



## PANKU SUSTAINABLE SEAFOOD POLICY

This policy sets out our Panku wide targets, approach, industry commitments, and risk assessment priority areas for responsible and sustainable seafood sourcing at Panku. It applies to all seafood and all Panku brands, in all locations around of the world (unless specified otherwise).

### Our Responsibility

Our individual brands have always been passionate about sourcing the freshest and highest quality sushi and seafood possible, and now, as a leading international multi-channel food and restaurant business, it is one of our Group strategic priorities.

With 90% of the world's fish stocks now being overfished or fully exploited and with seafood making up nearly half of our food and beverage annual spend, we recognize that we have an important role to play in safeguarding the future of our oceans. Healthy marine ecosystems are critically important not only to our business, but to over 3 billion people around the world who depend on the oceans for their primary source of protein. Fishing is also a major source of employment around the world, with 200 million people directly or indirectly employed in fisheries.

And as the world's population and reliance on fish as a source of protein and employment increases, the pressure on our oceans will only be exacerbated. As a fish-focused business we have a responsibility to use our purchasing power and brand influence to drive positive change that will help to protect our oceans and ensure that future generations can continue to enjoy seafood in the way we do today.

### Our Sustainable Seafood Targets

- 100% of our tuna, salmon, shrimp, and surimi will be certified as responsibly (farmed), sustainably (wild caught) and ethically sourced by end of 2023
- 100% of our Tier 1 and Tier 2 seafood supply chain will be mapped in 2023, with Tier 1 suppliers being independently audited (to SSE Standards / using our Risk Assessment tools as framework) by end of 2024
- 100% of other key ingredients (including fish and animal feed) certified or responsibly sourced to 3<sup>rd</sup> party verified standards by end of 2025
- 100% of all fish and animal feed will be from deforestation free sources by 2030

NB: The terms 'responsibly sourced' and 'sustainably sourced' or 'certified' are often used interchangeably to describe seafood that meets certain environmental, social, and ethical standards or certification. Whilst both terms can be used to explain or describe an overarching approach to sourcing, farmed seafood products should only be categorized or identified as being responsibly sourced (the behaviour of the business producing the farmed product is deemed to be responsible), whereas wild caught seafood can be categorized or identified as being responsibly sourced (relating to the behaviour of the fishing business) and/or or sustainably sourced, (relating to the environmental and management status of the fish/fishery).



## Our Seafood

At the time of writing, our current seafood sourcing status as a Group is as follows:

- Responsibly certified farmed salmon and shrimp, and wild-caught MSC certified surimi (usually Pollock and/or Hake) make up the largest proportion (approximately 80%) of our seafood spend. We also purchase tuna, squid, and octopus and a handful of other products in much smaller quantities.
- At least 95% of our farmed seafood (salmon and prawns) is certified to a recognised Global Sustainable Seafood Initiative (GSSI) seafood sustainability standard (usually ASC, BAP4\* or Global GAP)
- All our wild caught tuna purchased from MSC fisheries, fisheries in a recognised MSC Fishery Improvement Project (FIP) or from a fishery in MSC pre-assessment
- We don't serve any fish with a Marine Conservation Society (MCS) Good Fish Guide rating of 5 ("Fish to Avoid") and are currently working closely with our suppliers to better understand the sustainability of seafood species with no MCS rating

## Our Approach

### How we source seafood

Responsibly sourcing seafood is a complex process that involves balancing many (often) competing commercial factors alongside a plethora of interconnected scientific, geographical, sustainability and supplier variables. Understanding the potential risks and impacts of seafood sourcing and acquiring the knowledge needed to make informed and sustainable purchasing decisions requires working closely with trusted suppliers and industry-wide bodies, and the use of best-practice framework initiatives and certifications and ratings schemes. These various sources provide us with trusted assurances around the four critical principles of responsible seafood sourcing (good farm and fishery management, traceability and transparency, environmental sustainability, and social responsibility) which, in turn, enables us to make informed decisions on what we source and how we can improve not only our own performance, but also how we can work together to collectively incentivise positive change beyond our own operations.

To guide and simplify our purchasing decisions, for many years we have adopted the "*strive for the best, avoid the worst and improve the rest*" approach to responsible and sustainable seafood sourcing, in line with the Marine Conservation Societies (MCS) Good Fish Guide and Monterrey Bay Aquarium's Seafood Watch ratings. To this day, it still forms the basis of our sourcing strategy.

In 2018, our restaurant business, YO!, became a member of the Sustainable Seafood Coalition (SSC) a cross industry partnership of seafood businesses working together to improve seafood sourcing practices and the accuracy of sustainability labelling. Since then, we have further developed our approach and have worked to implement the SSC's voluntary Codes of Conduct across YO's operations, in conjunction with the MCS Good Fish Guide, Seafood Watch ratings and our own robust risk assessment tools to help us make better responsible sourcing decisions.



Our overarching approach to seafood sourcing is based on obtaining the necessary information required to enable us to have the confidence to make knowledge-based decisions on the four critical areas of responsible seafood sourcing: good farm and fishery management, traceability and transparency, environmental sustainability, and social responsibility within our supply chains as follows:

- **Farmed seafood:** To only source farmed seafood that is certified as responsibly sourced by ASC, Global Gap, or BAP 4\* (or by another GSSI recognized independent certifying body)
  
- **Wild caught seafood:** To meet at least one of the below stipulations (with the stipulations at the top of the list being most preferred and those at the bottom being least preferred):
  - Product is from Marine Stewardship Council (MSC) certified fishery
  - Product is rated 1-3 by Marine Conservation Society (MCS) or Best Choice or Good Alternative by Monterey Bay Aquarium's Seafood Watch.
  - Product is from a fishery undergoing formal MSC Pre-Assessment
  - Product is from a fishery in formally recognized Fishery Improvement Project (FIP) that is making demonstrable progress
  - Product is a species that is not rated at all by the MCS, but sufficient evidence can be provided to verify the products' sustainability credentials as per the Sustainable Seafood's Code of Conduct
  - In exceptional circumstances products with a MCS rating of 4 (Needs Improvement) may be used in the short term, but only if pre agreed with the Panku Sustainability Team, to cover an unexpected/unforeseeable supply chain issue and where there is a documented plan to shift to a better alternative at the first opportune moment

To determine if products meet the above-mentioned stipulations, we require that suppliers share information regarding the origin of the products supplied to Panku, the gear type or catch method, and the production methods used therein, to enable farm or fishery to fork supply chain mapping, product specific traceability and transparency, and adherence to relevant industry led Codes of Conduct and Standards.

We also require that suppliers complete the Wild or Farmed Seafood Risk Assessment for each new seafood product. Our teams will then use the information submitted and the SSC's Decision-Making Tree to determine if the product meets the Sustainable Seafood Coalition's (SSC) Sourcing Code of Conduct and our own wider social and ethical sourcing requirements. Existing suppliers also need to complete the Risk Assessment on an annual basis to satisfy SSC ongoing requirements. Please see section below for further details the four key criteria that feed into our Risk Assessment criteria.

### **The industry-wide responsible seafood initiatives that we are committed to**

In addition to adopting the above approach to seafood sourcing, we have also committed to supporting and implementing the following industry leading best practice initiatives, frameworks, and goals to improve our overall sustainability performance, to achieve our Responsible Seafood Targets and to ensure we are contributing to the overall raising of standards across the industry.

- Whilst the Sustainable Seafood Coalition is a partnership, we are currently expanding the use of the SSC Codes of Conduct and Wild-Caught and Farmed Risk Assessment Tools beyond our YO operations, and aim to implement the Codes' requirements across the whole Group by end of 2023
  
- We are a partner of The Global Tuna Alliance (GTA) and have committed to making demonstrable improvements across our Group to support the GTA's 5 Year Strategy and 2025 Pledge towards Sustainable Tuna (25PST)



- To better understand and reduce the risks of modern slavery in our supply chain, we will complete The Stronger Together Modern Slavery Supply Chain Toolkit actions for all Tier 1 seafood suppliers by end of 2024 and all Tier 2 and 3 seafood suppliers by 2025
- The Global Dialogue on Seafood Traceability (GDST) Standards (GDST) are the first global, voluntary, industry-led standards for seafood traceability which are endorsed by the SSC and used by many leading seafood businesses. Moving forward we will be incorporating the standards into our sourcing and risk assessment and third-party auditing processes.
- We are also committed to working with our suppliers and industry leaders to better understand and minimise the wider climate, environmental and ethical impacts of our seafood operations (such as broader feed ingredients and alternatives, ghost fishing, the impacts of feed and gear types and catch methods on climate change, habitats and land-use change, responsible antibiotic use, and fish welfare) improving worker standards across the seafood supply chain (please see our Group Sustainability Policy and Responsible Sourcing Guide and Standards for further details).

### **Our Minimum Seafood Standards**

Our seafood specific minimum standards and general approach to seafood sourcing are as follows:

- We will not source any seafood products from protected species or species that are listed as critically endangered or vulnerable to extinction according to IUCN red list of threatened species. This includes any species caught as bycatch.
- Seafood suppliers must work with us and commit to demonstrating and verifying that all products (including any feed) will be deforestation and land conversion free by 2030
- Suppliers must not source any illegally harvested or traded products, or products from controversial sources or illegal areas.
- Panku will not work with suppliers known to be involved in shark finning
- Suppliers will not knowingly cause, or risk causing, irreparable ecosystem or biodiversity damage  
Panku will not tolerate any form of Illegal, Unreported or Unregulated (IUU) fishing in its supply chain and Suppliers must take responsibility to carry out due diligence checks and audits accordingly
- Suppliers must be able to provide documented evidence (including but not limited to valid certifications) to trace their product all the way along their supply chain back to source (either to vessel for wild caught or to farm level for aquaculture) and must provide contact details of all suppliers and intermediary stages upon request
- While suppliers may not be able to complete the Risk Assessment in full initially, as an absolute minimum they must provide the species scientific name, sourcing origin/Flag Nation, FAO sea location, catch/gear/production method, information about social and ethical performance and valid certificates for any up-to-date seafood sustainability standards
- Suppliers must not source any fish or seafood rated by the Marine Conservation Society (MCS) or Monterey Bay Aquarium Seafood Watch as Fish to Avoid / MCS Rating 5 (please see our Sustainable Seafood Policy for more details)
- All suppliers must support Panku in meeting stipulations set out in The Sustainable Seafood Coalition's Codes of Conduct
- Additionally, in the spirit of continuous improvement, all suppliers must also support Panku in improving performance/working towards the timely achievement of all requirements of:
  - Global Tuna Alliance Member Requirements
  - The Global Dialogue on Seafood Traceability (GDST) Standards



## Responsible Sourcing and Risk Assessment Principles

The responsible sourcing of seafood revolves around good performance in the following four overarching principles. In the section below we set out key elements that feed into our Risk Assessment and decision-making processes.

### Fishery and Farm Management Practices

The existence of responsibly managed fisheries and farms is crucial for the responsible sourcing of seafood. Without strong management practices and processes in place there are no means for any issues of concern to be identified nor addressed. We work with our suppliers to review the existence of good practice management approaches as set out by our Risk Assessments, the SSC Code of Conduct, the MCS Good Fish Guide Ratings, Monterrey Bay Seafood Watch and other industry best practice frameworks as follows:

**Wild-Caught Products** ○ We work with suppliers to ensure the fisheries from which we are sourcing products have the appropriate documentation in place to verify the fish is from a legal source. (e.g. Reviewing documents such as catch certificates, product specification and landing declarations to provide assurance that the source is traceable and legal)

- Biological stock catch limits/management practices should be in place and best available scientific advice should be followed in accordance with the precautionary principle and the FAO Code of Conduct for Responsible Fisheries. If stock is data deficient, measures should be in place to improve data collection and knowledge

**Farmed Products** ○ We work with suppliers to ensure that a good aquaculture standard or code of practice is in place for all four aquaculture stages (hatchery, feed mills, farm, and processing sites) and that the following aspects are assessed:

- Licenses are in place as required, in addition to regulatory controls and compliance
- An Environmental Impact Assessment (EIA) is carried out at appropriate intervals, and the EIA includes assessing the suitability of the site location, water source, and discharge impacts
- The ponds, cages and/or tanks are fit for purpose, and appropriate control and monitoring processes are in place to prevent escapes
- Any required water treatment on intake and/or discharge is in place ○ A veterinary health plan is in place to address all aspects of fish welfare and food safety.
- Measures are also in place to prevent and control disease and/or parasites, such as vaccinations (where appropriate)
- The aquaculture source has suitable controls and records, and appropriate staff training
- Biosecurity risk is assessed, and suitable controls are in place for the species; and predators are deterred or excluded from approaching and accessing the stock where practical; lethal control must be by trained staff and is only used where it is legal, humane, and necessary.

### Traceability and Transparency

Traceability and transparency are critical to ensure legal, environmentally sustainable, and socially responsible supply chains. Without precise details of what species of fish we are buying, where it comes from and how it is caught or produced (amongst many other considerations) it is impossible to know if our seafood is responsibly sourced.

We require that suppliers have sufficient measures in place to trace fish from fishing vessel or precise farm to its point of sale. Additionally, we commit to being transparent regarding the species, fish sources, stock levels, location, and capture or farming method of the fish we source



and making this information publicly available (on request). We also commit to updating and reviewing our policies, risk assessments and products on at least an annual basis.

**Wild-Caught Products** ○ We acknowledge that Illegal, Unreported and Unregulated Fishing (IUU) can be associated with developing nation tuna fisheries and that human trafficking and forced labour has also been identified in the seafood industry more broadly. IUU undermines any attempt of sustainable fisheries management and has huge negative ramifications (financially, environmentally, and socially) in every part of the globe in which it occurs.

- We request that appropriate measures are in place to avoid and/or combat IUU fishing, and include measures such as, approved vessel lists, vessel checks against IUU blacklists and IUU flag nation card status checks as well as identification and implementation of port state control and enforcement.
  
- As part of our commitment to the GTA's 2025 Pledge towards Sustainable Tuna, we are requiring that suppliers:
  - Conduct regular due diligence on the Port State Measures Agreement (The PSMA is a binding international agreement which aims to prevent, deter, and eliminate IUU but which is not yet widely ratified, especially among tuna fisheries) implementation for ports where product is being landed, with particular attention to ports that are processing vessels operating in fisheries associated with a higher risk of IUU activities
  - Implement core best practices for at-sea transshipment to ensure it is well- managed, well-monitored and transparent. This includes 100% observer coverage (human and/or electronic) in industrial tuna fisheries, including all those engaged in at-sea transshipment by 2024
  - Ensure effective and digital traceability of tuna (tracking products from vessel to the final buyer), which underpins sustainability efforts as it creates transparency and accountability within the supply chain via implementation of GDST standards by 2025
  - Ensure all tuna vessels are listed on the Authorized Vessel List of the RFMO where they fish

**Farmed Products** ○ For farmed fish, this includes providing up-to-date GSSI certificates for all stages of production (feed mills, hatchery, farm and processing) and traceability of the marine ingredient components of fish feed back to the source fishery or to the feed processing factory

- Feed manufacturing controls and traceability also need to be in place to ensure marine ingredients are sourced from fisheries that are certified to a responsibility or a sustainability standard, or come from responsibly sourced fisheries, where practical

### **Environmental Sustainability**

We want to minimize any direct or indirect negative impact that our fishing has on the environment, and where possible we want to improve the overall health of our seas, not just protect the species within them as follows:

- As part of our commitment to reduce our Scope 3 carbon emissions, we are working with our suppliers, and seafood and wider sustainability partners to better understand and reduce the impact of our products on climate change, ocean pollution, and poverty. ○ This includes addressing risks factors such as bottom trawling/ dredging (which can damage the seabed habitat ecosystem and emit substantial amounts of



carbon), the removal of mangrove habitats (which are vital breeding grounds for juvenile fish and a source of income for communities around the globe), and the impact of an increasing demand for fish feed on local communities (that rely on fish as a source of nourishment)

- While our focus is on reducing the impact of our primary packaging where we have a bigger potential to influence, we are also working with our suppliers to minimize packaging and plastic use, maximize reuse opportunities and encourage responsible disposal of products and items at end of life (avoiding lost or “ghost” fishing nets which can injure or kill considerable numbers of marine species including sharks, turtles, sea birds and dolphins). If ghost gear is known to be an issue in a fishery, then we ask that suppliers work to ensure mitigation measures are in place that they minimize or avoid discarding.

## **Wild-Caught Products**

### **Stock Levels**

- We aim to buy seafood from fish stocks that are well managed and in a healthy state. Where the stock status of a product is not known (for example where MCS information is limited or where the product is not listed) we will work with suppliers and / or endeavor to use alternative recognized sources of information to understand more about stock levels.

### **Capture Method**

- Different gear types can have varied impacts depending on their design, where they are used and what they are catching. We recognize that gear variance is why the same species may have different sustainability rankings or eco-certifications, depending on how it was caught. Likewise, different species caught by the same gear type can have different sustainability concerns. We look to work with suppliers to mitigate any negative impacts of fishing gear and to increase fishing selectivity to reduce the incidence of catch of non-target species.
  - Where possible we will choose seafood from low impact fisheries that have minimal impact on other species and the marine habitat as identified in the [MCS Gear Leagues Table](#). Where low impact capture methods are not possible, we will work with suppliers to understand how the fishery avoids sensitive habitats, reduces discards and prevents catching vulnerable species such as dolphins, sharks, turtles and birds
- As part of our commitment to the GTA, we are working with suppliers to:
- Better understand current Fish Aggregating Devices (FAD) practices (floating devices designed to attract fish) and to incorporate the GTA’s supply chain requirements for [better FAD management](#).
- Commit to buy only from vessels that adhere to a fins-naturally-attached policy, which is widely accepted as an effective way to reduce illegal shark finning

### **Breeding Season and Minimum Size**





- We recognize that some minimum landing sizes are much greater than the species' length at maturity. We will therefore aim to avoid buying seafood that has not had a chance to breed (below length at maturity) or has been caught during its breeding season, as noted in the MCS Seasonality & Length Guide, and are working with our suppliers to better understand how we perform in this area (by asking suppliers if fish have at least reached their length of maturity and to not have been caught during their breeding season).

### **Farmed Products**

We require that farmed seafood be certified to a recognized standard to minimize any negative environmental impacts such as habitat disruption or disturbance from the construction and operation of aquaculture facilities, inadequate monitoring and management of chemical use and water pollution, or disease transfer and escape to wild populations.

Our preference is for all our farmed seafood to be produced to one of the following three production standards (in no particular order):

- Aquaculture Stewardship Council (ASC)
- Global Gap (G.A.P)

- Global Aquaculture Alliance Best Aquaculture Practices (GAA BAP 4\*)

### **Feed Sourcing**

- A lot of farmed seafood (particularly carnivorous fish like salmon) depends on fish feed made from wild caught species. It is important that these feed fisheries are also responsibly fished, just the same as any other fishery. These species are important prey for a wide range of species in the marine food chain and unbalance in these fisheries can have significant impacts to other animals in the food chain, including other commercially important species
- We require that feed manufacturing controls and traceability are in place and that marine ingredients are sourced from fisheries that are certified to a responsibility or a sustainability standard, or come from responsibly sourced fisheries, where practical
- Vegetable protein, such as soy, can also be used in fish-feed. In some parts of the world soy and other land-based protein crops, are produced in an environmentally damaging way. We require that any feed containing soy is certified to a recognized standard (RTRS or ProTerra are preferred)
- We require that appropriate measures are in place to control waste (such as pond sludge and deceased fish) and chemical use (such as anti-foulants and veterinary treatments) and that methods of transport of live fish and shellfish are assessed for acceptable environmental impact and biosecurity risk

### **Fish Health, Welfare and Slaughter**

- Fish welfare is both a key concern for many consumers and a key indicator of good management practices within the farm system. We are working with our suppliers to understand how we perform in this area at all stages of the animals' life (to include assessing the existence and implementation of good practice measures such as health and welfare policies and monitoring, staff welfare training, and species life-stage requirements and which cover water quality, stocking density, handling,





- production and parasite management and slaughter)
- We require that suppliers declare their antibiotic use, that they do not use antibiotics prophylactically, nor to promote growth or for any other non-health reason. We also ask that WHO high-priority antibiotics which are critically important to human health are only used as a last resort.

## 2. Social Responsibility

Human rights abuses, and exploitative labour practices, including modern slavery and human trafficking can happen along the seafood supply chain from recruitment through processing and distribution. This can occur in both aquaculture and wild caught industries but forced labour is a particular concern where vessels and their crews operate on the high seas, beyond the reach of enforcement agencies.

In addition to the modern slavery and ethical sourcing stipulations set out in our Responsible Sourcing Guide and Standards, and in the Traceability and Transparency Section above, we have seafood specific requirements that feed into our risk assessment process as follows:

- We require that seafood suppliers provide us details as to their responsible recruitment practices at farm, vessel and processor level, to ensure that workers have clear workers' rights, health and safety mechanisms in place, and do not pay any recruitment fees nor any other costs in order to obtain or search for work in line with the ILO Principles and Guidelines for Responsible Recruitment
- We also require that suppliers carry out due diligence and assess and minimize the risk of illegally caught seafood, to ensure robust traceability of seafood products and decent working conditions as per Human Rights and Traceability Due Diligence (as per PAS 1550:2017).

### Continuous Improvement, Advocacy and Communication

In cases where we identify that sustainability performance should be improved, our preference in the first instance (so long as not relating to any serious sustainability breach) is to actively engage with such supplier, farm or fishery rather than to immediately cease sourcing from these sources. We will support our suppliers to engage in genuine improvement projects that have a defined goal and timeframe.

The seafood industry is constantly changing. Advances in gear technology, best practices and management, mean that over time, responsibly fished/farmed and sustainable seafood should become more accessible. Through carrying out annual risk assessments, policy reviews every two years and through adopting the priorities set out in this policy (and those more widely related to it) we aim to achieve our responsible sourcing targets and continuously improve our broader sustainability performance across the Group.

We want our customers, consumers, and partners to be able to trust that the seafood they buy from us is responsibly or sustainability sourced and will ensure that effective labelling and communication is implemented across our Group to make it easier for people to make the right choices.

We want to encourage greater knowledge and engagement around the importance of sustainable seafood and will be providing training for all our teams, as well as improved communication of our priorities and approach to suppliers, partners and consumers.



We will also continue to work collaboratively with other businesses and industry bodies to address any systemic issues in the seafood industry that cannot be solved by us alone, using our purchasing and brand power where we can, to help protect the future of our oceans.

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**Christian Haas**

**Managing Director Panku**

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