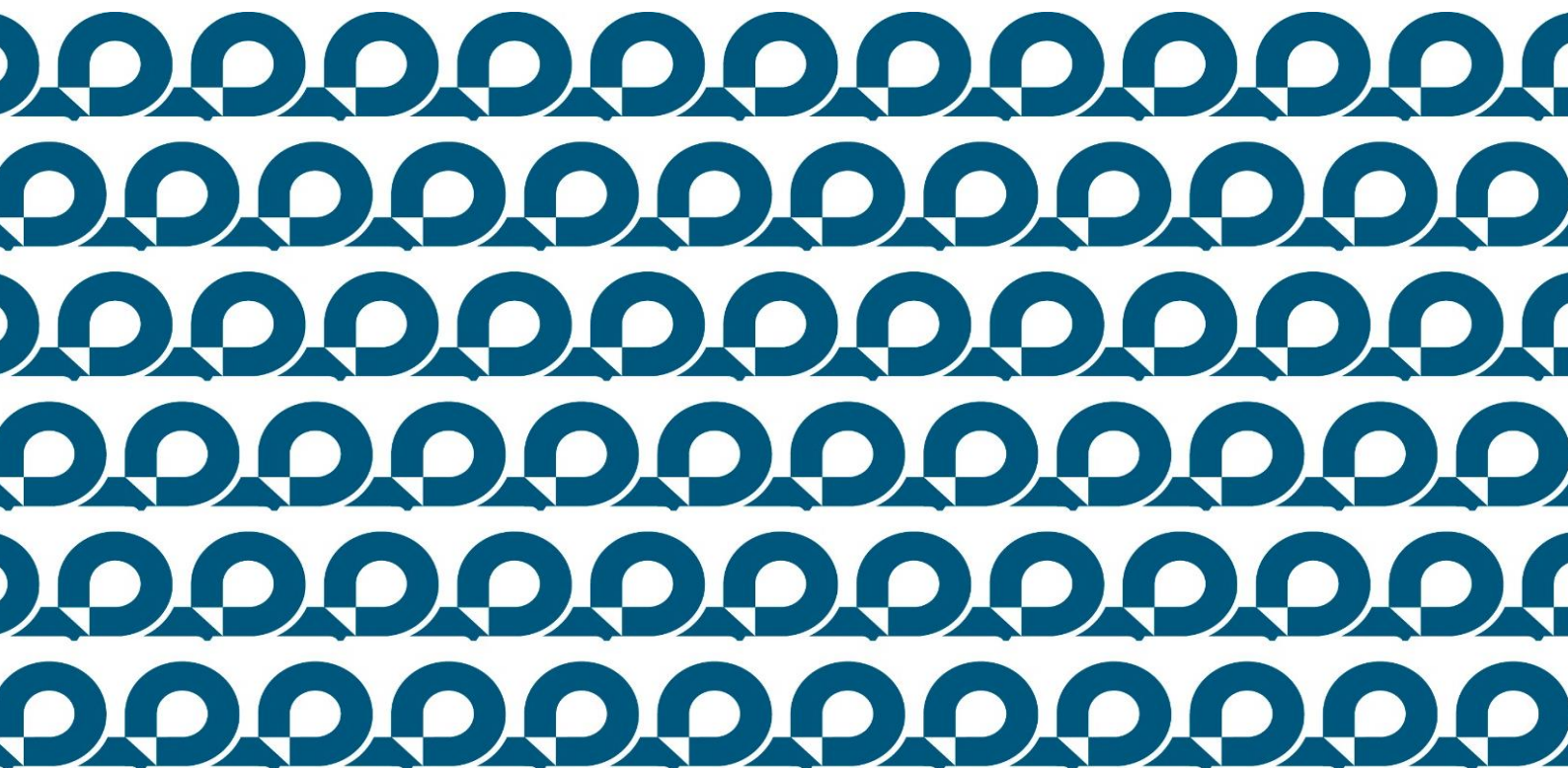




## SECTORAL POLICY OF FISHERIES RESPONSIBILITY OF THE NUEVA PESCANOVA GROUP

*Approved by the Executive Committee (COMEX) of the Nueva Pescanova Group in its Meeting held on September 23<sup>rd</sup>, 2019*



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## Preamble

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1. Sustainable development and responsible actions are undisputable and essential aspects of the business culture of the Nueva Pescanova Group, given that the fishing activity is determined by its extractive nature and/or consumption of natural resources. We recognize that the right to fishing carries with it the obligation to do so responsibly and sustainably in order to ensure the conservation and effective management of the living aquatic resources and the associated ecosystems.
2. Thus, in line with the commitments made in our **Corporate Social Responsibility (CSR) and Sustainability Policies**, the Nueva Pescanova Group, its professionals, and the people who act on its behalf will contribute to an appropriate and responsible development and planning of our fishing activity, in a way that satisfies the multiple needs and desires of the society and communities where we are present, without putting at risk the possibility of having future generations benefit from the entire array of goods and services that may be provided by marine ecosystems.
3. The conservation of natural resources and the productive and regenerative capacity of the ecosystem, as well as the creation of social and economic benefit to stakeholders, to benefit both current and future generations, by means of responsible activity, lay the framework for the definition of **Sustainability** for the Nueva Pescanova Group
4. The intrinsic value of the natural resources extracted or consumed must always be transferred to the final product offered to the consumer in a responsible way, in order to ensure the sustainability of those activities. The benefit created by the activities of the Group are also framed in the social sphere, by means of creating shared value, employment, training, knowledge, infrastructures, among other things, for the good of society, and in the economic sphere, by means of creating tangible and intangible value to the shareholders and employees of the Nueva Pescanova Group, as well as its suppliers, customers, and communities where we are present.
5. The Nueva Pescanova Group, since its foundation, has sought to protect and improve the environment, either directly through its own investments in means with the utmost respect for the environment, or by collaborating towards a suitable regulatory framework that protects it, both nationally and internationally, and in its compliance. In the first case, the factories and vessels of the Group are equipped for the highest respect of the environment. In the second case, and given the extractive nature of the activity, the Group has always pursued the highest preservation of the natural wealth of the seas and the productive and regenerative capacity of the marine ecosystem. Both aspects are requirements of the responsible action in fishing operations and essential condition to characterize the Sustainable Fishing process.
6. The Nueva Pescanova Group actively participates and has participated with the governments and scientific bodies of the countries in which it conducts its fishing activities for a progressive and better legal and biological planning of its marine resources, being promoters of the establishment of closure periods and the control of fishing gear. This philosophy of conservation and rationalization of fishing activity has entailed, and today entails, one of the strategic pillars of responsible action by companies in the Nueva Pescanova Group, and is linked to the principles of the blue economy, in which fishing is a source of food, the generator of employment, and of social and economic benefit. All this allows the Group to very optimistically see the future of fishing resources and for that investments were made throughout the last decades.

7. The Nueva Pescanova Group has its own code of conduct and good business practices entitled **Our Code of Ethics** which lays out a set of principles and guidelines for conduct intended to guarantee ethical, upright, and responsible behaviour from all its professionals. **Our Code of Ethics** expressly states our firm commitment to the best CSR practices as a unifying framework of the programs and activities with the Stakeholders, as well as the generation of wealth and well-being in society harmonising the creation of value by its partners with sustainable development in the scope of the environment, social cohesion, just labour relations, and constant communication with the different collectives related to the Nueva Pescanova Group in order to address their needs and expectations.

#### **Article 1. Object**

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1. This Sectoral Policy has the following object:
  - a. To define the scope, principles, and objectives of responsible action in the scope of the fishing activity of the Nueva Pescanova Group.
  - b. To formally establish the Responsible Action Policy of our fishing activities as identified in the **Corporate Social Responsibility Policy of the Nueva Pescanova Group** (article 8), which it integrates and complements, promoting the sustainability of said fishing activities.
  - c. To contribute to the promotion of a culture of corporate responsibility based on the creation of value in a sustainable way, preserving the natural environment in which it carries out its activity and committed to the development and well-being of local communities.
2. This Sectoral Policy will be complemented by specific internal plans relating to both the operational and functional areas of the Nueva Pescanova Group (namely: waste management plans; occupational health and safety plans; certification plans; training and collaboration plans with the official nautical-fishing training centres, etc.).

#### **Article 2. Scope of Application**

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1. This Sectoral Policy must be complied with by all companies and professionals of the Nueva Pescanova Group with fishing activity or relevant to the same.
2. The Nueva Pescanova Group is made up of the company Nueva Pescanova, S.L. and all the Spanish and foreign companies owned and managed, directly or indirectly, by Nueva Pescanova, S.L.
3. By professionals of the Nueva Pescanova Group we mean every director, manager, representative and other employee of the Nueva Pescanova Group, regardless of their location and employment relationship with the company.

#### **Article 3. General Principles and Objectives of Responsible Action in Fisheries**

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1. The Nueva Pescanova Group is committed to full compliance of legal requirements on matters of fishing in the countries where it carries out its fishing activity and with the applicable international measures.
2. The Group explicitly recognizes the principles stated by the Food and Agriculture Organization of the United Nations (hereinafter, FAO) in its Code of Conduct for Responsible Fisheries (CCRF) as the necessary framework so that in the scope of national and international initiatives, a sustainable exploitation of live aquatic resources is ensured, in line with the conservation of the environment. The CCRF establishes principles and regulations

applicable to the conservation, planning, and development of fisheries, for voluntary implementation, aimed at achieving appropriate responsible action on fishing matters.

3. The general principles of responsible fishing activity at the Nueva Pescanova Group are focused on:
  - a. The positive contribution to long-term conservation and sustainable use of fishing resources, promoting their optimal use and maintaining their availability and quality for current and future generations.
  - b. The fight against illegal, unreported, and unregulated fishing (IUU fishing).
  - c. Compliance with the fishing planning measures in order to maintain and restore populations to sustainable levels and yields.
  - d. Support to governments, and their scientific bodies, in the development of management plans based on scientific data, as the basis for sustainable management of the biological resource and the fishing activity itself, considering that governance based on ecosystem approach to fisheries and the application of precautionary criteria are important to ensure appropriate management of the exploitation of marine resources, both the well-being of people and the ecosystem, and an equitable distribution of benefits from that exploitation.
  - e. The collection and maintenance of up-to-date statistical data on catches in the fishing grounds and countries where it carries out its fishing activity, in order to facilitate the control and effective management of the effort, results, and compliance with quotas or other management and planning measures on fishing.
4. The Nueva Pescanova Group establishes, as an objective in the commitment of responsible action in aspects of fishing, environmental, and labour management:
  - a. The certification of all their fishing catches by relevant internationally recognized sustainability standards, and the principles of which align with those mentioned above, or at least, which comply with those of FAO responsible fishing.
  - b. Promotion of sustainable fisheries schemes and participation in fisheries improvement projects aligned with the CCRF where the fisheries certification schemes do not reach, as a formula for continuous improvement and evidence of fisheries sustainability.
  - c. Verification or certification that all crews of its fishing vessels are covered by legal contracts, decent and safe working conditions, that they have fair remuneration, and are complying with national and international labour regulations.
  - d. The implementation, maintenance, and documentation of a waste management system in all its fishing vessels, which applies both to waste generated by the activity on the boat itself and the trash and waste potentially picked up at sea, giving them appropriate management and elimination and disposal solutions.

#### **Article 4. Concrete Measures for Responsible Action in Fisheries**

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1. In line with the general principles and objectives of responsible action in fisheries, the Nueva Pescanova Group promotes the implementation of concrete measures in order to contribute to the conservation and effective management of natural resources, including biological resources, as well as of the ecosystem, and the sustainability of its fishing operations; namely:
  - a. Ensuring the maintenance of the quality, diversity, and availability of fishing resources in sufficient amounts for present and future generations, in the context of food security,

poverty alleviation, and sustainable development, being applicable not only to the target species, but also to species belonging to the same ecosystem, either dependent or associated with those.

- b. Adopting or improving, or if necessary, changing to, selective and environmentally sound fishing practices and gear in order to positively contribute to the conservation of the biodiversity and structure of populations, aquatic ecosystems, and the quality of the fishing resources.
- c. Application of good fishing practices such as the suspension of fishing operations and the abandonment of the area if, in the course of the operations, an encounter occurs with a vulnerable marine ecosystem (field of sponges, deep sea corals, etc.), or if a significant proportion of non-target marine species are detected among the catch.
- d. Rejection of illegal practices such as the use of banned gear or shark finning. Furthermore, we consider the capture of mammal species or sea turtles to be incidental which must be avoided, proceeding, whenever possible, to return them back to the sea alive and healthy, respecting good practices in the handling and safety of the animal and the crew (*Safe Handling and Release*) and recording the event in the logbook on board.
- e. Compliance with the relevant fishing management measures in order to ensure that the fishing effort is proportionate to the production capacity of the fishing resources and their sustainable use, avoiding overexploitation and excessive fishing capacity.
- f. Compliance with restrictions and temporary closures, respect for critical habitats for fishing in marine and freshwater ecosystems such as wetlands, mangroves, reefs, lagoons, breeding and spawning areas, or other protected or restricted areas, with the intention of protecting them or promoting their rehabilitation.
- g. Compliance with other planning and development measures of coastal areas, in addition to fishing management measures.
- h. Not participating in fishing or trading of threatened or protected species (cf. updated versions of the red list of the International Union for Conservation of Nature (IUCN), published on [www.iucnredlist.org](http://www.iucnredlist.org)), or in those which may cause harm to sensitive ecosystems.
- i. The minimization of waste in catches of both the target species and associated or dependent species of fish and other taxonomic groups, as well as the effects on species not used, and other living resources.
- j. Ensuring that the capture, handling, processing, and distribution of fish and fishing products is carried out in a way that maintains the nutritional value, quality, and safety of the products, and maximizes their use, promoting waste reduction and by-products valorisation, and minimizes any negative effect on the environment.
- k. The appropriate management of the use of fishing gear, with a system that allows for the traceability of the equipment, the management of inventories, the transparent identification of losses, and their responsible disposal considering the technical solutions available in each country, thus contributing to the fight against ghost fishing by abandoned, lost or otherwise discarded fishing gear (ALDFG) and marine littering. In this matter, the Nueva Pescanova Group adopts the good practices prescribed by the United Nations Environment Programme (UNEP) and FAO, both as manufacturers of fishing gear, and their use in our fishing activity:
  - As manufacturers:



- Promoting the responsible design and manufacture of fishing gear to ensure good efficiency in the operation, minimize potential impacts if the gear is lost, and the traceability integrated into the components.
- Promoting the responsible end-of-life disposal of nets and other components, as well as recycling and valorisation of materials.
- Identifying as preventive measures the implementation of built-in traceability solutions (net marking) linked to record-keeping practices (owner identification, year of manufacture, type of material, and production batch of key components such as cables or net panels) to facilitate tracking throughout the life cycle of the fishing gear (for example, to landfills or recycling), as well as the promotion and simplification of the recycling of materials and their responsible disposal, designing the gear considering end-of-life solutions (avoiding, for example, the mixing of different materials).
- Identifying as a mitigation measure the collaboration in research and development of materials and the design of components to deactivate fishing gear in case control is lost, or in the testing and improvement of the design and materials of the gear.
- Identifying as a recovery measure the collaboration with the authorities in tracking the origin and ownership of the recovered fishing gear.
- As fishing gear users, we are aware that adverse sea conditions, equipment failure, third-party actions, and safety considerations can lead to the loss or abandonment of fishing gear. That is why, in the Group's fishing activities, we avoid and minimize said risks through:
  - The adoption of preventive measures: **(i)** Working on the continuous improvement of a system to identify fishing gear components, following good practices in the rigging and adjustment of the gear, and adopting a responsible approach to fishing; **(ii)** Establishing the type and size of gear that can be handled normally and efficiently, improving the traceability of the gear used, including the identity of the vessel or another simple form of identification; **(iii)** Paying attention to climate patterns and not using the gear when adverse weather conditions are expected, ensuring that the gear is placed in such a way as to avoid conflicts with other users; **(iv)** Taking the appropriate precautions when fishing in areas with high maritime traffic; **(v)** Carrying gear retrieval equipment on board, always striving to retrieve the gear lost and notifying its loss wherever and whenever possible, and to that end keeping a record of the handling and management of fishing gear (*Fishing Elements Record Book*) and for waste management (*Garbage Book*); or, lastly, **(vi)** Responsibly disposing of redundant fishing equipment and other potential marine waste according to the best solutions available, whenever possible using the appropriate and contracted port reception facilities to manage it, ensuring the training and awareness raising of the crew on good practices and responsible fishing.
  - The identification of mitigation measures such as the notification of lost or abandoned fishing gear.
  - The identification of recovery measures through an active and more practical participation as possible in the recovery of lost gear, their transport to land, their repair, or their proper disposal.

2. Ensuring that the professionals involved participate, where appropriate, in the process of formulating and executing policies in order to facilitate the application of the principles and objectives of responsible fishing in the Nueva Pescanova Group.
3. The creation, maintenance, or improvement, in the fishing facilities and crews, as well as in all fishing activities, of safe and fair working and living conditions, complying with the international regulations agreed upon by the pertinent organizations, with a particular emphasis on the provisions established in the Conventions and Recommendations of the International Labour Organization (ILO) and, specifically, Convention no. 188 and Work in Fishing Recommendation no. 199.
4. The collection of reliable data on fishing activity, also considering relevant environmental, economic, and social factors.
5. The effective and transparent documentation of the activities of the fishing vessels in order to facilitate the due completion of monitoring and control mechanisms for these activities.
6. The assurance that international trade in fish and fishing products is carried out in accordance with the principles, rights, and obligations established by the relevant international organizations and agreements, especially those established by the World Trade Organization and other regulations of international law on the subject of international trade in fishing products.

#### ***Article 5. Application of General Principles, Objectives, and Measures on Responsible Action in Fisheries***

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The Nueva Pescanova Group, in countries where it conducts its fishing activities, acts proactively in the application of the general principles, objectives and the aforementioned concrete measures for responsible action in fisheries, in the following ways:

1. Permanent dialog with its stakeholders to develop and apply the principles of this Responsible Action Policy, via:
  - a. Participation with the governments and scientific bodies of the countries where it carries out its fishing activities, in a progressive and better legal and biological planning of its marine resources.
  - b. Collaboration with non-governmental organizations (NGOs) and other associations of the sector, including those of a scientific nature, in the conservation of fishing resources, the planning and development of fishing, promoting knowledge and facilitating conservation, restoration of aquatic ecosystems, and the reduction of potential negative impacts on the same.
  - c. Participation in fisheries improvement projects with the ultimate objective of improving and preserving the health of the fishing stocks.
  - d. Respect for access to traditional fishing by indigenous people and other communities with customary rights, when thus recognized in local national law.
2. Adoption of the best practices available and relevant to its fishing activities, with the objective of improving the performance and transparency of said operations:
  - a. Always facilitating the origin of all fish from the capture to the market (traceability).
  - b. Applying a correct labelling and identification system for an appropriate control of specimens from capture until they arrive at the consumer's table.



- c. Adopting measures to optimize the use of natural resources, energy, and chemical products, atmospheric emissions reduction measures, effluents and waste, promoting more efficient and responsible consumption and production processes.
  - d. Adopting measures to promote the use of waste via recycling or energy recovery, and circular economy solutions to organic by-products resulting from the preparation and transformation of seafood products.
  - e. Promoting a culture, throughout the entire supply chain, of responsible use of natural resources, energy, and materials, which favours the use of clean energy, which avoids the use of scarce resources, which promotes the use of reusable and recyclable materials, and which reduces pollution, resulting, among other things, in less harmful gases in the atmosphere, greater availability of fresh water, and less contamination by chemical substances and microplastics in the marine environment.
3. Dissemination of these values and principles of responsible action in fisheries throughout the supply chain of its products, ensuring that its suppliers of raw material of a fishing origin are governed by the same responsible action values and, as applicable, that they accept and sign the Responsible Declaration of the **Providers' Ethical and Social Charter of the Nueva Pescanova Group**.

#### **Article 6. Guidelines for Responsible Conduct of Fishing Vessels**

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1. The content of these conduct guidelines for fishing vessels is the result of the commitments assumed by the Nueva Pescanova Group, for our fishing activity, in **Our Code of Ethics** and in the **Corporate Policies of Corporate Social Responsibility** and **Sustainability**.
2. Regarding measures to combat IUU fishing, the fishing companies of the Nueva Pescanova Group:
  - a. Are always transparent about their operations, promoting the traceability of the origin of seafood products and the entire movement and transformation of said products in a documented and registered manner.
  - b. Fully comply with the relevant laws, regulations, and conventions that apply to their fishing activities and the associated management processes.
  - c. Prohibit and reject any form of corruption and bribery, having implemented policies and procedures to prevent them, combat them, and correct them.
  - d. Duly and transparently record commercial and financial transactions.
  - e. Comply with all national and international legislation on flags, registration of vessels, and hold all relevant vessel licenses validated by the competent authority.
  - f. Comply with all laws of the flag State and the appropriate national and international regulations.
  - g. Ensure that their fishing vessels have not been included in the "illegal, undeclared, and unregulated" vessel lists of the respective Regional Fisheries Management Organizations (RFMOs) and exhibit the respective authorization for fishing in those waters.
  - h. Guarantee that the catching, storage, processing, and transfer documentation is filled out correctly and is available to the authorities.
  - i. Fill out a logbook with all the required legal information and details of species, weight, date/time, area, and type of fishing gear used.

- j. Acknowledge that the transshipments of fish at sea is prohibited, except if duly documented according to the applicable legislation and regulations.
  - k. Ensure appropriate accommodation and working conditions for the fishing observers on board or other inspection agents deemed necessary.
  - l. Register their fishing vessels in the information system of the Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels. In this sense, vessels with a gross tonnage equal to or higher than 100 tons or with a length equal to or longer than 24 meters will have their unique vessel identifier (UVI) or the number of the International Maritime Organization (IMO), and will be registered in the “Global Record”.
  - m. They will have an active Vessel Monitoring System (VMS) on their fishing vessels.
3. Regarding labour responsibility on fishing vessels, promoting legal, just, decent, and safe labour, the fishing companies of the Nueva Pescanova Group:
- a. Are governed by principles of non-discrimination and equality in application of that stipulated in [Our Code of Ethics](#), as well as in our [Corporate Policies on Talent Management, Recruitment, Selection, Incorporation, and Departure from the Nueva Pescanova Group](#), and [Criminal Risk Prevention](#).
  - b. Comply with the legal requirements for working at sea which apply in each location and with the appropriate international conventions.
  - c. Sign collective company or sector labour agreements, according to the applicable legal regime at each location.
  - d. Have an occupational hazard prevention management system to ensure occupational health and safety for the workers on their fishing vessels, complying with the occupational hazard prevention regulations that apply and providing the necessary means so that the work on the vessels is carried out with the appropriate safety and hygiene measures.
  - e. Promote professional training in seafaring occupations, supporting cooperation agreements with nautical-fishing institutions and the continuous improvement of their teams/crews.
  - f. Prohibit any form or manifestation of physical or verbal violence, threats, coercion or extortion, any workplace, sexual, psychological or moral harassment, abuse of authority, and any other conducts that create a degrading or offensive environment for the physical or moral integrity of its professionals or other third parties with which the company interacts.
  - g. Prohibit any form of forced or compulsory labour, as well as child labour, in accordance with the relevant provisions in that regard in the ILO Conventions, especially Convention no. 138 on the minimum working age and its Convention no. 188 on work in fishing.
  - h. Not impede or unduly limit the exercise of the freedom of association, the right to strike, and collective bargaining, according to that stipulated in national and international regulations applicable in every case.
  - i. Respect the personal privacy and dignity of its workers and that of third parties that it is associated with.

#### **Article 7. Development and Control**

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The Corporate Director of Fisheries of the Nueva Pescanova Group controls the implementation, development, and compliance with this Sectoral Policy of Fisheries Responsibility in all fishing

companies of the Group, as well as guarantee and coordinate the implementation of projects or other actions aimed at improving or developing it.

#### **Article 8. Evaluation**

The Corporate Department of Fisheries, in collaboration with the Corporate Department of CSR & IR, shall on a yearly basis evaluate the compliance and efficacy of this Sectoral Policy and the projects and actions executed in the Nueva Pescanova Group, being incorporated into the Annual Report on Activities of the corresponding Business Unit, which will be presented to the CEO and the COMEX of the Group.

#### **Article 9. Dissemination, Training and Communication**

It is the Corporate Department of Fisheries that is responsible, in collaboration with the Corporate Department of CSR & IR, according to the Corporate Policy of CSR, and in collaboration with the Corporate Communication Director in the terms established in the Corporate Communication Policy, for the appropriate actions of dissemination, training, and communication to ensure the effective awareness of this Sectoral Policy, as well as any international regulation developed by the same, including its translation into the relevant languages within the Nueva Pescanova Group and its eventual dissemination and publication both through the corporate intranet **PESCANET** and in the relevant websites directly controlled by the Nueva Pescanova Group.

#### **Article 10. Revision and Changes**

1. This Sectoral Policy shall be periodically revised, and at least once per year, by the Corporate Department of Fisheries.
2. Any changes to this Sectoral Policy will be approved by the Nueva Pescanova Group Executive Committee (COMEX), at the proposal of the Corporate Director of Fisheries.

#### **Article 11. Approval, Effective Date, and Validity**

This Sectoral Policy was approved, at the proposal of the Corporate Director of Fisheries, by the Executive Committee (COMEX) of the Nueva Pescanova Group in their Meeting held on September 23, 2019, at their corporate headquarters in Chapela (Redondela - Pontevedra - Spain), being in force and being valid for the entire Nueva Pescanova Group starting from that date.

#### **Article 12. Modification Control**

Version	Modification summary	Modification promoter	Modification approval entity	Modification approval date
v_1	Initial approval of this Sectoral Policy	Corporate Director of Fisheries	COMEX	9/23/2019

## SECTORAL POLICY OF FISHERIES RESPONSIBILITY IN THE NUEVA PESCANOVA GROUP

