



FISHING FOR THE FUTURE

UNILEVER'S SUSTAINABLE FISHERIES INITIATIVE



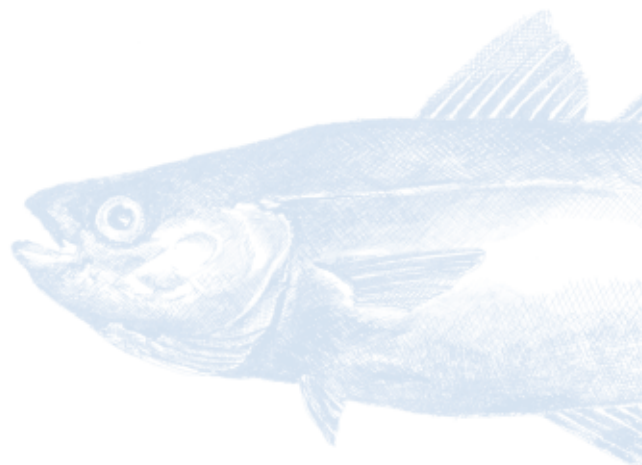
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OUR CORPORATE PURPOSE

Our purpose in Unilever is to meet the everyday needs of people everywhere – to anticipate the aspirations of our consumers and customers and to respond creatively and competitively with branded products and services which raise the quality of life.

Our deep roots in local cultures and markets around the world are our unparalleled inheritance and the foundation of our future growth.

We will bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational.

Our long-term success requires total commitment to exceptional standards of performance and productivity, to working together effectively and to a willingness to embrace new ideas and learn continuously.

We believe that to succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies of the world in which we live.

This is Unilever's road to sustainable, profitable growth for our business and long-term value creation for our shareholders and employees.

WHO WE ARE

Unilever is one of the largest consumer goods businesses in the world. In 2001 we employed an average of 265,000 people and our turnover was €52,206 million. Our food, home and personal care brands are on sale in over 150 countries. By the very nature of our business in cleaning, grooming and feeding people, our success depends on our companies being close to consumers and deeply rooted in the societies and environments in which we operate. Three quarters of our raw materials come from agricultural goods.

We have an extensive range of outstanding consumer brands. Lipton tea and Dove soap are among the world leaders. Others with wide appeal are Birds Eye, Iglo, Knorr, Becel, Magnum, Lux, Omo and Cif. We will increasingly focus on 400 leading brands that have distinctive consumer appeal.

Unilever is divided into two global divisions, one of which focuses on Foods and the other on Home & Personal Care products. The divisions both contain many operating companies which remain the fundamental building blocks of today's Unilever. They serve distinctive local markets with a wide range of consumer products and do business within a framework of considerable devolved responsibility – we call ourselves a multi-local multinational.

A MESSAGE FROM THE CHAIRMEN

We are concerned about the plight of the world's fisheries but we are also truly heartened by the steps being taken to reverse their decline.



Antony Burgmans

Niall FitzGerald

Unilever is one of the world's largest buyers of fish for our Iglo, Birds Eye and Findus brands. Fishing must become more sustainable to secure our fish supplies into the future. Our consumers increasingly care about the plight of fisheries and want products that help to conserve threatened stocks.

We see our encouragement of sustainable fishing, in addition to similar initiatives in agriculture and water management, as an important part of building sustainable profitable growth for our company, what we call our Path to Growth.

This booklet describes the main threats facing the world's fisheries and sets out our progress against an important commitment we made in 1996: to buy all our fish from sustainable sources by 2005.

We are working in partnership with our suppliers and other interested parties that have an important role to play in establishing better fisheries policies and practices. These include governments; WWF, the conservation organisation, and other non-governmental organisations.

The single most important initiative has been the creation of the Marine Stewardship Council (MSC) jointly between Unilever and WWF. The MSC is now an independent accreditation body that sets standards for sustainable fisheries.

There is still a long way to go before all fisheries are managed in a sustainable way and we shall continue to seek improvement. We are making good progress to meet our commitment and we hope our actions will help drive the whole fisheries market towards a sustainable future.

Antony Burgmans

Niall FitzGerald

GLOBAL FISHERIES UNDER THREAT

Fisheries are in crisis. Forty-eight per cent are fully exploited, 16% overfished, and 9% depleted, according to the United Nations Food and Agriculture Organisation (FAO).

Important fisheries remain under threat. It is estimated that every year fishing practices kill and waste between 18 and 40 million metric tonnes of unwanted fish, seabirds, sea turtles, marine mammals and other ocean life.

There are social implications too. Many coastal communities throughout the world have been sustained by nearby fisheries for centuries and have suffered severe loss of jobs and the breakdown of social structures as a direct result of the decline in fish stocks.¹

World-wide catches of the commercially important groundfish species (e.g. cod, haddock, Alaska pollock and hake) have been in decline since the mid 1980s. The collapse of the cod fishery off Newfoundland in the early 1990s reflects the problem that others face. Scientific evidence, when available, was often neglected for political reasons and quotas were set higher than recommended. In areas in which quotas were in line with the science, controls were often ineffective and catches were too high. As a result, the total catch of the 10 major groundfish species almost halved within 15 years.

Over-exploitation of specific species also has a knock-on effect on marine eco-systems of which they are a part.

Researchers have shown how over-fishing of one species disrupts the balance of marine eco-systems and threatens biological diversity. For example, a dramatic rise in the number of crown-of-thorns starfish, which preys on coral reefs, has been attributed to the decline in the starfish's natural predators that have been fished out.²

Damaging fishing techniques and decline in fish stocks have led to calls for dramatic action on conservation.

"Fisheries are the last major world industry exploiting wild natural resources for food. Only a series of fundamental reforms of contemporary management, coupled with heightened public interest and powerful economic incentives, will bring chronic overfishing to a halt and shift the paradigm of fishery management from development and exploitation to conservation and sustainability," says a WWF report.³

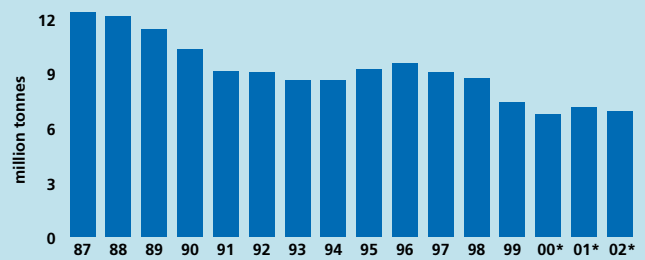
1 The State of World Fisheries and Aquaculture (SOWFA). FAO, 2000.
2 Historical Overfishing and the Recent Collapse of Local Eco-Systems, Scripps Institution of Oceanography, University of California, San Diego. Science magazine, July 2001.
3 Marine Fishes in the Wild, a Species Status Report. WWF, 1996.

ORIGIN OF UNILEVER WHITEFISH SUPPLIES

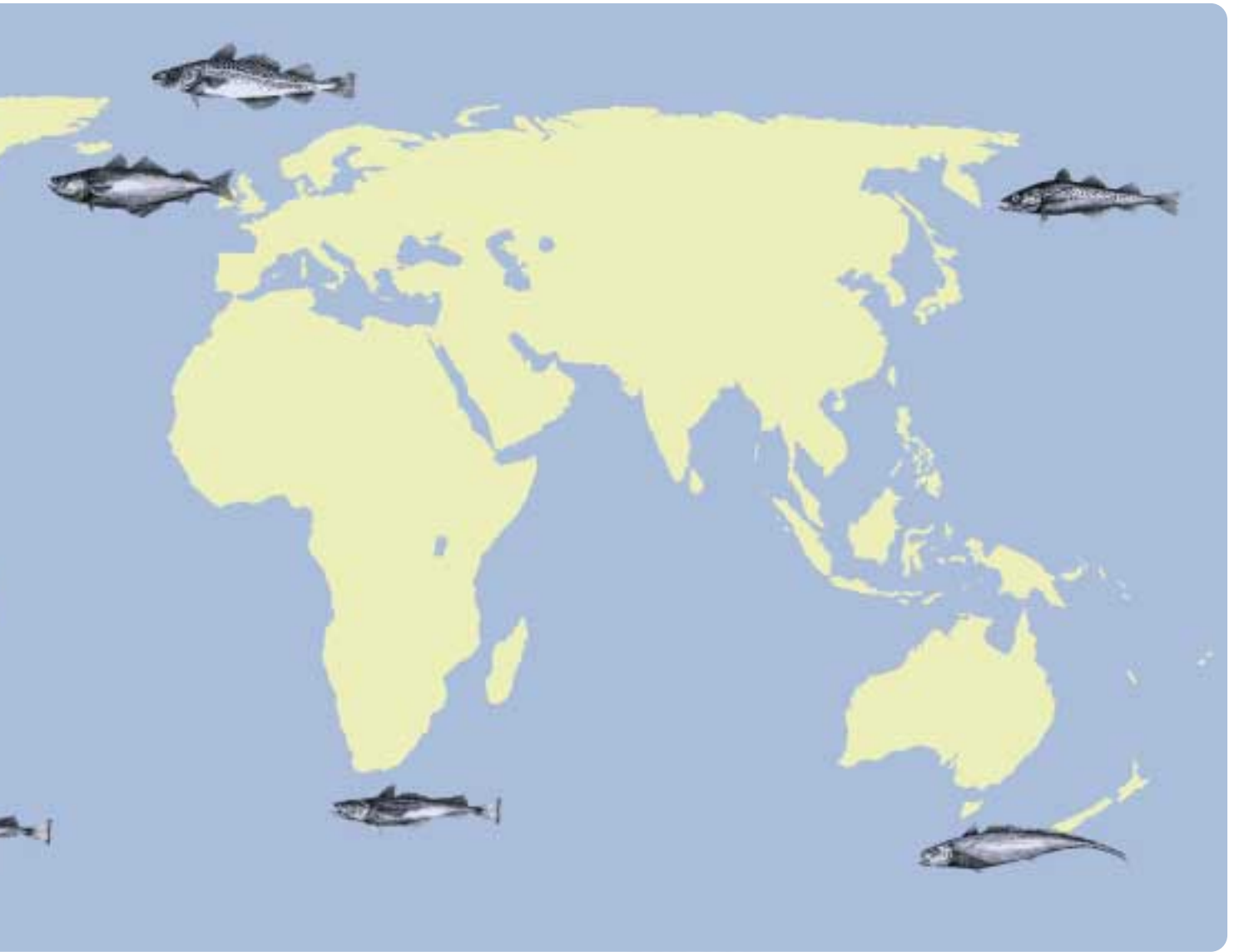


WHITEFISH CATCH

Decline of ten major whitefish species.



*2000-2002 figures are estimates from the Groundfish Forum Panel of Experts.



UNILEVER AND FISH

Large commercial fishing companies catch and process fish on the high seas, delivering it to buyers, such as ourselves, already frozen.

We prepare our products, such as fish fingers and coated or uncoated fillets, from fillets which have been quickly frozen into blocks. This maintains freshness and taste. Some premium products are also prepared from individually frozen fillets.

We have long-term relationships with most of our suppliers, contracting to take agreed quantities over a set period. Consumer demand for fish continues to rise and there is sometimes a shortage of supply. This means that it is only by developing partnerships of trust between ourselves and our suppliers that we can hope to bring about change in the management of fish stocks and fisheries practices, that will ensure more secure supplies in the long term.

We sell frozen fish products in Europe under the Iglo Brand (Austria, Belgium, France, Germany, Holland, Switzerland), Birds Eye (Ireland and UK) and Findus (Italy).



A factory trawler catches and processes hoki in the Tasman Sea, near New Zealand.



Hoki fillets prepared for freezing and shipment.





Effective technology helps to ensure that the right species are caught and best practices are followed.



TEWARDSHIP



A catch of New Zealand hoki is brought aboard.

How hoki are caught

The New Zealand hoki fishery has gained recognition as a well-managed fishery following independent certification to the standards set by the Marine Stewardship Council (MSC). Hoki is sold by a number of New Zealand seafood companies, who together own the Hoki Fishery Management Company, a fisheries co-operative established to improve management of the fishery in the south-west Pacific ocean.



COUNCIL



All non-hoki fish, mainly ling and hake, caught accidentally with New Zealand hoki are sorted and iced for sale to local fish markets. All off-cuts (e.g. guts, heads and bones) are turned into fish meal during processing. MSC criteria specify that there should be as little waste as possible.



Matthew Kee, an independent observer working for the Fisheries Audit Service, checks a sample of the hoki catch for size and quality.

FISH SUSTAINABILITY INITIATIVE

By the early 1990s conclusive evidence from the FAO showed that over-fishing had put global stocks of fish for human consumption at serious risk. This in turn threatened supplies to our frozen fish business.

It became clear that because of the complex relationship between the many different fish species and wild stocks in the marine ecosystem, the solution had to help make all fisheries sustainable.

This was a huge challenge and one we could not take on alone. We knew that progress could only come about by working with others who shared our goal, both outside and inside the industry.

Faced with the overwhelming evidence from the FAO, we made a public commitment in 1996 to buy all our supplies from sustainable sources by 2005.

Separately, but related, we began discussions with the world conservation organisation WWF. We had different motives but a common purpose: the need to assure the long-term sustainability of global fish stocks and the integrity of the marine ecosystem.

Drawing on WWF's experience in forestry conservation and the Forestry Stewardship Council,⁴ we agreed to work together to set up a Marine Stewardship Council (MSC), to develop a fisheries certification scheme that could endorse sustainable fisheries management and operational practice. Fish in shops sourced from certified fisheries would be able to carry an MSC logo on the pack. Consumers could choose fish products from well-managed fisheries, and in this way the market would encourage responsible fishing.

The two partners each brought wide-ranging skills, knowledge and networks to support the formation of the MSC.

The MSC undertook an inclusive, global consultation process, including discussions with environmental and marine experts, scientists, fishing industry and trade representatives, government officials and regulators, and many others connected with the marine environment.

The output of the consultation, which ran over eight workshops and two expert drafting sessions, was a set of broad principles and criteria (see box page 8) that provide a framework for promoting environmentally and economically viable fishing. The Unilever/ WWF partnership achieved a key milestone in July 1999 when the MSC became a fully independent non-profit organisation.

⁴ The FSC is an independent body founded by the WWF and other conservation organisations to accredit independent forestry certifiers, who certify forests that are managed according to FSC principles and criteria. Once certified, wood products from such forests may carry the FSC logo.



© 1986 WWF
© 1986 Panda symbol WWF

Alaska pollock *Theragra chalcogramma*



OUR COMMITMENT ON SUSTAINABLE SUPPLIES OF FISH

Unilever is committed to buy all its fish from sustainable sources by 2005. Our definition of this generally reflects the UN's Food and Agriculture Organisation's (FAO) Code of Conduct for responsible fisheries and the relevant FAO Guidelines. www.fao.org/fi/agreem/codecond/codecon.asp

For some time we have been working in partnership with our suppliers to encourage more sustainable fishing methods and more recently to meet our 2005 commitment. A detailed examination by Unilever of all fisheries supplying the company is well underway to select long-term sustainable sources.

We believe that sustainability can best be promoted by harnessing market forces. This is why, in 1996, we joined

with the global conservation organisation WWF to initiate an independent certification scheme called the Marine Stewardship Council (MSC).

During a global consultation process a set of principles and criteria based on the FAO Code of Conduct was developed and this forms the basis for independent certifications of fisheries.

We want our suppliers to manage their fisheries according to MSC standards, which are based on those of the FAO. The MSC is the only certification scheme of its type and it is our firm intention to use the MSC programme to certify our supplies.



OUR SUSTAINABILITY INITIATIVES

Besides fish, Unilever is also working on two other initiatives: agriculture and water.

In our **agriculture** supply chain we have established 13 pilot projects. These cover crops ranging from peas and spinach in the UK, Germany and Italy, to tea in Kenya and India, and Palm Oil in Malaysia and Ghana. In each project, Unilever works with farmers, scientists and other stakeholders to establish sustainability indicators and develop the appropriate methods for measuring performance. These now form the basis of draft sustainability standards.



We share global concern for the world's **water** systems which are under intense pressure from increasing demand and deteriorating water quality. In our sustainable water initiative we work with partners to achieve maximum impact and to help assure the future availability of clean, potable water.

See more on www.unilever.com



The Marine Stewardship Council certification programme

Early in 1999 the MSC announced details of its certification scheme and has since been accrediting professional bodies to assess and certify fisheries around the world. The first certified fish products appeared in 2000 and in the same year Unilever began selling in Switzerland certified Pacific salmon caught in Alaska.

Although the MSC now operates independently from the founding partners, both Unilever and WWF clearly have a large stake in the successful implementation of the certification scheme among fisheries around the world. An important factor in this will be the scope provided for local and regional fisheries management to determine, within the framework laid down in the MSC's principles and criteria, the priorities for achieving sustainable fishing practice under local conditions.

Changing fishing practice is one side of the solution. The other is to help consumers understand sustainable fishing. This involves building awareness of the MSC logo and then promoting the appreciation that fish products bearing it have been caught in a sustainable way.

"Certification completes the link from fishermen to consumers, allowing us to include on-pack information – in the form of a well recognised, reputable logo – that allows consumers to demonstrate to suppliers that sustainable fishing counts," says Unilever Co-chairman, Antony Burgmans.

MSC PRINCIPLES FOR SUSTAINABLE FISHING

Principle 1

A fishery must be conducted in a manner that does not lead to over-fishing or depletion of the exploited populations and, for those populations that are depleted, the fishery must be conducted in a manner that demonstrably leads to their recovery.

Principle 2

Fishing operations should allow for the maintenance of the structure, productivity, function and diversity of the ecosystem (including habitat and associated dependent and ecologically related species) on which the fishery depends.

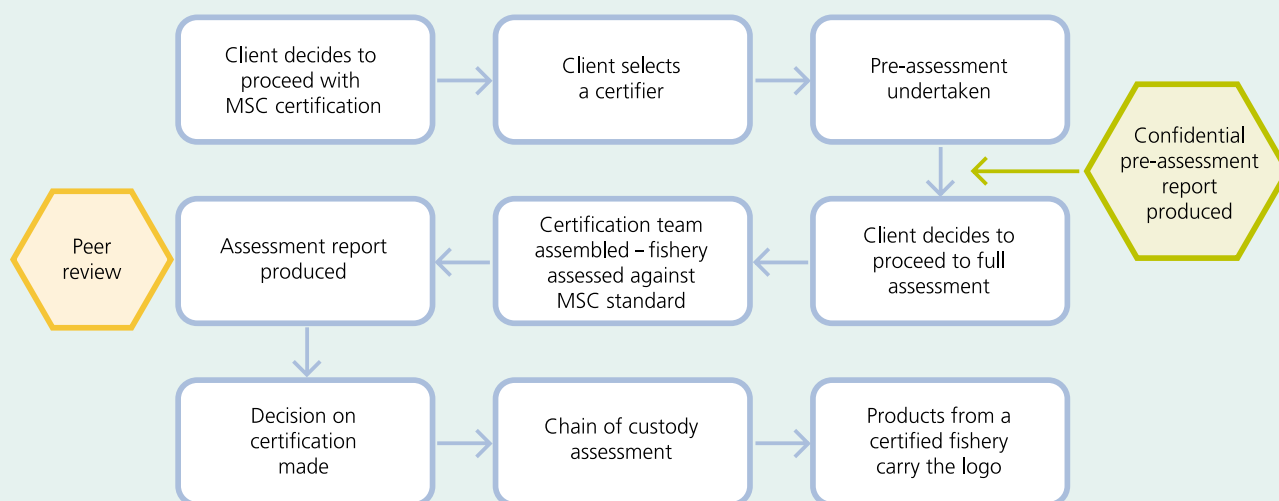
Principle 3

The fishery is subject to an effective management system that respects local, national and international laws and standards and incorporates institutional and operational frameworks that require use of the resource to be responsible and sustainable.



HOW CERTIFICATION WORKS

The MSC Certification process



Source: MSC

CASE STUDIES

CASE STUDY

WHY CERTIFICATION IS GOOD FOR BUSINESS AND COMMUNITIES

Several seafood companies in Alaska are catching and selling wild salmon from MSC-certified fisheries.

Alaska has a long and successful track record of managing and conserving its salmon resources. With a relatively short season from June to September, the region produces wild, high-value salmon and nearly 80% of the world supply of king, sockeye and coho.

The fishery has been a way of life in Alaska for generations and it is a critically important industry to the communities throughout the state, providing nearly half of the private sector jobs.

“Given the stiff competition from farmed salmon, any possible advantage in the market for Alaska’s wild salmon

is important. Salmon processors and marketers believe the MSC label can provide Alaska salmon with a competitive advantage,” says Rob Bosworth, Deputy Commissioner of the Alaska Department of Fish and Game.

The Alaskan fishery supports many family businesses because the government issues permits to individuals rather than corporations. This means the fishery is composed of many individuals who have a direct personal stake in conservation but who are also almost entirely dependent on fishing, as are their communities.

“The MSC has opened market doors,” says Barbara Belknap, director of the Alaska Seafood Marketing Institute. “It has shown that you can manage fisheries well and you can maintain the small communities that depend on fishing.”

CASE STUDY

CERTIFIER’S POINT OF VIEW

“People are mostly positive about what we do but there is inevitably some nervousness when we arrive,” says Chet Chaffee, VP of Environmental Programs at Scientific Certification Systems (SCS).

Chet audits fisheries which have applied to be certified against the criteria of the Marine Stewardship Council (MSC – see opposite page). SCS is accredited by the MSC and acts as a contract auditor, typically paid by fishers or the fishery management.

The MSC certification process involves a mixture of technical checks and widespread discussions with fishers, fishery managers and stakeholders who have interests in the fisheries.

“Stakeholders, such as conservation groups, are often hesitant about certification because they feel fisheries might

get a stamp of approval they don’t deserve. Some are also concerned that certification might stop further improvements.

“While this can be frustrating, such scepticism is healthy and often beneficial because it really helps the certifiers understand the issues from all points of view. This inclusive approach is one of the major benefits of the MSC process,” says Chet who is based in California. He is involved in the certification of Western Australian rock lobster and Alaskan salmon, as well as the evaluation of Bering Sea and Gulf of Alaska pollock, British Columbia salmon, and two lobster fisheries in Mexico.

He agrees that progress by fisheries seeking certification has been slow but feels positive about the future. “The more buyers that ask for certified fish, the better. This is a commercial business and people will respond more rapidly as the light at the end of the tunnel gets brighter. ”

CASE STUDY

INTERVIEW WITH HOKI TRAWLER CAPTAIN



Stig Nisset (above) is captain of the San Discovery factory trawler owned by Sanford, a supplier of Marine Stewardship Council (MSC) certified hoki, a white hake-like fish found off New Zealand.

Stig is enthusiastic about the benefits that certification brings to his job and the fishery.

"Of course it's presented some challenges, but no more than you would normally expect in this business. The MSC emphasis on sustainability has helped generate sales and in the long term I'm sure it will help expand and stabilise markets.

"The New Zealand quota management system combined with our focus on sustainability, maximises economic return from everything caught and minimises the impact on the environment. These practices fit quite naturally with the MSC philosophy.

"The certification process has helped focus our attention on key issues where improvements can be made. I'm really pleased with market reaction which has been excellent and helped establish hoki.

If MSC certification helps to inform the customer and dispels negative propaganda, then it's the right way forward."



CASE STUDY

**DIPLOMAT OF THE SEAS:
VOLKER KUNTZSCH**

The diplomatic skills of Unilever fish buyer Volker Kuntzsch, a trained zoologist, are being severely tested as he tries to convince suppliers to change their fishing methods in time to meet the company's 2005 deadline to buy fish only from sustainable sources.

"On the whole their reaction is positive but careful," says Volker. "Some say their methods are perfectly good, some don't want others checking on them but many realise that this is an opportunity to improve fisheries management world-wide."

Unilever has stopped buying from some suppliers whose methods are not making progress towards sustainable fishing. Volker and his team are spending more time building relationships with those suppliers who take a long-term perspective.

"We deal mainly with suppliers who are in the business for the long-term and who want a good relationship with us. This can be a slow process. It has, for example, taken us a long time to convince some suppliers that our consumers are concerned about where their fish comes from and the business implications of this."

With his science background and business skills, Volker is in the ideal position to argue the case for sustainable fishing. "I do find it very rewarding to combine the science and the business argument to bring about change that benefits us all," he says.

CASE STUDY

**PROFESSOR
GERT HUBOLD**

The fact that a fishing company or group of fishermen submits its activities to scrutiny by a certifier is a positive sign that it has made a big step towards responsible fishing.

This is the view of Prof Gert Hubold, director of Institute for Sea Fishery, based in Hamburg, Germany. The institute is committed to supply sound scientific support for the rational management of living marine resources and marine ecosystems.

"If a fishery is certified – and wants to keep this status – it will mean that voluntary controls will be in place and improvements constantly made. An increasing number of certified fisheries will lead to a greater number of well-managed stocks.

"But certification is not enough. The pressure on fish stocks will continue to increase unless new management systems are installed that reduce the amount of fish caught and provide individual access rights to the resources.

"In addition, the use of the seas must be better planned by defining areas of priority for fishing or other activities, as well as closed areas to offer full protection for marine organisms. The sustainable use of the natural marine ecosystems has to remain under public responsibility and must be managed using good science."

PROGRESS AND THE FUTURE

Progress in developing MSC guidelines and certifying fisheries is, by its very nature, a phased process because it depends on consensus. The first certifications have been awarded to fisheries differing considerably in size – from Thames herring to Alaska salmon and New Zealand hoki.

The first certifications have been critically important in refining the certification process and have set examples for other fisheries to follow.

Now ever-greater quantities of our fish products bear the MSC label. Iglo-Filegro, a brand available in Switzerland, which uses Alaskan salmon as an ingredient, was our first product to come from an MSC-certified fishery. In Europe, we are also now using New Zealand hoki from a fishery certified to be well managed under MSC guidelines.

Meeting our commitments

We are determined to do all we can to meet our commitment to buy all our fish from sustainable sources by 2005. We will continue in partnership with our suppliers to seek sustainable supplies. We are very willing to work with other certification programmes of equivalent standard to the MSC, if these emerge.

By the end of 2001 we had five per cent of our supply chain MSC-certified as well-managed and sustainable. By the end of 2002 we expect the figure to rise to 25% if the current number of certifications are completed as planned.

Since the arrival of New Zealand hoki we have seen a much greater interest and support for sustainable fisheries world-wide. Although some fisheries already have very good practices we now see the benefits of visible recognition. It is the progressive transformation to sustainable fisheries that will generate the ocean conservation we all want.

We are making good progress to meet our commitment and we hope this will help drive the fisheries market towards a sustainable future. There is still a long way to go before all fisheries are managed in a sustainable way. We are working in partnership with our suppliers and other interested parties and we will continue to seek improvement.

Antony Burgmans and Niall FitzGerald
Chairmen of Unilever

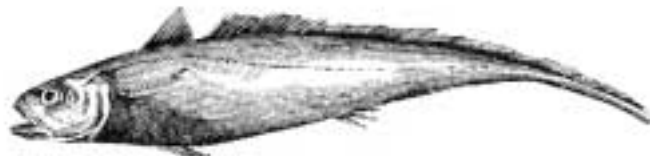
New Zealand hoki *Macruronus novaezealandiae*.



FISH SPECIES USED BY UNILEVER



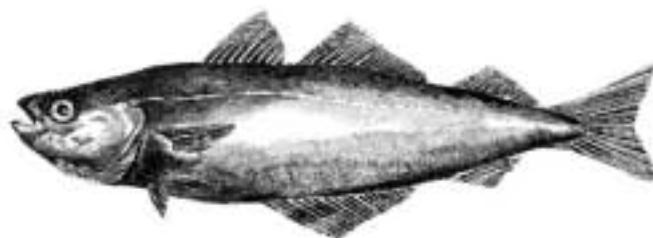
Alaska pollock *Theragra chalcogramma*



New Zealand hoki *Macrurus novaezealandiae*



Alaska salmon *Oncorhynchus gorbuscha*



Saithe *Pollachius virens*



Atlantic cod *Gadus morhua*



Chilean hake *Merluccius gayi gayi*

Credits

Writing and consultancy
Illustrations
Cover photograph
Photography
Design
Printing

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Chris Martin ©Unilever
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