



# Seafood supply chain (Europe)

## Introduction

### Impact

Currently impact is defined as attention by media and NGOs, as rated by sector specialists. However, because impact is highly subjective, it should only be used as a guideline, and not as an absolute.

This document describes the Corporate Social Responsibility issues identified in the seafood sector, sorted by the good and unwanted practices identified for these issues. The seafood chain consists of hatcheries, feed producers and farmers for the aquaculture part, fishing companies for the wild catch part, and processors for both parts. The seafood sector consists of various subsectors pertaining to different kinds of fish and seafood. Due to a difference in maturity, CSR standards within these subsectors differ as well, and thus each subsector should be judged accordingly.

The analysis is based on annual reports, sector reports, reports written by non-governmental organisations, reports written by governmental departments, and websites. The issues are presented in sequence of CSR impact for this sector, defined by media attention and interest by NGOs. The impact is stated behind the issue between brackets on a five-point scale, together with the areas of CSR the issue pertains to.

While the law forms the basis of CSR, Rabobank already assumes all of its clients abide by the law. Therefore, most good practices can be found in the area not defined by law, but where significant gain can still be made. Rabobank wishes to encourage companies to employ these good practices. Unwanted practices are practices which the Rabobank does not want to be involved in or related to. Most often these are practices which are prohibited by law, but do still frequently occur. This document only describes the unwanted practices associated with the sector, and not those associated with countries or specific companies.

## Issues in Wild Catch

### Unwanted practices (excluded practices)

- **IUU fishing and stock depletion (Environment, Very High impact);** Illegal, Unregulated and Unprotected fishing is the most important issue regarding wild catch. While a large number of parties impose rules and regulations on fishing, mainly in order to protect the environment, IUU fishing directly undermines these efforts through, for example, fishing in illegal territories and breaking fishing quota.  
*Unwanted practice:* We do not want to finance companies who are involved in IUU fishing.  
*Sources of information:* MSC ([www.msc.org](http://www.msc.org)), newspapers
- **Catching methods, by-catch and discarding (Environment, High impact);** There are myriad ways of catching fish and other seafood in the wild, where the method is of course related to the type of creature caught. Minimizing by-catch (non-target fish and sea life that is thrown away) is necessary to protect the level of fish stock of different species. Next to this, in some areas of the world, very unsustainable methods of fishing are still used. According to the FAO, 8% to 70% of fish is discarded worldwide.  
*Unwanted practice:* We do not want to finance companies that have been found to use unsustainable and/or outright damaging catching methods such as fishing with dynamite, cyanide or very long drift nets.  
*Sources of information:* annual reports, sustainability reports, newspapers

### Good practices

- **IUU fishing and stock depletion (Environment, Very High impact);**  
*Good practice:* To only buy fish from sources that have been externally certified (such as by the MSC), or at least have a registered quota.  
*Good practice:* To have a management plan to minimize the risk of stock depletion.
- **Catching methods, by-catch and discarding (Environment, High impact);**  
*Good practice:* To continually make (annual) improvements to catching methods in order to reduce by-catch. The good practice is also to keep discards to a minimum, and to document any discards made.
- **Fish source traceability through fisheries management (Environment, Consumer and community, Medium impact);** Traceability of fish helps managing all important issues throughout the chain and helps communicating with final customers.  
*Good practice:* To take part in the development and maintenance of effective fisheries (chain) management systems, like those of the Marine Stewardship Council and EurepGAP.  
*Good practice:* The good practice for retail companies is to be specific and clear about what species of fish is being used in the food that is sold, with perhaps the usage of the Latin names of fish, in order to properly

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inform the consumer of what he or she is buying.

*Sources of information:* annual reports, MSC ([www.msc.org](http://www.msc.org)), [www.eurepgap.org](http://www.eurepgap.org), news media

## **Issues in Aquaculture**

### **Unwanted practices (excluded practices)**

- **Ecosystem vulnerability (Environment, High impact);** Aquacultures are sometimes located nearby vulnerable aquatic and non-aquatic ecosystems, where they can have varying negative effects on these ecosystems through pollution with effluents, drying-up and salinization of agricultural land. However, the most serious aspect of this issue is the destruction of valuable biodiverse mangrove forest regions through the construction of new aquacultures, mainly used to breed tropical shrimps.  
*Unwanted practice:* We do not want to finance companies who are involved in creating aquacultures in mangrove forest regions, or companies who process seafood coming from such aquacultures.  
*Sources of information:* annual reports, sustainability reports, NGO reports, news media

### **Good practices**

- **Biological, chemical and genetic pollution (Environment, Very High impact);** Biological pollution mainly consists of fish diseases being spread, while chemical pollution relates to faeces, uneaten fish feed, and poisons used to kill parasites. Fish within the aquaculture live within a controlled environment and are protected through all kinds of antibiotics and drugs. However, diseases, poisons and other kinds of pollution can spread to fish from outside the pens or farming zone who swim nearby (sometimes within a radius of up to 50 kilometres). Next to this, fish in aquacultures are generally bred in order to promote qualities such as the ability to quickly convert feed and grow rapidly. Successive breeding is now at a stage where the current fish are more than a dozen generations of breeding removed from the fish with which the aquaculture originally started out. However, in case of escapes, these fish mate with wild counterparts, without having the proper genes to, for example, swim fast and survive in the wild. This can be very detrimental to the fish species in the wild, with the possibility of facing extinction through genetic pollution. Since fish escapes are already financially detrimental to the aquaculture company involved, new methods to prevent these escapes are being introduced continually.  
*Good practice:* To instate measures in order to prevent fish escapes and spread of diseases and pollution of (aquatic) surroundings.  
*Sources of information:* annual reports, sustainability reports, NGO reports, news media
- **Fish feed supply (Environment, High impact);** Many fish species bred in aquacultures need a certain level of fish oil and/or fish meal in their diet. This requires the catching of small pelagic fish, for which the stock levels are declining. The question whether the catching of fish feed for use in aquacultures is sustainable at all is largely being put to rest by continued developments in this area, where the amount of fish feed needed to create a kilo of aquaculture fish is continually being reduced.  
*Good practice:* To only buy feed fish from sources that have been externally certified (such as by the MSC), or at least have a registered quota.  
*Good practice:* To look for alternative vegetable feed sources (like vegetable meals and production of omnivore fish like grass carps and Tilapia), and improve feed management, for instance by using underwater cameras to limit feeding to what is consumed.  
*Sources of information:* annual reports, sustainability reports, MSC ([www.msc.org](http://www.msc.org)), news media
- **Food quality and safety (Consumer and community, High impact);** This concerns issues such as residues from antibiotics, toxins and other chemicals (such as malachite green) present in fish and hazardous to human health. It also concerns food safety issues caused during transportation and packaging, with fish spoiling fast if the refrigeration process is interrupted.  
*Good practice:* To set up and maintain a control system with regards to food safety, employing the seven widely accepted HACCP principles and EurepGAP (IAA) as main guidelines.  
*Sources of information:* annual reports, [www.fsis.usda.gov](http://www.fsis.usda.gov), [www.efse.europa.eu](http://www.efse.europa.eu), [www.eurepgap.org](http://www.eurepgap.org), local national food safety organisations, news media

## **Issues in processing and distribution**

### **Good practices**

- **Supply chain issues (Environment, Consumer and Community, High impact);** While most issues directly pertain to either aquacultures or wild catch, the remainder of the supply chain can exert influence over these issues through its actions. In general, we expect companies to feel responsible for issues that occur one step up or one step down the supply chain.  
*Good practice:* To take action with regard to the aforementioned issues pertaining to both wild catch and aquaculture by asking questions about these issues, and exerting influence one step up or down the supply chain.  
*Good practice:* To provide transparency through proper tracking, tracing and monitoring of the fish that goes through the supply chain.  
*Sources of information:* annual reports, sustainability reports, news media

More detailed information and information on other players in the seafood supply chain is described in the Seafood Supply Chain Policy.