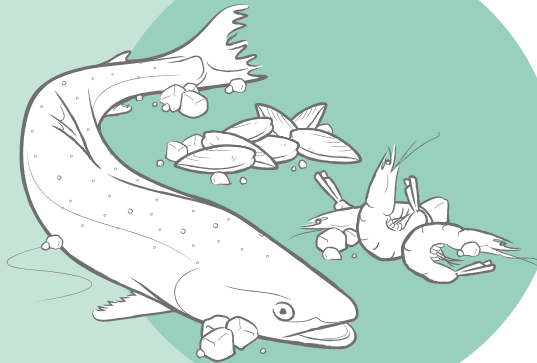


GUIDELINE ON

# *Fish and Seafood*



# CONTENTS

- I. UNDERSTANDING, SCOPE AND COMMUNICATION** ...3
- II. CHALLENGES** ...4
- III. GOALS, REQUIREMENTS AND MEASURES** ...8
- IV. LIST OF REFERENCES**... 14

## I. UNDERSTANDING, SCOPE AND COMMUNICATION

REWE Group’s customers expect and should be able to trust that REWE Group, as a trade company, is aware of its responsibility in the supply chains of its private labels and addresses the social and ecological effects. In its [“Guideline for Sustainable Business Practices”](#), REWE Group acknowledges this responsibility. The values described therein form the foundation for the responsible actions of the company. REWE Group has specified this foundation in the [“Approach for responsible supply chains”](#) in order to identify, evaluate and process the social and ecological effects. In addition, REWE Group obliges all suppliers of its private label products to comply with its [Supplier Code of Conduct](#).

REWE Group aims to influence more sustainable development in the fish and seafood trade. To this end, the Group focuses on a range of more sustainably caught fish and seafood, fishing practices that do not damage marine ecosystems, more sustainably managed aquaculture and fairer working conditions in both the fishing and the aquaculture industry.

### Goal and Scope of the Guideline

REWE Group's declared goal is to actively contribute to the reduction and elimination of negative ecological, social and economic impacts in the fish and seafood supply chain. With this guideline, the Group aims to show its business partners, employees and other stakeholders concrete goals as well as measures to achieve them.

The scope of the guideline covers all private label food products of REWE Group, which are sold in Germany by REWE and PENNY containing fish as well as the entire range of fresh fish. Moreover, the guideline outlines details for pet food products. It defines a binding framework for REWE Group’s actions and the business relationships with its contractual partners.

The specified goals, requirements and measures set out in this guideline are consistently checked and adapted if necessary. In addition, the guideline is updated on the basis of future trends and developments.

### Communication

REWE Group is continuously developing formats that are suitable to effectively communicate the contents of this guideline, e.g. via intranet or the Group's website, to suppliers, employees and other stakeholders and to raise their awareness for a more sustainable production of fish and seafood in the supply chain.

The Group regularly and appropriately reports publicly on the current status of all activities relating to this topic.

## II. CHALLENGES

With its omega-3 fatty acids and proteins, fish is an important component of our diet. In 2021, global fish consumption totalled around 157.1 million tonnes, i.e. about 20 kilograms per capita (FAO, 2021). Fishing is of great economic importance worldwide due to its contributions to economic growth, through exports and tax revenues. It also provides a livelihood for 59.5 million people: In 2018, 39 million people worked in traditional fisheries and 20.5 million people worked in aquaculture operations (FAO, 2020). Including processing and marketing, about 120 million people depend directly on the fishing industry, 97 per cent of them in countries of the Global South (BMZ, n.d.).

The downside: Fish stocks suffer from overfishing, and some species are even at risk of extinction. Aquacultures offer benefits in this respect, but they also bring with them many ecological problems. REWE Group faces the following effects of both production sectors with regard to people, the environment and animals:

### Impacts on Humans

Working conditions vary considerably from country to country, both in commercial fishing and aquaculture farms. The same applies to controls and compliance with international standards regarding health and safety, fair

and living wages, anti-discrimination, child and forced labour or freedom of association. Regions in Asia or Africa are particularly problematic.

On fishing vessels, there is not only a high risk of injury, but also often the risk of misuse, withholding of identity documents, murder and human trafficking (ILO, 2021; Heinrich Böll Foundation, 2017; EJF, 2019). In Thailand, for example, fishermen who have migrated to Thailand from neighbouring countries in Southeast Asia are sold as workers to fishing fleets (Human Rights Watch, 2018). Traffickers rely on the isolation of the sea and infrequent contact with law enforcement to deny workers the freedom to leave the vessels despite inhumane conditions (U.S. Department of State, 2021).

Overfishing by commercial fisheries abets social injustice through high fish prices and can lead to food supply shortages and even impoverishment in the Global South. European deep-sea trawlers, for example, fish in waters off the coast of West Africa, which serve as a livelihood for the local population (BUND, n.d.).



### Ecological Impacts

An estimated 4.5 million fishing vessels, from small non-motorised to large industrial vessels, took 96 million tonnes of fish from the world's oceans in 2018. In addition, there is illegal fishing. Globally, almost 35 per cent of commercially exploited fish stocks are considered overexploited, 65 per cent are considered fully exploited (FAO, 2020). In the Mediterranean and the Black Seas, 75 per cent of stocks are classified as overexploited (FAO & GFCM, 2020). More than 18 million tonnes of wild fish are used for feeding purposes in aquaculture – mostly in the form of fish meal or fish oil (FAO, 2020).

In addition, global fisheries can lead to unwanted bycatch, which varies considerably depending on the fishing method or target fish species. Bycatch also affects endangered, threatened or protected species. Every year, for example, one million seabirds, 650,000 marine mammals such as whales or dolphins, and ten million sharks die as bycatch, according to rough estimates (FAO, 2019). Therefore, commercial fishing contributes to the extinction of species and thus to the loss of biodiversity: The minimisation of some large predatory fish species changes the composition of marine ecosystems, and the catch of smaller schooling fish such as sand eels or sprats leads to a food shortage for seabirds or marine mammals (BfN, n.d.).

Furthermore, all forms of bottom trawling can destroy corals or seagrass beds (BUND, n.d.). This negative effect on marine flora and fauna is exacerbated by the climate-induced warming and the associated acidification of the oceans.

Fishing also has an impact on the climate: The vessels consume an above-average amount of fuel pulling the nets. Furthermore, the nets release around 1.5 gigatonnes of CO<sub>2</sub> from the seabed every year (BUND, n.d.). This is about twice as much as the emissions from all global passenger air traffic in 2019 (ICCT, 2020).

Aquacultures also have an impact on the environment – whether as open systems (offshore, i.e. open-net pens in the sea, as well as onshore, for example pond farming or flow-through systems) or as closed systems, so-called recirculating systems: The rapidly growing number of aquaculture farms is taking over more and more space with consequences for biodiversity, e.g. in coastal regions of tropical and subtropical countries (WWF, 2018). The use of soy protein concentrate as feed in aquacultures instead of fish meal has

an indirect negative impact on the deforestation of rainforests and the use of pesticides for feed cultivation. Water exchange and temperature regulation in closed tanks may entail high energy and water requirements. Nutrients and harmful substances in wastewater discharged into rivers or the sea can pollute aquatic ecosystems. In open aquaculture systems, sinking feed and faeces can pollute the sea, as can pesticides and antibiotics used to combat fish diseases (WWF, 2018). In addition, farmed fish escaping from net pens can genetically modify wild populations or transmit diseases (WWF, 2018).

### Impacts on Animals

According to the Animal Welfare Act, stunning is mandatory before slaughtering or killing fish. However, an exception is made if stunning is not reasonable due to the amount and nature of the catch, as in commercial marine fisheries. In contrast to killing in a manner appropriate to the species, the animals are often put on ice after being caught (Albert Schweitzer Foundation, n.d., a).

For aquaculture farms, animal welfare regulations and requirements are not yet uniformly regulated, even in the European Economic Area. Stunning before slaughter is currently not mandatory everywhere. However, it is becoming increasingly common in the European salmon production industry and also for other fish species, and is enshrined in legislation in Norway. Permissible methods include electric stunning, head-butting or the administration of a substance with an anaesthetic effect (Albert Schweitzer Foundation, n.d., b).

In 2018, 82 million tonnes of fish were produced in aquacultures (FAO, 2020). Poor water quality or an inadequate composition of the feed can cause stress or deficiency symptoms among the fish. In regions with many fish farms or high stocking densities, parasites and infectious diseases can spread quickly and their treatment can in turn also cause stress for the animals (Albert Schweitzer Foundation, n.d., b).

### III. GOALS REQUIREMENTS AND MEASURES

REWE Group aims at actively contributing to the reduction and elimination of negative impacts in the fish and seafood supply chain. To this end, the company wants to achieve the following goals for REWE's and PENNY's private label products:

- 100 per cent certified private label fish products in the areas of frozen food, convenience, fresh produce and canned food in Germany in accordance with [Marine Stewardship Council \(MSC\)](#), [GLOBALG.A.P.](#), [Aquaculture Stewardship Council \(ASC\)](#) or organic certification, if available.
- In the long term, all fish mono-products will have tracking codes on the packaging. These will provide customers with detailed information on the origin and processing of the fish.

In order to achieve these goals, REWE Group places demands on its business partners in the supply chain and has also taken a large number of measures in its three fields of action people, environment and animals as well as on the topic of labelling and transparency:

#### Requirements and Measures in the Human Field of Action

To ensure the protection of human rights and compliance with fundamental social and occupational health and safety standards throughout the entire supply chain – including in cooperation with fish suppliers – REWE Group undertakes to comply with the core labour standards of the International Labour Organisation (ILO).

REWE Group raises awareness among its private label suppliers of wildfish products for the special challenges in the supply chains for wild-caught fish and seafood and defines specific requirements for the fishing sector.

In addition, all processing plants in high-risk countries are obliged to continuously provide evidence of social auditing in accordance with standards such as the amfori BSCI and thus of compliance with minimum

social requirements such as the prohibition of exploitative child and forced labour or the right to freedom of association and collective bargaining in the supply chain. Companies that cannot provide evidence of these audits are not listed as suppliers by REWE Group.

In the aquaculture supply chain, REWE Group purchases certified products from farms that are audited on the compliance with basic principles.

As there is no established certification for labour and human rights for fishing vessels yet, REWE Group aims to ensure that social principles are included in the standards for wild fish and guaranteed by certifications.

#### Requirements and Measures in the Environmental Field of Action

For all sold species of wild fish, REWE Group adheres to a whitelist when purchasing fish, which was drawn up by external experts and is updated regularly. It provides transparent guidance for purchasing fish and seafood and is based on scientific sources such as the fish stock assessments carried out by the [International Council for the Exploration of the Sea](#). When drawing up the whitelist, the health of the fish stock, the recommendations of leading environmental organisations (e.g. WWF), the fishing gear used, existing certifications and – for certain species – possible social risks are systematically assessed.

If there is a high probability of scientifically proven overfishing of a certain wild fish species in a particular region, this fish species is excluded from the purchase. More destructive fishing methods are systematically rated lower than selective fishing methods that cause less bycatch. REWE Group prioritises suppliers who deploy less damaging fishing methods and thereby minimising the impact on ecosystems, for example by protecting the seabed. The company speaks out against illegal, undocumented and unregulated fishing (IUU fishing) and draws its suppliers' attention to the relevant EU regulation.

In order to avoid purchasing goods from overfished stocks or critical fishing and marine conservation areas, REWE Group excludes fish species classified as “endangered” or “critically endangered” on the Red List of the International Union for Conservation of Nature (IUCN) from the Group's private label products. This includes eel, Atlantic bluefin tuna, Atlantic salmon, black tiger prawns, gilt-head bream, orange roughy, all shark species



(including the spiny dogfish, which is sold in Germany as Schillerlocke, or the European conger), John Dory, all ray species, red snapper, all sturgeon species and sea bass. In addition, REWE Group excludes the sale of lobster.

Tuna, which makes up a great portion of REWE Group's product range, is sourced wherever possible from fisheries that are registered with the [International Sustainable Seafood Foundation \(ISSF\)](#) and have thus committed to complying with conservation measures to improve global tuna stocks. Tuna shall be MSC-certified where available. Where possible, fish aggregation devices (FADs) shall be avoided in seine fishing.

It is envisaged to steadily increase the share of MSC- and ASC-certified goods in pet food; Tuna is used MSC certified. Furthermore, REWE Group prefers to purchase products with fish components that are not suitable for human consumption.

In aquaculture, there are numerous sustainability aspects (which may also differ depending on the species) which are taken into account in REWE Group's purchasing. By purchasing from certified sources (Bio, [GLOBALG.A.P.](#) and ASC) it shall be ensured that

- fish and shrimp farms comply with all statutory regulations in the country of production,
- young fish or shrimp larvae come from hatcheries and not from wild catch (exception are parents for the purpose of breeding and for the prevention of inbreeding),

- fish and shrimp farms take sufficient precautions to prevent animals from escaping into natural waters, thus contributing to the protection of wild stocks,
- waste water from fish and shrimp farms is properly treated and does not lead to pollution of natural waters,
- the origin of feed is verified and certain sustainability requirements are met depending on the certification standard.

As part of the sustainability assessment of aquacultures, REWE Group also and in particular takes into account the feed used. The proportion of wild fish from forage fishing should be as low as possible and come from more sustainable fisheries. By-products from fish processing that are not suitable for human consumption should preferably be used. Soy feed components should also come from more sustainable cultivation. In addition, REWE Group requests from its suppliers to refrain from using feed with genetically modified crops.

To avoid damaging sensitive coastal ecosystems such as mangrove forests, REWE Group requires its suppliers to follow the [FAO Technical Guidelines on Aquaculture Certification](#) of 2011.

#### Requirements and Measures in the Animal Field of Action

For wild catch, especially tuna, REWE Group prefers selective pole & line fishing, which is significantly less stressful for the animals.

For aquaculture, REWE Group requires compliance with recognised sustainability standards such as the ASC and [GGN](#) (by [GLOBALG.A.P.](#)).

It works together with the standard-setting bodies to ensure that animal welfare aspects which are not or insufficiently covered are integrated into the standards and requirements are tightened. For example, REWE Group is involved with other food retailers, research institutions, non-governmental organisations and fish farmers in the "Initiativkreis Tierschutzstandards Aquakultur" (animal welfare standards in aquaculture initiative), and is particularly committed to the professional stunning of fish before they are killed.

By purchasing certified goods, REWE Group also works to ensure that handling – such as transport, fishing or slaughter – is reduced to a minimum and carried out as gently as possible, as this is the greatest cause of stress for fish in aquacultures. Medication should only be administered in unavoidable cases, never as a preventive measure, except for vaccines. Instead, culture



conditions should ensure the protection of the animals against parasites, pathogens and predators. Where possible, alternative treatment options are to be preferred.

### Requirements and Measures for Product Labelling and Transparency

Since REWE Group demands full traceability for raw materials from both wild catches and aquaculture, it requires its suppliers to disclose their entire supply chain on request.

For the sake of transparency, REWE Group offers customers a uniform and detailed product labelling. This comprises statutory required information such as

- the trade name of the fish species in German and the scientific name in Latin,
- the production method (wild catch, inland fisheries, aquaculture) and the catch area in the case of wild catch, the water of origin in the case of inland fisheries and the farming country in the case of aquaculture,
- the catch method (wild catch, inland fisheries).

The labelling is supplemented by voluntary information such as

- the exact sub-catch area in the case of wild catch and inland fishery,
- the farm region in the case of aquaculture,
- the individual gear category of the fishing method for wild and inland fisheries,
- the type of aquaculture.

Using various traceability tools such as the fish tracking code of REWE and PENNY, the Group also offers the following additional information on many products:

Wild caught fish	Aquaculture
<ul style="list-style-type: none"> <li>• Country of origin</li> <li>• Fishing vessel / fleet</li> <li>• Fishing period</li> <li>• Port of landing</li> <li>• Date of processing</li> <li>• Factory production</li> </ul>	<ul style="list-style-type: none"> <li>• Aquaculture farm</li> <li>• Husbandry method</li> <li>• Fishing date</li> <li>• Date of processing</li> <li>• Factory production</li> </ul>



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The dialogue on more sustainable fish and  
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