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4. Task Force II

Assessing the transparency of sustainability reporting published by SeaBOS members

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This document presents a few selected standards for corporate transparency (section 1) and takes stock of the current state of sustainability reporting among the various SeaBOS members (sections 2 and 3). It is to be presented and discussed at the meeting.

Introduction

Reporting is not only a tool for communicating to stakeholders, but also a powerful management tool that helps to inform decision-making within a company. Obviously, we observe different levels of maturity in the way members deal with transparency and reporting. This relates to different corporate cultures and different interpretations of similar concepts. The report endeavours to provide a broad overview of what companies are reporting publicly in the latest available year. Our aim is not to overlook the diversity of solutions for transparency or to point fingers at specific companies or reporting practices. Our aim is to take stock of what is already being done, and to provide a first look at possibilities for advancing and ultimately aligning transparency among SeaBOS members. In addition, we have restrained our focus to publicly available material, thereby missing ongoing efforts towards collecting and reporting data internally within member companies. It is also possible that we failed to find and include some publicly available material: if we missed some disclosures from your company, please contact us so that we can correct the assessment.

1. Global standards for transparency

Many frameworks for reporting exist, and this section introduces only a few of them which are deemed most useful and relevant for the SeaBOS members. In this section we highlight two frameworks which are the most well-known, well-regarded and widely-used reporting standards: GRI and SASB (see below for more details). Of course, as a first step towards increased transparency, members may choose to not immediately go public, but to start by disclosing some information only to other SeaBOS members, or to a selection of relevant stakeholders. Frameworks for sustainability reporting offer useful guidance on how to take these first steps towards public disclosure.

Global Reporting Initiative

<https://www.globalreporting.org/>

'GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. [...]

The practice of disclosing sustainability information inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities.'



A globally recognized framework, the 'Sustainability Reporting Standards', is put forth by the Global Reporting Initiative (GRI). Task force II and its industry representatives agree that this is the highest and most widely adopted standard for transparency. We suggest that the GRI should represent our common starting point. It is already used by several of the SeaBOS members. The GRI reporting is tailored to the material issues identified by each company and thus serves to prioritise issues, and also as a management tool. Adopting the GRI standard also allows companies to share the risk of reporting, and knowledge, with other industry members following the same standard. The GRI is currently developing 'Ocean standards' which may be relevant for SeaBOS.

While the GRI Standards deal with reporting to a wide array of stakeholders, including buyers, local communities, consumers, and civil society, other frameworks are targeted toward certain types of stakeholders. Among those, we choose to highlight the standards set by the Sustainability Accounting Standards Board (SASB) framework, which are aimed specifically towards investors.

Sustainability Accounting Standards Board

<https://www.sasb.org/>

'[The SASB] is an independent, private-sector standards setting organization based in San Francisco, California dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. The SASB develops and maintains sustainability accounting standards—for 79 industries in 11 sectors—that help public corporations disclose financially material information to investors in a cost-effective and decision-useful format.'



Another ongoing effort worth mentioning is the **Seafood Stewardship Index**, elaborated by the Index Initiative (<https://www.indexinitiative.org/seafood-stewardship-index/>). The index will not lead to the creation of another standard for reporting, but will assess the transparency, commitment and performance of the largest seafood companies (including many SeaBOS members) on a biannual basis, based on existing and widely accepted scientific evidence, normative standards, and initiatives in the seafood realm. The SeaBOS

interim secretariat (Taskforces II and IV) is in close contact with the Index Initiative regarding this project to explore synergies and alignment with SeaBOS efforts, as well as the creation of long-term ‘Ocean Stewardship’ principles.

2. Current status of transparency and sustainability reporting

We analysed the latest publicly available report dealing with sustainability issues from each SeaBOS member’s website. This could be a sustainability report, an environmental report, a CSR report, an integrated report, website sustainability sections, etc. Where applicable, we checked other relevant data on the companies’ website to complement information from the report. Reports published up to February 2018 were included. Recent reports published in the last few weeks will most likely not be included. If the report was not available in English, we used automatic translation to English (which may not be entirely accurate). We purposefully looked only at published material, to assess transparency towards the general public; but we acknowledge that there are a lot of ongoing internal efforts, which may not be publicised yet, for example towards implementing new reporting standards.

We read through the relevant sections of each report and performed keyword searches to evaluate a set of indicators listed in Table 1. The indicators were selected to give an overview of the type and format of reporting, the reference to certain standards or principles, and to assess the varied levels of advancement of the members with regards to transparency in general. Table 1 lists indicator, and the colour-coded legend used to reflect the status of each company.

Table 1. List of indicators for assessing transparency in public reporting across SeaBOS members. The three columns under ‘Legend’ describe how the status of each indicator was assessed.

Indicator	Description	Legend		
<i>Type of report</i>	S: Sustainability report, C: CSR report, I: Integrated report, E: Social and environmental report	-	-	-
<i>Language of report</i>	What are the languages available? (EN: English, JP: Japanese, KO: Korean, NO: Norwegian, TH: Thai)	-	-	-
<i>Publication year</i>	Year of publication of the latest publicly available report.	2016 or 2017	Up to 2017, depending on sections	Earlier or unknown
<i>Frequency of reporting</i>	How often is sustainability-related information published?	Annual publication + some quarterly or more frequent	Annual publication	No recurrence or unknown
<i>External</i>	Was the data published in the	Yes	No, but third party	No

Indicator	Description	Legend		
<i>assurance of reported data</i>	sustainability report audited and assured by a third party?		opinion was solicited	
<i>Measurable, time-bound targets</i>	Does the report contain some measurable and time-bound sustainability targets?	Yes, both measurable and time-bound	Some measurable or time-bound targets	No targets
<i>Materiality assessment</i>	Does the company have a materiality assessment, i.e. a definition of the important issues and challenges for the firm and for its stakeholders?	Yes, public	Yes, but not public	No
<i>Follows GRI standards</i>	Does the report follow GRI standards?	Yes	-	No
<i>Contribution to SDGs</i>	Does the company describe how its operations contribute to or interact with the Sustainable Development Goals?	Yes	-	No
<i>Firm participates in Global Compact</i>	Does the company participate in the UN Global Compact?	Yes	Parent company does	No
<i>Firm discloses to CDP</i>	Does the company report to CDP (Carbon Disclosure Project)?	Yes (Climate, Water and/or Forests)	Parent company does	No

Table 2 shows a comparison of all SeaBOS members based on the indicators listed above. Broad patterns of comparison are summarized below.

Positive highlights

- Most SeaBOS members publish a report about their corporate sustainability or responsibility at least annually, in the form of a standalone document or on their website.
- Reporting is always available in languages relevant to the companies' operations, and for the majority of members, in English as well.
- The GRI standards are already adopted by six SeaBOS members.
- More and more companies and organisations, including six SeaBOS members, are using the Sustainable Development Goals to frame and analyse the impacts of their operations.

Table 2. Assessment results of transparency in public reporting among SeaBOS members (see the description of indicators in Table 1).

	Cargill Aqua Nutrition	Cermaq	Charoen Pokphand	Dongwon	Kyokuyo	Marine Harvest	Maruha Nichiro	Nissui	Nutreco / Skretting	Thai Union
<i>Type of report</i>	S	S+W	S	W	C	I	C+W	E	S	S
<i>Language of report</i>	EN	EN	TH, EN	KO, EN	JP	EN	JP	JP, EN	EN, NO	TH, EN
<i>Publication year</i>										
<i>Frequency of reporting</i>										
<i>External assurance of reported data</i>										
<i>Measurable, time-bound targets</i>										
<i>Materiality assessment</i>										
<i>Follows GRI standards</i>										
<i>Contribution to SDGs</i>										
<i>Firm participates in Global Compact</i>										
<i>Firm discloses to CDP</i>										

Areas where improvement is possible

- A few companies publish in only one language. The translation of sustainability reports at least to English would greatly facilitate knowledge exchange within and outside SeaBOS and enhance transparency towards global stakeholders.
- Companies could report different information at different frequencies, depending on the urgency of the issue. Quarterly publication of a limited set of data may complement a more comprehensive annual report. For example, the ASC standard requires some information to be published weekly. E.g. one SeaBOS member publishes data continuously on sea lice.
- Quantitative, time-bound targets are still rare. Companies who are at a more mature stage of their sustainability reporting are highly encouraged to direct their efforts towards establishing, reporting and meeting targets. Upcoming discussions within SeaBOS will include the development of a few specific long-term targets for SeaBOS members, in accordance with SeaBOS commitments.

Materiality assessments and GRI reporting among SeaBOS members

A detailed analysis of SeaBOS members' materiality assessments is under way, to consider possible alignments among companies in the capture fisheries sector on the one hand, and among companies in the aquaculture sector and fish feed sector on the other hand. A process has been initiated to support members who have not yet completed their own materiality analysis. SeaBOS members were contacted individually by the interim secretariat to contribute to this exercise. For more details, please refer to the internal report describing the long-term vision for the work of task force II on transparency.

3. Disclosure of specific topics

Using the reports and websites identified in the previous section, we analysed disclosures that were made about a selection of specific topics. Because of the short timeframe of this exercise, it is possible that we have not reviewed the entire extent of the material published online by SeaBOS members, and we welcome corrections.

Our method is based on the one developed by seafood transparency expert Bertrand Charron from [Seafood Intelligence](#), who analysed the proactive disclosures of the top seafood companies in the world¹. His full analysis covers more than 130 indicators, of which we selected 18 which are representative of a variety of topics relevant to the seafood industry (for wild capture, aquaculture as well as fish feed companies), and which are of particular relevance to SeaBOS commitments, especially those related to IUU fishing, modern slavery, traceability, transparency, environmental sustainability and ocean stewardship. Of course, many topics not included in this list are also very important, and SeaBOS members may be reporting on them as well.

We do **not** mean to present an exhaustive list of indicators, nor a template for reporting. SeaBOS members are **not** expected to report on the topics mentioned below. They were only selected to provide a first, rough picture of what is being disclosed by members, and take stock of the existing alignments or differences within SeaBOS.

Table 3 lists and describes the selected indicators.

Table 3. Set of indicators used to assess proactive disclosures (adapted from Seafood Intelligence).

Indicator	Description
<i>Production volumes</i>	Total tonnage (per annum) of fish harvested, produced/processed per species and by breed type; tonnage of feed produced
<i>Geographical origin of species</i>	Location or geographical origin (FAO zone, country/ocean) of species produced / caught / harvested / sourced
<i>Addressing issues raised by stakeholders</i>	Referring to issues highlighted by other stakeholders, critics, environmental NGOs, etc., and solutions to address them
<i>Policy to ensure compliance of suppliers</i>	Evidence of a policy to ensure regulatory compliance of suppliers and contractors (including social/human rights compliance) – including, notably, third party auditing. Screening of suppliers based on ethical principles or sustainability principles
<i>Traceability system</i>	Evidence of a traceability system demonstrated by the harvester/producer, including traceability of feed (or fish meal/oil) ingredients that make up more than 1% volume of products
<i>Third party certification(s)</i>	Third party certification / ecolabels: Commitments given towards (present or future) 100% sourcing/production of ‘sustainable’ / ‘responsible’ fish as per third party eco-certification standard(s) (e.g. ASC, MSC, BAP) and achievement: what percentage of the fisheries/fish exploited/used in fish feed is certified as ‘sustainable’ by third party eco-certification standard(s)? (And which standards?)

¹Charron, B. (ed.) 2017. ‘Of Seafood & Sustainability Reporting’: Benchmarking Report of the World’s Top 100 Seafood Firms’ Sustainability Reporting & Transparency, 2016 (second) Edition, Volume 1. A report by SeafoodIntelligence.com.

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Indicator	Description
<i>Fish by-catch</i>	Disclosures regarding fish by-catch volumes / data (tonnage) in fisheries used for fishmeal/fish feed manufacture and in wild-catch fisheries
<i>Non-fish by-catch</i>	Wildlife interactions: non-fish (birds, sea turtles, marine mammals such as seals, dolphins, whales) by-catch. Number of non-lethal accidents and mortalities in fisheries used for feed / fish meal / oil production
<i>Energy use</i>	Energy: firm's total annual use (in GJ or KJ); detailed energy use per type of energy
<i>GHG emissions</i>	Greenhouse gas emissions: Total GHG emissions per annum in tonnes of CO ₂ equivalent; detailing GHG emissions per energy source/type
<i>Water use</i>	Firm's total water usage per annum (cubic meters) and source/nature (e.g. municipal supplies, groundwater, seawater)
<i>Footprint of transport</i>	Comments regarding global environmental footprint of transport to main markets (e.g. GHG emissions, energy, biodiversity)
<i>Child labour policy</i>	'Child labour' policy and definition; and/or citing minimum age for workers. Number of incidences of child labour, or non-protection of young workers
<i>Human rights policy</i>	Mention of human rights in seafood chain being an issue; Workers' rights to keep identity documents/work permits; freedom of movement outside working hours, etc.
<i>Fatalities</i>	Number of fatalities in past fiscal year
<i>Women's rights policy</i>	Highlighting/monitoring progress and goals regarding the role and participation of women. Discussing women's labour rights explicitly; details of policy
<i>Impacts on local community</i>	Evidence of assessments of company's impact(s) on local community and/or impact(s) on access to resources shared with local community
<i>Key financial data</i>	Key financials (minimum of 5 indicators) for latest fiscal year. E.g. turnover, EBIT/EBITDA, profit margins, NIBD, level of R&D investment.

The comparative assessment of proactive disclosure among SeaBOS members is presented in Table 4. The assessment follows a three-colour scale. Broad patterns of comparison are summarized below.

	Detailed disclosure: discussing the issue, providing figures, and/or providing a summary of activities
	Partial disclosure: mentioning the issue, giving examples, and/or providing detailed figures about part of the issue
	No disclosure: no mention of the issue could be found in the report or on the website

Table 4. Assessment of the most recent proactive disclosures made online on selected topics (see the description of indicators in Table 3).

	Cargill Aqua Nutrition	Cermaq	Charoen Pokphand	Dongwon	Kyokuyo	Marine Harvest	Maruha Nichiro	Nissui	Nutreco / Skretting	Thai Union
<i>Production volumes</i>										
<i>Geographical origin of species</i>										
<i>Addressing issues raised by stakeholders</i>										
<i>Policy to ensure compliance of suppliers</i>										
<i>Traceability system</i>										
<i>Third party certification(s)</i>										
<i>Fish by-catch</i>										
<i>Non-fish by-catch</i>										
<i>Energy use</i>										
<i>GHG emissions</i>										
<i>Water use</i>										
<i>Footprint of transport</i>										
<i>Child labour policy</i>										
<i>Human rights policy</i>										
<i>Fatalities</i>										
<i>Women's rights policy</i>										
<i>Impacts on local community</i>										
<i>Key financial data</i>										

Positive highlights

- All SeaBOS members report their key financial data.
- Topics related to energy use, water use and greenhouse gas emissions are reported in great detail by most members.
- A majority of SeaBOS members report that they have policies in place to ensure compliance from their suppliers (including using codes of conduct) to avoid illegal, unreported and unregulated fishing, but also policies to secure labour rights, often with a particular mention to human rights and the prohibition of child labour.
- A majority of members also report about third party certifications, mentioning labels that they obtained or plan to obtain.

Areas where improvement is possible

- We observe quite varied levels of transparency, but every member has got strengths as well as areas where they can improve.
- Many members disclose relatively little information on production volumes and geographical origin of species produced. Publishing these metrics may be sensitive.

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- Only a few members mention by-catch (for capture fisheries and fish feed) and wildlife interactions (for aquaculture), and none reports about it in detail.
- Traceability is a central issue in the SeaBOS declaration and we expect more members to increase their reporting on this topic in the future.
- The goal of transparency is not to report on every topic, but to identify priority topics, based on scientific evidence and in collaboration with stakeholders. Topics should be included in the reporting if they are defined as material to the company's operations. In particular, we propose that disclosures on SeaBOS commitments be included as priority, since they have been identified as material topics for all SeaBOS companies.
- Members could choose to focus their reporting efforts on topics where they are making tangible progress towards some target. This is to ensure that companies work to make actual progress towards sustainability and ocean stewardship, in addition to being transparent about their activities.