



# CREATING WINNERS IN THE VALUE CHAIN

MANAGING THE SEAFOOD SUPPLY  
CHAIN FROM SOURCE TO PLATE



CORPORATE RESPONSIBILITY REPORT 2015/2016 PUBLICATION DATE: APRIL 2016

## CREATING WINNERS IN THE VALUE CHAIN



In this year's report, we focus on our contribution in the value chain. We believe if we can optimize our contribution and create simple and transparent supply chains, this will benefit the quality, sustainability and integrity of the end product. This is captured in our company's strategy:

*“by continuously leading the way in sustainability and innovation, we create strong reliable and resilient value chains in which everyone wins”*

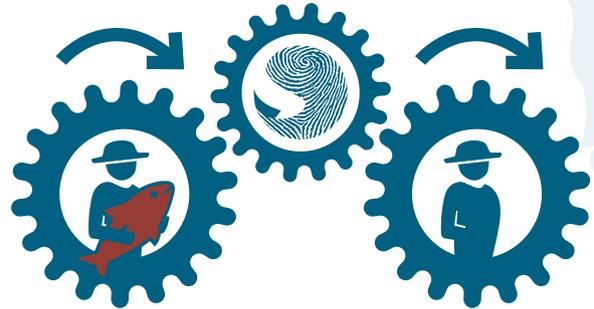
Integrity of the product has been an important theme for Anova in 2015 and will be in the years to come. Having started as importer of Nile Perch from Tanzania, over the years we have expanded our product range and increased our responsibilities to manage the supply chain- to act as value chain director from source to plate. Our activities in the value chain are all directed at answering the question: How to get the fish that is caught half way around the world to be handled, processed and packed into the best consumer products, that you can trust?

We can only accomplish this by creating a strong supply chain, in which we all work towards the same goal: to make pure and responsible seafood choices available to the consumer. This is our company's vision. This requires cooperation throughout the full supply chain: from sourcing- to processing- to the customer. Anova acts as an accelerator in that supply chain to make sure we all work in the same direction.

You will find examples of how we create strong and reliable supply chains in this report- from sourcing to the end product. We invite you to engage in dialogue with us on how we can improve the supply chains together: our supply chains can only be optimized by the winners that make it happen.

Have a look, and get to know our winners in this report.

**MARIT VAN DER HEIJDEN,  
CORPORATE SOCIAL RESPONSIBILITY  
& COMMUNICATION MANAGER**



*Anova acts as an excellerator in the supplychain to work in the same direction.*



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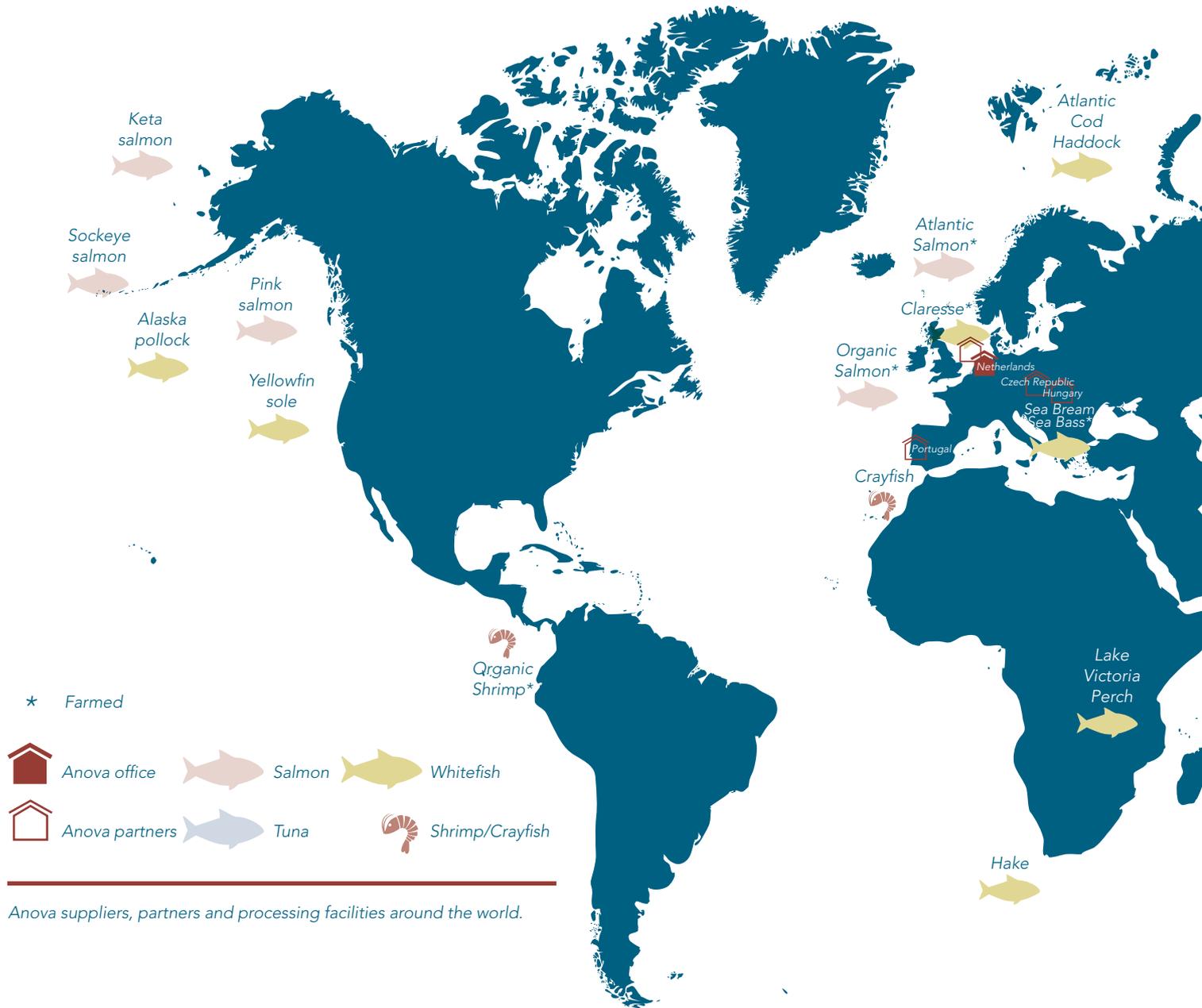
In this year's report, we **FOCUS** on our activities and the added value we bring in the supply chain. This means that you will get a **DEEPER UNDERSTANDING** of what we bring to the market. Some of the activities reported on last year will not be touched upon this year. Simply because we achieved our goals last year. For example, our **DONATION** to the Ocean Cleanup, or our **CODE OF CONDUCT** that has been incorporated into our Integrity Policy.

On page 4-5 a world map illustrates our **GLOBAL PRESENCE** and the supply chains we manage. To support our **CONTRIBUTION** in the value chain, we have included six **EXAMPLES** of how we believe we can create strong, resilient and reliable supply chains in which everyone wins. The supply chain that ranges from responsibly **SOURCING** the product (p. 6) in which we have created a clear vision for sourcing **RESPONSIBLE TUNA** (p. 7) and increased our **SUSTAINABLE SALES** volume (p. 8-9) compared to last year -

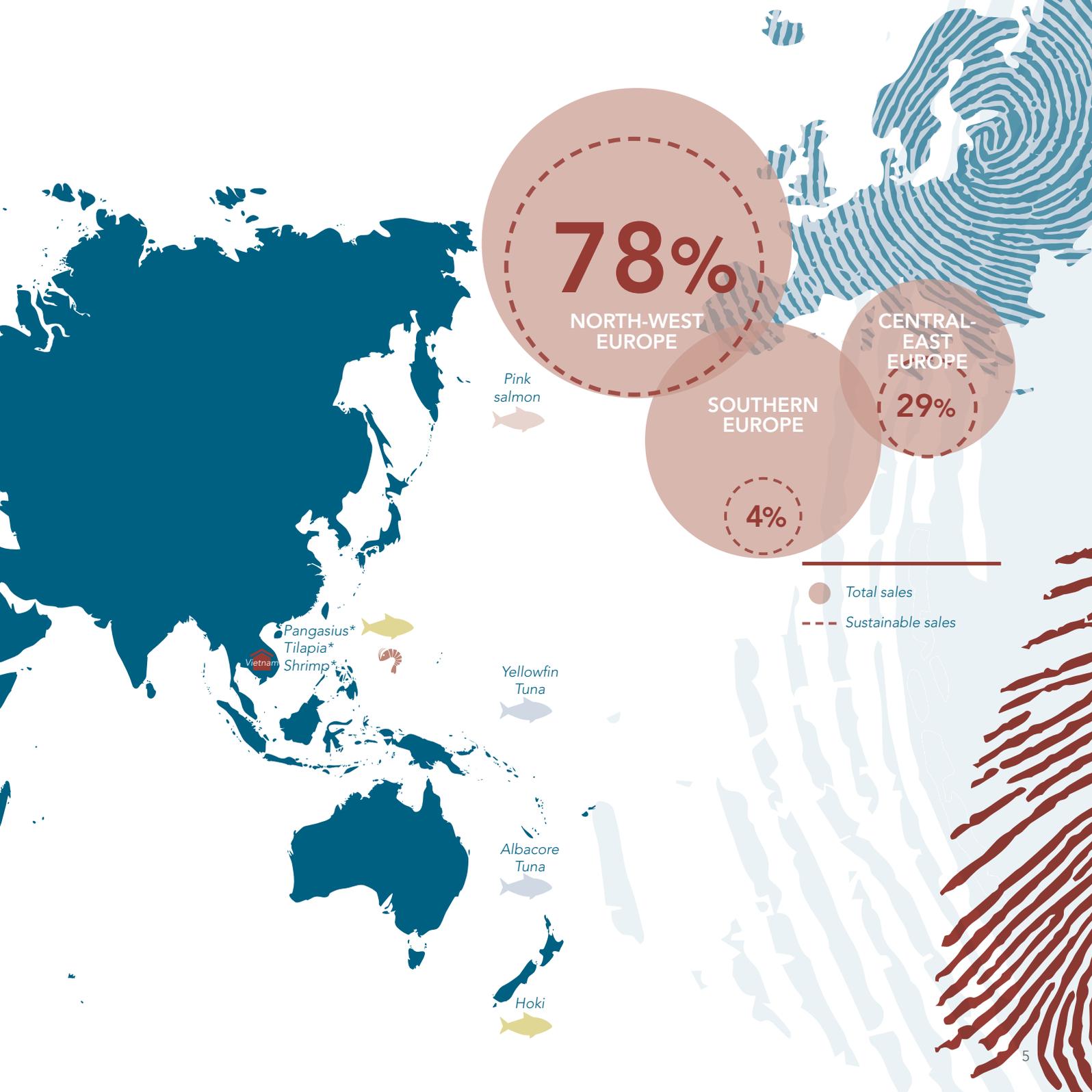
to processing the product all over the world by creating short, transparent and **SIMPLIFIED SUPPLY CHAINS** (p. 10), creating winners by setting the example in added **WATER REDUCTION** in our pangasius product (p. 10-11), and becoming a **BSCI MEMBER** (p. 13) -

to making sure we deliver products that you can trust, which thanks to our **ANOVA INTEGRITY COMMITTEE** (p.14), can qualify for our **SIMPLY TASTY** portfolio (p. 15).

# OUR GLOBAL PRESENCE



Anova suppliers, partners and processing facilities around the world.



# RESPONSIBLE SOURCING

When it comes to the best strategy to be the preferred supplier for sustainable products, sometimes it is best to make clear choices on what not to buy. This might sound counterintuitive. But in reality, you can only make clear choices if you understand the challenges of a product and believe in what you champion. The fact that we make clear choices - which we have done in the past by excluding red list species such as red snapper and swordfish from our product range - means we can serve as a guide for sustainable products for our customers. The best way to illustrate this is through our responsible tuna strategy.

## ANOVA'S RESPONSIBLE TUNA STRATEGY

Ever since we started our business in 1994, Anova has been involved in tuna processing. The sustainability of tuna has often been disputed: MSC certified tuna was hardly available, stock status for Bigeye and Bluefin tuna have consistently been on red and the variety in sustainability of fisheries and fishing methods created confusion in the market. We were faced with the challenge: How can we contribute to a market for sustainable tuna?

### Making clear choices

We believe the only way to build a long term reliable reputation is by taking clear decisions in the short term and accepting the need to face challenges in that process. Anova has a strong preference for MSC certified tuna for its independent auditing scheme and this guarantees the sustainability and traceability of the tuna product. Since artisanal fisheries are in our roots, we also want to support and promote low impact, artisanal fisheries. They have a strong impact on the livelihoods of fishermen and through their generally traditional fishing techniques and small boats have a relatively low environmental impact. We will avoid non-sustainable tuna caught with FADs (Fish Aggregation Devices), or non-MSC longline caught tuna. If we are unsure about the sustainable origin of the tuna, we will not offer the product to our customers.

### Lighthouse strategy

In a situation where transparency is lacking, this strategy serves as a beacon or to put it in maritime terms: as a lighthouse that will guide our suppliers and customers. Our suppliers can rely on Anova to optimize the positioning of their responsible tuna in the European market. And our customers can rely on our tuna offering. In the end, all parties benefit because this way we hope to rebuild consumer trust to enjoy tuna indefinitely. With more MSC tuna entering the market, we inform the market on the origin, catch methods, traceability, quality and stock status of available tuna products so that customers can make well informed decisions and feel comfortable with the tuna they choose.

## ANOVA CHOICE FOR RESPONSIBLE TUNA



A man in a dark jacket is looking through binoculars on a boat. The background shows the sea and a bright sunset or sunrise. The text is overlaid on the image in a white, handwritten-style font.

Our solid responsible tuna offering is a confirmation that our strategy is recognized in the market

### Responsible tuna offering

This strategy has been the foundation of our current responsible tuna offering. Our Fishing & Living programme for handline yellowfin fisheries in Indonesia in 2009 (with the goal of becoming MSC certified) has opened up market opportunities for artisanal fisheries in the European market. It has also contributed to us being the first to introduce MSC Albacore tuna from Fiji and the Cook Islands successfully into the European market. The Albacore tuna – or white tuna – was at first not the obvious tuna choice for the European market, but thanks to our close partnerships with suppliers and processing expertise, this premium quality tuna has been embraced by consumers in The Netherlands, Belgium and Germany. And now in 2016, we are proud to announce that we will add free school purse seine MSC yellowfin tuna from the PNA countries to this portfolio. The PNA countries have put significant efforts into becoming MSC certified. Becoming a partner to market this product from the PNA to Europe is the ultimate confirmation that our strategy is recognized by potential suppliers.

*“ANOVA HAS BEEN A TRUE PROMOTER OF OUR MSC ALBACORE TUNA AND IS OUR SUCCESSFUL PARTNER FOR THE EUROPEAN MARKET. THEIR STRONG COMMITMENT TOWARDS THE ORIGIN OF THE FISH IS BEST ILLUSTRATED BY THEIR DONATION TO THE RED CROSS TO HELP REBUILD OUR BEAUTIFUL ISLANDS AFTER CYCLONE WINSTON EARLY 2016.”*

RADHIKA KUMAR, REPRESENTING THE FIJI MSC LONGLINERS.

### SUSTAINABLE PRODUCT SALES

Increasing our volume of sustainable products that we source is inevitably related to the sustainable products that we sell. Anova is a strong promoter of sustainable products in the market, and the majority of our sales volume is sustainably sourced: 57% in 2015. Although 2015 turned out to be a more challenging year in terms of overall volumes, we were still able to maintain and even increase the relative share of sustainable volume compared to 2014. Our efforts to promote sustainable products is best received in North West Europe, with 84% of all our certified sales being sold in The Netherlands, Belgium, Germany and France. This is a significant increase compared to 2014. In Central and Southern Europe, the current focus is more on quality/price value rather than on certification of the product, although we do see some differences between regions and distribution channels.

### Re-calibrate targets

The strong increase in sustainable sales between 2013 and 2014 (from 43% to 56%) has led us to set an ambitious target of up to 70% sustainable sales for 2016. Looking at our sustainable sales performance over the years, we see an impressive increase, which seemed to stabilize last year. With a large part of our volume sold in Central Europe and Southern Europe, it is unrealistic to expect that sustainable sales in those markets will increase significantly in the coming year. Therefore, we have decided to re-calibrate our sustainable sales target and split the target into North West Europe and Central/Southern Europe markets since these markets have different challenges: in Central Europe/Southern Europe the sustainability focus is still catching up, while in North West Europe, the majority is convinced but still needs to make that last step.

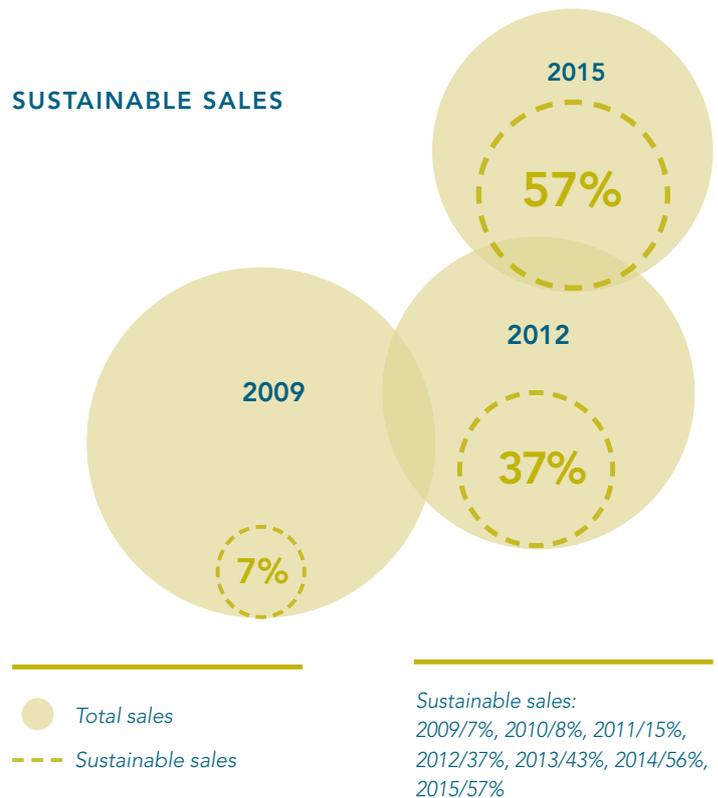


Anova is a strong promoter  
for sustainable products  
in the European market

As all-round supplier for retail and foodservice, we supply our customers' products in different categories, which we will keep doing. We do want to lift our overall sustainability performance of every category, which we can do most effectively from our position as reliable supplier. This will ensure we will continue to improve our annual performance on sustainable sales. Of the total volume sold in North West Europe markets, 78% is sustainably certified, our goal is to raise that to 80% in 2016. In 2015, 25% of the total volumes sold in Central and Southern Europe markets was sustainably certified, we intend to raise that to 27% in 2016.



## SUSTAINABLE SALES



● Total sales  
 - - - Sustainable sales

*Sustainable sales:*  
 2009/7%, 2010/8%, 2011/15%,  
 2012/37%, 2013/43%, 2014/56%,  
 2015/57%

### Our performance in perspective

Increasing our sustainable product offering is dependent both on the demand from the market and the availability of sustainable seafood from wild resources and aquaculture. Sustainable seafood is products that are managed in accordance with requirements on stock status, environmental impact, traceability and independent verification or special programmes that meet these requirements. Of our sales of wild caught fish from the ocean, about 80% comes from MSC certified fisheries. To put this in perspective: globally, 10% of wild caught fish is MSC certified. As a company with aspirations to grow our overall business, increasing our relative share of sustainable sales will therefore be challenging. It is clear that as an industry we need to address the challenge on how to increase the volume of MSC certified products. In October 2015, the GSSI benchmarking tool was launched to benchmark sustainability schemes against objective guidelines based on the FAO principles. As partner for GSSI, Anova supports the further acceptance of this tool in the market and stimulates sustainability schemes to participate in the process.

# RESPONSIBLE PROCESSES

Operating on a global scale and managing over 20 different species from all over the world, with numerous different specifications and packaging forms, requires a special effort. Especially since first and foremost, we want to make sure that our products are produced according to our standards and those of our customers. Our standard is defined in our vision to "make pure and responsible seafood choices available to every consumer." How to organise the supply chain so that the products meet our quality, sustainability, responsibility and transparency expectations?



*"AS STRATEGIC PARTNER FOR ANOVA, WE WORK TOGETHER TO CONTINUOUSLY IMPROVE AND BUILD A SOLID FOUNDATION FOR SUPPLYING THE EUROPEAN MARKET."*  
QUANG LAM - GENERAL DIRECTOR VIQ



## SIMPLIFYING THE SUPPLY CHAIN

It starts with simplifying the supply chain. Traditional seafood supply chains that operate on a global scale tend to have separate, independent actors. By contrast, our contribution in the supply chain is not achieved by acting as a separate actor, but by being the overarching actor that handles and produces the products from sourcing at the fishery to delivery to the customer. Our supply chains are evolving along these lines and the supply chains for our farmed, single frozen and fresh products are organised in this way. Making the supply chains more efficient and transparent.

## CREATING WINNERS

It continues by making the actors in the supply chain stronger to deliver pure and responsible products. We do this by working together in close partnerships and being present at the source. Through our office in Vietnam, Anova is responsible for the sourcing, daily quality inspection and control, supervision at production, logistics and planning, and commercial and technical support of our products from Vietnam. In doing this, we often raise the bar for our suppliers to improve their own processes. As a strong believer of minimizing additives in our products, we worked successfully with our partners in Vietnam to reduce

# Making pure and responsible seafood available through global partnerships

the amount of water added in our ASC Pangasius. For this, the production process at our supplier needed to be (re) developed to reduce the water added. But equally important, the market needed to be convinced that this new specification would be a better product in the seafood category. Today, we still benefit from the work we invested in our partners, as we are expanding our expertise into other

products. In 2015 for example, Anova expanded our business in Vietnam with ASC certified Vannamei shrimp. We aspire to bring the same level of quality in every new value chain we build through improving all the parties involved.

Every change to the status quo delivers a good debate in which there will be supporters and those that need some

more convincing. We recognize and accept this when we start a new debate, as we did when reducing the water content in pangasius. Although we do not shy away from a good debate, we have learned that upholding our values of openness and transparency requires a careful approach. This is something we need to be aware of and take into account in when creating supply chains in which everyone wins.



By optimizing and  
simplifying the supply chain,  
we create strong,  
reliable and resilient  
value chains



## VALUE CHAINS WITH RESPECT FOR ALL

Value chains are all about people. In order to create strong, reliable and resilient supply chains, we need to work with people that we can trust, who are honest and treat others with respect. For this reason, Anova Seafood became an active member of the Business Social Compliance Initiative (BSCI) in July 2015. BSCI is a business driven initiative supporting retailers, importers and brands to improve working conditions in supplying factories and farms worldwide. Members commit to implementing the BSCI Code of Conduct, which is based on important international labour standards such as the International Labour Organisation (ILO) and The United Nations Guiding Principles on Business and Human Behaviour.

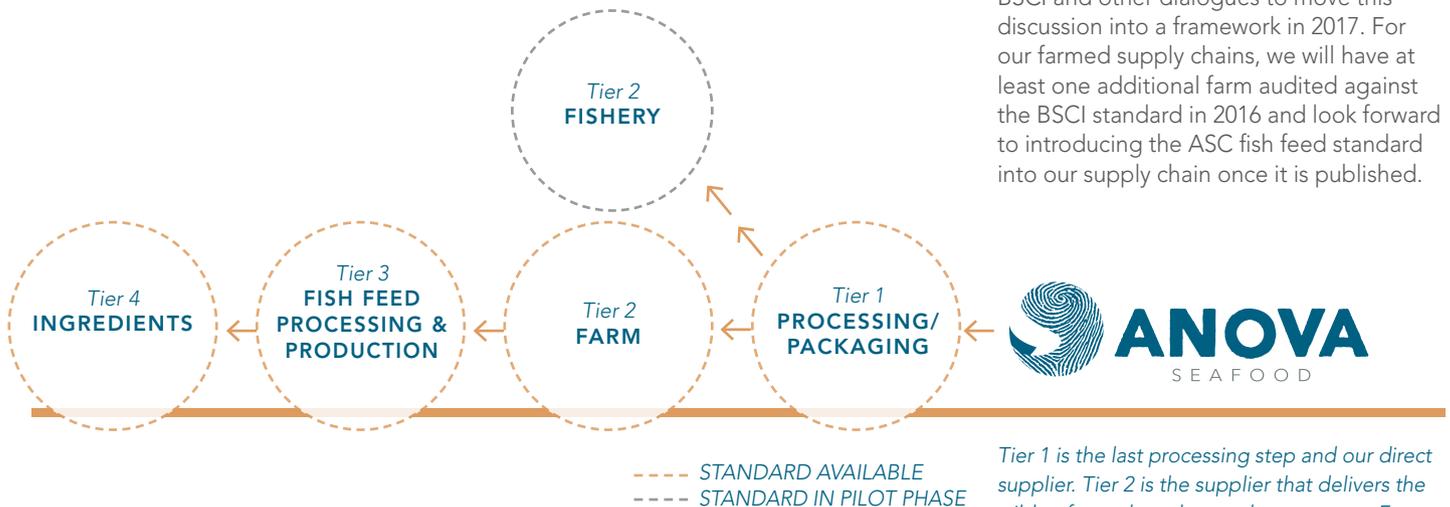
## The Code sets out 11 Core Labour rights in the areas of:

- The Rights of Freedom of Association and Collective Bargaining
- Fair Remuneration
- Occupational Health and Safety
- Special Protection for Young Workers
- No Bonded Labour
- Ethical Business Behaviour
- No Discrimination
- Decent Working Hours
- No Child Labour
- No Precarious Employment
- Protection of the Environment

Besides BSCI, Anova also accepts the Ethical Trade Initiative (ETI), Initiative Clause Sociale (ICS) and views SA8000 as best practice.

## Social compliance

In 2015, nearly 70% of our volume sourced in emerging countries came from socially audited suppliers. When we put this in perspective throughout the entire supply chain, this 70% is just the beginning. The illustration below shows a simplified version of a typical supply chain. The image shows that although a large part of our direct suppliers has been socially audited, we still have a long way to go. For Anova, this means that the next step is to move our social ambitions further up the value chain to farmers, fisheries and fish feed producers. This is easier said than done. Currently, there are no large-scale social auditing schemes available for fisheries. Several initiatives have started to explore what a potential scheme would look like. Anova intends to be a driving force in the BSCI and other dialogues to move this discussion into a framework in 2017. For our farmed supply chains, we will have at least one additional farm audited against the BSCI standard in 2016 and look forward to introducing the ASC fish feed standard into our supply chain once it is published.



Tier 1 is the last processing step and our direct supplier. Tier 2 is the supplier that delivers the wild or farmed product to the processor. For some supply chains, Tier 1 and Tier 2 can be one company (for example, in farmed seafood or frozen at Sea products). Tier 3 and 4 only apply to farmed products, which includes the processing of fish feed from wild or farmed fish.

## RESPONSIBLE PRODUCTS

All our efforts in the supply chain are directed at producing products that we can trust. The choices we make in sourcing responsible products, improving social circumstances, our local presence and partnerships, quality control infrastructure and transparent communication all contribute to that goal. With our global sourcing, managing risks is an important part of managing our supply chains. How to get the fish that is caught half way around the world to be handled, processed and packed into a consumer product that you can trust?

# RESPONSIBLE PRODUCTS

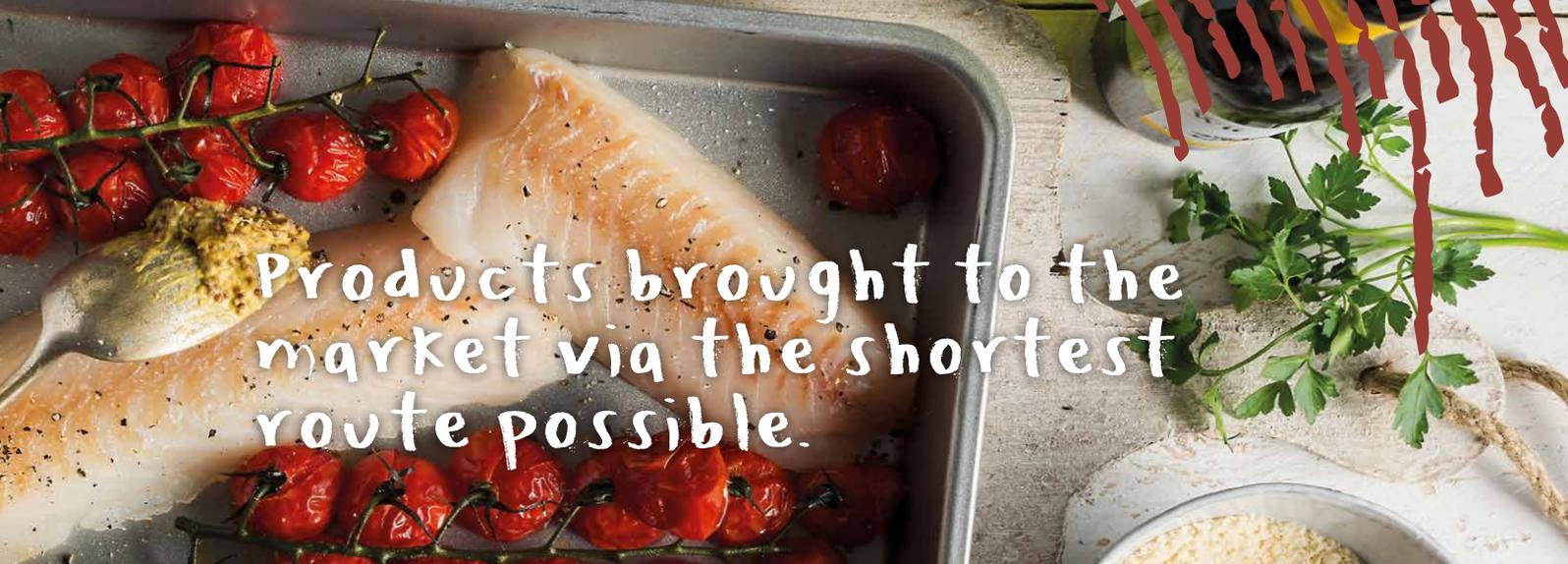


## ANOVA INTEGRITY COMMITTEE

To monitor and manage those risks more proactively, we established our Anova Integrity Committee at the start of 2015. The Anova Integrity Committee is responsible for eliminating non-conformities in the supply chain with regard to specifications, certifications, catching or farming method and social compliance claims of the product. In short: it covers the people, processes and products in our supply chains. It oversees the whole supply chain – from sourcing, to processing, to packaging in consumer products - and is a combined effort to anticipate change on an ongoing basis. The committee is chaired by the Non-Executive Director, joined by the Technical Manager, Sourcing Manager and CSR Manager, and reports to the Management Team of Anova. A risk assessment per customer on a product/supplier level is performed to ensure that the product's claims correspond to the product's characteristics. Based on the risk classifications, (extra) control mechanisms will be implemented that allow for corrective actions if necessary and continuous monitoring to verify successful implementation. For example, we performed several DNA tests for our products for verification purposes in 2015. We have also requested additional documentation trails from our suppliers to verify traceability in the supply chain.

*"ANOVA IS A LONG TIME PARTNER FOR MSC BOTH IN PROMOTING SUSTAINABLE PRODUCTS, BUT ALSO IN CHALLENGING THE INDUSTRY TO IMPROVE."*

CAMIEL DERICHS, REGIONAL DIRECTOR EUROPE,  
MARINE STEWARDSHIP COUNCIL



Products brought to the market via the shortest route possible.

*Simply Tasty*



MSC Albacore Tuna



MSC Frozen at Sea Cod



MSC Single Frozen Keta Salmon



MSC Single Frozen Sockeye Salmon

### **SIMPLY TASTY PORTFOLIO**

The ultimate proof of our vision on the seafood category is our Simply Tasty products. Simply Tasty is a portfolio of products that embody our values of pure and responsible seafood choices. Every year, all our products are reviewed on the basis of the Simply Tasty philosophy: sustainable products brought to the market by the shortest and purest route possible and through a responsible supply chain. With their proven track record, these products will enrich the seafood category simply because they are unique in their kind - and the premium quality appeals to the (hidden) fish lovers. In 2016, our Simply Tasty portfolio consists of the following four products:

#### **MSC Frozen at Sea Albacore Tuna**

Thanks to the fast processing method, this line caught albacore tuna from the Fiji and Cook Islands is known for its

premium, sashimi quality. The stock status of Albacore tuna in the South West Pacific Ocean is healthy, hence its MSC-certified status. It has a beautiful pink colour and soft taste. As one of the first MSC certified steaks offers in the European market, this tuna holds a special place in our portfolio.

#### **MSC Frozen at Sea Cod**

MSC Frozen at Sea Cod is caught in the Barents Sea, filleted and frozen on board the vessels. It is available throughout the year and has a consistent pure quality, excellent flaky taste and structure thanks to the Frozen at Sea processing method. In season, from January to May, fresh cod from Norway is available and brought to the market via the fastest route possible.

#### **MSC Single Frozen Keta Salmon**

Caught in the Arctic waters of Alaska, this wild salmon is caught by local fishermen that have fished salmon their entire lives,

from generation to generation. Thanks to their care and respect for the fish, this Keta salmon (also called Chum salmon) has a firm structure and robust taste. Through their "fixed escapement" policy, the Alaska Department of Fish and Game ensures that sufficient numbers of adult spawning salmon escape capture and thus guarantee the long term health of the stocks.

#### **MSC Single Frozen Sockeye Salmon**

This Sockeye salmon is caught in the clear waters of Alaska and is known for its beautiful deep red colour. The long distances the sockeye salmon travel before they are caught mean they are filled with heavy fats and nutrients, which ensure their taste and structure is of superior quality. Thanks to the strict policies and regulations of the Alaska Department of Fish and Game, and efforts of the Alaska fisheries, this salmon is available as MSC certified.



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Hambakenwetering 15  
5231 DD 's-Hertogenbosch  
The Netherlands

T +31(0)73 750 20 00  
F +31(0)73 750 20 01  
[info@anovaseafood.com](mailto:info@anovaseafood.com)

P.O. Box 3360  
5203 DJ 's-Hertogenbosch  
The Netherlands

[ANOVASEAFOOD.COM](http://ANOVASEAFOOD.COM)