

EXECUTIVE SUMMARY

Executive Summary: The State of the Global Ocean and Production

Global marine capture landings remain relatively stable, according to FAO landings data, with the number of underfished stocks steadily decreasing since the mid-1970s. An estimated 65% of stocks are within biologically sustainable levels, although it is difficult to accurately account for IUU catch. IUU catch reconstructions suggest that global landings are in fact 25% higher than levels reported by FAO, contributing to economic losses as high as \$50 billion. An estimated 20% to 40% of stocks are now overexploited or collapsed.

Stock assessment data is available for only half of global marine fish catch, and almost 50% of stocks remain below biomass targets. Stock biomass tends to be greater and fishing pressure tends to be lower for stocks that are assessed and for stocks located in higher-income countries with stronger capacity for effective fisheries management (e.g., evidence-based fisheries management, enforcement).

Climate change will contribute to the shifting of 45% of stocks globally by 2100. Adaptive fisheries management is needed to offset the negative effects of climate change, which include decreased fisheries yields and profitability, and which jeopardize food security and fisheries-related employment.

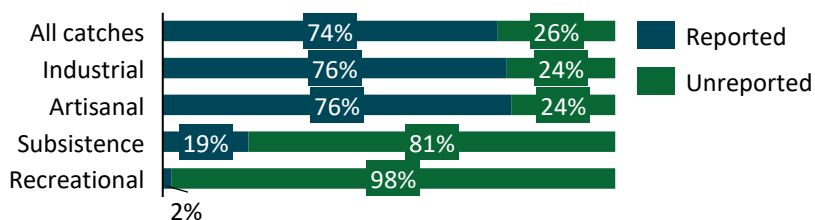
Recently, the US and EU have lagged in making improvements to federally managed fisheries. In the US, 20% of stocks are considered overfished, down from 28% in 2006 but up from a low of 15% in 2017. Yet just 8% of stocks designated as federally important are subject to overfishing, down from 26% in 2006, when the Magnuson-Stevens Act was reauthorized. In the EU, close to 40% of stocks remain overfished, although this has decreased from around 75% a decade ago. The Mediterranean and Black seas remain poorly assessed and overfished.

Asia, led by China, leads in wild-capture and aquaculture production. Asia accounts for 51% of global wild-caught production, with China accounting for 15%, nearly identical to 2017. Total aquaculture production continues to surpass total wild-capture production, with China as the leading aquaculture producer globally—producing 58% of the world’s aquaculture—and the rest of Asia making up most of the remainder.

Distant water fishing (DWF) continues to trend upward, with China, Taiwan, Japan, South Korea, and Spain representing 90% of DWF operations and spending billions in subsidies. Most harmful fishing subsidies are aimed at enhancing the fishing capacity of a vessel, which makes long-distance fishing economically viable and can contribute to overcapacity and overfishing. The World Trade Organization Agreement on Fisheries Subsidies was adopted in 2022 and could mark a major step forward by prohibiting harmful fisheries subsidies.

It has been difficult for markets-based initiatives to improve the sustainability of small-scale fisheries. These fisheries contribute to 40% of total global fisheries catch and engage 60 million people in part- or full-time employment and another 53 million in subsistence fishing.

Unreported catches as a percentage of all catches¹

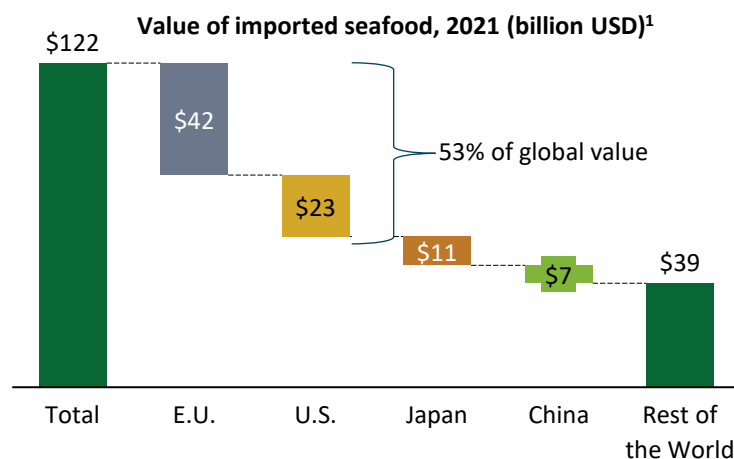


Source: Planet Tracker, “Do You IUU? An Actionable Toolkit to Assess the Risk of Illegal, Unreported, Unregulated (IUU) Fishing in Investors’ Portfolios,” 2021.

Executive Summary: Consumption, Trade, and Initiatives to Combat Illegal, Unreported, and Unregulated (IUU) Fishing

The COVID-19 pandemic caused significant disruption to the global seafood market and spurred adaptations in business strategy and practices across the seafood industry. Seafood consumption patterns also changed; in the US, per capita seafood consumption fell slightly from 2019 to 2020, but shrimp and canned tuna consumption increased. China remains the top seafood consumer globally in terms of absolute volume, with five times higher total seafood consumption than the next largest consumers, India and Indonesia.

The quantity of globally traded seafood continues to grow. Asian seafood exports to North America remain the largest flow of seafood traded globally. The US and EU—markets with a strong demand for sustainable seafood—remain the highest-value importers of seafood, accounting for over half of the global imported value. China’s imports represent only 5.5% of global import value.



Source: Trademap.org. 2. As of end of 2021. EU IUU Fishing Coalition, “Map of EU Carding Decisions,” 2022.

Globally, 71 countries have committed to the Port State Measures Agreement to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, up from 66 countries in 2020. This is the first legally binding international agreement targeting IUU fishing. It was adopted in 2009 and entered into force in 2016. Yet global alignment on national import control schemes still requires strengthening to effectively deter IUU fishing.

Leading regional and national import control schemes to combat IUU include the EU Anti-IUU Regulation and the US Seafood Import Monitoring Program. In 2020, Japan passed the Improvement of Domestic Trade of Specific Marine Animals and Plants Act to prevent IUU-sourced seafood from entering the Japanese market.

Active EU Red and Yellow Cards²

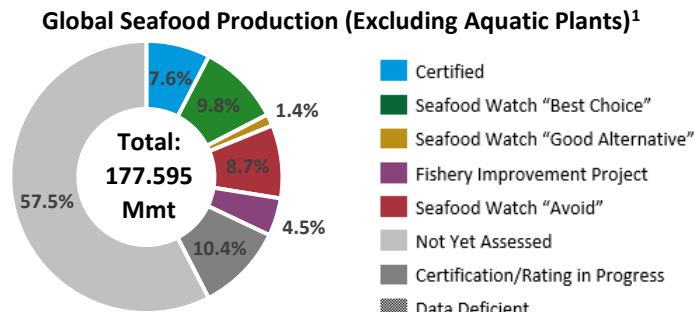
Country	Card
Cambodia	Red
Comoros	Red
St. Vincent and Grenadines	Red
Ecuador	Yellow
Sierra Leone	Yellow
St. Kitts and Nevis	Yellow
Trinidad and Tobago	Yellow
Vietnam	Yellow

NGO and for-profit traceability and transparency initiatives aim to combat IUU fishing and bring accountability to global seafood supply chains. More than 36% of seafood globally is mislabeled, which is a health, economic, and conservation problem. The Ocean Disclosure Project, an online reporting platform where companies disclose their seafood sourcing and report on other sustainability metrics, grew from 27 industry participants in seven countries in 2020 to 45 industry participants in 10 countries in 2022. GFW’s public map tracks the world’s largest fishing vessels, with 10 countries committed to publicly sharing their vessel tracking data. Other platforms exist to track seafood sourcing and vessel activity to help combat IUU fishing.

Executive Summary: Certifications, Ratings & Improvement Efforts, Industry Leadership, and Social Responsibility

About 17% of global production, excluding aquatic plants, is certified (MSC, ASC, or BAP) or rated Monterey Bay Aquarium Seafood Watch “Best Choice,” according to the Certification and Ratings Collaboration. In addition, 6% is in a FIP or Seafood Watch “Good Alternative”; 66% is Seafood Watch “Avoid,” unassessed, or in assessment; and the remaining 11% is data deficient, which currently precludes assigning a certification or rating to this production. Of wild-caught production, almost 21% is certified, Seafood Watch “Best Choice” or “Good Alternative,” or in a FIP.

The US and Peru, followed by Russia, report the highest engagement in FIPs and MSC by volume, largely through whitefish, salmon, and anchoveta fisheries. Suspended fisheries, such as small pelagics, are causing new decreases in MSC’s certified volume. Eleven FIPs completed their objectives or moved into MSC full assessment since 2019 and, as of the end of 2021, there were 153 active FIPs. According to new research, crab and lobster FIPs report the highest amount of policy outcomes, and shrimp results in higher practice outputs. BAP and ASC continue to grow their certifications, which represent almost 5% of global farmed seafood production, excluding aquatic plants, up from almost 3% in 2020.



Source: Certification and Ratings Sustainable Seafood Data Tool, 2021.

The sustainable seafood commitment landscape in North America and Europe looks roughly the same as five years ago, with most top retailers partnered with Conservation Alliance for Seafood Solutions NGOs. Major contract catering companies have made new commitments to sourcing sustainable seafood since 2020. However, there were no new commitments among the top North American and European retailers, fast food chains, major casual dining restaurants, distributors, hospitality companies, or pet food companies. The World Benchmarking Alliance’s 2021 Seafood Stewardship Index found that most of the 30 largest seafood companies are making progress on sustainability commitments, but overall performance remains low, especially as it relates to protecting human rights in supply chains.

Almost 400 companies—primarily retailers, suppliers, and producers—engage in 16 sustainable seafood precompetitive collaborations, up from 250 companies in 12 platforms in 2018. Among member companies, 76% are in North America and Europe, and most platforms are funded by both philanthropic and industry financial support. It is difficult for the seafood community to assess the quality of these collaborative engagements and to understand what progress they are making, due to differences in commitments covered and public reporting, for example.

Drivers and initiatives to address social responsibility in the seafood sector vary significantly. Key international instruments like the UN Guiding Principles on Business and Human Rights outline expectations for businesses. A broad range of actors are engaging in this space, including human and labor rights NGOs, precompetitive collaborations, FIP implementers, funders, and eNGOs. Currently, 30 FIPs are Early Adopters of the new FisheryProgress Human Rights and Social Responsibility Policy, which was launched in 2021. A variety of frameworks, tools, certifications, and voluntary labor standards help to guide the space.