

**RISKS OF SOURCING SEAFOOD
IN HONG KONG SUPERMARKETS 2019**



Every retailer in the city must take a lead to help transform Hong Kong into Asia’s most sustainable city

The United Nations’ recent global assessment on biodiversity and ecosystem services sounded a warning that around one million species already face extinction, many within decades, unless action is taken to reduce the intensity of drivers of biodiversity loss. More than a third of all marine mammals are currently threatened. Without proper management of fishing practices and transparent seafood supply chains, there will be degradation of natural habitats and a drop in food security levels in seafood. Ultimately, it will affect the profitability of all businesses that rely on seafood.

Hong Kong is the second largest per capita consumer of seafood in Asia. We import over 90% of our seafood from over 170 countries and territories around the world. Our seafood choices affect marine fisheries resources worldwide. As Hong Kong supermarkets play an increasingly important role in supplying seafood to consumers, they can also be crucial in making sustainable seafood more publicly accessible.

In October 2016, WWF-Hong Kong published the first report detailing how local supermarket giants were selling globally threatened species and seafood products associated with environmental, social and legal problems.

By documenting their existing practices and educating supermarkets about the impacts of their seafood sales on marine resources and our oceans, we sought to raise public awareness and collectively encourage them to set up a comprehensive sustainable seafood procurement policy.

There are 29 chain supermarket brands in Hong Kong owned by a total of nine groups or companies comprising over 70% market share in the city’s food retail sector.

Group name/ company	Supermarket brand
AEON Stores	AEON STYLE, AEON Supermarkets
A.S. Watson	PARKnSHOP Frozen Store, PARKnSHOP Supermarket, PARKnSHOP Superstore, International by PARKnSHOP, Taste, Fusion by PARKnSHOP, Gourmet, Great, SU-PA-DE-PA, Food Le Parc
CEC International Holdings Ltd.	759 Store, 759 Store Frozen Market and 759 Store Supermarket
City Super	City Super
CR Vanguard	CR Vanguard, U select
Dah Chong Hong Holdings Limited	DCH Food Mart Deluxe and DCH Food Mart

Dairy Farm	Jasons Food & Living, Marketplace by Jasons, Oliver's the Delicatessen, ThreeSixty, Wellcome Supermarket, Wellcome Superstore
Moretide Investments Ltd.	Kai Bo Food Supermarket
YATA Limited	YATA Department Store, YATA supermarket

In our first *Risks of Sourcing Seafood in Hong Kong* report in 2016, all nine supermarket groups were unable reach the green category as industry role models. At that time, most supermarkets were concerned with price and quality rather than sustainability. Three years later, one out of the nine retailers has taken steps towards supplying sustainable seafood. Our performance indicators assigned to supermarket groups in this scorecard are below

Performance Indicator	Scoring Allocation
0	Nothing has been shared
1	No progress has been updated
2	Took fragile action
3	Some action taken, mainly because of government regulations
4	Followed government regulations and/or did extra monitoring or work (but no further details disclosed)
5	Asked suppliers to take the lead or the supermarket undertook half of the initiative
6	Undertook improvement and explored alternatives (but no timeline)
7	Took proactive action and worked with suppliers/vendors
8	Set up targets and a timeline, but did not publicly disclose
9	Set up targets, timeline and worked with suppliers/vendors
10	Fully fulfilled the requirements of the initiative

AEON Stores (AEON STYLE, AEON Supermarkets)

Avoid selling threatened species (score: 6)

A survey conducted by WWF-Hong Kong in 2017, revealed that AEON sold golden threadfin bream, Japanese eel and bluefin tuna. The company has since phased out golden threadfin bream, and is working with suppliers to explore alternatives for processed golden threadfin bream products, such as imitation crab sticks. It will only sell Japanese eel and farmed bluefin tuna during the annual Japan festival, at limited outlets, and with no extra promotion.

Sustainable seafood targets and promotion (score: 9)

In 2018, AEON set up a clear target to introduce additional sustainable seafood products, including cod loin and its own brand TOPVALU. By end of 2019, it plans to stock up to 45 sustainable seafood products in its outlets. The company has promoted TOPVALU with monthly promotions. It collaborated with MSC to promote certified seafood and shares the details on its Facebook page. The company promoted MSC cod products on World Oceans Day 8 June 2019.

No harmful chemicals (including antibiotics) (score: 6)

AEON requires that its seafood suppliers provide health certifications and undertake tests on risky products. It conducts its own voluntary chemical tests on suspicious seafood items, e.g. products that have been recalled by other chains in response to CFS alerts, and its QA team monitors Hong Kong and foreign food safety alerts. However, it lacks clear guidelines or a system to monitor chemicals used in seafood on a regular basis.

Proper labels with detailed information (score: 8)

All of AEON's seafood products are properly labelled with country of origin. Previously, the company committed to enhance its packaging transparency by including the scientific name on 30% of items and the production method on 20% of frozen fish products. This year, the company plans to include the scientific name on additional 30% of seafood products and the production method on an extra 30% of frozen products.

Eliminate alleged human rights abuse (score: 9)

AEON has set up its own human rights policy and code of conduct for its suppliers. The code of conduct covers 13 areas, including the prohibition of child labor and forced labor, assurance of appropriate working hours and fair compensation, and a ban on exchanging gifts. All of AEON's suppliers are required to follow these standards.

Public announcements (score:7)

Sustainable seafood is one of the highlights of AEON's ESG reporting. It has followed MSC, ASC, and WWF-Hong Kong guidelines to source sustainable seafood. The company has committed to hold at least one sustainable seafood promotion every year. To this end, it has proactively worked with MSC and WWF-Hong Kong.

YATA Limited (YATA Department Store, YATA supermarket)

Avoid selling threatened species (score: 6)

YATA stopped selling golden threadfin bream and reduced the quantity of Japanese eel by 10%, following the release of a WWF-Hong Kong report identifying the products in its supermarkets. YATA currently sells American eel (*Anguilla rostrata*) which is listed as endangered on the IUCN Red List, but it stopped sourcing this item and will stop selling it after the existing stock has gone (with a target for Q3 2019).

Sustainable seafood targets and promotion (score: 9)

YATA sells a range of MSC, ASC, and WWF-assessed sustainable seafood products. YATA has recorded a 21% y-o-y increase in sustainable seafood items since 2018, and has stated its willing to increase this number. The company holds promotional activities to encourage its consumers to buy more sustainable seafood, including YATA VIP sales and sustainable seafood promotions.

No harmful chemicals (including antibiotics) (score: 7)

YATA requests its suppliers provide chemical test reports on all new items. The company conducts lab tests for harmful chemicals, including antibiotics, twice a year. YATA conducts additional monitoring with testing and certification bodies, but has not disclosed specific details. Its QA team tracks food safety alerts from around the world.

Proper labels with detailed information (score: 8)

In addition to statutory labelling requirements, YATA will add the scientific name and production method (farmed or wild caught) on all frozen shellfish products by Q4 2019. These products comprise 20% of the total stock taking units in its seafood department.

Eliminate alleged human rights abuse (score: 7)

By the end of 2019, YATA will add labor right guidelines in its agreements with suppliers. To minimize its potential to involvement into alleged human right issues, the company is planning to collect information concerning factory facilities and operational procedures from its vendors.

Public announcements (score: 7)

YATA follows MSC, ASC and WWF-Hong Kong's guidelines for sourcing sustainable seafood and works closely with its seafood suppliers to promote the importance of sustainability. In March 2019, YATA has launched a sustainable seafood campaign and plans to conduct similar promotions at least once a year.

CEC International Holdings Ltd. (759 Store, 759 Store Frozen Market and 759 Store Supermarket)

Avoid selling threatened species (score: 7)

A survey conducted by WWF-Hong Kong in 2017, revealed that 759 was selling golden threadfin bream and Japanese eel. The processed golden threadfin bream products have since been replaced with a sustainable alternative, and there is currently no golden threadfin bream products in 759 outlets. 759 has confirmed they will not promote Japanese eel products or push the sale of this threatened species. 759 has also reduced the volume of Japanese eel in its outlets.

Sustainable seafood targets and promotion (score: 6)

Notably, 759 does not sell MSC or ASC certified sustainable seafood products. The company has stated it is willing to educate its suppliers and staff on sustainable seafood in Hong Kong. When the company receives updated seafood information, alternatives or solutions, it shares this information with suppliers to explore the feasibility of these options.

No harmful chemicals (including antibiotics) (score: 7)

Every batch of seafood 759 purchases comes with a health certificate from the country of origin. The company requires suppliers provide documentation to ensure the product has passed the chemical regulations from its country of origin. Based on a risk assessment, it selects random samples, and items associated with food safety issues, for testing in third-party laboratories, and it regularly conducts microbiological and E. coli tests on frozen seafood labelled "sashimi". It tracks FDA food safety alerts on antibiotics and conduct annual chemical tests.

Proper labels with detailed information (score: 9)

Previously, 759 improved its labelling on all frozen seafood products with scientific name, country of origin and production method. The company is exploring the feasibility of enhancing the transparency on its private label canned seafood products. It plans to include scientific name, country of origin and production method on its canned sardine by 2019.

Eliminate alleged human rights abuse (score: 8)

759 remind suppliers from high-risk countries (e.g. in Southeast Asia) to be aware of labour rights issues and will stop purchasing any products associated with human rights issues. Furthermore, it plans to include a human rights policy in its suppliers' code of conduct.

Public announcements (score:6)

759 has not published its detailed sustainable seafood procurement policy, however, it has shared sustainable seafood information and WWF-Hong Kong's seafood guide to its staff and suppliers is taking steps to enhance traceability on its seafood products. Additionally, the company is planning to include a shelf-talker to inform customers to identify sustainable seafood items.

A.S. Watson (PARKnSHOP Frozen Store, PARKnSHOP Supermarket, PARKnSHOP Superstore, International by PARKnSHOP, Taste, Fusion by PARKnSHOP, Gourmet, Great, SU-PA-DE-PA, Food Le Parc)

Avoid selling threatened species (score: 6)

A.S. Watson has committed not to sell any endangered species listed on CITES or any shark's fin products, however, a survey conducted by WWF-Hong Kong showed that A.S. Watson sold golden threadfin bream and Japanese eel in its outlets. The company has said it will stop promotions, and reduce the price, on these two species and related products.

Sustainable seafood targets and promotion (score: 9)

A.S. Watson offers a range of certified sustainable seafood across different brands. Currently, the sale of sustainable seafood at PARKnSHOP accounts for about 18% of seafood products. The company hopes to increase this number to 40% at its Taste and Fusion supermarket outlets in 2019.

No harmful chemicals (including antibiotics) (score: 8)

A.S. Watson recently established a testing program which includes malachite green. The company will test 2-3 fish (including freshwater, marine and shellfish) from each supplier every month. It will also test 1-2 frozen seafood samples each month. The company will conduct tests on seafood products that have been associated with the excessive use of chemicals or the use of banned chemicals.

Proper labels with detailed information (score: 4)

A.S. Watson has no plans to add scientific names to its labels at this stage. On the other hand, its seafood items can be identified their production methods, as well as MSC and ASC certifications.

Eliminate alleged human rights abuse (score: 6)

The company is a member of the Business Social Compliance Initiative (BSCI) and it is committed to ensuring its suppliers to make continuous improvements to working conditions and do not engage in slavery. It is in the process of implementing BSCI's requirements on this issue.

Public announcements (score: 7)

A.S. Watson uses MSC, ASC, AFFS and WWF-Hong Kong seafood guideline to source sustainable products. To help its customers purchase sustainable seafood, the company will place in-store POSM and shelf-talkers to indicate sustainable seafood in outlets. The company will do press advertising, demo selling and offer discounts to encourage customers to purchase sustainable seafood products.

City Super

Avoid selling threatened species (score: 6)

City Super stopped selling wild caught Japanese spiky sea cucumber and golden threadfin bream (including imitation crab sticks) following WWF-Hong Kong's engagement work. The company is studying alternative (such as conger eel) to replace its Japanese eel products. It is currently selling farmed bluefin tuna products, but due to environmental concerns regarding fish feed and water discharge at farms, it will consider minimizing its promotion of bluefin tuna.

Sustainable seafood targets and promotion (score: 9)

City Super will continue to introduce new products that are certified with additional MSC, ASC, BAP 4 stars, or an equivalent standard. It targets to introduce 10 additional sustainable seafood products this year. In 2019, it hopes to increase its seafood target by 50% y-o-y. To further support on sustainable seafood, City Super will hold at least one promotional activity a year.

No harmful chemicals (including antibiotics) (score: 4)

City Super follows Hong Kong food safety regulations, in addition to tracking emerging and ongoing issues. It has a supplier surveillance program in place to define its testing scope on seafood products. Due to the overuse of antibiotics in some aquacultures, the company continues to do random chemical tests, including for nitrofurans and chloramphenicol.

Proper labels with detailed information (score: 7)

Starting in 2018, City Super has added scientific names on selected seafood products. This year, it will increase in the number of seafood products that include scientific name by 43% y-o-y. City Super also list production method (wild caught or farmed) on the price cards at its fresh seafood counter. It will conduct an annual review of these policies, updating the timeline and scope of its seafood labelling .

Eliminate alleged human rights abuse (score: 6)

City Super is cautious when sourcing seafood products from Southeast Asia that are potentially associated with human rights issues and has stopped carrying products from companies which face alleged human rights violations. To support producers in developing countries, City Super works closely with Fair Trade. The company is working towards reach alignment with all of its suppliers on meeting human rights standards.

Public announcements (score: 4)

City Super carries several MSC, ASC and other eco-label certified seafood products in its outlets but has not made a public announcement regarding how it will implement a comprehensive sustainable seafood procurement policy. The company stated it will review its seafood procurement policy every year and stay up-to-date with seafood information shared by WWF-Hong Kong and other organizations to align its merchandising policy as needed.

Dairy Farm (Jasons Food & Living, Marketplace by Jasons, Oliver's the Delicatessen, ThreeSixty, Wellcome Supermarket, Wellcome Superstore)

Avoid selling threatened species (score: 5)

Dairy Farm currently sells golden threadfin bream, Japanese eel and bluefin tuna. Following discussions with WWF-Hong Kong, it stopped active promotion of golden threadfin bream in May 2018, but it has not stopped selling or decreased product volume. It stated that there are no bluefin tuna products in its stores, however, bluefin tuna items are sold in its consigned operators. The company is holding ongoing discussions with them regarding sustainable alternatives.

Sustainable seafood targets and promotion (score: 6)

Dairy Farm has gradually introduce sustainable seafood items , and states that its instore coverage in 2019 increased by over 30% y-o-y. However, it has not disclosed if the increment is measured by volume or by number of products. In May 2018, it launched a programme at all of its brands with POSM to help consumers to identify sustainable seafood items. In November 2018, Dairy Farm joined WWF-Hong Kong's Sustainable Seafood Week.

No harmful chemicals (including antibiotics) (score: 3)

Dairy Farm regularly tests for the most commonly-found contaminants, such as malachite green, heavy metal and nitrofurans (antibiotic), however, there are regulatory limits of malachite green and heavy metal in seafood. The frequency and details of the tests have not been disclosed.

Proper labels with detailed information (score: 3)

To comply with Hong Kong Food Labelling regulations, country of origin is listed by suppliers on all of its seafood products. According to Dairy Farm, its capacity to enhance transparency on its products is still limited. It plans to further discuss the issue with suppliers.

Eliminate alleged human rights abuse (score: 6)

Dairy Farm requests its suppliers to provide supporting documents to prove that products meet the standards and requirements of local regulations and do not involve any labour exploitation, slavery or human trafficking. In addition to complying with local regulations, the company takes reference from key global guidelines. Dairy Farm will continue to strengthen its code of conduct to ensure suppliers comply with local and international regulations. Details and timeline have not been shared.

Public announcements (score: 6)

In May 2018, Dairy Farm initiated a sustainable seafood programme requiring MSC, ASC or BAP certificates at Wellcome outlets and placed sustainable seafood talkers with those products.

CR Vanguard (CR Vanguard, U select)

Avoid selling threatened Species (score: 7)

Based on the findings of a threatened species survey conducted by WWF-Hong Kong in 2017, CR Vanguard sold golden threadfin bream and Japanese eel in its outlets. Through discussion with the company, CR Vanguard committed to stop selling these products. The company also informed its business partner to avoid selling these threatened species.

Sustainable seafood targets and promotion (score: 4)

According to CR Vanguard, it increased its coverage of MSC certified seafood products in 2018, and stocks a sustainable Alaska pollock fish fillet. The company has taken steps to introduce sustainable seafood but does not have a detailed scope and timeline to set up a sustainable seafood target.

No harmful chemicals (including antibiotics) (score: 2)

CR Vanguard has provided minimal information on how it avoids or monitors chemicals its seafood products. To minimize food safety risks, CR Vanguard will ask suppliers to provide a health certificate and test reports for seafood products, for example cadmium. It will stop importing seafood products which show excessive use of chemicals or use of banned chemicals. The company has not taken further steps to safeguard its food safety on its seafood products.

Proper labels with detailed information (score: 4)

CR Vanguard has included information of scientific name and country of origin on most prepacked products. It will consider adding production method. CR Vanguard has not provided a timeline on its progress to improve its seafood transparency.

Eliminate alleged human rights abuse (score: 2)

CR Vanguard takes human right and labor standards seriously when sourcing seafood products. It has not shared with us its policy or any actions on products which may be associated with alleged human right abuse.

Public announcements (score: 3)

CR Vanguard has not shared its sustainable seafood procurement policy with us. The company has stated its procurement team will consider MSC and ASC as one of the factors during seafood procurement. Starting in May 2019, the company has posted instore information to educate its consumers about sustainable seafood.

Dah Chong Hong Holdings Limited (DCH) - (DCH Food Mart Deluxe and DCH Food Mart)

Avoid selling threatened species (score: 1)
In 2016, DCH committed to stop selling golden threadfin bream and Japanese eel, and by 2018 these products were no longer sold. In February 2019, we invited its senior management team to provide an update on their sustainable seafood procurement policy, but they have not responded.
Sustainable seafood targets and promotion (score: 1)
DCH has not provided details.
No harmful chemicals (including antibiotics) (score: 1)
The company has not disclosed details.
Proper labels with detailed information (score: 1)
DCH has not provided details.
Eliminate alleged human rights abuse (score: 1)
The company has not provided an update.
Public announcements (score: 1)
The company has not shared details with WWF-Hong Kong.

Moretide Investments Ltd. (Kai Bo)

Avoid selling threatened species (score: 0)
Kai Bo has not responded to any of our attempts to contact its senior management and details of a sustainable seafood procurement policy are not known.
Sustainable seafood targets and promotion (score: 0)
Kai Bo has not shared the details with WWF-Hong Kong.
No harmful chemicals (including antibiotics) (score: 0)
The company has not provided details.
Proper labels with detailed information (score: 0)
Kai Bo has not provided details.
Eliminate alleged human rights abuse (score: 0)
The company has not provided details.
Public announcements (score: 0)
The company has not shared details with WWF-Hong Kong.

