

# Supply Chain Questionnaire Survey: IUU Fishing and Modern Slavery

*A questionnaire survey was completed by SeaBOS companies and a sample of their suppliers. The survey produced information on how companies understand IUU fishing and modern slavery risks; where they believe these risks exist; how risks can be monitored and managed as well as partnerships that are used in this context. Taken together, this data provides a baseline understanding of IUU fishing and modern slavery risk on which the SeaBOS initiative can build in order to reach its stated commitments. Key finding: Seeking to influence seafood sector practice via supply chains is a plausible strategy for addressing IUU fishing and modern slavery.*

## Overview of respondents

The purpose of the questionnaire was to: (1) create a baseline understanding of what actions have been undertaken in SeaBOS companies and a sample of their suppliers to address IUU fishing and modern slavery; and (2) to identify where opportunities for improved performance might be found.

The survey elicited 30 responses, from both SeaBOS members and a subset of their suppliers. All these companies are likely to have the capacity to govern their activities effectively (due to their size and place within global supply chains) and, if anything, these results will be more positive than the likely activities of the seafood sector as a whole.

The use of tiers to describe suppliers is common practice for these companies. Those who indicated that they do not use tiers of suppliers commented that they either buy raw materials on the open market or obtain them from the processing plant of a parent company. One company indicated that they purchase 100% of their marine resources from open markets with the rest of the companies answering this question indicating that this figure is zero or less than 5%.

The number of suppliers that companies are engaged with in each tier varies between individual companies and across supply chain tiers. The number of suppliers at tier one ranged from 2 to 5,000; at tier two from 0 to 20,000 (with one company indicating that they don't keep records of the number of tier two suppliers); and at tier three from 0 to 20. This suggests that once you

move beyond tier one and tier two the number of suppliers falls significantly.

- Key finding 1: Companies vary a great deal as to how many suppliers they are seeking to engage with, which will have implications for SeaBOS commitment implementation.
- Key finding 2: Companies indicated that they have strong relationships with tier one suppliers, but less so with tier two suppliers and beyond (see also table 4).

There are four implications of these observations for operationalizing proposed policy commitments: (a) those actions that require partnerships between SeaBOS and their tier one suppliers will be building on existing relationships; (b) any suggestions for extending requirements to tier two suppliers will be novel; (c) if action is taken by SeaBOS companies and their tier one and two suppliers, then the seafood supply chain is likely to be fully engaged (given that these companies are at the production end of the process); and (d) the working hypothesis that SeaBOS will create a vertical 'cascade' effect in the sector has some support on the basis of the data gathered in this questionnaire (if there are suppliers in common, this may also create a sector wide effect).

## Characterisation of IUU fishing and modern slavery risks

All companies indicated that IUU fishing and modern slavery were receiving CEO attention. A variety of

Table 1: Nature of risks from IUU fishing and modern slavery

	IUU fishing	Modern slavery
Loss of corporate reputation with shareholders	17	15
Loss of corporate reputation amongst peers in your industry	17	15
Loss of brand perception of final consumers	17	15
Direct commercial loss associated with IUU fishing/modern slavery being identified	17	15
Issues with supply interruption (e.g. unable to import products)	15	14
Loss of corporate reputation as an employer	14	16
Direct legal liability from IUU fishing/modern slavery being identified	13	12

approaches were described by companies ranging from generic to named risk recognition, management processes (such as the COSO Enterprise Risk Management approach). Quality assurance and sustainability management systems were identified as being central to risk processes.

- Key finding 3: existing company control systems are likely to provide a robust way for SeaBOS commitments to be realised.

The questionnaire sought information about the type of risks companies believed IUU fishing and modern

slavery generated. There was an option for companies to indicate that they did not experience IUU fishing or modern slavery risk. Table 1 summarises the responses of those who believed they faced these risks. The types of losses associated with any detection of IUU fishing or modern slavery extend across all categories in the table.

The questionnaire also sought information on where companies believed IUU fishing and modern slavery risk could be found in supply chains. As with the previous question, companies had the option to indicate that they did not experience IUU fishing or modern slavery risk (see Table 2).

Table 2: Perception of location of IUU fishing and modern slavery risk

	IUU fishing		Modern slavery		
	Risk	No risk	Risk	No risk	
<b>At sea</b>			<b>At sea</b>		
Own operations	8	19	Own operations	4	20
Tier one	8	18	Tier one	7	16
Tier two	13	12	Tier two	10	13
Tier three & beyond	8	14	Tier three & beyond	7	13
<b>In processing</b>			<b>In processing</b>		
Own operations	5	22	Own operations	4	21
Tier one	7	18	Tier one	7	18
Tier two	6	16	Tier two	9	15
Tier three & beyond	5	16	Tier three & beyond	7	15
<b>In aquaculture</b>			<b>In aquaculture</b>		
Own operations	3	22	Own operations	2	20
Tier one	5	18	Tier one	5	17
Tier two	7	16	Tier two	8	15
Tier three & beyond	6	15	Tier three & beyond	7	14

A number of observations can be made on the basis of the data in Table 2: (a) overall companies perceive that there are relatively low possibilities of IUU fishing and modern slavery risk in their supply chains; (b) the perception of IUU fishing and modern slavery risk are not markedly different from each other and do not vary a great deal across production/catch sites (at sea, in processing and in aquaculture); (c) where there is variation, it is at sea operations that are scored as most risky by these companies and modern slavery risk in processing is highlighted at tier two; and (d) risks are also believed to exist in companies' own operations. Interpreting the pattern of responses for tier three and beyond is more difficult. Given that the number of suppliers drops at tier three, lower numbers in terms of risk/no risk can be expected. In addition, length of supply chains will vary between at sea, processing and aquaculture activities. The best observation might be that at tier three risks exist and follow a similar pattern to the other tiers.

Other open questions (linked to how issues become subject to CEO attention) yielded valuable observations. One company indicated that their marine sourcing was: "100% fished by [our] own vessels under controlled management systems so [there is] no risk of IUU fishing" while another company observed, "we are not

concerned with [modern slavery] because we own and staff the vessels ourselves". These observations, along with the suggestion that risks become greater at tier two (and possibly beyond), suggest that bringing fishing and employment activities closer to a company creates more possibilities for mitigating risks.

Open text questions were also asked regarding perceptions of where IUU fishing and modern slavery might be found, focusing on risks that might differ across particular geographic locations, operational activities, fisheries or vessel types. Table 3 summarises these responses. Companies provided the most responses with regard to the geographic locations where they believed risk was heightened but it was instructive that some respondents suggested that you can find modern slavery anywhere and that in many cases information is not available to know where higher levels of risk exist.

- Key finding 4: risks of IUU fishing and modern slavery are perceived to be especially salient at tier two in the supply chain but can also be found closer to 'home'.
- Key finding 5: a variety of geographic, operational and fisheries related factors affect perceived risk of IUU fishing and modern slavery.

**Table 3: Other perception of risks of IUU fishing and modern slavery**

*In particular geographic locations:*

- Asia and Africa (mentioned by two companies)
- Asia, South America, China, Southeast Asian nations for both IUU fishing and modern slavery
- Vietnam, Indonesia, India
- Thailand and China
- The Yellow Sea
- Andaman sea and Gulf of Thailand have the highest risk (modern slavery)
- Thailand, China, India, Vietnam, Japan (outside of EEZ)
- West Africa for IUU fishing
- Shandong Province, China
- Asia, Latin America (IUU fishing)

*In particular operational activities:*

- On fishing vessels (mentioned by two companies)
- Twice frozen cod loins
- Seafood processing (mentioned by two companies, with one identifying processing in Alaska)
- Fish processing for onward sale (both IUU fishing and modern slavery)
- Surimi and shrimp plants
- Transshipment
- Aquaculture

*In particular fisheries:*

- Cod
- Pollock
- Patagonian and Antarctic toothfish
- Longline
- Fisheries not approved according to IFFO RS standard or involved in a fisheries improvement project

*On particular vessels:*

- Catcher vessels only in Bering Sea of Alaska (modern slavery only)
- Trawler

Table 4: Aspects being tracked by respondents

	IUU fishing	Modern slavery
Legal compliance with laws in all countries the company operates in	22	20
Legal compliance of tier one suppliers	21	20
Compliance with your company's own codes of conduct	20	20
Compliance of your company with customers' codes of conduct	16	14
Suppliers' compliance with your company's supplier codes of conduct	15	13
Legal compliance of tier two suppliers	10	8
Legal compliance with laws in some countries the company operates in	8	6
Legal compliance of tier three suppliers	7	5
Legal compliance of suppliers beyond tier three	5	5

### Monitoring and managing risk

Table 4 and 5 summarise what aspects are being tracked in companies and what monitoring processes are used.

As may be expected, performance is monitored by reference to legal compliance (Table 1 identifies legal liability and direct commercial loss as being risks arising from IUU fishing and modern slavery). Likewise, the greater focus on tier one suppliers is also evident. One company noted that they “expect tier 1 suppliers to have the same requirements” as they do. Finally, it is clear that these companies’ own codes of conduct are a key driver for monitoring activities.

- Key finding 6: any actions agreed by SeaBOS members and formally incorporated in their codes of conduct are more likely to trigger performance monitoring.
- Key finding 7: monitoring of IUU fishing is more widespread than monitoring of modern slavery, perhaps reflecting the less developed state of understanding of modern slavery and the absence of well-established certification schemes that specifically address this issue.
- Key finding 8: robust seafood traceability systems and audit/certifications schemes are critical for monitoring IUU fishing and modern slavery risks.
- Key finding 9: the majority of possible monitoring activities never reach the 50% mark suggesting that there are possibilities for expanding the use of these monitoring techniques.

Open text questions provided an opportunity for companies to outline data problems they experienced in determining IUU fishing and modern slavery risk. Comments include the following:

“We have a good handle on [IUU fishing] these days in the toothfish trade but modern slavery (details of conditions of employment, contracts) is much more difficult and largely non-transparent”.

Table 5: Monitoring processes used

IUU fishing	
Product based certification scheme	20
A seafood traceability system	20
Third-party auditors	17
Location tracking of own vessels	12
Second-party auditors	12
Observers on vessels	11
Whistle-blowing systems	11
Hotlines and complaint systems	10
Location tracking of supply chain vessels	8
Cameras on vessels	7
Modern slavery	
Third-party auditors	13
A seafood traceability system	13
Product based certification scheme	11
Second-party auditors	10
Whistle-blowing systems	8
Hotlines and complaint systems	7
Observers on vessels	6
Location tracking of own vessels	6
Cameras on vessels	3
Location tracking of supply chain vessels	3

“In some developing countries there is very little data available on modern slavery in particular (for example, in India for the shrimp supply chain) and in developed countries who believe they have no risks”.

**Table 6: summary of certification schemes used**

	Frequency
MSC	16
IFFO RS (and other) standards	8
A country standard (e.g.: EU, Japan, Alaska fisheries)	8
BRC (a food safety standard)	2
ASC	2

Problems arise from “the scale and complexity of supply base, number of vessels involved and range of geographies”.

One aspect from this data that may cause concern is the 11 companies who suggested that they use product certification schemes (the MSC standard was included as an example in this question) for monitoring modern slavery. While the MSC, for instance, doesn’t allow certification of fisheries that have been prosecuted for labour violations within the past two years, they recognize that there is more work needed before their

certification could be said to be fully modern slavery ‘proofed’. While it is not implausible that well managed activities (from an ecological perspective) might provide protection with respect to labour practices, such a link is not likely to hold for all locations/fisheries (the empirical evidence is contradictory in this area).

- Key finding 10: it appears that reliance is placed on existing certification schemes to provide information on modern slavery. Most certification schemes do not fully address modern slavery, so this is an unwise course of action.

In the open text related to this question, one company indicated that their approach in this area was to seek “tier 1 supplier audit and certification [using] IFFO RS + FOS + MSC. If no certification is available, set up a Fisheries Improvement Project and a close relationship with tier 1 suppliers”. This suggests that seeking closer supplier relations may have precedence within the SeaBOS companies.

Table 6 contains a summary of what certifications were used by companies.

**Table 7: Information required**

	Own vessels	Tier one vessels	All vessels in supply chain
Vessel fish licenses	7	12	10
Landing documents/authorisations	8	11	8
Fishing licenses	7	10	8
Vessel IMO number	6	10	8
Other vessel registration information	5	10	6
EU catch certificates	5	9	8
Flag status of vessels	5	9	7
History of blacklisting in RMFO the companies are currently operating in	2	6	6
Ships logs	6	5	5
History of blacklisting in other RMFOs	3	5	6
Crew manifest	4	4	4
Details of beneficial ownership of vessels	4	4	2
<b>Information on key data elements</b>			
Catch location	7	16	14
Landing location	7	11	12
Gear type	7	11	12
Landing data	7	10	11
Date and time of catch	7	9	10
Transshipment date	6	9	7
Transshipment location	7	8	7



Table 8: Measures required

	Total number of respondents	Own vessels	Tier 1 vessels	All vessels in supply chain
Prohibit the use of flags of some states	9	5	3	3
Require use of certain ports	9	5	2	4
Prohibit the use of certain ports	9	4	3	4
Ban charging of employment fees	9	4	3	4
Ban transshipment in particular locations	9	4	2	5
Limit the time a vessel spends at sea	9	3	4	5
Pre-notification of transshipment in particular locations	9	3	3	6
Require the use of flags of certain states	8	5	2	3
Pay employment fees for workers	8	3	3	4
Require photos of key activities	7	2	4	3
Require video of key actions	7	2	3	4

their suppliers to provide to them (split by information provided by own vessels, tier one supplier vessels and all vessels in the supply chain). Table 7 summarises these results and has been sorted by frequency of information required by tier one suppliers, because this element had the highest incidence. A possible explanation of tier one suppliers being subject to the highest incidence of monitoring is that one might assume that a company can be more confident about the operation of its own vessels than it can be about those in tier one and beyond (this explanation is supported by previous free text comments).

One aspect to highlight in Table 7 is the relatively small percentage of companies using these sources of information (only catch location is above the 50% mark across the 27 companies who answered this question). The data, however, has to be cautiously interpreted, as one free text comment suggested that not all items were relevant to the company's business, while another noted they relied upon certification schemes rather than gathering data themselves.

- Key finding 11: there may be potential for SeaBOS companies to improve both monitoring and information gathering in support of reducing IUU fishing and eliminating modern slavery.

The questionnaire also sought information on any measures required by companies (see Table 8), with only 11 companies answering this question (5 companies indicated that this question was not relevant to their business).

- Key finding 12: there is scope for more "take up" of measures used by companies in their own

operations as well as in their supply chains to address both IUU fishing and modern slavery.

- Key finding 13: for each measure, some SeaBOS companies have prior experience, which suggests that collectively there will be expertise in these areas.

### Partnerships to achieve change

The questionnaire sought information on the partnerships that companies were involved in to tackle IUU fishing and modern slavery (there were 24 responses to this question). Table 9 summarises responses by IUU fishing and modern slavery, respectively.

Several observations can also be made on the basis of the data in Table 9: (a) there are more partnerships focused on IUU fishing than modern slavery, perhaps reflecting the more recent arrival of modern slavery concerns in the seafood sector; (b) there are commonly used partners under both issues with certification scheme providers, RMFOs, environmental NGOs, fisheries associations and customers being highly ranked; (c) members of the financial community, especially banks and insurers, are less frequent partners, which is surprising as they finance and insure the vessels where IUU fishing and modern slavery take place; and (d) in the context of modern slavery, it is surprising that labour unions and fisher welfare support organisations have not been engaged by more companies.

- Key finding 14: there is scope for more partnerships to be fostered so that SeaBOS companies can achieve the IUU fishing and modern slavery outcomes they seek.

## Concluding observations

Drawing together the key findings from each aspect of the questionnaire, four high level observations are possible.

- There is a high level of awareness of IUU fishing and modern slavery among companies and it is deemed to be important to company reputation but also, critically, to operational concerns (i.e. direct commercial loss and supply interruption). At the same time, views varied as to the incidence and location of risks.
- Company engagement with tier one suppliers (but not beyond this level) is standard practice in this sample. This is also 'standard' practice across other sectors. Companies perceive that IUU fishing and modern slavery risk emerges at tier two and beyond with these activities being beyond their direct scrutiny. Engaging with tier two suppliers (drawing on existing relationships with tier one suppliers) would constitute a step change in activities. Such an approach would also provide a better chance of identifying and eliminating IUU fishing and modern slavery.
- More effort could be dedicated to monitoring and data requirements. Every action in the sample was done by at least one company, but no single company did everything. This suggests that there is potential for collaborative learning within this cohort of companies as to what works well in particular locations for IUU fishing and modern slavery risks. In addition, there is potential for monitoring and data gathering to be more widespread and effectively focused on issues at stake. Finally, the role of certification schemes as a way to monitor performance is widespread with several respondents relying on these schemes to identify and deal with both IUU fishing and modern slavery risk. This is problematic because robust certification schemes for modern slavery are not yet well developed. Any actions that strengthen the social criteria within certification schemes will support companies in the seafood sector. Likewise, the development of dedicated certifications for modern slavery will help.
- Respondents are engaged in a variety of partnerships that allow them to address the systemic nature of IUU fishing and modern slavery. However, there are partnerships that could make a difference for which there is little uptake, especially in the context of addressing modern slavery. The contribution from the financial sector (insurers, lenders, owners) to SeaBOS objectives is not fully developed. Finally, partnerships that engage more of the supply chain (and specifically beyond tier one) are likely to enhance activities to reduce IUU fishing and eliminate modern slavery for these companies and for the sector as a whole.

Table 9: Partnerships engaged in

IUU fishing	
Certification scheme providers	17
RFMOs	16
Environmental NGOs	13
Fisheries Associations	13
Customers	13
Assurers and/or auditors	11
Labour unions	5
Information providers (eg vessel location data providers)	9
Owners	8
Human rights/anti-slavery NGOs	4
Seafarers welfare support organisations	4
Insurers	4
Banks (as lenders)	3
Modern slavery	
Certification scheme providers	12
RFMOs	11
Customers	11
Environmental NGOs	9
Human rights/anti-slavery NGOs	9
Fisheries Associations	9
Assurers and/or auditors	9
Owners	7
Labour unions	6
Fishers welfare support organisations	4
Information providers (e.g., vessel location data providers)	4
Banks (as lenders)	4
Insurers	3

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