



# Lidl UK Responsible Fish and Seafood Sourcing Policy V2 –February 2018



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#### Sourcing for the Future

Creating sustainable supply chains that are fair to everyone, bringing better jobs and supporting local economies.



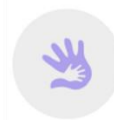
#### Securing our Supply Chain

Building strong, mutually-beneficial relationships for the long term.



#### Championing a Healthy Society

Making quality food affordable and inspiring customers to live healthy and active lifestyles.



#### Supporting our Colleagues

Helping everyone reach their full potential.



#### Protecting the Environment

Minimising our impact through our efficient way of working.

## 1. Introduction

At Lidl UK, the principles of responsible fish and seafood sourcing are led from ensuring that the fish sold within our product ranges are sourced from the healthiest stocks possible using the least destructive fishing methods possible, with high regard for both environmental and social standards.

Safe guarding fish stocks for the future is an issue we are passionate about and we are proud of the progress we have made. We recognise the importance of effective management in achieving sustainable fisheries and responsible farm operations. To date we have been committed to working with recognised certification schemes, such as the Marine Stewardship Council (MSC), Global Gap, Best Aquaculture Practices (BAP) and the Aquaculture Stewardship Council (ASC) to increase the amount of our chilled, frozen and canned fish products sourced from sustainably managed fisheries.

For over 10 years we have been working with our suppliers and wider industry partners to set our approach to responsible fish and seafood sourcing. This is outlined through our membership of the 'Sustainable Seafood Coalition' <https://www.sustainableseafoodcoalition.org/>, a progressive partnership of businesses cooperating to address important issues in fish and seafood sustainability.

In recognition of the progress we have made in expanding our MSC certified product range we received the Best Mid-sized Retailer Award by the MSC in 2016.

### Scope

This policy applies to all own label listed seafood sold by Lidl UK. Where a policy relates to a subcategory within this scope, this is made clear in the text.

Our expectations for branded suppliers are outlined in section 6.

### Supplier Responsibility

Lidl UK expects all suppliers of own label listed seafood into Lidl UK to dedicate resource within their business operations to ensure compliance to this policy, as part of our trading relationship. The policy forms part of our contractual obligations.

All commitments and supplier responsibilities within this policy are bullet pointed for ease of reference.

### Policy Author

This policy is owned by the Responsible Sourcing Manager, Lidl UK, and has been developed between the buying, QA and CSR teams. Lidl UK reserves the right to audit compliance against this policy at any time, and take action on areas of non-compliance. Any queries on this policy should be directed to [CSR@lidl.co.uk](mailto:CSR@lidl.co.uk). Lidl UK welcomes feedback on the positions and commitments outlined and would like to acknowledge all stakeholders who supported the development of this policy.

## 2. Overarching Positions

### Traceability & Transparency

Having a complete understanding of where our fish and seafood originates from is important to our business and our customers. Through our focus on traceability and transparency we are taking steps to mitigate the risks associated with [IUU fishing](#) and [labour rights abuses](#). As outlined in the MSC standards for wild caught fish, there must be independent verification of information coming from fisheries within our MSC wild caught seafood supply chains via a tracking or monitoring system. This can include fisheries observer coverage or cameras on vessels. We expect any suppliers of wild seafood not currently working to MSC certification to reflect these requirements as appropriate. We expect suppliers to have complete visibility of farmed seafood throughout the supply chain, with independent verification of source information e.g. farm details.

#### *Supplier Requirement*

We require that our entire supply chain is fully traceable from fishing vessel / farm to finished product at every step including:

- Exact fishing season (e.g. fishing trip details)
- Territory (Specifying FAO area and sub-area)
- Unique vessel identifier for every vessel within the supply chain (e.g. IMO number)
- Gear type
- Port landing of the fish and whether the port is in a country that has ratified the Port State Measures Agreement

In addition to the above we regard best practice traceability as also including the following data points:

- A list of vessels that has supplied Lidl UK with fish over the past 6 months
- Details of the type of tracking or monitoring system on board each vessel, including fisheries observers where applicable
- Details of the feedmill, hatchery, farm and processing plant for farmed species

Lidl UK reserves the right to request this information at any point and to audit compliance throughout the supply chain. One way in which this data can be independently monitored is through the MSC 'Chain of Custody' standard.

### Ocean Disclosure Project

In 2018, to demonstrate our commitment to traceability and transparency, we became a participant of the 'Ocean Disclosure Project'. This is a global platform for the voluntary disclosure of seafood sourcing. Through this platform we are able to publish the sources of our wild-caught seafood species on an annual basis. Our sourcing map can be found on the following webpage:

<https://oceandisclosureproject.org/>

## Risk Assessment and Audits

In line with our membership of the Sustainable Seafood Coalition, Lidl UK is committed to risk assessing the status of its fishery and aquaculture sources on an annual basis. This will be conducted alongside the review of the seafood policy and through the assessment of compliance to the commitments in this policy. As per the SSC codes of conduct, our risk assessments will review the following areas:

<p>Wild Capture:</p> <ul style="list-style-type: none"> <li>- Legality of fishing operations</li> <li>- Biological status of fish stocks</li> <li>- Fishery management practices and compliance</li> <li>- Wider environmental impacts of the fishing activity</li> </ul>	<p>Aquaculture:</p> <ul style="list-style-type: none"> <li>- Legality: regulatory controls and compliance</li> <li>- Farm site management practices</li> <li>- Wider environmental impacts of farming activity</li> <li>- Marine feed ingredient sources</li> </ul>
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Appropriate actions will be taken in response to any issues identified through the risk assessment process.

### *Supplier Expectation*

We expect our suppliers to follow a similar approach to risk assessment, ensuring that risks within both their immediate and extended supply chains are actively managed.

## Labelling

We are committed to implementing the Sustainable Seafood Coalition's (SSC) 'Voluntary Code of Conduct on Environmental Claims'. In order to implement this, and to make it very clear to our customers where and how our seafood is produced, we require the following details to be included on our packaging\*:

- Common and Latin name of the species
- Catch Area (E.g. FAO area)
- Whether the product was farmed or wild caught
- Certification scheme (e.g. MSC, ASC, Global Gap, BAP2\*, BAP 4\*). Where possible, we expect the certification scheme to be labelled on the front of our packaging.

\*This is subject to availability and space on pack. Final sign off on any derogation is the responsibility of the Lidl buyer.

## Upholding Human Rights

In the seafood industry, supply chains at land and sea are often complex, with multiple layers of activity. The vulnerability of both land and sea-based workers to exploitative labour practices highlights the need for [transparency](#), and action by all parts of the supply chain.

Lidl UK takes a human rights due diligence approach to protecting workers within its supply chains. This is the approach advocated by the United Nations Guiding Principles on Business and Human Rights.

## Supplier Requirement

All suppliers of seafood into Lidl UK are expected to comply with our code of conduct, which is based on the ILO core labour standards, and our policies on [transshipment](#) and [IUU](#) (both of which are strongly connected to poor labour practices). In addition to this Lidl UK has made the following expectations of the seafood supply base:

- All UK negotiated suppliers must be linked to Lidl UK on Sedex and have completed the self-assessment questionnaire (SAQ). Where alternative ethical audits are already in place such as BSCI and SA8000,

these will be considered on a case by case basis. All UK negotiated suppliers must also ensure that:

- All final seafood packing sites and seafood processing sites supplying into final seafood packing sites are linked to Lidl UK on Sedex and complete the self-assessment questionnaire (SAQ).
- All UK negotiated suppliers/sites assessed as high risk on the Sedex risk assessment tool must share a SMETA ethical audit from within the past 12 months with Lidl UK via the Sedex platform. Non-compliances must be addressed in line with the agreed corrective action plans. Suppliers will be alerted by Lidl UK if they fall into this category and will be provided with further information.
- A senior manager from all UK negotiated suppliers must attend [Stronger Together](#) training. Stronger Together offers training solutions to assist business in tackling modern slavery and forms a key part of our commitment under the modern slavery act.
- Every vessel 24m in length and above must comply with the safety standards set out in the European Council Directive 97/70/EC

Lidl UK welcomes the opportunity to work collaboratively with suppliers to address salient human rights issues within their supply chains. Any supplier wishing to discuss these opportunities further should contact [CSR@lidl.co.uk](mailto:CSR@lidl.co.uk)

### Additional initiatives or resources for supporting human rights strategies

#### Tools for Ethical Seafood Sourcing (TESS)

[TESS](#) has been developed by Seafish and is a signposting tool helping businesses manage social risks in seafood supply chains by taking a due diligence approach.

#### Food Network for Ethical Trade (FNET)

We encourage suppliers to join the Food Network for Ethical Trade (FNET) to develop supply chain risk assessment procedures and gain insights on industry best practice. More information on this can be provided by contacting [CSR@lidl.co.uk](mailto:CSR@lidl.co.uk)

#### Responsible Fishing Scheme (RFS)

The [Responsible Fishing Scheme](#) (RFS) audits fishing vessels on ethical and welfare criteria. We are committed to the scheme by using our influence to support the scheme's expansion. We recognise that the RFS can become an effective mechanism through which the UK supply chain can establish the assurance it needs regarding responsible fishing practices on seafood vessels.

## 3. Policies related to the sourcing of wild-caught species

This section relates to all wild-caught species except for canned seafood and tuna, which are captured in sections 4 and 5.

### Working with the Marine Stewardship Council

We have been working with the Marine Stewardship Council (MSC) for over 10 years on the sustainability of our wild-caught fish. The MSC Fisheries Standard is a science-based set of requirements for sustainable fishing. Each MSC certified fishery has been independently assessed on its specific impacts to wild fish populations and the ecosystems they're part of, focusing on 'sustainable fish stocks', 'minimising environmental impact' and 'effective fisheries management'.

#### Our Commitments:

- 100% of our own brand chilled and frozen wild caught lines must be sourced from MSC certified fisheries<sup>1</sup>
- 100% of wild caught seafood used as an ingredient in Lidl ready-meal products must be sourced

from MSC certified fisheries.

- Any *Nephrops norvegicus* (Scampi) sourced for Lidl UK, must be sourced from within a credible Fisheries Improvement Project (FIP)

<sup>1</sup> *Nephrops norvegicus* (Scampi) – MSC certification commitment does not apply to Lidl UK's Wholetail Scampi, where Lidl is a partner of [PUKFI](#) to introduce MSC Scampi into the market.

## Threatened Species

Our product range has been designed to discourage the sourcing of seafood which is vulnerable, endangered or critically endangered in any way. For this reason we do not source any endangered or threatened fish species. In order to determine what we mean by 'threatened', we refer to the IUCN Red List of Threatened Species.

## Illegal, Unreported and Unregulated Fishing (IUU)

IUU fishing is the term used to describe any unauthorised fishing activities conducted in breach of regional, national or international rules or obligations:

**Illegal** fishing violates the laws of a fishery. This can include fishing out of season, harvesting prohibited species and using banned gear.

**Unreported** fishing is that which is not declared (or is misreported) to the relevant authority or regional fisheries management organisations (RFMO)

**Unregulated** fishing is conducted by vessels without nationality or flying the flag of a State not party to the regional organisation which governs that particular fishing region or species.

IUU fishing contributes to overexploitation of fish stocks and is a hindrance to the recovery of fish populations and ecosystems. It damages the marine environment, distorts competition and puts those fishers who operate legally at a disadvantage. At Lidl UK, we expect all suppliers of wild-caught species to be taking steps to ensure IUU fishing is not taking place within Lidl UK supply chains.

As part of this, Lidl UK requires, on demand, the unique vessel identifier for every vessel within the supply chain (e.g. IMO number) to be available, as well as our other traceability requirements (See [traceability & transparency](#) requirements).

The [PAS 1550:2017](#) provides recommendations on how to check that seafood products being imported or processed within the EU are legally sourced. It sets out the information that importers and processors should request as part of a due diligence process for identifying and avoiding IUU seafood.

More information and guidance to support suppliers on how to tackle IUU fishing can be found on the [Seafish Website](#) and the [Environmental Justice Foundation](#).

## Transshipment

Trans-shipment is where fish is transferred from one vessel to another. Whilst not illegal, trans-shipment, especially when carried out at sea, can allow IUU fish to go undetected.

As a general rule, Lidl UK does not support trans-shipment at sea, and is working with suppliers to implement best practice across vessels within the supply chain. This starts with our commitment to [traceability and transparency](#).

Exemptions will be made in cases where the at-sea transshipments are authorised (as necessary, by all of the following: the vessel's state flag, by the coastal state where the transshipment took place, and by the relevant



RFMO). This aligns with the conservation measures of the [International Seafood Sustainability Foundation](#).

## 4. Canned Seafood

### Our Commitments

- By the end of 2019, all canned seafood (excluding [Tuna](#)) sold in Lidl UK must be sourced from either an MSC certified fishery or from within a [credible fishery improvement project \(FIP\)](#).

## 5. Tuna

Tuna species, in particular, skipjack, yellowfin, bigeye and albacore, are integral to the greater marine ecosystem and support the diet of millions. In order to promote tuna conservation globally we consult the science-based tools and resources of the [International Seafood Sustainability Foundation](#) (ISSF) to understand the health of the planet's tuna stocks and to help guide our sourcing policies. We are committed to supporting the efforts to strengthen the RFMO management of tuna fisheries and encourage suppliers to do the same. Over time and as availability increases, we will expect Tuna to be sourced from within either a credible fishery improvement project or an MSC certified fishery.

### *Supplier Requirement*

- All own brand canned tuna and tuna as an ingredient in our products must be sourced responsibly using either:
  - pole and line or
  - purse seine fish aggregation device (FAD)-free fishing practices or
  - MSC certified
- All suppliers of Tuna into Lidl UK must be an ISSF participating company.
- All purse-seine tuna fishing vessels within Lidl UK's supply chain must be caught solely from vessels on the [ProActive Vessel Register](#) (PVR) managed by the ISSF.
- All suppliers of tuna must adopt the ISSF conservation measures.

The ISSF PVR enables tuna vessel owners to identify themselves as active participants in meaningful sustainability efforts, such as implementing specific best practices.

In addition to our requirement of FAD-free, we recognise a well-managed purse seine fishery as having the following attributes regarding target species:

- Target stocks are maintained around the target levels and away from biological limits that could severely impact the stocks;
- Where a target stock is overfished, a rebuilding program is in place with a clear timetable and milestones to rebuild the stock to around the target level;
- Assessments of the target stocks are conducted regularly to inform decision makers;

## 6. Sushi

Any seafood supplied to Lidl UK as part of a Sushi product, must adhere to the requirements on ['wild'](#) species, as relevant, within this policy.

### Fishery Improvement Projects

In order to further promote sustainable fisheries, Lidl encourages suppliers to support fishery improvement projects (FIPs) as part of their sustainability strategy and risk assessment procedures. In 2018 Lidl UK made a 5



year commitment to contribute towards the funding of the Project UK Fisheries Improvements Stage 2 (PUKFI S2) project. This project will support the long term sustainable sourcing of Nephrops in the North Sea (Northern NS and Southern NS), Irish Sea and West of Scotland.

We recognise credible FIPs in the same way as the Marine Stewardship Council. Credible FIPs are designed with the following six components:

- Initial gap analysis
- Action plan for improvement
- Regular reporting of progress
- Assurance mechanisms to verify progress
- Pre-determined time-frame
- Commitment to enter MSC assessment

Source MSC <https://www.msc.org/documents/developing-world/msc-accessibility-tools/definition-of-a-credible-fip/view?searchterm=credible+FIP>

All FIPs must be published on [Fishery Progress](#). Fishery progress is a 'one-stop shop' for information on the progress of global fishery improvement projects. Lidl UK aims to source only from FIPs graded a 'C' or higher on Fishery Progress.

## 7. Krill

Krill forms the basis of the Antarctic food web, with many Antarctic species relying on its sufficient availability. For this reason, Lidl UK does not stock products that contain Krill or Krill oil. In addition to this, we recognise the role that a large-scale network of effective marine protected areas play as an instrument in marine biodiversity conservation, and we support global efforts to protect at least 10% of the world's oceans by 2020. We are supportive of organisations that are furthering knowledge and understanding in this area, in line with the sustainable development goals (SDGs).

## 8. Policies related to the sourcing of farmed species

As the global demand for fish and seafood continues to increase, farmed fishing is becoming an increasingly important source. However, we recognise, as with wild caught seafood, that this must be carried out in a well-managed and sustainable manner, maintaining high levels of environmental and welfare standards.

### *Our Commitments:*

- By the end of 2018, 100% of our own brand chilled, frozen farmed species as well as farmed species used as an ingredient in other products must be sourced from BAP 2\*, Global Gap or ASC certified sources.
- However, we are working towards 100% traceability and sustainability in our farmed seafood supply chains. Therefore, we expect all suppliers of own brand chilled and frozen farmed species to be working towards BAP 4\* (or equivalent). We regard equivalent schemes as:
  - Processing plants to be BAP/Global gap certified and
  - Farms to be BAP/Global gap or ASC certified and
  - Hatcheries to be BAP or Global Gap certified and
  - Feedmill to be BAP, Global GAP certified (or ASC)
- In addition to the above, all Scottish farmed Salmon within our Deluxe Range must be RSPCA assured

## Animal Welfare

Lidl UK is committed to continually achieving higher welfare standards within its supply base and endorses the

Five Freedoms, proposed by the Farm Animal Welfare Council (FAWC). More information on our approach to animal welfare can be found in our [Lidl UK Farm Animal Health and Welfare Policy](#).

The use of genetic modification in the breeding of animals is not allowed.

#### *Supplier Requirement:*

- The health and welfare of all farmed species must be managed in a responsible manner, ensuring humane treatment throughout the lifecycle of the animal. This will be assessed through compliance to the schemes outlined above.

### **Animal Feed**

Marine ingredients (fishmeal) being used in aqua feed is increasingly seen as a driver of unsustainable practices. In order to address this, and as a first step, Lidl UK expects suppliers to map farmed seafood supply chains to feed mill level. Suppliers should be putting processes in place to ensure the responsibility and welfare of feed mill suppliers. As a standard, we do not allow the use of hormones within feed.

## **9. Branded suppliers of seafood into Lidl UK**

All branded suppliers of seafood into Lidl UK must ensure they are acting in a responsible and sustainable manner, reflecting (as a minimum), the policies and commitments outlined in this policy.