

Federated Co-operatives Limited



Sustainable Fish and Seafood Policy

Updated March 2021



Vision: Federated Co-operatives Limited will set the world standard in consumer co-operative excellence.

Mission: To provide responsible, innovative leadership and support to the Co-operative Retailing System for the benefit of members, employees and Canadian communities. Provide responsible, innovative leadership and support to the Co-operative Retailing System for the benefit of members, employees and Canadian communities we serve.

Introduction

At Federated Co-operatives Limited sustainability means minimizing environmental impacts, investing in local communities and operating in a financially responsible manner.

Federated Co-operatives Limited has created a sourcing policy that is focused on the long-term sustainability of our fish and seafood supply. We recognize our role in helping ensure a sustainable future for the fish and seafood we supply to our retail locations. This in turn supports the overall health of our oceans, lakes and rivers. With approximately 290 independently operated retail food stores, our goal is to offer these locations fish and seafood products that are attractive to consumers, that support healthy oceans, lakes and rivers and that are sourced from socially responsible producers.

What is sustainable fish and seafood?

Sustainable fish and seafood is caught or farmed in ways that consider the long-term viability of harvested populations and the health and ecological integrity of their water habitats. Choosing sustainable fish and seafood is an effective way to support best practices in the fishing and aquaculture industries to ensure our ocean, lake and river resources last long into the future.

Sourcing sustainable fish and seafood also means operating in a socially responsible manner by addressing the principles of human rights and eliminating discrimination against employees in hiring practices, or any other term or conditions of work, on the basis of race, colour, national origin, gender, sexual orientation, religion, disability or other similar factors. Operating in a socially responsible manner includes workplace environment and overall concern for the environment. Additionally, in some fish and seafood supply chains there has been demonstrated evidence of human trafficking and forced or indentured labour. FCL recognizes the need to uphold international standards that support the improvement of human rights,



including the Universal Declaration of Human Rights and The International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Guiding Principles and Policy

The Conservation Alliance for Seafood Solutions' Common Vision Statement has been used to provide the background and structure for this policy. The guiding principles outlined in the Common Vision includes:

1. Make a Public Commitment – Develop a comprehensive policy on sustainable fish and seafood that includes time-bound objectives for addressing environmental and social issues and traceability.
2. Collect Data on Fish and Seafood Products – Monitor the sustainability of fish and seafood products and assess labour and human rights risks within your supply chains.
3. Make Responsible Sourcing Decisions – Support sustainable and improving fish and seafood sources through purchasing decisions.
4. Be Transparent – Make information regarding the environmental and social performance of fish and seafood products publicly available and report on progress against your sustainable fish and seafood commitment.
5. Educate Staff, Customers and Vendors – Educate employees, customers, suppliers and other key stakeholders about sustainable fish and seafood, including the importance of addressing environmental and social issues and working toward full traceability.
6. Support Improvements in Fisheries and Aquaculture – Engage in policy and management reform that leads to positive social, economic and environmental outcomes in fisheries and aquaculture production, including ensuring implementation of core labour standards.

1. Public Commitment

Federated Co-operatives Limited is committed to addressing the environmental and social issues associated with the fish and seafood industry through its Sustainable Fish and Seafood Policy. FCL's Sustainable Fish and Seafood Policy addresses issues related to private label and national brand fish and seafood products, including wild and farmed fresh, frozen and canned fish and seafood products.



Federated Co-operatives Limited is committed to the continuous improvement of our fish and seafood supply by working with our suppliers, industry partners, Environmental Non-Governmental Organizations (ENGOS) and sustainability consultants to meet our sustainable fish and seafood policy objectives.

Federated Co-operatives Limited has reviewed several sustainable fish and seafood assessment, ranking and certification programs and used these to determine the elements of FCL's Sustainable Fish and Seafood Policy. Below is the list of approved programs used for assessing sustainability of products listed at Federated Co-operatives Limited:

- Seafood Watch Green Ranked Seafood
- Seafood Watch Yellow Ranked Seafood
- Marine Stewardship Council Certified Wild Fishery Products
- Aquaculture Stewardship Council Certified Aquaculture Products
- Ocean Wise Ranked Seafood
- Best Aquaculture Practices (BAP 2-4 Star) Certified Aquaculture Products

Federated Co-operatives Limited recognizes all credible sustainability criteria, rankings and certifications as essential tools for informing our purchasing decisions for fish and seafood. FCL will continue to make progress against an ambitious goal to move all fresh and frozen fish and seafood and canned tuna into sources that are ranked at least Seafood Watch Yellow or in an equivalent certification or in a credible improvement project. We also acknowledge the importance of local communities and the livelihoods provided by small-scale fisheries and aquaculture. In some cases, we will work with and source seafood from these communities to influence a pathway towards sustainability, including ranking and certification where possible.

Products derived from fisheries that do not meet the above criteria will be internally assessed to determine procurement options and required actions. FCL will work with these fisheries to reform their production or harvesting practices until they become aligned with our sustainable fish and seafood policy and meet our sustainability and social responsibility criteria. This may include requirements to formally engage in a Fishery or Aquaculture Improvement Project (FIP or AIP) approved by FCL.



2. Data Collection

In order to purchase fish and seafood that meets our sustainable criteria we need to know essential characteristics of the products, including where and how they were harvested. A requirement of supplying fish and seafood to FCL is being able to accompany it with essential data elements, including, but not exclusive to, scientific (Latin) name, whether the product is farmed or wild, the country of origin and fishery location and whether the fishery or farm is certified. The majority of this data relies on one-up (from the supplier) one-down (to the store) traceability for verification and in most cases does not include full electronic traceability. FCL aims to improve the traceability of our products where possible and will also aim to periodically spot check the veracity of the data our suppliers provide through tools such as genetic testing.

In order to provide transparency about how much sustainable fish and seafood we sell and prioritize FCL regularly collects volume data from suppliers on each fish and seafood item included under our commitment. All suppliers have also signed an agreement that they will continue to uphold our policy, including providing accurate data and ensuring that fish and seafood is not knowingly sourced from sources with human rights violations.

3. Responsible Sourcing Decisions

Without intentional sourcing and purchase of sustainable products, FCL would not be able to offer sustainable options to our customers. By connecting with current supply partners and reaching out to new sources of product that correspond with our required sustainability criteria, we commit to offering customers an alternative to fish and seafood items that may be deemed unsustainable.

4. Transparent

Working closely with our fish and seafood suppliers, we will obtain detailed traceability information about the products we provide our customers. Information for wild products will include species name, country of origin, catch region, fishery name and gear type. Information for aquaculture products will include species name, country of origin and production method used.

Federated Co-operatives Limited will aim to achieve a high level of transparency to assure our customers, business partners and the general public that we are making a solid commitment to facilitating positive change in the fish and seafood industry. FCL will work toward best practices for transparency by working with ENGO partners to publicly report out on progress made toward our commitments.



While Federated Co-operatives Limited is committed to sustainable fish and seafood and we have made substantial progress to improve the sustainability of the products we offer, we may continue to offer some fish and seafood items that do not meet our sustainability criteria. If we are unable to find immediate alternatives for these unsustainable products, we will continue to work with, and encourage, these fisheries and farms to make the necessary improvements to reach an acceptable level of sustainability.

Our first public sustainable fish and seafood commitment was released in 2012. At that time over 45% of the fish and seafood that FCL purchased was red ranked by Seafood Watch. Through consistent work, the number of red ranked fish and seafood listings were reduced to 17% in 2016 and the improvements continue.

One priority listing that remains is open-net pen Atlantic salmon. We will continue to influence improvement in the industry and preferentially source certified farmed open-net salmon and offer many sustainable alternatives including farmed steelhead, sustainably harvested wild salmon and land-based farmed Coho salmon.

5. Educate Employees, Customers and Vendors

Federated Co-operatives Limited views education as another key aspect of a successful and comprehensive sustainability policy. Federated Co-operatives Limited will work with our conservation partners, management and employees to create materials and training programs that ensure our employees have a thorough understanding of fish and seafood sustainability, assessments and certification programs so they can offer our customers well-informed advice on the purchase of sustainable fish and seafood options. All new staff will receive this training to ensure that they can be a resource for our customers and correctly communicate our sustainable fish and seafood program in store.

6. Support Improvements in Fisheries and Aquaculture

Reform in the policies and practices relating to the fish and seafood industry can remove several obstacles that may be hindering the advancement of fish and seafood sustainability. Where possible and applicable, Federated Co-operatives Limited will work to join other concerned businesses to request better sustainable fish and seafood and social responsibility policies and management of fisheries and aquaculture in Canada and abroad. Examples of policy reform include improving access to fisheries data and improving labelling and traceability standards of fish and seafood.



Conclusion

Federated Co-operatives Limited is committed to providing consumers with sustainable fish and seafood choices. We recognize that our sustainability goals cannot all be met immediately. Our commitment to supporting healthy oceans will require dedication, creative thinking, innovative approaches and buy-in from our partners to be successful. We invite all of our employees, members and suppliers to join us in meeting the intentions and terms of this policy.