stakeholders of the Company since the new management started in 2015, thus placing the Company in the Top 50 of Companies with best reputation in Spain, a milestone that has been obtained for the second consecutive year.

NUEVA PESCANOVA IN THE MEDIA IN 2018

Impact on mass media
handled by
Communications Department:
3,420

Equivalent Advertising
Value:
€14M

Total
Audience:
725
Million people

PESCANOVA IN SOCIAL NETWORKS



+1,030

followers on corporate Twitter account
@pescanovaCorp
twitter.com/PescanovaCorp



+ 10,700

followers on Twitter product account
@pescanova_es
twitter.com/pescanova_es



+ 19,600

LinkedIn followers
linkedin.com/company/nuevapescanova



+ 163,000

Facebook followers
facebook.com/pescanova/



+ 15,200

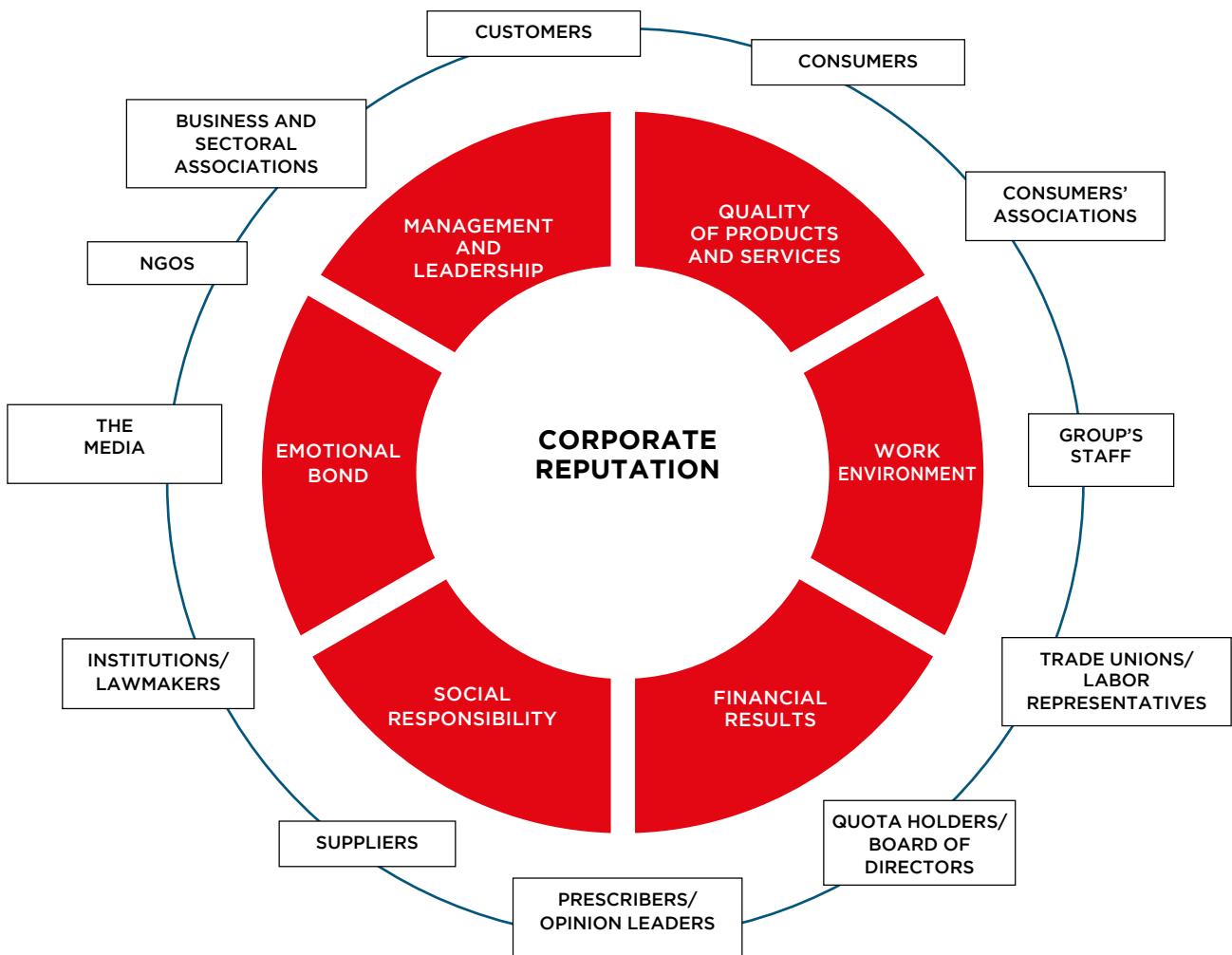
Instagram followers
instagram.com/pescanova_es/



+ 5,600

YouTube subscribers
<http://www.youtube.com/user/videorecetas>

AUDIENCES CHART



COMMUNICATION CHANNELS BY STAKEHOLDER

Consumers

- Website
- Social networks
- Customer service (Telephone and email)

Customers

- Website
- Social networks
- Trade fairs, fora and conferences
- Climate and leadership surveys

Suppliers

- Website
- Social networks
- Trade fairs, fora and conferences
- Meetings and regular visits

Group employees

- Breakfasts with the CEO
- Email
- Intranet and websites
- Internal publication (NovaNews)
- Social networks
- Departmental and inter-departmental meetings
- Information panels and posters
- Internal surveys

Public authorities

- Website
- Trade fairs, fora and conferences
- Meetings and events
- Email

Media

- Website
- Social networks
- Email
- Regular meetings
- Meetings with journalists

Sectoral associations

- Website
- Social networks
- Trade fairs, fora and conferences
- Regular meetings
- Committees within the Associations

Quota holders

- Email
- Annual and/or Extraordinary General Meetings



Consumer Service Telephone Number 902 999 333



www.nuevapescanova.com
www.pescanova.es

10.2. CONSUMERS

Consumers' satisfaction with Pescanova products is placed at the core of both the strategy and performance of the Company. The company works to anticipate new trends, with fresh ready to eat products, easy-to-prepare dishes, adapted to the latest consumer habits.



Committed to the PRODUCT, Nueva Pescanova Group facilitates access to the markets of:

- **Innovative, nutritive and healthy seafood products.**

Researching and communicating the importance of eating seafood products for your diet.

- **Safe and quality seafood products**

Offers marine-origin products to customers and consumers, which guarantee food safety, complying with the highest quality standards.

- **Sustainable and responsible seafood products**

The Company is committed to developing responsible and sustainable seafood, optimizing products' definition, design and processes, in line with environmental performance and efficiency criteria.

The Group's strategy sets up the challenge to increase its consumer-centric approach. Its commercial ambition moved from the quick wins launched in 2017 and 2018 to an Innovation-Centric approach. Innovation acquires more relevance and plays a fundamental role in relation to six priority aspects:

- Shrimps
- Asian Fusion Sushi
- Renewal of Core products
- Me-too Market Opportunities
- Next Big Thing
- Food Service Solutions

PRODUCTS

THE CONSUMER AT THE CENTRE

Pescanova has reinvented its product assortment and has placed consumers at the center of its innovation strategies:

1 Providing tasty food

2 Easy to cook and

3 very healthy products

4 which certified for their quality and sustainability



Pescanova assortment of products maintains the original source of **vitamins and minerals**. Are especially rich in **Omega 3 EPA and DHA** which appears in large amounts of fish, seafood and cephalopods.

Therefore, it has launched new products adapted to new eating trends, which are satisfied with innovation, quality and convenience options. The **Innovation Committee of the Company** works daily to analyze market needs and new consumption trends.

In 2018, Pescanova relaunched **Rodolfo the Shrimp**, its quintessential icon, and it did so to launch a new selection of chilled and frozen shrimps, bearing the "Rodolfo" quality seal, and under the motto "Because not all shrimps can be Rodolfo", Pescanova introduced a top quality product, the result of a pioneer manufacturing process, unique in the world, by means of which the appearance and texture is unequalled, their long and undamaged whiskers acting as quality assurance: "A whiskers' guarantee".

The introduction of Pescanova in the emerging segment of **chilled food** is related to its commitment towards offering products that can be tailored in accordance with the demands of consumers: quick solutions, without renouncing to health or pleasure. Mussels, octopus cooked in its own juice, imitation crab sticks and imitation baby eels are examples of product presentations that bring together healthiness and easy to cook seafood.

The Crispy Hake Bites and the Crispy Shrimp Lollipops -some of the most innovative launches of the brand- had been nominated as finalist products in the Seafood Excellence Global Awards within the Seafood Expo Global of Brussels, awards that recognize the best seafood products within different categories.

Likewise, together with Kabuki Group, Nueva Pescanova Group commercializes home delivered **Asian food** in Spain and at several restaurants in Madrid. These products are offered in the Food Service, both non-commercial and commercial, channel. This is about a differentiating proposal supported by a digital plan (e-commerce).

In 2018, the company **Katei Alimentación S.L.** was founded with Kabuki, where the Group owns 50% of the share capital, which is used to fund nine Japanese food production plants established all along Spain for the retail and food service channels. The project is a continuation of the relationship between both companies, that started in 2012, and it is aimed at becoming a reference platform for sushi distribution.

Pursuant to this Joint Venture, Nueva Pescanova Group offers industrial knowledge and a benchmark position in the "seafood" sector, whereas Kabuki Group offers know-how in sushi preparations, as well as its seal of quality and innovation.

PESCANOVA BRAND



Ever since Nueva Pescanova was founded, the Company aimed at taking a chance on the brand, a much-loved, well-known lovetmark for consumers, and to face the renewal of the brand's identity. The new brand positioning, loyal to the concept of "FRESHNESS", has been planned from an integral redesign that has also covered claims, packaging and icons.

	BEFORE	AFTER
Logo		
Claim	Lo bueno sale bien	NO PERDAMOS LA FRESCURA
Packaging		
Rodolfo		
Cabin boys		

5th BRAND

This is the fifth brand in household penetration in Spain

TOP 50

Nueva Pescanova, among the top 50 Spanish Best Reputation companies

11.2 MILLION

In 2018 the brand entered 11,200,000 households in Spain

ATTENDING THE BEST SEAFOOD EXPOS



- **In February.** **HIP Expo: Horeca Professional Expo.** Pescanova sponsored the Restaurant Trends space, where it provided part of the catering to the participants attending the conference at its tapas booth.

Additionally, the Group introduced a new exclusive Website of the for the foodservice sector, <https://fishsolutions.pescanova.es>, by means of which it offers support to professionals with the best selection of products and specialized advice on business management.

- **In March, in Boston,** the Nueva Pescanova Group introduced its new assortment of shrimp and fish skewers “Seafood Tapas”, for the chilled segment, chosen as one of the 30 best innovations at the Seafood Expo North America. The booth was designed as a spectacular Seafood Tapas Market.

- **En April, at the Seafood Expo Global in Brussels,** the Company introduced, once again, its most innovative products. The latest, most innovative launches of the brand, the Crispy Hake Bites, the Crispy Shrimp Lollipops and Shrimp Carpaccio, were shortlisted for the Seafood Excellence Global Awards, that recognize the best seafood products in different categories.

- **Also, in April,** the Group participated in the **Alimentaria Expo in Barcelona.** At its Innoval 4 program, it introduced its latest news: Sailor Roll, available at airlines and other commercial food service outlets; the “Flavors of the World” assortment, ethnic recipes including tartar, ceviche and shrimp carpaccio; apart from Hake Bites and Shrimp Lollipops, from the “Tapas” selection; and Seafood Slices, for breakfast and tea time.



- **En October,** the Company remained loyal to its date with the International Frozen Seafood Expo (Conxemar), an excellent event to showcase the return of its iconic Rodolfo the Shrimp aiming at introducing a new selection of shrimps “with a whiskers’ guarantee”.

- **En November,** Pescanova participated in the CIIE (China International Import Expo) in Shanghai, one of the most important exhibitions in China, where the company found a great place for visitors to taste and get to know its quality and innovative products.



PESCANOVA ON TV

RODOLFO #Eligebigote (#Choosemustache)

Pescanova's Christmas Campaign to announce the arrival of Rodolfos to the market by the former Spanish National Football Team coach, Vicente del Bosque, who, in order to illustrate that whiskers are a synonym of identity and quality, shaved his iconic and 50 years old mustache.

The campaign was advertised on TV and radio, and it was promoted and broadcast through social networks as well as in the press, the best piece of advertising was a fake full front page in the sports newspaper Marca, the best-selling sports paper in Spain.



THERE'S NO ROOM FOR ENVY

With the "there's no room for envy" Summer campaign, Pescanova aimed at encouraging Spanish citizens to stay home and "do not envy" the lucky ones who are enjoying their vacations, taking the spirit of the sea, through Pescanova products, to those who are working. Therefore, it chose four of its star products (to practice "no envy"): wild Argentine red shrimp, cooked mussels, octopus legs cooked in its own juice and chilled imitation crabsticks.



Contests

PESKITOS

Pescanova launched a children's drawing competition to choose a new marine animal for its Peskitos range, within its strategy to communicate to children values such as taking care of our environment, love for the sea and a healthy diet.





GASTROBUS, AMBASSADOR OF PESCANOVA

The Gastrobus of Pescanova continues to spread Pescanova brand as well as its products all around Spain. With an updated and fresh image, it participated in concerts, sports events... such as the **Vigo SeaFest** and the **Festival ARVI do Peixe**, the **Atlantic Fest** at Arousa island, the **Cycling event "La vuelta a España"** in Madrid and in Orense, at **AECOC's Seafood Conference**, at the Christmas market of **El Corte Inglés** in Paseo de la Castellana (Madrid), at the **Three Kings' Parade** in Vigo or at the **Seville Fair**, to name a few.



THE CABIN GIRL

In March, the cabin girl came to life: a new character and excellent counterpart for the historical Cabin Boy born in 1997, spreading among children values such as gender equality and respect.



10.3. EMPLOYEES WORLDWIDE

OVER 10,000 PEOPLE ALONG FOUR CONTINENTS

People are the most valuable asset of Nueva Pescanova Group. And the best way to appreciate those who make it possible for the Company to succeed is to make it a great place to work. The respect for diversity, safety and professional growth and the pride to feel part of the Group are the pillars for business success.



PROFESSIONAL GROWTH

With policies focused on personal and professional development through training programs, continuous assessment and compensation.

WORK SAFETY AND WELL-BEING OF EMPLOYEES

It promotes a safe and healthy environment at work through an efficient system for the prevention of work-related risks and campaigns to improve health and work climate.

DIVERSITY AND EQUALITY

It respects and protects employment rights and undertakes to promote diversity and equal opportunities, and to balance work and family life.

With 10,000 workers in four continents, Nueva Pescanova bets firmly on teamwork and a flexible talent management, aimed at promoting international careers and allow for personal development.



TRAINING

WORKING ON CONTINUOUS IMPROVEMENT

The purpose of Nueva Pescanova Group is to attract top talent and makes every effort to offer its professionals development and work opportunities. Therefore, it focuses on workers' continuous improvement strengthening training initiatives that would facilitate modernization and management, as well as improvement of their skills.

78,447
TOTALS
TRAINING HOURS
IN 2018

3,984
TRAINING HOURS
FOR
MANAGERS

41,698
TRAINING HOURS
FOR
MIDDLE MANAGERS

32,765
TRAINING HOURS
FOR
SPECIALISTS/
OPERATORS

THE ABACUS PROJECT



To develop personal and team leadership, the company launched the Abacus Project, a Global Talent Management Model through SAP Success Factors tool, for employees to enjoy a customized professional development plan to identify its top talents, areas requiring improvement and necessary training.

1,026 PEOPLE ALREADY PARTICIPATED IN ABACUS BY THE END OF 2018

The horizon outlined in the 2020 Strategic Plan is to include in the Project 4,000 workers. Its work mechanics is:

1. Objectives-setting between manager and collaborator. Collaborators establish together with their manager, the individual objectives to be achieved in the year, as well as some skills related to the profile of their job position.

2. Semi-annual Review of objectives and performance assessment. By mid-year, collaborators perform a self-assessment and receive a score from their managers, taking into account both goals and skills.

3. Annual Assessment of objectives and performance.

At the end of the year, the degree of fulfillment of goals and related skills is assessed, to establish goals for the following fiscal year.

Additionally, the General Talent Management Procedure also provides for three sub-procedures:

- **Internal promotion** — Based on professional merits, degree of fulfillment of performance-related objectives, and the skills of employees.
- **Performance Assessment** — with two fundamental criteria: the degree of fulfillment of objectives set and the skills required for each position.
- **Succession** — The purpose of which is to train and prepare top talents to occupy management positions that are fundamental for the permanence, sustainability and proper development of the Company.



PREVENTION

ANTICIPATION AND SAFETY

-7%

LABOR
ACCIDENTS

-41%

ACCIDENTS FREQUEN-
CY INDEX

-76.5%

SERIOUSNESS
INDEX

-27%

LOST WORKDAYS
DUE TO ACCIDENTS

Costs derived from accidents in 2018 have been reduced by 40%, which entails savings amounting to €51,885.

The Company makes all efforts to improve preventive policies in order to reduce employees' accident rate to zero. Through its **Corporate Health and Safety at Work Policy**, it established its commitment towards strict compliance with obligations related to the above issues, as prescribed in the different regulations and rules, both at national and international levels, subject to an audit conducted by BUREAU VERITAS, to certify said compliance.

Each activity sector of the Group has developed and implemented an Integral Prevention Management System for Work Risks, strictly complying with legal requirements set forth in the countries where the Company is present, or even improving them in many cases where legislation is not yet as developed as in Spain.

The **Work Operating Procedures Handbook** contains 21 Preventive Procedures that guarantee compliance with activities under specific rules related to work safety. A series of Records are kept for each job site of the Group, which are reviewed on a monthly, quarterly or semi-annual basis, according to the scheduled periods:

- E Assessment of work risks
- Action Plan
- Ergonomics Studies
- Hygienic measurements
- Self-protection and emergency Plans
- Health surveillance
- Periodic safety visits
- Accident investigations
- Activity Logs
- Annual Activity Plan
- Setting annual goals
- Meetings of health and safety committees
- Prevention-related training
- Accidents Statistics
- Accident costs analysis

DIVERSITY AND EQUALITY

The principles of non-discrimination and equal opportunities for women and men are set forth in Our Code of Ethics. The Group defends equal opportunities and treatment, regardless gender, race, religion, disabilities, marital status, sexual orientation, family status, age or any other condition.

9,749
Total number
of Employees

Employment by gender



3,428 women



6,321 men

No data has been included as to employees from companies under temporary employment hired by the Group.

Employees per country

AMERICA

Argentina **743**

Brazil **16**

Ecuador **1,914**

Guatemala **777**

Nicaragua **1,273**

Peru **97**

Uruguay **88**

USA **27**

EUROPE

Spain **1,208**

France **190**

Greece **15**

Ireland **25**

Italy **18**

Portugal **30**

AFRICA

Mozambique **691**

Namibia **2,634**

South Africa **3**

Angola **72**

10.4. SUPPLIERS

Together with demand planning, innovation, efficiency, participation and quality, the Global Supply Network is one of the six key factors for excellence achievement by Nueva Pescanova Group.



To preserve the values of **honesty, integrity and transparency**, the Group supports and executes codes of good commercial practices, and responsible communication and self-regulatory programs with its subsidiary companies.

- The Action Protocol on Food Donations.
- The Decalogue of Our Code of Ethics and the Social and Ethics Decalogue for Suppliers

SUPPLIERS' SOCIAL AND ETHICS CHARTER

Pursuant to the **Suppliers' Social and Ethics Charter**, suppliers must be consistent with the policies related to the conduct the company. It contains the set of principles applicable to professional performance and rules governing the conduct of the company that require those from which it acquires goods, products, commodities or services, to sign the Statement of Responsibility executed, in 2018, by a total of 306 suppliers around the world.

Additionally, other rules govern the relationship between the Company and its suppliers:

- The Corporate Policy on Good Commercial Practices for Food Service Contracting.

CORPORATE POLICY AND GENERAL PROCEDURE ON PROCUREMENT

Pursuant to these two corporate rules, the set of values and operational principles to support purchase relationships between the Group and its suppliers are established, just like a set of sub-processes that must be systematically complied with along every procurement transaction of the Group.

Professionals from Nueva Pescanova Group will always act in strict compliance with current legislation, acting with integrity, impartiality, objectivity and transparency, avoiding any type of interference or influence by suppliers, prospective suppliers or third parties that might impair impartiality or objectivity.



10.5. ENVIRONMENT AND BIODIVERSITY

RESPONSIBLE FOR THE FUTURE OF THE PLANET

The reduction of water consumption, as well as that of energy and materials, emissions and waste, and a respect for the natural environment, both require priority implementation by Nueva Pescanova Group for environmental management purposes.



REDUCTION OF MATERIALS, ENERGY AND WATER CONSUMPTION

Optimization of energy consumption in the process of fishing, aquaculture and processing of finished products, is a clear sustainability and management goal.

OVERALL VOLUME OF WATER USED PER TYPE OF SOURCE AND CONSUMPTION

SOURCE	VOLUME OF WATER USE [×1.000 m ³]	SCOPE (COUNTRIES)	ASSIGNED USE
Surface waters, including water from wetlands, rivers, lakes and oceans	1,201.6	Ecuador, Spain, Nicaragua	Industrial
		Argentina, Namibia, Uruguay	Water purification purposes through reverse osmosis on board the fishing fleet and/or processing plants
Ground water	306.8	Ecuador, Spain, Guatemala, Namibia, Nicaragua, Peru	Human consumption, washings and cleaning
Rainwater collected and stored directly by the organization	4.3	Mozambique, Nicaragua	Washings and cleaning
Municipal water supply and other private or public water services hídricos	532.5	Ecuador, Spain, Francia, Mozambique, Namibia	Human consumption, processing, washings and cleaning
TOTAL	2,045.3	Argentina, Ecuador, Spain, France, Guatemala, Mozambique, Namibia, Nicaragua, Peru, Uruguay	
Performance Indicator use of water [m ³ /MT produced]	10.8		
NON-CONSUMPTION USES			
Surface waters, including water from wetlands, rivers, lakes and oceans	2,128,202.5	Ecuador, Spain, Guatemala, Nicaragua	Growing environment for Aquaculture activities

GLOBAL CONSUMPTION OF POWER GENERATED BY FUEL COMBUSTION AND ELECTRICITY CONSUMPTION, IN 2018

POWER SOURCE	CONSUMPTION OF POWER [MWH]
Diesel	584,135.9
Natural Gas	43,157.6
Other fuels	14,585.5
Electricity	136,528.6
TOTAL	778,407.6
Performance Indicator energy [MWh/MT produced]	4.1

REDUCTION OF EMISSIONS AND WASTE

ENERGY PERFORMANCE INDICATOR (ENERGY CONSUMPTION PER FINISHED PRODUCT) BY ACTIVITY AND COUNTRY, IN 2018

ACTIVITY AND COUNTRY	PERFORMANCE INDICATOR ENERGY [KWH/KG PROD]
Aquaculture¹	
Ecuador	2.8
Spain	9.2
Guatemala	4.3
Nicaragua	2.1
Fishing²	
Argentina	5.0
Mozambique	34.8
Namibia	3.6
Uruguay	7.2
Processing³	
Spain	2.2
France	1.3
Namibia	9.0
Peru	0.5

(1) it depends on the production process (intensive/extensive) and the useful life of the species reared.

(2) it depends on the specific consumption for propulsion, operation and freezing purposes on board. The indicator for Mozambique refers to catch/vessel on the day with the lowest catch.

(3) it depends on the complexity of the processing line and the need for freezing.



Within its different fishing, aquaculture and processing activities, Nueva Pescanova Group classifies waste caused by its hazardous nature and type of valuation performed. The amounts identified, regarding 2018 area shown below:

CLASSIFICATION OF WASTE ACCORDING TO ITS HAZARDOUS NATURE AND TYPE OF VALUATION MADE, IN 2018

CLASSIFICATION AND VALUATION	AMOUNT PRODUCED[MT]
Hazardous waste delivered to authorized agent	3,690.0
Non-hazardous waste	781,859.1
Recycled	772,749.6
Recovered	1,898.2
Composted	1,037.3
For authorized agent	6,174.0



PROTECTION OF BIODIVERSITY



Fishing has the inherent nature of exploration of valuable species that, poorly managed, may have an impact on stocks depletion and/or interfere with others or threaten the balance of the marine ecosystem. Therefore, it aims at guaranteeing that its fishing activity is always ruled by principles of reasonable management of biological resources, maintenance of biodiversity and environmental quality required for the proper functioning of this ecosystem.

Therefore, the Nueva Pescanova Group is committed and undertakes to be ruled by the principles and rules established in the **Code of Conduct for Responsible Fisheries of the Food and Agriculture Organization of the United Nations (FAO)**, apart from complying with and observing international laws, at national, regional or local levels, provided in the Law of the Sea and existing aquaculture regulations in the countries where it carries out its aquaculture and fishing activities.

In the responsible fishing operational principles, the Company is concerned with:

- **Fighting against illegal, unreported and unregulated fishing (IUU).**
- **Adopting selective and environmentally safe fishing gear and practices.**

- **Avoiding overexploitation** complying with relevant managing measures.
- **Reducing waste to the minimum** at the stages of fish catching, handling, processing and distribution of fish and fishery products.
- Participating with governments and non-governmental organizations (NGO) in the **preservation of fishing resources and the management and development of fishing activities.**

Additionally, it **promotes aquaculture** as a very important source of animal protein, reducing the pressure over the wild fishing grounds and guaranteeing that resources are sustainable, safe, healthy and regulated. It is committed to responsible fish farming to contribute to preservation and a sustainable use of natural resources, promoting its optimal use and maintaining their availability and quality for present and future generations.

In this sense, the Company has established its commitment to responsible fisheries and aquaculture by certifying all of its fishing and aquaculture activities by complying with relevant sustainability standards, recognized at the international level, the principles of which are consistent with the above mentioned or, at least, comply with responsible fishing principles under the FAO.

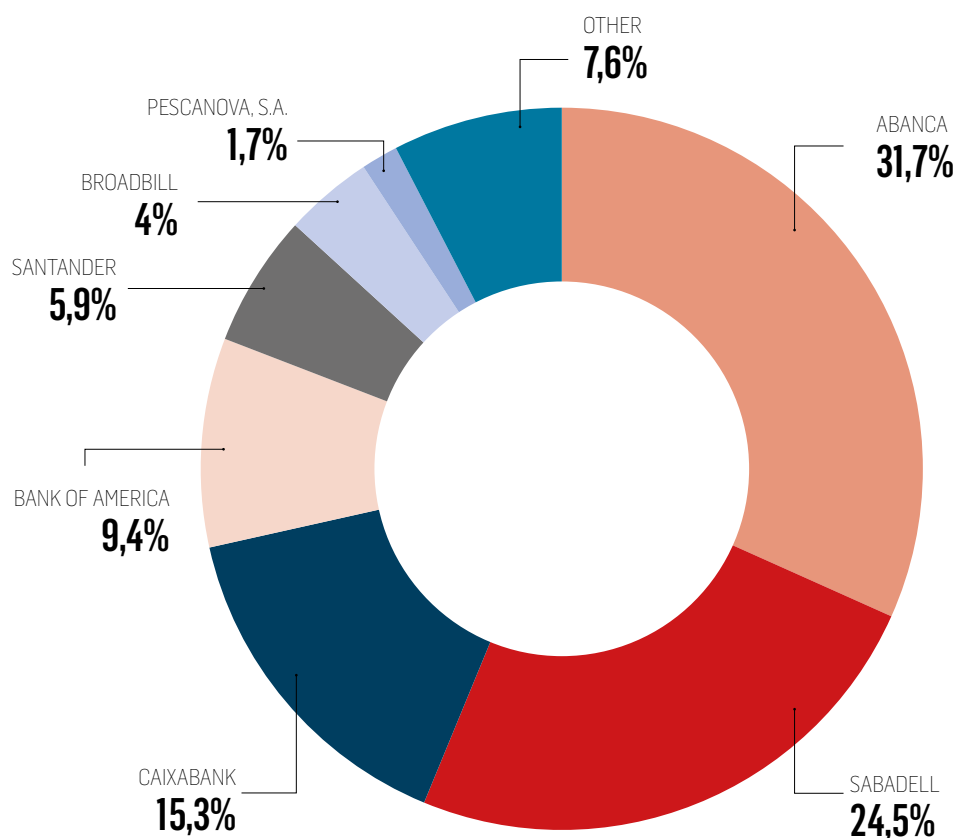
10.6. QUOTA HOLDERS

CONFIDENCE TO CONTINUE NAVIGATING IN THE RIGHT DIRECTION

Just like in 2015, when the winding-up of the “old” Pescanova was prevented, the efforts of all employees and the involvement and commitment of the company’s quota holders at the time of restructuring the company as well as for their enduring commitment to the future of the Group have been vital for the revival of Nueva Pescanova.

CORPORATE STRUCTURE OF NUEVA PESCANOVA GROUP

As of 1 June 2019, the corporate structure of the Company is as follows:



10.7. PEOPLE AND LOCAL COMMUNITIES

The responsible and social identity of Nueva Pescanova Group is committed to its people and the communities where it operates, two of the four pillars of its Corporate Social Responsibility Policy. In this sense, it commits itself to the development of more prosperous communities to generate wealth, create training and job opportunities, at the locations where it is present, getting involved in the development of a sustainable and ethic civil society in close cooperation with governmental institutions, NGOs and private bodies.



All Nueva Pescanova Group companies follow the directives below:

- **To promote and create quality and stable employment, promoting continuous training and professional development.**
- **To invest in quality assets that would favor a productive, efficient and sustainable model and, therefore, consistent with Our Code of Ethics and the Fishing, Aquaculture, Commercial, Industrial and Environmental Responsibility programs of the Company.**
- **To encourage the improvement of the quality of life at the locations where it undertakes its activities by way of social work programs **supporting actions and projects for improving education and welfare**, as well as investments in necessary infrastructure allowing for sustainable development of Group activities within the society.**

In the last three years, the Company has supported or promoted actions and specific **development projects related to social, educational, cultural and commercial aspects** in the countries where it operates. There, it contributes to fish consumption, promotes activities related to the history and culture of the countries of origin, promotes new skills and offers training through programs such as cooperative technical and professional training, invests in schools, kindergartens and housing programs, supports communities at risk, etc.

LOCAL COMMUNITIES AND COMMUNICATION CHANNELS

The relation between the Group and its professional representatives with stakeholders is based on **collaboration, cooperation, involvement and bidirectional communication**, allowing the construction of consistent trustworthy relations, that are transparent and include active listening. This allows us to consider the legitimate interests of the communities and their ability to communicate effectively information about activities and businesses.

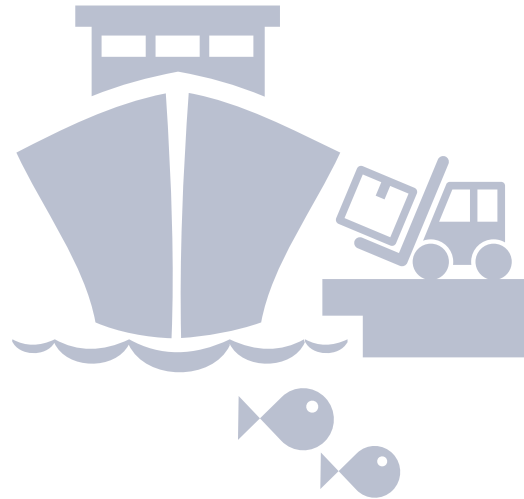
Among the Stakeholders that the Company has formally identified, we highlight the **“local communities”**, with which we have established communication channels to actively listen to their necessities and expectations, as well as effectively informing them about the activities from different companies from the Group.

Besides the typical communication channels, in conformity with the Company’s communication strategy, there are other means of communication with these communities through the **promotion, management and development of educational, cultural or sport activities** within the countries where the company is present.

LOCAL DEVELOPMENT

Since its origins, Nueva Pescanova has relied on **local integration and presence**. This way, it has contributed to the development of different communities where it has operations, such as in Lüderitz, in Namibia, or Beira in Mozambique, improving the living conditions of its people.

Through the Group's local companies, like **NovaNam** in Namibia, **Pescamar** in Mozambique, **Promarisco** in Ecuador or **Novaguatemala** in Guatemala, the Group has supported socioeconomic development while respecting the local customs and traditions, promoting and investing in projects like the **creation of suitable housing, day care units for the employee's children, schools, shops, urban development, access to education, training programs and positions of responsibility for local people**, among many other actions.



EMPLOYMENT AND TRAINING

It's a vital part of the company's strategy and of its **CSR Master Plan** to care for the **People's** personal and professional development —meaning those who are part of Nueva Pescanova Group— and their contribution to the improvement of the quality of life to the **Communities** where the company is present.

84.5% OF THE GROUP'S STAFF WORK IN AFRICA AND LATIN-AMERICA

In Africa, the Group is very much present in **Namibia and Mozambique**, where we employ a total of 3,325 workers: 2,634 people in Lüderitz and Walvis Bay (Namibia) and 691 people in Beira (Mozambique). In these countries, we have established **transfer of skills programs for fishing related positions**, for example, net making/repair, thus benefiting the development of local jobs.

The focus on continuous education and training for the Nueva Pescanova team is the main lever that the Group uses to favor local development, by investing in job-creating assets within the communities where the companies operate.

In 2018, the Group has continued to implement **basic reading skills and general education programs** in countries like Ecuador and Namibia. These programs allow a better educational level at an individual level for our staff. We have registered 62 employees in the **Namibian College of Open Learning (Namcol)**, and 29 in **Educational programs of Ecuador** during the period 2016-2018.

The Group, through **NOVANAM**, which contributes to education programs in the city of Lüderitz (Namibia) with **day care for the children of the staff** that work there, taking care of 86 boys and girls.

In the social aspect, we continue with the important educational service in the **school (CEPAC)**, in the Guatemalan locality of Champerico, which enrolls about 600 students each year, starting from kindergarten all the way to professional education.

JOB CREATION BY NUEVA PESCANOVA, BREAKDOWN BY REGION

AFRICA	EUROPE AND USA
WOMEN 1,331	WOMEN 771
MEN 1,997	MEN 742
TOTAL 3,328	TOTAL 1,513
LATIN AMERICA	TOTAL
WOMEN 1,326	WOMEN 3,428
MEN 3,582	MEN 6,321
TOTAL 4,908	TOTAL 9,749



5 SENSES: I SEE WITH MY EYES
I HEAR WITH MY EARS
I SMELL WITH MY NOSE
I TASTE WITH MY TONGUE
I TOUCH WITH MY HAND
Days of the Week

PRINCESS OF everything!

10



ENVIRONMENT

In Africa, the Group has implemented programs that favor the recovery of the plant life, like palm trees in Lüderitz (Namibia), and litter removal in the city of Beira (Mozambique).

In Latin America, we continue with the development of the environment management programs, like the replanting native plants and mangroves, and restocking local wildlife, like iguanas and turtles, thus helping preserve the Estero Real in Chinandega (Nicaragua), recovering natural spaces in Champerico (Guatemala), and in Duran (Ecuador).

SOCIETY

In every country and location where the Nueva Pescanova Group is present, it joins local, regional and national associations—, which contribute to social, economic and environmental development. Among the association entities, we highlight:

- **FISHERIES:** **ARVI** (Cooperativa de Armadores de Pesca Puerto de Vigo [Fishing Ship-owners Cooperative of Puerto de Vigo]); **CEPESCA** (Confederación Española de Pesca [Spanish Fishing Confederation]); **AMAPIC** (Asociación Mozambiqueña de Armadores de Pesca Industrial de Camaron [Mozambican Industrial Shrimp Fishing Shipowners Association]); **CAPA** (Camara de Armadores de Poteros de Argentina [Chamber of Jigging Vessel Shipowners of Argentina]), **NHFA**, (Namibian Hake Fishing Association); **CNFA** (Confederation of Namibian Fishing); or **COLTO** (Coalition of Legal Toothfish Operators).
- **AQUACULTURE:** **APROMAR** (Asociación Empresarial de Acuicultura de España [Aquaculture Business Association of Spain]); **CETGA** (Cluster de Acuicultura de Galicia [Aquaculture Cluster of Galicia]); **ANDA** (Asociación Nicaraguense de Acuicultores [Nicaraguan Association of Aquaculture farmers]); and **CNA** (Camara Nacional de Acuicultura de Ecuador [National Aquaculture Chamber of Ecuador]).
- **PROCESSING:** **ASEFAPRE** (Asociación Española de Fabricantes de Platos Preparados [Spanish Association of

Plate Preparations Manufacturers]); **ANFACO-CECOPECA** (Asociación Nacional de Fabricantes de Conservas de Pescados y Mariscos – Centro Técnico Nacional de Conservación de Productos de la Pesca, España [National Association of Manufacturers of Shellfish and Fish Conserves – National Technical Center of Seafood Conservation, Spain]); **AME** (Asociación Multisectorial de Empresas de Alimentación y Bebidas, España [Multisector Association of Food and Drink Companies, Spain]); or **FIAB** (Federación Española de Industrias de Alimentación y Bebidas [Spanish Federation of Food and Drink Industries]).

- **TRADE:** **AECOC** (Asociación Española de Codificación Comercial [Spanish Association of Commercial Coding]); **GSI Portugal - CODIPOR** (Associação Portuguesa de Identificação e Codificação de Produtos [Portuguese Association of Product Identification and Codification]) **PROMARCA** (Asociación Española de Empresas Fabricantes de Marcas Líderes de Gran Consumo [Spanish Association of Highly-Traded Leader-Brand Companies]); **CENTROMARCA** (Associação Portuguesa de Empresas de Produtos de Marca [Portuguese Association of Branded Product Companies]); or **FMRE** (Foro de Marcas Renombradas Españolas [Prominent Spanish Brands Forum]).
- **SUSTAINABILITY:** **GSSI** (Global Sustainable Seafood Initiative); **SFP** (Sustainable Fisheries Partnership); **GAA** (Global Aquaculture Alliance); **ECOEMBES** (Ecoembalajes España, S.A.); or **SPV** (Sociedade Ponto Verde, Portugal).
- **I+D AND QUALITY:** **AINIA** (Instituto Tecnológico de la Industria Agroalimentaria, España [Tech Institute of the Agro-food Industry]); **AIMEN** Centro Tecnológico (Asociación de Investigación Metalúrgica del Noroeste, España [Metal Industry Research Association, of northeastern Spain]); or **AEC** (Asociación Española para la Calidad [Spanish Association for Quality]).
- **ADVERTISING AND COMMUNICATION:** **AEA** (Asociación Española de Anunciantes [Spanish Advertising Association]) and **AUTOCONTROL** Independent Institution of Self-regulation of the Advertising Industry in Spain.

CONSUMPTION

The Nueva Pescanova Group has developed a **program to increase the consumption of fish** among the Namibian population, favoring fish protein intake in Mozambique, through the commercialization of by-catch species by using local commercial distribution channels.



The Company promotes an ambitious activity and specific development projects, with a social, educational, commercial and cultural approach in the countries where it has operations

SPONSORSHIP

Regarding sponsorships, through its Spanish and foreign companies, it participates in different initiatives and schemes, as well as in cultural and educational projects and development aid arrangements, among others.

In the educational field, we highlight the **sponsorships** through its foundation **FUNDANOVA** (Guatemala), the **CEPAC school** in Champerico (Guatemala), and the day care for the **NOVANAM** factory employees' children, in Lüderitz (Namibia).

In the environmental field, we have the contributions to **coastal cleaning programs**, such as the one held in Spain. We also have the **Libera Program along with ECOEMBES and SEO BIRDLIFE**; in Namibia, we collaborate on the **Primero de Mayo (May 1st), National Cleaning Day**; in Guatemala, with the **sidewalk cleaning and whitewashing**, as well as eliminating clandestine dumping sites in Champerico; in Mozambique, with the **Beach Cleaning Day**, in the city of Beira; the key element for the success of all these programs has been the **sponsorship and voluntary contribution** of the Company teams.

In Spain, in 2018, we collaborated in the fifth edition event of the **International Forum of the European Youth Parliament** held in Galicia.

In the social field, we especially highlight the **product donations** given to local communities, veterans of the Namibian Navy, as well as to low income families in Guatemala. Additionally, there's the collaboration with the association of parents with differently abled children "Los Pipitos," and cooperation agreements with Spanish food banks.

19,658

KILOS OF
DONATED FOOD
IN 2018

FOOD DONATIONS

To organize these product donation activities, the Company has created an Action Protocol in matters of food donation.

On January 23, 2018, the company signed an agreement with the Fundación Provincial del Banco de Alimentos de Vigo [Provincial Foundation of the Vigo Food Bank]. Thus, this agreement was added on top of the other contributions that the Group actively makes and regulates every year, with different organizations in Spain.

Likewise, the Group is member of the Alimentum Foundation, by which the Group participates on the Solidary Food Day (DAS), while collaborating with 56 Food Banks, who comprise the Spanish Federation of Food Banks (FESBAL). In 2018, the Group donated 19,658 kg of food, in Spain.

Additionally, the Company continues the professional internship programs in Ecuador and Nicaragua, besides actively participating and supporting disaster relief operations.



WE'RE RESPONSIBLE WITH "THE CITY BORN FROM THE SEA"

A good presentation letter for the Group's Corporate Social Responsibility policy is the documentary film "The City Born from the Sea". This film offers a revealing and valuable sample of the commitment that the Company has with the communities where it is located; acting ethically, keeping its trustworthiness and creating value.

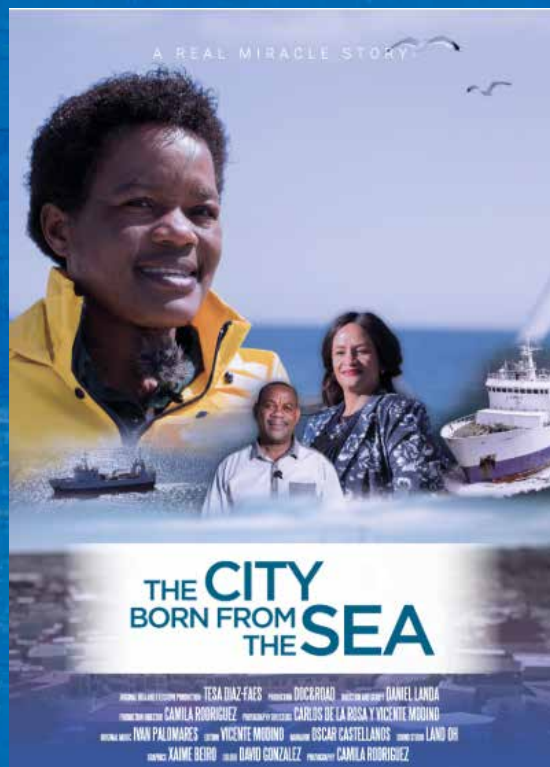
The film was premiered at the Academia de las Artes y las Ciencias Cinematográficas [Academy of Cinematographic Arts and Sciences], in Madrid, "The City Born from the Sea" shows our transformation of Lüderitz, a small town in southern Namibia. It's located between the desert and the sea. This town has become a land of opportunities, where the priority are the people and the development of the community.

The arrival of Pescanova in 1990 brought life back to this town. It now offers work, education and opportunities to its citizens. A transformation process that has drawn the influx of people into the city, which was practically abandoned back at the beginning.

Based in real characters and stories, the documentary storyline focuses on Nelago Kwedhi, the first Namibian woman to become a trawler captain. Novanam, the local company, is one of the examples that best portrays the Pescanova CSR philosophy. It isn't simply a fishing company, it's a team of people that do not hold back when facing obstacles or frontiers. They understand about effort and hope, and they apply it caring for their job and environment.

YOU CAN WATCH THE DOCUMENTARY ON THE WEB SITE WWW.THECITYBORNFROMTHESEA.COM

Currently, the Group has two subsidiaries in Namibia: Novanam and Lalandii. Through these, the Group employs over 2,000 people, offers study scholarships to the employees' children, and has built housing, day care facilities and children playgrounds. Additionally, the Group opened the first seafood store, in order to bring seafood products to the general population. We are also committed to the training of our workers, allowing them to access professional growth opportunities in an area that used to have no future. We therefore foment the socioeconomic development of the community.



10.8. CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Nueva Pescanova Group has aligned itself with the Corporate Social Responsibility and Sustainability with the Sustainable Development Goals (SDGs) Thereby, we assume the commitment with Agenda 2030 of the United Nations by incorporating the 17 SDGs in all our activities, whether it's fishing, aquaculture, or the processing and commercialization of seafood. This commitment is thereby understood to include all the countries where the Group has presence.



We are convinced of the SDGs role in society and the economy, with the aim of improving the quality of people's lives and their surroundings, and we start from the point that our responsible action principles are based on the pillars of: Planet, People, Product and Community; the Group analyzed the contribution of the projects that have been developed in the areas of CSR and SDGs, particularly the compliance with the **169 specific goals**. This report refers to the results obtained in the detailed analysis of **226 CSR projects in four countries: Ecuador, Guatemala, Nicaragua and Namibia**.

THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY STRATEGY CONTRIBUTES TO THE 17 SDGs

In the bottom-left of each of these 17 objectives, you can find the total number of identified projects in each of those countries (Namibia, Nicaragua, Ecuador and Guatemala) contributing, specifically, to each objective.



These are the SDGs to which the Group contributes the most thanks to its projects, within the four analyzed countries:

- **8 (Decent Work and Economic Growth)** with 88 projects.
- **12 (Responsible Production and Consumption)**, with 82 projects.
- **9 (Industry, Innovation and Infrastructure)**, with 78 projects.

This trend can be verified in the analysis by activity (fishing or aquaculture).

In the total operations carried out as a result of these particular initiatives (projects and actions)—which have been developed in the four aforementioned countries—, we can observe that each of the principles and pillars of the CSR of the Nueva Pescanova Group actively show their contribution to the 17 SDGs, without exception.

RELATIVE CONTRIBUTION TO EACH OF THE SUSTAINABLE DEVELOPMENT GOALS AND NUMBER OF PROJECTS DEVELOPED BY THE NUEVA PESCANOVA GROUP IN ITS AQUACULTURE (ECUADOR, GUATEMALA AND NICARAGUA) OR FISHING (NAMIBIA), INCLUDING PRIMARY PROCESSING OPERATIONS:

CORPORATE SOCIAL RESPONSIBILITY (CSR) PROJECTS OF THE NUEVA PESCANOVA GROUP, IN FOUR COUNTRIES, AND THEIR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

COUN-	CSR PILLAR	Nº. PROJECTS	TOTAL SDGS
Ecuador	4	49	17
	Planet	15	9
	People	14	9
	Product	9	6
	Communities	11	10
Guatemala	3	47	17
	Planet	18	13
	People	22	9
Namibia	4	70	17
	Planet	25	11
	People	21	8
Nicaragua	4	60	17
	Planet	15	12
	People	32	10
	Product	5	4
Global	Communities	8	8
	4	226	17

SUSTAINABLE DEVELOPMENT GOALS (SDGs)	CSR PROJECTS IN AQUACULTURE COUNTRIES	CSR PROJECTS IN FISHING COUNTRIES	TOTAL PROJECTS
1. NO POVERTY	21	6	27
2. ZERO HUNGER	25	16	41
3. GOOD HEALTH AND WELL-BEING	30	13	43
4. QUALITY EDUCATION	30	12	42
5. GENDER EQUALITY	7	6	13
6. CLEAN WATER AND SANITATION	17	5	22
7. AFFORDABLE AND CLEAN ENERGY	8	4	12
8. DECENT WORK AND ECONOMIC GROWTH	64	24	88
9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	48	30	78
10. REDUCED INEQUALITIES	35	13	48
11. SUSTAINABLE CITIES AND COMMUNITIES	14	7	21
12. RESPONSIBLE PRODUCTION AND CONSUMPTION	53	29	82
13. CLIMATE ACTION	17	9	26
14. LIFE BELOW WATER	26	10	36
15. LIFE ON LAND	18	1	19
16. PEACE, JUSTICE AND STRONG INSTITUTIONS	10	2	12
17. PARTNERSHIPS FOR THE GOALS	33	9	42

<p>1 NO POVERTY</p> 	<p>We create sustainable jobs, guarantee equality, and reinforce professional capabilities, contributing to ensure inclusive economic growth.</p>	<p>2 ZERO HUNGER</p> 	<p>We carry out projects in favor of the most vulnerable sectors, such as the one that provides access to food and basic services, and to achieve a sustainable use of resources, hence contributing to their long-term availability.</p>
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>We work in educational and prevention campaigns against diseases; promoting periodic medical checkups, psychological wellbeing programs, organized activities and healthy habits for a healthy life for the employees, as well as healthy products for consumers.</p>	<p>4 QUALITY EDUCATION</p> 	<p>We have available multiple educational projects that range from ensuring basic education up to programs oriented towards the fulfillment of secondary education, and scholarships to increase access to the University.</p>
<p>5 GENDER EQUALITY</p> 	<p>We actively work to ensure we provide equal access to employment and training for women and men. We also encourage such an equality in responsibility roles.</p>	<p>6 CLEAN WATER AND SANITATION</p> 	<p>We are committed to the development of new technologies and more efficient equipment, which needs less water to operate, hence reducing water consumption and environmental impact.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>We apply energy-efficient management methods in factories and on board our vessels. We work in energy-viable projects from renewable sources in our aquaculture facilities (farms and hatcheries).</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>While being aware of the environmental impact of the fishing industry, we are committed to the promotion of decent work, ensuring security in employment and promoting inclusion of all people.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>We work for the improvement of logistic processes. We invest in new technologies and more efficient equipment, thus promoting the rational and sustainable use of resources.</p>	<p>10 REDUCED INEQUALITIES</p> 	<p>While being aware of the environmental impact of the fishing industry, we put our stakes in promoting dignified jobs, ensuring security in employment and promoting inclusion of all people.</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>We encourage the improvement of slums towards a more humanely sustainable housing and contribute to protecting and safekeeping cultural and natural heritage.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>We guarantee the necessary means to achieve a more sustainable resource management; by reducing chemical and biological pollution, controlling emissions and promoting a circular economy by waste recovery.</p>
<p>13 CLIMATE ACTION</p> 	<p>We work on using renewable energy, hence reducing the amount of fossil fuel consumption, and saving energy. We implement reforestation projects, contributing to the mitigation of climate change.</p>	<p>14 LIFE BELOW WATER</p> 	<p>We work in encouraging a sustainable fishing and aquaculture practice in the countries where we operate, thus protecting the marine resources for their preservation.</p>
<p>15 LIFE ON LAND</p> 	<p>We carry out projects that contribute to restoring and reducing the damage of coastal ecosystems, as well as fresh water sources and their biodiversity.</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>We work on regulatory compliance policies, ethical culture and CSR, and encourage fair and strong relations in all the countries where we operate.</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>We encourage the creation of efficient alliances with the civil society, public administration institutions, academia and trade organizations.</p>	<p>SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD</p>	

RODOLFOS

La mayor señal de identidad
y calidad de Pescanova

UN SABOR Y ASPECTO
INSUPERABLE

MAYOR CALIDAD
DE PRODUCTO

SELECCIONADOS
UNO A UNO

NO TODOS LOS LANGOSTINOS
PUEDEN SER RODOLFOS



26



COCIDOS CON UN
PROCESO METICULOSO

EN DEFINITIVA... UNA
GARANTÍA DE BIGOTES

PASO 1

Los langostinos se crían
en nuestras granjas

PASO 2

Hacemos una selección
de los mejores

PASO 3

Los productos llegan intactos
desde el origen hasta tu mesa

2018 / 2019

CATÁLOGO



ABOUT THIS REPORT



This report seeks to be a transition from the former **Annual report 2016-2017**, towards a uniform and fully integrated one, in 2019, which includes financial and non-financial information of the **Nueva Pescanova Group**. Therefore, this year, the **2018 Nueva Pescanova Integrated Report** coexists with the **Non-Financial Information Statement (NFIS)** included in the Annual Consolidated Accounts Management Report, in compliance with the **Law 11/2018**.

In case of discrepancies, the Non-Financial Information Statement prevails, given that, in compliance with the above-mentioned law, the independent verification service provider, KPMG, has checked it. Moreover, we have considered appropriate to include the table of **GRI Reporting Standards** of this NFIS, which we have included in the next page of this report.

This Report follows the recommendations of the **International Integrated Reporting Council (IIRC)** as well as the standard used by the **Global Reporting Initiative** and, in particular, the **GRI Standards**. We use as a reference frame the **United Nation's 17 Sustainable Development Goals**, and includes a summary of two thorough analysis, both on **Materiality** as well as on the Group's contribution on the pursuit of the **United Nation's Sustainable Development Goals**, whose comprehensive versions can be found in our corporate web page: www.nuevapescanova.com

11.1. GRI TABLE OF THE NON-FINANCIAL INFORMATION STATEMENT

It is a correlation table for the contents disclosed pursuant to Law 11/2018, of December 28 of 2018. Regarding non-Financial information and Diversity, the 17 aspects identified in the Materiality Matrix of the Nueva Pescanova Group and the GRI Standards.

Law 11/2018	Materiality Matrix Nueva Pescanova Group	GRI	Pages NFIS
Disclosures on Human Rights respect Disclosures on fighting corruption, bribery and money laundering	[1] We defend good governance	GRI 102-16 GRI 102-17 GRI 205-1 GRI 205-2 GRI 407-1 GRI 408-1 GRI 409-1 GRI 412-1 GRI 412-2	8-12 41-48 48-56
Disclosures on environmental issues: • Sustainable use of resources	[2] We reduce our consumption of energy, water and materials	GRI 301-1 GRI 302-1 GRI 302-4 GRI 303-1 GRI 303-3	8-11 17-21
Disclosures on environmental issues: • Pollution • Circular economy and prevention • Waste management • Climate change	[3] We reduce our Emissions and Waste	GRI 301-2 GRI 305-1 GRI 305-2 GRI 305-6 GRI 306-2	8-11 22-26
Disclosures on environmental issues: • Protection of biodiversity	[4] We respect the natural environment by acting in a responsible way	GRI 304-1 GRI 304-2 GRI 304-3 GRI 307-1	8-11 26-30
Disclosures on social issues and regarding our people: • Relations	[5] [5] We are committed to Labor Responsibility	GRI 102-41 GRI 103	36-37
Disclosures on social issues and regarding our people: • Training	[6] We encourage professional and personal development	GRI 404-1 GRI 404-2 GRI 404-3	37-39
Disclosures on social issues and regarding our people: • Health and Safety	[7] We work to improve Health and Safety at Work	GRI 403-1 GRI 403-2 GRI 403-3	35-36
Disclosures on social issues and regarding our people: • Employment • Work organization	[8] We work to strengthen the pride of belonging	GRI 102-8 GRI 401-1 GRI 401-2 GRI 401-3	30-35

Law 11/2018	Materiality Matrix Nueva Pescanova Group	GRI	Pages NFIS
Disclosures on social issues and regarding our people: <ul style="list-style-type: none"> • Employment • Accessibility • Equality 	[9] We promote equality and diversity	GRI 308-2 GRI 414-2 GRI 416-1 GRI 418-1	30-35 39-41
Disclosures on Society: <ul style="list-style-type: none"> • Subcontracting and providers • Consumers 	[10] We guarantee the food safety of our products	GRI 308-2 GRI 414-2 GRI 416-1 GRI 418-1	60 61-67
Disclosures on Society: <ul style="list-style-type: none"> • Subcontracting and suppliers • Consumers 	[11] We guarantee the quality of our products	GRI 308-2 GRI 414-2 GRI 416-1 GRI 418-1	60 61-67
Disclosures on Society: Consumidores	[12] We offer products that are Healthy and nutritious	GRI 416-1 GRI 418-1	61-67
Disclosures on Society: <ul style="list-style-type: none"> • Consumers 	[13] We innovate to achieve maximum efficiency and to improve customers' satisfaction	GRI 416-1 GRI 418-1	5-6 61-67
Disclosures on Society: <ul style="list-style-type: none"> • The commitment of our company to sustainable development 	[14] We invest in assets and Infrastructure	GRI 103	56-59
Disclosures on social issues and regarding our people: <ul style="list-style-type: none"> • Training 	[15] We promote the creation of jobs through the transfer of knowledge	GRI 404-1 GRI 404-2 GRI 404-3	37-38
Disclosures on Society: <ul style="list-style-type: none"> • Subcontracting and providers • Consumers 	[16] We value history tradition and seafood products of our surroundings	GRI 308-2 GRI 414-2 GRI 416-1 GRI 418-1	59-60 60-66
Disclosures on Society: <ul style="list-style-type: none"> • The commitment of our company to sustainable development 	[17] We lead projects for social development	GRI 102-43 GRI 102-13 GRI 203-2 GRI 413-1 GRI 413-2	56-60



11.2. MATERIALITY

The Nueva Pescanova Group has tried to collect and categorize all the projects and activities carried out by its companies in four pilot countries. The result of the exercise has been positive as to the identification of CSR projects and activities; its alignment with the CSR policy levers; the cooperation among stakeholders and the prioritization of the work areas in which the Group must promote its Sustainability policy.

We have identified and classified **226 projects that are focused on CSR** in the four countries where the Company carries out its activities significantly: three for aquaculture operations (Ecuador, Guatemala and Nicaragua) and one for fishing operations (Namibia), which represent 66% of the equivalent employees of the group.

The materiality analysis identifies two relevant and determining material aspects that require best performance for the group: **food safety** of the products, and **health and safety at work** for employees.

Other important material aspects are the reduction of consumption, labor responsibility, respect for the environment, governance, and the quality of Pescanova products.

Given its topmost importance, these seven aspects share the same urgent need to be implemented as on-site plans, projects and activities.

The 4 main guiding principles of the Nueva Pescanova Group's CSR (Planet, People, Product and Community) are directly applied in projects that are developed in the

four countries analyzed: these average at about 18, 22, 6 and 11 projects, respectively. This shows how CSR and CSR projects are understood transversally, as well as the scope of Group companies' activities.

The consultation exercise performed with stakeholders has been positive, and the results obtained are considered of great value, considering that it was the first exercise with this nature. We now aim at performing this analysis periodically and ensure that the Nueva Pescanova Group is permanently aligned with stakeholders' expectations. Likewise, it is expected that the repetition of the exercise will bring a higher response rate, thus providing better and more significant data.

The **materiality matrix** shows the relative distribution regarding the priority of important material aspects determined in the priority analysis of these stakeholders, both internal and external. The relevance for each of the material aspects were calculated as weighed averages in accordance to the number of answers from each group. They were also distributed on two axes: one for the external and the other one for the internal stakeholders.



The analysis of the answers received considers, on one hand, internal stakeholders and their impact in defining and applying the Nueva Pescanova Group's strategy; and on the other, the external stakeholders and their influence in each material aspect in their assessments or decisions, meanwhile taking into account the necessities, interests and expectations inherent to each of groups inquired.

By paying attention to the prioritization and weights, the materiality matrix allows us to identify, in a simple and visual way, the aspects that are understood as relevant to the Nueva Pescanova Group, in the deployment of its CSR Master Plan.

MATERIALITY MATRIX



ETHICS

1 - We advocate for good governance

PLANET

- 2 - We reduce our energy, water and materials consumption
- 3 - We reduce our emissions and waste generation
- 4 - We look after the environment by acting responsibly

PEOPLE

- 5 - We are committed to labour responsibility
- 6 - We encourage professional and personal development
- 7 - We work to improve occupational health and safety
- 8 - We work to improve occupational health and safety
- 9 - We stand up for equality and diversity

PRODUCT

- 10 - We guarantee the food safety of our products
- 11 - We guarantee the quality of our products
- 12 - We offer healthy and nutritious products
- 13 - We innovate to achieve maximum efficiency and improve consumer satisfaction

COMMUNITIES

- 14 - We invest in assets and infrastructures
- 15 - We promote employment creation through knowledge and technology transfer
- 16 - We value the history, tradition and seafood of the countries where we are present
- 17 - We lead social development projects



NUEVA PESCANOVA GROUP

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