Market Advisory Council

Working Group 1: EU Production

Wednesday, 31 March 2021

# Presentation of STECF EWG-20-05 report

## on incorporating sustainability aspects for seafood products in the marketing standards under the CMO

**By Didier GASCUEL, STECF EWG Chair**

# Terms of reference

"The specific objectives of the EWG will be to help:

- identify sustainability aspects (environmental and possibly social) that could be addressed through the marketing standards
- propose transparent methods of measuring and communicating along the supply chain such sustainability aspects, based on scientifically sound, simple and verifiable criteria and indicators"

- Tasks
  - Assess existing sustainability criteria and indicators for fisheries & aquaculture products in the EU
  - Explore possibilities to assign or combine sustainability criteria / indicators
  - Limits of the different combinations of criteria / indicators

# Meeting organisation

- 23th to 27th November 2020, virtual meeting

- 42 participants, including:
  - 30 experts, 8 observers, 3 DG MARE representatives, 1 JRC

- EWG plenary and sub-groups:
  - Environmental aspects for fished products
  - Environmental aspects for aquaculture products
  - Social aspects

- A first meeting, dedicated to a completely new approach (far from certification schemes and from STECF routines)

# General principles

- A partial approach of sustainability dedicated to all FAPs
  - identifying **some aspects of sustainability** that could be incorporated into a scoring system
  - no absolute thresholds of sustainability apply and only **a relative ranking** of products is targeted
  - The objective is to compare the performance of seafood products, according to the set of criteria

- It should be simple, without any case by case analysis

# General principles

- A partial approach of sustainability dedicated to all FAPs
  - identifying **some aspects of sustainability** that could be incorporated into a scoring system
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  - The objective is to compare the performance of seafood products, according to the set of criteria

- It should be simple, without any case by case analysis


| **Final score** | **A+** | **A** | **B** | **C** | **D** | **E** |
|---|---|---|---|---|---|---|
| 'Desirable' proportion of EU FAPs in each category | <10% | 15% | 25% | 25% | 15% | 10% |

# General principles

- A scoring dedicated to the production sector
  - a **score at landing/farmgate**, which apply to **fresh and chilled products**
  - a “transport” criterion could be rather easily added for these products,
  - while the scoring of processed FAPs should combining the suggested system with approaches commonly used for food products (e.g., PEF, LCA)

- An iterative process, based on 2 combined systems
  - **System 1**, based on existing data only (expected to provide E to B scores)
  - **System 2**, based on key additional data allowing a more reliable assessment (and consequently a wider range of scores, from E to A+)

  The scoring approach intends to encourage a continuous dynamic of progress towards more reliable information, less ecological impacts and higher social standards in seafood production and trade

# Scoring of fished products

- Eight sustainability criteria

| |
|---|
| ➢ Fishing pressure |
| ➢ Fisheries management |
| ➢ Impact on ETP and sensitive species |
| ➢ Unwanted landings and discards |
| ➢ Impacts on the seabed |
| ➢ Impact on marine food webs |
| ➢ Carbon footprint |
| ➢ Waste and pollution |

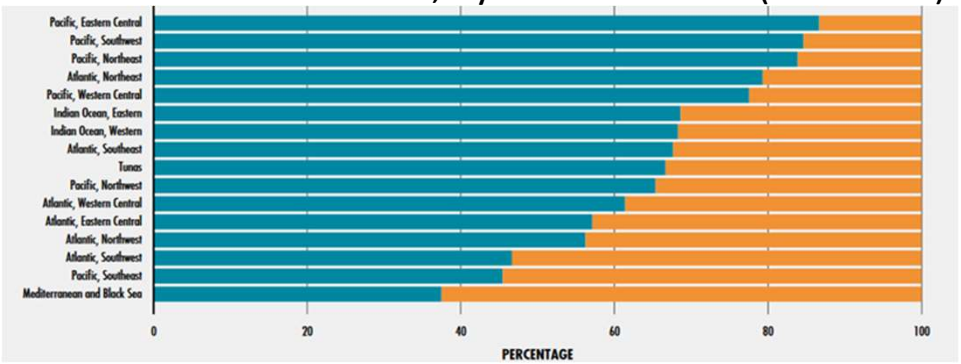
- The mandatory information of the CMO regulation (used in system 1):
  - ➢ The species,
  - ➢ The fishing gear type (7 types, CMO Annex 2)
  - ➢ The fishing area (FAO areas and ICES divisions)

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 |
|---|---|
| | **Scoring approach and Indicators** |
| **Fishing pressure** | Risk-based analysis using the proportion of overfished stocks by FAO area, and the vulnerability index per species |

Percentage of stocks fished at biologically sustainable and unsustainable levels, by statistical area (FAO 2020)




**X** Vulnerability index by species (Cheung, 2007)

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 |
|---|---|
| | **Scoring approach and Indicators** |
| **1 - Fishing pressure** | Risk-based analysis using the proportion of overfished stocks by FAO area, and the vulnerability index per species |

| | | Vulnerability index of the species | | |
|---|---|---|---|---|
| | | Low | medium | high |
| Percentage of stocks fished at biologically unsustainable levels (by FAO area) | < 20 | **B** | **C** | **D** |
| | 20-50 | **C** | **D** | **E** |
| | >50 | **D** | **E** | **E** |

- **N.E. Atlantic**
- **Medit.Sea**

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 | System 2 | |
|---|---|---|---|
| | **Scoring approach and Indicators** | ***Additional information required*** | **Scoring approaches and Indicators** |
| **1 - Fishing pressure** | RBA using the proportion of overfished stocks by FAO area, and the vulnerability index per species | ***Detailed fishing area (thus stock identity)*** | |

- Stocks clearly identified in reliable and easily accessible international databases should be considered eligible to move from System 1 to System 2
- System 2 implies to built a Database for **a reference list of assessed stocks**

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 | System 2 | |
|---|---|---|---|
| | Scoring approach and Indicators | *Additional information required* | Scoring approaches and Indicators |
| **1 - Fishing pressure** | RBA using the proportion of overfished stocks by FAO area, and the vulnerability index per species | *Detailed fishing area (thus stock identity)* | **Score based on mean F/Fmsy over 5 years** |

**Table 3.8 – Examples of possible ratings of the fishing pressure indicator based on quantitative stock assessments**

| Rating | A+ | A | B | C | D | E |
|---|---|---|---|---|---|---|
| Rating based on F limits used by ICES | F<Flow | F<Fmsy | F<Fupper | F<Fpa | F<Flim | F>Flim |
| Rating based on the ratio F/Fmsy | <0,9 | <1 | <1.1 | <1.4 | <2.0 | >2 |

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 |
|---|---|
| | Scoring approach and Indicators |
| 5 - Impacts on the seabed | Risk-based approach by gear type and species |

| Gear type | Impact | Traffic light |
|---|---|---|
| Hook & Line | Low | |
| Seines, Gillnets and similar nets, Surrounding nets and lift nets, Pots & Traps | Medium | |
| Dredges, Trawls | High | |

| Gear impact | Species sensitivity | Comb.impacts on seabed | Criterion score |
|---|---|---|---|
| low | low | very low | A |
| low | medium | low | B |
| low | high | Medium | C |
| medium | medium | Medium | C |
| medium | high | High | D |
| high | Medium | High | D |
| high | high | very high | E |

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 | System 2 | |
|---|---|---|---|
| | **Scoring approach and Indicators** | ***Additional information required*** | **Scoring approaches and Indicators** |
| 5 - Impacts on the seabed | Risk-based approach by gear type and species | *. Step 1: Fishing gear* | . Risk-based approach by fishing gear and species (step 1) |

| | | | **Species sensitivity score (in relation to habitat)** | | |
|---|---|---|---|---|---|
| | | | Low | Medium | High |
| **Fishing gear potential impact** | Pelagic trawl, Driftnets, Hooks and lines | A | **A+** | **A** | **(C)** |
| | Seines, Set nets & lift nets, Pots and traps | C | **A** | **B** | **C** |
| | Bottom trawls, Dredges | E | **(C)** | **D** | **E** |

# Scoring of fished products

- Eight sustainability criteria

| Criteria | System 1 | System 2 | |
|---|---|---|---|
| | **Scoring approach and Indicators** | ***Additional information required*** | **Scoring approaches and Indicators** |
| 3 - Impact on ETP and sensitive species | No assessment possible | *Sub-area of fishing and precise fishing gear* | . Risk-based approach by 'ETP-oriented' pseudo-métier<br>. RFMO rating of the conservation performances |
| 6 - Impact on marine food webs | No assessment possible | *Detailed fishing area (thus stock identity and associated management body)* | . Score based on the mean B/Bo ratio (as a proxy of indirect impacts on prey and predators) |

# Scoring of fished products

- **System** 1 will only produce coarse scores and should not be implemented until:
  - An evaluation test phase has been carried out
  - The possibility of switching from System 1 to the more robust System 2 is offered to all producers and importers (as soon as they provide additional well-defined and verifiable voluntary information)

- The coexistence of the two rating systems is **a powerful incentive** for all players in the fishing industry to provide the additional information needed to better assess the sustainability of their products

- Various options are proposed and discussed in the report to combine the 8 criteria (simple average, weighted average, killer criteria…)

# Scoring of fished products

- Next steps:
  - Substantial work is still required before any scoring system can be implemented
  - A simplified system could be implemented in the short term

| Criteria | Short term | Medium term | Longer perspective |
|---|---|---|---|
| Fishing pressure | Systems 1 & 2 | Systems 1 & 2 | |
| Fisheries management | NA | Systems 1 & 2 | |
| Impact on ETP and sensitive species | NA | System 2 | |
| Unwanted landings and discards | System 1 (if feasible) or NA | Systems 1 & 2 | |
| Impacts on the seabed | System 1 | Systems 1 & 2.1 | System 1 & 2.2 |
| Impact on marine food webs | NA | System 2 | |
| Carbon footprint | System 1 (if feasible) or NA | Systems 1 & 2.1 | System 1 & 2.2 |
| Waste and pollution | System 1 (if feasible) or NA | Systems 1 & 2 | |

# Scoring of aquaculture products

- A pre-requisite: the production system type from which the farmed organisms originates should be considered as mandatory information for all domestic and imported aquaculture products

  - An European typology of production system type has been define in EUMAP (EC 2016/1251)

| Main species | Technology | Main species | Technology |
|---|---|---|---|
| Salmon | Ponds | Sturgeon (eggs) | enclosures and pens |
| Salmon | Tanks and race-ways | Sturgeon (eggs) | Recirculation systems |
| Salmon | enclosures and pens | Sturgeon (eggs) | Other methods |
| Salmon | Recirculation systems | Sturgeon (eggs) | Cages |
| Salmon | Other methods | Sturgeon (eggs) | Polyculture |
| Salmon | Cages | Sturgeon (eggs) | Hatcheries & nurseries |
| Salmon | Polyculture | Other freshwater fish | Ponds |
| Salmon | Hatcheries & nurseries | Other freshwater fish | Tanks and race-ways |
| Trout | Ponds | Other freshwater fish | enclosures and pens |
| Trout | Tanks and race-ways | Other freshwater fish | Recirculation systems |
| Trout | enclosures and pens | Other freshwater fish | Other methods |

# Scoring of aquaculture products

- | Twelve Criteria |
|---|
| Effluents |
| **Protection of wild populations: escapees** |
| Protection of humans:  therapeutic treatments |
| **Feed: source of marine raw materials** |
| Source of agricultural ingredients |
| Waste management |
| **Interaction with critical habitats and species** |
| Non-therapeutic chemical inputs |
| **Environmental assessment** |
| **Area-based management** |
| Energy use (on farm, all types) |
| Carbon footprint (farm gate GHGs) |

# Scoring of aquaculture products

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| Criteria | Scoring in System 1 | Additional data required in System 2 |
|---|---|---|
| Effluents | Rating by production system based on models, literature, etc. | Specific data collected at the farm level (on effluent management) |
| Protection of wild populations: escapees | Rating by production system | Rating by country and production system |
| Protection of humans: therapeutic treatments | Available statistics by country on use per species and production system | Specific data collected at the farm level (on therapeutic chemicals) |
| Feed: source of marine raw materials | Used/non-used, feed dependency by production system | Specific data collected at the farm level (on feed composition) |

# Scoring of the social dimension

- Three main criteria
  - Based on ILO rules under system 1 (and thus assessed at the country level)
  - And based on standardized information provided by producers and importers in system 2 (at the scale of fleet segments or aquaculture production system)

| Criteria | System 1 – Assessment at the country level | | System 2 - Assessment at the scale of "production unit" |
|---|---|---|---|
| | Step 1 | Step 2 | |
| Working conditions for FAP production | **Ratification** of ILO conventions | Level of **enforcement** of ILO conventions, regarding age, gender, nationality, education | score by fleet segment or production system type |
| Working conditions in the processing of fish | | | Score by small region or by firm category |
| Fair production (impact on local communities) | | Remuneration, with ref. to minimum wage indicators | Remuneration by fleet segment or production system type |

# Scoring of FAPS

- **Next steps**

| Criteria | Short term | Medium term | Longer perspect. |
|---|---|---|---|
| Aquaculture criteria | Grey score | System 1 | Systems 1 & 2 |
| Social criteria | System 1, step 1 | System 1, step 2 | Systems 1 & 2 |

- **Complementarity with certification schemes and labels**
  - Labels should be considered as a potential ‘system 3’, allowing for a more robust assessment at the scale of a given fishery or fish farm ‘and not by large categories (such as the pseudo-métiers or the production system types)

- **Complementarity with LCA applied to food products**
  - The currently mandatory information, as defined in the CMO Regulation, should be expanded to all FAPs and **traceability is key**

# EWG 20-05 in a nutshell

- A scoring system is proposed dedicated to all fresh and chilled, fished and farmed, domestic and imported product, at landing/farm gate
- **Substantial preparatory work is still required** before implementation and a intensive **phase test** required
- An implementation **step by step** is fiseable, starting with a limited set of criteria based on mandatory information, and implementing system 2 for a limited number of FAPs
- The scoring system should be **an incentive** for all players in the fishing industry to provide the information needed to assess the sustainability of their products
- Practical suggestions in the report for next steps

# STECF Plenary comments and conclusions

- **The revision of the CMO regulation** should include more detailed information necessary to further assess sustainability, especially the fishing gear and area
- In the general framework of a scoring system developed for all food products, **FAPs products have specific attributes that must be specifically considered**, taking into account the criteria and indicators highlighted by the EWG
- In order for the scoring system to become effective it needs to be **transparent**, **traceable** and be developed **with all parties** along the market chain
- The proposed system is clearly aimed to be **complementary to the existing certification schemes and labels**, and not competing
- The report demonstrates enough potential and operationality of the system proposed to further progress. Some specific steps could be taken already in 2021 before a dedicated follow-up EWG in 2022