PACKAGING IMPROVEMENT PROGRAMME

Circular Economy Strategy

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DEPARTMENT OF CIRCULAR ECONOMY
Nueva Pescanova Group

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PREAMBLE

Sustainable development and responsible action are essential aspects of the business culture of the Nueva Pescanova Group.

The predominant economy today is linear, a model that consists of extracting, transforming, using, and throwing away, generating huge amounts of waste that is harmful to the environment. A change is necessary towards a more efficient and sustainable circular economy, based on the principles of reduction, reuse, and recycling.

In our pledge to the circular economy, we are committed to developing responsible and sustainable seafood, optimizing the definition and design of our processes, meeting efficiency and environmental performance criteria, and using more sustainable and recyclable packaging that ensures the freshness and quality of our products.

1. MORE SUSTAINABLE PACKAGING

The commitment to the development of more sustainable packaging is aligned with the principles and measures described in our Corporate Social Responsibility, Sustainability, Quality and Food Safety and Environmental Responsibility policies, which share objectives of responsible use of natural resources and energy, and the optimization of the use of materials, including packaging materials, such as plastic and cardboard.

1.1 Commitment

Our **Sustainable Packaging** strategy establishes the following objectives, which progress we will inform annually in the Progress Report on Sustainability Goals:

- 100% of the PESCANOVA packaging will be recyclable, reusable, or compostable, as per the segregation and recycling technologies available in each market.
- Incorporate an average of 25% recycled plastic rPET in all PET packaging by 2025.
- Incorporate an average of 30% recycled plastic material in all packaging by 2030.
- Reduce the use of plastics in packaging by 10% by 2025.
- 100% of our paper and cardboard packaging will be sourced from certified sustainable raw materials by 2025.

The plans we are working on involve analysing the design and materials used in each package. The aim is to optimize the use of materials by working towards the minimum material that still fully functions to protect our products while being able to eliminate overpackaging whenever possible.

We seek to use recyclable materials, for which there is recycling technology in the countries where our products are marketed. Likewise, we seek to eliminate plastic and to use recycled plastic whenever possible, without compromising food safety. We also study and validate new solutions based on environmentally friendlier materials.

1.2 *PackScore* methodology

To achieve the goal of 100% of our packaging being recyclable by 2025, we have created our methodology with a high technical component for studying materials and packaging selection and recycling systems, which allows us to evaluate the recyclability of our packaging and assess new alternatives.

Some of the actions that are being worked on in the different industrial centres to ensure that our packaging has the green *PackScore* rating are:

- Substitution of non-recyclable multi-layer multi-material films by mono-material recyclable polyethylene film and standardization of packaging material specifications.
- Substitution of black plastic with recyclable or slightly coloured transparent plastic.
- Incorporating recycled RPET plastic in trays and skin packaging.
- Replacement of the plastic sheet in packages with a new alternative recyclable material without plastic while ensuring the required physical-mechanical properties.

Products are classified according to their packaging elements in four categories:

Recyclable: Packaging elements are recycled in all plants and the resulting secondary materials have market value, including the possibility of being re-manufactured in new packaging.

Conditional recycling: The package elements are compatible with recycling in certain applications with a lower market value.

Inefficient for recycling: The packaging elements present recyclability problems that affect the quality of the recycled material or lead to losses in the process.

Non-recyclable: Most of the packaging elements are not recyclable or they contaminate the fractions of recycled material.

We will report the *PackScore* results in the Progress Report on Sustainability Goals.

2. INITIATIVES TO IMPROVE PACKAGING PERFORMANCE

The collaboration and responsibility of the entire supply chain are essential to achieve our objectives. That is why at Nueva Pescanova we work with responsible companies that share the same values as we do.

As a result of these collaborations, projects such as those described below have emerged.

2.1 OCEAN BOUND PLASTIC project

Through collaboration with SABIC, a leading global company in the chemical industry and a pioneer in the production of certified circular polymers, and Polivouga, a manufacturer of flexible film products, we have developed our special edition of "We care for the oceans" packaging for Battered Squid Rings and Breaded Hake Sticks.

This type of packaging is made with 90% recycled plastic materials from reused post-consumer plastic waste recovered from areas up to 50km inland from waterways that has the potential to end up in our

rivers and oceans in Southeast Asia (Malaysia), collected one step before they end up in the sea (Ocean Bound Plastics), through a chemical recycling process that makes it possible to manufacture our packaging suitable for food contact and 100% recyclable. The entire collection, transformation, and manufacturing process is certified by ISCCPlus.

With this initiative, we have become the first food company in Spain that has managed to use this type of sustainable packaging, preventing approximately 10 tons of plastic from reaching the sea.

2.2 Project to change to packaging without plastic coating

Thanks to our interest in constant improvement, we decided to look for alternatives to plastic-coated cardboard boxes, used for frozen and battered products. These old cases have limitations for paper recycling since their plastic material content will be rejected implying an efficiency reduction in the process.

Aware of the problem, we sought an alternative material, which technically has the same properties as a barrier to moisture and grease and the same mechanical behaviour, but without using a plastic coating. This makes it a totally recyclable solution in the cardboard flow, which also meets the industrial compostability criteria. This new alternative material from the Metsä Group, a leading European fibreboard company, is FSC certified. We have already made the change to this new material in all the cases of our Porriño Industrial Centre.

We continue working to introduce this change in all the cases of the rest of the Industrial Centres.

2.3 Project to change to recyclable pouches

In line with our goal for 2025 that 100% of PESCANOVA packaging will be recyclable, reusable, or compostable, we are working to replace non-recyclable multi-material multi-layer pouches for our products with recyclable polyethylene mono-material, thus homogenizing the packaging materials we use. These pouches are already found in most PESCANOVA products with this type of packaging solution.

2.4 Project to change to transparent and recyclable trays

Coloured PET plastic trays have limitations in the current recycling process. As the separation of plastics in recycling plants works, the material detectors cannot correctly classify black plastics and coloured PET trays end up being rejected in recycling plants or are used for lower-value applications.

Intending to use recyclable packaging, we have been changing the opaque black, white, and blue trays to transparent ones, thus allowing their correct classification and recycling.

In addition, all our rigid PET components (trays and skin packaging) incorporate more than 50% recycled plastic.

2.5 Project for refrigerated trays designed for recycling in France and Portugal

Continuing with our objective of reducing the plastic in our packaging, we have opted for eco-design in the packaging of refrigerated shrimps and prawns in France and Portugal together with Halopack. This new design consists of a cardboard tray that is easy to separate by the consumer into its parts and thus facilitates recycling. Contains 90% less plastic and is FSC certified.

2.6 Ecoembes and IHOBE Packaging Eco-design Guide

We collaborate in the validation of the methodology applied in the Eco-design Guide for Packaging prepared by IHOBE and Ecoembes, conducting a practical case study of eco-design in the Surimi Sticks package, as a result of their collaboration with Pescanova Spain.

The improvement introduced in this packaging consists of changing the multi-material plastic outer pouch and the plastic-coated cardboard tray for a single cardboard box. This way, the amount of multi-layer film is reduced by 9%, the amount of corrugated cardboard per distribution box is reduced by 8%, the packaging per pallet unit is increased by 13% and the carbon footprint is reduced by up to 20%.