

DIRECT SEAFOODS SUSTAINABILITY POLICY



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Direct Seafoods has been at the forefront of sustainable practices since the market awoke to the need to preserve seafood stocks for future generations. We have worked with a number of non-governmental organisations (NGOs) in both the wild and farmed seafood sectors. This work has led to us having an intimate understanding of the issues involved in the sustainable discussion, and the positive and negative impacts of implementing a sustainable programme.

The outcome of this has been the establishment of our guiding principles:

- We work with chefs to guide them away from less sustainable species. This process may take time, so we continue to work with chefs on their existing menus during any transitional period. This allows for dialogue to continue, thus leading to a positive outcome.
- Wherever possible, we source from certified fisheries.
- We work with small fisheries to support local ecosystems.
- We engage with all NGOs to positively improve the fishing industry, and to improve fishing practices. This is fundamental to support sustainable fisheries for future generations.
- Certain species that are considered endangered (taking guidance from the Marine Conservation Society), we refuse to sell.

In addition to the search for sustainable sourcing solutions, we have also focused on ensuring that our solutions are ethical. To that extent, we have adopted the guidelines from the Ethical Trading Initiative (ETI), of which we have been a member since December 2014. In joining the ETI, our first steps were to map out our supply chain by species. Once a supply chain is mapped, we then carry out an assessment with the objective of looking for evidence of poor working conditions, unethical treatment of workers and communities, and modern slavery. Where we identify poor working conditions or unethical treatment of workers and communities, we begin a process of improvement in conjunction with the ETI. If we identify modern slavery, we would stop supporting the supply chain and move our purchases elsewhere.

We aim to have a fully sustainable and ethical supply chain. However, we are aware that this is not a goal, but a process that needs constant attention. We are in that process for the long haul!

We acknowledge that there are many inherent difficulties in the seafood industry, both in wild caught and aquaculture, but also believe there is a growing awareness of the issues. As an organisation, we are convinced that a step by step approach to sustainable change is the most effective way of improving every aspect of our business.

The four key areas of focus are:

SOURCING: Good sourcing is the driving force of good supply. Avoid the worst: We actively remove seafood that we believe is an unacceptable risk, both in terms of seafood sustainability and social ethics.

Encourage the best: We encourage the use of seafood that is fished or farmed to the highest standard of “best practice” wherever possible, seeking out fisheries with third party certification.

Improve the rest: We work hard with our fisheries, NGO's, and Fishing Organisations to seek out the most responsible fisheries for each specific species. We will only sell wild seafood that is traceable back to the vessel that caught it, with evidence that the catch is in quota, and that we believe has been sustainably caught.

ADVISOR: We believe that as a responsible supplier, one of our key roles is that of an advisor not educator.

We dedicate a considerable amount of resource to developing our employees' understanding of the complexity of the issues surrounding sustainability and socially responsible sourcing. Both the buying team, and the sales force, are given monthly updates on current issues affecting the industry. This ensures they are actively asking the necessary relevant questions of suppliers, and are able to give coherent, well understood, answers to our customers.

We are committed to helping our customers take the necessary steps towards a sustainable future by promoting the best and removing the worst. We do this with the help of literature, workshops, bespoke training, and advice.

COLLABORATION: We know that whatever our own beliefs and aspirations for sustainability are, the achievement of these aims is only possible by working with other like-minded people through collaboration. We actively work with other organisations including retailers, NGO's, trade associations, and government bodies, to better understand and further drive the sustainability message.

INVESTING IN THE FUTURE: Direct Seafoods' commitment to sustainability is hardwired into every aspect of the business. It is involved in several long-term industry defining programs, like the MSC's Project UK, and has introduced a number of ground-breaking initiatives of its own.

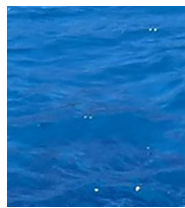
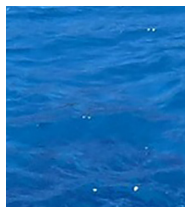
In conclusion, we recognise that changing the structure of a supply chain is a long, difficult, and complex task.

Long - because changes can often take years to take effect.
Difficult - because we are affecting people's livelihoods (often their only source of income). Shifting to sustainable methods often increases costs, which few in the supply chain are willing to bear.
Complex - because there is often no consensus as to the sustainability of a fishery.

Direct Seafoods recognises that the journey to sustainability is a long, difficult, and complex one. However, we are determined to lead the field in the foodservice sector, whilst actively encouraging our customers to join this challenging voyage to maintain our fishing stocks for years to come.

Stephen Oswald, Chief Executive, Direct Seafoods

Direct Seafoods is engaged with a number of NGO's and organisations.



Social Welfare

Ethical Trading Initiative

"The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Our vision is a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity." Source: <https://www.ethicaltrade.org/>

Direct Seafoods is the first company in the food service sector to commit to the ETI, and is committed to ensuring its supply chain is robust in all areas, including our concerns for human wellbeing

Ethical trade means that we take responsibility for improving the working conditions of the people who produce the products we sell. Many of these workers are employed by companies around the world, some of them based in poor countries where laws designed to protect workers' rights are inadequate or not enforced.

As a Foundation level member, Direct Seafoods have committed significant staff and resources in the mapping our supply chains to ensure that the suppliers we use around the world address issues like wages, hours of work, health and safety, and the right to join free trade unions. With the establishment of new legislation, this whole subject has become a driving principal of our sourcing policy. As part of the government's new anti-slavery legislation, Direct Seafoods have submitted their first anti-slavery statement <http://www.directseafoods.co.uk/about/slavery>.

Advisory

Sustainable Seafood Coalition

"The Sustainable Seafood Coalition (SSC) is the first ever cross-industry group in the UK to tackle seafood sustainability using their influence as a seafood business. They are united in a vision for sustainable seafood and have pledged to work together to achieve this. This means that clients can trust that they are working hard to develop voluntary solutions to the seafood sustainability problems. This involves continuous re-assessment of supply chains to ensure all the fish and seafood supplied is responsible and sustainable." Source: <https://www.sustainableseafoodcoalition.org/>

Direct Seafoods are an active member of this Coalition representing the food service sector, and have been instrumental in drawing up the voluntary codes of practice that the SSC will abide by. The first two codes of practice have now been agreed by the members. The codes are 'Responsible and Sustainable Sourcing' and 'Responsible and Sustainable Labeling'. They cover both farmed and wild caught species. The SSC is now working on a new code for social ethics as the industry grapples with the problems of modern slavery and human trafficking worldwide.

This is the first such industry wide coalition of businesses in the world that commits its members to such codes, and includes such major retailers such as Marks & Spencer (M&S), Sainsbury's and Waitrose, as well as food manufacturers like Birds Eye, Igloo, and Young's Seafood.

The SSC is now actively seeking new members to help bring its aims and visions to a greater audience, and Direct Seafoods would encourage likeminded food service operators to join.

Marine Conservation Society

The Marine Conservation Society is the UK charity dedicated to caring for our seas, shores, and wildlife. The MCS campaigns for clean seas and beaches, sustainable fisheries, and protection for all marine life. The MCS aquaculture and fisheries program promotes sustainable seafood consumption through its consumer awareness program and by working directly with the seafood industry. The MCS encourages restaurants to buy sustainable seafood, and to use their skills to serve unusual, sustainable, seafood to customers in an attractive, tasty way, thus helping to relieve pressure on traditional, often over-fished, species. They also work in collaboration with the Good Catch Group to help the foodservice industry navigate the world of sustainable seafood. This includes providing clear information in the form of a manual with MCS seafood sustainability ratings, as well as practical support and training.

These days, the MCS traffic light system has become the go-to-guide used by restaurants and caterers in the UK to assess the sustainability of both wild and farm caught fish. Using scientific data from numerous sources, the MCS updates their ratings twice a year on their website - www.fishonline.org. This easy to use web site, as well as the Good Fish Guide app which can be easily downloaded, is the perfect tool for chefs to use in ensuring they make the best choices in sustainable seafood when developing menus.

Over the years, Direct Seafoods have been great supporters of the Marine Conservation Society (MCS), and also use their ratings as a guide to best sourcing practice. We believe that the MCS play a vital role in supporting our message to our customers that sustainability is vitally important to a productive and successful fishing industry that supports the food service sector.



Certifying the Certifiers

Global Sustainable Seafood Initiative

As seafood production increases to meet rising global demand, so have concerns of members of the seafood supply chain, consumers, and environmental NGOs over the impact that production is having on the environment. One way of providing assurances of more sustainable practices in both aquaculture production and wild capture fisheries is the use of seafood certification schemes. However, the increase in these types of certification has led to confusion over how to recognise a credible seafood certification organisation scheme. This confusion is making decision-making more difficult, and seafood more costly.

The Global Sustainable Seafood Initiative (GSSI) is a unique solution to this problem. For the first-time, members of the seafood supply chain, NGOs, governmental, and intergovernmental organisations, have come up with a collective, non-competitive approach to provide clarity on seafood certification, thus ensuring consumer confidence in certified seafood. The GSSI has created a benchmarking tool that is based on the FAO Code of Conduct for responsible fisheries. This tool will evaluate which certification schemes are really effective, and help us to decide which ones we can rely on to ensure our customers receive the most sustainable fish possible.

Direct Seafoods (as part of Bidfresh Ltd), became partners of the GSSI in the summer of 2017.

For more information on GSSI visit <http://www.ourgssi.org/>

International Wild Caught Certification

Marine Stewardship Council

The MSC meets best practice guidelines for eco-labeling and certification to ensure it offers the world's leading certification program for sustainable wild-capture seafood.

The MSC follows international, professional benchmarks to promote robust processes. The MSC upholds core values of independence, transparency, impartiality, and stakeholder consultation.

Direct Seafoods has now had 'Chain of Custody' certification with the MSC since 2007. We work closely with the MSC. When additions or amendments to any of the MSC standards and requirements are proposed, consultation with stakeholders (such as Direct Seafoods) is required as set out in the MSC's standard setting procedures.

Local UK Wild Caught Certification and Education

Project UK

Direct Seafoods is an active sponsor of Project UK - a new partnership of retailers, suppliers, non-government organisations (NGOs), and the fishing industry. Together, the partnership are working towards an environmentally sustainable future for UK fisheries. The project, led by UK seafood authority Seafish, is using assessments based on the MSC standard for sustainable fishing to produce tailored sustainability reports for a significant number of fisheries in the UK.

Following on from the success of Project Inshore - which mapped all the inshore fisheries in England to the MSC pre-assessment standard - Project UK is developing an even more ambitious program.

The three key features of project UK will be to:

- Identify and map all types of fisheries in the UK and, by using the MSC pre-assessment criteria, prioritise those fisheries that are of significant value to the UK supply chain.
- Improve a number of fisheries, identified by project inshore, through the use of Fishery improvement projects to MSC certified standards.
- Certify fisheries identified as being ready to enter assessment, and likely to meet the MSC standard.

Fisheries included in stage one of Project UK include:

- North Sea Plaice - demersal trawl, beam trawl & seine.
- North Sea Lemon sole - demersal trawl, beam trawl & seine.
- Channel Scallops - dredge.
- Western & Channel Monkfish - demersal trawl, beam trawl, & gill net.
- Southern Crab - pots
- Southwest Lobster - pots

These reports will deliver a roadmap that highlights best practice, and which provides an independent evidence base to attract targeted investment in further scientific research. For some fisheries, this project may offer the opportunity to enter full assessment for MSC certification. For others, they will have a clear plan to enable them to work towards the benefits of third party certification offered by the MSC.

Direct Seafoods have been sitting on the Project UK advisory group since its inception.

International Aquaculture Certification

Aquaculture Stewardship Council

The Aquaculture Stewardship Council (ASC) operates a certification and labelling program based around scientifically robust and globally credible standards that assess whether fish farms are operating responsibly. The standards are helping aquaculture become more environmentally sustainable and socially responsible. Direct Seafoods are actively involved in seeking out ASC certified products as well as the ASC Chain of Custody.

Seafood products that carry the ASC logo are fully traceable to farms that have been independently certified to the ASC standard via Chain of Custody certification. ASC certified farms have demonstrated that they are well managed and minimise any adverse environmental and social impacts.

The ASC programme is in its early stages. However, Direct Seafoods already carry a number of species with ASC certification.

International Aquaculture Certification

GAA-BAP

Given the growing importance of aquaculture in the supply of sustainable seafood, Direct Seafoods has continued to strengthen its ties with the Global Aquaculture Alliance (GAA), which is an international, non-profit, trade association dedicated to advancing environmentally and socially responsible aquaculture. Both Direct Seafoods and the GAA recognise that aquaculture is the only sustainable means of increasing seafood supply to meet the food needs of the world's growing population. Through the development of its Best Aquaculture Practices certification standards, GAA has become a leading, standards-setting organisation, and Direct Seafoods supports its objectives by requiring its aquaculture supply base to meet GAA's standards.

Additionally, Laky Zervudachi has been raising the profile of Direct Seafoods in the sustainable seafood movement at events organised by the GAA. GAA's GOAL conferences provide an ideal opportunity for Direct Seafoods to join other industry leaders and demonstrate its commitment to sustainable sourcing.

Local UK Wild Caught Certification and Education

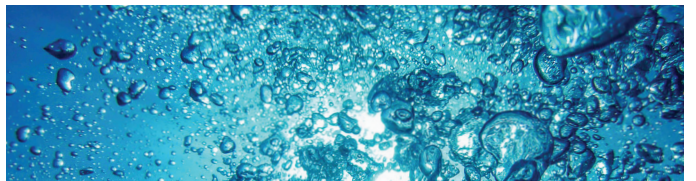
Blue Marine Foundation - Lyme bay reserve

"BLUE Marine Foundation exists to fix the largest solvable problem on the planet - the crisis in the oceans. It aims to help protect 10% of the Oceans by 2020 delivered through a network of marine reserves and private sector led solutions in the sea, and by establishing the appropriate legal and political frameworks to ensure long-term marine protection.

BLUE recognises the need for conservationists and fishermen to work together but, in Lyme Bay, which straddles the border between Dorset and Devon, there had been a history of conflict between them, and BLUE decided to create some tangible benefits for working in a marine reserve which would re-engage conservationists and fishermen.

In 2012 BLUE established the Lyme Bay Working Group, bringing together fishermen and scientists to agree a sustainable level of fishing and an overall management plan for the area. Since its inception, the project has seen: fishermen signing up to a Code of Conduct for the fishery, the implementation of a number of research studies to inform best-practice management, and the creation of a partnership with the Responsible Fishing Scheme (RFS) to help build the sustainability, traceability and high quality of the catch. In addition, the plan includes enhancement of storage and icing facilities."

Source: <http://www.blumarinefoundation.com/>



Direct Seafoods has partnered with BLUE to create the "Reserve Seafood" brand, and is committed to working directly with the day boat fishermen of the 4 ports in Lyme Bay to make sure that "Reserve Seafood" fish gets the full recognition it deserves. This is achieved by paying the fishermen a fair price, and ensuring a full chain of custody from boat to plate. There are a number of species landed in this fishery that some do not believe are "sustainable". In many cases, this is purely due to a lack of scientific knowledge and data being available on which to make an informed scientific decision. However, we believe that by continuing to buy these species we are able to support this outstanding local fishing industry as they fill the data gaps to remove the "unsustainable" label, whilst also providing species to our customers which others might not choose to stock.

International Aquaculture Certification

GLOBAL-G.A.P.

Global G.A.P are a global organisation with a crucial objective: safe, sustainable agriculture worldwide. They set voluntary standards for the certification of agricultural products around the globe—and more and more producers, suppliers and buyers are harmonising their certification standards to match. Globally connecting farmers and brand owners in the production and marketing of safe food to provide reassurance for consumers, they lay the foundation for the protection of scarce resources by the implementation of Good Agricultural Practices, with a promise for a sustainable future.

The GLOBAL-G.A.P. Aquaculture Standard sets criteria for legal compliance, food safety, worker occupational health and safety, animal welfare, and environmental and ecological care. It applies to a diversity of fish, crustaceans, and molluscs, and extends to all hatchery-based farmed species. It covers the entire production chain, from brood stock, seedlings and feed suppliers, to farming, harvesting and processing.

Direct Seafoods actively support the GLOBAL GAP standard by using a number of Global GAP certified species, including all our fresh farmed Sea bass and Sea Bream.

Seafish

As the authority on seafood, Seafish supports a very broad range of work. From the catching sector, through suppliers, and onto food service and retail. Seafish understands the influential role that the supply chain plays in maintaining the reputation of seafood and the industry, and works closely with this sector to support shared goals.

The £3billion worth of seafood consumed outside the home in 2014 evidences the powerful impact the food service sector can have on the way we source, produce, and eat seafood. By working alongside Seafish and its other industry partners, Direct Seafoods is playing a positive role in driving improvement in this, and other, areas.

Seafish has a very clear purpose - to help secure a sustainable and profitable future for the UK seafood industry. The organisation leads a program of work to support industry on its journey to a more responsible future through projects like the Responsible Fishing Scheme, and the Risk Assessment for Sourcing Seafood. As a leading sustainability champion, Direct Seafoods strongly supports Seafish.

We do this by sitting on one of the sector advisory panels that helps direct the board, and by encouraging its work in bringing all industry partners together in the pursuit of responsible sourcing.

Direct Seafoods are closely involved with the Seafish Seafood Week in October, encouraging our customers to use more seafood on their menus, and to trying to engage the public in trying underutilised species that are not currently so popular.



Risk Assessment For Sourcing Seafood

Seafish have developed a fisheries risk assessment tool (known as RASS) that will help buyers make an informed judgement on the risks they face when sourcing seafood.

RASS will not tell you which fisheries to source from or which to avoid. It will present up-to-date scientific information on the potential reputational risks of sourcing particular seafood in a clear and structured format. Direct Seafoods sits on the RASS steering committee, and uses RASS as one of the tools that informs our procurement policy as it highlights areas of high risk. Consequently, RASS keeps us ahead of the game when making critical decisions in sourcing.



Responsible Fishing Scheme

The Responsible Fishing Scheme has been developed to raise standards in the catching sector. The Responsible Fishing Scheme was created in response to the needs of the seafood supply chain to demonstrate their commitment to the responsible sourcing of seafood. It is the only global standard that audits compliance on board fishing vessels, including ethical and welfare criteria.

The aim is that, over time, it will become a condition of supply. Based on a Publicly Available Specification from the British Standards Institution (BSi), the Responsible Fishing Scheme is an independent, audited assessment of the application of good practice by a vessel skipper and crew in their fishing operations.

Direct Seafoods has been actively involved in the development of the new standard, from the initial review process in 2013 through to participation in the Oversight Board. This involvement is critical to ensure that the responsible sourcing needs of the food service sector are recognised and met by the revised standard. The ISO accredited standard has been launched in tandem with a chain of custody, and the scheme has attracted wide ranging interest and commitment from all sectors of the supply chain. Although the certification will initially certify UK skippers and their vessels, as an international standard there will be application in international fisheries that supply the UK market.

Following on from this scheme is the RFPHS - responsible fishing ports and harbours scheme - which is being developed to ensure that the best practices achieved on board vessels, are carried on throughout the whole supply chain. This scheme will cover all the core areas of port operations and facilities and its aim is: to "promote and encourage responsible operating practices within UK fishing ports and harbours to give greater assurance and transparency to buyers and users of seafood landed in the UK."

World Wildlife Fund (WWF)

In July 2017, Direct Seafoods joined a number of other well-known companies in the UK in signing up to the WWF's new statement to deliver sustainable UK seafood. We are proud to be involved in this pioneering work that incentivises increased selectivity, innovation, and best fishing practices.

Direct Seafoods have signed up to the WWF's policy, as follows:

Delivering Sustainable UK Seafood

For many years, the government, fishermen, processors, and retailers, have worked together to improve the sustainability of UK seafood. Brexit potentially marks a step change for the UK seafood sector - in which context all concerned need to consider how to deliver sustainable fisheries management and high quality, sustainable, UK seafood, now and for the years to come.

We, Direct Seafoods, believe it is important that the government and industry continue to support the adoption of policies and actions that maximise the environmental and social benefits of fisheries and minimise the risks. It is clear that whatever legislation is adopted as the UK exits the EU, it must deliver confidence that UK seafood remains legally and sustainably sourced, and fisheries must operate in accordance with the existing regulations until such time as it is replaced by new fisheries legislation. This includes the continued implementation of the landing obligation which requires fishing vessels to land all catches of specified fish so that they count against quota (where quotas apply), and to be fully documented.

With these obligations come clear opportunities, the most obvious of which is healthier fish stocks and a more resilient, profitable industry alongside greater food security. But, if implemented poorly, the result will be unaccounted for mortality, which undermines fishery science, and could lead to overfishing. It could also constitute illegal activity which poses a significant reputational risk for the industry supply chain, both at sea and on land.

The current outlook for assessed Northeast Atlantic stocks is positive with trends for mortality decreasing, and for biomass increasing. We are proud of these achievements, and need these positive trends to continue and not be undermined as a result of poor implementation. The UK seafood industry believes that:

1. Effective implementation of current legislation, and in time equivalent new UK and devolved law, is essential to ensure the continued biological and economic sustainability of European fisheries, including those MSC certified fisheries.
2. Fully documenting fisheries is an essential tool for successful fisheries management and the attainment of healthy fish stocks.
3. Failing to properly document and account for catches should not be sacrificed because there are implementation challenges in some fleet sectors.

In order to address this, we are willing to support initiatives that will be necessary to support this outcome.

These include:

- Increased selectivity in fishing activities - both in terms of fishing practice and gear development.
- Comprehensive and cost-effective monitoring and enforcement of measures - for example the use of remote electronic monitoring.
- Innovation in access to quota.
- Incentivising changes in fishing practices to address potential choke situations.

The Source Fish Responsibly award is designed to recognise food service businesses which have taken decisive action to ensure there are plenty more fish in the sea. When the SRA campaigned on this issue in July, dozens of operators, serving a combined 50 tonnes of fish a year, responded to the call to "Remove the Worst", such as wild sea bass and eel, from their menus.

Sustainable Restaurant Association (SRA)

Direct Seafoods are passionate about responsible sourcing, and about advising those who work with us to make the most sustainable choices. In spring 2017, Direct Seafoods began working with the SRA by sponsoring their campaign to 'Source Fish Responsibly'.



Talk to us about sustainability

Call: 01206 584 790

www.directseafoods.co.uk