Appendix

<u>Survey of Hong Kong Supermarket Groups Investigating the Mislabelling of</u> Seafood Products

When it comes to seafood product packaging, the provision of correct and detailed information on the label regarding species, country of origin and the production method is critical. If this information is not provided, consumers will find it challenging to determine whether the product is sustainable, and may unknowingly consume threatened species¹. Worse still, the lack of such information or the mislabelling of seafood products can lead consumers to pay a higher price for a wrongly-labelled species of a lower value, or hide harmful practices such as illegal fishing or poorly-regulated aquaculture practices².

Mislabelling seafood can even threaten consumers' health, as in the 2007 case of oil fish being sold as cod which occurred at a major supermarket group in Hong Kong³. In addition, providing appropriate (i.e. sufficient and accurate) information on seafood product packaging can facilitate product verification – something which is essential if a recall of seafood products that are potentially unfit for human consumption proves necessary. The recent case of hairy crab samples taken in Hong Kong and found to contain dioxins and PCBs⁴ illustrates this point.

Also, mislabelling is often illegal. Section 7 of Hong Kong's Trade Descriptions Ordinance, Cap. 362, ("the Ordinance") states that it is an offence for any person, in the course of trade or business, to apply a false trade description to any goods; or supply or offer to supply; or manufacture any goods to which a false trade description is applied. Section 12 of the Ordinance also stipulates that any person who imports any goods to which a false trade description is applied commits an offence. Therefore seafood packaging that mislabels the species or country of origin may violate the Trade Descriptions Ordinance.

Previous WWF studies have revealed that these important pieces of information are often missing across the retail and restaurant industries, however. Two studies released in December 2014 – a consumer survey and the Fish Tank Index study – reported that at least 30 per cent of live seafood sold in restaurants and supermarkets lacked such information, meaning that consumers had no way to identify whether these seafood products were sustainable¹. The consumer survey also found that 90 per cent of the 563 respondents would have been willing to avoid an unsustainable seafood item if they knew its status, while over 60 per cent said that insufficient information on seafood product packaging, including products sold at supermarkets, presented a serious obstacle to the purchase of sustainable seafood¹. These studies concluded that the provision of sufficient and accurate information is crucial for consumers.

¹ http://www.wwf.org.hk/en/?12580/WWF-Reveals-Results-of-Sustainable-Seafood-Studies-Over-90-per-cent-of-respondents-willing-to-avoid-unsustainable-seafood

² http://usa.oceana.org/sites/default/files/global fraud report final low-res.pdf

³ http://www.scmp.com/article/616310/parknshop-admits-selling-oil-fish-cod

⁴ http://www.cfs.gov.hk/english/press/20161103 0670.html

More recent research conducted by WWF-Hong Kong investigated the availability of information regarding the species, country of origin and production method for seafood products in selected major supermarkets chains in Hong Kong. This study also took samples of seafood to highlight the potential problem of inappropriate labelling of seafood in two of the largest major supermarket groups in Hong Kong – Dairy Farm and A.S. Watson.

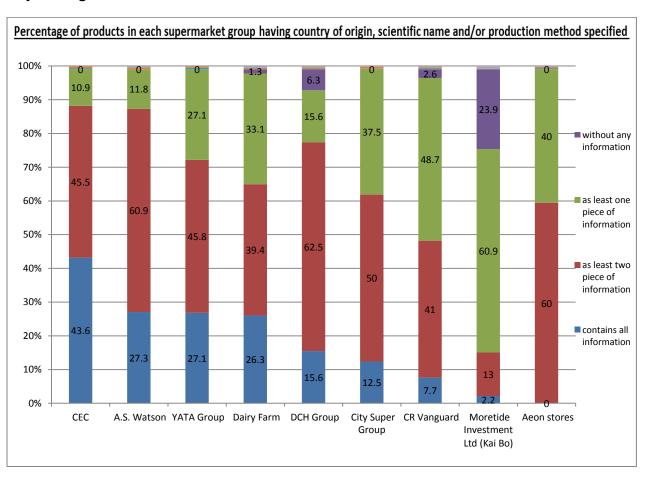
Section E: Availability of seafood information

Methodology

- In the market survey, 96 supermarkets were surveyed, and 657 seafood product records from four target frozen seafood types taken between July and November 2015: shrimp, grouper, basa and sea cucumber.
- For each of these seafood products, the packaging was checked for information regarding the species, the country of origin and production method (identifying at a minimum whether the seafood was farmed or wild caught).

The availability of this information was identified and compared among major supermarket groups in Hong Kong.

Key findings



- All supermarket groups failed to provide all three aspects of seafood information in 82% of the seafood products investigated.
- 43.6% of CEC seafood products disclosed all three aspects of information, which is comparatively better than the other supermarket groups.
- 23.9% of Kai Bo products lacked all three pieces of information.
- For the surveyed seafood products, the country of origin was the most commonly-found piece of information and the production method was the piece of information most lacking.

Section F: Inappropriate labelling of seafood species in supermarkets

Methodology

 Random surveys were conducted for the threatened species survey as reported in "Seafood Supply Chain Risk in Hong Kong Supermarkets", and products suspected of being inappropriately labelled were detected

- Additional visits to these supermarkets under A.S. Watson and Dairy Farm were conducted between June and November 2016
- Seven seafood products were purchased in total and sent to a laboratory at The University of Hong Kong to undergo DNA analysis, as deemed necessary, which would verify the actual species used in the seafood products and allow comparing the findings against what was specified on the product packaging.

⁵ http://awsassets.wwfhk.panda.org/downloads/seafood supply chain risk in hong kong supermarkets 3.pdf

Key findings of the mislabelled seafood product

Stated country of

Sample	Company	Brand	Product type	Stated seafood	Stated species	origins	DNA analysis	Problems/Areas of Concern
1	A.S. Watson	Taste	Frozen fillet	Coral grouper 東星斑	Plectropomus leopardus	The Philippines	Plectropomus areolatus Squaretail coralgrouper 西 星斑	•Mislabelled species (the species was incorrect), the actual species was lower in price and is a globally "Vulnerable" species
2	Dairy Farm	Wellcome Superstore	Dried soup pack	Shark 鯊魚	Not specified	Not specified	Carcharhinus falciformis Silky shark 鐮狀真鯊	No mislabelling issue detected
3	Dairy Farm	Wellcome	Dried soup pack	Whelk 响螺	Not specified	Not specified	Not available (no band, sequencing cancelled; no or too low signals)	No mislabelling issue detected
4	Dairy Farm	Wellcome	Frozen imitation crab meat	Threadfin Bream 金線魚 (only in English)	Not specified	Thailand	Scolopsis taenioptera Lattice monocle bream 條 紋眶棘鱸	No mislabelling issue detected, as Scolopsis taenioptera belongs to a fish family commonly known as Threadfin bream
5	A.S. Watson	Internationa I	Frozen	Stonefish (Sea Cucumber 海參)	Actinopyga lecanora	Nigeria	Not available (no band, sequencing cancelled; no or too low signals)	•Mislabelled as the species is recorded to only naturally occur in East Africa, the Indian Ocean and the Pacific Ocean; not in Nigeria or in the Atlantic Ocean, either the species or the country of origin was incorrect
6	Dairy Farm	Wellcome Superstore	Chilled whole fish	東星斑(方便包) (only in Chinese)	Plectropomus leopardus	Not specified	Not necessary: species identity was confirmed by expert at The University of Hong Kong, as expert could readily differentiate the leopard coral trout and spotted coralgrouper based on the fish body pattern. The actual species being Plectropomus maculatus Spotted coralgrouper 泰星	Mislabelled species, the species is Plectropomus maculatus
7	A.S. Watson	Taste	Chilled Sashimi	Yellowback Seabream 波魟	Dentex species	Japan	Pagrus major Red sea bream 紅魰	 Mislabelled species, Red sea bream was labelled as Yellowback seabream

□ Case possibly violates the Trade Descriptions Ordinance⁶ (TDO)

 $^{^6\,}http://www.customs.gov.hk/filemanager/common/pdf/TDO_Case_Booklet_en.pdf$

A.S. Watson:

- In sample 1, the species was wrongly labelled, with the actual species being a globally Vulnerable species⁷. In addition, the price of Coral grouper (Leopard coral trout) is almost twice the price of Squaretail coralgrouper⁸.
- In sample 5, the species listed on the seafood pack does not naturally exist in West Africa⁹. Either the species or the country of origin was wrongly labelled.
- In sample 7, the species was labelled as Yellowback seabream (*Dentex* species), but the species was actually Red sea bream (*Pagrus major*), meaning the chilled sashimi product was wrongly labelled.

• Dairy Farm:

- In sample 6, the fish species was wrongly labelled as Leopard coral trout (*Plectropomus leopardus*), in fact it is Spotted coralgrouper (*Plectropomus maculatus*). No price information could be found for *Plectropomus maculatus* from publicly accessible platform, so it could not be definitely identified as a case of "overcharging".
- The DNA analysis revealed that both A.S. Watson and Dairy Farm supermarket groups could well be in contravention of the Trade Descriptions Ordinance when samples 1, 5, 6 and 7 are considered. Further follow up by the government's e Customs and Excise department is necessary.

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⁷ http://www.iucnredlist.org/details/64411/0

⁸ http://www.hk-fish.net/chi/market_price/common_c_2016_jan.htm

⁹ http://www.iucnredlist.org/details/180266/0